



FATHER AGNEL BUSINESS SCHOOL

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AXIS BANK

Flipkart 🚅

amazon NETELIN

**BIG BALAAR** 

QUARTERLY MARKETING NEWSLETTER

Unilever

## **BEYOND KOTLER**

" A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well " - Jeff Bezos

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## FLIPKART RIDES ON STARS IN SALES BLITZ

#### **BY AISHWARYA PATIL**

Flipkart is on full swing for competing with the other e-commerce competitors for eg. Amazon, Snapdeal etc. Flipkart being the leader of the Indian online market is trying to reach maximum potential customers. Around 75 million registered users have helped the company to achieve 5 billion dollars GMV ( Gross Merchandise Value ) in the year 2015. The 'Big Billion days' campaign was the most successful of all their strategies till now during the festive season. It has acquired Myntra, Jabong, Appiterate, Letsbuy, Mine360, Chakpak.com, etc through their large capacities This year the main aim was to compete for their biggest competition that is none other than Amazon. Its worldwide success has created a tough competition in the Indian market.







Hence Flipkart uses a strategy where top celebrities of Bollywood such as Amitabh Bachan, Deepika Padukone, Ranbir Kapoor, Alia Bhatt, etc. promote the offers, discounts and products available on Flipkart. They also showcase some wellknown sports players such as Virat Kohli, MS Dhoni, Sunil Chettri, Saina Nehwal, etc. for promotions and advertisements. Company's media expenditure has risen up to Rs.200 crore including around 20-40 crore only for the celebrity endorsement fees (approx). Experts say that Flipkart's unique way of advertisement of (kids as old people) was good enough and maybe these celebrity endorsements won't give much of a raise to profits. Company hopes for the best results as their efforts were too good until now.

## FUTURE CONSUMER BRANDS TOP FMCG SALES IN BIG BAZAAR

#### **BY SHREENATH CHAUGHULE**

Big Bazaar is an Indian retail store that was opened by Sarvesh, a chain of hypermarkets, discount department stores, and grocery stores. The retail chain was founded by Kishore Biyani under his parent organization Future Group, which is known for having a significant prominence in the Indian retail and fashion sectors. This indicates increasing threat to national consumer goods companies that are pushing their sales through modern trade. Being a retailer, big bazaar stores account about 20% of India's modern trade sales for FMCG. Future Consumer stores about 20.3% of packaged products of FMCG than that of Big Bazaar products which got sold in the quarter ended in June 2018. Many Future Consumer (FCL) products started as own brands or private labels before Kishore Biyani the founder of Future Consumers restructured the portfolio into a separate FMCG company. Big Bazaar has also challenged MNCs, in which customer decides whether to buy products or brands at the stores. There was a void in several categories since FMCG companies were not strong or didn't invest in building them. FCL 1brands have filled that gap, and now the aim is to





BigBazaar stores by 2022. Future Consumer has more than three dozen brands covering over 70 categories, including food brands such as Sunkist, Karmiq, Golden Harvest, Fresh & Pure, Premium Harvest and Tasty Treat. In terms of overall sales, including segments such as general merchandise and home furnishings, FCL brands account for nearly 10% of Big Bazaar sales in the June quarter, up 46% over a year ago. The contribution of the company is as high as 50% in staples such as rice, atta and oil, according to the data. Future Group is moving towards in-house brands to other retail networks, including Kirana stores and rival modern trade outlets. Future Consumer has partnered Indo-Nissin to sell products at Kirana stores and it has tied up with retail chains such as Tata Star Bazaar, Metro and Spar, besides 5,000 Rajasthan fair price shops, also it has built a rural wholesale club model through Aadhaar in other states in western India.



