upGrad

The Marketing Process

MARKETING

Marketing is essentially the process of engaging customers and building profitable customer relationships by creating value for customers and capturing value in return
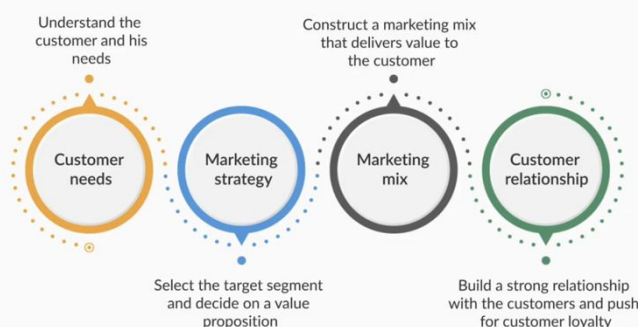
Let's start this module by defining 'marketing'. Marketing is essentially the process of engaging customers and building profitable customer relationships by creating value for customers and capturing value in return. The two parts:

- Creating value for the customers
- Capturing value in return

What creates value for your customer? If you, as a marketer can create a bundle of offerings that satisfies unmet needs, that creates value, What creates value for the business? When more and more customers buy your product, this adds to your topline and hence to your value.

THE FOUR-STEP FRAMEWORK OF MARKETING

Understand the customer and his needs

Construct a marketing mix that delivers value to the customer

Customer needs — Marketing strategy — Marketing mix — Customer relationship

Select the target segment and decide on a value proposition

Build a strong relationship with the customers and push for customer loyalty

This creation and capture of value is essentially a 4-step process –

1. First you understand the consumer and his needs - we studied this in the last module.
2. Then, you design a marketing strategy - here you select your target segment and then decide on a value proposition that helps you create a strong and differentiated positioning.
3. The third step is constructing a marketing mix that delivers value to the customer. By marketing mix, I mean the product strategy, the pricing strategy, the place or the distribution strategy and the promotional strategy. Together all these are known as the four P's of marketing.
4. The fourth step is building a strong relationship with chosen consumers that is pushing for consumer loyalty.

Through this process, you will achieve the two objectives of marketing we talked about:

● Delivering value and satisfaction to customers and
● Building a loyal base and gaining market and customer share for the business

In this module, you will learn about the marketing process and how to identify your customer through segmentation, narrow down on the ideal customer through targeting and formulate a positioning strategy for him/her through positioning. Post this, we will discuss about what a product is and a few decision areas for a marketer when it comes to formulating the product strategy. Once you have better knowledge of the product, you will be better equipped to understand how to price the product.

In the session, you will gain a deeper understanding of how the pricing of a product can be used to communicate the quality of the product to the consumer. You will also learn about the relationship of pricing with brand differentiation, brand positioning and attracting more consumers along with pricing tactics and strategies used by brand managers for the same.

With the product and its pricing in place, a brand manager has to design a proper channel of distribution for his/her product. This includes the types of channels partners, the various channel decisions and strategies that are involved while placing a product.

Once you have understood how to get your product as close to the customers as possible, you will learn about the various ways of attracting your customers to your product. You will learn this in the session on the 4th P - Promotion, wherein you will learn about the various communication strategies, the different communication channels and effective sales promotion strategies used by a manager to sell his/her product to his audience!

This will enable you to craft a robust strategy for satisfying customer requirements in a profitable manner. So, let's get started!

Maggi was introduced in India in the year 1982, and has since grown exponentially since to become one of the biggest, most iconic brands in India. It has 10 different varieties of pack noodles, 5 different variants of box noodles Maggi sells noodles with the original masala flavour, special masala flavour and even flavours from different cities around the world like the Maggi Asia-inspired noodles. Their Nutrilicious range includes variants such as Oats noodles, Atta noodles, even baked sweetcorn noodles. Maggi offers variants ranging from Chicken noodles to noodles with no garlic and no onion.

You can see that there are so many different varieties to the same basic product, why do you think Maggi has so many different variants? Isn't the Classic Masala 2-minute noodles good for everyone? This is because Maggi understands that there's no one noodle market.

There are kids who want their moms to pack noodles for them for lunch, there are young hostellers who will have a couple of packs of Maggi as dinner and there are working professionals who will snack on Maggi noodles between meals.

The brands understands that there are different consumers looking for something different in the same brand. This is what is called segmenting the marketing and targeting each segment with the appropriate marketing strategy. So, let's try and understand what segmentation and targeting are and why they are such powerful tools for a marketer. Let's start with a small situation.

Imagine you go to a restaurant with 5 friends and each of you orders something to eat. More often than not, each of you has different preferences and hence, will end up ordering 6 different dishes. This is also the case for most consumers in the market, they are scattered and have different tastes and preferences. So with so many consumers with different tastes and preferences, how does a company decide who their product is directed towards? Will the company also have to draw up a long menu to serve each customer?

