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INSTITUTE OF MANAGEMENT

Gravity
The Great Lakes Magazine

Innovations
in Emerging
Markets

CONTENTS

MESSAGE FROM DEAN

References to emerging markets as regions that provide vital business opportunities have become increasingly common in the media. While Globalization has significantly reduced barriers to trade and investment, and has brought together developed and developing nations like never before, it is still of prime importance from a business standpoint to identify emerging markets and differentiate them from developed ones. Further, there are significant differences in social, political, cultural and economic systems among the so - called emerging nations, and this is something businesses need to take into account when focusing on these markets.

It is easy to see why emerging markets are being looked at with great interest the world over. They represent key opportunities for global retail companies, as profitable sources of inexpensive consumer goods. They serve as ideal destinations for outsourcing manufacturing and technical support activities. Perhaps more importantly, they are seen as customers for the innovations of tomorrow. In recent times, when developed economies have struggled to recover from financial crisis, countries like India, China and Brazil have reported robust and sustained growth. Therefore, emerging markets are also seen as critical growth drivers in times of financial distress and also as regions where significant competitive advantage is to be gained. They account for more than three - fourths of the world's population and are expected to account for a major share of worldwide consumer spending.

However, as prospective markets for innovations and new products, the emerging regions of the world pose certain challenges. Often, they lack the necessary infrastructure and institutions needed to facilitate smooth running of business operations. In certain countries, economic growth has gone hand in hand with political turmoil. Proper physical infrastructure is necessary for the effective functioning of labour and capital markets. Often, businesses have to work around roadblocks that come with the territory; for example, enabling the reach of products in rural India where accessibility and media penetration are low.

It is in this context that the strategy behind the introduction of innovative products and services in emerging markets must be carefully considered. The identification of local consumer needs, adaptation of products, processes and business models to the local environment, and identification of collaborators to overcome institutional voids are some of the key aspects that govern the success of new ventures in developing markets.

This issue of Gravity takes a look at opportunities for innovation in emerging markets from a variety of perspectives, and thus promises to be an engaging experience all around.

Happy Reading!

Prof. Bala V. Balachandran
Founder & Dean

MESSAGE FROM EXECUTIVE DIRECTOR

Emerging markets have had a significant impact on business strategy of late. One only needs to look at the how rapidly they generate news headlines to see how prominently they figure in investment considerations and strategies of companies. The economic crisis that has engulfed traditional markets such as the United States, Japan and Europe has put the standing of these new markets and growing economies in perspective. However, when it comes to innovations aimed at these regions, businesses need to clearly understand and respond to the unique forces that shape such markets; they provide distinct challenges for the entrepreneur and the large corporation, and for the multinational and domestic player alike.

In general, emerging markets are characterised by large population and large consumer bases, and are seen as drivers of economic prosperity in their respective regions. They are fast expanding, and responsible for a good of the growth of trade in the world today. The opportunities generated by economic liberalisation and rapid economic growth, however, tend to be somewhat offset by relatively low standards of living, a lack of fully realised industrialisation, and low market capitalisation relative to GDP. Higher transaction costs and less than sound financial conditions are often the reality in such cases.

Another characteristic of these markets is that they are highly segmented, and offerings have to be tailored with each of these segments in mind. Often, this means having to look more closely at the lower segments, and this could lead to compromising on functionality and quality of the products developed for them. However, value - added innovation is being increasingly seen as a necessary condition for success in these segments. By setting up R&D operations and production facilities locally for the development of new products, the void is slowly but surely beginning to be filled.

Innovations in these markets become critical because they are not just drivers for growth and profitability, they are also catalysts for social change and sustainable development, and should be viewed as having wider implications for the community at large. This issue of Gravity focuses on such innovations - products and services, the use of social media and mobile marketing, and digital technology in emerging markets.

Hope you enjoy the articles. Happy reading!

Prof. S. Sriram
Executive Director

EDITORIAL

INNOVATIONS IN EMERGING MARKETS

Emerging Markets are creating great growth potential for both domestic and multinational companies. Whereas these countries termed in the past as 'less developed nations' were seen as a cattle ground for low value products due to low purchase parity, today companies are exploring these nations as 'seeding grounds' for innovation.

There are only two drivers for success and growth - innovation and consumer loyalty. Innovations, disruptive innovation in particular, establish new consumption pattern and drive demand; consumer loyalty builds a trend for market base creation and long term success. The traditional models argue against first mover advantage in these markets. But supplemental sources of advantage like stable and favorable governments, pent up demand, access to low cost resources with greater market acceptance of new products and services are turning the tables around in favor of early market entry.

Marketers need to develop new frameworks and policies in terms of logistics and distribution management, stakeholder's partnerships; value co - creation with consumers at bottom of the pyramid and time bound strategic hold and consolidation plans. These factors will drive long term growth in emerging markets.

We are also debating on reverse innovation - developing business and product ideas in emerging markets and making to flow into developed markets. The challenge is more 'internal to the enterprise' than 'external to the market forces'. The strategy is to bring more radical changes from the bottom and

greater acceptance by top leadership. This down top approach is more beneficial as it is driven by people close to customers. Commitments from senior management is required in driving capital allocation, demand performance, creation of synergy across markets and also how they are going to sustain organizational value systems.

On top of these challenges of emerging markets, we have fundamental absence of institutions and markets (product market, capital market, labor market and investo - legal framework for protection of investment) and inherent chaos; one needs to blend information technology with opportunities of product and information access so that 'crossing the chasm' becomes quicker and accurate for organizations intended to move into emerging markets.

This issue of 'Gravity' deals with challenges and paradigms related to 'Innovations in Emerging Markets'. We present a wide range of articles written by management students across the nation covering areas like social media and information communication technology, challenges and opportunities at bottom of the pyramid and creation of a culture of innovation in the organization. I am sure you will find these articles as thought provoking and reflections of young minds of our nation. Please do send me your responses and opinion to me at tapan@greatlakes.edu.in

Dr. Tapan K Panda,

Editor - Gravity

WHAT TO EXPECT FROM MOBILE MARKETING IN 2014?

Mobile devices have changed dramatically over the past decade and have revolutionized the way we communicate, learn, and shop. At times, it seems like an impossible task to know what to expect from the future. Despite the challenge, business owners need to have some idea of what changes are on the horizon.

With 2014, there are certain trends that marketing can be prepared for and may take advantage of by being an early adopter. Recent changes to Google algorithm shows that searches will be geared toward higher quality content that meets the needs of searchers. It was said Laptops would be the death of PCs, or smartphones would kill the laptop, and tablets would eliminate everything. 2014 will see a shift toward device specific sites.

Mobile will continue to grow more important as the number of mobile devices continues to outpace the sale of PCs and laptops. In 2014, smartphone penetration will probably hit 75 per cent (up from 65 per cent in 2013). Smartphone ownership could even exceed 80 per cent.

"Mobile has won," said Google Executive Chairman Eric Schmidt in an interview with Bloomberg.

The continued rise of the mobile internet will encourage marketers to find new ways to reach audiences on their mobile devices. Besides the traditional banner ads on apps, Facebook will grow in importance as it is the most used app on people's phones. At the end of 2013, Facebook took the number two spot in digital ad revenue due to an increase in mobile advertising.

Mobile advertising accounted for nearly half of the company's second quarter revenue. According to eMarketer, Facebook's improvement can be traced to the company's "continued stellar mobile performance, with the potential to open up new inventory via Instagram as well as the announcement to include video ads in the newsfeed."

Tablets will make gains in the amount of internet mobile time spent on these devices. Prices for smaller, 7 - inch Android models, and to a lesser extent the iPad Mini, have made it easier for people to have a tablet in addition to a desktop or laptop and a smartphone. Continuing a trend from the past few years, 2014 should be the year when tablets overtake smartphones as the most popular device for shoppers. At the end of the 2013, Business Insider released a report with their estimates for tablet - based ecommerce sales. Among the key findings, the report notes that smartphones tend to be used in the middle of the shopping process, while 'tablets are used both at the beginning for high - level research and at the end to finalize purchases.' The report also notes that most retailers aren't ready for tablet commerce. Most of tablet sites and landing pages are sub - standard, and according to some studies, consumers report being dissatisfied with their tablet shopping experiences.

Another trend that is likely to continue into 2014 is the growing disparity between the amount brought in from users on Apple products and those on Android devices. During the Christmas shopping season, iOS roundly beat Android in almost every metrics. iOS users spent five times as much as Android users. It goes beyond that. Apple users spent twice as much on average. And Apple users even shopped more. iOS users twice the overall web traffic of Android users. A good mobile site should be able to function on all devices, but business owners need to pay special attention to iOS - compatibility. If a proposed change to a site would hurt the experience for Apple user, this is not a change a company wants to make.

As a whole, it's predicted that mobile spending will be huge. There is clearly a reason for small business owners to make sure their site is ready to take advantage of the new opportunities that the mobile internet will create in 2014. Businesses that are constantly reacting to changes in the mobile landscape rather than anticipating them put themselves at a disadvantage compared to business poised to hit the ground running. 2014 should be a year where we use our knowledge and foresight to get ahead of our competition.

- Juhi Gandhi, Sr. Manager Marketing
CapitalVia Global Research Limited, Indore

SOCIAL MEDIA LED INNOVATIONS IN MARKETING

SOCIAL MEDIA AND ITS ROLE IN MARKETING:

Tools that effectively combine people i.e social interactions with technology come under the much famed category of today's world - the social media. Most of them are typically internet based or mobile based. Few famous examples include Facebook, Twitter, YouTube, MySpace etc. Since it connects people from around the world through words and graphics and videos, it serves as an efficient communication tool to those who wish to propagandize. Thus it has fast become a very important tool among marketers to promote a business or a product, find out customer's opinion about the company, attract new customers and build long lasting relationships with existing ones.

