



Institute of Management Technology
Ghaziabad

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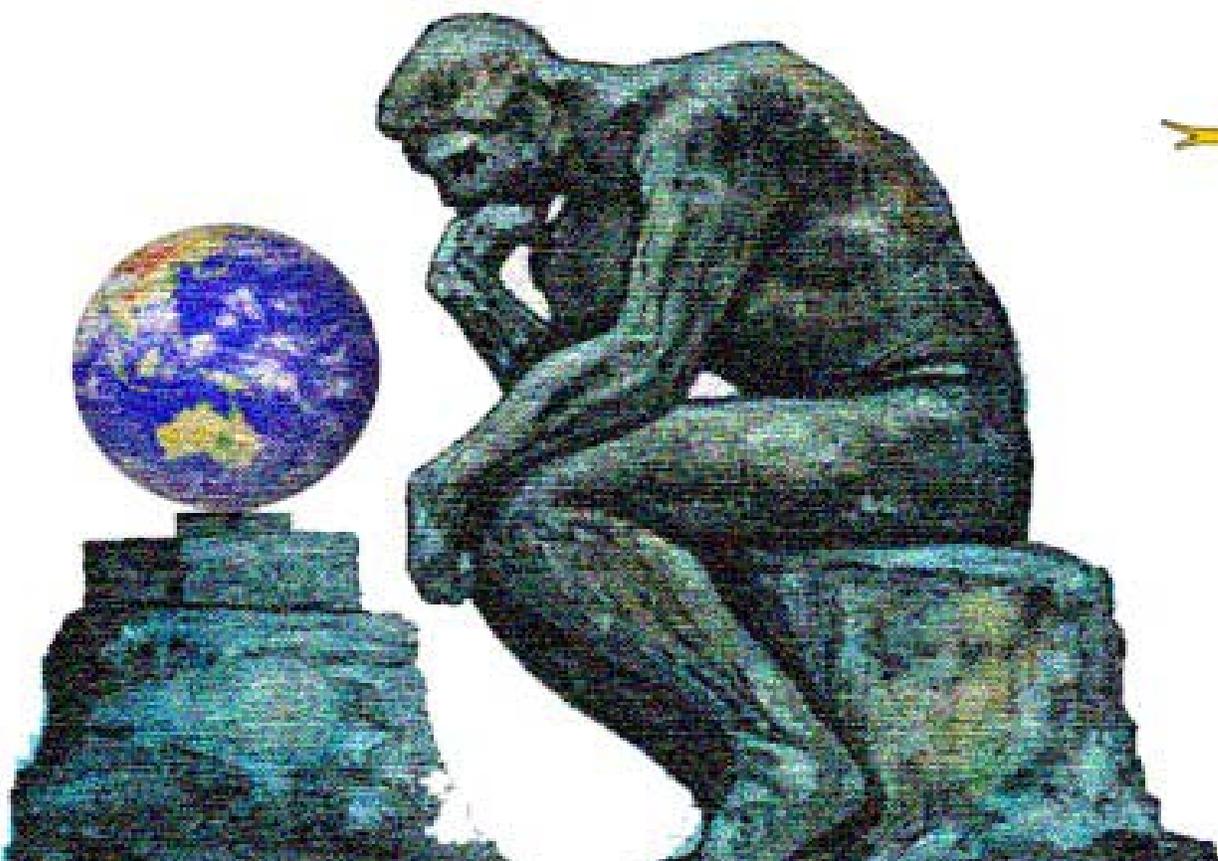


August '06



zine @ mark

Fuelling thoughts...



editors' desk

Dear readers,

It gives us great pleasure to introduce you to the monthly marketing e-magazine of IMT Ghaziabad, [markezine](#).

This is an effort on the part of all of us at MarkUp to provide a platform that can enable people to bring out their ideas, share their knowledge and be a part of a collective learning experience.

Although the focus of the magazine will be on marketing, associated fields, which converge with marketing in one way or other, will also be covered. We would need all your help in making this endeavour a success, something that we all can learn from and be proud of. This magazine is still taking shape and we would like you to contribute actively through your feedback, your articles or in any other way you seem fit. You will make this magazine what it will become in times to come.

Isaac Newton once said, "***If I have seen farther, it is by standing on the shoulders of giants.***"

What we have started here may be a little step. But it is a giant leap of faith and by sustaining that faith and pooling in our energies, this little baby of ours will grow to become a colossus in marketing thought. Imagination, ideas and thoughts have no boundaries. We would like this magazine to be a symbol of that untrammelled human spirit. The road ahead is hard, but fight the challenges we will, in making this magazine a truly world class marketing magazine.

We are thankful to Ashish Joshi and Arvind Balan of MarkUp who have been a great help in the inception and genesis of this magazine. We are also indebted to the whole markezine team, which has worked tirelessly to ensure that the first issue of markezine comes out in time.

We congratulate and thank all of you at the release of this first issue.

(Kshitij Shah & Srinath Sridhar).

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Special thanks to:

Mr. Varun Garg
PGDBM (IB)
2006-08
for suggesting the name of the e-magazine 'markezin'.

