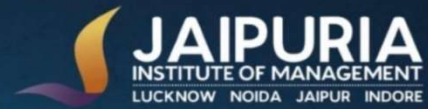


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# BUSINESS INSIGHTS }

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# E-COMMERCE

## E-commerce needs a bulwark

**Fostering a competitive culture in India will ensure benefits are widely distributed**

By Siddharth Pai



In India's bustling economy, e-commerce has emerged not just as a convenience but as a cornerstone of the retail ecosystem, reflecting a profound shift in how trade and commerce are conducted in the world's largest country by population. This country's unique position, with its vast population, burgeoning middle class, and increasing internet penetration, offers an unparalleled opportunity for e-commerce growth. Fostering a competitive culture within this rapidly expanding digital market, however, while paramount, is no mean task.

The vectors for stifling competition in this new world are not the same as those that previous monopolistic and oligopolistic enterprises used to employ. In the non-digital world, these effects were often felt by the end consumer, who ended up paying extortionist prices for goods and services. When I was a youth, India, with

its MRTP (Monopolistic and Restrictive Trade Practices) Act, policed these would-be monopolists and oligopolists. In addition, whatever was left of unnatural monopolies prior to the 1991 liberalization disappeared in the wake of the newly opened-up country. Competition became the new norm. Indians could now buy anything at home that previously was available only in foreign countries and were not limited to home-grown firms that had enjoyed the ‘licence raj’.

These traditional anti-monopoly measures do not always apply neatly in the digital context. The lines between different markets are blurred, and services often come at zero initial monetary cost to the consumer. Recognising the importance of competition, the Indian government and regulatory bodies have been keen to frame laws and guidelines that ensure fair play. The Competition Act of 2002, and amended in 2007, were the initial cornerstone legislations aimed at preventing practices that have adverse effects on competition. They aimed to promote and sustain competition, protect the interests of consumers, and ensure freedom of trade in the markets of India.

In recent years, the spotlight has turned towards e-commerce due to its explosive growth and the unique challenges it presents in terms of competition. Predatory pricing, exclusive contracts, and platform neutrality are areas of concern that regulators are addressing. Existing law needs to be expanded.

The Competition Commission of India has already been actively scrutinising e-commerce platforms to ensure they do not abuse their dominant position and that smaller players have a fair shot at success. Allegations of Big Tech firms such as Amazon and Google engaging in anti-competitive practices, from prioritising their products in search results to exclusive selling arrangements, have raised concerns about stifled competition, hindered innovation, and compromised

consumer choice. This is in line with what we have seen abroad, particularly in the European Union (EU), where regulators have been swift to act, and have punished Big Tech firms with large fines for a variety of transgressions. As I have argued before, the EU is a beacon for the rest of the world in the regulation of Big Tech firms, primarily because as a supra-national body, its regulators do not have the horizon problem of elections every few years, like its member nations do.

India's proposed e-commerce policy is a testament to the government's intent to create a balanced, competitive market. The Report of the Committee on Digital Competition Law (RCDCL) is a tour de force. This policy is expected to address key issues such as data localisation, consumer protection, and anti-counterfeiting measures. By setting a clear regulatory framework, the government aims to level the playing field for all participants.

One of the RCDCL's objectives is to stymie unfair trade practices like deep discounting, which can distort the market. Such practices, while seemingly beneficial to consumers in the short term, can stifle competition by driving smaller players out of the market. In the long term, these practices will end up in a TINA (there is no alternative) situation, thereby allowing Big Tech firms who corner the market the licence to exploit consumers.

Fostering this competitive culture in India's e-commerce markets is essential for ensuring that the benefits of this digital revolution are widely distributed. By encouraging competition, India can spur innovation, improve consumer choice, and drive economic growth. Existing and proposed laws play a crucial role in shaping a market that is fair, dynamic, and inclusive. As India continues to navigate the complexities of the digital age, the focus must remain on creating a regulatory

environment that balances the interests of all stakeholders and paves the way for a vibrant and competitive e-commerce ecosystem.

Building a competitive culture in e-commerce also involves nurturing the broader ecosystem, where the government has been active. This includes allowing investment by private firms in digital infrastructure, such as high-speed internet access across the country, and promoting digital literacy among the population. The recent digital leap has enabled even the most remote areas to access goods and services previously out of reach, bridging the urban-rural divide and knitting the country closer together in a web of digital commerce. Encouragingly, the government is already fostering a start-up culture that encourages risk-taking and innovation. Support in the form of funding, mentorship, and access to resources helps budding entrepreneurs to bring their ideas to life and compete in the e-commerce arena.

At its core, competition is the crucible in which innovation is forged, and for consumers, it means more choices, better prices, and enhanced service quality. For the economy, it means increased efficiency and productivity, driving growth, and creating jobs. A competitive culture is not just about keeping prices low; it's about pushing the boundaries of what's possible. From drone deliveries to blockchain-based supply chains, the possibilities are limitless. (FE09042024)

## **Navigating the retail renaissance: India embraces e-commerce advertising strategies**

**E-commerce platforms have a unique advantage in this growing market, with access to user preferences and transaction data while shopping on the platform**

**By Vinay A V**



Advertisement-led monetisation would be the most critical profitability lever for e-commerce platforms in India in 2024. With the digital ad spend market in India projected to reach \$10 billion this year, all digital platforms are striving to gain a larger share of this flourishing and profitable ad market.