The potential advantages of such a social media based marketing are plenty:

- **WIDE REACH AND FAST:-** It can reach millions of people instantly. Viral marketing is an offspring of this attribute of social media marketing.

- **FREE OR LOW - COST:-** Many forms, such as Facebook, YouTube form of publicizing are free, and premium features are low cost compared to the traditional forms of advertising.

- **TARGETING IS EASY:-** It is often easier to target a particular age group or geographical location in YouTube, Facebook etc.

- **QUICK LEARNING CURVE:-** With help available online, one need not be a computer or tech wiz to participate in social media. Help is readily available.

  In each and every stage of marketing a product/service, social media can play an important role. Here after social media marketing will be abbreviated to SMM.

MARKETING RESEARCH USING SMM:-

Marketing research is done usually before a product release to check the consumer's mindset, analyze their purchase behavior and consumption pattern. After a product release, research can be done to check the product's reach, scope for improvement, failure/success result of the said product. This is a costly and time-consuming process. However, with the use of social media, costs can be significantly reduced.

- **REAL TIME TRACKING OF TRENDS:-** Social media sites such as Twitter allow users to track 'currently trending' topics using the 'hashtag' mechanism. By simple searching using hashtag of a product, one can get real time updates about what users think about the product, their feedback etc.

- **NETNOGRAPHY:-** By analyzing the conversation between customers regarding the product to be marketed, or in that category, one can easily deduce the key factors that a customer is interested in while buying. Analysis of customer review sites and forums will come handy here.

- **DISCOVER NEW TRENDS- Ask the right questions:-** One of the shortcomings of current tools of research is proper wording of questions to ask. In SMM, research is peer to peer basis, thus making it easy to join and observe a discussion as an equal, instead of leading it. This provides many more possibilities as it does not restrict the conversation flow of customers.

- **COST DIFFERENCE:-** When all is said about the advantages, it comes down to cost of performing the research. The cost difference of SMM in research is much less compared to focused study groups, surveys, discussion panels and the like. Through discussion and engagement SMM serves as platform for advertising, brand building, lead generation and network building apart from the research part.

With 80% of population in Internet using social media in one form or another, SMM has the widest reach than any form of marketing research of comparable cost.
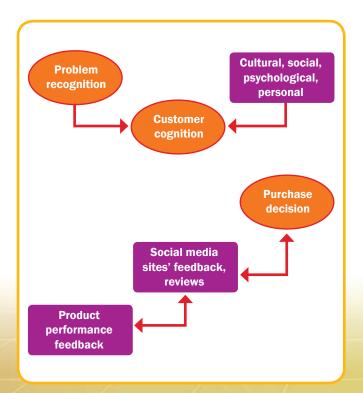
SOCIAL MEDIA AS A MARKETING CHANNEL:-

Since the advent of Internet and its rapid growth in the last 10 years, many companies have been promoting their products online. Facebook has a reach to about 1.11 billion people [1], YouTube has more than 1bn unique users visiting it each month, and 6bn hours of video are watched every month on YouTube [2]. There is large potential to reach masses via social media.

Users use their blogs to write reviews and opinions about the products they use and share it on social networking sites. Thus marketers saw viral marketing and wide range of information spread which would be essential for a marketing channel. Very base of consumer purchasing decision has been influenced by social media networking.
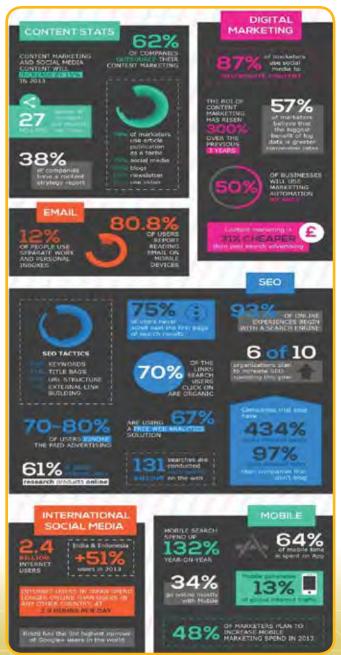
Initially purchase decisions depended on problem recognition influenced by cultural, social, personal and psychological factors. Social media networking feedbacks have joined the decision making process in influencing a customer.

PURCHASE DECISION MAKING PROCESS

E-marketers have predicted that 80% of businesses have resorted to social media for marketing purposes (Social Media marketing statistics, 2010). Political campaigns are actively involved in publicity activities on Facebook and other sites reaching youth directly. Social media allows marketers to target very narrow segments of population. E.g. Pinterest, a social bookmarking site has its user base predominantly human and hence attracts companies that target women. SMM has a ripple effect in viral marketing spreading like a snowball once a content is posted online. In light of these advantages SMM has become an ideal candidate for marketing communication.

INNOVATIONS IN SOCIAL MEDIA:-

There are many upcoming trends that involve SMM a few of which are analyzed here:-

- **MOVE TO MOBILE MARKETING:-** Social media is increasingly being accessed using mobiles and hence an increase in mobile marketing will affect social media marketing too. 87% of devices sold will be smartphones or tablets by 2017 [3]. This means mobile apps, and increased marketing efforts directed through mobile distribution channel.

- **RETARGETING AND BRAND REVITALIZATION:-** Cookies stored when one visits a website remembers the user information and login stats to be used later. It can remind a user later to visit the site again from time to time, use the cookie info to better understand their behavior online and hence advertise suitable products to them.

- **PAID SOCIAL MEDIA ADS:-** Social media advertising, apart from subtle advertising also uses paid ads like in print media but on social media sites. It has been proven that Facebook ads generate 49 times more clicks than normal ads.

- **TRIGGERED EMAILS ARE THE NEW WAY:-** Customers will be connecting with brands based on custom content provided by them. Based on this triggered emails will be generated. E.g. Infusionsoft.

- **CONTEXT OVER CONTENT:-** In the Social Media week in Chicago, Howard TullMan, General Managing Partner of G2T3V introduced the word SoLoMo - a combination of social, location and mobile.

- **TRUST MARKETING:-** It is a concept where promotional approach is based on providing unbiased and trustworthy information to make appropriate dealing decisions. Trust based marketing strategy has to obtain trust from two separate entities search engines and online users. When search engines trust the product/company's site there are more chances of placing the pages on higher positions for targeted keywords.

ARE SPENDS ON SOCIAL MEDIA MARKETING JUSTIFIED?

Today, marketing managers of various firms face a tough dilemma - *Is spending on Social Media Marketing justified? If yes, what are its returns?*

As a matter of fact, measuring the ROI of Social Media Marketing is by far very difficult. The reason is simple - It is difficult to attribute the sale of a product to a specific Social Media Marketing effort. There are several such examples on how Social Media marketing efforts have resulted in increasing the Social Media footprint of the brand/product but the conversion rate of such marketing efforts to sales is still questionable. Going by forecast values, $11 billion are expected to be spent on social media advertising in the United States by 2017 (BIA/Kelsey) and it is sure to grow along similar lines in the rest of the world as well.

It has almost become a case where the adoption of Social Media will not give the firm/organization a competitive advantage but rather not using it would put the firm at a competitive disadvantage.

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- R.Sathyanarayanan,

Indian Institute of Management, Bangalore

THE CASE OF SAP HANA AND BURBERRY

Angela Ahrendts, the CEO of Burberry seemed relaxed on a busy day at work. Revamping the flagship store had finally paid off with delighted new customers flocking the store. Burberry, the luxury British fashion house was established in 1856 boasts some of the most innovative menswear, women's wear and has over 500 stores in over 50 countries. It also remains one of the most lauded fashion houses in adopting new technologies.

Fashion industry, for years had remained dynamic with higher and lower end players adopting different strategies to beat the market and sustain their market share. With the luxury fashion market relying on the brand equity by not cutting prices during recession, creating that differentiating factor for attracting and retaining customers became a challenge.

At such an era of cut throat competition, Ahrendts wanted to implement inferences from the interesting case of Grand bazaar in Istanbul where rug merchants employ big data analytics for business. Grand bazaar, existing since the Ottoman Empire, is 700 years old and has 400000 visitors each day. Their rug division is popular among tourists and is well known for high quality Turkish rugs. Turkish rug merchants impress customers by striking a conversation with them about their personal background and thereby gathering useful data about them. They had a microcosm of today's 'databases' and analysed the 'big data' to arrive at customer preferences. They had asked questions like "Welcome to Istanbul! Which hotel are you staying at?", "Which city are you from?" to assess the customer characteristics from the income level and the city they come from. According to the information gathered from historical data of customers having similar characteristics, they served new customers by showing the rugs that they most likely are to buy.

Burberry gave a thought to going the Istanbul way for impressing customers. Ahrendts wanted it to be a personal experience for customers while they walk in to the store. She arranged for a meeting with John Douglas, the chief technology officer at Burberry to come out with a solution to make Burberry the place where customers can get anything they want. They had an agenda of 12 months to come up with an innovative solution to beat the market.

After having discussion with different vendors and developers, a plan was finally set in place. At the end of 12 months, a program named Customer 360 was launched. Through Customer 360, every customer can digitally share their shopping preferences, experiences and likes. The whole of the program runs on SAP HANA platform which analyses data in real time. The information of a particular customer visiting the store can therefore be delivered to the employees' tablets in real time which creates a grand bazaar type of experience.

In addition, there also planned to add a RFID tag to every garment which will show the customer, a video of where and how the product was made. It also transmits data to the customer's file, which will show what type of garments the customer has tried on.

The employee at Burberry can therefore greet a customer by their name, show them garments based on their history of shopping, predictive analytics and posts on twitter and other social networks. It will be a digitally integrated showroom that surprises a customer who walks in.

