

JOURNAL OF MARKETING & COMMUNICATION

The Journal for Thought Leaders and Change Drivers

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From the Editor

In today's global economic scenario, a sustainable business is one that operates in an environmentally and socially responsible way. Its products and business processes are such that no negative environmental or social impact is felt as a result of its existence. With globalization, there are lessons for transformation, in the roles not just for business, but for government and civil society as well. NR Narayana Murthy, Chairman and Chief Mentor, Infosys Technologies Ltd. mentions in Meera Mitra's study on Corporate Social Responsibility that around the world today, corporations are emerging as the most influential institutions of our time. They dominate investments in both developed and developing countries. With the rise of corporate power, business firms today have a significant impact on the economic and social systems of the communities they operate in. As a result, corporations face increased expectations, to not just achieve their economic goals but also, in the words of Philip Kotler, to "fulfill the responsibility of doing good." For corporations, one important way to link business with the society is to develop rural markets and make commodities and services accessible to the poor people. As CK Prahlad has rightly said, "In India, poverty is an opportunity. So companies must target rural markets and consumers at the Bottom of the Pyramid."

Keeping this trend in mind, in the article entitled, '**Corporate-SHG Linkages for Rural Market Development through Microenterprise Development**', Vivek Kumar Tripathi and Tanu Marwah acknowledge the fact that rural markets offer tremendous potential of growth for corporations. According to the writers, several interventions are designed by various companies to tap rural markets, including designing tailor-made supply chain, rural marketing campaigns, pruning marketing mix elements and integrating social elements to develop their brand awareness and market for their products. Apart from these endeavors, there is still a significant area lying largely untapped. The paper mentions that the integration of SHGs (Self Help Groups) with corporations will help a great deal in tackling issues related to business and market awareness in rural areas. Various government initiatives, including promotion of SHG formation, microenterprise development, microcredit by FIIs (Foreign Institutional Investors) and NBFCs (Non Banking Financial Institutions) and skill training are making SHGs extremely viable in today's business scenario. Hence, symbiotic associations of corporations with SHGs, utilizing their distinctive competencies, will always prove to be fruitful in the processes of socio-economic development and business growth.

Taking up another very significant aspect of responsible business, Adnan Ali and Mohd Adil, in their article entitled, '**Determining the Predictors of Green Consumer Behavior in India: An Empirical Study**', mention that the Earth-friendly awareness campaign of the 1960s brought various movements to the United States such as producing and selling

of green products which was considered to be a social responsibility. The formal introduction of the idea of green consumers segments did not come into the academic literature of business practices until the 1990s which brought to the fore that consumers are more educated about the environment and they have been making their purchases based on their growing green consciousness. Owing to limited empirical researches in the Indian context, the study aims at exploring the factors that help in determining consumer behavior towards environment friendly products. According to the study, three dimensions — environmental behavior, guilt and consumer attitude, were found to be critical predictors of green consumer behavior in the Indian context.

In another article entitled, '**An Empirical Study of Customer Experience and Its Relationship with Customer Satisfaction towards the Services of the Banking Sector**', Meenakshi Sharma and D.S. Chaubey have studied consumer behavior because for any business to be socially relevant, it must first of all satisfy its customers. According to the writers, customer experience has emerged as the single-most important aspect in achieving success for companies across all industries. Customer experience management (CEM or CXM) is a strategy that focuses on the operations and processes of a business around the needs of the individual customer. So companies are focusing on the importance of the experience. In simple terms, customer experience management represents the discipline, methodology and/or process used to comprehensively manage a customer's cross-channel exposure, interaction and transaction with a company, product, brand or service. The paper attempts to summarize the results of literature review on customer experience towards the services of a bank. The study indicates a strong relationship between customer experience with the overall feeling, trust and satisfaction and in turn it is helpful in delighting the customer. Several practical suggestions have been drawn on the basis of the study.

Gender sensitivity has now become a major area of concern and businesses are looking into this very seriously. In Saurabh Grover and BS Hundal's article entitled, '**A Socio-Cultural Examination of Gender Role: A Study of Projection of Women in Advertisements**', it has been argued that there is hardly any sphere of life in which Indian women have not taken part and proved their worth. Women exercise their right to vote, contest for Parliament and seek appointment in public offices. Advertisers strive to engage consumers through their choice of message tones. They have been using a variety of emotions to initiate the desired response. The roles of men and women have changed and the world of the Indian women is no longer limited to the four walls of their homes. Similarly, the Indian male has to chip in with household chores. The paper is an attempt to study socio-cultural examination of women's roles in advertisements through content and factor analysis. The study concludes that, contrary to popular be-

liefs, advertisements that depict women in a negative light do not attract the attention of consumers.

Carrying on with a similar theme, the article entitled, **'Consumer Response to Advertising Appeals: A Gender Based Study'** by Pragya Keshari and Sangeeta Jain reiterate the fact that advertising is the foremost communication tool used by marketers to persuade customers. As much of advertising expenditure gets wasted in ineffective campaigns, advertisers are always concerned about understanding how advertising affects consumer behavior, and how it works in order to formulate an effective advertising strategy. Hence, many researchers have been trying to find out which creative appeal or advertising strategy works best in developing a positive attitude and motivating consumers to purchase the advertised product. The study is an attempt to explore the response of male and female consumers to rational and emotional advertising appeals and for this data was collected from respondents in the cities of Indore and Ujjain through a self-designed instrument.

Exploring another aspect of marketing, i.e. branding, Jayshree's article entitled, **'Rebranding of Airtel: Did it Work?'** clarifies that a brand symbolizes the manufacturer's promise to its customers. However, companies keep upgrading its offerings to provide better services to its customers and to meet the increased customer expectations or to target other segment. This necessitates companies to revise their branding strategies to make customers associate the brand with improved and differentiated functions. This is precisely a situation that calls for rebranding to maintain competitive differentiation. In fact, rebranding has now become a strategic tool to manage customer perceived brand image. The study presents effectiveness of rebranding done by Bharti Airtel, an Indian telecom major, after its foray in global markets to create a uniform identity.

Since technology is today playing a very crucial role in marketing, SB Pondur. and Edara Suma Bala's article entitled, **'Role of Information Technology in Effective Implementation of Customer Relationship Management'** attempts for the deeper examination of how Information Technology (IT) plays a vital role in the implementation of customer relationship management (CRM) practices which is a powerful tool to retain the existing customers as well as to get new customers. In the modern era, information technology has become the lifeblood of marketing. To have the right information, at the right time, in the right amount and in the right style, it is very important for marketers to maintain good relationships with customers. In such a scenario, the role of information technology has increased immensely. As a result of the advancement in information technology, knowledge is replacing natural resources and money as an organization's basic resource. Ready access to virtually unlimited amounts of information is shifting the balance of power from marketers to customers. Customer relationship management (CRM) aims at narrowing the gap between the company and its customers. CRM plays a vital role not only in bringing the customers close to the company, but also

in identifying the changing behavioral pattern of the customers. This paper is a comprehensive analysis of how information technology is being used to develop cordial relations with customers.

Similarly, Saikat Gochhait's article entitled, **'Role of ICTs in the Marketing of Refractory Products as Innovation Success Factor'** seeks to explore the role that information and communication technologies (ICT) plays in the processes of product innovation and marketing – as an element that strengthens the cooperation and communication among agents within the innovation project, reducing the obstacles to innovation and enhancing the development of differentiated refractory products as well. The study presents a new framework for identifying the role that intensive ICT can use in marketing plays as an element that strengthens the cooperation and communication relationships in new product development processes in refractory industries.

Another article entitled, **'Merger and Acquisition in the Telecom Industry: An Analysis of Financial Performance of Vodafone Plc and Hutchison Essar'** by Nidhi Nalwaya and Rahul Vyas focuses on the service sector which is in the process of an unprecedented restructuring exercise globally and mergers and acquisitions are the preferred choice for the same. This phenomenon is prevalent in emerging market economies like India. Companies like Airtel, Vodafone and Hutchison etc. are reckoned as global leaders in their sectors. These Indian firms have learnt that inorganic growth is the faster mechanism. The study points out to the fact that the strategy of mergers and acquisitions is used by the corporate sector to eye units all around the operational region which, in-turn, will help them restructure financially. Mergers and acquisitions have emerged as a natural process of business restructuring throughout the world and, according to the researchers, financial restructuring through mergers and acquisitions represents the most dynamic facet of corporate strategy.

The **Ground Realities** section by **Sazzad Parwez** entitled, **'Underdeveloped Supply Chain dynamics of Indian Agriculture: Reference to Information Technology and Knowledge Management'** broadly covers some of the important aspects of agriculture supply chain in India like identification of issues at different levels in the supply chain; transformation in agriculture due to various supply chain interventions; the role of ICTs in supply chain management and the suggestion to improve efficiency at different levels in the supply chain. The article concludes that ICT plays a very important role for development and agriculture. Therefore, government action must address the issue of infrastructure development to achieve the objective of food security for all. In the **Book Review** section, **Jitender Sharma** has reviewed the book **Profitable Customer Engagement: Concepts, Metrics, and Strategies** by **Dr. V. Kumar**. In the book it has been emphasized what are the processes businesses can follow to become profitable using an innovative and impressive set of metrics. This book is full of cases and various examples to illustrate benefits from implementing these strategies.

Prof. S. Neelamegham

Impact of Smell on Consumer Purchase Intention at High and Low Purchase Decision Involvement Level

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Abstract

Marketers today realise the importance of sensory branding but the focus is primarily on the two senses of sight and sound. Smell, to attract consumers towards a product, is one of the most powerful senses that remain unexploited. This paper aims to determine the impact of smell on Purchase Intention (PI) for consumers with low and high Purchase Decision Involvement (PDI) levels. Using the Elaboration Likelihood Model, it was hypothesized that smell has a greater impact on consumers with low levels of PDI than consumers with high levels of PDI. The experimental study with smell as a variable confirmed the hypothesis that consumer PDI did influence the impact of smell on consumer PI. In particular, consumers with low levels of PDI showed higher impact of smell on their PI. Product development and innovative communication strategies based on smell can be developed through the conclusions drawn from this research.

Keywords: Sensory Branding, Smell, Consumer Purchase Intention, Purchase Decision Involvement.

Introduction

The five senses of sight, sound, smell, taste and touch influence purchase behavior as they evoke emotions and affect the mood of the consumer. There has always been a greater emphasis on the two senses i.e., sound and sight in order to persuade consumers to purchase the products. Visual and auditory stimulated communication campaigns have increased the clutter in advertising and branding. It is very important for the marketers to use unique and dynamic ways of communication. In other words, the future of brand communications is going to be multidimensional, where the usage of all the senses will be further enhanced.

Furthermore, smell is the most effective among all the five senses. According to Lindstrom (2005), smell influences 75% of all the emotions

experienced by an individual in a day.

Moreover, several studies have found that fragrances affect emotions and have the ability to stimulate the mind and aid memory recall. According to Global Cosmetic Industry, (2012) smell has a direct relationship with the mood of the consumer; also it increases the product experience and brand recall as a particular aroma/fragrance often becomes the signature of the brand. Smell is an important approach that can be used by marketers for building unique and effective communication strategy. It has a strong association with the individual's brain because it occurs at a subconscious level and it creates a distinct platform for the product (Bell, 2007). This in turn would help in building memorable and lasting relationships with consumers (Portas, 2008). It can be used as a product attribute or as a communication tool or as an instrument to enhance the prod-

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uct experience. The efficient use of smell has a positive impact on brand perception, recognition and loyalty (Duerloo, 2009).

This paper explores the influence of smell as products attribute primarily shampoos. Many shampoos use fragrance as a basic product attribute. However, there is a dearth of literature that validates whether the attribute of smell in shampoos translates into increased intention to purchase. Therefore, this paper tries to focus on how purchase decision involvement level (PDI) affects the degree to which smell influences the consumer purchase intention (PI) in the leading emerging market such as India.

The paper begins by explicating sensory branding and the phenomenon of smell. In the following section, PDI and the way it may affect the role of smell in PI are explored. In the theoretical framework, the Elaboration Likelihood Model is explained. This is followed by an explanation of the research method employed. Data is analyzed by using correlation and linear regression modeling to understand the impact of smell on consumer PI at high and low PDI levels.

Literature Review

Sensory Branding

'Sensory Branding' or 'Sensory Marketing' is a term used by marketers to refer to the concept of any form of communication between a brand and its consumers that involves the senses (Bell, 2007). Lindstrom (2005) defines sensory branding as a method of systematically leveraging the five senses or as many senses as possible to build a brand. Sensory Branding helps to gain relevant consumer insights and hence to develop unique marketing strategies. It involved the measurement and understanding of consumer's emotional responses to sensory stimuli. It even helped in discovering new market opportunities to maximize product profitability. It ensured the loyalty of the consumer and repeat purchase (Portas, 2008).

Use of Sensory Branding Techniques:

In early 1930s, music was extensively used in the

retail stores to attract customers in the US. This concept was developed by Muzak (company) in 1930 and it remained the sole form of sensory branding for ages. However, today this concept has further expanded to cover all the other senses. Several famous brands have used this technique in marketing, sale and delivery of products and services to the consumers. Royal Mail (2008), which is the U.K. postal service, used sensory branding as part of the 2008 Direct Mail campaign. They sent letters that were prepared from chocolates for their consumers. In the 1990s Singapore Airlines introduced a particular aroma and layered it by blending the aroma into hot towels that were given to the passengers, using it as the flight attendant's perfume and spraying it throughout the aircraft. This strategy was highly appreciated by the customers and the airline even patented this particular smell. This aroma became a trademark of Singapore Airlines (Wilton-Middlemass, 2009).

The Influence of the Five Senses on Perception:

According to Lindstrom (2005), perception creates experience for the consumers in determining product attractiveness. Moreover, perception depends on the information captured by the five senses. This is based on the recent scientific discovery that a complex interaction between the brain and the information received from the senses results in understanding the world around the consumers in an amalgamated way (Wilton-Middlemass, 2009). Hence, the use of sensory strategies would play a vital role in enhancing the consumer's relationship with the product, thereby influencing the purchase decision (Portas, 2008). Furthermore, both quantitative and qualitative research by Millward B. (2004) found that products that are rich in their sensory profile perform better and have a clear positioning in the minds of the consumer (Duerloo, 2009).

Individuals naturally capture information from the surroundings through the senses and then transform this information into emotions, which then gets translated into action. According to Krishna et al., (2014) a consumer correlates the image of the object or product with the smell of the product and stores in the memory. The smell of the product facilitates the consumers to imagine the aesthetics. The importance of sensory branding

becomes evident once marketers realize that senses are related to the language of the emotions of the individual. The strategies that include the senses help marketers to secure a place for the product in the minds and the hearts of the consumers. Moreover, since products of different brands have almost the same basic attributes and benefits, sensory branding can be used as a tool to create differentiation at a second level or a multi-sensorial stage. Therefore, sensory branding helps in the creation of an extended product i.e., a product that has benefits and features beyond the core product (Portas, 2008).

The Power of Smell

Initially the purpose of all the senses was to offer protection from danger, such as fire or smoke (Wilton-Middlemass, 2009). However, senses have gradually evolved to help in the discovery of pleasurable experiences as they link between the memory and the emotions experienced by an individual. A special aroma or fragrance can be construed as a reminder of certain situations, or places, or persons. Similarly, the sense of smell is also associated with feelings of individuals. All the events, feelings and moods that have made an impact on the memory can be aroused with the effective use of the sensory stimulus of smell (Wilton-Middlemass, 2009).

The sense of smell is the most powerful among all the senses. This is especially true with respect to emotions and memories (Duerloo, 2009). This gives scope for the use of smell to build stronger emotional connections with the consumers. Brands that have used smell as a primary construct in the area of branding are very successful. Companies have realized that in order to dive deeper into the consumer's consciousness, it is imperative to communicate with them at several levels. Lindstrom (2005) found that smell also has an impact on people's perception of time.

The Ability of Smell to Trigger Emotions

The power of emotions plays an influential role in the actual sale of the products. Loudon and Della Bitta (1993), in studying the significance of emotions as a constituent of attitude, found that there are positive and negative emotional influences on consumer behavior.

Smell influence emotions, which subsequently affects attitude formation and brand purchase or choice.

The Proust Phenomenon (1922) indicated that smell has the power to evoke autobiographical memory mingled with emotions and marvelous vividness. According to Proust (1922), an aroma has the ability to enhance the nostalgia feeling of the individual. These are often moments from childhood that involve intense emotional responses and are deeply satisfying. Thus, it involves integration of the individual's emotion with the aroma of the product (Patricia-Wilson, 2003). Interestingly, according to Shepard (2012), when the smell molecule is transformed to mental representations of smell objects, it is stored in the olfactory cortex, which helps in identification. This triggers an emotion or memory of the object when the consumer feels a particular smell. Research into the emotional impact of aroma has found that 80% of men and 90% of women had a Proustian experience i.e., a vivid, emotional experience of an odor-evoked memory (Laird, 1935).

Understanding the Sensors, Sensations and Sense Expressions of Smell

Sensors refer to the devices or equipment that can be used by the firms to provide stimuli to the customers and receive signals. These senses can be used in the real or the virtual landscape where the organizations operate. Sensations refer to the way in which an organization translates itself into a product by using various signals and stimuli. A firm can do this either in a deliberate fashion or in an unconscious manner. In psychology, sensation corresponds to the way in which a person becomes aware of different signals via sense expressions. Sense expression refers to the concept that is used in semantics and aesthetics, which emphasizes the importance of emotional aspects of a product besides its obvious rational benefits. An individual chooses to select a sense expression of the brand on the basis of his/her cultural context. Moreover, various smell sensors result in atmospheric sensations. These sensations in turn correspond to various sense expressions such as product congruence, intensity, signature scent, sexual or other theme based scent (Hultén, 2008).

The Influence of Smell on the Behavior of consumers:

Many scholars have understood how human behavior is affected by smell. Studies have found that a pleasing fragrance can improve an individual's mood (Lise Dreyfuss, 2007). According to Baron (1997), a pleasant smell in the shop also leads to improved assessment of that place, its facilities, products and services. Studies by Abriat et. al (2005) concluded that the use of fragranced cosmetics reduce the strength of pessimistic emotional states such as sadness and boredom. Conversely, optimistic mindset or positive moods such as contentment, happiness, pleasure and confidence become significantly stronger with the use of perfumed cosmetics.

The two different Modes of Odour Perception - Implicit and Explicit:

The perception of odor has two distinct modes. The first mode is known as holistic perception where the representation of the object or the product is related to the neural representation of its odor. Any change or difference in the neural representation of the odor would lead to a change or would make a difference in the object's or product's representation or vice versa. The second mode of odor perception is analytical perception. In this mode, the neural representation of the odor is independent from the product's or object's representation. In other words the representation of the object or product can change independently without any change in the odor representation or vice versa.

This leads to the concept of implicit and explicit odor perception. In the case of implicit odor perception, the perception of the odor is holistic while in the case of explicit odor perception is analytical (Jellinek, 2003). Products with fragrance playing a secondary supporting role such as cosmetics, toiletries, laundry care, household cleaning products, etc. work on the principle of implicit fragrance perception and thus they are known as "functional products". However products such as perfumes, colognes, body deodorants, room fresheners, toilet fresheners, etc. are based on explicit fragrance perception and are identified as "fragrance products"

(Jellinek, 2003).

Shampoos fall in the category of "functional products" where fragrance plays a secondary

supporting role. Functional products also emphasize smell as all the other senses are unconsciously associated with it. For example, if the fragrance from a cosmetic product such as a cream formulation is altered, it can lead to changed evaluation of skin smoothness even though this property continues to be untouched. Thus, without any other objective changes, change in the fragrance could lead to several subjective changes (Lise Dreyfuss, 2007).

Consumer Purchase Intention:

There is no dearth of literature that establishes the relationship between Purchase Intention (PI) and actual purchase behavior. Shugan and Swait (2000) offered a modeling perspective on the study of PI and actual purchase. Morwitz et al. (2007) gave a comprehensive analysis on the influence of PI on actual purchase behavior. Young et al. (1998) studied the reasons for the possible gap between PI and actual purchase. Past academic research also emphasize on the premise behind using PI in order to determine the level of purchase. PI reflects the consumer's probability of purchasing the product or brand; it contains useful information for marketers. Presentation and summarization of PI in the past have been achieved through several probabilistic scales and calculation of mean intention score (Miniard et al. 1982, 1983; Warshaw 1980).

Research by Fishbein and Ajzen (1975) and Ajzen (1985), Morwitz et al. (2007), found that among other factors, temporal separation between intention measurement and purchase determines the influence of PI on actual purchase behavior. According to them, the smaller the extent of this separation, the better the possibility of PI predicting actual purchase behavior. This translates into the importance of evaluating PI prior to purchase rather than considering the PI history of an individual. PI calculation before purchase can generate wrong results because the consumer's PI could change for various reasons during the actual purchase. These reasons could range from the actions of the firm such as adver-

tising or promotions or word-of-mouth effects. Therefore, PI measured just prior to purchase has been proved more likely to be diagnostic of actual consumer purchase behavior. Measuring PI just before purchase ensures that more relevant data is captured and hence the accuracy of predicting impact on actual purchase increases. Moreover, capturing information of behavior just prior to purchase also includes the benefits of “recency effect”.

This can translate into a higher probability of accurately predicting actual purchase. Nedungadi (1990) found that recent intent formation plays an important role in brand recall because it increases the receptiveness of the brand in memory and contributes to the actual purchase.

Consumer Purchase Decision Involvement:

Involvement is defined through multiple perspectives by various researchers. Laaksonen (1997) has developed a three-category classification for defining involvement the first approach is the cognitive, the second is the individual-state approach and third is related to the response of an individual. According to Michaelidou and Dibb (2006) this has made an attempt at categorizing definitions for involvement (Maiksteniene, 2008). According to Laaksonen's (1997) categorization, consumer PDI falls into the second category, i.e. the situational involvement corresponding with the individual state approach, which emphasizes on the transitory nature. It is also referred as ‘purchase of the product involvement’ (Maiksteniene, 2008).

Hypothesis Development:

In order to hypothesize how consumer PDI might affect the influence of smell on consumer PI, it is imperative to understand that involvement is an essential moderator in information processing that is extracted by a stimulus (Vaidyanathan & Aggarval, 2001). In Elaboration Likelihood Model (Petty & Cacioppo, 1979), there are various processes of attitude formation and has two categories; Central Route and Peripheral Route. The Central route involves those processes that entail cognitive resources and considerable effort whereas the Peripheral route encapsulates the other processes where

the individual is absorbed in thinking for a shorter period of time. According to Vaidyanathan and Aggarval (2001) when there is high involvement, the consumer takes the central processing route and uses data driven signals for the evaluation of the offer. For example, the consumer would be more likely to consider price and other numerical data for assessing the product and the associated information. However, low-involvement consumers consider peripheral route and give greater importance to simple inferences and indicators such as the type of brand ownership or the kind of non-price promotional offers (Maiksteniene, 2008).

There are other researches that also follow similar reasoning paths. According to Roser (1990), individuals who have low involvement levels may have low commitment levels and may be more open to persuasion. Some studies also show that consumers with high levels of involvement are motivated to scrutinize information more completely while consumers with low involvement are more likely to use simple heuristics, which can be understood easily (Maiksteniene, 2008).

Therefore, it can be hypothesized that low involvement consumers in the category of shampoos would give more importance to non analytical influences such as smell and hence would experience greater influence of fragrance on their levels of purchase intention for shampoos. However, consumers who display higher levels of involvement might put additional value to numerical characteristics such as price or result oriented functional benefits such as damage repair or hair fall control or dandruff removal.

Research Objectives

1. To determine the top three dimensions that interest consumers while purchasing a shampoo at differing levels of PDI
2. To determine whether consumers who have low levels of PDI while buying shampoos have a greater impact of the Fragrance of the shampoo on their PI than consumers with high levels of Purchase Decision Involvement while buying shampoos.

The following hypotheses were drawn on the basis of the second Research Objective:

Hypothesis: There exists a negative linear relationship between consumer PDI and impact of smell on consumer PI.

