



## STATISTICAL ANALYSIS OF THE USE OF THE EMERGING MARKETING TECHNIQUES IN THE EXPANDING RETAIL MARKET

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### Abstract:

*Marketing is as old as mankind. But it developed into an art only in the last century more particularly after the cold war ended. The rapid developments in information and communication technology (ICT) have made the whole world a global village giving further impetus to the evolution of new marketing techniques. The contours of market are no longer confined to a locality, region, state or country but envelopes the entire world. While the market horizon has expanded vastly for the marketers, the demography, living style and aspirations of the population has changed.*

### KEYWORDS-

Statistical Analysis , Emerging Marketing , Techniques , Globalization.

### INTRODUCTION

#### GLOBALIZATION OF INDIAN MARKETERS

Dismantling of the constraints in the Indian economy since the 1990s transformed the Indian market with new players, free play and increased competition, eliminating monopoly and bringing stability, availability, reach and fair price. Increased job opportunities in both private and public sectors with increased inflow of FIIs and FDIs led to a burgeoning middle class. The middle class in India is now 300 million plus (equivalent to the population of the United States). It is projected to grow to 580 million by 2025. This is resulting in urbanization of vast areas in the country leading to increase in purchasing power, consumer spending and emergence of retail market in a big way.

Growing urbanization is having its cascading effect in rural hinterland. Government intervention to push up agriculture coupled with the growth of services sector and improvements in infrastructure with better roads, surface transport and communication facilities have rejuvenated the rural areas.

While the market size grew, the demands of the consumers increased manifold with varied needs to meet their myriad aspirations and dreams. Indian market is today at once a challenge and an opportunity to the marketers.

#### INDIAN MARKET - KEY DRIVERS

Indian market has expanded due to several significant trends and developments. The key drivers of change in the Indian market are

300 million plus middle class - growing to 580 million by 2025

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Large English-speaking population, by 2010 it will be the largest English-speaking country  
 Largest democracy in the World (1.1 billion strong)  
 Favorable Demographics (54% population in 0-25 age group)  
 Free and Lively media, well-established independent legal system, and free fair elections  
 Investment-friendly, liberalized economy  
 rural economy is largely not affected by meltdown; their aspirations are growing and lifestyles are becoming busy  
 rural India is catching up slowly but surely with urban India  
 the percentage of people in 60 plus age group is increasing and expected to touch 22% by 2050; they are looking out for health care, health food and physical fitness products and services.

**Characteristics of the Indian Consumer class**

accelerated growth of consumer class with increasing purchasing power  
 increase in use of plastic cards - credit / debit cards  
 rise in expectations of younger generation  
 more and more Indians travel abroad and are aware of global branches and up market trends  
 consumer spending grown by 11.5% pa during past decade  
 changing consumer behavior  
 consumers are better informed, are quality and brand conscious and are smart buyers  
 middle class has more purchasing power  
 middle / upper middle are increasingly style conscious and enjoys flaunting new gizmos, latest handsets, ipods, dresses, etc.  
 consumers have paucity of time and they prefer efficient / speedy one stop shopping  
 High Net worth Individual (HNI) population grew by 22.7% in 2007 over and above 20.5% growth in 2006  
 there are 123,000 millionaires in India in 2007  
 luxury brands are growing at a healthy clip of 30% annually  
 super rich are not looking for value, they are looking for something exclusive  
 growing ranks of working woman; a youthful population that is not afraid to splurge  
 increasingly wealthy middle class wanting to imitate lifestyle of rich & wealthy  
 a young working population in urban areas which continue to spend and upgrade  
 people in their forties age bracket wanting to imitate the life and feel of the teen-age population  
 Emerging Marketing Techniques for global competitiveness