Though it is true that this idea had changed the world of retail business model upside down, time would let us know the actual success rate of this model. The extent to which customers would enjoy the fact that their shopping trends are being noticed remains a question. Although the RFID tags give a personal touch through videos, the thought of their preferences being monitored may come across as being intimidating for some not-so tech savvy customers. On the other hand, for the early adopters of fashion trends, it well seems like a blessing to have Burberry find exactly what they want.

Real time application of Big - data in retail also gives some cues on improving e - marketing strategies and targeting the right product to the consumer. Using SAP HANA to create suggestions in real time can hugely improve the usage of predictive analytics and big data in the future. The implications for Business Suite customers migrating to SAP HANA are going to be huge in the near future, changing the face of retail.

(Source: 'Vendor Insight: In Brief SAP HANA for both transactional and analytic workloads - when does it make sense?' by Helena Schwenk, MWD advisors, January 2013)

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- Kavea Madhanagopal,

T.A.Pai Management Institute, Manipal

SERVICE INNOVATION & CAPABILITY IN EMERGING MARKETS

Strip and sell. The strategy the companies had been doing all along. Take a successful product from the developed market, strip it to bare essentials and sell it at a lower cost - considered an innovative method to capture the emerging market. The emerging market is treated as simply a new space to sell existing products.

> **DEVELOPED MARKETS:**
> Bring out the best in class
> Innovate at the high end segment

> **EMERGING MARKETS:**
> De-feature the high end product
> Compete on value - cost

Enter globalization and consumer awareness. The consumer is no fool anymore. New strategies are required for emerging markets and companies are leaving no stone unturned to find that right way. Now companies must fast adopt the reverse method-Companies must develop and innovate products specifically for and in emerging markets, and look for opportunities to leverage those products back to the developed world.

THREE PRIMARY CONSIDERATIONS WHILE ENTERING THE EMERGING MARKET ARE:

- **INSTITUTIONAL VOIDS:** This refers to the existing conditions in the emerging markets. Factors include broken infrastructure, developing education system and government regulations etc.

- **COLLABORATION:** In the light of above conditions mentioned it becomes a wise move to collaborate with a local player. Leyland partnering with Ashok is one such example. Companies can take advantage of local player's knowledge about the market and distribution power.

- **FRUGAL INNOVATION:** Customers preference changes from economy to economy. The key is to understand if the customer wants the product based on features or cost or any other factor. Ex: Introduction of shampoo sachets for the local market.

   Gartner estimates that emerging markets have less organizational history and hence fewer problems with legacy systems and methods. The management is also naturally inclined towards the just - in - time approach to minimize the cost. Combining it with fewer labor laws and cheaper labor, emerging economy provides a perfect platform for product innovation.

CHALLENGES:

Let me point out few challenges that would be encountered in emerging markets:

- **COST:** Frugal innovation would be the sustainable innovation. The companies must focus on keeping the cost low.

- **DIFFERENTIATION:** The products should be differentiated keeping in mind the requirements of the consumer.

- **TALENT POOL:** It's a huge challenge considering that we have lot of resources at disposal but only few qualified for the job. The important note would be to nurture local talent

- **INTEGRATED CORPORATE STRATEGY:** To ensure that the niche is defendable

DIFFERENTIATION:

All emerging markets are unique and hence experience of launching successful product in developed economy is not the best of guides. In effect, the companies should posses distinct emerging marketing strategy and operating model.

TALENT POOL:

Every year, emerging markets, taken as a whole, produce more than a million new engineering graduates from institutions. This gives a serious impetus for companies to set up R&D centers in emerging countries. But the challenges are that sometimes local engineering talent needs further development. Quality and quantity should not be confused. The standard methods of teaching are great for performing task having predetermined steps. However breakthrough requires out - of - box thinking, something which is never taught.

COST ADVANTAGE:

Another key advantage to product innovation in emerging markets is the cost advantage. In emerging - markets, cost advantage, achieved through scale and efficiency, creates the ability to price competitively and buffers against periods of intense global price competition. The emerging economies form an excellent ground for experimentation and learning too.

DIFFERENTIATED PRODUCTS:

The tendency should be to focus on the bottom pyramid. This portion constitutes around 70% of the total emerging population - people who are looking for no - frills basic functional products to meet their demands. Sophisticated product features are likely to be less highly valued by first time customers for whom a very basic product is likely to be a significant improvement over what went before.

But what the companies must be mindful of is the fact that these countries also have emerging upwardly mobile class which attracts quiet a few good big players. In other words, emerging - markets innovation is not confined to the "bottom - of - the - pyramid" consumer segment. Innovation at the "high end" is common now in emerging market spaces. Microsoft's India Development Center, with facilities in Hyderabad and Bangalore, has produced some of the company's key development initiatives, like Data Protection Manager, RFID Platform Technologies, and Office Mobile etc which are used globally.

CONCLUSION:

It's easy to assume that product development and innovation happen in the same way, everywhere. But countries grow in different ways, and they also create intellectual capital in different ways. As varying innovation models blossom in the emerging markets, they'll have lessons for companies everywhere.
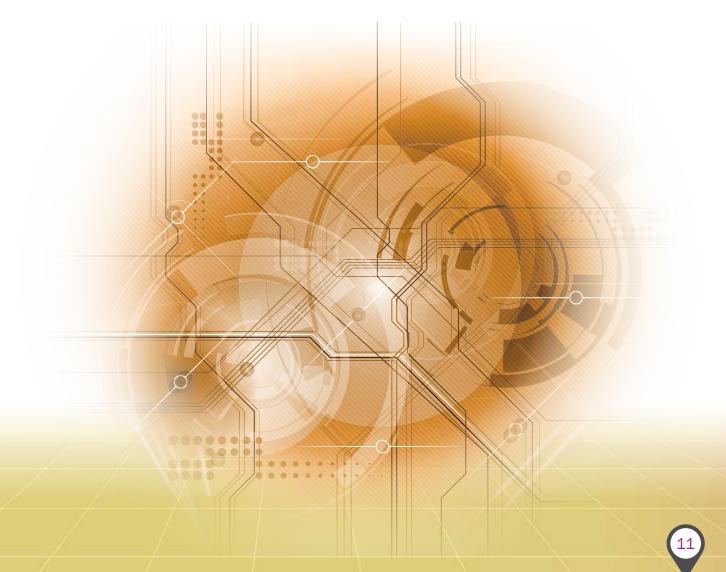
In order to take full advantage of these markets, companies looking to develop products and innovation in and from the emerging markets should consider:

- A defendable niche, based on understanding local needs combined with a constant feedback loop between the integrated local and corporate strategies. This also includes management of local talent pool, to encourage both incremental and breakthrough thinking.

- Cost advantage, achieved through scale and/or efficiency which create the ability to price competitively, ride out periods of intense price competition and experiment with new ideas.

- Tailored products or services which address the "true voice of consumer" of the segment being targeted, as well as unique local needs, institutional voids, collaboration opportunities and price points

What's certain for now is that there are numerous opportunities waiting to be explored in terms of innovative ideas, product launches and new markets.

- Srinath Guhan,
Institute of Management Technology, Ghaziabad

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RFID IN RETAIL INDUSTRY

INTRODUCTION

Radio frequency identification (RFID) technology uses radio waves to automatically identify physical objects (either living beings or inanimate items). RFID is an example of automatic identification technology. Data on the object (serial numbers object information, etc.) are stored in the RFID chips embedded in or attached to the object. Using an RFID reader, the identity of the object (data on the object) can be interpreted in a wireless environment.

FIGURE 1 REPRESENTS RFID CHIP AND RFID CHIP USED IN A MASTER CARD

RFID system is an integrated collection of Tag, Reader, Reader Antenna, Controller, Sensor, Actuator, Host and software system and Communication infrastructure.
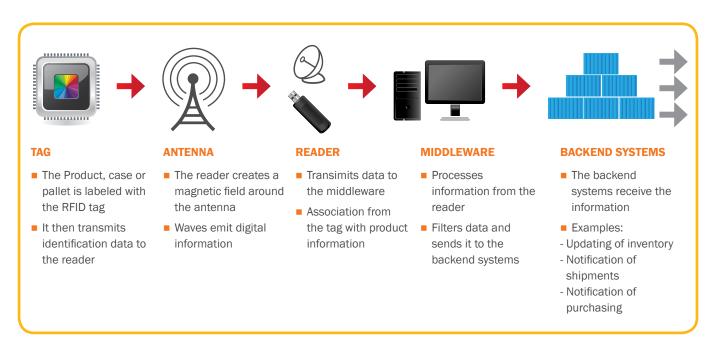

TAG
- The Product, case or pallet is labeled with the RFID tag
- It then transmits identification data to the reader

ANTENNA
- The reader creates a magnetic field around the antenna
- Waves emit digital information

READER
- Transimits data to the middleware
- Association from the tag with product information

MIDDLEWARE
- Processes information from the reader
- Filters data and sends it to the backend systems

BACKEND SYSTEMS
- The backend systems receive the information
- Examples:
- Updating of inventory
- Notification of shipments
- Notification of purchasing

FIGURE 2 REPRESENTS WORKING PROCEDURE OF RFID SOLUTION

ADVANTAGES AND DISADVANTAGES OF RFID

Radio frequency identification (RFID) technology uses radio waves to automatically identify physical objects (either living beings or inanimate items). RFID is an example of automatic identification technology. Data on the object (serial numbers object information, etc.) are stored in the RFID chips embedded in or attached to the object. Using an RFID reader, the identity of the object (data on the object) can be interpreted in a wireless environment.