Research Methodology:

The respondents in the age group of 18 to 30, belonging to SEC A and A+ were chosen for the study in the leading emerging market such as India. Consumers in this category were selected because they are brand conscious. Shampoo was chosen for the research as it qualifies as a “functional product” as smell is an essential product attribute of shampoos. Hence, studying the impact of smell can be achieved without any bias towards particular brands in this product category.

A multistage approach was used. At the first stage, a pilot study was conducted with 25 respondents with the help of an open-ended questionnaire, where they were asked to list the different dimensions that are considered during the purchase of shampoos. Subsequently, Mittal’s (1995) Purchase Decision Involvement scales were modified and used to measure the level of consumer PDI.

This consisted of three statements based on the consumer’s experience while purchasing shampoos. A 5-point Likert scale ranging from “Strongly Agree” (5) to “Strongly Disagree” (1) accompanied each statement.

In order to measure the impact of smell on consumer PI, statements were modified and were adapted from the previous research (Ajzen, 1985; Fishbein & Ajzen, 1975;

Miniard, et al., 1982; Miniard et al. 1983; Morwitz et al., 2007; Warshaw, 1980; Goldsmith et al., 2000). We have used 5-pointer scale even in these statements. In the second stage of the research, 200 respondents were administered the survey, and the data analyzed by using Pearson’s Correlation coefficient, descriptive and regression analysis.

Results and Analysis

Dimensions to purchase shampoo:

The key dimensions that emerged from the pilot study to determine factors influencing the purchase of shampoo were: packaging, color of the shampoo, fragrance, price, brand, lathering ability, conditioning, hair fall control, dandruff control, and damage repair.

The pilot study found that the top three dimensions were chosen by consumers with low and high levels of PDI from the comprehensive list. Consumers with high levels of PDI, damage repair, hair fall control and dandruff control emerged as the most important parameters. However, consumers with low levels of PDI, fragrance, brand and conditioning were the most important parameters. It must be noted that fragrance as a parameter performed considerably better than the other parameters as 72 out of 90 respondents with low PDI scores ranked it as one of their top three dimensions while purchasing a shampoo.

Table 1: Table for Product Moment Correlation

		Consumer PDI-Independent	Impact-Dependent
Consumer PDI-Independent	Pearson Correlation	1	-.663(**)
	Sio (2-tailed)		.000
	N	200	200
Impact-Dependent	Pearson Correlation	-.663 (**)	1
	Sio (2-tailed)	.000	
	N	200	200

** Correlation is significant at the 0.01 level (2-tailed).

Table 2: Table for Test of Significance: Coefficient (a)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta	B	Std. Error	
1	(Constant)	4.965	.173		28.696	.000
	Consumer PDI-Independent	-.598	.048	-.663	-12.446	.000

a. Dependent Variable: Impact-Dependent

Table 3: Table for Significance of Association: ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	140.577	1	140.577	154.903	.000(a)
	Residual	179.689	198	.908		
	Total	320.266	199			

a. Predictors: (Constant), Consumer PDI-Independent

b. Dependent Variable: Impact-Dependent

Table 4: Table for Strength of Association:

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.663(a)	.439	.436	.9526375878 80374

a. Predictors: (Constant), Consumer PDI-Independent

b. Dependent Variable: Impact-Dependent

Product Moment Correlation:

The correlation between consumer PDI scores and impact of smell on consumer PI scores measures the proportion in the impact of smell on consumer PI that is explained by the level of consumer PDI (Malhotra & Dash, 2011). The modulus of r in this case was 0.663 at 1% level of significance. Thus the high value of r indicates that the relationship between consumer PDI and impact of smell on consumer PI is strong. (Refer Table 1)

Equation and the Test of Significance:

Once the Bivariate Regression Analysis was conducted, the following basic regression equation was derived.

Impact of smell on consumer PI = $4.965 - 0.598$ (consumer PDI)

As Table 2 shows, the hypothesis was confirmed. A significant linear relationship between consumer PDI and impact of smell on consumer PI was identified. Fragrance had a bigger impact on consumers with low levels of PDI than consumers with high levels of PDI buying shampoos. (Refer Table 2)

Significance and Strength of the Association:

As Table 3 shows, the relationship between consumer PDI and impact of smell on consumer PI was statistically significant.

Strength of Association:

As Table 4 shows, the strength of the association, R^2 is 0.439. That is, more than 40% of the variation in impact of smell on consumer PI can be explained by the variation in consumer PDI. This is a high figure.

Discussion

The research found that there is a significant relationship between the consumer purchase decision involvement and the impact of smell on consumer purchase intention.

The findings are consistent with the predictions of ELM. Smell is an important parameter for consumers

who have low levels of PDI as they give importance to simple inferences then that of the consumers with high PDI who give more importance to data driven signals and look for solutions for their problem.

According to Jellinek (2003) there are two modes of odor perception – implicit and explicit, where the products with implicit perception are the functional products such as cosmetics and toiletries in which the product is dependent on the neural representation and odor perception. This is consistent with the findings of the present study where for the low involvement consumer fragrance is found to be an important parameter.

Implications

This empirical research has found that consumer Purchase Decision Involvement (PDI)

is an important criterion to determine the impact of smell on consumer Purchase Intention

(PI). Smell had a greater impact on consumers with low levels of PDI. Therefore, consumer PDI can serve as an important parameter for consumer segmentation. In the present scenario segmentation strategies concentrate on dividing the consumers into different groups based on traditionally developed methods without any implications derived from real marketing issues. In order to use segmentation as a valuable strategy to build stronger brands it is necessary that it must be firmly rooted within the framework of the marketplace and the consumer (Michael, 2001). The use of the level of PDI as a segmentation strategy for consumers of shampoos can be helpful to the marketers. The study has found that there can be two segments of consumers for shampoos; the Conscious Hair Segment that has sensitive hair and the Not-So-Conscious Hair Segment that has normal hair. Conscious Hair Segment consists of consumers who have higher levels of PDI while buying shampoos where as the Not-So-Conscious Hair Segment has low PDI levels.

The buyer's perception of the value derived from the market offering is crucial in determining the market standing of a product or a brand. Therefore, the importance of a clear and distinctive market positioning that is applied consistently across all internal and external

platforms. An effective positioning strategy that is relevant and appealing to the target group can create a competitive position which is sustainable and profitable in the long run (Young, 2011). Conclusions drawn from this paper can prove to be useful in determining such powerful positioning strategies for the consumers of shampoos. For example, based on the segmentation strategy, an organization can decide to target the first segment of consumer i.e., the Conscious about Hair Segment. Empirical research has shown that these consumers have problems such as damage hair, hair fall and dandruff. Hence, they want a solution in the shampoo to tackle these problems. Positioning for these consumers should be based on presenting various shampoos as a solution to solving various problems associated with this group of consumers. When the organization have to target segment Not-So-Conscious about Hair, then it becomes important to note that through this study it was found this set of consumers perceive shampoos as merely cleansing and conditioning agents. Research concludes that fragrance is an important parameter for this segment, so it becomes necessary to include this element in the positioning strategy. This segment is brand conscious so companies can also develop strong brand building strategies.

Figure 1 summarizes the segmentation, targeting and positioning (STP) strategies that can be adopted by an organization based on the findings of this empirical research.

Source: Author

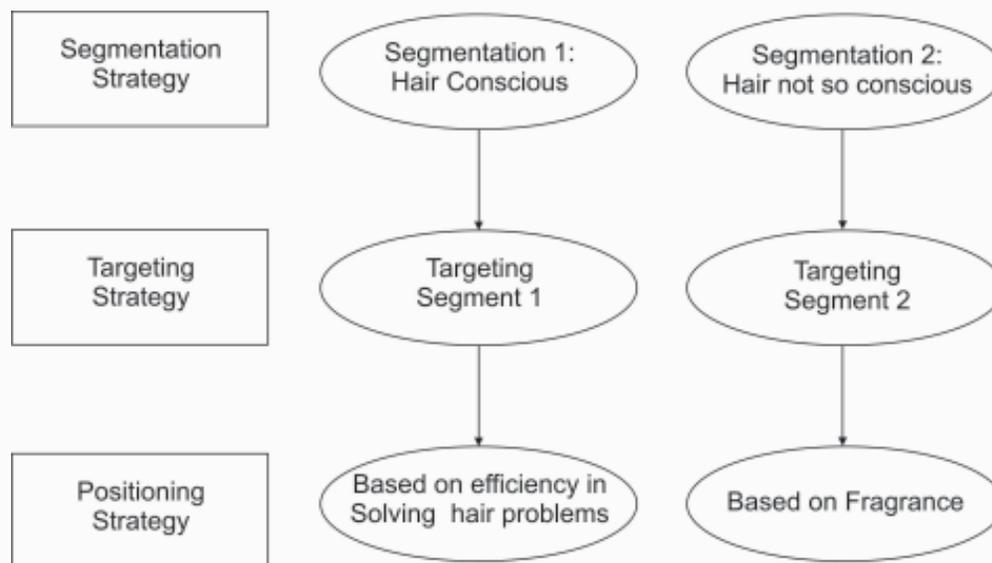
The paper emphasizes the importance of fragrance for consumers who have low levels of PDI while purchasing shampoos. However, smell in the shampoo category remains exploited at the implicit level of perception. This study makes a case for exploring the opportunity of bringing the fragrance of the shampoo at the explicit level of perception. This translates into movement of shampoos from “Functional Products” to “Fragrance Products”. This implies that smell should no longer play a mere secondary role in the case of shampoo but should be marketed as an important product attribute. Smell can also be used in development of new shampoos with different fragrances and can be marketed accordingly.

Smell can also be used as a prominent part of packaging where innovative smell sensors such as scented labels can help to give the consumer a clear idea of the fragrance of the shampoo.

Conclusion

The present paper offers insights on the impact of

Figure 1: Development of New STP Strategy



smell on consumer purchase intention with low purchase decision involvement and high purchase decision involvement. The consumer with high involvement takes a central processing route and gives importance to solution and sensational attributes. Consumers with higher levels of PDI consider attributes such as damage hair repair, hair fall control, dandruff, brand and then fragrance. Therefore, they desired a shampoo that would provide a solution for their problems.

Consumer PDI is an important moderator for influencing the impact of smell on the consumer PI. The less involved the consumer is in the purchase decision, the more the impact of smell on his/ her purchase intension. Moreover, while developing communications strategies for shampoo smell can be used by the marketers. Fragrance can be used explicitly or implicitly according to the set of consumers for effective communication.

Communication Strategy

Sensational & Functional Attributes

Sensational & Functional Attributes

- Damage hair repair
- Hair fall control

- Dandruff control
- Brand
- Fragrance (Implicit)
- Fragrance (Explicit)
- Brand
- Conditioning
- Cleansing

Limitations and scope for future research

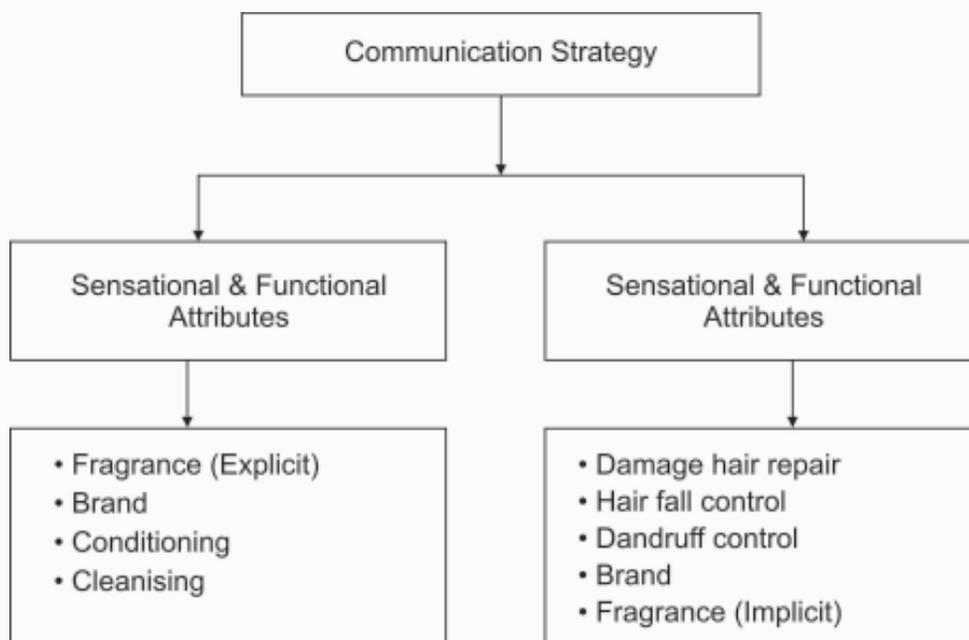
This research is conducted on one emerging market i.e. India. Cross-cultural studies can be carried out in a similar approach in other emerging market such as China to assess the new elements or conclusions emerge. Comparative studies between rural and urban consumers can also be undertaken to measure the impact of smell in the emerging markets. Another limitation of this study is that it is based on only SEC A and SEC A+ urban consumers in the age group of 18 to 30.

Comparative studies between different age groups such as youngsters and middle aged persons might be an interesting research as the orientation towards products changes with the age. Similarly studies can be undertaken in other product categories such as shower gels, body lotions, cosmetics, and household cleansing items as the present study was focused on only shampoo,.

Moreover, the broader vertical extent of brands within the personal goods category can be studied on similar parameters. Research can also be conducted to study the effects of non situational involvement on the influence of smell as a powerful product attribute. Involvement manipulation could be an important element that can be studied further.

Moreover, this study is

Fig. 2: Effective Communication Strategies with usage of “Fragrance”



only concerned with the impact of smell on consumer PI, at the different levels of consumer PDI. Similar, research can also be conducted to draw conclusions for the impact of other senses on consumer PI. A comprehensive study where multiple senses are considered with different levels of consumer PDI could be a lucrative research. Another limitation of this paper is that it concludes that fragrance is an important influence for the consumers with low levels of PDI but does not make

any distinction between the various kinds of fragrances. Future research can focus various emotions that are triggered by different fragrances and their consequent effects on PI at low levels of PDI. A combination of sensorial and physiological techniques with a thorough qualitative study and an advanced statistical analysis can help the fragrance industry and other associated industry and markets.

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Competitive Analysis of Nokia Smart Phones in India

Richa Gupta*

ABSTRACT

In the current scenario of technological advancement, innovative, challenging and competitive marketing strategies, mobile phones became smart phones by going beyond their main feature of voice calling and had modified to become a vital device for entertaining mobile users. At present, mobile phones are used not only to be in touch with society but to become smart with its smart technology. The device is popular not only youths as well as old age persons to express thoughts, watching videos, for social networking, play games, watching television, reading news, internet surfing, listening music, chatting with friends & families, and also for mobile banking. Smart phones are also considered a luxury good and indicates high standard of living. In India there were several leading mobile handset manufacturers in like Nokia, Samsung, LG, Motorola, Apple, HTC, Micromax and BlackBerry. The study aims to enunciate the competitive analysis of Nokia mobile phones in India.

Keywords: strategy, competitive analysis, Indian mobile phone industry, technology.

“A lot of people think that the new economy is all about the internet. I think that it’s being fuelled by the internet - as well as by cell phones, digital assistants, and the like - but that it’s really about customers.”

– Patricia Seybold

Introduction

Now a days, the mobile industry became the rapidly growing industry in all over the world. The Indian telecom sector adds more mobile connections every month. The boom in the Indian telecom industry provides enormous opportunity to handset manufacturers to compete with their latest technology and capture the market share. After China, India is the world’s second-largest telecom market with the total wireless subscriber base crossing 850 million at the end of June, 2011. By 2020, the handset demand is projected to reach 350 million a year. At present, Indian mobile handset market is estimated to be in around 130 million handsets per annum. There were different mobile manufacturers in the Indian smart phone industry

like Nokia, Samsung, Microsoft, HTC, Blackberry, Sony, Apple, Lava, Karbonn, Intex etc. The present study is a case study of Nokia smart phones in India.

In the year 1994 Nokia entered the Indian market with the first ever GSM call on a Nokia 2110 mobile phone on its own network in 1995. At the same time the telecom policies were not favorable to the growth of the mobile phone industry. The company struggled a lot and captured the huge market share among all mobile manufactures in Indian mobile industry. Nokia was a major player in the Indian mobile market till the year 2008 as well as it was the undisputed king of the Indian market with 72% market share. But after that, with the arrival of competitors with innovative product offerings, Nokia lost its position as market leader in India as well as in global market. Globally, the market share of Nokia was 40% in the year 2008 which declined in the year 2012 and reached at 23%. Due to the innovation of smart-phones and android Operating System it lost its market share. Nokia’s basic category has also become highly competitive. Chinese and other domestic players have occupied the market with low-priced mobile phones with

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equal features. To re-gain its market share and identity, it has mingled with Microsoft and has turn up with the innovative and unique smart phones having Windows Operating System (Nokia Lumia with Windows OS). With the sales over 10 million in 2012, Lumia appeared to be a bonfire for Nokia at the time of its crisis.

Objectives of the Study

The objectives of the study are as follows:

- To study the SWOT analysis of Nokia mobile phones.
- To examine the implication of porter’s five forces strategy on Nokia Smart phones.

Methodology

The study is exploratory in nature, and focuses on the competitive issues of Nokia in Indian mobile phone industry. The secondary data have been extracted from different journals, magazines, websites, newspapers and

articles. The period of the study has been taken from the year 2008 to 2013.

SWOT Analysis of Nokia:

SWOT Analysis is a non-financial planning tool. It abridges the key issues from the external environment and internal capabilities of an organization those which become significant for strategic development. The SWOT analysis aims to ascertain the extent to which the strengths and weaknesses are relevant to and capable of dealing with changes in the business environment. It also reflects whether there are opportunities to exploit and to deal with threats. The Strengths and Weaknesses are defined by measures such as market share, technological skills, customer loyalty, level of customer satisfaction and product quality. Opportunities are new prospective areas for business in the future, such as chang-

Table 1: SWOT Analysis of Nokia Mobile

Strengths	Weaknesses
Nokia world’s largest producer and manufacturer of cell phones as well as has the largest distribution network around the world	Nokia mobile phones prices are higher as compare to the prices of china mobiles handsets
Creativity, Innovativeness, durability & reliability	Nokia presence in the US cellular industry is very low and in Japan it has very weak position
Nokia dominates the world cellular industry because it has the Strong R & D facilities.	In India Nokia has few service centers and very awful after sales service
Nokia also possessing the all fashion strategies and four style new generation characteristic from manufacturers	In Japan Nokia closed the mobile handset distribution and also canceled the distribution of E71 handset due to low market preference
It has diverse work force and advanced technology	No promotion undertaken for the low income segment
Opportunities	Threats
In 2011, the global cell phone industry expected to grow by double digits	Consumers are becoming more complicated in the choice of handset due to new styles by china mobiles
Expand the product line with different features and price range for different segments	Nokia is facing very strong price pressure from china and other mobile producers as well as facing difficulties to retain customer loyalty
Developing countries like China, Bangladesh, India and Pakistan has enormous demand potential	Apple, RIM, Sony Ericson, HTC and the other different sellers have created strong pressure for Nokia
Nokia had a 50-50 joint venture with Siemens of Germany	In the Asia/Pacific emerged competitive forces

[Source: <http://mba-posts.blogspot.in/2012/06/swot-analysis-of-nokia.html>]

ing customer tastes, new markets or new conditions in existing markets. Threats describe how the competition, government policies, new technology, or other factors in the business environment may affect the business's development.

This SWOT analysis of Nokia mobile phone has done before its takeover by Microsoft. The table 1 shows the strengths, weaknesses, opportunities and threats of Nokia mobile phones. Although having different strengths and opportunities Nokia still suffered from the loss due to the entry of new rivals and unsuccessful technology.

Porter's Five Forces Strategy

Michael Porter's five forces framework is most widely known tool for analyzing the competitive environment, which helps in explaining how forces in the competitive environment shape strategies and effect performance. These competitive forces are- threats of new entrants, bargaining power of suppliers, bargaining power of buyers, threat of substitute and competitive rivalry.

Threat of entry

The threat of entry in the smartphone industry is low at the initial stages of its innovation but right now there are different smart phone manufacturers in India as well as in abroad. There is competition between existing companies with respected brands and new entrants with equal features at low price. The new smart phone manufacturers are Samsung, Sony, LG, Motorola, Micromax, Karbonn, HTC, Lenovo, Lemon, Lava, Panasonic and Xolo. The three Indian brands in the top 10 consist of Micromax, which has a market share of 8.7 %, Karbonn (6.4 %) and Lava (2.8 %).

Bargaining power of suppliers

The bargaining power of suppliers is high due to the availability of substitute products available in the market.

Bargaining power of buyers

The power of buyers is low because there is large number of buyers in the market with their distinct de-

mand.

Threat of substitute

Threat of substitutes is also high in the smartphone industry. The smartphone is a bundle of many devices in one product, but still phablet, tablet, ipad and iPhone can substitute the smartphone.

Rivalry among existing competitors

The Smartphone is extremely fragile product which may create high rivalry among competitors. According to Porter, highly perishable products require to be sold rapidly, for that reason the companies are frequently cut prices and increase competition. Nokia's market share had overtaken by Samsung, which claimed 31.5 per cent market share with a revenue of Rs.11,328 crore. During 2012-13, Samsung has beaten Nokia with a wide range of product portfolios, priced between Rs.1,500 and Rs. 50,000 in India.

Conclusion and Suggestion

At present, Smart phones became the need of our daily lives as everything is based on the technology. Smartphone use is booming in India and is quickly becoming the dominant way for stay connected. The device facilitates the users to stay connected and have instant access to social networking sites. today's smart phones offer a wide range of features with lessening device and data costs are also motivating consumers to buy a new smart phone.

The SWOT analysis of Nokia and Porter's five force analysis entails it to deals with competitive environment. The performance of Nokia Lumia smart phone with windows operating system was good on most of the factors, but it lacks in terms of Functionality and Application support as compared to its competitors with android operating system. Android smart phones are user friendly and leading the current smart phone market. Taking into account these existing market conditions, the study makes the following suggestions for nokia:

- Nokia should also launch its android smart phones as soon as possible.

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An Empirical Analysis on Believability of Internet Advertisements

(With Special Reference to Advertisements Posted Over Bank Websites)

Dr. Praga Jaroliya*, Dr. Deepak Jaroliya**, Dharmendra Sharma***

ABSTRACT

At present, marketers are using different types of advertising media and among all the advertising media available to marketers, Internet advertising is one of the most emerging one. There exist different views amongst Internet users relating to Internet advertisements. Still, Internet advertisements are becoming first choice of marketers and advertisers. There exist different parameters that could affect believability of Internet advertisements and demographics of Internet users could be one of them. This research focuses on the effect of demographic variables on believability of advertising. Beside this, an important dimension that deals with the frequency with which a user access Internet has also been considered in the study. In order to focus on the varied parameters, the scope of the study has been narrowed down only to the Internet advertisement relating to banking products and services posted over bank websites.

Introduction

It is a well known fact that advertising has become vital for the marketers as well as consumers. From marketers' point of view, it is useful for introducing their products to mass. On the other hand, it helps consumers in product selection as well as product purchase. At present, marketers are using different types of advertising media and among all the advertising media available to marketers, Internet advertising is one of the most emerging and rising one. All around the world, advertisers are shifting from traditional advertising channels to online advertising in order to maximize audience exposure and capture a bigger share of the growing market. McMillan (2004) defined Internet advertising as any form of communication that meets the definition of advertising and can be found on the Internet. There exist differences between Internet advertising and other types of advertising; however, one of the primary differences is that Internet is providing more scope for highly personalized communication as

compared to other advertising media. When users are online, they usually seek the information that Internet has to offer. This is the main reason, which differentiates Internet advertising from other advertising media. Internet advertising could be considered as the versatile, effective and affordable advertising medium that many businesses in a county like India can utilize.

In India, the same as everywhere else, the cost for advertising in traditional forms of mass communication like television, radio and print are very cost-prohibitive in terms of the ratio of cost against market reach. Internet advertising is much more cost-efficient as it does not incur more cost for businesses to create websites, maintain opt-in lists, and other online advertising techniques. Internet advertising methods such as pay-per-click, pay-per-action and pay-per-play advertising can solicit response only from targeted audience. It gives advertisers more cost effective advertising displays to market their products. Internet advertising uses more interactive tools that engage consumers in a more in-depth manner than the traditional passive media.