Customers in any market differ in their wants, buying attitudes, and buying behaviour. By segmenting their market, companies can divide large, heterogeneous markets into smaller homogeneous segments that can be reached efficiently and effectively with tailored product and services.


Even restaurants do that - Rebel Foods, the Pune based restaurant company owns brands such as Faasos that sells rolls, Ovenstory that sells Pizza, Behrouz that sells biryani and Mandarin Oak that sells Chinese food. Why have different brands and promote each of them differently? That's what brings us to market segmentation. But what attributes should a marketer use to segment the market? For Maggi, for instance, should the brand manager simply

hypothesize that their market comprises of 3 segments - teens, young adults and adults? Are these segments homogeneous in themselves and very different from each other?

Well, there's no single way to segment a market. A marketer will have to use multiple variables, either individually or in combination. Let's look at some of the variables that are considered while segmenting.

1. Geographic segmentation involves segmenting based on where the customer is from or where he resides. So, for example, when Unilever tweaks its tea blend to have different products in Africa and in India, the marketer assumes that India and Africa have different consumer needs from their tea.

2. The second most commonly used variable is Demographics. When a marketer segments the market on the basis of age, gender, income, occupation, education etc, they are segmenting the market on the basis of demographics. So, when Hindustan Unilever sells Rin, Wheel and Surf Excel in the same market at different price-points, they are segmenting the market on the basis of purchasing power and hence the household income.

3. The third important segmentation variable is Psychographic. What's the lifestyle of the customer? How does her personality look like? So, when Big Bazaar sets up Big Bazaar Gen Nxt stores, they feel that the new-age digital consumer expects something different from her shopping experience.

4. The fourth commonly used segmentation strategy is Behavioral segmentation.
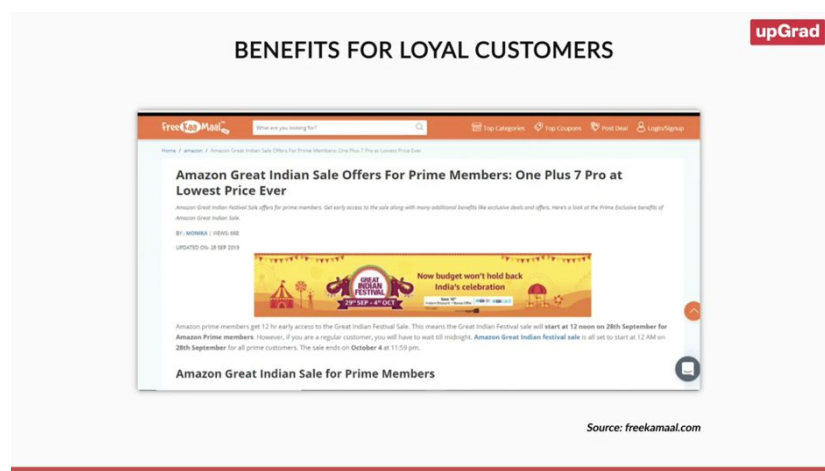
When Amazon offers early access to sale events to Amazon Prime members, that's essentially segmenting customers on the basis of their loyalty towards Amazon as a seller. Those are the four most commonly used segmentation variables – geographic, demographic, psychographic and behavioral. Let's have a look at them one by one.

After a business has segmented its market, it can choose to service one or many of these segments. Targeting involves 2 steps:

- Evaluation of each segment
- Selection of the most appropriate segment or segments

For evaluation, there are 3 questions that a marketer needs to ask:

