

Innovative Marketing Practices For Evolving Consumers

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INTRODUCTION

Every decade since Indian independence has been marked by substantial shifts in the business environment of the nation. These transitions are very well visible in the marketing industry of that period too. The era from fifties to late sixties was marked by a shift from agricultural economy to industrial economy. Early seventies to late eighties heralded the age of growing professionalism and birth of many iconic Indian brands into the marketplace (Prasad, 2008). The post liberalization phase in India has gone through plenty of changes in the market place. This phase has not only spotted the massive inflow of brands coming from various countries all around the globe, but has also observed the changing consumers and evolving trends in the consumer behaviour. These transitions necessitated the shift from 'Production Oriented Marketing' in early fifties to the 'Holistic Marketing' in the contemporary times. Further, the technological advancements, media revolution, quality orientation, service work culture and unbeaten fierce competition have educated the customers like never before (Akula, 2008). This time period has seen lot many transitions in the market from the days of Nirma to Maruti Suzuki to Dabur, ITC, and many more to Sunil Gangof girls.com (Agarwal, 2008). Present day customers have matured from those seeking satisfaction to those who want to be delighted by their marketers. The products needed, the brands desired, the way of approaching and consuming them have transformed radically. The latest socio-cultural trends of society, proliferating brands, and growing economy has created both opportunities and challenges for the marketers. Now marketers constantly have to think of innovative ways to reach the mind of customers (Jayswal & Salvi, 2007). As the marketing guru, Philip Kotler quoted, "Companies should think about the millennium as a golden opportunity to gain mind share and heart share". There is no rule of thumb to gain the heart and mind share; the marketers need to think out of the box for developing innovative products, discovering new channels for distributing them and exploring the complete 360 degrees of communication routes. The future of marketing is about 'mesmerization' of customers; colours that hypnotize, fragrances that seduce, lights/sounds that ignite passion, create emotional attachments (Shukla, 2007). The modern day customers can be captivated by designing innovative products and implementing innovative marketing practices like ambient and digital media, creative product placements, permission marketing and e-stores to name a few.

EVOLVING CONSUMERS- KEY SOCIO-CULTURAL TRENDS

The Indian society has marched a long way from being a conservative and underprivileged population to a confident and revolutionized one. The women of today's time are not confined to the home and kids alone; the youth are the torch bearers of novel ideas, men today not just relate to the macho look- they have emerged as the metro sexual male; and with shrinking globes, the families have also reduced from large joint families to small nuclear families. Hence, it is imperative for the marketers to understand these trends of the customers while designing their marketing strategies.

SOME OF THE TRENDS IDENTIFIED FOR THE RESEARCH PURPOSE ARE

✿**Growth In Women Workforce:** Today's woman has risen out of the image of a dutiful daughter-in law, homemaker, and a devoted wife. She is the professional and a working person with her own identity (Rajkumari, 2006). According to the Registrar General of India, the proportion of women in the workforce in 1981 was 19.7 percent and it rose to 22.7 percent in 1991, further rising to 25.7 percent in 2001. Currently, in the Indian IT industry, women account for close to 30 percent of the total workforce and this is expected to increase to 45 percent by 2010 (Narayana NR Murthy, 2007). There are plenty of products like the readymade pastes and kitchen accessories that are a result of this revolution. With these kinds of products produced, the focus on the women as active decision makers is very clear in the present day marketing strategies.

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✿**Increasing Pester Power Of Kids:** The kids at present have more self-sufficiency and influencing power in the family purchase decisions than they had in the earlier times. The ability of the kids to nag their parents and make them purchase, which they might not do otherwise, is known as “pester power” (Sashidhar & Adivi, 2006). The research report by Media.org, United States revealed that children's spending has doubled every 10 years for the past three decades and they influenced \$188 bn of their parents' purchases. Another amazing survey by Hallis Interactive proves that kids aged seven are the most vulnerable to all forms of marketing ranging from products like candies to cars. The need to focus on this segment because of their significant demographics and purchasing power is obvious for the marketers. The growth of several kids' channels, kids' brands and marketing communication of a product like car and other consumer durables targeting at kids is the result of this evident shift in the decision making.

