

# MARKETING<sup>®</sup>

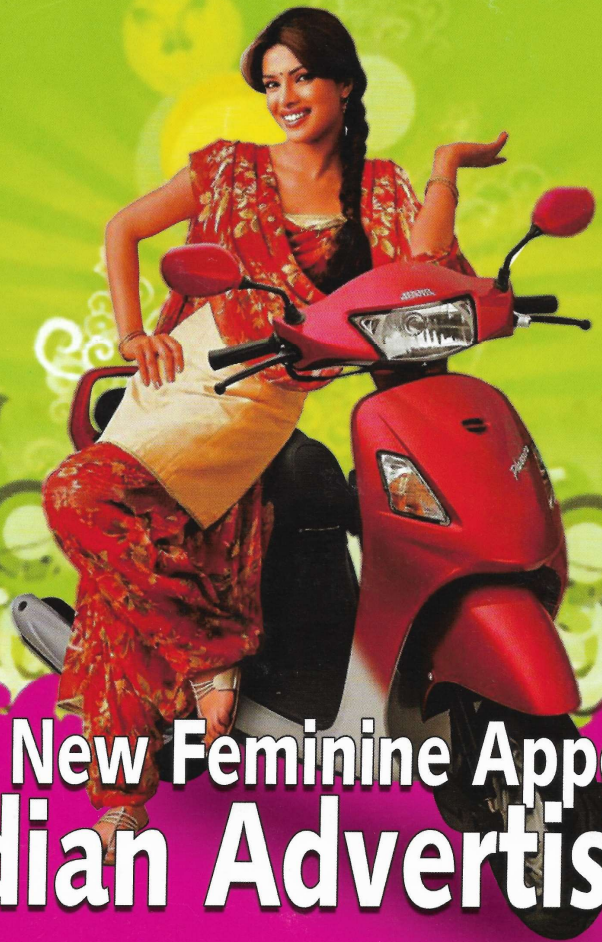
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- CRM
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## The New Feminine Appeal in Indian Advertising



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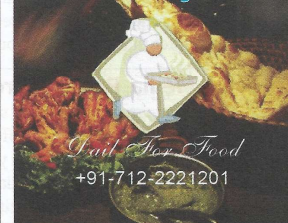
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### Sales and Ethics

## Do They Go Hand in Hand?

We all come across salespersons who try to sell us everything from a pair of socks to a high end automobiles. Many of us tend to get carried away with the salesperson's smooth talk and end up buying the product. But, is the selling done, keeping in view the customer's interest? This article gives an insight into some common sales gimmicks and the ethical issues involved.

**E**ver heard of a sales representative who discloses complete information about his product to the customer? Although the market research team works on bringing out a product that matches customer requirements, customer needs differ from time to time and place to place. Also, in this era of mass production, it is difficult, if not impossible, to customize a product to suit a customer's

specific needs – although every effort is made to satisfy the vast majority.

We have customers who may or may not want certain features in a product. They may not be willing to pay for the unwanted features or may want a particular feature, and sometimes, the same may not be available in the given product. Sales personnel are constantly under pressure to meet sales quotas and business targets

which make them overlook what is best for the customer.

Selling has become more of “somehow” pushing the product. Sales reps are always waiting out there to make a quick buck, win internal contests, fly to exotic locations – all for achieving/over-achieving their targets – at the cost of the innocent (or ignorant) customer. Yes, you read it right! It is at the cost of the

customer. The huge commissions, international trips are all added to the price of the product that is sold to the customer. Paying a premium may not always ensure superior quality. It perhaps means that you are sponsoring somebody's annual vacation. Misselling has become an in-thing in sales. In fact, peep into any sales department and you will find the team sharing a laugh over their latest 'catch'.

### Perfect Resumes: The Truth

Looking for a job? Walk into the offices of some placement agencies. They promise you a world-class resume which will be forwarded to hundreds of employers across the country (or even abroad) – for a fee of course. Feeling excited? Read on! The resume will be accorded top priority by these employers and the candidate can expect an "interview call" within a month. Sounds too good, right? And you jump on and pay the amount to the sales executive. But is anything documented? The resume is simply sent to some placement consultants. No follow-up is done and you are back to square one – only with a "world-class" resume which may contain several grammatical errors. A costlier resume does not mean a quality resume. It only indicates that the sales executive is making a good commission and is also filling the organization's coffers.