The first - Is this segment sizeable and will it grow? That's why you find a large number of brands targeting the middle class youth with their messaging in India. There are certain brands that may go after segments that aren't big enough yet, but are expected to grow. Brands like Ketofy is trying to align with the Keto fad. Saffolla launched the green coffee to appeal to the increasingly health conscious Indian youth. Bombay Shaving Company, Ustraa, Beardo and The Man Company - all these brands are targeting the fast-growing male grooming market. So that's the first question - is your target segment large enough, or will at least get large enough.
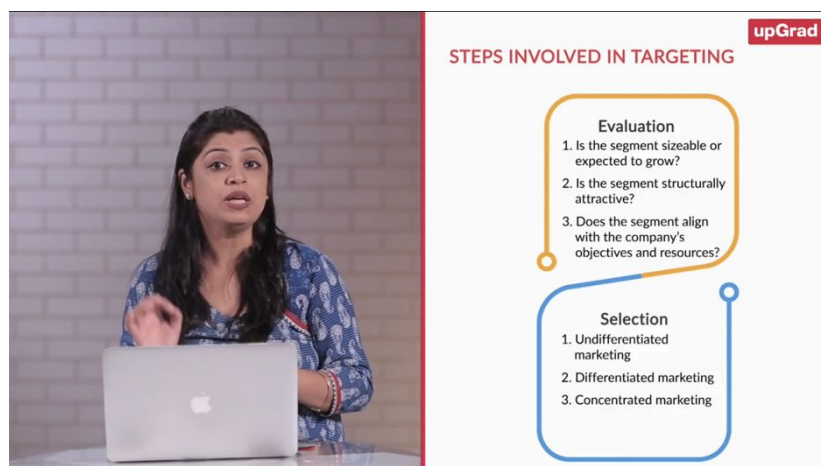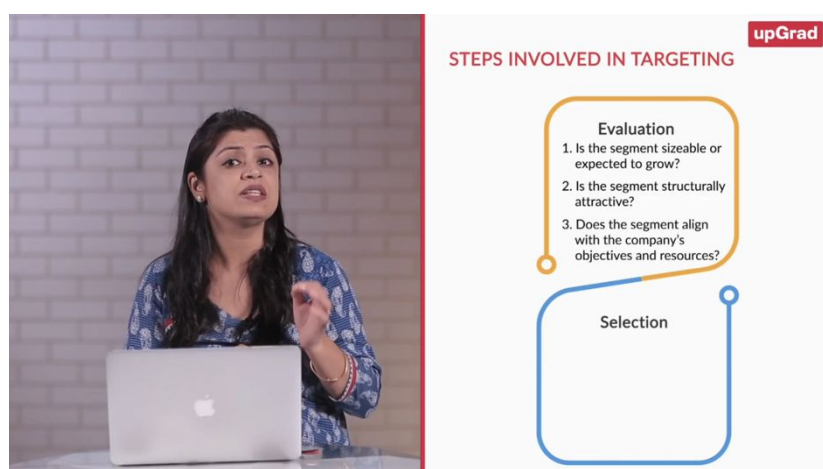

The second question is "Is the segment structurally attractive?" Are there too many competitors for that segment? How aggressive are my competitors? Are there too many substitutes available? Is it easy for new players to come in and quickly serve my market? For example, Flipkart launched its retail service in 2007 by targeting the internet savvy middle-class Indian youth. Snapdeal started late but seeing the size of market segment, went after the same

customers with its service. And when Amazon entered the Indian market in 2013, a lot of the same customers that were shopping on Flipkart and Snapdeal quickly shifted loyalties to Amazon.

This is a market segment that is easy to reach to with aggressive messaging and promotions. So the story repeats itself in the cab aggregator market with Taxi For Sure, Ola and Uber and in the food delivery market with Food Panda, Swiggy, Zomato and Uber Eats. Too many aggressive competitors means that the segment would eventually less and less attractive to serve.

But, even if a segment has the right size and growth and is structurally attractive, there is a third question a marketer must ask - "Does serving this segment align with the company's objectives and resources?" For example, Apple can easily build and launch a mid-range smartphone priced at say Rupees 20,000, but it chooses to serve only the really premium segment. Similarly, Xiaomi can launch a premium smartphone at Rupees 80,000, but it chooses to go after the budget and mid-premium market. Why? It's because who they target with their marketing strategy needs to align with the overall objectives of the business. While Apple states its objectives as leading industries and defining the future of technology, Xiaomi states its vision as "Relentlessly building amazing products with honest prices to let everyone in the world enjoy a better life through innovative technology."

Let's move to the second step – selection of target segments. There are 3 broad strategies brands follow when selecting target segments:

- Undifferentiated marketing, that is targeting the entire market with one offer,
- Differentiated marketing, that is targeting different segments with multiple offers
- And Concentrated marketing, that is targeting only one or a few segments.

Let's talk about the smartphone market in India - what are the different market segments? There's the casual smartphone user who is looking to browse the internet, take occasional pictures, send messages, take phone calls etc. This user doesn't care about the processor, the RAM or the pixel count on the display. An entire generation who has transitioned from dumb phones to smartphones fall into this segment.

Then, there's the power user who will play graphics-heavy games on the go and bing watch Netflix on their smartphone. This user will focus on the specs - the processor, the display, the battery etc. Students and young working professionals are typically seeking heavy duty phones and fall in this segment.

There's the fashion-conscious smartphone owner. This user cares about the brand of the phone and the build. The phone must complement the fashion statement of the user. Young, working women typically are conscious of the brand they carry.

Now, let's look at some of the players in the Indian smartphone market and their targeting strategy. Apple and OnePlus launch a single iteration of their phones every year. They call their phones as all-round phones.

- Casual user? Pick the latest iPhone 11 with the intuitive iOS or the OnePlus 7 with the sleek Oxygen OS.
- Power user? Pick the iPhone 11 with the A13 bionic chip or the OnePlus & with Snapdragon 855.
- Fashion conscious? The iPhone 11 and the OnePlus 7 have the best looking displays with sleek metal and glass bodies.

