

**IDEAS MAKE MARKET.COM**

# The Thinktank

**Volume-I**

**Features:**

- \*50 completely original articles
- \* Posts from IIM alumni, IIT alumni, NIFT alumni, Project managers and lots more!
- \*Completely free and ad-free

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## About us

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### Why the site?

This site was started with a commitment to help anyone aiming to become a business leader and to serve as a platform for exchanging ideas which can make a definite change in the way business is done. We don't believe that the next big idea will not come from big names but from ordinary people with extraordinary vision and self-belief. Furthermore the site intends to help one in this journey by sharing our learnings, our mistakes, our takes and most importantly our experiences in life.

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An Engineer by profession, now at 62, he lives in his native village to work for his own people. He is a determined atheist and goes by logic and his own convictions. He dislikes democracy for its pure quantitative approach with no consideration for quality of constituents. He leads the simplest possible lifestyle like all other villagers & works with

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# The Articles

## 1. Slogans? Who cares!!

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Lets just look at some of the slogans which come to our mind. I can recount a few:

Philips- Lets make things better

Nokia- Connecting people

BPL- Believe in the best

I think I will be able to recollect a few more if I put a bit of more stress on my mind. I immediately remember one more Apple- Think different. But now for the moment let's just concentrate on one thing- there are tens of thousands of brands, each having its own slogan right? How many can you recollect- 5,10, or 20??

Let's assume that you are the one who can remember 25 brands out of 10000+ brands or a brand recall percentage of 0.25% and I also feel that 25 brand slogans to remember is too high a figure, right?? So from a company's perspective its just got a probability definitely less than 0.3% to be remembered by it's prospective consumer just by it's slogan. Now consider the billions of dollars it seems to be spending for coining it's slogans.

Now let's head to the other side of the story.

Lets look at some other brands and what comes to your mind:

Dell- Computers

Microsoft- windows

Apple- Iphone

YKK- zippers

Kwality- Ice cream

Coats- Threads

Let's just see why it works like that. Because each of these entities made a product remarkable and set industry benchmarks. Bingo !! So If an entity makes a remarkable product it definitely has a higher brand recall value. But every company can't make remarkable products. It's a fact. It's here that slogan's become important.

Rather than coining multi word slogans, single word slogans will rule the roost in the future. I mean the consumer doesn't have time to remember 5 or 6 words, so why not reduce his chance and increase your probability of a higher brand recall. Makes more sense right !! I think the following would be the keys while phrasing the word:

- Preferably smaller than the brand name
- If possible rhyming ( this has a much higher recall value)
- indicative of the brands USP
- Promoting sub-brands ( I think it creates a chance of a future successful brand name, if the slogan is popular- remember it is a single word so it can be a brand name as well)
- Slogan and brand name should have symbiotic recall value.

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## 2. It's all about stats

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So you finally made it! A great product, A great marketing campaign and people recognize your brand. They do come to your store in numbers but do not buy! It is a normal scenario facing most of the retailers around the world. How do you deal with it?

Often people judge the success of a store in a locality by the number of foot falls , i.e. the number of people visiting your store. The actual analysis should not be based on that- Sales value/footfall and sales quantity/footfall should be the judging parameter. A low ratio with high footfall indicates that people who visit your store do not necessarily buy and a high ratio with low footfall indicates your merchandise selection is excellent but you just haven't promoted it enough. Another judging factor should be how many customers revisit your stores- as that tends to show the loyalty you enjoy among them.

The solution to the above problems lies in the following:

1. **Re-analyse** - Have you got your product mix, pricing and target market correct? The answer to these questions will determine your success to a great extent. Conduct a survey in the locality as how they perceive your store and what changes they would love to see !

2. **Internal marketing**- It was fine to promote your product through television and newspaper ads, but how to promote it within the store. The solution to this lies in internal marketing, better known as "Visual Merchandising". If you don't keep your products where people can see it before buying, how will they buy it ? Promote your product with attractive labels and stickers inside the store.

3. **Build a helpful team**- Have a sales team which is willing to listen to customers and provide suggestions rather than trying to push sales in an aggressive manner. Always remember- "Good behavior brings good business". Invest in training your employees- It will help you tremendously in future.

4. **Have a door-to-door campaign**- So if you haven't been getting the footfalls yet, it means people either do not know about you or they simply don't care. It's time to find out the answer! Have a door to door campaign and conduct a survey- tell them about what you do and how you can help them with your products.

5. **Build a customer loyalty program**- Most newbies tend to ignore it. They feel they have just started and can't offer discounts to their regular customers. It is a totally wrong strategy. Having a customer loyalty program ensures you have higher sales since you offer them discounts on reaching a certain sales value. Moreover since they will get discounts, they will tell their friends - thus acting as indirect marketing personnel.

It is fine to build a great product, market it well but if you can't sell it- there's nothing worse than that! At the end of the day **it is how many people who buy your product that determines your success**, not how many people who know about it.

**Food for thought- How much do you invest in training your team ?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

### **3. Is Selling= The M-word?**

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Quite a basic idea really... but is it so?? What exactly is marketing?

One of the definitions of marketing which I love is " the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."(American Marketing Association)

But lets not get into definitions, and just consider a simple example:

Suppose the cost to company for manufacturing a particular product be X/unit.

The Marketing cost for it be Y/unit

Hence net cost to company= (X+Y)/unit (Am not considering the other cost factors here for simplicity of the model.)

Thus the cost of the product is enhanced by Y units owing to marketing, hence if it does not convert its purpose of getting sold to the consumer - Marketing is merely a cost exercise.

Rather than enhancing a product's competitiveness, it does quite the contrary.

But then what exactly is selling?

I came across a definition of selling in one of the blogs as " a transaction that adds value to the buyer by meeting their needs and results in mutual benefit for the seller and buyer", which I found to be essentially true. The whole purpose of marketing should be to enhance the buying experience and making the customer realise the value creation involved for him, that essentially is what is better known as effective marketing.

Selling is always a result of effective direct or indirect marketing. While every marketing campaign may not be successful , an effective marketing campaign can always be related directly with sales.

So in brief **Effective Marketing = Selling**. And besides if you can't sell, are you a marketer?

**Food for thought: Does marketing also lead to parallel value destruction ?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## 4. Beware of Free !!

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"**FREE**" is perhaps the most popular word any consumer looks forward to with eagerness. In pure terms of definition, it can be described as a service or product of perceived value is given without the value transaction to the consumer. Then isn't it a consumer's paradise? Why should one be beware?

Well it is not the consumer who should be beware, it is the marketeer- For it can easily spell his doom !!!

For any market segment in any sector, there are well defined strategies which are followed by the market leaders and laggards. "FREE" acts as the game changer! As now customers not only have an alternate substitute, they also have it without any charge. Would you miss out such an opportunity? Generally no.

"Free" has the power to redefine the entire dynamics in the market segment. Take for example the case of Skype- a little known company since even half a decade back and is today a market leader in VOIP and Internet calling. It redefined market rules, offered an essential service for communication free of charge and as a result adversely affected the margins of the then leaders like AT&T. In fact it boasted of over 10 billion minutes of international talktime with 4 years of starting operations(What a product!).

Marketeers generally tend to ignore "Free" as lacking in some aspects, while it is generally true- the more important question for them to ask is something else-  
**- What is the relevance of that particular aspect for a customer while making decisions ?**

It is essentially this question which should decide a marketeer's approach of tackling the new "Free" player on the block- whether to ignore it or tackle it- but essentially beware of it for it can change the way business is done!!!

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## 5.The Shy Guy- Who's he?

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Stereotypes!! Its never a good thing to build stereotypes but still we do! Lets see what image a marketing guy brings to our mind - Aggressive, fast, agile, pushing... right? And normally people with such qualities bring about the sales and are the prized possessions of any marketing team. Yet invariably, in every marketing team there is generally one guy who is quite different (think! he is also there in your team), he is aloof, sober, does the bulk of the physical work, and generally gets pushed around!

But is he a marketer? I mean if he doesn't have the stereotypical qualities, he certainly doesn't fit the bill? Right?? I bet you are mistaken.

The shy marketer shows certain traits which are unmistakably contrary to popular beliefs, but he is also the same guy who spends hours analyzing the bulk of the sales you brought last week... in short he develops a unique ability to spot trends. Don't underestimate this guy!

And this isn't all! The average marketer pushes sales, drives customers to his products with his idea... it's fine in the bottom and middle of the pyramid, but does this idea work in a niche market? I bet no. The customer in the niche market has made a name for himself through his own efforts, and he won't like to be pushed around, he makes his own decisions!! It is here that our shy friend shows his true mettle, he gives the space to his niche client, makes him feel - that Mr. Shy is just here to help him and in turn develops an effective relationship. (That holds the key!) And bingo! big sales and big margins!!!

So next time you spot him, think again- he might just be the ticket to your billion dollar baby!

**Food for thought: Did you spot the Mr. Shy in your team ?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## 6.The Girl Next Door

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Well it's not about my latest crush! (Sorry to disappoint)

I have often wondered what makes a marketing campaign click. Is it just good product or an excellent advertisement? Considering the second, one thing I have noticed is that a good number of Ad campaigns use celebrities- it gives the brand an image as it gets associated with him, is able to seek more public attention? But is it always effective ?

While it is true that for a new brand it gives it a much needed boost, is it effective for well established brands? Well not always! On an average, a celebrity endorses anywhere between 8-10 brands on an average, so what's so exclusive about him? Considering the \$ bills the company pays, is it worth it?

A brand gets successful when people love to get associated with it. Well who are the people we love getting associated with? I guess our social circle - family, friends, work place, gatherings. And there are definitely some we absolutely adore- the cute new girl in office, the handsome dude across the street, your new neighbor ( come on stop blushing !). So is it not worth it to have ads about common place scenarios by common people rather than a celebrity endorsement by Brad Pitt or Pamela Anderson? Definitely yes! For I would always be more interested to know what shampoo the beautiful girl near my house is using than Penelope Cruz ! Such ads will lead to higher market penetration and definitely greater retention in consumer's mind.

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*



## **7.Index of Industrial Production(IIP)-What is it?**

On 12th Jan 2011, everyone was waiting for the IIP numbers to be announced by the Central Statistical Organization (CSO) of the Ministry of Statistics & Program Implementation, especially the stock market. What is it and why it is so important? Let us see what this IIP is all about and then the Nov IIP numbers.

The Index of Industrial Production (IIP) compares the growth in the general level of industrial activity in the economy with reference to a comparable base year. As you know, to have any index measured, we need to have some base year to see where the current position is.

### **History of the base year for IIP**

In order to capture the structural changes in the industrial sector, the base year of the all-India IIP which was commenced in India in 1937 was revised in 1946, 1951, 1956, 1960, 1970, 1980-81 and 1993-94. The current series of all-India IIP (base 1993-94) was released in May 1998.

It covers the following sectors (the weightage is given along the sector)

Mining.....	10.47%
Manufacturing.....	79.36%
Electricity.....	10.17%

### **Who compiles IIP?**

The Quick Estimates of IIP are compiled on the basis of data furnished by the source agencies located in various Ministries/Departments/Subordinate Offices of the Government of India.

### **When is this IIP released?**

The index is released within six weeks from the reference month and are subsequently revised in the next and the third month based upon the revised production data furnished by the source agencies.

### **What does the IIP number tell for Nov ?**

India's Index of Industrial Production, or IIP, in November fell sharply due to poor patronage by consumer non-durables, intermediate goods, manufacturing and power sectors. However, the industrial growth for the eight months of this fiscal witnessed a higher growth rate.

Data released (12th Jan 2011) by the Central Statistical Organization (CSO) of the Ministry of Statistics & Program Implementation showed the IIP for November had a growth rate of only 2.7%, sharply down from the 11.3% for the corresponding month last year, and lower than the growth rate for October. The cumulative index of industrial production for the first eight months of this fiscal grew to 9.5% from the 7.4% in the corresponding period of last fiscal.

The data kept the estimated growth rate for October revised upwards to 11.3% from the earlier provisional figure of 10.8%. During November, growth rate of the manufacturing sector, with a weightage of 79.4%, fell drastically by 2.3% from the 12.3% in the November of the preceding year. The power sector's growth increased by 4.6% from the 1.8% for the corresponding month last year. The mining sector's figure declined by 6% from the 10.7% in November last year. (Source : RTT News).

With the IIP numbers showing slowing trend, the Reserve Bank of India (RBI) will have to take corrective action to control the inflation. So, expect some rate increase in the coming monetary policy review.

*[The article has been contributed by **Gopal Ramanan**. An IIM Bangalore alumni, he is a CA, CS & CWA. He started his career as a merchant banker and portfolio manager and has over two decades of experience in Corporate Finance, Project Management & Financing, Internal Audits & Control, Mergers & Acquisitions, Legal, Secretarial, and Accounts, Finance & Taxation. He writes his own blog at <http://gopalramanan.blogspot.com/>.]*

## 8. GDP vs Inflation

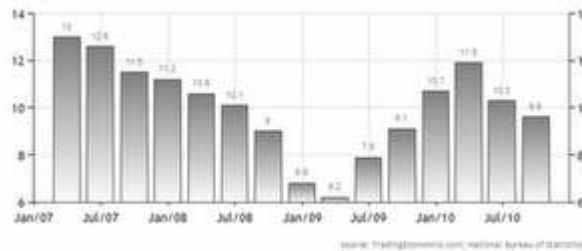
Whenever, one talks about country's economy, the two parameters GDP and inflation plays important role in determining country's economy. Before getting into the details, lets look at brief definition of GDP and Inflation.

**GDP:** The gross domestic product (GDP) is the amount of goods and services produced in a year, in a country. It is the market value of all final goods and services made within the borders of a country in a year. It is often positively correlated with the standard of living, alternative measures to GDP for that purpose.

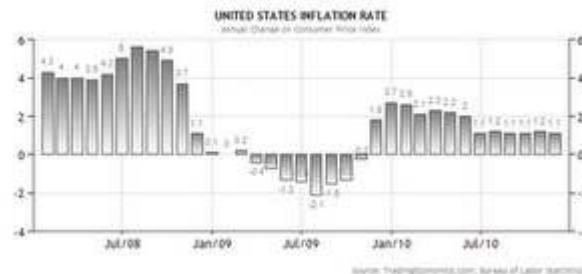
**Inflation:** The consumer price index (CPI) calculates the change in consumer price of a set of goods and services such as food, clothing, fuel, housing, medical, transport, education etc.