E-commerce platforms have a unique advantage in this growing market, with access to user preferences and transaction data while shopping on the platform. Additionally, they can provide transparent performance tracking of ad spends, giving them a competitive edge as brands increasingly prioritise measurable and targeted performance marketing.

On-site ads are particularly effective for achieving profitability for most e-commerce platforms. India's retail media market now generates over \$1.5 billion of ad revenue annually – a revenue stream characterised by high margins and low cost of operations. E-commerce giants like Amazon and Flipkart have experienced a significant approximately 40% increase in cumulative ad revenue, reaching Rs 8,705



crore in the fiscal year through March 2023 with ambitious growth targets for the future. Meesho's strategic focus on ad monetization emerged as a pivotal decision, contributing to the platform's profitability, even amidst its zero-commission model.

Major players in the food delivery and quick commerce sector, such as Zomato, Swiggy, and BigBasket, are also focusing more on expanding ad monetisation – a strategic move to increase profitability.

Even non-commerce platforms, such as Disney+ Hotstar, are shifting from a subscription-oriented model to one centred around ads, recognising the substantial revenue potential. JioCinema took a bold decision to show IPL without needing a subscription, monetising by ads instead. Netflix and Amazon Prime Video are also actively seeking to expand their market share through similar strategic manoeuvres. In this competitive market environment, e-commerce platforms of all sizes and stages of maturity have ventured into the ads business, drawing inspiration from the success of market leaders and a greater emphasis on profitability by investors.

## **The rise of personalised ads and machine learning**

Historically, e-commerce platforms optimised ads by targeting a wide audience and implementing hard-coded rules. The lack of personalisation made it difficult to strike a balance between maximising ad revenue, fostering platform growth, and ensuring an engaging user experience. The lack of relevance in ads for users resulted in a three-sided problem: advertisers experienced lower return on investment (ROI), platforms fell short of their full potential revenue, and irrelevant ads bombarded users.

To address this issue, personalised advertising driven by machine learning (ML) algorithms is becoming increasingly crucial and is being adopted by many leading

e-commerce companies globally. By leveraging first-party data and sophisticated ML algorithms, advertisers can tailor ads with unprecedented accuracy, leading to higher engagement and conversion rates.

ML-optimized smart bidding dynamically fine-tunes bids to optimise for every click based on multiple factors such as search terms, user-specific navigation, past purchase behaviour, time of the day, and location, to name a few. For instance, the bid for a women's running shoe may differ if the user's search query was just "shoes" rather than "women's running shoe". Dynamic bid adjustments ensure that the advertising strategy is fine-tuned to each unique scenario. From a ranking perspective, real-time optimisation further enhances ad performance, enabling platforms to adapt swiftly to changing contexts. For example, the ranking of a "top" can significantly differ based on the skirt that was purchased by a user before browsing for the tops. Incorporating such nuances is critical to providing the most relevant ads for the user.

As the industry evolves, the future of e-commerce advertising in India lies in hyper-personalization, where advanced AI techniques will play a pivotal role in delivering tailored ad experiences that resonate with individual preferences and aspirations.

## **Leveraging 1P data to enhance offsite retail media buying**

Offsite retail media buying occurs when e-commerce sellers choose to advertise beyond the e-commerce platform, yet channel their spending through the platform due to its access to rich first-party data and reliable tracking mechanisms. Brands traditionally allocate substantial digital marketing budgets across various non-commerce platforms as well, but they often face challenges such as opaque tracking, unclear attribution, minimal data utilisation, and suboptimal performance. E-



commerce platforms hold a unique position to manage digital marketing expenditures of transacting brands, extending beyond their platforms, with access to a wealth of resources, including first-party data and audience insights

By providing robust analytics and tracking capabilities, e-commerce platforms empower brands to monitor the real-time performance of offsite marketing campaigns. This data-driven approach enables brands to refine and optimise their campaigns for superior outcomes using the platform's first-party data in a secure and compliant way. Brands typically allocate marketing budgets into brand and trade marketing categories, with on-site ads primarily targeting the trade marketing budget. However, offsite advertising also allows e-commerce platforms to capture a portion of the brand marketing budget. Moreover, facilitating offsite media buys not only helps manage brands' digital marketing expenditures but also drives order growth for the platform, owing to the user clicks directed to the platform itself.

