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LATEST HAPPENINGS, DEVELOPMENT AND RESEARCH IN MANAGEMENT

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Navigating ethical challenges in AI video creation: Protecting creators, brands, and the message

AI in video creation is advancing at a remarkable pace, bringing with it both exciting opportunities and serious ethical challenges.

By Karan Ahuja

As artificial intelligence revolutionizes video creation, content creators and brands find themselves navigating a new frontier where hyper-realistic videos can be generated with minimal effort. AI can replicate faces, voices, and entire environments, making it a powerful tool for storytelling and marketing. But with this power comes a set of ethical concerns that are hard to ignore: biases embedded in algorithms, ambiguous copyright issues, and the importance of obtaining clear consent. Let's dive into these issues and explore how creators and brands can avoid ethical pitfalls while still embracing the opportunities AI presents.

1. The unseen biases of AI: A new creative risk

One of the biggest fears for creators using AI is the risk of embedded biases in the technology. AI is trained on massive datasets, which often carry subtle (or not-so-subtle) biases reflecting historical inequalities. When these biases emerge in AI-generated content, they can perpetuate stereotypes or unfairly represent certain groups.

Imagine an AI-powered video that systematically underrepresents certain demographics or portrays them through outdated stereotypes. The impact can be subtle—like limited representation in a diverse ad—or more overt, sparking backlash from consumers who feel alienated or offended. For creators and brands, this means facing potential reputational damage, financial loss, and eroded consumer trust.

Industry leaders are responding by pushing for transparency in AI training, creating checks to detect and reduce bias, and investing in datasets that better represent diverse groups. With these steps, they're ensuring that AI doesn't accidentally misrepresent their message or audience.

2. Copyright chaos: Who owns AI-generated content?

As the line between human and AI-generated work blurs, copyright laws struggle to keep up. Traditionally, copyright protects human-created content, but who owns the rights when AI generates part—or even all—of a piece of content? Is it the creator, the brand, or the AI software's developer?

This lack of clarity leaves creators and brands in a legal gray area, especially when the AI's training data includes pre-existing copyrighted works. Without the right safeguards, there's a risk of unintentional plagiarism, which could lead to lawsuits, fines, and reputational harm.

For brands and creators, the best approach is caution: conduct thorough copyright checks, collaborate with legal teams, and stay updated on evolving copyright laws to avoid unwitting infringement. Many industry leaders are also advocating for updated copyright policies that clarify ownership, ensuring that creators maintain control of their work even when AI is part of the process.

3. The consent conundrum: Ethics of digital manipulation

AI can now replicate faces, voices, and personalities with impressive accuracy, opening up endless creative possibilities. However, this technology brings a new ethical challenge: ensuring consent. Deepfake technology, which can digitally replicate someone's likeness, has the power to create realistic virtual personas. While this can be a creative boon, it also raises serious privacy concerns.

For creators, using someone's likeness without consent—even if it's just for a digital replica—can lead to legal trouble and public backlash. Imagine a scenario where a celebrity's face is digitally used in an ad without their approval. The legal and reputational consequences could be severe.

Brands are also feeling the pressure. Using an AI-generated version of a public figure or influencer without permission can backfire spectacularly, damaging brand reputation and leading to lawsuits. To avoid these risks, brands are prioritizing clear consent and transparency, often using disclaimers to inform audiences when AI has been used to enhance or replicate a person's likeness.

4. Maintaining control of brand messaging: Can AI stay on message?

For brands, one of the biggest worries is keeping AI-generated content aligned with their core messaging. AI tools can sometimes stray from the intended tone or message, which is especially risky in sensitive industries like healthcare, finance, or politics. Even minor shifts in tone can lead to unintended interpretations, posing a risk to the brand's image.

Imagine an AI-generated video that unintentionally uses language or imagery that conflicts with a brand's values. The backlash could be swift and damaging, especially in an era where audiences expect brands to reflect their ethics clearly and consistently.

To tackle this, industry leaders are implementing rigorous content review processes and setting strict guidelines for AI tools. These measures help ensure that AI-generated content reflects the brand's message and doesn't veer off course. Some brands are also embracing a concept called "controlled creativity," which gives AI tools the flexibility to generate content within specific, carefully defined parameters.

5. Keeping up with compliance: The demand for AI standards and accountability

With ethical concerns mounting, governments and industry leaders are recognizing the need for clear regulations that guide the ethical use of AI in media and content creation. In Europe, for instance, the proposed AI Act would categorize AI applications by risk level, potentially placing content generation tools under "high-risk" regulations. This act, if passed, would require brands and creators to adhere to strict compliance protocols, emphasizing transparency and accountability.

For brands, these regulations mean a heightened focus on ethical AI usage. Failing to comply with emerging regulations not only risks legal penalties but also could lead to severe reputational damage. Compliance teams within brands are now conducting audits, setting clear ethical guidelines, and keeping close tabs on evolving AI standards to ensure their content aligns with both legal and ethical expectations.

Conclusion: Balancing innovation with responsibility

AI in video creation is advancing at a remarkable pace, bringing with it both exciting opportunities and serious ethical challenges. For creators and brands, the path forward involves proactive steps: reducing biases, securing copyright clarity, ensuring consent, and staying compliant with emerging regulations.

As AI's role in media continues to grow, those who prioritize ethical responsibility will set themselves apart, gaining trust and credibility with consumers who value transparency and fairness. Embracing AI's potential while upholding these ethical standards is the key to unlocking a future where technology and responsibility go hand in hand, benefiting creators, brands, and audiences alike. (FE16112024)

Harnessing GenAI for enterprise content production and innovation

Despite these challenges, marketing leaders remain enthusiastic about the potential of generative AI to address their teams' challenges.

By Chandra Sinnathamby

Leveraging generative AI to drive content innovation and efficiency conversations with CMOs, CIOs, and other high-level decision-makers consistently revolve around two critical questions: "How can generative AI benefit our business?" and "When will we see returns on our investment?" While many leaders across industries report running numerous parallel pilots, many firms are experimenting with generative AI, but few have completely recognized AI's potential for their business. A recent Digital trends study found that only about a quarter of senior executives believe their company has successfully integrated generative AI with their broader goals for customer experience and digital transformation. Nearly half the respondents report that this integration is still a work in progress (45%), and roughly a third haven't even rolled up their shirt sleeves and gotten to work on this opportunity.

