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LATEST HAPPENINGS, DEVELOPMENT AND RESEARCH IN MANAGEMENT

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Advertising Management

Sports broadcast may become a seller's market, say ad experts

Reliance-Disney will have a virtual monopoly in the sports broadcasting arena with 75-80% of the sporting properties under its belt."

By Alokananda Chakraborty

The merger of the Indian media business of Walt Disney with Reliance Industries' Viacom18 will create a media juggernaut with 108-plus channels and two giant OTT apps (Jio Cinema and Hotstar), besides the two film studios owned by Reliance and Disney India. It will also create a huge opportunity for the Rs 70,000-crore company by reducing the bargaining power of the media buying agencies, experts said.

"It heightens competition and enhances the negotiating power of the newly merged entity, enabling it to exert greater control over pricing and inventory," says Harsha Razdan, CEO, South Asia, Dentsu.

Take sports. Reliance-Disney will have a virtual monopoly in the sports broadcasting arena with 75-80% of the sporting properties under its belt. It will own rights to money-spinners such as IPL (TV and digital), ICC cricket tournaments (both TV and digital), BCCI domestic cricket events, Pro Kabaddi League, besides Wimbledon, with close to 100 million viewers having watched the sport on TV last year.

In 2022-23, the sports advertising revenue television and digital combined was upwards of Rs 7,100 crore. “Marketers can expect increased reach and profitability, optimised content costs, and streamlined operations; on the flip side, they will lose pricing leverage as it often happens in a monopoly situation,” says Bhaskar Majumdar, a senior communication consultant.

Last year’s digital and TV unbundling for the IPL, for instance, was viewed as an opportunity for brands with fintech, retail tech, e-commerce, edtech firms, which saw their ad spends cut by 20-40%, gravitating towards digital, and legacy advertisers staying put on TV. Now with broadcasting and streaming under one roof “it will become more of a seller’s market” says a media executive who doesn’t want to be identified. “The ball will be in Reliance-Disney’s court both in terms of pricing and packaging,” he adds.

Elara Capital says the consolidation will relieve some strain on the broadcaster/streamer. It could result in bundled advertisement revenues, potentially mitigating the higher cost of IPL rights and reducing overall losses for the broadcaster/streamer as it happened when the IPL rights for TV and digital were split between two separate platforms, with digital offering it for free. “There was a big dent in the IPL revenues on TV, which could see some respite,” says Karan Taurani, senior vice-president, Elara Capital.

Some others disagree. Satish Meena, analyst at Datum Intelligence, said, "the supply-demand dynamics are at play in advertising as well. During last year's IPL, we saw relatively cautious spending from advertisers. There is less advertising money in the market and startups are not spending like before. If there aren't many buyers, you won't have significant pricing power also. The merged entity will not be able to draw advertisers away yet from Meta, Google or Amazon but maybe some TV or print money will shift."

The print angle is hard to ignore. Already under pressure for a variety of reasons, newspapers are likely to see advertising allocation reducing if indeed there is a single-player dominance. "I also see this as an opportunity for publications to genuinely innovate (beyond the run-of-the-mill jackets and flaps) and reinforce the inherent credibility of the medium. They also have an opportunity to integrate print and digital audiences. We are still a large and diverse consumer base — while the fittest will survive, the truly imaginative will thrive," says Mohit Hira co-founder at Myriad Communications and venture partner, YourNest Venture Capital.

There might a googly for subscribers as well. Santosh N, managing partner, D&P Advisory, said he doesn't think IPL will be free anymore from the next season because even with larger ad revenues, they cannot cover the cost of the IPL media rights. "Once they have consolidated their subscribers, they will command a premium, as Jio is expected to use the freemium model," he said. (FE02032024)

Embarking on the future: Navigating the course of modern advertising

One of the key developments in the advertising space will be the adaptation to addressability changes.

By Taranjeet Singh

The global advertising landscape, including India, is experiencing a dynamic shift in 2024. With the country's digital adoption and internet penetration on the rise, advertising now often incorporates AI for enhanced engagement and personalisation. In response to privacy-conscious consumers, the Indian advertising industry is reevaluating data collection practices, emphasising transparency and user consent. From a global perspective, the ever-evolving dynamics of consumer behavior, market trends, and technological evolutions, namely addressability changes, will continuously reshape the advertising sphere, presenting both challenges and opportunities.

To navigate this ever-changing landscape and foster business expansion, marketers must stay agile and adapt to these emerging trends that are poised to reshape the future of advertising:

1- Addressability shifts prompt marketers, publishers, and retailers to strengthen first-party data strategies

One of the key developments in the advertising space will be the adaptation to addressability changes. These changes, prompted by Google Chrome's phasing out of third-party cookies, will urge marketers, publishers, and retailers to rethink and strengthen their first-party data strategies. The ability to sustain performance and monetisation will depend on their readiness and the agility of their tech partners to adapt quickly to these changes.