### Finance for Dummies?

Picture this. The executive of a commercial bank selling 'loans and advances' offers a car loan at an interest rate much lower than that charged by his competitors. He uses the 'flat rate' concept, as against the reducing balance method used by his competitors. Numerically, the rate of interest here is less than that in the reducing

balance method and the prospect falls into the trap. But the actual amount of interest paid would be higher.

Organizations showcase their awards for being industry leaders, best advertisers, super brands and so on. They claim that substantial market research goes in before launching any product. No denying that market researchers do their jobs pretty well. But do the companies sell what the customers really need?

### Professional Cheats?

Sales Professionals – The term 'professional', when used to identify a sales rep, gives me a tickle. This is because sales representatives are rarely 'professional' in their work. Selling seems to be analogous to fooling. Complete information is deliberately not provided due to the fear of losing business. Moreover, since sales teams are showered with gifts on winning exotic sales contests, the focus is on to somehow sell the product/service. The organization is primarily responsible for setting a culture where sales persons' approach is spoilt from day-one. A typical induction for a sales employee involves explanation of revenue-based commission structures. This is as good as brainwashing to generate business – with no consideration for doing things in the best interest of the customer. Telecom companies are after number of connections, banks after number of loans/credit cards, educational institutions are after students and the list goes on. Good work should definitely be rewarded, but the reward should not be based purely on revenues. Else, it leads to more than just dissatisfied customers.

Although it is understandable that every organization intends to grow by leaps and bounds year-on-year, it is unfair to push the sales teams to

#### Exhibit 1: The C Rule

The C Rule  
Convince or Confuse

the verge of exasperation. This typically happens under the so-called month-end/quarter-end/year-end pressure. The maximum extent of wrong-selling happens close to these deadlines.

### The 2 Cs

The 2 Cs of sales stand for 'convince' or 'confuse' (Refer Exhibit 1). These words, used with reference to prospective customers, are often heard in business circles. The latter is derogatory, as the intention is clearly to take ignorant customers for a ride.

Lower level managers presume that sales deals work on the 2 C principle. The best part of the sales drama is that even the management is aware of the 'sales activities' going on, but prefers to keep mum because it wants the numbers to flow in.

### Behind the Scenes

Sales departments across organizations work on sales quotas or targets. The annual targets are divided into four quarterly or twelve monthly targets. These are then allocated among lower level managers and eventually to front-line sales representatives. Private sector companies are generally more aggressive and desperate to achieve sales targets when compared to state-owned companies. This is primarily because employees of state-owned companies are more confident about the stability of their jobs. In contrast, private sector organizations look at manpower purely

in terms of the output generated. Also, career growth in the private sector is related to the profits generated for the organization.

Sales personnel believe that achieving assigned quotas is the sign of a successful sales representative. Those who under-achieve are sidelined. Therefore, there is always an implicit pressure to succeed by achieving the assigned numbers. This pressure is passed on right from the top to the bottom of the hierarchy. It is generally believed that productivity is directly proportional to the pressure built on the manager/sales rep, and ultimately on the consumer. So, we have sales representatives who pressurize their prospective customers into buying. We also come across managers building tremendous pressure (especially when nearing a deadline) on their subordinates to get more business. In this race to procuring more business, marketing is perhaps losing its original meaning of 'identifying and meeting human and social needs profitably'. It has perhaps become predominantly profit-driven ('meeting needs' being forgotten), thanks to over-aggressive selling techniques.

**Hard Selling - The Actual Meaning**

In the good old days, it was presumed that people were too lazy to take any decisions and would postpone decision-making on some pretext or the other. Hence, sales reps felt it necessary to pressurize prospects to act fast. The idea was to get an early decision on the proposal after the relevant facts were presented to the prospect. But, over time, the actual meaning of 'hard selling' has got distorted to mean pressuring the customer into buying. It is found that often, the hard sellers move up the corporate ladder

much faster than the others and become company presidents and CEOs (Exhibit 2).

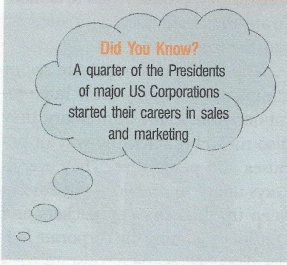
**Sales Aggression**

The debate on the efficiency or inefficiency of private/state-owned enterprises can go on forever. Private sector enterprises claim to be efficient and more responsive to customer needs. This is true in some situations, all right! But, in the vast majority of cases, it is not so. We have hundreds of sales representatives lining up to sell us some product or the other. Hand over the money and then you have to run after them. The so-called efficiency of the private sector often manifests itself as over-aggressiveness to source business. Numbers (business expected) are forced down the throats of employees right down the hierarchy. No one dares to counter the same for fear of being looked down upon as being pessimistic.