Despite these challenges, marketing leaders remain enthusiastic about the potential of generative AI to address their teams' challenges. Often, their primary focus is content. India is at the forefront of generative AI adoption in the Asia Pacific region, according to a Deloitte report. With 83% of employees actively using GenAI, the country's tech-savvy younger generation is driving this technological revolution. The widespread adoption is significantly enhancing productivity, with Indian users saving an average of 7.85 hours per week. As enterprises integrate GenAI into their operations, the potential for efficiency gains and skill development is immense, presenting both opportunities and challenges for employers in a rapidly evolving digital landscape.

Operationalizing generative AI for content personalization

CMOs aim to expand and scale personalisation efforts but often find the breadth and depth of content to be a significant blocker. Additionally, global businesses need to run marketing efforts across multiple markets, but regional teams often lack the resources and budgets to effectively localize content. There is also a - growing need to frequently refresh content to stay relevant on crowded channels like social and paid media, recommending biweekly or even weekly updates.

Content demand is skyrocketing, outpacing the capabilities of traditional marketing structures. Teams are struggling to meet the ever-increasing need for fresh, engaging material within existing constraints. The current setup of segregated creative units, agencies, and suppliers lacks the agility and resources to produce content at the required velocity, volume, and cost-effectiveness. This mismatch between demand and capacity is creating significant challenges for marketing departments across industries. Generative AI has the potential to transform content creation, enabling productivity improvements of 10–100 times or more for certain workflows. These substantial gains can translate into higher-performing campaigns, faster time to market, and reduced costs. The challenge, and opportunity, lies in operationalizing generative AI for content across the enterprise.

Five strategies to transform generative AI from experimentation to real-world application

Enterprises need to modernize their approach to content and adopt a holistic strategy.

Enhance Creative Teams' Capabilities

AI-powered creative tools boost productivity by speeding up ideation and tasks like image editing. This acceleration frees up creatives' time, allowing them to take on more projects and explore new creative avenues. To maximize impact, seek AI models and solutions that integrate with the tools creative teams use every day, reducing steps instead of adding them.

Enable Marketers to Create and Remix Content

Typically marketers do not create media content; they develop campaign briefs and then hand them over to creative teams. With AI-driven creative tools, a significant portion of the content marketers need can become self-service. Content adaptation becomes streamlined as marketing teams leverage existing materials for localized modifications. This approach allows regional units to efficiently customize offers and refine content to suit their specific market needs.

Automate Manual and Repetitive Tasks

Organizations spend significant amounts on producing asset variations and editing content in post-production. AI-powered tools streamline campaign asset creation, generating thousands of variations for diverse channels, audiences, and products. These solutions integrate generative and creative APIs into workflows, automating routine image tasks efficiently.

Maintain Brand Consistency

For generative AI to be deployed at scale and help organizations differentiate, it must generate content consistent with the brand. When evaluating generative AI content solutions, choose those that allow customization of generative models to match the brand's unique style and voice

Select Technology Designed for Business Safety

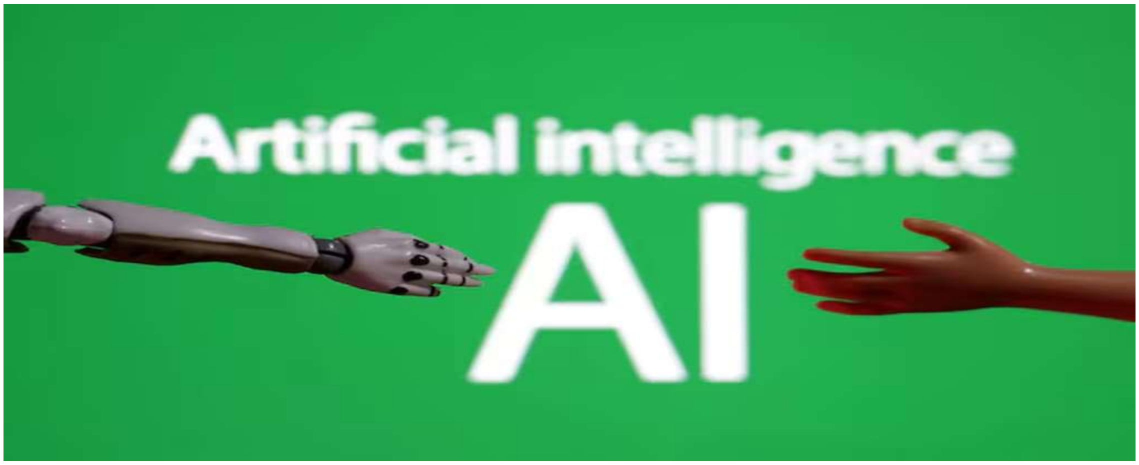
To move beyond experimentation, business need confidence that their AI solutions will not expose them to legal or security risks. Be intentional in selecting generative AI solutions designed to create content that is safe for use in commercial use, ensuring it does not violate third-party copyrights. Businesses must also ensure their data is protected and not used to train other companies' AI models.

Brands implementing these strategies are already seeing pronounced benefits including. As the demand for content expected to rise five-fold in the next few years, organizations will benefit from moving generative AI out of the experimentation and into production today. (FE09112024)

Is AI ignoring consent and harming users?

India has taken steps to safeguard digital consumer welfare with the Digital Personal Data Protection (DPDP) Act, 2023, and the Digital Competition Bill (DCB).

By Aayush Agarwal, Darshil Shah & Pavan Mamidi



Artificial intelligence (AI) is reshaping our digital world, unlocking opportunities while sparking ethical debates. As forms collect data under the guise of "informed" consent, they draw lucrative inferences about our attitudes and behaviours, often without our full understanding. This information asymmetry between users and firms raises questions about the ethics of data hoarding. Furthermore, clever design elements nudge us into sharing more than we realise, leaving us vulnerable to exploitation. The complexities of these issues urge us to take a closer look at the balance between innovation and ethical responsibility.

Is consent really "informed" if users don't know the extent of the inferences drawn by firms? Within AI and digital markets, informed consent is a prerequisite between users and firms that allows firms to extract user data in exchange for the digital service, which is often free, resulting in a non-price transaction with data as currency. Two aspects of legal consent are unique to digital markets: (a) whether users are adequately informed about the amount of their data that firms will collect (if there exists low awareness, the contract is imperfect, and the value derived by one party is greater than the other, resulting in user exploitation); and (b) whether users are informed of the breadth and depth of inferences drawn by digital firms about their users using their data. In (b), if users are unaware that their data will be used outside of the purposes of firms' immediate service, perhaps to gain a competitive advantage in an adjacent market, serious consumer welfare and competition concerns arise. For instance, Netflix has leveraged users' viewing data to enhance the development of Netflix-produced content. This practice challenges the foundational ethics of data use, as users inadvertently contribute to other markets.