The success factor lies not just in owning or collecting data but also in activating it in scalable ways that enhance the consumer experience. Therefore, the emphasis will be on robust, opted-in first-party data strategies. To this end, marketers, publishers, and retailers will continue to bolster their data strategies by offering consumers incentives to authenticate through clear value exchanges, such as coupons, early sales access, or personalised experiences.

2-AI will continue revolutionising the landscape for marketers AI has been a hot topic in adtech and will continue to maintain its pivotal role. It's moved from backend operations to mainstream use, with products like ChatGPT and Google Bard opening up new possibilities. We can expect AI to create hyper-personalised campaign content and transform performance optimization through deep learning models. These models will expand into AI-based bidding, recommendations, pricing, and revenue forecasting, making AI an essential tool for budget execution and media planning.

Moreover, AI will enhance operational efficiency by reducing time spent on menial tasks, allowing marketers to focus on new opportunities. Forrester predicts that Enterprise AI initiatives will boost productivity and creative problem-solving by 50%, enabling marketers to concentrate on the bigger picture.

3-Performance marketers will unleash the power of SKU data for granular personalization and reporting SKU data will become a vital tool for performance marketers, enabling unprecedented campaign precision amidst addressability changes. This granular tracking will allow marketers to link specific products to their advertising efforts, optimising campaigns and strategies based on SKU performance.

Additionally, SKU data will facilitate personalised marketing, creating hyper-targeted campaigns that resonate with individual customer segments. With these insights guiding data-driven decisions, marketers will have a deeper understanding of product performance, customer behavior, and market dynamics, leading to unmatched campaign optimisation and ROI.

4-Retail media networks will surge toward a state of standardised maturity Retailers are increasingly recognising the value of their first-party data and direct consumer relationships, boosting the appeal of retail media networks. The next phase will see efforts towards standardization, with industry players working together to establish common metrics, formats, and guidelines to combat fragmentation in retail media.

As these networks mature, they'll significantly impact the advertising landscape, offering new opportunities like offsite and physical store retail media. This push for standardisation aims to streamline operations, increase transparency, and facilitate seamless interactions across various retail media networks, creating a more unified and accessible ecosystem for advertisers.

5-Physical stores and ecommerce will converge into a seamless shopping experience Omnichannel will gain even more significance as digital and physical advertising worlds merge to deliver enhanced value to consumers. For example, in-store digital displays will provide personalized, real-time messaging to in-store shoppers and highlight brand partners and their new products in physical retail settings. Investing in physical retail media opportunities to complement digital campaigns benefits retailers seeking network growth and brands aiming to reach new customers or boost sales from existing ones.

Navigating India's Advertising Landscape As 2024 progresses, the interplay of global trends and India's unique market dynamics will continue to influence advertising strategies. Indian advertisers face the challenge of remaining agile and innovative, adopting global trends while respecting cultural nuances and local consumer expectations.

As we navigate these transformative trends, it's crucial for marketers, media owners, and their tech partners to continue to test and learn to stay ahead of the curve, in order to continue providing value to both consumers and their own businesses and prepare for the future of advertising. (FE24032024)

Economics

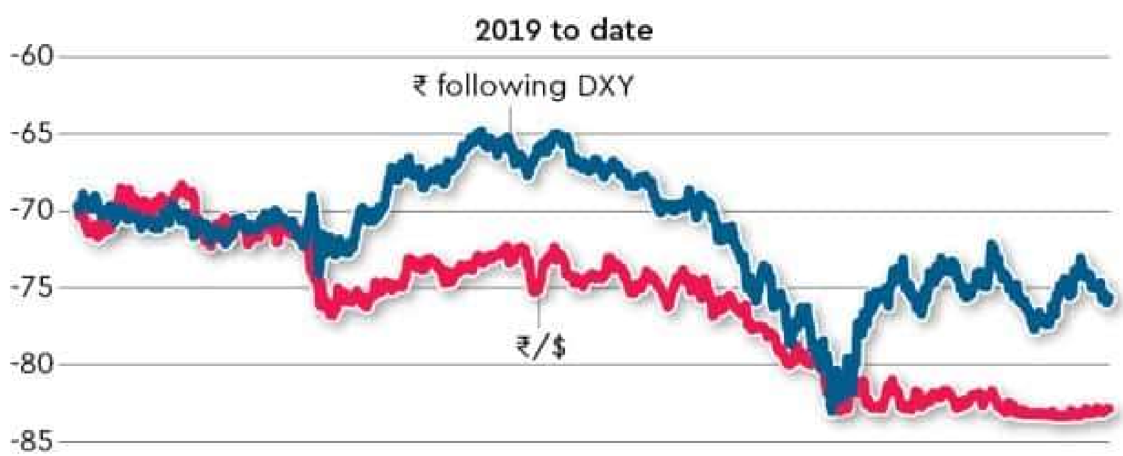
Is RBI'S intervention approach harmful?