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Table 1: Demographic Profile of Respondents

Gender	<i>Male</i>	53 (50.48 %)
	<i>Female</i>	52 (49.52 %)
Age	<i>Upto 30 Years</i>	61 (58.10 %)
	<i>Above 30 Years</i>	44 (41.90 %)
Computer Experience	<i>Up to 5 Years</i>	51 (48.58 %)
	<i>Above 5 Years</i>	54 (51.42 %)
Frequency of Internet Access	<i>Rarely in a Month</i>	35 (33.33 %)
	<i>Sometimes in a Week</i>	36 (34.28 %)
	<i>Daily</i>	34 (32.38 %)
	Total Respondents	105

Table 2: Z-Test Statistics for Gender

Gender	N	Mean	Standard Deviation	Z
Male	$N_1 = 53$	$X_1 = 36.94$	$\sigma_1 = 5.35$	5.64
Female	$N_2 = 52$	$X_2 = 32.88$	$\sigma_2 = 5.07$	

* At 5 % Level of Significance

Table 3: Z-Test Statistics for Age

Age	N	Mean	Standard Deviation	Z
Up to 30 Years	$N_1 = 61$	$X_1 = 37.73$	$\sigma_1 = 6.93$	5.79
Above 30 Years	$N_2 = 44$	$X_2 = 32.90$	$\sigma_2 = 5.00$	

* At 5 % Level of Significance

Table 4: Z-Test Statistics for Computer Experience

Computer Experience	N	Mean	Standard Deviation	Z
Up to 5 Years	$N_1 = 51$	$X_1 = 33.33$	$\sigma_1 = 4.86$	0.686
Above 5 Years	$N_2 = 54$	$X_2 = 32.88$	$\sigma_2 = 5.07$	

* At 5 % Level of Significance

Table 5: Descriptive Statistics for Believability of Internet Advertisements

					95% Confidence interval for mean			
	N	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Maximum
Rarely in Month	35	31.2286	4.96509	.83925	29.5230	32.9341	21.00	40.00
Sometimes in Week	36	34.0278	4.76587	.79431	32.4152	35.6403	21.00	41.00
Daily	34	34.0588	4.72223	.80986	32.4112	35.7065	22.00	41.00
Total	105	33.1048	4.95542	.48360	32.1458	34.0638	21.00	41.00

Table 6: ANOVA Results for Believability of Internet Advertisements

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	184.822	2	92.411	3.979	.022
Within Groups	2369.026	102	23.226		
Total	2553.848	104			

Table 7: Multiple Comparisons for Believability of Internet Advertisements (Tukey HSD)

					95% Confidence Interval	
(I) Frequency	(J) Frequency	Mean Difference (I-J)	Std. Error	Sig.	Lower Bound	Upper Bound
Rarely in Month	Sometimes in Week	-2.79921*	1.14401	.042	-5.5201	-.0783
	Daily	-2.83025*	1.16048	.043	-5.5903	-.0702
Sometimes in Week	Rarely in Month	2.79921*	1.14401	.042	.0783	5.5201
	Daily	-.03105	1.15251	1.000	-2.7722	2.7101
Daily	Rarely in Month	2.83025*	1.16048	.043	.0702	5.5903
	Sometimes in Week	.03105	1.15251	1.000	-2.7101	2.7722

* The mean difference is significant at the 0.05 Level

Table 8: Displaying Means for groups in homogeneous subsets (Tukey HSD)

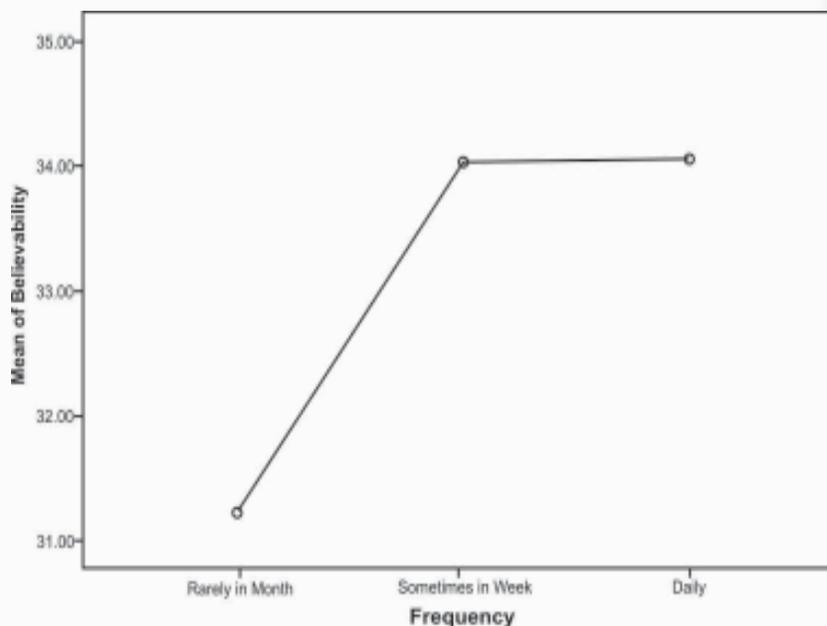
Frequency	N	Subset for alpha = 0.05	
		1	2
Rarely in Month	35	31.2286	
Sometimes in Week	36		34.0278
Daily	34		34.0588
Sig.		1.000	1.000

Potential customers can readily provide their comments and feedback, which provides an organization with a real-time analysis as to what customers need in order to better align their marketing strategies.

India has a high literacy rate, and yet the use of the English language is low and there is a lack of availability of online content in the local vernacular, which is preferred by a majority of Indian online users. This gives Internet advertisers more focus in reaching to the targeted audience with advertisements especially designed for Indian Internet users. The number of online users in India is steadily growing. Aside from the existing local Internet users, there exist a very large number of Indian expatriates at various locations across the globe that is consuming content targeted for Indian audience. These Indian expatriates have better access to online media; have higher rates of consumption, and a high paying capacity to make online purchases.

A recent survey conducted by research companies in the advertising industry led to estimates that will place Internet advertising revenues close to \$428 billion in near future, a big jump from last few year's \$220 billion revenues. Most of the global Internet users, now consider Internet advertising to be more relevant than traditional media such as radio, television, newspapers

and magazines. This global trend is now sweeping across India and has become one of the accepted and preferred advertising medium by businesses and corporations. In an online performance study conducted by Ozone Media, Internet advertising jumped 70 percent in performance in 2010. Many companies are also using online digital media to display advertising, as they are now seeing the potential of tapping into India's Internet community as a viable market for products and services. Many studies have reported that in near future, the biggest contributor and investor to Internet advertising is expected to be the Banking, Financial Services and



Insurance industry, which is projected to take up more than 39 percent of the total market share. Advertising plays a precompetitive role in banking. An increase in advertising appears to lead an increase in profitability. It has been observed that advertising positively affects profitability with some lag and profitability appears to affect advertising budgets (Ors, 2003).

PURPOSE AND RESEARCH QUESTION

In India, consumers are getting familiar with Internet and started accepting use of Internet in almost every field. Internet advertising is gaining popularity

amongst marketers and advertisers, being the cost effective medium. In the similar manner, customers are slowly becoming adaptable to Internet advertisements. There are varied views amongst Internet users relating to Internet advertisements; some consider it to be convincing, trustworthy and authentic, Whereas some of the Internet users treat Internet advertisements as non credible, questionable and unbelievable. Still, Internet advertisements are becoming first choice of marketers and advertisers. Now a days, there is a continuous increase in the number of Internet Banking users. As a result, banks and financial institutions have also started promoting their products and services over Internet. Thus, it becomes important for one to analyze the believability of Internet advertisements posted over bank websites. There exist different parameters that could affect believability of Internet advertisements and demographics of Internet users could be one of them. This research focuses on the effect of demographic variables on believability of advertising. Beside this, an important dimension that deals with the frequency with which a user access Internet has also been considered in the study. In order to focus on the varied parameters, the scope of the study has been narrowed down only to the Internet advertisement relating to banking products and services posted over bank websites.

Methodology

Considering the nature of this research, an empirical analysis was carried out. Standardized scale “Advertising Believability Scale” developed by Beltramini (1982) has been used as a base instrument. The scale has relatively high levels of validity, with 0.90 as Cronbach’s alpha value. This standardized scale is based on the believability of TV advertisements, thus in order to take response towards Internet advertisements, the scale was pretested by taking expert comments from some faculty members relating to advertising area and the marketing managers of some business organizations having more than ten years of experience. Basically, scale was pretested for their views on its similitude with the original scale. During

pretesting, it was observed that no changes have been suggested in the original scale. As a result, all ten elements of the advertising believability scale have been considered for taking responses from the respondents.

Final developed instrument comprised of two sections; first section was dealing with the profile of respondents covering demographics; experience with computer; and the frequency of Internet access. Second section was covering ten statements relating viewer’s response towards believability of Internet advertisements.

Result and Analysis

Analysis of the data has been done in line with objective of the study. Detailed analysis was done on the demographic profile of respondents in order to analyze the sample characteristics. After this, effect of frequency of Internet access on the viewer’s response towards believability of Internet advertisements relating to banking products and services has been analyzed.

Effect of Demographics on Believability

A total of 133 questionnaires were distributed for data collection. Out of the distributed questionnaires, 115 were received. Finally, out of received response, 105 responses were selected on the basis of completeness of the response. Basically, respondents were active Internet users as well as availing e-banking facility offered by their banks especially Internet banking. In general, respondents were belonging to different profession like engineer, doctor, manager, CA etc. Few Students were also included as respondents in the study. A summary of the sample characteristics is presented in Table 1. Out of 105, percent of response from male was 50.48 percent and that of female was 49.52 percent approximately. The average age of respondents was 26.8 years, ranging from 19 to 39 years. In case of experience with computer, it was observed that average experience with computer usage was 8.82 years ranging from 1 to 13 years. To analyze the effect of demographic variables on the believability of Internet advertisements, following hypotheses were developed and tested.

H₀₁ – Gender does not affect the level of believability of Internet advertisements relating to banking products and services posted over bank websites.

H₀₂ – Age does not affect the level of believability of Internet advertisements relating to banking products and services posted over bank websites.

H₀₃ – Computer Experience does not affect the level of believability of Internet advertisements relating to banking products and services posted over bank websites.

Azeem and Haq (2012) observed that despite the lack of consistency across reports of the Internet population's demographic profile, there appears to be consensus that the Internet population is predominantly male, young, well educated, and affluent. Such demographic characteristics also appear to affect attitudes toward advertising.

First hypothesis was rejected and it has been observed that in case of gender, males are found to be having high level of believability as compares to females (Table 2). It is also believed that males exhibit more positive beliefs about and attitudes towards Internet advertising in general. (O'Donohoe, 1995). Generally male consumers show a more favorable attitude toward ads than female consumers (Shavitt et al, 1998). Relative to females, males believe that Internet advertising is more enjoyable than magazine and newspaper advertising; more useful than newspaper and radio advertising and more informative than newspaper advertising. Relative to males, females believe Internet advertising is more annoying than magazine and newspaper advertising; more offensive than magazine, radio, and television advertising; more deceptive than television advertising and more useful than television advertising (Wolin and Korgaonkar, 2003).

In case of age, two groups were formed – up to 30 years and above 30 years. Second hypothesis was rejected and it has been observed that the respondents with age group (up to 30 years) were having little more faith as compared to the other age group (above 30 years). The reason behind this is that with increase in age, more time is required in the process of development

of trust on anything (Table 3). In case of computer experience, two groups were formed – Up to 5 years and Below 5 years. Third hypothesis was accepted and it has been observed that the computer experience does not affect the believability of Internet advertisements (Table 4).

It has been pointed out by some investigators that Internet users belonging to various segments prefer that advertisements shown to them while using the Internet is targeted based on their clickstream, rather than being randomly selected or targeted based on a demographic profile provided by the users. Some researcher observed that younger consumers value advertising messages via Internet and mobile devices to a higher extent than older consumers and also show a more positive attitude toward them. Flores (2000) systematically showed that the more experience the consumer has online, the less accepting he/she is of advertising.

Effect of Internet Frequency on Believability

Responses relating to the frequency of Internet access have been taken on three categories namely – Daily; Sometimes in a week; and Rarely in a month. One hypothesis has been formulated and tested using one way ANOVA (F-Test) with the help of SPSS 16.0.

H₀₄ - Internet frequency does not affect the believability of Internet advertisements relating to banking products and services posted over bank websites (m1= m2= m3).

In the test of ANOVA, the test static (F) was 3.979 with a corresponding P-value of 0.022. This resulted in the rejection of hypothesis and thus showed that Internet frequency affect the believability of Internet advertisements relating to banking products and services posted over bank websites (Table 5 and 6). Looking closely to the tables relating to multiple comparisons, Tukey HSD table; it was observed that there exist no mean differences relating to the believability of Internet advertisements between the bank customers, those who are using Internet on daily basis and sometimes in a week (Graph 1). However, little mean difference has been observed in case of bank customers, who are using

Internet rarely in a month with those who are using Internet on daily basis as well as sometimes in week (Table 7 and 8). In general, the believability found to be above average, as the customers who are accessing bank websites are quite aware of banking products and services. They also have strong faith on the banks.

Jaroliya and Jaroliya (2014) revealed that most of the Internet ads of banking products and services are relevant. They also observed that the users those who are accessing Internet advertisements on regular basis (very high click rate) perceived it more entertaining as compare to other category of users. Soh et al (2007) revealed that there is variation in consumer trust across different advertising media, and trust in Internet advertising is significantly lower than trust in the other media. Consumers perceived Internet advertising as less trustworthy than the traditional media of advertising (i.e., TV, newspaper, radio, and magazine advertising). Advertising credibility is consumers' perception of the truthfulness and believability of advertising in general (Mackenzie and Lutz, 1989). Credibility of an advertisement is influenced by different factors, especially by the company's credibility (Goldsmith et al., 2000). Peculiarities of advertising bank products and services are determined by their uniqueness, namely by their intangible character and inseparable connection between the clients' trust and stability of banking institution (Shakhov and Panasenko, 2012). Moore and Rodgers (2005) revealed that consumers are not comfortable about surfing the Internet advertisement, however most of the Internet users are young and college students; still they did not have trust on Internet advertising. Also they feel uncomfortable, when they have to provide their credit card details or any other personnel details. Interruption of task, perceived clutter on Internet sites and negative past experiences with Internet advertising are all antecedents explaining avoidance of advertising on the Internet (Cho and Cheon 2004). Consumers seek out these types of Internet advertising and thus are less likely to perceive the content as intruding on them. The tactics which advertisers use when competing for consumers' attention can be annoying to the audiences. When advertising

employs techniques that annoy, offend and manipulative, consumers are likely to perceive it as unwanted and irritating influence (Ducoffe, 1996). Wolin et al. (2002) found that respondents' favorable attitude toward online advertising significantly influenced their Web advertising behavior such as clicking online advertisements. Korgaonkar and Wolin (2002) further observed that heavy Internet users with positive attitude towards online advertising were more likely to purchase online.

Conclusion

In India, Internet advertising is getting popularity in almost all sectors and now it is making a strong move towards banking sector. Both, public as well as private sector banks have started promoting their products and services using Internet over their own websites. The main objective behind this is to create the awareness about banking products and services amongst bank customers. Results of the study highlighted that variations has been observed in case of age and gender, whereas the computer experience did not create any difference in the believability level. It was surprised to know that the Internet frequency is affecting the believability of Internet advertisements towards banking products and services. Most of the bank customer perceived that the advertisements posted over bank websites relating to banking products and services are believable, trustworthy and convincing also. It is so because, the customers, who access bank website is usually aware of the most of the banking products and services. Besides this, one more reason is that, in country like India, a customer performs financial transactions over Internet only; if he/she has complete faith on the service providers. In some cases, consumers were found to be questionable with Internet advertisements over bank websites and perceived it to be non credible for the banks.

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Sonic Branding: An Audible Brand Value

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Abstract

In recent years, marketing and branding practices have become increasingly complex and challenging. Getting the attention of consumers has become more difficult as the amount of marketing “noise” is blurring communication further. Until recently, brands have been communicated with a dominant emphasis on visual elements. Consumers are exposed to 3,000 advertisements every day, hence creating a strong need for more efficient and distinguishable communication by companies attempting to communicate to them. This communication space is hence somewhat saturated, and companies must turn to other methods in order to communicate their brands through the filter. The aim of this paper is to identify potential and current usage of sound branding and examine how companies can reinforce the brand through audio elements.

Keywords: Brand, Sonic Branding, Brand Identity, Sound Equity, Advertising, Promotion.

Introduction

Every day we encounter maybe a hundred brands. If we're surfing the Internet or glued to the television then that number could increase dramatically. Each one has been meticulously designed from the ground up in an effort to raise their head above the rest and wave what they hope is a distinctive and relevant hand at the public. The values that define them provide the corner stones for every aspect of this communication. Upon this foundation, a dedicated graphic designer builds a logo and with it comes, among other things, color and font. The product and its packaging also take shape, whether it be a chocolate bar and its wrapper or a bank teller and the space in which they ply their trade. Tag lines, scripts and press releases are carefully fashioned letter by letter by exalted copywriters in their ivory towers. It goes on and you're probably familiar with the picture, its strategic design to ensure that every time the brand's face pops out at you it's not only relevant and distinctive but also consistent. The problem is, every time they make a sound it's different and

consequently confuses our otherwise steadfast perception. Their visual image is beautifully refined, well kept, approachable but their voice is often unpredictable, incongruous and sometimes utterly unintelligible. Sound is something that we understand on an instinctive and primal level and use to our advantage on a daily basis both in a conscious and subconscious way. Whether it's coincidental or by design, we use it to help us define who we are, to differentiate ourselves from others and as a basis for relationships. Without it, the environments in which we work and play would lack character and be dangerously unpredictable. In fact, the ability to understand sound is one of the deciding factors in the success of our evolution as human beings.

It is this visual bias that is propelling the downward spiral of advertising in broadcastmedia, but is a problem that can be overcome through the simple investment of advertisers and brand companies in an alternative sense - sound. Traditionally the place of audio (especially music) in advertising has been in a supportive role acting as additional sensory stimulation. Background 'filler',

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comment on its visual counterpart, setting of moods, emotions and locations or to simply capture attention are some of its most common uses. Conventional presentation in a linear style alongside information ignores the fact that sound is a multidimensional tool that can offer marketers the opportunity to expand the scope of their creativity and increase the effectiveness of campaigns if used correctly. Society today has become not only increasingly media literate but increasingly sonically influenced. Audio has played a large part in the development of consumer technology and leisure practices over the last decade and continues to do so, resulting in music dominating the media fields as well as popular culture. From MIDI to video games, CD's, mobile phones and Mp3's; music continues to be a strong object of desire for most consumers of all ages and as such can largely 'engage, motivate & influence users'. It would therefore be logical for advertisers to recognize and utilize this actuality in a way that new perspectives and experiences can be developed for consumers through an interaction with promoted brands. Moreover, consumers now demand some degree of presence or experience when they interact with different mediums, reflecting the fact that as technological advances increase across all mediums so too does the demand for traditional methods of advertising to evolve, or be left behind.

Brand Identity

In the early 1990s the renowned brand consultant David Aaker defined a brand as a "distinguishing name and/or symbol intended to identify the goods or services of either one seller or a group of sellers". Although Aaker's definition of a brand still contains an essence of truth today, the concept of a brand in this day of age exceeds much further than solely the purpose of distinction. To survive in a present-day market, brands have to focus on more than the physical attributes of the product and be concerned with how consumers perceive brands. This view is supported by Keller who defines a brand as "a set of mental associations, held by the consumer, which add to the perceived value of a product or service."

As the perceived value is becoming of increased importance, it is crucial for brands that their brand iden-

tity gets communicated accurately to their audiences. This communication process starts with brands asking themselves who they are, what they stand for and molding this into a distinctive brand identity. Why is this important? Companies have a tendency of building an image, which is favorably perceived by following the latest trends. By doing so, companies lack identity and run the risk of becoming "a mere façade, a meaningless cosmetic camouflage"³⁰. Companies should therefore form their own unique identity in order to be distinctive and ultimately, become recognizable and memorable in the eyes of the consumer. Hence, before a communication process starts, brands should first be aware of what their *raison d'être* is, who they should target and what their future objectives are.

Establishing a brand identity is one thing. Conveying it successfully is something else. Over the last decade the market has evolved in such a way that it has become more complicated to communicate brand values: markets have become over fragmented and product groups have saturated. Kapferer emphasizes that we are currently living in a society saturated in communications. As evidence, he mentions the huge increases in advertising budgets, which is needed to break through the clutter³¹. Even though more and more marketing resources are being used, the returns are diminishing. Lindstrom discusses the example of TiVo (a television programme recorder that eliminates advertisements, which is increasing in popularity in the US) and predicts that 20% of American consumers are eliminating advertisements from their TV screens by the end of 2007.

Kapferer furthermore notes that we have entered an era of marketing similarities: whenever a company innovates, competitors try to catch up to offer similar improvements. Razorblade manufacturer Shick for example noticed the success of the Mach-3 by Gillette (a razorblade with three blades) and soon introduced the Shick Quattro: a razorblade with four blades. Similar market research and technology also explains the presence of parallel offerings. These developments underline the importance of diversification in brand.

Sonic Branding Concept

Sonic branding seems to have its roots around the time humans discovered or developed music, and later used music to peddle our wares. But it has gained recognition as a separate business discipline only in the last few decades, and has gained sophistication only over the last few years. Music, the foundation for sonic branding, is a universally understood language and hence a powerful and feasible brand communications tool.

Sonic branding is defined as “the structured process, in which the acoustic becomes a part of the brand and its brand identity. It may consist of an audio logo, a short jingle, or a brand theme.” While a logo is a graphical element of the brand, the sonic brand is the audio element of the brand. The objective is to create a memory trigger, linking the product name, service or benefit with a pleasant memory. Sound is also the simplest way to bypass cultural and language barriers and delivers a corporate message on a global scale.

The basic thought behind sound branding is to leveraging on consumers’ immediate reactions and cognitive processing of sound and music in a commercial setting. With a shift in marketing focus from the four P’s to brand experiences. The recent historical change in research focus (from musicological terms’ influence in advertising to a broader understanding of building brand equity) results in a limited amount of research from a brand equity perspective.

Sound branding is a growing business with attention from companies, academia, music industry and agencies. One audible element in sound branding that has gained a lot of focus is the small sonic piece sound logo. Companies such as Intel, LG, Mercedes Benz, Sennheiser, Samsung, are using sound logos as an audible brand signature in TV- and radio commercials. The thought behind the small audible piece is that sound logos create attention to the brand by enhancing brand recognition and form specific brand associations that support the brand image. Sound logos have been studied from different perspectives such as sound logos’ fit with a brand’s tagline on emotional variables, relation to brand memory and the composition. How the sound logo “fits” the brand is a question often raised by companies wanting to use sound branding: “How is it measured?” and

“how do I know sound branding deliver what it promises?”. By studying the fit between sound logos and brand this paper seeks to come one step closer to understanding how sound logos is perceived alone and in combination with visual logos in the mind of consumers in relation to the perceived brand meaning.

What Makes A Sonic Brand Effective?

Sound is extremely effective as a branding device. Based on the desired clientele, they create “a blend of sounds and mix some retro sound triggers that cater to that market, while making sure the client message is interwoven within that message.” Sonic brands are inherently scalable. Therefore, “they can be manipulated to intensify consumer/brand interactions, from a website mouse-over to broadcast messages and beyond. The challenge is to ensure that the sound is harmonious with the product or brand.

The objective is to create a “memory trigger, intrinsically linking a product name, service or benefit with a pleasant memory.” McDonald’s and Coca-Cola have been successful in this field, using “fantastic composition with a message so intrinsically woven through it that, although they change it regularly, they hit spot on.” Much like the beauty of music, sound as a whole transcends language and cultural barriers, allowing easier delivery and reception of the message. This is complemented by the fact that the modern IT world is increasingly bordering agnostic. Therefore, whether you are Chinese, German or American, if you are a businessperson with access to modern communications you are certain to share commonly recognizable sonic brands with international peers.