**Green Marketing**

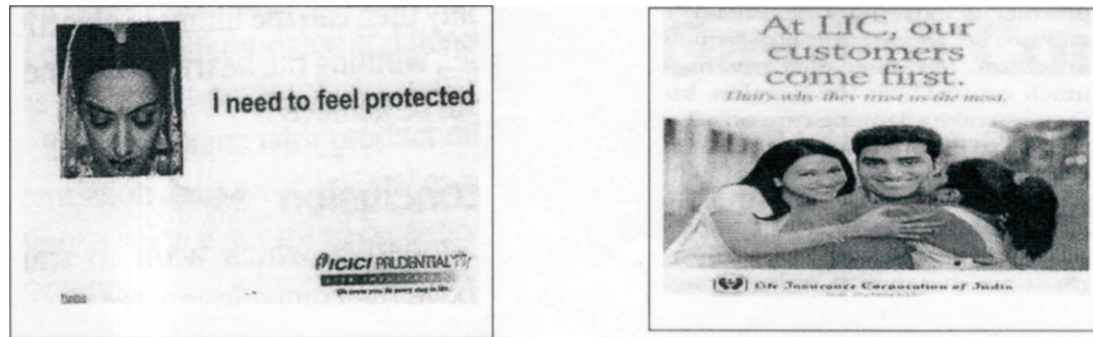


Green Marketing is a holistic marketing concept wherein the production, marketing, consumption and disposal of products and services happen in a manner that is less harmful to the environment. With growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impacts of pollutants, etc., both marketers and consumers are becoming increasingly sensitive to the need for switching to green products and services.

It includes a broad range of activities like product modification, changing the product process, modified advertising, change in packaging, etc., aimed at reducing the detrimental impact of products and their consumption and disposal on the environment. Emotional / Psychological Marketing

The concept of emotional marketing has helped the marketers in understanding how to position their products and how to communicate the same to the prospects. Customers today have wider choice

leading to the era of intense marketing. Each and every market began providing alternative products with numerous features, eventually leading to a situation wherein the alternatives / equivalents provided by most manufacturers had similar features and were also sold at similar prices. Marketers realized that for continued survival, they would have to change their marketing strategies. They realized that human beings were quite emotional and that they also took their purchase decisions emotionally. If customers' emotions were addressed in the right manner,



marketers could get more loyal customers.

The fundamental premise behind emotional marketing has been followed by marketers for a fairly long time. It has been appreciated by marketers that a basic understanding of human psychology is required in order to achieve higher success in marketing. This has helped them in understanding what attributes to add to their products and how to communicate the same to



prospects. Customers buy products either to satisfy their needs or desires. Marketers are inquisitive to know what motivates customers to purchase a product. For instance, customers no longer buy shampoo just to clean their hair, but to get a new look for their hair.

**Lifestyle Marketing**



A lifestyle is a guide very useful for understanding personal preferences in the context of emerging cultures and sub cultures and changes in lifecycle stages. It is very interesting to trace the lifestyle trends of the rich and high net worth individuals since it provides insights for the development of new products and services for this segment. The lifestyle of a person predominantly superimposes his preferences, likes and specific choices to support his way of living. Patterns of social relations, consumption, choice of entertainment, style of dressing and food habits are the basic ingredients of a person's lifestyle. It also reflects upon an individual's attitudes values or his perspective towards the world Lifestyle is also primarily influenced by the socio-economic status of an individual. India as a country is a representation of many cultures and a



collage of lifestyle which exhibits diversity with respect to attire, food, customs, traditions, etc. The country has a very complex and interesting culture. This leaves it with ever changing cultural influences within the customer segments. The great Indian market can also be demarcated as urban and rural areas with an invisible boundary separating the two. The way Indians live in sprawling rural areas is different from that of their counterparts living in a busy urban region. Rural Indian has a comparatively simple life with deficient living conditions. On the contrary, urban Indian is exposed to better facilities, infrastructure and resources. An emerging segment viz., the Indian Rich and Wealthy, though small by numbers can provide maximum value proposition for new and innovative products and services.

