

BOOK REVIEW

Marketing Management-Global Perspective, Indian Context

V.S. RAMASWAMY & S. NAMAKUMARI

McGraw Hill Education (India) P. Ltd., New Delhi - 110016
Fifth Edition 2013, pp1-788

Reviewers : N.S. Viswanath & Basanna S. Patagundi*

*Director & Principal and Assistant Professor, M.P. Birla Institute of Management: Associate, Bharatiya Bhavan,
Bangalore 560 001 respectively.

The book under review has undergone a major reformation by its fifth edition published in 2013. Theodore Levitt in his 1990 foreword to the first edition has described this book as of "Immense Detail" written in "The Indian Context" and has opined that it has rightly recognized the need for aligning marketing teaching with the "Stage of development of Markets and Countries". Even after fifth edition, the book is updated and fits into the classical remarks of Levitt. The book has nine parts divided into 31 chapters covering about 800 pages. The new avatar of the book has made it more attractive followed by richness in content and expansion of the perspectives on marketing in the changing context.

The book basically covers four Ps which are transactional functions of marketing. These four Ps are in operation in a social environment wherein consumers and markets behave the way they are. The authors have driven value philosophy to make the book more contemporary & have fitted the book to in the Asian context.

Any marketing system is a setting based on history, functioning of the industry, Governmental regulations, consumers' behaviour which is affected by a regulatory mechanism. The regulations envisaged a setting for transactions where in producers and consumers meet their conflicting goals. The value philosophy has been introduced to influence production and delivery systems. The societal setting enables value creation under a value base. The realization of value base would influence evolution of marketing system for realization of the basic principles such as availability, action, awareness, reach, communication and operations of transactions and relationships.

The ultimate goal is to create value to the customer. This process is initiated by production and marketing practices. Marketing as a value of philosophy has its manifestations as a concept, sector, functions, practices, access and orientation towards desired results. This will be supplemented by the quid pro quo approach. Marketing as a sector and function is an experience. Markets influence the Government and people. Planning for marketing is in the domain of production plans in a competitive setting.

The manifestation of marketing function helps the consumer to acquire characteristics which influence him. These are culture, lifestyle, divisions such as rural, urban and class and so on. The authors have made the book more utility oriented by their approach of examining marketing from a managerial perspective. The book is written in a unique style of blending enumeration with concepts, functions and practices. Every chapter has value delivery in terms of content, style and language. The book has India driven content as reflected by mini cases enumerated.

The chapter one reinforces that Marketing is not selling and it is value delivery. This philosophy of value creation and delivery by organizations has in its fold promise, delivery, trust, brand, practices and principles on which Marketing functions are based. The link of downstream with the upstream of markets is an important part of the chapter. The chapter concludes that value delivery is a task, an action and is the central theme of the book.

The funds of marketing from conceptual, functional, from ecological perspective have been discussed in chapter two. Our drive to produce more should meet with cost of selling, cost of damage to the environment and the cost of the society. The authors have discussed Marketing from conceptual, exchange, production and consumption perspectives. The concept of green marketing has highlighted the value philosophy.

The third chapter reinforces value philosophy and value together. It is the perceived tangible values that will lead to buying products. The cases of Starbuck, Coffee movements, Titan eye have been highlighted. The process of value delivery consists of creating and communicating the product itself. The frill benefits of style, luxury, comfort, performance and safety add value. The cases of Virgin Atlantic and Toyota ETIOS are highlighted. The role of McDonalds in creating "Veg only" products suggests value efforts of MNC Companies in delivery of Jain food in international flights.

Two chapters have been devoted for environmental analysis. The first chapter examines Macroeconomic environment which is central to business. The analysis highlights the characteristics of Indian economy by Economic Factor Analysis (EFA) in the context of the changing Indian economy. The analysis has been made at the aggregate and at sector levels. The role of Integrated Communication Technology (ICT) has been discussed in greater detail. The environmental concerns are expressed through Volkswagen's effect. The importance of green effect is highlighted through green marketing. The consequences of economic slowdown in the context of 2007-2008 in India have been discussed. The

effect of Maruti Manesar plant in 2012 has been highlighted. At the organization's level, the institutional adjustments to economic changes have been discussed through Infosys case.