I believe, any country is considered to be in growth path, if year on year GDP% growth is greater than inflation % otherwise inflation is bound to eat up into the growth. Towards, comparison of GDP & inflation parameter, I have taken 3 countries. US which was most affected by economic downturn and China & India, which is claimed to be least affected economic downturn.

### USA



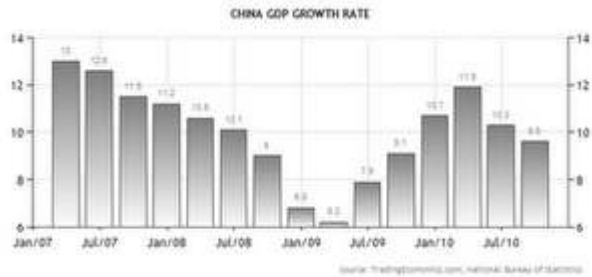
*US GDP annual rate for 2010 is 2.6%*



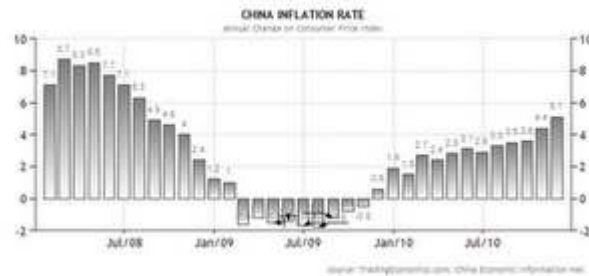
The US inflation rate for 2010 is 1.1%. This means, GDP growth is much higher than inflation which is a positive sign for US towards growth. As per the graph, it was only for few months in the year 2009, growth was around -6% and inflation around -2%, which mean inflation was higher than GDP, this period could well be termed at the worst period in US economy due to recession.

Now let's look at China's GDP and Inflation

### CHINA

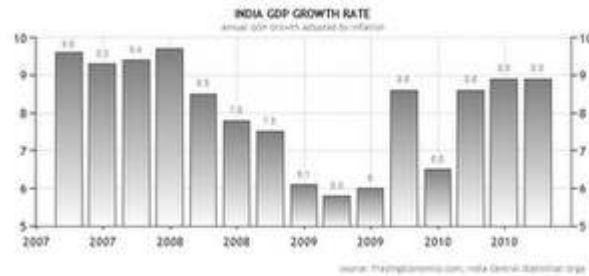


**China's GDP growth percentage is around 10% for year 2010**

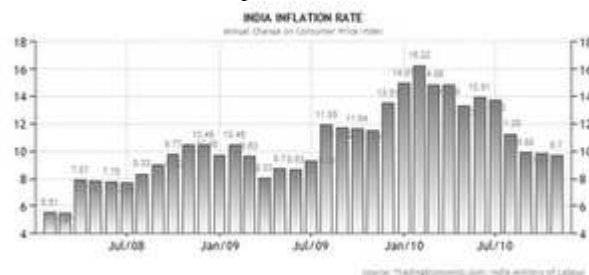


China inflation rate was in range of 3 to 5%. However, comparatively GDP rate of 9% is higher when compared to inflation, which I believe is a positive sign. Moving on, let compare India's GDP Vs inflation.

**INDIA**



**India's GDP rate is for 2010 is around 9%**



India's inflation rate is 9.7% around October 2010. As per an article in a leading daily, the food inflation has said gone beyond 14% in the later part of 2010. Interestingly, all through 2008 to 2010, the inflation has always scored higher percentage when compared to GDP percentage. If this is true, I do not understand on what basis, India is claiming to have withered recession with minimum impact ?

Again, with inflation galloping in India, are we moving towards hyper inflation ?

*[The article has been contributed by M.Guha Rajan. He is a software management professional as well as a PMP certified Project Manager. He is post graduate in*

*management and holds a degree in computer engineering with over 15 years of post degree work experience. He writes his own blog at <http://indian-amps.blogspot.com/> which deals with several diversified issues ranging from outsourcing to books to personal experiences.]*

## **9. Learning to share**

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*This one's in a different note.*

Once upon a time, there was a kingdom called "Company", whose King named CEO had three princes. They were named Prince Aggression, Prince Clever and Prince Agile. Each of them expected to be the future king and hence were always playing the game of oneupmanship. The king was deeply worried about the fate of his kingdom because of this mutual distrust among his sons.

One day the old king called his three sons and said, "Dear sons, as you know our kingdom does not have any resources left to sustain itself any longer and we need to attack kingdom "Market". Whoever wins this kingdom for us will be the next king." He then asked his sons to leave saying that if they can't capture the kingdom in 30 days, they will be banished from the kingdom and someone else will succeed him. The King further handed them a map which had the following additional information about the kingdom "market" :

- The kingdom had three islands named "Mass Market", "Niche Market" & "New Market".
- The kingdom had a very strong army.

The Princes decided to march their individual armies towards "Market" and attacked it.

Each of the princes wanted to capture all the islands, but did not succeed. To make matters worse, they even had skirmishes within themselves which further diminished their strength. 27 days had passed, but there was no sign of them succeeding. The news of the failure so far reached the king's ears who immediately asked his wisest counselor named "Shared Wisdom" to go to the battleground and advise the princes.

"Shared wisdom" was a well-respected person and was associated with kingdom "Company" since its inception. He advised the princes to merge their armies and attack each of the islands together. Seeing no other viable option left, though skeptical, they decided to merge and attack!

On the 28th day- Island "New Market" was captured. Island "Niche Market" followed soon the day after. On the final day, the battle with island "Mass Market" took place, though it put up a brave fight, it finally succumbed. The news of the success reached the king's ears.

The Princes had now started to enjoy each other's bonhomie no longer cared who among them will be the next ruler. Overjoyed at this, the king decided to give one island each to each of the princes- Prince Agile got island "New Market", Prince Clever got island

"Niche Market" and lastly, but not the least Prince Aggression got "Mass Market". Each of them proved to be able leaders in the long run.

The king was now confident about the fate of his kingdom and of defending it against Kingdom "global giant". The threat of another war now loomed large...

**Bottom line- The market is big enough for everyone. Learn to share. It makes you more competitive. Each player has it's own strengths, if properly directed can create a market segment for themselves regardless of the scenarios.**

**Food for thought: If I have 5 ideas and you have another 5 and we both share our ideas, each of us has 10 ideas ! Which is better having just 5 or having 10?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **10. Building Networks and Alliances**

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The threat of an imminent war meant it was the time for alliances. Despite Kingdom "Global giant" having presence in most parts, it still has to depend heavily on kingdom "Outsourcing" for support. Kingdom "Global giant" knew that without having kingdom "Outsourcing" by its side, the war against kingdom "company" would be an uphill task to accomplish.

The growth of kingdom "outsourcing" had been meteoric. Its biggest strength lay in its huge army who were willing to relocate even to the most adverse conditions. It has benefited both. Kingdom "Global giant" was able to increase its influence far and wide and kingdom "Outsourcing" was able to bring in prosperity for its people.

Unlike most other kingdoms, "Outsourcing" was ruled by a triumvirate- King "BPO", King "IT" and King "Manufacturing". Together and with the help of smart thinking & strategic alliances, they have brought Kingdom "Outsourcing" one of the highest growth rates in the world. But they were now not content with it. They aspired to be treated at par with other Kingdoms like "Global giant", "Cold state" and "One state". In order to achieve this goal they started their own special force called "E-guy" or "Entrepreneur". The people in this special force were of a unique kind. They were always buzzing with new innovative ideas, most of which were gladly implemented by "Global giant" and were huge success stories and as a result Kingdom "Outsourcing" was now treated with respect and was seen as a major decision maker. Still it was no way close to Kingdom "Global giant" in prowess, and was the junior partner in the alliance but with a high growth rate.

**Bottom-line: If you want to be treated seriously, move up the value chain. If the work you do is very basic, sooner or later someone will overtake you. Think innovative and build your brand !**

Kingdom "Outsourcing" owing to its geographical proximity to kingdom "Market" (now ruled by kingdom "Company"), was the perfect base for launching an attack and hence its importance in the present scheme of things. However its initial attempts to penetrate kingdom "Market", have not succeeded owing to huge public support & loyalty the three Princes ( Agile, Aggression and Clever) enjoy because of their benevolent rule. In fact the public have so far refused to give even a small piece of pie from their kingdom "Market". A fact which has now forced kingdom "Outsourcing" and "Global giant" rethink their strategies.

**Bottom-line: If you know your market and deliver what you say, a cheap product won't be able to eat your market share. Build brand loyalty.**



Another rumor doing the rounds - kingdom "Cold state" has offered support to kingdom "Company" who in return will set up a base in "Cold state", thereby forging closer ties than ever before. Furthermore reports suggest that it was a result of the efforts of none other than councilor "Shared wisdom". The report appeared in local daily news paper "Market share" and was reported by celebrated journalist "Trend watch". A report of this nature , if true, will definitely change the dynamics of the looming war. But...

**Bottom-line : Build a strong relation with your vendors and suppliers alike, it's your best bet to survive an onslaught on your market.**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## 11. The rise of the giant

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The growth story of Kingdom "Global Giant" was as interesting as it can get. It had followed an open policy- attracting the best ideas and minds from all kingdoms including "company", "outsourcing" and "cold state". And to retain those minds- it provided equal opportunities to them, some of whom even went on to become the king of "Global Giant".

**Bottom-line : Build a great team. Exchange ideas across the team and choose the best idea. Furthermore it paves the way for innovation**

Kingdom "Global Giant" also envisaged a much more wider vision. It asked its citizens to act on its own resulting in tremendous competition for new ideas, thereby making them all more competitive while fighting as a unit in new wars- thus leading it to emerge victorious in most of these making it synonymous with its name "Global Giant".

**Bottom-line: Competition makes you more better and stronger. It helps you improve and build your brand especially if you have global plans in mind. Never shy away from competition!**

Furthermore it built institutions- which led to enhancement of trust in the wisdom of the King. It envisaged a policy of justice and equality for all. The king tried his best to improve the quality thereby making it a lucrative destination for every like minded being on the planet.

**Bottom-line : Build quality. If you want your product and brand to succeed there is no other shortcut to success.**

Moreover it had now built close strategic ties with many Kingdoms including "Outsourcing" which gave it access to many new kingdoms. However it was not for free- these kingdoms also got access to Kingdom "Global giant". Thereby making the relationship beneficial for both.

**Bottom-line : Learn to work together with partners if you want to perform well in new markets**

However new challenges were now being posed by Kingdoms "Cold state" and "One State", which threatened its global dominance. But for the moment- the imminent war was its major concern...

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **12. Management tip from a truck driver**

I've always had a thing for army trucks. I mean, I've always imaged driving one of them. Yesterday afternoon as I was driving to a meeting, I happened to find myself behind an army truck at a signal. And of course, I got busy admiring the mechanical beast which looked like it could take on much.

Into about my third minute of admiring the army truck that was filling up my view, I realized that vehicles around me were getting around the truck and me. The rugged army truck was staying put and not necessarily because I was admiring it; it had broken down on the extreme right lane at the crossing. I realized I had to back out my car in order to be able to maneuver around the truck. As I got my car moving, I noticed two lanky passersby helping the truck driver by trying to push the truck. Within the first half a minute of trying really hard, their faces looked distraught even though they were not willing to admit failure yet. *What entertainment* I thought to myself. What were they thinking?! It's an army truck and there's a reason I admire it!!

Anyway, these guys were genuinely trying hard and so was the well-built truck driver who had now joined them half-heartedly because he was unsure how he would steer the truck whilst pushing it. As I maneuvered my car around the truck I noticed two traffic cops joining the challenged team, the truck's wheels inching forward and the driver back in his seat steering the truck to the right. Hurray!

The meeting I headed into was with an events company that was discussing hiring me as an anchor and was picking my brains on how to pull off a series of interesting promotional events. In the course of the meeting I discovered that the company had been recently formed, that they were fairly specialized, partnered with other event companies and were worried how they would pull off bigger events given they were a small team. My tip to them: be the truck driver! Outsource non-core areas and take on support staff: no matter how big or small, how old or new!

*[The article has been contributed by **Lakshmi Rebecca**. A Marketing Consultant, Anchor, Writer, Ex-Model and to be Entrepreneur based in Bangalore. She is qualified with an MSc and DipM ACIM with experience in research, strategy, communications and teaching. She writes her own blog at <http://laksh mirebecca.blogspot.com/> and can be reached at : <http://in.linkedin.com/in/laksh mirebecca> , <http://twitter.com/laksh mirebecca> and <http://www.facebook.com/pages/Lakshmi-Rebecca-Anchor-Comperer/151051401610734>.]*

### **13. Is Branding = Goldmine? It certainly costs so**

Simple question. Most of the readers here definitely knows what a brand is. I believe it is something due to which value is added to the product in the customer's perception. It is for this so called "Brand" that he is willing to pay a premium from his own pocket !!! An awesome powerful tool really ! A marketeer's boon!!

But is everything really great about having a brand and is worth the cost ? Did I hear yes? I again disagree ( one of these days I hope I will agree with you ! I really want to !)

Logic says, having a Brand is like having a goldmine. Yes it is to some extent specially when dealing with the upper segments of the pyramid. Your company spends millions of dollars to build brands say A and B. It is hugely successful as well ! you are a hit !

But now you get ambitious ! You need the entire pyramid for yourself( read our previous post- Learning to share). So do you start a new brand for essentially the same product? Now you face a dilemma whether to extend the brand (which will obviously lead to value destruction to some extent ) or to launch a new brand ( another 10 million dollar bill - and you want to spend? Man you are rich !). There have been companies which have been successful in both the scenarios.

Is it only Branding which makes it successful? An absolute No.

Your brand was built because you delivered what you said you will ! simple ! It wasn't built because of the millions you spent promoting, but it was certainly built because of the quality and innovativeness you put on offer. But then is branding a futile exercise?