We will appreciate your feedback, suggestions and queries. Do mail us at markup@imt.edu.

guru mantra

Articulating New Market Spaces

In today's hyper competitive business environment, marketing is of critical importance. Very often great innovations succeed or fail in the marketplace not based on the technological breakthroughs or quality of the product offerings alone, but mainly because of a company's ability to bring them to the market and achieve market validity and drive adoptions. The internet, cognitronics (building an interface between the brain and the computer), genotyping (classifying population segments based on genetics), and bio-interactive materials (high technology sensors for living systems) are just some of the developments that will create a profound impact on marketing. These create a market space and demand our long held assumptions to be challenged and re-examined as the quiet revolution in marketing unfolds. Under the old diminishing returns scenario, growth meant stealing market share from other companies. Today the increasing returns model benefits companies that concentrate results in new market spaces.

A market share focus can hamper an enterprise's ability to grow. Trapped in product categories and product-line growth strategies, companies run the risk of not seeing new opportunities. Consider Lego, the Danish toy company. In 1995 it had a worldwide share of 72% of the construction-toy market; in Europe its market share in that category was just over 90%. But children were spending more of their spare time with computers, video games

and television than with traditional toys. So while Lego had been gaining market share, toys in general and construction toys in particular have been losing their share of children's spare time activities.

Delivering an Integrated Customer Experience

Another vital component of customer focus is providing an integrated experience. Once the market space had been defined, the next step is to map the customer's activities and then work backward to decide what value is needed in the customer experience, when, who should deliver it and how.

A market space is, in a sense, an aggregation of all the customer-activity cycles in a particular segment. (See "The Customer-Activity Cycle.") In the travel industry, for example, the *pre*, *during* and *post* phases of a customer-activity cycle might include: first, deciding where to go and how, booking flights and getting to the airport; second, taking the trip, getting to and experiencing the destination; and finally, leaving the destination, finding transport, coming home and paying the bills. Customer-activity-cycle methodology can help managers assess opportunities for providing new kinds of value to



Prof. Vimi Jham,
Assistant
Professor, IMT,
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Prof. Vimi Jham graduated from Lady Shri Ram College for Women, Delhi University. She did a Post Graduate diploma in Advertising and Public Relations, and her MBA from IMT, Ghaziabad. She is pursuing her Doctorate in the area of Relationship Marketing in the Indian Banking Industry. She has an experience of ten years in area of teaching, research and industry. She has seven research publications in different national journals, newspapers and has presented papers at national and international conferences. She has customized several MDPs for the corporate.

customers at each critical experience.

Any interruption in the flow of the customer-activity cycle creates value gaps or discontinuities, that open access to competitors, unless the company fills the gaps first with value add-ons. (See "Capitalizing on Value Gaps.") By filling value gaps, newcomers become killer entrants, establishing vital links to customers, building trust and opening opportunities for more business.

In the process, they made IBM the world's largest provider of information technology services. Today IBM earns more money from value-add-on services than from its hardware, software or middleware.

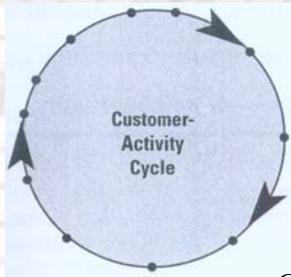
Enterprises that practice customer focus take advantages of value gaps. Amazon.com succeeded because there was a value gap in book selling. Customers wanted to find and purchase books without hassles - to get what they wanted when they wanted it, preferably from one source.

" Very often great innovations succeed or fail in the marketplace not based on the technological breakthroughs or quality of the product offerings alone, but mainly because of a company's ability to bring them to the market and achieve market validity and drive adoptions. "

The Customer-Activity Cycle

Pre

Customer is deciding what to do.



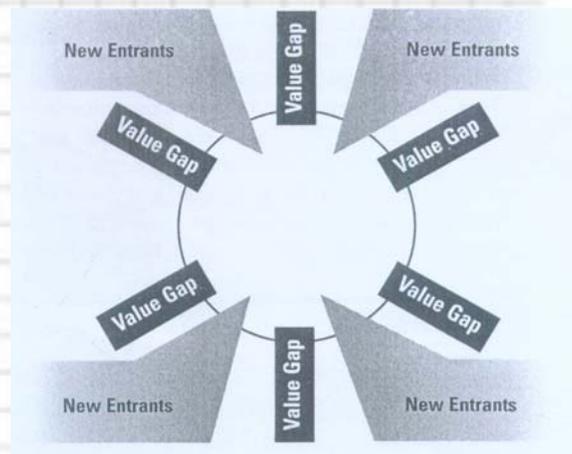
Post

Customer is keeping it going

During

Customer is doing it

Capitalizing on Value Gap



Filling the Value Gaps

In the late 1980s, IBM was still so fixated on PCs and mainframes that it allowed consultants, software houses, procurement specialists and third-party maintenance-service providers to leap into IBM's value gaps and siphon off both customers and potential wealth from the global-networking-capability market space. Then Louis Gerstner and his team created a "New Blue," aimed at providing value at critical points in the activity

In air travel, Virgin Atlantic challenged the diminishing returns, capacity managing thinking of conventional airlines by merging travel and leisure into one integrated customer experience. The airline joined with limousine companies to develop a plan to take business-class passengers to many airports free of charge, check them in and issue an invitation to Virgin's Clubhouse lounge. Today, at drive-in check-in areas specially

designed for Virgin, a porter asks security questions, collects luggage and issues boarding passes. At the Clubhouse, passengers can shower, have a free manicure and pedicure, facial and haircut, or take a hydrotherapy bath. There are bars, virtual skiing devices, communications centres, libraries, music rooms with jukeboxes, rooftop conservatories and fine cuisine. Recent in-flight innovations include Jacuzzis, showers, ship-style sleeper cabins, live television and interest-surfing possibilities. Because virgin is a privately held company, it doesn't share its financials, but the visible results of its approach include its ability to entice customers away from other airlines' economy class and first class, as well as Virgin's high valuation. The shares of other European airlines usually trade at a multiple of 0.8 of revenue. Virgin Atlantic is worth 1.2 times revenue.