| ADVANTAGES OF RFID	LIMITATIONS OF RFID
Can be read without physical contact and Can sustain rough operational environment	Cannot be used in materials made of RF opaque (Metals) and RF absorbents (Water)
RFID tag can be read up to 100 feet and it can be re - written a large number of times	Surrounding condition (like having metal and liquids) can impact RFID solution
RFID reader can read multiple tags at a time and line of sight is not required	Improper installation can lead to reading collisions
Can be used to perform other duties like measuring temperature and pressure	Immature Technology and a practical limit on number of tags that can read at a time

MARKET OPPORTUNITIES
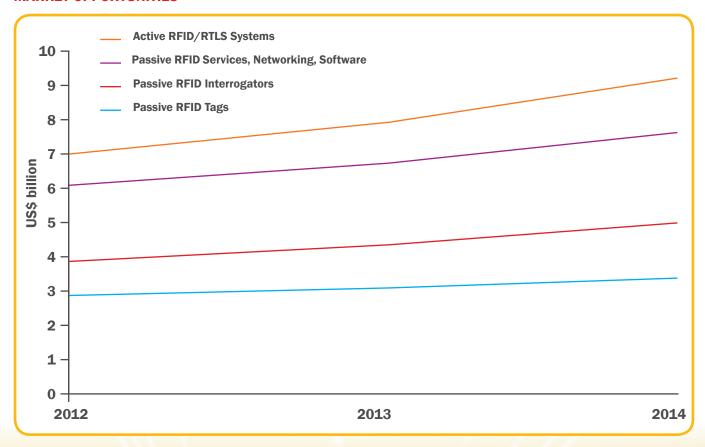
FIGURE 3 REPRESENTS TOTAL RFID MARKET PROJECTIONS IN US$ BILLIONS
(Source: IDTechEx report "RFID Forecasts, Players & Opportunities 2014-2024")

IDTechEx find that in 2013, the total RFID market is worth $7.88 billion, up from $6.98 billion in 2012, and growing to $9.2 billion in 2014. This includes tags, readers and software/services for RFID cards, labels, fobs and all other form factors. IDTechEx forecast that RFID market would rise to $30.24 billion by 2024.
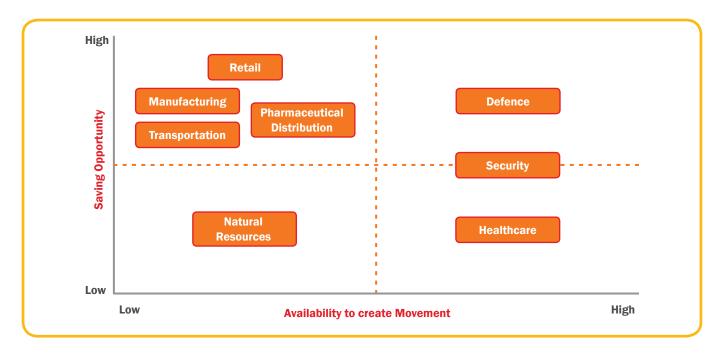

FIGURE 4 REPRESENTS RFID INDUSTRY MARKET OPPORTUNITY ANALYSIS
(Source: Computer Sciences Corporation)

RFID VERSUS BAR CODES

A bar code is a scheme in which printed symbols represents textual information.

POINTS OF COMPARISON		
Products	RFID	Barcode
Technology	Radio frequency	Optical (Laser)
Line of Sight	Not required	Required - Scanner must physically see each tag
Read Range	High - 10 to 100 feet	Low - Inches to a few feet
Read Rate	High - Multiple tags can be read in one pass	Low - Only 1 tag cab be read at a time
Capabilities	Read, write, modify, trigger	Read Only
Interference	Don't work with certain metals and liquids	Easily damaged or removed, also unreadable if torn, dirty
Security	High - Difficult to duplicate	Low - Easy to duplicate
Human Labor	Low - No manually scanning	High - Manually scan each tag
Cost	High	Low

RFID IN RETAIL INDUSTRY

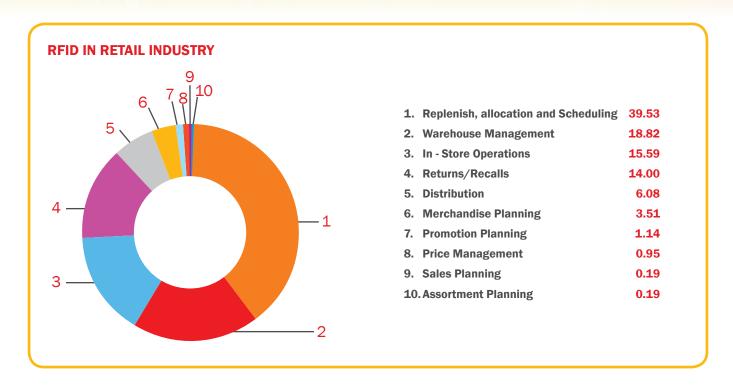|		
1.	Replenish, allocation and Scheduling	39.53
2.	Warehouse Management	18.82
3.	In - Store Operations	15.59
4.	Returns/Recalls	14.00
5.	Distribution	6.08
6.	Merchandise Planning	3.51
7.	Promotion Planning	1.14
8.	Price Management	0.95
9.	Sales Planning	0.19
10.	Assortment Planning	0.19

FIGURE 5 REPRESENTS RFID BENEFITS IN RETAIL INDUSTRY

(Source: Comparative Analysis of RFID Adoption in retail and manufacturing sector by Mithu Bhattacharya, Chao - Hsein chu and Tracy Mullen)
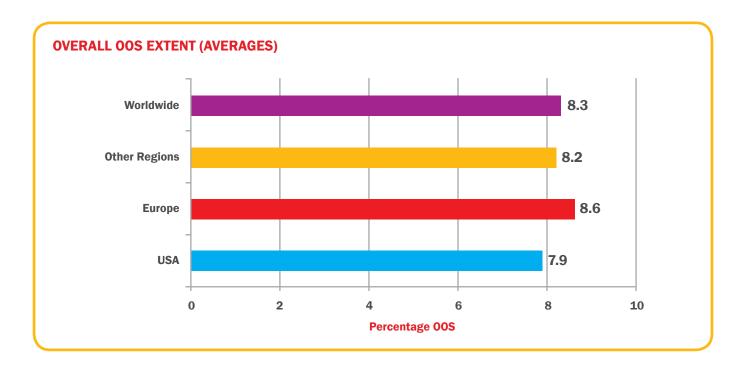
OVERALL OOS EXTENT (AVERAGES)

FIGURE 6 REPRESENTS RETAILING OUT OF STOCK LOSSES

(Source: 2002 Retail out of stock study by Groen, Corten and Bharadway)

Figure 6 shows that reliable estimate of lost revenue for a retailer due to out of stock can be anywhere from a few percent to 8 or more percent. If a typical retailer losses 4 percent of sales due to being out of stock, the improvements to the top line for Wal - Mart could be $12 billion in additional revenue with adoption of RFID technology.

RFID CHALLENGES

1.	**Privacy Issues**	**38.71**
2.	**High Cost**	**17.2**
3.	**Standard Issues**	**15.05**
4.	**Data Warehousing and integration**	**13.98**
5.	**Technical Issues**	**6.45**
6.	**Business Process and Redesign**	**3.23**
7.	**Employee Reluctance**	**3.23**
8.	**Multiple Reluctance**	**2.15**

FIGURE 7 REPRESENTS CHALLENGES FOR RFID IMPLEMENTATION IN RETAIL INDUSTRY

(Source: Comparative Analysis of RFID Adoption in retail and manufacturing sector by Mithu Bhattacharya, Chao - Hsein chu and Tracy Mullen)

We can see that challenges are also somewhat related to each other like benefits. With technology advancements, most of these challenges will eventually be overcome. However, being a societal issue, privacy requires more than technological advancements and will remain a major challenge for retailers. A balance between benefits consumers can get in terms of better service and savings and the impingements of privacy should be top priority of retail sector.

RECENT EXAMPLE OF AN RFID SOLUTIONS IMPLEMENTED IN A RETAIL STORE

Brazilian retail store Memove using RFID solutions to track and control inventory. Memove's clothing manufacturers in Brazil, China and elsewhere begin by sewing a passive RFID label into each item. With RFID label in place, items are carefully tracked as they make their way to the distribution centre and then to the store, their arrival automatically updates the store's inventory system. Also on hand at each store is an RFID - enabled trolley that need only be rolled through the aisles to update inventory in minutes. Dressing rooms are connected as well so as to track how many items enter and leave each stall. Shoppers, meanwhile, can themselves check out securely by placing all their items in a dedicated RFID - enabled basket, which calculates the total price. Once the customer has paid either by cash, debit or credit card at the POS terminal, the basket automatically updates inventory and erases each RFID label's encoded ID number so that alarms won't sound as the shopper exits the store.

FIGURE 8 REPRESENTS RFID SOLUTION IMPLEMENTED AT MEMOVE RETAIL STORE, BRAZIL

FUTURE OF RFID TECHNOLOGY

Effective RFID solutions depend on totally integrated systems that can assimilate data to create decision ready information, in addition to necessary sharing of information with retailers. This technology also has significant customer benefits which solidifies its adoption in retail Industry. The ability of retailer to monitor the shopping habits of the consumer in the store at the time of purchase using RFID will help retailer to better understand customer needs and thereby induce better relationship with the customers. This technology takes time to master and no one has completely mastered the current technology. RFID is an inevitable technology and business cannot ignore its vast potential and impacts but there are still uncertainties impeding its progress and acceptance in business world. The future for RFID is to develop more control from farther distances, becoming ubiquitous, ambient, more intelligent and thus making objects not only communicate with us, but to be smart and think for themselves and us. The future of identification technologies is to make RFID solutions more complex, applying advancing technologies such as Virtual Reality and Remote Access, to make tagged assets work for us in wider ranges and collect more and varied data.