No. Because it is important to let people know that you have a great product. But instead of spending millions on promoting a brand, try to spend a part of that on delivering it as promised. Your market will be created then because when I will buy a good product , I will tell others that you have a good product which in turn will build a great brand. Quality and marketing always work as brothers in arms.Brands like Volkswagen or Levis became brands only because they delivered quality product as company.

**Bottom line : Build quality ! It pays !!**

And one thing which every client should remember, if your product isn't good and you hire the best marketer he can sell it to the first, the second, the third... but he will not be able to sell it to the last one. So always invest in the right areas. (Am I sounding a bit anti-marketer on a marketing blog ! Gosh !!)

Building a good product = Building a good brand = a goldmine for the times to come !!

**Food for thought : How many millions are you willing to spend for promoting your brand? And do you invest similarly in innovation and quality?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **14. Searching for winning ideas**

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While starting a marketing campaign, a company essentially thinks about two things- it needs to reach people and it needs to convert those to sales. It hires the best marketing agency available (in case it's in house- hires a few heavyweights), gives them a handsome cheque (the best part especially if the cheque bears your name !) and now expects them to deliver. And they do ! Of course that's why they are heavyweights!

But the reason I am writing this is- How do they know that which idea is going to work ? I mean generally if a person get's 1 out of 10 campaigns succeed, it's fine... but getting more than 8 out of 10 needs something particular, something extra- The X factor.

Now what exactly leads to this X-factor in certain particular individuals and teams ? I believe some of these are:

**Hard work**- There's no substitute for it. Analyse and Know the market well.

Ability to **think BIG**- Yes, it is important. While making an Ad or while marketing, you may have a target audience in mind, but the best Ad campaigns are those which can be extended to other market segments as well and create sales in those areas. So next time while working in a campaign, think big and ask- does it appeal universally?( with focus on target segment of course!)

Ability to **think as a team**- Always remember ability can open the first door, it can open the second, but it will certainly not open the last if you cant work and think as team. Working in a team leads to the best, and more importantly winning ideas!( refer our post - learning to share)

And now the most important, **Think Different** ! But how do you think different?? Well the secret is very simple ! In order to design a winning ad, a successful marketer should not think as a marketer. Nor is it necessary to read huge thick books (well I really don't understand the logic of thick books!It's too heavy). Huh!! That sound's contradictory! The real trick lies is something very simple! To be a successful marketer, think like the consumer! Ask just one simple question will you buy the same product marketed in the same way from Mr. X? And will it be a value addition for you? If answer yes... then that's a winning idea !

So if you want to be a successful marketer, look around, observe, ask yourself questions because the next winning idea is just near you !You just got to catch it!

**Food for thought: Did you think how would you have sold a product, you did not buy last time? Think because ideas make market !!**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **15. Diplomats or Salesmen?**

In the cold war era and before when diplomacy was a new born term in the world, it used to be more of a market concept. But today, it has shifted from merely a political function to more importantly an economic concern. Why is India seen as a world power and one of the poles in the multi polar world today?

It amuses me how the biggest problem in India after corruption, that is - "Population" acts as one of the biggest assets for India. How Indian markets due to this huge and ever increasing population are attracting huge investors in Indian economy. U.S., France, Syria, U.A.E. and now China, you name a country and the diplomats of that country are looking forward to have good bilateral relations with India. If you see in the far ends inside the country, you will find poverty, food insecurity, internal disturbances and much sinister problems facing. In contrast, the architects of Indian Economy which include our economist Prime Minister and the Big Capitalists, have helped in portraying and lifting India to a level where not just its resources, but its markets too are attracting people from around the world.

If Obama came here with an agenda, to sell whatever could be exported by trying to attract India with the lollipop of UN Security council membership and pampering India as one of the emerged powers of the world and not just a developing economy. Then Sarkozy wanted his not yet tested Nuclear Reactor to be 'dumped' into India at any cost and after cutting important social security costs back home he wants India to open its markets for French companies to be able to 'improve' bilateral trade between the two countries just to fill the fiscal deficit and to correct the balance of payments facing France.

Diplomacy is no doubt becoming more and more important politically, but out and out, a diplomat has to eye not just on the political scenario but economic prospects for growth and sustainability at large.

*[The article has been contributed by Charu Nigam. An IIT Delhi alumnus, she is also an instinctive artist and a philosophical thinker in her own terms. She is driven a lot by social causes and is committed to make a positive change to the world around her. She also writes her own blogs at <http://cheekuandherrandomthoughts.blogspot.com/> & <http://myunderstandingofsociety.blogspot.com/> . She is presently preparing for the prestigious Indian civil service exams. We wish her the very best in her pursuit.]*

## **16. Decoding: Viral Marketing**

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A very interesting phenomenon has been prevalent & making waves since couple of years now. Yes! You guessed right! I am talking about Viral Marketing.

For those who do not have the slightest idea, let me tell you what exactly is Viral Marketing. Viral Marketing (or Viral Advertising) is a new form of marketing in which the marketer uses a pre-existing social network or another medium on the internet. The message replicates itself and spreads just like a computer virus or a real virus would do. Viral Marketing can be called as advancement over Word-of-Mouth marketing. The latter can be a subset of Viral Marketing. But they are not the same things, as many people would think.

Word-of-Mouth marketing is an age old process which requires a person to first use a product and if satisfied, spread the message to a friend and so on. This process is not only slow, but it has been seen that the brand retention through this process is very limited. People tend to forget about the brand soon. On the other hand, Viral Marketing is a fast process through which the marketer can reach out to an audience many times larger than the former process. In this process, the user finds something interesting and shares it with ten friends. Those ten friends again share it with ten friends each. We can very well imagine the power of this process. It has been seen that the brand retention is longer in the case of Viral Marketing.

Basic Tips for a successful Viral Marketing Campaign

- 1. The product/message to be distributed should be valuable:** It is value that a friend would share with friends. Anything that is uninteresting or worthless would result in being ignored in the first few steps in the process of Viral Marketing.
- 2. The product/message should be easily transferable:** This is a very important point. A person would share something with people only if it is easily shareable. The lesser the complexity, the more would be the probability of it being spread out to a wider audience.
- 3. Good Scalability:** The campaign should be scalable. It should appeal to maximum people throughout the target regions. A Viral Marketing campaign should be created using all demographics and psychographics in mind.
- 4. Should be able to exploit basic human behavior and motivation:** A Viral Campaign should be able to play with basic human behavior. If it can convince a person to spread the word, then it is a success. But the campaign should know the limit to which it can play with emotions; else it could also result in negative branding. But if it works, it can do wonders. For instance, a marketing company which once took up the Viral



Marketing/Branding project of *Kit Kat* chocolate came up with a very clever idea. They created an image of *Kit Kat* chocolate and forged a design on it which looked like Jesus Christ's face. They attached this image with a message, which seemed to be from the owner of this chocolate. The message demonstrated the person's surprise on the miracle. This message spread like wildfire and turned out to be successful. It was a very risky campaign because when religious sentiments are involved, things can go haywire.

**5. Make use of existing networks:** Using existing networks is very cost-effective and saves time. The favorite media for most Viral Marketers are Facebook, Twitter, blogs etc.

Those were the basic points to be kept in mind before starting a Viral Marketing Campaign. It is to be remembered that the campaign should be developed very innovatively and carefully because if it backfires, it can be very harmful to the brand.

**Food for thought: Does ideasmakemarket.com also use viral marketing?**

*[The article has been contributed by **Sunny Walia**. An ambitious guy, he has done his graduation in Business Administration and presently manages his own family business in chemical sector. An easy to gel person, he follows the principle of "Simple living, high thinking !". He writes his own blog at <http://sunnywalia.wordpress.com/> , which has some of the most interesting takes on things around him. He is also the admin of our facebook page.]*

## **17. Innovate or...**

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*In today's fast moving globalized world, it doesn't take time for a good idea to spread or for a business model to be adopted by other players in the same segment. But if everyone get's access to the same idea, then how does anyone remain more competitive?*

The key to this lies in innovation ! If you feel you are the market leader and you will always remain so, well you won't be ! There have been several companies which have dominated their individual product categories in earlier decades, and which have now ceased to exist. Equally there have been few which have continued to dominate.

The answer to this paradox lies in one simple strategy- Investing in innovation and research. If your own game plan is to remain static and maintain status quo, think again!!

Companies like Google & Facebook did not even exist a decade back. In fact the whole concept of social networking and search engines was not around. They innovated and created a new segment. And think about Apple, from a computer manufacturer it has become a technological giant. By making i-Phones, iPads and iPods, it created it's own market segment. Now people look at Apple for the next big trend. Who would have thought that a day will come when we will have touch screen mobiles, and now almost every big brand is having it.

The greatest benefit this has led to for the companies is that they have become benchmarks for their industries. For example when you think of photocopier, you think of xerox. In fact in many countries, including India, most people are not even aware that the machine is a photocopier and not "Xerox".What it essentially does is that people start following you and then design their products. The result: They don't lead markets, they simply follow. Besides the knockoffs also eat up their share owing to price factors. So basically what it leads you to is defining market rules and doing business your own way! And that's Paradise.

So the key to business success is simple. **Innovate !!**

**Food for thought : Would you set up an innovation team in your office despite the fact that there will be little result in the short run and add to costs?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **18. Ten people to look out for...**

The 10 characters you will find in every marketing team:

1. **The Big shot**- Generally the team leader, he's the one who has brought the team to this level. Does like it when people say good about him and has little tolerance for criticism. He has seen all the days good and bad, so has plenty of experience to take correct decisions.

2. **The Slogger** - The hardest working member of the team, ask him the stats - he knows it all. Enjoys a good rapport with most members including "Big shot" and people respect him for his diligence. Always looking for an appraisal and pay hike.

3. **The Guru**- He's the guy who has the craziest take on things, innovative and out of the box. If you are in a dilemma, he is the person to seek guidance from. The perfect member for any advertising company.

4. **The hopper**- He's the one who keeps changing jobs every now and then. As soon as he joins, you know he's not going to stay more than 6 months; in fact he got a call from your rival yesterday.

5. **The shy guy**- We have discussed about him in our previous posts.( refer : Shy guy...who's he )

6. **The laggard**- He's the one who always creates last minute bottle necks in operations by delaying activities. Though he doesn't do it in purpose, but is generally a cause of worry in execution. As a result "Big shot" never assigns him to handle project independently.

7. **The gossip girls**- Tell him any thing, rest assure the whole world will know it the day after. Doesn't do it by purpose, but just that it's his nature. He is never informed on critical matters and as a result his growth is limited.

8. **The good guy**- Always on the look out for helping out people and striking a chord with his clients, peers, subordinates and superiors alike. He's the PR guy for your team and a very important person for your team's success. The most ambitious member, he aspires to be the next "big shot" in the long run.

9. **The back stabber**- Can the villain be far behind? He's your rival's secret agent in your team. Beware of him. Moreover he also spreads rumors and is involved in office politics.

You did doubt him once or twice, but you have not been able to prove it. Have a close watch on his activities.

10. **The new bee** - He's the newest member of your team. Soft spoken, hard working, quick learner and is always seen close to Mr. Slogger. He has already impressed Big shot, and is all set to be handed his first project.

**Food for thought :So which one is you? And did you figure out who is the Back stabber in your team?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **19. Unsaid rules of naming products**

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Yes it is one of the trickiest propositions that every marketer and company comes across. While there are no hard and fast rules for defining it, yet it is better to follow certain unsaid directions while naming it . These are:

1. **Know your product-** Often company as well as marketer do not really understand the product. By this I mean to imply that they tend to go for totally irrelevant brand names, compared to the product the sell. It is always better to have a related brand name.

2. **Know your market-** Have well defined knowledge of the market you intend to cater to. Choosing a name with which your market doesn't associate with a sure recipe for disaster.

3. **Don't go for a family or individual's name-** Yes most companies at one point of time used to go for brands named after their families or owner. Well it doesn't work any more. People love to relate more with a professional setup than with a family run setup (exceptions are always there).

4. **Go for a catchy tagline-** A tagline is as important for your brand's success as the brand name. Go for a tagline that is unique and has an appeal to a wider audience.

5. **Don't imitate-** There are lot's of companies which imitate the names of big brands , while it does attract attention, but doesn't lead to sales . It is similar to you visiting my blog and not viewing an article or clicking a relevant ad..

6. **Keep it simple-** It works wonders. Perhaps the most important recipe for success ! A simple name always helps as it make a presence in the consumer's mind at a much faster rate !

And overall- Don't compromise on quality of your product. It's fine to generate customer's attention and make them buy, the key to your success is whether they will buy it again and ask their friends to buy as well.

**Food for thought- Can you think about a 7th unsaid rule for naming a product ?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **20. Secret revealed: The Architect's take !!**

From a layman's perspective, one might not have an idea what the discipline Architecture is about. Well, for him, my answer would be its all about ideas and implementing them. When one looks at a work of Art, one wonders what might be the idea that drove the Artist to come up with such a master-piece. Invariably there is always an idea behind such issues. Similarly, a work of Architecture also has ideas implemented through technology.

In Architecture, you have this basic framework in which to incubate your ideas into a successful business model:

**Activity** : What the project is all about?

**Responsibility** : Who is in charge of the project and who else share the burden.

**Locality** : Where the site is located?

**Temporal governance** : When is the starting time of the project and when should it end?

**Information** : Which is the client brief and the basic data available?

**Operation** : How the entire project should be handled and implemented?

The above factors are essential to translate an Architect's ideas into a successful reality. The most important factor is the client base, how you communicate with your client. Knowing what a client wants is of utmost priority. Sometimes, clients are not up to date with the latest designs, then it is the responsibility of an Architect to communicate properly of the latest trends and technology and what marvels can be brought about within the constraints of capital, land and labour. The next important factor is the very project that one is dealing with and its location. The feasibility of a project depends entirely on the location of the site, the nature and size of the site, its surroundings and future proposals around it. There are also the economic aspects, the social impact and the technological issues to deal with. The efficiency of an Architect can be judged by how he manages the inputs of land, labour and capital in the organization of his Architectural firm.