Ultimately, there is the matter of keeping the sonic brand in harmony with the overall brand. If you click on a website for an insurance company and are met with a lot of flash and bleeps, it does not make sense for the product. There are also numerous examples of institutional sounds, such as a Beatles song being used in commercials, bringing to question whether the sound is being transferred to the brand at all. Hence the needs for companies to look into creating original sounds that convey their own message. The average eardrum out there may not be consciously aware that it is being bombarded

by sonic brands daily. This is in large part because reception of aural presentations is subliminal in nature, and therefore, the message is processed on an emotional rather than rational level. Just as traditional media is looking toward non-traditional media for branding, and vice versa, aural and visual branding are becoming increasingly complementary. Striking the right equilibrium is the trick. Striking the right eardrum is the magic.

Sonic Branding is more than a piece of music or sound that a brand uses in marketing. When really analyzed it is everything that the brand stands for in the audio medium. It encapsulates all the values and parameters that a brand uses in visual branding, which is more than a logo or pantone color. The value of its use can be measured so that brands can understand the impact that it has on its ROI.

The success of the logo is due to several reasons. Firstly, it allows for unmistakable branding - confirming the identity of the brand in the consumer's mind every time it is heard. Secondly, it can be perceived almost subconsciously. This allows the advertiser to deliver the branded message without requiring the attention of the listener. And thirdly, it is recalled easily. Because it is musically evocative, sound operates continually at an emotional level. Repeated continually, a sonic logo can gradually alter brand perception in the minds of consumers - without them even realizing this.

We are born listeners

Sound Effects are present in almost every media that you see and hear on a daily basis. From television, movies, and shorts to web sites, and digital music sound effects help tie the pieces together for your brain to understand. Their importance can easily be measured by their absence, when our minds quickly pick out the inconsistency.

Our brains rarely just think on one sense. Most often several of our senses make up the contents of every moment in our perceived time. We see a gun, we watch it fire, but if we don't hear the gunshot we feel that the experience is somehow broken, fake, or just doesn't make any sense. This is why good quality sound effects can come in very handy. Having the exact right sound

for your images can be crucial in getting your audience to become completely engulfed in the experience. Sometimes the sounds are a little more collaborative and are mixed together to make a scene sound realistic. Sounds of leather coat, mixed with the jingle of change in the pockets, laid over the sound of a busy airport can create the unconsciously expected realism that your brain is expecting. But you'll never get lucky enough to find a prefabricated sound byte that has everything you need laid into it at exactly the right time. That's why clean, individual sounds are vitally necessary to create the feel that you'll need. In this way you can mix and match a multitude of various sounds together to create completely new sounds, or a series of orchestrated sounds that complete a collage. Montage theory (at least one of its aspects) employs juxtaposition of images in order to create new meaning. For example: Show a black and white picture of a sad looking old man, and then show a picture of an empty bowl. Most often our brains put the images together and tell us "this old man is starving". When in reality the two images have nothing to do with one another. The same thing holds true for sounds, especially when they are blended with images. An obviously imaginary bolt of magic blasts out of a character's fingertips, we hear some burning lightening magic sound, and suddenly we are immersed in pure fantasy; believing that this person is really able to shoot magic from their fingertips. The icing on the cake, the thing that sells it, is the sound. The importance of sound in your production is paramount. Cheap sounds pull your audience out of the realism of the experience. This is why high quality sounds should be collected at any price. Good well made sound effects will pay for themselves, though they'll never make their financial contribution known. It all comes down to the final product. Does it immerse your audience? If not then maybe some tweaking and enhancement of your sound is exactly what's missing.

5 Secrets to Successful Sound Branding

Things you need in order to maximize the ROI of your audio identity.

Memorable – Is your audio branding program memorable? If you're going to invest in music and sound for your brand then you want to make sure people can

remember your brand by the sound it makes. Memorability will play a large role in how successful your audio branding program will be.

Flexible– A good audio identity must be flexible enough to be used in many different ways. Just like the visual logo that a company uses, an audio asset, such as an audio logo, can now be used in many different mediums. It's also important to be flexible so that the identity can change with time and still maintain its memorability.

Distinctive – Have you ever tried to name a song after the first 3 seconds? It's certainly possible for the average person to do and this should be your goal. With that said, one thing you want to ensure is that your brand isn't just another whizz bang sound. Each part of your audio identity must be distinctly yours.

Congruent– One of the best ways to make the most out of your investment in music and sound is to make sure that your audio identity naturally fits your brand and your audience. For example, if you own a Japanese restaurant then playing traditional Japanese music would be a good idea. However, you need to balance this with a bit of surprise because if you get too close to exactly what people expect then they get bored.

Purpose – As with many branding techniques it's important to seek out a purpose for each asset. This will give staff and employees a true reason to keep using the audio brand in the way it was intended. The best example of this is the NBC Chimes which have a wonderful history that you can read in the linked article.

One thing to think about is that it's not always possible to have all 5 parts present. Sometimes one aspect may be stronger than another and that careful balance is where an audio branding expert can help you make the most of your investment in music and sound.

Measuring the Value of Sound to Brands

It is still deeply connected to subjectivity and the personal opinions of individuals within the marketing department or advertising agency. It is not yet considered to be a serious and strategic tool in branding. Professionalism is sometimes set aside, and music decisions

are not based on what is beneficial for either the brand or the target group.

When looking from a physiological perspective sounds affect people in two ways. First, sound arouses the nerves of the thinking part of the brain to function more effectively. The faster, louder, complex or new the sound is for the recipient the more alertness is created in the brain. Vice versa, slow, quiet and simple music reduces the reactions in the brain and calms the recipient's body. Marketers have effectively used these physiological characteristics of sound to their advantage. For example, the British airport operator, BAA, increased their sales in their terminal in Glasgow by 10% when using a specific lyric. This lyric consisted of generative music and ambient sounds, such as birdsong and crashing waves, and created an atmosphere where the customers did not feel the urge to "hurry up and buy".

The second way sounds have an effect on the brain is by linking the sound to certain memories. In other words, sounds create associations to past experiences. By using the same musical notation for most of the marketing communicators, the Flower Duet, for decades British Airways has created a type of permanent resonance. However, the company does not have exclusive rights (trademark) to the song and so other companies such as Ford have also used it in their marketing campaigns. However, consumers have such a strong mental association between the Flower Duet and British Airways that they actually thought that these different marketing campaigns were by British Airways.

Sound Equity

One of the reasons that sound is currently undervalued by many organizations is because it is difficult to directly measure its impact and influence on sales. When researching the success of sound in a campaign, its value is often measured using the following parameters: "How will it facilitate communication of a rational message specific to the campaign?" But is this an adequate benchmark? The Music Industry measures its success by Billboard Charts. Brands and agencies are often seduced to use this standard to measure the secondary benefits of a brand using music, because their

'partners', The Music Industry, set this as their criteria. Being a No 1 record is sexy and carries with it a certain amount of kudos, but what does it say about the Brand itself? Naturally, companies know through sales when a product or service is successful, but how much analysis is done to measure the extent to which these results can be attributed to music. The following questions should be answered: What is the Sound Equity of an Artist, track, genre etc.? What is the heritage of this music? What intangible benefits could this sound inject in the Brand? Is the sound creating a Brand liability or a future asset that I can leverage? What opportunities can the Brands' equity create for the Music Industry? The fundamental underlying question that needs to be introduced into the decision making process is "What is the current Sound Equity of my Brand and how will the use of this sound affect it?"

David Aaker uses five dimensions when measuring Brand Equity: Lifestyle, awareness, perceived quality, associations and loyalty. Interestingly David Heron reasoned that sound effectively contributes to a Brand's marketing strength through: Entertainment value, structure and continuity, memorability, lyrical language, targeting and authority establishment. In today's Brand profiling, is Sound Equity a concept that is even considered let alone a value that is actually measured and how would this evaluation add to marketing solutions? Brands should be able to make informed decisions about music usage with the same confidence that it assesses every other aspect of its promotional and communications activities.

True Love Needs Involvement!

Music is still seen as a complimentary element in branding. More often than not, music is seen and used as a supplemental media to enhance the visual aspect of communication or branding (such as in TV advertising). It is likely that this is the main reason why we are not seeing many brands making significant investments in music. Music is often selected on a case-by-case basis for individual campaigns.

Music is still deeply connected to subjectivity and the personal opinions of individuals within marketing

departments or advertising agencies. It is not considered to be a serious and strategic tool in branding. Professionalism is sometimes set aside, and music decisions are not based on what is beneficial for either the brand or the target group. Just as in any other marketing endeavors, to be successful it is vital to know what impact a certain message (in this case, music) will have on the brand, and to have a deep understanding of the preferences and possible reactions of the target group. The music industry also has some homework to do. It needs to explain the value of using specific branding tools such as music profiles, sound logotypes, artist matching strategies and the effect that these can have on a brand. The music industry needs to start speaking the language of brands, presenting the branding models and return on investment calculations needed in order to be convincing. Most of all, brands need to understand that there is a difference between music and music, and the effect it has on brands and people.

India Turns Up The Volume On Sonic Branding

In the past, Indian brands like Nerolac Paints, Nirma washing powder and Bajaj Scooter used jingles which were melody based, with the brand name mentioned multiple times. Today, in an increasingly cluttered media environment, jingles have been refreshed and modernized to hold the attention of customers. Tunes no longer just repeat the brand name, but are used in a manner where the core brand idea is tied to the music more creatively. Perhaps an Indian brand that is best remembered for its music is Titan watches. The 25th symphony of Mozart, which was used as Titan watches' signature tune during its launch in 1986, has become an integral part of the brand. As Simi Sabhaney, president of O&M Bangalore, who has worked on this brand, explains, "the music score selected for Titan exuded enthusiasm, energy, flamboyance, power, tenacity and triumph, and fitted beautifully with the character of the brand and the organization. Over the years, Titan's signature music was suitably rendered keeping the sub-brands in mind. Layers of different instruments were added to the original track, [like Spanish and Italian influences for the World

Watch collection] depending on the story or mood we wanted to convey.”

Branding experts add that sonic branding is more than just a piece of music or sound that a brand uses in marketing. Brands have used jingles to build brand identity. In the time and context, the traditional approach to sonic branding was very effective, but today the consumer has become more sophisticated so the approach needs to be different. The principles of sound design in India are not as advanced as in the West. Music has been used only at the campaign level, where it only helps create brand associations... For sonic branding to be effective today, it should deliver a feeling about a brand. The Bingo brand has used the Boing sound in its advertising to aid recall, but the sonic tune does not stand alone as a piece of identity. I might remember you, but not buy you. Hutch (now Vodafone) on the other hand has a visual and sonic tone which has a very strong identity by itself. Similarly, the Happy Dent campaign by McCann Erikson India has a beautiful song that makes the brand come alive. It is essential that brands help create a better audio experience for people. Elucidating further on this brand technique, Marcel de Bie, founder of The Amber Theatre, a sonic branding specialist agency in Melbourne, adds, “Sonic branding [goes beyond the realm] of an audio logo or a brand soundtrack. Today myriad consumer touch points like television advertising, cell phones, retail spaces, call centers, podcasts, toll free numbers [set the tone for our relationship with brands] and sonic branding is the totality of the sonic experience across these touch points.”

A brand in India that has used sound across a variety of touch points to amass a wealth of brand recall is the telecom giant Hutch. The brand used an engaging song, ‘You and I in this beautiful world’ [in its television commercial in 2003] to bring alive the values of simplicity and creativity. The song accompanying the visuals added emotional depth and dimension to the brand’s experience and the tune holds a special place in the hearts of most Indian consumers. Globally, British Airways is a brand that has exploited sonic branding across a variety of touch points. Apart from using it in advertising, the major airline fleshed it into a song broadcast that played while passengers settled in their seats

on the plane and at the Executive Lounge. The music was not only soothing, but customers also felt a sense of trust and belongingness at hearing something familiar.

Conclusion

Most companies who claim to be doing sonic branding are in actuality barely scratching the surface of what is possible, or worse, merely employing a lot of different music in an attempt to give themselves a musical personality. This has the exact opposite effect as too much music can dilute a brand, give mixed signals and confuse consumers about brand personality. Why is it that we insist on graphic consistency, in terms of logo design and color across every medium, yet change the music and sound of every communication without a second thought? Understanding the context in which the sound is occurring is another important part of sonic branding. What works for one environment (example: radio) might not work for the Internet. While using sound on the Internet, it is important that users can find and control the volume of sound on the website. Designers should refrain from clicky sounds that accompany a lot of Flash sites. Also, one must ensure that the music does not interfere with the content on the site. Sound is a great medium of expression. It travels across cultures and languages, and touches an emotional chord. In a distributed multimedia world, sound can help unify the brand across all the different touch points. As more and more brands harness the power of sound, they must become aware of the responsibility they hold in using it effectively. Musical decisions should not be based on personal preferences alone. It should follow some strategic guidelines that give some direction to the brand, and create sonic experiences that offer something customers can sing about.

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Role of Information Technology in Supply Chain Management

Dr Omkareshwar Manappa*

ABSTRACT

This paper focuses the role of Information technology (IT) in supply chain management. It also highlights the contribution of IT in helping to restructure the entire distribution set up to achieve higher service levels and lower inventory and lower supply chain costs. The broad strategic directions which need to be supported by the IT strategy are increasing of frequency of receipts/dispatch, holding materials further up the supply chain and crashing the various lead times. Critical IT contributions and implementations are discussed. Fundamental changes have occurred in today's economy. These changes alter the relationship we have with our customers, our suppliers, our business partners and our colleagues. It also describes how IT developments have presented companies with unprecedented opportunities to gain competitive advantage. So IT investment is the pre-requisite thing for each firm in order to sustain in the market.

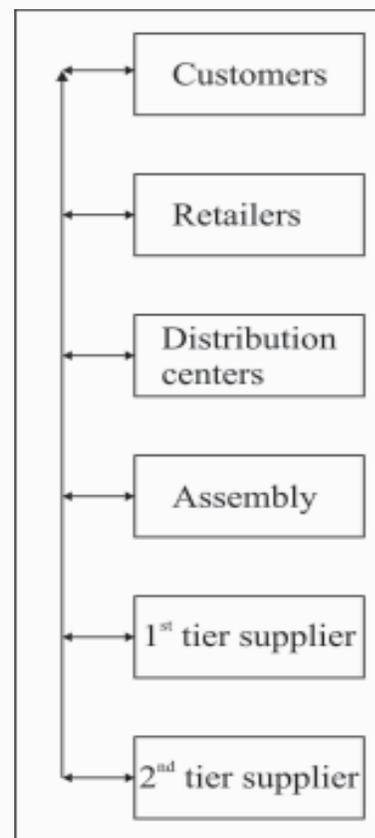
Key words: Business, Information technology, Investment, Market, Supply Chain.

Introduction

Supply chain management (SCM) is concerned with the flow of products and information between supply chain members' organizations. Recent development in technologies enables the organization to avail information easily in their premises. These technologies are helpful to coordinates the activities to manage the supply chain. The cost of information is decreased due to the increasing rate of technologies. In the integrated supply chain model (Fig.1) bi-directional arrow reflect the accommodation of reverse materials and information feedback flows. Manager needs to understand that information technology is more than just computers. Except computer data recognition equipment, communication technologies, factory automation and other hardware and services are included.

Integrated supply chain model

Bi-directional arrow reflects the accommodation of reverse materials and information feedback flows.



Managers need to understand that information technology is more than just computers. Except computer, data recognition equipment, communication technologies, factory automation and other hardware and services are included.

The importance of information in an integrated supply chain management environment

Prior to 1980s the information flow between functional areas within an organization and between supply chain members organizations were paper based. The paper based transaction and communication is slow. During this period, information was often overlooked as a critical competitive resource because its value to supply chain members was not clearly understood. IT infrastructure capabilities provide a competitive positioning of business initiatives like cycle time reduction, implementation, implementing redesigned cross-functional processes. Several well know firms involved in supply chain relationship through information technology. Three factors have strongly impacted this change in the importance of information. First, satisfying in fact pleasing customer has become something of a corporate obsession. Serving the customer in the best, most efficient and effective manner has become critical. Second information is a crucial factor in the managers' abilities to reduce inventory and human resource requirement to a competitive level. Information flows plays a crucial role in strategic planning.

Supply chain organizational dynamics

All enterprises participating in supply chain management initiatives accept a specific role to perform. They also share the joint belief that they and all other supply chain participants will be better off because of this collaborative effort. Power within the supply chain is a central issue. There has been a general shift of power from manufacturers to retailers over the last two decade. Retailers sit in a very important position in term of information access for the supply chain. Retailers have risen to the position of prominence through technolo-

gies.

The Wal-Mart & P&G experiences demonstrate how information sharing can be utilized for mutual advantage. Through sound information technologies Wal-Mart shares point of sale information from its many retail outlet directly with P&G and other major suppliers.

The development of Inter organizational information system for the supply chain has three distinct advantages like cost reduction, productivity, improvement and product/market strategies.

Barrett and Konsynsik have identified five basic levels of participation of individual firms with in the inter organizational system.

1. Remote Input/output mode: In this case the member participates from a remote location within the application system supported by one or more higher-level participants.

2. Application processing node: In this case a member develops and shares a single application such as an inventory query or order processing system.

3. Multi participant exchange node: In this case the member develops and shares a network interlinking itself and any number of lower level participants with whom it has an established business relationship.

4. Network control node: In this case the member develops and shares a network with diverse application that may be used by many different types of lower level participants.

5. Integrating network node: In this case the member literally becomes a data communications/data processing utility that integrates any number of lower level participants and applications in real times.

Four fundamental mistakes made when determining information requirements are as follows:

1. Viewing system as functional instead of cross-functional.
2. Interviewing managers individually instead of jointly.
3. Not allowing for trial and error in detail design process.
4. Asking the wrong question during the interview

Information and Technology: Application of SCM

In the development and maintenance of Supply chain's information systems both software and hardware must be addressed. Hardware includes computer's input/output devices and storage media. Software includes the entire system and application program used for processing transactions management control, decision-making and strategic planning. Recent development in Supply chain management software is:

1. Base Rate, Carrier select & match pay (version 2.0) developed by Distribution Sciences Inc. which is useful for computing freight costs, compares transportation mode rates, analyze cost and service effectiveness of carrier.

2. A new software program developed by Ross systems Inc. called Supply Chain planning which is used for demand forecasting, replenishment & manufacturing tools for accurate

Planning and scheduling of activities.

3. P&G distributing company and Saber decision Technologies resulted in a software system called Transportation Network optimization for streamlining the bidding and award process.

4. Legibility planning solution was recently introduced to provide a program capable managing the entire supply chain.

Electronic Commerce

It is the term used to describe the wide range of tools and techniques utilized to conduct business in a paperless environment. Electronic commerce therefore includes electronic data interchange, e-mail, electronic fund transfers, electronic publishing, image processing, electronic bulletin boards, shared databases and magnetic/optical data capture. Companies are able to automate the process of moving documents electronically between suppliers and customers.

Electronic Data Interchange

Electronic Data Interchange (EDI) refers to computer-to-computer exchange of business documents in a

standard format. EDI describe both the capability and practice of communicating information between two organizations electronically instead of traditional form of mail, courier, & fax. The benefits of EDI are:

1. Quick process to information.
2. Better customer service.
3. Reduced paper work.
4. Increased productivity.
5. Improved tracing and expediting.
6. Cost efficiency.
7. Competitive advantage.
8. Improved billing.

Though the use of EDI supply chain partners can overcome the distortions and exaggeration in supply and demand information by improving technologies to facilitate real time sharing of actual demand and supply information.

Bar coding and Scanner

Bar code scanners are most visible in the checkout counter of super market. This code specifies name of product and its manufacturer. Other applications are tracking the moving items such as components in PC assembly operations, automobiles in assembly plants.

Data warehouse

Data warehouse is a consolidated database maintained separately from an organization's production system database. Many organizations have multiple databases. A data warehouse is organized around informational subjects rather than specific business processes. Data held in data warehouses are time dependent, historical data may also be aggregated.

Enterprise Resource planning (ERP) tools

Many companies now view ERP system (e.g. Baan, SAP, People soft, etc.) as the core of their IT infrastructure. ERP system have become enterprise wide transaction processing tools which capture the data and reduce the manual activities and task associated with processing financial, inventory and customer order information. ERP system achieve a high level of integration by utilizing a single data model, developing a common understanding of what the shared data represents and establishing a set of rules for accessing data.

Conclusion

World is shrinking day by day with advancement of technology. Customers' expectations are also increasing and companies are prone to more and more uncertain environment. Companies will find that their con-

ventional supply chain integration will have to be expanded beyond their peripheries. The strategic and technological innovations in supply chain will impact on how organizations buy and sell in the future. However clear vision, strong planning and technical insight into the Internet's capabilities would be necessary to ensure that companies maximize the Internet's potential for better supply chain management and ultimately improved competitiveness. Internet technology, World Wide Web, electronic commerce etc. will change the way a company is required to do business. These companies must realize that they must harness the power of technology to collaborate with their business partners. That means using a new breed of SCM application, the Internet and other networking links to observe past performance and historical trends to determine how much product should be made as well as the best and cost effective method for warehousing it or shipping it to retailer.

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Customer Analytics – The genie is in the detail

Sathyanarayanan R.S.*

Abstract

Key words: Customer analytics, Predictive Modeling, Data Governance, ROI

Sell the right product, at the right time to the right customer though sounds a cliché in marketing, surprisingly only a handful of companies have cracked this code. Some companies do not invest considerable time, money and put significant effort in knowing and understanding their customer's profile, life time value, buying patterns etc. These companies still function as a product driven archaic organization operating in silos without proper integration or coordination among various departments. The result, money spent on marketing goes down the drain. As ROI in Marketing is in the priority list for many Chief Marketing Officers today across the globe, knowing where, when, how and on whom to spend becomes very critical.

Consumers today trust each other more than they trust marketers. A study done by Forrester reveals that significant proportion of customers does not see TV advertisement, direct mail and E-mail relevant to their personal needs and wants. Marketing is slowly losing relevance as viewed by customers. As customers seek increasingly personalization of products/services and messages, its high time marketers reinvent the wheel of Marketing.

Fragmented media, improving technology, changing consumer behavior are increasingly exposing the fault lines of traditional media. In order to remain competitive today, companies must develop clear understanding about its customers, competitors, business environment and other key variables which influence their business. Cliché as it sounds to be. But what organization needs today is meaningful, relevant and actionable information about its business environment that facilitate them to make quick and informed decisions that result in better returns. More often than not marketing decisions are made based on the gut feeling or what worked in the past. Unless these decisions are fact driven along with managers intuition (garnered out of experience), companies resources spent on marketing may not be utilized productively.

With the deluge of data available today, most of the marketing decisions related to pricing, running a promotional campaign, or replenishing the inventory are taken based on transactional and operational data without understanding the patterns or factors that drive these outcomes. This results in poor marketing spending, uninformed decisions, dissatisfied customers, higher churn rate and inefficient use of marketing resources draining company's profitability.

The emergence of analytics provides a great opportunity for many companies today. It facilitates marketers to better understand their customers and use that understanding for identifying new opportunities and fostering better relationship with their customers. This would ultimately result in healthy bottom line and give companies a competitive edge over rivals. This article explores the need for analytics in marketing, its benefits, challenges and implementation issues.

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The Business case

Rohit was travelling to Bangalore for a seminar by train, he happens to meet a graduate who works for a software company in Bangalore. The techie guys looks visibly annoyed and rightly so when he shared his anguish of receiving totally irrelevant messages every day from his telecom operator. Rohit suggested him to ring the call center and tell them to stop sending such messages. He immediately rang up the help desk and told them about this. Much to his chagrin he was told to wait for few days.