### **Internet Marketing**

Several technology developments have completely transformed the world and made life easier for people in the transaction of business and work. Notable among these is the "Internet or Online marketing". This activity enables



buyers and sellers of goods and services to get their tasks accomplished without the necessity to travel. It may be defined as marketing of products and services over the internet. The advantages of the medium include low cost of distributing information to a wide audience and instant response.

It spans entire world and people from widely dispersed geographical locations can do business with each other. Producers / manufacturers can reach clientele for a fraction of traditional advertising budget; thus internet marketing is relatively less expensive.

**Present Marketing Challenges and Problems**

I. In the emerging market scenario, to keep pace with the competition and growing concerns to environment protection as also to comply with government directives, the players of the industrial and services sectors have initiated several product and process level changes. Changes were made not only in products and services but also in use of paper bags in the place of polythene / plastic bags, water conservation, recycling waste water, disposal of waste, etc.

II. Marketers and consumers alike are recognizing the importance of providing and consuming eco-friendly products. Ecological imbalance due to depleting natural resources and rapid increase in the use of products that are environmentally harmful are major issues forcing the producers and consumers to think more seriously about conserving the environment.

III. Green marketing faces lot of challenges due to lack of standards and public consensus as to what constitutes green. Many organizations want to turn green, as an increasing number of consumers want to associate themselves with environment friendly products. Alongside, one also witnesses confusion among the consumers regarding green products. One often finds distrust among consumers regarding credibility of green products; marketers need to be much more transparent, and refrain from breaching any law or standards relating to products or business practices.

IV. Targeting the rich and wealthy is a major challenge for business organizations and companies. As most of the rich consumers are prestige-seeking and hence variety-seeking, the challenge is enticing them by offering an array of innovative / unique products and services to this segment.

V. It is a challenge for marketers to reach out to the HNIs at the right product portfolio. HNIs have the reach and resources to meet their needs from anywhere in the world.

VI. Alongside the rich and the wealthy, the lifestyles of the growing middle class are changing rapidly. Their style of dressing, eating habits, need for mobility, etc. are at once becoming important. They have become health conscious as never before.

This paper attempts to look at the marketers' dilemma in marketing their products / services in the Indian framework with particular focus on four marketing techniques viz., emotional marketing, green marketing, lifestyle marketing and internet marketing in today's context.

**RATIONALE FOR PRESENT STUDY**

With a view to throw light on the subject from a practical perspective, a study based on statistical analysis of how the marketers are using the four marketing techniques to influence the different strata of consumers was made.

**OBJECTIVES OF THE STUDY**

to find out the degree of use of the four marketing techniques to promote sales

**Research Methodology**

**Coverage of the study**

This research paper is confined to the study of the four marketing techniques listed in the table along side among a cross section of 10 industrial sectors.

|                      |
|----------------------|
| Marketing Techniques |
| Green Marketing      |
| Emotional Marketing  |
| Lifestyle Marketing  |
| Internet Marketing   |

The four marketing techniques chosen, represent the changing times and thinking of the marketers and consumers.

|                                 |
|---------------------------------|
| Industrial Sectors              |
| Automobiles                     |
| Banking and Insurance           |
| Electronic and Consumer Durable |
| FMCG                            |
| Housing                         |
| Health and Wellness             |
| Information Technology          |
| Transport and Tourism           |
| Telecommunication               |
| Textiles and Garments           |

The ten industrial sectors chosen are representative of the present times reflecting the current consumer behavior pattern and their needs and demands.

**Sources of Data and Information**

Data relating to types of the marketing techniques used by the ten industrial sectors was obtained by scanning:

- advertisements in TV channels by scrolling through cross section of TV channels covering news, entertainment, regional channels
- advertisements in newspapers and magazines
- cross section of Indian web sites which included portals, news /entertainment sites.

**DATASAMPLE**

A sample of 30 advertisements under each sector on a random sample basis was taken; in all about 300 advertisements were examined from various media for the purpose of the study.