Again like all other businesses, Architecture depends on how one markets a project. A lot of it depends on the project and the "WOW" factor that the project induces on the onlooker. Thinking out of the box is the key. So, the idea behind the project is the pivot on which the entire future of the Architect depends- whether people will like it and whether his client base will increase or not. Nowadays we all see major projects being advertised in the media with the help of simulated walk-throughs and artistic renderings. All this is done to attract customers and get recognition. Having the right contacts in the right areas is also important in getting hold of major projects. This is why

sharing a good rapport with the men from the development authority plays a key role in the process of whether a project is going to pass or not.

So, as an Architect, one cannot just sit and draw plans and sections of beautiful looking buildings. One needs to go out there and grab the opportunity waiting for him in the market, grab a share and start off. Risk taking is an essential ingredient to make a successful entrepreneur and this is just what an Architect needs to start off. Starting off is not easy as there are already a lot of big fishes in the market like the greats of Anant Raje, B.V. Doshi, Charles Correa – the ABC of the world of contemporary Architecture in India and many others. But with determination, talent and the right temperament, if one can survive the initial years then the future can only be bright.

*[The article has been contributed by **Budhaditya Mitra**. He is a final year student of Architectural engineering at Jadavpur University. He did his Schooling from the prestigious St. James School, Kolkata. A positive thinker, he believes that there are ample opportunities out there to prove oneself, we just need to grab 'one by the horns'. He can be reached in twitter @ <http://twitter.com/budmit1988> ]*

## 21. Eleven Skills For Product Manager To Win Over Any Situation

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When it comes to product building, a product manager is the person who is whole sole responsible person to own its success or failures, whatever the outcome results into. The product manager needs to carry some hot properties in his kitty to win over the situation.

His kitty bag should contain:

- 1. Good Business knowledge:** Without an ample number of years of experience nobody can become a good product manager even with very high skills and qualification tags. A person who himself has spent certain substantial amount of time in understanding business, developing product and maintaining quality in his early career stages cannot become a good product manager.
- 2. Business analysis skills:** Though this job is usually done by someone else in project management but a product manager is supposed to have an equally balanced business analysis skills to overcome any of the customer requirements skipped or semi-understood by the business analysts before the product development starts.
- 3. Technical know-how:** Without having a good technical knowledge a product manager cannot decide about the right platform, development tools (front-end or backend) and thus his decisions about the technical set-up may create a big problem at a later stage.
- 4. Team management:** A team comprises of all kind of people. No two programmers or testers think the same way. Two programmers will write the same code requirement in different fashion. The code written in two different ways may perform same but the two codes written may differ in terms of complexity, structured designing and size of the code. Similarly two different testers will test a code differently and will bring out different results. These issues at stretch can me managed with standard procedures. But there are more issues related to team – HR, behaviour, attitude, knowledge, experience etc.
- 5. Business solution architecture skills:** A product manager has to be visionary in deciding about the product architecture. Database design, table structures, code architecture guidelines, server sizing, etc. has to be dealt with keeping in mind that these things create complex issues if require a change at a later stage.
- 6. Time management:** Product deliver commitment is done in two ways. One way is estimate each micro level activity involved in the product development and then commits a deadline for delivery of the product. Another way is just give an estimated deadline and then start reverse engineering to fix timeline for each micro level activity. A buffer time



basket will definitely help in both the cases to manage unpredicted problems arising in between during the development.

**7. Leadership:** There is a difference in commanding the team and getting the things done by demonstrating yourself. The product manager has to lead in certain cases to demonstrate the team various possibilities in managing the situations.

**8. Managerial skills:** A regular flow of monitoring, follow-ups, sanctions, approvals, queries, questions, issues, confusions needs to be managed to keep the team members tied in a rope together to drive on the same road together in the same vehicle to the same destination.

**9. Communication:** A three way communication is very essential for the product manager during the product development. He needs to keep the communication bar intact and aligned between the customer, his own management, and his team members. He should be very clear to identify between the information that needs to be shared or to be communicated without sharing with others.

**10. Change Management:** Change requirements happen anywhere and everywhere even in day-to-day life. During product development, many such requirements arise that need to be managed tactfully and smartly so that the progress doesn't get hampered on one hand, and the momentum of the team stays up-swing always.

**11. Disaster Management:** Risks are bound with any development be it a personal life relationship or a product development. A product manager must always be prepared for pre-conceived or sudden unknown surprise risks. He must be able to get the crux of the situation at any such moment and move ahead with a timely taken right decision.

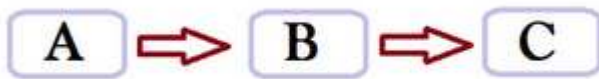
If the product manager masters on the above skills and his delivery model accordingly, he has all chances to win over the situation by delivering the right product to his customer in stipulated time-frame.

*[The article has been contributed by **Jaideep Khanduja**. Currently working as Head Quality Assurance and Project Management in India Office of a large versatile International group, he has over 20 years experience in IT. He believes that Innovation, Team Management, Time Management, Skills enhancement, Learning, Knowledge Management and Mentoring are the best tools to grow. He writes his own blog at <http://itknowledgeexchange.techtarget.com/quality-assurance> ]*

## 22. Vertical integration or maybe...

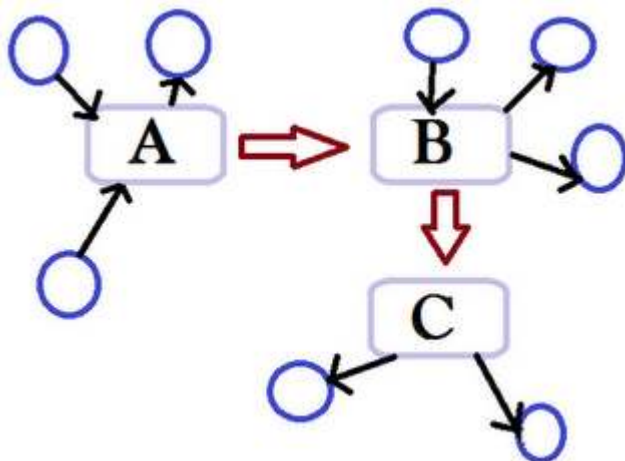
In the mid 80s, lots of companies went for vertically integrated setups. The main criteria for this choice was to have more control over the delivery time and margins. It was indeed the need of the hour at that point of time. However with the rise of cut-throat competition, fluctuating exchange rates and lowering margins, is vertical integration still advisable or alternate models need to be explored ?

Let us consider the present condition in the making of a product having three distinct departments/ processes A, B & C.



Yes it makes a lot of sense to have all three operations under one roof and consider the overall profitability of a firm as a whole, but what about the profitability of processes A, B and C? What if any particular of these processes is not doing that well? after all your overall profitability is a function of the sum of profits of A, B and C.

So your basic focus should be to increase profitability of your individual processes. It is here that I suggest the decentralized model.



In the decentralized model, though A, B and C are processes in the same firm, they are free to take orders from other competitive firms and also outsource their work to other firms if they find their corresponding process to be more expensive and/or less efficient. The blue circles here indicate the vendors and clients they are working with, the inward arrows indicate the booking of an order and outward arrow indicate the outsourcing of an order.

It will lead to the following advantages:

1. **More efficient systems-** When each of your processes will work as profit centers and will compete with each other for orders, that will definitely lead to higher efficiency.

2. **Individual profit targets-** Since each of your processes will act like an individual unit, each will have its own goals thereby leading to **profit maximization**.

3. **More competitive pricing-** with greater control in the costs incurred, your product will definitely have a greater chance of success and will be able to compete more voraciously in the market.

4. **Creating incentive plans-** share profits with employees on the basis of their department's profitability, which will definitely provide a greater return to you in the long run.

5. **Handling recession-** In times of recession, it will be a great boon to keep you moving as you may not be having more orders, but others will definitely use the efficiency of your processes, thereby enabling you to at least operate on no loss basis.

**Food for thought: Can HR be a profit centre ?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## 23. Where's the key?

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With more competition, the focus of all the players in the market has shifted from concentrating only on sales for generating revenues to something which now holds the key for maintaining their presence in the market. If you are thinking it is customer care, well everyone will do it, what is so special about your effort?

Even if we look a decade back, the emphasis was always on bringing profits by greater sales, but as prices dropped and especially due to recession, the emphasis has shifted to reducing costs. One of the biggest beneficiaries of this change has been the rise of an entity right from back room to board room. That entity is logistics and supply chain management.

Sounds simple, but yet very few companies actually have control over this aspect of their business. In fact it was never thought to be important till even a few years back. An effective supply chain involves having the right product in the right quantity at the right time and also delivering to the customer on time. For that to happen, the goods must also reach your store on time- in other words, Just-in-Time(JIT). It involves a great deal of estimation, planning & execution and a glitch in any of the three processes will ultimately lead to a near disaster (and you thought it is just all about selling!). However having an effective SCM is not so easy to implement. It involves large scale investment in infrastructure and training personnel, so some companies have found it more better to outsource it to third parties. However while choosing your SCM partner following criteria should be considered:

1. **JIT**- how quickly can your partner deliver you the goods & also how low is the reaction time.
2. **IT integration & infrastructure** - never neglect the IT integration level of our partner: higher the integration, greater the chances of success.
3. **Track record**- Check the expertise level of our partner and whether they have delivered in similar tie-ups before. Always remember : experience holds the key.

Besides this, there are also certain other factors which must be considered while deciding on your logistics & SCM strategy (in both inhouse/outsourced scenarios):

- a. **Transportation**- How much is the current transport levels helping you deliver service? Rate yourself regularly on a scale of 1 to 10 and ask your employees also to rate it.
- b. **Existing vis-a-vis proposed systems** : Review clearly whether your strategies are heading in the right direction- check after each predefined timeline.

**c. Other players:** Analyse the strategies of your competitors and try to incorporate the best ideas into your own setup. Also do ascertain whether your decisions are being made considering **accurate data** (it may sound funny, but sometimes big decisions are taken on inaccurate informations- especially those purposefully spread by your competitor !)

Whether a company outsources or manages the supply chain & logistics itself, one thing is for certain it is one of those areas which are only going to have increased importance with time- higher efficiency will lead to higher margins. And that's what counts !!

**Food for thought: Would you outsource or manage your firm's supply chain in-house ?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **24. Promote for discount?**

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Sales personnel get commission for marketing a product and getting it sold to the customer. But can the customer also be asked to market it? Well I am not talking about word of mouth marketing.

What I am talking about is the customer being made to endorse the same product, a product of a sister company or perhaps even a third party product. Just imagine how much more it will be effective in comparison to celebrity endorsement. Well do you think the customer will do it for free? Of course not.

Neither am I asking him to do it for free. In return the customer will get a discount on the product he is buying and as a result he will sport an additional logo of the sponsor in the product that he buys. While it may not be much effective in small utilities, if we consider a product like a car it has wide scale potential. Just beside the car manufacturer's logo, there will be a small visible logo (care must be taken that it doesn't spoil the aesthetic value) endorsing a third party or another of its sister or sub-brands. The manufacturer can sign a contract with a third party for this endorsement for a certain time frame (say 2 years) and earn a certain sum which will increase the revenue and profitability and in turn will pass some of the benefit to the customer in the form of discounts. Of course the customer will have the privilege of opting whether to endorse and get a discount or to buy at full price without any ad logo. Apart from manufacturing, such a marketing strategy can also be a huge success in the service sector.

What it would essentially lead to is a win-win situation for all the three parties involved. The customer will benefit as he will get a discount on the marked price, the manufacturer will have higher profitability & the third party will have a greater audience to market a product. Whether it will be a form of marketing in future, only time can tell but one thing is for sure it definitely has a lot of potential.

**Food for thought : Will you promote a third party logo for discount on your prized possession, which you had been vying to buy since a long time?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **25. Can effective marketing be done economically?**

Often large multinationals spend millions of dollars to launch a product and promote it- hiring celebrities, buying prime ad slots on television broadcasting , sponsoring wide scale events,etc. - overall a huge cost exercise. But can a small player afford to spend such amount of money since it has limited resources at its disposal? This question was asked by one of my blog readers as how marketing can be done at minimum cost. The following article will try to suggest a few ways in which it can be done.

Suppose you are the small player "s"( it is small S and not capital S) in the market "M", with limited resources "I" and with the liquidity crunch you face, it is almost impossible for you to allot a big budget for marketing- so how will you reach a wider audience? You know you have a great product, but how to tell others about it?

There are some simple small ways in which you can do it:

1. **Build a good interactive website** - With the internet, having your presence on the world wide web is a necessity. It doesn't cost much to build a good website. Keep your message short and simple and display your entire product range.
2. **Social networking sites**- So you just made a great website, is it enough? Absolutely not. Social networks like Facebook,twitter,orkut,ning,linkedin, etc. provide a great platform to you for promoting your product.You not only reach the who's who in the planet since almost everyone can be found here, you also do it for free![ Bulk sms and emails are better not done, since they tend to ignore people more and reduce your brand value]
3. **Newspapers**- From internet to newspapers, sounds like a big jump in technology- but this form of media still remains the only source of media for more than half of the globe's population. So don't ignore it. Distribution of pamphlets is another effective way especially when targeting the mass market.[Regarding television ads they are too expensive for prime slots and it isn't generally worth the cost when displaying in low audience slots since conversion to sales probability is less]
4. **Radio music station**- The target slot for this should be the evening slot when people are returning from office. They are more relaxed and definitely will listen carefully (and hopefully will remember it as well). Use great punch lines since what you say here will only lead to sales.
5. **Sponsor a community service/local event** - Yes you can't sponsor a great world sporting event because of lack of funds, but you can definitely sponsor this Sunday's local church service. The local football club needs new jerseys for the regional tournament, this is your big opportunity to jump into the arena and help them out. The amount of

goodwill this generates in the local community about your company and its products is noteworthy and word of mouth marketing follows. In fact Mrs. Smith just called up her cousin in Alaska and mentioned about your company during the conversation.

**6. Build a great customer care & after sales service-** This is the most important reason why people have brand loyalties. Treat your customers well and with a personal touch both before and after sales. Always remember it is more expensive to promote your products to new customers than to retain the old customers. First retain your customers then head for expansion. In fact your loyal customers will tell their friends to try your product.