RBI intervention would still be necessary to control the volatility to ensure that excess inflows or outflows did not push the rupee too far from the market-determined level

By Jamal Mecklai

When I was thinking about RBI's approach to intervention in the FX market recently, it occurred to me that since Independence, artificially low interest rates automatically meant artificially high inflation; and that while inflation affects everyone, it affects poor people the most. And since India has a huge population of poor people, this approach was effectively putting unnecessary pressure on the largest part of our population, keeping them from reaching their best productivity. In other words, this was bad policy.

RBI has repeatedly said that it has no specific target rate for the rupee in mind and only intervenes to manage volatility. However, to my mind, if it actually has no specific target value, the rupee's value against the dollar should float with the global market, rising when, say, the dollar (DXY) weakened and falling when it strengthened. The accompanying graphic shows that in this case, the rupee today would have been around 75, about 10% stronger than today's 83 level. Interestingly, the rupee would have hit 83 in September 2022, almost a year before it actually did, except that it would have strengthened since then, as DXY weakened.



The average value of the rupee between 2019 and today would have been 71.50 instead of north of 76. Seeing how cheap the rupee is in comparison to the dollar and other international currencies, I believe these levels would more fairly reflect purchasing power differences. (I note that this analysis has picked Jan 2019 as a starting point at random—the exercise was primarily to prove a point.)

Of course, the most important aspect of the process I am suggesting is that with the rupee stronger on average, inflation would be lower—in particular, food and energy prices, which form a disproportionate amount of a poor man's expense basket, would be cheaper.

And with lower inflation, interest rates, too, would be lower than they are today. This would help all parts of the economy and would mitigate to some extent at least any loss of export competitiveness; in any case, with imported inputs forming an increasing percentage of exports, the decline in competitiveness in many industries would be marginal and certainly made up by the stronger domestic market. Most critically, as I have already mentioned, the man in the street would benefit.

To be sure, rupee volatility would be higher since it would very closely reflect the volatility of DXY. However, over the last five years, this would have marginal impact—the average volatility of DXY was just 6.35%, only slightly higher than USD-INR volatility, which averaged 5% over the period. Again, the maximum volatility of DXY over the past two decades was 16.5%, more or less the same as that of the rupee (18.5%). Thus, managing risk would not be much more difficult than it currently is. Importantly, however, this approach would also have the advantage of eliminating the moral hazard that creeps in when, as now, rupee volatility falls too low, would be eliminated—if, for instance, there is a major collapse on Wall Street and global markets move suddenly to risk off, there could be a sharp fall in the rupee and many importers, who are sitting pretty on an almost stock-still rupee would lose their shirts.

RBI intervention would still be necessary to control the volatility to ensure that excess inflows or outflows did not push the rupee too far from this market-determined level. And, changing the approach would certainly have an impact on the reserves, which have grown very nicely from $400 billion in 2019 to more than $600 billion today. However, it is difficult to forecast how reserve growth would change under this different approach. For instance, if there were strong inflows on days when DXY strengthened, RBI would have to buy even more dollars to push the rupee towards its DXY reflection; correspondingly, if there were heavy outflows when DXY weakened, dollar sales would have to be higher. All of this would also impact RBI's liquidity management.

I'm sure RBI is more than conscious of all of this and has taken educated decisions on choosing its approach. However, given the negative impact the current approach has on inflation, I believe RBI needs to be more transparent in explaining its intervention policy. (FE04032024)

Unicorns to add $1 trillion to economy by 2030, generate 50 million jobs: CII-McKinsey study

The first unicorn was seen in India in 2011, and after a decade, India has crossed the mark of 100 unicorns. The combined valuation of 113 unicorns is $350 billion as of January 2024.

By Akanksha Nagar

New unicorns are likely to add $1 trillion to the Indian economy, which would reach $7 trillion size by 2030, and add 50 million new jobs, according to a report released by industry body CII on Thursday. Startup firms valued over $1 billion are categorised as unicorns.

The report 'Unicorn 2.0: Adding the Next Trillion' has been prepared with McKinsey & Company as the knowledge partner, CII said.

Sectors such as retail and e-commerce, next-gen financial services, manufacturing, and SaaS and digital are poised to drive massive growth in the coming years.

The first unicorn was seen in India in 2011, and after a decade, India has crossed the mark of 100 unicorns. The combined valuation of 113 unicorns is $350 billion as of January 2024.

The industry body said that the emergence of over 100 unicorns is a remarkable achievement, attributed to several pivotal factors, which encompass a digitally adept young population facilitated by widespread access to mobile internet, the growth of the middle class, and a supportive regulatory framework. CII president R Dinesh stated that the startup ecosystem is a vibrant tapestry woven with threads of innovation, resilience, and transformative ideas.

"As we dissect the components that foster growth, we navigate through the realms of economic contribution, job creation, and ground-breaking innovations that redefine industries," he said.

According to the findings of the CII report, India's 100-plus unicorns and about 100,000 startups have contributed a significant 10-15% to GDP growth between 2016 and 2023.