The future of marketing

All enterprises, new or long established, can benefit from customer focus. They don't have to be big; they don't have to invent or own anything. But they do have to leave behind transactional, linear thinking. With the vital components of customer focus clearly understood and firmly embedded in their strategies, they can achieve a longer, deeper, wider and more diverse share of customer spending and lower their costs through economies of skill, stretch, sweep and spread. Finally this would increase the probability of long-lasting competitiveness - success breeding success - the ultimate aim of any sound strategy.

! If the circus is coming to town and you paint a sign saying "Circus Coming to the Fairground Saturday," that's advertising. If you put the sign on the back of an elephant and walk it into town, that's promotion. If the elephant walks through the mayor's flowerbed, that's publicity. And if you get the mayor to laugh about it, that's public relations. If the town's citizens go the circus, you show them the many entertainment booths, explain how much fun they'll have spending money at the booths, answer their questions and ultimately, they spend a lot at the circus, that's sales.

- Unknown

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alumni speaks

Mr. Krish Dhanam, VP, Global Training, Zig Ziglar was on campus on August '04, 2006. He graduated from the institute in 1984. In an exclusive interview with team MarkUp he spoke on a number of subjects ranging from his life at IMT to his current profession. Extracts from the interview are reproduced below. A preview edition of markezine was shown to him during the interview.

MarkUp: Sir, what differences do you feel in IMT of 1984 and IMT of 2006?

Mr. Dhanam: First of all, I think that we were not as privileged as you people are. We did not have such an excellent infrastructure, library and other facilities that you are getting today. When we took admissions here, we were not sure about our jobs, as the institute wasn't even recognized. But the management kept it's promise and it was recognized by the government, by the time we passed out. We were lucky that we had very good instructors even at that time. But still, conditions then were not like they are today. You will be getting fat salaries on campus itself, while we had to look for jobs after completing studies. Now IMT is an established brand name throughout the country and abroad.

MarkUp: Can you tell us a little about your journey after IMT?

Mr. Dhanam: I passed out from IMT in 1984. Immediately after that, I went to Vishakapatnam and started job hunting. Many leading companies rejected me. After 4

months, I was selected by a small company, Novapen. In 1986, I got married to my sweetheart, Anila, who is also an IMT alumnus from my batch, and then moved to USA. There, I started my career as a telemarketer and continued till I met Mr. Zig Ziglar. It was after meeting him that I understood the difference between a salesman and a sales professional. I started working with him, and successfully established myself as a sales professional. Now, the companies who rejected me are the ones who participate in my seminars.

MarkUp: Has life at IMT been instrumental in your reaching where you are today?

Mr. Dhanam: IMT has always been with me. They provided me with the base and the content, which when coupled with my confidence, paved the way of success in my life. In India there is this concept of the *Gurudakshina*, and when the institute invites me for guest lectures and to teach, it is a great honour.

MarkUp: How will you distinguish management education in USA from that in India?

Mr. Dhanam: Management education in America is much more practical than in India. Here in India, emphasis is laid on books and case studies, which are carried out in an isolated environment. Industry interface in Indian business institutes is very minimal when compared to premier American institutes. Their emphasis is on analyzing real life situations through a



Mr. Krish Dhanam, VP, Global Training, Zig Ziglar. IMT Ghaziabad Alumnus, batch 1984.

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very high degree of industry interaction. Indian institutes should also mould their studies in a similar way instead of merely core academic rigour.

MarkUp: Can you provide an insight on the evolution of marketing in the last 22 years?

Mr. Dhanam: Yeah, I think that marketing was much more brand-based that time, whereas now it is more as block-based. Companies are now going beyond traditions to explore newer options. Hindustan Lever is the best example. They are moving beyond old practices to be more competitive. Now, these companies are friendlier and more customer-centric.

MarkUp: Can you share any experience of your days at IMT?

Mr. Dhanam: Let me think. One thing I still remember very well is that, being a south Indian, the Ghaziabad cold was always a big problem for me. I used to own an emersion rod and everybody took turns using it. Other than that, I remember the cricket pitch and the canteen, which were our mainstay during leisure time.

MarkUp: Lastly, sir, what would you like to recommend for the improvement of markezine?

Mr. Dhanam: I think that feedback is extremely important for the success of any entity. So the first thing I would like to suggest is, "always be open to suggestions and criticism". And secondly, "always act on those suggestions".

! "You cannot tailor-make the situations in life but you can tailor-make the attitudes to fit those situations."

- Zig Ziglar

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students' corner

Humour In Advertising... Not So Funny Anymore?

Humour... the panacea to all ills. But advertisers across the globe seem to be taking this statement a little too literally. As a result, we have advertisements for all kinds of products from chewing gums, adhesives, to cola's and cars, all trying earnestly to tickle the viewer's funny bone. But the million dollar question which logically follows is... does humour actually help influence the customer? The reason for humour in advertisements is the expectation that the feel good factor will help sway customers when they make decisions. And everybody likes funny stuff, right? No, as the advertisers are beginning to find out to their dismay. Humour is of course a very integral part of marketing communication but the operative words here are tasteful, well delivered and product-appropriate humour.

