Auditing Course Material

Part 57 of 61 (Chapters 5601-5700)

10. Key Branding Decisions

Brand Sponsorship is a crucial decision in branding strategy, as it determines whether and how a brand name should be attached to a product. The sponsorship approach influences how the brand is perceived by customers, how it competes in the market, and how it creates long-term value. The major approaches to brand sponsorship include **national brands, private brands, licensing, and co-branding**.

Types of Brand Sponsorship

1. **National Brands (Manufacturer's Brands)**

- When a product is launched under the brand name of the manufacturer, it is called a national brand.
- These brands are widely recognized and trusted, often enjoying strong equity.
- *Example: Amul dairy products, Tata Tea, Parle-G biscuits.*

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2. **Private Brands (Store Brands / Private Labels)**

- These are brands owned and marketed by retailers, even though the products may be manufactured by others.
- They help retailers differentiate themselves and often offer better margins.
- *Example: Reliance Fresh Select, Big Bazaar's Tasty Treat, DMart Minimax.*

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3. **Licensing**

- In this approach, a company pays to use an already established brand name, logo, character, or trademark.
- This saves time and investment in building a new brand, while benefiting from the licensed brand's existing reputation.
- *Example: Disney characters on children's clothing and toys, Sachin Tendulkar's "SRT" brand for sports merchandise.*

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4. **Co-Branding**

- Co-branding occurs when two established brands collaborate and appear together on a single product.
- This strategy leverages the reputation and strengths of both brands to attract more customers.
- *Example: ICICI Bank–Amazon Pay Credit Card, HDFC Bank–IndiGo Credit Card, Oreo McFlurry (Oreo with McDonald's).*

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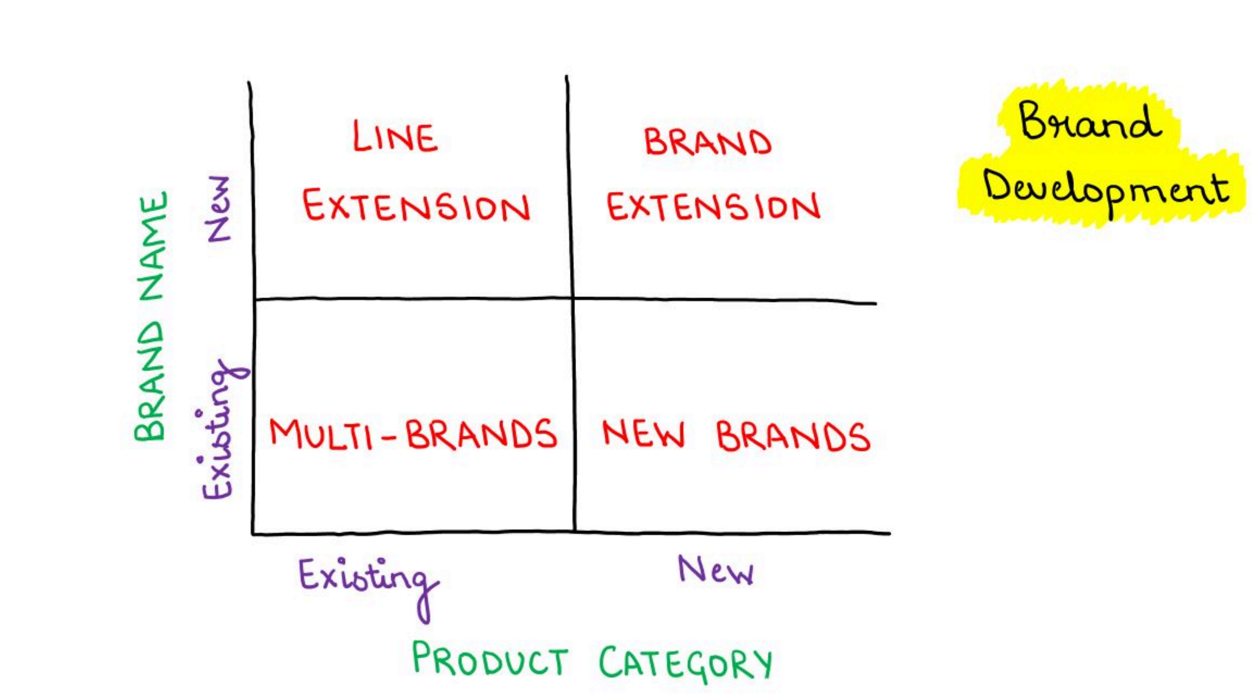
10. Key Branding Decisions



Brands are valuable intangible assets that require strategic management and long-term development. To grow and sustain their brands, companies typically adopt one of four **brand development strategies**: **line extension, brand extension, multibranding, or creation of new brands.** The choice of strategy depends on the company's goals, competitive environment, and the risk–return trade-off.

1. Line Extensions

- **Meaning:** Expanding an existing brand name to include new variations—such as new forms, sizes, flavors, colors, or ingredients—within the same product category.
- **Advantages:**
  - Builds on established brand recognition.
  - Attracts new consumer segments.
  - Helps defend market share against competitors.
- **Risks:**
  - May cause **brand cannibalism**, where the company's own products compete with each other instead of competitors.
- **Example:** A toothpaste brand introducing new variants like "herbal," "sensitive," and "whitening" under the same brand name.

2. Brand Extensions

- **Meaning:** Using an existing brand name to launch new or modified products in a **different product category**.
- **Advantages:**
  - Faster consumer acceptance due to instant recognition.
  - Lower promotional and advertising costs compared to launching a completely new brand.
- **Risks:**
  - May cause **brand dilution** if the new product does not fit with the brand's core image.
  - A failed extension can negatively impact consumer perceptions of the parent brand.

- **Example:** A shampoo brand extending its name to skin-care products.

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3. Multibranding

- **Meaning:** A strategy in which a single company introduces multiple brands in the **same product category** to capture different customer segments.
- **Advantages:**
  - Increases shelf space and presence in the category.
  - Targets diverse consumer needs and preferences.
- **Risks:**
  - Each brand may secure only a small market share.
  - Resources are spread thin across several brands, reducing profitability.
- **Example:** A company selling different snack brands in the same category (e.g., separate brands for premium chips, economy chips, and health-focused chips).

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4. New Brands

- **Meaning:** Creating entirely new brand names, either for new product categories or to diversify offerings.
- **When Used:**
  - When an existing brand name cannot stretch to new categories.
  - When targeting completely different markets or consumer segments.
- **Brand Proliferation:** When a company introduces multiple new brands in the same product line to cover every segment of the market.
- **Example:** A company known for electronics launching a separate brand for home appliances.

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11. Brand Communications

Brand Communications focuses on conveying a brand's **positioning, image, and personality** rather than merely highlighting product features. It is about creating meaningful interactions between the brand and consumers, ensuring that every contact point reinforces the brand's identity and values.

Effective brand communications use multiple channels to **inform, persuade, and emotionally connect** with consumers, shaping their perceptions and strengthening brand equity.

Modes of Brand Communication

1. **Brand Experiences and Touchpoints**

- Every interaction between a consumer and a brand is a touchpoint. These include advertising, promotions, websites, store displays, social media, and personal interactions.
- *Example: Titan integrates advertising, showroom experiences, social media, and personalized services to create consistent and memorable touchpoints.*

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2. **Brand Icons and Characters**

- **Brand Icons**: Distinct shapes, colors, or patterns associated with the brand (e.g., logos, packaging design).
- **Brand Characters**: Mascots or lifelike figures that embody the brand's personality.
- *Example: Amul Girl is an iconic brand character that connects emotionally with consumers, while the Thums Up logo symbolizes adventure and robustness.*

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3. **Brand Ambassadors**

- Real individuals—often celebrities—contracted to represent the brand and act as spokespersons. Their association enhances credibility and consumer appeal.
- *Example: Puma's endorsement by Virat Kohli demonstrates how celebrity partnerships amplify brand messages and values.*

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4. **Brand Stories**

- Narratives that communicate the history, mission, or impact of the brand, often used to build loyalty and emotional engagement.
- *Example: Byju's tells stories of educational transformation, founder journeys, and student success to emotionally connect with users.*

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5. **Branded Content**

- Marketing content created by the brand itself, prominently featuring its name and message. It can be entertaining, informative, or engaging.
- *Example: Flipkart's "Big Billion Days" campaigns combine promotional content with engaging storytelling to build excitement and loyalty.*

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6. **Branded Entertainment**

- Entertainment content (often video-based) developed in collaboration with or sponsored by a brand, blending marketing with consumer engagement.
- *Example: Kingfisher's sponsorship and promotional tie-ins with the Indian Premier League (IPL) illustrate branded entertainment at scale.*

7. **Brand Advocates**

- Loyal customers, employees, or fans who voluntarily endorse and promote a brand, especially through social media and reviews.
- *Example: Zomato leverages user-generated content and reviews, turning satisfied customers into authentic brand advocates.*

12. Managing Brand Equity

There are two ways of managing Brand Equity as described below:

1. Brand Reinforcement: Marketers can reinforce brand equity by consistently conveying the brand's meaning in terms of:

- What products it represents, what core benefits it supplies, and what needs it satisfies, and
- How the brand makes products superior, and which strong, favorable, and unique brand associations should exist in consumers' minds.

2. Brand Revitalization: Often, the first thing to do in revitalizing a brand is to understand what the sources of brand equity were to begin with. Brand revitalization can be understood by understanding the following points:

- Are positive associations losing their strength or uniqueness?
- Have negative associations become linked to the brand?

Then decide whether to retain the same positioning or create a new one, and if so, which new one.

The Brand Revitalization is the marketing strategy adopted when the product reaches the maturity stage of product life cycle, and profits have fallen drastically. It is an attempt to bring the product back in the market and secure the sources of equity i.e., customers.

13. Brand Hierarchy

A **Brand Hierarchy** is a structured framework that displays how a company organizes and relates its different brands, sub-brands, and product offerings. It represents the **levels of branding** within an organization, from the corporate level down to individual products.

Brand hierarchy helps in clarifying the role of each brand, ensuring consistency in communication, avoiding overlap, and effectively managing brand equity across multiple products and categories.

Definition

Brand Hierarchy can be defined as:

"The systematic structuring of a firm's brands, sub-brands, and products to show their relationships and relative importance within the brand portfolio."

Levels of Brand Hierarchy

1. **Corporate Brand (Company Brand)**

- The highest level, representing the entire organization.
- It conveys the company's vision, mission, values, and overall identity.
- *Example: Tata (represents trust and reliability across industries).*

2. **Family Brand (Umbrella Brand)**

- Used for a group of related products within a category under one common brand name.
- Builds synergy and transfers equity across products.
- *Example: Tata Tea, Tata Salt, Tata Steel—all under the Tata umbrella.*

3. **Individual Brand**

- A unique brand name given to a specific product, independent of the family or corporate brand.
- Helps target specific market segments without affecting other products of the company.
- *Example: Maggi (by Nestlé), although Nestlé is the corporate brand, Maggi has its own strong identity.*

4. **Modifier (Product Descriptor)**

- Refers to product variations such as flavor, size, or type that differentiate offerings within an individual brand.
- *Example: Maggi Noodles – "Masala," "Atta," "Chicken," etc.*

5. **Product (Base Level)**

- The final and most specific level of the hierarchy, representing the actual item purchased by consumers.
- *Example: Maggi 2-Minute Noodles (70g pack).*

14. Brand Portfolio

A **Brand Portfolio** refers to the collection of all brands and brand lines that a company manages in the market. It represents the firm's complete set of offerings, across categories and consumer segments, designed to maximize market coverage while minimizing brand overlap.

Brand portfolio management ensures that each brand has a **clear role and purpose**, complementing rather than competing with other brands in the same company.

Components of a Brand Portfolio

- **Flanker Brands** – Brands introduced to protect flagship brands by targeting different price segments.
  - *Example: A company launching a budget detergent to prevent competitors from capturing price-sensitive consumers.*
- **Cash Cows** – Established brands that require little investment but continue generating steady profits.
- **Low-End Entry-Level Brands** – Attract new or price-conscious customers to the brand portfolio.
- **High-End Prestige Brands** – Create an aspirational image and enhance the overall portfolio reputation.

Brand Portfolio vs. Brand Hierarchy

- **Brand Hierarchy** explains the *levels of branding* (corporate → family → individual → modifiers → product).
- **Brand Portfolio** is broader, focusing on the *entire collection of brands* owned by a firm, often across multiple categories.

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15. Co-Branding

Co-Branding is a branding strategy where two or more established brands collaborate to create a joint product, service, or marketing initiative. It allows companies to leverage each other's **brand equity, reputation, and consumer base** to achieve mutual benefits. Co-branding not only enhances brand visibility but also creates unique value propositions for customers.

Objectives of Co-Branding

1. **Leverage Brand Equity** – Combine the strengths of two brands for stronger consumer appeal.
2. **Market Expansion** – Access new markets and customer segments.
3. **Risk Sharing** – Share investment and risks between partner brands.
4. **Innovation** – Introduce unique offerings that stand out in the market.
5. **Credibility Boost** – Strengthen trust by associating with another reputed brand.

Types of Co-Branding

1. **Ingredient Co-Branding**
   - One brand is used as an essential ingredient in another brand's product.
   - *Example: Intel Inside with Dell laptops.*
2. **Same-Company Co-Branding**
   - Two brands from the same parent company are marketed together.
   - *Example: Maggi Noodles with Nestlé Tomato Ketchup promotions.*
3. **Joint Venture Co-Branding**
   - Two independent companies collaborate to launch a joint product or service.
   - *Example: ICICI Bank and Amazon Pay credit card.*
4. **Multiple Sponsor Co-Branding**
   - Several brands come together for a single product, service, or event sponsorship.
   - *Example: IPL teams sponsored by multiple brands (jersey sponsors, beverage partners, etc.).*
5. **Retail Co-Branding**
   - Brands partner at the retail level to enhance consumer experience.
   - *Example: Café Coffee Day tie-ups with brands for co-promotions.*

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16. Brand Extension

A **Brand Extension** is a strategic approach where an established brand name is used to launch a new product in a **different product category**. Instead of creating a completely new brand, companies leverage the **existing equity, recognition, and trust** of their brand to enter new markets.

Brand extension is considered less risky and more cost-effective than building a new brand from scratch, as it provides **instant credibility, awareness, and consumer acceptance.**

Advantages of Brand Extension

1. **Instant Recognition** – New products gain immediate visibility through the established brand name.
2. **Reduced Marketing Costs** – Less advertising investment is needed since awareness already exists.
3. **Faster Consumer Acceptance** – Trust in the parent brand improves trial and adoption rates.
4. **Reinforces Brand Image** – Extending into related categories strengthens the brand's identity.
5. **Increased Market Coverage** – Enables companies to target new segments and expand their portfolio.

Risks of Brand Extension

1. **Brand Dilution** – Extending into unrelated categories may weaken the brand's core image.
2. **Negative Spillover** – If the extension fails, it can damage perceptions of the parent brand.
3. **Overextension** – Launching too many extensions can confuse consumers and reduce overall effectiveness.
4. **Mismatch in Positioning** – If the extension does not align with the brand's values, consumers may reject it.

Examples

- **Amul** (from butter and milk → ice cream, chocolates, beverages).
- **Dabur** (from ayurvedic medicine → personal care and packaged foods).
- **Tata** (from salt and tea → steel, automobiles, jewellery, IT services)

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17. Luxury Branding

Luxury Branding refers to the process of creating and managing brands that offer products or services positioned at the **premium or high-end segment** of the market. These brands are not merely about functionality; they symbolize **prestige, exclusivity, and lifestyle aspirations.**

Unlike mass-market brands, luxury brands thrive on **scarcity, heritage, craftsmanship, and emotional appeal**, positioning themselves as status symbols that deliver both personal satisfaction and social recognition.

Characteristics of Luxury Branding

1. **Exclusivity** – Limited availability and selective distribution to maintain rarity.
2. **Premium Pricing** – Products are priced much higher than functional equivalents, reinforcing their aspirational value.
3. **Heritage & Craftsmanship** – Often associated with tradition, fine materials, and superior quality.
4. **Strong Brand Story** – Narratives that link the brand with art, culture, or lifestyle.
5. **Symbol of Status** – Ownership signifies wealth, prestige, and refined taste.
6. **Emotional Appeal** – Consumers buy luxury brands not just for utility, but for self-expression and identity.

Strategies in Luxury Branding

1. **Selective Distribution** – Available only in flagship stores, elite retail outlets, or exclusive online platforms.
2. **Celebrity Endorsements** – Using icons and influencers to reinforce prestige and desirability.
3. **Storytelling & Heritage Marketing** – Highlighting the brand's history, legacy, and craftsmanship.
4. **Limited Editions** – Creating exclusivity through scarcity and special collections.
5. **Experiential Marketing** – Offering unique brand experiences beyond the product (e.g., fashion shows, luxury events).

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18. Internal Branding

Internal Branding refers to the process of aligning a company's employees with its brand values, vision, and promise so that they can deliver a consistent and authentic brand experience to customers. While external branding focuses on how customers perceive the brand, **internal branding ensures that employees live the brand from within**.

It is based on the belief that *employees are brand ambassadors* and play a critical role in shaping customer perceptions through their behaviour, communication, and service.

Objectives of Internal Branding

1. **Employee Alignment** – Ensure employees understand the brand vision, mission, and values.
2. **Consistent Brand Delivery** – Employees reflect the brand in every customer interaction.
3. **Employee Engagement** – Increases motivation, pride, and loyalty towards the organization.
4. **Cultural Integration** – Embeds the brand promise into the organizational culture.
5. **Customer Experience Enhancement** – Well-trained employees create stronger customer satisfaction and trust.

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19. Brand Equity Models

Although marketers agree about basic branding principles, a number of models of brand equity offer some differing perspectives. Brand Equity helps in finding the value of brands. The following are the models to assess Brand Equity:

- Brand Asset Valuator Model
- BRANDZ
- Brand Resonance Pyramid
- Aaker Model

Let us discuss these models, one by one.

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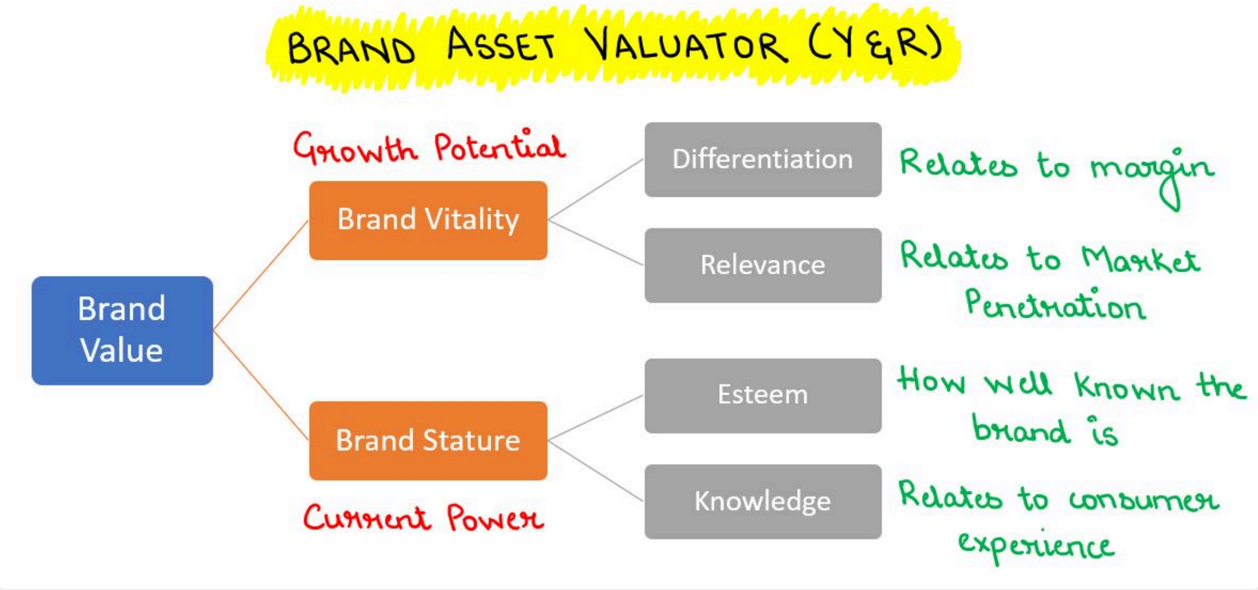
19. Brand Equity Models



Advertising agency Young and Rubicam (Y&R) developed a model of brand equity called Brand Asset Valuator (BAV). Based on research with almost 8,00,000 consumers in 51 countries, BAV provides comparative measures of the brand equity of thousands of brands across hundreds of different categories. There are 4 key components of brand equity, according to BAV:

- *Differentiation* measures the degree to which a brand is seen as different from others.
- *Relevance* measures the appropriateness and breadth of a brand's appeal.
- *Esteem* measures how well the brand is regarded and respected and the perceptions towards quality and loyalty.
- *Knowledge* measures how familiar and intimate consumers are with the brand.

Differentiation and Relevance combine to determine Brand Vitality (Brand Strength). These two pillars point to the brand's future value, rather than just reflecting its past. Esteem and Knowledge together create Brand Stature, which is more of a "report card" on past performance.

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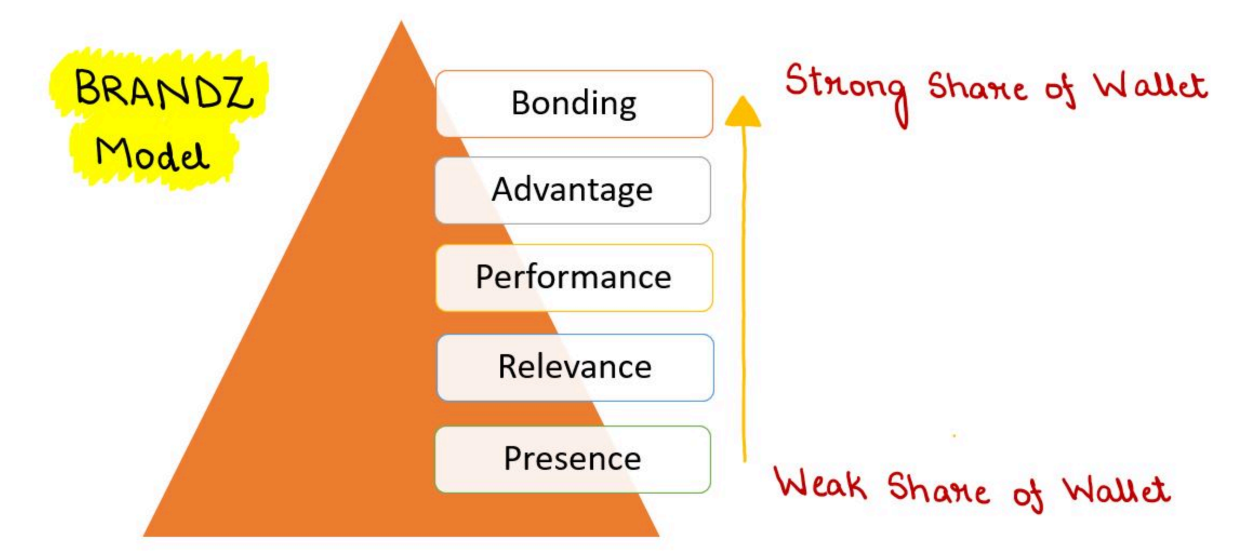
19. Brand Equity Models

Marketing research consultant Millward Brown and WPP have developed the Brandz Model of Brand strength at the core of which is the Brand Dynamic Pyramid.



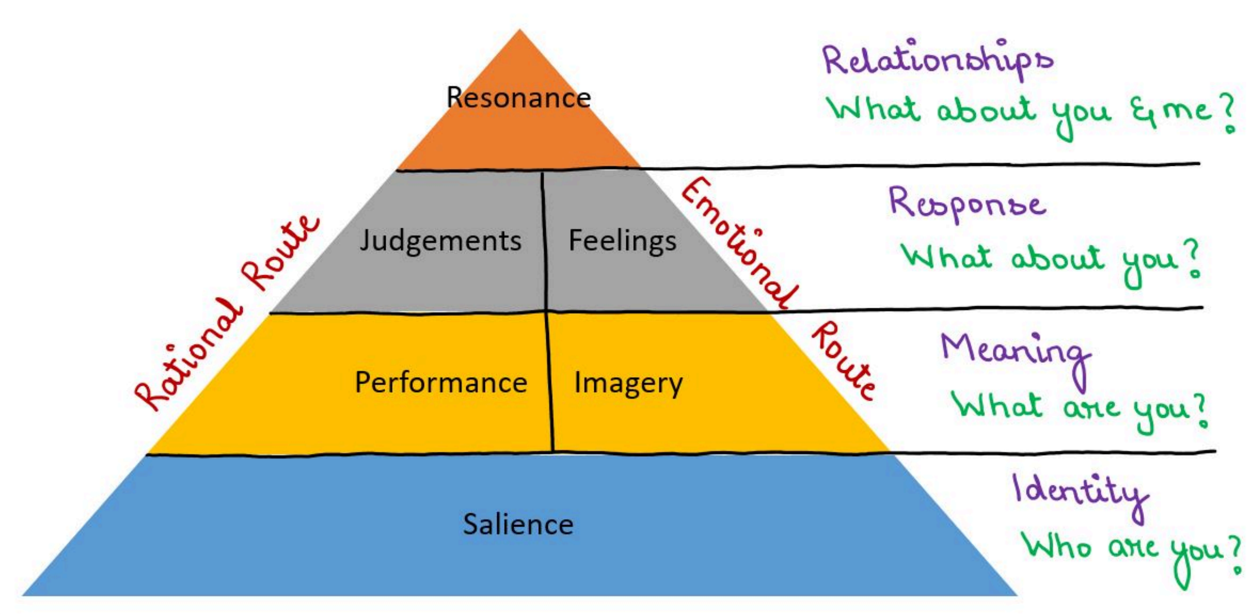
Brand building follows a series of steps suggested by the developers in Brand Dynamics pyramid. The Pyramid levels define the strength of brand:

- **Presence:** Active familiarity based on past trial, saliency, or knowledge of brand promise.
- **Relevance:** Relevance to consumer's needs, in the right price range or in the consideration set.
- **Performance:** Belief that it delivers acceptable product performance and is on the consumer's short-list.
- **Advantage:** Belief that the brand has an emotional or rational advantage over other brands in the category.
- **Bonding:** Rational and emotional attachments to the brand to the exclusion of most other brands "Bonded".

Consumers at the top of the pyramid build stronger relationships with and spend more on the brand than those at lower levels. There are more consumers at the lower levels, so the challenge for marketers is to help them move up.