And lastly but not the least, build a great product! Then every form of marketing, economical or extravagant, will be a successful campaign!

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*



## 26. Entering the market

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So you know you have a great product but you need to find how to position your brand in the market. Is that the dilemma you are facing at the moment as a new kid on the block? Well ideally it should not be the case as while designing it you must have decided on your target market. But it generally happens to be the case because you tend to feel that your product has a mass feel. So should you target the niche market initially or go for the whole pyramid?

Ideally you should target the niche market to begin with. Why? let's see!

**1. Increases your brand equity-** Your new product/service is an exclusive thing to have! Only few people have access to it and others are vying for it. Suddenly you have become the talk of the town and a page three figure.

**2. Use it as a testing ground-** The market segment is small and niche- implying high demand for quality. It provides you the perfect platform for identifying the shortcomings and eliminating them, thereby making your product/service much more competitive in the long run.

**3. Focussed promotion-** Since your product is new it is not advisable to target the entire pyramid with promotion since costs will run high and things can very quickly go wrong thereby causing you considerable losses. So going for a focussed segment is definitely a step in the right direction as if things go haywire you can bounce back.

**4. Re-analyse your strategy easily-** Since the market segment you targeted has been small, you now know where you stand. Conduct a survey among your users and hear what they think about you. Analyse your margins and growth and how far or ahead you are from your goals. Get all the facts in hand and then decide-

a) Is this the right segment you belong to? If not you know where you belong and now need to take the steps to increase your profitability.

b) Are you a product good enough for the mass market? You may want to extend the brand now to different segments if you feel based on the reaction of your customers. The question to address here is will it not dilute your brand value? To some extent yes but if you have a quality product suited for mass appeal you will make up for it with higher volume sales.

Always remember the key to success is not marketing or branding- **It lies in building a great product !**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## 27. Reducing cost effectively

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In these turbulent times, most of the organizations, individuals who head a division/unit are faced with the challenge of maintaining the profitability growth of their division/unit. Profitability can be increased either by increasing the revenue or by reducing the expenses. I am not suggesting the areas where the cost can be cut / reduced. but sharing thoughts on how to go about the cost reduction program.

No one is interested in reducing / cutting the cost, as long as the profitability is there. Once they see their revenue is not going up, then everyone will look at improving their bottom-line (profit). The popular way is to reduce the cost. Can you reduce the cost overnight?

No. It is not that easy. While embarking on the cost reduction program, we need to:

1. Analyze the costs (Fixed & Variable) over the period with their benefits.
2. Have a proper Management Information System (MIS) and gather data points before jumping into conclusions.
3. Know your break-even point (BEP, the sales level where we make no profit or no loss). Any sales over and above the BEP is a profit, as it would have covered the Fixed Cost.
4. Understand the impact (Do not compromise on quality & compliance). For example, cutting on Water/Coffee/Tea supplies will make a small reduction in cost, but the impact on employees are more. Instead you can bargain a better rate!
5. Look at various alternates. For example the marketing brochures can be made in a CD (which can accommodate more matter and also cost-effective), using CFL bulbs instead of the regular bulbs (this will save energy), lease vis-a-vis buying, contracting vis-a-vis hiring, etc.
6. See whether you can get more out of an expense, rather than reducing it. For example, Getting a better bargain out of the Annual Maintenance Contracts (AMC) by bringing in more services within the existing cost.
7. Create smaller groups among the employees and get their ideas (Employee knows better about the organization than an outside consultant).
8. Compare similar organizations within the same industry
9. Act fast. If some costs are not at all necessary, cut it immediately.
10. Make it a practice to review the operations periodically and course correct your decisions.

We need to keep in our mind that more the fixed expenses (Rent, Salaries, Administrative expenses etc.), the more we should concentrate on controlling them or increasing our sales revenue to cover such expenses. As we all know, the Fixed Expenses per unit vary with the sales volume and Variable Expenses (Raw Material, Sales Commission, etc.) per unit are fixed. Confusing? Fixed Expenses are fixed, irrespective of the sales volume. So the per unit Fixed Cost to sales will go up if the sales drop and vice versa. On the

other hand, your variable expenses per unit is fixed. If the sales volume goes up, it will go up and vice versa.

Remember, it is not a one-time exercise and you need to review them periodically.

*[The article has been contributed by **Gopal Ramanan**. An IIM Bangalore alumni, he is a CA, CS & CWA. He started his career as a merchant banker and portfolio manager and has over two decades of experience in Corporate Finance, Project Management & Financing, Internal Audits & Control, Mergers & Acquisitions, Legal, Secretarial, and Accounts, Finance & Taxation. He writes his own blog at <http://gopalramanan.blogspot.com/>.]*

## **28. Toughness works if disciplined**

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Now-a-days, I see people advocating diplomacy to keep good relations with all and manage problems better of business and life. I am not able to subscribe to the idea. In my view, diplomacy is another name for falsehood, designed by liars and cheats to serve their vested interests. Thus, it is indiscipline and promoted by those having no regard to discipline.

I have worked in the field of industrial management, never adopted diplomacy as my management style, and have been pretty successful in my profession. The essence of my management style had been toughness with highest order of discipline - first for the self and then for the others. Indeed, toughness can't work without self-discipline.

Self-discipline has a basic ingredient of honouring time, and this includes punctuality in presence and decision-making. A timely decision saves a lot and is key to management. Even if there has been an error in a quick decision, it proves better than a delayed decision for availability of time for a correction.

For toughness in management, there have to be well-defined values and sticking to these by the manager. It is some sort of ruthlessness in honoring values and being objective in decision-making. Such toughness projects an image of the manager as a non-compromising person on principles and everyone around tries to give due regard to the manager and his/her stand. Even in practical life, image of person works much more than the person him/herself. This is true to more extent in business field. Whole of credit-rating system and brand-loyalty work, the two key ingredients of marketing, on this imaging.

Image-building is a time-consuming process and requires sustenance on values and it is like a business investment paying later with premium. So, have patience in expecting others' recognition of your image and its working for you. Toughness without self-discipline proves to be counter-productive and hollowness of one's personality becomes obvious soon. For the indisciplined, diplomacy is the safe den.

*[The article has been contributed by **Ram Bansal**. An Engineer by profession, now at 62, he lives in his native village to work for his own people. He is a determined atheist and goes by logic and his own convictions. He dislikes democracy for its pure quantitative approach with no consideration of quality of constituents. He leads the simplest possible lifestyle like all other villagers & works with his own hands as much as possible. He writes his own blog at <http://rambansal-the-theosoph.blogspot.com/> ]*

## **29. Spot the innovators**

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The rarest breed of people in any marketing team. The ones who have the craziest ideas and the most brilliant minds - the last ad for which you received praise was because of the innovator in your team. The question now is- How do you spot them? I mean how do you know whether a newbie is a potential innovator and encourage him?

The solution to this lies in the following steps.

### **1. The one who generally is not in the group.**

While essentially this may not be seen as a great trait, yet innovators are generally seen as working alone. They are not averse to working in a team, but prefer to stay aloof and within themselves.

### **2. The thoughtful observer**

Innovators in any marketing team are the best observers- and it is this trait which makes them successful. So if you spot an observer in your team, encourage him.

### **3. They think differently**

Yes not only with regards to work, even on normal issues their views are different from the rest. Also their dressing sense and manners can at times be termed "weird".

### **4. Soft skin**

They generally react more to events than rest of us. So bear with them on this issue and be careful about what you say to them!

### **5. Involve them in team**

Though they are mavericks, they love being considered as equal members in a team- Only then do they churn out the best ideas. Be benevolent to them and you will never regret.

### **Food for thought: How did you spot the innovator in your team?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **30. The ultimate marketing !**

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The ultimate marketing? What can that be? Well it is none other than the consumer's favorite four letter word "Free". The very concept of it is intriguing and thought provoking. I had in a previous post ("Beware of free") spoken about how free can be a game changer. Well it is much more than that !

Imagine you travelling from London to San Francisco and you get a discount on your ticket ! You are elated ! Moreover you have heartfelt gratitude towards the airlines for providing you this waiver. Now imagine how you would react if there is 100% waiver?

You visit the nearest comic book store and decide to get your hands on the latest Batman comic! To your surprise the shopkeeper gave it to you without charging a penny.

Are you dreaming? No. You were used to getting discounts right? so why not a 100% discount? Well the airline or the shopkeeper isn't doing that for free- Your airlines trip as well as the comic book will be ad supported. It is through these ads that both the parties will make more money than by charging it from you. This indeed is the ultimate form of marketing.

In this form of promotion- it is mutually beneficial for both the parties. It ensures wider circulation of his product thereby increasing his and his sponsors' chances of becoming a popular choice among the consumers and the buyer gets it for free ! leading to a winning situation for everyone.

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **31. You just read a product review !**

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I guess each of us does it these days- We look at journals,newspapers, watch television,internet or any other media before making every critical decision regarding a major purchase. Yes am sure before watching the new movie "Tron Legacy"- you will be reading its review and whether it got 3 or 4 stars out of 5- and it is this rating which will determine whether you will actually be watching it. It is purely fine from your point of view- but what it has also resulted in is a new segment called "Advertorials"- A combination of editorial articles combined with brand promotion. And you thought you read a genuine review !! Phew!

Unlike direct ads, this form of promotion has lots of strategic advantages. These are notably,

1. People don't ignore- Well it looks like a normal informative article, so people don't ignore it. In fact they tend to pay more attention to it. Isn't it arguably more effective marketing?
- 2.. Wider circulation & Greater credibility - Yes since the article appeared in your favorite journal, you are sure it is a credible piece of advice for you- So won't you buy? Also since the journal is so credible, doesn't it ensure that the promo offer reaches lots of serious audience?
3. Incredible synergy- News editors and marketers work together on this in harmony- What it leads to is a promotion which looks as familiar to you as when you were reading or watching the news. Marketers buy the ad space, editors put in the words- Perfect promotion!!

Equally it must also be remembered that some product reviews are indeed genuine, but it is always advisable that you use your own judgement while making any buying decision and not follow blindly what the tech guru in the Sunday journal just advised.

**Speak it out: In a scale of 1 to 10( 1 being lowest, 10 being highest), how much is your buying decision influenced by media reviews ?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **32. The irony of sales pitch**

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“I can sell anything, I have a proven record”, “I can sell comb to the bald”: statements like these are not unheard of in the field of marketing. Some may have faced it, some may have said it & some will practise it in future as well.

I have heard funny theories for sales, just give whatever it takes and get the deal. You have to lie and once he is the customer we can figure that out later. If the deal does not go off you are in trouble!!! According to your boss, the deal would have gone well if you would have told (irrelevant to the deal) the customer that. What? Even if that was about the weather in your home town. To put it simply there are two kinds of people who are in the sales field and stick for more time than others: The good ones and the bad ones.

The bad ones are the ones who can sell the comb to the bald, so basically they create the need for their product right? Actually no! This is how it goes.

I- “You are going to need this magic stick which glows in the dark when the electricity goes off, just keep it plugged to the socket”

You- “I don’t need it, I have a backup generator”

I- “Sir you know the increasing fuel prices, plus the time when you are yet to start, if something goes wrong, the kids might be playing on the stairs”

You - “I don’t have stairs inside my house”

I -“Sir this is on a special offer at a throw away price and you don’t want to be in the dark when things go black and you would like to save money”

You - “Fine I will take it”

Problem is when he comes to know that the magic stick was the reason for the fuse to go off.

The product is sold, the boss is happy, that’s the deal ! This is always short lived. Always remember the ones who lie and move forward, yes they do move up the ladder but only till a point because beyond a point also comes responsibility and then there are some serious decisions to be made and you don’t know what implications would that have on the market!! All you have done so far is either bitched about the other product or licked the customer’s feet to get your product sold.



What sells on and on is a complete in and out knowledge of the product, to know the logics if not the actual way it works. Be honest to the customer, make everything black and white and not grey (black and white is clear with understanding of how much you can bend, don't lose your dignity and integrity, it is not being rude it is the clarity of thoughts).

“Sir this is possible, this is not possible; this can be done, this cannot be done”: be straight & firm but also willing to listen to the customer. Let the customer speak, crib, nag about everything that he knows; that is the key to final deal!

**Patience:** Have loads of it! Once the deal is almost fixed let the excitement be there but just little bit until it is done and have the same excitement even after sales when the customer complains (even if it is his mistake) because you would have been out of job if he did not return! Focus on the solution and not on the blame game, that you did it wrong and I did it right! Try the solution and if it is your mistake fix it. If it is his mistake let him know about it subtly, so that he does not take you for a ride. Market intelligence is the best when you get feedback from your customers and re check it for analysing your reports.

Keep your words, if you said it you will do it make sure it happens. Don't give false promises (because words spoken and promises broken are remembered till eternity), have a personal touch with the customers and give your honest opinion when asked for help (even if that results in lost sales). He will tell 10 different people to come to you and might turn back again to you when in conflict.

Don't change your brands like your clothes; it takes time to build a reputation within a company. Think well before your decisions. A bad sales person looks for change and growth: the good sales person always has an offer ready for him.

Try and resolve the issues and try to satisfy the existing customers before you have to move on to the new ones, your existing can be gold mines (in the worlds of sales) rather than the new ones (coal mines). Don't be afraid to say no if there is no possibility and you see no scope say no. Don't use complex words, communication in the best understandable form should be the way to process and take things forward. Always pick up the call even if that means giving the bad news or else tell them that you get back once you have something and do get back in either case. Once these things are done, you will definitely be on the right track in times to come !

*[The article has been contributed by **Aniket Jha**. He has completed his bachelors in computer application and a few other diplomas in the field of aviation. He has worked in radio as a jockey, in aviation sector and also manages his family business. He is currently pursuing masters in logistics and supply chain management from Westmeister University, London. Writing blogs and photography is the expression of life to him. He writes his own blog at <http://www.aniketjha.blogspot.com/> ]*

### **33. Effect of advertising on consumer buying behaviour**

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Every organization, or rather, Brand, invests a lot of capital on marketing, a major chunk of which is spent on making ads. Getting an iconic celeb like Amitabh Bachchan to speak about a product like Navratna Hair Oil, it seems like a piece of cake nowadays. But, to how much extent does these ads actually affect the consumers? Do they actually buy a product just because their favourite film-star is endorsing it? Is it possible that a product can change its image on the consumers overnight, just because of the flashy ad they just released?