### **E-commerce advertisers shift gear: demanding guaranteed results and output-based ad models**

Ads were traditionally sold using input metrics like impressions and clicks, even within e-commerce platforms, despite the availability of output metrics, such as sales and orders. However, advertisers have become increasingly dissatisfied with input-based pricing models and demand-output-based models, where they only pay for tangible sales outcomes. The desire for greater accountability and transparency in advertising investments drives this shift. Advertisers recognise that output-based advertising can be more cost-effective, and are willing to allocate disproportionately high budgets, particularly when they are directly tied to incremental orders. This allows advertisers to optimise budgets across products by accurately bidding based

on the margin profile of each product, maximising the impact of their advertising spend.

To succeed in this changing environment, e-commerce advertisers must embrace output-based ad models and leverage data-driven insights to optimise campaigns. Collaboration with advanced advertising-tech partners and offering performance-based solutions is crucial for success in this new era of advertising.

This paradigm shift will drive greater ad spending on e-commerce platforms, necessitating the implementation of a sophisticated data-led optimisation engine to maximise earnings per ad slot and ensure a positive ROI. Platforms that can deliver on these expectations will thrive in an increasingly competitive and dynamic digital marketplace. (FE07042024)

## ECONOMICS

### **How economics should change**

**After the 2008 financial crisis raised questions from non-economists, much of the condemnation of the discipline is today coming from economists including Nobel laureates**

By Amol Agrawal

The 2008 global financial crisis raised lots of questions on the 'state of economics'. There were wide discussions on whether economics is resolving the world's problems as it is claimed or creating the very problems. The earlier criticism was from mostly non-economists but today much of the condemnation is coming from economists including Nobel laureates. The International Monetary Fund (IMF)

added to the growing chorus of criticism by publishing essays in its quarterly magazine Finance and Development (F&D) under the theme 'How Economics Must Change'.

Gita Bhatt, editor of F&D, explains the rationale for the edition. She says that there has been 'extensive professional soul searching since the global financial crisis of 2008'. The economists were called to not just fix macroeconomic policy but also focus on otherwise ignored economic developments such as rising inequality, worsening climate change, ageing demographics, etc. A need was felt to reorient economic thinking from production and profits to distribution and welfare. There was also a growing consensus on the necessity for economics to be open and integrate new ideas from other social sciences.

Nobel laureate Angus Deaton makes the startling observation that economists can be accused of having a vested interest in the way capitalism currently operates. He says current economics focuses too much on free markets and ignores the role of power. We currently see how the big firms

use power to set wages and prices and influence politics to make economics rules work for themselves. Economics is devoid of philosophy and ethics and equates economic well-being

to money and consumption. The empirical revolution has ignored the historical evolution of economic development. He says he has become sceptical of the economic dictums such as 'free trade and immigration is good, unions are bad', etc. He calls for greater engagement of economists with philosophers, historians and sociologists.

Ulrike Malmendier and Clint Hamilton discuss new findings from behavioural economics which can be really valuable to design better economic policies. Michael Kremer, another Nobel Laureate, stresses the importance of innovation for driving economic development. He advises economists to join the burning issues of climate change and social needs not as passive advisers but as direct participants in the innovation process.

Jayati Ghosh reinforces the role of power in undermining social, political and economic institutions. She says that economics discipline has a significant and powerful lobby which has touted half-truths and even falsehoods on many critical issues: working of financial markets, role of fiscal policies, labour market and wage deregulation, etc. She also stressed how economics discipline continues to be dominated by the US and Europe ignoring insights and knowledge produced by economists in other regions. Economists continue to work with assumptions of rational humans and perfect markets which are highly unrealistic. As a result, economic ideas are presented as mathematical tractable ideas rather than reflecting the effects of history, society, and politics. In another article, Niall Kishtainy provides a short history of how economics shifted from classical word-driven economics into a mathematical discipline.

Diane Coyle writes on the need to reboot welfare economics. Today's global production is happening on global platforms aided by digital communications and logistics. It is highly difficult to point to the location of production in today's global value chain, making it difficult to measure and tax the production. She says that the world economy has changed a lot and economics needs to follow the developments. Earlier physical and human capital were a hindrance to growth, now the constraint shall be natural capital. There is an urgent need to develop statistics to measure natural capital and economic models should not treat nature as a mere

externality problem. Kate Raworth, in another article, provides a new framework of doughnut economics which brings natural capital to the centre of the economics production function.

Atif Mian points to the world economy's dependence on credit as a long-standing problem which needs course correction. He says financial sector is not intermediating credit towards productive investments but unproductive consumption by households and governments. These consumptions boost the economy over the short term, but in the long term the economy will be dragged back as consumption will be cut to pay back the debt. John Cochrane advocates the need to move beyond demand pushes highlighted by Mian to supply measures for increasing economic growth. The demand pushes have led to inflation as seen in last few years. He says we do not need new ideas but should go back to older ideas. There is a need to go back to relying more on markets and incentives rather than looking at governments and policies for resolving our economic ills.