Another chapter covers in detail is the trends in the global economy in terms of demographics, environment, technical competition and consumers. The ten macro trends of the global economy such as the rise of the middle class, the disaffected youth, the rich-poor divide, the climate change, the ageing world, and the urban transition, movement of people, connectivity, investment climate and uncertainty have been enumerated. The emergence of India and China and its effect on shifting of balance of power are documented. The globe is a blotted up village where domestic walls are collapsing. The digital revolution, e-commerce and structure of competition are changing. The present globe is full of challenges and opportunities. The suggestion of the authors on a group project to assess the present situation and to project immediate future is well conceived.

There is another chapter on Indian Growth Story covering the trends between 1990 and 2008. The fall of the Indian economy between 2008 and 2012 is well documented. The data on consumption, spending and investments would lead us to emerging nature of growth. The reviewers did not notice any data set drawn from NSSO surveys and from the classic Economic Surveys brought out by the Government of India before the presentation of annual budget every year.

Business plans are as critically important as business itself. The concept of a plan, strategic plan and the means of preparing this plan are elucidated well. The mini case of ITC suggests how planning is done at the organizational level and the factors that govern a planning exercise. The concept of value chain and the use of internal appraisals have been presented with precision. The lifebuoy example on market planning is a classic illustration of an FMCG product. The marketing planning process has been detailed in chart 7.6 in a commendable manner.

The value proposition as a strategic exercise is drawn by Tata Nano, ITC, and Lifebuoy examples. The cases drawn from different product bases covering Indian and International products gives a clear edge to the book. The HUL, Nokia and Microsoft, Nestle, Micromax and LG electronics demonstrate the conditions under which ideas work. The modification of marketing mix by Dell and Lifebuoy suggests how value propositions work. The mini case of Vimal is still relevant although the success story dates back to 1970s strategy and mix add value proposition to marketing exercises.

The part three begins with discourses on strategy and approaches to formulate strategies. Godrej as a brand is a classic Indian case in capturing the market under varied conditions. The change in technology and their adaptation to Godrej Refrigerators have made a great difference in positioning. Godrej is a success story because of continuous efforts in communication which has sustained the value of the brand. The cases of Ujala and Rin for FMCG products are well conceived. The students of marketing will appreciate 'sachet strategy' in packing and distribution for a total reach of consumers. The case of ITC e-choupal is another success story of farmer partnership in evolving agri-business systems. The cases of Coca Cola, Dabwalas are documented in style. The latest cases of Nano and Ghari detergent are live examples of quality and price orientation. There are a few more cases such as Paanch, Knorr reflecting orientation towards price and brand in the Indian context.

The chapter ten concentrates on analyzing industry and competition with the help of theoretical structures. Michael Porter's five forces model, the competitive advantage, structure and conduct of industry are well enumerated. The cases of Daimler Benz on entry and the Rule of Three governing the industry structure and the theoretical framework on which industry is understood have been explained at length. The entry level ideas for competing with other brands are well brought out using Maggie's case. The chapter ends with a comprehensive list of analytical tools to make the chapter complete. The points mentioned in chart 10.5 are sufficient for any learner to have acquired skills of industry analysis.

The ways to build competitive advantage have been discussed in Chapter eleven. Examples of Apple, the idea of value chain as an approach, benchmarking as a tool and the concept of core competence as applied in the industry are discussed in greater detail. The reviewer felt that a case on application of core competence in building up a brand would have made this chapter complete. In the Indian context, the core competence of IT service by Indian firms could have been enumerated.

In part four, understanding consumers by assessing their group behaviour and business decision process in the Indian context are discussed. Consumers differ as a group by their culture and lifestyle. Efforts have been made to capture Consumer Behaviour (CB) by analyzing through factors such as personal, cultural and social. The psychological process underlying Consumer Behaviour has been examined in style. The concept of neuro marketing has been introduced to

highlight recent trends in consumer research. The individual and social motives of Consumer Behaviour have been analyzed by adding case of LG. This is supplemented by the buying decision process as enumerated by five and eight stage models. The authors have added two group projects to make learning complete.