#### **BY APURVA BHATANKAR**

With a whopping success in more than 12600 restaurants across 46 countries, Dunkin' Donuts entered India in 2012 through Jubilant Foodworks, the same company that brought Domino's Pizza to India. As of today, it has closed more than half of its stores. The reasons cited were lack of profitability and operational efficiency. One of the primary reasons is that it failed to give the Indian Consumers what they are looking for. Indians do not want to start their day with sweet baked foods. Unlike the American breakfast style, a majority of Indians prefer to have a sit-down meal rather than grabbing it on the go. This breakfast image did not go well with the Indian minds. Dunkin' tried to customize its offerings to cater to Indian taste buds. It has come up with





Ginger Chai, Elaichi Chai, Spicy Burgers' range to give a local feel to its customers. But even this seems as diluting the brand name and deviating the focus from the main product- Doughnuts.

Another reason is that it tried to expand very fast. All of its stores were too big which translated into huge operating costs. With Indian consumers becoming more health conscious, the madness over doughnuts faded quickly. This impacted not just Dunkin Donuts but also its competitors in the country.

It would be interesting to watch how the brand will reinvent itself to withstand in the Indian market.

## HUL BUYS GSK CONSUMER IN A MEGA DEAL

#### **BY HARSHA DIVEDI**

Hindustan Unilever Ltd (HUL), the Indian unit of Unilever Plc, will merge Glaxo Smith Kline Consumer Healthcare with itself in an all-stock deal that will give the company access to Horlicks, Boost and Maltova malted drinks brands. It has also clinched the five-year distribution rights for over-the-counter & oral care brands such as Sensodyne, Eno and Crocin. GSK Consumer's flagship brands Boost, Viva and Maltova brands will be owned by HUL. However, the Horlicks brand is being acquired by parent Unilever and HUL will pay a royalty for its use in India. The merger values the total business of GSK Consumer Healthcare at ₹31,700 crore. GSK Consumer's shareholders will get 4.39 shares of HUL for each of their shares. After the merger, which is expected to be completed in a year, Unilever's holding in HUL will fall from 67.2% to 61.9% and GSK Plc will become the secondlargest shareholder in the merged entity with 5.7% stake. It can offload its stake to any investor and Unilever does not have exclusive rights to buy these shares. The acquisition is in line with HUL's strategy of building a strong food and refreshment portfolio by leveraging the mega trend of health and wellness. According to HUL, the market for health food drinks in India is estimated at ₹7,000 crore, with Horlicks accounting for around 60% of volume.







Therefore, it's a great strategic fit for HUL, looking at the nutrition deficiencies in India, which is massive. The company believes that its move to distribute and market GSK Consumer's products is also in line with its own focus on beauty and personal care products. The potential deal is win-win for both the parties as the acquisition of strong brands in the health food drinks category would enhance the margin of HUL's food business by 900 basis points to 27% from current 18% of sales with sustainable profitable growth. The deal is also positive for shareholders of GSK Consumer in view of better value under the share-swap deal. HUL's network of 8.2 million outlets will expand Horlick's deal threefold and will upgrade premiumize & unlock north and west regions for GSK. Also, the combined revenue of HUL's foods and refreshments business is expected to cross ₹10,000 crore.

## THE BIG BRANDS IN MOVIES

#### **BY SAURABH KURUP**

Gone are the days where people used to watch movies at Single screen theatres and cinema halls. The multiplex revolution in India has followed an organic trajectory of consumer need evolution. The demand for a better experience while watching movies changed the entire scenario and today PVR and INOX are the biggest players in the industry. Priva village roadshow (PVR) cinemas promise to give us the luxury cinema experience with the advantage of e-booking and tele-booking. It has become a huge brand. PVR arranges many exciting offers like special screenings only for women, special discounts to the audience on festival season, a special area for selfies and photos, SMS competition where a lucky winner gets a free movie ticket, etc.

INOX is a public company of Indian origins. Bulk cinemas, best Dolby speakers big fat screens is the main motive of inox. It has a very unique thing which makes inox remarkable- "Insignia inox", a 7-star theatre with best recliners best digital







screening, chef's menu during intermission. One can have a great experience watching the movie even from the first row.

Both INOX and PVR has a high brand recall and has adopted several promotional activities to maintain its visibility amongst customers. Its shows are advertised via social media, newspapers, leaflets, hoardings, booking site such as BookMyShow, etc. The offers and incentives are advertised at the start of a week so that people can reap its benefits.

