

2002

# The scope of integrated marketing communications in India

Deepika Kurl  
*San Jose State University*

Follow this and additional works at: [https://scholarworks.sjsu.edu/etd\\_theses](https://scholarworks.sjsu.edu/etd_theses)

---

## Recommended Citation

Kurl, Deepika, "The scope of integrated marketing communications in India" (2002). *Master's Theses*. 2284.  
DOI: <https://doi.org/10.31979/etd.df2b-avr4>  
[https://scholarworks.sjsu.edu/etd\\_theses/2284](https://scholarworks.sjsu.edu/etd_theses/2284)

This Thesis is brought to you for free and open access by the Master's Theses and Graduate Research at SJSU ScholarWorks. It has been accepted for inclusion in Master's Theses by an authorized administrator of SJSU ScholarWorks. For more information, please contact [scholarworks@sjsu.edu](mailto:scholarworks@sjsu.edu).

## **INFORMATION TO USERS**

**This manuscript has been reproduced from the microfilm master. UMI films the text directly from the original or copy submitted. Thus, some thesis and dissertation copies are in typewriter face, while others may be from any type of computer printer.**

**The quality of this reproduction is dependent upon the quality of the copy submitted. Broken or indistinct print, colored or poor quality illustrations and photographs, print bleedthrough, substandard margins, and improper alignment can adversely affect reproduction.**

**In the unlikely event that the author did not send UMI a complete manuscript and there are missing pages, these will be noted. Also, if unauthorized copyright material had to be removed, a note will indicate the deletion.**

**Oversize materials (e.g., maps, drawings, charts) are reproduced by sectioning the original, beginning at the upper left-hand corner and continuing from left to right in equal sections with small overlaps.**

**Photographs included in the original manuscript have been reproduced xerographically in this copy. Higher quality 6" x 9" black and white photographic prints are available for any photographs or illustrations appearing in this copy for an additional charge. Contact UMI directly to order.**

**ProQuest Information and Learning  
300 North Zeeb Road, Ann Arbor, MI 48106-1346 USA  
800-521-0600**

**UMI<sup>®</sup>**



**THE SCOPE OF INTEGRATED MARKETING  
COMMUNICATIONS IN INDIA**

**A Thesis  
Presented To  
The Faculty of The School of Journalism and Mass Communications  
San Jose State University**

**In Partial Fulfillment  
Of the Requirements for the Degree  
Master of Science**

**Deepika Kurl  
May 2002**

**UMI Number: 1408801**

**UMI<sup>®</sup>**

---

**UMI Microform 1408801**

**Copyright 2002 by ProQuest Information and Learning Company.  
All rights reserved. This microform edition is protected against  
unauthorized copying under Title 17, United States Code.**

---

**ProQuest Information and Learning Company  
300 North Zeeb Road  
P.O. Box 1346  
Ann Arbor, MI 48106-1346**

© 2002

**Deepika Kurl**

**ALL RIGHTS RESERVED**

APPROVED FOR THE SCHOOL OF  
JOURNALISM AND MASS COMMUNICATIONS



---

Dr. Kenneth D. Plowman



---

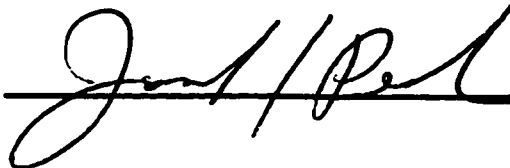
Dr. Kathleen Martinelli



---

Dr. Alan Fried

APPROVED FOR THE UNIVERSITY



## **ABSTRACT**

### **The Scope of Integrated Marketing Communications in India**

#### **A Qualitative Study**

**By Deepika Kurl**

**This qualitative study explored the evolution of communication practices in the context of a developing nation. This study focused on the changing trends in marketing communications in India, the socio-cultural environment that necessitates these changes, and the importance of integrated marketing mix. This research is concerned with developing a wider perspective on IMC as an important segment of marketing communications.**

**The study involves primary data collection techniques based on qualitative interviews. Interviews are based on open-ended questions to obtain a detailed idea of the subject as understood by the organization.**

**The study found that integration of marketing activities has various dimensions and occurs at different, specific, and relevant levels. The integration patterns emerging from the discussions indicated the importance of responsibility issues within an organization and suggested that integration is easier if it is controlled at one level of management.**



*To my parents, for giving me roots and wings*

## Table of Contents

<b>I</b>	<b>Introduction</b>	<b>1</b>
	<b>Purpose of the Study</b>	<b>5</b>
	<b>Literature Review</b>	<b>6</b>
	<b>Methods Used</b>	<b>7</b>
	<b>Value of the Study</b>	<b>8</b>
	<b>Scope of the Study</b>	<b>9</b>
<b>II</b>	<b>Literature Review</b>	<b>11</b>
	<b>Definition of IMC</b>	<b>13</b>
	<b>Social and Cultural Theory</b>	<b>15</b>
	<b>Cultural and Subculture</b>	<b>16</b>
	<b>Demographics</b>	<b>20</b>
	<b>Social Class</b>	<b>22</b>
	<b>Reference Groups and Opinion Leaders</b>	<b>26</b>
	<b>Integrated Marketing Communications</b>	<b>30</b>
	<b>Direct Marketing</b>	<b>33</b>
	<b>Sales Promotion</b>	<b>38</b>
	<b>Advertising</b>	<b>42</b>
	<b>Public Relations</b>	<b>48</b>
	<b>Technological Impact</b>	<b>62</b>
<b>III</b>	<b>Methods</b>	<b>66</b>

	<b>Qualitative Methods</b>	<b>67</b>
	<b>Interviewing</b>	<b>68</b>
	<b>Data Collection</b>	<b>69</b>
	<b>Data Analysis</b>	<b>70</b>
	<b>Limitations of the Method</b>	<b>71</b>
<b>IV</b>	<b>Findings</b>	<b>73</b>
	<b>Pepsi (India) Limited</b>	<b>73</b>
	<b>Socio-Cultural Patterns</b>	<b>73</b>
	<b>Marketing and Communication Patterns</b>	<b>78</b>
	<b>Technological Support</b>	<b>87</b>
	<b>Aajtak Channel</b>	<b>88</b>
	<b>Socio-cultural Patterns</b>	<b>89</b>
	<b>Marketing and Communication Patterns</b>	<b>92</b>
	<b>Technological Support</b>	<b>98</b>
	<b>Sony India Limited</b>	<b>99</b>
	<b>Socio-cultural Patterns</b>	<b>100</b>
	<b>Marketing and Communication Patterns</b>	<b>104</b>
	<b>Technological Support</b>	<b>112</b>
	<b>Social and Cultural Theory</b>	<b>114</b>
	<b>Culture and Subculture</b>	<b>114</b>
	<b>Demographic Composition</b>	<b>115</b>
	<b>Social Class</b>	<b>116</b>
	<b>Reference Groups</b>	<b>117</b>

	<b>Marketing Communications</b>	<b>118</b>
	<b>Direct Marketing</b>	<b>118</b>
	<b>Sales Promotions</b>	<b>119</b>
	<b>Advertising</b>	<b>121</b>
	<b>Public Relations</b>	<b>122</b>
	<b>Technological Impact</b>	<b>124</b>
	<b>Common set of Dominant Patterns of all Companies</b>	<b>126</b>
	<b>Social and Cultural Theory</b>	<b>126</b>
	<b>Integrated Marketing Communications</b>	<b>127</b>
	<b>Technological Impact</b>	<b>130</b>
<b>V</b>	<b>Summary and Conclusions</b>	<b>131</b>
	<b>Answers to Basic Research Questions</b>	<b>132</b>
	<b>Integration of all Communication Channels</b>	<b>146</b>
	<b>Effects of the Study on Theory and Practices</b>	<b>147</b>
	<b>Limitations of the Study</b>	<b>149</b>
	<b>Suggestions for Future Research</b>	<b>150</b>
	<b>Organizational Structures and IMC</b>	<b>152</b>
<b>VI</b>	<b>References</b>	<b>157</b>
<b>VII</b>	<b>Appendix A – Consent Letters</b>	<b>162</b>
<b>VIII</b>	<b>Appendix B – Questionnaire Protocol</b>	<b>167</b>

## **CHAPTER I**

### **Introduction**

**Integrated Marketing Communication (IMC) is one of the most important communications trends adopted by advertising and public relations companies in the last decade (Burnett & Moriarty, 1997). With an increase in global competition, technological advances, and more informed customers, it is important for business to be more efficient to make a powerful impact on target audiences and markets. IMC is one such step toward an integrated approach to achieve efficiency by synergy (Gould, 2000).**

**The American Association of Advertising Agencies defines IMC as "a concept of marketing communications planning which recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines, e.g. general advertising, direct response, sales promotion and public relations, and combines these disciplines to provide clarity, consistency and maximum communication impact" (Duncan & Everett, 1993, p. 2). The various communication functions used by marketing, to reach consumers and other stakeholders, are strategically integrated to form an approach known as IMC. The basic premise of an IMC program is to create a unifying communication strategy and use that as a basis for executing every communications function throughout a variety of communication channels to reach each target audience.**

**Although there is a persistent need to explore the phenomena of IMC with the real world of communications, it provides a new way of looking at a whole. There has been much debate around IMC and its lack of a theoretical definition. According to Don E.**

Schultz and Philip J. Kitchen (2000), IMC is not yet a theory. The study of IMC suggests realigning communication to look at the communication process the way consumers receive messages. Therefore, the whole concept of integration is directed toward eliciting a response from the consumer and not just conducting a monologue (Schultz, Tannebaum, & Lauterborn, 1993). Even though IMC lacks a formal definition, much of the groundwork has been laid toward building a theory of IMC.

With the change in communication practices and technologies around the world, integration in marketing techniques is inevitable (Schultz, Tannebaum, & Lauterborn, 1993). Whatever is practiced in the developed countries has to trickle down to the under developed countries in order for the companies to survive in this multi national and multi cultural world emerging globally. India, as one of the more economically advanced among developing countries, offers opportunity for the study of new marketing concepts such as IMC and its need in countries outside the United States and outside the paradigm of what is called “Western.”

India’s huge population and growing middle class presents promising potential for many U.S. and European multinational companies focusing on the Indian markets (Malik, 1995). With more multinational companies viewing India as an emerging market, competition in markets is growing. Although they have a long way to go, Indian companies are quickly adapting to fairly new concepts such as promotional marketing and public relations. As companies in the developing economies prepare for competition against global giants, it is assumed that integration would become inevitable for communications in developing world. However, IMC is a concept that is much more

widely practiced and better understood in economically mature nations such as Great Britain and the United States (Kitchen, 1999).

The economic liberalization and reform movement started in India in 1991, has been one of the major contributors to the increase in its trade interactions globally (Malik, 1995). The liberalization process has made it difficult for Indian companies to remain isolated from the rest of the world in technological and economic development. To engage in trade, Indian companies are adopting the technological and marketing practices of more advanced nations. The open flow of communication with the rest of the world and the country's ability to adapt to these changes has made it a very lucrative and promising land for many multinational companies.

The growing purchasing power of India's huge middle class and their willingness to buy quality goods makes it easier for companies to do business in India. However, the customer base in India is extremely fragmented (Krishnan, 2001). The huge geographic expanse of the country has resulted in an inconsistent distribution system that is radically different from that present in most other countries. Added to this is the cultural diversity of its inhabitants, differences in their tastes, habits, and requirements that make it very difficult for companies to market their goods in a streamlined and consistent manner. The marketing tools and messages sent out by a company directed toward different market niches, might not be in contrast, but might vary a lot. The application of integration as proposed by IMC, might prove problematic in such a culturally fragmented and diverse country. To study the concept practiced by these companies will give an insight into their

understanding of integrating communications and future of IMC in developing nations such as India.

Some researchers feel that IMC is not a new concept as many smaller marketing departments have already implemented a quasi-integrated approach. Duncan and Everett (1993) looked at many companies and found integration already being practiced among various departments of the organization. The fact that everyone in the department knew what was going on because all were involved with major communications program already ensured integration. In the absence of well-developed departments for individual elements of marketing communications, this may especially be the case in Indian companies.

Although these practices are referred to as IMC in the United States, this may not be the situation elsewhere in the world (Kitchen, 1999; J. E. Grunig, L. A. Grunig, Sriramesh, Huang, & Lyra, 1995). Demographic and cultural insights into a community can provide potential benefits to a marketer and can lead to more perceptive and adaptive marketing strategies (Coulson & Colin, 1983). The study will provide a basis of analysis of the need for IMC in the context of markets in India. If IMC is an inevitable future option for companies globally, it is imperative to understand how it might have to develop in countries with diverse markets.

Given the brief background, it is important to realize that the concept of IMC in any developing country like India would be different from that in the United States. The study into the differences will help broaden the parameters of IMC as understood by developing nations like India.



### **Purpose of the Study**

The purpose of this study is to explore the evolution of communication practices in the context of a developing nation. This study examines how India reacts to IMC-like practices and how inclined it is to adopt this practice into its own socio-cultural environment and prevalent marketing practices.

This study focused on the changing trends in marketing communications in India, the socio-cultural environment that necessitates these changes, and the importance of marketing communications in the integrated marketing mix. It is important to realize that awareness does not automatically lead to comprehension, and comprehension does not automatically lead to favorable attitudes (Coulson & Colin, 1983). Therefore, it is imperative for each communication function to prepare a ground for another, and integrate in a way so as to complete the cycle of customer awareness until the purchase is made. This is the integral role of IMC.

The study seeks to broaden the parameters of IMC by considering its international development, by attempting to examine the influence of western-style consumerism in marketing, with reference to India. This study will, therefore, analyze the data on how Indian companies perceive integration among communication and marketing practices in India. This research is concerned with developing a wider perspective on IMC and levels of understanding, implementation, and usage as an important segment of marketing communications in the landscape of Indian markets.

### Literature Review

The discussion revolving around IMC is both dismissive and futuristic, understandably so, as the concept lacks a well defined theory at present. However, the lack of theoretical content and rigor is not reason enough to dismiss IMC as just another management fashion (Gould, 2000). Although IMC can best be described as a broad theoretical concept, the idea still manifests itself in a variety of local and situational ways, both for academics who study it and for managers who apply it in real world and real time situations. Just like any other management tool, IMC must be applied on a case-to-case basis.

Keeping in perspective a pertinent analogy of “Think globally, act locally” with the concept of IMC, the literature review will examine the theories of culture and subculture, demographic, social class, and groups influences, with reference to India, supporting it by situational case studies reflecting marketing responses, wherever possible. Direct marketing, sales promotion, advertising, and public relations will be reviewed to understand the advantages and limitations that could contribute to the development of IMC in a traditional society as India. The objective of the literature review is to consider what has been previously learned about Socio-cultural theories and the marketing practices they influence. The paper will also discuss the influence of technological advancement that could contribute to the development of IMC-like practices. The study of socio-economic, marketing communication, and technological environment helps in understanding if integration of various marketing communication channels is inevitable for development of marketing in India. Therefore, discussion of

these factors in the literature review will help answer the basic research question defining the scope of IMC in India.

### Methods Used

The research is based on a qualitative interviewing technique focusing on Indian companies operating in India. The study involves primary data collection techniques based on qualitative interviews with upper-level, middle-level, and operational management. Interviews are based on open-ended questions to obtain a detailed idea of the subject as understood by the organization. The researcher identified 3 companies: Sony India Pvt. Limited, Pepsi Foods Limited India, and Aajtak Channel, for the purpose of the study. The sample for interview subjects was selected based on the vertical or horizontal organizational structure of the company. In all, there are 27 people interviewed, 9 from each company and three from each level of management. The marketing of a variety of products across different demographics and enjoying recognition and brand equity among their markets, has been the basis of identifying these companies.

The researcher examined the socio-cultural and economic background of management and how it has adapted or contributed to the changing trends in a competitive and consumer focused economy. The concept of focused and massive marketing is fairly new to the Indian companies who have traditionally experienced a mixed economy and trade restrictions back home. In a protected economy, the companies had faced restricted competition and consequently did not realize the importance of

targeted and more focused marketing (Malik, 1995). This research examines how traditional management reacts to this new concept and lends it an exploratory angle.

### Value of the Study

The last decade has witnessed a phenomenal change in the marketing concepts practiced in India (Krishnan, 2001). Even though it is a kind of mixed economy with the government owning most of the commercial infrastructure, the country's outlook toward the free market economy has led to the adoption of marketing practices in Indian companies on par with other global companies. Although the concept of IMC has slowly penetrated marketing and communication world, little has been said about its actual significance for marketing and advertising thought and practice (Cornelissen & Lock, 2000). This study extends the geographical parameters of IMC in terms of a wider international perspective, and considers how and in what ways IMC might develop in the future.

The study departs from previous studies in its focus on a less developed nation and its reaction to the evolution of a new concept in marketing communications. India offers a unique perspective to the study as the country is experiencing a rapid change in its economic situation contributed by its interaction with global concepts. For the IMC concept to be successful in its impact globally, it is imperative that it has a wider implementation, is evolutionary, and has flexibility (Gould, 2000). It is hoped that the research identifies the local and psychological factors that affect the understanding and usage of IMC in Indian companies.

Research in this field provides an insight into conceptual perspective and practical application of integrating marketing practices in India. This, in turn, may help underpin future research on the global impact of IMC while strengthening its current practice in developed countries. Finally the paper serves as a basis for drawing benchmarks for Indian companies adopting IMC. The study identifies the factors to be considered in adopting the IMC concept blending with their own socio-cultural, economic, and marketing environments.

### Scope of the Study

From the conceptual and theoretical perspective, IMC history is less than a decade old and still in its introduction and early growth stage (Kitchen, 1999). In view of this, much of the study done in IMC focuses upon explanations and conceptual practices rather than theory building per se. Research in the field with reference to India, as a representative of the developing world, is crucial to provide the basis of the global impact of the whole concept.

Traditional economies such as the Indian economy have an entirely different concept of marketing communication practices as compared to developed and economically advanced nations such as the United States (Erderner, 1982). Indian companies communicate with their target markets in a different way that affects the planning and implementation of marketing strategy. The study focuses on the integration of different communication channels in a society that has not had a clear demarcation of these channels.

Although the study is exploratory in nature, it may help provide insight into the complex issue of IMC, and the future growth prospects of the concept in developing countries. The paper may be conducive in forecasting the future of IMC in developing countries, with focus on India, as compared to United States, from where the concept originates. It is also hoped that the study will provide an outline for Indian companies embracing this concept and will better prepare them to derive the optimal benefit from integration of their resources.

## CHAPTER II

### Literature Review

The rise of mass media in the 1950's and 1960's provided advertisers with access to mass audience and markets, and reflected the image of the then prevailing mass manufacturing mentality. The ensuing birth of mass culture reinforced shared values that made marketing easier and more predictable. The 1990's however, took a turnaround augmented by the radical change in the nature and form of communication practices. The technological development, especially the advent of computers and the Internet, freed consumers from the lockstep of uniform opinions, to where they develop individual tastes and specific needs. This gave birth to mass customization (Low, 2000; Schultz, Tannebaum, & Lauterborn, 1993; Lavidge, 1999). As a response, the focus shifted from mass marketing to niche marketing (Schultz, Tannebaum, & Lauterborn, 1993). Consequently, integrating various communications to prevent outflows of confusing and varied messages to target markets has become the lifeline for any successful corporation. The onus has come directly on IMC.

According to Harlan E. Spotts and David R. Lambert (1998), the concept of IMC emerged as a market place survival strategy developed by advertising agencies in response to the industry shift toward marketing communications in the broad sense and specifically away from advertising. Agencies began to re-define their role in the communication process as a response to the amount of dollars shifting from advertising towards other marketing communication tools. The idea was to go horizontal to get synergism rather than compete separately for resources, power, and control (Williams,

1997; Linnet, 2001). As a company grows, it becomes difficult to be in a lot of places at the same time to reach all its target audiences. Being present does not necessarily mean that the message being conveyed is the same everywhere (Neisser, 1997). Marketers need to convey single common message from all the various locations and channels used by the company to reach its markets.

The last decade has seen the concept of IMC gaining acceptance as an idea, technique, or simple rhetoric among advertising, marketing, and public relations professionals (Cornelissen & Lock, 2000; Kitchen, 1999; Neisser, 1997; Reich, 1998). According to Schultz, Tannebaum, and Lauterborn (1993), IMC has turned all forms of marketing into communication and all forms of communication into marketing. The communication strategy of a company should clearly reflect its interaction with the social, cultural, and economic environment. Although many multinational companies have started operations in India, the country remains one of the toughest markets to penetrate because of its sheer size, its socio-economic diversity, and the vagaries of the Indian consumer. The market is not just a simplistic demographic. What makes it different is the absolute diversity of the middle class consumer (Malik, 1995).

The literature review examines socio-cultural aspects, demographics, social class, groups, and traditional societal structure with reference to India, supporting it by situational case studies wherever possible. This evaluation provides an understanding of social factors that influence marketing strategies of any organization. The review also discusses the various channels of marketing communications such as direct marketing, sales promotion, advertising, and public relations and their applicability in a traditional



society as India. The discussion provides a basis to evaluate the responses gathered through interviews and relate it to integration among these channels. The technological changes have had a direct impact on the way companies communicate with their key publics. The discussion on technological context in the literature review provides an insight to the need for integration of various communication channels in India. The review describes the factors that might contribute to or restrict the development of IMC in India.

### Definition of IMC

From the conceptual and theoretical perspective, IMC history is just a decade old and is still in its introductory and early growth stages (Kitchen, 1999). In view of this, much of the study done in IMC brings out explanations for the concept and discusses guidelines for practices rather than building a theory (Reich, 1998; Kitchen, 1999; Kaye, 1999). Being a concept and a process with varying degrees of integration within each dimension, it is difficult to arrive at one definition of IMC (Duncan & Everett, 1993; McArthur & Griffin, 1997; Reich, 1998).

Although there has been little work examining what the various professionals understand IMC to be and how the concept of or term IMC is actually employed in each of these contexts-as a general idea, management technique, or mere rhetoric (Cornelissen and Lock, 2000; Mass, 2000), IMC is a major strategic concept that is as evolutionary and discursive in its concept as other marketing and management tools. There is a strong need to explore the concept and phenomena of IMC directly in the real world of communication (Mass, 2000; Gould, 2000; Schultz, Tannebaum, & Lauterborn, 1993).

**Communication is the basis of all marketing activities (Coulson & Colin, 1983), and effective communication strategy needs to have an objective. The objective should clearly state the result that the organization wants and how it would be measured after the strategy is implemented.**

**IMC is a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines, such as general advertising, direct response, sales promotion, and public relations, and combines these disciplines to provide clarity, consistency, and maximum communication impact (Schultz, Tannebaum, & Lauterborn, 1993).**

**The purpose of integrated marketing communications strategy is to integrate the administrative and operational divisions with marketing mix elements comprised of price, product, channel of distribution, and marketing communications, to work toward the common goal of customer focused marketing (Duncan & Everett, 1993; McArthur & Griffin, 1997; Cornelissen & Lock, 2000; Freeman, 1998; Reich, 1998; Spotts & Lambert, 1998). Therefore, integrated marketing focuses on coordinating all the communication activities to realize the marketing objectives and to influence the messages it sends to the target audiences (Burnett & Moriarty, 1997; Neisser, 1997; Fletcher, 1998).**

**Any commercial message delivered through any kind of medium reflects the decision of the management of the company to reach its target audience. To make this most effective, management must understand the characteristics of audiences, messages, and media (Webster, 1971). Therefore, the study of cross-cultural consumer behavior becomes a basis for marketers to understand consumer patterns. Research in this field has thrown light on how traditional cultures in different parts of the world are adopting**

western-style consumerist tendencies while trying to retain their traditional and indigenous value systems (Costa & Bamossy, 1995). Though there are similarities regarding global consumer trends, there are underlying peculiarities in consumption patterns of each region. To understand these consumption patterns one needs to study social and cultural theories in context of consumers' response.

### Social and Cultural Theory

Marketing is essentially a social activity (Webster, 1971; Fisk, 1974). It involves human interaction in a given socio-cultural environment targeted to influence the decision-making process of a consumer. The dynamic nature of the socio-cultural environment makes it necessary for the marketer to constantly reassess its impact on the markets he or she intends to target. Marketing communication performs many functions like sales promotion, advertising, public relations, and product positioning, in this broader social context (Fisk, 1974).

The strategic planning in a marketing communication plan greatly influences the economic society in which it operates (Webster, 1971). As the demographics, culture, and values surrounding the consumer change, their reactions to the products and marketing communications also changes (Burnett & Moriarty, 1997). Therefore, the study of marketing communications strategy should include issues involving the socio-economic environment.

Socio cultural and economic environment can be categorized into four broad categories: 1) Culture and subculture, 2) demographics, 3) social class, and 4) groups that influence the buying behavior. Cultural values are the "core values that affect and reflect

the character of any society” and directly influence consumer behavior. Any marketing communication strategy should accurately address and portray these core values.

Therefore, marketers should concentrate on studying the changes in cultural trends (Burnett & Moriarty, 1997, p. 132).

According to Ronald D. Michman (1983), a society shapes human behavior by creating a culture of complex values, ideas, attitudes, and meaningful symbols. This culture is transmitted to future generations and gets reflected in varying degrees in the "roles, goals, perceptions, consumption patterns, and consumption aspirations of a society”(p. 25). Hence, the culture and subcultures of a society need to be understood in order to market products effectively (Fisk, 1974).