19. Brand Equity Models

This model is developed by *Kelvin Lane Keller*, a marketing professor at Dartmouth College. It is based on the idea that the power of a brand lies in what the consumer has heard, learnt, felt, and seen as a brand over time. Hence this model is also termed as **Customer Based Brand Equity (CBBE)** model. The **Brand Resonance** is the intensity of customers' psychological bond with the brand and the level of activity it engenders.



The key characteristics of the model are:

- Provides a **visual roadmap** for building strong brands.
- Shows **sequential steps** from creating awareness to achieving deep customer relationships.
- Uses a **pyramid structure** to illustrate progression from basic recognition to brand loyalty and advocacy.

Four Levels of the Pyramid

1. Salience *(Who are you? – Brand Identity)*

- Focus: **Brand awareness** – how easily customers recognize and recall the brand.
- Goal: Ensure the brand is **noticeable, clear, and identifiable**.
- Strategies:
  - Define brand clearly
  - Maintain consistent messaging
  - Use creative and memorable communication

2. Performance & Imagery *(What are you? – Brand Meaning)*

- **Performance**: How well the brand meets customer needs (quality, features, reliability).
  - Create differentiation through memorable experiences, strong values, and clear brand persona.
- **Imagery**: How customers perceive the brand emotionally and symbolically.
  - Build positive perceptions by aligning with customer values, lifestyle, and aspirations.

3. Judgments & Feelings ***(What about you? – Brand Response)***

- **Judgments**: Customers' personal evaluations of quality, credibility, and superiority.
    - Focus on improving performance, innovation, and consistency.
- **Feelings**: Emotional reactions and connections customers have with the brand.
    - Build emotional bonds through personalized experiences, storytelling, and sensory engagement.

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4. Resonance ***(What about you and me? – Brand Relationships)***

- Represents the **highest level** of brand loyalty and engagement.
- Customers have a **deep psychological bond** with the brand.
- Indicators: Repeat purchases, advocacy, community participation.
- Strategies:
    - Strengthen customer service and support
    - Offer loyalty programs and rewards
    - Maintain transparency and trust

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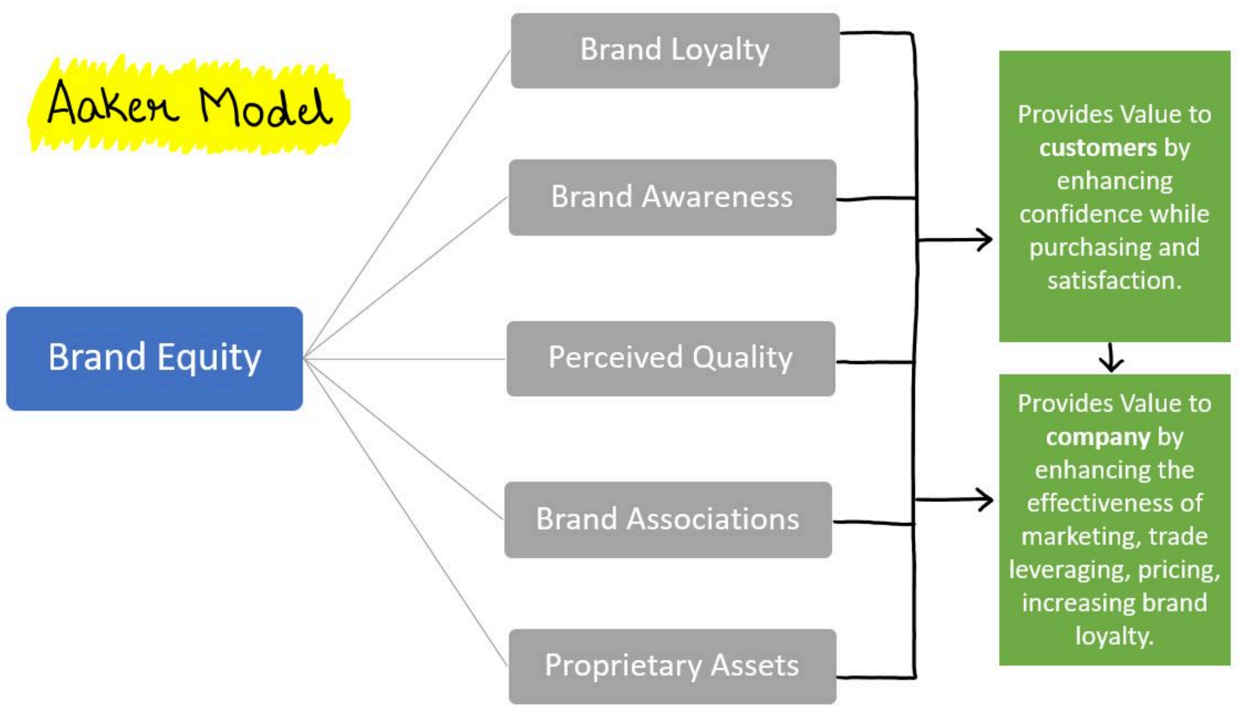
19. Brand Equity Models

Aaker views brand equity as a set of five categories of brand assets and liabilities linked to a brand that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers.



These categories of brand assets are as follows:

1. Brand Loyalty: Brand loyalty measures the consumers' commitment or attachment to the brand and refers to repeated purchases or visits.

2. Brand Awareness: Brand awareness is consumers' ability to recall a brand.

3. Perceived Quality: Perceived quality is rooted in subjective evaluation of quality by a consumer. It is the extent to which a brand is believed to provide quality products.

4. Brand Associations: Brand associations involves brand awareness, especially through the implementation of names, symbols, slogans associated with tangible physical attributes or intangible attributes.

5. Proprietary Assets: They are patents, copyrights, trademarks, trade secrets, and other intellectual property rights. More the number of proprietary assets a brand has, greater is the brand's competency in the market.

According to Aaker, a particularly important concept for building brand equity is Brand Identity: the unique set of brand associations that represent what the brand stands for and promises to customers.

1. Introduction

Organizing the marketing department refers to the process of creating a clear structure in which marketing activities are divided, assigned, and coordinated among individuals or teams. Every organization has multiple marketing responsibilities such as product planning, advertising, sales promotion, distribution, pricing, digital marketing, and research. To perform these tasks smoothly, a proper organizational setup is needed.

A well-organized marketing department helps in systematic planning, better communication among teams, and fast decision-making. It ensures that the right tasks are given to the right people with required skills and accountability.

Importance of Organizing the Marketing Function

A structured marketing department is essential for the success of any business. Its importance can be understood through the following points:

- **Clarity in roles and responsibilities:** Each person knows what is expected, reducing confusion and duplication of effort.
- **Better coordination:** All marketing activities (like branding, sales, logistics, digital marketing) align with the organizational goals.
- **Efficient resource utilization:** Manpower, money, and technology are used more effectively — reducing wastage.
- **Faster decision making:** A clear hierarchy supports smooth flow of communication and approvals.
- **Improved performance and accountability:** Monitoring becomes easier as each role has defined targets.
- **Flexibility to adapt:** A suitable structure allows companies to quickly respond to market changes, especially in competitive sectors like FMCG, telecom, and e-commerce in India.

2. Factors Influencing Marketing Organization Structure

The structure of a marketing department is not the same for every company. It depends on both internal and external factors. These factors guide how roles, responsibilities, and coordination mechanisms should be arranged to achieve maximum efficiency.

Below are the major factors that influence how a marketing organization is designed:

1️⃣ Company Size and Growth Stage

- Small businesses usually have fewer marketing staff and combine multiple responsibilities into single roles.
- Large companies need specialized departments such as branding, advertising, digital, sales promotion, and market research.

Example:
A startup like a new D2C clothing brand may have 1–2 marketers handling everything, while a large company like **Tata Consumer Products** has dedicated teams for product categories.

2️⃣ Nature of Product / Product Line Complexity

- Companies with a diverse product mix need separate teams for each category.
- Technical or industrial products require specialized knowledge to serve customers effectively.

Example:
Maruti Suzuki has separate marketing teams for hatchbacks, sedans, and SUVs.

3️⃣ Market Characteristics and Customer Segments

- Highly diverse markets (rural vs. urban, B2B vs. B2C) require different strategies.
- When customers are segmented by needs, the marketing structure must match those segments.

Example:
Banks like **HDFC Bank** organize marketing teams based on retail customers, business customers, and NRI services.

4️⃣ Geographic Spread of Business

- Businesses operating in multiple states or countries need regional marketing offices.
- Local teams understand regional cultures, languages, and competition better.

Example:
FMCG companies maintain regional marketing hubs — North, South, East, and West India.

5️⃣ Marketing Strategy and Company Objectives

The structure must align with:

- Growth strategy (market expansion, penetration, diversification)
- Competitive positioning
- STP (Segmentation, Targeting, Positioning)
- 4Ps (Product, Price, Place, Promotion)

6️⃣ Level of Technology and Digital Adoption

- Organizations using advanced analytics, AI, and digital marketing need specialized digital teams.
- E-commerce presence influences structure design.

Example:
Flipkart and Amazon India have strong digital, influencer marketing, and analytics divisions.

7️⃣ Competitive Environment

- In highly competitive markets, quick decision-making and innovation are critical.
- This often requires decentralized, agile structures.

Example:
Smartphone companies like Xiaomi and Samsung frequently restructure based on market trends.

8️⃣ Legal and Regulatory Conditions

- Requirement for local compliance and certifications may impact how teams are located and organized.
- For example, pharmaceutical marketing is highly regulated, requiring strict reporting lines.

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3. Traditional Marketing Department Structures

Traditional structures are simple, well-defined and widely used in stable and large organizations. They arrange marketing activities based on a dominant focus such as **functions**, **products**, **customers**, or **regions**.

1️⃣ Functional Marketing Organization

Meaning

Work is divided based on specialized marketing activities or functions. Every team focuses on one area only.

Common functions:
Branding • Advertising • Sales & Distribution • Digital Marketing • CRM • Market Research

Advantages

- High specialization → efficient performance
- Clear reporting and control
- Low cost for firms with limited products

Limitations

- Functional silos → poor coordination
- Marketing decisions take longer
- Personalized customer needs ignored

Indian Examples

- **Amul** → Separate teams for promotions, distribution, dairy sales
- **Mother Dairy** → Similar functional division (sales + brand communication)
- **Local food manufacturers** with 1–2 product categories

2️⃣ Product-Based Marketing Organization

Meaning

Each product category or brand has a **separate dedicated marketing team**.
Each team handles product planning, pricing, packaging, promotion, distribution and branding.

Advantages

- Strong focus on individual product competitiveness
- Faster innovation and quicker decisions
- Good accountability → product-wise profitability can be measured

Limitations

- Duplicated resources (multiple teams doing same tasks)
- Internal competition for budgets
- Lack of uniform corporate branding

Indian Examples

- **HUL** → Teams for Beauty & Personal Care, Foods, Home Care
- **Nestlé India** → Maggi team, Nescafé team, Dairy team
- **Maruti Suzuki** → Teams based on car categories (Alto/Swift/SUV)

3️⃣ Market / Customer-Based Organization

Meaning

Teams are created for **different customer groups** having distinct preferences and purchasing behaviour.

Segments can be:
B2B vs B2C • Youth vs Families • Rural vs Urban • High-income vs Budget buyers

Advantages

- Customer needs understood better
- Personalized products and promotions improve loyalty
- Stronger long-term relationships

Limitations

- Increased marketing expenses
- Over-segmentation → confusion & overlap
- Hard to maintain consistent brand messaging

Indian Examples

- **SBI & ICICI Bank** → Retail, Corporate, Priority/NRI banking
- **Airtel / Jio** → Youth plans, Corporate enterprise solutions
- **LIC** → Separate schemes for children, senior citizens, salaried class

4️⃣ Geographic / Regional Marketing Organization

Meaning

Marketing teams are divided by region → state, zone or country-level structure.
Focus is on **local taste, culture, language and competition**.

Advantages

- Region-specific strategies (festivals, climate, culture)
- Strong dealer & retailer network
- Faster decisions in highly competitive local markets

Limitations

- Higher cost due to multiple regional offices
- Brand consistency across India may weaken
- Coordination becomes difficult across zones

Indian Examples

- **Asian Paints** → customized shades & campaigns per region

- **Coca-Cola India** → Thums Up stronger in Andhra/Maharashtra; Maaza focus varies regionally
- **ITC** → Regional marketing adapts promotions for state-wise consumer tastes

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4. Modern Marketing Department Structures

Modern marketing structures are designed for fast-changing, dynamic, and digital-driven markets. They promote flexibility, faster decisions, innovation, and improved customer experiences.

Below are the major contemporary marketing structures:

1️⃣ Matrix Marketing Organization

Meaning

A Matrix structure allows employees to work under **two managers** at the same time — usually a **Functional Manager** (expertise area like sales, research, digital) and a **Product or Brand Manager** (for a specific product or campaign).
It brings together the strengths of both functional and product-based structures.

Why It Is Used Today

- Companies handle multiple brands and campaigns simultaneously
- Expert teams need to support multiple product launches
- Digital marketing requires cross-functional integration

Advantages

- Strong coordination between product and functional teams
- Faster product launches and improved innovation
- Sharing of experts avoids duplication of roles
- Better quality decisions as multiple viewpoints are considered

Limitations

- Confusion over authority and priority
- Conflicts between managers if goals differ
- Employees may feel overburdened with dual reporting
- Requires mature communication and leadership skills

Examples

- Tata Motors: product teams for SUVs, EVs supported by functional experts
- HDFC Bank: product divisions like Cards supported by analytics & branding
- ITC: brand-level launches coordinated with digital and sales teams

📌 *Matrix structure is suitable for large companies where projects and campaigns change frequently.*

2️⃣ Strategic Business Unit (SBU) Structure

Meaning

The company is divided into separate business units.
Each SBU manages its own product strategy, marketing budget, and performance.
SBUs act almost like independent businesses.

Advantages

- Clear accountability at business unit level
- Strong strategic focus for each product line
- Quicker decisions due to less dependence on head office

Limitations

- Cost increases due to duplication of marketing effort
- Internal competition may reduce synergy between units
- Coordination across units becomes difficult

Examples

- Reliance: Jio, Retail, Oil & Gas operate as independent SBUs
- Mahindra: Auto, Finance, IT services through Tech Mahindra

📌 *Works best when the company has highly diverse product categories.*

3️⃣ Digital-First Marketing Teams

Meaning

Marketing is organized around **digital channels and data** rather than traditional functions.
Key teams include performance marketing, SEO, social media, influencer marketing, and data analytics.

Advantages

- Real-time decisions supported by data
- Strong customer engagement through online platforms
- Easy measurement of returns on marketing efforts

Limitations

- Requires high digital skills and technology investment
- Teams must adapt quickly as platforms change
- Traditional retail and offline sales may get less focus

Examples

- Nykaa: digital performance marketing drives most sales
- Zomato, Swiggy: customer insights from apps guide campaigns
- Tanishq: omnichannel marketing integrates online and stores

📌 *Common among start-ups and e-commerce companies.*

4️⃣ Cross-Functional / Agile Marketing Teams

Meaning

Teams are formed **around projects or campaigns** instead of permanent departments.
People from brand management, design, analytics, and sales collaborate together on a campaign and then move to the next one when finished.

Advantages

- High flexibility to match changing market needs
- Faster campaign development
- Improved creativity and innovation
- Better customer experience due to integrated teamwork

Limitations

- Roles may be unclear once campaign ends
- Coordination becomes challenging with multiple ongoing projects
- Short-term marketing bursts may neglect long-term brand goals

Examples

- Flipkart: agile pods for events like Big Billion Days
- Netflix India: campaign-based teams for each show/movie launch

📌 *Suitable for creative, technology-driven, and highly competitive industries.*

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5. Key Roles in a Marketing Department

A marketing department consists of different roles that work together to understand customer needs, design the right products, build strong brands, and increase sales. The structure of roles varies depending on the size of the business and marketing strategy.

The important roles can be grouped into three levels:

1️⃣ Top-Level Roles

These roles focus on **marketing strategy, leadership, and long-term decision-making**.

Chief Marketing Officer (CMO) / Marketing Director

- Head of marketing for the entire organization
- Plans marketing strategy and brand positioning
- Leads all marketing teams and controls marketing budget
- Represents marketing decisions at board level

Vice President / Head of Marketing

- Converts marketing strategy into action plans
- Oversees major marketing functions like sales, branding, digital
- Ensures coordination between departments

📌 *Example:*
At **Tata Consumer Products**, the CMO directs brand strategy for Tata Tea, Tata Salt, etc., while category heads manage divisions below.

2️⃣ Middle-Level Roles

These roles focus on **managing specific products, customers, or activities**.

Brand Manager

- Responsible for a specific brand's image and growth
- Plans promotions, packaging, and communication strategy
- Tracks market trends and competition
- Works closely with advertising & digital teams

Product Manager

- Handles product planning, pricing, and lifecycle
- Ensures product meets customer needs & profitability targets
- Coordinates with R&D, production, and sales teams

Sales Manager

- Manages distribution channels and field sales teams
- Responsible for sales targets, dealer network and market expansion

- Provides market feedback to marketing teams

📌 *Examples:*
Nestlé India → Product Managers for Maggi; Brand Managers for Nescafé
Maruti Suzuki → Sales managers designated by region and vehicle category

3️⃣ Digital and Analytics Roles

Modern marketing requires **technology-driven roles** to improve customer reach and decision-making.

Digital Marketing Manager

- Responsible for all online campaigns: SEO, Google ads, social media
- Monitors website traffic and engagement metrics
- Works closely with creative teams and influencers

Content & Social Media Manager

- Creates brand content for YouTube, Instagram, blogs, etc.
- Manages community engagement with followers

Data Analyst / Marketing Analyst

- Studies customer data, market trends and campaign performance
- Supports strategy with insights and dashboards
- Helps with personalization and customer segmentation

📌 *Examples:*
Zomato, Myntra → Data analytics teams decide offers and target groups
Nykaa → Social media and influencer managers drive brand recall

Interdependence of Roles

- Top-level roles **design strategy**
- Middle-level roles **manage execution**
- Digital and analytics roles **drive performance and feedback**

A strong marketing department ensures that:

- everyone clearly knows their responsibility,
- teams collaborate instead of working in isolation, and
- the customer remains at the center of every decision.

6. Designing an Effective Marketing Organization

Designing a marketing organization means determining how the marketing team should be structured and how responsibilities should be distributed so that the company's goals are achieved efficiently. A good design ensures that marketing strategy and organizational structure work in alignment.

Aligning Structure with Marketing Strategy

The structure of the marketing department must support the company's strategic choices. For example:

- **Segmentation, Targeting, Positioning (STP):**
  If a company targets multiple customer groups, a **customer-based structure** is more suitable.
- **4Ps / Marketing Mix:**
  If product variety is large, a **product-based structure** works well.
- **Growth Strategy (Expansion, Diversification):**
  A company expanding into new categories may adopt **SBU structure** for flexibility.

📌 *Example:*
HUL's strategy of leading multiple FMCG categories requires a product-based structure with independent brand teams.

Centralization vs. Decentralization in Marketing

Centralized Marketing Structure

- All marketing decisions made at corporate/head office
- Strong standardization and uniform branding

Good for: Strong corporate brand identity (e.g., Apple India)
Risk: Slower local decisions

Decentralized Marketing Structure

- Decisions are made at local or regional offices
- Regional marketing teams respond faster to customer needs

Good for: Diverse regional markets like India (e.g., Asian Paints)
Risk: Lack of national brand consistency

Balanced / Hybrid Approach

Most companies follow a mix:

- Major brand decisions centralized
- Local promotions and pricing decentralized

📌 *Example:*
Coca-Cola India centrally designs brand campaigns while regional teams customize flavors and promotions.

Coordination and Control Mechanisms

To ensure all teams work in the same direction:

- Clear reporting relationships are defined
- Regular team meetings and performance reviews conducted
- Collaboration tools are used for projects and campaigns
- KPIs (Key Performance Indicators) align with marketing objectives
- Market feedback is continuously monitored

Strong control ensures that creativity and flexibility are balanced with accountability and brand consistency.

Examples of Effective Organizational Design in India

- **Maruti Suzuki:**
  Product categories (SUV, Hatchback) supported by centralized brand strategy and regional sales coordination.
- **Tata Consultancy Services (TCS):**
  Marketing aligned with verticals (banking, telecom, retail clients) to deliver customer-specific solutions.
- **Swiggy & Zomato:**
  Agile cross-functional teams deliver quick campaigns based on real-time customer analytics.

Each design is chosen to match **customer behavior, competition level, technology adoption, and growth plans**.

7. CMO and CEO

In any modern organization, the Chief Executive Officer (CEO) and the Chief Marketing Officer (CMO) work in close alignment to drive the business forward. The CEO is the highest-ranking executive responsible for the overall vision, mission, and profitability of the organization. On the other hand, the CMO leads the marketing function and is responsible for building the brand, acquiring and retaining customers, and ensuring the marketing efforts support the company's growth strategy. The CMO typically reports directly to the CEO and is a key member of the executive leadership team.

While the CEO focuses on setting long-term strategic goals, managing stakeholders, and ensuring financial performance, the CMO plays a critical role in executing that strategy through market-facing activities. For instance, if the CEO outlines a goal to expand into new geographic markets, the CMO will be responsible for researching customer needs in that region, designing entry strategies, and launching targeted marketing campaigns. In this way, the CMO acts as the bridge between the company's internal strategic goals and external customer engagement.

The collaboration between the CEO and CMO is most evident in areas like brand positioning, product launches, and business transformation. The CEO may set the direction for a brand's identity, but it is the CMO who ensures this identity is consistently communicated through advertising, digital content, packaging, and customer experience. In large Indian companies like Tata Motors or HUL, the CEO and CMO work together to create unified messaging that not only sells products but also builds trust and long-term brand loyalty.

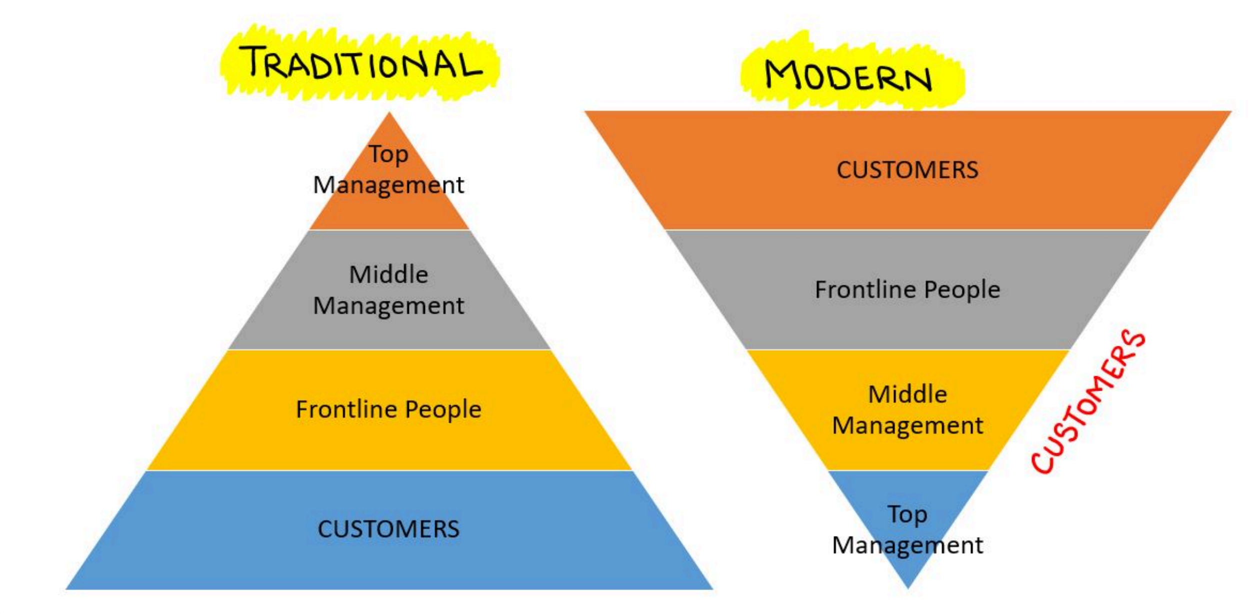
In today's digital and customer-centric business environment, the CEO increasingly relies on the CMO for market insights, consumer behavior analysis, and competitive intelligence. The CMO, in turn, depends on the CEO's support to secure budgets, drive innovation, and align marketing with the company's broader purpose. A strong partnership between the CEO and CMO ensures that marketing is not treated as a cost center but as a value-creating, strategic function.

1. Introduction

Creating loyal customers is at the heart of every business. Businesses succeed by getting, keeping, and growing customers.

As marketing experts Don Peppers and Martha Rogers say:

"The only value your company will ever create is the value that comes from customers— the ones you have now and the ones you will have in the future."



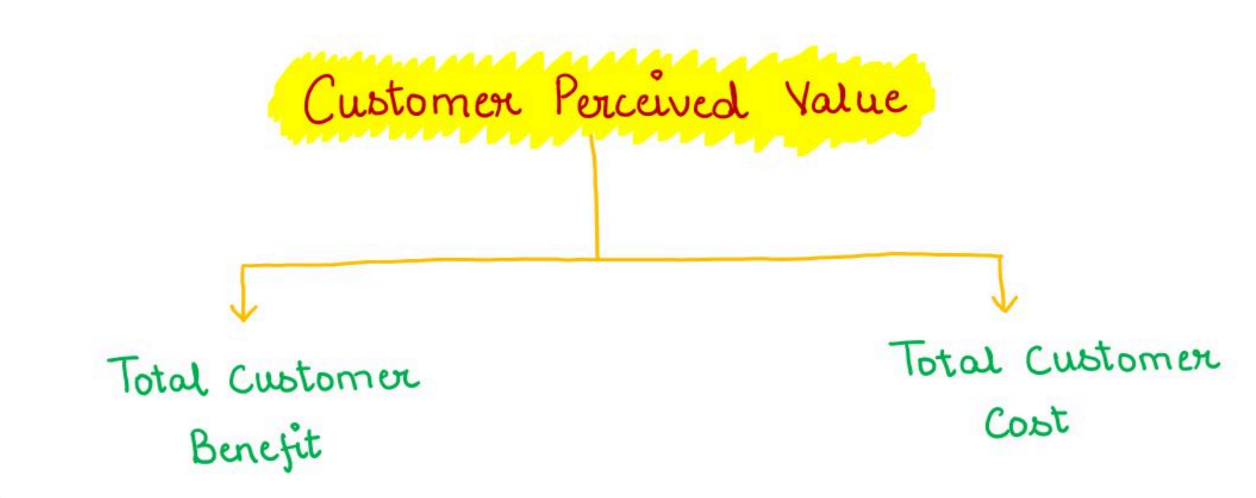
As given in the figure of Traditional Organization versus Modern Customer-Oriented Company Organization, firms who believe the customer is the company's only true "profit center" consider the *traditional organization chart*—a pyramid with the President at the top, Management in the middle, and Frontline people and customers at the bottom—obsolete.