## Ikea expects India e-sales to beat other countries BY NAVIA SHETTY

Ikea is a Swedish company which offers products, solutions and services all under one roof. It has been the world's largest furniture retailer since 2008. It was founded by Ingvar Kamprad, who was listed by Forbes in 2015 as one of the ten richest people in the world. Ikea is all set to make its place into the Indian market. The company's first facility in the southern city of Hyderabad was opened on August 9 2018. Ikea's main priority is to create an inspiring and safe experience for both customers and coworker.

IKEA is planning to offer online sales in cities where it is easy to support them with fulfilment, delivery and assembling services. They find easy to start online sales with from Mumbai and they are quite sure that in a couple of years they will be able to provide for online shopping in a lot of other cities.





Ikea did not say what percentage of its total sales in India would be in online as service would only start next year in Hyderabad and Mumbai. Globally it's 10% of annual sales or about \$3.8 billion. According to them Mumbai has 22 million population and will have a single store as of now whereas in Sweden there are 16 stores for 10 million population. They expect a lot of e-commerce orders in Mumbai. After Mumbai, IKEA will turn its sights to Bengaluru, Delhi, Ahmedabad, Pune, Chennai and more.

# ZEE's OTT Platform goes Global on-head fight with Netflix, Amazon Prime

**BY SHIVANI KOTHMIRE** 

Zee Entertainment Enterprises Limited is an Indian mass media company owned by Essel Group, it has interests in television, print, internet, film, mobile content and allied businesses. Subhash Chandra (Founder) promoted ZEE and has become the first Indian entertainment company to take its over-the-top (OTT) video service, ZEE5, to over 190 countries. So far, only International players such as Netflix and Amazon Prime Video have shown a global presence of this scale.

On 14th December 2015, Amazon introduced to its Amazon Prime subscribers and other potential users its Prime Video service with the announcement of nine original series. Next day global streaming service Netflix (January 2016) announced its first tie-up





with Indian production house Red Chillies Entertainment.

Two of the Country's biggest media firms: ZEEL and STAR India are competing aggressively for viewership in the digital space. The OTT platforms of the two: Hotstar and ZEE5 are ranked one and two in the pecking order, according to subscriber data.

The only aim of Subhash Chandra is to take ZEEL to the top and show how Indians are good and creative in everything than Netflix and Amazon Prime. ZEEL and STAR are using different tactics to approach the OTT market in India. Hotstar banking on its sports streams, due to the consolidated rights to Indian Sports it holds for the five years.



#### **BY SURAJ KUSHWAHA**

Axis Bank, India's third largest private sector bank has launched Experience Axis, a new campaign which aims to differentiate every sector in a category where discounts and cash backs are growing tremendously. It hefts up the brand imagery of the bank by focusing on the experience of the people rather than just giving deals and differentiating in categories. Actress, Deepika Padukone Singh the brand ambassador of Experience Axis Campaign highlights the offers attached to the bank's credit and debit cards. The bank exhibits various offers on their credit and debit card bouquet, through a 360degree advertising campaign. Asha Kharga, CMO, Axis Bank says, "Experience Axis' is a single unified idea that ties all the value offerings on cards across shopping, dining and travel. The idea of the campaign came from an observation of young working Indians, where people are more open on





spending and splurging on what they desire instead of what they actually need. Nowadays young working Indians don't see this as spending money on valuable things but more as gathering experiences and creating memories through exploring places which something they value more than material possessions. Hence Arun Iyer, Chairman and Chief Executive Officer-Lowe Lintas said their main approach was to position the range of Axis credit and debit cards as the window where people can experience more instead of just thinking of it and came up with Experience Axis Campaign. To promote Experience Axis Deepika Padukone Singh is featured in short duration ads where Deepika wallow in simply getting pleasure in life and one can have it with Axis bank Cards! The films bring alive exciting offers with Axis Bank Cards such as Flipkart vouchers up to Rs 8000 and 20% off on 4000+ restaurants, 20% on Zomato orders.