TARGETING STRATEGY OF SAMSUNG AND XIAOMI

There's a single product for all market segments. Now, look at players like Samsung and Xiaomi. Samsung has the Galaxy A9 with 4 cameras for the photo-clicking enthusiasts. Samsung has an entire series of budget phones for the casual users. There's a high end Galaxy Note series for the power user.

Similarly, Xiaomi has the Redmi brand for casual users and the Black Shark brand for power users. This is an example of differentiated marketing strategy - targeting different segments with different offerings.

Then there are players like Razer. Razer focuses solely on one type of power users - those who use their smartphones for gaming. The entire product offering is built around the mobile gamer. This is called as the concentrated marketing strategy - targeting only one or few segments and attempting to gain market share in that particular segment.

Let me quickly recap what we learnt about targeting. Targeting involves 2 steps:

1. The first step is evaluation of each segment based on its size, growth, structural attractiveness and alignment with company objectives and resources.
2. The second step is the Segment Selection strategy that is whether to be undifferentiated, differentiated or concentrated in terms of who you target.

You all must be aware of Bata, one of the oldest footwear brands in the country. Most of us have grown up hearing about the brand, and consequently in the last decade the brand was plagued with an image of being a fuddy duddy brand meant for an older generation. In order to remain relevant for the younger customer segments, Bata recognised the need for changing the way the brand was being perceived. This was done by altering various elements of their marketing strategy. For example:

Bata launched several ad campaigns with younger ambassadors such as Kriti Sanon and Sushant Singh Rajput. Their female product line was marketed with messaging directed towards young working women. Bata also expanded their distribution channels with exclusive outlets for brands such as Hush Puppies and Power, which still commanded good value.
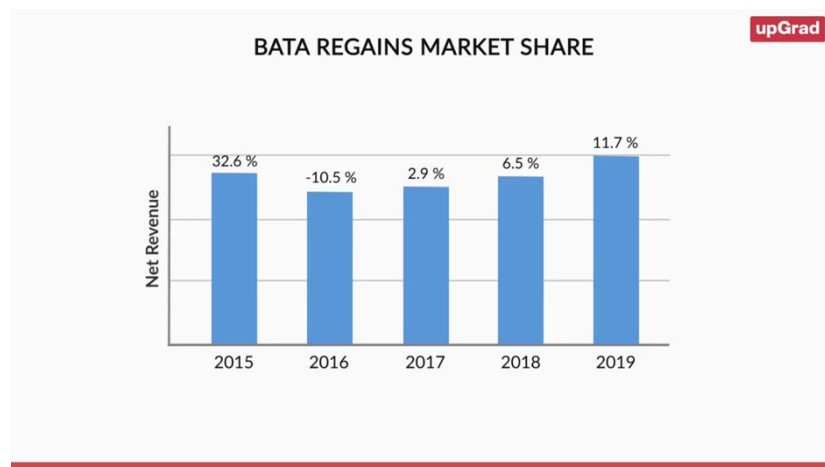
Bata also started selling online through Myntra, Amazon and Flipkart, where the young customers shop. Thus Bata successfully changed its image from a comfort brand to a young and stylish brand, which eventually led them to regain their market share in the footwear industry. From this example, you can understand the importance of where your product stands in the minds of the customers with respect to other competitors in the market. This brand image in the customer's mind is called Positioning.

Bata went from old and boring to young and exciting by positioning itself tactfully. How do you position a brand in the mind of the target consumer? Let's find out. The modern-day consumer is overloaded with information. Think of juices,
there are simple packaged juices, no-sugar juices, cold pressed juices, fibre-rich juices. Think of snacks - there are finger snacks, potato wafers, namkeen, baked snacks, low-fat snacks, high-fibre snacks. Think of face wash - there's charcoal, freshness, fairness, herbal, oil control and numerous more.

Let's quickly recall the consumer decision-making process. There were six steps:

- Need recognition
- Information search
- Evaluation of alternatives
- Selection and trial
- Purchase
- Post-purchase

Now, a consumer would not repeat the first 4 steps every time they purchase. They will not search for information or evaluate alternatives every time they make a purchase decision. To simplify the decision, consumers organize brands, products, services, and even companies into categories and "position" them in their minds.

Product Position

The complex set of perceptions, impressions, and feelings that consumers have for the product compared with competing products
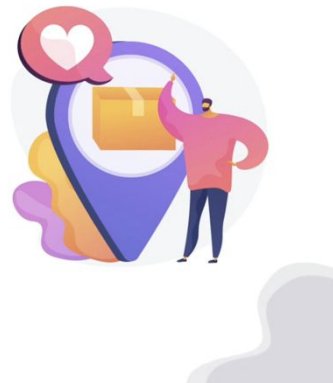
Kotler defines a product's position as "the complex set of perceptions, impressions, and feelings that consumers have for the product compared with competing products". Let me take an example -

- If tomorrow, Apple were to launch a pair of running shoes, what will they look like?
- If tomorrow, Nike were to launch a drink, what will that be like?
- If tomorrow, Coca Cola were to launch a smart-watch, what will you expect from it?