Why are people who are concerned about the privacy of their data doing little to actually protect their privacy? Surveys show that people do not fully comprehend key concepts described in privacy policies. Moreover, they report feeling coerced by online platforms into accepting these policies (Bashir et al., 2015). Users do not know enough about what they consent to when using digital services, which goes against major international regulations calling upon digital firms to make it easier for users to make informed decisions. As of 2021, 137 out of 194 countries had enforced data protection and privacy legislation (UNCTAD, 2021). By creating informational asymmetry and undermining informed consent, digital firms may be not compliant with most of these countries' regulations.

The General Data Protection Regulation (GDPR) definition of consent distinguishes "freely given consent" from consent under any form of pressure. Digital platforms like Instagram design user choices, subtly guiding interactions toward profit-centric goals. This persistent nudging compromises user autonomy.

Digital platforms employ sophisticated design elements to create an illusion of user control over their data while nudging them towards choices that may not align with their best interests. For example, Facebook and Instagram offer users various privacy settings and controls, giving them the perception of having control over their data. However, these settings may be complex and difficult to navigate, leading users to default to the platform's pre-selected options, which favour data collection and sharing. Moreover, platforms utilise behavioural science techniques to nudge users towards actions that benefit the platform's bottom line. One such technique is confirm-shaming, where users are subtly coerced into accepting data collection policies by framing privacy-conscious choices as inconvenient or socially undesirable.

Navigating these ethical complexities necessitates a pivot not just towards prioritising consumer welfare but redefining it. Upholding user welfare should mean securing consent and ensuring user data isn't exploited for undisclosed, intricate inferences. It involves safeguarding the integrity of user choice and curbing persistent nudges towards profit-driven objectives that distort genuine user experiences. Policy initiatives like the European Union's AI Act and GDPR have set commendable benchmarks in protecting privacy and user data control. The GDPR grants individuals greater control over personal data, requires explicit consent before collecting and using their data, and imposes strict data security measures. However, the ethical challenges posed by inferred preferences and choice architectures demand a broader conversation.

India has taken steps to safeguard digital consumer welfare with the Digital Personal Data Protection (DPDP) Act, 2023, and the Digital Competition Bill (DCB). The DPDP Act mandates that consent must be free, informed, specific, and clear by enforcing stricter transparency requirements. Similar to the GDPR, it attempts to reduce information asymmetry over data usage between users and firms. The DCB could promote fair competition while addressing monopolistic behaviour like rent-seeking and data hoarding. Both legislations emphasise accountability and transparency from digital firms about their data practices and competitive behaviours. If the DCB is enacted, in conjunction with the DPDP Act, they can foster a more ethical AI ecosystem in India by empowering users with better control over their personal information.

Regulatory agencies like the Competition Commission of India are crucial in enforcing these laws and holding firms accountable for violations. Safeguarding digital consumers requires a multi-faceted approach encompassing legal, regulatory, and enforcement measures.

AI systems delving beyond explicit user consent should mandatorily disclose and seek consent for these extended uses. Simultaneously, crafting digital frameworks that prioritise user autonomy over commercial gains holds significance. Ethical AI development demands user-centric designs that respect users' original objectives, nurturing genuine interactions devoid of coercive nudges towards profit-oriented goals. (FE2211204)

Finance

Do the tax devolution criteria need a revisit?

The 13th FC recommended sharing 32% of the divisible pool of resources with the states. The14th FC increased this proportion to 42% while the 15th FC recommended sharing 41% with the states.

By Manish Gupta

A major challenge before any Finance Commission is balancing equity and efficiency. The 16th Finance Commission has the delicate task of balancing the interests of states which have a low per capita income and larger share of population with those of “better” performing states, explains Manish Gupta

What is the task of a Finance Commission?

The Finance Commission (FC) is a constitutional body set up under Article 280 of the Constitution to make recommendations on the distribution of resources between the Union and the states. The First FC was constituted in 1951 and its recommendations covered the five-year period 1952-57. Since then, we have had 15 FCs.

Currently the 16th Finance Commission is in office which was constituted in December 2023. The Commission is required to submit its report by October 31, 2025 and would make recommendations for the five-year period starting April 1, 2026.

The FC’s terms of reference (ToR) are specified in the Constitution under Article 280(3). They include (a) distribution and allocation of net proceeds of shareable taxes between the Union and the states, and (b) principles governing the grants-in-aid of revenues of the states out of the Consolidated Fund of India.

The 73rd and 74th Constitutional amendments in 1992 added two sub-clauses, which required the Finance Commission to recommend measures needed to augment the Consolidated Fund of a state to supplement the resources of the panchayats and municipalities therein on the basis of the recommendations of the State Finance Commission. Further, the President can refer any other matter to the Finance Commission in the interest of sound finance.

Union vs states’ share of resources

The FC addresses the vertical imbalance arising out of asymmetric assignment of revenues and expenditure between the Union and the states in the Constitution by recommending sharing a proportion of all taxes collected by the Union government with the states (also called devolution).

The 13th FC recommended sharing 32% of the divisible pool of resources with the states. The14th FC increased this proportion to 42% while the 15th FC recommended sharing 41% with the states.

Distribution among states

A number of criteria (with weights) is used for distribution of the shareable tax revenue among states. These are classified under four heads: need (population, area, demographic change), equity (income distance), efficiency/ performance (tax-effort, fiscal discipline, demographic performance), and fiscal disability (forest cover). The 15th FC used 2011 population (with 15% weight), area (15%), forest and ecology (10%), income distance (45%), tax and fiscal efforts (2.5%) and demographic performance (12.5%) for determining inter se shares of states. FCs also recommend grants to states. However, devolution is the dominant component, accounting for 80-85% of total FC transfers.

Friction over terms of reference

Unlike the previous FCs, the ToR of the 16th FC are much shorter, limited only to those mandated in Article 280. However, the ToR of the 15th FC evoked sharp criticism. The ToR mandated the Commission to use the 2011 population data for sharing of taxes instead of the 1971 population figures as was the practice in the past. This evoked sharp criticism from the southern states as they pointed out that the use of 2011 population would reduce their inter se shares and flow of resources.