**DATAANALYSIS**

An analysis of the marketing techniques used by industrial sectors on the basis of the products /

services marketed and their advertisement appeals was made using statistical techniques.

**STEPS FOLLOWED TO ANALYZE THE DATA**

i) Data analysis sheet listing the advertisements, name of the company the advertisement related to, the industrial sector it represents on the y-axis and the four marketing techniques on the x-axis was prepared

| Sr No. | Marketing Techniques |              |                   | Emotional Marketing | Green Marketing | Internet Marketing | Lifestyle Marketing |
|--------|----------------------|--------------|-------------------|---------------------|-----------------|--------------------|---------------------|
|        | Advertisement        | Company Name | Industrial Sector |                     |                 |                    |                     |
|        |                      |              |                   |                     |                 |                    |                     |
|        |                      |              |                   |                     |                 |                    |                     |

ii) The above raw data was tabulated in an excel sheet, sector-wise and marketing technique- wise, for analysis

|    |          |               |
|----|----------|---------------|
| VL | Very Low | Less than 10% |
| L  | Low      | 10% to 25%    |
| M  | Moderate | 25% to 50%    |
| H  | High     | Above 50%     |

iii) The extent of use of the marketing technique was measured on the four point scale as shown in the table alongside.

iv) The marketing techniques used by the industrial sector were rated on the basis of the products / services marketed and the advertisement appeal.

v) The analysis was made sector-wise and for overall industry.

**RESULTS OF THE STUDY**

**Marketing Technique Analysis**

Rating of Marketing Techniques on the basis of the products / services marketed and the advertisement appeals of the industrial sectors by using four point scale Table: Degree of use of the Marketing Techniques by the Industrial Sectors

| Industrial Sector \ Marketing Technique | Emotional Marketing | Green Marketing | Internet Marketing | Lifestyle Marketing |
|-----------------------------------------|---------------------|-----------------|--------------------|---------------------|
| Automobile                              | H                   | L               | L                  | M                   |
| Banking & Insurance                     | H                   | M               | L                  | L                   |
| Electronic & Consumer Durables          | H                   | M               | VL                 | H                   |
| FMCG                                    | H                   | H               | L                  | M                   |
| Housing                                 | M                   | M               | VL                 | H                   |
| Health and Wellness                     | H                   | L               | VL                 | M                   |
| Information Technology                  | H                   | L               | L                  | M                   |
| Transport & Tourism                     | H                   | M               | M                  | H                   |
| Telecommunication                       | H                   | L               | M                  | H                   |
| Textiles and Garments                   | H                   | VL              | VL                 | H                   |
| Overall                                 | H                   | M               | L                  | H                   |

The above table reveals the following:

| Degree of use of marketing technique |          |               |
|--------------------------------------|----------|---------------|
| VL                                   | Very Low | Less than 10% |
| L                                    | Low      | 10% to 25%    |
| M                                    | Moderate | 25% to 50%    |
| H                                    | High     | Above 50%     |

- i. When all the sectors were taken together, Emotional marketing and Lifestyle marketing were used to a "High" degree followed by Green marketing to a "Moderate" extent and Internet marketing to a "Low" degree.
- ii. Emotional Marketing is the most preferred marketing style ("High") used across the sectors; only in Housing sector it is "Moderate".
- iii. Five sectors viz., "Electronic and Consumer Durables", "Housing", "Transport & Tourism", "Telecommunication" and "Textiles & Garments" resort to "High" degree of lifestyle marketing through advertisements; other sectors resort to a "Moderate" level except "Banking & Insurance" sector which score a "Low" level in Lifestyle marketing.
- iv. Only "FMCG" sector comes under the category "H" in Green Marketing; "Banking & Insurance", "Electronics & Consumer Durables" and "Transport & Tourism" use "Green" as a theme in their advertisement to a "Moderate" extent; other sectors are "Low"; "Textiles & Garments" sector is "Very Low" in Green Marketing
- v. Only "Transport & Tourism" and "Telecommunication" use Internet marketing to a "moderate" level. All other sectors use Internet marketing "Low" to "Very Low" levels;
- vi. "Electronics & Consumer Durables", "Transport & Tourism", "Telecommunication" and "Textiles & Garments" sectors largely resort to emotional and lifestyle marketing.
- vii. "Banking & Insurance" sector advertisements largely play on the people's emotions.
- viii. "Telecommunication" and "Textiles & Garments" sectors predominantly use lifestyle and emotional



marketing often mixing the two.