### Culture and Subculture

Culture is probably the most pervasive source of predisposition in the marketing communication process. Culture is also the slowest to change and the broadest in meaning and concept.

Culture is a deposit of knowledge, experience, belief, values, attitudes, meanings, hierarchies, religion, timing, roles, spatial relations, concepts of the universe, and material objects and possessions acquired by a large group of people in the course of generations through individual and group striving. Culture manifests itself in patterns of languages and in forms of activity and behavior that act as models for both the common adaptive acts and the styles of communication that enable us to live in a society within a given geographic environment at a given state of technical development at a particular movement in time...Culture is persistent, enduring and omnipresent (Stevenson, 1994 p. 26).

There has always been an interactive relationship between culture of a country and its communication processes (Pearce, & Cronen, 1980). The cultural assumptions of a community form the basis of communication patterns and these communication

patterns in turn determine the development of cultural institutions. Communication, therefore, is a result of varied cultural interactions. It has been observed that while primitive and eastern cultures place a relatively low value on coordinative communication in context of marketing practices, the contemporary western society has treated communication as an important tool in developing marketing designs.

Marketing communications and its various channels used by any society must be integrated with social and cultural values of that society, to be acceptable to recipients. The shared values and attitudes of a target groups must be considered carefully before developing a marketing communication strategy for any product (Webster, 1971; Fisk, 1974). The study of culture helps explain human behavior as a reaction to its external environment.

Cultures are the discourses that have been generated among individuals and groups about the nature of human relationships, how these relationships are formed, and how they progress for each of its members (Edelstein, Youichi, & Kepplinger, 1989). Social institutions and individuals are shaped by the array of prohibitions and permissions offered by the society. The freedom to think and speak as one chooses is a powerful formative force for culture (Pearce & Cronen, 1980).

In the context of a nation, culture describes the history of experience that is shared by the people. Every national culture expresses itself in such a way that it gives vent to expression, asserts normativeness, encourages thought, and permits action. "Culture adopts means to pursue its end, and is cognizable and communicated" (Edelstein, Youichi, & Kepplinger, 1989, p. 33).

As each national market is different with respect to its culture, products and promotional strategies must be designed to fit the local culture. The multinational companies must concentrate on marketing strategies that suit local culture. The strategy pursued by Unilever in India, to brand commodity products like loose tea, demonstrates how companies strategize marketing while focusing on behavior patterns (Khan, 1997). Unilever had a weak grip on the low-income rural Indian market. Because people preferred local unbranded tea, the flavor differed in every region. Instead of forcing standard blend across regions, Unilever marketed disparate blends in different parts of the country but under a single brand. The approach transformed the marketing mindset to achieve flexibility in operations on the part of the company.

The job of identifying distinct cultures is difficult because “there is no clear demarcation of where one culture ends and others begin” (Stevenson, 1994. p.33). Therefore, it is difficult to develop a concise set of statements that explains the diversity of cultures in the world, which permits scholars to predict how these cultures might evolve in the future.

The cultures of the advanced and developed economies are different from those of traditional cultures in that they place more emphasis on individualism as opposed to the collectivism reflected in less developed economies (Stevenson, 1994; Costa & Bamossy, 1995). Even though there are differences in the cultural values of the United States and India, both have a multicultural population mix. The existence of cultural diversity reflects in the different purchasing habits of the people but provides both countries with a

**background for similar marketing communication approaches in order to target niche markets, and use a variety of communication channels to reach their diversified audience.**

**The purchasing habits of the people in India are a direct result of social networks and family structures. For example, in a joint family structure, where all the members live together, one television set would be considered sufficient for everyone. Moreover, it would be more appealing if the product is positioned as being durable and a great value. Most foreign firms encounter resistance from consumers because they position their products as an indulgence rather than an investment. Decades of simplicity and socialism have instilled a sense of ‘value’ in the country that cannot be ignored by any successful marketer (Mumbai’s Marketer, The Economist, 1998).**

**The less developed countries of the third world represent the “underdeveloped frontier” in terms of consumption patterns, natural resources, human resources, industrialization, technology, and environment (Kindra, 1984). The development problems in these countries are reflected in their low incomes, poverty, illiteracy, poor health, inefficient industry and agriculture, cultural atrophy, social anomaly, and several other deficiencies. The differences and similarities in cultural values of countries influence the different demographics and contribute to the requirement of a very different marketing communication plan as compared to other regions. *What is the cultural composition of the organization's markets and how does it respond to varied marketing needs for same products?***

## **Demographics**

The term demographics refers to the observable characteristics of individuals living in a culture, and includes physical traits such as gender, race, height, age; financial traits such as income, savings, and net worth; occupational traits; educational traits; and societal traits (Fisk, 1974; Burnett & Moriarty, 1997; Jefkins, 1982). However, the demographic compositions keep changing with constant interactions of the society with other social groups.

Although changing demographic trends do not clearly demarcate an average family or traditional middle class, it is important for marketing communicators to understand the consumers intimately. Communicators need to recognize the demographic groupings and should be able to identify the appropriate market segments based on their shared values, similar socio-economic characteristics, and the enormous size of these groupings (Burnett & Moriarty, 1997). Marketing communications is more sophisticated in the western or more advanced economies than in the developing countries because of various demographics. The major demographic constraints observed in the developing economies are:

1. **Literacy constraints** - Illiteracy hampers the growth of traditional media such as press. The levels of literacy are as low as 20% in some of these developing nations. As a result, growth of media technologies faces many obstacles.
2. **Linguistic constraints** - Because so many different languages are used at one time, it is difficult for advertising to address all the different language speaking segments in one go.
3. **Infrastructure constraints** - The lack of electric supply and poor transportation facilities, makes it difficult for companies to use various media channels for communication. Poor transportation facilities do not provide any support for an efficient postal system.
4. **Purchasing power constraints** - The economic traits are clearly visible by the size of the market that is restricted due to poverty. This might affect 80% of the entire



population and in turn leads to uncertainty about the distribution of goods that can be bought.

5. **Societal constraints** - The different ethnic groups pose many complications with so many diverse tribes, races, languages, taboos, and traditions. The import of goods is subject to the different cultures and their receptiveness toward a particular product (Jefkins, 1982).

The history of industrial and economic development of India stands out as a unique process not only because of its geographically heterogeneous demographic traits but also because of its colonial history. This uniqueness has contributed to researchers using the phrase 'industrial evolution' to describe the economic changes in the Indian context (Sheth, 1982). The predominant demographics contributing to this uniqueness are:

1. **Rural-urban mix:** The industrialization in India emerged as the result of poor agricultural conditions and dwindling handicrafts. The push from land and craft generated to some extent a pull toward industry.
2. **Occupational diversity:** Even though the population of India is and has been overwhelmingly agricultural, there had always been a variety of non-agricultural occupations such as handicrafts and arts involving various types of skills. Most of the old towns possessed some kind of indigenous industry that flourished with the patronage of the wealthy and princely classes.
3. **Diversity in economic conditions:** Despite the overall poor image, extremes of poverty and wealth have always co-existed. People who amassed the wealth in trade and commerce welcomed the new industrial enterprise contributing to the economic progress from within.
4. **Colonial rule:** Even though the British rule destroyed the indigenous industry in India by means of market competition, there has been continuous improvement in the means of transportation and communication. This, coupled with the many sided administrative reforms, has contributed to the advancement of economic scenario (Sheth, 1982. p. 49).

These factors contributed to providing the background for the acceptance of a gradual change brought about by the industrial introduction in India. People had learned skills while migrating from job to job and to them the factory was just another move forward.

Thus the country gradually adopted western practices and industrial changes and in many respects the change came from within the society rather than being a sudden and involuntary change (Guha, 1990; Sheth, 1982, p. 49). This social continuity seems to be maintained in the face of technological change even though the process of development brought the country in contrast with the traditional institutions of caste, family, and village community. In spite of the traditionally receptive background to changes, the conservatism of upholding traditional practices has often been held responsible for the slow economic development in India.

The interaction of economic, geographic, historical, and demographic factors resulted in evolving a mixed economic structure in India. The systematic development strategy pursued by the country since its independence has given it a uniqueness of mixed economy that has resulted in various social classes spread across demographic diversity (Guha, 1990).

The differences in the attitudes and behaviors within these broad segments help marketers identify niches and target these niches on the basis of social class. By reviewing the available literature on social class, one can understand how messages are formulated to reach the target markets. *How do companies identify their markets and particular niche for a common product used across different demographics?*

### Social Class

"Social class is generally referred to the position of the consumers on the basis of occupation, education, and income" (Burnett & Moriarty, 1997. p. 149). These characteristics denote the social prestige and economic power of the individual. Two

**members of one social class might never meet or communicate directly, but they share tastes, values, attitudes, behavior, and similar socio-economic characteristics.**

**For the purposes of a marketing communications plan, social classes can be separated into three broad categories - lower, middle, and upper class. By distinguishing these classes on the basis of differences in purchasing attitudes and social behaviors, marketers use social class variations to design communication strategies (Jefkins, 1982). This distinction is based on the assumption that, to a large extent, these three social classes develop and assume different patterns of social behavior.**

**According to Burnett and Moriarty (1997), the lower class, generally synonymous with people without much income, sees the world as risky in terms of trying new things. This class is generally risk-averse and may not feel adequate to cope with adversity and therefore, values personal security more highly than the affluent class. This perceived risk is one important element that separates the social classes.**

**The predominant social class of any nation reflects the economic standing of that nation, making it a key area to study in terms of designing a strategic marketing communication plan (Erdener, 1982). India's expanding middle class, with growing incomes and a growing willingness to buy quality goods, presents potentially lucrative opportunities for many companies doing business across the world. Although fixation of consumers with foreign goods is already established, India remains the toughest market in the world to break into, because of its sheer size and socio-economic diversity of consumers who speak 16 different languages with almost 200 different dialects across the country (Malik, 1995).**

**It is easier to understand economic achievement of agro-based economies like India by exploring the transition of traditional subsistence economies to a stage of market-oriented independence. Traditional subsistence economies are usually poor and stagnant. They exhibit feudal social organization, low population density, non-existent urbanization, and undeveloped infrastructure. For a marketer, during this stage consumer needs are rudimentary. "Itinerant traders are the only predominant retail outlets available"(Erdener, 1982. p. 40). According to conventional development economics, these conditions are a 'state' or 'phase' to be overcome once the process of development starts. As opposed to this, critical politico-economic analysis provides clearer insights into the nature of underdevelopment (Kindra, 1984).**

**The transition from traditional to market oriented economy registers an improvement in commerce through a start of trade between individuals and organized middlemen. Agricultural produce is used for commercial purposes. Industrial production is capital-intensive and commerce is well organized with entrepreneurial activity (Erdener, 1982). In market economies an infrastructure slowly develops for transportation and communication network all across the country. Mature market economies are characterized by high urbanization, with the size of urban population being as large as the rural population. Consumer needs for non-essential goods develop considerably. At the market oriented stage economy takes off as growth becomes normal.**

**Even though parts of the country are still in transitional growth stage, India on the whole is a market-oriented economy (Kindra, 1984). Even rural towns in India now**

benefit from the mall retail outlets, making consumers accustomed to getting the products within easy reach (Krishnan, 2001).

From the marketing perspective, merchants, wholesalers, traders, and specialized institutions predominate in the distribution channel. The economy enjoys a fully developed distribution network, with few large-scale and chain retailers and more general merchandise stores (Erdener, 1982).

According to G. S. Kindra (1984), underdevelopment in a less-developed-country (LDC) is reflected in and associated with: a wider gap between developed and less-developed countries, poor internal income distribution, underdeveloped exports resulting in poor foreign exchange earnings, concentration of political and economic power with a small elite, and high dependence of governments and capitalists on developed country counterparts. The slow economic development, mainly focused on uplifting the rural population, has resulted in a huge middle social class in India. Although the growing middle class possesses a progressive attitude, its economic constraints force a more value-based spending. This is an important factor to be considered by any marketer (Mumbai's Marketer, The Economist, 1998).

Based on this deduction, developing countries can be assumed to be at the contemporaneous stage of development but in a very dependent way. Economic growth alone cannot resolve the challenges faced by the marketing system. This dependency holds important implications for the development of any marketing communication plan (Kindra, 1984). A new and fresh marketing perspective might be required to fit

appropriately with the unique problems and demands of a market-oriented economy like India.

The socio-cultural and economic influences contribute to the demographic characteristics of any economy, which in turn promotes the formation of groups within a society that are capable of influencing the interaction of a marketing communication plan with the prevalent consumer behavior. The review further examines the formation of groups, objectively evaluating the influence of such reference groups given the dominantly rural population that exists in India. *How do the social class distinctions in India affect the product positioning strategy pursued by the company in positioning a product as a luxury or necessary consumption?*

#### Reference Groups and Opinion Leaders

Reference groups are associations with which many individuals closely identify, and these groups can strongly influence the behavior of those within them. "Reference groups can condition the levels of aspirations of its members and influence their buying behavior and decision-making process" (Coulson & Colin, 1983, p. 27). According to Burnett & Moriarty (1997), "reference group is defined as any person or group that serves as a point of comparison for an individual in the formation of general or specific values, attitudes, or behavior" (p. 141).

Researchers believe that an individual's need to evaluate his abilities and opinions encourages him to become a member of a particular group, like friends, social clubs, and society groups. Individuals seek others who are fairly similar to them and use the opinions of the group to gather information on a variety of subjects. "The need to belong

to a group is also based on the establishment and maintenance of a satisfactory relationship with others in respect to the interaction and association. This represents the social need of establishing identity through association” (Trenholm, 1991, p. 190).

Individuals seek the advice of knowledgeable friends or acquaintances while making any decision, and the people who can give this advice are generally referred to the 'opinion leaders' of the group (Burnett & Moriarty, 1997). Opinion leaders can traditionally be defined as formal leaders and informal leaders. "Formal opinion leaders are often identified on the basis of their position in a company or as heads of a group, while informal opinion leaders are people who have clout with peers based on some special personality or behavioral characteristics” (Wilcox, Ault, & Agee, 1998, p. 210). Informal leaders are either the role models admired and emulated by the other members of the group, or have the ability to exert pressure and influence the group in forming a decision.

It is imperative for marketers to identify such informal groups and opinion leaders because the buying decisions of individuals are largely influenced by the leaders' interaction with informal groups. The task has been complicated by the fact that opinion leaders are product specific and tend to be similar, both demographically and in personality, to those they influence (Burnett & Moriarty, 1997; Trenholm, 1991).

Three main psychological processes can be observed in all group interactions: (1) evaluation of each other, (2) commitment to the group members, and (3) transition in mutual opinions. Group members develop mutual expectations and monitor differences between actual and ideal behavior to evaluate the 'rewardingness' of associating with each

other. Commitments increase when a motivational link is forged between a group and the individual and both parties perceive their relationship as more rewarding than any alternative relationship. During the life of a group, changes in the level of commitment are constant. Finally, with a change in commitment, transition of roles takes place. During this time, new behavioral expectations are placed on the group members and new phases develop (Trenholm, 1991).

"It is imperative for marketers to recognize these stages in the groups they intend to target as these group dynamics directly reflect the decision-making process of the group members" (Trenholm, 1991, p. 190). Even though groups are less effective when quick decisions have to be made, they are generally very useful in generating ideas and spreading information, obtaining commitment, and securing acceptance for new trends in an economy (Coulson & Colin, 1983).

Understanding group dynamics is therefore an essential requirement for formulating an integrated marketing communications plan. The social and economic factors work together to influence the formation of formal and informal groups. Until recently, quality was important to only a handful of consumers in India. So, the best way for multinationals to crack the Indian market is by focusing on the premium segment, and by targeting pioneer groups (Malik, 1995).

On entering Indian markets in 1992, Bausch and Lomb positioned Ray Ban sunglasses as a fashion accessory targeting the premium segment and opinion leaders. The company sold only 50,000 sunglasses in the first year due to the price being almost double that of available local brands (Malik, 1995). Once it established its brand as a



quality product, the company repositioned the luxury brand as a necessary health care item. The competition from local brands in the premium segment is minimal at present. The middle class that had not been able to consume so far, now has the money and willingness to consume quality goods. This is where opinion leaders and pioneer groups can play a very important role providing companies a strong hold on the Indian markets.

To identify such groups in the context of the newly liberalized Indian economy would throw light on the significance of social perception and the behavioral aspects of the markets. The influence of these groups may result in the popularity of a product. For example, in the post-liberalization era, these reference groups both at formal and informal levels instigated the consumer awareness of brand names and value attached to different international brands. Reference groups have been the major influencing factor in changing the need-based consumption to value-based consumption in the last decade. *Are the reference groups a significant factor considered while formulating a marketing plan?*

The study of the socio-cultural and economic theories would provide a basis for understanding the market composition and the marketer's reaction to that composition. It should be noted that the marketing communication practices used by the companies would differ considerably from those understood and used in the United States. The review and evaluation of socio-cultural theories help answer the possibility and viability of IMC in Indian environment. *Given the extremely fragmented customer base do the organizations feel integration of marketing communications is necessary to reach target markets?* All marketing communication attempts to persuade the target audiences to change an attitude or behavior and provides information about the product and company.

## Integrated Marketing Communications

According to Webster (1971) " The purpose of marketing communication is to convey meanings about products, services, and selling companies to defined targets markets. Marketing communication strategy is directed toward the successful pursuit of clearly stated objectives and carefully specified goals" (p. 1).

The objectives of any marketing communication process are to create brand awareness, deliver information, educate the market, and advance a positive image of the product brand (Burnett & Moriarty, 1997; Coulson & Colin, 1983). Companies generally employ a whole array of communication strategic techniques to convey their messages to target markets about the goods and services and the distribution channels used. It is this communication-mix that is the chief element in deciding the sales territory, motivating appeals, the timing, and expenditure toward promotional strategy and product positioning (Webster, 1971; McGoan, 1998). By using the communication mix effectively, companies can optimize their communication effects. Communication effects are essentially the mental associations existing in the minds of the consumers connecting them with a brand or a company, and are necessary to create a brand's position and instigate buyer action (Rossiter & Percy, 1997). IMC therefore tries to strategically coordinate all messages and media used by organizations to achieve communication effects and influence brand perceptions in the minds of consumers (Low, 2000).

According to Schultz, Tannebaum, and Lauterborn (1993), organizations cannot depend on the product alone to build consumer confidence. The communication, rapport, empathy, dialogue, and relationship, they establish with the consumer makes a difference.

In today's parity marketplace, the real place where a differentiation of product and brand value exists is in the minds of the consumers. It is becoming increasingly more critical for marketers to control the input of information that consumers use to build, adjust, and maintain the brand concepts. A marketer can control only a limited amount of the total information consumers gather. Any information about the product must fit in with the product awareness already stored in the minds of the consumers. This is the basic reason why "IMC will be the only sustainable competitive advantage of organizations in the near future"(p. 3).

In simpler terms, "IMC refers to speaking with one voice" (Harris, 1998). When all the messages about a product or service to which a consumer is exposed are controlled and coordinated, it results in better management of the marketing process. Companies need to do more than just 'speak' in one voice. Organizations need to 'think' in the same line and integrate their thoughts to reach the common objectives (Duncan & Everett, 1993). Therefore, the main objective of IMC is to build relationships rather than just make sales. It is unique in its orientation of looking at the business from the customer's point of view and integrating communications with the mind of the consumer (Harris, 1998; Duncan & Everett, 1993; McGoon, 1998). "IMC aims at eliciting a response, not just conducting a monologue" (Schultz, Tannebaum, & Lauterborn, 1993).

The IMC approach promotes a two-way customer conversation by combining every form of communication related to the price, place, promotion, and the product. In other words "IMC is a return to building brand loyalty by building brands that deserve loyalty" (Spotts & Lambert, 1998, p. 64).

According to Ken Reich (1998) the key to a successful marketing strategy lies in anticipating and responding to the individual customer's needs. Customer perceptions influence customer behavior, which in turn leads the way for prospects and groups to make a commitment and buy a product. It is therefore important to understand the customer perceptions and identify individual customers within the target niche markets (Duncan & Everett, 1993; Low, 2000; Rossiter & Percy 1997).

For redefining the scope of communication, organizations look to an "outside in" perspective. Companies try to examine the communication process from the customer's point of view. An organization passes through various stages while integrating all its marketing communication efforts. Initially, there is a focus on functional area of advertising, promotion, direct response, public relations, and special events to coordinate toward one sight one sound policy (McGoon, 1998). In order to identify the customers and monitor the impact of communication, companies rely on information technology to reach key customer segments. As a final stage, all the information gathered from external and internal communications is used to formulate a strategic corporate plan integrating all communications (McGoon, 1998; Schultz, Tannenbaum, & Lauterborn, 1993).

Based on this observation, the communication mix is the important element in the total concept of integrated marketing communication. Direct marketing, sales promotion, public relations, and advertising tactics are each an integral part of IMC and the following section of the review will discuss these tactics of the communication mix in order to understand their use in the Indian marketing situation. It is important to evaluate

the presence of these tactics and their scope, to have a background for the need of IMC in India.

In India, the mall outlets have catered to the huge rural population while retail chains are practically non-existent. These outlets operate with low cost infrastructure and are convenient to consumers. As discussed in the socio-cultural aspect above, traditional societies such as India place more emphasis on collectivism and personal contact (Stevenson, 1994). The direct contact aspect of direct marketing tactics could, therefore, be the most widely used marketing tool in a country like India (Krishnan, 2001).

### Direct Marketing

Direct marketing is a form of personal communication between marketer and individual customer. Personal communication is considered as more efficient because it gives immediate feedback telling the communicator whether he/she has been successful in conveying the intended message (Webster, 1971). The importance of direct selling in the whole marketing strategy depends greatly on the product stage and the decision stage of the customer. Direct selling is often an indispensable tool to introduce the product, instigate trial and convert it into a purchase.

The objective of direct marketing is to generate an immediate response from customers. Essentially, each direct marketing piece contains the information needed for the customer to respond immediately and can provide a personal touch by addressing customers by first names (Burnett & Moriarty, 1997; Curtis, 1999). This has made direct selling a logical solution for both consumers and marketers. Several direct marketing strategies, including direct mail, can be used by sales people to improve customer loyalty.

**Direct selling is practiced through door-to-door visits, telemarketing, and direct mail. Door-to-door selling had lost its importance in the new marketing age of mass communication, but is being revived with the advent of high-tech communication revolution in the form of computer technology (Curtis, 1999). High-tech communication tools such as email, telephone, etc. provide the required database for product introduction and launch. The information collected through such databases allows companies to identify the likely buyers, segment them, and target them directly.**

**In a country like India, the use of personal selling may be sparse, owing to the fact that such an extensive database would not be readily available. More often, it is the retailers working as middlemen, who are responsible to promote the manufacturer's product. This forces the suppliers to service the large population of small retail outlets rather than promote personal contact with the consumers. However, manufacturer's can use a personal network of retailers as a direct marketing tool (Erdener, 1982; Krishnan, 2001).**

**Direct mail is one of the most important tactics used to let customers know they are important and show appreciation for their patronage toward the product (Geller, 1998). Marketers can also use direct mailing to create a new client base and improve relationship with old clients. Direct mail is a tool that can prove to be a cost effective medium in a developing country like India mainly supported by the well-developed postal network spanning villages, towns, and cities across the country (Merchant, 1999). Most businesses find first contacts based on directory lists, then build a broad customer base. Direct mailing is a great cold caller and saves time by contacting several customers**

simultaneously (Geller, 1998). Using continuous interaction through direct mailing, companies can cultivate long-term sales relationships.

However, a database of consumer information is the most important basis for direct marketing. Professional bodies like associations, stock exchanges, and club memberships, to name a few, are the main source of consumer database in India (Merchant, 1999). Credit card companies, automobile finance companies, and other investment sectors mostly use the direct mail method. Through this data, marketers know more about their prospects. Therefore, direct marketing allows these people to be contacted personally.

Direct mail can be used by the companies in India as a cost effective tool for direct marketing. The postal index number code (PIN) introduced in India in 1972 has simplified the control of mail distribution and works on the same lines as ZIP codes in the United States. National and international courier service providers have offices across the country and provide competent economic value and quality of services at par with major international names in the industry (Merchant, 1999). The effectiveness of direct mailing tactics in isolated rural areas, would highly depend on the postal efficiency and other promotional tactics of the communication mix to support such marketing communications. Thus far direct mail has not been fully exploited as a marketing tool by companies in India.

The development process in India has been aided by the giant leap taken in the telecommunication sector. In present day India, direct marketers utilize various electronic and telecom facilities. The advancement in telecommunication, especially in urban areas

is identical to most metropolitan cities of the world. Toll-free numbers are rapidly shifting the focus of direct marketing to telemarketing in India (Merchant, 1999). Telemarketing is another tactic of direct marketing that combines telecommunications technology, marketing strategies, and information systems. Through telephone, companies can practice direct, selective, and interpersonal communications. The message that the marketers transmit can be modified according to the instantaneous feedback received (Coulson & Colin, 1983).

