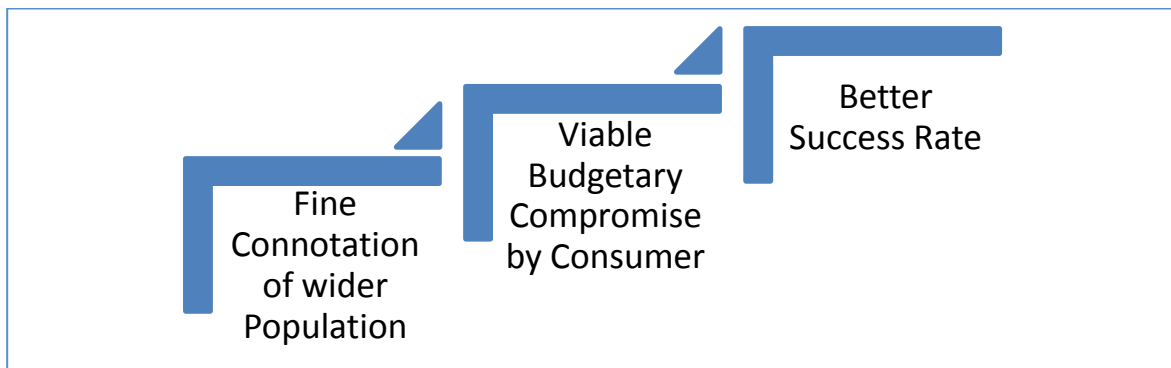


*“It’s all about being more receptive rather than reactive”*

Many of us want to be a successful entrepreneur one day; every entrepreneur wants to be the Leader while the Leaders are looking forward for becoming a game changer. A novelty that survives in a long run business is always linked to the end users. Novelties linked to the intermediate goods are most of the time, generated by the external shocks and are mainly aimed at process enhancement. No matter where the novelty applies, it is always aimed at end users or the consumers. When every consumer intends to maximize his/her satisfaction for a given amount of budget then the right product and right pricing becomes key factors. Right product is a narrow connotation for a wider population. Right price depends on level of compromise that is viable within given budget for the consumers. Fine connotation with high level of budgetary compromise by consumers seeks selective consumers while generic connotation with lower budgetary compromise will be obsolete in a long run business.

**Fine Connotation of Wider Population**

Pattern tracking becomes the most needed activity in marketing as it determines the success rates in long run business. No one wants the opportunity to evaporate and precipitate in competitor’s hand. The pattern tracking activity is so noisy that it has become almost necessary to have novelties even in the tracking methodology. Reason is quite simple- fluctuating demand of the product falling in same category. Who wants opportunity to evaporate?

*“Onida had also launched a fully loaded mobile, after all very few want costly mobile from Nokia. Great! Sixth pay revision got implemented. I will buy Samsung Guru. Buy Micromax, you will get everything.”*

So, who decides the pattern for Samsung or Nokia or Pantaloons or RPG? Is it derived from pattern shift in Loyalty cards or the surveillance camera checks the density of customers for concerned designs. Or the sales performance of product segments for a given period. Do they prepare a matrix of attributes for products in comparison to their rivals? How do the Chinese products gain success in Europe or US? Does the Chinese firm spy on US or Europe markets for their supplies?

It requires market understandings and learning from past mistakes. With the growing GDPs around world, with the growing disposable income, with the influence of visual media and with the changing lifestyles across world consumers has given ample of opportunity for the new products. With all these factors, it becomes very difficult for the Leaders to be the Game Changer all the time.

### B2B Dimension

*“While TML was busy in developing Nano others were hoping for another set of supplies in their sales order.”* How speedily they respond will decide the purchase order from TML.

The volumes of B2B transactions are much higher than the volume of B2C transactions. TML may sell one unit of Indica in one year but the demand of tire may be more. Companies are carefully offloading some of their requirements because the bull’s eye is different. The Economist conducted a B2B survey and found that:

*“Stronger focus on ROI; greater integration of marketing and messaging; more precise targeting of market segments; deeper penetration of emerging markets; higher level of outsourcing: the key findings of the survey show that B2B marketing is becoming increasingly sophisticated.”*

B2B indeed demands sophistication in all respect. Market knowledge and demographic research is a must.