The fact that needs to be appreciated is that although a tastefully done humorous advertisement can indeed help in a certain brand recall associated with humour, what can conversely happen is that the brand can become an object of ridicule in the mind of the customer if the humour doesn't come off too well. The advertisers would do well to keep in mind the fact that humour in advertising improves brand recognition, but in no way influences product recall, message credibility or buying intentions.

The first thing to watch out for, while trying to incorporate humour

into your advertisement is the type of product you are advertising for. If the products are essentially low involvement products where humour can tilt the balance then I'm all for it. If while in a supermarket the toothpaste brand that beamed the funny advertisement catches my eye, in all probability I might pop it in my shopping basket. But if they think that just by including a funny punch line in higher involvement products like say a car, I am going to get even slightly influenced they are suffering from delusions. While I do not say that there is no room for humour in higher involvement goods the advertiser needs to tread more carefully.

The second point where marketers need to pay close attention is the fact, whether the humour in the advertisement highlights the value proposition of the product or it is merely added on as an afterthought, in effect sticking out like a sore thumb. This is where one of the most humorous and effective series of advertisements to hit Indian television, the Fevicol advertisements pulls off a winner. The humour was inseparably entwined with the adhesive properties of the product, a fact that many brands need to make an example of. Humour induced brand recall should not be vague; it should provide an association in the



Srinath Sridhar
PGDBM (Marketing)
2005-07.

nuggets!

Did you Know?

► **Adidas:** The name Adidas came from the name of the founder Adolf (Adi) Dassler.

customers' mind to what the product stands for.

The third potential pitfall is the type of humour and the delivery of the humour in the advertisement. Agreed that humour does not have to be classy all the time, but it should neither be slapstick nor such that it offends the sensibilities of a certain section of people. Also everything might not be funny for everyone. For example, a South Indian like me might guffaw uncontrollably at an advertisement while my North Indian counterpart might wonder what all the fuss is about. So in essence what I mean is, if your advertisement takes a pot shot at certain sections of society even though they may not be the intended target segment, the ploy will backfire. So when you want to be funny stay away from sensitive topics and issues, however rib-tickling they might seem.

Advertisements are essentially for repeated telecast on mass media.

Fact 1: The frequency of the same advertisement being aired is quite high especially during primetime television.

Fact 2: Even the best of humour can grate on your nerves if shown again and again.

So logically from the above stated facts advertisers have a big task on their hands if people groan when your advertisement comes on for the umpteenth time. So even though a slap followed by "doobara mat poochna" might be funny for the first time, after the nth time I might actually be so irritated that I consciously avoid the

product. And if the makers of chlor-mint actually ask me why, all they'll get from me is a "doobara mat poochna."!

This might be regarded as a problem of advertisements in general and not only of humorous advertisements but the problem is only exacerbated with the use of the wrong kind of humour. So what is the solution then? The solution is a series of advertisements on the same theme with the same essential message as Fevicol or chlor-mint do. The message is reinforced each time but with different characters and a different storyline. What also happens is the anticipation increases and the recall value consequently gets a boost.

Humour in essence is like spices. Add too little and the food could be bland. Add too much and it will lose its flavour. So the right promotional mix with just a dash of humour could reap big benefits. Or rather in keeping in touch with the theme "laughing all the way to the bank".

nuggets!

Did you Know?

► **Bridgestone** – Bridgestone is named after founder Shojiro Ishibashi. The surname Ishibashi means "stone bridge", i.e. "bridge of stone".

the other perspective

Stretching Beyond Your Vertical

The ultimate purpose of business is to maximize the stakeholders' value. This, in case of a company, essentially boils down to maximizing shareholder value. All the functions in an organization try to achieve similar goals but their paths are different. A finance manager would ensure prudent procurement and investment of funds, while a marketing manager is likely to have more of a customer focus.

The difference in the approach of the marketing and the finance functions often result in crossing of their paths. This gives rise to conflicts. For instance, the projections made by marketing managers are regarded as overestimations by the finance managers and they tend to discount the expected cash flows at greater rates. The marketing managers, who are aware of this, make over-optimistic projections. Thus, in the process the real projections are lost.

Why does this happen? The interdepartmental conflicts can arise from, inter-alia, differences in aims, values, expectations, intended course of actions and ideas about how best to handle situations. The seeds of these conflicts are sown in the respective orientations of finance and marketing managers.

What is the solution? The policies of one department can negatively impact the performance of the other. Therefore, both functions must have a shared understanding

of the firm's competitive strategy to enable them to make trade-offs in their respective (conflicting) goals and maximize the benefits of the firm. The issue can be addressed at two levels - the B-school level, where the initial signs of subtle differences in the attitudes of marketing and finance managers become visible; and the corporate level, where the subtle differences transcend into explicit conflicts.

In a B-school, when business case of a successful company is given to the students of Consumer Behaviour and Financial Management simultaneously, the approaches taken by the two groups of students would be very different, sometimes to the extent that the basic premise of the opposing discipline may be completely overlooked. The respective approaches get into the blood of the 'to-be' managers and become the base for future corporate conflicts.

To tackle the above problem of compartmentalization of orientations, workshops and interactive sessions can be conducted by experts from the industry who have worked in both the verticals. During the period of specialization, finance and marketing students can be made to work together on projects that require inter-vertical expertise. Further, B-schools can encourage the



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formulation of business plans as part of the curriculum wherein students from different streams would come together and work.