The concept of telemarketing in India depends upon telephone network and the cost of contacting consumers over the telephone. Over the years of economic development, telecommunications has become the axle on which the business wheel moves in India. Nationwide public call offices (PCO) have made state-to-state and international calling much easier. The industry is run by government sector with MTNL being the sole provider of telecom services. The newly constructed exchanges provide efficient and easier services (Merchant, 1999; Krishnan, 2001). However, the disparity in income levels of the consumer makes the telephone owners just a small fraction of the target market. Moreover, social impediments such as reluctance to talk with a stranger, diversity in spoken languages, and general averseness to unnecessary spending could prove to be a major hindrance in reaching the potential consumers through telemarketing (Erdener, 1982; Merchant, 1999). Though direct mailing is a concept that has yet to develop in India, telemarketing is a marketing tool that is widely practiced in the urbanized areas (Krishnan, 2001). However, the high cost of telemarketing limits its scope. The databases required for such marketing tools are also not fully realized, as



**information flow about databases is neither easily accessible for all nor popular among companies. The companies generally depend on networking through existing clients and key publics.**

**Customer relations are established one at a time and gradually built on loyalty and service that results in repeat sales. Direct marketing can be a new way to talk to customers and to gain new business as well as maintain old relationships and increase bottom lines (Geller, 1998). However, salespeople are often required to complete the sales or provide information to inquiries that originate as a response to the direct marketing techniques. Many established organizations in India rely highly on direct marketing techniques to cultivate a customer base. The study examines these tactics and the proportion of their use in comparison to other marketing practices by a company. How important is the role of direct marketing in capturing a market share and how can it contribute to the development of IMC?**

**Direct marketing effectively lays the foundations for sales promotion techniques. The findings of the study help identify the ways direct marketing is practiced in India and how it fits in the concept of IMC. However, due to its limited reach in a given period of time, direct marketing requires a coordination and integration with other indirect and mass marketing tools like sales promotion to complete the cycle of marketing for an organization or a particular product. Once a contact is made through direct marketing, promotion for a product helps consumers identify, remember, and choose to buy. Sales promotion extends the awareness created by direct marketing by reaching mass customers yet making a personal point of contact at retail outlets.**

## **Sales Promotion**

The objective of the marketing strategy is to use the entire communication mix toward generating profitable sales volumes and moving sales forward (Webster, 1971; Rossiter & Percy 1997). Even though creating awareness is consistent with the objective of selling, awareness alone may not result in purchases. Sales promotion is driven by the specific objective to encourage customers to purchase. Therefore, sales promotion is more action oriented and can be termed as " short-term inducements to customer buying action" (Rossiter & Percy 1997. p. 556).

Companies use many different ways to achieve their objective of sales and purchase. Consumer promotions such as price reduction, coupons, premiums, contests, etc. and trade promotions such as point of purchase displays, packaging etc. are all different sales promotion techniques and oriented to trigger buying action (Webster, 1971; Rossiter & Percy 1997). Trade promotion by manufacturers is a more common practice in India as the number of individual retail outlets exceeds the presence of retail chains. The suppliers use promotional tactics as price incentives to sellers more often than other promotional techniques (Erdener, 1982; Krishnan, 2001). While some of the promotional techniques like consumer deals and trade exhibitions may be fairly new to the marketing practices prevalent in India, point of purchase displays have been practiced at a local level by retailers.

Consumer deal is often categorized as the short-term reduction in price of the commodity. Consumer deals often provide additional value by reducing the price paid and can be in the form of simple reduction in the marked shelf price, coupons inserted in

the packets, and two-for-one offers (Webster, 1971). The reduction in price and two-for-one offers are instantaneous at the point of purchase, while coupons can be distributed even before the customer enters the store by direct mailing and hand delivery (Coulson & Colin, 1983). Deals are more effective for products that do not have a high degree of brand loyalty. Various deals are effectively used in markets where there are a number of brands. These are short-term selling tactics used for promotion of one particular product category (Webster, 1971; Jefkins, 1982).

The marketer can offer an overall reduction in price over a period of time or offer a return if the consumer is not satisfied (Coulson & Colin, 1983). A special price reduction helps overcome the perceived risk of investment that a customer identifies while buying (Webster, 1971). Perceived risk in investment is a vital element in understanding the behavioral patterns of Indian consumers. Spending for wasteful indulgence is contradictory to the social ethos. Even though the middle class is willing to spend more with their growing purchasing power, it is essential for marketers to convince the consumers that their product is a good investment and not a wasteful indulgence (Mumbai's, 1998). While price reduction over a certain period is quite prevalent in India, value-added consumer deals are fairly new (Kindra, 1984; Malik, 1995). As more companies adopt the international marketing practices, sales promotion tools are becoming popular.

Price reduction can be offered in many different ways. The strategic display of money-off offers can induce impulse buying among customers (Jefkins, 1982). A premium on the product offers substantial savings and results in speedy and additional

**purchase. A product premium can require a certain number of purchases before the customer can enjoy the offered premium. This form is generally used to encourage and instill a purchasing habit with the consumer (Coulson & Colin, 1983).**

**Two for one offers can be used to provide additional buying incentive and increase the rate of trial among potential customers. Companies use this to promote a new product by adding it as a free gift to an existing product (Jefkins, 1982). According to a report published in The Economist (1998) Akai Television, a Japanese company, started a marketing strategy of free gifts and exchange offers, a concept that was new for the Indian markets. The company's promotions offered the buyers free goodies such as video recorders and miniature scooters. The company experienced a phenomenal boost in its sales within a span of three years. In another promotion, the company reduced the price of a new TV set if the consumers brought in the old one, which they later sold to the rural markets. The policy was in line with the sense of value Indians place on commodities that while used are still in working condition.**

**While deals depend heavily on a change in the shelf price, point of purchase displays aim more toward reminding a customer to buy. Displays may not necessarily announce a change in price or provide an incentive, but are used to stimulate buying action (Webster, 1971). The point of purchase display strategy has been fragmented and limited to local retail outlets in India and is not uniformly applicable (Malik, 1995).**

**Point of purchase display includes special display materials, racks and devices, and visual material that catch the eye of the customer. Marketers provide displays as special incentive to dealers to promote selling (Jefkins, 1982). The beverage giants Pepsi**

and Coca-Cola have been able to penetrate even the remote rural Indian markets by display and promotional tactics. The companies provide the display materials, such as refrigerators to retail outlets, in order to help boost the sales and bar competition (Malik, 1995). Coca-Cola's Indian operations are based on affordability and availability. The company is now exploring newer avenues of expansion like exclusive deals with gas stations to market its product and increase the amount of consumption. The manner of display attracts purchasers and influences the rate of sales (Coulson & Colin, 1983).

Displays are used as a powerful marketing strategy for products purchased on an unplanned basis. Candy bars and chewing gums are examples of products that are frequently displayed at the checkout counter to attract attention and induce unplanned purchase. The physical presentation of the product can prove to be an effective substitute for personal selling at retail level and provide an important tie-in with mass advertising (Webster, 1971).

Companies provide incentives by offering financial or physical help to the retailers for promoting goods (Coulson & Colin, 1983). This encourages retailers to aggressively market certain products over others. There may be direct incentive in the form of a specified sum, a discount for quantity sold, or help with point of purchase promotions. Many foreign companies now operating in India have realized that ensuring product availability, through extensive network of local retail outlets in rural as well as urban India, is a critical factor for successful marketing (Krishnan, 2001). Promotional techniques practiced in India largely depend on the economic constraints and do not

reach a wide audience (Erdener, 1982; Krishnan, 2001). The promotion of the product is largely the responsibility of the retailer and through them reaches local level.

Sales promotion techniques can be implemented in a short span of time and can be customized to suit specific short-term objectives. Although sales promotion is a powerful communications tool and complements the mass communication techniques like advertising and personal selling, it is very limited in its usage and cannot substitute for advertising and personal selling (Webster, 1971). This limitation makes it necessary for the sales promotion techniques to be integrated and coordinated with total communication strategy including advertising and public relations. *Do the sales promotion techniques, used by Indian companies have nationwide applicability and does it need integration with other elements of the communication mix?*

The presence of mass media in print and electronics has contributed to a wide advertising network in Indian markets. With the phenomenal growth in television networks, consumerism has reached even the tiny remote villages and increased the marketing potential for both national and international marketers (Merchant, 1999).

### Advertising

Advertising is essentially an activity that promotes the sales of a product and helps build the company and brand reputation. It provides information about the company, product, and brand and helps identify the role of products for each consumer (Burnett & Moriarty, 1997; Berkman & Gilson, 1980). According to Frank Jefkins (1982), "Advertising aims to persuade people to buy." The product promotional objective of advertising makes it a biased activity in favor of the product that it promotes. It is often

**an indirect form of persuasion based on informational and emotional appeal to create favorable mental impression and turn the consumer's mind toward purchase (Rossiter & Percy, 1997).**

**" Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services, by an identified sponsor to a target audience, and delivered primarily through the mass media" (Burnett & Moriarty, 1997, p. 279)."**

**The broadcast effect of advertising gives it a valuable position in the marketing communications mix. With its ability to reach a large number of people scattered throughout a town, region, country, or world, advertising is actually a profitable investment for the companies to promote product awareness, build image, and achieve sales (Jefkins, 1982). As a channel of information, advertising is impersonal and can provide a variety of functions such as informing, entertaining, persuading, reminding, and reinforcing the image of a product. Even though it is difficult to say whether advertising actually converts or primarily reinforces existing attitudes, it actually adds value to a product by changing consumer attitude toward it (Coulson & Colin, 1983).**

**To have a planned advertising campaign, marketers should understand the levels upon which the advertisements are operating, the degree and reasons for their success. Advertising has a wide reaching effect through the mass media. The study of local competition within the markets is essential for implementation of an integrated strategy (Magrath, 1992). It helps prospective consumers identify with marketers and help companies screen consumers for more personal marketing (Berkman & Gilson, 1980; Burnett & Moriarty, 1997).**

According to Burnett and Moriarty (1997), though advertising is directly related to sales, not all advertising results in instantaneous response. Most advertising is indirect and creates demand for a product in the long run. Advertisements generally aim at stimulating the consumer interest and awareness. The functions of advertising can thus be categorized into: attention, memorability, persuasion, and action. Getting the attention of the consumers is the first objective. Once an advertisement is successful in grabbing attention, it should then aim to create awareness and make an impression on the recipient. Awareness encourages consumer involvement based on their buying interests. While advertisements related to high involvement products such as household gadgets or a car are designed to provide information about the product, those designed for low involvement products of daily use focus on simple, catchy slogans to achieve retaining value (Burnett & Moriarty, 1997).

Memorability of a product is classified as either recognition or recall. While recognition means remembering the image, recall means remembering the advertising message. Advertising is the sending of a message and its effect can be measured when it converts into a response. Advertisers use different involvement techniques to intensify the consumer preference of a product (Sengupta, 1976).

To be successful, a message must be received by the intended individual or audience. It must get the audience's attention. It must be understood. It must be believed. It must be remembered. And ultimately, in some fashion, it must be acted upon. Failure to accomplish any of these tasks means the entire message fails (Wilcox, Ault, & Agee, 1998).

Because the focus is on sending out a clear and effective message, the communication model used as a basis for advertising and its evolution is worth a



mention. Most hierarchical models of advertising presume that advertising is something done to consumer rather than something the consumer uses to make choices. The presumption is based on the use of Stimulus-Response model as the primary model to send out messages. According to D. McQuail, and S. Windahl (1991), the Stimulus-Response model is also known as the hypodermic needle model, the magic bullet model, and the transmission belt model. According to this model, content is injected into the veins of the audience, who then react in a predictable way. In other words, the communication process involves a message (Stimulus), a receiver (Organism), and an effect (Response).

The model led to an emphasis on the mass communication process as one of persuasion and exaggerated the power of the media. Theories of individual variability, studies of the nature of urban industrial society, and other intervening variables were introduced between the stimulus and the response. This model forms the basis of many different models, which become an extension of this basic model (McQuail, & Windahl, 1990).

Bill Huey, in the *Journal of Advertising Research* (1999), proposes a new Double-Helix model. The model posits that advertising is nonlinear, multidimensional, and achieves its effect over time, within limited parameters of medium and message. The model can also be applied to the other models of IMC still in developing stages. The double-helix model provides insights into how advertising effects are achieved and how they interact to form many permutations over time. According to Huey (1999), advertising is a continuous process rather than a series of steps progressing toward the

end game of purchase. Depending on a variety of factors such as attention of the receiver, availability, size, complexity, or the priority of purchase, advertising can make an impact in a single second or might take several years. Therefore, the key function of advertising is to achieve continuity that complements the continuity of the decision-making process for a particular type, brand, category, and prospect (Huey, 1999).

Due to the communication revolution aided with technological advancement, it is now possible to customize products, services, and advertising. Researchers have emphasized that segmenting the potential market demographically and psychographically is important to realize the full impact of the message on the potential consumers (Schultz, Tannenbaum, & Lauterborn, 1993; Lavidge, 1999; Reich, 1998). The focus of advertising research has thus shifted from mass markets to segments and niches.

Segmentation of the markets can best be described as "selecting groups of consumers who would probably be most receptive to a given market item and appealing directly to those groups" (Berkman & Gilson, 1980). In segmenting the markets, the mass markets are broken into smaller, more homogeneous sub-markets, based on relevant distinguishing characteristics. By segmenting the markets, a company can select the best target market, given its resources and competitive environment and can get the optimum response from its advertising campaigns (Michman, 1983).

According to Marlene L. Rossman (1994), the same product can provide different benefits for different people. The goal of the marketer is to match the products and services to customer needs. Therefore, by customer driven marketing, marketers learn what customers want. To maximize the profits and build brand loyalty, a marketer needs

to customize the product and all the marketing communication efforts to achieve the same objective (Rossman, 1994; Rossiter & Percy, 1997). Customization of product according to each market segment can lead to product differentiation.

Product differentiation can be used both as complementary and as an alternative to market segmentation (Michman, 1983). The strategy to distinguish a product from a group of similar products is product differentiation. However, product positioning is the final dimension of a segmentation strategy. Product positioning develops a certain image of the product among potential buyers in relation to other products (Michman, 1983; Rossiter & Percy, 1997).

Despite the wide use and massive reach of advertising some consumers find it intrusive. Advertising is also seen as cluttering the media channels and sometimes has an adverse effect on the markets. Audience may avoid advertising messages by simply switching to another channel or by turning a page. Media planners need to concentrate on how much advertising should be applied at each stage of the persuasion process for the product, category, and target audience under consideration. The effects of advertising are weak and strong depending on the dynamic and complex interaction among media, messages, and receivers (Huey, 1999). Although, the basic foundations of conceiving, developing and implementing advertising programs might be similar around the world, the social, economic, and business structures within which advertising is carried out differ from country to country (Sengupta, 1976). India is a different market place from the west, yet the volume and potential of marketing make it a very competitive one.

Advertising expenditures are much lower in the developing countries. Goods are produced to satisfy a limited group and are mostly need fulfilling. The producers and consumers are closer than in advanced economies and the quality is easily distinguishable (Erdener, 1982). Traditional economies are more production oriented and manufacturing often precedes marketing. As a result, advertising in India might not be as developed in concept and practices as in the United States. Though the global interaction has forced companies to try new means of advertising to meet the rising international competition, the social patterns, culture, literacy, impoverishment, mixed economy, language, urban-rural mix, and the developing infrastructure are some factors that need careful consideration while planning an advertising campaign in the country (Merchant, 1999).

This study will help identify the various techniques and mediums of advertising used by the Indian companies. *What are the areas where advertising alone might be insufficient as a marketing communication tactic and is advertising already integrated with other channels of communication or is there a need for integration?*

Advertising is a useful medium if it creates customer identification with the brands it advertises. However, the companies have to go further than advertising in order to achieve a continuous impact on their key publics. Organizations have to stress ongoing relationships with their customers and achieve this through relationship building.

Relationship building is a key area of public relations.

### Public Relations

Public relations is a major force in the organizational communication in the United States and other Western countries (Grunig, J.E., Grunig, L.A., Sriramesh, Huang,

**& Lyra, 1995). Public relations is used to build relationships and generate goodwill for the organization.**

**In an over-communicated society, consumers develop communication-avoidance routines. They don't notice print ads; they 'tune out' commercial messages. Message senders are finding it increasingly difficult to reach the minds and hearts of target customers. As mass advertising and even target advertising lose some of their cost-effectiveness, message senders are driven to other media. They discover, or rediscover, the power of news, events, community programs, atmospheres, and other powerful communication modalities. Sooner or later they discover marketing public relations (Harris, 1998. p. 14).**

**Some theorists point out that ideally public relations should be devoid of any persuasion because the main purpose of public relations is to promote mutual understanding through two-way dialogue between the organization and its various publics. Good communication with key publics helps build good relationships and promotes a mutual understanding between the company and its publics. Achieving understanding is the major objective of public relations (Grunig & Hunt, 1994; Wilcox, Ault, & Agee, 1998). While markets essentially consist of consumers who purchase or would purchase the products, publics can be all the groups that are directly or indirectly affected by the activities of an organization.**

**It is important for communicators to identify and classify each of publics. An analysis of publics makes it easier for organizations to tailor specific messages in line with its goals of communicating with each group (Norman & Allen, 1984; Freeman, 1998). It is very rare that an information campaign gives the same message to all its publics because each public has a different stake in the organization and is affected differently by its activities (Grunig & Hunt, 1994; Coulson & Colin, 1983).**

According to James E. Grunig and Todd Hunt (1994), a crucial distinction that segments a population into publics for an organization is the level of involvement that segment feels and acts accordingly, either supporting or restraining the company to achieve its mission. The key publics can broadly be categorized into external and internal publics. External publics such as media, consumers, and government organizations usually have a tremendous impact on the public opinion of an organization (Burnett and Moriarty, 1997; Wilcox, Ault, & Agee, 1998; Freeman, 1998). Internal publics such as employees, dealers, investors, suppliers, etc. advocate and promote a positive image of the organization. Communicators need to monitor and promote the communication flow with both external and internal publics (Burnett and Moriarty, 1997).

According to K. Shriramesh and Jon White (1992), public relations is primarily a communication activity and the way organizations practice communication greatly affects the way they handle public relations (Grunig J. E. & Grunig, L. A., 1992). Communication may be managed in many different ways depending on the perceptions, interactions, and cultures of organizations (Grunig & Hunt, 1994). Based on how the companies communicate with their publics Grunig and Hunt (1984) identify four basic models, of how companies historically have been practicing public relations.

#### Existing models of public relations

Through careful monitoring of an organization's reputation and image, public relations can help build on relationship management and present a good image of the company. As effective communication managers, public relations professionals use communication models to deal with the various publics of an organization. These models

are typically ways in which organizations practice public relations and essentially describe the values and patterns of behavior among the publics (Grunig J. E., & Grunig, L. A., 1992; Grunig & Hunt, 1994; Dozier, Grunig L.A. & Grunig J.E., 1995).

Broadly categorizing all communication activities into one-way and two-way communication flow, J. Grunig and Hunt (1984) first identified the four models of public relation practices. However, later research on public relations in an international setting (1995) indicates that all four models may not be purely applicable in an around most organizations in other cultures. While two-way communication process promoted professional public relations as seen in most western countries, traditional economies like India practiced asymmetrical models that form a continuum of craft public relations (Grunig, et al, 1995).

According to Grunig and Hunt (1984) although 'public relations like' activities were in practice throughout history in various forms, it was only in the mid-19th century that it was first practiced by press agents in the form of press agency or publicity model (Grunig J. E., & Grunig, L. A., 1992; Grunig & Hunt, 1994).

Publicity was first recognized in its press agency form where it was basically used to promote the image of public heroes or public performers. The press agency model or the publicity model, as it came to be known, strongly represents the one-way approach to public relations. The dissemination of information is from one side toward the public, generally by the use of the media coverage through any means including deception and trickery (Grunig J. E., & Grunig, L. A., 1992; Grunig & Hunt, 1994; Grunig, et al, 1995). In simpler terms, the publicity model is a monologue used by the

organizations and public figures trying to change the public. The model described the propagandistic public relations that sought media attention in any way possible (Grunig, et al, 1995). Therefore, it represents an imbalance in communication, being unidirectional and intended to influence (Grunig J. E., & Grunig, L. A., 1992). Based on further research, James Grunig conceptualized the publicity model as a one-way asymmetrical model.

Among the many tools used by public relations viz: corporate advertising, publicity, videos and films, special events and sponsorships, lobbying, fundraising, meeting and social activities, publicity is most easily recognized and identified by the key publics (Burnett & Moriarty, 1997; Norman & Allen, 1984). Publicity is usually the responsibility of a media relationship program. The articles published in the mass media enjoy a far better credibility than advertising because it lends the third party endorsement, that of the media, to the story. Publicity can sometimes deliver an impact that no advertising budget can achieve by being directed at the right channel viz. media that enjoys credibility among the audiences (Burnett & Moriarty, 1997; Harris 1998).

Publicity is also the tool used by public relations to build anticipation and maintain interest in the advertising (Harris, 1998). Although advertising helps shape the opinions of the people and develop their tastes for products, making advertising news is a good publicity campaign to promote anticipation among consumers. "The advertising takes on more value because it is being mentioned in a non advertised context" (p. 96). Therefore, the publicity managed by the public relations is capable of stretching the advertising campaign beyond the media expenditure.



Publicity adds a value to newsworthy advertising and is measurable by an increase in sales. As the focus in the marketing communications mix moves from pure advertising to promotion and then to integrated marketing, the use of public relations to gain higher visibility through publicity becomes evident. While creating a strategy of integrating marketing communications, the publicity model of public relations is the most important tool used to reach the key publics. But public relations, as its understanding evolved is not all publicity. In the early 1900s pure press agency or the publicity model evolved to a more favorable model of public information (Grunig & Hunt, 1994).

The earlier public information model involved the generation of messages about organizations that were distributed to the audiences or publics. The model relies more on telling information about the organization, rather than announcing information that was mostly used by the press agency model. The model favors a truthful but manipulated disclosure of information to the media (Grunig, et al, 1995). Any damaging news is not volunteered by the organizations and public relations practitioners act more as in-house journalists for the company (Grunig & Hunt, 1994; Grunig & Grunig, 1992; Dozier, Grunig, & Grunig, 1995). Information is given out through newsletters, brochures and direct mail. By having an imbalanced flow of information from organizations to target audiences through controlled media, the public information model is also an asymmetrical model one-way communication model (Grunig & Grunig, 1992; Dozier, Grunig, & Grunig, 1995).

With the development of a more professional approach to public relations, the practitioners started formulating their communication programs based on the market

feedback by employing research tactics. This was a more scientific approach that gave rise to two-way communication. However, due to the flow of messages still imbalanced as being from organizations to markets only, this was termed as a two-way asymmetrical model by Grunig and Hunt (1984). A two-way asymmetrical model is used by the communicators to persuade the publics to behave as the organization wants, but does not include persuading the management to change a particular policy or issue toward its publics (Dozier, Grunig, & Grunig, 1995).

The two-way asymmetrical model generally works towards “engineering consent” where the communicator or public relations practitioners gather the information from publics to devise effective media strategies and tailor messages. The feedback of information from the publics makes it a two-way flow; however the effect of the devised messages is intended only to be one-way - from organizations to the publics (Grunig & Hunt, 1994) making it an asymmetrical model based on the distinction classified by James Grunig (1992).

Management using the two-way asymmetrical model believes that any change needed to resolve conflict between organizations and the public should come from the public. To achieve this, practitioners use feedback from publics to persuade and even manipulate them into compliance (Dozier, Grunig, & Grunig, 1995). The research on the evolution of marketing and the relationship between the organization and its publics, suggests that a further development of two-way asymmetrical model into an interactive two-way symmetrical model makes the whole exercise of public relations much more effective, especially in conditions where an organization experiences greater conflict with

its publics (Grunig & Hunt, 1994). The two-way symmetrical model is used to negotiate between the organization and publics. This model requires that communicators understand the demands and responses of the publics and counsel the senior management in order to evolve a mutually beneficial communication program. The communicators thus negotiate solutions to conflicts between their organizations and key publics through the use of two-way symmetrical model (Dozier, Grunig, & Grunig, 1995).

Because the business in any economy primarily exists with the consent of the publics (Dozier, Grunig, & & Grunig, 1995), the two-way model combines sophisticated research with a symmetrical worldview. The feedback from the public is used to manage conflict and improve understanding with strategic publics (Grunig & Hunt, 1994). By allowing the negotiations between publics and organizations to decide what is right, the two-way symmetrical model is a more ethical model practiced by public relations. It is a highly interactive balanced model and promotes understanding and works toward mutually beneficial growth (Grunig & Grunig, 1992).

Based on these distinctions, contemporary literature on public relations indicates that the two-way models of public relations are professional, ethical, and most in line with the objective of public relations (Kruckeberg, 1996). James and Larrisa Grunig (1992) support this distinction by defining the press agency and public information models as a continuum of craft public relations with propaganda at one end and journalism on the other. Similarly, they defined the two-way models as a continuum of professional public relations with persuasion on one end and conflict management on the other. As professional public relations uses both two-way asymmetrical and symmetrical

based on the organization's objectives, this was also termed as the mixed motive public relations model (Grunig, et al, 1995).

However, the public relations practitioners have to choose effective communication models in line with the demands of the situation. Further research on universal applicability of these models, identified cultural factors that influence the practice of these models in their pure form. Based on an organization's cultural interactions to its immediate environment, practitioners in different countries practice public relations according to completely different models (Grunig, et al, 1995). The indigenous cultures of the underdeveloped countries have to be a major consideration for universal application of public relations models and ethics practiced in the developed world (Kruckeberg, 1996).