If we go by theories, there are lot many factors that influence a customer to make a purchase, and advertising is just one small part of a parameter called Psychology. Some of the more influential factors are like:

**Need of the Product** – Considering the market scenario of today (I am talking about inflation), we consumers hardly buy anything when we don't need it.

**Affordability** – It is not an uncommon sight when a man sighs looking at an expensive brand of shaving cream and goes for the cheaper brand.

**Brand Image and Loyalty** – Very few Surf Excel users would like to opt for a brand like Tide or Nirma just because it is cheaper.

**Peer group** – now this is one factor that does not affect buying as much as it affects buying behavior. Confused? Well, what I meant to say is, we buy a product when we need it, but sometimes, especially when we are buying that particular product for the first time, we need some help with what brand shall we choose. And this is where our peer group comes into picture. It helps us choose a brand when we need a product, but does not tell us when we need that product.

Advertising, it can be said, has a similar effect on our purchasing habits as our peer group does. Nobody jumps in to say “*I need that thing*” just because the ad that had just been aired on TV is extremely attractive, but yes, sometimes, we may say “*let's try this brand, the ad on TV looks good.*”

*[The article has been contributed by Jayita Das. A NIFT Mumbai alumnus, she is also a very creative person in her own way. Following her graduation, she worked as merchandiser in the niche segment of Industrial wears. In her spare time she loves reading on topics related to art and motivation which are always close to her heart. She also writes her own blogs::*  
<http://lotsofcoloursinmyworld.blogspot.com/>  
<http://fashionconceptsandyou.blogspot.com/>]

## **34. Advertising- Essential for Brand Building?**

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*" If each of us hires people who are smaller than we are, we shall become a company of dwarfs. But if each of us hires people who are bigger than we are, we shall become a company of giants." David Ogilvy*

Stretching the Rupee to the last mile should be the endeavour of any marketing organization. It is music to ears to listen to “kum karcha jyada charcha”(Little expense, Maximum returns), any penny wise pound foolish entrepreneur will fall for this sloganeering. Affordability is an issue for a start up company, but once an organization is into its take off stage after a decade’s existence, than it has really look for ways to reeve up its brand image and ensure the goodwill of the customer.

### **Media selection and Deployment in trade dominated Industry:**

When I was heading a branch of Kurl-on at Nagpur I was faced with an akward situation of competition engulfing us in the market place. Being a dealer dominated trade, we had collection problem galore and our brand equity was being encashed by competitors for lack of advertisement. Any coir mattress was being sold as Kurl-on by unscrupulous dealers. It was akin to any vanaspati being sold as Dalda. Kurl-on was a generic product for coir mattresses.

An idea flashed in my mind to educate the English speaking segment. I contacted Hitavada and found that Rs 50 per column centimeter was the rate card. I asked them for front page advertisement. The advertisement representative gave it at the same price instead of charging regular 50% premium. Well it was a golden opportunity during the festive season. The positioning of the advertisement created a stir so to say in the market place, all dealers woke up from their slumber and they wanted their names to feature prominently in the advertisement. We had the policy of mentioning all the dealers below the corporate advertisement. This lever I used it effectively to promote the sagging image of Kurl-on, and sales literally doubled and we got rid of bad dealers. Thus Kurl-on brand was firmly entrenched in the minds of the consumer despite two strong local brands such as Rama coir and Aerocom which established their factory and had to struggle with their capacities to establish their brand.

### **Treating advertisement as an investment for building brand equity :**

The influx of MNC brand poses a real threat to any Indian brand in the long run. Nutrine and Parrys was literally overtaken by Perfetti within a span of 4 years. The deep pockets and high profile advertising and maverick type of marketing ensured brand equity. The same example I had to give to our director in HPL, who literally woke up from slumber.

The MNC competition in the form of Faber Castle and Staedler was looming ahead. What is now the key to protect the brand equity ? He asked me casually on a market visit, my simple suggestion to him was to pump all that he can on advertising forget short time profit for a few years. It made logical sense, the advt budget which was a measely 50 lakhs was pushed up 3 crores in the first year, second year it was 5 crores and so on it was multiplied. Today the company is able to withstand the competition head on without bowing down and selling the company lock, stock and barrel. Whereas Nutrine was sold to Godrej and Parrys got sold out to Lotte.

### **Dealing with Modern Trade format :**

Dependence on modern trade format to a large extent can be retarding for an organization. An optimum dependence on modern trade will boost the overall sales and consumer awareness. Excessive dependence can literally switch off the retail sales with millions of outlets. Indian retail universe for any healthy FMCG organization should be 5 lakh plus. This would obviously comprise of Wholesale, Retailer and Modern format. Many of the companies do fall prey to the superior bargain power of the Modern format. Some mega mart offer excellent display opportunity. This visual merchandising effect lures the customer into impulsive purchase. The boost in the sales can be tremendous for short duration, but if used judiciously than the company will be able to do justice to multitude of retailers. Discriminatory Policy and consumer schemes can literally switch off sales from the millions of retailers as against a few mega mart. So it is absolutely essential to calibrate the consumer offer to niche segment or operate it on universal basis.

The feel good factor for any marketing guy to witness his product being sold like hot cake is heavenly delight. The modern trade demands, merchandising fee or rental, higher margins, exchange of slow moving stocks, etc for which any organization should be prepared. Sometimes delayed payment too is one the technique adopted by mega formats. The same situation we faced with CSD canteens. I suggested that we withdraw supplies stating production constraint, which factually we were facing. The sales multiplied in that area. If the product has tremendous brand equity sales will never be lost. This move was fraught with risk because many FMCG companies, obtain nearly 10% of the sales from CSD canteens. Nevertheless our call was based on rational thinking when we are selling the products against advance DD why should we give credit and follow up for a measely sales. It was purely a commercial decision, but if one follows the social responsibility it was a bad move.

Cadburys once had this very problem in state of Kerala, the dealers were asking for 20% margin instead of 10%. The traders union boycotted it and supplies to the market started flooding from TN. The sales trebled during the tenure from TN wherea sale was absolute Zero in Kerala. It was win-win situation for Cadburys, despite ban product was sold as hot cake under the table in black in Kerala. The traders realized the futility and lifted the ban. This is the precisely the power of branding. Even Johnson and Johnson faced the boycott situation among the chemist segment demanding higher profit margin sometime back, but they more than made up their sales from grocery and other segment. Local

brands took this opportunity to entrench themselves in the market place. Shapers was one of the biggest gainers along with Whisper.

Modern trade format can be a very useful platform for new product launches, consumer sampling, product testing, research, etc. Brand managers of reputed companies employ event management firms to undertake a plethora of experiments at Malls, of with some strings attached. It is worth passing on 50% margin and ensure display of the product on the shelves rather than shelling out window display rentals. The sales expense ratio need to match, otherwise the rentals will sometimes overshadow the cost or volume of business generated. In case of food products the best way to popularize is to distribute free samples or prepared foodstuffs. I was lucky to witness Kitchens of India sampling, Pepsi, and other companies in line of this business sampling.

### **Feel Good Factor :**

"I notice increasing reluctance on the part of marketing executives to use judgment; they are coming to rely too much on research, and they use it as a drunkard uses a lamp post for support, rather than for illumination." David Ogilvy.

During my marketing heydays i happened to visit the corporate HQ of Unilever in connection with a tie up promotion. The directors warned me stating that the brand manager is going to demand his pound of flesh. It was my curiosity to see a brand guy at work. He has so busy with multifarious activity trying to reeve up the sagging brand. He was spending lots of time with advertisement agency guys discussing the promos, positioning and deployment. We lost the order to some local unorganized company even though we were the brand leaders in the segment. But he lost the battle to ITC with Ashirwad and Pillsbury brand establishing

firmly in the market place. My theory on how Levers lost the golden opportunity to seize the market leadership is totally different. The feel good factor was never employed effectively. Just take Cadbury on the contrary, despite having controversy over nickel content and worms they were able to surmount the challenge. Just have a look at their advertisement. The feel good factor associated with the brand has helped in recovering the market share after initial set back. The company worked overtime to set its packaging, ingredients, formulation etc right. Once the feel good factor is embedded in the minds of the consumer no amount of negative publicity will snatch away the market share.

### **Never advertise a bad product, it will decimate the brand faster.**

Disclaimer : This article does not purport to demean or discredit any organisation but focuses on educating the future generation or breed of brand managers to learn from mistakes which were committed during our times.

*[The article has been contributed by **Umesh K Derebail**. He is a marketing expert and has worked in 14 different companies in different trade and never for a competitor. He also writes his own blog at <http://www.indiackbackpacker.blogspot.com/> on travelling.]*

### **35. CSR- Does it exist?**

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These days a lot of emphasis is being laid on Corporate Social Responsibilities (CSR). Moreover if you are in export sector, having a CSR program in your facility becomes the need of the hour to get orders from foreign buyers. But how ethical is spending on CSR ?

Let's first understand a few basic things- when a company starts its operations, it generates employment, thereby providing sustainability to the families of its employees, besides also creating thousands of other indirect job opportunities. Isn't it enough CSR already ?

You might argue that running a school or a hospital near the industry should be considered as CSR. Yes, but if you are charging fees for the school or the hospital, is it really CSR? Alright, now you might say- well you already earn enough and can afford to do it for free. But are you not getting anything in return? You are building your credibility in the market and loyalty among your employees. Real social responsibility does not need anything in return nor does it require you to promote it in your website as "Our CSR initiatives". When you do so, it is not really CSR.

But how ethical is CSR with no benefits? Absolutely unethical. You are managing the shareholder's money- and if you cant earn it for him, you are causing a loss to his wealth! But yes ISR is always welcome- Individual Social Responsibility- If you are really inclined towards society, spend it from your own wallet and don't think about the shareholder's money !

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **36. Counter Attack: CSR- Does it exist?**

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In today's world, coming to a consensus on any term is very difficult, especially when it is a topic like "Corporate social responsibility" – a very strong but hushed debate in the market. Various negative opinions have generated in this regard till date, and all of them say the same thing, "*it is a publicity stunt*", but what we cannot deny is that it is also the "*need of the hour*". The need is not only for the receiver, but also for the giver.

Corporate social responsibility, or CSR, is an additional commitment an organization makes towards the development of the society. It is not an individual effort, but an effort made by a corporate entity, to pay back the society, for the support it provides towards the growth of the company. Various questions arise here. Some say that the company by starting its operations is already doing a lot for the community surrounding it. It is generating direct employment for the employees and indirect job opportunities for many more. Is that not enough? Why is there a need to do something extra? And even if somebody does something extra, why not keep it to himself? Why publicize it in the name of CSR? Well, it is a valid argument, but, not in the competitive environment of the 21<sup>st</sup> century.

When we look at the market scenario today, every profit making organization is surrounded by a flock of competitors, who are always looking for opportunities to kick you out. It is not limited to the survival of the fittest anymore. Lots of other factors count nowadays, an important one of them being the goodwill of the company. And what is better than CSR to create a strong goodwill value? The basic rule of business says "*the customer is always right*", so when the customer is looking for a company, that along with offering quality products, also contributes towards the development of the society; is it a very intelligent decision to keep our CSR activities to ourselves, saying "no, we don't want to publicize it, as then it will not be called CSR"? Rest aside, if we are not able to attract clients, then how are we going to fulfill our responsibility towards our employees? Will that not be "*irresponsibility*" towards the society?

Another question that have arisen in this regard is that why invest the shareholder's money for CSR activities when we claim to not gain any profit from them? After all, the shareholders have invested their capitals for gaining profits. And by profits, we mean "financial" profits. Well, again I would say a very valid point. But can we deny the indirect benefits the company gets from the CSR activities? No, we can't. As I have mentioned earlier, the CSR activities practiced by an organization plays a major role in building up the goodwill of the company, which in turn plays a major role in the success of the unit. So, we cannot say that CSR doesn't generate any benefits, and therefore, we are clear in our conscience when using the shareholders' money for this. But, the question of ethics remain. Why call it "CSR" when profits are being generated? Well, there is no definite answer for this, neither can there be. All I can say is that when a corporate house

takes up an act of CSR just for the sake of it, and for publicity only, the truth does not remain buried for a long time. But, when an organization comes forward to such a task genuinely, the contribution shows; and if this organization benefits from this act in terms of credibility and goodwill, what's the harm?

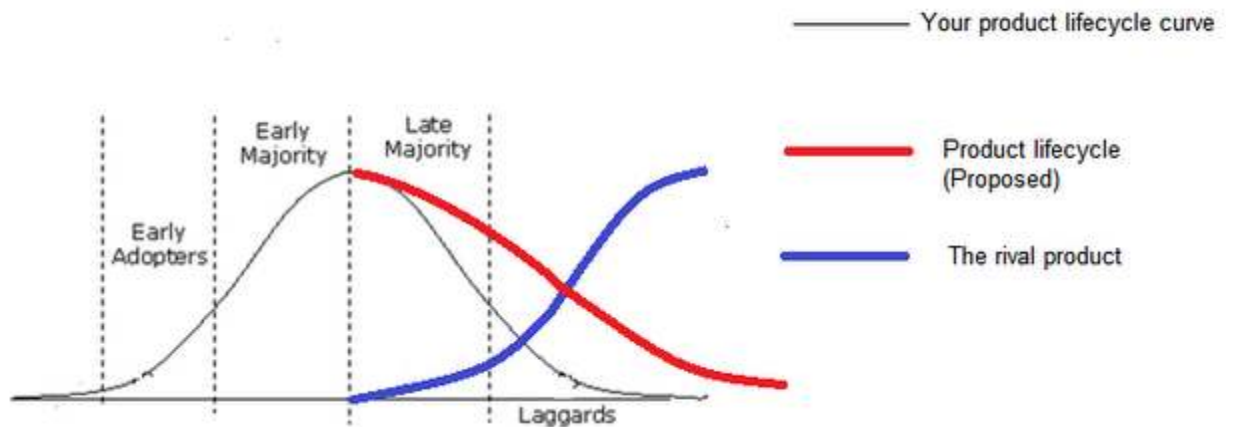
*[The article has been contributed by **Jayita Das**. A NIFT Mumbai alumnus, she is also a very creative person in her own way. Following her graduation, she worked as merchandiser in the niche segment of Industrial wears. In her spare time she loves reading on topics related to art and motivation which are always close to her heart. She also writes her own blogs: <http://lotsofcoloursinmyworld.blogspot.com/> <http://fashionconceptsandyou.blogspot.com/>]*



### 37. Controlling the fall !

The new product launched by your rival is eating up your market share ! And to make it worse he is doing it by presenting a whole new technology to the market. You need to develop a product better than him! But that takes time and also has costs. How do you stay competitive in the market for longer period?