## Baba Ramdev launches swadeshi apparel store Patanjali Paridhan BY YASH GUPTA

Patanjali stepped into the apparel industry with Patanjali Paridhan which offers apparel for men, women and children under the brands Livefit, Aastha, Sanskar. They are prepared to offer denim, casual wear to ethnic and formals, Patanjali's fashion arm promises to be around 3,000 products & even more in future. Patanjali Paridhan will provide several products ranging from jeans, ethnic wear to accessories & many more. Like Khadi led to the freedom struggle of the country which creates influence among the older generation, Patanjali Paridhan will be the carrier to the younger generation providing fashion trends at minimal pricing Patanjali Paridhan is the latest addition to the long line of products launched by the company that focuses on 'swadeshi' and all-natural items. This is the face they create in the country & is the reason for their impact on the consumer. This year, they are aiming to have a network of 100 stores ranging between 500-2,500 sq feet & are a turnover of around Rs1,000 crore in the next fiscal.







Their target is to compete with multi-national companies in this field such as Adidas, Puma & other clothing competitors offering in 30-40% cheaper than the competitors & eyeing the ordinary people. The company is sourcing these products from over 90 vendors across the country and has an in-house team of designers. This is the ninth venture of Patanjali after entering into herbal Ayurved, natural pure products, cosmetics, personal care, cattle feed, biofertilizers, dairy products, frozen vegetables and packaged water. In 2016-17, Patanjali clocked a turnover of Rs.10,561 crore, registering 111% growth. Patanjali, which has recorded multi-fold growth in recent years, witnessed a marginal growth only last fiscal hit by the implementation of GST, finishing at around Rs.12,000 crore.

# AMBUSH marketing

#### **BY APURVA BHATANKAR**

Ambush marketing is a marketing strategy where a brand ambushes its competitor's marketing efforts and creates exposure against it. The term "ambush marketing" was coined in 1980 by marketing strategist Jerry Welsh, while he was working as the manager of global marketing efforts for American Express.





Some people believe its an unethical marketing as it attacks the competitor brand. The most popular example of Ambush Marketing in India was during 1996 Cricket World Cup where Coca-Cola acquired the official sponsor rights and to tackle the same, Pepsi launched a campaign named- "Nothing official about it" and thus acquired a lot of attention. Ambush Marketing can change consumer perception if done in the right way. The witty dig it takes with a wink and a smile makes the campaign more memorable and entertaining.



## **#SOCIALMEDIACORNER**



## #MARKTALKS

## Dhaval Jain- Brand Manager, Unilever

Dhaval Jain is an astute marketing professional. He is currently the Brand Manager at Unilever for Refreshments. He has handled brands such as Lux, Dove, Pears, Liril, Pond's, Fair & Lovely, Lakme, Vaseline, Knorr. In an interview with **Apurva Bhatankar**, he shares his experience of more than a decade.

## What are your primary responsibilities as a Brand Manager at Unilever?

On any given day, 2.5 billion people across the globe use Unilever products to feel good, look good and get more out of life – giving us a unique opportunity to build a brighter future. This is possible only because of customer centricity we carry ourselves not as responsibility but as a daily ritual. Primary responsibilities I carry in my role as brand manager is how deeper I can get connected with my consumers and unlock next big growth driver for the brand with the process of adding value to the life of consumers.

## Marketing is a fast-paced, intense field. What skills or personality attributes do you believe are necessary to succeed in this industry?

Passion for the brand & category; Obsession for consumer centricity I strong believe single biggest attributes required to be a great marketer.

## • How do you think Marketing has evolved and what are the things that brands need to focus more on in today's world?

We are living in the connected world with ever-changing needs of the informed consumers. To fulfill those needs you need to be purpose driven as consumer buy your story first and then you and for this you need to have a sharp insight followed by great execution mix. Apart from this, you need to have data driven approach which will help you to sharpen your target and we should able to give you perfect ROI.