What southern states are saying

The share of southern states in tax devolution has been declining since the 2nd FC (1957-62) from 23.3% to 18.6% during 13th FC period (2010-15) and further to 15.8% in the 15th FC period (2021-26). There is a feeling among these states and other well-performing states that they are being discriminated as their per-capita income is higher than those of the backward states. They feel that they should be adequately incentivised for their performance. Further, they are of the view that even among the high per capita income states there are large intra-state differences and backward pockets. They are of the view that selection of criteria and weights by 16th FC should be such that performance is adequately incentivised.

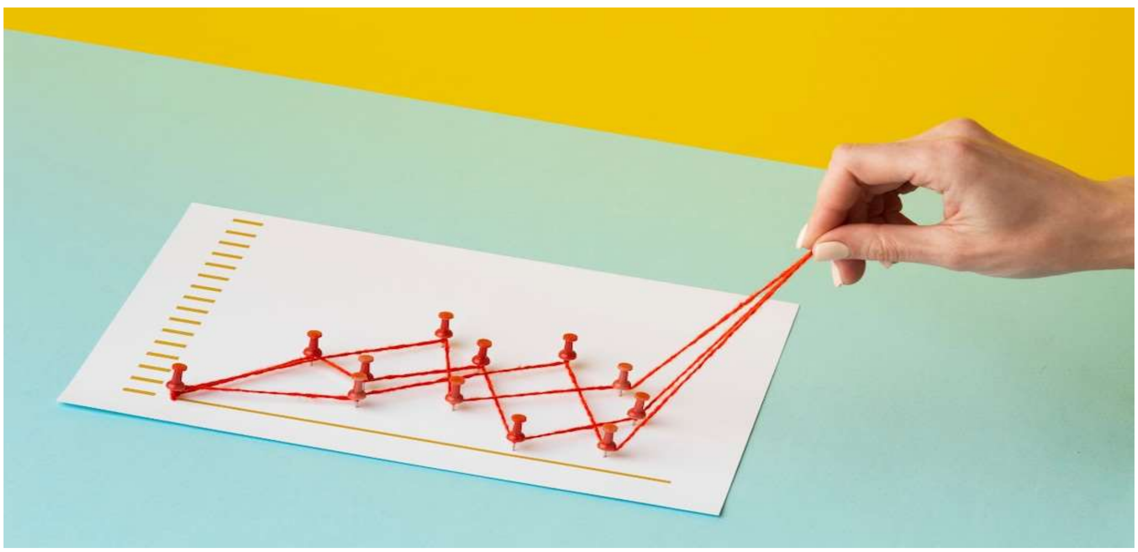
Finding the perfect balance

Some of the states which the 16th FC has visited have in their memorandum asked the Commission to include contribution to the country's GDP as a new criteria for determining inter se share; one state has asked the commission to use per capita income on PPP basis in its income distance criteria and reduce the weight assigned to this criteria to 35% from the current 45%; states have also asked the Commission to use 1971 population and assign a higher weight. Further, several states have also asked for a 50-50 sharing of tax revenues. All of these need to be addressed by the Commission. (FE23112024)

What is retention marketing?

In a world where it is necessary to stay on your toes when it comes to advertising, it can be easy to get caught up in the chase of new customers, but the real goldmine often lies with those who have already bought from you.

By Gopika Nair



US companies could save over $35 billion every year by focusing on keeping their existing customers happy, revealed CallMiner. In a world where it is necessary to stay on your toes when it comes to advertising, it can be easy to get caught up in the chase of new customers, but the real goldmine often lies with those who have already bought from you. Retention marketing, the art of keeping existing customers engaged and returning for more, is one of the most cost-effective and profitable strategies for businesses today. Furthermore, it is far more cost-effective than customer acquisition, as retaining a customer costs five times less than acquiring a new one, as reported by Harvard Business Review. Despite these clear financial advantages, only 18% of companies focus on customer retention, Invesp revealed.

Key retention marketing tactics include personalised communication, loyalty programs, and exceptional customer service. For example, personalised messaging, such as targeted email campaigns or product recommendations based on past purchases, can significantly enhance customer relationships. The probability of selling to an existing customer is 60- 70% while the likelihood of converting a new prospect is just five to 20%. Loyalty programs also drive retention by offering rewards or discounts for repeat purchases, encouraging customers to stay engaged with the brand. Additionally, providing excellent customer service through timely responses, personalised support, or hassle-free returns ensures customers feel valued and more likely to remain loyal.

The profitability of retention marketing is well-documented. Businesses focusing on retention are 60% more profitable than those primarily targeting new customers, a report by Invesp revealed. Retained customers tend to spend more over time, and the long-term relationship allows companies to benefit from a higher customer lifetime value (CLV). Experts opine that email marketing is one of the most effective channels for retention.

Despite these compelling figures, many businesses overlook retention in favour of customer acquisition. This approach may not only lead to higher marketing costs but also risk losing valuable customers to competitors who offer better engagement. By investing in retention marketing, companies can not only improve customer satisfaction and loyalty but also drive long-term revenue growth. In a market where brands constantly battle for attention, marketers might need to switch their line of sight and prioritise the engaged customers. By focusing on the customers they already have, businesses can not only reduce marketing costs but also unlock greater profits and foster long-term loyalty. With statistics showing that a retained customer is far more valuable than a newly acquired one, the path to sustainable growth becomes synonymous with tales as old as time – loyalty isn't bought, it's earned. (FE05112024)

Dark store operations at scale: The key to Q-Commerce success

Consider Zepto, for instance. Once a customer places an order, the platform's algorithm assigns the order to the nearest dark store based on the customer's location and delivery radius. The items in the order are picked, packed, and then delivered to the customer via delivery partners.

By Kashish Arora and Sripad Devalkar

The increasing demand for instant deliveries has fueled the growth of Quick commerce in India. Companies like Zepto, Blinkit and Swiggy Instamart which initially started as providing quick grocery deliveries, now promise to deliver items like mobile phones and other electronics in under 10 minutes. The Q-commerce business model utilises hyperlocal logistics and a network of strategically located 'dark stores' across the city. While similar business models have failed in other parts of the world (Getir, once valued at $ 11 billion, has wrapped up operation in the UK), the Indian market, with its high population density of the upper-middle-class population, has defied this trend. While these quick commerce companies currently dominate the landscape, other large firms like Flipkart, Amazon and BigBasket are vying to capture a share of the potentially massive market. We argue that achieving excellence in execution at scale is key to the profitability of the dark-store-led operational model.