Moreover, rapid digitization has not only transformed urban centres but has also permeated rural areas, catalysed inclusivity and driving the creation of 20-25% of all new employment opportunities.

Startups are playing a pivotal role in powering India's economy across 9 sunrise sectors – manufacturing; IT and digital services; agricultural ecosystems; healthcare services; travel and tourism, modern retail and e-commerce; next-generation financial services; communication, media and entertainment; and skills and education. These sectors not only serve as current growth engines but are also projected to spur further growth, employment, and can have 20-23 times impact on exports by FY30.

India is home to 20 times more startups today than in 2015, going from 4,000 to over 100,000. Startups and related corporate ventures have contributed an estimated $140 billion in economic value in FY23. (FE15032024)

MUTUAL FUND

Retail investors garner a lion's share of the Indian mutual fund industry in just over a decade!

The significant surge in retail participation is backed by a steady growth in the Indian economy, robust, transparent and forward-looking regulatory framework, growing awareness and enhanced reach through digitisation and technology.

By Ashwini Kumar

The Indian mutual fund industry has seen its AUM (assets under management) more than double in the last four years to Rs 54.54 lakh crore in February 2024, as compared with Rs 23.16 lakh crore in February 2019. While there are several interesting factors that have contributed to this steady and exponential growth, one of the most significant of them is the story of retail participation. As on January 2024, retail or individual investors accounted for over 60 per cent of the industry's AUM at Rs 31.79 lakh crore, this is in stark contrast to the scenario in 2013 when the industry barely had any retail footprint.

The significant surge in retail participation is backed by a steady growth in the Indian economy, robust, transparent and forward-looking regulatory framework, growing awareness and enhanced reach through digitisation and technology. The strong macroeconomic fundamentals of the Indian economy and resilient earnings growth are likely to help sustain the growth momentum and ensure steady inflows into the industry. This will augur well for the retail investors who are investing a significant chunk (nearly 84 per cent) of their assets in equity-oriented schemes.

It is to be noted that equity-oriented schemes derive nearly 88 per cent of their assets from individual investors.

Let us take a look at some of the key factors that have contributed to increased participation of retail investors:

India – a bright spot in the global economy

The fundamentals of the Indian economy have remained intact thereby insulating the domestic economy from global shocks. The robust growth in Indian stock markets, despite short term volatility, is attracting the attention of foreign investors, which has helped bolster the Indian investment landscape. The continuous efforts and impetus provided by the government through Make in

India “Atmanirbhar Bharat” and the sustained growth momentum and resilient earnings growth is likely to keep India in a bright spot in the global economy, attracting long-term investments.

SEBI fostered robust, transparent and forward-looking regulatory framework

For any industry to develop, grow and flourish, it needs the support of a transparent and robust regulatory framework. It is worthwhile to mention here that the capital market regulator SEBI (Securities and Exchange Board of India) has brought in several changes in regulatory landscape which has not only helped channelise higher inflows into the industry, but has helped build the resilience and trust of retail investors to allocate their assets into equity-oriented schemes.

Measures such as stipulating AMCs to compulsorily set aside 2 basis points of their total AUM every year for investor education; providing incentives to mutual funds who are able to get substantial flows from places beyond India’s top 15 cities; introducing low-cost direct plans and widening of the distribution pool have gone a long way in attracting retail participation in the industry.

It should be mentioned here that while the top five states and union territories including Maharashtra, New Delhi, Karnataka, Gujarat and West Bengal still accounted for nearly 68.4 per cent of the total AAUM of Rs 52.89 lakh crore in January 2024, the smaller states and union territories beyond the top 10 states have been witnessing a steady surge in investments into mutual funds. The improving penetration in smaller towns and cities is backed by increasing awareness among people, the growing interest among retail investors for investing in equities through the mutual fund route and the opening up of branches of AMCs (asset management companies) beyond the top 30 towns. The burgeoning middle class and rising financial literacy and aspirations is prompting more and more people to resort to financial planning so as to accrue savings, particularly through the SIP (Systematic Investment Plan) route.

A majority of the individual or retail assets are distribution driven with nearly 55 per cent of the assets of individual investors coming from T30 cities brought in by distributors.

SEBI, as the watchdog of the domestic mutual fund industry, has been continuously monitoring the industry and adopting measures to improve transparency and accountability of the industry.

Enhanced reach through digitisation and technology

The digital revolution brought on by the affordable internet and the enablement of a strong payment system with the introduction of UPI based fund transfers has made investment in mutual funds a seamless and intuitive experience akin shopping online. This is encouraging more and more people to look at investing in stock markets and mutual funds even from smaller towns and cities.

Investor education initiatives and Mass-scale Financial Literacy

Initiatives such as the 'Mutual Fund Sahi Hai' campaign have played a vital role in enhancing financial literacy among retail investors. Mass-scale awareness programs and easy access to quality investment information have empowered individuals to overcome barriers and embrace mutual fund investments. The rise of financial influencers further complements these efforts by disseminating valuable insights and guidance thereby leading to a higher penetration of insurance products.