Instances like this are many. The only difference is either the situation or the company is different. Nevertheless the problem remains the same; targeting wrong customers for a right product. This happen fairly regularly which is why one could see many unhappy customers really getting irritated with such intrusion in one form or the other. The bottom line is very simple yet appears complicated for many top marketing heads in the company. Sell the right product, at the right time to the right customer. Surprisingly only a handful of companies have cracked this code. Some companies do not invest considerable time, money and put significant effort in knowing and understanding their customer's profile, life time value, buying patterns etc. These companies still function as a product driven archaic organization operating in silos without proper integration or coordination among various departments. The result, money spent on marketing goes down the drain. As ROI in Marketing is in the priority list for many Chief Marketing Officers today across the globe, knowing where, when, how and on whom to spend becomes very critical.

“Customer interface with technology and other touch points will drive the future of all marketing plans and actions”

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past. Unless these decisions are fact driven along with managers intuition (garnered out of experience), companies resources spent on marketing may not be utilized productively.

With the explosion of information spewing from various sources like Internet and other media, consumers today are well informed and discerning. Today consumers enjoy strong clout over companies to the extent that they became producer, designer, communicator and consumer. They play a vital role in company's value creation process. No longer can companies afford to ignore the insights of their customers. If a company fails to anticipate and value customer's needs, wants, anxieties and aspirations they cannot strike a chord with their customers and soon customers will betray them. We are living in an age where brand promiscuity is common and loyalty is hard earned.

The marketing landscape has changed dramatically over the years due to rapid advancement in technology. Today marketers are operating in a tough and complex environment where competition is severe and consumers are quite demanding. Consumers today have more choices and products are getting increasingly commoditized due to quick imitation by competitors. Consumers trust each other more than they trust marketers. A study done by Forrester reveals that significant proportion of customers does not see TV advertisement, direct mail and E-mail relevant to their personal needs and wants. Marketing is slowly losing relevance as viewed by customers.

Today marketers are facing stiff challenge than never before. With the deluge of data available today, most of the marketing decisions related to pricing, running a promotional campaign, or replenishing the inventory are taken based on transactional and operational data without understanding the patterns or factors that drive these outcomes. This results in poor marketing spending, uninformed decisions, dissatisfied customers, higher churn rate and inefficient use of marketing resources draining company's profitability.

“Marketing managers must not see their customers as mere customers but as brand ambassadors, product designers, campaigners for their company and its products and services”

This calls for a change in the mind set among marketers

As customers seek increasingly personalization of products/services and messages, its high time marketers reinvent the wheel of Marketing. Marketing managers must not see their customers as mere customers but as product designers, brand ambassadors, campaigners etc. This calls for a change in the mind set among marketers. As the media is really getting cluttered and noisy, further exacerbated by short-

“Marketing managers must not see their customers as mere customers but as brand ambassadors, product designers, campaigners for their company and its products and services”

ening attention span among many consumers, getting the message across the target group has become very challenging today. Marketers have to find new avenues or ways to reach their target group and engage them. The era of mass media is slowly fading away due to changing media consumption habits of the consumers. With the increasing penetration of mobile phones, internet, and the rise of social media, the amount of time consumers spend with mass media like TV is coming down. Besides they seek relevant and personalized messages on a need basis which the traditional media does not support. Consumers have become increasingly selective about what, where, when and how they view messages from marketers.

The Need for Analytics

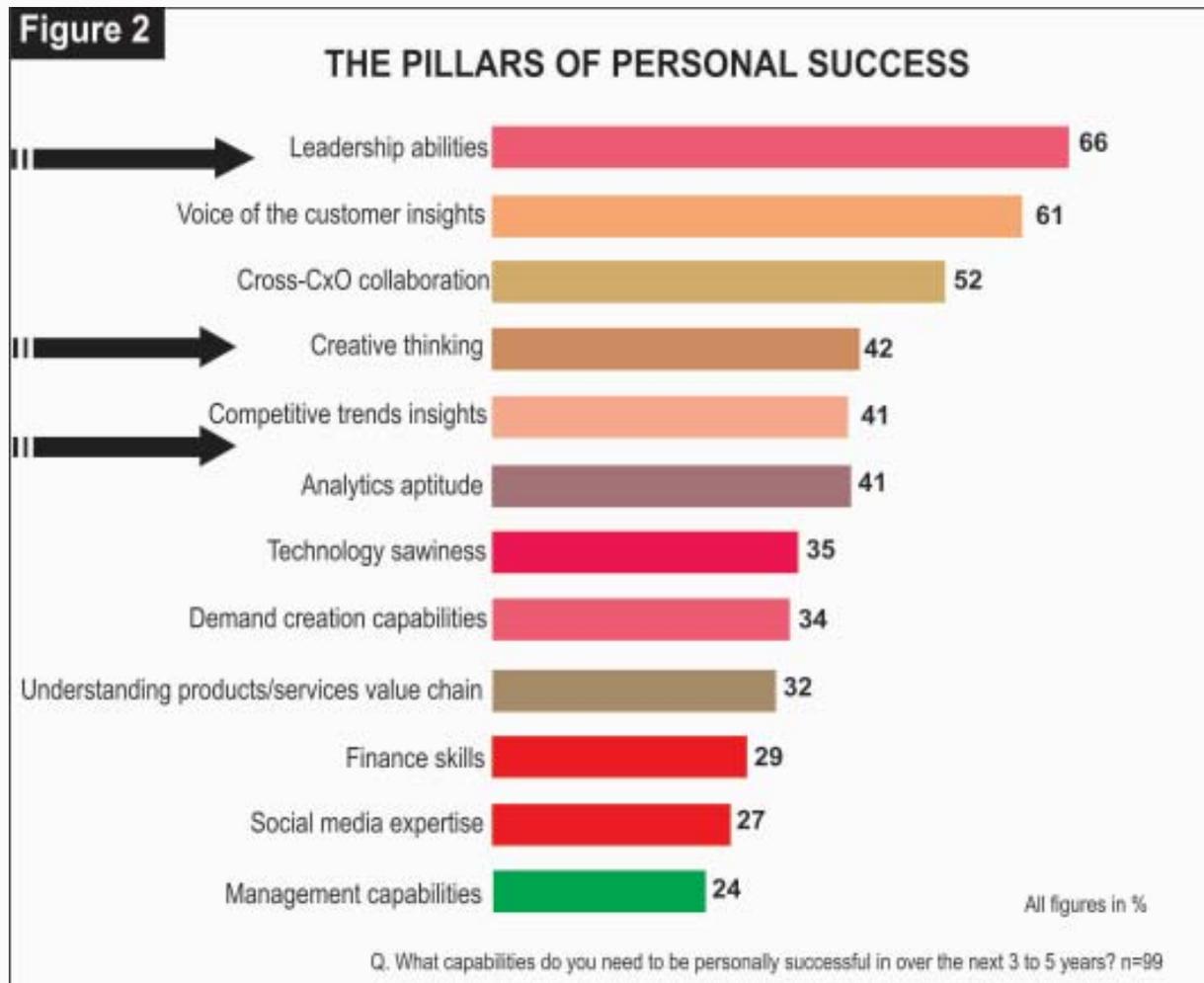


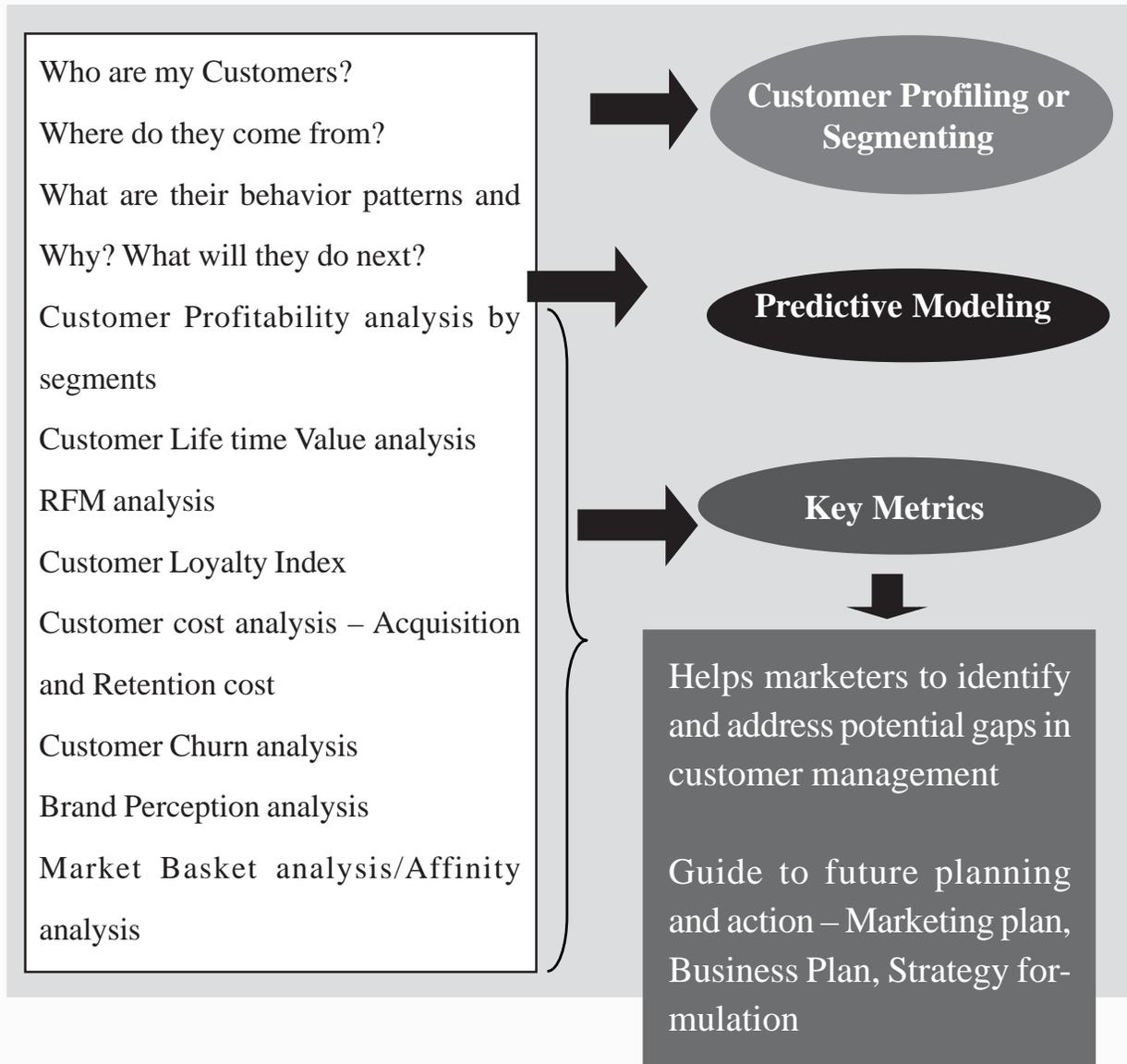
Figure 1: Analytics Driven Marketing – The Way Forward



Some Benefits of Analytics in Marketing

- Helps in identifying segments based on profitability
- Helps in assessing the life time value of the customers
- Measuring campaign response rates – Better Campaign Planning and Management
- Helps in predicting the risk propensity of customers especially for banks and insurance companies
- Targeted marketing and campaigning
- Manage customer relationship in a better manner through better understanding of customers
- Improved customer retention and satisfaction
- Better utilization of marketing resources and improved ROI in Marketing
- Predict future buying behavior of consumers based on present and historical data

Figure 2: Generating customer insights through analytics



Fragmented media, improving technology, changing consumer behavior are increasingly exposing the fault lines of traditional media. In order to remain competitive today, companies must develop clear understanding about its customers, competitors, business environment and other key variables which influence their business. Cliché as it sounds to be. But what organization needs today is meaningful, relevant and actionable information about its business environment that facilitate

them to make quick and informed decisions that result in better returns.

The global business service division of IBM recently conducted a study with 88 Chief Marketing Officers of India; found that Voice of the consumer insights, analytics aptitude, and competitive trends insights were considered by CMOs as keys to success in today's rapidly changing business climate.

Today data is available across many touch points

an organization interacts with. These data is captured from scanner desk in a retail setup, customer web activity, financial transactions, loyalty programs etc. The big question lies ahead in front of many companies today is what do we do with these mountain of data? How do we put these data in to meaningful use for better decisions?

The other challenge lies in separating relevant data from the deluge of data captured from various touch points, cleansing them, integrating them and turning them in to knowledge enabling companies to generate insight and foresight. Gaining meaningful insight in the cacophony of data is not without its share of challenges. Even companies with better IT infrastructure and information management capabilities would find this task daunting at times. The insights thus generated through data should influence the strategic thinking of the company and help in making better decisions at various levels across the organization.

What is Analytics?

The emergence of analytics has been a great advantage for many organizations today. It facilitates organi-

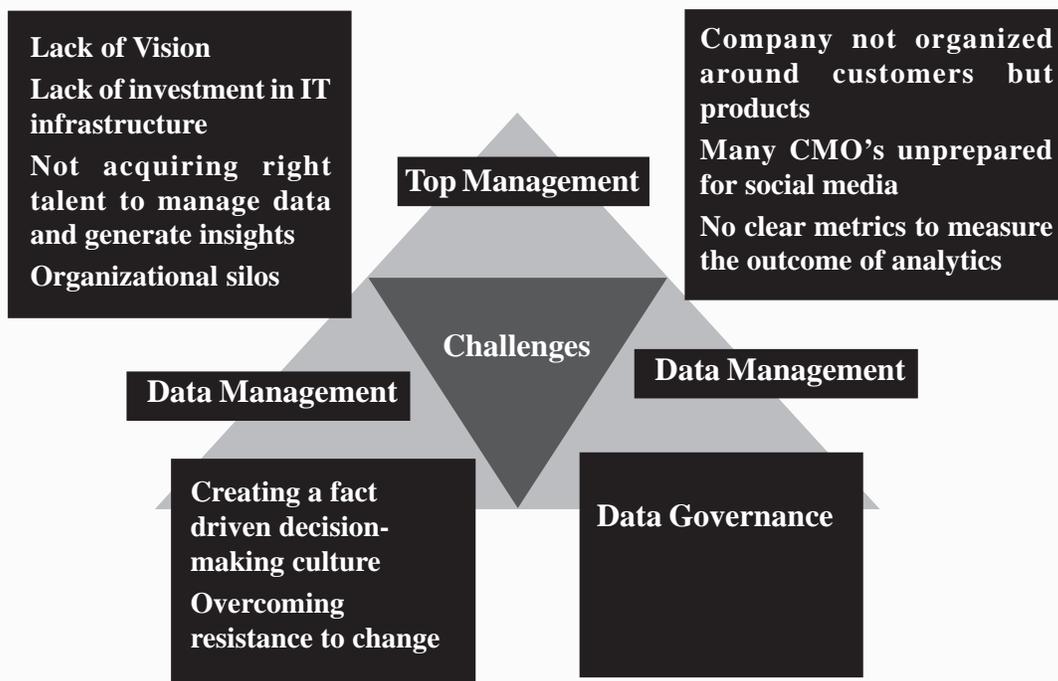
zations to make effective decisions thereby putting the organizational resources to its best use. Simply, Analytics is a practice of using data to gain knowledge about the entire eco-system in which a business operates. It is highly pervasive in areas like operations, customer management, finance and risk management.

“Customer analytics is about collecting, cleansing, validating, integrating and analyzing raw data gathered from various touch points and analyzing them to draw meaningful insights about customers”

For instance, data about customer’s brand preference, shopping frequency, buying patterns can be effectively captured from various sources like retail outlets, web and survey. This data can then be sliced and diced so as to gain useful insights about customers past, present and future buying behavior. Rather than bombarding the customers with irrelevant messages, specific marketing campaigns can be designed to suit the target group. Even companies can cross or up sell products or services using customer data analytical tools.

Customer analytics helps companies to turn data in to knowledge and provides meaningful insights about

Figure 3: The Challenges



customers, their buying pattern, campaign effectiveness etc. It helps companies to transform these insights in to future opportunities thereby improving the profitability and effectiveness of its business.

The use of analytics in marketing is slowly gaining traction in India. Banks, Insurance companies are using data analytical tools to understand their customer's profile better which becomes a base for predictive modeling where future behavior of a customer is predicted based on his or her past and present data.

Analytics is also being widely used in retail sector Retailers like Shoppers Stop, Landmark and Future groups are using analytics to gauge their customer's buying behavior. Retail Analytical tools are used for planning merchandise, location, store layout design, sales campaigns, promotions and pricing etc.

The Challenges

Today companies are sitting on a pile of data captured from various touch points. There is an exponential growth in the volume of data being generated today. Companies are struggling to find meaningful insights in the cacophony of data available today. They simply do not know how to leverage the available data in order to understand customers better and improve their bottom line. Despite increasing awareness of analytics and its uses among corporate, many firms are struggling to cope up with the rapidly changing business environment. They got to surmount different challenges in order to realize the fullest potential of analytics. Some of these challenges are

Implementing and maintaining analytics in organization

Organizations trying to implement analytics should understand the fact that analytics cannot be seen in a compartmentalized fashion and it never works in vacuum. Companies should try to create a strong information system to make analytics work. Else it would remain a fad than a tool for effective decision making. It also requires adequate investment in IT infrastructure, people and top management support for better managing and using of data to support decision making. De-

pending on organizational requirements, maturity level and budgetary support, companies can implement analytics in phased or systematic manner.

A hard look at the following would facilitate companies to implement analytics in their organization seamlessly.

- Clarity in vision and goals - An honest assessment of where your business stands today and where you want to go
- IT infrastructure, process and people capabilities
- Strong understanding of levers that drive business value – Identify business priorities where analytics is needed the most to extract maximum value from data
- Organization structure - Existing organization structure and realignment of it (Centralized or decentralized) if required to implement analytics
- Data management practices – How data is captured, cleaned, validated and integrated with other systems.
- Creating a culture of fact based decision-making
- Developing metrics for measuring the impact (Short and long term) of analytics on business value.
- Organizational constraints and budgetary support
- Data Governance

Conclusion

In order to sustain in today's volatile business climate, companies must not take decisions based only on intuition or gut feeling. It has to be blended with science which ultimately leads to better decision making and improved ROI. As the pressure is mounting on marketers to show improved bottom line, marketers are accountable for every penny they spend for alluring and retaining customers. They got to ensure that the money they have at their disposal is used prudently. With the explosion of social media, consumers are really empowered today. They trust their peers, families and friends more than they trust advertisers and marketers. They decide when and when not to receive the messages. Report as spam, do not call registry and pop-up blockers options

clearly gave consumers more control over the messages they receive. They decide when and when not to receive messages bombarded by marketers. As traditional approach of marketing becoming less and less effective every day, marketers should find better and newer ways of reaching out to customers in order to stay relevant to them. Marketers no longer can exercise control over the consumers rather they should learn how to engage them for value creation, communication and delivery. The emergence of analytics provides a great opportunity for

many companies today. It facilitates marketers to better understand their customers and use that understanding for identifying new opportunities and fostering better relationship with their customers. This would ultimately result in healthy bottom line and give companies a competitive edge over rivals. Having extolled the virtues of analytics, marketers must not use analytics to support a decision already made (rationalization). Manager must ensure that decisions they make are free from prejudices, bias and predilection.

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Service Marketing Mix of Indian Hospitals: A Critical Review

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Abstract

Sreenivas, Srinivasarao and Srinivasa (2013) said that “The health care market has become consumer centered and expecting high quality care at a reasonable price. The mushroomed development of corporate hospitals in India, competition is also bringing massive changes in industry structure. In this context, hospital services’ marketing is slowly and surely coming of age and is being woven into the fabric of hospitals planning and public relations programmes.” The essence of any marketing activity is marketing mix, and the central theme of the present paper revolves around the contemporary service marketing mix offered by Indian hospitals. In this paper author has critically reviewed 51 papers to describe elements of hospital service marketing mix; product, price, place, promotion, people, process and physical evidence.

Key words: Hospital marketing, service marketing mix, India

Introduction

Healthcare in India is one of the largest service sectors, with more than 4 million people engaged. The hospital services market represents one of the most lucrative segments of the Indian healthcare industry. The Indian hospital industry would be worth USD 280 billion by 2020 as against USD 44 billion in 2010. Various factors such as increasing prevalence of diseases, improving affordability and rising penetration of health insurance continue to fuel growth in the Indian hospital industry. One of the most important elements in human life is achieving the appropriate health care on time and this growing need of sound health has not only increased the number of hospitals and also has shaped competitive hospital industry but still there is a shortage of 4,477 primary healthcare centers and 2,337 community healthcare centers.¹ According to “Indian Hospital Services Market Outlook” by RNCOS Industry Research Solutions, the country needs to cover the

cumulative deficit of around 3 million hospital beds to match up with the global average of 3 beds per 1000 population.² This scenario has given rise to Hospital service marketing which is a specialized field that deals with connecting patients, physicians, and hospitals in mutual relationships.

Service Marketing Mix

The essence of any marketing activity is its marketing mix which has been defined as the set of marketing tools the firm uses to pursue its marketing objective. The components of traditional marketing mix are Product, Price, Place and Promotion but while talking about hospital sector it is better to apply Service Marketing Mix which has three additional elements viz. People, Physical Evidence & Process. Having the right marketing mix to market the services of the hospital industry is very important. Using the right balance of marketing elements, hospital service marketers can ensure that their marketing efforts fetch them expected result.

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Product

The product is the central component of any marketing mix which can be defined as a set of attributes offered to consumer. Most products of the hospitals are services which can be classified as line services, supportive services and auxiliary services. Line services which are also called core services include indoor & outpatient services, emergency services i.e. ICU & operation theater. Services offered by medical & Para-medical staff come under supportive services which directly determine the quality of medical services. At last auxiliary services include ambulatory services, dietary services, indoor & outdoor patient registration services, engineering & maintenance services which all help in making hospital services effective.

Peters (1996) identified that hospitals are facing several threats like increasing competition, rising costs, and image problems that can threaten their existence and to face it Plsek (2003), Omachonu & Einspruch (2010) suggested to make continues innovations in product. France & Grover (1992) also highlighted that product differentiation is the key to marketing success & in hospitals this can be easily done by the mixing & matching of the same set of available elements. The strong product create a different brand image of hospital and in the same line Vinodhini & Kumar (2010) and Chao-Chan Wu (2011) established positive relationship between hospital brand image & patient loyalty.

Sutter (2012) identified that Sustainability as a business approach is becoming widely adopted by health care companies and organizations around the world, and the easy way for all kind of hospital to become sustainable is making their product effective, Christensen, Bohmer & Kenagy (2000) and Tiemann and Schreyögg (2009) found public hospital products more effective as compare to products of private hospitals.

Price

Caruana, Money & Berthon (2000) defined price as actual charge made by a hospital and Dobson, Vanzo, Doherty, & Tanamor (2005) Studied charge setting prac-

tices of 238 private & public hospitals. They found that hospitals in large urban areas, and usually teaching hospitals, are more likely to consider cost information in their charge setting than their rural and non-teaching counterparts, they also identified a huge gap between charges of public & private hospitals. Birchard et.al. (2007) and Griehl & Skallca (2007) suggested hospital marketers to adopt transparent pricing strategy which ultimately lead to higher patient satisfaction, in the same line Consuegra, Molina and Esteban, 2007 examined the relationship between price fairness, customer satisfaction, loyalty and price acceptance. They found that price acceptance is directly influenced by satisfaction judgments and loyalty. In addition, price fairness influences price acceptance indirectly through customer satisfaction and loyalty. They suggested keeping price transparency and reliability when prices are increased.