Culture and public relations-As the communication practices of an organization interact with its culture, culture in turn is the result of its interaction with the society. A relationship between public relations and culture can be established by drawing a link between culture and communication. As public relations is primarily a communication activity, a parallel can be drawn between public relations and culture (Kruckeberg, 1996). Based on this understanding, the way public relations is practiced in different societies varies greatly depending on the prevalent culture of the country (Sriramesh & White, 1992). Public relations has been widely regarded as a purely American invention and much theorizing on the subject has taken place in the United States. Looking at the different types of communication practices among different cultures, it is imperative to see if the same public relations theories are practiced elsewhere in the world or what kind

of problems managers face while implementing these theories in their cultures and organizations (Kruckeberg, 1996). To measure the universal applicability of the above discussed public relations models, it is essential that public relation practices be reviewed in socially different cultures (Grunig & Grunig, 1992; Kruckeberg, 1996).

A study of countries outside the United States shows that different patterns observed in public relations practices were more likely to be the variations of the four models categorized by Grunig and Hunt (1984). The managers in a traditional economy, like in India, may be prone to having asymmetrical worldview rather than a more scientific symmetrical one. Managers in these cultures maintain the status quo by being in a privileged position (Dozier, Grunig, & Grunig, 1995; Kruckeberg, 1996; Sriramesh & White, 1992). The practice of these models may also depend on presuppositions influenced by different cultures. Many businesses in India have been family controlled businesses. The owners might feel more justified in practicing asymmetrical communications due to greater power distances and elitist culture (Elephants, The Economist, 1996).

According to research conducted by K. Sriramesh (1992), practitioners in India responded favorably to the two-way models emphasizing a need for more research-based interaction between a corporation and its publics. However, the intensive analysis of responses indicated that Indian organizations actually practiced craft public relations (Grunig, et al, 1995). Observation of the activities and conversations with sample companies revealed that practitioners did not have the time, support from senior management, or the infrastructure to engage in research or practice strategic two-way

communication. Most of the practitioners defined public relations as publicity and saw public relations and advertising as complementary activities (Grunig, et al, 1995).

The practice of two-way communication models would still be underdeveloped in companies where public relations is understood as an extension of or complementary to advertising (Sriramesh & White, 1992). Although practitioners in India see two-way models as ideal, in practice, public relations has not evolved to include two-way communication. Even though the participative two-way models of public relations are considered to be more ethical and excellent models, authoritarian societal cultures that display higher level of interpersonal trust among workers and use personal influence, are also likely to practice excellent public relations despite being authoritarian (Kruckeberg, 1996). The various research studies on the subject have contributed to a general consensus that public relations campaign has to be adopted to meet local conditions and that the strategy requires local input specific to surrounding environment (Grunig, et al, 1995).

New models of public relations-The models used by different organizations in different cultural settings would justify different objectives locally. The research done by James E. Grunig and Larrisa A. Grunig (1995) identified two additional patterns of public relations practice: *Personal influence* and *Cultural translation*. The personal influence model generally is an asymmetrical model and can often lead to practices that would be considered unethical in most countries. However, the model was associated more with societies having rigid cultures and authoritarian political systems. The practitioners of this model concentrate on personal relationships developing friendships with key

individuals in media, government, and political and activists groups (Grunig, et al, 1995). Sriramesh (as cited in Grunig, et al., 1995) observed that 60% of the reason for publishing a news release can be traced back to personal influence as reported by an Indian practitioner, while only 40% is attributed to actual news value.

Due to restrictive trade practices in mixed economies like India, maintaining “contacts” (Grunig, et al, 1995) with key individuals ensures that a channel for asking favors is opened and built for times in need. The study by Grunig, et al. (1995), also revealed that in such traditional economies as India, organizations hired those public relations practitioners who were among the elite of society, maintained powerful contacts and possessed necessary social graces. Because public relations is considered to be a marketing and an image building function, the practice of the press agency model predominates. The purpose of hospitality relations concentrates more on building lasting friendships with journalists and individuals in key decision-making spots.

While the personal influence model is considered to border on unethical practices according to Grunig, et al. (1995), Dean Kruckeberg (1996) in his paper “A global perspective on public relations ethics” evaluates the authenticity of ethical “relativism” in context of its universal applicability. According to Kruckeberg (1996) the control of mass media in the third world countries is far different from that in economically developed and highly democratic western nations. Mass media in such countries are not numerous and communication is not sophisticated enough to make way for fair practices. To seek environmental domination, organizations practice persuasive asymmetrical public

relations. In spite of good intentions of practitioners it is difficult to practice public relations in a way that is described as ethical by the earlier models of public relations.

Due to the greater influence of cultural factors and social environments on the practice of public relations, corporations that operate in multi nations, custom the public relations programs to suit the local needs. This pattern observed by Grunig et al. (1995), was termed a Cultural interpreter model or Cultural translation model. Lyra (as cited in Grunig, et al. 1995) discovered that multinational companies run by foreigners that depended on native input about the country's culture and politics, practiced cultural translation model. The cultural interpreter model may be unique to the companies that operate in a number of countries (Grunig, et al, 1995). Even international public relations firms with offices in many different countries hire citizens of those countries to staff their firms. This can lead to practice of the cultural interpreter model by public relations even to achieve internal communications. However, little research has been done on the cultural translation model even though it is imperative given the global orientation of most organizations in the late nineties.

Although asymmetrical models such as the personal influence model seem to work better in authoritarian political systems and cultures, a symmetrical personal influence model can also exist in developed countries. Similarly, the universal applicability of the cultural interpreter model is best supported by its ability to determine how to asymmetrically describe an organization and its behavior. It can also play an essentially two-way symmetrical role by facilitating dialogue and understanding between an organization and its publics in different cultural settings (Grunig, et al., 1995).



**Both the personal influence and cultural interpreter models can have important implications in the way public relations is practiced in India. The societal structure, organizational structures, governmental policies, and technological advancement influence the way organizations interact with the publics and the changing economic scene would undoubtedly influence the changing face of public relations in a country like India. *What kind of public relation practices and models are used by organizations in India, and do they foresee a need for a more integrated approach such as IMC?***

**The above theories indicate a very specialized and focused objective of the marketing communication disciplines of direct marketing, sales promotion, advertising, and public relations. Organizations demand integration that becomes more crucial in tightened budgets for stretching brand messages across different consumer profiles (Duncan & Everett, 1993; McGoan, 1998; McArthur & Griffin, 1997; The mirage, Advertising age, 2001). The changes in mass markets and the advance in technology has resulted in a considerable change in consumer profiles (Burnett & Moriarty, 1997). Technology has contributed to easier two-way flow of communication that can be initiated by the consumer. The increase in database technology identifies a paradigm shift among consumers from passive audience to demanding customers (Schultz, Tannebaum, & Lauterborn, 1993; Hughes & MacArthur, 2001). The new consumer relates to companies and brands in his own time, making intrusive communication such as advertising less popular, which results in declining brand loyalty.**

### **Technological Impact**

The most important external factor to be considered is the technology's impact on the markets (Sohn, Wicks, Lacy, & Sylvie, 1993). The technological advancement in any nation has a direct impact on the media tools used by the marketing communicators. Technology can have several impacts: desirable, undesirable, direct, indirect, anticipated or unanticipated. Therefore, it is important to consider the impact of technological changes on the style and culture of management.

Even before the dawn of the web, the composition of advertising practices in the United States was fast changing (Steinbock, 2000). Internet technology ended the days for mass marketing. Mass marketing had emerged and evolved in the era of mass production, but technology has forced the marketers to look at more specified and targeted niches enforcing re-invention of the marketing communications process (Schultz, Tannebaum & Lauterborn, 1993; Steinbock, 2000). This calls for a coordinated, cohesive, and integrated program that would inform, involve, and persuade customers. The approach is more outside-in than inside-out marketing communication.

The growing use of Internet advertising is forcing advertisers to closely manage the promotion mix as a whole. Internet advertising presents direct marketing capabilities, as the Internet is a more integrative and interactive media tool. The use of the Internet crosses the traditional boundaries of direct mail, public relations, sales promotions, and media advertising (Low, 2000). Therefore, managers need advance planning for successful implementation of marketing strategy (Sohn, Wicks, Lacy, & Sylvie, 1993).

Technology usually is viewed as a tool, a means towards some end. In the area of media markets, managers view technology as a means to change the market, hopefully for the better. The Internet, with its ability to carry written, spoken, and pictorial messages, defies market definition. It is important to incorporate information technology into communication planning, development, and implementation to turn customer data into customer knowledge (McGoon, 1998; Sohn, Wicks, Lacy, & Sylvie, 1993).

With the increasing use of the Internet, companies have intensified their focus on developing web communities in terms of person-to-person interaction (Figallo, 1998). The web has provided an environment where more people can interact, have space, tools, and the opportunity to put their versions of community into practice. Small niche communities have infinite room to grow large enough for companies to be profitable and can be long-lasting. Markets find and adopt communities in which they feel best served. The focus of marketing in this Internet age thus makes it essential for IMC to be the only possible option for companies (Schultz, Tannebaum, & Lauterborn, 1993; Steinbock, 2000; Figallo, 1998).

The diverse media and technological practices around the world make it difficult to compare different media because of differences in costs, ratings, size, and influence (Burnett & Moriarty, 1997). This, in turn, makes it imperative for communicators to integrate the use of different media for different segments conveying the common message. When media technologies converge, as in the case of the Internet, companies enter markets with much greater ease and thus their products provide adequate substitutes

for each other. This encourages market blurring and media can create distinct markets only by differentiating their products (Sohn, Wicks, Lacy, & Sylvie, 1993; Reich, 1998).

Internet marketing has yet to pick up the pace in India because of the slow technological advancement. The majority of people buy things while visiting the markets and the concept of home shopping is still alien to them. Credit card purchases of luxury or gift items are minimal and credit cards are generally used as convenience cards. All these factors combine to make it a very different market place as compared to the United States. Personal contacts are still prevalent to achieve a comfortable association between the marketers and consumers (Merchant, 1999; Johnson, 1985). The focus on technological aspects in Indian companies provides an understanding of constraints, if any, experienced by a developing nation in order to achieve integration within its various departments. *Will technological advancement support the integration between communication channels if markets feel a need for IMC in India?*

The purpose of the literature review has been to examine the theories involving the external environment that affect the marketing communication practices of an organization. Communication practices keep evolving as a result of the changes in the external environment and the organization's interaction with the environment. Although recent liberalization policies have increased competition and enforced new marketing practices in India, the traditional concepts of marketing might be totally different from the concepts practiced in the United States. The local environment and local markets dictate the need for specialized or integrated approaches. As a result, the market in India might not need a concept like IMC at this stage of its development. The study aims to

outline the scope of IMC in India while examining the socio-cultural aspect and prevalent marketing practices by seeking answers to the following:

- 1. What is the cultural composition of the organization's markets and how does it respond to varied marketing needs for same products?*
- 2. How do companies identify their markets and particular niche for a common product used across different demographics?*
- 3. How do the social class distinctions in India affect the product positioning strategy pursued by the company in positioning a product as a luxury or necessary consumption items?*
- 4. Given the extremely fragmented customer base do the organizations feel integration is necessary to reach target markets?*
- 5. How important is the role of direct marketing in capturing market share, and how can it contribute to the development of IMC?*
- 6. Do the sales promotion techniques used by Indian companies have nationwide applicability and do they need integration with other elements of the communication mix?*
- 7. What are the areas where advertising alone might be insufficient as a marketing communication tactic and is advertising already integrated with other channels of communication or is there a need for integration?*
- 8. What kind of public relation practices and models are used by organizations in India, and do they foresee a need for a more integrated approach such as IMC?*
- 9. Will technological advancement support the integration between communication channels if markets feel a need for IMC in India?*

## CHAPTER III

### Methods

The research was based on a qualitative interviewing technique focusing on companies operating in India. The study explored the factors that might contribute toward a need for integrating the prevalent marketing practices in Indian companies. The research required answering whether marketing communications has reached a stage where a need for integration is strongly felt, in the context of the social cultural and marketing experiences of Indian companies.

In preparation for field research, the researcher identified three companies: Sony India Pvt. Limited, Pepsi Foods Limited India, and Aajtak Channel, a TV Today Network company, for the purpose of the study. The participatory consent letters from the companies are included in Appendix I. The sample of interview subjects was selected based on the vertical or horizontal organizational structure of the company. In all, there were 20 people interviewed, 8 from Sony India, 7 from Pepsi, and 5 from Aajtak Channel. Care was taken to take a sample of respondents from various levels of management. 8 interviews were conducted face-to-face and 3 by telephonic conversation, by the researcher during her recent visit to India. Due to time constraints regarding immediate accessibility of subjects during the visit, the researcher conducted the remaining interviews through email.

The field research was based on the primary data collection technique of qualitative interviews. This required the researcher to look into the various socio-cultural and economic factors faced by the management and how it had adapted to the changing

trends in a competitive and consumer-focused economy. The concept of focused and massive marketing is fairly new to the Indian companies that have traditionally experienced a mixed economy and trade restrictions back home. In a protected economy where companies had only faced restricted competition, managers do not realize the importance of targeted and more focused marketing (Malik, 1995). The reaction of a traditional management to the new concept of integrating all the channels of communication, lends an exploratory angle to whole research.

### Qualitative Methods

Qualitative methods are different from quantitative methods, as they do not depend on logic mathematics and statistical analysis to reach a conclusion. Quantitative methods reduce the finding to mathematical numbers and base their conclusions on statistical techniques. A qualitative method was more appropriate for this study as the information being sought could not be reduced to numbers for analysis. The study is concerned with various social and interactive factors and is inclined toward explaining what happened, where, and why (Rubin & Rubin, 1995).

Qualitative field research is well suited to the study of social processes over time (Babbie, 2001). In social settings interviewing can reveal things that might not be otherwise apparent to the researcher. In other words field research by interviewing offers the advantage of probing social life in its natural habitat. The direct observation during these field studies lets researchers observe subtle communications and events that might have been difficult to anticipate or otherwise measured.

### Interviewing

The study is based on primary data collection technique of qualitative interviews with upper-level, middle-level, and operational management. The theories used as the basis for such a study primarily rely on reviewing and discussing the existing theories and concepts in the context of social behavior and marketing communications. However, the research targeted to identify the practice of these theories and their applicability in context of Indian markets was by method of qualitative interviewing.

Qualitative interviewing is both an academic and practical tool (Rubin & Rubin, 1995). It allows the researcher to share the world of others to find out what is going on, why people do what they do, and how they understand their worlds. With such knowledge one can help solve a variety of problems. Qualitative interviewers explore social, political, and economic changes. Through qualitative interviews researchers evaluate all kinds of projects and programs, whether for social reform or managerial improvements (Rubin & Rubin, 1995; Lindlof, 1995).

Qualitative research includes ethnographic and naturalistic inquiry. While ethnographic refers to observation by conversation, naturalistic refers to observation by participation while conducting field research. The various approaches of action research, field study, and interpretive interactionism are all qualitative research tools. In qualitative interviewing the conversation becomes the main object of study and the interviewers focus on the underlying patterns of interactions that regulate everyday lives (Babbie, 2001). The open ended interviews on the marketing practices and organizations' interaction with the culture and society aim to provide an understanding of how the



developing countries perceive the concept in relation to their socio-economic environment. They also attempt to analyze whether the future of the concept is based on realistic assumptions outside the United States.

### Data Collection

The study based its findings on the interviews conducted with individuals in organizations that are practicing the various marketing tools: direct marketing, sales promotion, advertising, and public relations. The data collection technique, by way of interviews, was designed to find out if the organizations used various marketing tools to reach different target audiences and if they felt a need to integrate all the channels used by them. The questionnaire is contained in Appendix II.

The interviewer also wanted to find if the marketing personnel have an understanding of the concept of IMC and/or if they find it a potentially attractive alternative to existing practices. The prospective interest of subjects largely depended on their understanding of the concept and evaluating how it would fit in the present market scenario for the company. The interviews were based on open-ended questions to get a more detailed idea of the subject as understood by the organization. The interviews were conducted at the upper-level, middle-level, and operational level management. The researcher identified three companies: Sony India Pvt. Limited, Pepsi Foods Limited India, and Aajtak Channel, for the purpose of the study. The sample of interview subjects was selected based on the vertical or horizontal organizational structure of the company. In all, there were 20 people interviewed, 8 from Sony India, 7 from Pepsi, and 5 from

**Aajtak Channel. Care was taken to take a sample of respondents from various levels of management.**

**The researcher conducted 8 face-to-face and 3 telephone interviews during her visit to India. The remaining interviews were recorded via email questionnaires. The responses were recorded and later transcribed to identify dominant patterns toward the idea and concept of IMC.**

#### **Data Analysis: Triangulation**

**Triangulating the findings lends credibility, precision, and validity to the study. The design of the study guides the researcher in what and whom to ask. It organizes the research in ways to provide one reason to believe what one has heard. Selecting the subjects for study is crucial in qualitative design (Rubin & Rubin, 1995). The study involved selection of sample for qualitative interviewing. The sample was selected across various departments of the company and at three levels of management. The selection also took into account the position of the employees based on their years of experience with the company. The new entrants helped provide the insight into the perception of the company in the external environment.**

- ◆ The responses of individuals from different hierarchical levels within the company formed the first basis of analysis**
- ◆ A comparison between different companies to arrive at a dominant pattern formed the second basis of analysis.**
- ◆ The third and final basis of analysis was the comparisons between the dominant patterns observed in the responses and the theories discussed in the literature review.**

The triangulation of the data collected helped in identifying the dominant patterns in the responses indicating the factors that contributed to creating a need for IMC and helped in formulating the concept of IMC as understood by the organization. This also provided a basis of future research in the field of IMC by identifying the experiences of Indian companies specific to their environment and the form of integration that might be possible as compared to the prevalent concept of IMC in the United States.

#### Limitations of the Method

The interviewing approach has certain limitations that have to be kept in mind while structuring the methodology. It is not just a data collecting technique but is frequently also a theory-generating technique. In such an approach it is very difficult to start with precisely defined hypotheses, and usually researchers attempt to make some sense out of the on-going process that cannot be anticipated. Knowing what other theorists have concluded might bias the observation and theories of the researcher. However, in the qualitative interviews, the researcher enters the arena with some understanding and expectation of the field (Babbie, 2001).

The way qualitative interviewers hear the responses is shaped by their philosophy about social data and social interaction (Rubin & Rubin, 1995). The researcher could unconsciously steer the respondent's responses in a certain direction thus allowing a bias to enter in the observations. To address this problem, the open-ended questions were, aimed at giving full independence to the respondents to respond as they choose.

Because the concept of IMC is a fairly new one it is bound to have a variety of interpretations among the managements' perceptions. Some of the Indian companies

**work in a very close-knit manner. This might have resulted in a restrictive flow of information. Depending on the size and structure of the company, individual departments of marketing mix: public relations, sales promotion, and advertising might have already been integrated informally. This might not give a clear understanding of the difference in the specifically demarcated functional areas and integrated areas.**

## CHAPTER IV

### Findings

The first stage of analysis is the findings regarding the Companies external environment and resultant marketing practice within each company. For this purpose the researcher will attempt to present the discussion and interview excerpts in a sequence of Company A, Company B, and Company C. The three companies studied were Pepsi (India) Limited, Aajtak, and Sony (India) Limited.

There has been a reasonable effort to present the direct quotes from the interviews wherever possible. The emerging dominant patterns relevant to each concept studied have been summarized and evaluated for the second stage of analysis and comparison between all three companies.

The name of each interviewee has been substituted to maintain confidentiality.

#### Pepsi India Limited

##### Socio-cultural Patterns

Culture and subculture. To understand the cultural interaction of the company with its markets, the researcher asked the respondents about socio and cultural market composition.

According to the director of marketing communications of Pepsi India: “Cultural diversity is the most important challenge to marketing in India.”

Three interviewees voiced the same concern by elaborating that the diversity of Indian consumers was not only in respect to the language and generation differences but

penetrated to consumption habits, tastes, beliefs, and affordability that changed dramatically from one region to another.

According to Employee F: “The consumption preferences, say for beverages, are deep-rooted and have developed through generations. It is extremely challenging to introduce a new, completely different product and expect it to replace the existing one.”

Further questioning in the same line revealed that some of these habits are also the result of geographical availability of natural products like coconut water. Coconut water is the number one preference of consumers in the state of Kerela in Southern-most India, which has a rich plantation of coconut trees. The people there prefer beverages that have coconut flavor added to them.

Employee C, a sales promotion executive, expressed:

Tea in North India and Coffee in South India are predominant beverage preferences among masses. It is customary to offer some beverages to guests in almost every part of India and most often people prefer to offer fresh home-made tea or coffee garnished with extra flavors rather than a bottled drink purchased from the market.

The attitude is also a reflection of the tradition of giving special treatment to the guest. It is considered respectful and more hospitable to offer something that has been specially cooked for the guest. Culturally, the average Indian family does not consider it appropriate to rely on food that is ready, packed, and available in the market. Most households are skeptical of anything that is packed or canned using chemical preservatives and dismiss it as unhealthy food.

Voicing this resistance among Indian consumers toward packed snacks and foods, Employee G suggested: “To assure the consumers about the quality of products is very

essential to break their traditional food habits and make them feel comfortable enough to buy readymade products.”

Demographic composition. According to two interviewees in the marketing department, “The consumer base is huge but the company concentrates more on reaching to the young generation. The demographic composition of the market mostly reflects the young, urban educated population. It is difficult to break into the old habits of the older generation.”

Although the awareness of Pepsi products is far reaching in both rural and urban India, the conversion to sales is limited. The company keeps these restraints in mind while forming any marketing strategy.

The company has also tried to distinguish its demographic composition with relevance to each product individually. Different flavors among drinks are popular among different segments of consumers. The company found that people in the age segment of 30 to 45 years mostly liked lemon flavor. Apple taste was more popular among young and trendy consumers while orange was universally popular. Among the rural and urban population, lemon flavored drinks were least acceptable to rural and semi-rural communities.

As Employee B noted pragmatically: “Lime drink is a commonly made household drink. It is difficult to convince people to pay a lot more for something they can as easily prepare at home and that also suits their specific tastes.”

The company's latest introduction, Aquafina drinking water, has received the same lukewarm response. The concept of buying water for drinking is not very popular or practical to consumers in rural and semi-rural areas.

However as two interviewees mentioned, it is practical for the urban working community and college-goers to carry a bottle of water with them. Pepsi is a reliable brand and promises quality and unadulterated drinking water. This would give Aquafina an edge over other local competitors. The average consumer in urban communities as well, buys drinking water only as a last choice. The concept is yet to be accepted by the masses.

Social class. The general attitude of the population toward Cola drinks has been that of a luxury product. Traditionally Indian households depend largely on homemade beverages for consumption, and paying 10 Rupees per bottle for a cold drink is viewed as indulgence among common masses. Economic constraints also limit the consumption of soft drinks for a common man. The issue of affordability comes to the forefront for both the company and the consumer.

As observed by the public relations president: " Even the government outlook restrains the scope of the market. The government perceives soft drinks as a luxury item. The sales tax levied on each bottle of soft drink is 37% more as compared to the sales tax levied on the consumer durable products such as air conditioners."

This in turn reflects in the higher price of soft drinks and limits the affordability among consumers. Given the background, the company targets upper middle and the



**middle class and its market composition is comprised mostly of the middle urban class and middle rural class.**

**Giving his perspective on the social class composition of Pepsi's markets, Employee D stated: "The rural rich class prefers Coke to Pepsi. This class identifies with Coke because of Coke's earlier presence in the country that goes almost two decades back." Across the age demographics however, Pepsi targets to influence the young generation of the upper rich, upper middle, and the middle class.**

**Reference groups. As stated by the director of marketing communications, " The influence of reference groups is most visible among the young and trendy crowd. The new generation identifies with the 'happening' concept." The company keeps this in mind while targeting the young generation. By using various marketing techniques the company has been successful in promoting the formation of reference groups among its young consumers. These groups identify with the "Cool, refreshing, and exciting attitude" portrayed by the company commercials and do help in promoting sales among kids and college goers. However, among the more economically conscious class the reference groups do not make any significant difference that reflects itself in sales.**

**Summarizing the company's social and cultural composition:**

- ◆ Pepsi markets products that face huge consumer diversity in respect to tastes, habits, affordability, and perception. The company enjoys a huge consumer base but still has a wide spectrum of unrealized, unexploited and uncultivated market potential.**

- ◆ The company is fairly new in the country and faces the challenge of being perceived as selling products that are not absolutely essential for Indian consumers. Therefore the company has to strategize toward creating acceptability for its products in daily usage.
- ◆ The market of Pepsi India is significantly regionalized and universal acceptability of any single product, across all regions, is extremely difficult. The company has to operate in a local manner as dictated by the consumer preferences in the area while still supporting the huge distribution network in a more global manner.
- ◆ Pepsi is still at a stage where it has to develop its market in India. The company faces the task of changing perceptions among consumers regarding soft drinks.

### Marketing and Communication Patterns

The right application of all communication tools is essential for a company to formulate an effective communications strategy. The communication strategy pursued is influenced by the demands of the markets and the viability of the communication tools used. As the director marketing communications of Pepsi India stated: “Marketing today has become more complex due to the extremely fragmented media. It is a time for convergence between different marketing mediums used.”