Successful marketing companies invert the chart as given in the Modern Customer-Oriented Organization chart. At the top are Customers; next in importance are frontline people who meet, serve, and satisfy customers; under them are the middle managers, whose job is to support the frontline people so they can serve customers well; and at the base is top management, whose job is to hire and support good middle managers. The chart has added customers along the sides of the Figure to indicate that managers at every level must be personally involved in knowing, meeting, and serving customers.

A **customer value proposition** is more than just the main features of a product. It's a package of benefits that a company promises to provide to its customers. For example, Volvo's main promise is safety, but their value proposition also includes other benefits like good performance, appealing design, and environmental safety.

A **customer value delivery system** refers to the entire journey customers go through when they acquire and use a product. Its success depends on how well a company manages the process of delivering value to customers. The system includes all the steps and experiences that customers have, from learning about the product to buying and using it.

2. Customer Perceived Value



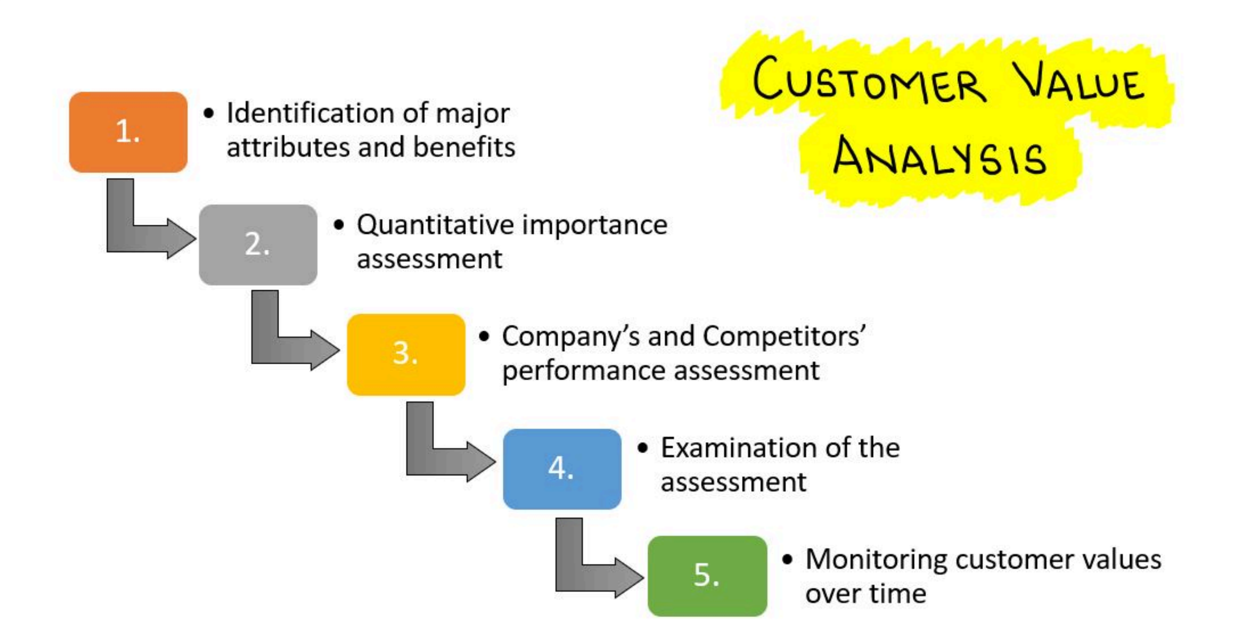
The Customer-Perceived Value (CPV) is what a potential customer thinks they will gain from a product or service compared to what they believe they will have to give up in order to obtain it. In simple terms, it is the balance between the benefits a customer expects to receive and the costs they anticipate in return. CPV considers both the benefits and sacrifices involved in choosing a particular product or service over other alternatives.

- **Total Customer Benefit** refers to the perceived value a customer expects to receive from a product or service. It encompasses the entire range of benefits a customer anticipates, including economic benefits (like cost savings or financial gains), functional benefits (how well the product or service meets their needs), and psychological benefits (how it makes them feel or boosts their self-esteem).
- **Total Customer Cost** refers to the perceived bundle of costs that a customer expects to incur when considering, obtaining, using, and disposing of a product or service. These costs can include not only the price paid but also the time, effort, energy, and psychological factors involved in the entire process.

Customer-perceived value is thus based on the difference between benefits the customer gets and costs he or she assumes for different choices. The marketer can increase the value of the offering by raising economic, functional, or emotional benefits and/or reducing one or more costs.

3. Customer Value Analysis

Frequently, managers engage in a customer value analysis to uncover the strengths and weaknesses of the company in comparison to various competitors.



The steps involved in this analysis are as follows:

1. **Identify the major attributes and benefits that customers value:** Customers are surveyed about the attributes, benefits, and performance levels they prioritize when choosing products and vendors. These attributes and benefits should be defined broadly to encompass all factors influencing customers' decisions.

2. **Assess the quantitative importance of the different attributes and benefits:** Customers provide ratings indicating the significance of various attributes and benefits. If the ratings show significant variation, the marketer should group them into distinct segments.

3. **Assess the company's and competitors' performances on the different customer values against their rated importance:** Customers describe how they perceive the company's and competitors' performances for each attribute and benefit.

4. **Examine how customers in a specific segment rate the company's performance against a specific major competitor on an individual attribute or benefit basis:** If the company outperforms the competitor across vital attributes and benefits, it can either charge a higher price (leading to increased profits) or maintain the same price while gaining more market share.

5. **Monitor customer values over time:** The company must periodically conduct fresh assessments of customer values and competitors' standings due to changes in the economy, technology, and product features.

4. Customer Loyalty

Consumers have varying degrees of loyalty to specific brands, stores, and companies. Oliver defines loyalty as "a deeply held commitment to rebuy or repatronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behavior." Customer Loyalty can be generated through providing value proposition along with managing value delivery system.

Some Loyalty Programs are given below:

- **Frequency Programs (FPs):** These are initiatives that reward customers for making repeated purchases or visits. Think of them as loyalty rewards for coming back.
- **Club Membership Programs:** These programs offer special benefits to loyal customers who join a club or membership. The goal is to encourage customers to stay loyal to the brand.

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5. Customer Satisfaction

Generally, satisfaction refers to the feelings of contentment or disappointment that arise from comparing how a product performs or the outcome it delivers with the expectations a person has. These expectations stem from past buying experiences, advice from peers and acquaintances, as well as information and promises provided by marketers and competitors. When the actual performance falls below expectations, it leads to customer dissatisfaction. When it aligns with expectations, the customer is satisfied. If it surpasses expectations, the customer experiences high satisfaction or delight.

The evaluation of product performance by customers is influenced by various factors, particularly the kind of loyalty they hold toward the brand. Consumers tend to view products associated with brands they already hold positive opinions about in a more favorable light. While aiming for a significant level of customer satisfaction, companies also need to ensure they maintain acceptable levels of satisfaction for other stakeholders, considering their available resources. Recognizing that high satisfaction translates into strong customer loyalty, companies must make certain that they not only meet but also exceed customer expectations.

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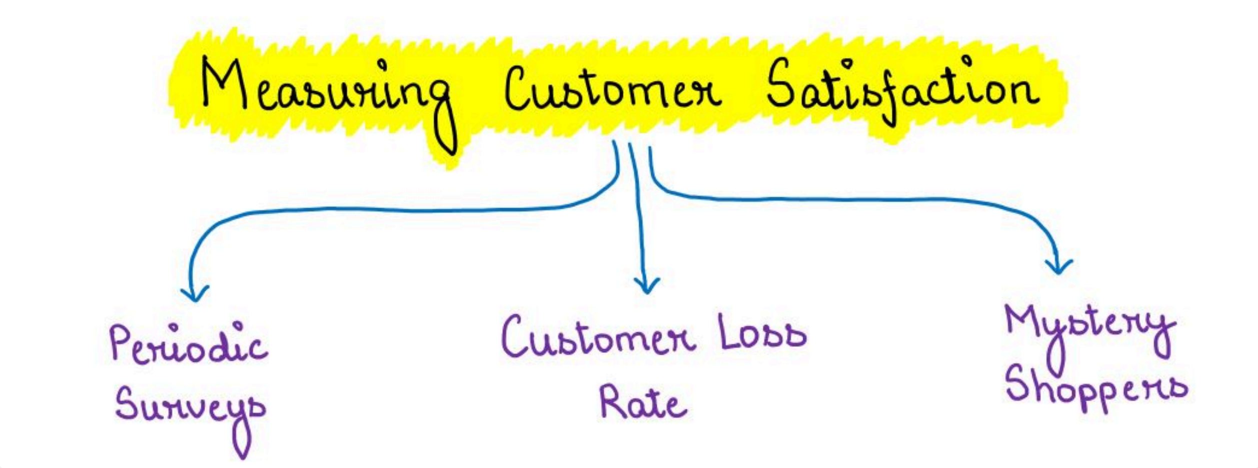
6. Monitoring Customer Satisfaction

Companies employ various methods to gauge customer satisfaction and make informed improvements.



Here are some of these methods:

1. Periodic Surveys

- Regularly conducted surveys that directly assess overall customer satisfaction.
- Additional questions measure factors like repurchase intentions, likelihood to recommend, and specific perceptions related to satisfaction.

2. Customer Loss Rate

- Tracking the rate at which customers are lost to understand dissatisfaction.
- Companies reach out to lost customers to determine their reasons for switching or discontinuing purchases.

3. Mystery Shoppers

- Companies hire individuals to pose as customers and evaluate their experience.
- These shoppers report on both strengths and weaknesses observed during the purchase process.

Measuring customer satisfaction is crucial because it strongly influences customer retention. Highly satisfied customers tend to stay loyal for longer periods. They not only make repeat purchases but also engage in positive word-of-mouth recommendations, are less price-sensitive, and contribute product or service ideas. Furthermore, they are less costly to serve compared to new customers.

However, the relationship between satisfaction and loyalty is not always proportional. Customers' satisfaction ratings on a scale from 1 to 5 do not directly correspond to loyalty. Very low satisfaction (level 1) may lead to abandonment and negative word-of-mouth. Slightly higher levels (2 to 4) indicate some satisfaction but a willingness to switch for better offers. Level 5 signifies strong loyalty and potential repurchase, as well as positive word-of-mouth.

It's important to understand that customers define good performance differently. Monitoring competitors' performance is also essential.

7. Product and Service Quality

Satisfaction will depend on product and service quality. As defined by American Society, “Quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs.” A company that satisfies most of its customers’ needs most of the time is called a quality company, but we need to distinguish between conformance quality and performance quality (or grade).

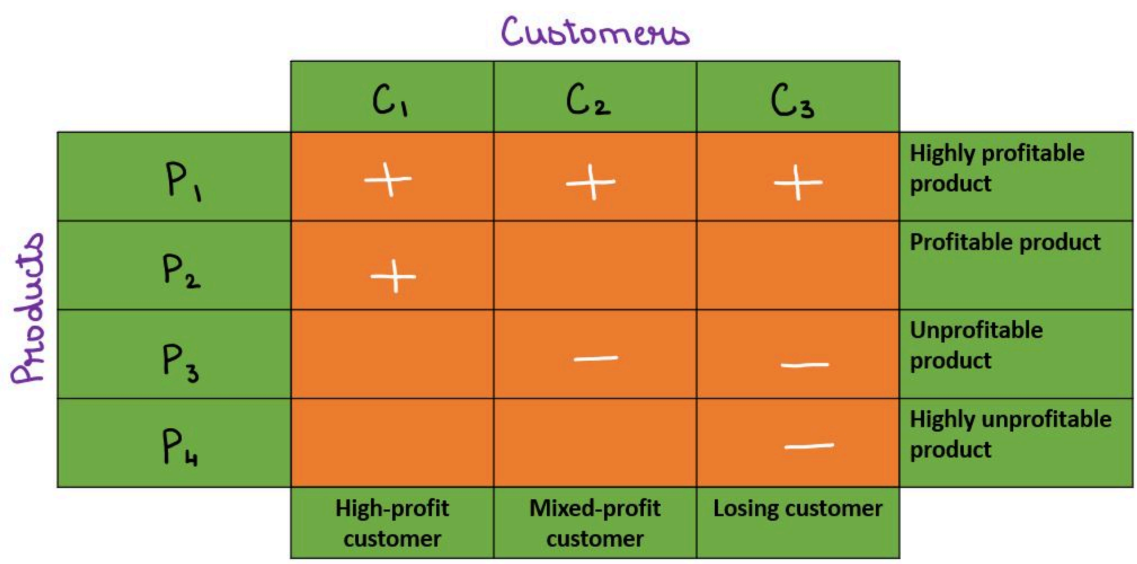
Conformance Quality is the ability of a product, service, or process to meet its design specifications. Design specifications are an interpretation of what the customer needs. Of course, a product having high quality of conformance may still not be perceived by a customer as being an acceptable product if the person who created the design specifications did not correctly interpret what the customer wanted.

Product and service quality, customer satisfaction, and company profitability are intimately connected. Higher levels of quality result in higher levels of customer satisfaction, which support higher prices and (often) lower costs.

8. Customer Profitability

Customer profitability refers to individuals, households, or companies that generate a revenue stream over time that significantly surpasses the company's costs associated with attracting, selling to, and servicing that customer. This assessment focuses on the long-term revenue and cost relationship rather than individual transaction profit. It can be evaluated for individual customers, market segments, or distribution channels.

In customer profitability analysis, customers and products are organized into a matrix. Each cell represents the profitability of selling a specific product to a particular customer. Profitable customers are those who purchase products that contribute positively to the company's profits. Unprofitable customers are those whose purchases result in losses. CPA provides insights into which customers and products are driving profitability.



Activity-based costing is an accounting technique used to accurately identify the costs linked to serving each customer. It breaks down the costs of products and services based on the resources they consume. ABC considers not just direct production costs but also indirect costs associated with customer service activities, such as travel, communication, and entertainment expenses. It allocates costs to activities and then back to individual customers, providing a more accurate view of customer profitability.

Customer profitability analysis is most effectively conducted using the principles of activity-based costing. This approach ensures that all relevant costs, both direct and indirect, are accounted for, providing a clearer understanding of which customers contribute positively to the company's bottom line. Properly implementing ABC requires accurately defining and assessing various activities and allocating costs accordingly. This method helps companies allocate resources efficiently and focus their marketing efforts where they yield the highest returns.

9. Customer Lifetime Value

Marketing is the art of attracting and keeping profitable customers. A company could improve its profits by “firing” its worst customers. It’s not always the company’s largest customers, who can demand considerable service and deep discounts, who yield the most profit. The smallest customers pay full price and receive minimal service, but the costs of transacting with them can reduce their profitability. Midsize customers who receive good service and pay nearly full price are often the most profitable.

The case for maximizing long-term customer profitability is captured in the concept of customer lifetime value. **Customer Lifetime Value (CLV)** describes the net present value of the stream of future profits expected over the customer’s lifetime purchases. The company must subtract from its expected revenues the expected costs of attracting, selling, and servicing the account of that customer, applying the appropriate discount rate.

The CLV is given by following formula:

CLV = GC × $\sum{ \frac{r^i}{(1+d)^i}}$

GC is the (expected) yearly gross contribution margin per customer (Revenues - Cost of Sales)

n is the length, in years, of the period over which cash flows are to be projected.

r is the yearly retention rate, i.e., the proportion of customers expected to continue buying in the subsequent year.

d is the yearly discount rate (appropriate for marketing investments).

Thus, formula for CLV in the first year becomes:

$$\text{CLV (for one year)} = GC \times \frac{r}{1+d}$$

---

9. Customer Lifetime Value

"Share of customer" is a marketing concept that refers to the portion or percentage of a customer's overall spending in a particular product category or industry that is captured by a specific company. In other words, it measures the extent to which a company can attract a larger share of a customer's purchasing decisions within a specific area.

For example, if a customer frequently purchases various products within a certain product category, like electronics, clothing, or groceries, their spending is divided among different brands and companies. A company's share of customer is determined by the proportion of that customer's total spending that is allocated to that specific company's products or services within the chosen category.

Companies strive to increase their share of customer because it signifies higher customer loyalty, stronger brand preference, and a more significant competitive advantage. By providing exceptional value, personalized experiences, and building strong relationships, companies can encourage customers to allocate a larger portion of their spending to their products or services.

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1. Introduction

Customer Relationship Management (CRM) refers to a business strategy and a set of processes that help organizations **understand customers**, **attract new ones**, and **maintain long-term relationships** with existing customers. It goes beyond just selling — CRM focuses on providing value, satisfaction, and personalized interaction so that customers prefer the same brand repeatedly.

CRM uses customer data, technology, and communication tools to build emotional and trust-based relationships with customers. Today, companies collect information such as purchase history, preferences, complaints, and feedback to improve their services and deliver better customer experiences.

In modern marketing, **customers are the most valuable asset**. Their loyalty determines business growth, profitability, and brand reputation. Therefore, CRM plays a key role in identifying loyal customers, retaining them, and increasing the business they give to the company over time.

Objectives of CRM

CRM aims to:

- Develop **strong, profitable, and long-term relationships** with customers
- Improve **customer satisfaction** through personalized offerings
- Convert **occasional buyers into repeat customers**
- Reduce marketing costs by **retaining loyal customers** instead of spending more to acquire new ones
- Increase **customer lifetime value** (total profit earned from a customer during the entire relationship period)
- Understand changing customer needs and market trends using data

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Why CRM is Important Today

Modern customers have many brand options. Because switching is easy, companies must work harder to **retain** customers. CRM helps organizations:

- Provide quick and effective service
- Keep customers engaged across all platforms — website, app, store
- Reward loyal buyers through benefits and personalized offers
- Solve customer problems faster to improve trust

📌 Example:
Banks like **HDFC Bank** and retail brands like **Reliance Retail** use CRM to offer personalized discounts, points on purchases, and fast resolution of issues — which strengthens customer loyalty.

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2. Process of CRM

Process of Customer Relationship Management (CRM)

CRM is a continuous and iterative process that turns **customer data** into **customer loyalty** and **repeat purchasing behavior**. The CRM process consists of four major steps:

Step 1: Collecting Customer Data

The CRM process begins with gathering customer information to build a **customer database**.
This database becomes the **foundation** of all CRM activities.

The information collected may include:

- Name, age, address, contact details
- Purchase history and preferences
- Payment methods
- Frequency of visits or orders
- Complaints and feedback

Modes of Data Collection

Organizations collect data through several channels:

- Online purchases (customer details entered automatically)
- Warehouse clubs using membership cards
- Store credit cards linked to personal info
- Cashiers requesting customer info at checkout
- Integration of online and offline purchase records
- Frequent shopper or loyalty cards
- RFID tags on products (tracking buying behavior)
- Mobile apps and e-commerce platforms

📌 *Example:*
Retailers like Big Bazaar and D-Mart collect data through loyalty cards and app purchases.

Step 2: Analyzing Customer Data and Identifying Target Customers

Once data is collected, it is analyzed to:

- Identify **best and most profitable customers**
- Predict buying behavior
- Segment customers based on their value and preferences

Objectives

- Improve decision-making using retail analytics and data mining
- Target promotional campaigns to the right customer groups

- Plan product assortment based on customer needs
- Focus more attention on high-value customers using **Customer Lifetime Value (CLV)** analysis

📌 *Example:*
Amazon uses analytics to recommend personalized products and identify premium repeat buyers.

Step 3: Developing CRM Through Frequent Shopper / Loyalty Programs

Frequent shopper programs reward customers for **repeat buying**.
These programs help in:

- Building a database that links each purchase with a customer
- Encouraging loyalty and repeat shopping
- Offering discount incentives, cashbacks, membership benefits
- Creating emotional engagement with the brand

Examples of loyalty programs:

- Supermarket reward cards
- Airline miles programs
- Cashback points on mobile wallets and banking apps

📌 *Example:*
Shoppers Stop's "First Citizen" program tracks every purchase and rewards repeat customers.

Step 4: Implementing CRM Programs

The final step is to put CRM plans into action. Retailers design specific marketing programs for:

- Personalized promotion and communication
- Priority service for valuable customers
- Customized product recommendations
- After-sales support and complaint handling
- Exclusive offers for loyal members

Effective implementation turns customer data into **strong long-term relationships**.

📌 *Example:*
Starbucks India uses CRM to push personalized offers on its app, resulting in frequent visits.

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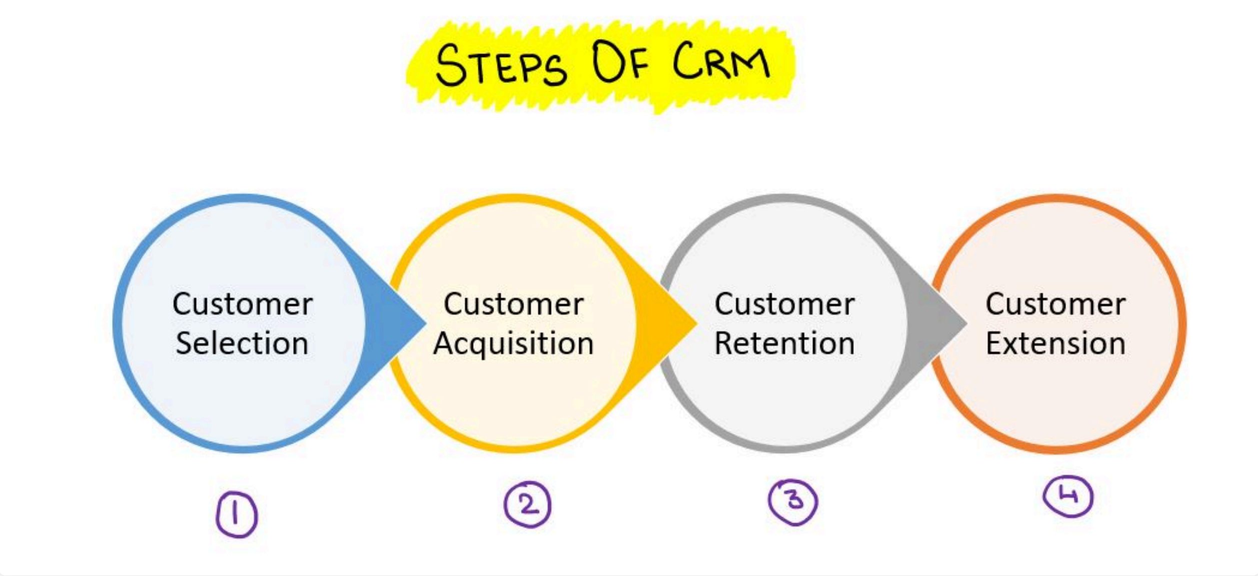
3. Steps of CRM



CRM activities can also be understood through four key steps that reflect how organizations build relationships with customers. These steps guide businesses from **selecting the right customers** to **developing them into loyal, high-value buyers**.

1️⃣ Customer Selection

This step involves identifying **which customers** the company wants to target.

Key questions include:

- Who are we targeting? (Based on demographics, behavior, geography)
- What is their potential value to the company? (Customer Lifetime Value)
- Where can we reach them effectively? (Channels such as online, retail stores, apps)

Customer selection ensures that resources are focused on the customers who are most likely to respond and become loyal.

📌 *Example:*
Telecom companies target youth with affordable data plans and premium customers with bundled offers.

2️⃣ Customer Acquisition

This step focuses on **bringing new customers** to the brand and encouraging them to try the products or services.

Important considerations:

- Targeting specific customer segments
- Minimizing acquisition costs
- Choosing suitable communication channels (ads, digital promotions)
- Maintaining high service quality right from the first experience
- Selecting the right distribution channels (stores, websites, delivery apps)

📌 Methods for acquisition:
Advertising, direct mail, search engine marketing, online partnerships, email campaigns, viral marketing

📌 *Example:*
Swiggy offers discounts for first-time users through mobile app campaigns.

3️⃣ Customer Retention

Retention focuses on **keeping existing customers** satisfied so that they continue buying.

Key activities include:

- Understanding customer needs and solving their problems quickly
- Maintaining service quality (tangibles, reliability, responsiveness, assurance & empathy)
- Rewarding loyal customers through personalized offers and benefits
- Engaging customers regularly through communication and feedback

📌 *Example:*
Banks provide 24×7 service support and loyalty rewards to ensure long-term relationships.

📌 Why retention is important:
Retaining old customers is **cheaper** than acquiring new ones and leads to **higher profitability** over time.

4️⃣ Customer Extension / Development

This step aims at **increasing the value of each existing customer** by encouraging them to:

- Buy more frequently
- Buy a wider range of products
- Upgrade to better versions

Common strategies:

- **Re-sell:** Promote the same products again
- **Cross-sell:** Suggest related products
- **Up-sell:** Offer premium versions of the product

📌 Examples:

- Amazon suggests “Customers also bought…” (Cross-selling)
- Telecom companies upgrade users to higher data plans (Up-selling)

Customer extension enhances **customer lifetime value** and overall business growth.

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4. Personalized Marketing

Employees can create strong bonds with customers by individualizing and personalizing relationships. **Personalizing marketing** involves tailoring marketing messages, offers, and experiences to individual consumers based on their preferences, behaviors, and characteristics. Instead of delivering a one-size-fits-all message to a broad audience, personalized marketing aims to create relevant and meaningful interactions that resonate with each individual customer. This approach is driven by the understanding that consumers are more likely to engage with and respond positively to messages that align with their interests and needs.

Permission marketing is a marketing strategy that focuses on obtaining explicit consent from consumers before delivering marketing messages or content to them. This approach contrasts with traditional forms of marketing, such as interruptive advertising, where messages are pushed to consumers without their consent. In permission marketing, consumers willingly opt in to receive communications from a company, indicating a genuine interest in the brand's offerings.

Personalization and permission marketing reflect the shift towards customer-centric marketing strategies. Instead of bombarding consumers with messages, these approaches aim to create a mutually beneficial relationship where consumers feel valued and engaged with the brand. It is important to note that personalization should be done ethically and with respect for consumers' privacy and preferences.

Participatory marketing is an approach in which consumers are actively involved in the marketing process, collaborating with brands to co-create content, provide feedback, generate ideas, and share their experiences. This strategy recognizes the value of consumer engagement and leverages their contributions to enhance brand loyalty, authenticity, and overall marketing effectiveness.