According to Stodolak (2008) for hospital product pricing zero-base pricing is pricing is best method whereas Koné, Marschall and Flessa (2010) imposed on Activity-based costing method. Moliner (2009) analysed that monetary & non monetary cost has significant impact on patient satisfaction & loyalty towards hospital and according to Cooper (2012) hospital's costs are highly affected with the supply chain practices adopted by the hospitals, so hospital marketer should always try to purchases from manufacturer directly or take advantage of distributor schemes

Place

Place refers to the contact point between health service provider & patient. This element of marketing mix leads to the identification of suitable location. For effective distribution of Medicare services it is essential that the hospitals should be able to provide basic medical services at different parts of residential areas and also to rural areas in particular, furthermore Hospital should be located somewhere which is easily accessible by patients and transport services are also available for them easily

John, Yorgos, Kerasia, Nadia, & Panos (2008) sug-

1 www.northbridgeasia.com/ResearchReports/HOSPITAL%20RESEARCH%20REPORT%20%281%29%20%281%29.pdf

2 www.dinodiacapital.com/pdfs/Indian%20Healthcare%20Industry,%20November%202012.pdf

gested that while selecting location for any clinic or hospital spatial analysis of GIS method should be adopted, on the other hand Lin, Lee and Chen (2010) pointed out that an appropriate medical region must be selected before establishing a new hospital so recommended data envelopment analysis (DEA) method to establish the effective indicators, and to identify medical areas lacking medical resources and where there is relatively less competition

Miller (2010) said that in past, a hospital could rely on its location for a stable client base but practically there are limitations to the degree of physical changes which can be made to an existing building (Pitt, 1993) so according to Goldstein, Ward, Leong, & Butler (2002) hospitals can moderate the effect of location by investing more extensively in clinical technologies tend to be better performance.

Promotion

Promotion activities of a hospital helps in communicating the existence of services offered to present, past & future customers. Generally promotion includes advertising, sales promotion, personal selling & publicity, but instead of undertaking aggressive promotion, hospitals rely lot on WOM (Shoqirat & Cameron, 2012) & social marketing (Evans, 2006). Lynch and Schalet (1999) pointed out that hospital advertisements should contain a relatively high level of information and should be advertised as comfort zones for human ailments (Gangopadhyay and Bandopadhyay 2012).

According to Reddy and Campbell (1993), Positioning is effective marketing strategic tools that can help a hospital compete for market share and revenues more effectively. In developing strategies, a hospital must first assess a community's health needs, establish the hospital's current and desired positions on its segments' perceptual maps, and finally, choose and implement appropriate positioning strategies. Johnson & Baum (2001) suggested that instead of doing hospital promotion, marketer should focus on health education which can position the image of hospital in the mind of patients and in turn increase its market share.

People

Hospital industry is a knowledge based industry, so people play key role in hospitals which include doctors, nursing staff, paramedical staff, supporting staff & front office executives. Kabene, Orchard, Howard, Soriano and Leduc (2006) concluded that Proper management of human resources is critical in providing a high quality of health care as 'doctor concern' (Laohasirichaikul, Chaipoopirutana and ombs 2009) and nurse-client interaction (Korsah 2011) are the most important factor affecting customer satisfaction. Following factors should be considered as part of the recruitment process of medical staff:-

- a) Emotionally stable individuals having inclination for good service (Lanjananda & Patterson 2009)
- b) Caring nature (Dhanda and Kurian 2012)

Ceyhun, Cagatay, Alper and Meltem (2012) indicated that unavailability of doctors and nurses, as well as their negative attitudes and behaviors, are major barriers to the utilization of public and private hospitals. Winsted (2000) supported the notion that Patients want doctors to demonstrate concern and competence, be congenial, communicate with them, be courteous, and be civil. Successful implementation of these behaviors by service personnel could be a very useful tool for medical providers to ensure customer satisfaction and retention.

Physical Evidence

Physical evidence of a hospital includes all the physical or tangible commodities which provide a tangible aspect to the intangible services. According to Babu and Rajalakshmi (2009) It is necessary for a hospital to be well organized and Special care should be taken to maintain hygienic, cleanliness and whole hospital must be well lit Physical evidence particularly plays an important role in the hospital where the patients are already depressed or traumatized and a good atmosphere could make all the difference. Reiling (2005) suggested that while designing a hospital facility it should be engineered properly as Holder (2008) concluded that physical evidence is an important dimension in the perception of service quality for patients in health sector. Re-

view has identified following important aspects of physical evidence:-

- Physical design of the hospital (Angood et.al. 2008)
- Amenities, signs, symbol, and artifacts (Laohasirichaikul, Chaipoo Pirutana and Combs, 2009)
- Ambient conditions (Pollack, 2009)
- General condition of equipment and neat appearance of staff members (Jager & Plooy, 2011)
- Energy Efficiency and Indoor Air Quality (Khalil, 2012)

Process

Process is defined as an operational flow of activities which are taken place at hospital for the efficient delivery of services. Following attributes of process leads to patient satisfaction:-

- Least difference between perceived waiting times and expected waiting time (Davis and Heineke 1998)
- Choice of physician (Amyx and Bristow 2001)
- Appropriate use of patient safety measures & patient education (McFadden, Stock and Gowen 2006) and (Assefa1, Woldie, Ololo and Woldemichael 2012)

Kripalani, Jackson, Schnipper & Coleman (2007) identified that the transition from hospital to home is a vulnerable period of discontinuity and potential adverse events. Hospitalists and other inpatient providers should not view discharge as an end to their obligation to patients but rather should attempt to promote a safe and efficient transition of care. Narang (2010) concluded that health care delivery is statistically significant in impacting the perception of respondents, so it should be improved continually.

Conclusion

After the thorough review of available literature, it is abundantly clear that Service Marketing Mix is of great importance in today's Hospital Industry and is the best tool to be innovative in the industry. With the growing importance of service marketing mix, hospital administrators are becoming increasingly marketing oriented. All the above service marketing mix elements revolve around customers. In hospital service price transparency, placing hospital services at convenient location of patients, behavior of medical staff, tangibility and process through technology plays important role in differentiating services from competitors.

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KNOWLEDGE MANAGEMENT AND MOBILE PHONES: A CRITICAL REVIEW

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Abstract

Mobile phone technology improves knowledge learning and accumulation of knowledge, particularly in financial and literacy fields, creating awareness about bad habits, health education, job creation, and the menace of middlemen for the marginalised section. The mobile users finds that they are never use to always use, because of the advent utility of devices. They are gaining the knowledge to improve them from poor to excellent knowledge in life leading techniques. This study had been undertaken in the Tier-II cities of Hubli-Dharwad, Mysore, Mangalore, and Belgaum of Karnataka State, India. Structured questionnaires were distributed and personal interviews conducted to collect data from the respondents.

Keywords: Knowledge learning, Accumulation of knowledge, Financial literacy, Health education.

Introduction

Mobile phones have become an integral part of our daily lives; people find it difficult to imagine life without mobile phones. Furthermore, most mobile phones are capable of providing a whole range of extra-functions, from taking photos, setting off the alarm, calendar view, shooting video clips to playing music, Internet browsing, and a lot more (Stefen Buehler, Ralf Dewenter, Justus Haucap, 2006). Mobile phones have become one of the main primary forms of telecommunication worldwide (Surabhi Mittal and Gaurav Tripathi, 2009). The rapid adoption of mobile phones has generated a great deal of speculation and optimism regarding its effect on the economic development in India.

Knowledge is facts, information, and skills acquired through experience or education. Knowledge management is strategies and processes designed to identify, capture, structure, value, leverage and share human in-

tellectual assests to enhance its performance and competitiveness. Thanks to advanced developments in wireless technology, learners can now utilise digital learning anytime and anywhere. Mobile learning captures more and more attention in the wave of digital learning (Mohammed Belal Uddin and Bilkis Akhter, 2012). The evolving use of knowledge management plays an important role in enhancing problem-solving skills and improving the lifestyle of the users. This study focuses on the role of a mobile phone in the knowledge management system that encourages users to acquire, store, share, apply and create knowledge. When users use different mobile devices to learn, larger screens perform better than smaller ones in the task performance and systems working quality. As the telecommunication market matures, mobile phones in India are evolving from simple communication tools into service delivery platforms. This has shifted the development paradigm surrounding mobile phones from reducing communication and coordination costs to transforming lives through

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innovative applications and value added services (Jenny C. Aker and Isaac M. Mbiti, 2010).

With mobile devices becoming cheaper and network coverage growing stronger, the uptake of mobile technology is still on an upward swing. Given the ubiquity of mobile phones and their use among a broad cross-section of the global population, many creative thinkers are harnessing the potential of mobile technology to bridge knowledge gaps, improve communication and alleviate poverty (Shahzad Ansari and Raghee Garud, 2009).

The advent and proliferation of mobile technology allows people in rural locations to transfer money, pay bills, and receive medical advice or care among a host of other benefits. Mobile health is a solution for women providing immediate, lifesaving services to address dire maternal, newborn, and child health challenges. This emerging field – a global movement – is reaching mothers, who need health services the most. This marginal section was poor in knowledge before using mobile phones, but the mobile revolution has opened the knowledge environment to everyone.

Mobile phone technology improves knowledge learning and accumulation of knowledge particularly in financial and literacy fields, creates awareness about bad habits, health education, job creation, and the menace of middlemen for the marginalised section. The mobile users find that they are never use to always use, because of the advent utility of devices. They are gaining the knowledge to improve them from poor to excellent knowledge in life leading techniques.

Focus of the study

This study is confined to the Tier-II cities of Hubli-Dharwad, Mysore, Mangalore, and Belgaum of Karnataka State, India. These rapidly growing Tier-II cities attract a large number of migrants from different parts of the nation. More and more marginal people are migrating to these cities from neighbouring states. Many of these people work in the informal sectors and depend on daily wages. Many are construction workers, having migrated from village to the city in the search of jobs. Before the advent of the mobile revolution, these people

never used mobile phones. They were poor in knowledge before using mobile phones, but the scenario has changed due to the innovation in mobiles. They are excellent in knowledge through mobile phone. This study attempts to analyse the relationship between mobile phones and knowledge management of the mobile users in education, health, job related information, communication and financial management, etc.

Objectives of the study

1. To study the socio-economic profile of the respondents.
2. To determine the usage pattern of mobile phones for knowledge development by the users.
3. To analyse the role of mobile phones in knowledge acquiring and sharing.
4. To suggest suitable measures to enhance mobile usage and knowledge accumulation for the growth and development of the respondents.

Hypothesis:

- H₁** There is correlation between effective usage of mobile phones and empowerment of the marginalised sections.
- H₂** There is a significant relationship between possession of mobile phones and accumulation and usage of knowledge.

Methodology

This study has been carried out in the Tier-II cities of Hubli-Dharwad, Mysore, Mangalore and Belgaum of Karnataka State, India. The structured questionnaires were distributed and personal interview conducted to collect the data from the respondents.

Sample size & Technique:

The disproportionate stratified random sampling technique was applied to 680 sample mobile users. The base for selection of the sample size is proportionate to

Table 1: Gender of the respondents

Cities	Male	Female	Total
Hubli-Dharwad	163(23.97)	37(5.44)	200(29.41)
Mysore	148(21.76)	32(4.71)	180(26.47)
Mangalore	105(15.44)	45(6.62)	150(22.06)
Belgaum	122(17.94)	28(4.12)	150(22.06)
Total	538(79.12)	142(20.88)	680(100.00)

Source: Primary Data**Table 2: Educational qualification of the respondents**

Cities	1 st Std-IV th Std	V th Std-school dropouts	Total
Hubli-Dharwad	68(10.00)	132(19.41)	200(29.41)
Mysore	38(5.59)	142(20.88)	180(26.47)
Mangalore	16(2.35)	134(19.71)	150(22.06)
Belgaum	71(10.44)	79(11.62)	150(22.06)
Total	193(28.38)	487(71.62)	680(100.00)

Source: Primary Data**Table 3: Knowledge management through mobile phones**

Cities	Communication	Job related information	Knowledge accumulation	Financial management	Total
Hubli-Dharwad	95(13.97)	54(7.94)	27(3.97)	24(3.53)	200(29.41)
Mysore	36(5.29)	78(11.47)	59(8.68)	07(1.03)	180(26.47)
Mangalore	24(3.53)	61(8.97)	45(6.62)	20(2.94)	150(22.06)
Belgaum	71(10.44)	43(6.32)	15(2.21)	21(3.09)	150(22.06)
Total	226(33.24)	236(34.71)	146(21.47)	72(10.59)	680(100.00)

Source: Primary Data

Table 4: Effective usage of knowledge management through mobile phones

Particulars	Hubli-Dharwad	Mysore	Mangalore	Belgaum	Total
Mobile TV	26(3.82)	24(3.53)	20(2.94)	18(2.65)	88(12.94)
M-News	31(4.56)	19(2.79)	12(1.76)	16(2.35)	78(11.47)
M- Applications	58(8.53)	45(6.62)	35(5.15)	21(3.09)	159(23.38)
M- Radio	05(0.74)	33(4.85)	13(1.91)	11(1.62)	62(9.12)
M-SMS services	76(11.18)	57(8.38)	66(9.71)	82(12.06)	281(41.32)
Others (internet, camera, etc.)	04(0.59)	02(0.29)	04(0.59)	02(0.29)	12(1.76)
Total	200(29.41)	180(26.47)	150(22.06)	150(22.06)	680(100.00)

Source: Primary Data

the Karnataka total subscriber 2012 (source: TRAI). It comes to 100 samples for each city, but for this study, we are considering more than the required sample. The distribution of respondents in each tier-II city is as follows: Hubli-Dharwad – 200, Mysore – 180, Mangalore – 150, and Belgaum-150. The set parameters used in selecting the respondents are residing in a Tier-II city, income less than Rs. 20,000/- per annum, working in an unorganised sector, daily wage earners, construction workers, people who have migrated from village to the city, and illiterate workers.

Discussions and results

Gender of the respondents

The users' gender helps us to determine which gender, in particular, makes maximum use of the mobile phone. Information Communication Technology developments are open to all genders without any discrimination.

Table 1 shows that, 79.12% males and 20.88% females use mobile phones. Male respondents are more interested and aware of using mobile phones, and its

multi-functional value-added services.

Educational Qualification of the respondents

Education level influences not only their perceptions, but also the level of knowledge of the respondents. Many people were poor in knowledge, but the mobile revolution changed the mindset of the users and opened a world of information and knowledge.

Table 2 shows that majority of the respondents, i.e., 71.62% are Vth Std. school dropouts and 28.38 % have studied only in the range of 1stStd. - IVth Std. Education level does not matter, because there is no need of scholarly learning to use mobile phones, basic literacy on the thumb pad is more than enough. Both the literates and illiterates have realized the necessity of possessing mobile phones.

Knowledge management through mobile phones

It is widely accepted that mobile and other communication technologies reduce transaction costs and help

marginal sections get financial empowerment, job related information, health education, and other benefits (Atul Patel, Dr. Harishchandra Singh Rathod, 2011). It is of seamless usage to the marginal sections, and financial inclusion is possible through mobile technology. The mobile acts as a key player and source for knowledge developments.

H₁. There is correlation between effective usage of mobile phones and empowerment of the marginalised sections.

Mobile phone technology and empowerment of marginal section $X^2=96.138$, d.f=9, P=0.000 Highly Significant.

Table 3 depicts that 34.71 % and 33.24% respondents uses mobile phones for communication and job related information, respectively. The rest 21.47 % and 9.85% of the respondents are in knowledge accumulation and financial management, respectively. The advent of technology mobile revolutions has also reached the marginalised people. Huge amount is not consumed or needed to buy and use the mobile phone (Chai-Lee Goi and Poh-Yen Ng, 2011). Nowadays, mobile phones are available for less than Rs.1000 and low rate recharge cards are available, affordable by any income group. They improve communication with the employers and in finding job related information (Hafizi Muhamad Ali and Nor Hayati Aahmad, 2006). People find it easy to know the date and time, use the calculator, check out different cities, use the torch facility, inscribe memo notes, etc.

Effective usage of knowledge management through mobile phones

Affordable mobile phones for reasonable rates and wide range of coverage including rural areas, social and cultural acceptance and encouragement for marginal sections to use mobile phones and the level of public awareness on optimum usage of mobile phones are the key factors to be considered today (Jonathan Greenacre, 2009). New mobile applications and value- added services invite users to a new world where they can access many social life tools, which improves knowledge learn-

ing of the marginal sections (Prerna Sharma, Barmoriya, Dr.Preeti Sing, 2012).

H₂. There is a significant relationship between possession of mobile phones and accumulation and usage of knowledge.

It indicates that $X^2 = 52.910$, d.f=15, P=0.000 as highly significant. Table 4 depicts that 41.32% and 23.38% of the respondents are using mobile phones for effective usage of knowledge by messaging and applications usage, respectively. Rest of the respondents, 12.94% and 11.47% are using mobile for viewing mobile TV and mobile news, respectively. They are exchanging information related to job, health, and education through mobile phones by messaging and through calls.

Findings:

Based on the study undertaken, the findings are as follows:

- Majority of the respondents, i.e., males, 79.12%, are using mobile phones.
- Majority of the respondents, i.e., 71.62%, are school dropouts who have migrated from village to the city in search of jobs.
- Around 34.71% and 33.24% of the respondents use mobiles for communication purpose and job related information, respectively. It improves the communication gap between employee and employer and is a better way to search for jobs.
- The respondents are arming themselves from poor to excellent knowledge in informal education, health, and financial sectors.
- The respondents are finding it easy to find a job, health information, and communicate with the usage of mobile phones; it is a journey of zero to many services and utilities.
- Majority of the respondents, i.e., 41.32%, are exchanging value information through SMS (Short Message Services) facility because of free services and cost reduction.

Suggestions:

From the study, these suggestions have been structured:

- TRAI (Telecom Regulatory Authority of India) should reduce the data charges to encourage usage of internet through mobile phones.
- Mobile manufacturers should provide affordable smartphones in the market to enable usage of the multi-functions of the phones.
- Mobile service providers should provide awareness of mobile number portability for reduction of communication expenses and other services.
- Mobile service providers should provide free value-added service to migrant people for innovative learning processes and life tools applications.

- Awareness programmes should be conducted to enhance the usage of mobiles for knowledge acquiring and sharing.

Conclusion

Mobile technologies are opening new channels of communication between people and government, offering greater access to public information and basic services to all. No other technology has been in the hands of so many people in so many countries in such a short period of time. Mobile telephony has brought new possibilities across continents, across urban-rural and rich-poor divide; mobile phones connect individuals, information, markets, and services. Mobile phones give the young their own space and encourage people generally to do new things and improve their knowledge.

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Role of ICTs in the Marketing of Refractory Products as innovation success factor

Saikat Gochhait*

Abstracts

Purpose – This paper seeks to explore the role that Information and Communication Technologies (ICT) plays in the processes of product innovation and marketing – as an element that strengthens the cooperation and communication among agents within the innovation project, reducing the obstacles to innovation and enhancing the development of differentiated refractory products as well.

Design/methodology/approach – The study of a sample of 100 refractory companies in India allows the contrast of initial hypotheses and establishes a profile of an innovative company based on the significant relationships that exist between innovation and ICT use in marketing and cooperation.

Findings – Two ideas stand out from the analysis. First, intensive ICT use in marketing makes the company more innovative, as it perceives that its usage breaks down barriers to innovation and speeds up processes that in turn become more efficient. Second, increasing ICT use in marketing encourages company predisposition to collaborate with and integrate particular agents within the business environment in the development of the innovation process, improving the degree of adaptation of the new product to market demands.

Research limitations/implications – The use of likert scales to measure variables, or restricting the study sample to any type of new product regardless of its degree of novelty or intangibility in company and market terms perhaps limits the usefulness of the paper.

Practical implications – The study shows the relationship between ICT use, cooperation and the innovation process.

Originality/value – This study offers important contributions, and draws conclusions for those directors involved in the development of new products. A new framework is presented for identifying the role that intensive ICT use in marketing plays as an element that strengthens the cooperation and communication relationships in new product development processes in refractory industries.

Keywords: Refractory, Standardisation, Globalization, ERP, ICT

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Introduction

Three main sectors such as agriculture, industry and service which contribute to the Indian economy account 17.2%, 26.4% and 56.4% of the GDP respectively in 2011¹. Industrial sector has been a major contributor to India's economy. The Industrial sector consists of companies engaged in providing industrial and commercial supplies and services, diversified trading, distribution operations and transportation services. Industrial goods are the products and services availed to assist the production process to produce finished goods and services². Industrial goods mainly deal with³: accessory equipments (eg. hand tools, lift trucks), business services (eg. repair and maintenance), installations (eg. furnaces, refractories), parts, raw materials, semi manufactured goods and supplies (maintenance,

repair and operating supplies). Out of all, installation is an important aspect in the manufacturing process which helps in converting the raw material in to finished goods. Installation that constitutes the linings for high-temperature furnaces, reactors and other processing units are made of heat resistance materials.

The heat resistant materials made of natural and synthetic materials, nonmetallic or combination of compounds and minerals such as alumina, fireclays, bauxite, chromite, dolomite, magnesite, silicon carbide, zirconia, and others are called "Refractory"⁴.

In 2010, the contribution of Indian refractory industries is 4% of the Global Market⁵. However the refractory industries of India have been in good progress for exporting its products. The export of refractories was Rs. 314 crores in 2006-2007, Rs.452 crores in 2007-2008, Rs. 446 crores in 2009-2010 and Rs. 474 crores in

Table 1 Market share of Refractory Industries of different regions in the world market

Region	Market Share (%)
Asia/Pacific	36
India	4
Eastern Europe	23
Latin America	4
NAFTA(USA, Canada and Mexico)	14
Western Europe	15
Others (Africa and middle east)	4

Sources: Iron & steel review, 2010, Published by ISR Infomedia, monthly, pp-8-9.

1. www.traveldocs.com/in/economy.htm
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3. Verma M.M and Agarwal R.K, 1992, Managerial Economics , King Books, Delhi,pp-26-59.
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5. Internet Sources: www.irmaindia.org
6. IRMA Journal , published by Indian refractory makers association, Kolkata, Vol XXXVIII, No3, Sep 2005
7. Iron & steel review, published by central iron and steel research institute, Kolkata,oct-2010, page 8-9.

Table 2 Contribution of refractory products in different industries

	Steel	Cement	Glass	Ceramics	Non Ferrous	Others
International	70%	12%	4%	6%	3%	5%
Domestic	75%	7%	4%	4%	4%	6%

Source: IRMA, Aug 2011

Table 3 Consumption of refractory in India (Industry –wise)

Industry	Refractory consumptions per ton
Steel	12 kg
Aluminum	4-5 kg
Cement	0.8-0.9 kg

(Sources: Steel Insights,2010, monthly issue published by mjunctionEdge)

2010-2011⁶. Table 1 below illustrates the share of refractory industries of different regions in the world market⁷.

In 2010, world market was dominated by Asia-Pacific region with a market share 36 percent followed by Eastern Europe with 23 percent, Western Europe with 15 percent, North American Free Trade Agreement (NAFTA) region with 14 percent, Latin America with 4 percent, African-Mideast with 4 percent and India with 4 percent.

Table 2 below indicates the contribution of refractory products in industries like steel, cement, glass, ceramics and non ferrous metals in the country as well as outside the country. In about 75 percent of the refractories manufactured find application in the steel industry, 7 percent in the cement industry, 4 percent in the glass industry, 4 percent in the ceramic industry, 4 percent in the non-ferrous industries and remaining in other industries i.e. sponge iron. In International market, 70 percent of the refractories are used in the steel industry, 12 percent in the cement industry, 4 percent in glass industry, 6 percent in ceramic industry, 3 percent in non-fer-

rous industries and the balance of 5 percent in the other industries i.e sponge iron.

In 2010, the refractory industries in India comprise over 100 established units, with 11 large plants, 24 medium-scale plants and 65 small-scale plants. To meet the future demand, India's refractory makers are increasing their production capacities. Moreover, the aggregate production capacity of refractory in India is around 1,500,000 metric tons per year, whereas the actual production is between 700,000 to 1,000,000 metric tons per annum⁸ and refractory market worldwide is estimated to be 22 to 25 million tones as opposed to a production capacity of approximately 40 million tons.⁹ Indian refractory manufacturers are facing a big threat because of the influx of Chinese refractory products to India. Because of the current import trend shown by steel, cement, glass and ceramic manufacturers from China, Indian refractory manufacturers are looking worried as around 20 percent of the refractory produced in India are imported and most of them are sourced from China. Import from China stood at a staggering high at Rs.818 crores in 2007-2008 and Rs 1493 crores in 2010-11,

8. www.irmaindia.org, 2011

9. Iron and steel review, a monthly magazine published by central iron and steel research institute ,Kolkata,oct-2000 page 49.

10. steelworld,published by steelworld's publications,Mumbai, March 2009, pp-19

posing a threat for the domestic refractory manufacturers¹⁰.