Direct marketing. Explaining the communication mix used by Pepsi, Employee E said:

Direct marketing cannot be achieved in rural India. The logistics are different for different companies. For Pepsi, the consumer base is huge, but as the product has a one-time usage and the consumer investment is not very significant, the cost of direct marketing in rural areas is not justifiable by the company. Instead Pepsi uses the same budget to increase the advertising network and reaches the consumers through electronic media.

Two interviewees in sales said the company has started using Short Messaging System (SMS), the latest communication medium, to announce events, promotions and sponsorships directly to the individual consumers through the cell phones. Through SMS technology, the company flashes messages on the cell phone screens for individual subscribers at a nominal cost. This is the latest form of direct marketing used by the company. According to Employee H:

Reach of the electronic media is immense. Mobile phone is now available to wealthy farmers. Therefore, even if there is no phone line provided by the government in certain villages, mobile cell phones have reached there. Most consumer-oriented companies in India tap this medium in the recent past, to reach their consumers directly.

The database of consumer information is the most important basis for direct marketing. The absence of a structured consumer database in India is the major drawback for companies aiming for direct marketing technique. Pepsi India has now started generating a database of consumers for direct marketing by enclosing mail-in rebate coupons, inviting entries for certain contests by consumers, or distributing small gifts by getting the mailing addresses of the end users. The company hopes to use this database for direct mailing and for promotional support.

Sales promotion. Pepsi practices sales promotion at different levels of the distribution channel. Explaining the complexity of the distribution network in India, three interviewees echoed the thoughts presented by Employee A, “ India has an ‘alternative distribution mechanism’ that is very specific to the country.”

The retail chain in the country is very fragmented and localized in respective regions. There are several small retailers, those are in turn catered to by the region’s

wholesalers. These wholesalers are the medium between the company and the retailers. The retail distribution network works on very low margins. The company supports the retail network by taking a cut in the profits but keeping a regular supply of goods to the wholesalers who in turn supply the goods to individual retailers. The transportation to villages is expensive and done by road, while prices are less as compared to urban areas, thereby cutting the profit margins for the company.

Point of purchase sales promotions is done by providing the retailers with exclusive refrigerators for bottle displays and giving retailer incentives for a certain level of achieved sales. As Employee G pointed out, “ The second most practical constraint in the distribution network is bottling plants.”

The distribution network is extremely different than any other country because of the use of re-usable bottles by the entire industry. In most regions of the country the beverage companies have to rely on the local bottlers to sustain the distribution network of the entire region. Only few parts of the country have the franchise system among bottlers that allows the companies to use the bottling plants exclusively for their own products.

The company uses some other sales promotion techniques like sponsoring a snack day at university colleges. The students are distributed a free snack with every purchase of Pepsi Cola. Many such events are regularly sponsored keeping in line with targeting the market of younger generation consumers.

Advertising. Almost every interviewee shared the objective of the company to reflect an image of “ refreshing, trendy, and exciting.” As the director of marketing

communications clarified, “ Although the company advertisements and promos do not spell that the target market is the young generation, every effort is targeted at creating the image of Pepsi as the drink for the young generation.” The company uses advertisements that portray the young icons and create a vibrant, enthusiastic, and happening event.

As Employee D said, “ The idea is to project the image that anyone who drinks Pepsi belongs to the new generation.” The company indirectly wants to achieve a breakthrough in the traditional beverage habits of consumers.

The most recent of the Pepsi advertisements shows a notable movie star of yesteryear signifying the aged generation, and a young kid signifying the new generation unwilling to share their Pepsi Cola with each other. The advertisement is a worthy example as it reflects the company objective of addressing both generations equally and makes a statement to that effect. The commercial has received applause from young and old alike.

Four employees related the unique way in which the company had made a breakthrough in the language barrier faced by the rural, urban, literate, and illiterate population. Pepsi India had come out with a unique way of mixing English, the language commonly spoken by the educated class only, with Hindi, the national language spoken by majority of the population. The catch phrases introduced by the company used a healthy mix of both languages and were a rave among the trendy new generation.

The company has, therefore, significantly influenced the attitudes and perceptions of the masses culturally and made a comfortable place for itself as one of their own. Emphasizing this point two interviewees from marketing and sales, expressed:

The catch phrase of the theme advertisement is translated into the regional languages mixed with English to adopt a more local approach. The local stars of the area are used to endorse the products. The company is therefore localized in implementation of its marketing strategy, but has a more global approach in formulating its market objectives.

Currently the company targets marketing toward the consumers or end users and sales toward customers or wholesale distributors. Commenting on the market share and consumption patterns the company identifies, the public relation president said:

The visibility of the brand is much more than the actual conversion into sales. The market research done by the company showed that 100% of people observed identified Pepsi brand by using aided awareness. While 90% of the observed candidates showed unaided awareness of Pepsi products.

The company perceives that the present investment into brand equity will pay off and reflect in the changed drinking habits of the present day young generation providing a potentially vast untapped market. The majority of marketing budget is, therefore investing in the future sales. The company objectives are that the middle-income group adopts Pepsi as its preferred drink and maintains brand loyalty. This brings public relations activities pursued by the company to the forefront.

Public relations. While marketing focuses on reaching out to consumers and customers, public relations efforts are directed toward corporate communication or corporate public relations and marketing communication or product public relations.

As the public relations president explained: "Corporate communications is directed toward internal publics and external publics. Internal publics comprises of shareholder, as Pepsi international is the single shareholder of Pepsi India, and employees. While external publics comprises of government organizations, community organizations, and potential consumers."

**Sending regular updates to the parent company ensures internal communication to shareholders. The parent company is briefed about every important detail, but there prevails a certain delegation of authority and decision-making. The Delhi office is the regional headquarters for the entire Asia region and the control point for decision-making.**

**Employee communications is more information oriented. The company ensures that there is an easy flow of information between departments and that everyone is updated regularly on any policy changes or upcoming events. The leaders are accessible to all levels of employees. According to Employee G: “ This is also possible because as a society Indians rely more on the informal channels of communication to make a point. It is much easier to reach a person on the personal level.”**

**Commenting on the nature of activity for external communications, three respondents named crisis management, community programs, interaction with government, and media relations as the most important and most frequently handled external communication functions. The main objective, behind these external communication functions, was to build an image of a responsible corporate citizen. Highlighting some of the recent community programs conducted by public relations department of the company, Employee F stated:**

**The company recently arranged a voluntary health campaign for free eye cataract operations in some rural areas, attracting a lot of positive media coverage for hosting that event. Similarly the company has been in the forefront for starting community services like funding for victims of Gujrat earthquake, sponsoring voluntary cleaning and hygiene program at public places and other such community activities.**

**As an extension of support to its suppliers the company engages in putting up training workshops for farmers in rural India, educating them on latest scientific techniques available to achieve higher quality and volume of agricultural produce.**

**Crisis management is another very important function of external communications. As the executive vice president of communications explained:**

**Crisis management is an extremely sensitive communication function and is handled only by the top decision makers. The company ensures that there is only one media spokesperson appointed and all efforts are made to take the media into confidence. Crisis management cannot be achieved without having a plan to use media effectively.**

**The company also ensures that there is constant interaction between the media and the corporation not only through periodic press releases but also by involving media into extensive coverage of its various community programs. Commenting on the company's efforts to change community perception the public relations president explained:**

**Pepsi has tried to influence changes in the government's perception for the soft drinks industry by its regular interaction with the political officers. The company takes adequate measures to remind the law-makers that it is a good, responsible corporate citizen and contributes phenomenal strength to the economic world.**

**Marketing communications, works in close association with the marketing and sales promotions and handles functions such as event management, new product launches, advertising campaigns, and press briefings.**

**Talking on the issue of integration within these departments in order to work closely, the president of public relations commented:**

**Pepsi's approach is that of a local-based company. Because of the extremely fragmented consumer base from one corner of the country to another, it is essential that the implementation of the company's marketing strategy be more**



**localized. However, the bigger picture is framed at the regional head office and decisions are centralized.**

**Elucidating a little more on this implementation, Employee C explained:**

**Any event organized in Delhi will not be advertised in Bombay. That prevents scattered and irrelevant information being given out. There is so much happening all the time that it would just be excessive information to the audiences. Instead controlling it all in a streamlined manner ensures that it reaches the target audiences.**

**The discussion brought forth the issues of responsibility and decision-making authority. Almost all respondents agreed that integration is basically controlled at the decision-making level within the company. Seven respondents echoed the same thoughts as expressed by Employee E:**

**Responsibility issues promote integration at a higher level. Below that, integration is merely the exchange of information among different departments. All the information, including feedbacks obtained from the markets, outside agencies used, and in-house departments, is used to frame a wider picture at the regional head office. Any strategic changes and company policies are decided there and subsequently communicated to the various levels of management.**

**In another example Employee G said: “ The decision to air scheme advertisements specific to festive season will be decided at the higher level, but the commercials made will be more regional in their approach using regional languages, selecting regional stars to endorse products, and selecting different festive occasions to air these commercials.”**

**Relating the marketing and public relations experience as influenced by the demands of the society in which a corporation works, the public relations president observed:**

**In India public relations is absolutely on a personal level. Sometimes contacts help in expanding business and sometimes business contacts progress due to**

**personal level interactions. This is also true to media relations. Personal contact is an absolute essential to cultivate a positive and sympathetic media relation. The community trend of the society demands that a more social relationship is maintained with key publics and business contacts.**

**Summarizing the integration of marketing communications at Pepsi:**

- ◆ **The two main objectives of pursuing an integrated marketing communications plan for Pepsi India are: Secure a position of responsible corporate citizen, belong as one among the Indian masses and gradually develop a strong loyalty among the consumers toward its brand and, change consumer perceptions often by breaking the old traditional habits and introducing the new trends. To achieve this the company projects itself as a community developer and a pioneer in changing trends by positively introducing a mixed culture that departs from old traditional hang ups.**
- ◆ **The various responses suggest that the socio-cultural diversity of the country from one region to the other influences the marketing strategy implemented in respective regions. Integration between different marketing activities has various dimensions and occurs at different, specific, and relevant levels.**
- ◆ **The respondents agreed that excessive information to consumers often leads to confused perceptions and it needs to be channeled into more coherent and relevant information that needs to build, adjust, and maintain the brand concepts. There is a need to control the amount of information consumers gather.**
- ◆ **The integration patterns emerging from the discussions indicated the importance of responsibility issues within an organization and suggested that integration is easier if it is controlled at one level of management. Although it was felt that**

**more transparent information sharing at various levels is essential to achieve integration.**

**The findings helped the researcher understand the different marketing tactics used by the company as a result of social diversity and how the company integrated various marketing experiences to formulate one company objective and convey one company mission.**

### **Technological Support**

**The company is a multinational company with accessibility to the latest technology available. According to the director of marketing communication:**

**Technological development in India has caught up very fast. Internet accessibility is enjoyed by almost every corporate. At Pepsi, Internet communication is the main form of communication between various departments. It has made communication so easy and speedy. The company uses the most advanced technology in implementation of its marketing strategy. The Short Messaging System (SMS) is the latest example that the company is now using to direct market through mobile phones.**

**The company uses emails for internal communications. As pointed out by almost all the respondents: “getting information has become very easy. It might be information concerning company policies, employee benefits, or functional day-to-day business decisions. It is because of technology that different regional offices can communicate with each other so often. The costs of communications have dropped phenomenally.”**

**Employee E articulated the opinions of many of his peers:**

**Communication technology has seen an advancement in the last decade in India. Even Indian villages have been linked with television and mobile phones. However, the technology hasn't yet caught up in other areas such as transportation. In India poor transportation is a major drawback while tending toward the distribution network for the company.**

Many respondents felt that if goods could be transported in a more protected and easier manner, the company could have a greater reach in rural areas. According to the executive vice president of communications:

Technology has also contributed to the fragmentation of electronic media to a great extent. This has facilitated the use of different media to reach consumers. Each media applied has a different use for marketing objectives of the company. It is a time for convergence between different marketing mediums used.

This brought the issue of integration of different media. Almost all respondents suggested that technology and media have contributed a lot to facilitate the marketing practices in today's competitive markets. But many seem to express that technology advancement is also the main reason that necessitates integration of all marketing communications. As the market grows in size, the number of marketing tools applied increases and integration becomes inevitable.

Summarizing the impact of technology on the company's strategy:

- ◆ Internal and external corporate communications of Pepsi both rely heavily on the latest technological gadgets. Information flow is much easier and much more transparent.
- ◆ The company uses the latest technology available to implement its marketing strategy and coordinates with all regional offices on a day-to-day basis.

#### Aajtak Channel

Aajtak is a News channel company in the media business. The company is newly formed and is now a year old but has a vast source of accumulated media experience from its parent company Living Media. Living Media has been in the media business for decades and publishes a variety of newspapers and magazines nationwide. The company

had started its foray into the electronic media by introducing Aajtak, a news program aired on Indian National Channel 'Doordarshan'. It later formed a fully owned subsidiary by the same name that now has developed that into an independent news channel. The company is no longer a subsidiary of Living Media and operates independently.

### Socio-cultural Patterns

Being a news channel the company did not have as many socio-cultural variations among its consumers as in the case of Pepsi India. However, with respect to its competitors and its popularity, the single most important factor that emerged as the biggest contributor to market distinction during discussions was the language factor. The company defined its market based on the Hindi speaking population in the country.

Culture and subculture. The company started among big international media channels such as Star and Zee as its competitors. However, Star news catered exclusively to the English speaking public and Zee was into different assortment of programs with news only as a small program aired twice a day. As the CEO Aajtak explained:

The scenario provided Aajtak with a ripe opportunity to appeal to the Hindi speaking public that was being neglected until then. The majority of population had no fast and reliable source of getting news in their own language. Aajtak tapped this potentially ripe market.

Interviewee C observed: " Hindi is the predominant language among people in North India extending almost up to the whole of Central India as well. The entire region has various dialects that differ from state to state but the language is very widely spoken and understood."

The CEO of Aajtak further strengthened the opinion: "The Hindi speaking population to an extent had been deprived of the highest quality media coverage. Aajtak

takes care to eliminate that depravity and does it successfully.” Starting a news channel that was entirely in Hindi along the same lines as other international channels with new and different presentation styles provided the company with an edge among its competitors for the Hindi speaking population.

Demographic composition. Commenting on the demographic composition of its audiences, three interviewees described it between age groups of 18 to 44. Employee D suggested: “ The specified age group is relevant only while considering the marketing strategy or presentation style to appeal to the general public. The actual viewers are roughly between 16 to 65 years of age. News has relevance to everybody.”

Among the rural and urban population, the channel distinctly reaches only the urban population. This is due to the limited reach of cable television only in and around the metros and towns. The rural areas are yet to be connected to the entire gamut of channels relayed via cable TV.

Being aired on national television had given much more exposure to the news program as national television had reached even in the remote and interior villages.

Reacting to this the CEO voiced the opinions of four other respondents:

Yes, there has been a decrease in the wider reach area wise but then the program was only aired for half an hour and now it is a full-fledged news channel. As the cable and satellite television reaches across the rural areas the viewing is expected to increase as a result of earlier awareness. Right now it would not be practical for the company to focus on adding audiences area wise. It makes much more sense to strengthen the quality and speed of the news relayed.

According to the market research survey used by the company the viewing had considerably increased among the female viewers. The ratio of male and female

audiences in approximation was two to one. The vice president of public relations pointed out:

The literacy rate among women is much less than in men. Even if they are literate, understanding and speaking English is not very common among the middle and lower class female population. The channel provides them the avenue where they can develop interest in world happenings in their own language and cultivate a better understanding of events. This would gradually help in more addition of female population among the viewers of the channel.

Social class and reference groups. Although the North Indian population is predominantly Hindi speaking, most of the people are bilingual in understanding. There are no significant social class differences in the company's consumers/viewers. All classes of people watch Aajtak as a news channel but it enjoys a stronghold on the middle class, bilingual population.

Referring to the results of the market research survey conducted by research agencies, TAM and INTAM, Employee F said,

The popularity of the channel is growing in the East Indian region where Hindi is not a predominant language of the masses. However, there is only a restricted viewing among the South Indians due to entirely different languages spoken in all the different south Indian states.

Talking about the almost non-existent demographic variations other than the predominant language barriers, Employee C observed: " News is fairly universal in its approach and therefore it has almost equal value to young generation and old generation. The difference in the presentation styles can however help in capturing the attention of different age groups differently."

Summarizing the socio-cultural interactions at Aajtak:

- ◆ The company's markets comprises of Hindi speaking middle class of North and Central India. The viewers are mostly urban population due to the limited reach of cable television in India.
- ◆ The demographic variation is mainly based on the income level classification directly resulting in the education and literacy level of the population.
- ◆ The news channel caters to the old and young alike. The difference in the generations is only relevant as far as capturing and retaining the viewer's interest is concerned.

### Marketing and Communication Patterns

“Targeted and effective marketing is the most important factor that has contributed to the progress of Aajtak from a much watched news program to a much watched news channel.” – vice president public relations.

It has not been an easy transition for the company to replicate a 30-minute program to 24-hour news broadcast. Four employees agreed:

Initial awareness about the program provided a ready platform for the company to display its newest image. However, efforts of marketing and promotions through radio, print, and electronic medium achieved the trust and loyalty of the viewers where now they prefer to watch Aajtak over any other news channel.

As pointed in the discussion about socio-cultural theory: “language does help but promotional efforts reflect more in the increasing popularity of the channel” – CEO, Aajtak.

Direct marketing. The key publics of the organization are basically: viewers and advertisers. As the vice president of public relations stated: “The viewers have a certain



perspective of what they watch and the frequencies of their watching makes advertisers advertise on the channel.”

The market universe for the channel is so wide that it is very difficult for the channel to have any kind of direct contact with the consumers/viewers. But the cable network in India is such that the whole area is divided into many regions and sub-regions that are in turn catered to by a network of cable operators. If a parallel is drawn between the cable network and any merchandising company, these cable operators are like wholesalers for a given regional transmission. Therefore, the cable operators are one such control point for the company to indirectly reach the consumers individually through the database available with the cable operators. Three employees confirmed:

Because the data base of direct viewers is basically collected from the cable operators who, in turn, are not very forthcoming, direct mailing is possible only on an on-and-off basis. The channel does have a development team that forms and maintains a direct contact with the cable operators. The feedback thus collected might not be qualitative enough but it does help for informational purposes.

Sales promotions. However, the promotional techniques used by the company contributed a lot to the marketing efforts. The organization has used some of the promotional techniques by supporting the cable operators by providing them with informational material and toolboxes for handy use. The distribution of any such promotional material has only been limited to the operators. The company does plan to hand out materials such as Tee's with the company logo, pens, etc., to the general public in events organized for promotional purposes in the near future.

**According to Employee B: “Just like the promotional displays at a store, the packaging of the program and the placement of slots can creatively contribute in sustaining the interest of the viewers for a longer duration of time.”**

**Further discussions with four other respondents clarified the point: The channel has a variety of news at any given time. The hard core news, entertainment, business, fashion, sports, and stock updates are all different kinds of news that are used to package a program in an interesting manner. The channel tries to cater to the wide range of audiences through these different products. At present the company holds more than 48% of the market share among all other news channels in the region. The reports are based on the surveys conducted by the market research companies used by the channel to get consumer feedback on its programs.**

**Advertising. The channel uses digital technology for its transmission and although the viewers are not told much about the technological advancement of the company, the advertised message highlights the speed and reliability of the relayed news. According to Employee D, an executive in the marketing department:**

**The company established itself as the most reliable and fastest reporting news channel. The channel’s advertising concept sports the catch line “Sabse Tej,” which translated into English means ‘the fastest’ or ‘very prompt.’ Within its first three months, the channel was one of the leaders as the most watched channel during prime time and in six months it became the number one most watched prime time channel.**

**Initial marketing at launching stage was done by emphasizing that the viewers will now not have to change their schedule in order to catch up with Aajtak because it was now available 24 hours. As a marketing effort the channel aired exclusive interviews with international celebrities, Cricket players and some scoops with the heads of terrorists**

organizations in Jammu and Kashmir. Advertisement for these exclusives was done abundantly to create awareness among the viewers. According to Employee F:

Advertisements are done through radio, print and electronic medium. But more emphasis is placed on advertisement done through the print medium and through outdoor billboards. The channel hires the services of outside agencies to place huge signboards, posters for buses, and bus stops. In some cities radio slots are reserved. For maximum mileage the channel relies on outdoor advertisements like billboards rather than on television advertising.

The CEO believes that “maximum advertising effect is achieved only if the message is sent from outside, from sources other than those owned by the channel.” The channel uses endorsements and only a limited advertising space for its own programs on its channel but relies more on outdoor advertising such as Kiosks, posters, hoardings and newspaper ads, and small clippings replayed on local cinema screens.

“Sabse Tej” is the catch line used by the channel and the entire advertising campaign is directed to convey this message to the viewers. As Employee D put it, “Although the content of the message might differ slightly from one region to another, the catch line is used as a theme message toward which all communication is channeled.” Exclusive programs or interviews are however promoted even on the home channel in between news items. These promotions are done in the slots used for commercials on Aajtak itself.

Public relations. Speaking on the role of public relations in the entire marketing mix, The CEO of Aajtak commented:

Advertising is targeted at a large mass of people with a certain specific message, while public relations is targeted at a special group of people to form a specific relationship. In the long run it is relationship building. Public relations plays an important role when you have to promote an opinion among a certain section of people.

**Maintaining a long lasting relationship retains the other key public of the channel, the advertisers. Public relations and sales work hand in hand to cultivate and maintain the commercial advertisers and program sponsors. The sales team approaches and follows up with existing advertisers, while public relations supports it indirectly by providing latest updates, maintaining media relations and providing periodic reports on the viewing frequency.**

**Public relations organizes certain events like presentations to select audiences and by highlighting the channel's achievement in media forum. As two interviewees pointed out: " The most important function of public relations in the company is maintaining media relations. PR helps form a bridge between channel and advertisers and advertisers and viewers." The public relations president further explained:**

**Different outside agencies are appointed for sub-sections of entire marketing function. The advertisement agencies that specialize in one particular medium are used. The static medium like print advertisements is used by one agency, while the moving medium like television, are used by another agency. All the different agencies convey the same message but in a slightly different manner.**

**The single most important message that the company wants to convey to its audiences is that the channel brings 'the fastest delivery of news.' Commenting on the importance of the public relations function within the organization, CEO Ajtak stated:**

**Public relations is mainly used as a consistent support to the activities completed by advertising. Public relations helps in adding recall value to the product or program. Another important responsibility of public relations within the company is that of maintaining media relations. It handles press releases and external communications.**

**Employee D explained the coordination between different marketing functions as:**

**The plan for any outdoor promotion or forthcoming program is discussed with public relations. The company officials facilitate communications with various outside agencies hired. Most of the communications is conducted through emails. Although a coordinated communication flows between various in-house and outside agencies, the basic decisions regarding all corporate communications are controlled at one level.**

**The discussion brought forth the question of responsibility issues in respect to integration between various channels of communications used for marketing purposes. Four respondents agreed that integration is easier if there is control at one level in the organization. Employee F voiced the opinion shared by these four interviewees: "If all communication is reported at one end and the decision-making authority is kept abreast of all the happenings, it is easier to coordinate the various channels of marketing."**

**The emerging pattern indicates that integration at middle and lower levels was limited only until informational purposes while the bigger picture was formed at a much higher level. There seemed to be a consensus that to avoid chaos, decision-making needed to be controlled at one level and responsibilities should be clearly pronounced and delegated to all the departments concerned.**

**Responding to the importance of technology in coordination of communication, three employees expressed that Internet technology has increased the speed and reliability of communication even within the organization. The channel uses digital technology for transmission and that is the most important reason contributing to the fastest delivery of news that the channel emphasizes. Technology has definitely promoted communication to a great extent.**

**Summarizing the marketing communications of the organization:**

- ◆ **Direct marketing is not aggressively pursued by the company because of the lack of a structured database, but the company plans to implement it in future. Sales promotion techniques are limited only up to the cable operators working as a link between the channel and viewers.**
- ◆ **The main emphasis of marketing is on advertising through the print and electronic media and through outdoor advertising on Kiosks, hoardings etc.**
- ◆ **Public relations is mainly practiced as a support and as an extension to advertising. The most important function of public relations is to promote and maintain good media relations.**
- ◆ **The channel uses outside advertising agencies to accomplish its marketing goals. Public relations is mainly handled in-house but occasionally delegated to outside agencies. Coordination between the department and these agencies is controlled by upper management. Public relations activities, considered as more sensitive, are decided only within the company.**

### **Technological Support**

**In discussing the impact of technology on the marketing practices of the company, the researcher asked about the gadgets used by the company. According to the CEO of Aajtak, “The Company has been able to build on an image of prompt news delivery because of the digital technology it uses. The company uses the latest technology while even the government owned National channel uses analog technology.” As highlighted by employee G in further discussions:**

**This is also one of the main reasons that the company cannot now air its news program on National television. Cable network is reaching the semi-urban areas**

and it will soon reach the rural areas also. Now many of the metro areas are linked with satellite television. This facilitation of communication has been because of technological advancement in the country.