A FEW POTENTIAL AREAS OF USES FOR RFID IN THE FUTURE CAN BE:

S.NO	POTENTIAL AREAS	USES
1	Identification	■ Advanced ID cards and recognition systems ■ More secure, safeguards and protected I.Ds
2	Payments	■ All credit and debit cards are RFID enabled ■ Personal gadgets like mobile phone also chipped
3	Vehicles	■ RFID enabled real time car parking ■ Automatic pay of toll taxes using RFID
4	Animals	■ Advanced and open identification ■ Easy tracking, tracing, monitoring, controlling using RFID
5	Buildings	■ RFID can be used to allow users to control, manage data on all aspects of equipment used in buildings ■ Higher building security ■ RFID tags to manage energy consumption

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- Shubham Agarwal,
Indian Institute of Management, Indore

REAL TIME MARKETING

Here's introducing you to the marketing industry's latest infatuation: Real Time Marketing. Real Time Marketing is defined as 'on the fly' engagement by the Brand to push it's Brand name, product or service unobtrusively into conversations centered around events happening in real time. It is implemented mostly through social media and in the digital space. It is a newer, unconventional method of marketing as compared to conventional, pre - planned marketing strategies which may have been thought out and developed earlier whereas Real time Marketing strategies have to be developed and executed instantly, as public memory, conversations and focus is extremely short and may shift instantly from one relevant story to another. The challenge lies in connecting the Brand to these stories and bringing the Brand into these everyday conversations buzzing around the world.

EXAMPLE OF REAL TIME MARKETING:

'Oreo wins the SuperBowl'* screamed the papers the next day. And all because of one witty tweet from the world's most loved cookie brand. And with more than 10,000 Retweets and around 15000 new followers gained within an hour of it's bold, smartass tweet, it surely won the night out and out.

The Superbowl is the annual Championship game of the National Football league (NFL), the highest level of professional American football and one of the most viewed sporting events in the world by sheer volume.

Experts reckoned this single tweet had had more impact than Oreo's expensively shot advertisement for the Superbowl. What happened you ask? Well, the power went out during the Superbowl game between the Francisco 49ers and the Baltimore Ravens. Oreo, crowned the unofficial king of Real Time Marketing sensed an opportunity and tweeted this during the unfortunate power - out hiatus:

The most impactful Brand exercise during one of the biggest events in the American sporting Calendar wasn't even an ultra - expensive celebrity commercial, as has been the trend in recent years, but a mere tweet from an opportunistic Brand, which conceptualised and executed it's super - witty graphic within minutes!

Even audi tried to do an 'oreo' at the expense of rival mercedes during the powerout at the superbowl :

* @MBUSA is the official Twitter handle of Mercedes Benz and the unfortunate power outage happened at the Mercedes Superdome (Mercedes had bought the naming rights for the stadium).

SCOPE:

IBM surveyed the world's top 500 Brands and found out that around 85% of these companies had integrated real-time marketing into their core marketing strategies. Companies were using Data and analytics in a big way to develop and design customer-relevant responsive ads and offers in real time. It was found that customers are able to connect on a more emotional level with Brands which engage in communications based on real time events and news. Consumers could relate to the Brand message better and felt a 'sense of belonging' with the Brand which engaged in Real - Time conversations with consumers. Experts reckon real - time marketing communications have a bigger short term impact, significantly higher than those of pre - planned strategies as the brand comes across as spontaneous, natural and creative in the moment. It also creates a more positive long term image for the Brand, as one which is alive and kicking, and truly living in the present alongside the end consumers. The Brand equity, brand awareness and visibility definitely increases as an effect of smart real - time marketing.

HOW TO IMPLEMENT REAL TIME MARKETING:

Don't get fooled by the brouhaha surrounding the astounding success of Oreo using real time Marketing. The truth is, success in the real - time marketing domain starts with a Brand's day to day functioning. Success cannot be centered around a single, humorous, real time Brand communication but begins by introducing the Brand into everyday conversations on a regular basis. Since success very clearly depends upon 'hijacking' the buzz generated by events and happenings trending around the world, the Brand very clearly needs to keep its eyes and ears open on the ground (in the real world), especially in the social media and the digital domain.

Analysing data, targeting the right audience and cleverly positioning itself in the right space around real - time events is essential for consistent results. Implementing small, repeatable initiatives to enhance customer expectations that the Brand will engage in everyday conversations with ordinary consumers will help create a much more humongous impact when that once - in - a - blue - moon 'Oreo Opportunity' arises. Also, keep an eye on the context, tone and drift of the conversations taking place around these current events before engaging in relevant, responsive Brandspeak. And also keep in mind, be it Twitter or Facebook, on social media, content is and will always be king!

If you focus on planning for the future and learning from the past, you'll lose out on the present. That eternal focus on the present moment, essentially is Real Time Marketing.
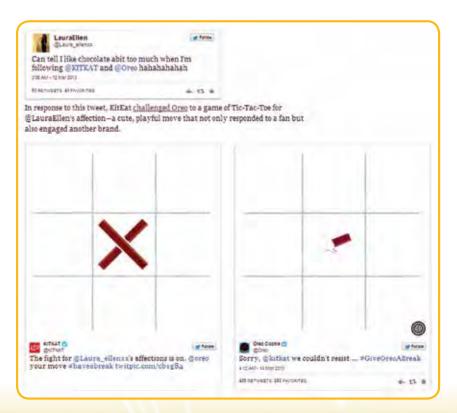
REQUISITES:

The modern day marketing team should essentially be run like a newsroom, analysing and filtering news, current events and target audience data to unleash effective, relevant and quick, eye - catching communications in the blink of an eye. There needs to be a high level of trust and empowerment in the team so that proper collaboration and quicker decision making happens. Success isn't just that one 'Superbowl moment', it lies in the summation of a continuous, consistent campaign aimed at being at the top of the consumer's ever changing mind.

It also requires a flattened office structure, unlike the conventional hierarchical marketing team structure, since to implement real - time campaigns, you need to have near absolute freedom and instant approvals and feedback. The entire creative, decision making and execution process has to be streamlined.

Identify the key influencers, bloggers and experts in the digital space who set the mood and flavour of all the happening conversations in the social medium, then try to interact with them, giving them importance and bringing your Brand into the public consciousness. As the conversation builds up heat, you could even start designing entire ad campaigns around them.

Here's another example of some witty Real time Marketing by two Chocolate Giants: Oreo and KitKat, which turned the inadvertent Laure Ellen into a mini celebrity. Who do you think won Laura's affection?

BUSINESS OPPORTUNITIES FOR REAL TIME MARKETING:

BRAND EVENTS:

These include press conferences, product launches, announcements and any other media or customer - facing event wherein everything right from content to execution is pre - planned. Since the content is known pre - event, 'Real - Time' marketing too can be pre - planned down to the smallest detail.

Ex: Pepsi introduced its new, thinner cans during NY Fashion Week with live 'get skinny' content on social media.

ANTICIPATED EVENTS:

Brands should prepare for external events which are anticipated beforehand. Events such as the birth of Prince Williams and Duchess Kate's son.

Ex: HBO had no idea how many Emmy's it would win this year so they made social media content for all possible eventualities and the 'right' content went live in real - time.

LOCATION BASED:

Increasing sophisticated technology now enables brands to target customers based on their customer's smartphone GPS location to push the right promotion to the right person at the right place, all in real time.

Ex: Taco Bell used a GPS phone app to let users know whenever they approached a Taco Bell restaurant albeit wisely, only when they were stopping at a red light.

PREDICTIVE - ANALYTICS BASED:

The flood of Big Data today enables smart brands to push products, services or coupons to customers based on insights gathered from the data trail customers leave whenever they shop online. This is a field expected to grow exponentially in the near future as it becomes easier and easier to analyse Big Data.

Ex: Amazon, ever the pioneer, uses data analysis to offer customers recommendations, based on their browsing and shopping history.

CUSTOMER INTERACTION:

Customer interaction can take many forms: Right from complaints, redressal, customer suggestions, crowd - sourcing ideas for new products to community interactions on social media platforms. The public, visible and possibly viral nature of customer interactions these days has turned it into a marketing opportunity. Customers, now - a - days have come to expect Brands to respond to their digital queries in close to real - time.

Ex: Pretzel Crisps listens for people on Twitter who claim to be hungry. They are then offered Pretzel product samples for free in real - time, bringing in new customers to the brand.

BREAKING NEWS:

The riskiest and also the most rewarding form of RTM may be in responding to unanticipated Breaking news where - in the brand has to leverage the said event in a way which is beneficial to the brand, but more importantly stays relevant to the event. Since advance preparation is almost impossible, a sufficient amount of spontaneity is called for along with some caution.

Ex: Coca - Cola Philippines announced that they were suspending all local advertising for a month to donate the money towards the Typhoon Haiyan Disaster Recovery Fund. This message of Coke donating $2.5 million towards a cause earned Coke significant mileage, respect and recognition around the world no amount of advertising could have gathered after they chose to use Real - Time Marketing through their social media channels to maximise the impact of their noble announcement.

SEVEN DON'TS OF REAL TIME MARKETING:

The following seven points are borrowed from none other than Oglivy and Mather, the world's premier marketing agency:

- **Timing is everything.**
- **Don't force it.**
- **Be witty, not awkward.**
- **Think before you speak.**
- **Know your audience.**
- **Remember why you're there. (Your business objectives)**
- **Don't blindly copy others.**

CONCLUSION:

Brands should understand that it is not just the big news stories which will make or break your brand but how you casually enter into everyday conversations that will differentiate you and make a lasting impact over the long term, so much so that your Brand becomes a trusted voice of opinion, a witty smart alec with the most awesome comebacks or the first source of information for your consumers, whatsoever you desire your Brand to be.