Now, Apple isn't a sports apparel manufacturer, Nike isn't a beverage company and Coke isn't an electronics brand. Still, these iconic brands have created perceptions, impressions and feelings that have positioned them in our minds. Now, this positioning is irrespective of a marketer's action. But, it can be influenced by them. In fact as marketers, you will want to control this positioning - is your brand perceived as great value? Is it considered premium? Is it young? Is it modern?

STEPS INVOLVED IN A POSITIONING STRATEGY

01 Understanding the positioning of competitors

02 Formulating a differentiated positioning strategy

03 Communicating and delivering the positioning to consumers

Let's try and understand positioning strategy with a 3-step process:

- First, you understand what positioning your brand or your competitors have
- Second, you formulate a differentiated positioning strategy
- And third, you will have to communicate and deliver the positioning to your consumers.

A perceptual map is a powerful tool to help marketing managers understand their positioning and that of their competitors. Specifically, perceptual maps visually represent consumers' mental image of how competing products are positioned in the marketplace. Let's understand how to frame a perceptual map. So, while framing a perceptual map, you need to do 3 things.

First you should identify your product's key attributes. These are the features based on which you will plot the perceptual map for your product. After identifying them, the next step is to plot the perceptual map and place the already existing competitors on the perceptual map. This will help you would gain an understanding of empty spaces in the map which no brand occupies.

You would then decide on your competitive strategy that is if you will compete head on with an already established brand with a unique value proposition, or tap an unexplored market and stand out amongst the competitors. You will also decide on your Point of parity and difference with respect to your competitors. Now, let us see how this is done step-wise when you want to launch a new beer brand in the market. For this, you need to know how the existing beer brands are positioned as well as how should you position your brand in the market.

In order to do this, you'll need to first select product attributes. You might already know that there are two important aspects to a beer brand. One is the strength and second comes price. Let's look at the first aspect, the strength of a beer. The strength of a beer can be understood by taking a simple survey from individuals to find out what is the strength on a scale of 0 to 10 for a beer. Is it extremely light or is it extremely strong or is it somewhere in between? Once you do this survey, you can understand what is the bitterness of the beer and at what scale it stands.

The second attribute, of course, is the price. Basis the price, an individual-consumer will either treat a beer brand as a premium brand or a budget brand. In fact, that's oftentimes the basis of the distribution strategy and marketing strategy as well.

Now we move on to step two that is placing the existing competitors on the perceptual map. In order to understand how the beer brands and the beer markets are positioned, let's look at some examples. On the map, you can see that beers that are perceived as strong and premium lie in the first quadrant. Similarly, beers that are perceived by consumers as strong and easy on the pocket are in the second quadrant. Then, there are brands that are light, but are considered budget or premium by the consumer.

Now, let's ask a few beer consumers about how they think of various beer brands –

- Budweiser,
- Carlsberg,
- Heineken,
- Tuborg and so on.
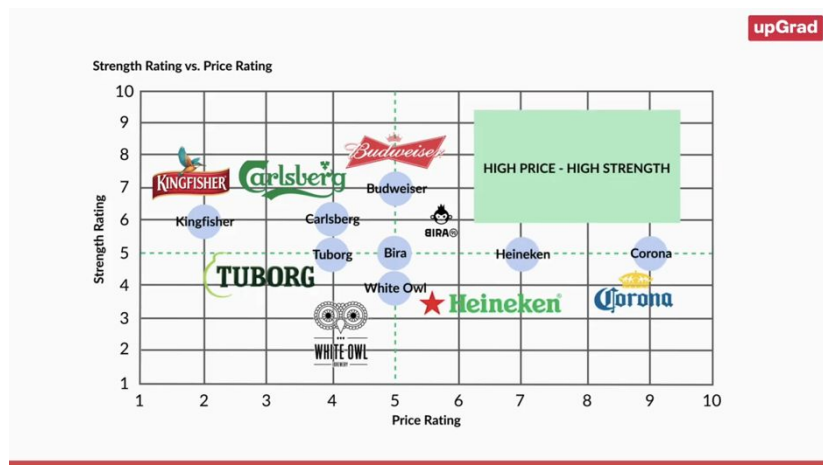
Now, as you can see, there's a crowd of brands in the Budget-strong quadrant and another crowd in the Premium-Light quadrant. There are other empty spaces in the map as well.