To sum up, the IMF essays add to the long pile of articles written on the state of economics since the 2008 crisis. It is also interesting to note that of all institutions, it is the IMF which published these articles. The critics will argue that the IMF was at the centre of the very ideas that are being questioned by economists in the essays. In 1849, Scottish historian Thomas Carlyle used the phrase 'dismal science' to describe economics. One hundred and seventy-five years later, it seems not much has changed. (FE09042024)

## **ARTIFICIAL INTELLIGENCE**

### **Essentials for an effective AI mould for India**

## **The ‘knowledge’ of embedded artificial intelligence and GenAI’s ‘wisdom’ need to work efficiently together to produce fruitful results**

By SP Kochhar



Artificial intelligence, or AI, is dominating discussions today in both tech and non-tech forums alike. The customer-facing application, generative AI (GenAI), has especially become a buzzword, drawing attention and leading to policy discussions and regulatory actions across the world. While these are progressive developments and definitely required to propel India’s aspirations for leadership in yet another technology vertical, there are other integral parts to this AI ecosystem which seem to be missing in conversations but need to be focused upon.

While GenAI seems to be the area of focus for all today, its efficacy is contingent upon the entirety of the ecosystem that facilitates its operations. The crux of GenAI lies in its ability to parse through data, organised in specific templates within data bins, to generate meaningful outputs. The collection of data based on criteria and sorting them into specific bins is what I mean by a ‘templated’ approach in this regard. Without such a structured input process, these data repositories risk

becoming mere data dumps, significantly diminishing the quality of AI-generated responses. This underscores the critical role of embedded AI systems in preprocessing data to ensure its utility.

Understanding an AI system's workings elucidates the importance of templated data management. Data, in its raw form, is akin to unmined gold — valuable but not immediately useful. The various sectors/sources produce large data sets, which essentially is 'raw data'. The embedded AI systems take the requirements from the GenAI system at one end and sift through raw data to make templatised trend-based data sets, which are then used as inputs for GenAI to produce the required results. This is akin to producing intelligible information or 'knowledge' by embedded AI systems. Thereafter, the GenAI system absorbs this data, analysing it to read the trends and inferring from these trends to produce results, or what can be termed as 'wisdom', which cater to the requirements of the users.

The template is a critical part of this process, and needs to be formulated by the government to ensure uniformity of the data being collected. It would also help provide a semblance of sanity and sanitation checks on the diverse data being collected from across multiple sectors and from multiple sources. Unless a specified template is implemented for the purpose, owing to the diversity of sources, the data collected may be fragmented or cluttered, which would constrain the production of fruitful outcomes from the eventual GenAI application used.

It is equally important to understand that the analysis and subsequent outcomes produced by the GenAI depend fundamentally on the nature of the data present in the system. Relying on data sets tailored to the nuances of the Indian environment is crucial for AI systems to generate accurate and relevant outcomes. The diversity of India's geography, languages, consumer behaviour and industrial landscape



demands a localised approach to data compilation. This necessitates governmental oversight to ensure the representation of India's unique attributes in AI anonymised data sets, a cornerstone in leveraging AI technology for national advancement by making these data sets available for experiment and utilisation without impinging on privacy and data security.

For example, consider the scenario of implementing a national digital education initiative designed to cater to the diverse needs of India's student population, aiming to address various educational requirements across regions, accounting for local languages, varying curricula and access to resources. For the initiative to be effective, it is crucial to gather and organise detailed information about these variables and feed them into an embedded AI system. The system then analyses the data, identifies patterns, and passes them on to GenAI, thus allowing the latter to tailor educational content and delivery methods to meet the specific needs of different student groups. If the system were to rely solely on global education models/data, it might not fully capture the unique educational landscapes of India's regions, potentially leading to less effective or irrelevant content. Localised data ensures the AI system can generate more accurate and impactful solutions, showcasing the importance of tailored AI applications in national development projects.

India's ambition to become a digital economy leader necessitates a robust foundation in AI technologies. As we race forward on the digital highway, it's crucial to not just celebrate the milestones but also lay down the tracks — by focusing on the underlying AI ecosystem's components. Ensuring the comprehensive development of AI technologies, backed by localised, structured data sets, is paramount for India's journey towards technological pre-eminence. This strategic focus will not only fortify our position in the global tech arena but also

ensure the sustainable and inclusive growth of our nation in the digital age.  
(FE08042024)

## MARKETING

### **Moment Marketing: Of case studies and why brands should consider the Power and Perils of this #Marketing Trend**

**Moment marketing has succeeded and is today an actively scouted strategy because it feels credible on so many counts.**

By Amit Mathur



Moment marketing has surged into a global phenomenon embraced by marketers around the world. Thanks to rising social media usage, brands have leveraged global events like the Olympics, World Cup, and major cultural moments like the Oscars

or Super Bowl to create impactful moment marketing campaigns that resonate with audiences worldwide. Social media platforms like Twitter, Instagram, and Facebook have therefore become powerful arsenals for global moment marketing, enabling brands to engage with audiences in real-time and spark conversations on a global scale.