Consider Zepto, for instance. Once a customer places an order, the platform's algorithm assigns the order to the nearest dark store based on the customer's location and delivery radius. The items in the order are picked, packed, and then delivered to the customer via delivery partners.

By strategically locating dark stores in the city based on historical demand information, it ensures that a typical dark store serves customer requests originating within a 3.5 Km radius. This approach significantly reduces driving times, even during rush hours, and assures the commitment to timely deliveries. The platform's inventory management practices at its dark stores ensure optimal picking times, with a goal of no more than 90 seconds to pick and pack an order of 5 items. The dark store is divided into zones, and frequently ordered items are placed in easily accessible locations. Pickers use handheld devices that guide them to the correct location, improving accuracy and speed.

In addition to the order picking and delivery times, an equally important component is the wait time, both for a picker to start assembling an order coming to the store and a driver to collect the assembled order from the dark store. A significant challenge for Q-Commerce companies is managing these wait times. As pickers and drivers get busier, these wait times can increase exponentially, negating the commitment to a sub-10-minute delivery promise. To reduce wait times, a dark store would need more pickers and delivery personnel, which increases costs. Managing this cost versus delivery time trade-off is key for long-term profitability.

While the relatively low labour cost in India is a key enabling factor, it alone is not enough to explain the growth of Q-commerce firms. The other side of the equation is the high customer density in Indian cities, especially the tier-I cities where most of these companies today operate. The high customer density enables operations at scale. By scale, we do not mean the overall market demand either in terms of crores of rupees of gross order value or the volume of orders served by a Q-Commerce firm, which is still an important consideration. What we mean is the scale of operations at an individual dark store in terms of the number of orders handled per day. Why is the scale at an individual dark store important?

Insights from queueing theory tell us the trade-off between resource utilization and wait times can be overcome as the scale of operations at a dark store increases. As scale increases, resources required to keep wait times manageable increase less than proportionally – a dark store that sees three times the number of orders compared to another, doesn't need thrice the staff as the other to ensure the same wait times! Effectively, the cost per order comes down as scale increases, without sacrificing the delivery time commitment. The strategic location of dark stores thus matters not just in terms of distance to customers but also in ensuring sufficient demand in the neighbourhood of the dark store's location.

As these businesses launch operations to tier-2 cities such as Vadodara, Bathinda and others achieving scale at individual dark stores can become challenging given the lower density of customer demand. The challenge of achieving scale can be mitigated by strategically locating the stores to pool demand across different neighbourhoods which together may have enough demand. This will lead to longer distances for delivery personnel to travel, increasing travel times. However, the operational model can be adapted with changes in the customer promise (18-minute delivery, anyone?).

With the use of technology to analyze demand patterns optimise stocking and picking processes and continually update delivery routes as traffic patterns change, the quick commerce industry focuses on continually improving execution. This laser focus on continuous improvement of operational execution will be key to long-term growth and profitability. (FE02112024)

Driving impact: Launching brands successfully in the digital era

A successful brand launch today demands a customer-centric, integrated marketing approach powered by digital strategies and real-time engagement.

By Rajat Abbi

Launching a new brand in today's highly volatile and competitive market calls for more than just innovative strategies that appeal to stakeholders and consumers alike. In the digital age, where customers have access to a wide array of products and services at their fingertips, it's crucial to listen to their needs, engage directly with them, and innovate to deliver simple and rapid solutions. Authenticity and creating the right IMPACT is critical!

Strategies for a successful brand launch

A successful brand strategy is the strategic roadmap that guides the brand launch and furthers its growth. Therefore, it is imperative for companies to clearly outline the objectives, target audience and market, value proposition, differentiation and messaging for a successful launch. They also need to ensure that this approach integrates seamlessly with the broader business objectives.

Having an integrated marketing strategy is crucial, encompassing above-the-line (ATL), below-the-line (BTL), and digital activations to ensure maximum exposure and engagement. Marketers should ensure all efforts work harmoniously, amplifying impact. By adopting a cohesive approach, brands can effectively maximize engagement and achieve a successful launch.

Adding digital marketing to the mix

A well-thought-out digital marketing strategy is critical for marketers to customize their marketing messages to meet specific needs of the target audience. Through various touchpoints such as social media campaigns, search engine optimization (SEO), search engine marketing (SEM), email marketing, performance marketing and other digital touchpoints, companies can create awareness and generate interest among potential customers. This includes the ability to offer real-time analytics, allowing brands to measure the success of their campaigns and adjust tactics as needed to maximize engagement and conversion rates. By adopting such strategies, brands can not only improve client communication and engagement, but also increase their lead quality and quantity.

Customer-centric approach

A customer-centric approach involves listening to stakeholders, acting as trusted advisors in collaboration, offering quick but relevant answers, and spearheading product development to generate solid relationships. Marketers need to be aware about the specific needs of their target audience and what is needed to make a deep impact to meet the expectations of customers.

Errors such as ignoring customer feedback and maintaining an overly rigid stance can impede the brand's ability to adapt to shifting consumer needs and market developments. Therefore, to ensure the brand remains relevant and responsive, it is crucial to consistently seek and act upon customer feedback.

Strategic marketing initiatives in the digital age

Conversion rates and customer experiences can be significantly enhanced by implementing strategic marketing initiatives such as customer data platforms (CDP), account-based marketing, influencer marketing, performance marketing and the use of latest digital tools & technologies including AI. These approaches leverage digital platforms and resources to effectively reach and engage consumers.

Account-based marketing focuses on personalized campaigns targeting specific accounts, thereby increasing engagement and conversion rates. Customer data platforms collects and unifies first-party customer data from multiple sources to build a single, coherent, complete view of each customer. It then makes that data available to marketers to create targeted and personalized marketing campaigns. Social media marketing enables reaching customers across various social platforms, enhancing brand exposure and fostering community involvement. Influencer marketing utilizes the credibility and reach of influencers to raise brand awareness amongst their followers.

Further, market research can enable marketers gather valuable insights into consumer behaviour, tastes, and trends, which helps guide strategic choices. Augmented reality can help in gaining customer engagement and satisfaction through interactive and immersive experiences.