So, now the marketer knows about the relative positioning of the different brands. What does he do next? The marketer now needs to formulate a differentiated positioning strategy. But, what's a differentiated positioning strategy? Tell me - which brands come to your mind when I say these 3 taglines:

● "Like a computer, unlike any computer"

● "Isse Sasta Aur Accha Kahi nahin"

● "Lightning fast delivery"

Do you recall some brands?

Apple created a differentiated positioning for the iPad as being as powerful as a laptop, with the form and convenience unlike any computer. So, on the perceptual map of performance vs convenience, the iPad carved its own niche. Big Bazaar did something similar. On the map of shopping experience versus value, the brand positioned itself as a high on both the parameters.

For food delivery apps, customers value 3 things –

- restaurant availability,
- discounts and
- delivery speed.

All other players were going aggressive on on-boarding restaurants and discounting. Swiggy realised the empty space on the map and positioned themselves on a superior delivery experience. This is good differentiation strategy at work. But what separates a good differentiation strategy from a bad one? There are several factors. Your levers of differentiation needs to be:

- Important, that is, deliver something of value to the consumer
- Distinctive, that is makes you stand apart from competition
- Communicable, that is something you can tell your consumer
- Inimitable, that is not easily copyable by your competitors
- Profitable - you can't add elements of differentiation that will lead you to losing money.

THE FOUR-STEP FRAMEWORK OF MARKETING

Understand the customer and his needs → Customer needs

Marketing strategy ← Select the target segment and decide on a value proposition

Construct a marketing mix that delivers value to the customer → Marketing mix

Customer relationship ← Build a strong relationship with the customers and push for customer loyalty

Let's quickly recall the 4-step marketing process:

- First you understand the consumer and his needs
- Then, you design a marketing strategy - here you select your target segment and then decide on a value proposition that helps you create a strong and differentiated positioning.
- The third step is constructing a marketing mix that delivers value to the customer
- The fourth step is building a strong relationship with chosen consumers that is pushing for consumer loyalty.

We're done with the first two steps. We now have a positioning strategy for our brand – one that is strongly differentiated. But that's still in your head - the head of the marketer, not in the mind of the target consumer yet. Now, you need to communicate and deliver this positioning. You do this through what is called as the marketing mix or the 4Ps:

- Product
- Price
- Place
- Promotion

THE FOUR PS

PRODUCT
1. Entails all the intangible and tangible benefits of the product
2. Various elements to the product strategy are the design, the features and the packaging, etc
3. Each element can be designed to establish a differentiation from competitors

PRICE
1. This is directly related to the cost of the product but depends on the customer's willingness to pay
2. A signal for product quality and brand value
3. Setting the correct pricing strategy is important for accurate targeting, positioning and increasing profitability

PLACE
1. Refers to the distribution channels
2. Coupled with price, place plays an important role for targeting the desired consumer segment
3. Availability at the right place at the right price encourages purchase

PROMOTION
1. This is primarily the communication about the brand
2. The USP of the product is communicated through multiple promotional activities

Let's start with Product: It entails all the intangible and tangible benefits of the product and is the most important part of the mix. There are various elements to the product strategy - the design, the features, the packaging etc. These are elements of the product and each of these can be designed in order to establish a differentiation from the competitors.

For example, Each year tech-giant Apple releases a new version of the iPhone. Every new version comes with innovative features, functions and design. There are design changes, camera enhancements and hardware upgrades. So, in the case of iPhones the point of difference on the product level, is the unique operating system and chipset enables the phone to perform faster than the competitor brands.

Then let's talk about Price which is the critical revenue generating component of the mix. Price is directly related to the cost of the product, but also depends on the customer's willingness to pay for it. Thus being a signal for product quality and brand value. Therefore, setting the correct pricing strategy is important for accurate targeting, positioning and increasing profitability of the brand.

In the case of iPhones, Apple charges a premium price for its uniqueness, quality and brand value and does not rely on discounting. This is done to maintain its positioning as a premium brand in the minds of its customers and potential customers.

DISTRIBUTION STRATEGY, IPHONE

Source: amazon.in
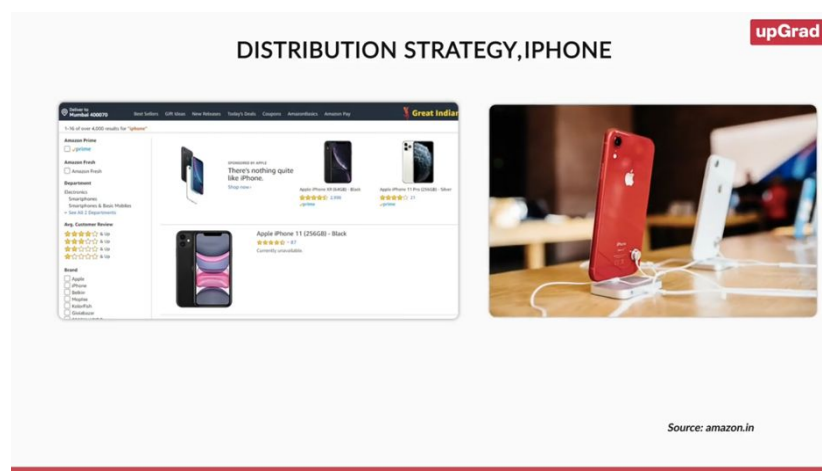
The third P is the Place. Place refers to the distribution channels. In order to maintain the brand positioning, Price coupled with the Place plays a very important role for targeting the desired target consumer segment. Customers will only make a purchase if the price is correct and there's availability of the product. It's not just important to be widely available, but to be available in the right place.