It will take real and sustained Brand engagement to convert these real - time marketing 'moments' into customer loyalty and purchasing power. This will be a function of how brands can turn these moments into insightful conversations wherein the brand can gain vital info on the psyche of its average buyer. Just cracking a funny joke or tweeting a smart pun won't get your fans to buy your products. It will be the prerogative of the brands to cleverly guide these in - the - moment conversations into spaces which will benefit the brand most, not losing the interest of the consumer. These conversations must be carefully built into lasting relationships between the brand and the consumer. In real time

marketing more than anywhere else, listening is the first and the most important step. Care must be taken that the brand doesn't introduce topics for conversation which are disinteresting and irrelevant to the consumers. Monitor social media conversations, then introduce potentially buzz - worthy topics into the open or enter into conversations which are already generating a lot of heat.

Creativity is vital to the process of RTM. In the 'always on' space of social media, it is vital that brands don't wait for snazzy ad campaigns or special occasions to sell their brand, but dive deep into the present moment and conjure up some magic from everyday conversations.

Exciting times are surely up ahead as more brands go the 'Oreo' way, bringing other brands and ordinary consumers such as you and me into the conversation.

As we end, I leave you with the one time, Oreo, the erstwhile king of Real Time Marketing, were left with a taste of their own medicine when AMC Theatres in the US came out with a killer comeback to Oreo's provocative taunt!

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Symbiosis Centre for Management of Human Resource Development, Pune

WEARABLE TECHNOLOGY: INNOVATION IN DIGITAL TECHNOLOGY

Technology is evolving every day, things we wear on day to day basis are no more ordinary. Watches became smarter, Purpose of eye glass reached to new level, Bands are way more than friendship and fashion bands. Our relationship with technology is becoming so intimate that we are becoming technology and technology is becoming us.

Wearable technology, it is what you incorporate into things you wear on a daily basis, and it could be anything from a smart watch, augmented reality glass, or even a personal health monitor in the form of a bracelet. According to IMS research worldwide spending on wearable technology in 2012 is $8.5bn, shipping 96mn devices, and forecasted that by 2018 unit shipments may reach to 210mn, driving $30bn in revenue which is tremendous. North America, Western Europe being potential market areas followed by Asia pacific region.

CATEGORIES:

Wearable technology is divided into four main categories; Fitness and wellness, Infotainment, Healthcare and medical, Industrial and military. In Fitness and wellness devices are activity trackers which measure speed, calories burnt, sleep time, stride rate etc. They have highest market share of 61%. Globally key players in this category are Fitbit, Adidas, Nike, Jawbone. From the Accenture Digital consumer tech survey 2014, which is conducted in six countries, Australia, Canada, India, South Africa, the UK and US, more than half of consumers said they have interest in buying wearable technology, where 80% of Indians are planning to buy in this year in which fitness and wellness is given highest priority. To capitalize on this opportunity companies like Adidas and Nike, being trusted brands in India, should offer activity tracking devices at acceptable price range

Infotainment, devices comes under this category drives people crazy. As per the Accenture digital consumer tech survey 76% of Indians were interested in buying smart watches. Samsung, Sony, Pebble are key players and there is rumor of iWatch from Apple. To capitalize on this market again price and features play a vital role. Samsung Galaxy gear costs around $300, with which one can get a quality smartphone with all the features. Gear is a smartphone dependent, to get the notifications and alerts it need to be within 30feet from the smartphone. Battery life is only 25hrs, meaning it will require charging every day. Sony recently came with smart watch 2, which is better than first one but expensive. Sony is encouraging more third party developers to develop applications which was the major issues with its previous version. Pebble, one can't talk about smart watches without mentioning pebble. Raised more than $10mn on kickstarter, now sold more than 250k units. Pebble smart watches has profitable future in the Indian market

as they have both features and acceptable price tag. Basic Pebble is available at $150 with batter life of 5 to 7 days, waterproof, connects with Android or iPhone. According to IMS research smart watches shipments expected to reach 39mn units by 2018. India can be the potential market if the companies target consumers with right price tag and come over present drawbacks. Google glasses which are not yet for sale, have features of taking photos, videos, giving directions, answer questions and many more, it's consumer version will be available around $1500 which is too expensive and hard to accept. When they come with revised versions under $500 it probably have more chances in the market globally by 2016.

Healthcare and Medical, globally it has a second largest market share of 35.1% in wearable technology. Devices in this category are more advanced and intelligent compared to fitness and wellness. The latest wearable health gadgets are from, headsets that measure brainwaves to clothes that incorporated with sensing devices. Self - quantifying apps are mobile apps that monitor vital signs about user. Self - quantifying patients is next logical step in personal healthcare. Physicians have found that wearable technology is useful for patients in management of chronic diseases like obesity, heart diseases, diabetes etc. In US 7 out of 10 are already quantifying themselves using apps and wearable technology. In India wearable technology in healthcare is destined to grow bigger atleast initially in Indian metros. Medtronic and Cardionet are key players, whose products are known for their accuracy and faithfulness. According to Global Trends and Forecast, by 2018 mobile health apps and solution market will worth $20.7 bn. Fitness and Healthcare are two categories where there will be tremendous growth in the next coming five years.

INDIAN PERSPECTIVE:

As per Accenture digital consumer tech survey, India is clearly seen as a major growth market for wearable technology and consumer electronics devices, as they were ranked among world's most willing to pay consumers. Recently Intel Capital expressed plans to invest in wearables. Hyderabad based start - up Ineda Systems, developing a chip specifically for wearable technology. In the field of medical and healthcare Diabeto a start - up came with a mobile device in self - quantification market. Looking at these scenarios, companies have already started targeting Indian market but how effectively they do in price sensitive Indian market should be wait and seen!

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INNOVATIONS AND BOTTOM OF PYRAMID MARKETS

It has been established that Bottom of Pyramid (BOP) can be looked as a viable market for companies to grow. However, it cannot be done with the same portfolio of services and products that are being offered to the affluent families because of the difference in earning pattern and expenditure habits. While in a BOP market, the expenditure would be mostly in consuming food items (up to three - fourths or more), other markets may have a considerably lesser percentage attributed to meeting basic requirements. Also, the income pattern could be intermittent for a BOP family compared to that of an average middle class or upper middle class family. However, the sheer size of the market in emerging countries makes it worth the investment in innovation.

The poor may not be able to afford prices meant for developed market, but they also offer resources for developing a different cost - structure which could imply that the companies have an option to serve them at a lower price yet make similar profit. There is also a need to look at the product as a derived service rather than a mere tangible good. This could help the companies to take a relook at the form of the product and take into consideration its functionality. These functionalities must be tailored to the needs of the BOP market. Innovations could also be technological. It is a fallacy that the BOP will not adopt new technology and hence there is no point in investing in technological innovations. If a technology benefits the needs of BOP and helps them to reduce their expenditure or provide greater opportunity, it is more likely that they will embrace it. Another major reason for companies not willing to delve in this segment is the human resource crunch; however, this presents another opportunity to innovate the structure and form of organisation to be able to reach the end customer.

Therefore the above reasons compel the companies to look at BOP market distinctively with its unique attributes, yet at par destination with other markets with regards to profit motive of an enterprise. In the following sections, it is presented as to how the companies have innovated in emerging markets to reach BOP and have laid down successful case studies.

LAYING DOWN THE PRINCIPLES OF INNOVATION IN BOP MARKETS AS FOLLOWS:

- Price is not important, but price performance is crucial: Merely introducing a stripped down version of a product at a lower price point is not going to help the organisation. Rather there needs to be a deeper understanding of price - performance envelope. Aravinda Healthcare provides eye surgery at a much cheaper rate than hospitals in other markets. However, the quality of the service, in this case surgery, cannot be any lesser. Therefore the need is to find a level of service that would be cost - effective through cost - restructuring and finding the optimum performance level for that service.

- Developing a scalable operation: While innovating to cater to needs of a small portion of market could be less challenging, the organisation cannot generate substantial profit unless they scale the operations to a larger market size. Given the opportunity and size of BOP market, a scalable operation will not only provide an economy of scale but also ability to innovate more intrinsically.

- Keep in mind the resource constraint: A resource constraint could mean that the customers may not have enough electricity or water to be able to consume the services in its traditional form. Therefore, emphasis must be laid to these constraints when innovating. For example, while developing a razor blade or shaving cream, one could take into account the amount of water that would be needed in the shaving process and possibility to innovate to reduce the consumption.

- Attention on Functionality rather than Form: Ethnographic conditions of BOP dwellers are drastically different from the urban settlers. This necessitates that the product offered must be suitable to the functional benefit of the customers. Also focussing on functionality will help the innovation to reach its objective of catering to the need of customer rather than merely providing an optional purchase.

- Developing a routine deskilled process: The educational qualification of the employees at a BOP market may not be exactly suitable for the processes developed for a developed market. This requires that the process would be a more routine version and would uncomplicated basic requirements of the service. This could be easily delivered by a less skilled person.

- Laying emphasis on educating the customers: Any innovation or new product or services must be backed by the education of customers to help them make correct and optimal use of the services.

DIFFERENT TYPES OF INNOVATION COULD BE LAID DOWN AS PER FUNCTIONAL ENTITIES OF ORGANISATION:

PRODUCTION AND DESIGN:

The innovations in production and design of new product or design could be users led. As the market research into the needs and wants of BOP market cannot be comprehensive and innovation costs could be high, production is done iteratively. Here, a product prototype is developed and a feedback is taken from the prospective users. Godrej ChotuKool was developed after iterative consultation with six hundred women of the targeted market understanding their use and resource constraints, leading to changes. Similarly Tata Swatch developed a purification system after extensive testing and feedback in the BOP market.