The successful launch of a new brand in the digital era hinges on the fusion of integrated marketing, customer-centricity, and stakeholder trust. Brands can effectively navigate the complexities of the market and establish a unique presence by listening, collaborating, and innovating. Going forward, a brand's success and growth will depend on its continuous alignment with the needs and expectations of its stakeholders. A strong product alone won't guarantee success; it's also essential to satisfy customer needs precisely, utilize digital tools and platforms, and remain flexible to adapt to shifting market conditions. By understanding digital marketing nuances, addressing common pitfalls, and embracing a holistic, customer-focused approach, brands can achieve sustainable success in the competitive digital era. (FE24112024)

MARKETING STRATEGIES

Sustainability matters: Building consumer trust through green marketing strategies

Many brands find it difficult to manage change—whether incorporating a sustainable product design tweak or a digital marketing campaign—fearing the unexpected consequences

By Amit Mathur

With the world becoming increasingly conscious of environmental impact, sectors that have long relied on traditional production methods are urged to adopt more sustainable practices.

More importantly, it’s not just about doing good; it’s about marketing such efforts effectively to create a lasting impression among users, create increased awareness, meet regulatory demands, and even gain a competitive advantage. Although awareness of sustainability-related initiatives among India Inc. has heightened in recent times, there are still three major hurdles.

Will Consumers Buy into Sustainability?

Many brands find it difficult to manage change—whether incorporating a sustainable product design tweak or a digital marketing campaign—fearing the unexpected consequences. What if the customer doesn’t buy into a sustainable product? While infusing sustainability into products is good for planet Earth, sustainable products may be expensive to manufacture. But there is good news.

Today’s consumers are more informed, and their expectations have evolved. Sustainability today is increasingly becoming a factor in their purchasing decisions. A recent Nielsen study revealed that 73% of consumers would change their consumption habits to reduce environmental impact. This sentiment is mirrored across industries, including wire manufacturing, electronics, etc where buyers—whether individual consumers or businesses—are keen to support brands that adopt green practices.

Real-world examples, like Apple's pledge to become carbon neutral across its supply chain by 2030, or Dell's use of recycled plastics in its products, show how sustainable initiatives can resonate with modern customers. In India, companies such as Tata Power is integrating eco-conscious strategies into its offerings, proving that sustainability can become a selling point.

For brands, embedding sustainability into their core communication strategies is essential. It's important to present sustainability not only as a corporate responsibility but as a unique value proposition. Highlighting how eco-friendly wires, contribute to energy-efficient homes or renewable energy projects can resonate deeply with environmentally conscious consumers. The goal should be to build a narrative that demonstrates commitment, integrity, and action—traits that today's buyers are actively seeking.

Will it Meet Regulatory Compliances?

Governments worldwide are increasingly pushing stringent environmental regulations, especially in industries with high energy consumption or material waste. Wire manufacturing, by nature, involves processes like metal extraction, refining, and coating—all of which contribute to significant environmental degradation if not managed responsibly. For manufacturers, regulatory compliance with sustainability norms is not just a legal obligation but a competitive necessity.

India, like the EU, is moving forward with regulations that push industries to become more sustainable. For example, the E-Waste (Management) Rules, amended in 2022, now mandate extended producer responsibility (EPR) for electronics manufacturers to ensure safe disposal of electronic waste. This is similar to the European Union's RoHS (Restriction of Hazardous Substances) directive and the WEEE (Waste Electrical and Electronic Equipment) directive, which have significantly impacted the global electronics industry by enforcing strict guidelines around hazardous material usage.

For marketing leaders, anticipating such regulations and aligning sustainability messaging accordingly is crucial. It's not just about compliance; it's about leading the charge and positioning the brand as a forerunner of change. In Indiaconsumer durable companies are increasingly investing in 5 Star rated products like air conditioners, fans, LEDs as they are not only energy efficient but also environment friendly. Companies that proactively embrace and communicate their sustainable practices will be seen as industry leaders, while those who lag will face increased scrutiny.

What About Competition and Collaboration?

Sustainability in wire manufacturing isn't just about reducing environmental harm; it's also about innovation. The transition to green manufacturing presents an opportunity for companies to lead with innovative solutions—whether through the development of biodegradable wire coatings, wires made from recycled materials, or energy-efficient production techniques. These innovations can help shape the future of the industry and open new market opportunities. We at Finolex Cables run a major portion of our plant at Urse, Pune using susutainable solar energy – however we hardly highlight it in our communication. Going forward, we will start showcasing it with our target audiences.

Collaborative branding with other eco-conscious businesses, NGOs, or green technology startups can amplify the message of sustainability. Wire manufacturers can partner with electric vehicle companies, renewable energy providers, or sustainable architecture firms to co-market products that demonstrate a commitment to environmental stewardship.

A similar approach could be employed by wire manufacturers. By partnering with solar panel companies or electric vehicle producers, they could showcase how eco-friendly wiring solutions power green energy projects. This resonates with both B2B and B2C audiences, enhancing the sustainability narrative while creating new business opportunities.

Marketing sustainability is not just about positioning a company as environmentally friendly. It's about aligning with the growing consumer demand for transparency, complying with evolving regulations, and leveraging innovation to lead the industry into a more sustainable future. (FE17112024)

Economics

The rise of emerging market economies

The rise of emerging markets is therefore more than just about economic growth — it is also about the exchange of ideas, strategies, and experiences across borders.

By Amit Kapoor

In the last two decades, the world's economic centre of gravity (WECG) has swayed towards the emerging market economies (EMEs), which now account for 30% of global economic activity and a quarter of the global trade. These economies — including Argentina, Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa, and Türkiye — have grown at an average rate of 6% while doubling their share in global GDP since 2000. Once considered peripheral players in the global economic system, these nations have now become powerful engines of growth, challenging the historical dominance of advanced economies. This transformation is therefore not just a matter of economics and numbers; it also reflects profound changes in the landscape — shifts in power, influence, and opportunity that are reshaping the future of the global order. What are the implications of this reorganisation?

EMEs are typically nations that are in transition and characterised by their rapid industrialisation, expanding consumer market, and a growing middle-class population while being closely integrated into the global market. Though they are undergoing rapid growth, the countries' infrastructure, financial systems, and regulatory frameworks are still in the early stages of development. This brings with it certain challenges and opportunities. Investments in these markets are usually characterised by a high level of risk, but also with a possibility of high returns. Emerging markets are volatile, but they offer the potential to share in the early stages of a country's economic growth. In the 1980s, emerging market and developing economies (EMDEs) accounted for 37% of the global GDP based on purchasing power parity (PPP), while advanced economies made up 63%. By 2007-08, the two blocs had equal shares of the global GDP. Since then, the share of EMDEs has gradually surpassed that of advanced economies, reaching approximately 58% in 2023. International Monetary Fund projections for 2024-2028 suggest that this trend will continue, with EMDEs' share rising further while the proportion of advanced economies declines.