✿**Nuclear Families And Individual Households:** The times have gone when the granddaughter used to watch a movie on DD National with her siblings, cousins, parents and grandparents on a Sunday evening. The size of the family started shrinking with growing industrialization, it reduced from the size of 8 to 4; 4 to 2; and eventually to 1. The smaller families have different needs than the larger ones. The marketers need to work upon the size and the capacity of their products to cater to this segment. The emergence of 1BHK Flats is a consequence of this particular trend.

✿**Emergence Of The Teenage Workforce:** The LPG revolution since 1991 has opened the doors of various job opportunities for the 10+2 students. The influx of BPOs, restaurants, deregulation of the aviation sector and many others has created many jobs for the teens. The salaries they draw after working part-time at this tender age is an important factor which entices them to the products which were out of their reach earlier. This segment of customers casts a new opportunity for the marketers. The new product categories like deodorants and fancy low priced imitation jewellery is an outcome of this trend.

✿**Rise Of The Rebellious Youth:** Rebellion has always been the buzzword that has captured the imagination of the youth across the world. Youths have a strong urge to be non-conformist and this tendency is quite evident in their purchase decisions too (Chamoli & Bhattacharjee, 2006). The availability of higher disposable income today allows the rebellious youth to exercise their choice and look for brands that add glitter to their image. The new urban youth finds it rather difficult to enter a Bata store, one of the most trusted brands in India because they relate it with a trusted choice for their elders. The leading wrist watch brand Titan also faced the same situation and eventually, it was creative product designs and marketing strategies which helped the company in winning the youth market from the inexpensive international watches. The recent 'makeover' of the 'Titan logo' with the punch line *Be More* also targets the youth.

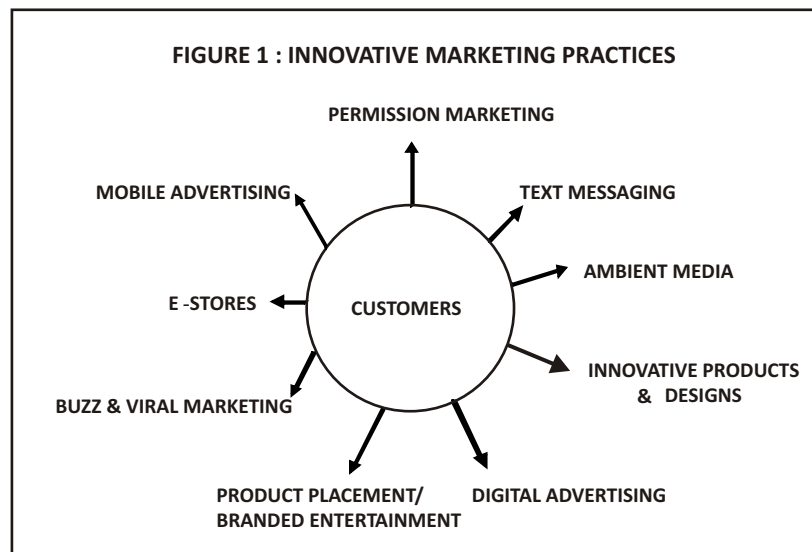
✿**Mobile Communities:** One of the major shifts in the socio-cultural environment of the customers is that the present day customer is highly mobile. In the past decades, the movement was from the rural to the urban belts, while today, it's among the cities, states and even across the borders. Moreover, the extent of motion is so high that people have their breakfast in one city while dinner in another. This fast and continuous movement has led to the emergence of a new segment of customers -who not only being Cosmopolitan in their taste, also always look for convenient products and packaging to meet their requirements while they are on a move. The marketers are continuously evolving with the new products and communications to captivate this segment.

INNOVATIVE MARKETING PRACTICES

“Consumers & Technology are changing Branding Paradigms.”- Kevin Keller, Professor, Tuck School of Business at Dartmouth College.