Table 3 lists the consumption of refractory in India industry wise. Except the steel industry, consumption of refractory in industries like aluminium and cement is insignificant. **The consumption of refractories is around 12 kg per ton in the steel industry, 4-5 kg per ton in the aluminum industry and 0.8-0.9 kg per ton in the cement industry.**

The new upcoming projects of Tata Steel, Essar, Posco, Arcelor Mittal and SAIL in Orissa will surely increase the demand of refractory products. Orissa is one of the states of India which have a few reputed and leading refractory manufacturers. Tata Krosaki Refractories Ltd (formerly Tata Refractories Ltd, TRL), Belpahar under Jharsuguda district, Orissa Cement Limited (OCL Ltd) ,Rajgangpur under Sundargarh district, Indo-Flogates Refractories Limited (IRL), Rourkela, Sarvesh Refractory Pvt. Ltd, Rourkela under Sundargarh district and Manishri Ceramics and Refractories Ltd ,Cuttack are capable of making quality refractory products to stand themselves to compete in both domestic as well as global market.

Due to the technological upgradation in the manufacturing process of the core industries like steel, copper, aluminum and glass, refractory application has been drastically reduced. During the past two decades, the refractory industries in India have changed at a rapid pace with new materials, production process, application techniques and innovative marketing strategies to meet the needs of the customers of the user industries in the world in general, India and Orissa, in particular.

OBJECTIVES OF THE STUDY

The objectives of the present study entitled “**Role of ICTs in the Marketing of Refractory Products as innovation success factor**” are:

1. To have a conceptual study of refractory market in the world, India as well as Orissa.
2. To explore the Indian refractory producers with respect to production, sales, domestic share, share of export and net sales earned for the last five years

i.e. 2006-2007 to 2010-2011.

3. To know the type of domestic as well as international customers purchasing the refractory products from the refractory Industries located in Orissa.
4. To study the different products and marketing strategies adopted by the refractory industries in Orissa.
5. To study the competitive advantages of the refractory industries located in Orissa to market their products globally.
6. First, intensive ICT use in marketing makes the company more innovative, as it perceives that its usage breaks down barriers to innovation and speeds up processes that in turn become more efficient.
7. Second, increasing ICT use in marketing encourages company predisposition to collaborate with and integrate particular agents within the business environment in the development of the innovation process, improving the degree of adaptation of the new product to market demands

NEED OF THE STUDY

The purpose of this study is to depict the perspective of the refractory makers in the world, India as well as Orissa with the present operational parameters and marketing strategies adopted with their products for the domestic and international customers. In comparison to other industries, the refractory industries are small. They are yet to receive due recognition because of their insignificant size in comparison to the key user industries like steel, cement, aluminum etc.

However, these are highly specialized industries and their contribution to the Indian economy cannot be overlooked. Therefore, the present study will be an eye-opening for the Indian refractory industries in general and refractory industries of Orissa in particular to know themselves and to have a deeper understanding of the theory, principle and application of ICT in the refractory marketing philosophies to increase their staying power in the market.

SECONDARY LITERATURE REVIEW

The secondary literature review is to examine and evaluate the work already done before to establish the relevance of the same with respect to the present study. It identifies the gap, if any in the literature to fulfill the same with new knowledge. The review of literature is divided into two sections for ease of reference. The sections are as follows:

1. Work carried out in national level
2. Work carried out in international level

RESEARCH GAP

After having a minute review of the published and unpublished literatures on refractory industries available nationally and internationally, it can be very well deduced that barring a few, the available literatures focus more on a) different technical aspects of raw materials, b) operational aspect of the process of production, c) application aspects of research and d) development and maintenance of standardization aspect of quality. Literature on market demand for refractories, marketing mix of refractory products, launching of new refractory products, management information system (MIS), segmentation, targeting and positioning (STP) of refractory markets and products, consumer behavior aspects and discussion on international marketing rules and regulations on refractory industries are still scanty. Much is yet to be done. Hence an effort has been made by the researcher to identify the gap still persists and to throw light especially on the marketing aspects of refractory products for the greater interest of the people associated with refractory industries directly and for the diversified interest of the academicians and researchers associated with the same indirectly. The present study mainly focuses on the marketing aspects of the refractory industries located in Orissa.

AUDIENCE FOR REPORT

1. The study will help the refractory industries in general and Orissa in particular for marketing their products domestically and globally.
2. Investment-oriented people will be able to evalu-

ate the potential of refractory Industries in Orissa and India.

3. Raw material suppliers who are inclined to look at the potential of this industry will also benefit from this report.

4. Refractory manufacturers who make furnaces of various types will have adequate information about the concerned sector.

5. Manufacturers of salt bath, ovens, and lehrs, etc. will also be interested in this work.

6. The present study is meant for people who are interested in the heat or treatment of metals like iron, steel, and nonferrous metals, and of other materials like glass and ceramic parts.

RESEARCH METHODOLOGY

Research hypotheses, sample and variables

The extensive review of the literature in the previous section highlights the role of ICT use in the process of product innovation undertaken by a company. Taking into consideration the effect that ICT use in marketing function has on the participation of different agents in the product innovation process, and the benefits that its use offers in terms of cooperation and breaking down of barriers to innovation, we propose the following hypotheses:

H₁. ICT use in marketing directly or indirectly favours the development of new company products.

H_{1.1}. ICT use in marketing favours new product development.

H_{1.2}. ICT use in marketing reduces obstacles to innovation.

H_{1.3}. ICT use in marketing enhances the development of differentiated products.

H₂. ICT use in marketing foments collaboration within the processes of innovation.

H_{2.1}. ICT use in marketing promotes cooperation with other agents in order to innovate.

H_{2.2}. ICT use in marketing favours the creation of flex-

ible working groups with a high degree of communication between them.

H₃. Cooperation brings with it the development of new company products.

Through descriptive research design, an endeavor has been made here by the researcher to study the various marketing aspects of the refractory industries in Orissa with respect to different variables or conditions. The methods involved have range from the survey to describe the status quo, the correlation study to investigate the relationship between the variables and the developmental study to determine changes over time. The study is presented in a systematic way to identify the refractory manufacturers of Orissa and their customers/clients along with the current and future market potential.

Sources of Data

The information for the study has been derived from a variety of sources. The theoretical aspects of fundamental principles on heat treatment processes have been collected from different books. Major amount of secondary data have been collected from the Indian Refractory Makers Association (IRMA), Kolkata and Technology Information, Forecasting and Assessment Council (TIFAC), New Delhi. Secondary data on international refractory market have been obtained from journals like American Ceramic Society, Published by American Ceramic Society Inc., monthly issue and Journal of South East Asian Iron and Steel Institute journal, published by South East Asian Iron and Steel Institute, quarterly issue.

Primary data have been gathered mostly from e-mail and face to face interaction with the executives of different departments of refractory industries in Orissa, various raw material suppliers and customers through the structured questionnaire.

SAMPLE SIZE AND METHOD OF SAMPLING

In order to collect data for this study, the researcher has taken the help of non-probability (Judgment and convenient) method of sampling to select a total no of 64 officials working in different managerial cadres like, vice president, general manager, chief manager, operational managers in different refractory industries of Orissa. Besides this data have also been collected from different categories basing on the regional differences (region), product life cycle, market share, international sales and product categories with a sample size each of 64.

Marketing of Refractory PRODUCTS

Marketing 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.” However marketing cannot be kept apart and the Product, Price, Placement and promotions of the product ultimately depends on the marketing function. Thus with the customer as a controller, marketing becomes a major integrative function of the organization. A marketing firm must ascertain the nature of customers’ buying behavior if it is to market its product properly. In order to entice and persuade a consumer to buy a product, marketers try to determine the behavioral process of how a given product is purchased. Buying behavior is usually split into two prime strands, whether selling to the consumer, known as business-to-consumer (B2C), or to another business, known as business-to-business (B2B). People have their own unique perceptions of the world based on their belief system. The most innovative idea, the greatest product, or a superior service succeeds only when the same is marketed within the context of people’s perceptions i.e. their needs, want, solution to their problems or improvement in the situation etc. But manufacturers need to be aware of many other contexts, such as social and economic trends or governmental regulations. People don’t just “buy” a product. They “buy” the concept of what that product will do for them, or help them do for themselves e.g people who are overweight don’t just join a franchise diet center to take pre-packaged micro-meals. They “buy” the concept of a new, thin, happy and successful self. It is also necessary for the marketers to pre-

dict the future based on the past study. It reveals what people have done, and extrapolates what people might do not what people will do. Planning is imperative, research is important, but there's no substitute for entrepreneurial insight.

The Intelligent Industrial Marketer

Ten years ago, companies were promoting their products by participating in trade shows, publishing in trade magazines, reviewing product catalogs, and sending information through the mail. Some of them are still existing today, but the overwhelming majority of them - i.e. more than 90% - are looking for products and taking the first step in the buying process online.¹¹

They are searching for products online, reading about products online and downloading product literature containing technical illustrations. In some cases, enquiry forms are uploaded online for asking questions online - filling out forms and even chatting with customer representatives in interactive forums. Many a companies are even taking steps to design their own products in their own websites with complete drawings and specifications for giving a detail specification of their needs. Websites like www.tataref.com and www.rhi-ag.com are much prominent in the business of refractory products and services in Orissa¹².

Industrial marketing is moving online. 93.4 percent of industrial buyers of today are on the internet to make buying decisions. More significantly, these users expect to find out all the information they need to buy their products with technical specifications, engineering drawings, configuration information, and more. 91 percent of these potential buyers move on to seek out another supplier if they don't find the information they need on a website.¹³

Internet awareness is important and to have website, one may not fully appreciate, yet, the internet is indeed central to understand the marketing needs. To bridge the gap between the present website and the website of imag-

ine would be more supportive for the company's marketing and sales efforts. Recently, only about half of industrial marketers surveyed reported that company's website is the powerful marketing tool in promoting their product information, which is available 24X7X365.

Therefore, information available online today has changed the mindset of comprehending that the internet, website, designing and redesigning a website and online marketing are core to success

Does Website Support Business Plan?

The questions an industrial marketer should ask oneself about the internet and its business are:

- What are company's major business objectives, and how can online marketing support those objectives?
- Whether company is planning to expand into new markets? Are the new markets in the overseas?
- Whether companies are looking to up-sell or cross-sell new products or services in current markets with current customers?

Whatever the major objectives may be, the process is clear - to make one's online marketing strategy align with these objectives. A successful online marketing strategy directly ties one's main business objectives to one's website - making the website the central focal point for all marketing initiatives. Refractory manufactures going online as one of the major marketing strategy to generate enquiries from the global customers.

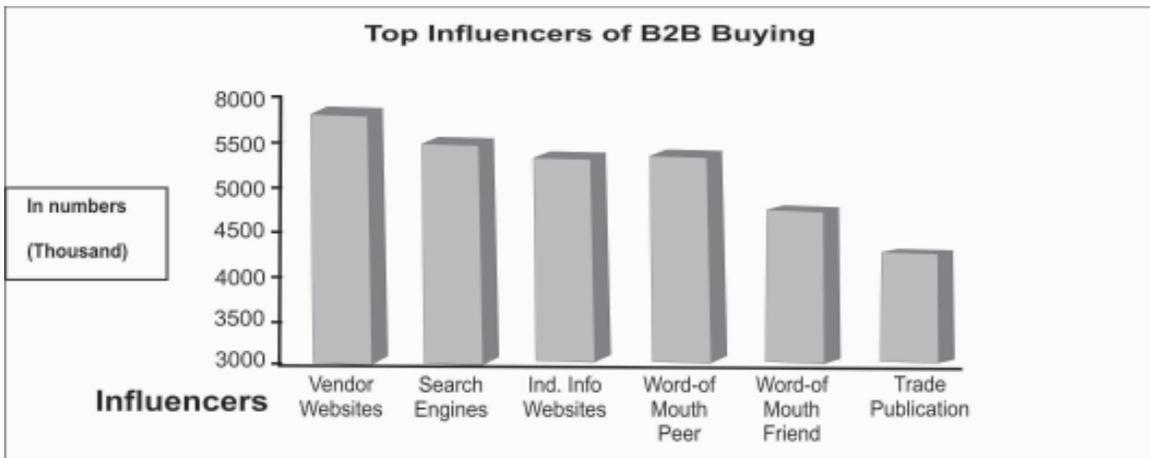
Fig 1 above indicates that vendors' websites, search engines, industrial information websites as well as traditional ones such as word-of-mouth and trade publications are the influencing factors for industrial vendors buying decisions. The prospect /customers are using the internet as main source tool in searching to buy products or services. Refractory companies are also engaged in the online marketing as communication tool for reaching to the prospects/ customers. Online marketing is gradually becoming the dominant communication chan-

11. ThomasNet / Google Survey, 2005

12. Thomas Publishing Company, leading industrial trade print publisher, New York, 2008

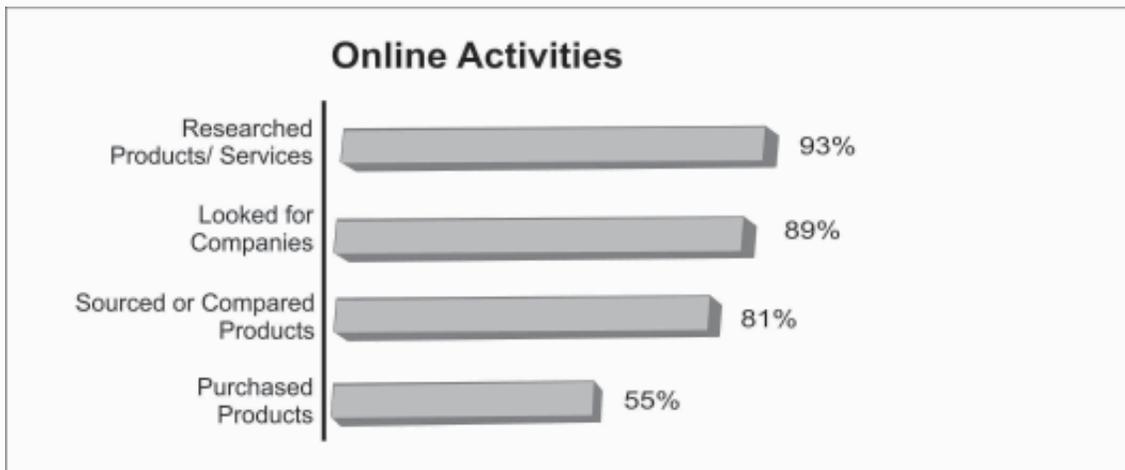
13. SVM e-Business Trends in Manufacturing Report, 2007

Fig-1. Factors influencing the buying decisions of Industrial Vendors.



Source:www.enquiro.com,2005

Fig-2. Online sourcing activities by industrial buyers



Source:www.enquiro.com,2005

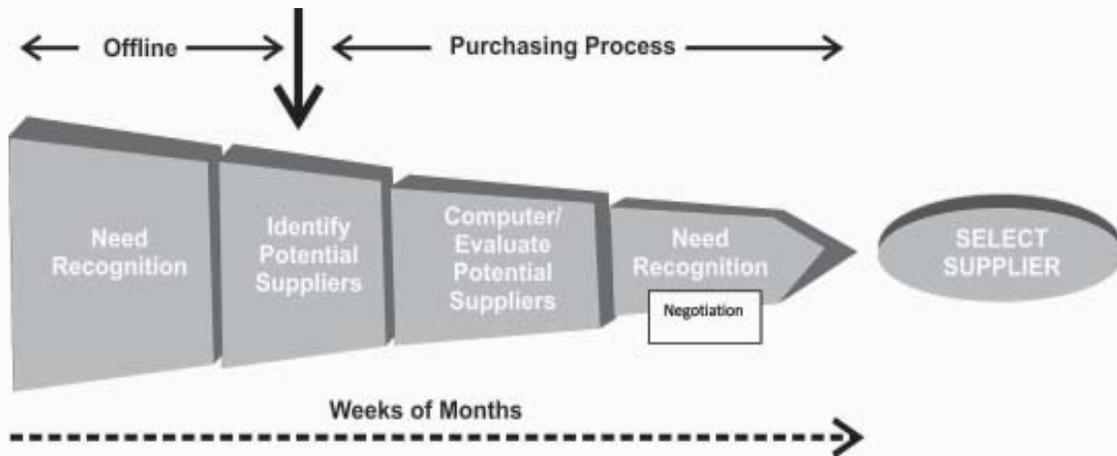
nel to reach industrial buyers and sellers located anywhere in the world.

Fig 2 highlights the different online sourcing activities by industrial buyers and specifies that 93 percent of industrial buyers use the internet to have research on their buying decisions online, and 89 percent of them seek out to another supplier if they don't find the information they need at a website. They simply click the back button and move on to the next website. More than 81 percent of buyers compare their products and 55 per-

cent actually go for purchasing online¹⁴. Refractory companies have also been using online sourcing activities to reduce the communication cost and time with customers.

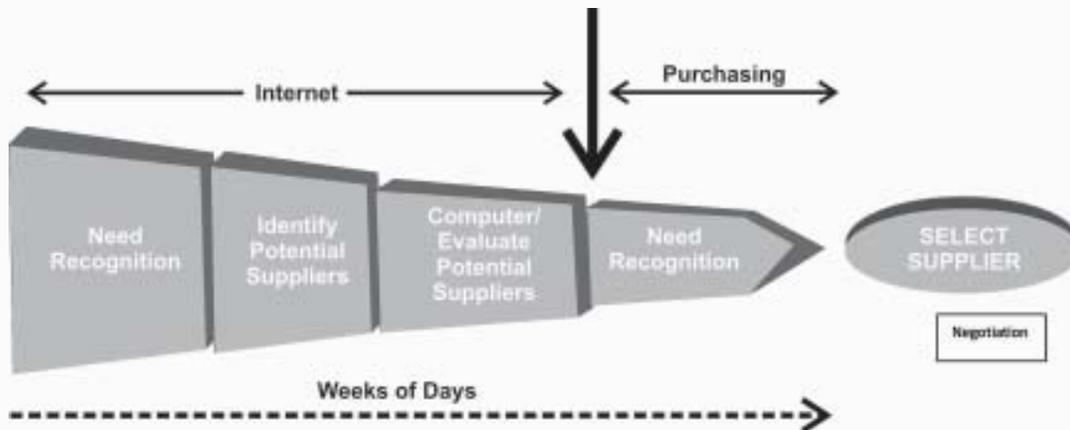
Fig 3(Vide Page.13) illustrates the traditional method of decision making process. In the past, before the emergence of online communities and professional networks, decision-makers were limited to information gathering mainly through the people they knew and trusted. Decision-makers would typically research the

Fig 3. Traditional Decision Making Process Negotiation



Source:www.enquiro.com,2005

Fig 4 Online Decision Making Process Negotiation



Source:www.enquiro.com, 2005

organization by either contacting them directly or through secondary sources such as analyst reports. The actual customers or clients with whom a decision-maker came in contact with were limited to either the reference list supplied by the company itself or through peer word of mouth. There were very few occasions where a decision-maker could actually query a variety of cus-

tomers or clients in a quick and transparent way.

The sourcing process has evolved from one that was largely offline and collaborative to one that is largely online and independent. Fig 4, illustrates that the internet has made buyers more independent and allowed them to gather more information for a potential purchase to identify suppliers, even to compare and evaluate competi-

tors- all before they pick up a phone. Online search information has helped to reduce the timing of decision that used to take weeks and months to one that now can happen in days or even hours.

Building a new and useful website is not an expensive undertaking. One needs to choose a web vendor experienced in websites design and having work experience in industrial companies. Professional website like, Metaljunction helps to meet the needs of its potential customers to increase the sales.

Creating a website has become a core part of industrial business activities to have a fine tune on an ongoing basis. It plays an important role in building a long term relationship with suppliers and customers through better online interactive and user friendly information regarding product features and capabilities. It is worth to spend money on developing website for the customers. Therefore, refractory manufacturers irrespective of their sizes have been showing tremendous inclination towards the creation of websites for better interactions and exchange of information with their clients.

REFRACTORY WEBSITES

Many websites are dedicated specifically to the refractory industries. The website of the Refractories Institute, located at <http://www.refractoriesinstitute.org>, promotes the interests of the refractories community, provides service and support to the industry, and offers the option of contacting the organization online for further information.

Refractories information is also available at <http://www.usa-ros.com>, which offers refractory selling and purchasing options to provide a method for locating needed products and/or selling un-needed, stockpiled materials. Another site, <http://www.worldrefractories.com>, is an independent portal for the refractory and allied industries that is intended to facilitate the confluence of buyers and sellers worldwide. This website offers commercial information and oppor-

tunities, current technical and marketing news, a calendar of events, and the opportunity to have questions answered by refractory experts.

A host of refractory-related links can also be found on the Ceramic Industry website. The sites of many of the companies listed on the refractories review page include product information, data sheets, company news and online ordering capabilities.

OTHER SOURCES OF REFRACTORY INFORMATION

Most refractory companies and their suppliers, domestic and foreign, have websites which can be found in various surface publications and online publications. The refractory company sites commonly permit direct access to current news, published articles, product data sheets and *Material Safety Data Sheets (MSDS)*, or they provide the opportunity to request for the information. Some of these sites also permit meaningful analysis like heat flow analysis, characterization/ graphing of particle size distribution etc. A useful website for making instant contacts around the world, either verbal or verbal/visual (with a webcam), is www.skype.com. The cost is minimal or free, and at various times during the day, there will be 10 to 20 million people using Skype. Another site available for conducting online discussions/ meetings is www.gotomeeting.com. And there are smart phones and other websites that offer the opportunity for making contacts anywhere in the world. And increasingly these options are being used to save time and reduce travel expenses. Another option on many websites is the availability of photographs virtually on any subject. For example, on google.com and bing.com, a search for images of “refractory brick” instantly yielded 29,500 and 11,400 photos in 2009, respectively and a request for photos of “castable refractory” resulted in 10,100 and 3,530 items, respectively in 2009.

In addition to google.com, bing.com and other sites, a very popular source for videos on virtually on any sub-

14. www.ThomasNet.com/pressroom,2005

15. Semler C.E(2000), “Refractories in Cyberspace”, Ceramic Industry, Gale Group, pg. 18, 2000.

Table 4. Relationship between product innovation and ICT use in marketing.

	%Innovative companies	%Non-innovative companies	Pearson chi-square	p-value
Non-ICT use	4.0	5.4		
Low ICT use	26.0	40.4		
Medium ICT use	34.8	33.4	59.602	0.000
Advanced ICT use	35.2	20.8		
Total	100.0	100.0		

Table 5. Companies by types of cooperation.

	%Innovative companies	%Non-innovative companies	Total (%)	Pearson chi-square	p-value
Cooperation with others agents	74.4	25.6	100.0	95.247	0.000
Scientific cooperation	88.4	11.6	100.0	58.988	0.000
Horizontal cooperation	81.9	18.1	100.0	28.700	0.000
Cooperation within the value chain	73.6	26.4	100.0	60.569	0.000

ject i.e. from A to Z, is www.youtube.com. A search for “refractories” videos immediately yielded 357 items, and there were 28 videos on “castables”. Technical associations and journals are valuable sources of refractory information. The journals like the American Ceramic Society publications and Interceram (including the Refractories Manual issue) and the websites like www.ceramics.org, www.ranews.info, www.refractories-worldforum.com, www.interceram.info and www.tarj.org provide a lot of information to the persons showing interest towards refractories. A few journals in India like Iron and Steel Review, Indian refractory makers association (IRMA) and websites like www.irmaindia.org and www.metalworld.co.in are also used for the purpose.

Despite ongoing changes, many of the basic prin-

ciples for the refractory industries have remained the same through the years, including the need (a) to earn a profit, (b) to improve the properties and reduce the cost of refractory formulations, (c) to optimize manufacturing and installation, (d) to develop new products, (e) to maintain good communications and (f) to maintain excellent quality control and customer service, to name a few. However, the options are unlimited for maintaining and growing business efficiently, whether in limited markets or globally, with the broad capabilities provided by the electronic technologies of today ¹⁵.