At the corporate level, the challenge becomes managing healthy disagreement across functions and using it to develop new ideas and approaches through group-consensus decision making. Most employees want to do a good job, both for their personal gratification and the betterment of the company. People do, however, tend to make a mark by focusing only on their respective orientation and bypassing the others'.

A healthy workplace is based on trust and mutual respect. These lofty attributes are easiest achieved when each employee understands and shares the company's goals, and sense of purpose and how these can be achieved by synergizing the efforts of different verticals.

The conflict can be controlled by providing the managers with cross functional training. This would be even more effective when they actually step into the shoes of their counterparts and work. If this is not possible, then off-the-job training in the form of role-plays, discussions, workshops, and lectures etc., can be arranged.

Create an environment that encourages open, two-way communication. There are very few areas of human interaction that cannot be improved by better communication - and business operations certainly are not an exception. Building a network of

online information sharing nodes could be a mechanism to achieve effective communication.

Restructure the performance appraisal system. For instance, the appraisal of a finance manager should not be based only on the output of his vertical but also on the feedback of the marketing counterpart.

Shareholder wealth maximization is the final destination, the island where the managers rowing a boat (company) need to reach. In the pursuit of this goal, instead of putting forward their personal gratifications above everything else and trying to outdo the other, the managers should try to row in the same direction. This would in turn bring in the synergistic effect especially when rowing upstream (in the times of difficulty) and would help in reaching the goal - the island.

nuggets!

Who was Nike?

Nike was the ancient Greek goddess of victory.



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mark-o-meter

1. A man (fired by National Cash register in 1913) took over control of a company named Computer-Tabulation Recording Company. What is the man's name? What is the company name now?
2. What business celebrity began his illustrious career by collecting and selling lost golf balls?
3. Which is the largest retail chain in the world?
4. Which is the most expensive domain name sold till now?
5. What is the name of Google's Headquarters?
6. In 1976, fourteen banks merged to form a bank credit card called "Mastercharge." This was later renamed? Can you name it?
7. Who is the world's first Billionaire
8. What is the product Sony first came out with?

*Check your scores on mark-o-meter in the last page.

nuggets!

► Yahoo!

Yahoo a "acronym" for Yet Another Hierarchical Official Oracle. The word Yahoo was invented by Jonathan Swift and used in his book Gulliver's Travels. It represents a person who is repulsive in appearance action and is barely human. Yahoo! Founders David Filo and Jerry Yang selected the name because they jokingly considered themselves yahoos.

Marketing is not an event, but a process ... It has a beginning, a middle, but never an end, for it is a process. You improve it, perfect it, change it, even pause it. But you never stop it completely.
- Jay Conrad Levinson

from our classrooms

Advertising- the modern miracle

"Advertising is selling Twinkies to adults". I wonder what would have Donald R. Vance thought of when he made this statement. Was it a pure thought? Or maybe he had heard of Perfetti Van Melle. No, it can't be a pure thought. So, it must've been Perfetti Van Melle, a company which has scaled great heights in the world of confectionery in a country like India. A company which showed what Advertisement could do for a product not hitherto known to the market at all!

Yes, I am talking about the same Perfetti Van Melle (maybe most of us know it by the name 'Perfetti', and for those who are not aware of it, friends, it IS time you should go out and have a Chlor-mint. And yes, "Doobara Mat Poochhna!"). Being the World's fourth largest confectionary company (Source: www.lolliesgalore.com), it boasts of a large number of children sucking on 'Alpenliebe' lollipops instead of their thumbs! And it should be noted that the market of Perfetti Van Melle (PVM) is not limited to children alone. In fact, its products like Chlor-mint and 'Breathmakers', (better known as 'Mentos' of the PVM product line), target people in the age group 15-34.

Still, why talk about PVM?

A net market share of 17%, a sales turnover of over Rs. 400 Crores (that

too within just a decade of its entry into the Indian market), and a record cumulative annual growth rate of 36 per cent against an average industry growth rate of just about four per cent (2004) seems to be pretty good reasons to discuss about the company, right?

So here is Perfetti Van Melle, a company formed by the 2001 merger of Perfetti of Italy with Van Melle of the Netherlands, and has a major subsidiary in Perfetti Van Melle USA. It came to India in 1994 to target the Rs. 1200 crore confectionery market with a view that it could not improve the sales in the confectionery market in India by just providing higher margins to the channel members. Instead, it needed to focus its efforts on promoting the products. As confectionery products are more of low involvement, low price impulse buys, the company felt that heavy advertising and marketing of the products could pull consumers and thereby improve its sales. And this it did with the help of companies like Ogilvy & Mather, and McCann Erickson, some of the leading advertising agencies in India.



Varun Garg
PGDBM (IB)
2006-08.



Prasun Kundu
PGDBM (IB)
2006-08.

With the help of these stalwarts in advertising PVM has been able to capture and even dominate the chewing gum market in India. The consolidated ad budget of PVM is estimated to be over Rs 40 crores.

After Perfetti Italy, PVM India is the second largest company in the Perfetti group in terms of sales volumes worldwide and has several firsts to its credit. The product line of PVM consists of Alpenliebe, Alpenliebe Lollipop, Big Babol, Center Fresh, Center Shock, Chatar Patar, Chlor-Mint, Choco-Tella, Cofitos, Fruitella, Happident-White, Happident Protex, Marbels and Mentos.