Advantage SIP

The popularity of Systematic Investment Plans (SIPs) over other investment avenues such as recurring deposits (RDs) and lumpsum investments has surged, offering investors a convenient way to navigate market volatility with the help of industry experts. The flexibility to pause or modify SIPs with a few clicks empowers investors to stay agile in changing market conditions, while SEBI ensures fair and transparent rule of the game. It is to be noted that the SIP channel of investing has been gaining traction among investors as it helps them to invest in a disciplined manner without worrying about market volatility and market timing.

The AUM of the Indian mutual fund industry has grown over 6-fold in a span of 10 years from Rs 9.16 lakh crore as on Feb 28, 2014 to Rs 54.54 lakh crore as on Feb 29, 2024. The record growth in AUM can be attributed to steady growth in SIP accounts. The fact that Indian equity market has continued to perform well amid global uncertainties, backed by the country's underlying strong fundamentals is certainly a big draw for investors, who understand and appreciate the importance of adopting a disciplined approach towards investing through SIP channel and this is likely to augur well for the industry in the medium to long term. The Indian economy, which is going through a paradigm shift, is therefore likely to be powered by retail investors moving forward. (FE18032024)

E-COMMERCE

Understanding customer pain points: Building reliability in Indian ecommerce

Retailers in India must understand these customer pain points and adjust their technology offerings to provide digital experiences that will delight shoppers and keep them coming back

By Kris Day

The e-commerce market in India is booming. As a result, organisations are investing heavily in mobile apps to provide seamless experiences for their users. A recent study by New Relic found that 81% of Indians use their smartphones for online purchases. Furthermore, 5 in 10 Indian consumers almost always, or frequently, use their smartphone in-store for price comparison or to view live product reviews.

Savvy online retailers can provide tailored user experiences via mobile applications and app users tend to become more loyal as a result. However, customers demand good experiences around the clock. Slow loading times, lack of adequate online payment options, and unsolicited notifications can turn a loyal customer into a frustrated one, fast.

Retailers in India must understand these customer pain points and adjust their technology offerings to provide digital experiences that will delight shoppers and keep them coming back.

Pain point no. 1: Slow buffering or loading time

Immediacy is king when it comes to mobile apps for retail. It is also one of the biggest pain points for customers in India with 46% saying they would download a shopping app that offered faster UX. In fact, 60% of customers in India won't stay on an app for more than 10 seconds if it shows slow buffer speed.

Every customer that experiences slow load time is a missed opportunity for revenue generation. It frustrates customers to have to wait for apps to load or navigate apps that are poorly designed.

This is a clear indicator that eliminating one of the biggest pain points for customers can help meet the brand's overall loyalty goals.

Pain point 2: The user experience isn't seamless

User experience is imperative to whether customers decide to retain mobile apps on their phones. Around 90% of users stop using a mobile app because of poor performance. UX is also a clear indicator of customer loyalty with 62% of customers making future purchases based on past experiences, and 44% recommending brands to friends if the experience is great.

High-quality user experience (UX) design is no longer a competitive edge alone. Instead, it's a crucial element for long-term market success because apps need to be used for brands to generate revenue online. The average retention rate on an Android app on the first day of download in India is 23% and this drastically drops to 1.96% on day 30. It's clear that businesses that focus on creating the best possible user experience stand to benefit.

Pain point 3: Digital payments are failing

One of the biggest inconsistencies that leave shoppers frustrated is when digital payments don't go through and it takes a great amount of effort to process refunds. The State of Ecommerce in India report found that among the top concerns regarding digital payments among Indian customers were payment failure (50%) and problems processing refunds (45%).

Another reason shoppers abandon a retailer's website or mobile app is the lack of adequate digital payment options. Globally, more than half (56%) of customers admit that they would buy more from an online store if there were more payment options available. When it comes to online payments, seamless transactions are the order of the day. Achieving reliability in digital payments offers retailers a competitive edge.

Overcoming challenges with observability

Online retailers need observability solutions to address major pain points and create memorable digital experiences. All-in-one observability solutions see everything across the business as they offer APIs, gateways, and integrations that follow customers across every shopping step. These platforms also use a tracker to model system health which can instantly spot performance issues with required alerts and simulate shopper interactions. Retailers can view all the omnichannel data in one place from online, in-store, and fulfilment, ensuring any issues are fixed proactively.

The negative impacts of performance issues and the lack of speed in e-commerce apps can have real-world consequences on revenue, customer satisfaction, and brand reputation. App optimization and performance tuning are essential for businesses to continually refine their strategies to deliver impeccable user experiences.