Samsonite became a major success during the 2019 Lok Sabha Elections with their timely campaign, “#EkDinKiChutti | Let’s travel to vote,” proving the brand’s ability to connect with the audience through a compelling message. Domino’s Pizza experienced a phenomenal response in 2015 for their ‘Tweet for Pizza’ campaign, after the widespread popularity of emojis, which resonated exceptionally well with fans. Capitalising on the popularity of “The Mandalorian,” Lego created a limited-edition Baby Yoda set. This timely product launch, aligned with the Star Wars hype, generated significant sales and buzz. Uber’s impactful campaign in the US amid the Covid-19 pandemic, featuring the message “Thank You For Not Riding Uber,” resonated with many as the brand emphasized the importance of staying indoors for the sake of public health.

## **WHY MOMENT MARKETING WORKS?**

From an Indian context, moment marketing has generally done wonders. The undisputed king of topical advertising, Amul’s witty topical hoardings have been a cultural phenomenon for decades. Their recent take on the Chandrayaan-3 mission, captured the public’s excitement, and serves as a prime example of their mastery of this art. Fevicol took a full-plunge into the witty-side of moment marketing when CR7 (Cristiano Ronaldo) abruptly exchanged the bottle of Coca-Cola with a bottle of water. All that Fevicol needed was post an image of its product on a blank table and soon X was abuzz with memes.

Moment marketing has succeeded and is today an actively scouted strategy because it feels credible on so many counts. First, it provides a brand to showcase genuine responses that resonate with its core values. Secondly, witty and engaging content significantly enhances the impact of a message. Since most of the messaging is online, brands can track results and learn/unlearn from every campaign in quick time.

Moment marketing and memes have also worked since they enable the interoperability of different channels and consumers. In other words, the interplay of a copy does not exist just on an OOH but can soon turn into a social rage online as well. Zomato and Blinkit for instance promoted an image of a billboard with the following copy.

**Blinkit:** Doodh maangoge, Doodh denge

**Zomato:** Kheer Mangoge, Kheer Denge

Soon the billboard was joined by Netflix (Friday maangoge, Wednesday denge).

## **BUT, WATCH OUT FOR MOMENTS**

Harnessing moment-marketing may seem like a powerful tool to connect with audiences. But it also presents the risk of wiping tarnishing a brand's image when one's not careful. In 2019, an athlete's team sued brands of Rs 5 crores for unethically promoting themselves by pasting their logo adjacent to a picture of her Bronze-winning Olympic performance.

Sharing a congratulatory message may not appear unethical at first glance, but brands sure have a lot to learn to avoid messages that backfire. The Advertising

Standards Council of India (ASCI), in fact, had to come out with a stern warning in 2019 to desist brands from using Olympic winners in their advertisements without approval from athletes. Beyond the opportunity to stay present, there is the serious damage of not doing it the right way. Misreading the sentiment or cultural context of a moment can be disastrous.

It's essential for marketers to carefully evaluate opportunities and ensure that their moment marketing campaigns align with the values, sentiments, and cultural context of the events. By doing so, brands can leverage the power of moment marketing while minimizing the risks associated with it. And now with IPL 2024 around the corner, the marketing teams gear up to scout for opportunities to engage in meaningful marketing – promote their brand with a six or a wicket. (FE06042024)

## **Assisted Sales in B2B Commerce: Enhancing customer experience and driving business success**

**Assisted sales in B2B commerce refers to the process of integrating human expertise with technology to guide customers through the sales journey**

By Prakash Gurumoorthy

In the dynamic landscape of B2B commerce, businesses are continuously seeking innovative strategies to stay ahead of the competition. Assisted sales, a concept that combines technology and personalized customer support, has emerged as a game-changer. Assisted sales can significantly enhance the customer experience in B2B transactions by providing expert guidance and support throughout the purchasing journey.

Selling to B2B buyers requires patience and an understanding that they invest considerable time in conducting extensive research before making a purchase decision. These buyers diligently explore various channels in search of solutions that address their needs and challenges.

Some key aspects of assisted sales in B2B commerce can drive business success.

## **Understanding assisted sales in B2B commerce**

Assisted sales in B2B commerce refers to the process of integrating human expertise with technology to guide customers through the sales journey. While self-service options and automation have become prevalent, many B2B buyers still value personalized interactions and the assistance of knowledgeable sales professionals. Assisted sales bridges the gap between traditional face-to-face selling and digital commerce, allowing businesses to offer tailored assistance to customers while leveraging technology to streamline the buying process.

## **Enhancing customer experience**

Assisted sales are vital in enhancing the customer experience in B2B commerce. By providing personalized guidance, businesses can address each customer's unique needs and challenges. Assisted sales representatives act as trusted advisors, offering insights, product recommendations, and solutions aligning with the customer's requirements. This level of assistance builds trust and strengthens the relationship between the customer and the business.

Moreover, assisted sales facilitates seamless collaboration between customers and sales representatives. Through various channels such as live chat, video conferencing, or phone calls, buyers can interact with knowledgeable professionals

who can provide real-time answers and support. This personalized approach reduces confusion, enhances decision-making, and ultimately leads to higher customer satisfaction.