Chlor-Mint, being one of the most loved ones in the product line-up, is worth given a mention here. The mint flavored confectionary market accounts for around 15 per cent of the total and Chlor-mint enjoys a big share (nearly 20 percent) of this market. It is targeted towards the 15-34 age group of people, especially those who smoke as well as the ones who ask for fresh breath. There are four variants under the Chlor-mint brand of products, viz. Chlor-mint green candy, Chlor-mint green gum, Chlor-mint Ice candy and Chlor-mint Ice gum. Its competitors are Nestle's Polo and ITC's Mint-o-Fresh, which are also doing well in the same segment. But what makes Chlor-mint stand out among the crowd is its Ad

Campaign designed by McCann-Erickson. From a person asking a paanwaala, "Log Chlor-mint Kyun Khate Hai?" (Why people eat Chlor-mint) and getting an instantaneous treatment of the other kind thereby, to the famous Miss Pappi turning into a poster for the same mistake, now in an elevator. The answer to this question, as is being put forward by the company is that it contains 'Herbasol' which provides fresh breath. But the actual statement behind the ad is that 'You need not have a reason to have Chlor-Mint'. The ad indirectly implies that ignorance is no excuse for not knowing about Chlor-Mint.

According to Prasoon Joshi, creative head of McCann-Erickson, "The bizarre incidents in these commercials do not have any logic - not even the consumers try to find cause and effect before having a Chlor-mint." The ad has put Chlor-Mint to a position where it enjoys the privilege of being one of the most recalled and exciting products in the category. It has boosted the sales of Chlor-mint to a great extent, and as such it has been able to give a good competition to the ITC's Mint-o-fresh.

nuggets!

► Slashdot

Slashdot is the parody of a URL. While registering the domain, Slashdot-creator Rob Malda wanted to make the URL silly, and unintelligible when spoken aloud. (<http://slashdot.org> gets pronounced as aitch tee tee pee colon slash slash slashdot dot org).

While Chlor-mint is targeted towards getting you a fresh breath, another product from the same line-up tries to get you a shock of a lifetime. It is called Center Shock, which has an extremely sour taste and targets the young age group of 10-19 year olds. Center Shock was launched in India in 2002 when the chewing gum market was on a downward trend. Two years down the line Center Shock commands 30 percent share of the chewing gum market. Center Fresh and Center Shock together account for 75 percent of the market. The fact that Perfetti has been successfully able to market as well as sell this 'different' product itself is a living example of the power of advertising. There is not even a single worthy competitor in this new 'shock inducing' category that PVM has introduced. A large part of the credit for this goes to Ogilvy & Mather, which has a track record of coming up with clutter breaking ideas and campaigns. The whole ad-campaign is based on promoting the product as a shock inducing chewing gum. The punch line "Hila Ke Rakh De!" (It will shake you up) sums up the feeling when the shock filled chewing gum bursts inside the mouth giving a sensation of electric shock, hence the name - Center Shock. The 'barber shop' ad being one of the most successful advertisements. It depicts how the barber at his shop was able to give his client the hair cut he asked for (spikes) using some help from

Center Shock. This advertisement also got the Effie, Abby - Campaign of the year award in 2002. The brand grew eightfold during this campaign period. An interesting point to note here is that no organized research was undertaken before launching the brand in India.

After tasting the 'sweet' success of the two original flavors of Center Shock - apple and peach, PVM has come up with a 'mirchi' variant to further stimulate the growth of its chewing gum market. This 'mirchi' ad-campaign was again the brainchild of O&M and true to their reputation they came up with a hilarious ad.

According to Sameer Suneja, head of marketing, PVM, the price points are typically 25p, 50p, and one rupee, hence cannot be changed easily. He then adds that instead of changing the price, more and more cost-efficiencies are brought into the whole system.

Future of Chlor-mint and Center Shock look secured in India. With a strong distribution network and ad-campaigns that crush the competitors to dust it looks as if this will be another fairy tale story for Perfetti Van Melle.

"Communication is a continual balancing act, juggling the conflicting needs for intimacy and independence. To survive in the world, we have to act in concert with others, but to survive as ourselves, rather than simply as cogs in a wheel, we have to act alone."

Deborah Tannen

review of article

Major Sales... Who Actually Does The Buying?

Author : THOMAS V. BONOMA

Thomas V. Bonoma's article is a comprehensive analysis on identification of decision makers and their motives in a purchase. The article acts as a guide for the sellers to identify factors instrumental in making purchase decisions. The illustration at the beginning, which shows the ladder a salesperson has to actually climb to reach the prospective buyer defines the article.

In today's cut throat competitive scenario, finding that extra edge has become indispensable for marketing managers, the author in the article identifies a major factor of buying psychology—the **human side of selling**; which is often neglected by the management and is a critical factor which outlines the success of key selling strategies. For explaining the various concepts relating to the understanding of psychology, the author uses numerous examples, which relate the theory with the working in the practical arena.

Starting with human factors, the article outlines the correlation between increasing the sales effectiveness and understanding psychology of buyer i.e. the key is to address the buyers and their

specific needs which lead to targeted selling. The article describes the group dynamic of buying decision that a selling company needs to recognize as an important factor in its buying decisions. First is the understanding existence of different psychologies, and the fact that companies don't buy people do. This leads to understanding of combination of individual and group dynamics and prediction of decision making unit. **The author with the help of four key questions then specifies a model for understanding the decision making unit.**

First is the question of identifying people in buying centre i.e. the major players involved in buying decisions namely influencers, initiators, deciders, purchasers, gatekeepers and users. According to the author this set of roles can be thought of as a "fixed set of behavioural pigeonholes" into which different managers from different functions can be placed to aid understanding; which helps in further understanding of buying centre. In addition it's important to



Neha Gupta
PGDBM (Marketing)
2006-08.

understand that correlation of power and organizational rank is not absolute, which can have a major impact on purchase decisions.