ix. "Transport and Tourism" sector depend on lifestyle marketing mixing emotional content.

x. "Information Technology" sector surprisingly sparingly use Internet marketing to woo the customers.

**OBSERVATIONS, FINDINGS AND CONCLUSIONS**

i) While producers have taken various measures to change to eco-friendly processes / products, when it comes to marketing they tend to adopt emotional or lifestyle marketing to push their products and services.

ii) Companies which want to stand above the competition tend to take to emotional marketing as an opportunity to increase their market share. Effective deployment of emotional marketing can shift a market challenger or market follower to the position of market leader.

iii) Internet marketing technique is still to be exploited by the marketers though it is a cheap medium. With spread of broad band access, internet marketing offers a multitude of advantages. It can take different stages of the customer engagement cycle through search engine optimization, banner ads on specific sites, email / blog marketing, on-line advertising, website advertising, web linking, on-line video marketing, etc.

iv) In the emerging contemporary environment where even the best has to compete, the sector-wise emerging marketing challenges is as stated in the exhibit below.

| Sector                           | Marketing Challenges                                                                             |
|----------------------------------|--------------------------------------------------------------------------------------------------|
| Automobile                       | To produce and sell eco-friendly people's car                                                    |
| Banking and Insurance            | To reach to the people with full array of products / services                                    |
| Electronic and Consumer Durables | Availability of many models to suit different market segments with effective after sales service |
| FMCG                             | To produce environment friendly products                                                         |
| Housing                          | To provide low cost green housing                                                                |
| IT                               | To provide convenience computing                                                                 |
| Health and Wellness              | To add life to living among young and old alike                                                  |
| Transport and Tourism            | To promote eco-friendly tourism                                                                  |
| Telecommunication                | To connect people anywhere anytime                                                               |
| Textiles and Garments            | To met the changing needs of the consumers                                                       |

i) "Automobile", "Banking & Insurance", "Electronic & Consumer Durables", "FMCG", "Housing", "Information Technology", "Telecommunication", "Textiles & Garments" sectors may well target the younger generation. There are immense opportunities to marketers in "Health & Wellness", "Transport & Tourism" sectors to as well target the 60+ age group, who are well to do and are in fairly good health.

ii) While emotional marketing and lifestyle marketing would continue to be the forte for marketers, with enlightened consumers it would be a prudent and wise strategy to resort to green marketing by highlighting the efforts made in processes / products in a more transparent manner. In a global scene where the consumers are much more progressive and sensitive, such a strategy would help to expand the market size. Simultaneously internet marketing as a strategy with a mix of emotional, lifestyle and green marketing contents would enhance the reach as never before.

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| 3       | Management: Tasks and Responsibilities, Peter Drucker               |
| 4       | From Sales Obsession to Marketing Effectiveness, Philip Kotler, HBR |
| 5       | Competitive Strategy, Michael Porter                                |

**Magazines and Periodicals**

|   |                         |   |                                                              |
|---|-------------------------|---|--------------------------------------------------------------|
| 1 | Vikalpa IIM Journal     | 2 | Marketing Mastermind                                         |
| 3 | BMA Journal             | 4 | Business Today, Business World, India Today                  |
| 5 | Harvard Business Review | 6 | Times of India, Economic Times, Business Standard newspapers |
| 7 | Web sites, portals      |   |                                                              |