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5. Engaging Customers

The relationship between customers and brands has evolved significantly due to the impact of digital technologies. These changes have transformed how companies connect with customers and how customers influence each other's interactions with brands.

Traditionally, companies used mass-marketing methods to reach broad customer segments from a distance. However, in today's digital age, companies utilize online platforms, mobile apps, social media, and more to engage customers more deeply and interactively. This approach is known as **customer-engagement marketing**. Unlike the old marketing approach of simply selling brands to consumers, customer-engagement marketing aims to involve customers directly in shaping brand conversations, experiences, and communities. The goal is to make the brand an integral part of consumers' conversations and lives, fostering ongoing customer involvement.

A subset of customer-engagement marketing is **consumer-generated marketing**, where consumers actively participate in shaping their own and others' brand experiences. This can occur through organic consumer-to-consumer exchanges on platforms like blogs, social media, and video-sharing sites. Additionally, companies are increasingly inviting consumers to have a more active role in shaping products and brand content. This involvement not only enhances brand-consumer relationships but also allows consumers to co-create and influence brand experiences.

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6. Partner Relationship Management

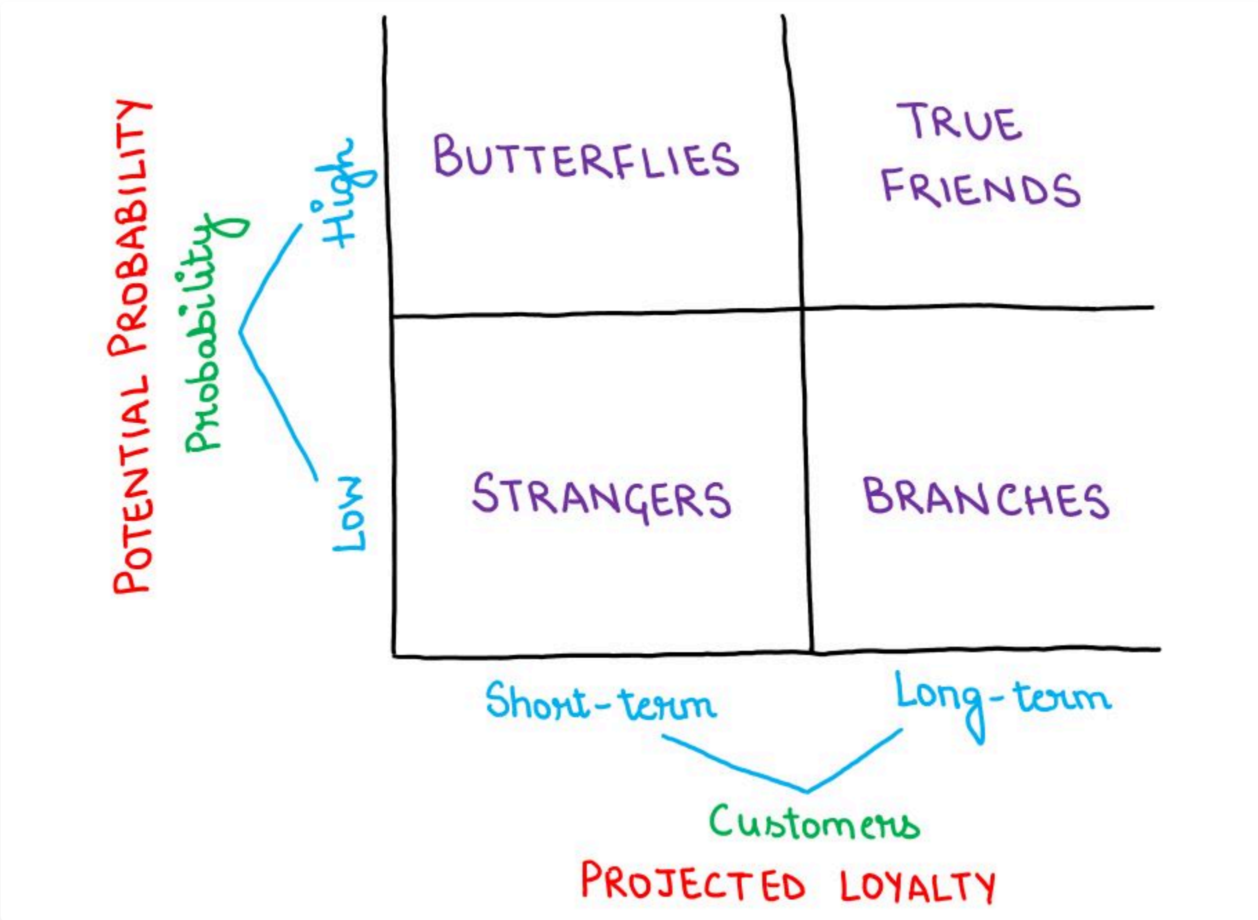
In the realm of creating customer value and fostering robust customer relationships, modern marketers understand that they cannot operate in isolation. Instead, they need to collaborate closely with various marketing partners. This involves not only excelling in customer relationship management but also effectively managing partner relationships. By working collaboratively with both internal and external parties, marketers aim to collectively enhance the value delivered to customers.

Traditionally, marketers were tasked with comprehending customer preferences and representing those needs to different departments within the company. However, in today's interconnected landscape, all functional areas within an organization have the potential to engage with customers. The new perspective emphasizes that regardless of an individual's role within a company, a grasp of marketing principles and customer-centricity is essential. Rather than allowing each department to operate independently, organizations must align all departments in their pursuit of delivering customer value.

Marketers are also required to establish partnerships beyond the company's boundaries, encompassing suppliers, channel partners, and other external entities. Marketing channels comprise distributors, retailers, and intermediaries who bridge the gap between the company and its customers. On a broader scale, the supply chain encompasses the entire route from raw materials to components, ultimately leading to the final products delivered to end consumers. Through effective supply chain management, companies strengthen their connections with partners across the supply chain. This acknowledgment arises from the realization that success isn't solely dependent on their individual performance. The ability to deliver customer value hinges on the collective performance of the entire supply chain in comparison to competitors' supply chains.

7. Customer Relationship Groups

The concept of customer relationship management (CRM) involves classifying customers based on their potential profitability and projected loyalty, allowing companies to tailor their relationship management strategies accordingly. This approach helps companies allocate resources effectively and build the right relationships with different customer groups.



In this classification system, customers are grouped into four categories, each requiring a distinct strategy:

1. Strangers

These customers have low potential profitability and show little projected loyalty. There is a mismatch between the company's offerings and their needs. The recommended strategy for these customers is not to invest resources in them, as the potential return is limited.

2. Butterflies

Butterflies are potentially profitable but lack loyalty. Their needs align well with the company's offerings, but they tend to engage briefly and move on quickly. For instance, stock market investors who frequently trade shares fall into this category. The strategy here is to focus on creating satisfying and profitable transactions during their short engagement, capturing as much business as possible in that time.

3. True Friends

True friends are both profitable and loyal. Their needs closely match the company's offerings, and they represent a strong relationship opportunity. The company should make continuous investments in building relationships with these customers. The goal is to nurture, retain, and grow these relationships, ultimately turning them into advocates who promote the company.

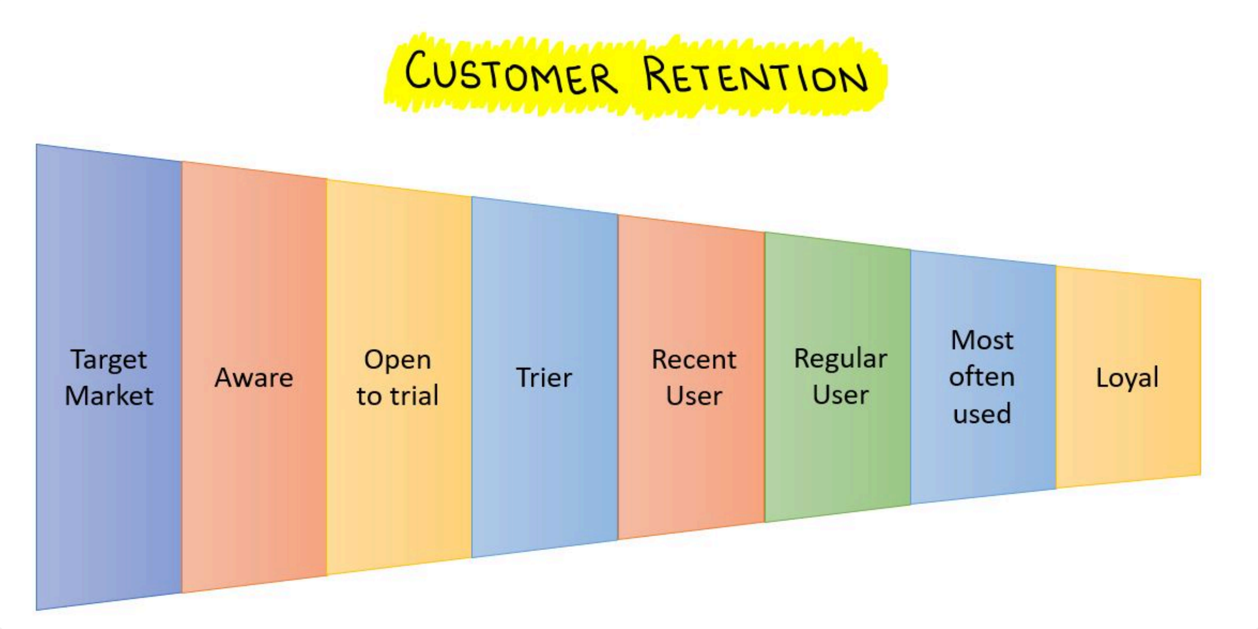
4. Barnacles

Barnacles are highly loyal but not very profitable. Their needs have limited alignment with the company's offerings, resulting in a challenging situation. These customers might be similar to smaller bank customers who maintain regular accounts but don't generate substantial returns. The strategy for barnacles involves exploring ways to improve their profitability, such as increasing their purchases or raising fees. However, if these efforts are unsuccessful, it might be necessary to end the relationship.

The underlying principle is that different customer segments require tailored relationship management strategies. The goal is to cultivate the right relationships with the right customers. By understanding each customer's potential profitability and loyalty, companies can allocate resources wisely and implement strategies that optimize customer lifetime value and overall business success.

8. Customer Retention

It is not enough to attract new customers; the company must also keep them and increase their business. Too many companies suffer from high **customer churn or defection**.



The figure shows the main steps in attracting and retaining customers in terms of a funnel and some sample questions to measure customer progress through the funnel. The **marketing funnel** identifies the percentage of the potential target market at each stage in the decision process, from merely aware to highly loyal. Consumers must move through each stage before becoming loyal customers. Some marketers extend the funnel to include loyal customers who are brand advocates or even partners with the firm.

By calculating conversion rates—the percentage of customers at one stage who move to the next—the funnel allows marketers to identify any bottleneck stage or barrier to building a loyal customer franchise.

The funnel also emphasizes how important it is not just to attract new customers, but to retain and cultivate existing ones. Satisfied customers are the company’s customer relationship capital. If the company were sold, the acquiring company would pay not only for the plant and equipment and brand name, but also for the delivered customer base, the number and value of customers who will do business with the new firm.

9. Technology and CRM

Technology plays a central role in CRM by helping organizations **collect, store, analyze, and use customer data** more effectively. Modern CRM systems integrate **software, digital tools, and automation** to improve communication, service quality, and personalization. As a result, companies can build stronger customer relationships with lower effort and higher accuracy.

Role of Technology in CRM

Technology strengthens CRM by enabling businesses to:

- Maintain a **centralized customer database**
- Track customer behavior across **online and offline channels**
- Predict customer needs and buying patterns
- Provide personalized offers and recommendations
- Respond to customer queries instantly through digital support
- Automate marketing activities such as emails and loyalty programs

📌 Example:
E-commerce platforms like **Amazon**, **Myntra**, and **Flipkart** use algorithms to recommend products based on past browsing and purchase history.

Types of Technology Used in CRM

1️⃣ **CRM Software / Systems**
These platforms store customer information and automate marketing tasks.
Examples: Salesforce, Zoho CRM, HubSpot

2️⃣ **Artificial Intelligence & Machine Learning**
Helps identify patterns, predict customer behavior, and personalize experiences.

3️⃣ **Big Data & Analytics**
Used to analyze large volumes of customer data to improve decisions.

4️⃣ **Mobile and App-Based CRM**
Apps enable customers to track orders, receive offers, and communicate easily.

5️⃣ **Social CRM**
Uses social media platforms such as Instagram, Facebook, and Twitter to interact with customers, respond to feedback, and build communities.

6️⃣ **Omnichannel Technology**
Integrates website, app, call center, and store experiences so the customer journey is seamless.

10. CRM Success Factors

While a clear intention is the driving force behind the success of a Customer Relationship Management (CRM) system, several other key factors contribute to ensuring a strong return on investment. Below are five essential factors that organizations with successful CRM implementations share.

1. Strong Internal Partnership Around CRM Strategy

CRM is not just a tool, but a comprehensive approach that impacts all areas of an organization. This means collaboration is crucial across departments. For a CRM to succeed, management at all levels needs to form strong internal partnerships.

If you're in the early stages of CRM implementation, this is the perfect time to bring together all stakeholders and discuss your CRM needs openly while also being receptive to the requirements of other areas. Sometimes, conflicts may arise between departments about what data is necessary. In these situations, it's important to focus on collaboration rather than competition.

For example, if the sales and marketing teams have different data needs, a collaborative approach ensures both teams understand each other’s priorities and work toward a shared goal. Acknowledging and appreciating each department’s contributions helps rebuild or maintain strong internal alliances.

2. Accurate Information Collection by Employees at All Levels

The success of CRM depends largely on the accuracy and completeness of the data it gathers. For employees to effectively input data into the CRM system, they need to understand what information should be collected and why it is important.

When employees are educated on the purpose behind data collection and are aware of how this data will be used, they are more likely to comply. Additionally, they will trust and utilize the CRM system, knowing it is collecting data for a well-defined purpose. For instance, a customer service representative who understands that logging detailed interactions with customers helps improve personalized service is more likely to input accurate information into the CRM system.

3. User-Friendly CRM Tools for Both Customers and Employees

CRM tools must be intuitive and seamless to encourage adoption by both employees and customers. A smooth integration with existing systems makes it feel like a natural part of the workflow rather than an added burden.

Take the example of a pet food manufacturer that redesigned the pop-up screens for its toll-free consumer helpline. Initially, the system prompted representatives to ask for the caller’s name and address at the end of the conversation, but representatives found that asking “What’s your name?” and “Where are you calling from?” at the start of the call was more natural. By aligning the system with employees' natural communication patterns, the company enhanced both customer service and internal efficiency.

4. Report Only the Data You Use, and Use the Data You Report

Just because your CRM system has the ability to generate a variety of reports doesn’t mean it should. Focus on reporting data that is directly relevant to your goals.

This approach keeps the team aligned and prevents information overload. For example, if the sales team only needs data on customer purchase history to improve targeting strategies, only those specific reports should be generated and shared. This avoids unnecessary data analysis and helps the team focus on actionable insights, improving overall decision-making and CRM effectiveness.

5. Don’t Overcomplicate – Use Low-Tech Solutions When They Work

Not all CRM challenges require high-tech solutions. Sometimes, a simple, low-tech approach is all you need.

Consider the example of Harley-Davidson’s manufacturing plant in Milwaukee. In the summer, the facility often leaves large metal doors open to allow in fresh air. However, this occasionally invites unwanted visitors, such as skunks. After much deliberation over high-tech solutions like screens or half-doors, the team decided on a simple, low-tech solution: just leave the skunk alone until it wanders back out. This effective, straightforward approach solved the problem without unnecessary complexity.

11. Three Levels of Service / Sales

The Customer Service / Sales Profile model identifies three levels of service that businesses typically experience as they develop relationships with customers. These levels help in shaping your CRM strategy by providing a clear understanding of where your customers are in their journey with your brand.

The three levels are as follows:

Level 1: Initial Transactions

At this foundational level, your focus is on individual, stand-alone sales or interactions. Every business begins here, whether it's a first-time customer purchasing an item or a service. However, while this level is essential for establishing your business, it can be difficult to sustain profitability if you're only relying on initial transactions.

In fact, it's common for businesses to incur costs in acquiring new customers. For example, the Nature Retreat Center may spend money on marketing and advertising to attract guests. The challenge here is to ensure that these initial interactions are smooth, efficient, and leave a positive impression.

Key Actions for Success at Level 1:

- Identify customers at risk of leaving: If a customer had a negative experience during their first interaction, you need to identify them early and find ways to win them back.
- Educate new customers: Providing customers with clear information about your products or services helps minimize service issues and improves the overall experience. For the Nature Retreat Center, this could involve providing a clear guide or FAQ section for guests upon arrival.
- Turn interactions into revenue-generating opportunities: Train your staff to spot opportunities to upsell or cross-sell while ensuring that customers feel well-served. For example, offering a discount on a future visit or suggesting additional services like spa treatments can increase customer retention.

By focusing on making the first transaction as smooth as possible, businesses lay the groundwork for long-term customer relationships.

Level 2: Repeat Customers

Once you've successfully completed a few transactions with customers, the goal shifts to bringing them back for repeat business. This can be through return purchases of the same product, or through cross-selling other products or services. Repeat customers are more likely to have emotional and economic ties to your brand, and they bring an expectation that these ties will be valued.

For example, Caribou Coffee might have a loyal customer who orders the same "extra large, skil latte with Caribou cookie" every morning. The staff knows this customer's name and preferences, creating a personalized experience that encourages return visits.

Insurance Providers can create repeat customers when someone who buys car insurance returns to the same agent to purchase home and life insurance.

Key Actions for Success at Level 2:

- Recognize repeat business: CRM tools can help identify repeat customers by tracking their purchase history, allowing your team to engage them in a personalized manner.
- Create loyalty: Offering discounts or rewards for continued business, like a coffee shop loyalty card that rewards repeat visits, can strengthen the emotional bond.
- Expectations of value: A repeat customer expects to be valued. For example, Caribou Coffee's loyal customer may expect the last Caribou cookie to be saved just for them, or the insurance customer might seek a discount for bundling car, home, and life insurance.

By focusing on cultivating repeat customers, businesses can increase their revenue per customer and foster long-term loyalty.

Level 3: Customer Advocates

At the highest level of service/sales, you have Customer Advocates. These customers are not just satisfied with their experience; they are eager to spread the word about your business to others. They actively recommend your products and services to friends, family, and colleagues, and might even participate in your marketing efforts by providing testimonials or reviews.

For instance, a satisfied Nature Retreat Center guest might post glowing reviews on social media, share their positive experience with their network, or become a repeat guest who brings others along.

Key Actions for Success at Level 3:

- Encourage advocacy: Provide incentives for customers to refer others, such as discounts or rewards for successful referrals.
- Foster relationships: By providing exceptional service, these customers become emotionally connected to your brand and naturally act as brand ambassadors.
- Utilize testimonials: Actively request and use positive customer feedback in your marketing materials to build trust with new prospects.

Example: A loyal customer of a tech company might write a detailed positive review online or share their experience in a YouTube video. Their advocacy can lead to increased brand awareness and new customers.

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12. Service Level Agreements (SLAs)

Service Level Agreements (SLAs) are formal agreements between a service provider and a customer that define the expected level of service. These agreements set clear expectations for the quality, availability, and responsibilities of both parties involved. SLAs are crucial for ensuring that both the service provider and the customer are aligned on the performance standards required and that there are measurable metrics to evaluate the service's success.

Key Elements of SLAs

- Service Description: A clear description of the services being provided. This includes the scope, specific services, and what is included or excluded from the agreement.
- Performance Metrics: SLAs define key performance indicators (KPIs) such as uptime, response time, resolution time, and other relevant benchmarks.
- Roles and Responsibilities: Both the service provider and the customer have roles and responsibilities outlined to avoid any confusion.
- Penalties and Remedies: SLAs specify the consequences if the agreed-upon service levels are not met. This can include financial penalties or service credits.
- Monitoring and Reporting: Regular monitoring of the service performance to ensure adherence to the SLA. Periodic reports are provided to track compliance.
- Duration and Review: The duration of the SLA agreement and the frequency with which it will be reviewed or renewed.

Creating Effective SLAs

Creating an effective SLA involves careful planning, clear communication, and thorough documentation. Here's how to create one:

- Understand Customer Needs and Expectations: Start by discussing with customers to understand their service expectations. Define what success looks like from their perspective.
  For example, a cloud storage provider might learn that a customer values 99.9% uptime, and low response times for technical support.
- Define the Scope of Services: Clearly articulate what services will be provided and what is excluded. This minimizes misunderstandings.
  Example: A managed IT service provider may define its services to include server maintenance and troubleshooting but exclude software installation outside of the agreed terms.
- Set Realistic and Measurable Metrics: The KPIs should be measurable, achievable, and aligned with customer expectations. Metrics such as response time, resolution time, availability, and throughput are commonly used.
  Example: “Support response time will be within 2 hours for critical issues” or “99% uptime for the service each month.”
- Establish Reporting and Review Procedures: Determine how performance will be tracked and reported. Set a schedule for performance reviews and updates to the SLA.
  Example: Monthly performance reports to evaluate the service provider's adherence to the uptime guarantee.
- Define Penalties and Remedies: Clearly define what happens if the service provider fails to meet the agreed levels. This might include discounts, service credits, or other compensations.
  Example: “If the uptime falls below 99%, a 10% service credit will be issued to the customer for that billing cycle.”
- Ensure Clear Communication: Make sure both parties understand the terms of the SLA. A lack of clarity can lead to disputes, so it’s essential to have a mutual agreement on all terms.

Managing Effective SLAs

Once an SLA is created, managing it effectively is key to ensuring both parties meet expectations. Here’s how to do it:

- Monitor Performance Regularly: Continuously track service levels to ensure they are being met. Use automated tools to measure response times, downtime, and other metrics.
  Example: Use network monitoring tools to track server uptime and identify issues before they affect customers.
- Communicate Regularly with Customers: Keep customers informed of service performance, any issues, and how they are being addressed. Transparent communication helps build trust.
  Example: Monthly meetings or reports with customers to review SLA compliance and discuss improvements.
- Address Violations Promptly: If the SLA is breached, address the issue immediately. Work with the customer to resolve the problem and prevent future occurrences.
  Example: If a response time is violated, apologize, explain the situation, and offer a service credit as compensation.

- Continuous Improvement: Regularly review and update SLAs to ensure they remain aligned with changing customer needs and evolving business goals. Make adjustments based on feedback and performance data.
  Example: After six months, you may find that the customer's needs have changed, and the SLA can be adjusted to reflect a higher response time or additional services.
- Escalation Procedures: Define the steps to take if issues persist or escalate beyond standard resolution methods. A clear escalation path ensures that urgent issues are addressed quickly.
  Example: If an issue isn't resolved within the first 24 hours, it's escalated to senior technical staff for a resolution within an additional 24 hours.

  Example of SLA in Action

  Let's consider a simple example:

  Company X provides IT support services to Company Y. The SLA might look like this:

- Scope of Services: 24/7 IT support, server maintenance, and software troubleshooting.
- Response Time: Critical issues will be addressed within 1 hour. Non-critical issues will be addressed within 8 hours.
- Uptime Guarantee: 99.5% uptime per month, with penalties applied for any downtime exceeding this threshold.
- Penalties: If uptime drops below 99.5%, Company Y receives a 5% discount on the monthly fee for each additional 0.5% downtime.
- Reporting: Monthly reports on uptime, response time, and resolution time.
  Review Period: SLA reviewed quarterly to ensure it reflects both parties' needs.
- Managing the SLA: Company X will monitor the servers 24/7, track all incidents and responses, and generate monthly performance reports. If there's a breach in the response time or uptime, Company X will notify Company Y, apologize, and offer any applicable service credits.

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13. Cross Selling and Up Selling

Both cross-selling and up-selling are sales strategies designed to increase revenue and improve the customer experience by offering additional products or services. However, while they both aim to boost sales, they have distinct approaches and goals.

1. Cross Selling

Cross-selling involves offering related or complementary products or services to an existing customer. The goal is to increase the total value of the sale by introducing customers to other products they may need or want that are related to their initial purchase.

Example: If a customer buys a smartphone, the salesperson may offer accessories like a phone case, screen protector, or a charger. These additional items complement the smartphone and enhance the customer's overall experience.

2. Up Selling

Up-selling is the strategy of encouraging customers to purchase a more expensive version of the product or service they are considering. The objective is to increase the value of the sale by persuading customers to opt for a higher-end product, service, or upgrade.

Example: If a customer is looking to buy a basic mobile phone, the salesperson may suggest a more advanced model with better features, such as a larger storage capacity, better camera, or improved processing power.

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14. Channel Optimization

Channel optimization is the process of selecting and managing the most efficient and effective communication and distribution channels to interact with customers. The goal is to deliver the right message, through the right channel, at the right time, while ensuring the best customer experience. This involves analyzing different customer touchpoints, understanding customer behavior, and making data-driven decisions to enhance the overall efficiency of the channel mix.

In today's fast-paced, multi-channel world, customers interact with brands through various platforms: physical stores, websites, mobile apps, social media, email, call centers, and more. Channel optimization ensures that businesses leverage these channels in a way that maximizes customer satisfaction and operational efficiency.

Key Components of Channel Optimization:

Multi-channel Strategy
A multi-channel strategy ensures that a brand is accessible across various touchpoints where customers expect to find them. It's not just about having many channels but also about how well these channels work together to provide a seamless experience for the customer.

Example: A customer may research a product on an e-commerce website, then make a purchase via mobile app, and finally track the order through a customer service center. The channels must be optimized to ensure a smooth transition for the customer.

Data-Driven Insights
Channel optimization involves gathering and analyzing customer data to identify which channels are most effective in reaching different customer segments. This means understanding where your customers prefer to interact and how they use various channels.

Example: A retail company may find that its younger customers prefer social media and its older customers prefer phone support. By analyzing these preferences, the company can allocate resources to the most effective channels for each customer group.

Cross-Channel Integration
Optimizing channels means ensuring they are integrated and can work together. This means that no matter which touchpoint a customer uses, they should receive consistent information and support across all channels. Cross-channel integration is crucial for avoiding fragmented customer experiences.

Example: A customer may start a support ticket on a website and continue the conversation with the same customer representative through a live chat feature. The agent should have access to the customer's previous interactions to provide a coherent and efficient response.

Customer Journey Mapping
Understanding the entire customer journey, from initial contact to post-purchase interactions, is vital for effective channel optimization. This helps businesses understand which channels are most valuable at different stages of the journey.