The article then defines the second key question, who are the powerful buyers?

Those who are the most powerful are often the invisible, these are the key words for searching the powerful buyers, the author illustrates the positive and negative power bases in corporations with the help of practical examples. Comprehension of this corporate power culture through observation and investigation is an essential tool for effective selling.

The author analyses this power centres and gives us six behavioural clues for understanding them, the basic rule being observing the communication flow inside an organization for recognizing the buying centre power.

The third question delineates the wants of the buyers, which involves understanding of the motivations of buyers, which is one of the most difficult tasks to do. The author states the basic rule of motivation as: All buyers act selfishly or try to be selfish but sometimes miscalculate and

don't serve their own interests. Thus, buyers attempt to maximize their gains and minimize their losses from purchase situations. What one needs to define is choosing of this self interest by the buyers. Thus, the selling strategy has to work with buyer's motivations and shouldn't attempt to change it.

Finally, the article defines the fourth question that describes buyer's perception of sellers. This has a major influence on not only buying decisions of a particular company but also affects the perception of other companies as well. The author gives a simple scheme for keeping tabs on how buyers perceive sellers; an estimation by sales officials of how the important buyers judge the vending company and its actions. This judgment may be recorded on a continuum ranging from negative to positive.

The article concludes with defining techniques of gathering psychological information. The author with use of the human-side approach gives us three guidelines to increase sales effectiveness. Firstly, making productive sales a norm than oddity through careful listening and gathering of psychological information, an example of which is given by the author in the

nuggets!

- **Google** - the name came from misspelling of the word googol (in a cheque of company), reflecting the company's mission to organize the immense amount of information available online.

form of a matrix designed for gathering such information effectively. Secondly the working approach should be changed to make the feedback of sales force an important factor while making purchase decisions and lastly emphasis on homework and details i.e. stress by Sales management on fact gathering, tight analysis, and impeccable execution.

To summarize, the article is a must read for understanding the human approach to selling,

understanding and comprehending key factors that help us in making effective selling strategies. The author has not only defined the important characteristics of group and individual buying dynamics but has also illustrated them through practical life examples. Thus, it succinctly defines the relationship between the buying and selling and how psychology and marketing precede closed sales.

Customers buy for their reasons, not yours.
- Orvel Ray Wilson

nuggets!

►Red Hat -

Company founder Marc Ewing was given the Cornell lacrosse team cap (with red and white stripes) while at college by his grandfather. People used to turn to him to solve their problems, and he was referred to as 'that guy in the red hat'. He lost the cap and had to search for it desperately. The manual of the beta version of Red Hat Linux had an appeal to readers to return his Red Hat if found by anyone.

Viz-à-Viz

Don't legalize tobacco and alcohol advertising



Ankit Rai
PGDBM (Marketing)
2005-07

Advertising is a very powerful medium for social influence. It can be used for giving information about good products and can be misused also. But where to draw the line for its usage? Alcohol as a product is different from soap, detergent powder and cars. Advertising of alcohol plays on a whole range of environment, social and cultural factors to encourage you to drink. At its most extreme, it contributes to anti-social behavior.

Another controversial subject with advertising of alcoholic drinks is its effect on teenagers. As early as 1994, studies found that alcohol advertising may predispose young people to drink. Drinking as a habit is on the rise. New drinkers are getting added to the list each day, many of which are less than eighteen years old (Legal age for

Advertising should not be restrained by any means



Ashish Joshi
PGDBM (Marketing)
2005-07

Free Society → Free People → Option to choose

I wholeheartedly support the notion of legalization of advertising of tobacco and alcohol products. The following points are presented to reinforce my view. →

Creative minds will anyhow employ tactics like "surrogate advertising" & sail across the restrictions. Such restrictions is synonymous to disturbing the creative thinking of advertisers and forcing them to find ways to bend the laws.

These industries support many families & an attempt to disrupt their publicity machine is akin to targeting the kitchens of these households. The basic

selling alcoholic drinks to an individual is 21 years). Advertisers use a variety of tactics to target particular groups, such as teens, to market their product. So as a result, children's awareness of alcohol directly translates into stronger intentions to drink as an adult.

The following costs could be associated with Drinking as a habit:

Social Costs

- Alcohol is a significant factor in the four leading causes of death among persons ages 10 to 24: (1) motor-vehicle crashes, (2) unintentional injuries, (3) homicide, and (4) suicide.
- Young people who begin drinking before age of 15 are four times more likely to develop alcohol dependence than those who began drinking at the age of 21
- 59.2 percent of 6th- through 12th-graders who consumed liquor in 2002-2003 reported having trouble with police.
- Of youth (aged 15-20) involved in fatal traffic crashes in 2000, 30.1 percent died in crashes with alcohol-impaired young drivers. Of those alcohol-related traffic fatalities, more than twice as many youth had BAC levels of 0.10 or greater, compared to youth with BAC levels of 0.01-0.09.
- College students who experienced being drunk for the first time before age 13 were twice as likely to have unplanned sex and 2.2 times as likely to have unprotected sex due to drinking. High alcohol consumption is associated with lower GPAs, lower academic achievement, and lower wage potential.

job of government is to ensure no part of the society gets affected in any way by disrupting forces, however by such actions the government itself is indulging in anti-societal activity.