## **Driving business success**

Implementing assisted sales strategies in B2B commerce can yield several benefits for businesses. Firstly, assisted sales enable organisations to upsell and cross-sell effectively. With extensive knowledge about products and solutions, sales representatives can identify opportunities to offer complementary products or upgrades, increasing the average order value and boosting revenue.

To effectively engage and convert B2B buyers, adopting a comprehensive strategy that captures and sustains their attention throughout their buyer journey is crucial. This entails creating targeted content for each stage of their decision-making process. By leveraging multiple B2B sales channels, you can reach them at critical touchpoints along this journey. Consistency across these touchpoints is essential to ensure their impact.

Secondly, assisted sales contribute to reducing the sales cycle. By assisting customers at every stage, businesses can accelerate the decision-making process. Sales representatives can quickly identify pain points and provide tailored solutions, streamlining the purchasing journey and minimising delays.

Thirdly, assisted sales generate valuable customer insights. Businesses can gather feedback, understand customer preferences, and identify trends by engaging in personalized interactions. This data can be leveraged to refine marketing strategies, improve product offerings, and enhance overall business operations.



Lastly, assisted sales foster customer loyalty and repeat business. Customers who receive exceptional support and guidance are more likely to become long-term partners, ensuring a steady revenue stream and increasing customer lifetime value.

Assisted sales can be offered to familiarise sales teams with the platform and hold their hands until they feel comfortable navigating and selling. The assisted sales service can help sales teams with their offline purchase history to better understand product preferences and pricing. Once integrated into the online platform, online purchasing can become more manageable, and offline support slowly becomes more consultative rather than sales-driven. From here on, more products can be added with improved pricing based on high-level market segmentation, which can positively impact overall growth.

To summarise, assisted sales in B2B commerce represent a powerful approach to enhancing the customer experience and driving business success. By combining human expertise with technology, businesses can provide personalized support, build trust, and foster long-term customer relationships. Assisted sales streamline the purchasing process, enabled effective upselling, shortened the sales cycle, and generated valuable customer insights. In an increasingly competitive B2B environment, organizations that invest in assisted sales strategies position themselves at the forefront of innovation, delivering exceptional customer experiences and securing sustainable growth. (FE21042024)

**Redefining marketing in the digital age:  
Navigating market turbulence with effective  
strategies**

**A competitive analysis of the inherent strengths and weaknesses of peers further helps brands with a better understanding of current market dynamics to adapt their strategies accordingly**

By Aman Gupta



Evolving digital technologies driven by the internet have transformed consumer habits and behaviour, globally. The emergence of the digital era has also created multiple marketing opportunities as well as challenges for brands.

As consumer behaviour has transformed with the rapid spread of smartphones, apps, digital and social media platforms, brands have refined their market outreach via digital marketing tools to navigate the more challenging business environment.

### **Advantages of Digital Marketing**

While the shift to digital was already underway, the pandemic accelerated this years-long transition to a few weeks, forcing brands to use digital marketing channels to reach out to customers to keep their BCPs (business continuity plans) running.

Whether it is mobile apps, social media, email, blogs or websites, brands are using a combination of digital tools to engage consumers regularly.

Be it live chats, email chains or social media comments, brands have been driving sustained interaction and engagement with customers. As a result, digital marketing is helping brands resolve consumer problems almost immediately in real time, in turn ensuring greater satisfaction levels across diverse industries.

Unlike traditional marketing that remains restricted to specific audiences, digital marketing campaigns cater to a much wider catchment area, with the online target audience spread nationally and internationally. Consequently, digital marketing has helped brands overcome geographic barriers.

Moreover, the digital medium helps companies garner immense amounts of data generated daily when consumers browse various websites in search of relevant products or services. By using AI (artificial intelligence), ML (machine learning) and NLP (natural language processing) tools, brands can track, influence and predict consumer journeys.

For instance, once consumers' product choices are established, AI algorithms can be used to trigger product pop-ups when people visit online sites. In many cases, consumers may not even be aware that such products exist. The new-found awareness could then lead to impulse purchases. In this way, the sustained generation of data that reveals dynamic consumer preferences aids brands in augmenting their marketing campaigns to target consumers more effectively.

With rapid technological advances, economic uncertainties and market volatility, the need for flexible marketing strategies has become the need of the hour. In this dynamic landscape, market research based on daily data and consumer insights

supports businesses in making more informed decisions to retain their relevance and competitive edge while providing customers with more enjoyable shopping experiences. A competitive analysis of the inherent strengths and weaknesses of peers further helps brands with a better understanding of current market dynamics to adapt their strategies accordingly.

## **Benefits of Consistent Consumer Insights**

Thanks to the emergence of multi-channel marketing, consumer insights can be gleaned from various sources. These include product/service reviews, customer service data, market research, purchase history, browsing habits, etc. Consumer insights are critical since they assist enterprises in offering personalised products and services as per buyer needs and preferences, which includes data about preferred price points.