Normally a product life cycle curve looks familiar to the graph below. Notice your rival product (in blue) and your subsequent decline in black. Point is it due to the new product that has been launched? No !



Surprised? Well let me explain. Going by the stage at which your product was- you were not catering to the early adopters- the category who are willing to try out anything new. It is the early adopters who are buying the product of your rival at this point and these people never buy a product which is at peak of its product life cycle( Where you are!). So essentially the rival product is not competing with you in a big way at this point.

The focus at this point of time should be to reduce the rate of decline of your product sales( compare the red line vs corresponding black line).That is important not only in terms of revenue, but also provides you ample time to match or preferably better your rival's product. Let's see some factors how to do it:

1. Cost competitive- Since you are no longer the most technologically advanced kid on the block, try to fight the price war more effectively.
2. Lead times and delivery- Be more efficient in managing your supply chain- shorter lead times will definitely make many clients stick to you, especially those who have limited functional needs.

3. Knockoffs- Fight the knockoffs hard and fast ( the cheap fakes which flood the market), it is the single biggest factor that is causing the sharp decline. If needed even collaborate with your rival to tackle this menace !

4. Invest in R&D : Develop your product with new technology breakthroughs and offer upgrades to your customers. Always remember aim not for the most advanced, but for the one with the highest demand.

Following these simple steps will ensure more often than not that you are able to compete successfully with your rival's product in the long run.

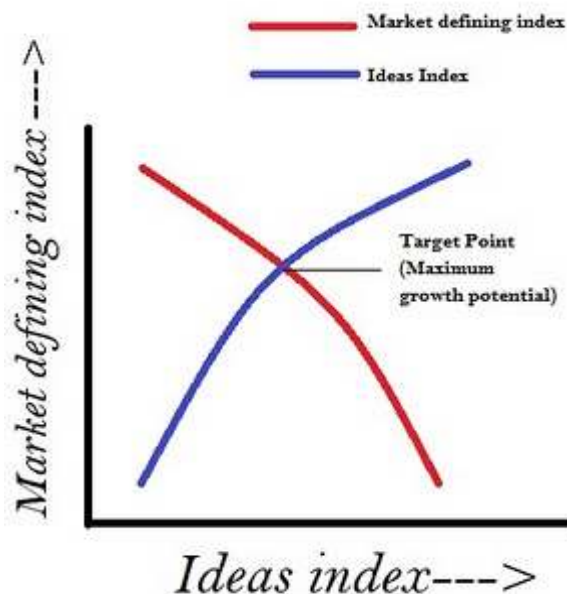
*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## 38. The Paradox !

Well the idea in this post is very simple. How basically are products defined? One would obviously say by their success parameters. Yes that's true but what determines these success parameters? Is it a great idea? Or is it the Market?

Well most of us like to believe that great ideas always make markets. While it is true to some extent, it is not always true. It largely depends on the scale of our vision and the market we cater to. Let's look at one of the greatest success stories of the 20th century- **Wal-mart** ! The legendary Sam Walton was not thinking anything extra ordinary or different- Everyone loves to buy for less- but the major difference was that he believed that in order to penetrate the market , price will be his unique selling point. **Was it not the market defining his idea?**

Now let's look at the success story of **Facebook** and **iPhone**- both these stories had their growth owing to a vacuum which existed in the market. Facebook maximized its scope owing to the absence of a social network in today's fast moving world where people needed to stay connect while iPhone captured everyone's imagination with a device where one can zoom in and out merely by a touch of fingers . The essence then is on spotting the gap in the existing arena and then making path breaking products.



A typical graph which plots market defining index vs ideas index will look something like this. ( Market defining index is the factor to which the market defines the rules for the product whereas ideas index is the degree of innovativeness)

A high market defining index will mean low ideas index and vice versa.(eg. A car which looks like a helicopter may look great but need not sell) The target point for any innovator , marketer or wannabe business tycoon should be the optimum point or the target point, which is the point of intersection of the two curves.

At this point the level of innovativeness in an idea is matched to the market needs and that leads to a winning combination. The main consideration here should be the ratio Market defining index/Ideas Index which should be as low as possible for an idea driven product. In brief, for a winning product a combination of both idea and market defining index is needed.

**Food for thought: Will you prefer a market driven or an idea driven product ?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## 39. The Knockout !

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Well the knock out punch for any product comes from none other than the knock off.(sounds rhyming right!).

Well he is undoubtedly the villain in your product lifecycle curve and is responsible for your maximum sales loss. But incredibly the knock offs display certain characteristics common to all sectors:

1. **Your ex-vendor:** You were the one who outsourced your product to him to make it cheaper while manufacturing, however things fell apart and now he uses the same technical knowhow to become your biggest threat !
2. **Price war:** That's his biggest asset- he sells for less !! The product looks identical but sells at half the price.
3. **Loopholes in the law:** The knock offs are one of those players who are fully aware of the loopholes in the law, especially the geographical limitations- they structure their business accordingly and very rarely get booked.
4. **Launching their own brand:** This is a recent trend - they have started to invest in R & D in a bid to become a full scale player and not just as price warriors ! Quite a few knock offs are going this way.

Price is undoubtedly a very big factor while making buying decisions- however it is indeed not fair to let someone use your technical knowhow and eat your market share. The best way to deal with this menace is by having stringent protection laws and more importantly by implementing it.

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## 40. Get the theme !

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When retailing initially started, it was simply all about selling. But since someone started selling and making profits, others soon joined the race. That led to the rise of different formats and strategies, but the basic ambience in a store remained the same for a long period of time. However things have now started to move in a new direction. One of the most significant changes has been the rise of themed stores and restaurants or basically in any profit center. It serves the basic goal: **Being different !**

Let's imagine you intend to buy a football( quite common, isn't it!). You visit the nearby store and buy it. Now imagine you visiting a store in the form of a sports arena, where it seems as if you are right in the midst of the action- you not only buy the football!! You also buy an additional pair of gloves which looks the same as that worn by Oliver Kahn in 2006 world cup !! That's the power of setting up theme stores.

Though the cost of setting it up is generally at a premium anywhere between 60 to 200 percent or higher, yet once your break even point is reached( and it will be almost in the same time frame as that of a normal store, since your higher costs will be balanced by higher sales)- you stand out from the mob !! Everyone in the town speaks about you and makes it a point to take their guests to show your store. Higher footfalls, and in short higher sales and the period after which you become a spent force is relatively longer as well.

Another major advantage of theme setups is that it can tremendously improve the survival chances of stand alone locality stores (especially in the age of multinationals in organised retail) , as you might be a small player but having a unique theme will help you continuously attract people to your setup. To some extent even ad agencies follow the same rule while designing their office space.

**Food for thought: Would you prefer a theme store or a traditional store while shopping?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## 41. Time for expansion

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Often new companies have a tendency to expand their business once they taste success in their local market. It is definitely the right way forward, if your idea is good- you will certainly gain new grounds. But in order to do so, you need liquid assets to finance your expansion. What should be the right way to plan it out? So that you fulfill your objective without running into bad debt?

Ideally it should be planned out in the following way:

### 1. Analyse your real goal

Often in a bid to expand, companies tend to ignore their primary objectives. One thing that I have noticed is that companies start neglecting their local market and tend to focus their strategies only on the new market- which is clearly a recipe for failure ! It should be very clear that you have reached this stage owing to your success in local market. Don't loosen your grip over it. It can serve as a backup if your plans go topsy-turvy.

### 2. Analyse the new target market

Garner information on this! The demography, the consumer base, the competitors and most importantly the price sensitivity of the market. It is not necessary what worked in market A will work in market B. Plan it out carefully and conduct a proper survey before proceeding further.

### 3. Being first isn't always good

Often companies have a feeling that being the first to enter a market with a completely new product gives them a tremendous advantage. It is true to a certain extent, but it equally puts you at a risk as you don't know how the market will react to it ! A case to point out in this context would be the Indian Cricket league (ICL) vs the Indian Premier league (IPL). Both were cricket leagues built around franchisee/club format. The ICL started first but was a huge financial loss to its founder Mr. Subhash Chandra. The IPL started later, built largely around the same format- but taking care of the mistakes committed by ICL. The result- In 3 years time, it is one of the 10 highest valued sporting events globally.

### 4. Don't go **RED**

Companies sometimes tend to borrow so much money from the market- that they finally end up losing their direction. The reason for this happens as a result of being overambitious and targeting too many markets at the same time. Go slow targeting one at a time. That way you would certainly lower your chances of going into bad debt in addition to increasing your reaction time in case your initial strategy doesn't work out.

### 5. Keep liquidity

Never forget this. It takes time to build and position your brand in the market. Keep liquidity for a period of at least 6 months with zero sales. That will serve you in good stead in realizing your plans.

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*



## **42. Diversification holds the key**

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The recent ongoing period of recession has shown the world two simple things- the evergreen importance of liquidity and the need for diversification. This article is regarding the importance of the second.

Previously companies used to concentrate only on their core sector, but with the dominance of globalization over the last decade or so has made it imperative for companies to look for sectors beyond their core. Take for example the case of Microsoft- famous for its Windows OS software for PCs now concentrates a great deal on its hardware and gaming industry. Or for that matter consider the case of Google which has transformed itself from being a search engine to one providing email, advertisements and in fact even OS for mobiles (Androids). Or even the case of Mahindra & Mahindra, formerly a manufacturer of heavy duty vehicles, but now has a foothold in almost every sector including Softwares.

The need for diversification has been strengthened owing to the following reasons:

1. **Advent of Internet** : The emergence of internet has made it possible for anyone sitting in any part of the world to analyse your business model and present a better alternative. So what used to be a competitive advantage for 2 decades previously will now not last beyond 6 months !
2. **New sectors and new markets**: The world becoming more open to free trade has resulted in opening up of new markets, markets which have its own parameters of judging your product thereby leading to customized products or even completely new products. Besides the emergence of completely new sectors like VOIP, Blue-Ray, etc. look too lucrative to be let go without giving a try.
3. **More competition**: More number of players have emerged in your product segment forcing you to reduce your margins in order to remain competitive. The only way out in that case is to look for new avenues !

**Diversifying a brand has its own pitfalls as well: it leads to diluting your brand equity ! So take care while extend your brand to other sectors.**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

### **43. More, more &...**

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Well these days the consumer rules the market and with ever growing competition and more players- it becomes more imperative than ever to retain your consumer base. One strategy that companies tend to employ in order to achieve this is giving them more for less- leading to what is known as value retailing.

The reason why companies do it is very simple- Attract people, creating value for their goods and ultimately selling. Normally they tend to employ one or more of the following strategies:

1. Discounts
2. Free
3. Bundled offer



Companies often have a firm belief that when they generate sales they are creating value for themselves and the share holders. True ! But by value retailing are you not partly also performing value destruction? Let us see a simple example.

You have a product P which can be retailed for 100 USD, but since you are new in the market you offer a discount of 40% to make your market presence felt. Further you offered a product Q retailed at 40 USD absolutely free if someone orders 10 units of P. What is the result? People start buying your product at 60 USD and in fact you start doing pretty well. But you notice a rival brand X still retails at 90 USD of almost the same specification and sells pretty well. You decide to increase your price to 80 USD offering just 20% off on your base price of 100 USD. What happens? any guesses.

Not all of your customers are now willing to buy your product since they were just buying it because it was cheap. Now to retain the base you need to sell for less? And what about product Q- it gets branded as something you offered for free to bulk buyers, so why should they buy it? Perhaps some will- but doesn't the brand image of Q takes a beating !! So haven't you done value destruction for yourself, while essentially you felt you were creating value?

So should you not offer discounts? Yes you should but only for short durations- so that it becomes more exclusive and never launch a product at discount. Always remember there is no end to more! The more you give, the more the consumer will want- the key lies in striking the right balance.

**Food for thought: How much value for money was your last purchase ? How much is it really worth according to you?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## 44. Setting it up !

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One of the major questions which lies in front of every entrepreneur is how to set up his own manufacturing unit, or to put it simply what are the factors he should consider while making this decision. There are certain parameters which should be the basis for this judgement:

1. **Sourcing:** Where does he source the raw material from? Try and locate it in such a way that the raw material reaches your warehouse in the shortest possible lead time.
2. **Labour:** Perhaps one of the biggest, if not the biggest parameter for selecting the location. Select the location in such a way that there is no shortage of it.
3. **Delivery time:** How soon can you deliver your client the goods? Can you minimize it further? Certain countries like Egypt have advantages in this regard owing to their geographical location.
4. **Prevalent Laws:** Do analyse this factor! Are labour laws in that country industry friendly and what are the restrictions like ?
5. **Duty-free :** The "heaven on Earth" for industrialists. There are certain countries which enable investors to operate without paying a single cent in taxes and also certain like Egypt, Bangladesh, Kenya which have duty free access to US market. Furthermore, few countries also offer incentives to exporters for exporting goods beyond a certain value.

However there has been a paradigm shift especially with the emergence of China as the sourcing hub of the world. No matter what you buy, you source it from China or other south-east Asian countries. So what it leads to is that the focus shifts just to labour costs, as it is this cost alone which will decide the fate of the industry. The manufacturing sector originally existed in US, UK and other EU countries, but with rising costs, it first shifted to Japan, then to Latin American countries, middle-east and south east Asian countries like China, India, Pakistan, Vietnam, Bangladesh, Cambodia, Thailand, Indonesia and others. But there is another major shift underway- the emergence of these south east Asian countries as markets: there is absolutely little doubt that the manufacturing costs will rise and rather than being production bases they will tend to prosper as consumer driven entities. India and China are already moving in that direction and others will soon follow suit.