Discussing the internal communications influenced by technology, three respondents agreed that access to the Internet provides immediate information, and because messages could be conveyed in less time within the company, information has become more transparent between various levels of management hierarchy. Interviewees expressed that the accessibility to newer technology facilitates marketing efforts and is also one of the important reason to control these efforts at one point through effective integration.

Summarizing technological impact on communications within and outside Aajtak:

- ◆ The company depends on the latest technology for running its business and delivering its product. Technology provides it with an edge over other local competitors and provides it with the capability to combat competition from many other foreign channels.
- ◆ Internal communications have become easier and decision-making is fast because of the Internet technology available to all employees at all levels. The productivity and efficiency has increased.
- ◆ Access to technology provides greater avenues to reach across markets and in that fragmentation of media integration becomes the key issue.

#### **Sony India Limited**

Sony India is a 100% subsidiary of Sony corporation and operates in manufacturing, marketing, and after sales services of a range of consumer electronic

products. The company is also into entertainment business through one of its sister concerns and owns a television channel by the name of Sony TV. This study focused on its operations in consumer electronics in India. The product range manufactured, marketed, and serviced varies from televisions, audios, handy-cams, and digital cameras to computer monitors, printers, and recording media products like professional recording tapes.

### Socio-cultural Patterns

The company is into manufacturing and marketing of quality products that are also in the high price category. The different product profiles demand that they be targeted to different markets. Therefore the markets are segmented product wise.

Culture and sub-culture. Explaining the diversity of its markets, the regional head of marcom said: “The consumers can be categorized on a number of parameters and these do not necessarily categorize them clearly. In India, it is important for marketers to regionalize the entire market and then differentiate them into different sub-categories.”

Further discussions with three other employees helped in clarifying the point. The opinion expressed by Employee C summarized the markets as:

Sony regionalizes the entire market into North, South, East, and West. The common factor that universally defines Sony’s market in India is the premium segment in consumers. The products manufactured and sold are mostly high priced products, and therefore it is important that the company targets the premium segment among consumers that can afford to purchase these products.

The researcher also focused on understanding whether there was an influence of culture, if any, on the sales of products. Responding to this Employee F added: “Because it is consumer electronics that we are talking about, the culture does not directly influence



the preferences. Most consumers purchase these products based on their perception of brand, quality, and after sales services provided by the company.” However, Employee G from sales department clarified:

Culture influences demand. Most Indian houses are joint families and collectivism is a tradition. If one household already owns one television set or one audio set that is sufficient for all the members living in that household. This restricts the demand of additional units and influences sales.

The company has had to localize itself to suit the needs of the local market. As a result it has had to change certain products. As Employee E explained:

Clear sound is a very important aspect for a purchaser in India. This requirement is very specific and keeping this in mind, Sony has introduced a new series of television stressing on clear picture and clear sound. Similarly the company has provided special dust protection mechanism in their audio range to counter dust conditions in India.

Discussions with four other interviewees highlighted the following general attitudes of Indian consumer:

Traditionally Indians are not very brand conscious consumers. They are indeed quite frugal in their spending habits. Most households buy consumer electronics thinking of it as a valuable investment that will justify its price. Keeping this in mind it is necessary to create an ambience of quality and exclusiveness in any marketing approach that the company plans to follow.

Demographic composition. Demographically, Sony targets people at different levels and locations for different products in audio and visual range, and even for different items in a single range. According to Employee B: “Depending on age and occupation, the audio categories have different product ranges that are targeted at different segments like newly wed young couples, working girls, college going student and trendy teenagers.”

Further interviews highlighted that the market is also demographically segmented between the urban and rural population. The areas are divided into urban cities such as Delhi Bombay and other metros, semi- urban cities like Hyderabad, Chandigarh, and Vijayawada, where the rural-rich, like Farmers in Punjab, have a progressive outlook and are ready to change their predominantly rural lifestyle.

The third important demographic distinction among Sony's markets is educated and uneducated class. Sony's digital equipment range is targeted to educated professionals like doctors, engineers and software professionals. The market of these products is somewhat limited to cities because of the literacy constraints.

Apart from this segmentation and sub-segmentation of population on the basis of location, education, and age in respect to specific Sony products, income levels are the most important factor to differentiate the markets for the entire range of Sony products.

Social class. Social class segmentation therefore plays an important part in defining target markets for the company. Two respondents from marketing and sales respectively described income categorization within the premium segment that Sony universally targets. According to Employee G:

One product such as a Sony Walkman itself has a whole range of different prices based on additional features to the same product. This way the company is creating a product for various income levels and social classes within one product category. Similarly, the company has recently introduced Sony home theatre. This product is exclusively targeted toward the Upper rich class. The spending habits of this class are completely different from people who buy a quality product but still buys it as an investment. The Upper rich class is brand conscious and buys these products more as a status symbol. The marketing effort to develop this market would be completely different than for any other product.

The company is channeling its marketing strategy toward building a concept of home theatres in Indian households. More than targeting the market for this product, the company is investing in developing the market for it.

Reference groups. Reference groups are not such a force for marketing of Sony products. The company has worked toward building an ambience of exclusivity around its products and any consumer who buys Sony's product expects a quality buy. However, as aptly put by head marcom:

Informal groups are the best references a company can provide its consumers. Somebody who has used a product and is a satisfied customer speaks volumes about the service given by the company. The after sales service provided by Sony cultivates these reference groups. Once the purchase has been made it can multiply significantly because of such reference groups. It is a process of cultivating and maintaining a long-term relationship with our customers.

Discussing the Internet marketing and Internet shopping, Employee I suggested:

Internet shopping will take some time to catch up with Indian consumers. The main reason for this is that Indian consumer is more risk averse and investment conscious. People do not want to buy products that they have not touched, felt, and inspected satisfactorily. This is especially true in case of electronic products. However, the trend might gradually change with more companies giving more incentives and offering good return policies.

Based on the above socio-economic listings for a range of different Sony products, it follows that the company has a developed marketing strategy of different dimensions to suit each product marketed by it. The socio-cultural and economic composition of Sony's market can thus be summarized as:

- ◆ The social environment faced by the company is more a representation of a developing nation that is gradually being exposed to technological development.

**It is not very culturally influenced as far as existing preferences are concerned.**

**People are open and receptive to the introduction of new products.**

- ◆ **The company's universal target market in India can be defined as the premium segment middle and higher income level people. However, the company defines sub-segments within this huge population and introduces a price range within the same product to cover all income groups belonging to the premium segment.**
- ◆ **Demographically, the markets are segmented according to age, education and location. While age and education are two factors that limit the markets more around cities, location segmentation divides it into urban, semi-urban, and rural rich. To reach consumers at different locations Sony has to rely on the distribution channel and retail network existing in India. The marketing strategy is framed keeping these factors in mind.**

**Further questions involved probing marketing concerns, limitations that the company faces, and the implementation of various marketing channels used by the company as a response to its interaction with the socio-cultural background.**

### **Marketing and Communication Patterns**

**Direct marketing. Sony uses a mix of various communication channels to reach its consumers. Direct marketing is used in a very limited manner mainly in the urban locations where some structured database for consumers is available. The database required for direct marketing is not very well developed and reliable. According to Employee A:**

**The only available database is the one available through telephone directories. Without knowing whom to target, mass mailing would not be an effective tool.**

Moreover, the consumers located in the semi-urban and rural areas are not listed in any single database. This presents the main restriction for using direct marketing.

But the upper income level among the premium segment identified by the company can be reached through email addresses. The list of members of premium clubs located in metros is one source of information about the high profile upper income class people.

Four other respondents explained that the company is targeting this segment for its premium brand televisions and home theatres. The company has started direct marketing through email contacts wherein it sends email updates to new and existing customers. The company has created an in-house channel for the purpose called ECRN. The channel also works as a media to create awareness among consumers about new products or additional features of the existing products. Employee E pointed out:

The company is also taking steps to create and maintain its own database by listing the customers who have bought Sony products. This is done by getting in more and more people to participate in the sweepstakes and contests promoted by the company for its existing customer base.

Sales promotion. Sales promotions and advertising are the channels strongly used by the company in its marketing efforts. Employee H explained the distribution network:

The retail network in India is very unstructured and is not very well defined. Therefore the company has two or three tiers of distribution channels. In urban areas, the company is directly dealing with the dealers. The sales department is in direct contact with these dealers and they are known as Sony's listed dealers. But in semi-urban and rural areas where the company does not have offices, it works through the distributors appointed by Sony. These distributors in turn maintain a network of dealers. The sales department is not in direct contact with these dealers, however it maintains continuous contact with the distributors of respective regions.

Two other employees explained that the dealers in urban cities might have sub-dealers too. But the company does not have contact with these sub-dealers and they are not the listed dealers. These sub-dealers however, can opt to become listed dealers with the company in due course. In that case the company sales team would directly cater to them. Employee E clarified:

The listed dealers with the company are not exclusive Sony dealers. They stock a variety of consumer electronic brands along with Sony products. It is logistically not possible for the company to maintain a chain of exclusive Sony dealers as the company is targeting the premium consumer segment for its products. But the company has taken steps through marketing techniques and sales promotions to create an ambience of being a premium brand within the existing retail network. This ensures that Sony products stand out even in the multi-brand outlets.

The sales team concentrates more on the retail network in cities like Delhi, Bombay and other metros. Discussions with other respondents brought about the two sales promotions techniques used most often by the sales team. As Employee D, explained:

The company offers dealer incentives and consumer incentives from time to time. The markets these days experience price wars and price is more of a market operating price. Sony has not joined in the price wars as a company policy. Instead the company has promoted its products by adding incentives to the products purchased. Recently the company offered small software clubbed with the purchase of its audio systems. The software is developed by its sister concern. The consumer electronics division thus used synergism within company divisions to promote both its products. Similarly the company promotes a scratch card scheme with a purchase of its color television during the festive season. The consumers are given incentives on different schemes with purchase of different items.

Talking about dealer incentives three respondents highlighted the after sales support extended to the dealers and arranging frequent and regular interactions for them with the sales team. The sales team also helped the dealers in putting up point-of-

**purchase (POP) displays oriented toward creating an ambience of quality purchase in-line with the company's marketing strategy. According to these respondents the POP displays added value to the dealers' shops. The company also held regular training workshops for the dealers to educate and update them on the new features added to Sony products and introduce new products.**

**Responding to the need of having exclusive Sony outlets, the regional head of marketing communications said:**

**Sony realizes the importance of retail network to promote sales in the country. Having a structured and developed retail network is probably the most essential requirement for reaching consumers. The company realizes that the dealers and distributors do not stock the entire range of Sony products. In fact they stock the products that are most in demand. Therefore, the new products are not introduced by displays. The company has therefore promoted a concept called 'Sony World' which is the company's own retail outlet exclusively stocking Sony products. These retail outlets are at present 19 in number and are spread across the whole country. The company promotes this as the one-stop-shop for entire range of Sony products and is concentrating more and more on developing many more of such outlets.**

**Advertising. The company believes in promoting the concept of premium brands among Indian consumers and the advertising efforts of the company are oriented toward this goal.**

**Four respondents stressed the importance of building a concept for future sales. As Employee F stated: "The consumers are made aware of the product and then the product is promoted to induce them to buy. But Sony offers products that are high value and it takes effort and time on the part of the consumer to invest in such products."**

**Advertising is done using almost all kinds of communication media: Print, electronic, and road shows. Employee C explained that the company relies most of all on**

the print media because it has a far-reaching effect, is widely spread out even in rural villages and is economical in cost. Regular newspaper advertisements are given in the newspapers and the sales department extensively gives out pamphlets and brochures.

Employee G expressed:

Sony realizes the effect of having a one-to-one interaction with the consumers and to achieve this the company has started a series of road shows on a regular basis. Most of these road shows are organized in metro cities and sometimes are repeated at a large-scale at least 100 shows in a year. The road shows provide an opportunity for the consumer to touch and feel the products and interact directly with the sales team of the company. It builds consumer confidence and promotes awareness among the public.

The places where Sony does not have a permanent office, the sales team travels extensively to organize such shows with the help of the local distributors. For its advertisement campaigns the company uses an outside advertising agency. The company prefers to use a single agency for its entire advertising strategy. As the regional head of marcom said: "It is convenient to plan a campaign with one agency and communication is easier. The agency determines the ratio of print and electronic media to be used nation wide, in consultation with the marketing chief. Implementation becomes easier if it is controlled at one point."

As pointed out by Employee C:

Although the company is not shifting its focus from the premium segment of consumers as its primary target market, it does plan to broaden the horizons of target market to include the middle income group. For this the company tries more cost effective techniques and its advertising campaign is oriented toward the realization of this objective.

The company has been introducing different priced products in the same range of audio and visual categories. Although the main objective of advertising is to increase



sales, the company equally focuses on promoting awareness about the product. From here, public relations supports advertising by providing an input as to the usage and scope of the product. The entire public relations effort is divided into product public relations and corporate public relations.

Public relations. According to the regional head of public relations: “Establishing a contact is a one time effort. Maintaining good relations has to be a consistent practice. It is this aspect of developing a relationship with the consumers and the key publics, that is the most important role of public relations in the company.”

Although public relations to an extent is taken care of by the same advertising agencies, the decisions regarding any public relations campaign are directly handled by the company itself. Employee F explained the functions of product public relations:

The company aggressively conducts press conferences sometimes exclusively for itself and sometimes with retailer network to promote any individual product category. Press releases are sent on a regular basis. The press releases are mainly for the entire category like the audio category, or, for example, the Mezzo range that in itself has around six different products. It is very rare that a press release promotes only a single product in the entire range.

Three other employees supported the functions of product public relations described by Employee F. Further discussions about public relations clarified that both product and corporate public relations focused mainly on developing and maintaining good media relations. Media relations were highlighted as the most important role of public relations.

Talking about corporate public relations, the department’s regional head explained:

**The objective of corporate public relations is to convey the direction, objective, investments, and future plans of the company to its consumers. Corporate public relations address issues of damage management caused by any media story, crisis management and providing any corporate news to the publics. Regular news insertion in the financial newspapers ensures that the people are kept updated on the happenings in the company.**

**Giving an example of damage management, the regional head explained:**

**Recently one of the financial newspapers came out with a headline saying ‘Sony slashes prices by Rupees 40,000.’ The public relations department considered it as having a negative connotation on the well being of the company. The headlines suggested that Sony has slashed prices either forced by the market demands or forced by the sharply declining sales. The public relations department used its media relations to reintroduce the news stating that ‘Sony has introduced new price range in the existing product category.’ The public relations department takes special care toward positive image building for the company.**

**Discussions with two other respondents suggested that corporate public relations focused on a different target audience. A different media relations strategy is pursued as compared to the one used for product support. The department focuses on providing the media with one-to one interviews held with top company professionals. This is done on a regular basis.**

**Marketing and public relations constantly support the sales team and therefore all these functions are interwoven with each other. This brings out the need for integration of all these channels of communications. As the head of public relations stated, “Integrated Communications is a concept well understood by Sony. But its practice might be specific keeping in mind the local markets and the culture of the organization.”**

**The researcher proceeded to clarify the specific practices with the respondent.**

**Employee H was supported by three other respondents in his views:**

**The company works more on cross-functional lines across departments and teams. The teams coordinate with their own outside agencies and collaborate within the**

**company with other departments. Internal communications is given a lot more impetus to achieve this kind of coordination. The outside agencies used or the distributors are briefed only after a consensus is reached with all marketing functions within the organization. Special care is taken to eliminate any chance of digressing from integration.**

**This brought the issue of responsibility and decision-making to the forefront.**

**Most of the respondents agreed that decision-making is centralized at different levels concerning different responsibilities. This makes coordination easier. Each level of management within a department has a certain amount of delegation of decisions, but the ultimate responsibility of decision-making lies at the higher level and therefore integration actually happens from the top down.**

**The discussions clarified that the diversity of markets and diversity of marketing responses from the same company demand integration. At some stage the need arises to create awareness very quickly. Depending on the specific company functions, one channel of communication might lead others in fulfilling the marketing objective but integration is absolutely essential to reach the markets as one voice from the company. Regular feedback from the consumers through different channels necessitate that the entire strategy keeps evolving and developing as a response to the consumer demand.**

**Summarizing the marketing communications implemented by Sony:**

- ◆ The company uses direct marketing in a very limited sense. Sony has started using email updates to select consumers for its high value, expensively priced products like home theatres in India.**
- ◆ Sales promotion is extensively used and the in-house sales team provides dealer incentives as well as customer incentives at different levels in the entire retail**

network. The company works through a network of direct listed dealers, regional distributors, and through Sony world, its own retail outlets.

- ◆ Advertising is implemented in coordination with an outside advertising agency. The company heads decide the broad framework for advertising and finer details are delegated to the agency. Although the company uses both the print and electronic media, print media is extensively used because of its wider reach and economical costs.
- ◆ The main responsibility of the public relations department is maintaining good media relations and supporting advertising. The department practices this through product public relations and corporate public relations. Although the approach toward media relations and customer reach is different in both, the objective of support remains the same.
- ◆ The company practices integration by coordinating with all outside agencies at department levels and collaborating on cross-functional lines with each department within the company. The decision-making responsibility is centralized at the top level. Integration at operational levels is for informational purposes and at the administrative level for decision purposes. Therefore integrated communications is practiced from top down level.

### **Technological Support**

While the company relies more on the print media to implement its advertising strategy, Sony India uses the latest in technology for its marketing campaign. The

**company has just started direct marketing through email updates and has set up an in-house channel to pursue the same. According to Employee F:**

**Internet has made communications easier both with external and internal publics. The marketing strategy depends heavily on communication media and new ways to reach the publics have been introduced. Coordination between all the marketing tools is required to prevent messages going out in different directions and sending confused signals. The whole marketing effort needs to be more streamlined because there are so many avenue available through which the company can reach its customers.**

**Sony India is using Internet communications exclusively to reach the potential buyers of home theatres and is targeting to cultivate a market for this new product in India. The company's internal communication is across departments and is facilitated by use of email messaging. Information on day-to-day functions is shared with relevant teams. Summarizing the technological exposure of the company:**

- ◆ Email messaging has made internal communication among employee much more transparent and easier.**
- ◆ Information flows with speed and therefore decisions are made in lesser time.**
- ◆ Technology promotes efficiency and productivity.**

In the second stage of analysis the researcher has tried to highlight the dominant patterns of each theory that emerged in all three companies. The summary points listed under the interviewee responses have been used as the basis of arriving at the dominant patterns. These listed points identify the social and cultural composition of markets in India, the marketing tactics most commonly used by the companies as a response and the technological developments that facilitate these strategies.

### Social and Cultural Theory

#### Culture and Subculture

##### Pepsi India Limited.

- ◆ Pepsi's markets represent **huge consumer diversity in respect to tastes, habits, affordability, and perception.**
- ◆ The company enjoys a huge consumer base but still **has a wide spectrum of unrealized, not exploited, and uncultivated market potential mainly in rural India.**
- ◆ Pepsi is **fairly new in the country** and is seen as a foreign company.

##### Aajtak Channel.

- ◆ Aajtak is a new **company that enjoys the solid equity built by its parent company** over decades in Indian media.
- ◆ The company has a **vast spectrum of unrealized market potential in rural India.**
- ◆ Aajtak is at a stage where it has to **develop its market in India.**

- ◆ The company **has to operate in a local manner** to be equally popular in different regions.

#### Sony India Limited.

- ◆ Sony's markets represent **huge consumer diversity** in respect to affordability, perceptions and technological exposure.

- ◆ The social environment faced by the company is more a **representation of a developing nation** gradually being exposed to technological development.

- ◆ The company is **fairly new in India** and is at a stage where it **has to develop its markets**.

#### Demographic Composition

##### Pepsi India Limited.

- ◆ Demographically the **market concentrates more in urban areas**.

- ◆ The market is defined by **young generation**.

- ◆ Beverage **preferences across regions are very specific** and have been deep rooted as traditional, for decades.

- ◆ The **universal acceptability** of any single product, across all regions, is **extremely difficult**.

- ◆ The **company operates in a local manner** as dictated by the consumer preferences in the area.

##### Aajtak Channel.

- ◆ The company's **market is regionalized and is comprised of Hindi speaking population** of North and Central India.

- ◆ The viewers are **mostly urban population** due to the limited reach of cable television in India.

#### Sony India Limited.

- ◆ The markets are **segmented according to age, education, and location.**
- ◆ Age and education are two factors that **limit the markets more around cities.**
- ◆ Location segmentation divides it into **urban, semi-urban, and rural wealthy.**

#### Social Class

##### Pepsi India Limited.

- ◆ Pepsi has **middle-income group and upper income group** as its main consumers.
- ◆ The general perception toward its products **limits consumer affordability** among the lower income group.
- ◆ The company **faces the task of changing consumer perceptions** regarding soft drinks.

##### Aajtak Channel.

- ◆ The demographic variation is mainly **based on the income level** classification.
- ◆ The income levels influence the **education and literacy level** of the population. Therefore, urban literate populations define the market.



Sony India limited.

- ◆ The company's markets are **prominently defined by the variations in income levels.**
- ◆ Sony's target market in India can be defined as the **premium segment middle and higher income level people.**
- ◆ While the main target is the premium segment, Sony **has to offer products that appeal to specific affordability range.**

Reference Groups

Pepsi India Limited.

- ◆ Pepsi is still at a stage where it **has to develop its market in India.**
- ◆ The company **uses young generation and college goers as its main reference group.**
- ◆ Pepsi **promotes the image** of refreshing, trendy, and exciting to cultivate its reference groups.

Aajtak Channel.

- ◆ The news channel caters to the **old and young alike.**
- ◆ The company has to **package its product differently** to appeal to different age groups.

Sony India limited.

- ◆ The company faces the **task of changing consumer perceptions** toward premium purchases.

- ◆ The company has no well defined reference groups but **depends on the quality conscious consumers** to act as group leaders.
- ◆ Sony has to **operate in a local manner** to reach its urban, semi-urban, and rural rich population.

### Marketing Communications

#### Direct Marketing

##### Pepsi India Limited.

- ◆ The huge and **scattered consumer base** makes it difficult for Pepsi to invest more in direct marketing efforts.
- ◆ The **absence of structured database** limits direct marketing efforts.
- ◆ Pepsi has started **generating its own database** by enclosing mail-in rebate coupons and contest entry forms
- ◆ The latest **technology in mobile phones** has contributed to **direct marketing** efforts being implemented.

##### Aaitak Channel.

- ◆ Because of the **lack of a structured database** the company does not aggressively pursue direct marketing.
- ◆ **Reaching the vast area** demands a lot of investment in direct marketing.
- ◆ The company plans to start direct marketing by **creating its own database** of cable users.

##### Sony India Limited.

- ◆ Sony's **direct marketing effort is limited to urban locations.**

- ◆ **The absence of a structured and reliable database is the major drawback for practicing a more aggressive direct marketing campaign.**
- ◆ **The company has started direct marketing through email updates for a limited section of premium category consumers.**
- ◆ **Direct marketing is used mainly for product awareness and limited to high priced products such as home theatres.**
- ◆ **Sony has created an in-house channel called ECNR to develop its own consumer directory and facilitate direct marketing.**

### Sales Promotions

#### Pepsi India Limited.

- ◆ **Sales promotions are directly linked to the distribution network in India.**
- ◆ **The retail chain in India is very fragmented and regionally localized.**
- ◆ **The bottlers and wholesalers are the main point of contact between company and retailers.**
- ◆ **Pepsi uses point of purchase promotions by supporting and offering incentives to retailers.**
- ◆ **Sales promotions are also targeted at consumers through sponsoring events and offering incentives.**
- ◆ **The company supports the huge distribution network in a more global manner.**

Aajtak Channel.

- ◆ The company has a network of **cable operators who are the main link** between viewers and the channel.
- ◆ The company plans to practice **sales promotion by holding events and** distributing gifts to the viewers directly.
- ◆ Aajtak offers **incentives to its cable operators** by providing support in the form of giving away toolkits to operators.

Sony India Limited.

- ◆ Sales promotions are **directly linked to the retail network** available.
- ◆ The retail network in India is **very fragmented and unstructured.**
- ◆ Sony pursues sales by **reaching consumers through a three-tier retail network.**
- ◆ In urban areas Sony maintains a **network of listed Sony dealers.**
- ◆ In semi-urban areas the company **reaches retailers through regional distributors.**
- ◆ Sony has started promoting the idea of exclusive Sony **retail outlets by creating a chain called 'Sony world.'**
- ◆ The company **offers dealer and customer incentives** at different levels.
- ◆ Sony also **provides after sales support and training workshops** to its dealers under sales promotions.
- ◆ Promotional support is also offered by **helping in point of purchase displays** in dealer shops.

## Advertising

### Pepsi India Limited.

- ◆ Pepsi uses **both print and electronic media** for advertising.
- ◆ The reach of **print media is more effectively realized**.
- ◆ Advertising efforts are directed toward **building one pronounced image**

for the company. In Pepsi's case it is to be associated with the young generation and new values.

- ◆ Pepsi's goal is to **break through the old traditional habits** among consumers.

- ◆ Advertisements **aim at breaking language barriers** nationwide.

- ◆ Pepsi has significantly **influenced attitudes and perceptions** and increased acceptability.

- ◆ Advertising **approach is more localized** in implementation.

### Aajtak Channel.

- ◆ The channel uses **both electronic and print medium** for advertising.