## • A day in the life of Dhaval Jain is like...

Life of marketers begins and ends around the life of consumers and how you can add difference in their life with your offerings by communicating your story which has to be purpose driven. According to me, the job of a marketer demands proficiency in many areas and expertise in a few. You're a business owner from day 1, tasked with getting your brand into more hearts, minds, and homes of Indian consumers every day. On any given day, I might be working with media agency to build the perfect media plan to reach maximum number of consumers, contracting vendors for visibility drive at the market place, collaborating with Sales, Finance, and Market Research to draft a competitive response plan, analyzing & consumption of data, or influencing our creative partners to deliver effective communication for the consumers. Or might be travelling some part of the country to find out some interesting insight which can unlock the biggest growth opportunity for the brand and the business.

## What was your first job out of college and how did you land it? What skills and knowledge did you gain while working here?

From my college days onwards, I was always attracted towards sales & marketing profession considering my extrovert personality and I love connecting with people & their life which is an essential skill of marketer. And always wanted to play with my strength so sales & marketing obviously was my first port of call as simply bring out best in me. My first job was with a small advertising company as client servicing executive, it was a truly enriching experience as it brought me quite closer to the ground reality and compel me to go an extra mile. How to collaborate with different stakeholder was the biggest skills I learned in my first job and I'm still learning it, the only difference is the quantum of people have changed.

## • What advice would you give to the Marketing aspirants?

Before adding value to someone's life, first, start adding value to your own life by learning each and every day. What you learn today might get redundant tomorrow so you need to keep learning and start your own lifelong university and I called it University of 'Me'. And whatever you do ensure you are extremely passionate about it which brings out your best and allows you to play to your strength. As Steve jobs rightly said that you should keep asking yourself "What makes your heart sing?"

## #MARKTALKS

## Vikas Gupta - Assistant Brand Manager, NestAway

Vikas Gupta describes himself as a happy go lucky person with a passion for Music and Sports. He is currently the Assistant Brand Manager at NestAway. In an interview with **Apurva Bhatankar**, this Engineer from NIT,talks about his work in the company.

## Tell us about your responsibilities at NestAway?

I'm working as an Assistant Brand Manager at Nestaway. My responsibilities currently include managing strategic partnerships for growth and also ensuring Brand promotion campaigns are running across social media and other channels.

## • NestAway is India's fastest growing 'managed home rentals'. How has NestAway as a brand tried to create an impact in people's lives?

Nestaway has made life easy not only for tenants looking for a rented house to stay in but also for the house owner who wants to put their properties on rent. Besides this, Nestaway has also made property management, rent collection, payment for utilities and other transactions easier for both parties.

## • With a subdued demand in the household estate, do you think 'build to rent' model can be a solution for a country like India?

Yes of course. Drawing from the success of Ziroom in China which works on an almost similar model, it can be concluded that India, also being a fast developing country, has great potential for such kind of a model to work.

#### • What are the challenges you face at work?

Getting approvals from top management tends to delay things at times. I still feel a certain lack of freedom to undertake new initiatives.

## What is a typical work day for you like...

Typical work day for me starts at around 10.30. I go through my emails first to check for any communication from our business partners. I would then check the daily performance of the real estate portals and take necessary action to improve the same. I also track the performance of any previous offer campaigns run and respond to tickets raised with respect to these offer campaigns. Other than these, I also coordinate with the product team to get features developed for any new initiative we are undertaking.

## • What was your first job out of college and how did you land it? What skills and knowledge did you gain while working here?

My first job was with a company called C-DOT. I was a fresh graduate from N.I.T Trichy completing my B. Tech in E.C.E. I got this job through campus placements. The job initially was in software development domain which was not of much interest to me, hence I sought a transfer to the Marketing team, where I got an opportunity to promote indigenously built Telecom solutions particularly among the bodies of National interest. This allowed me to gain tremendous knowledge on the various communication technologies across the world and also new technologies being developed that will be used in the years to come.

## • What advice would you give to the Marketing aspirants?

It is extremely important for Marketing aspirants to gain knowledge of the respective industry. Marketing aspirants must always be in learning mode since their work desires them to be thoroughly updated with the latest developments in the market.

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## **BEYOND KOTLER**

## Have any questions / feedback

**SEND IT TO THE EDITOR AT** fabs.apurva.bhatankar@gmail.com

" A brand is no longer what we tell the consumer it is, it is what consumers tell each other it is " - Scott Cook



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