The liberalisation of trade, especially through integration into global bodies like the World Trade Organization, has boosted exports and attracted foreign investment, with China, India, and Vietnam becoming key players in the global supply chain. As per the estimates by the World Economic Outlook, 2024 spillovers and shocks from EMEs can account for up to 10% of output variation in other emerging markets and 5% in advanced economies after three years. Trade, particularly through global value chains (GVCs), has become a key transmission channel. Firms reliant on demand from G20 emerging markets see revenue growth from positive shocks, while those exposed to import competition may face revenue declines due to downstream spillovers. Technological leapfrogging, such as mobile banking in India and digital platforms in Southeast Asia, has enabled rapid growth especially in the fintech and service sectors. Meanwhile, young, growing populations in countries like India and Indonesia drive consumption and innovation, contrasting with the ageing demographics of developed economies. Political and economic reforms, such as Brazil's stabilisation plans and India's 1991 liberalisation, unlocked growth potential, making emerging markets attractive to global investors.

This impressive rise comes with its own set of constraints and challenges and there is much the EMEs need to learn from each other. Balancing sustainability with economic growth poses a unique challenge. It calls for an alternative model of growth not driven by consumption. As these markets industrialise and urbanise, it puts pressure on natural resources. Air pollution in cities like New Delhi, deforestation in the Amazon, and water scarcity in parts of Africa are testament to the climate change versus development trade-off. The shared prosperity challenge seems be looming large above these emerging markets. Latest estimates by S&P Global pointed out that despite anticipated growth, emerging markets are expected to reach only 37% of the per capita income of advanced economies by 2035, with a few exceptions. While emerging markets will contribute significantly to global growth, the per capita income gap suggests that their development may be uneven and slow, necessitating ongoing reforms and productivity improvements. Hence, despite differing political systems, cultural backgrounds, and economic structures, these countries share challenges. By leveraging their collective experiences and strategies, EMEs have the potential to become a model of cooperation for other emerging markets, with the possibility of creating more sustainable, equitable, and resilient economic systems. China's ambitious Belt and Road Initiative, which focuses on massive investments in infrastructure projects across Asia, Africa, and Europe, provides lessons on the scale and scope of infrastructure development. While countries such as Pakistan, Kenya, and Indonesia are already benefitting from Chinese-funded projects, they are also experiencing the long-term debt implications and environmental impacts of these investments. Other emerging markets can learn not only from China's success in building infrastructure but also from the potential pitfalls of debt overhang and environmental degradation. Similarly, India's commitment to expanding its renewable energy capacity, particularly solar energy, offers important lessons for countries struggling to secure energy access. Our scaling up of solar projects and investment in innovative technologies such as green hydrogen is a model for other countries, particularly those in Africa and Latin America, to diversify their energy mix and reduce dependence on fossil fuels.

The rise of emerging markets is therefore more than just about economic growth — it is also about the exchange of ideas, strategies, and experiences across borders. Through South-South cooperation, these countries have the chance to share what works, learn from each other's mistakes, and adapt solutions to their own unique challenges. Such collaboration opens up the possibility for emerging economies to leapfrog some of the obstacles that developed nations have faced. By learning from each other in areas like governance, infrastructure, financial inclusion, social welfare, and sustainability, these countries can accelerate their own progress ensuring that the benefits of development are widely shared across populations, regions, and generations. (FE15112024)

INFORMATION TECHNOLOGY

The next frontier in business messaging: Unleashing the power of RCS

Better to say, RCS is a massive upgrade from the world of vanilla SMS. It offers an immersive, media-rich, branded messaging experience that transforms how businesses interact with customers.

By Priyam Jha

For years, businesses have relied on SMS as their go-to messaging tool for customer communication. However, SMS has started to look its age. With character restrictions, plain text, and no interactivity, messages can quickly go unnoticed or be ignored altogether. As businesses seek more engaging and effective communication strategies, Rich Communication Services (RCS) emerges as the solution to elevate messaging to the next level.

Better to say, RCS is a massive upgrade from the world of vanilla SMS. It offers an immersive, media-rich, branded messaging experience that transforms how businesses interact with customers. With over 1.4 billion active RCS users on Android in India, the potential for growth and engagement is enormous.

RCS: What sets it apart?

Unlike traditional SMS, RCS allows businesses to enhance their messaging with rich media, action buttons, and brand elements, all within the users' default messaging app. This means businesses can now send images, videos, and GIFs, creating visually compelling messages that grab attention in a way SMS never could. Interactive buttons enable customers to take immediate action—like calling a business, visiting a website, or purchasing. Quick-tap responses make engaging users easier, improving overall user experience and reducing friction.

Why RCS is a game changer: The numbers speak

The performance metrics of RCS messaging technology are nothing short of impressive. For starters, 90% of messages are opened within 15 minutes—perfect for urgent promotions and updates. Users spend an average of 45 seconds engaging with these messages, outlasting the 3-second attention span typically seen with SMS. RCS campaigns boast conversion rates of up to 80%, a massive improvement over SMS. Moreover, click-through rates are 3 to 7 times higher than those of Rich SMS. Regarding visibility, RCS messages are 35 times more likely to be read than emails, largely due to rich media previews. Unlike SMS, which only shows plain text, RCS messages can display banner imagery, videos, and interactive elements right in the preview, making them far more engaging and harder to ignore.

Boosting trust through branded messages

India is battling online scams which are facilitated by SMS messages from bad actors – be it OTP, or phishing scams. RCS verification changes this in a big way. In fact, 87% of customers say they avoid buying from brands they don't trust, and 71% will stop purchasing from a brand entirely if their trust is broken. RCS helps businesses build trust by allowing them to create branded sender profiles, complete with their logo, brand colours, and other brand elements. This branding boosts brand recognition by up to 80%, helping businesses build customer loyalty. Moreover, RCS comes with a business verification process that minimises the risk of spam and phishing, further enhancing security and trust.

RCS vs. SMS: The evolution of business messaging

While SMS has been a reliable tool for businesses, its limitations are becoming increasingly apparent. RCS addresses these gaps by supporting rich media, including images, videos, and carousels, making messages more engaging and informative. The platform enhances security through a business verification process, reducing the risk of spam—something SMS often struggles with. RCS also provides a more cost-effective solution by eliminating the need for multiple SMS parts in longer messages, helping businesses optimise their communication budgets.