The chapter thirteen concentrates on the consumer market and the Indian consumers. An effort is there to document Indian Consumer Behaviour. The Kellogg's case has been highlighted as a learning curve for the readers and marketers. The section on Consumer India, explores the nature of Indian consumers by their demographics, psychographics, culture, divide-urban-rural and by Socio Economic Classification (SEC). There are several classifications of Indian consumers by NCAER and McKinsey. The Indian consumer profiles have been sketched class-wise. The urban middle class youth market and their characteristics have been presented as an exhibit. The authors come to a conclusion on the complexities of Indian consumers and the big chain in the Indian scenario.

The STP models have been discussed in chapter fourteen with the cases of Titan, Mother care and Life Style products such as Café' coffee. The segmentation of Indian consumers is going on as an exercise in market research. The chapter lives the reader several open ended questions. One such question is, can STP work as a potent tool for marketers?

After an introduction on value philosophy, the process of value philosophy has been discussed in part five. The chapter fifteen examines issues on project management such as product offering, differentiation, products components, the brand the package and realizing product quality. The introduction of PLC approach and appraisals has been examined in product line, depth and width. The products of HUL have been discussed in greater stretch. The relationships between price and market share, time and sales value have been analyzed meticulously.

Difference and positioning of a product are discussed with the help of FMCG products. The Coffee Day, Dell and Dark Fantasy examples are brought out in a unique way in the positioning area. Branding and positioning have been discussed as concomitant factors. Maggie noodles and new Vespa are given to highlight on value proposition. The case of Hyundai-Santro is another example along with Maruti-Omni. The case of Complian in repositioning exercise is well documented.

The chapter seventeen covers brand management and equity. The market value of top ten brands, their characteristics,

the name, the technology and branding exercises leading to power of brands are described in several ways. The examples of high and low involvement product brands have been discussed. Performance and perception of brands on equity and positioning have been elucidated well. The group project on ITC for students is a relevant exercise.

The chapter eighteen discusses value creation through innovation and new products. Technology has been continuously changing the industry and society. The work of Steve Jobs in product innovation is the latest one which has revolutionised the computer industry. The computer products have shifted from desk to palm. The story of walkman is a classic case in innovation. The ideas are manifested into products by R and D products. The introduction of Jugaad in the Indian context is a case in point.

The part six concentrates on logistics and supply chain management, retail chain and direct and online marketing. The distribution arrangements as a supply chain are discussed with elaboration and luster. The physical distribution chain link has been enumerated on the basis of value chain concept. The inventory management and control has been discussed under EOQ concept. The chapter has failed to integrate and highlight the importance of human interface and legal strength to make supply chain go best. The Walmart experiment should be seen as an outstanding example in the global context and the Dabbawalas human chain in the Indian context. Addition of these two success stories would enhance the value of the chapter.

Marketing channels are determined on the basis of service value provided by the marketing intermediaries. The reach of the user and backward linkage between user and seller matters the most. The channel designed is made on the basis of value creation, objective based channel designed move faster in strengthening the distribution system. The need base of the customer will determine the level and size for a product. The cases provided across spectrum of companies indicate products characteristics influence channel design. The criteria for evaluating channels have been discussed with precision. A case in point is non suitability realization by P and G and Nestle. The detailing of multi-channel models, vertical and horizontal systems have made the chapter enriching. The formats in retailing such as shop-in-shop, showrooms-own, franchised and exclusive showrooms have added to the value of the book. The channel strategy of Titan watches has been discussed in several dimensions.

The formulation of retail chain in urban India is a move from selling to marketing. The Pantaloons case and the

analysis of data sets suggest new trends in retailing. IKEA's KES, entering to furniture and home products in India is an opportune case for discussion.