Example: During the awareness stage, a customer might interact with your brand through social media or online ads. During the consideration stage, they might visit your website for more detailed information. At the purchase stage, they could use a mobile app or call center to finalize the purchase. Understanding these stages helps optimize which channels to focus on at each step.

15. Event-Based Marketing

Event-based marketing is a strategy that involves targeting customers based on specific events or triggers in their lifecycle, behaviors, or interactions with a brand. These events could include actions such as a product purchase, a website visit, a social media engagement, or even a life event like a birthday or anniversary. By capitalizing on these moments, businesses can tailor their marketing efforts to be highly relevant and timely, leading to better customer engagement and increased conversion rates.

Event-based marketing focuses on responding to these signals in real time, delivering the right message to the right customer at the right time.

Event-based marketing is powered by data. By collecting customer data, including browsing behavior, past purchases, and engagement with the brand, companies can identify patterns and triggers that indicate specific events. Marketing automation tools and customer relationship management (CRM) systems help manage these events and automate responses, ensuring that messages are sent at the most relevant moments.

16. Call Centre

A **call center** is a centralized office or facility used by organizations to manage inbound and outbound customer service calls. It serves as the primary point of contact for customers seeking assistance, whether it's for technical support, inquiries, troubleshooting, or sales. Call centers are typically equipped with tools and technologies to handle large volumes of calls efficiently, while maintaining high levels of customer service.

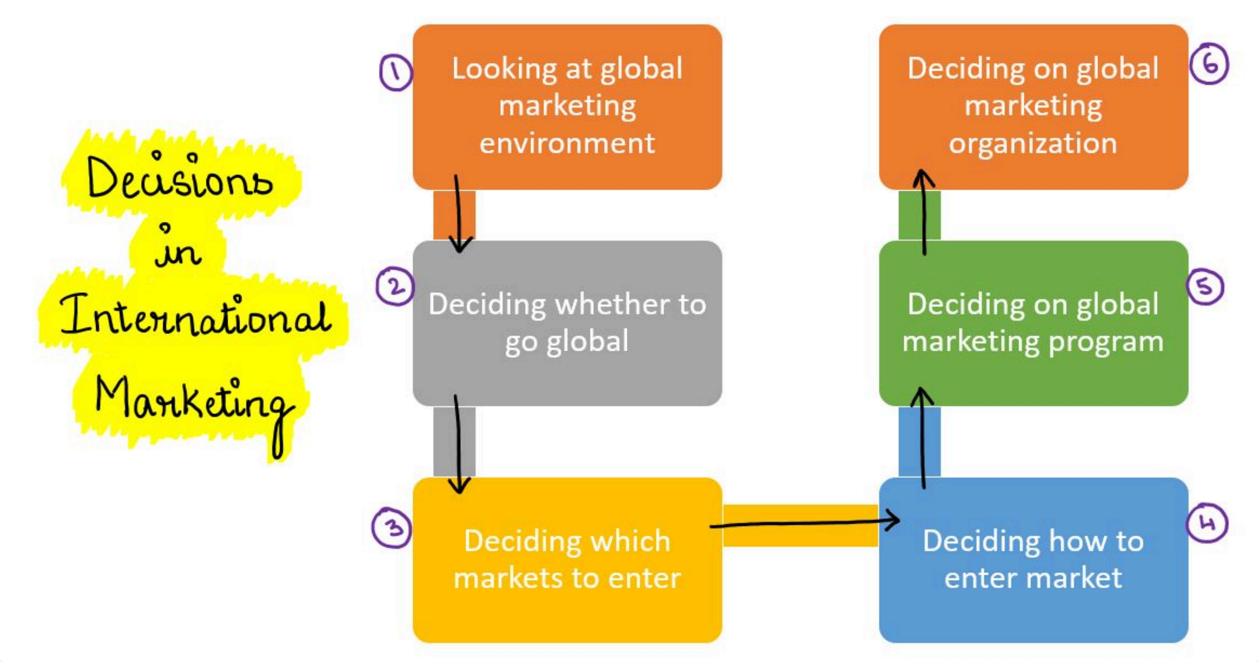
Call scripting is a process that involves creating predefined scripts or guidelines that call center agents follow during their interactions with customers. The purpose of call scripting is to ensure consistency, improve efficiency, and ensure that agents handle calls professionally and in line with the company's service standards.

1. Introduction

The world is shrinking rapidly with the advent of faster digital communication, transportation, and financial flows. This has resulted in the advent of global industry and global firms. **Global industry** is an industry in which the strategic positions of competitors in major geographic or national markets are fundamentally affected by overall global positions. Whereas **Global firm** is a firm that operates in more than one country and captures R&D, production, logistical, marketing, and financial advantages in its costs and reputation that are not available to purely domestic competitors.

Because the global company sees the world as one market, it minimizes the importance of national boundaries and develops global brands. The global company raises capital, obtains materials and components, and manufactures and markets its goods wherever it can do the best job. However, every company operating in a global industry—whether large or small—must assess and establish its place in world markets.

As shown in the figure, a company faces 6 major decisions (which are sequential) in International Marketing. Let us discuss them one by one.



2. Looking at global marketing environment

Before deciding whether to operate internationally, a company must understand the global marketing environment. It should assess each foreign market's economic, political-legal and cultural characteristics and especially the international trade system.

2. Looking at global marketing environment

When selling to another country, a firm may face restrictions on trade between nations. Some of these restrictive actions are given below:

(i) Governments may charge tariffs or duties, taxes on certain imported products designed to raise revenue or protect domestic firms. Tariffs and duties are often used to force favorable trade behaviors from other nations.

(ii) Countries may set quotas, limits on the amount of foreign imports that they will accept in certain product categories. The purpose of a quota is to conserve on foreign exchange and protect local industry and employment.

(iii) Firms may also encounter exchange controls, which limit the amount of foreign exchange and the exchange rate against other currencies.

(iv) A company also may face non-tariff trade barriers, such as biases against its bids, restrictive product standards, or excessive host-country regulations or enforcement.

At the same time, certain other forces can help trade between nations such as the World Trade Organization (WTO) or by forming economic communities like regional free trade agreements. WTO was designed to promote world trade by reducing tariffs and other international trade barriers. Economic community is a group of nations organized to work toward common goals in the regulation of international trade.

2. Looking at global marketing environment

The international marketer must study each country's economy. Two economic factors reflect the country's attractiveness as a market: its industrial structure and its income distribution.

Industrial Structure: The country's industrial structure shapes its product and service needs, income levels, and employment levels. This can be understood with the categories of subsistence, industrial and emerging economies.

- In *subsistence economies*, most people engage in simple agriculture, consume most of their output, and barter the rest for simple goods and services. These economies offer few market opportunities. Many African countries fall into this category. Many African countries fall into this category.
- *Raw material exporting economies:* These economies are rich in one or more natural resources but poor in other ways. Much of their revenue comes from exporting these resources. Some examples are Chile (tin and copper) and the Democratic Republic of the Congo (copper, cobalt, and coffee).
- *Industrial economies* are major importers and exporters of manufactured goods and services. Their varied manufacturing activities and large middle classes make them rich markets for all sorts of goods. The United States, Japan, and the Western European countries are examples.
- *Emerging economies* are those experiencing rapid economic growth and industrialization. Examples include the BRICS countries —Brazil, Russia, India, China, and South Africa.

Income Distribution: The second economic factor is the country's income distribution. Industrialized nations may have low, medium, and high-income households. In contrast, countries with subsistence economies consist mostly of households with very low family incomes. Still other countries may have households with either very low or very high incomes. Even poor or emerging economies may be attractive markets for all kinds of goods.

In recent years, as the weakened global economy has slowed growth in both domestic and emerging markets, many companies are shifting their sights to include a new target—the so-called "bottom of the economic pyramid," the vast untapped market consisting of the world's poorest consumers. These days, also companies in a wide range of industries—from cars to computers to soft drinks—are increasingly targeting middle-income or low-income consumers in subsistence and emerging economies.

2. Looking at global marketing environment

Nations differ greatly in their political-legal environments. In considering whether to do business in a given country, a company should consider factors such as the country’s attitudes toward international buying, government bureaucracy, political stability, and monetary regulations. These factors are described below:

> (i) Some nations are very receptive to foreign firms; others are less accommodating. For example, India has tended to bother foreign businesses with import quotas, currency restrictions, and other limitations that make operating there a challenge. In contrast, neighboring Asian countries such as Singapore, Vietnam, and Thailand court foreign investors and shower them with incentives and favorable operating conditions.
>
> (ii) Political and regulatory stability is another issue. For example, Russia's recent geopolitical conflicts with Europe, the United States, and other countries have made doing business in Russia difficult and risky.
>
> (iii) Companies must also consider a country’s monetary regulations. Sellers want to take their profits in a currency of value to them. Ideally, the buyer can pay in the seller’s currency or in other world currencies. Short of this, sellers might accept a blocked currency—one whose removal from the country is restricted by the buyer’s government—if they can buy other goods in that country that they need or can sell elsewhere for a needed currency. In addition to currency limits, a changing exchange rate also creates high risks for the seller.
>
> (iv) Most international trade involves cash transactions. Yet many nations have too little hard currency to pay for their purchases from other countries. They may want to pay with other items instead of cash. Barter involves the direct exchange of goods or services. Barter involves the direct exchange of goods or services. For example, Venezuela regularly barters oil, which it produces in surplus quantities, for food on the international market.

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2. Looking at global marketing environment

When designing global marketing strategies, companies must understand how culture affects consumer reactions in each of its world markets. In turn, they must also understand how their strategies affect local cultures.

Impact of Culture on Marketing Strategy: Sellers must understand the ways that consumers in different countries think about and use certain products before planning a marketing program. For example, McDonalds had to come up with lots of vegetarian burgers when it established their Restaurants in India.

Business norms and behaviors also vary from country to country. For example, American executives like to get right down to business and engage in fast and tough face-to-face bargaining. However, Japanese and other Asian businesspeople often find this behavior offensive. They prefer to start with polite conversation, and they rarely say no in face-to-face conversations. As another example, firm handshakes are a common and expected greeting in most Western countries; in some Middle Eastern countries, however, handshakes might be refused if offered. Understanding cultural traditions, preferences, and behaviors can help companies not only avoid embarrassing mistakes but also take advantage of cross-cultural opportunities.

Impact of Marketing Strategy on Cultures: Whereas marketers worry about the impact of global cultures on their marketing strategies, others may worry about the impact of marketing strategies on global cultures. For example, social critics contend that large American multinationals, such as McDonald’s, Coca-Cola, Starbucks, Nike, Google, Disney, and Facebook, aren’t just globalizing their brands; they are Americanizing the world’s cultures. Other elements of American culture have become pervasive worldwide. For instance, more people now study English in China than speak it in the United States.

Thomas Friedman in his book 'The Lexus and the Olive Tree: Understanding Globalization' says that “Today, globalization often wears Mickey Mouse ears, eats Big Macs, drinks Coke or Pepsi, and does its computing with Windows,”.

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3. Deciding Whether to Go Global

Any of several factors might draw a company into the international arena. For example:

- Global competitors might attack the company's home market by offering better products or lower prices. The company might want to counterattack these competitors in their home markets to tie up their resources.
- The company's customers might be expanding abroad and require international servicing.
- Most likely, international markets might simply provide better opportunities for growth.

Also, not all companies need to venture into international markets to survive. For example, most local businesses need to market well only in their local marketplaces. Operating domestically is easier and safer.

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4. Deciding Which Markets to Enter

Before going abroad, a company should try to define its international marketing objectives and policies.

- It should decide what volume of foreign sales it wants.
- It also needs to choose in how many countries it wants to market.
- It needs to decide on the types of countries to enter. A country's attractiveness depends on the product, geographical factors, income and population, political climate, and other considerations.

Possible global markets should be ranked on several factors, including market size, market growth, the cost of doing business, competitive advantage, and risk level. The goal is to determine the potential of each market, using indicators such as demographic characteristics, socio-cultural factors, geographic characteristics, political and legal factors and economic factors.

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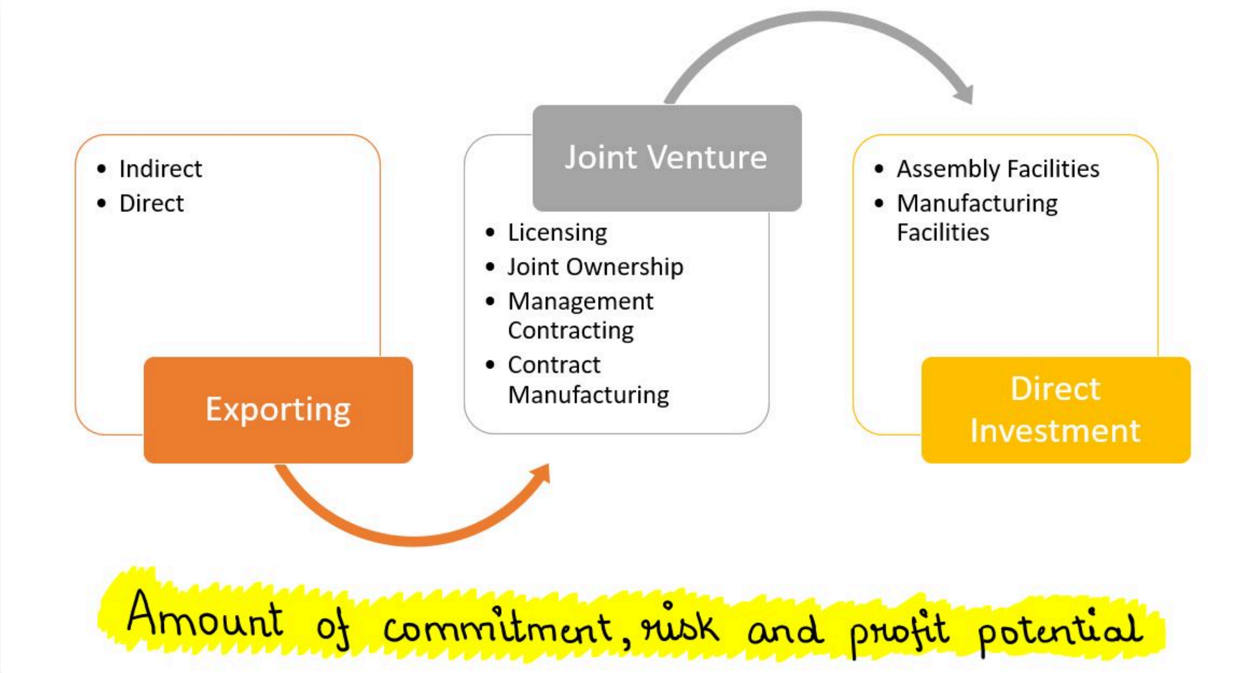
5. Deciding How to Enter the Market

Once a company has decided to sell in a foreign country, it must determine the best mode of entry. Its choices are exporting, joint venturing, and direct investment. As the figure shows the three market entry strategies along with the options each one offers.



5. Deciding How to Enter the Market

The simplest way to enter a foreign market is through exporting. Exporting refers to entering foreign markets by selling goods produced in the company's home country, often with little modification. It allows for companies to better understand the place and use it as a test-base for possible future building of a product overseas It often starts with indirect exporting.

Indirect Exporting is when companies work through independent intermediaries. It involves less investment, and less risk. The key intermediaries are:

- Domestic-based export merchants – buy products and sell them abroad.
- Domestic-based export agents – seek and negotiate foreign purchases and are paid a commission. (e.g. trading companies)
- Cooperative organizations – carry on exporting activities on behalf of several producers and are partly under their administrative control.
- Export-management companies – agree to manage companies export activities for a fee.

Sellers may eventually move into direct exporting, whereby they handle their own exports. The investment and risk are somewhat greater in this strategy, but so is the potential return. **Direct exporting** can be done through domestic-based export department or division, overseas sales branch or subsidiary, traveling export sales representatives, or foreign-based distributors or agents.

5. Deciding How to Enter the Market

Another method of entering a foreign market is by joint venturing—joining with foreign companies to produce or market products or services. Joint venturing differs from exporting in that the company joins with a host country partner to sell or market abroad. It differs from direct investment in that an association is formed with someone in the foreign country.

There are 4 types of joint ventures: licensing, contract manufacturing, management contracting, and joint ownership.

(i) Licensing

It is a simple way for a manufacturer to enter international market. The company enters into an agreement with a licensee in the foreign market. For a fee or royalty payments, the licensee buys the right to use the company's manufacturing process, trademark, patent, trade secret, or other item of value. The company thus gains entry into a foreign market at little risk; the licensee gains production expertise or a well-known product or name without having to start from scratch.

(ii) Contract manufacturing

It is a joint venture in which a company contracts with manufacturers in a foreign market to produce the product or provide its service. The drawbacks of contract manufacturing are decreased control over the manufacturing process and loss of potential profits on manufacturing. The benefits are the chance to start faster, with less risk, and the later opportunity either to form a partnership with or buy out the local manufacturer.

(iii) Management contracting

It is a joint venture in which the domestic firm supplies the management know-how to a foreign company that supplies the capital; the domestic firm exports management services rather than products.

Management contracting is a low-risk method of getting into a foreign market, and it yields income from the beginning. The arrangement is even more attractive if the contracting firm has an option to buy some shares in the managed company later on. The arrangement is not sensible, however, if the company can put its scarce management talent to better uses or if it can make greater profits by undertaking the whole venture. Management contracting also prevents the company from setting up its own operations for a period of time.

(iv) Joint ownership ventures

It consist of one company joining forces with foreign investors to create a local business in which they share joint ownership and control. A company may buy an interest in a local firm, or the two parties may form a new business venture. Joint ownership may be needed for economic or political reasons. The firm may lack the financial, physical, or managerial resources to undertake the venture alone. Or a foreign government may require joint ownership as a condition for entry.

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5. Deciding How to Enter the Market

The biggest involvement in a foreign market comes through direct investment—the development of foreign-based assembly or manufacturing facilities. Its advantages are cost economies through cheaper labor or raw materials, foreign-government investment incentives, and freight savings, opportunity to strengthen company image, opportunity to better adapt products to local environment, retention of control over investments, and the company can assure itself to the market locally. Disadvantages are risks, e.g. devalued currency, expropriation.

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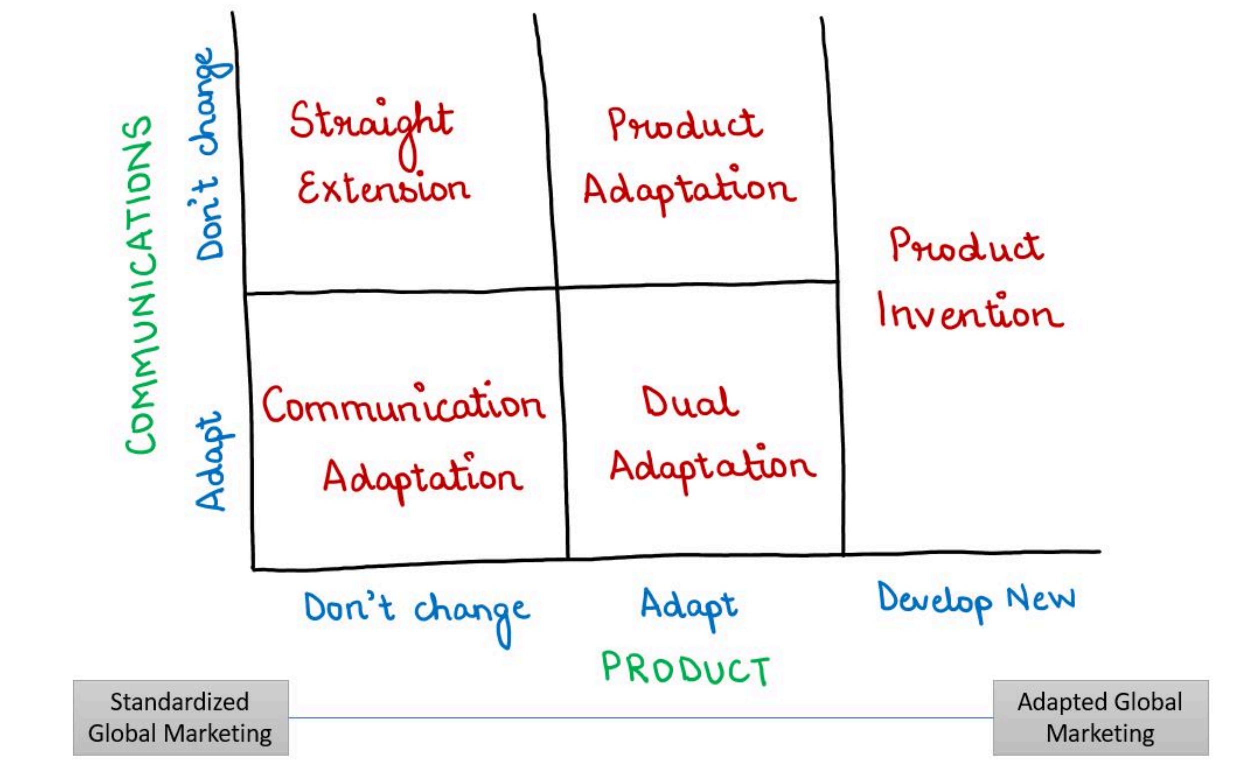
6. Deciding on Global Marketing Program

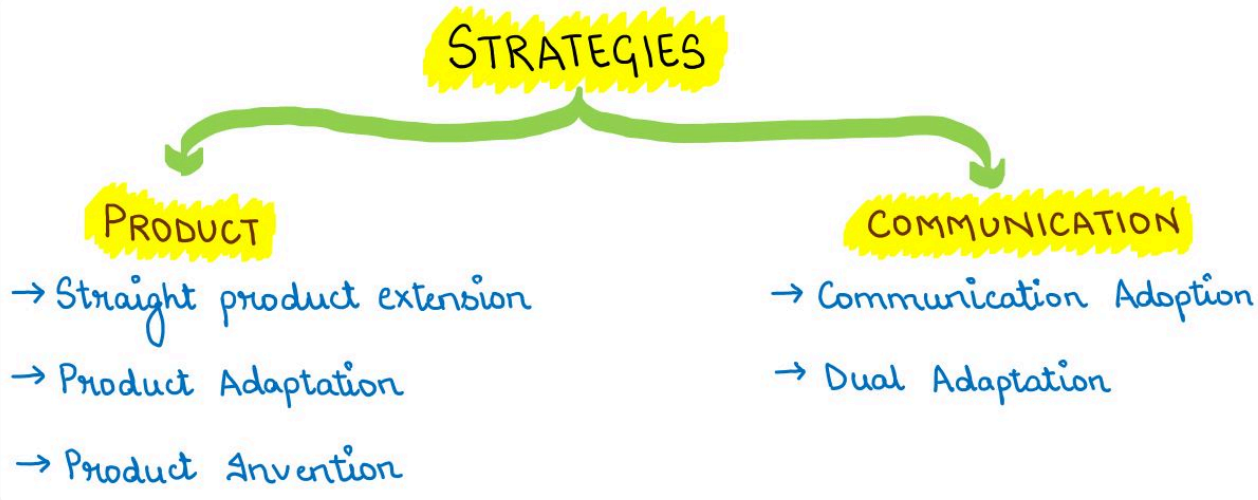
Companies must also decide how much their marketing strategies and their products, promotion, price, and channels should be adapted for each foreign market. At one extreme are global companies that use standardized global marketing, essentially using the same marketing strategy approaches and marketing mix worldwide. At the other extreme is **adapted global marketing**. In this case, the producer adjusts the marketing strategy and mix elements to each target market, bearing more costs but hoping for a larger market share and return.

However, global standardization is not an all-or-nothing proposition. It's a matter of degree. Most international marketers suggest that companies should "think globally but act locally"—that they should seek a balance between globally standardized strategies and locally adapted marketing mix tactics.



6. Deciding on Global Marketing Program

Adapting to the local market involves adjusting the product, promotion, price, and place (4 Ps). Five strategies are used for adapting product and marketing communication strategies to a global market. It includes the 3 product strategies and 2 communication strategies



There are 3 product strategies.

1. **Straight product extension** means marketing a product in a foreign market without making significant changes to the product.

2. **Product adaptation** involves changing the product to meet local requirements, conditions, or wants. For example, in India, for example, the company has also adjusted its full menu, its operations, and even its name to suit the local culture (Dunkin' Donuts & More).

3. **Product invention** consists of creating something new to meet the needs of consumers in a given country. Product invention can take two forms:

- Backward invention reintroduces earlier product forms well adapted to a foreign country's needs.
- Forward invention creates a new product to meet a need in another country.

There are 2 communication strategies.

1. **Communication adoption:** Companies can either adopt the same communication strategy they use in the home market or change it for each local market. For example, adapting slogans, changing commercial themes, or making pools of ads and distributing according to city.

2. **Dual adaptation:** changing both the product and promotion, while entering foreign market.

Country-of-origin perceptions are the mental associations and beliefs triggered by a country. Government officials want to strengthen their country's image to help domestic marketers who export, and to attract foreign firms and investors. Marketers want to use positive country-of-origin perceptions to sell their products and services which should reflect in their communication strategies.

6. Deciding on Global Marketing Program

Global firms selling abroad must contend with price escalation and transfer prices (and dumping charges). Two particularly thorny pricing problems are gray markets and counterfeits. **Price Escalation** refers to added costs (transportation, importer margin, tariffs, etc) that makes the regular price home escalate to a higher price when sold abroad.

Companies have 3 choices for setting prices in different countries:

- Set a uniform price everywhere
- Set a market-based price in each country
- Set a cost-based price in each country

Some of the challenges of International Pricing are discussed next.

Transfer Price

The price the company charges another unit in the company.

- If the company charges too high a price to the subsidiary, it may end up paying higher tariff duties, although it may pay lower income taxes in the foreign country.
- If the company charges its subsidiary too low a price, it can be accused of dumping, charging either less than its costs or less than it charges at home in order to enter or win a market.
- Various governments are watching for abuses and often force companies to charge the arm’s-length price—the price charged by other competitors for the same or a similar product.