RESULTS AND DISCUSSION

The data analysis indicates the existence of a significant relationship between ICT use in marketing and

product innovation. In the last two years, only 53.1 per cent of companies have undertaken product innovation, but as organisations increased their use of ICT in marketing, so the level of product innovation raised. While only 26.0 percent of organisations involved in product innovation made a low use of ICT, the percentage raised to 34.8 per cent for those companies with a medium ICT use, and up to 35.2 per cent when ICT use in marketing was advanced. Based on these results (see Table 4), the relationship between product innovation and ICT use in marketing can be classified as direct and positive, so we can consider sub-hypothesis 1.1 to be demonstrated.

As Table 5 shows, up to 74 per cent of organisations acknowledged that product innovation has taken place with the support of other agents. In addition, the relationship between cooperation and product innovation was significant for different types of cooperation. 88.4 per cent of organisations involved in product innovation declared to cooperate with scientific institutions. Additionally, horizontal cooperation and cooperation with agents within the value chain also score high, 81.9

per cent and 73.6 per cent respectively, although reached the level of scientific cooperation. Thus, we can confirm H3.

On the other hand, Table 6 shows a significant relationship between ICT use in marketing and cooperation with agents in the environment which confirms sub-H2.1. As organisations increased their ICT use in marketing, they also strengthened their cooperation with agents for innovation. 40.9 per cent and 42.8 per cent of organizations with medium and advanced ICT uses in marketing, respectively, declared to cooperate with other agents. Again this relationship was maintained for the various types of cooperation that an organisation can establish; so, sub-hypothesis 2.1 is validated further. 44.8 per cent of companies with a medium ICT use sustained relations of cooperation within their value chain, 36.9 per cent with their competitors, and about 33.3 per cent with scientific institutions. On the other hand, 45.5 per cent of companies with an advanced ICT use in marketing sustained relations of cooperation within their value chain, 57.1 per cent with competitors, and 45.0 per cent

Table 6. ICT use in marketing by different types of cooperation.

	ICT use in marketing				Total (%)	Pearson chi-square	p-value
	Non-ICT use (%)	Low ICT use (%)	Medium ICT use (%)	Advanced ICT use (%)			
Cooperation with others' agents	0.0	16.3	40.9	42.8	100.0	110.406	0.000
Non-cooperation with others agents	4.7	37.8	32.8	24.7	100.0		
Cooperation within the value chain	0.0	9.7	44.8	45.5	100.0	1225.13	0.000
Non-cooperation within the value chain	4.4	35.6	32.7	25.4	100.0		
Horizontal cooperation	0.0	6.0	36.9	32.7	25.4	100.0	
Non-horizontal cooperation	3.9	34.5	34.4	27.2	100.0		
Scientific cooperation	0.0	21.6	33.3	45.0	100.0	20.655	0.000
Non-scientific cooperation	3.9	34.0	34.5	27.7	100.0		

Table 7. Organizational characteristic by ICT use in marketing.

ICT use in marketing	Organization characteristics		
	Flexible work teams	Workers share information	Competitive Strategy of differentiation
Non-ICT use	3.2%	4.2%	2.6%
Low ICT use	23.7%	31.6%	20.1%
Medium ICT use	43.0%	34.0%	33.1%
Advanced ICT use	30.1%	30.2%	44.2%
Total	100.0%	100.0%	100.0%
Pearson Chi-square	98.900	38.485	72.288
<i>p</i> -value	0.000	0.000	0.000

with scientific institutions.

ICT use in marketing could be seen as a factor that breaks down barriers to innovation, and enhances the cooperation process. In 72 per cent of cases where the company innovated, ICT use lead to the clearance of obstacles to innovation. Thus, 76.5 per cent recognised that ICT use favoured the setting-up of first-time collaborative relationships, 73.3 per cent indicated that ICT had helped to maintain already established relationships of cooperation. These percentages remained constant for companies that had medium and advanced ICT use. Of these, 75 per cent recognized that ICT use in marketing allowed them to overcome obstacles to innovation while more than 80 per cent admitted that ICT use in marketing enabled the development of new processes of cooperation, as well as the maintenance of those that were already in place. In sum, direct and positive connection seems to exist between ICT use in marketing and the benefits that ICT bring to the maintenance of relationships of cooperation and to the reduction of obstacles to innovation. Thus, sub-hypotheses H1.2 and H2.1 can be accepted.

We also observed a direct, positive and significant relationship between the variables that proves sub-hypothesis 2.2. As shown in Table 7, companies that made medium and advanced use of ICT in marketing recognised that in 73.1 percent of cases they were organised around flexible work teams, and in 64.2 per

cent of cases communication among members of these groups was fluid. In fact, the analysis of data reveals a direct, positive relationship between the level of ICT use in marketing and the development of differentiation strategies, which confirms sub-hypothesis H.1.3. As Table 7 shows, when organisations increased of their ICT use in marketing, they tended to adopt a strategy based on product differentiation. Specifically, 77.3 per cent of companies with medium and high ICT use in marketing acknowledged the development of differentiation strategies.

To summarize the former analyses, the results show that the innovative company can be characterised by its medium to advanced use of ICT in marketing as a tool that enhances cooperation, lowers the barriers to innovation and fosters production of differentiated goods and services.

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Corporate Social Responsibility – Issues And Challenges

Shathaboina Raju*

Abstract

In Indian industry one can easily notice a paradigm shift from corporate philanthropist to being socially responsible. The importance of CSR is increasing in Indian corporate scenario because organizations have realized that ultimate goal is not profit making beside this trust building is viable and assertable with societal relationship.

The compulsion of CSR has emerged in last two decades when Indian organizations realize the importance of sustaining in this cutthroat competition era. The Indian government has been trying to make it mandatory for companies to spend at least 2 percentage net profits on CSR. Today CSR to some companies means providing lunch to their employees or tackling global warming issues.

This research paper tries to analyze the issues and challenges of corporate social responsibility for the companies in achieving their objectives and satisfying its customers, stakeholders, and to protect societal values.

Keywords: Corporate Social Responsibility, Stakeholders, Indian economy, Society, etc.

Introduction

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. In some models, a firm's implementation of CSR goes beyond compliance and engages in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law." CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered stakeholders.

In recent years, the concept of corporate social res-

ponsibility has gained prominence from all avenues. Organizations must realize that government alone will not be able to succeed in its endeavor to uplift the downtrodden society. The present societal marketing concept of companies is constantly evolving and has given rise to a new concept Corporate Social Responsibility. Many of the leading corporations across the world had realized the importance of being associated with socially relevant causes as a means of promoting their brands. Cause-related marketing and corporate social responsibility has provided companies with a new tool to compete in the market. CSR refers to the corporation's obligation to all the stakeholders. It stems from the desire to do well and get self satisfaction in return as well as societal obligation of business.

A new and emerging strategic issue on the CSR agenda involves a move towards creating more inclusive businesses. A detail discussion will examine

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innovative strategies for economic and social development that includes poor and disadvantaged groups in the value chain of companies. Many companies are seeking to better develop inclusive business approaches as part of their business strategy to expand market access which also link to community investment strategies and poverty alleviation. While such approaches can bring market opportunities in new markets there are also possibilities to 'create shared value' through products, services and business innovations where, CSR can play a critical role. Similarly, there is growing interest among managers in the antecedents and consequences of CSR, especially for executives at multi-national, multi-divisional companies. These corporate leaders are mindful of the fact that business norms and standards, regulatory frameworks, and stakeholder demand for CSR can vary substantially across nations, regions, and lines of business. They are also aware that their divisional managers are under constant pressure from employees, suppliers, community groups, NGOs, and government to increase their involvement in CSR.

Many companies think that corporate social responsibility is a peripheral issue for their business and customer satisfaction more important for them. They imagine that customer satisfaction is now only about price and service, but they fail to point out on important changes that are taking place worldwide that could blow the business out of the water. The change is named as social responsibility which is an opportunity for the business. Corporate social responsibility is related to, but not identical with, business ethics. While CSR encompasses the economic, legal, ethical, and discretionary responsibilities of organizations, business ethics usually focuses on the moral judgments and behavior of individuals and groups within organizations.

Carroll and Bocholt's four-part definition of CSR makes explicit the multi-faceted nature of social responsibility. The economic responsibilities cited in the definition refer to society's expectation that organizations will produce goods and services that are needed and desired by customers and sell those goods and services at a reasonable price. Organizations are expected to be efficient, profitable, and to keep shareholder inter-

ests in mind. The legal responsibilities relate to the expectation that organizations will comply with the laws set down by society to govern competition in the marketplace.

Literature Review

Yoon et al (2006) found that, CSR activities improve a company's image when consumers attribute sincere motives, are ineffective when sincerity of motives is ambiguous, and hurt the company's image when motives are perceived as insincere.

Denis et al (2012) argues that, the factors, community, policy, mission and vision, workforce, and environment have critical role in making CSR a very successful execution. Among these factors, environment and mission and vision had the strongest predictive power in people's preference to stay, willingness to pay, perception of service quality, and brand image and Waddock (1997) found that, CSR results in an improvement in firm performance in all levels.

According to Francesco et al (2008) the companies use different strategies as well as diverse management systems and tools to address Corporate Social Responsibility (CSR) issues along their supply chains (SCs). According to Kabir (2011) the major reasons for involving CSR practices by companies are to create and maintain a favorable corporate image where companies should be viewed as social organizations and in terms of CSR practices, community involvement is higher than the other categories of CSR. Brooks (2012) suggests that, corporate responsibility (CR) has to do with how a corporation respects the interests of its stakeholders and reflects those interests in its actions and accountability.

According to Shrivastava (1995) Industrial and environmental crises pose major threats to human survival. These crises are rooted in corporate activities, products, and production systems. For corporations to meaningfully respond to such crises, we need a more adequate conception of corporate social responsibility (CSR).

Mc Williams (2002) supports that, CSR strategies, when supported by political strategies, can be used to create sustainable competitive advantage firm.

Aupperle et al (1985) found that there is a neutral relation between CSR and profitability and according to Russo (1997) there is a positive relation between environmental performance and financial performance. According to Baron (2001) the use of CSR to attract socially responsible consumers is referred to as strategic CSR, in the sense that firms provide a public good in conjunction with their marketing/business strategy. Friedman (1970) found that CSR is indicative of self-serving behaviour on the part of managers, and thus, reduces shareholder wealth.

It is observed from the above literature, different authors have contributed to explain the meaning and importance of Corporate Social Responsibility in business and its environment. This research paper focused on how CSR will be helpful in growing healthy business practices in meeting global competition in India.

Objectives Of The Study

The present study titled “**Corporate Social Responsibility – Issues and Challenges**” has been taken up with the following objectives:

- To present the introduction and meaning of Corporate Social Responsibility.
- To find out the role of corporate social responsibility in developing Indian economy.
- To offer pertinent suggestions in the form of conclusion for creating harmonious relationship between company and its stakeholders or society or customer or government.

Data Base And Methodology

The study is based on secondary data only. The research work is carried out on the basis of descriptive research design. The major sources of data for the present study are from the following:

- a) Reports, Bulletins, Journals
- b) Text books
- c) Websites

The data so collected was examined for comple-

tion, comprehensibility, consistency and reliability.

Key Elements In Corporate Social Responsibility

The CSR Policy should normally cover following core elements:

1. Care for all Stakeholders

The companies should respect the interests of, and be responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them. They should develop mechanism to actively engage with all stakeholders, inform them of inherent risks and mitigate them where they occur.

2. Ethical functioning

Their governance systems should be underpinned by Ethics, Transparency and Accountability. They should not engage in business practices that are abusive, unfair, corrupt or anti-competitive.

3. Respect for Workers’ Rights and Welfare

Companies should provide a workplace environment that is safe, hygienic and humane and which upholds the dignity of employees. They should provide all employees with access to training and development of necessary skills for career advancement, on an equal and non-discriminatory basis. They should uphold the freedom of association and the effective recognition of the right to collective bargaining of labour, have an effective grievance redressal system, should not employ child or forced labour and provide and maintain equality of opportunities without any discrimination on any grounds in recruitment and during employment.

4. Respect for Human Rights

Companies should respect human rights for all and avoid complicity with human rights abuses by them or

by third party.

5. Respect for Environment

Companies should take measures to check and prevent pollution; recycle, manage and reduce waste, should manage natural resources in a sustainable manner and ensure optimal use of resources like land and water, should proactively respond to the challenges of climate change by adopting cleaner production methods, promoting efficient use of energy and environment friendly technologies.

6. Activities for Social and Inclusive Development

Depending upon their core competency and business interest, companies should undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of their operations. These could include: education, skill building for livelihood of people, health, cultural and social welfare etc., particularly targeting at disadvantaged sections of society.

Issues & Challenges

Many companies think that corporate social responsibility is a peripheral issue for their business and customer satisfaction more important for them. They imagine that customer satisfaction is now only about price and service, but they fail to point out on important changes that are taking place worldwide that could blow the business out of the water. The change is named as social responsibility which is an opportunity for the business. Some of the drivers pushing business towards CSR include:

1. The Shrinking Role of Government

In the past, governments have relied on legislation and regulation to deliver social and environmental objectives in the business sector. Shrinking government resources, coupled with a distrust of regulations, has led to the exploration of voluntary and non regulatory ini-

tiatives instead.

2. Demands for Greater Disclosure

There is a growing demand for corporate disclosure from stakeholders, including customers, suppliers, employees, communities, investors, and activist organizations.

3. Increased Customer Interest

There is evidence that the ethical conduct of companies exerts a growing influence on the purchasing decisions of customers. In a recent survey by Environics International, more than one in five consumers reported having either rewarded or punished companies based on their perceived social performance.

4. Growing Investor Pressure

Investors are changing the way they assess companies' performance, and are making decisions based on criteria that include ethical concerns. The Social Investment Forum reports that in the US in 1999, there was more than \$2 trillion worth of assets invested in portfolios that used screens linked to the environment and social responsibility.

5. Competitive Labour Markets

Employees are increasingly looking beyond paychecks and benefits, and seeking out employers whose philosophies and operating practices match their own principles. In order to hire and retain skilled employees, companies are being forced to improve working conditions.

6. Supplier Relations

As stakeholders are becoming increasingly interested in business affairs, many companies are taking steps to ensure that their partners conduct themselves in a socially responsible manner. Some are introducing codes of conduct for their suppliers, to ensure that other companies' policies or practices do not tarnish their reputation. Dr Ratnam said the concept of CSR had different meanings depending on the stakeholder and

that depending on the specific situation of the enterprises expectations can also vary. The survey conducted by Times of India group on CSR used a sample size of 250 companies involved in CSR activities through a method of online administration of questionnaire. The questionnaire was evolved after due diligence including focus group meetings, consultations with key stakeholders and a pilot in four metros. Finally 82 organizations responded to the questionnaire. These comprised 11 public sector undertakings (PSUs), 39 private national agencies and 32 private multinational organizations. The respondent organizations form a satisfactory percentage of 33 per cent of the sample size, given the fact that only those companies that had direct or indirect involvement in CSR activities were chosen to be approached for the survey. The survey elicited responses from participating organizations about various challenges facing CSR initiatives in different parts of the country. Responses obtained from the participating organizations have been collated and broadly categorized by the research team. These challenges are listed below:

Challenges

1. Lack of Community Participation in CSR Activities

There is a lack of interest of the local community in participating and contributing to CSR activities of companies. This is largely attributable to the fact that there exists little or no knowledge about CSR within the local communities as no serious efforts have been made to spread awareness about CSR and instill confidence in the local communities about such initiatives. The situation is further aggravated by a lack of communication between the company and the community at the grassroots.

2. Need to Build Local Capacities

There is a need for capacity building of the local non-governmental organizations as there is serious dearth of trained and efficient organizations that can effectively contribute to the ongoing CSR activities initiated by companies. This seriously compromises

scaling up of CSR initiatives and subsequently limits the scope of such activities.

3. Issues of Transparency

Lack of transparency is one of the key issues brought forth by the survey. There is an expression by the companies that there exists lack of transparency on the part of the local implementing agencies as they do not make adequate efforts to disclose information on their programs, audit issues, impact assessment and utilization of funds.

4. Non-Availability of Well Organized Non-Governmental Organizations

It is also reported that there is non-availability of well organized nongovernmental organizations in remote and rural areas that can assess and identify real needs of the community and work along with companies to ensure successful implementation of CSR activities.

5. Visibility Factor

The role of media in highlighting good cases of successful CSR initiatives is welcomed as it spreads good stories and sensitizes the local population about various ongoing CSR initiatives of companies.

6. Narrow Perception towards CSR Initiatives

Non-governmental organizations and Government agencies usually possess a narrow outlook towards the CSR initiatives of companies, often defining CSR initiatives more donor-driven than local in approach. As a result, they find it hard to decide whether they should participate in such activities at all in medium and long run.

7. Non-Availability of Clear CSR Guidelines

There are no clear cut statutory guidelines or policy directives to give a definitive direction to CSR

initiatives of companies. It is found that the scale of CSR initiatives of companies should depend upon their business size and profile.

8. Lack of Consensus on Implementing CSR Issues

There is a lack of consensus amongst local agencies regarding CSR projects. This lack of consensus often results in duplication of activities by corporate houses in areas of their intervention. This results in a competitive spirit between local implementing agencies rather than building collaborative approaches on issues. This factor limits company's abilities to undertake impact assessment of their initiatives from time to time.

Conclusion

Companies need to involve their stakeholders in order to build meaningful and long term partnerships which would lead to creating a strong image and brand identity. It is also suggested to review existing policies in order to develop more meaningful visions for the companies and broaden their contributions to reach to local

communities.

Companies can set a network of activities to be taken up in a consortium to tackle major environmental issues. It would also provide an opportunity to learn from each other. Everyone in the organization needs to recognize their own role in promoting CSR. Companies should provide wider professional development activities.

Training, conferences and seminars could be organized by companies to disseminate and generate new knowledge and information in this sector. A strong budgetary support would definitely help to grow this sector and research related to respective industry would enhance their organization's contribution further. Government regulations which are supporting in this direction could attract more response from organizations. All this would also lead to benchmark CSR activities.

Across the globe, the concept of CSR has been accepted as an element for success and survival of business along with fulfilling social objectives. However, the challenge for the companies is to determine a strong and innovative CSR strategy which should deliver high performance in ethical, environmental and social areas and meet all the stakeholders objectives.

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Customer Experience Management: Is It Fundamental To Build Relationship Capital?

Dr. R. Tamilarasan*

ABSTRACT

Today, in India as well around the world, the organizations have implemented the CRM strategies to build, nourish and maintain relationships with their customers for mutual benefits. Such CRM strategies yield benefits as expected in spite of difficulties in the implementation of CRM strategies, initially. In the context of CRM, the customer experience management stresses the importance of length of relationships, building relationship capital through experience spanning all stages of transactions and thereby values to all in the process.

Keywords: Consumption-Experience, Technology – Enabled, Human-touch, Loyalty, Relationship Capital, Post-Purchase Dissonance.

Introduction

CRM has become a popular and pivotal concept and practice among businesses around the world. CRM is a technology-enabled practice which could be implemented invariably in all businesses involving customer patronage. It is being practiced among others in service businesses like hotel, hospital, health-care, mobile, banking, tele-communication, financial insurance, educational, tourism, call-taxi, courier and retail services / businesses etc. Its utility cannot be undermined in the context of above businesses involving millions and billions of customers. CRM helps to extend human-touch through technology to customers of any number. It essentially helps to build and maintain everlasting experience / relationship with millions and billions of customers who share their wallets and value. Thus, customer life-time value could be harnessed and earned for ever through the customer experience

management / customer relationship management.

At the outset, the importance of CRM has gained its momentum after the proliferation of services/services economy around the world. The Proponents of services marketing have emphasized the importance of RM/CRM as a practice. Even one could say that the emergence/birth of RM/CRM could be the result of emergence of services marketing/services economy. In other words, the importance of CRM has been much emphasized in the context of services/service businesses. Here, it should be highlighted that services as intangible, inseparable, heterogeneous and perishable could only be experienced and cannot be carried away like goods. Otherwise, services cannot be possessed like goods but can only be experienced when they are created and delivered in the presence of both the service provider and the customer. Moreover, services which could otherwise be processes to be experienced while created and delivered. When experience matters, it is equally important in the con-

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text of goods also.

Importance of Customer Experience Management

When CRM is all about Experiences, Customer Experience Management occupies

a prime place to be successful in customer relationship management. It is customer experience which make all the differences among undifferentiated goods and services. To stress, customer experience management plays a pivotal role in the context of services / services marketing. When one talks about services, it is experience that is being sold to customers. Though, customer experience is equally important in the context of goods marketing but it is too vital/ crucial in services as one carries experience in head and heart instantly and even thereafter in the context of simultaneous service creation and delivery. It is too important in the context of goods marketing inspite one carries a physical object which one could see, touch, feel and smell etc. In other words, there is something to show or it could sarcastically be said that there is something to drop on the foot. At the outset, one could say that a better experience management helps to have a long-lasting relationship / CRM. Therefore, CRM is the outcome of CEM.

Consumption Experience

Meanwhile, it is appropriate to highlight, in the context of customer experience management, a passage from a book titled “Consumer Behavior and Marketing Action” authored by Henry Assael (Page No:22) that “A whole new area in marketing called relationship marketing recognizes that marketers must maintain a relationship with their customers after the purchase. And to a larger degree, this relationship will depend on the consumption experience”. The author has made it clear that “Customer Experience” is the basis / foundation for customer relationship management. Further, the book highlighted that the “focus has increasingly shifted to what happens after the purchase. Satisfaction is generally defined by the consumption experience, not by the purchase experience”. Thus, this ‘customer experience’ acts

as a basis for / helps to acquire ‘relationship capital’, which lays the foundation for everlasting business.

Relationship Capital Vis-a-Vis customer service

Today, every organization intends to build relationship capital through customer relationship management vis-à-vis customer experience management. Here, it should be noted that among other factors that customer service plays a vital role in building relationship capital. Even though, customer service is essential in all stages of consumer decision-making process but it is more vital in the post-purchase stage because most customer service occurs during this stage. At the outset, that customer service which otherwise delivers better customer experience is fundamental to build relationship capital/customer relationship management. In other words, customer experience at every stage of buying besides its importance at the post-purchase stage helps to build long-term relationship capital. Customer service at post-purchase stage helps to avoid post-purchase dissonance. It is post-purchase customer experience which much matters in customer retention and loyalty. To end, the entire product/service experience starts with awareness of a product / service, continues at all customer touch-points and ends with actual product/service usage and post-purchase customer service. Thus, customer experience encompasses every aspect of a co’s offerings and not ends with just a sale of goods and services.

Today, as result of undifferentiated goods and services, it is experience management that helps to retain the existing customers. When a customer has better experience with a good or service, he or she becomes loyal and promotes goods and services to other prospective consumers. Therefore, the importance of experience management has been much emphasized in the context of goods and services, particularly in the context of services. Moreover, customers buy goods and services with an expectation that they could get better experiences continuously.

Role of Individuals in Customer Experience Management

Therefore, every individual in the organization is to ensure that customers leave their premises with better experience which would be remembered for ever or at least a memorable experience. Hence, it is always essential that the system, processes and people take care of a better customer experience management which could otherwise help an organization to have everlasting relationship with customers of today and tomorrow. Therefore, CRM is all about managing the customer experiences. In other words, customer satisfaction which could only be a basic fact in the sale of goods and services. However, one could adduce that Customer Experience Management would be the other fact which leads to customer retention, customer loyalty and customer relationships. To be more precise, how the experiences are managed continuously would only help to earn brand identity and loyalty. Further, the customer experience man-

agement helps to avoid post-purchase dissonance. As we are all aware that as a producer of goods and services, one has to continuously monitor the experiences in the pre-transaction, transaction and post-purchase transaction stages that paves the way for better customer relationship management which everyone could look for and foster in the long run.

Conclusion:

Customer Experience Management highlights that goods and services are no longer sufficient to satisfy the customers. It is the level of experience what customer's experience during the pre-transaction, transaction and post-transaction stages matters. It is excellent customer experience and superior value strengthens the quality and length of relationships. Further, the customer experience management is a great pivotal strategy to build and enhance the implementation of customer relationship management / relationship capital

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