Everyone is made to (or forced to) believe that the company's products are the best in the market. Employees, who are unable to get the assigned quantum of business, are denigrated and termed lethargic or even a liability to the organization. The pressure to 'deliver numbers' is so much that many organizations send a new sales rep straight into the field on day one! The result is an incompetent employee who struggles to generate revenues and finally crumbles under a heap of business targets!

The noted authority in marketing, Philip Kotler, mentions that quotas should neither be too easy nor too difficult to achieve. The latter, he says, can lead to frustration or employee turnover. Eilene, in "Quota Busters", talks about obviating quotas all together, considering the far-reaching consequences it has for both the or-

**Exhibit 2: Hard Sellers End Up as CEOs**



ganization and the sales representatives. Presumably, there is some relation between sales quotas and the pressure build up. This pressure is passed down the hierarchy, and it perhaps prompts managers to act rudely and this, in turn, might drive subordinates/front-line sales reps in weird ways.

Unfortunately, it is widely believed in sales circles that sales reps deliver only under pressure. Hard-selling assumes that customers who are forced to buy a product will like it. If they do not, they will keep mum, forget their disappointment and even they may buy again. Conventionally, the sales and marketing concepts were assumed to be independent. But, in the current era, will not an integrated approach, wherein marketers design the right products, and sales reps sell the right product to the right customer, make more sense?

**New Product Launches and the Top Brass**

Following any new product launch, companies pressurize their sales teams to sell the new product to show it to be a thumping success within the first few weeks of launch. Sales representatives are 'advised' to sell the new product on priority, irrespective of whether the prospective customer needs it or needs something else. The

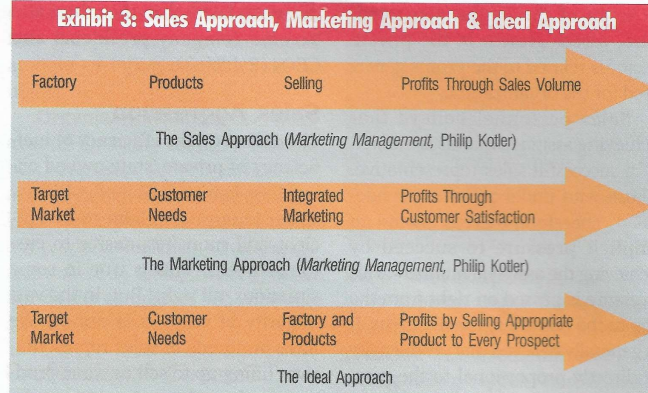
## Ethics in Marketing

reason: The top brass who have initiated the new product want to demonstrate that their idea as a success; sad, but true.

The top bosses of private sector companies generally draw huge remuneration. Apart from salary, they also make big bucks by way of bonuses and perquisites. They are always under tremendous pressure to keep up their big pay packets and continue climbing the corporate ladder. This makes them constantly explore new avenues and try to be successful at their new initiatives. Many a time, their decisions may not be in the interest of customers. But they want to prove themselves right and hence vent out pressure on their subordinates. Feedback rarely follows the bottom-up route, and top managers rarely try to understand ground realities until the very end.

### Customer First or Customer Last?

During the manufacturing era, producers dictated terms. Customers had to buy what ever was produced. But in the information age, 'Customer is the King'. What is needed, should be



produced and sold. Unlike earlier, when sales and marketing approaches were considered independent, today's market requires a combined approach, which takes care of both customer as well as organizational needs (Exhibit 3).

It is perfectly normal to expect prospective buyers to make an informed and intelligent decision. Why on earth should people buy without comparing products offered by different sellers? The so-called intelligent variety are quick to point out that gullible people do not do

their back of the envelope calculations and hence fall into the sales trap. But one cannot be a specialist in everything. A responsible organization should educate the customer before selling its products. This will go a long way in building a strong relationship which will, in turn, ensure loyal customers. ▢

**Siddarth Baliga**

Sales Manager & Branch In-Charge,  
ICICI Prudential Life Insurance Co. Ltd,  
Chikmagalur, Karnataka.  
The author can be reached at  
siddarth1981@gmail.com

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