There are many avenues wherein urgent governmental actions are needed, such as law-order condition, education system, etc. Turning of attention towards combating advertisement of liquor/tobacco companies is no doubt dividing government's attention and resources, which should be concentrated only towards combating larger societal evils, that a developing country faces.

Also a developing nation faces dearth of resources & I presume these industries may welcome a further payout to government as taxes or fees if advertising of their products are allowed. The funds so obtained can be used for tackling many problems, which requires urgent attention, such as civic amenities, education, etc.

The government must demonstrate its intent by taking efficacious actions to enforce laws like strictly ensuring that such products are only sold to adults and not by taking the negative route of banning the advertising & marketing efforts.

There are many other activities such as sports & entertainment industry, which are driven by the sponsorships that they rope in. Tobacco/Alcohol industries are major sponsors for them and restricting such sponsorship will heavily reflect on sports activities, entertainment industry, etc.

Economic Costs

- The cost to world over of underage drinking totals nearly \$90 billion.
- The cost of alcohol-related teen violence and delinquency totals an estimated \$29.4 billion annually.

Health Costs

Alcohol affects proper functioning of liver & brain. It increases the risk of cancer and poses nutritional imbalances in body. It is extremely harmful for diabetic people as certain alcoholic drinks like beer contains high percentage of sugar. I would like to conclude by quoting **Thomas J Jackson's** words:

"I am more afraid of alcohol than of all the bullets of the enemy."

mark-o-meter

Answers:

1. Thomas J. Watson, IBM.
2. Warren Buffett.
3. 7-Eleven.
4. Business.com
5. Googleplex.
6. "Mastercard."
7. Oil tycoon, John D. Rockefeller.
8. Rice Cooker.

We live in a free society & such an action is nothing but a blatant disregard for the basic right of a free man to be able to choose his lifestyle.

The government should be dedicated towards ensuring non-consumption by minors, however the basic premise of democracy is to allow adults to exercise the rights provided in the free society and make their own decisions.

Finally being a future marketer myself, I am strongly against any move aimed at disrupting the marketing of an industry.

! "Ideal conversation must be an exchange of thought, and not, as many of those who worry most about their shortcomings believe, an eloquent exhibition of wit or oratory."

- Emily Post

! The philosophy behind much advertising is based on the old observation that every man is really two men -- the man he is and the man he wants to be.

- William Feather.

markupdate

MARK-UP, the marketing club of IMT, Ghaziabad has started on a new journey to explore hitherto uncharted waters with full zeal and enthusiasm at the onset of academic year 2006-07. Activities such as release of the e-magazine, open houses, corporate guest lectures et al have already become a regular feature on MarkUp's monthly calendar and will continue to remain so in coming days, among other things.

A Recap:

MarkUp began its journey in right earnest when sectoral presentations were made to the new batch of 2008. Sectors that were touched upon in the presentations included sectors like pharma, lifestyle, FMCG, consumer goods, retail, and automobile.

The **first open house** held by MarkUp on 12 July was an introductory session for the 1st year students, wherein, senior MarkUp members unveiled their plans for the months ahead. Activities that are on the agenda include monthly releases of the e-magazine, case study analyses, business quizzes, B-plan contests, real sales tasks, virtual management games, etc. All these activities will come with a package of cash prizes in mupees-the MarkUp currency; and the person with the highest collection of mupees will receive the 'Best marketer of the year' award. His/her collection of mupees will be converted into rupees. Also, MarkUp will organise at least 2 open houses on various sectors every month, consisting of 15 minutes of sectoral presentations

and 15 minutes of brands presentations. Team building for the next project will be done at the end of every open house session.

"Ask the Docs" A second open house was held on 19th July. It consisted of valuable inputs on the pharma sector. Brand presentations consisted of Dr. Reddys Lab, Becton Dickinson, GSK (Glaxo Smith Kline) and Ranbaxy. Open house ended with the team building for this issue of markezone.

August Update:

5th Aug, 06: An interesting talk given by our esteemed alumni Mr.Ravi Kiran.

15th Aug, 06: Release of the first edition of markezone.

18th Aug, 06: Launch of case study analysis on marketing.

23rd Aug, 06: An open house will be held on topic "Evolution of a Super brand."

30th Aug, 06: An open house will be held on Lifestyle products, highlighting prevalent Indian and International scenarios. Brand presentation will focus on RBK v/s Nike.

30th Aug, 06: All the brain power of IMT will be invited to take part in Business Quiz and Business Acumen Test. Cling onto your seats, for it is going to be one exciting ride!!!

note of thanks

We take this opportunity to express our sincere gratitude towards our esteemed Director, Dr. B. S. Sahay, Dean Academics, Dr. D. P. Goyal, and Dr. A. M. Sherry, Chairman (admissions) and Chairman (student affairs). Without their support and encouragement, our vision of markeezine, India's first e-magazine by a B-school marketing club, could never have materialised.

We thank them and assure them that we would try our utmost to make sure that every issue of markeezine does justice to the faith reposed in us.

We thank our faculty for receiving our ideas with enthusiasm and contributing to it through their expert guidance and articles.

We also thank the students at IMT, Ghaziabad, for their overwhelming support and contribution.

We resolve "to find, to seek, to strive and not to yield" in our endeavour to bring to you a better markeezine with every issue and to keep *fuelling thoughts*.

Team MarkUp
IMT, Ghaziabad.