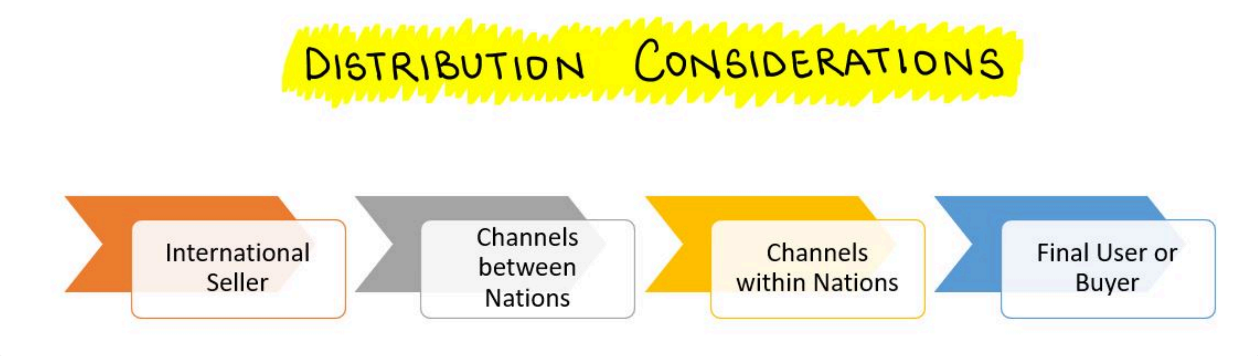
Gray Market

Another issue is of the Gray Markets. Many multinationals are plagued by the gray market, which diverts branded products from authorized distribution channels either in-country or across international borders. Dealers in the low-price country find ways to sell some of their products in higher-price countries, thus earning more. Often a company finds some enterprising distributors buying more than they can sell in their own country and reshipping the goods to another country to take advantage of price differences.

Counterfeit products are fakes or unauthorized replicas of the real product. They are often of inferior quality, made or sold under another's brand name without the brand owner's authorization. Sellers of such goods may infringe on either the trademark, patent or copyright of the brand owner by passing off its goods as made by the brand owner.

6. Deciding on Global Marketing Program

Figure shows three links between the seller and the final buyer. In the first, seller’s international marketing headquarters, the export department or international division makes decisions about channels and other marketing activities. The second link, channels between nations, gets the products to the borders of the foreign nation. Decisions made in this link include the types of intermediaries (agents, trading companies), type of transportation (air, sea), and financing and risk management. The third link, channels within foreign nations, gets products from their entry point to final buyers and users.



The whole-channel view takes into account the entire global supply chain and marketing channel. It recognizes that to compete well internationally, the company must effectively design and manage an entire "global value delivery network".

Channels of distribution within countries may also vary greatly from nation to nation. There are large differences in the numbers and types of intermediaries serving each country market and in the transportation infrastructure serving these intermediaries. The multinational must choose the right distributors, invest in them, and set up performance goals to which they can agree.

7. Deciding on Global Marketing Organization

Companies manage their international marketing activities in at least 3 different ways: Most companies first organize an export department, then create an international division, and finally become a global organization.

(i) Export Department

A firm normally gets into international marketing by simply shipping out its goods. If its international sales expand, it organizes an export department consisting of a sales manager and a few assistants. As sales increase, the export department expands to include various marketing services so the company can go after business more aggressively. If the firm moves into joint ventures or direct investment, the export department will no longer be adequate to manage international operations.

(ii) International Divisions

Many companies get involved in several international markets and ventures. A company may export to one country, license to another, have a joint ownership venture in a third, and own a subsidiary in a fourth. Sooner or later it will create international divisions or subsidiaries to handle all its international activity.

International divisions are organized in a variety of ways. An international division's corporate staff consists of marketing, manufacturing, research, finance, planning, and personnel specialists. It plans for and provides services to various operating units, which can be organized in one of 3 ways.

- They can be *geographical organizations,* with country managers who are responsible for salespeople, sales branches, distributors, and licensees in their respective countries.
- Or the operating units can be *world product groups*, each responsible for worldwide sales of different product groups.
- Finally, operating units can be *international subsidiaries*, each responsible for their own sales and profits.

(iii) Global Organization

Several firms have become truly global organizations. Their top corporate management and staff plan worldwide manufacturing facilities, marketing policies, financial flows, and logistical systems. The global operating units report directly to the chief executive or executive committee, not to the head of an international division. The firm trains its executives in worldwide operations, recruits management from many countries, purchases components and supplies where it can obtain them at least cost, and makes investments where anticipated returns are greatest.

8. Types of Global Firms

The **Multinational enterprise (MNE)** is a company that takes a global approach to foreign markets and production. It is willing to consider market and production locations anywhere in the world.

The term **Multinational Corporation (MNC)** is also commonly used in the international business arena and often is a synonym for MNE. Another tern sometimes used interchangeably with MNE, especially by the United Nations, is **Transnational company (TNC)**. However, this term also has two other meanings. The first is "a company owned and managed by nationals in different countries." Second "an organization in which capabilities and contributions may differ by country but are developed and integrated into its worldwide operations." This type of organization learns from all of its operating environments and uses that knowledge throughout its global operations.

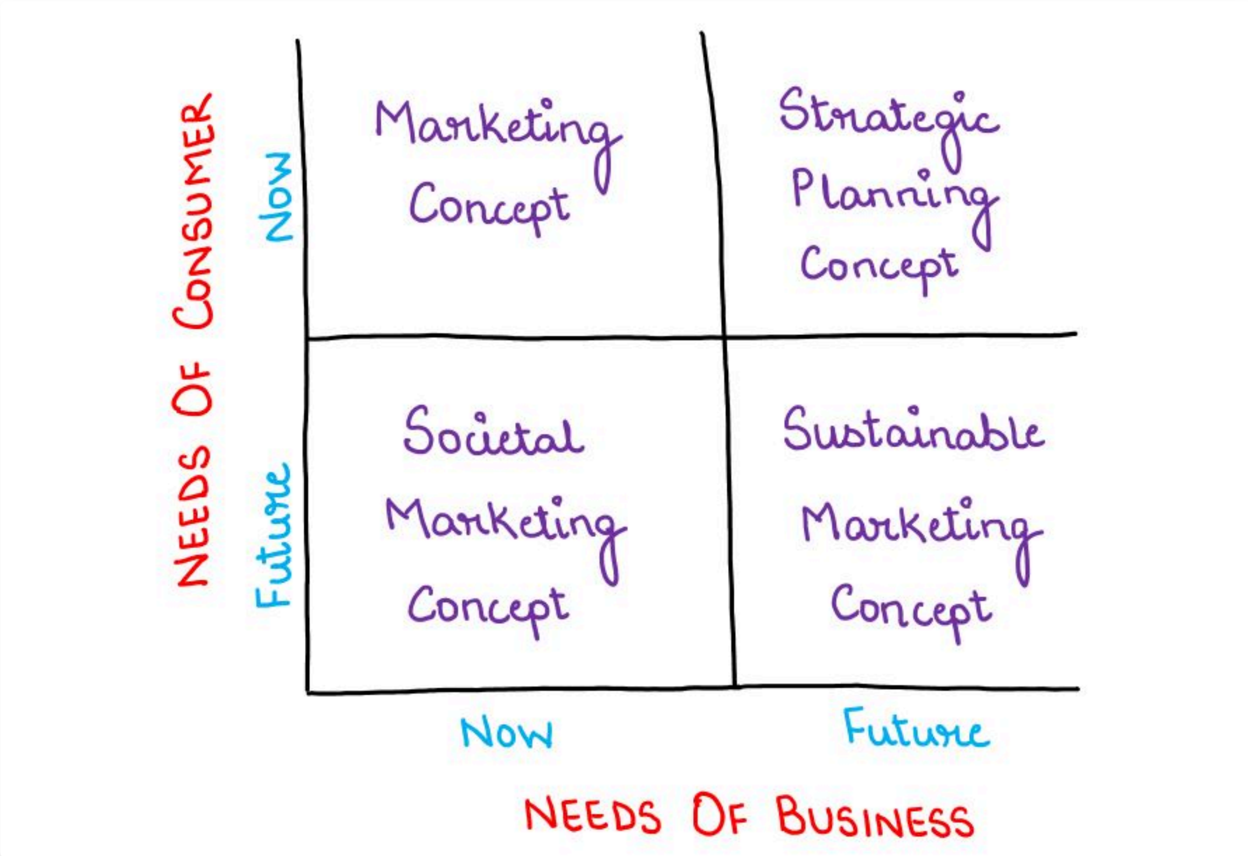
Companies with international operations can be Global or Multi-domestic.

> A **global company**, sometimes called a globally integrated company, integrates its operations that are located in different countries. For example, it might design a product or service with a global market segment in mind. Or it might depend on its operations in different countries to produce the components used in its products and services. In this type of company, the development of capabilities and the decisions to diffuse them globally are essentially made in the company's home country.
>
> A **multi-domestic company**, sometimes called a locally responsive company and sometimes a multinational company, allows each of its foreign-country operations to act fairly independently-for example, by designing and producing a product or service in Australia for the Australian market and in Japan for the Japanese market. Thus, a global company and a multi-domestic company differ in the degree of integration among company operations in different countries.

1. Introduction

Responsible marketers must consider whether their actions are sustainable in the longer run. Sustainable marketing calls for socially and environmentally responsible actions that meet the present needs of consumers and businesses while also preserving or enhancing the ability of future generations to meet their needs. Sustainable marketing requires a smooth-functioning marketing system in which consumers, companies, public policy makers, and others work together to ensure socially and environmentally responsible marketing actions.

The figure compares the sustainable marketing concept with conventional marketing concepts.



The **marketing concept** means meeting the current needs of both customers and the company. But that can sometimes mean compromising the future of both. On the other hand, **sustainable marketing concept** means meeting current needs in a way that preserves the rights and options of future generations of consumers and businesses which eventually can sustain future of both.

Whereas the **societal marketing concept** considers the future welfare of consumers and the **strategic planning concept** considers future company needs, the sustainable marketing concept considers both. Sustainable marketing calls for socially and environmentally responsible actions that meet both the immediate and future needs of customers and the company.

2. Principles of Sustainable Marketing

Sustainable marketing concept should be guided by 4 sustainable marketing principles:

1. Consumer-Oriented Marketing

Consumer-oriented marketing, also known as consumer-centric marketing, revolves around understanding and meeting the needs and desires of consumers. In the context of sustainable marketing, this principle entails not only identifying what consumers want but also considering their values and preferences related to sustainability. Businesses aim to create products and services that align with consumers' environmental and social concerns. By focusing on what resonates with their target audience, companies can develop offerings that provide value while also addressing sustainability concerns.

2. Customer-Value Marketing

It emphasizes the creation of products and services that deliver genuine value to customers. In the context of sustainability, this principle involves developing offerings that not only satisfy functional needs but also contribute positively to society and the environment. By highlighting the long-term benefits of sustainable choices, businesses can demonstrate how their products or services provide added value beyond traditional attributes, encouraging consumers to make more responsible purchasing decisions.

3. Innovative Marketing

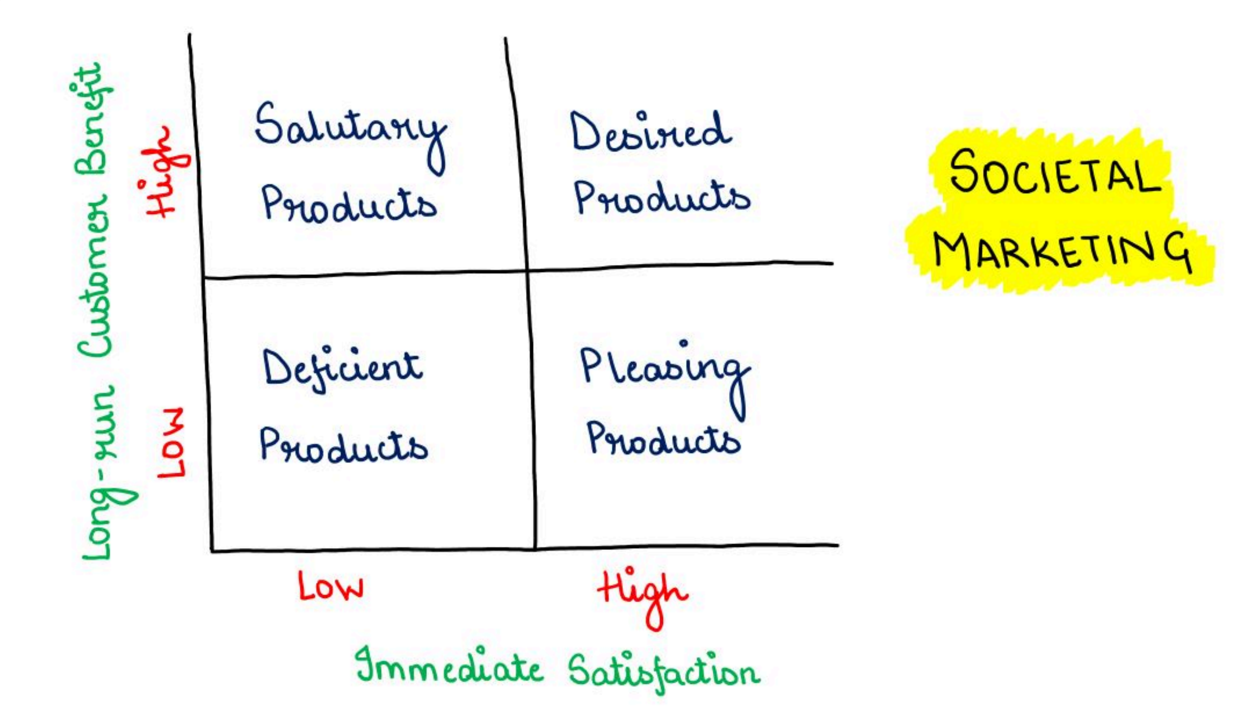
It centers around finding creative and novel ways to address consumer needs and societal challenges. In the context of sustainability, this principle encourages businesses to explore innovative solutions that minimize negative environmental and social impacts. It involves using new technologies, materials, and processes to create products and services that are more eco-friendly, energy-efficient, or socially responsible. By embracing innovation, companies can differentiate themselves in the market and contribute to sustainable development.

4. Sense-of-Mission Marketing

It is about aligning a company's marketing efforts with a higher purpose or mission that goes beyond profit generation. In terms of sustainability, this principle involves integrating environmental and social objectives into the company's core mission and values. By showcasing a genuine commitment to sustainability and communicating how the company's efforts contribute to a larger positive impact, businesses can attract consumers who share similar values and aspirations.

3. Societal Marketing

Following the principle of societal marketing, a company makes marketing decisions by considering consumers' wants and interests, the company's requirements, and society's long-run interests. The company is aware that neglecting consumer and societal long-run interests is a disservice to consumers and society. Alert companies view societal problems as opportunities.



Products can be classified according to their degree of immediate consumer satisfaction and long-run consumer benefit (shown in the figure).

- **Deficient products:** Products that have neither immediate appeal nor long-run benefits.
- **Pleasing products:** Products that give high immediate satisfaction but may hurt consumers in the long run.
- **Salutary products:** Products that have low immediate appeal but may benefit consumers in the long run.
- **Desirable products:** Products that give both high immediate satisfaction and high long-run benefits.

Companies should try to turn all of their products into desirable products. The challenge posed by pleasing products is that they sell very well but may end up hurting the consumer. The product opportunity, therefore, is to add long-run benefits without reducing the product's pleasing qualities. The challenge posed by salutary products is to add some pleasing qualities so that they will become more desirable in consumers' minds.

4. Cause-related Marketing

Cause-related marketing (CRM) is a strategic approach where companies align with socially or environmentally relevant causes to promote their products or services. One notable example is the "Swachh Bharat Abhiyan" campaign in India, where businesses have partnered with the government's mission to promote cleanliness and sanitation. Companies like Hindustan Unilever Limited have integrated CRM by producing hygiene and sanitation products while emphasizing their role in contributing to a cleaner India. Such initiatives not only boost product sales but also create a positive public image by addressing critical societal issues and promoting responsible consumer behavior. It is also known as cause marketing.

5. Green Marketing

Green marketing, also known as sustainable marketing or environmental marketing, focuses on promoting products or services while emphasizing their eco-friendly attributes. This approach aims to address environmental concerns, reduce pollution, and encourage sustainable consumption.

Companies can leverage green marketing by adopting various strategies that align with environmental responsibility:

- **Pollution Prevention:** Green marketing involves promoting products or processes that actively prevent pollution and minimize their adverse environmental impact.
- **Product Stewardship:** Embracing product stewardship means taking responsibility for the entire lifecycle of a product, from its initial design and production through its use by consumers and eventual disposal. This approach demonstrates a commitment to minimizing waste and environmental harm.
- **Design for Environment (DFE):** Integrating environmental considerations into the design and development of products and processes is a core aspect of green marketing. Companies can market products that have been designed with eco-friendliness in mind.
- **Cradle-to-Cradle (C2C) Practices:** C2C practices emphasize designing products and materials to be endlessly recyclable and reusable without losing quality or value. Green marketing can highlight products designed with this sustainability principle.
- **New Clean Technologies:** Green marketing can promote innovations that leverage new clean technologies. These technologies provide solutions to various challenges while minimizing environmental impacts. Companies can market their commitment to these technologies.
- **Sustainable Packaging:** Companies can adopt sustainable packaging options, such as using recyclable or biodegradable materials, to reduce the environmental impact of product packaging. Highlighting these eco-friendly packaging choices in marketing materials can attract environmentally conscious consumers.
- **Energy Efficiency:** Promoting energy-efficient products or production processes is a significant aspect of green marketing. Companies can highlight how their products help consumers save energy and reduce their carbon footprint.
- **Supply Chain Management:** Creating a more sustainable supply chain is crucial in green marketing. This includes responsibly sourcing raw materials, reducing transportation emissions, and minimizing waste at every stage of production and distribution.
- **Consumer Education:** Green marketing efforts can educate consumers about the environmental impact of their choices and the benefits of eco-friendly products. Providing information about recycling, energy conservation, and sustainable lifestyles can promote responsible consumption.
- **Transparency:** Companies should be transparent about their environmental practices and commitments. Authenticity and credibility are essential in green marketing to build trust with consumers who are increasingly wary of "greenwashing."

By embracing these strategies, companies can not only improve their environmental performance but also appeal to a growing market of environmentally conscious consumers. Green marketing should go beyond mere promotion and reflect a genuine commitment to sustainability and responsible business practices.

6. Social Marketing

Social marketing is a strategic approach used by non-profit or government organizations to promote social causes and encourage behavior change among target audiences. It aims to address societal issues and improve public health and well-being through marketing techniques. Unlike cause-related marketing, where businesses align with causes, social marketing focuses on messages and campaigns that further a cause's mission, such as promoting health awareness, preventing drug abuse, or advocating for environmental conservation.

Key characteristics of social marketing include:

- **Behavior Change:** Social marketing seeks to influence individuals and communities to adopt specific behaviors or attitudes that align with the desired social objectives. Examples include encouraging exercise, promoting safe sex practices, or discouraging smoking.
- **Messaging:** It utilizes mass media campaigns, educational materials, and communication strategies to convey messages that emphasize the benefits of adopting desired behaviors and the consequences of not doing so.
- **Target Audience:** Social marketing identifies specific target audiences that are most receptive to the desired behavior change. These audiences are selected based on readiness and relevance.
- **Clear Objectives:** Social marketing programs set clear and measurable objectives, such as reducing the prevalence of a particular behavior, raising awareness, or increasing the adoption of specific practices.
- **Evaluation:** Success is measured by assessing program objectives, including the incidence, speed, and sustainability of behavior change, as well as the cost-effectiveness and absence of counterproductive consequences.

1. Introduction

Rural Marketing refers to all marketing activities undertaken to **reach, understand, and serve customers living in rural areas**. It includes the process of designing products, pricing, distribution, and promotion strategies that suit the needs of rural consumers.

Rural marketing is not only about selling to rural markets but also includes:
1️⃣ Marketing agricultural products from rural → urban markets
2️⃣ Marketing consumer products in rural areas
3️⃣ Marketing inputs like seeds, fertilizers, tractors to rural producers

Thus, rural marketing supports both **production and consumption** in rural India.

Importance of Rural Marketing in India

Rural India represents a very large and growing market. Its importance is evident due to:

- **Large population size:** Nearly 65% of India's population lives in rural areas
- **Rising income levels:** Better agricultural earnings, government schemes, and remittances
- **Growing demand for branded goods** such as FMCG, mobiles, and packaged foods
- **Infrastructure improvements** including roads, banking, digital connectivity
- **Huge market for agricultural inputs** and rural services like banking, healthcare, telecom

For companies, tapping the rural market offers **volume sales and long-term customer base**.

📌 *Example:* Brands like HUL, ITC, Asian Paints, and Jio have significantly expanded their reach by focusing on rural consumers.

Characteristics of Rural Consumers

Rural customers have unique needs and buying behavior:

- Prefer **value-for-money** and low-cost options
- Buying decisions influenced by **local influencers** like village leaders and retailers
- Demand is often **seasonal** (e.g., high after harvest)
- Lower literacy requires simple packaging and communication
- Word-of-mouth plays a major role in adoption of brands
- Increasing exposure to media and the internet is changing attitudes and aspirations

Understanding these characteristics helps companies design effective rural marketing strategies.

Potential of the Rural Market

- Rural markets contribute significantly to the sales of **FMCG, agri-products, mobile phones, two-wheelers, and telecom services**
- Youth in rural areas are adopting **smartphones and online services** rapidly
- Government initiatives like **Digital India, PMAY, Ujjwala Yojana** increase purchasing power and lifestyle upgrades

📌 *Real Example:*
The success of **HUL's Project Shakti** demonstrates how empowering rural women as sales promoters can expand product reach and build trust in villages.

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2. Rural Market Environment

The rural marketing environment refers to all the **external conditions** that influence consumer needs, buying behavior, product demand, and marketing operations in rural areas. Understanding this environment is essential to design products and strategies that suit rural lifestyles and challenges.

The key elements of the rural market environment are discussed below:

1️⃣ Demographic Factors

- Approximately **65% of India's population** lives in villages
- Rural population growth continues to expand the potential consumer base
- Joint family system supports collective purchasing decisions
- Young demographic → rising aspirations and mobility

📌 *Meaning:* A large and youthful rural population increases demand for education, entertainment, technology, and FMCG goods.

2️⃣ Economic Factors

- Rural income comes mainly from **agriculture and allied activities** such as livestock, fisheries, and dairy
- Income is **seasonal** — highest after harvest periods
- Government welfare schemes, MNREGA, and remittances from rural youth working in cities improve purchasing power
- Lower cost of living increases disposable income for some segments

📌 *Challenge:* Irregular income leads to cautious buying and preference for **small packs and low prices**.

3️⃣ Socio-Cultural Factors

- Rural consumers are influenced by **traditions, culture, religion, and community leaders**
- Local festivals and fairs drive seasonal buying behavior
- Opinion of shopkeepers and village influencers strongly affects brand choice
- Brand loyalty grows when trust and word-of-mouth are strong

📌 *Example:* Brands often sponsor **melas, haats, folk events**, and use local opinion leaders to spread awareness.

4️⃣ Infrastructure Factors

- Rural infrastructure is improving, but challenges still remain:
  - Limited transport and road connectivity in remote villages
  - Irregular electricity supply affects storage of goods and services
  - Lack of organized retail → dependency on **kirana shops and dealers**
  - Limited warehousing and cold storage facilities

📌 *Impact:* Distribution becomes difficult and costly → marketers must innovate with mobile vans, rural depots, and hub-and-spoke models.

5️⃣ Technological & Digital Connectivity

- Rapid increase in **smartphone usage and internet access**
- Digital payments (UPI), mobile banking, and online shopping are rising in rural areas
- Government initiatives like **Digital India** help bridge the divide

📌 *Example:* Jio's affordable data plans have transformed rural communication and marketing outreach.

6️⃣ Communication and Media Environment

- Rural media consumption is unique:
  - Radio, wall paintings, local cable, loudspeakers are common
  - Social media and YouTube expanding quickly
  - Movies and outdoor advertising have high impact

📌 *Meaning:* Promotional strategies must be **simple, local, and culturally relevant**.

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3. Rural Marketing Strategies

Designing marketing strategies for rural markets requires understanding rural customer needs, purchasing power, culture, and logistics challenges. Companies must focus on the **4 Ps of Marketing** — Product, Price, Place, and Promotion — while adapting them to rural conditions.

1️⃣ Product Strategies

Rural consumers prefer **simple, durable, and value-for-money** products.

Key approaches:

- **Smaller pack sizes** at lower price points (e.g., ₹1 shampoo sachets, small soap bars)
- **Sturdy packaging** to handle long-distance travel and rural storage
- Designs considering **low literacy** (pictorial labels)
- Products suited to **local needs and climatic conditions**
- After-sales service for durable goods (tractors, appliances)

📌 *Examples:*
HUL launched shampoo and detergent sachets to increase rural affordability.
Hero MotoCorp designs easy-to-maintain motorcycles for rural roads.

2️⃣ Price Strategies

Affordability is crucial as rural incomes are seasonal and limited.

Pricing methods include:

- **Low-unit price** products (LUP)
- Value pricing to offer more quantity at same price
- Flexible pricing during **harvest seasons**
- Easy **financing and credit options** for high-value goods

📌 *Example:*
TVS Motors partners with microfinance institutions for easy installment schemes.

3️⃣ Place (Distribution) Strategies

Reaching rural consumers is challenging due to **geographical spread and limited retail infrastructure**.

Key solutions:

- Multi-layer distribution (wholesaler → rural dealer → kirana shops)
- **Haats (weekly markets)** and **mandis** as major selling points
- Mobile vans and rural distribution vehicles
- Sub-stockists in remote villages
- Partnerships with local entrepreneurs like **HUL's Project Shakti**

📌 *Example:*
ITC's **e-Choupal** provides digital kiosks connecting farmers directly with company, improving both distribution and farmer income.

4️⃣ Promotion Strategies

Promotional messages must be **local, simple, and trust-building**.

Effective methods:

- Wall paintings, posters, product demonstrations
- Folk media: street plays, puppet shows, fairs, and festivals
- Influencer-led marketing through **village leaders, teachers, shopkeepers**
- Radio, loudspeakers, local cable networks
- Growing use of **WhatsApp and YouTube** for rural communication

📌 *Example:*
Colgate uses rural dental camps to create awareness and trust among rural families.

4. Challenges in Rural Marketing

Despite huge market potential, companies face many operational and behavioral challenges when marketing to rural consumers. These challenges arise due to variations in geography, culture, infrastructure, and economic conditions across rural India.

1️⃣ Low Literacy Levels

- Many rural consumers have limited reading ability
- Packaging and advertisements must rely on **visuals, colors, and symbols**
- Written manuals or detailed product instructions are less effective

📌 *Impact:* Brands must simplify messages for better communication and product understanding.

2️⃣ Poor Transportation and Logistics

- Many villages have **bad roads** or are spread over large distances
- Lack of **appropriate storage** and refrigeration facilities
- Higher costs in moving goods to small villages

📌 *Impact:* Complex and costly distribution system affects product availability and pricing.