The shift in the socio-cultural environment resulting in the emergence of various new segments of customers have made it a must for the companies to shift their resources from traditional products, distribution and communication channels. At present, the companies are continuously engaged in their brand makeovers, and in making use of sprouting technology. They need to realize the fact that the key to sustain themselves in this fierce competition is to bring innovations in their product designs, distribution channels and the marketing communication tools used by them. The world has become digital with Internet Revolution and has made it necessary for the marketers to discover

innovative ways of reaching and presenting their products to consumers. The communication landscape has completely changed from the days of promoting the brand through loud speakers and wall paintings to print ads to TV advertising to digital advertising and finally interacting with consumers directly through blogs. Figure 1 gives a view of the innovative marketing practices used by the marketers today.



1) INNOVATIONS IN PRODUCTS AND PRODUCT DESIGNS

The various product categories and brands which existed in the market for decades are innovating themselves to meet the requirements of the present day customers. Whether we talk about 'Titan', which has changed the meaning of a watch from a time keeping instrument to a 'Fashion Accessory' or the evolution of 'iPod's from the walkman; one can easily understand that the success of innovation is unparalleled. The latest refrigerator design by 'Haier Electronics' with a deep freezer at the lower end speaks with a confidence that 'We don't bow down to anything'. The company can easily get connected with the customers with rebellious thoughts and looking for a change. Likewise, the age old brand 'Parachute Coconut oil' innovated the bottle design to sustain its customers. The brand like Pears has come up with a Pears for the kids to take leverage of the pester power. The emergence of the products like Microwave ovens, ready made pastes, ready to eat meals and utensil washers in Indian kitchens exemplifies the growth of the women workforce and nuclear families.

2) INTERNET AS A PROMOTION TOOL

Over the period of years, the internet has emerged as a potent tool for reaching out to customers. Though the internet usage is low due to initial roadblocks like low PC and broadband penetration, but still, the medium has gained popularity for networking, communication and search purposes. Surfing, gaming and chatting on Internet has become a favourite pastime of young India. With enabling technology, growing telecom sector and crashing PC prices, the use of the net is gaining momentum. The need of the hour is to catch your customers by every possible means and to retain them. The companies are thus making their presence felt online along with offline presence. Some of the approaches to make online presence felt are:

✿**Viral & Buzz Marketing:** It is natural for human beings to share their experiences and interesting information about the brands used by them with their friends, family and colleagues. Presently, marketers and advertising agencies are using this aspect of human behaviour in propagation of information online through email forwards, which is known as viral marketing. The concept of viral marketing is almost two-decade old, which was first conceived by the co-founders of Hotmail and which resulted in the user base of 8.7 million in a period of 18 months. Apart from mails, the agencies are creating online advertisements which spread like virus from one mail to another through forwards. One such example is the funny videos of Airtel and Happydent, which are widely circulated through forward mails and

video sharing sites like google video, youtube.com, etc. These viral advertisements include part of softwares called 'Sprites', which help in measuring their effectiveness by tracking the number of times it has been clicked. Buzz marketing is another viral marketing technique that attempts to make each encounter with a consumer appear to be a unique, spontaneous personal exchange of information instead of a calculated marketing pitch choreographed by a professional advertiser (searchcrm.com). Putting it in simple words, it means creating word of mouth for the marketers' brands. With growing importance of social networking sites like Twitter, Orkut, Facebook, classmate.com, hi5 etc; it is easy for the marketers to create buzz for their brands since the people freely exchange their opinion about the brands with their friends and colleagues on these sites. These days, buzz campaigns are created by the marketing representatives of the companies in the chat rooms. The marketing representatives assume the identity compatible to their target market and pitch about their products through informal chats. With growing technological support, the delivery of electronic buzz, viral messages and software applications make message deliveries easier to quantify. Advertising experts have contradicting views regarding the future of Viral and Buzz marketing, some of them predict that it will become a standard component in all cross-media advertising campaigns. Others warn that abuse of this potentially powerful electronic marketing technique will be its downfall.