Microsoft reveals that companies leveraging consumer behaviour in generating insights outperform competitors by 85% in sales growth.<sup>1</sup> Consumer insights help brands expand product/service offerings, create elaborate customer profiles and journey maps, develop new marketing strategies and improve their current product portfolios.

Additionally, such insights help companies predict customer churn while pinpointing areas where their services can be improved to decrease this attrition. Customer lifetime values can also be maximised, garnering higher revenues. Furthermore, brands can more accurately forecast the level of inventory required at different times of the year. This facilitates better inventory planning and lower losses since excess inventory that must be marked down can be minimised. Consumer

insights also contribute to optimal product pricing, leading to more returns on investment.

## **The Growing Arc of Influence**

Unlike earlier, multi-channel marketing is increasingly becoming the norm. This includes social media, content marketing, email marketing and SEO (search engine optimisation). In this way, brands can use both online and offline channels to reach out to customers, irrespective of their geographic location.

Today, social media and content marketing are complementary strategies. To begin with, social media platforms are excellent for publicising vibrant content, including blogs, to promote a brand's products and services. What's more, brand links on social media handles can be shared by followers and friends, expanding the company's arc of influence. If social media sharing gains sufficient traction, there is a possibility of the content going viral, generating exponential benefits. Therefore, brands should always make it convenient for readers to share their content.

In this scheme of things, the rise of influencer marketing is another favourable element that brands could use to promote their products and services. Significantly, the recommendations of influencers with millions of followers can play a major role in enhancing the credibility of brands. Influencer marketing can also act as a more cost-effective medium compared to traditional channels.

By 2025, the Indian market is expected to have around 900 million digital users, highlighting its huge potential for brands, cutting across industries. A report by Kantar, the marketing data and analytics firm, notes that India already has more than 530 million active social media users. Of these, 52% are millennials – a cohort that is anticipated to number 600 million by 2025. In turn, the rising online presence is

poised to provide a fillip to e-commerce sales, with 77 million shoppers already having made purchases from social media platforms and social commerce sites in 2021.<sup>2</sup>

Along with allied digital tailwinds, the robust growth of India's e-commerce segment emphasises why brands should have a strong online presence by optimising their websites and other online offerings. (FE20042024)

## **DIGITAL MARKETING**

**The power of making data-driven decisions to conquer the ups and downs in the dynamic business landscape: Understanding how marketers can make the most of the digital marketing budget and achieve sustainable growth during periods of transitions or business crisis**

**Continuous analysis of real-time data allows marketers to identify emerging trends and shifts in consumer preferences**

By Yogeeta Chainani

In today's fast-paced lifestyles, consumers are quick to modify and alter their spending habits overnight which in turn makes consumer trends extremely dynamic in nature. This vicious cycle demands digital marketers to not only adapt to such behavioral changes but at the same time also requires them to be able to help their

brands navigate through different business scenarios including testing periods of a funding stalemate or resource re-allocations.

As we move ahead in 2024, marketers more than ever need to monitor the allocated finances to curtail the impact of the changing times- whether it's driven by consumer trends or business operations. It is against this that partner marketing has come to the forefront. Let's discuss some strategic steps that they can take.

**Amidst a dynamic consumer-centric business environment digital marketers should evaluate whether to focus on short-term/interim or long-term lines of action on the sidelines of their digital marketing campaigns.**

While focusing on increasing sales at a high speed as a natural short-term reaction to a situation of difficulty or changes could be pivotal for many businesses; marketers should refrain from switching an entire suite of offerings without having researched to understand the market and its consumers' sentiments. Even while kick-starting promotions or offering discount coupons, marketers must ensure that there is no discrepancy between what their brand stands for and the value it offers to its end consumers. All in all, they should focus on giving a push to brand awareness and loyalty among consumers to ensure recall once the period of business stalemate ends.

**If a situation demands, marketers must readapt data-driven decisions**

Continuous analysis of real-time data allows marketers to identify emerging trends and shifts in consumer preferences. These data insights act as a goldmine empowering them to swiftly re-calibrate their strategies which also helps in better



optimization of resource allocation. Embracing experimentation and innovation to test hypotheses and iterate on approaches as a focused approach often helps in sailing past periods of unexpected tribulations. Equally important is to cultivate a data-driven mindset to ensure decisions are grounded in insights rather than assumptions. Marketers must work towards enhancing resilience and fostering long-term sustainability in the digital ecosystem through adaptive decision-making.

### **Marketers should pay only for results in scenarios of rising digital ad rates.**

According to reports, up by 108%, Google stands with the highest cost growth, followed by Facebook with a spike of 89%. When the results achieved go against initial expectations, marketers end up investing more to obtain notable results. Marketers should therefore opt for more sustainable strategies that involve them in paying once for the result, for instance, affiliate marketing. They can set affiliate commissions in advance and pay only for what an affiliate sells.