- ◆ **Main emphasis is on advertising through the print & through outdoor** advertising on Kiosks, hoardings etc.

- ◆ Advertising efforts are **directed to promote one particular image** for the company.

- ◆ The company **aims to break through language barriers** beyond its present reach in North India.

- ◆ Advertising **efforts are more localized** in implementation.

### Sony India Limited.

- ◆ Sony uses **all kinds of communication media like print, electronic, and road shows**, for its advertising campaigns.
- ◆ **Print media is excessively used** because of its far reach even in rural India and its economical costs.
- ◆ **Road shows are put up at a regular basis.** The company puts up at least 100 shows in a year spread nationwide.
- ◆ Advertising effort is more **directed toward building one consistent image** for the company.
- ◆ Sony uses **outside agencies** in coordination with in-house advertising department to implement the advertising campaign.
- ◆ Sony's **advertising efforts are localized in regions** categorized as urban, semi-urban, and rich rural belt.

### Public Relations

#### Pepsi India Limited.

- ◆ Pepsi's public relations efforts are **categorized into corporate public relations and product public relations.**
- ◆ Corporate public relations deals with **internal and external communications.**
- ◆ **Internal employee communication is information oriented.**
- ◆ **Leaders are accessible to employees at all levels.**

- ◆ External communications is **directed at image building and crisis management.**
- ◆ External communications are **considered sensitive and handled only by top decision makers.**
- ◆ Product public relations **support advertising and marketing efforts.**
- ◆ Product public relations is **centralized at the planning stage but more localized at the implementation stage.**

Aajtak Channel.

- ◆ Public relations mainly looks into **corporate and product public relations.**
- ◆ **Media relations define external communications** most prominently in corporate public relations.
- ◆ Given that Aajtak is a new, small company, **internal employee communications and information flows are easier.**
- ◆ Product public relations **mainly deals with advertisers.**
- ◆ Product public relations **supports advertising and sales efforts.**
- ◆ Corporate public relations are **centralized at the top level of management.**
- ◆ Product public relations is **centralized at the planning stage but localized at implementation stage.**

**Sony India Limited.**

- ◆ **Sony's public relations focuses on corporate and product public relations broadly.**
- ◆ **Media relations are the most important function of both divisions of public relations.**
- ◆ **Corporate and product public relations differ in their approach toward media relations.**
- ◆ **Corporate public relations are targeted at damage control, crisis management, media stories, and corporate news as external communications.**
- ◆ **Internal communications is given more impetus to achieve integrated effort.**
- ◆ **Department teams work on cross-functional lines across departments and teams.**
- ◆ **Product public relations mainly supports the advertising and sales promotional functions.**
- ◆ **Product PR promotes product awareness and image by regular press releases and event promotions.**

**Technological Impact**

**Pepsi India Limited.**

- ◆ **Internal and external communications at Pepsi are facilitated by the use of the latest technology available.**



- ◆ The company **uses the latest media to implement** its marketing strategy and keeps changing it to better communications and decisions.

- ◆ Technological advancement **has both facilitated and necessitated** the integration of marketing communication channels.

Aajtak Channel.

- ◆ New communication technology has **facilitated internal employee communications.**

- ◆ Being technologically savvy **provides the company an edge** over its local competitors and helps delivering a quality product.

- ◆ Technology **necessitates as well as facilitates integration.**

Sony India Limited.

- ◆ Email messaging has **made internal communication** among employee much **transparent and easier.**

- ◆ **Information flows with speed** and therefore decisions are taken in lesser time.

- ◆ Technology **promotes efficiency and productivity.**

Based on these patterns from the employee responses, the researcher arrived at the common dominant patterns noted in all three companies that in-turn formed a basis to further identify them with the theories discussed in the literature review.

## Common Set of Dominant Patterns of all Companies.

### Social and Cultural Theory

#### Culture and sub-culture.

- ◆ Companies face huge consumer diversity in respect to tastes, habits, affordability, and perception.
- ◆ There exists a vast spectrum of unrealized market potential for all three companies in rural India.
- ◆ While Pepsi and Sony are foreign multinationals fairly new in the country, Aajtak is a newly formed company.
- ◆ All three companies studied are in the process of developing their markets in India.

#### Demographic composition.

- ◆ The markets of all three companies are concentrated more in urban areas.
- ◆ Consumer preferences across regions are very specific.
- ◆ Markets are segmented according to age, education, and location.
- ◆ All three companies face language barriers in their own respective networks.

#### Social class.

- ◆ The market is concentrated more around middle-income group and upper income group.
- ◆ Economic constraints of consumers limit consumer affordability.

- ◆ The companies face the task of changing consumer perceptions and attitudes regarding spending habits.
- ◆ Economic constraints directly influence the education and literacy level.
- ◆ The markets are prominently defined by the variations in income levels.
- ◆ The companies have to offer products that appeal to specific affordability and sub-segments among their markets.

**Reference groups.**

- ◆ There are no specified reference groups.
- ◆ The companies concentrate on the young generation of people to break traditional habits and cultivate into reference groups.
- ◆ Companies package their products differently to promote appeal and create reference groups.
- ◆ As middle upper income groups consume the products offered more, the companies depend on the quality conscious consumers to act as reference groups.

**Integrated Marketing Communications**

**Direct marketing.**

- ◆ The scattered consumer base makes it difficult to invest more in direct marketing efforts.
- ◆ The absence of structured database limits direct marketing efforts.
- ◆ The companies have started generating their own database of existing consumers.

- ◆ **The new technology in mobile phones and Internet has contributed to direct marketing efforts being implemented more recently.**
- ◆ **Direct marketing is mainly used for product awareness.**
- ◆ **Direct marketing efforts are limited to urban locations only because of the constraints of available database.**

**Sales promotions.**

- ◆ **Sales promotion efforts are directly linked to the company's distribution network.**
- ◆ **The retail chain in India is very fragmented and regionally localized.**
- ◆ **The wholesalers and distributors for the company are the main point of contact between retailers and the corporation.**
- ◆ **The companies practice sales promotion by supporting and providing incentives to retailers.**
- ◆ **Sales promotion among consumers is achieved through sponsoring events and offering incentives.**
- ◆ **Companies provide after sales support and training workshops to retailers on a regular basis.**
- ◆ **The in-house sales teams help in point of purchase displays in dealer shops.**

### **Advertising.**

- ◆ **Companies use all kinds of communication media like print, electronic, and road shows.**
- ◆ **Print media is excessively used because of its far reach even in rural India and its economical costs.**
- ◆ **Advertising efforts are directed toward building one consistent image for the company.**
- ◆ **The companies use outside agencies in coordination with in-house advertising department.**
- ◆ **All advertising efforts are localized in regions to appeal to the local public.**

### **Public relations.**

- ◆ **Public relations efforts in all three companies are categorized into corporate public relations and product public relations.**
- ◆ **Corporate public relations deals with internal and external communications.**
- ◆ **Internal employee communication is more information oriented than decision oriented.**
- ◆ **External communications is directed at image building and crisis management.**
- ◆ **Media relations define external communications most prominently in corporate public relations.**

- ◆ External communications are considered sensitive and handled only by top decision makers.

- ◆ Product public relations supports advertising and marketing efforts.

- ◆ Product public relations are centralized at the planning stage but more localized at the implementation stage.

### Technological Impact

- ◆ Internal and external communications are facilitated by the use of latest technology available.

- ◆ Companies use the latest media to implement their marketing strategy.

- ◆ Technology necessitates as well as facilitates integration.

## CHAPTER V

### Summary and Conclusions

This qualitative research was designed to evaluate the concept of integrated marketing communications and its implementation in India. The responses from different employees selected from various marketing streams was used as the first basis of identifying the existing patterns of the socio-cultural environment and marketing responses practiced by companies in India.

The second basis of comparison was done listing the dominant patterns that came across in all three companies that provided a universal picture of marketing scenario in the country.

In the third and final stage of analysis the researcher compared the final set of dominant patterns emerging after the interview responses, with the theories discussed in the literature review. An attempt has been made to highlight the issues that came up in the responses but which departed from the issues and concerns listed in the literature review. This section forms the basis of any further research required in the area of integrated marketing communications.

In the third stage of analysis the researcher has attempted to answer the main research questions derived from the theories discussed in the review section. The six basic questions so arrived at are as follows:

*1. What is the cultural composition of the organization's markets and how does it respond to varied marketing needs for its products?*

*2. How do companies identify their target niche based on the demographic and social class differences? How do these distinctions affect the product positioning strategy pursued by the company?*

*3. Do the direct marketing and sales promotion techniques, used by Indian companies have nationwide applicability and does it need integration with other elements of the communication mix?*

*4. What media does advertising use and is advertising already integrated with other channels of communication or is there a need for integration?*

*5. What is the kind of public relation practiced by organizations and do they foresee a need for a more integrated approach such as IMC?*

*6. Will technological advancement support the integration between communication channels if markets feel a need for IMC in India?*

#### **Answers to Basic Research Questions**

**1. What is the cultural composition of the organization's markets and how does it respond to varied marketing needs for its products?**

Majority of responses from the interviewees suggested that consumer base in India is huge and fragmented. Language barrier is a universal truth that the companies have to face while planning a strategy. There is a wide gap between the living standards of people in urban and rural India. The economic constraints and lack of governmental facilities create a huge gap between literate and illiterate population. Responses from all three companies concluded that the main area of marketing activity for these companies concentrated around urban centers. However, the reach of their products could be traced even to the rural areas.

One basic aspect of the social impact of modern technology is the emergence of urban-industrial centers and the movement among rural people to these centers to



participate in the new economic sector. Introduction of the modern industrial revolution has even had an impact on the tribal areas that resulted in the move from the tribal way of life to an urban industrial culture, and entails vital social and cultural changes (Sheth, 1982).

The respondents agreed that excessive information to consumers often leads to confused perceptions and it needs to be channeled into more coherent and relevant information that needs to build, adjust, and maintain the brand concepts. There is a need to control the amount of information consumers gather.

India presents a very traditional and conservative society that has not yet experienced a change in attitudes and perceptions. The primary governmental agenda concerns development and nation building. The communications approach differs radically from that in the economically advanced countries. Communications tend to be more humanistic in approach and rely more on personal rapport with various key publics. The government mostly regulates media tools. Because of low literacy rates, low purchasing power, and less sophisticated telecommunications infrastructure, communication is more effective through interpersonal channels than through the mass media (Bardhan, 2001).

As Employee E in Pepsi suggested: “The company has to respond keeping this cultural set up in mind. The regional diversity forces organizations to be more regional in their approaches so that the local population identifies with them. For instance, advertising campaigns are implemented in this manner. Advertisements aired are made in local languages showing local celebrities.”

If the means of communication have not yet reached the rural areas, companies respond with the available means at their disposal. Employee B of Aajtak pointed out: “In semi-urban and some few rural areas the company advertises through billboards and paintings on Kiosks. The idea is to reach the consumers and be present at a spot where the ads receives maximum visibility.” The dominant pattern emerging from responses suggests that the respondents agreed that specific and diverse cultural composition of Indian markets demanded that the approach toward marketing be more local in implementation.

**2. How do companies identify their target niche based on the demographic and social class differences? How do these distinctions affect the product positioning strategy pursued by the company?**

The interview responses suggest that income level differentials are the most prominent factor that highlights the demographics of all companies universally. There exists a vast disparity in income levels of rural and urban India. The presence of companies prominently in the urban areas contributes a lot to this concentration of a company’s market. The research showed that lack of transportation infrastructure and unstructured network is the main reason for companies to concentrate more on the urban areas.

However, higher income levels are not found only in urban areas exclusively. India is traditionally an agro-based economy and the number of rural rich is quite significant. But the infrastructure constraints prevent companies from spreading across

villages. Therefore, economic constraints are not the sole factor contributing to the defined demographics of the companies markets.

This point of view is reiterated in the opinions voiced by Employee C of Sony

**India:**

The company realizes that rural rich have enough purchasing power to buy quality products that is why the company focuses on changing the perceptions and attitudes of Indian consumer in the long run. The rural population is not exposed to the high spending tendencies and brand values associated with them. This is the main reason that the advertising campaign of company is aimed at creating an ambience around Sony products. An ambience of exclusivity and quality.

The opinion also suggests that influenced by the present scenario the other demographic differences in Indian markets are literacy, age, and location of consumers.

Historically India has had a vast variation in the social class and demographic structure.

The social stratification accounts for the fact that, though India had reached a relatively high stage of economic development before the change in the trade route brought her in direct contact with the west, she was not in the condition to adopt the technical changes introduced in the west from the end of the eighteenth century onwards. The economic results of this complicated social stratification are naturally fundamental and extensive (Sheth, 1982. p. 52).

These demographics in the historical background of their evolution form a social class as the basis of economic interactions in any country. Underlying demographic differences and economic ideology influence the development of much more commercialized market systems. The companies identify these factors and plan their marketing strategy accordingly.

The product positioning strategy of these companies is based on the demographic and social class patterns in their markets. As pointed out by vice president of marketing communications of Pepsi India, "The perception of soft drinks in Indian markets is that of

a luxury consumption. At some places people are ignorant enough to believe that these soft drinks cause impotent males. The superstitions are a direct cause of illiteracy among rural population. But the company has to address all such issues and cannot ignore any kind of rumors. In such areas the product will be positioned at a more acceptable level for the market. In contrast to this, in urban areas where population is more literate and globally exposed, the company will position the product as 'happening' or something to be pleasantly associated with."

All marketing communications are either directed toward persuading the target audience to change an attitude or providing information and awareness about the company's activities (Burnett & Moriarty, 1997). Marketing communications therefore, generally aims to create brand awareness, deliver information, educate the market and target groups, and enhance the positive image of its brand or company.

**3. Do the direct marketing and sales promotion techniques, used by Indian companies have nationwide applicability and does it need integration with other elements of the communication mix?**

The responses indicated that direct marketing efforts of the companies under study were limited in and around cities. Most respondents acknowledged the importance of first contact, however, they expressed concern over direct marketing being used as an individual marketing tool. The premise of such an opinion was the budget constraints involved in reaching mass consumers in rural India.

Traditionally, field marketing or direct selling had been limited to selling, training, or conducting sampling work in retail outlets. Given that a well-developed customer database is the most important asset for direct marketing, the advancement in

computer technology has contributed greatly to the success of direct marketing (Curtis, 1999). However, in the case of India the only source of a structured database is the telephone directories of respective cities. Credit cards are not as widely used as in other industrialized nations and specific consumer information is not openly available.

Telemarketing, as a direct marketing tool is picking up in cities but is not very focused and not supported by telephone network. Moreover, as Employee G of Sony India pointed out, "Without knowing the economic standing of the subscriber, the effectiveness of telemarketing calls cannot be estimated. There might be huge investment involved in reaching individual consumers and the result might not be that effective. Therefore the company uses direct marketing only in a limited sense."

From the marketer's point of view, direct mailing is an efficient tool for getting-past the secretary or "gatekeeper." Once the contact is made, it is necessary to maintain a relationship in order to get continuous business from the existing clients (Geller, 1998). The increasing competition is forcing Indian companies to use directory services and mailing lists to maintain a relationship with existing consumers.

The respondents in Pepsi India also voiced the budgetary concerns:

It is very difficult to reach individual consumers especially because the product sold is not such a huge investment to the user. It is seen more as a non-essential item not necessarily that it is expensive to the consumer. Therefore, in a sense direct marketing to individual customers becomes redundant. Pepsi uses the same budget more effectively toward mass media and relationship building.

The responses indicated that direct marketing techniques pursued by these companies did not have a universal applicability nationwide. Beyond urban areas direct marketing was not practiced much because of the lack of a structured database and heavy

**costs involved in reaching the wide expanse of individual consumers. It was expressly felt that direct marketing could only be effective if other communication tools like sales promotions, advertisements, event organizations, et cetera followed it at regular intervals. Therefore a coordination and integration of these tools with direct marketing was absolutely essential.**

**Many respondents felt that importance of interpersonal relationships in Indian community can be the main reason for the success of direct marketing in near future if it is supported by available technology and a more structured and formal database.**

**The personal touch in direct marketing provides an edge over other marketing tactics, because the recipients feel important if the marketers address them by their first names and have some idea about their needs, tastes, and preferences (Curtis, 1999).**

**The use of sales promotion strongly reflects the basic systems of education, political and religious norms, social values, and traditions in the less developed economy such as India. Sales promotion has received the attention of marketers only in the last decade of post-liberalization era in India. At present it is very much linked to the retail network prevalent in the country.**

**As the responses indicate the retail network in India is very unlike any other country. As Employee B in Pepsi India outlined:**

**Mostly villages and towns have a large number of private shop owners who stock the products according to the existing demand. The investments in these shops barely break even and the companies have to make sure that there is enough supply of their products with these retailers. However, these retailers are directly in touch with wholesalers of that region and business is conducted more in an informal interpersonal level. The companies therefore aim to build a network of these wholesalers and sales promotions are limited in a large way till this point of contact.**

Trade exhibitions are another form of promotions that require knowledge for the product or service displayed, and should ideally be supported by sufficient brochures and manuals to meet an expected demand. Trade exhibitions also help to promote the image of the company or of a particular brand that is exhibited (Coulson & Colin, 1983).

Trade exhibitions are essentially limited to urban areas in metros and cities and also to certain capital-intensive industries. For instance, a company like Sony India may participate in some trade exhibitions to promote its product but a company like Pepsi will not find it very effective as a marketing tool. As pointed out by two Pepsi employees, the company would perhaps sponsor a particular day of the exhibition or offer incentives in these trade shows.

The point of purchase display is often used to attract customer attention. A point of purchase display is helpful in influencing impulse buying and increase consumption (Coulson & Colin, 1983). Responses from the interviews showed that companies helped their retailers and dealers in putting up point of purchase displays. To achieve this in-house sales teams visited the dealers as well as held training workshops for them to update them on the latest trends.

Both Pepsi and Sony were already into offering dealer and consumer incentives while Aajtak is planning to start sales promotions by organizing events and sponsorship programs. Sony extensively uses sales promotion and the in-house sales team provides dealer incentives as well as customer incentives at different levels in the entire retail network. The company works through a network of direct listed dealers, regional distributors, and through Sony world, its own retail outlets. The promotional strategies

should be integrated centrally over time, being consistent with positioning of the brand and buyer's decision process.

The research concluded that the respondents thought sales promotions was a widely used marketing technique but had to be very specific because of the fragmented retail network in the country. There was a consensus that both direct marketing and sales promotions had to be practiced in a local manner and with much emphasis on personal contacts.

**4. What media does advertising use and is advertising already integrated with other channels of communication or is there a need for integration?**

The different elements of IMC are like different musical instruments. Therefore, to convey an identical message it is important that they play in harmony and complement each other in form (Fletcher, 1998). The company needs to plan the right mix of communication channels. Planning needs to be systematic from the process of gathering information, analyzing it, and creatively applying it for the purpose of achieving the organizational objectives (Wilcox, Ault, & Agee, 1998; Burnett & Moriarty, 1997).

This change has led to the use of diversified communication tools integrated to send a common message across. A sophisticated marketing program uses direct marketing, sales promotion, advertising, and public relations to build and retain the brand loyalty. Advertising is the most essential tool for reaching a mass audience.

Interview responses show that advertising in Indian companies is implemented in coordination with an outside advertising agency. Multinational companies hire mostly established advertising agencies and have in-house departments that coordinate with these outside agencies on a contract basis (Bardhan, 2001). The company leaders decide



**the broad framework for advertising and finer details are delegated to the agency.**

**Although the companies use different print and electronic media, print media is extensively used because of its wider reach and economical costs. Advertisers have been quick to identify the language press as a viable medium to get their messages across. The presence of the local language press is gradually giving rise to local-level public sphere in an otherwise geographically vast and culturally diverse country (Bardhan, 2001).**

**The companies practice integration by coordinating with all outside agencies at department levels and collaborating on cross-functional lines with each department within the company. The decision-making responsibility is centralized at the top level. Integration at operational levels is for informational purposes and at the administrative level for decision purposes.**

**The advertising efforts of all three companies studied were aimed at image building in the long run. Pepsi's advertising campaign was aimed at being perceived as a peppy, exciting, and happening company with products to match its image. At Aajtak, the objective of the advertising campaign was to promote an image of promptness and reliability of news delivered. Sony's marketing tactics are oriented toward creating an ambience of quality products specifically purchased by quality conscious modern people. All the marketing strategy of the company is oriented toward building the targeted image.**

**Secondly, the mass media approach also was aimed at changing perceptions about their respective brands and products among consumers. Responses from all three companies exhibited that marketing personnel strive to develop the markets and use advertisements as investments in the future. The advertisements are categorized into**

theme ads and scheme ads for this purpose. Theme advertisements promote the image the company wants to build among the consumers, while scheme advertisements are more seasonal and event-based. The companies translate theme ads into many regional languages while new advertisements are prepared to support specific schemes at specific times.

Advertising efforts of the companies studied are closely coordinated with the other marketing tactics like sales promotions and public relations. While advertising is more localized in regional implementation sales promotions techniques are used to support mass media through retail network. Public relations, to a great extent, also is used as a support to advertising in Indian companies. However the function of public relations is most definitely defined by relationship building.

**5. What is the kind of public relations practiced by organizations and do they foresee a need for a more integrated approach such as IMC?**

The two main objectives of pursuing an integrated marketing communications plan for companies researched in India are: First, to secure a position of a responsible corporate citizen, belonging as one among the Indian masses, and gradually develop a strong loyalty among the consumers toward its brand; Second, to change consumer perceptions often by breaking the old traditional habits and introducing the new trends.

The main responsibility of the public relations department is maintaining good media relations and supporting advertising. The departments practice this through product public relations and corporate public relations. Although the approach toward media relations and customer reach is different in both, the objective of support remains

**the same. Public relations is mainly handled in-house but occasionally delegated to outside agencies. Coordination between the department and these agencies is controlled by upper management level. Public relations activities, considered as more sensitive, are decided only within the company.**

**An organization can communicate with a variety of internal and external groups at the same time. Identifying each public is essential to send specific messages related to that public. The communicators need to develop special programs to maintain a positive relationship with these external publics. To have a good media relations program is one of the core responsibilities of public relations (Duncan and Everett, 1993).**

**A detailed understanding of the publics is involved in negotiating and conflict resolution. This is widely derived from the strategic research used by the communicators in collecting the information about its publics. Communicators also use research to measure the impact of the communication program on its key publics (Dozier, Grunig, & Grunig, 1995). Public relations in India have been understood on a more interpersonal level. But the recent shift in communication infrastructure is changing the relationship between public opinion and mass media.**

**Although human communications remain crucial at a micro level, in India, at a macro level the importance of mass media communication is increasing (Bardhan, 2001). The responses exhibited that public relations was first and foremost understood as an extension of and support to advertising. The notion of image building is central to this conception. Therefore, media relations are seen as a primary responsibility of the public relations department. As defined by the responses from all three companies, media**

relations were universal for public relations practitioners for both corporate and product public relations activities. As pointed out by the vice president of marketing communications of Pepsi India: “Cultivating interpersonal relationships with journalists and strategically planning press conferences is the most important function of the public relations department.”

In Sony, the respondents pointed out that face-to-face interviews were regularly planned with journalists and top company executives to promote press stories in corporate public relations. Sometimes personal relationships and ‘contacts’ are the only consideration in appointing public relations practitioners (Sriramesh, 1996).

The in-house departments in each of these companies directly control corporate public relations, mainly dealing with the damage management, crisis management, and media relations. The areas are considered extremely sensitive and therefore decision-making is centralized. The discussion brings about the issues of responsibility and control in decision-making process and integration. The responsibility issue will be later discussed in the chapter.

**6. Will technological advancement support the integration between communication channels if markets feel a need for IMC in India?**

It has been observed that the effectiveness of traditional media has considerably decreased while the costs have been increasing. Other trends such as media fragmentation have contributed to a loss of message credibility (Duncan and Everett, 1993). However, marketing integration is advocated as the best way to communicate directly with individual consumers. It is new technology such as the Internet that has made IMC an inevitable future choice for marketers.

The responses showed that the internal communications are facilitated by use of email messaging. Information on day-to-day functions is shared with relevant teams.

Discussing the internal communications influenced by technology, many respondents agreed that the access to Internet provides immediate information and as messages are conveyed in less time within the company, information has become more transparent between various levels of management hierarchy. Interviewees expressed that the accessibility to newer technology facilitates marketing efforts and is also one of the important reasons to control these efforts at one point through effective integration.

At Pepsi, Internet communication is the main form of communication between various departments. It has made communication so easy and speedy. The company uses most advanced technology in implementation of its marketing strategy. The Short Messaging System (SMS) is the latest example that the company is now using to direct market through mobile phones.

However, the respondents expressed concern that the technology has not yet caught up in other areas such as transportation. In India poor transportation is a major drawback while tending toward the distribution network for the company. This brought forth the issue of integration of different media. Almost all respondents suggested that technology and media have contributed a lot to facilitate the marketing practices in today's competitive markets, but many seem to express that technology advancement is also the main reason that necessitates integration of all marketing communications.

### **Integration of Communication Channels**

Although a lot of positives are observed as far as the idea of integration goes, it is fairly difficult to get the functional areas strategically focused and organized to work together (Duncan & Everett, 1993; Cornelissen & Lock, 2000; Gould, 2000).