The need for speed is unrelenting. Online retailers must understand the relationship between loading time, performance, and user satisfaction. With so much at stake, observability solutions are essential in creating the digital experience customers crave. (FE25032024)

Counterfeit products: The menace damaging brand reputation on e-com platforms

The rising availability of counterfeit products online has led to an erosion of trust among shoppers

By Amit Relan

Strolling through the busy marketplace on the streets of Delhi – a street vendor selling abibas shoes, or zaara handbags is a common occurrence that attracts shoppers sometimes knowingly they buy such counterfeit products or just get duped. But when that happens on online marketplaces, the buzz, negative reviews, loss of revenue, and reputation hurt the brand. Fashion and apparel, sporting goods, consumer durable/electronics, and beauty and personal care brands face major damages with counterfeit products on online platforms.

Impact of counterfeit Product on brand reputation

The threat is much bigger, lack of awareness and efficient counterfeit detection mechanisms make it even worse. The rising availability of counterfeit products online has led to an erosion of trust among shoppers. The shoppers who have unintendedly purchased counterfeit products online now feel susceptible to buying anything from that brand again.

The impact of counterfeit products being sold in the online marketplace or on the fake websites goes beyond just loss of revenue. It decays customers' sentiment with negative feedback complaining about sub-standard quality and unpleasant experiences or simply getting duped.

What should brands do? How can you identify counterfeits on online marketplaces?

Brands need to analyse and monitor e-commerce platforms for listing of counterfeit products or breaches. Some key parameters which brands need to monitor and analyse include product URL, product name in title, pricing violations, relevant keywords from reviews, unrecognised sellers, average poor rating, image, and PDP content. This will enable the brand with comprehensive risk assessment and take relevant action.

Here are some of the cases of online counterfeit products and breaches/discrepancies to identify counterfeit being sold online.

- Non-branded products sold along with renowned beauty products as a combo.
- Substantially low ratings and low number of reviews analysis help identify brands.
- The product image is different from the title or some spelling errors in the title.
- The brand name in the product image is different from that in the title.
- Poor image quality – Band name and logo that resembles a popular brand. May be some negative reviews that highlight the bad quality of its counterfeit product.

- Brand logo on product image but non-brand item sold by unauthorised seller
- Unrealistic difference in the price listed by original brand and counterfeit product on the same online marketplace or on two different e-commerce platforms.

The extent of counterfeit products menace

According to CRISIL and ASPA report, counterfeiting does massive damage to the apparel industry where 31% came across a counterfeit product, followed by FMCG with 28%, Automotives with 25%, and consumer durables with 17%. 27% of shoppers were unaware of purchasing counterfeit products while 37% were willing to buy such products knowing for various reasons like price sensitivity, the lure to own luxury brands, and social motivations.

The sale of counterfeit products not only affects the brand value, but also a serious threat to the well-being of the consumer who unknowingly purchases sub-standard products.

Counterfeiting is no longer limited to areas within major cities or sold in the shadows. The rise of online marketplaces and e-commerce websites has also propelled the sudden growth in sales of sub-standard or counterfeit products online under the pretext of selling genuine products. Common mentions in the survey Snapdeal 12%, Amazon 11%, and Flipkart 6% of shoppers said they found counterfeits on these platforms. As the threat is getting bigger platforms are also taking strict measures to prevent counterfeit on their platforms and enabling brands with a reporting mechanism and making takedowns requests.

DISRUPT the disruptors! Technology can prove to be the driving force to protect brands against counterfeit on e-commerce platforms and plug the breaches that are a red flag for the brands and shoppers. For shoppers, awareness is the key to protect yourself from getting duped and ensuring you stay away from cheap low-hanging fruit. For Brands they need a stringent AI/ML driven tech solution to scan through the social media, web and e-commerce platforms to detect counterfeit being sold or unauthorised use of their brand name to sell sub-standard products.

To excel in the fiercely competitive e-commerce landscape, brands need to protect their reputation. The counterfeit menace on e-commerce sites is a concern that needs vigilant monitoring and rapid action. Safeguard your brand from the domino effect of negative customer sentiments on counterfeit product purchase taint their brand image. (FE24032024)

BRAND MANAGEMENT

Building long-term consumer relationships through brand reputation, credibility and trustworthiness

The TATA Group, with its century-long legacy of trust and ethical practices, stands as an epitome of a positive brand reputation

By Manas Jaiswal

In the dynamic landscape of Indian business, where consumer choices abound, the importance of brand reputation, credibility, and trustworthiness cannot be overstated. This article explores the pivotal role these factors play in shaping enduring consumer relationships, drawing insights from giants such as Tata Group, Forest Essentials, Starbucks, and from unicorns including Zomato, Razorpay and PolicyBazaar, this article unveils actionable strategies tailored for startups navigating the dynamic landscape.

The foundation: Brand reputation

Brand reputation is the foundation upon which consumer relationships are built. The TATA Group, with its century-long legacy of trust and ethical practices, stands as an epitome of a positive brand reputation. From steel to software, TATA's diverse ventures have consistently delivered quality and reliability, earning the trust of millions across the nation.