✿ **Digital Advertising:** Advertising is communicating to the potential customers about the products, their use and how to obtain them. The message can be communicated through a variety of media including: television, radio, newspaper, magazines, hoardings, movies and recently, it is the Internet. The term digital advertising and online advertising are often used synonymously but it is difficult to limit the scope of digital advertising to internet alone. Advertising done by using digital medium in the digital age is digital advertising and online advertising is the most popular form of the same. There are a large number of ways of advertising on the internet -like banner advertisements, pop-up advertising, putting the video on sites like youtube.com. Although the net is yet to gain popularity among the advertisers as a promising medium as compared to conventional media, things are changing. It is expected that digital advertising will grow exponentially in the coming future and realizing this fact, more and more advertisers understand the reach and additional functionality of online medium in terms of interactivity and audio-visual appeal and growing internet users. Marketers like Pepsi, Sunsilk and many others are advertising digitally by creating interesting websites of their own. Another striking feature of digital advertising is its 24X7 availability on the net.

✿ **Blogs :** Another important means of using net for promoting the brands is through blog sites. A Blog is a kind of website in which comments are made by the people and they are displayed in reverse chronological manner. It is an open forum in which people express their viewpoint on different topics like malls, food, sports, politics, gadgets, etc. Many marketers like Nike are using blogs to know about the recent trends and lifestyle of their customers. Blogs can also be used to inform the customers about the recent trends and innovative products.

✿ **Permission Marketing :** Growing clutter and emergence of technologies which enable customers to download programs without advertisements has limited the scope of mass advertising. The shift has taken from interruption marketing to permission marketing. *'It is a term used in e-marketing. Marketers will ask for permission before they send advertisements to prospective customers. It is used by some Internet marketers, email marketers, and telephone marketers. It requires that people first "opt-in", rather than allowing people to "opt-out" only after the advertisements have been sent'* (<http://en.wikipedia.org>). Seth Godin, in his book on *Permission Marketing: Turning Strangers Into Friends And Friends Into Customers* has envisioned an innovative tool to promote the brands. He has said that it is the strategy through which customers provide the interested marketer with an insight regarding the type of advertising message they will like to receive via emails. This enables the marketers to design the message as per the customers and helps in breaking the clutter. In permission marketing, it is the consumers who are shaping the behaviour of target marketers. Some online companies like Yesmail.com, Mypoint.com and chooseyourmail.com and companies like United Airlines are using this to send alerts to the customers.

3)MOBILE AS A PROMOTION TOOL

Along with the Internet, the technology which has become the lifeline of the present generation is the Mobile Phone. Growth of teenage workforce and mobile communities has made it an evident means for the companies seeking to

promote their brands in all possible ways. Mobile Advertising and SMS (Text Messaging) have appeared as promising tools.

✿**Mobile Advertising:** Interactive Mobile Advertising Platform (IMAP) 2003 defines “Mobile Advertising as the business of encouraging people to buy products and services using the mobile channel as the medium to deliver the advertisement message.” The unprecedented growth in the number of Mobile subscribers from one million to 100 million in just less than six years has caught the attention of advertisers and media planners to consider it as an effective medium. The advertising on Mobile is both Push and Pull in nature. Push advertisements are the unsolicited advertisements sent to a selected target audience. The advertisements like those of the FIFA World Cup and Sony PlayStation etc., are the examples of push advertisements. Pull Advertisements are the one for which the customers themselves ask for. Some companies are even paying some free call value to the customers against the display of moving ads on their mobile screens.

✿**Text Messaging:** It is usually known as SMS (Short Message Service). Everyday, the mobile subscribers are receiving 'N' number of text messages regarding a variety of products from Insurance Services to Banks to Tax Planning and etc., it is nothing but reaching customers via text. Banks like Standard Chartered have been using SMS-based promotions to popularize its products and services as it helps the bank to enter into a conversation with a customer.