The direct and online marketing chapter brings out the relevance of direct marketing and the use of internet in reaching customers and inducers. The chapter has enhanced its value by a brief introduction of customer experience. The direct marketing as a tool is yet to catch up in the Indian context. The case of Surat Diamonds could have been given as an example. Some of the high value products in India may be considered for direct marketing exercise apart from jewellery. The four transactional Ps are well discussed with an emphasis on pricing.

The broad spectrum of two transactional Ps pricing and promotion have been discussed in part seven. Price, value communication, personal selling and Customer Relationship Management (CRM) are discussed here. The examples from HUL, TCS and Infosys are sighted for pricing methods in practice. The price as a value determination function is linked to aspirations. The denominations add value to the function. Pricing in economic fluctuations have been discussed at greater length. Packaged based pricing, rebate and discounts are a part of sale and are well treated.

The next chapter is on the latest trend in Integrated Marketing Communication (IMC). The function of marketing communication is discussed in the context of packaging, pricing and creation in marketing has been demonstrated by two Indian examples the Bombay Dyeing and Phillips. Event marketing – the case of Pepsi-is introduced to highlight the role of communications.

Advertisement Management is an area enclosed by success stories in ad campaigns. The ideas cellular the Vodafone, celebrity endorsement are touched upon. The success of nationality, emotion, humor and fear has been dilated at length. The use of technology and the social networking sites are points of highlight. The social media and their use have helped reach product information across national boundaries. This chapter could have been enriched by adding an exercise in media planning.

Personal selling and sales management are essential to market product and company. A trained personal will make a great difference in selling, re-selling and re-marketing a product. Some success stories on training salesmen and its impact would make this chapter complete.

B2B and B2C relationships are critically important to perform several tasks and benefits. In order to create customer life

time value programmes and campaigns and relationship exercises make a difference. The customer trust can build up as a part of corporate communication exercise.

Two chapters have been devoted to marketing research and control in part eight. The authors have examined the cases of Levi's Jeans and Panasonic and consumer research by ITC to highlight the importance of market research. The broad themes of marketing research have been documented in chart 28.1. Some of these subjects of research require a detailed treatment. The sources and uses of data have been briefly presented. Some elaboration is required on availability and uses of data bases. An exhibit could have been there on National Readership Survey (NRS), NSS for data sets and on use of Census Data in India. The section on forecasting could have been supported by real life example.

The management component in marketing has been discussed in the chapter on market control. The exercise on control is by measurement, audit and analysis by discounts and cuts. The range of discussion is from product to space. The authors have done commendable job in ensuring sufficient knowledge for the reader.

Two domains of Marketing – Services and Rural Marketing require a different treatment in presentation and knowledge horizon. Services marketing in the Indian context are discussed in great length in context of growth and expansion of services sector. The cases of Windsor Manor, Taj Westend, Disneyland and PVR Cinemas have been discussed to highlight the importance of services on measurement of service quality and customer satisfaction some detailing is made in the chapter. The contribution of A.Parshuraman and others on service quality instrument could be highlighted.

Rural markets are satellite and functional centers for exchange transfer, communication and integration. Since the real income in rural India is increasing, it is pertinent to discuss Rural Marketing. Some importance statistics on rural markets, discussion of the problems involved therein, the deficiencies seen, & the efforts being made by successful rural marketers, are the highlights of this chapter. The efforts being made by ITC & HUL to integrate rural markets have found place in the chapter. There are several exercises on rural markets which have achieved success in pockets of India. The role of NGOs such as Lijjat may be highlighted to increase the value of the book.

The present book after detailed reading would make any reader further acquire further knowledge in various domains of Marketing. The book is a classic compendium of knowledge

organized on one unified theme base & spread across thirty one chapters. The book is strongly recommended for Post Graduate Students in Management Programmes who intend to specialize in Marketing. The book serves as a guide to practitioners and a good reference material for researchers. The book will be complete with an index on websites which we may call Webliography. The authors are contributing value to learners. The book can be used as a training material for knowledge and skills based programmes in Marketing.