In the wellness sector, Forest Essentials has meticulously crafted a positive reputation by embracing traditional Indian beauty rituals. Their focus on natural ingredients and sustainable practices has not only resonated with consumers in India but also garnered international acclaim, showcasing the global appeal of a well-reputed brand.

Starbucks, with its global presence, has successfully cultivated a positive brand reputation by offering an immersive coffee experience. Their commitment to quality and ethical sourcing has positioned them as a trusted choice for coffee enthusiasts worldwide.

In the financial sector, Razorpay has swiftly built a positive reputation through its seamless payment solutions and transparent practices. The brand's commitment to innovation and customer-centricity has contributed to its growing reputation as a reliable fintech partner.

Credibility: Nurturing consumer confidence

Credibility is nurtured through consistent delivery on promises and transparent communication. PolicyBazaar, a disruptor in the insurance sector, has built credibility by simplifying the insurance buying process and providing transparent policy information. This approach has not only increased consumer confidence but also positioned PolicyBazaar as a trustworthy platform.

Zomato, a trailblazer in the Indian food delivery sector, has built credibility through its seamless app interface, transparent reviews, and reliable delivery services. This has not only enhanced user confidence but also positioned Zomato as a trusted brand in the fiercely competitive food-tech market.

Trustworthiness: Pillar of consumer loyalty

Trustworthiness is the pillar of lasting relationships between a brand and its consumers. Starbucks, with its commitment to fair trade and social responsibility, has fostered trust among consumers who prioritise ethical business practices. This has translated into customer loyalty and a positive brand image.

Trustworthiness is the pillar of lasting relationships between a brand and its consumers. The TATA Group's commitment to social responsibility and community development has not only enhanced the trust of its consumers but also positioned the conglomerate as a socially responsible entity.

In the fintech sector, Razorpay's transparent fee structures and commitment to data security contribute to the brand's trustworthiness. Their dedication to building a reliable and secure payment ecosystem has earned them the trust of businesses and consumers alike.

Synergy of brand impact

The success stories of Tata Group, Starbucks, Razorpay, and PolicyBazaar, underscore the indispensable role of brand reputation, credibility, and trustworthiness in building enduring consumer relationships. As consumers seek brands aligning with their values, these examples showcase how these principles can be seamlessly integrated into a holistic marketing strategy.

For Startups, aiming to fortify their brand's position in India's diverse market, the lessons from these examples are clear: prioritise reputation, build credibility through transparent practices, and consistently demonstrate trustworthiness to forge lasting connections with consumers. By doing so, brands can not only drive sales but also create a legacy of positive impact in the lives of their customers. Here are some common examples of actions startups can take:

1. **Transparent communication:** Regularly communicate with customers, stakeholders, and the public. Share updates, milestones, and any challenges faced by the startup. This fosters transparency, showcasing openness about the startup's operations.
2. **Customer reviews and testimonials:** Encourage satisfied customers to leave reviews and testimonials. Positive feedback acts as social proof, instilling confidence in potential customers. Addressing negative reviews professionally also demonstrates a commitment to customer satisfaction.
3. **Consistent branding:** Maintain consistency in branding across all platforms, including social media, website, and marketing materials. A cohesive brand image reinforces professionalism and reliability.
4. **Secure and transparent transactions:** If applicable, implement secure and transparent payment systems. Clearly communicate any fees, terms, or conditions related to transactions. This ensures a smooth and trustworthy purchasing process for customers.
5. **Data security measures:** Prioritise data security and privacy. Clearly communicate how customer data is handled, stored, and protected.

Adhering to industry standards and regulations builds trust with users concerned about privacy.

6. **Quality content and thought leadership:** Establish the startup as an industry authority by producing high-quality, informative content. This can include blog posts, whitepapers, or webinars. Sharing valuable insights showcases expertise and builds trust with the audience.
7. **Responsive customer support:** Offer prompt and helpful customer support. Respond to inquiries, address concerns, and provide assistance in a timely manner. This demonstrates a commitment to customer satisfaction and builds a positive reputation.
8. **Clear return and refund policies:** Clearly outline return and refund policies. Transparent policies help manage customer expectations and build trust by showcasing the startup’s commitment to fair and ethical business practices.
9. **Partnerships and collaborations:** Establish partnerships with reputable organisations or collaborate with influencers in the industry. Associations with trusted entities enhance the startup’s credibility by association.
10. **Consumer success stories:** Share success stories of satisfied customers. Real-life experiences add authenticity and allow potential customers to relate to the positive impact of the startup’s products or services.