3️⃣ Seasonal and Irregular Demand

- Rural income is mainly dependent on agriculture
- Buying increases after harvest → drops during off-season
- Companies must manage inventory efficiently to avoid shortages or unsold stock

📌 *Impact:* Demand planning and cash flow become challenging.

4️⃣ Low Purchasing Power

- Rural consumers are highly price-sensitive
- Preference for **small packs and low-cost products**
- Many purchases made only when necessary

📌 *Impact:* Profit margins may be low; pricing strategies must be carefully designed.

5️⃣ Cultural Diversity and Language Barriers

- Each region has its own customs, dialects, and tastes
- One advertising message may not work everywhere
- Marketers need to adapt products and promotions locally

📌 *Impact:* Higher marketing customization cost.

6️⃣ Limited Media Reach

- Traditional mass media (TV/newspapers) may not reach remote areas
- Internet usage is rising but still inconsistent
- Word-of-mouth and local influencers have stronger influence than modern advertising

📌 *Impact:* Promotional efforts must use local channels for effectiveness.

5. Rural Marketing Initiatives

Successful rural marketing requires innovative strategies that are designed specifically for rural realities. Over the years, several companies in India have implemented **impactful initiatives** to improve product reach, build trust, and enhance rural livelihoods. These initiatives present great learning value for marketers.

1️⃣ HUL – Project Shakti

- Hindustan Unilever launched Project Shakti to expand distribution in rural India
- Rural women, known as **Shakti Ammas**, were trained as direct-to-home sales partners
- Improved product access in remote villages
- Empowered women by providing income opportunities
- Built **trust and strong brand relationships** locally

📌 *Outcome:* Coverage expanded to over 1,00,000+ villages; major success in FMCG penetration.

2️⃣ ITC – e-Choupal

- ITC installed **digital kiosks** in villages to help farmers access information about crop prices, weather, farming practices
- Eliminated middlemen and gave farmers **better price realization**
- Enabled ITC to build direct relationships with rural producers
- Improved efficiency in procurement and supply chain

📌 *Outcome:* Boosted rural farmer income and created a **win-win model** for company and farmers.

3️⃣ Coca-Cola – Rural Distribution Expansion

- Introduced **affordable small bottles** (₹5 and ₹10 packs)
- Created **"hub-and-spoke" distribution** using rural sub-stockists
- Adopted **localized promotion** through melas, shops, and local events

📌 *Outcome:* Strengthened brand penetration in Tier 3 towns and rural belts.

4️⃣ Hero MotoCorp – Rural Customization

- Focused on **fuel-efficient, low-maintenance bikes** suitable for rural roads
- Offered **easy financing and installment plans** with local lenders
- Enabled servicing and spare parts availability in small towns

📌 *Outcome:* Became the leading two-wheeler brand in rural India.

5️⃣ Digital and Government Initiatives

- **Digital India**, **Aadhaar**, **UPI**, and mobile internet accessibility increased rural connectivity

- Start-ups and e-commerce companies reaching rural buyers through smartphones
- Microfinance and SHGs helping rural consumers and entrepreneurs purchase goods and services

📌 *Example:*
BharatPe and Paytm promoting digital payments in kirana shops.

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1. Introduction

Ethics in marketing refers to the **moral principles and values** that guide the behavior of marketers in planning, pricing, promoting, and distributing products. Ethical marketing ensures that all marketing activities are **truthful, responsible, fair, and respectful** towards consumers, competitors, society, and the environment.

In simple terms, marketing ethics means **doing the right thing** while promoting and selling products — not misleading customers, not harming them, and not taking advantage of their vulnerabilities.

Why Are Ethics Important in Marketing?

Ethical marketing:

- Builds **trust** and long-term relationships with customers
- Protects consumer rights and safety
- Improves brand reputation and loyalty
- Reduces legal risks from false claims or harmful products
- Promotes fairness in competition
- Contributes positively to society

📌 *Example:*
If a company truthfully communicates product features and safety standards, customers are more likely to rely on the brand and remain loyal.

Consequences of Unethical Marketing

Unethical practices may include:

- False or exaggerated claims
- Misleading packaging or expiry dates
- Hidden charges and unfair pricing
- Targeting vulnerable groups like children or illiterate consumers
- Poor product quality or unsafe ingredients

Such actions can lead to:

- Customer dissatisfaction and brand switching
- Legal penalties and product bans
- Negative publicity on social and digital media
- Long-term loss of market share

📌 *Example:*
Misleading ads for health products or fairness creams can create a backlash and damage brand credibility.

Principles of Ethical Marketing

Ethical marketing is based on the following key principles:

1️⃣ **Honesty** — truthful claims about product features and performance
2️⃣ **Fairness** — no discrimination or exploitation in pricing or promotions
3️⃣ **Responsibility** — ensuring product safety and environmental care

4️⃣ **Transparency** — clear and visible information about cost and terms
5️⃣ **Respect for Consumer Rights** — freedom of choice and privacy protection

These principles help companies operate with **integrity** and **customer orientation**.

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2. Unethical Marketing Practices & Issues

Even though marketing aims to satisfy customer needs, some companies misuse marketing tools for short-term profits. These unethical practices can mislead customers, violate laws, and harm society.

Below are the major unethical practices seen in marketing:

1️⃣ Misleading Advertising

- Exaggerating or lying about product benefits
- Creating false expectations in customers
- Using deceptive visuals or incomplete information

📌 *Examples:*
False claims in health supplements, weight-loss products, or fairness creams.

2️⃣ Hidden Charges and Deceptive Pricing

- Advertising a low price but adding extra costs later
- Misleading discounts (inflating MRP before "sale")
- Confusing pricing to manipulate customer decisions

📌 *Example:*
Online platforms showing ₹0 delivery and adding high convenience fees during checkout.

3️⃣ Selling Low-Quality or Unsafe Products

- Ignoring safety standards for profit
- Using harmful ingredients or poor-quality materials
- Mislabeling expiry or manufacturing details

📌 *Example:*
Banned food dyes or counterfeit products sold in unorganized markets.

4️⃣ Targeting Vulnerable Groups

- Marketing unhealthy food to children
- Influencing rural or illiterate consumers with mistruths
- Exploiting emotional weaknesses (fear, insecurity)

📌 *Example:*
Ads suggesting fairness equals success, exploiting social insecurities.

5️⃣ Cultural and Moral Insensitivity

- Advertisements hurting community sentiments or values
- Promoting stereotypes or disrespectful content
- Over-sexualized advertising to attract attention

📌 *Example:*
Ads using religion or gender stereotypes that offend public feelings.

6️⃣ Violation of Consumer Privacy

- Collecting personal data without consent
- Misusing customer information for spamming or selling to third parties

📌 *Example:*
Telemarketing calls without permission, spam emails or SMS campaigns.

7️⃣ Greenwashing (False Environmental Claims)

- Pretending to be eco-friendly through misleading claims
- Using terms like "green", "organic" without proof

📌 *Example:*
Brands promoting "biodegradable plastic" without certification.

Impact of Unethical Marketing

Unethical practices lead to:

- Loss of trust and customer loyalty
- Legal action and penalties
- Boycotts and negative publicity
- Damage to brand image that is difficult to rebuild

Ultimately, these practices harm both **society and the company itself**.

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3. Ethical Marketing Practices & Social Responsibility

To build trust and long-term relationships, companies must follow **ethical standards** and act responsibly towards consumers, employees, society, and the environment. Ethical marketing supports not just profit, but people and planet as well.

Ethical Marketing Practices

1️⃣ Truthful and Clear Communication

- Provide accurate product information
- Avoid exaggeration and false promises
- Use simple language, especially for low-literacy customers

📌 Ensures consumers make informed choices.

2️⃣ Fair Pricing and Transparency

- No hidden costs or misleading discount claims
- Prices reflect value and quality
- Same price for all consumers without discrimination

📌 Builds confidence in brand honesty.

3️⃣ Safe and Quality Products

- Product safety tested before launch
- Comply with health and legal regulations
- Easy-to-understand usage instructions

📌 Protects consumer welfare.

4️⃣ Respect for Consumer Rights

- Freedom of choice without coercion
- Privacy protection during data collection
- Grievance redressal mechanisms

📌 Demonstrates care and responsibility.

5️⃣ Responsible Targeting and Content

- Avoid advertisements that exploit children, emotions, or insecurities
- Respect cultural diversity and social values
- Promote inclusivity and positivity

📌 Strengthens social acceptance and goodwill.

Marketing and Corporate Social Responsibility (CSR)

Companies increasingly integrate ethical behavior into **CSR initiatives**, which aim to benefit society and environment.

Examples of CSR in marketing:

- Promoting education, health & hygiene awareness
- Supporting women empowerment and rural livelihoods
- Reducing plastic usage and promoting recycling
- Encouraging sustainable consumption patterns

📌 *Example:*
Tata and ITC run campaigns supporting farmers, environment, and community development while responsibly promoting their brands.

Benefits of Ethical Marketing

Ethical marketing leads to:

- Strong brand reputation
- Customer loyalty and repeat purchases
- Positive word-of-mouth
- Long-term profitability
- Lower legal and regulatory risks

📌 Ethical conduct becomes a **competitive advantage**.

---

1. Introduction

Marketing has changed rapidly in the last decade due to advancements in technology, changing lifestyles, availability of smartphones, and increasing internet usage. Today's customers expect fast service, personalized experience, convenience, and direct communication with brands. This has shifted marketing from **traditional**, mass-media-heavy practices towards **digital and data-driven approaches**.

New trends in marketing focus on understanding customers more deeply and building closer, long-lasting relationships through technology.

Why Marketing Trends Are Changing

Several major forces are transforming marketing today:

- **Technological innovations** like AI, analytics, smart devices
- Growth of **digital India** — affordable internet and smartphones
- Rising influence of **social media** and peer reviews
- Increase in **e-commerce and online payments**
- More emphasis on **customer experience** and service quality
- Younger population with new expectations and buying behavior

These factors require marketers to adopt modern tools and strategies to remain competitive.

📌 *Example:*
Brands like Meesho and Zepto have grown rapidly by using digital-first strategies and personalized marketing techniques.

Traditional vs. New-Age Marketing

- Traditional marketing focused on products and mass advertising
- New marketing focuses on **customers, content, engagement, and data**

Earlier the question was:
➡️ *How do we sell more products?*

Today the question is:
➡️ *How do we make the customer stay with us longer?*

This shift highlights the importance of **loyalty, trust, and customer value** over mere transactions.

Indian Context: Rapid Digital Adoption

India has become one of the largest digital consumer markets in the world due to:

- Large youth population
- Jio-led data revolution
- Growth in online shopping, digital content, mobile payments (UPI)
- Emergence of regional content and small-town consumers

Brands now target not only metro cities but also **Tier-2, Tier-3 cities and rural markets** using digital platforms.

📌 *Example:*
JioMart, PhonePe, Flipkart & YouTube have turned millions of rural consumers into digital buyers and content users.

2. Digital & Technology-Driven Marketing Trends

Technology has completely transformed how companies communicate with their customers. Digital tools allow brands to **reach the right customer**, at the **right time**, with the **right message**, and measure results instantly.

Below are the major technology-led marketing trends shaping today's business world:

1️⃣ Social Media and Influencer Marketing

Brands now promote products through **Instagram, YouTube, Facebook, Twitter (X), and ShareChat**.
Influencers, including micro-influencers from smaller cities, help build trust and community connections.

📌 *Example:*
Local beauty influencers promote Mamaearth & Sugar Cosmetics products leading to high brand adoption.

2️⃣ Performance Marketing and Data Analytics

Marketing decisions are now based on **customer data**, not assumptions.

- Tailored ads based on browsing history
- Measurable ROI (clicks, conversions)
- Better budget allocation using analytics

📌 *Example:*
E-commerce platforms show personalized suggestions like "Recommended for you", which increases sales.

3️⃣ AI-Based Personalization

Artificial Intelligence (AI) and Machine Learning (ML) help:

- Predict what customers will buy next
- Personalize website and app experience
- Run chatbots for instant customer service

📌 *Example:*
Swiggy and Zomato recommend restaurants based on previous orders and location.

4️⃣ Omnichannel Marketing

Customers interact with brands **across multiple touchpoints** — websites, apps, stores, call centers, social media.
Omnichannel marketing ensures a **smooth and unified experience** everywhere.

📌 *Example:*
Reliance Trends allow customers to browse online, check store availability, and pick up from a nearby outlet.

5️⃣ MarTech (Marketing Technology) Tools

Businesses use automated software for:

- Email automation
- Campaign management
- Customer data platforms
- Lead tracking and CRM integration

📌 *Popular Tools:* Salesforce, HubSpot, Zoho CRM

6️⃣ Voice & Visual Search Marketing

With smart devices like **Alexa**, **Google Assistant**, and **Google Lens**:

- People search using voice commands
- Visual search helps find similar products instantly

📌 *Example:*
Customers take photos of outfits and find similar ones on Myntra using image search.

7️⃣ Video-First and Short-Form Content

Short videos on platforms like **Reels, YouTube Shorts, Moj** attract millions every day.
Brands use storytelling and entertainment to engage users.

📌 *Example:*
Dunzo and Zomato use humorous short videos for viral reach.

3. Customer-Centric & Community-Based Trends

Modern marketing goes beyond selling products — it focuses on **engaging customers, building trust, and creating a sense of belonging**. Brands are shifting from mass communication to **personalized and community-driven strategies** that encourage loyalty and repeat buying.

1️⃣ Customer Experience (CX) as a Competitive Advantage

Companies now differentiate themselves not only through product quality but by offering:

- Fast delivery
- Easy return policies
- Helpful customer support
- Simple and enjoyable buying experience

📌 *Example:*
Amazon India's quick delivery and hassle-free returns make customers stay loyal even with competition.

2️⃣ Community Marketing

Brands build **groups of loyal customers** who share similar interests and influence others.

- Online communities, fan clubs, WhatsApp groups
- Customers act as advocates and share brand content

📌 *Example:*
Boat has built strong online communities of music and fitness lovers who promote the brand themselves.

3️⃣ Experiential and Engagement Marketing

Brands create **interactive experiences** to make emotional connections, both online and offline.

- Live events, pop-up stores, demos
- AR/VR try-on features in apps

📌 *Example:*
Tanishq organizes jewellery trial events for brides and families to create memorable buying experiences.

4️⃣ Hyperlocal & Vernacular Marketing

Companies target **small towns and rural consumers** by communicating in local languages, using local influencers, and focusing on nearby needs.

📌 *Example:*
YouTube and ShareChat allow brands to advertise in regional languages (Hindi, Tamil, Bhojpuri, etc.) to reach Bharat audiences effectively.

5️⃣ Subscription-Based Marketing

Instead of one-time sales, brands offer **subscription models** for continuous engagement:

- OTT platforms (Netflix, Hotstar)
- Beauty boxes, wellness packages, grocery subscriptions

📌 *Example:*
Blinkit and Zepto offer subscription plans for repeat grocery deliveries to ensure consistent sales.

4. Sustainable & Ethical Marketing Trends

Modern consumers care not just about what companies sell, but **how** they make and market their products. Brands are increasingly expected to act responsibly toward **society, environment, and consumer rights**. This shift has led to new marketing trends focusing on sustainability and ethics.

1️⃣ Green Marketing (Environment-Friendly Marketing)

Companies are adopting sustainable practices such as:

- Eco-friendly packaging
- Reduced plastic usage
- Recycling and reusable materials
- Energy-efficient manufacturing

📌 *Example:*
Tata Tea and Paper Boat reduce plastic usage and promote reusable packaging.

2️⃣ Cause-Related Marketing

Brands partner with social causes to support issues like:

- Education
- Women empowerment
- Health and sanitation
- Financial inclusion

📌 *Example:*
Amul supports Indian farmers through fair pricing and promoting dairy farming.

3️⃣ Transparency and Trust-Based Marketing

Consumers demand clarity about:

- Product ingredients
- Pricing terms
- Data usage and privacy

Companies are increasingly required to:

- Communicate openly
- Share accurate certifications
- Avoid exaggerated claims

📌 *Example:*
Mamaearth highlights toxin-free ingredients with certifications to build trust among parents.

4️⃣ Ethical Use of Customer Data

Marketers must respect consumer privacy by:

- Taking consent before collecting data
- Allowing users control over information

- Ensuring data security

📌 *Example:*
Banks and fintech apps follow RBI data protection guidelines to ensure security in online transactions.

5️⃣ Inclusive and Diversity-Focused Marketing

Brands are promoting messages that include:

- Gender equality
- Representation of different cultures, ages, and abilities
- Realistic beauty and lifestyle standards

📌 *Example:*
Surf Excel’s “Daag Achhe Hain” campaign emphasizes positivity and inclusiveness in everyday life.

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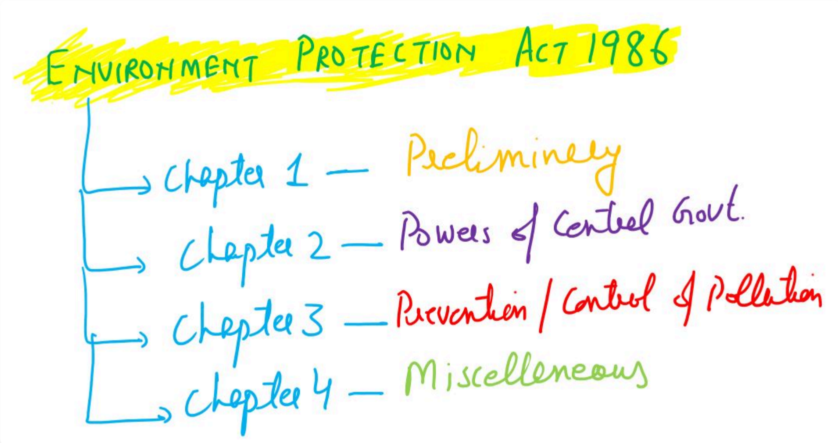
1. Introduction

The Environment (Protection) Act was enacted in 1986 with the objective of providing the protection and improvement of the environment. It empowers the Central Government to establish authorities charged with the mandate of preventing environmental pollution in all its forms and to tackle specific environmental problems that are peculiar to different parts of the country.

The Act is divided into 4 chapters.

- Chapter I: Preliminary
- Chapter II: General Powers of the Central Government
- Chapter III: Prevention, Control and Abatement of Environmental Pollution
- Chapter IV: Miscellaneous



Background

The Environment (Protection) Act 1986 origins can be traced back to the United Nations Conference on the Human Environment, which took place in Stockholm in June 1972, known as the Stockholm Conference. India was an active participant in this event, and it aimed to address issues related to human environmental improvement. The Environmental Protection Act (EPA) subsequently materialized as the means of translating the resolutions and objectives established during the Stockholm Conference into actionable legislation.

Therefore, the Act was enacted under Article 253 of the Indian Constitution which provides for the enactment of legislation for giving effect to international agreements.

The 1972 **United Nations Conference on the Human Environment** in Stockholm was the first world conference to make the environment a major issue. The participants adopted a series of principles for sound management of the environment including the Stockholm Declaration and Action Plan for the Human Environment and several resolutions.

The Action Plan contained 3 main categories:

1. Global Environmental Assessment Programme;
2. Environmental management activities;
3. International measures to support assessment and management activities carried out at the national and international levels.

One of the major results of the Stockholm conference was the creation of the United Nations Environment Programme (UNEP) – founded in 1972.

1. The Environment (protection) Act, 1986 was the result of India's commitment, to take appropriate action for the and improvement of environment, at the: **(UGC NET 5th Jan 2022- Evening shift)**

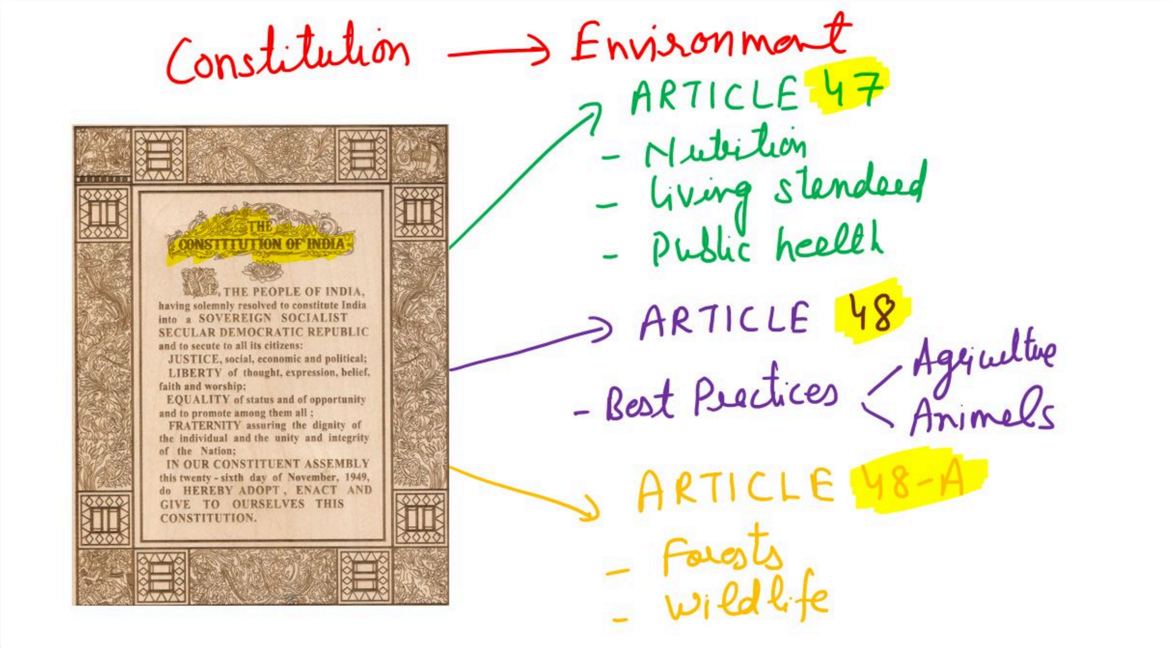
- 1985 Vienna convention for protection of ozone layer
- Convention on long range trans boundary air pollution, 1983
- Convention on international trade in endangered species, 1975 (CITES)
- United Nation's Conference on the human environment, Stockholm, 1972

Check

Question: 1 of 3 questions

2. Constitutional Provisions on Environment

The Constitution of India contains multiple provisions that provides the policy direction to the government to safeguard the environment.



These are provided under Directive Principles of State Policy and are discussed below.

- *Article 47* provides that the State shall regard the raising of the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties. The improvement of public health also includes the protection and improvement of environment without which public health cannot be assured.
- *Article 48* deals with organization of agriculture and animal husbandry. It directs the State to take steps to organize agriculture and animal husbandry on modern and scientific lines. In particular, it should take steps to preserve and improve the breeds and prohibit the slaughter of cows and calves and other milch and draught cattle.
- *Article 48-A* of the constitution says that “the state shall endeavor to protect and improve the environment and to safeguard the forests and wildlife of the country”.

Article	**Provision**
Article 47	Duty of the State to raise the level of nutrition and the standard of living and to improve public health.
Article 48	Organisation of agriculture and animal husbandry.
Article 48 A	Protection and improvement of environment and safeguarding of forests and wildlife.

The Constitution also held under Article 51A(g), Fundamental Duties, that it is the duty of citizens to protect and improve the natural environment including forests, lakes, rivers and wildlife and to have compassion for living creatures.

1. Article 48A of the Indian Constitution directs the states to ensure protection and improvement of: **(UGC NET 26 2021 Evening shift)**

- Mineral resources
- Education
- Environment
- Businesses

Check

Question: 1 of 3 questions

3. Definitions

The Environmental Protection Act 1986 provides several important definitions as discussed below.

1. Environment: It includes water, air, and land and the inter-relationship which exists among and between water, air and land, and human beings, other living creatures, plants, micro-organisms and property.

2. Environmental Pollutant: It means any solid, liquid, or gaseous substance present in such concentration as tends to be injurious to the environment.

3. Environmental Pollution: It means the presence of any environmental pollutant in the environment.

4. Hazardous Substance: A hazardous substance is any material or mixture that, due to its chemical or physico-chemical attributes or the way it is managed, has the potential to inflict damage on humans, animals, plants, microorganisms, property, or the surrounding environment.

5. Occupier: An occupier, concerning any factory or property, refers to an individual who has authority over the operations of that factory or property. This definition also encompasses the individual in possession of any substance related to the factory or property.

4. General Powers of Central Government

The Act provides the general power of the Central Government to take measures to protect and improve the quality of the environment with the coordination of the State Government. These powers are discussed below.

- Co-ordination of actions by the State Governments, officers, and other authorities;
- Prevention, control, and abatement of environmental pollution;
- Laying down standards for the quality of the environment in its various aspects;
- Laying down standards for the emission or discharge of environmental pollutants;
- Restriction of areas in which any industries, operations or processes shall not be carried;
- Laying down safeguards for the prevention of accidents which may cause environmental pollution;
- Laying down procedures and safeguards for the handling of hazardous substances;
- Examination of such manufacturing processes, materials likely to cause environmental pollution;
- Investigations and research relating to problems of environmental pollution;
- Inspection of any premises, plant, equipment, machinery, manufacturing or other processes, materials;
- Establishment or recognition of environmental laboratories and institutes;
- Collection and dissemination of information in respect of matters relating to environmental pollution;
- Preparation of manuals, codes or guides for environmental pollution.

Authorities and Officers

The Act also empowers the Central Government to constitute an authority or appoint officers with signification designation for the purpose of exercising and performing powers and functions under this Act.

The Central Government shall have the power to issue specific directions to the officers and such officers must comply with it. These include power to direct:

- the closure, prohibition, or regulation of any industry, operation or process, or
- the stoppage or regulation of the supply of electricity or water or any other service.

1. Which of the following are included in the powers of central government to protect the environment, as per The Environment (Protection) Act, 1986?

(a) Prevention, control and abatement of environmental pollution.
(b) Laying down standards for the quality of environment in its various aspects.
(c) Investigations and research relating to problems of environmental pollution.
(d) Preparation of manuals, codes or guides for environmental pollution.

- All of the above
- a, b and d only
- b and d only
- a and b only

Check

Question: 1 of 1 questions

5. Rules to regulate Environmental Pollution

The Act also empowers the Central Government to notify the rules for the purpose of exercising its general powers as provided before.

The rules maybe made in respect of all or any of the matters, namely:

- standard of quality of air, water or soil for various areas and purposes;
- maximum allowable limits of various environmental pollutants (including noise) for different areas;
- procedures and safeguards for handling of hazardous substances;
- prohibition and restrictions on handling of hazardous substances in different areas;
- prohibition and restrictions on the location of industries and carrying on of processes;
- procedures and safeguards for the prevention of accidents that may cause environmental pollution.