DISTRIBUTION:

Rural distributors may be constrained with vehicles to do the last leg delivery. Also, there may be other constraints such as reach of a distributor and scale at which it can operate.

Project *Shakti*, the HUL innovation in distribution, where they appointed a local direct - to - consumer dealer to increase its penetration and reach. Under this program, there is a Shakti Amma appointed, who sells directly HUL products. Here the dealer's entrepreneurial skills to seek out business instead of passively waiting for customers help in increase the business revenue. Choice of female gender was also very important as females are considered to be a better source and conduits of knowledge and influence about lifestyle related issues.

FINANCING:

Prof. Mohammad Yunus, an economist in Bangladesh who founded Grameen Bank, established that a mere 27$ Loan could make an impact to 42 families of an impoverished settlement. Not only this, all loans were repaid in time. However, this was not the first instance of such an enterprise undertaken. In Venezuela in 1961, ACCION International was the first recorded micro lender followed by Opportunity International in Indonesia and Columbia. However, microfinance is not only limited to smaller organisation. ICICI bank realised the potential of BOP market and made it a priority sector with a profit motive. It created a network of indirect channel partnership through various organisations in different states such as DHAN in Karnataka, CASHPOR in UP etc... Even Citi Bank opened a Clti Microfinance wing in 2005, the year declared as International Year of Microcredit by the UN.

SALES:

Casas Bahia one of the largest retailer in Brazil, grew on the back of BOP market. Their major customers include the habitants of shanty towns also known as favellas. They initiated credit to its customer to enable them to buy products. Customers mostly worked irregular jobs and thus had irregular income streams. This led the Casas Bahia to integrate its sales function with financing on the back of unique credit analysis policies to gauge the potential of consumers with no formal credit history record. Its success can be measured by the fact that it has revenue of $7.9 bn now after being set up in 1952.

Cemex, one of the largest producers of cement in the world, founded a unique scheme to boost the sale of its cement. Under this scheme, it allowed its customers in BOP market to add a room at a time to their house based on the savings that they put in. After grouping the women in a group of 3, they provided them with supplies of construction for 10 weeks after gauging their willingness to save which was measured by the saving done by them in 6 weeks.

PACKAGING:

Packaging a product right has both intrinsic value of affordability as well as the other benefit of attracting a consumer. Since the packaging must be more functional in nature and the demands is established, it is beneficial to have it in different variants of serving. For Example, a Shampoo priced at Re. 1 or 2 can have single serving as well as twice. Similarly biscuits, colour cosmetics, fragrance and other item of daily consumption such as bread, tea etc are packaged in different serving amounts. This has led the companies to innovate and consistently tinker with their SKUs.

TECHNOLOGY:

A common misconception is that the BOP market is not keen on adopting new technology. ITC e - Choupal, an initiative to link the rural and agricultural areas to the ITC Limited helps debunk this myth to a great deal. However, Voxiva Solutions, a Social Venture established to develop technology solutions which can practically be implemented for important medical challenges across BOP segment. When first established in Peru, it helped control the medical staff to contain an outbreak of an epidemic which had in its past occurrence claimed 7000 lives. Grameen Phone, a leading telecommunication provider in Bangladesh, targeted BOP market to expand its services from merely calling to internet services.

HUMAN RESOURCES:

In many situations, companies may find it difficult to find an intermediary for its operations in BOP Market. NABARD, a rural development bank, established its intermediary as Self Help Groups. Sometimes the BOP market requires an agent among them to help them cater to their needs based on languages, preferences etc..

Going ahead Triple Helix, a model proposed by Henry Etzkowitz, could be taken up to cater to the BOP market innovation at low cost. Here there is a constant interaction between the Industry, Government and University to find innovative solutions. HUL, in its campaign to bring sanitation to the village through soaps, partnered effectively with the government to reach out to the rural mass. Communication in itself is a challenge in BOP market as there is large region where Electricity and Television is not present. There is a need in Emerging markets to constantly develop research with joint dialogue between University, Government and Industry to take innovation forward and cater to the large BOP segment.

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IS MOBILE TELEPHONY WAY TO DATA REVOLUTION?

Getting a mobile phone was the wisest $18 Ram Singh ever invested. Mr Singh, a farmer of Punjab: a state in north of India, used to personally go and meet his neighbours in advance for booking delivery of fresh buffalo milk. Now, his neighbours can just give him a call when they want the milk. His earning has increased by 35%, to 8200 rupees for a month. And, he keeps getting rumours of an even more enriching technology. He gets to know that there is something on the phone that can tell him the accurate market price of milk on a certain day. But he is not aware that this something that has got him all perplexed and anticipated is - internet. The reason why Mr. Singh is not aware of internet is like most other Indians he never before used or seen it for that matter. But, this small phone in his hands is a pre - cursor to the fact that how millions in emerging markets, perhaps billions of people, will one day access internet.

Today, a mere 8.1 Crore Indians, which is almost 7% of the population, regularly use the internet. But the competitive mobile telephony market which has drastically brought down costs means that 50.7 Crore have mobile phones. The call rates cost as little as 35 paise per minute. Big Indian operators such as Airtel and Reliance enrol 2 Crore new subscribers every month.

In other emerging markets too, there are many more mobile phone connections than internet data connections. In Brazil, Russia, India, China and Indonesia (the BRICI countries), there are active 61 Crore internet users but a staggering 180 Crores mobile - phone connections, according to a Boston Consulting Group (BCG) report. In the report BCG predicts that by 2015 there will be 1.2 billion internet users in BRICI countries - overshadowing the combined user base in USA and Japan.

These new connections will mostly use their mobile phone connections to access internet services as that would be the easier and cheaper option for them. For example, in Brazil, fixed - line broadband is exorbitantly expensive; in Russia, though it is much cheaper, it is often unavailable in most places. In India, infrastructure is a major issue; it is difficult to get a decent landline connection, let alone a broadband.

Poor people, especially in these emerging markets don't have personal computers. In the BRICI countries, with a combined population of more than 300 Crore people there are only 44 Crore computers. A sizeable population still uses internet shops, but these are inaccessible in rural areas. Having an internet connection in ones pocket is a far more convenient option.
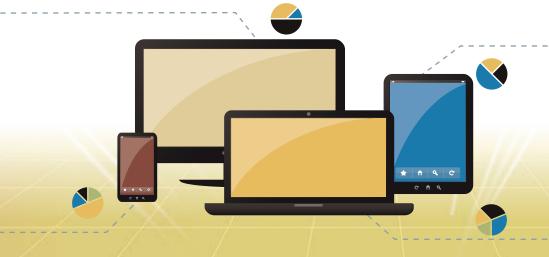
Millions of Indians are in the process of using their mobiles to access the internet facility with the roll - out of third - generation (3G) services, which allow subscribers to access the web at a much faster speed. Mr. Kunal Bajaj, Director of Analysys Mason, expects the spread of the trend to be as fast and revolutionary as it has been for the telecom revolution encompassing the length and breadth and depth of India.

The stakes are very high seeing the potential of replication of telecom revolution in the data revolution. In emerging markets, every 10 percentage points growth in mobile telephony penetration results an extra 0.81 percentage points of GDP growth of the economy, according to a study by World Ban. The internet revolution could be even more powerful in enabling the economic growth engine of the economies. The unemployed population can search for jobs on online platforms. Farmers in inaccessible areas will find tailored advice on crop planting et al.

The possibilities are many. Mr. Singh is hopeful.

- Rahul Sharma,
Indian Institute of Foreign Trade, New Delhi

INNOVATIONS IN SOCIAL MEDIA

The euphoria refuses to die. The 'buzz' is here to stay, as every media junkie can tell the on - click availability is just one of its countless advantages which make social media the biggest electronic revolution since the World Wide Web itself. A throbbing online social life put aside, the biggest gainers from social media have been those enterprises, old and young, which have been able to successfully tap into this precious resource, rather a bounty thrown in their favor by the technological samurais of the world. With a new line of business comes innovation and the social media has to its credit a volcanic influence over how we thought about the modernization of enterprises. Let's have a look at some of its greatest achievements.

SOCIAL ENTREPRENEURSHIP:

Social media is the birthplace of social enterprises, or, industries that are based on and function solely via these platforms. Online organizations like 'Youth Ki Awaaz', 'Let Me Know', 'The Indian Economist', 'The Filmy Owl', et al are some shining examples. The idea is completely democratic. These are enterprises for the people on social media, by the people on social media. These enterprises emerge when a socially - conscious individual or a group of individuals start an online campaign or a Blog on an issue that touches a chord with majority and when the movement gains momentum, a new enterprise is formed. It can also be an enterprise based for household utility products or purely entertainment purposes and in these cases also the functioning methodology is the same - Attract the social media audience, Engage the target audience and Flourish. The fact that a single technological advancement (i.e. social media) can throw open a whole new arena of business exemplifies Neil Armstrong's famous quote, "A small step for a man, a giant leap for the mankind."

CUSTOMER - LED INNOVATIONS:

While social media platforms have enabled home - run, purely online businesses to emerge strongly, the previously established, commercially successful organizations have also smartly utilized this reserve to forge greater proximity with the clients, hence, leading to a better market rapport and customer relations. This is done through what is termed as 'Customer - Led Innovations'. A good example of this would be the Facebook campaign launched by Sony for PS II while creating new games, which was called 'Gamocracy' in which the people on its fan page were supposed to design a model of a game which they would like to play on PSII and the winners would get their games in the next version of the game station. It was a clever method of market research laced with providing a certain sense of achievement to the clients. In this manner, customer - led innovation can help an organization in creating the product clients actually need and is more effective than customer care centers for receiving feedback.