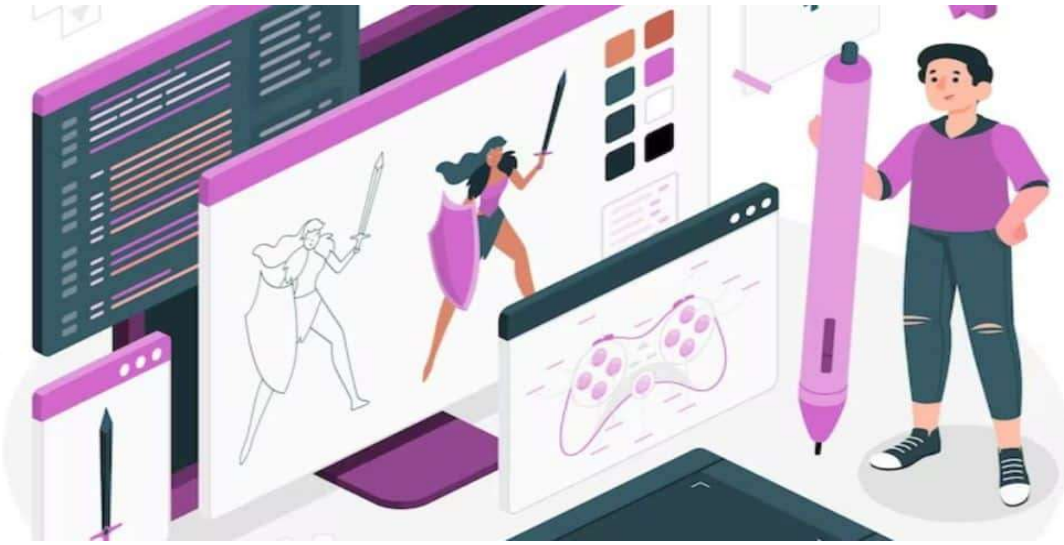
By implementing these strategies, startups not only establish credibility but also create a positive environment conducive to long-term relationships and sustained success. As startups navigate the challenges of building trust, each action taken plays a crucial role in shaping the narrative and fostering a trustworthy image in the eyes of their stakeholders. (FE24032024)

SOCIAL MEDIA MARKETING

Visual design is evolving: How brands can elevate its social media presence

The first trend gaining traction is the revival of Pixelation

By Silvia Oviedo Lopez



Visual communication is shaping our online experience as pixels, shapes and colours transcend aesthetics, bridging the gap between brands and their audiences. In the world of social media, where first impressions can often prove to be the last amidst all the likes, shares and scrolling, the power of visual design has captured the collective consciousness of the creative community.

The first trend gaining traction is the revival of Pixelation. Rooted in a nostalgic embrace of tech aesthetics reminiscent of classic eight-bit video games and computer animations, this design trend introduces pixel art and blocky fonts to our social media feeds. The charm in the precision of pixelation, which has a playful expression that evokes comfort and nostalgia, gives brands an opportunity to create a distinctive visual identity resonating with a diverse audience.

Another visual storytelling trend that has taken centre stage is Motion Collage, a reinvention of the ever-popular collage trend, drawing inspiration from zine culture, handmade scrapbooks, and the art of photo collages. Motion Collage is the epitome of attention-grabbing — with visuals coming to life in a dynamic, ever-shifting dance instead of static frames. Static visuals transform into a dynamic narrative, weaving a tale that speaks directly to the lifestyle and aspirations of the target audience.

Flow and Form, an artistic dance merging geometric precision with organic expression, is the next trend expected to create a buzz in the creator community. Picture a lifestyle brand, seamlessly blending clean lines with organic shapes, adopting the Flow and Form trend to highlight products in a contemporary and engaging manner. It's not merely about selling a product. It's about creating an aesthetic language that speaks to the audience, forging a connection beyond the transactional.

Surrealism, a familiar term from the 20th-century art movement, will take a bold step back into the spotlight this year, unfolding on our screens rather than confined to gallery walls. 'Fantasy art,', 'ethereal design.' and 'subconscious connection' have witnessed a significant increase in searches as brands harness surrealism to inspire wonder, prompting followers to challenge their perception of reality and embrace the fantastical. An innovative travel brand, for example, might embrace surrealistic visuals in its social media campaigns, transporting followers to dreamlike destinations and encouraging the audience to escape the mundane.

Bold branding is back in 2024, with brands embracing vibrant colours and rounded sans-serif fonts. As companies look to appeal to newer generations and design gets democratised, we could see more and more companies refreshing their brand identities. Imagine a world where corporate identities shed subdued hues for vivid, fluorescent shades. Bold might be seen as risky, but in the fast-paced world of social media, to stand out is the ultimate reward. Imagine a beverage company daring to undergo a bold rebrand — neon colours splashed across their social media profiles, accompanied by modern sans-serif fonts. It might be perceived as a calculated risk to channel a fresh and energetic vibe, a visual declaration that they are not just a product but a lifestyle choice.

Visual design is no longer just an accessory to content but has become content in its own form. Each pixel, shape, and movement serve a purpose: to captivate, engage, and resonate. If social media is the canvas, brands need to become immersive visual storytellers, crafting narratives that unfold with every scroll and inviting the audience to step into a world where pixels, forms, and colours aren't just visual elements — but an experience by itself. (FE02032024)

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