In this case, Apple has ensured a robust distribution of iPhones globally through online and offline channels. Apple's own stores are minimal – glass, metal and wood throughout the store, in line with the premium and minimal positioning of the brand.

The last P is Promotion, which is primarily the communication about the brand. In this case, the USP of the product is communicated through its multiple promotional activities. Through its dramatic launch events iPhone perpetuates itself to the best in the category, and also uses social media platforms extensively to grow a loyal customer base.

The new iPhone 11 is 'Just the right amount of everything', the airpods are 'magical' and the Mac Pro has the 'power to change everything.'

The marketing mix, the 4Ps are the 4 levers for a marketer to position their brand in the minds of the consumer. We'll take up each of these 4Ps in the next few sessions.

Subject Matter Expert: Anuri Mehta

Market Segmentation:

The market is divided into three segments essentially. Let us understand this by way of a diagram which is the pyramid. The bottom part of the pyramid is the mass segment, the middle part of the pyramid is the popular segment, and the top of the pyramid is essentially the premium segment. Ideally in every product portfolio, we would have products panning across the entire pyramid. So you would essentially have something at the mass end, at the popular end, and at the premium end. Every product at different segments of the pyramid would have a unique benefit. Product formulations would also be different at different levels.

Pricing would also vary at different segments of the pyramid. What kicks in here really is a definition called the relative price index or the RPI as we call it. The RPI is nothing but which tells you how much the competition costs.

If we speak about availability, mass brands like Breeze and Lifebuoy would be available across Kirana stores because for them the main aim really is about availability and the fact that they need to be seen. Regarding popular and premium brands, they are available mostly in modern rate stores such as Big Bazaar and more outlets by the Aditya Birla retail group and lastly every brand at different segments of the pyramid would also be driving a unique benefit.

Let's further understand market segmentation by way of an example from the tea category. So when it comes to tea, there is a huge geographical segmentation that takes place in the market. Tea is available in two kinds, the dust tea and the leaf tea. The dust tea is a strong dark cup of tea which is known to give energy and a quick per cup whereas the latter is a flavorful light cup of tea. There is a behavioral segmentation also taking place. If you look at the map, southern India and parts of the West prefer a strong cup of tea whereas when you move northwards and towards the East consumers prefer a light tea and hence the leaf tea. Brookebond in its portfolio actually has an offering for every palate of the Indian consumer. So long before the - the philosophy of whimmy was introduced within Unilever which really is winning in many India's and having a customized product possibly for different regions in the country, Brookebond was long living this philosophy.

Let us understand the tea portfolio across the pyramid. So at the bottom of the pyramid or the mass segment we have three brands which are essentially the dust brands namely the taaza dust, super dust, and ruby dust which are in the price range of 60 to 80 rupees. Then we move on to the popular segment which essentially is the belly of the market and really the largest segment where you have iconic brands like red label and Taaza leaf occupying the space. Here these teas are in the range of 110 to 130 rupees and finally at the top end or at the premium segment, we have three iconic brands again Taj Mahal tea, Three Roses, and the recently introduced Lipton green tea which are again priced at approximately 140 upwards.

Subject Matter Expert: Sabia Gulati

Why a brand may have a holistic approach towards its target segment and target audience. Of course, that's how a brand probably launches or thinks about creating a strategy is identifying who my target group is, which can be defined by, you know, demographics or age or some elements of like psychographics. But in my view, I think the brands need to have a more dynamic approach. It really cannot be, Oh, I'm targeting everyone from the age of 15 to 30, or I'm going to target everyone who lives in a certain city. That doesn't really work. You need to have a very different approach. You know, how do you, and that will obviously then let you formulate your communication strategy as well because while you've identified who you want to sell to, who do you want to provide your services to, how and what other touchpoints will automatically kind of force you to create sub targets if you're looking at effective communication and effective sales strategy.