RCS vs. other messaging platforms: Cost-effective and accessible

With messaging platforms like WhatsApp increasing business messaging prices by 8%, RCS is emerging as a more affordable alternative. Unlike apps that require users to download and install separate software, this service is already integrated into Android's default messaging app. This removes the barrier of app downloads, making it easy for businesses to engage with users. It operates on Android devices, but with Apple having launched its beta for RCS in 2024, companies can now reach users across Android and iOS platforms, significantly expanding their audience.

Optimising campaigns with RCS

RCS simplifies campaign setup, whether it's for one-time promotions, triggered notifications, or ongoing engagement. It can be seamlessly integrated into marketing automation workflows, working alongside channels like email or push notifications to create a well-rounded customer engagement strategy. RCS provides delivery and read receipts, giving businesses invaluable insights into user behaviour and message effectiveness. This data can be used to refine and optimise future campaigns.

A worthy evolution of SMS – How RCS is enhancing modern communication

"Rich Communication Services is a significant upgrade from SMS, offering customizable, interactive messaging. With Apple's integration, businesses can now engage both Android and iOS users. RCS provides more value than SMS and is more cost-effective than platforms like WhatsApp. Its features, like verification and blue tick badges, enhance security and trust, while built-in CTAs drive real-time engagement. For businesses seeking to improve communication, RCS combines reach, security, and interactivity, making it an ideal modern messaging solution." (FE02112024)

ESG: New tenets for brand purpose

In the era of social media, digital communications democracy and AI, brands and businesses need to be sensitive while strategizing marketing communication

By Meera Haridas

ESG has moved from compliance to an imperative if brands and businesses wish to thrive. Brand journeys in the past two decades have undergone immense transformation in terms of ESG agenda and action in an ever -dynamic systemic risks. This is an integral part of the DNA of brands that care for enduring relationships with its stakeholders.

The Oxford globe scan report global corporate affairs survey 2024 has revealed important findings where geopolitical risk and uncertainty is the top perceived short-term category risk for global businesses. The others among the top 5 concerns are climate change, impact of macro-economy on business, rise of political populism/social divide and impact of AI and Technology.

The survey further reveals that short-term opportunities for corporate affairs vary across sectors be it, consumer products/retail, financial and professional service, ICT and media, energy, extractives, manufacturing, or food, agriculture and beverages. Among the opportunities perceived – innovations, digitalization and AI tops the charts across these sectors. However, other aspects viz. sustainable growth/ strategies/ESG, energy transition, driving economic growth and upliftment, upskilling / attracting talent, adaptation to climate related issues, inclusivity and diverse work force vary in ranking in order of priorities of the specific sector.

The underlying attribute for survival and sustenance of a brand is "Trust". Brands gain trust of its stakeholders through transparency, purpose driven approach and its commitment to walk its talk. This is where the larger business imperatives of environmental stewardship, social impact and governance practices speak volumes of a brand beyond call of Ps and Cs strategies/ formulae for marketing and branding. Marketers are re-writing their stories – seeking new purpose driven positioning and communication.

B2C dimensions: Today a world largely driven by well-informed millennials and Gen Z, there is a clear shift in consumer expectations. There is a strong demand for being and doing the "right". Be it the daily food and personal care products, apparels or luxury items, the consumer ask is loud!

Is it Organic? Is it Eco-friendly? Is it Ethically produced and delivered?

The shift is perceptive. Responsible organizations from HUL to H&M, to name a few, have taken conscious steps with purpose driven marketing campaigns. The effort is to align the aspirations of corporate, consumers, communities along with the government's larger agenda. Among the CSR initiatives some of the priorities are health, education, skilling or women empowerment by creating self-help groups (SHGs) taking cognizance of geographical sensitivities. The larger ESG agenda focuses on bringing hygienic practices to raw material procurement, manufacturing processes, supply chain, etc. that can impact environment and society.

B2B dimensions: When it comes to manufacturing/ B2B businesses the pressure to address environmental issues, corporate governance, and societal impact of business decisions become even more critical. End- product for the customer is the starting point of stakeholder management. The tenets of stakeholder commitment and engagement needs to be carefully curated based on transparency, integrity and purpose driven agendas to ensure lasting relationships. In India as well as globally, large conglomerates initiate meaningful CSR programs for various cohorts that have positive brand impact. Educating and ensuring their supply chain is aligned to the company's values ensures a holistic approach to a Brand's commitment to transparent and ethical values.

From the remarkable Tata Steel Campaign-"We also make steel", to the Mahindra "Rise" or Vedanta's " Transforming for good" responsible brands have expressed consistent commitment to value and purpose for betterment of planet and people.

Establishing brand visibility through continuous commitment to ESG practice is an ongoing journey. Discerning consumers today make purchase decisions basis how does product or business impact the planet and people irrespective of the geographies, nationality or gender. The growing awareness for the need to push back climate change, protect environment, and people rights have become articulated and unarticulated metrics while selecting a brand. The purpose driven era for business has truly arrived.

The CRISIL MI&A Research estimates that Rs. 5.70 lakh crore of green investments have been made during FY 2015-22 and this is further estimated to grow by 4X by FY 2030. It further reveals that organizations which have committed to public disclosures of their capex and R&D spend in tech to improve environmental and social impact of their products and processes, had registered decline in emissions and energy consumptions logging negative CAGR of 9.25% & 8.91% respectively.

Evolving agendas: Despite the increasing societal and legislative expectations on businesses in terms of ESG, Boards do not feel financial pressure to act on sustainability. A recent report by Heidrick & Struggles, INSEAD and BCG finds that 68% of those directors surveyed shared that sustainability considerations have a "slight or no effect" on financial performance, while 10% believe sustainability will negatively affect medium to long-term financial results and 52% agreed that they are acting on sustainability as the "right thing to do".

Economic uncertainty, rising social activism, and critical climate targets are relatively new challenges for company boards. This extends far beyond their traditional priorities, viz. operational and financial health of businesses. Several surveys and studies repeatedly show how companies and boards can no longer take a complacent view on ESG/ sustainability compliance as a measure to please investors, communities, other stakeholders, or legislative demands.

In the era of social media, digital communications democracy and AI, brands and businesses need to be sensitive while strategizing marketing communication. Prudent steps beyond checking boxes on matters of environmental / social impact, transparency and governance can make significant difference to the growth trajectory of a company. Organizations that have successfully put to ground their ESG initiatives and leveraged the power of media and technology have gained significantly in building brand trust, transparency, and inclusivity for meeting social and governmental expectations. (FE03112024)