4)PRODUCT PLACEMENTS

There were times when we used to view advertisements in between the television programs and then came the time when we were viewing our favourite programs in between the television commercials and this was the beginning of the clutter. With growing media fragmentation, the new way of communicating with your target market is placing your brand as an integral part of the program or have it in the program in a manner that it gets noticed. This recent trend is known as product placement or 'Branded Entertainment'. According to wikipedia, it is the combination of an audio-visual programme (TV, radio, pod cast, etc.) and a brand. It can be initiated either by the brand or by the broadcaster. The purpose of a branded entertainment programme is first to entertain. The other purpose is to give the opportunity for brands to echo their commercial benefits and the positioning they want to defend. Some of the recent examples for the same are from Movie Fanna, in which the lead Actor Aamir Khan has worn a Mirchi Pendant i.e. the logo of the Radio Channel 'Radio Mirchi' in the first half of the movie and this lead to an increase in the popularity of Radio Mirchi. Similarly, the youth showed a tremendous response towards the 'Motorola V3 I' after they watched DON (Shahrukh Khan) using the phone in the movie DON.

5)AMBIENT MEDIA

The media has got fragmented like never before and to be successful, the marketer needs to touch his customers' at all possible points. 'The ambient media are the communication platforms that surround us in everyday life - from petrol pump advertising to advertising projected on buildings to advertising on theatre and metro tickets, cricket pitches or even pay slips' (Tanwar, 2007). This media has emerged as an innovative practice to attract the conscious and subconscious customers at the same time. Another important form of this media is the usage of display stations/screens mounted at the locations from the where the customers move frequently or wait. The customers get engaged with the television screens placed in the public places like the traffic crossings, in the hotel and mall lobbies where they wait for the signals to get green or for the elevators. As per The Economic Times dated November 29th, 2006 'Brand Equity', Washington based Tag Media Network had entered into a partnership with MAA group to put up 26 inch panels in supermarkets and hypermarkets. Ishan Raina, 3i India says that they will be putting 19 inch screens in the lobbies of commercial buildings across Mumbai like Express Tower, Nariman Point where people wait for the elevators. He feels that these screens can be used to promote products like Automobiles, Financial Services and Luxury products.

6)E-STORES

The teenage workforce working with the BPO sector, kids getting hooked on the internet and the emergence of the net as a powerful medium to search and learn has made it possible for the marketers to renovate the channels of their

distribution. In the contemporary times, the customers value convenience and speed over money and prefer to shop in the 24X7 formats. Further changing lifestyle and shopping habits coupled with superior options and selections make this interactive medium most attractive to this E-generation. And this made the companies to extend beyond the brick stores to click stores i.e. e-stores. These e-stores makes it convenient for the customers to browse the products as per their needs and to compare the same with the competing brands while sitting at home even at the odd hours. The working couples with hectic schedules, customers different from me-too category of customers prefer to buy online rather than visiting the physical stores.

CONCLUSION

The field of marketing is evolving everyday. Few marketing practices like mobile marketing, permission marketing, ambient media and e-stores are still in their nascent stage and it is difficult to comment on their future impact. The pace at which customers are changing their shopping pattern and with their unpredictable reaction to the marketer's message, it has become essential for the marketers to continuously revolutionize the way they promote their brands. At present, when Philip Kotler is talking about 'Marketing 3.0' or the human centric era where consumers will be treated as human beings who are active, anxious, and creative calls for the 360 degree innovation in marketing because customers today want to participate in the entire purchase process. Thus, the customer has become more responsive towards touch, feel and experience of marketing and accordingly, a marketer needs to create more touch points between him and his customers through the use of innovative technologies. A well designed marketing mix has become the key to not only rise above competition but also to ensure sustainable growth. The marketers today are required to do out of the box thinking and to renovate their routine activities into innovative practices. This paper opens the door for the researchers to explore the possible impact of these innovative marketing strategies like usage of ambient media and e-stores on the present day customers.

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