So, it's important to be very dynamic in your approach. And also, one of the learnings that I've had is that your target group can actually keep changing. It is not something that was there 15 years ago is something that's going to stay with you for the next 15 years and it's going to stay for the following 15 years. It also keeps changing. Everything is dynamic, right? I mean people are getting exposed to so many things and you know, the customer understands everything these days. They know what is being marketed to them. They know what, what is it that they're probably seeing and what are they actually experiencing? I mean the customer is super smart. So, we need to be a little smarter than them and try to create a more dynamic approach to the segmentation.

Like I will quote a few examples like with M&S, we knew the age group that we are targeting. We always thought that we are a brand that is going to go 25-30 plus and go up to the age of 55. Now this was our target group for India. Whereas in UK it was always a 50 plus brand or 45 plus brand, other than certain sub brands that would existing within M&S that could be targeted to a younger audience. But that was in niche. Now that is the difference between UK and India. But even within India, we had a different target group in different target segments in different cities. So, people that we were targeting in Delhi, Bombay were very different from who we were targeting in cities like, you know, Hyderabad or Raipur or Pune. So, that's very different, like Bombay and Pune. Absolutely close, very similar. But we had completely different target groups and we had like a different, different touch points as well.

We knew who to reach where. There was a different product offering. There was a different approach in communication. There was a completely different approach in advertising. So, whereas in certain cities, like tier two cities where we were talking about, Oh, you know what the sale is on and let's just buy a pack of three T-shirts, it's for 799 or it's for 899 we knew that our target group is cost conscious. We need to talk to them about value. But whereas if you're talking about someone in Delhi or Bombay, no, we need to, we need to talk about fast fashion. We need to tell them we are fashionable; we need to have something that is absolutely on trend. So, it's very, very important to have like a different approach, a very dynamic approach for all the offerings that you have and how are you present geographically.

What is also now happening is when you are, it's not really only about demographics or about psychographics, we also need to understand the affinity of the consumer. What are they relating themselves to? And now with social media, we know that what are the interests of people. So, while in MNS we had an approach which was, you know, okay this is my target group because this is a certain age bracket, or this is a certain economic section, or this is a certain city or a geography. Whereas in Madame Tussauds, we had a completely different approach. We were not worried about the age; we were not worried about where the customer is coming from. We were really, really worried about what the customer is relating to. Also, you know what, let's go jump and deep dive into social media and see anybody who is liking hashtag Bollywood.

Anybody who's liking hashtag Madame Tussauds is traveling to London frequently, is aware of these things, is dancing on the latest songs, is very, very intrigued by personal interviews of celebrities, is very intrigued or very interactive on social media or Twitter or somewhere with a particular celebrity, that is my target group. That is the audience I'm going to, you know, I mean cater to because I could be 15 and young but may not be interested in an attraction, but I could be 40 but very interested in what the celebrities around the world are doing. And you know, like I'm an traveler, I want to see what I want. So, I think it's a need of the business. You need to identify that, are you selling an interest? Are you selling a product? Are you selling an experience? So, based on what your product is, what you're offering is, you really need to segment the market.

I think what is also very important here is to see how you reach them. So, for example, in Madame Tussauds, I'm trying to get the child to come into Madame Tussauds because it's for the child that the family is going to come. But who do I need to target for that? Is it the mom because is she the designer, is she the decision maker or is it the dad that is the decision maker? Or maybe I can just speak to the schools that can bring me groups of kids. So, there are various, various deeper understandings that we need to do while my target audience is the child. How do I speak to the child?

I will quote an example. What we did here was like, I needed to speak to these women that were maybe not globally traveled, had an aspiration value attached to Madame Tussauds were probably mothers that were very concerned about where the child is being entertained. What are they playing and very, very, you know, religious homemakers that are probably investing a lot of time into their child? So, which are these kinds of women these days? And we identified, hmm, these are the stay at home moms, yes. Not traveled, does not, probably has not taken an international vacation, has only heard of Madame Tussauds, or maybe has not even heard of Madame Tussauds. And we thought, you know what? We always think we're an international brand. Let's advertise in the best newspapers. Let's go to the radio channels and let's, you know, try to target the prime time. What we did was we did not advertise in the prime time. We advertise during the afternoon when the women are listening to the radio and we advertise in Hindi newspapers with a discount coupon.

And guess what? It was a crazy turnout because yes, we know the women were listening. They were influencing the dads; they were influencing the child that we need to show this to our children. So, in certain brands and certain strategies, the prime time, the front-page kind of fails. You have to understand that what is your consumer, where are they, what is that touch point? Who are they interacting with? I mean a mother is not possibly able to listen to prime-time radio. So, when do I speak to her? Yeah, she's probably home alone when she is between 12 to 2. This is the right time to speak to her. So, like this, I mean you have to be very open to your approach. It totally depends on what your businesses. It totally depends what you're selling. Is it a service, is it a product, is it a onetime buy, is it a repetitive purchase? And you've got to be dynamic to your approach and be aware that the segmentation can change from time to time.