So where will the manufacturing base of the future be? It will be Africa! If the early part of the 21st century has been dubbed as India & China 's century, there should be little

doubt the later part will belong to Africa. It remains the only unexplored territory with tremendous natural resources and indigenous human talent, it is only a matter of time before it makes its presence felt. In fact Coca-cola's goal to increase its manual distribution network in Africa in the next 3 years and Indian telecom major Airtel's acquisition of Zain telecom are clear pointers in the same direction. So whenever you plan for "setting it up", do analyse keeping all the factors in mind !

**Food for thought: Would you setup your unit in Africa ? If yes, which countries will you prefer ?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## **45. Of French Cuisine and Modern day presenters**

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One of my friends mentioned to me about this very interesting analogy of a few current day presenters with 'French cuisine'. He was advised by a widely traveled friend to forget about content and focus only on presentation, much like the French cuisine. While differing opinions could exist on how palatable French cuisine is, I am told that the French prefer food presented the exquisite way. According to this friend, nobody bothered about content anymore and it was all about delivery.

Such ideas could come largely due to certain instances where people fail to question the presenter and considers it as 'Gospel'. This does not in anyway mean, that others think of you as being suave and worldly wise. On the contrary, they might probably consider it not worth their time to expend energy on correcting you or giving an alternate point of view.

Which brings us to the all important question of this post, 'Content or presentation- Which is more important?' All of us have had those boring sessions in school or college where we were busy passing chits around while the more courageous ones were moving from deep sleep to the next level called 'Thuriya'. However, if you ponder about it more closely, you will remember that rare breed of teachers who always used to regale you in class with 'infotainment'. You never had a dull moment in those sessions and even looked forward to it. Teachers and Professors, I'm sure, have no dearth of content. It's the presentation that mattered. Those well attended sessions had teachers who were highly capable of grabbing the attention of the laziest listeners by their superior presentation skills and delivery of the content. Asking a presenter to focus only on the content quality without attention to delivery, is akin to asking somebody to fetch water from a pond without using a pitcher.

Now go back to some of the speeches made by our 'Netas'. You would find perfect examples of repetition at its best with the same point being pushed across in 100 different ways. Here the focus is on whipping up the sentiments of common folk by sheer theatrics, sound and fury. Content is lost amidst this hullabaloo. Ditto for some trainers and self styled coaches who are immersed in their self image and delivery. Their idea is to score those brownie points with the audience by regaling them primarily with 'Games' and 'Fun activities'. A positive feedback from naive learners after all wins referrals and future business. Not to speak of the 'Happening Trainer Tag' that many aspire to possess. When the true message/content takes a backseat in favour of overemphasis on delivery using fun 'n games, seldom does constructive learning happen. All that they would remember was about the wonderful time they had for the training session. Great orators, be they politicians or spiritualists, combine both content and delivery in an optimal

manner, never allowing one to overshadow the other. Balance is the right word and maintaining it between content and delivery is one of the several keys to a successful presentation.

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## 46. The Great Barriers !

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There has been a lot of stress on the importance of innovation in many of our previous posts. Yes, it is true innovation is the need of the hour (am sure most of our readers will agree!), but then why isn't your company implementing it? What are the roadblocks? Generally it has been seen that one (or more) of the following barriers have been responsible:

### **Too much emphasis on maintaining status quo**

One of the most common issues that ails traditional family setups in the business world. It works something like this : lets say you are investing money **M** which earns you a profit **P**, and you stay satisfied with it. What you often tend to overlook is that if you invest an amount **N** in innovation, it will earn you an additional profit **p1** and the ratio  $(P+p1)/(M+N)$  will obviously be greater than  $P/M$ . There is an attitude in Indian subcontinent which we often say as “chalta hain” (everything works), unfortunately with globalization nothing which works today will work in the next decade. So think about it !

### **Tolerating failure**

As an entrepreneur, it is extremely important to be able to accept failures. Sounds ironical !! **isn't it ? But it is true.** In fact you had also failed so many times before you finally succeeded. The same holds true for innovation: Don't look for immediate returns and do not allow short term failures deter your long term goals !

### **Is your second name “Innovation” ?**

Innovations don't happen by accident ! Only companies which focus on innovation in their daily processes come up trumps ! It isn't like the CEO has to come up with innovative ideas, infact the most innovative ideas generally come from blue collar operators as they are the closest to the centre of action in real-time. Have an incentive plan and approach suggestions with an open mind. In fact the Toyota Production System is the right methodology to follow.

### **Decentralization ?**

Though I personally believe in decentralization being more effective, yet care should be taken that units work like the same team. Often the gaps or rather innovation opportunities lies in the grey areas connecting the two processes. Companies should focus on harnessing talents and managing activities across its different business processes if it intends to achieve breakthrough innovations.

### **Dream big !**

Often people lack the ability to dream big. As Friedman had pointed out in his book “World is Flat”, it has indeed become so and in order to achieve it: Innovation is the key. So, invest in it. Don't have a small vision. Dream big, make big !

**Food for thought: How much of your revenues are you willing to invest in innovation?**

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*



## 47. The bubble burst: Ask China !

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Often we come across the term investment. I am sure everyone knows what it means. What most of us don't realize is at what time can the investment be deemed as enough such that the "feel good" bubble doesn't happen to burst?

Let's look at a simple example. Mr. X was a small trader who used to sell 100 saris a month. His inventory was also maximum at 100 at any point of time. He then decided to expand his business and invested his hard earned money into it, such that now he could have an inventory of 200. And his decision proved correct: He was now selling 200 saris a month. Mr. X now got overambitious, he invested further and it again got sold. But now after further expansions he had reached an inventory capacity of 1000 saris, but he only managed to sell 600 a month. He decided to scale down his operations. He fired 6 people he had hired before. But with reduced scale, his shop no longer was the talk of the town. He was now selling even less & was forced to scale down even further. He suffered huge losses and lost his credibility in the market. The motto of the above case was very simple- he had stretched himself too far.



Over 100 years of economic theory tells us that when nations and people tend to overspend, it leads to inflation. If there is a total of Rs 100 and there are total of 10 persons offering 10 different products or services each will be content with Rs. 10. The problem arises when there is another Rs.100 in the market, thus rising the market capitalization to Rs. 200. Now these 10 persons will fight for a greater share, each will sell at a premium, the one who buys it will resell at a higher premium till the time comes when no one is willing to buy it! And now the most important part: eventual value destruction. The US housing boom and fall can be easily related to this. The export sector is also among the worst hit sectors during inflation, thereby earning you lesser foreign exchange, loss of jobs and ultimately hampering your economy and bursting your bubble. But then isn't there any way to stop the bubble from bursting? I bet there is.

Let's look at the great exception to everything that has happened: you guessed right, it's China! China invests more than 50% of its GDP in its own country and that figure itself is magnanimous by any standards. Even Japan at its peak used to invest 30% of its GDP. But then what exactly makes the China story an exception to the rule? It is the way

they are investing in infrastructure and connectivity. They are not building factories, but instead building roads and railways to unleash the entrepreneurial spirit from even the most far flung places of their great nation. In fact one senior Chinese official had recently remarked that they are not building infrastructure for today, but for the next 50 years. Another interesting point to take note of in the China story is that their focus is not on increasing production, but on providing the platform where individuals can take the initiative. The only thing of concern for China is that their bad debt percentage is estimated at 30-50% (vis-à-vis India's 2-3%), but the way they have sustained it for so long there is no reason why they will not be able to do it again and disprove the economic theory as we know it!

The reason China succeeds is because they invested in improving quality of lives of people. The same goes for companies, while investing it is always tempting to go for numbers and increase capacity. The key to prevent it from becoming your nemesis is if your focus is on quality first and not quantity. In that case your bubble can definitely swell, but be sure it will never burst!

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## 48. The Hierarchy...

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Well often we talk about corporate culture and organisational structure within an enterprise. I am sure almost anyone reading this article at this moment is well aware about the implications it normally has in deciding the fate of a company. One of the important factors that decides this is the hierarchy within the enterprise. So what are the different hierarchy levels within any setup and especially family run setups which still prefer it over a flat structure? Let us discover it !The following are some of the levels in my view:

### 1.The Hero

The founder of the company: it was his vision, courage and determination which made it reach this far. He still remains the most admired and respected face and in fact can easily be spotted in board meeting by his sheer willingness to listen to suggestions. To add to this, he remains the most humble person and even greets and tries to reach out to a newbie in his company.

### 2.The Big Boss

Generally from within the first family (or extended), he is the face for the company. But, unlike the hero (founder) he was born with the silver spoon. He makes sure people know who is running the show ! He sets rules, you follow them. After all, he is the "Boss" ! Need (or rather should) I say more ?

### 3.The loyalist

He is one of those who has been with the company from its very inception. He normally has loads of experience and is regarded as no less than those from the first family. Both Hero and Big Boss hold his views in high esteem before taking any critical decisions ! Negative aspect: Not willing to adopt new techniques and a huge ego.

### 4.The Big Shot

Generally the team leader, he is the guy who has always delivered when needed. 'Hero' and 'Big Shot' share a mutual respect for each other particularly because both have similar humble beginnings. If 'Big Shot' commits something, he makes sure it happens. A fierce competitor, values time and encourages new talent.

### 5.Rebel

Whether one likes it or not, every team has one. He challenges conventions and even questions Big Shot's decisions at times. Extremely talented, he sometimes reminds Big Shot of his early career life. He is definitely a great prospect for the long run.

### 6.The Mob

Well, finally the follower class ! They are the 'yes sir!' people and lack any originality whatsoever. Does it need more explanation?

*[The article has been written by Abhirup Bhattacharya. If you liked reading it, you can reach him at [abhirup.merch@gmail.com](mailto:abhirup.merch@gmail.com) or on twitter @ <http://twitter.com/abhirupbh> ]*

## 49. E-mail etiquette !!

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Nowadays, it is very rare to see anyone writing with a pen or pencil (other than students). Writing has become a rare thing. I was invited to attend a lecture on Handwriting analysis in the IIMB alumni association monthly meeting. The lecturer, who is running a Handwriting Analysis institute asked the members present to write a paragraph with a pen. He then analyzed two of the handwriting and gave a quick analysis of the persons on their emotions, traits etc., I asked him a question - "where in the world people write, especially in corporate world". To which he answered the inner conscious of an individual remains and can be found in the handwriting analysis. He also added that there is nothing called a "GOOD" or a "BAD" handwriting. It is only LEGIBLE or ILLEGIBLE handwriting. So, the handwriting may change, but the characteristics of the handwriting will not change.

But our writing habit has gone and we live in 'e-Mail' world. When my aunt asked why I am not writing letters to her, I told it is better to create a mail id for her and her son can read out the mail to her. Even the personal touch of signing appreciation letters, signing greeting cards, signing a note of thanks etc., are now done through e-mails. Whoever you may be, you will now have a mail id and a mobile number to be identified, if not people are not others will not even look at us.

With emails being THE mode of communication, either personal or official, there are some etiquette that are necessary to portray the individual's stature. These are the basic things, which were ignored in current fast world. Some examples are : the - da, this - dis,your - ur,you are - u r, tomorrow - tmrw, welcome - wc, etc.

Corporate, especially BPOs, KPOs train their employees on how to write / respond to an email. It is very critical, as it carries the image or the organisation. The mail should be responded quickly, unlike the usual snail mail. There should be present all the parts of a normal letter (address / salutation, body of the letter, conclusion, signature etc.,).The email should be short and crisp. If it is lengthier, then use headers with bullet points or write a document and attach it to the mail. Do not use BOLD or RED colour font, unless you need to emphasize a particular point or convey a deadline. Before sending the mail, do a spell check!

Guide training to your team members on the email writing technique, as it reflects your team's image to the outside world.

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## 50. Twelve core qualities of a business analyst

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**Business Analysis** is the core of **project management**. It is the first major activity starting after project initiation requiring multifaceted skills. Some of the skills or qualities required are prime than the other. The prime qualities are those which make a business analysis process perfect. Without these prime qualities one can not think of conducting a proper business analysis process or becoming a good business analyst. These twelve core qualities of a business analyst are:

1. **Process:** Business Process understanding & Process Flow is very crucial part of business analysis. Without the knowledge of business process an analyst can't draw accurate process flow charts without which nobody in the project team would be able to understand the process and requirements.
2. **Requirements:** Requirement gathering, Requirement Analysis & System Analysis comes along with the process requirements. Once an analyst is clear about the process and its flow, he starts focusing in business requirements, analyze them to draw out system requirements.
3. **Documentation:** Without proper documentation, an analyst's life is incomplete. If the documentation is poor, the whole project's progress may go haywire.
4. **Interviewing Skills:** An analyst's role is to interview various people at various levels at customer site to understand the process flow, process requirements, business and business requirements.
5. **Business Needs:** Identification and prioritization of business needs is what need to be driven out of business understanding and business requirements. Once business needs are understood, and documented, their prioritization is the next step.
6. **Business Expectations:** What exactly business or in turn the customer expects out of the whole project. What is the core of the software is process has to align with the core business expectations or requirements.
7. **Relationship:** A congenial relationship with the client team, management and other stakeholders throughout the project lifecycle is very important to maintain.
8. **System specifications:** An analyst has to take care that properly clear and complete system specifications are drawn out by development or project implementation team in such a way that these requirements fulfill the business needs for a substantial period.
9. **Testing:** An analyst is a shadow of the customer. He is the one who has been facing customer from beginning to capture their requirements. The analyst has to be a good tester also to develop test strategy and test plan & perform Functional Testing on behalf

of customer.

10. **At implementation stage:** An analyst has to ensure that if not hem then whosoever is assigned the task of integration testing and UAT (user acceptance testing) at customer site must be in sync with the specifications chalked out by the analyst.

11. **Technical Support:** During and post implementation, an analyst has to ensure a right window to customer to provide them appropriate timely technical support.

12. **Functional Support:** All issues will not pertain to technical resolutions. Mostly, at initial stages, a user is stuck more at functional level rather than due to any technical flaw in the application. An analyst has to be very clear about the functionality of the software, and that he will be, obviously, to support the customer functional team.

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