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6. Prevention, Control and Abatement of Pollution

The Act provides specific provisions for the purpose of prevention, control, and abatement of environmental pollution. These are discussed below.

Restriction on Pollutant Discharge

No individual or organization shall discharge or emit any environmental pollutant in excess of the prescribed standards. If the discharge of any environmental pollutant is in excess of the prescribed standards, the person shall:

- intimate the fact of such occurrence to prescribed authority and
- be bound, if called upon, to render all assistance.

The prescribed authority may direct remedial measures. All expenses of remedial measures are to be borne by the person.

Powers of Entry and Inspection

Any person empowered by the Central Government shall have a right to enter any place for inspection, examining documents, equipments etc., and to collect evidence. It shall also have the power to take, samples of air, water, soil or other substances from any factory, premises, or other place.

Establishment of Environmental Laboratories

The Central Government may establish one or more environmental laboratories (or may recognize one). Further, the Government may make rules specifying:

- the functions of the environmental laboratory;
- the procedure for the submission of samples and form of the report thereon and fees payable for such report.

The Central Government may appoint 'Government Analysts' for the purpose of analysis of samples.

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7. Penalties under the Act

The Act provides for the penalties for the contravention of the provisions of the Act and the rules, orders and directions. These are given below.

Offences by individuals

The Act stipulates the penalty corresponding to a specific offense as outlined below.

Offence	**Penalty**
Non-Compliance	Imprisonment upto 5 years or fine upto Rs. 1 lakh, or both.
Contravention Continues	additional fine up to Rs. 5000 for every day
Contravention continues beyond a period of 1 year	Imprisonment may extend upto 7 years

Offences by Companies

If an offence under this Act is committed by a company, every person directly in charge of the company, at the time of the commitment of offence, is deemed to be guilty unless proven otherwise.

Offences by Government Departments

If an offence under this Act has been committed by any Department of Government, the Head of the Department (HoD) shall be deemed to be guilty of the offence unless proven otherwise. Any officer, other than HoD, if proven guilty, shall also be liable to be proceeded against and punished accordingly.

8. Power to make Rules

The Central Government may make rules for carrying out the purposes of this Act. These are given below.

- standards in excess of which environmental pollutants shall not be discharged.
- safeguards in compliance with which hazardous substances shall be discharged.
- authorities/agencies to which intimation shall be given by occupier or other person for any excess.
- manner in which samples shall be taken.
- form of notice of intention to have a sample analysed shall be served.
- functions/procedures/fees of the environmental laboratories.
- qualifications of Government Analyst.
- manner in which notice of the offence or complaint can be made to Central Government.

The Centre Government has published several rules under the Environment (Protection) Act, 1986. A list of significant rules are given below.

- 2-T Oil (Regulation of Supply and Distribution) Order, 1998
- Batteries Waste Management Rules 2022 (*amended in March 2024*)
- Bio-Medical Waste (Management and Handling) Rules 1998
- Bio-Medical Waste Management Rules, 2016
- Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996
- Construction and Demolition Waste Management Rules, 2016
- E-Waste (Management) Rules, 2016
- Environment (Protection) Rules, 1986
- Hazardous Wastes (Management and Handling) Rules, 1989
- Hazardous Wastes (Management, Handling and Trans boundary movement) Rules, 2008
- Hazardous and other Wastes (Management and Trans boundary Movement) Rules, 2016
- Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
- Municipal solid wastes (Management and handling) Rules, 2000
- Noise Pollution (Regulation and Control) Ozone Depleting Substances (Regulation and Control) Rules, 2000
- Plastic Waste Management Rules, 2016
- Plastics Manufacture, Sale and Usage Rules, 1999
- Recycled Plastics Manufacture and Usage Rules, 1999
- Regulation of Lead Contents in Household and Decorative Paints Rules, 2016
- Rules for the Manufacture, Use, Import, Export and Storage of Hazardous Micro-Organisms/Genetically Engineered Organisms or Cells, 1989
- Scheme on Labelling of Environment Friendly Products (Eco-Mark)
- Wetlands (Conservation and Management) Rules, 2010.

1. Climate Change

Climate Change encompasses the long-term alterations in the Earth's climate patterns, including changes in temperature, precipitation, and weather extremes. These shifts are primarily driven by human activities, particularly the burning of fossil fuels (coal, oil, and natural gas), deforestation, industrial processes, and agricultural practices. These actions release greenhouse gases, such as Carbon Dioxide (CO_2), Methane (CH_4), and Nitrous Oxide (N_2O), into the atmosphere. These gases trap heat, leading to the greenhouse effect, where more solar energy gets trapped in the Earth's atmosphere, raising global temperatures.

1. Climate Change

The effects and consequences of climate change are diverse and far-reaching, impacting various aspects of the environment, societies, and economies:

1. *Rising global temperatures:* Average temperatures are increasing, leading to heatwaves and more extreme hot weather events.
2. *Melting ice and rising sea levels:* Polar ice caps and glaciers are melting, contributing to rising sea levels, which can lead to coastal flooding, erosion, and the displacement of communities.
3. *Altered weather patterns:* Climate change is causing shifts in weather patterns, leading to more frequent and severe natural disasters such as hurricanes, droughts, wildfires, floods, and intense storms.
4. *Impact on ecosystems and biodiversity:* Changes in climate disrupt habitats, causing alterations in the distribution and behavior of species, resulting in imbalances and endangerment of many plant and animal species.
5. *Impacts on agriculture and food security:* Changes in temperature and precipitation patterns can lead to crop failures, reduced yields, altered growing seasons, and disruptions in global food production, affecting food security.
6. *Health risks:* Climate change exacerbates health risks, leading to an increased prevalence of heat-related illnesses, the spread of diseases, compromised access to clean water and food, and heightened air pollution.
7. *Economic repercussions:* Sectors such as agriculture, fisheries, tourism, and infrastructure face disruptions, impacting livelihoods, economies, and the overall stability of nations.
8. *Threats to water resources:* Climate change affects water availability and quality, leading to droughts in some regions and an increased risk of flooding in others.
9. *Displacement and migration:* Sea-level rise and extreme weather events can force populations to relocate, leading to climate-induced migration and displacement.
10. *Social and geopolitical tensions:* Climate change can exacerbate social tensions and trigger conflicts, especially in regions facing resource scarcity, migration issues, or struggles over access to land and water resources.

1. Given below are two statements: **(UGC NET 22nd Mar 2023 Morning Shift)**

Statement I: In many cases, both organisms and human infrastructure will not be able to move or adapt quickly er changing climate.

Statement II: Infectious diseases are likely to increase as a result of global warming.

- Both Statement I and Statement II are true.
- Statement I is false but Statement II is true.
- Both Statement I and Statement II are false.
- Statement I is true but Statement II is false.

Check

Question: 1 of 3 questions

1. Climate Change

Numerous steps have been initiated and are being considered on a global scale to address the challenges posed by climate change. Some of these measures include:

1. *International Agreements:* Nations have joined international agreements like the Paris Agreement, aiming to limit global warming and reduce greenhouse gas emissions to mitigate climate change.
2. *Transition to Renewable Energy:* Encouraging and investing in renewable energy sources like solar, wind, hydroelectric, and geothermal power to reduce reliance on fossil fuels and decrease carbon emissions.
3. *Energy Efficiency:* Promoting energy-efficient technologies and practices in industries, transportation, and buildings to reduce energy consumption and lower carbon footprints.
4. *Reforestation and Forest Protection:* Protecting and restoring forests, as they serve as carbon sinks and play a crucial role in carbon sequestration, thus mitigating climate change.
5. *Sustainable Agriculture:* Implementing sustainable agricultural practices to reduce emissions, enhance carbon sequestration in soils, and improve resilience to changing climate conditions.
6. *Investment in Climate Resilience:* Developing infrastructure and strategies to adapt to the changing climate, including constructing sea barriers, designing resilient cities, and improving disaster response systems.
7. *Public Awareness and Education:* Educating communities about climate change, its impacts, and ways to mitigate it to foster a collective understanding and action.
8. *Carbon Pricing and Policies:* Implementing carbon pricing mechanisms or policies that put a price on carbon emissions, incentivizing businesses and industries to reduce their carbon footprint.
9. *Technological Innovation:* Investing in research and development of new technologies to combat climate change, such as carbon capture and storage, and innovative solutions for sustainable practices.

These steps, among others, form a multifaceted approach to tackle climate change. Collaboration among governments, businesses, communities, and individuals is essential to effectively mitigate the effects of climate change and ensure a sustainable future for the planet.

1. Given below are two statements: **(UGC NET 3rd Mar 2023 Evening Shift)**

Statement I: One of the ways to control greenhouse gas emissions is by encouraging energy efficiency throughou our country.

Statement II: Improving energy efficiency has significant environmental benefits.

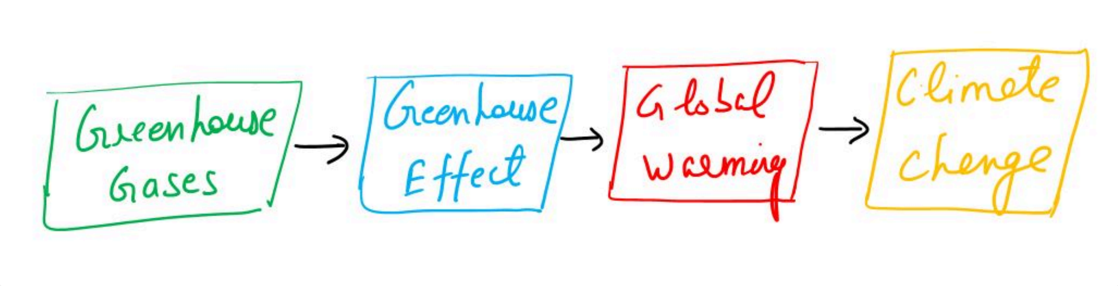
- Statement I is true but Statement II is false
- Both Statement I and Statement II are false
- Statement I is false but Statement II is true
- Both Statement I and Statement II are true

Check

Question: 1 of 1 questions

2. Greenhouse Effect and Global Warming

The greenhouse effect and global warming are related with each other and describe how certain gases in the Earth's atmosphere interact with incoming solar radiation and outgoing heat to influence the planet's temperature.



Greenhouse effect is a natural and essential process that helps regulate the Earth's temperature. It begins with the sun's energy reaching the Earth in the form of sunlight. Some of this energy is absorbed by the Earth's surface, warming it. In turn, the heated Earth emits heat energy in the form of infrared radiation. Certain atmospheric gases, known as greenhouse gases (e.g., carbon dioxide, methane, water vapor), trap some of this outgoing heat. These gases act like a "blanket" around the Earth, allowing sunlight to enter but preventing some of the heat from escaping into space. This trapped heat warms the atmosphere and the planet's surface, making it suitable for supporting life.

Global warming refers to the long-term increase in the Earth's average surface temperature due to the enhanced greenhouse effect. It is primarily caused by human activities, such as the burning of fossil fuels (coal, oil, and natural gas) and deforestation. These activities release additional greenhouse gases into the atmosphere, which intensify the natural greenhouse effect. The enhanced greenhouse effect leads to more heat being trapped in the atmosphere, causing a gradual and sustained increase in global temperatures. This rise in temperature resulted in changes in climate patterns, weather events, sea levels, and ecosystems.

1. Global warming is attributed to the presence of the following gases in the atmosphere: **(UGC NET 11th July 20 Morning shift)**

A. Methane
B. Sulphur dioxide
C. Surface ozone
D. Nitrogen dioxide
E. Carbon dioxide

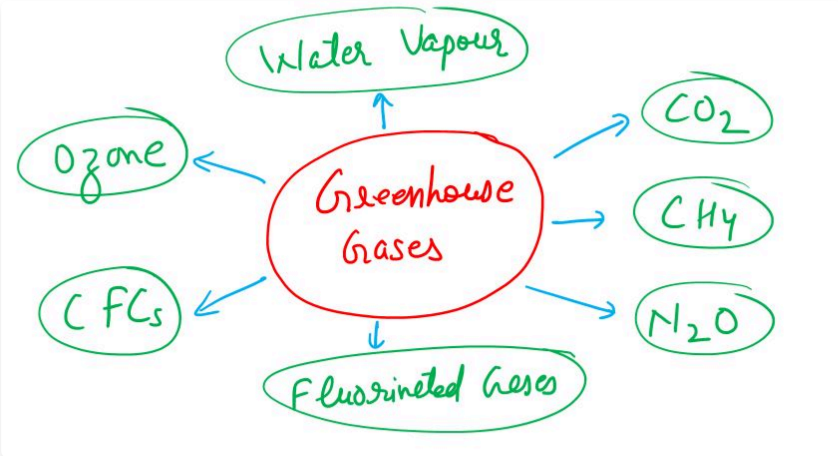
- ○ A, C, D, E
- ○ A, B, C, E
- ○ A, C, E
- ○ A, B, D, E

Check

Question: 1 of 1 questions

3. Greenhouse Gases

Greenhouse gases are gases that trap heat in the Earth's atmosphere, contributing to the greenhouse effect. These gases effectively act like a blanket, allowing sunlight to enter the Earth's atmosphere but preventing some of the outgoing infrared radiation (heat) from escaping into space.



The list of greenhouse gases is discussed below:

1. Carbon Dioxide

Carbon Dioxide (CO_2) is the most prevalent greenhouse gas and is introduced into the atmosphere through the combustion of fossil fuels like coal, natural gas, and oil, as well as from solid waste, vegetation, and specific chemical processes, such as cement manufacturing. This atmospheric carbon dioxide can be taken out or *sequestered* when plants absorb it as part of the natural carbon cycle.

2. Methane

Methane (CH_4) is emitted during the production and transport of coal, oil, and natural gas. It is also released by livestock, agricultural practices, and the decay of organic waste in landfills and wetlands. Its lifetime in the atmosphere is around 12-13 years which is the relatively shortest 'atmospheric residence time' compared to other greenhouse gases, primarily due to its natural breakdown processes. The emission of this gas can be restricted by producing gobar gas from animal waste and biological matter.

3. Nitrous Oxide

Nitrous oxide (N_2O) is produced by agricultural and industrial activities, as well as the combustion of fossil fuels as well as during the treatment of wastewater. Its high Global Warming Potential (GWP) and relatively long atmospheric lifetime (a little more than a century) make it a significant driver of climate change when its concentrations increase in the atmosphere.

4. Water Vapour

The most abundant greenhouse gas overall, water vapour (H_2O) differs from other greenhouse gases in that changes in its atmospheric concentrations are linked not to human activities directly, but rather to the warming that results from the other greenhouse gases we emit. Warmer air holds more water. And since water vapour is a greenhouse gas, more water absorbs more heat, inducing even greater warming and perpetuating a positive feedback loop.

5. Fluorinated gases

Emitted from a variety of household, commercial, and industrial applications and processes, fluorinated gases are man-made. They are typically emitted in smaller quantities than other greenhouse gases, but they are potent greenhouse gases. With Global Warming Potentials (GWPs) that typically range from thousands to tens of thousands, they are sometimes referred to as high-GWP gases because, for a given amount of mass, they trap substantially more heat than CO_2. There are 4 main categories:

1. *Hydrochlorofluorocarbons (HCFCs):* HCFCs were developed as alternatives to CFCs but still have some greenhouse gas properties. They are usually used in air conditioners and refrigerators. Because of their high GWP, they are being phased out

under the Montreal Protocol. HCFCs are compounds containing carbon, hydrogen, chlorine and fluorine. HCFC-22 is the most abundant HCFC.

2. *Perfluorocarbons (PFCs):* These compounds are used in various industrial applications, including semiconductor manufacturing and aluminum production. They have a high GWP, and are considered potent greenhouse gases.
3. *Sulfur Hexafluoride (SF_6):* SF_6 is used in electrical equipment and as a tracer gas in atmospheric research. It has the highest GWP and has a very long atmospheric residence time.
4. *Nitrogen Trifluoride (NF_3)*: NF_3 is a long-lived, powerful Greenhouse gas that is used in the electronics manufacturing industry and is emitted during the production and cleaning processes of flat-panel displays, semiconductors, and photovoltaic (solar) cells.

Note that Fluorinated gases (especially hydrofluorocarbons) were developed as a substitutes for stratospheric ozone-depleting substances (e.g., chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs) and halons).

6. Ozone

While ozone (O_3) in the stratosphere protects us from harmful ultraviolet (UV) radiation, ground-level ozone is a greenhouse gas. It is also air pollutant formed from chemical reactions involving other pollutants.

7. Chlorofluorocarbons (CFCs)

These synthetic compounds were widely used in refrigeration, air conditioning, and aerosol propellants until their production was largely phased out due to their destructive impact on the ozone layer.

Also, large-scale dams can also lead to greenhouse gas emissions because submerged vegetation decays, producing carbon dioxide, another greenhouse gas.

Potency of Greenhouse gas

How much any one greenhouse gas influences global warming depends on 3 key factors:

1. *Concentration:* It means how much of the gas exists in the atmosphere. Concentrations are measured in parts per million (ppm), parts per billion (ppb), or parts per trillion (ppt). For example, 1 ppm for a given gas means that there is one molecule of that gas in every one million molecules of air.
2. *Lifetime:* It means how long the gas remains in the atmosphere, sometimes referred to as residence time.
3. *Global Warming Potential:* It means how effective the gas is at trapping heat. This is referred to as its Global Warming Potential (GWP) and is a measure of the total energy that a gas absorbs over a given period of time (usually 100 years) relative to the emissions of 1 ton of carbon dioxide.

GWP and Resident time for some of the prominent greenhouse gases are given below.

Greenhouse Gases	Global Warming Potential	Resident Time
CO_2	reference gas with a GWP of 1	Gas is gradually reduced over 10,000 years
CH_4	27-30 times over a 100-year time scale	10-15 years
N_2O	270-273 times over a 100-year time scale	110-120 years
Fluorinated Gases	can be in thousands or tens of thousands	a few weeks to thousands of years - 3200 years of SF6

Radiative Forcing (RF)

Radiative forcing is another way to measure greenhouse gases (and other climate drivers, such as the sun's brightness and large volcanic eruptions). Also known as climate forcing, RF indicates the difference between how much of the sun's energy gets absorbed by the earth and how much is released into space as a result of any one climate driver. A climate driver with a positive RF value indicates that it has a warming effect on the planet; a negative value represents cooling.

1. Which of the following gases has maximum Global Warming Potential (GWP)? **(UGC NET 11th Mar 2023 Morr**

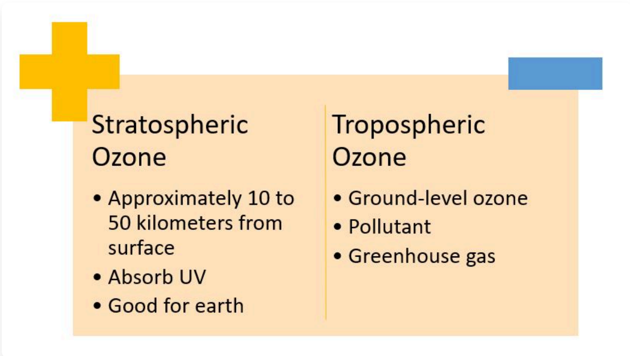
- Sulphur hexafluoride (SF6)
- Methane (CH4)
- Carbon dioxide (CO2)
- Chlorofluorocarbons (CFCs)

Check

Question: 1 of 4 questions

4. Ozone Depletion

Ozone (O_3) is a molecule composed of three oxygen atoms bonded together. It is a pale blue gas with a distinct, sharp odour.



Ozone is found in varying concentrations throughout Earth's atmosphere and plays a critical role in the atmosphere, existing in two primary regions:

1. *Tropospheric Ozone:* Also known as ground-level ozone or surface ozone, is ozone near the Earth's surface and is considered a pollutant and a major component of smog. This ozone also acts as a greenhouse gas.
2. *Stratospheric Ozone:* The ozone layer is located in the stratosphere, approximately 10 to 50 kilometers above the Earth's surface. This region contains a higher concentration of ozone, and its primary role is to absorb and block a significant portion of the sun's harmful ultraviolet (UV) radiation from reaching the Earth's surface, providing protection to living organisms. Diseases caused due to exposure to UV radiation include Melanoma, Ocular damage and Erythema.

1. Ozone layer is in **(UGC NET 14th Mar 2023 Evening Shift)**

- Troposphere
- Mesosphere
- Stratosphere
- Thermosphere

Check

Question: 1 of 1 questions

4. Ozone Depletion

Ozone Layer Depletion refers to the gradual reduction of the ozone layer located in the upper atmosphere. This occurs when chlorine and bromine atoms in the atmosphere interact with ozone, leading to the breakdown of ozone molecules. Certain substances, when exposed to intense ultraviolet light, release chlorine and bromine, thereby contributing to the depletion of the ozone layer. These substances are referred to as Ozone Depleting Substances (ODS).

Chlorine is able to destroy so much of the ozone because it acts as a catalyst. Chlorine initiates the breakdown of ozone and combines with a freed oxygen to create two oxygen molecules. After each reaction, chlorine begins the destructive cycle again with another ozone molecule. One chlorine atom can thereby destroy thousands of ozone molecules.

$Cl+O_3 \rightarrow ClO+O_2$ (step 1)

$ClO+O \rightarrow Cl+O_2$ (step 2)

$O_3+O. \rightarrow 2O_2$

Ozone levels are typically highest during the afternoon hours of the summer months, when the influence of direct sunlight is the greatest.

Notable Ozone depleting substances include:

1. Chlorofluorocarbons (CFCs)

CFCs were commonly used as refrigerants in air conditioning and refrigeration systems, propellants in aerosol sprays (e.g., deodorants and hairsprays), and in the production of foam insulation and packaging materials. They were aimed to be phased out through Montreal Protocol.

2. Halons

Halons were primarily used in fire extinguishers, especially in situations involving electrical fires. They contain both chlorine and bromine atoms, making them potent ozone-depleting substances.

3. Volatile Chlorinated Hydrocarbons

Volatile chlorinated hydrocarbons are organic compounds that contain chlorine and carbon atoms, and have the characteristic of being volatile, meaning they can easily vaporize into the air. These chemicals have been used in various industrial processes and applications, including as solvents and in chemical manufacturing. Some examples are Trichloroethylene (TCE), Perchloroethylene (PCE or PERC), Methylene Chloride (Dichloromethane), Chloroform (Trichloromethane), Carbon Tetrachloride (Tetrachloromethane)

4. Hydrochlorofluorocarbons (HCFCs)

HCFCs were developed as transitional alternatives to CFCs because they have lower ozone-depleting potentials. They were used in refrigeration, air conditioning, and foam-blowing applications. While less harmful than CFCs, HCFCs still have some impact on ozone depletion.

5. Hydrobromofluorocarbons (HBFCs)

Similar to HCFCs, HBFCs were used in some applications, such as fire extinguishing systems. They contain bromine and fluorine and can contribute to ozone depletion.

Note that, India has successfully phased-out completely the production and consumption of CFCs, CTC and halons except the use of pharmaceutical grade CFCs in manufacturing of Metered Dose Inhalers (MDIs).

Also note that, another group of substances, hydrofluorocarbons (HFCs), were introduced as non-ozone depleting alternatives to support the timely phase-out of CFCs and HCFCs. HFCs are now widespread in air conditioners, refrigerators, aerosols, foams and other products. While these chemicals do not deplete the stratospheric ozone layer, some of them have high GWPs ranging from 12 to 14,000.

6. Oxides of Nitrogen (NOx)

It includes NO and NO_2 that if present in excess, play a role in the depletion of ozone in the upper atmosphere. They have the ability to engage in chemical reactions with ozone, ultimately causing its degradation.

Note that ODS that release chlorine include chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), carbon tetrachloride, and methyl chloroform. ODS that release bromine include halons and methyl bromide.

In a nutshell, the main uses of ozone-depleting substances include:

- CFCs and HCFCs in refrigerators and air conditioners,
- HCFCs and halons in fire extinguishers,
- CFCs and HCFCs in foam,
- CFCs and HCFCs as aerosol propellants, and
- methyl bromide for fumigation of soil, structures, and goods to be imported or exported.

Ozone Hole

One example of ozone depletion is the annual ozone "hole" over Antarctica that has occurred during the Antarctic spring since the early 1980s. This is not really a hole through the ozone layer, but rather a large area of the stratosphere with extremely low amounts of ozone. Also, a significant reduction in the consumption of ozone-depleting substances (ODS) has been achieved globally since 1986. This reduction has largely been driven by the 1987 United Nations Environment Programme (UNEP) Montreal Protocol.

1. Given below are two statements: **(UGC NET 24th Mar 2023 Morning Shift)**

Statement-I: Hydro chlorofluorocarbons (HCFCs) were introduced as ozone-safe replacement for chlorofluorocarb
(CFCs)

Statement-II: Hydro chlorofluorocarbons (HCFCs) do not contribute to greenhouse warming.

- Statement I is correct but Statement II is incorrect.
- Both Statement I and Statement II are incorrect.
- Statement I is incorrect but Statement II is correct.
- Both Statement I and Statement II are correct.

Check

Question: 1 of 4 questions

5. Global Cooling

Both stratospheric ozone and sulfate aerosols contribute to global cooling by diminishing the influx of solar radiation that reaches the Earth's surface.

Stratospheric Ozone

Within the stratosphere, ozone serves as a protective barrier, absorbing and blocking a substantial portion of harmful ultraviolet (UV) radiation emanating from the sun. This ozone layer imparts a cooling influence due to its capacity to intercept a portion of the sun's intense energy before it reaches the Earth's surface.

Sulfate Aerosols

Sulfate aerosols, minute particles or droplets comprised of sulfur compounds dispersed in the Earth's atmosphere, can originate from diverse sources, including volcanic eruptions and human activities such as the combustion of fossil fuels. When sulfate aerosols are introduced into the atmosphere, they possess the capability to disperse and deflect incoming solar radiation. This dispersion and reflection of solar energy effectively curtail the amount of sunlight that ultimately reaches the Earth's surface, thereby generating a cooling effect. Sulfate aerosols play a pivotal role in cooling the atmosphere and can counterbalance some of the warming associated with greenhouse gases like carbon dioxide.

1. Which of the following are responsible for global cooling? **(UGC NET 1st Oct 2022- Morning shift)**

A. Halocarbons
B. Stratospheric ozone
C. Tropospheric ozone
D. Sulphate aerosols
E. Black carbon

- B and D
- B, D and E
- A, B and D
- C and D

Check

Question: 1 of 1 questions