In one of the case:

HarperCollins found sales of Agatha Christie novels declining in 1985

- Quantitative & qualitative research commissioned
- Readers liked “niceness” of the crimes, but covers were gruesome and bloody

- Result: new cover designs commissioned and in the first year sales rose 40%

*“When ATM machines came with touch screens it gave strong signals to the mobile companies and consequently the touch screen manufacturers were delighted.”*

When Leaders look for the change, the contractors have to change and as a result of it the B2B dimensions and volume keeps on expanding.

*“If a Chinese company manufactures batteries or electronic chips for the Leaders of US and Europe, then what’s the guarantee that they won’t compete with those Leaders in similar business.”*

They have full rights and even the comparative advantages. Some are just a *Follower*, show them the path and they are already there. Some even go further by criticizing through advertisements. These habits are quite common in financial sectors. However, Leaders separate themselves from *Followers* by innovations and patents.

### **Viable Budgetary Compromise by Consumers**

It is believed that when consumers plan to buy certain commodity, they intend to spend extra than the planned budget. What is the limit for viable budgetary compromise? How much extra can a consumer spend on a new product? Brand collapses have given reasons to worry and analyze the pricing. Brand trust increases the viability of budgetary compromise. Gillette Sensor was hit so the people trusted Mach 3 and now they have Fusion. But the strategy doesn’t work all the time when rivals are too busy in looking for reasons to break the trust. But there are many reasons for brand collapse. If we intend to squeeze little extra over the existing market price then we must *“match the expectations”*, Ford’s Edsel is one such example that didn’t do at all. Attractive discount methodology is applied everywhere. However, nature and its climatic instability plays major role in limiting the policies.

In one of a survey by The Economist, the favorite destination of emerging market found to be Asia-Pacific. No Surprise, so once again the phase of all innovation that once happened in developed nation is already in progress and why not when we have potential consumers who had started shifting from traditional Mom-and-Pop stores. However the Indian consumers are still traditional in some way and that’s the reason why Kellogg’s failed to make big impact because majority of Indians still prefers traditional morning breakfast. With series of brand

experimentation in Asia-Pacific, brands are moving from unstable to stable with lower lifecycle because dynamic and diverse society sometime adapts sometime adopts sometime dictates and sometime rejects spontaneously. When European's are busy in R&D for making car safer we still think airbags as add-ons and music system as benefits even when the cost of airbags are much higher than the music systems. However, the airbags will remain add-ons until government takes bold steps in making it a mandatory. In some cases like Insurance sector, people still believe it to be non-productive investment and wants to have more savings for wider option and poor customer services in the past had complicated the issue.

### Rural Sectors

India's rank as per Global HDI of 119th among 192 countries with the index value of 0.512 is a biggest setback in terms of rural policies. Today the agrarian society of India deals with series of crisis in production and productivity. The nature's dominance and its volatility and its share in overall GDP (~15%) had given reasons for PPP to evolve with technological and institutional alternatives. Technological interventions are mainly output-enhancing or input savings like non-pesticide management i.e. integrated pest management minus the chemicals. Institutional alternative is related to field visits and participatory decision making. Many companies like Muthoot Finance are trying hard to get the rural share. Farm equipment manufacturers are promoting machineries that are successful in developed nations. Rural sector will remain elusive with barrier in pricing unless PPP increases.

### The Cheaters

We have witnessed many cheaters in the market. The gullible consumers are easily trapped by either the established brand resemblance or the fancy assurances.



The cheaters are everywhere and in almost every sector. In bigger sectors like Manufacturing and Automobile they come with *cheaper* product and obviously the cheaper quality. There is no correct data and mechanism to track the usage volumes of fake and genuine spare parts. The most damaging is the fakers in medicines which not only squeeze money unlawfully but also damages the health.

## Conclusion

When entrepreneurs try to be the Leaders and when Leaders looking forward for a game change, it sets another set of B2B opportunity that demands sophistications which requires good leadership and proper strategy. Innovation remains a key aspect that separates Leaders for Followers and pattern tracking in emerging economies requires serious demographic surveys and understandings. Right pricing sometime compels the companies to skip the necessary safety features also. Majority of Indian society still lives in rural areas and the rural sector needs attractive and right kind of innovations that addresses their concerns. Fakers are still a challenge for the market leaders who damages their brand reputations and in some cases they even risk the life of consumers. Fakers are also a by-product of innovative products.

## Source:

- The Economist (mainly 2009 to 2011 surveys).
- HBR 2010 (mainly pricing and discount).
- Brand Failure by Matt Haig.
- Marketing Management by Philip Kotler.
- India Development Report 2011. (mainly rural surveys)
- India: Human Development Report 2011.