### **Data rules supreme and digital marketers must depend on data performance to evaluate what is working for them and what isn't.**

Digital marketers must make data-backed decisions. Data insights allow marketers to understand what is working, according to which they can take forward and consequently let go of certain strategies. They can partner with new-age innovative tracking and attribution platforms that offer solutions for martech tracking, campaign management, attribution, and marketing analytics. Such players can handhold brands to embark upon a partner program flawlessly and get affiliates and influencers to work together with them. Based on their KPIs, digital marketers can set a commission base which in turn gives them more freedom when pitted against

conventional modes of advertising. A robust partner program is a better strategic call to elevate results at a time when main marketing channels are experiencing persistent price spikes. The need of the hour for digital marketers is to place their brand in multiple channels and evaluate strategies- something which they can achieve with partners.

The martech and ad tech landscape will continue to evolve. While being careful in utilizing their budgets, they must not forget to leverage a prudent blend of both immediate short and long-term goals to reap maximum ROI for their brands. Partner marketing will continue to remain effective and relevant for those brands that are committed to nurturing significant relationships with their customers. (FE20042024)

## ADVERTISING MANAGEMENT

### Why are advertisers investing heavily in walled gardens?

#### Reach versus flexibility

By Christina Moniz



While consumers spend less than half of their digital media time (48%) on walled gardens, these platforms receive 5.5 times the advertising money spent on the open internet. The open internet, which consumes 52% of the viewer's media time, receives only 15% of the overall advertising spend in the country, as per a report by media buying platform The Trade Desk.

For the uninitiated, a walled garden refers to a closed platform where the technology provider controls the applications, or content being shared. This includes platforms like Google, Meta and Amazon. The open internet encompasses all data sources that lie outside of walled gardens, from websites to CTV.

The open internet in India has 600 million users, which is around 10% more than walled gardens, as per estimates. And if your target group (TG) is spending more time on the open internet, why are advertisers dedicating copious amounts into walled gardens?

Experts say walled gardens present brands with a range of advantages that the open internet doesn't offer. Explains Siddharth Dabhade, MD and commercial board member of ad-tech firm MiQ: "Walled gardens often have access to first-party data, which is typically more accurate and reliable compared to third-party data available on the open internet, enabling brands to make informed decisions and optimise campaigns. Further, some walled gardens offer exclusive access to premium inventory, including high-impact ad placements that may not be available on the open internet. They also provide standardised measurement and attribution tools to track campaign performance accurately."

On the flip side, marketers who focus solely on walled gardens will only capture one dimension of consumer behaviour and miss out touchpoints on the open internet,

where consumers are more open to advertising. Tejinder Gill, general manager at The Trade Desk, says, “With data-driven advertising gaining momentum in a cookieless world, marketers can leverage AI-powered platforms to efficiently target millions of users on the rapidly expanding open internet.” Indeed, says Gill, advertisers are gradually tapping into the opportunities provided by the open internet.

So the alternative? Do a balancing act.

### **Custom-made solution**

The digital advertising ecosystem has grown exponentially over the last decade in India to command as much as 40% of India’s advertising expenditure of `99,038 crore in CY23 (Pitch Madison report, 2024).

The biggest challenge of advertising has been to gain and retain the consumer’s attention. Closed platforms such as Facebook and Amazon offer innovations in video, payments and e-commerce to enable immersive experiences that address most lifestyle needs of digital native consumers. Despite their obvious advantages, brands should be mindful of a few things when advertising on walled gardens. Lalatendu Das, CEO at Performics India, says most walled gardens provide biddable platforms, where the price for common keywords increases with the increase in demand. “As a result, in highly competitive spaces, often the return on ad spending is adversely affected. Moreover, while advertising on such platforms gives advertisers access to a ready audience, the platform eventually owns the consumer and not the brand. Hence all subsequent interaction with the consumer involves incremental spends by advertisers on the same walled garden,” notes Das.

The key to maximising returns on digital campaigns lies in strategically leveraging the strengths of both walled gardens and the open internet. For example, Das suggests that a brand can leverage walled gardens as a test bed to understand consumer behaviour while also investing part of the budget towards their own D2C channel on the open internet to provide premium services to high value consumers. “To maximise ROI, brands should adopt a two-pronged approach. The open internet provides opportunities for brand building and discovery through programmatic advertising and high-quality content partnerships. By publishing content on relevant websites, blogs, and social media platforms outside of walled gardens, advertisers can increase brand awareness and engagement organically. Walled gardens, on the other hand, offer targeted campaigns, enabling brands to reach specific user segments for brand awareness, lead generation and retargeting,” says Jacob Joseph, VP, data science at CleverTap.

The Trade Desk’s Gill says advertisers are gradually tapping into the opportunities provided by apps, websites, OTT and CTV. Indeed, experts reckon that CTV or connected TV can be the bridge between traditional television and the open internet offering reach, precision targeting and interactive engagement options. The advantage is that the CTV universe is growing. “Total TV screens will increase from 182 million in 2023 to 202 million by 2026, with the mix changing significantly in favour of connected TVs (CTV),” estimates EY-FICCI. As the popularity of CTV continues to rise, using its targeting capabilities, such as contextual data, will be de rigueur for advertisers looking to stay ahead of the curve. (FE27042024)