NEWS MEDIA:

The exponentially popularity of online news media houses like 'Youth Ki Awaaz', 'News That Matters Not, 'The Indian Economist', etc and the expansion of every major print and electronic media house online is proof enough that the future of news delivery is the social media. The way in which platforms like 'Twitter' and 'Facebook' have revolutionized the medium of news delivery and broadcast is incredible. Social media not only truly stands for the fastest delivery of news today, but also an unmatched experience in the way the viewers can connect to their favorite faces and names in broadcast and print media. Above all, social media empowers the citizens to speak up about issues that matter the most to them. No longer does one have to wait or plead media to cover the injustice done to them. Now, they can simply Blog about it for the world to hear. The latest case of sexual harassment of a journalist by Tarun Tejpal, the Editor - in - Chief of 'Tehelka' was brought out in the public by a Blog post. This is the extent to which the social media can influence and stir up news delivery.

CHARITIES AND FUND - RAISING:

Social - media led innovations are not just for the commercial ventures. NGOs have also greatly benefited from the technological wave. Gone are the days when the volunteers had to rely on door - to - door campaigning to collect funds. Now, one can donate, receive a receipt and tax exemption at the click of a mouse. Organizations like 'Make A Difference' and 'Teach For India' successfully follow this trend to bring about positive development in the education of the unprivileged of the society. All a charitable organization has to do is put up a fan page on Facebook or a Tweet directing the audience to the main website through which a safe online transaction can be made. This ease for the volunteers and the donors saves a lot of time, energy and resources.

There really is no end to social - media led innovations. As with all innovations, all it takes is an innovative mind to put the right idea into action. Like any technology, social media can be put to a greater use to business by mainstreaming it so that more people can benefit from this media.

- Shivangi Singh,
Goel Institute of Technology for Women, Noida

GREAT LAKER'S ACHIEVEMENTS

Name	Position Won	Name of the Competition	Organizer Name
Abhineet Gaur **Prathyusha Raviprolu**	First	Debate at ''Chrysalis''	LIBA
Chembak Venkadram **Amal Jose** **Pradeepta Mohan**	First	Operations Competition "Brazuca" at Chrysalis	LIBA
Kedar Kulkarni	2nd Runner Up	Bajaj Allianz Digital Marketing Campaign Competition	Bajaj Allianz
Abhinav Jindal **Lokesh Garg** **Ariha Sinha** **Ashish Aggarwal**	Winners	IIM - C Alumni Workshop Case Study Competition	GLIM
Ankur Baj **Karthick S** **Vijay Krishnan A**	Runner Up	Nirnay - L'Attitude 13 05'	GLIM
Sudeep Dayal	2nd	KSCRM Bull's Eye Quiz	GLIM
Nachiket Soholkar **Nikhil Jain** **Suvra Mallick** **Suyash Peshkar**	2nd Prize	Whizkids - Entrepreneurship Event	LIBA Chennai
Aatman	Selected for Finals	MTV Colors of Youth	MTV
Chirag Dagar	Winner	Deloitte - Maverick - Be The One Challenge	Deloitte
Ushaman Sarkar **Aurka Chakravarty**	Winner	Neev - Tatva	SCHMRD

Name	Position Won	Name of the Competition	Organizer Name
Devyani Kumar B.Shrikant Soni	Winner and also selected for finals for Audacia	Oyster BPLan Competition	GLIM
Devyani Kumar B.Shrikant Soni Harsh Agarwal	Winner	Live Project - RechargeDelight	IMT, Ghaziabad
Devyani Kumar B.Shrikant Soni Harsh Agarwal	Finalists	Udyam BPlan Competition	IIM, Raipur
Devyani Kumar B.Shrikant Soni Harsh Agarwal	Finalists	Concoct BPlan Competition	FORE School of Management
Devyani Kumar B.Shrikant Soni	Finalists	Sankalp BPlan Competition	TAPMI
Gautam Malhotra Harshita Preetam	Article Published	Hindu Business Line	www.thehindubusinessline.com/on-campus/selling-desi-the-firangi-way/article5422035.ece
Ushaman Sarkar Amrita Biswas Abhisek Majumder Aurka Chakravarty	Finalists	E Summit - Re - engineering Case Study	NIT, Trichy
Purnima Kochar Abhishek Rathi Gaurav Khandelwal Piyush Talreja	2nd Prize	Unmaad - 2014	IIM Banglore
Purnima Kochar Abhishek Rathi Gaurav Khandelwal Piyush Talreja	Chennai Winner	MTV Colors of youth	MTV

GLIM CONFERENCE & EVENTS

3RD INTERNATIONAL CONFERENCE ON BUSINESS ANALYTICS - 24TH DECEMBER 2014

Chief Guests : John F Dickson, Researcher, University of Texas; Naveen Kapoor, Global Practice Head, Inter Globe Technologies and Uday Bhate, Founder and Principal Partner, nmore

7th NASMEI Conference - 27th & 28th December 2013

Chief Guest : Professor Sundar Balakrishnan, of the University of Washington, Bothell

7th NASMEI Conference - 27th & 28th December 2013

Chief Guest : Professor Sundar Balakrishnan, of the University of Washington, Bothell

L'ATTITUDE 13° 05' - 10TH & 11TH JANUARY, 2014

Chief Guests : D. Shivakumar, Chairman and CEO, PepsiCo India and Shri. Suresh Prabhakar Prabhu, former minister and member of Lok Sabha

6TH INTERNATIONAL ENTREPRENEURSHIP CONFERENCE - 18TH FEBRUARY, 2014

Chief Guests: Mr. Shankar Narayanan, Ex - Chairman, Founder and CEO - SPIME INC, Co - Founder - Emuzed Inc & Co - Founder Nexus Inc, USA.
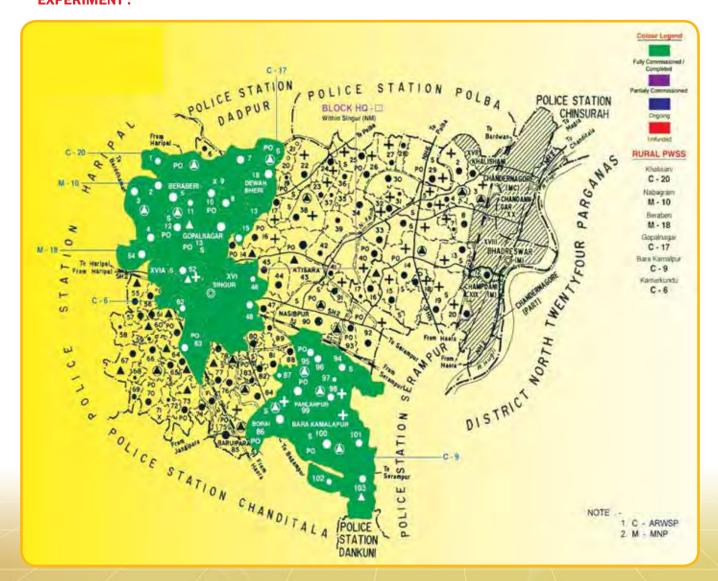
VISUAL QUIZ ON INNOVATION & EMERGING MARKETS

1. **WHAT 'OCCASION' WAS THIS AMUL ADVERTISEMENT CREATED FOR?**

3. **IDENTIFY THE CEO, REGARDED AS ONE OF THE MOST PROMISING CURRENT INDIAN ENTREPRENEURS.**

2. **IDENTIFY THE PLACE WHICH HAS COME TO BE KNOWN AS SOMETHING OF A 'FAILED EXPERIMENT'.**

4. CONNECT THE VISUAL WITH AN INDIAN - BASED COMPANY THAT HAS BECOME A PIONEER.

7. IDENTIFY THE COMPANY, WHICH WAS RECENTLY ACQUIRED BY A JAPANESE GIANT, FROM THE LOGO BELOW.
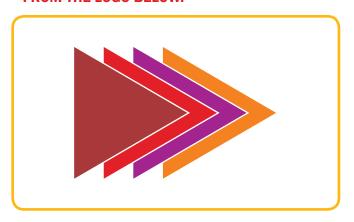
5. WHICH PUBLIC FIGURE IS BEING SPOOFED IN THIS CARTOON?

8. IDENTIFY THE MADURAI - BASED ENTREPRENEUR.

6. THIS TAMIL NADU BASED INNOVATOR (IN THE CENTRE OF THE PIC) HAS BEEN IN THE NEWS LATELY. IDENTIFY HIM.

- Suhas Cadambi,
Gravity Team

CHECK OUT NEXT ISSUE FOR ANSWERS @ WWW.GLGRAVITY.ORG

ISSUE 20, DEC 2013 - ANSWERS

Q1.   The original Nokia ringtone, also known as The Ringtone Waltz

Q2.   All have endorsed both Coke and Pepsi

Q3.   Reebok and CrossFit. The CrossFit games is the annual sporting event.

Q4.   Bill Gates (Microsoft) and The Rolling Stones - the Rolling Stones song 'Start me up' was used to launch Windows 95.

Q5.   United Colours of Benetton.

Q6.   Twitter users

Q7.   Livestrong's situation after the Lance Armstrong doping controversy

Q8.   Brylcreem (Denis Compton, Keith Miller, Farokh Engineer and Kevin Pietersen)

Q9.   The original logos of Mozilla Firefox - it was originally supposed to be called Phoenix, then Firebird. The names were changed after trademark infringement issues.

Q10. Steve Job's outfit - Cashmere Turtleneck, Levi's 501 and New Balance 992 Sneakers.

Watch out http://glgravity.org/ for Issue 22, June 2014 Call For Articles

GREAT LAKES
INSTITUTE OF MANAGEMENT

LEED Platinum Rated Green Campus in Chennai

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