Integration between different marketing activities has various dimensions and occurs at different, specific, and relevant levels. The respondents agreed that excessive information to consumers often leads to confused perceptions and it needs to be channeled into more coherent and relevant information that needs to build, adjust, and maintain the brand concepts. There is a need to control the amount of information consumers gather.

The companies practice integration by coordinating with all outside agencies at department levels and collaborating on cross-functional lines with each department within the company. The decision-making responsibility is centralized at the top level. Integration at operational levels is for informational purposes and at the administrative level for decision purposes. Therefore integrated communications is practiced from top down level.

The integration patterns emerging from the discussions indicated the importance of responsibility issues within an organization and suggested that integration is easier if it is controlled at one level of management. Although it was felt that more transparent information sharing at various levels is essential to achieve integration.

The second part of the conclusions chapter highlights the responsibility issues that came to the forefront. The researcher repeatedly thought while talking to the respondents,

that decision-making and planning were centralized within the companies at a higher level of corporate hierarchy. Corporate public relations was one such area where all interviewees suggested that decision-making was centralized. Even though all three companies worked in coordination with outside advertising agencies, the strategic planning was done within the company actively involving marketing professionals. The outside agencies were briefed about the company objectives and were delegated the task for implementation.

The concept started as a one-stop solution with advertising companies, but integrated marketing communications can evolve only by integrating communications even at functional levels in the hierarchy.

#### Effects of the Study on Theory and Practices

Most of the research in integrated marketing communications originated and continues to concentrate on the requirements of the economically advanced and industrialized nations. Consequently, much research is focused on the marketing practices in such economies. This research provided a fresh outlook on the evolution of integrated communications by relating it to external environment and evaluating socio-cultural variables in a less developed Indian economy. In the existing socio-cultural factors, the study adds the technological progress in the country and evaluate its contribution to the process of integration.

The research contributed to theory building by bringing forth the socio-cultural and economic differentiation between nations and suggesting a local approach in the

implementation of integrated communications. The study provided in-sight in the marketing approach and social requirements with the local perspective.

The concept of integrated marketing communications evolved as a response to the need of the times, where the variety of available communication channels could contribute in sending confused messages to the consumers (Spotts & Lambert, 1998). The study was therefore built on the theory of importance of external environment and development of communication tools for that environment. The study has contributed to the field of mass communications by providing an intercultural perspective to the practice of marketing communications. The findings and conclusion bring out the factors specific to India and suggest that not all communication cultures are equivalent (Bardhan, 2001) and therefore require a more specific approach in understanding and formulating a marketing strategy.

While most of the research in the field suggests that integration is essential at all levels of communication, this research brought about the importance of organizational structure and decision-making hierarchy for effective integration. The companies studied were professionally managed companies with exposure to the latest technological gadgets and global marketing practices. However, it was repeatedly thought that integrating information accessibility was welcome at all levels of communications while decision-making had to be centralized to prevent chaotic messages. The perspective interestingly brought forth the traditional hierarchal practices regarding important and sensitive decisions-making within organizations. The research thus contributed to the practice of integrated marketing communications by suggesting local implementation in tune with



local social and marketing patterns while framing a more global perspective of reaching out to distant markets. The study suggests that delegation of authority and decision-making might not necessarily lead to a more transparent and efficient marketing plan. In practice, integration does not only mean that all communication channels move together, but “how” they move together. The better the synchronization the more effective the integrated communication.

#### Limitations of the Study

The research was based on the qualitative interviewing method. Being specific to India, it was imperative that the respondents be selected from the companies based and operational in India. Approaching such companies proved to be a challenge while communication with key people was limited mainly by emails and occasionally by telephone. Despite initial disappointments, the researcher was able to secure verbal consents on the phone after constant follow-ups.

Qualitative interviewing is best when interviews are conducted face-to-face. The researcher can note the context of responses and expressions of the respondents that lends credibility to the data collected (Babbie, 2001). Although the researcher planned to visit India for primary data collection, distance and time proved to be the two biggest constraints. While the study initially proposed face-to-face interviews with all respondents, meeting everyone in the limited time during researcher’s India visit proved difficult. The researcher therefore concentrated on getting as many face-to-face interviews as possible while being in India. The interviews were tape-recorded as proposed and the remaining interviews were conducted through email and telephone.

The researcher had initially planned to select the respondents equally from various marketing streams within the company and across all management levels. However, the availability of respondents proved to be a big limitation. Most of the upper-level and middle-level sales personnel were traveling and had to be rescheduled. However, the researcher took advantage of the on-going festival season, when most people like being in their hometown, to contact various marketing professionals. The follow-up with the remaining email interviews had to be constant but knowing the key personnel and having met them in person proved helpful in data collection.

The final limitation was encountered at the data synthesis. Although the tape-recorded interviews helped to achieve clarity in understanding, by listening to responses again and again, follow-ups for clarifications were not possible. The researcher took special care to ensure that the quality of research was maintained. This was done by comparing responses from the same company, in similar contexts, to understand concerns. However, despite the above mentioned problems the quality of the research and credibility of responses did not suffer. The multiple sources of evidence in data collected, helped the researcher to arrive at the dominant patterns regarding the general marketing concepts applicable to specific company experiences. The triangulation of the responses at different levels helped achieve credibility in data interpretation.

#### **Suggestions for Future Research**

The marketing practice in a country is directly related to the existing organizational patterns of the companies. Future research in integrated marketing communication practices should specifically focus on: The traditional vertical hierarchy

of decision-making, the responsibilities assigned at different management levels, and the overall organizational structures in any given economy. In most developing countries like India the organizational patterns tend to be a traditional vertical hierarchy.

From the client perspective, the biggest concern has been the responsibility being assigned to an outside agency such as an advertising agency or of handling the integration process from within the organization. As advertising agencies have responsibility for more than one communication function, they had a distinct advantage over the other communication agencies in taking up leadership in IMC. The study however indicated that clients (companies) do not place very high priority on the "full service" agencies but would like to assign multiple communication functions to more market oriented agencies (Harris, 1998; Fawcett, 1993; McArthur & Griffin, 1997).

Assigning multiple communications to a single agency or position seems to be an indication of integration. However, the lack of multiple responsibilities of assignments to a single person does not necessarily mean that the organization lacks single focus and that it is not integrated (Duncan & Everett, 1993; McArthur, & Griffin, 1997). Sometimes the organizational structures and their size make it difficult for various cost centers to defer the responsibility to one single entity (Duncan & Everett, 1993; Gronstedt & Thorson, 1996). Given the responses regarding the centralized decision-making, it is imperative in the study of integrated marketing communications that responsibility issues be researched. The researcher has tried to present a brief outlook on organizational patterns in India preparing a brief background to further research on the issue.

## **Organizational Structures & IMC**

In his article "Correlates of Integrated Marketing Communications," George S. Low (2000) identified the factors that are significantly related to the degree of integration within a company. The results of the study showed that small, consumer focused, service-oriented companies are more likely to integrate their marketing communications internally and managers of such companies exhibit more experience contributing also to the market share growth (Low, 2000). This may also be the case because smaller companies are more likely to use simple, less diverse marketing communications programs, which are easier to coordinate and integrate. The study discusses a correlation between organizational structure and its size to IMC.

The hierarchal structure of the organization can influence the potential social conflicts within the IMC team. This raises the responsibility issues within departments (Gronstedt & Thorson, 1996). Earlier IMC studies suggested that the traditional fields of advertising, public relations, and marketing will remain as individual entities. However, the overlapping professional concerns would force managers to work across the traditional dotted lines of an organizational chart (Spotts & Lambert, 1998).

Many researchers argue that integration suffers even in large professional agencies because of the internal cost structures (Hughes & MacArthur, 2001). The instinct to favor some marketing departments over others has long been a traditional practice due to emphasis on departments being individual profit centers. Separate profit objectives actually work against a truly integrated solution in marketing communications (The mirage, Advertising Age, 2001). Hughes and MacArthur (2001) suggested that

**better training the marketing professionals and sourcing people who come out of a different backgrounds than traditional advertising agencies, could achieve integration. The behavior of the managers is largely determined by the structure of the organization, its interaction with external environment, and the manager's role in that organization (Grunig & Grunig, 1992).**

**The organizational structure is one of the key elements in the practice of IMC in the industry. In the successful implementation of IMC within an organization, it is necessary to create a structure that allows a variety of expertise for all communication mediums to work together successfully (Gronstedt & Thorson, 1996; Duncan & Everett, 1993; Grunig & Grunig, 1992; Kaye, 1999). The companies adopt the successful management model for IMC based on the organizational structure and the environment in which it does business. While the first four models of organizational structure described by Gronstedt & Thorson (1996) promote the traditional hierarchical assignment of responsibilities and an integration of functions at a senior level, the integrated organizational model offered a change in paradigm. Such an organizational model had no profit centers, but each one handles one particular client and is committed to make the client profitable. The members of such a model are not the specialists in public relations, advertising, or direct marketing but are essentially communicators.**

**However, according to Cliff McGoan (1998), the key component of integration between the external and internal marketing communications directed toward the employees, suppliers, and business partners, is generally overlooked in its importance. The accepted definition of IMC focuses on the external, non-personal communication**

through advertising, public relations, sales promotions, direct marketing, and interactive media. However, these definitions show only half the picture for IMC (Kaye, 1999). It has proved to be extremely difficult to get these functional areas strategically focused and organized to work together (Duncan & Everett, 1993). It is essential for the departments that differ strongly on the ego and turf issues, to resolve the responsibility claims for IMC to be successful.

The companies practicing IMC generally integrate communication among three dimensions: externally between the company and its stakeholders, vertically between senior management and frontline workers, and horizontally between different business units, departments, and countries (Gronstedt, 2000; Mass, 2000; Freeman, 1998). The external environment directly influences the organization structure and information flow within an organization. Organizations generally deal with their environment either by controlling it or by adapting to them (Grunig & Grunig, 1992). Rigidly structured organizations in traditional economies tend to control their environments rather than adapt to it. This directly affects the communication practiced by them both internally within the organization and externally with the markets. The goal of controlling or adapting is the key factor in deciding the integration or decentralization of marketing communications (Mass, 2000).

Up until the reforms of 1991 business in India was dominated by closed-knit family conglomerates (Elephants, The Economist, 1996). The vertical hierarchy within the organizations have contributed to concentration of power and decision-making authority only at the upper-most level of management. Much of the operations until

recently were triggered by winning licenses than by reorganizing market operations. This vertical focus of the management creates many marketing problems for an organization (Schultz, Tannebaum & Lauterborn, 1993). The changing markets and competition have forced the management and hierarchy to change within the organizations thus bringing into effect changes in the organizational structures. Many companies have established such diversified lines of business that it might take long to streamline and reorganize the control within and make them into recognizable divisions. The practice of integrated marketing communication in India would thus be dependent on communication patterns within an organization.

The practice of IMC is also affected by the size of the organization (Low, 2000). Although large companies are presumed to adopt new practices such as IMC more readily, the simplicity of communication programs in small companies inherently facilitates integration. Smaller companies are more likely to practice IMC because they target fewer market segments and therefore have to use fewer messages than large companies that may target multiple segments.

A lot of positives have been observed as far as the idea of integration goes. It is fairly difficult to get the functional areas strategically focused and organized to work together (Duncan & Everett, 1993; Cornelissen & Lock, 2000; Gould, 2000). To accomplish an organization's objectives, it is imperative to identify what needs to be done and the sequence of its implementation. The study of organizational structure in Indian companies could be the field of more future research. It will address the concentration or

**delegation of power in different levels of management and help evaluate if integration at different levels is possible in-line with the concept of IMC.**



## References

- Babbie, Earl. (2001). The practice of social research. Belmont, CA: Thomson Learning.
- Bardhan, Nilanjana. (2001). Radicalizing public relations metanarratives: India as a case study. Atlanta, Georgia: National communications association annual convention.
- Berkman, Harold W., & Gilson C. (1980). Advertising: concepts and strategies. Toronto, Canada: Random House.
- Burnett, John., & Moriarty, Sandra. (1997). Introduction to marketing communications: An integrated approach. London: Prentice Hall International (UK).
- Cornelissen, Jeop P., & Lock, Andrew R. (2000). Theoretical concept or management fashion? Examining the significance of IMC. Journal of Advertising Research, 40 (7).
- Costa, Janeen A., & Bamossy, Gary J. (1995). Marketing in a multicultural world. London: Sage Publications.
- Coulson, Thomas., & Colin, J. (1983). Marketing communications. London: William Heineman.
- Curtis, James. (1999). Home callers get new perspective (door-to-door marketing). Marketing Journal. 35 (2).
- Dozier, David M., Grunig, Larrisa A., & Grunig, James E. (1995). Manager's guide to excellence in public relations and communication management. New Jersey: Lawrence Erlbaum Associates Publishers.
- Duncan, Thomas R., & Everett, Stephen E. (1993). Client perception of integrated marketing communication. Journal of Advertising Research, 30, 01-33.
- Edelstein, Alex S., Ito, Youichi., Kepplinger, & Mathias H. (1989). Communication and culture: a comparative approach. New York: Longman.
- Elephants learning to dance. (1996). The Economist (US), 338, p. S12(1).
- Erdener, Kaynak. (1982). Marketing in the Third World. New York: Praeger Publishers.
- Figallo, Cliff. (1998). Hosting web communities. New York: John Wiley and Sons.
- Fisk, George. (1974). Marketing and social priorities: a colloquium. USA: American Marketing Association.

- Fletcher, Winston. (1998). Marketing skills can make sweet music together. Marketing Journal.
- Freeman, Laurie. (1998). Communication key to marketing success. Business Marketing, 83 6(1).
- Geller, Lois K. (1998). Direct marketing strategies and techniques for sales professionals. Direct marketing, 60, 37(3).
- Gould, Stephen J. (2000). The state of IMC research and applications. Journal of Advertising Research, 40 (22).
- Gronstedt, Anders., & Thorson, Esther. (1996). Five approaches to organize an integrated marketing communication agency. Journal of Advertising Research, 36 (11).
- Grunig James E., & Hunt, Todd. (1994). Public relations techniques. New York: Holt Inehart and Winston.
- Grunig, James E, Grunig, Larrisa A., Sriramesh, K., Huang, Yi-Hui., & Lyra, Anastasia. (1995). Models of public relations in an international setting. Journal of Public Relations research, 7 (3), 163-186: Lawrence Erlbaum Associates.
- Grunig, James E., & Grunig Larrisa A. (1992). Excellence in public relations and communication management. New Jersey: Lawrence Erlbaum associates publishers.
- Guha, Ashok. (1990). Economic Liberalization, industrial structure and growth in India. Delhi, India: Oxford University press.
- Harris, Thomas L. (1998). Value-Added Public Relations: A secret weapon of integrated marketing. Chicago: NTC Business books.
- Huey, Bill. (1999). Advertising's Double Helix: A proposed new process model. Journal of Advertising Research, 39 (9). 43.
- Hughes, Laura K., & MacArthur, Kate. (2001). Soft Boiled: Clients want integrated marketing. Advertising Age, 72 (3).
- Jefkins, Frank W. (1982). Introduction to Marketing, Advertising and Public Relations. London: The Macmillan Press Limited.
- Johnson, Jeffrey B. (1985). Marketing in India. Business America, 8 (2).
- Kaye, Richard L. (1999). Companies need to realize internal marketing's potential. Business Marketing, 13.

- Khan, M., A., Mir. (1997). Hindustan Lever's Brooke Bond A1. Advertising Age, 68. pS14(2)
- Kindra, G.S. (1984). Marketing in Developing Countries. New York: St. Martin's Press.
- Kitchen, Philip J. (1999). A Multi country comparison of the drive for IMC. Journal of Advertising Research, 39 (21).
- Krishnan, R. (2001). Technology in the Indian retail supply chain (Industry trends or events). Communications of the ACM, 44 (83).
- Kruckeberg, Dean. (1996). A global perspective on public relations ethics: The middle east. Public Relations review, 22. p181(9).
- Lavidge, Robert J. (1999). 'Mass Customization' is not an Oxy-Moron. Journal of Advertising Research, 39 (70).
- Lindlof, Thomas F. (1995). Qualitative communication research methods. Thousand Oaks, CA: Sage publications.
- Linnett, Richard. (2001). How the Egg was poached. Advertising Age, 72 (54).
- Low, George S. (2000). Correlates of integrated marketing communications. Journal of Advertising Research, 40 (27). 13.
- Magrath, Allen J. (1992). The 6 imperatives of marketing. New York: American Management association.
- Malik, O., P. (1995). The Great Indian Bazaar (brand marketing opportunities in India). Brandweek, 31 (2). 36
- Mass, Judith. (2000). The customer century: lessons from world class companies in integrated marketing and communications. Sloan management review, 41 (13). 104.
- McArthur, David N., & Griffin, Tom. (1997). A marketing management view of integrated marketing communications: IMC- performing together. Journal of Advertising Research, 37. 19(8).
- McGoon, Cliff. (1998). Cutting-edge companies use integrated marketing communications. Communication world, 16. 15(5).
- McQuail, D., & Windahl, S. (1991). Communication models for the study of mass communications.

- Merchant, Ashwin. (1999). Direct marketing in India. Direct marketing, 61. 49(3).
- Michman, Ronald D. (1983). Marketing to changing consumer markets - environmental scanning. New York: Praeger Publishers.
- Mumbai's marketer. The Economist (US). 347. 66(1)
- Neisser, Drew. (1997). Integration: myth and necessity. Brandweek, 38. 26(2).
- Norman, Nager R., & Allen, Harren T. (1984). Public relations management by objectives. New York: Longman.
- Pearce, Barnett W., & Cronen, Vernon E. (1980). Communication, action and meaning: The creation of social realities. New York: Praeger Publishers.
- Phelps, J.E., Harris, T.E., & Johnson E. (1996). Exploring decision-making approaches and responsibility for developing marketing communications strategy. Journal of Business Research, 37 (3). 217-23.
- Reich, Ken. (1998). IMC: through the looking glass of the new millennium. Communication World, 15 (19). 26.
- Rossiter John R., & Percy, Larry. (1997). Advertising communications and promotion management. New York: McGraw-Hill companies.
- Rossmann, Marlene L. (1994). Multicultural marketing - selling to a diverse America. New York: American Management Association.
- Rubin, Herbert J., & Rubin Irene S. (1995). Qualitative interviewing: the art of hearing data. CA: Sage Publications.
- Schultz, Don E., & Kitchen, Philip J., (2000). A response to "Theoretical concept or management fashion?" Journal of Advertising Research, 40 (17).
- Schultz, Don E., Tannebaum, Stanley I., & Lauterborn, Robert F. (1993). Integrated marketing communications. Lincolnwood, IL: NTC Business Books.
- Sengupta, Subroto. (1976). Cases in advertising and communications management in India. Ahmedabad, India: Indian Institute of Management.
- Sheth, N R. (1982). Industrial sociology in India. Bombay, India: Allied publishers private limited.

Sohn, A. B., Wicks, J. L., Lacy, S., & Sylvie, G. (1999). Media management: A casebook approach. New Jersey: Lawrence Erlbaum Associates Publishers.

Spotts, Harlan E., & Lambert, David R. (1998). The discovery of integrated marketing communications. Journal of Marketing Education, 20.

Steinbock, Dan. (2000). The birth of Internet marketing communications. Westport, CT: Quorum Books.

Stevenson, R. L. (1994). Global communication in the twenty first century. New York: Longman Publishing company.

The mirage of Integration. (2001). Advertising Age, 72. p. 16.

Trenholm, Sarah. (1991). Human Communication theory. New Jersey: Prentice Hall.

Webster, Fredrick E. Jr. (1971). Marketing communication: modern promotional strategy. New York: The Ronald Press Company.

Wilcox, Dennis L., Ault Phillip H., & Agee Warren K. (1998). Public relations: strategies and tactics. New York: Longman.

William, Louis C. (1997). Slow and easy will do integrated communications best. Communication world, 15. 12(2).

**Consent Letters**  
**(Appendix A)**

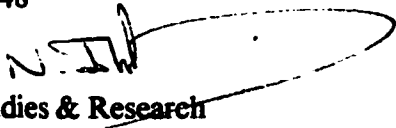


**San José State**  
UNIVERSITY

**Office of the Academic  
Vice President**  
**Associate Vice President**  
**Graduate Studies and Research**

One Washington Square  
San José, CA 95192-0025  
Voice: 408-283-7500  
Fax: 408-924-2477  
E-mail: [gstudies@wahoo.sjsu.edu](mailto:gstudies@wahoo.sjsu.edu)  
<http://www.sjsu.edu>

To: Deepika Kurl  
2982 Rossmore Lane  
San Jose, CA 95148

From: Nabil Ibrahim,   
AVP, Graduate Studies & Research

Date: December 17, 2001

The Human Subjects-Institutional Review Board has approved your request to use human subjects in the study entitled:

**“The Scope of Integrated Marketing Communication (IMC) in India.”**

This approval is contingent upon the subjects participating in your research project being appropriately protected from risk. This includes the protection of the anonymity of the subjects' identity when they participate in your research project, and with regard to any and all data that may be collected from the subjects. The approval includes continued monitoring of your research by the Board to assure that the subjects are being adequately and properly protected from such risks. If at any time a subject becomes injured or complains of injury, you must notify Nabil Ibrahim, Ph.D. immediately. Injury includes but is not limited to bodily harm, psychological trauma, and release of potentially damaging personal information. This approval for the human subjects portion of your project is in effect for one year, and data collection beyond December 16, 2002 requires an extension request.

Please also be advised that all subjects need to be fully informed and aware that their participation in your research project is voluntary, and that he or she may withdraw from the project at any time. Further, a subject's participation, refusal to participate, or withdrawal will not affect any services that the subject is receiving or will receive at the institution in which the research is being conducted.

If you have any questions, please contact me at (408) 924-2480.

November 15, 2001

**TO WHOM IT MAY CONCERN**

Ms. Deepika Kurl who is doing a project on Integrated Marketing Communication in India, had met us seeking information on Pepsi in India. We had provided her with relevant data on market shares and brand building. She can use this information in her studies. However, we would like to see the copy before submission for any comments and corrections.



Deepak Jolly  
Executive Vice President  
Corporate Communications





November 7, 2001

**TO WHOMSOEVER IT MAY CONCERN**

We accept organizational participation in the research being conducted by Deepika Kurl, a graduate student of Mass Communications in San Jose State University, California. She is authorized to coordinate with Ms. Puja Agarwal to contact our employees for the required interviews with prior permission from the undersigned each time she contacts any of our employees.

She is requested to keep the names of the participating interviewees confidential. Any non-confidential company information and information gather during interviews can be used towards her research work with prior permission from the undersigned whenever she intends to use the information from time to time.

For: TV Today Network Ltd.

A handwritten signature in cursive script that reads 'Sugata Dutta'.

Sugata Dutta  
(GM – HRD)

## **To Whom It May Concern:**

**We accept organizational participation in the research being conducted by Deepika Kurl, a graduate student of Mass Communications in San Jose State University, California. She is authorized to contact our employees for the required interviews. She is requested to keep the names of the participating interviewees confidential. Any non-confidential company information and information gathered during interviews can be used towards her research work.**

**For Sony India Pvt Ltd.**



**Authorised Signatory**

**07<sup>th</sup> Nov. 2001**

## Questionnaire Protocol (Appendix B)

### Main Research Question:

Does the present marketing and economic scenario in India indicate a need for a progressive concept such as IMC?

### Theory I

#### **Socio-Cultural interaction**

*Given the extremely fragmented customer base do the organizations feel integration is necessary to reach target markets?*

- 1) Who are the key publics of the organization?
- 2) What different type of markets does the organization deals with?
- 3) What is the basis of identifying and differentiating the markets?
- 4) What is the cultural composition of organization's markets in respect to rural, urban, traditional and modern, ethnicity etc.?
- 5) What is the demographic composition of its market in respect to age, gender, education, and geographic origin?
- 6) What are the different segments of social class in the organization's markets with respect to economic and social status?
- 7) Who are the reference groups or target groups in the organizations markets? Are they easily identifiable?

*These responses will help understand the organization's interaction with its markets and give insight into the demographic and social composition of its markets*

## Theory II

### **Integrated Marketing Communication**

#### **A - Tactics**

- 8) How does the organization reach its consumers with respect to market prominence geographically?
- 9) What marketing communications tools are used in practice by the organizations?
- 10) Does the organization use in-house departments or outside agencies for its marketing strategies?
- 11) What is the importance of direct mail and telemarketing in the overall marketing communications plan for the company?
- 12) What sales promotion techniques does the company use in promoting its products?
- 13) What kind of advertising practices and communication media does the organization generally use for advertising?
- 14) What is the key function of public relations in the organization and how does it target key publics?
- 15) What is the point of contact between public relations and advertising?
- 16) What economic factors result in the choice of various communication tools and channels?
- 17) How does the company evaluate the success of these techniques?

*The responses will help identify the various communication mediums used by the company and if advertising and public relations are already integrated with other channels of communication or is there a need for integration?*

**B- Technological context**

**18) What new communication technology is used by the organization?**

**19) What management levels have accessibility to this technology?**

**20) In what ways does the organization uses the new technology?**

**21) Does technology facilitate the integration or does it necessitate integration?**

*The analysis of all the questions will help answer the main question of how IMC fits in the present prevalent marketing practices in India and whether or not Indian markets have reached a point where they require a progressive concept of integrating all communications to reach external and internal publics.*