ISB Management
ReThink

Marketing in the Now

Engaging the New Age Consumer

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EXPERT SPEAK

Management ReThink is published quarterly by the Centre for Learning and Management Practice, Indian School of Business (ISB).

We cover a wide range of topics including strategy, leadership, operations, innovation, decision-making, marketing, finance, work-life balance, and practising management. We publish articles of varying lengths in both print and digital forms, besides featuring pieces based on infographics, podcasts, videos, slide presentations, and other multimedia formats that might help us share an idea effectively.

We encourage submissions and proposals for write-ups. We also welcome suggestions, comments, and letters to the Editor. These should be sent with the writer's name, address, and contact number via email to management_rethink@isb.edu.

From the Editor's Desk

Marketing in the Now:
Engaging the New Age Consumer

In today's fast-paced world, consumers are going increasingly digital and are inundated by vast amounts of information that attempts to influence their every choice. With the internet, particularly social media and e-commerce, obfuscating the traditional boundaries, it has only thrown up more intriguing and complex challenges for marketers and brand strategists.

To this end, brands, be they private or public entities, or even the government, today need to navigate the fine lines between propriety and relevance, as they bank on creative communication to get their message across. And with the diversity and heterogeneity of the demographic profile that India presents, every step must be trodden with prudence. Brand strategists and marketers are nothing if not ingenious, but it takes very little to stump them as they deliver stellar communication to reach their target audiences.

In the latest issue of ISB Management ReThink, we explore what's trending in the dynamic domains of marketing and branding and the way ahead for brands as they seek to remain relevant while pursuing profitability and growth.

- For various reasons, brands have chosen rebranding as an exercise in image makeover. Explore how rebranding goes beyond name and logo changes to transform the brand image.

- Between trolling and troll marketing is a fine line. Learn how marketers can effectively use troll marketing to grab the customers' attention.

- With digitisation, social media, and e-commerce shining the spotlight on consumers in Tier-II and Tier-III cities, read how marketers would do well to identify the aspirations of this section with innovative marketing practices.

- Beyond electoral campaigns, why do governments need to engage in branding? Tune into our podcast as we explore the why and how of government branding.

- Is latching on to all that is trending the answer for brands scavenging for consumer attention? Tune into our podcast to know how brands can make moment marketing more than a fleeting moment.

*Do share your feedback on **Facebook, LinkedIn, Twitter,** and **Instagram** or email us at **management_rethink@isb.edu.***

Thank you for reading and listening!

Take care and stay safe!

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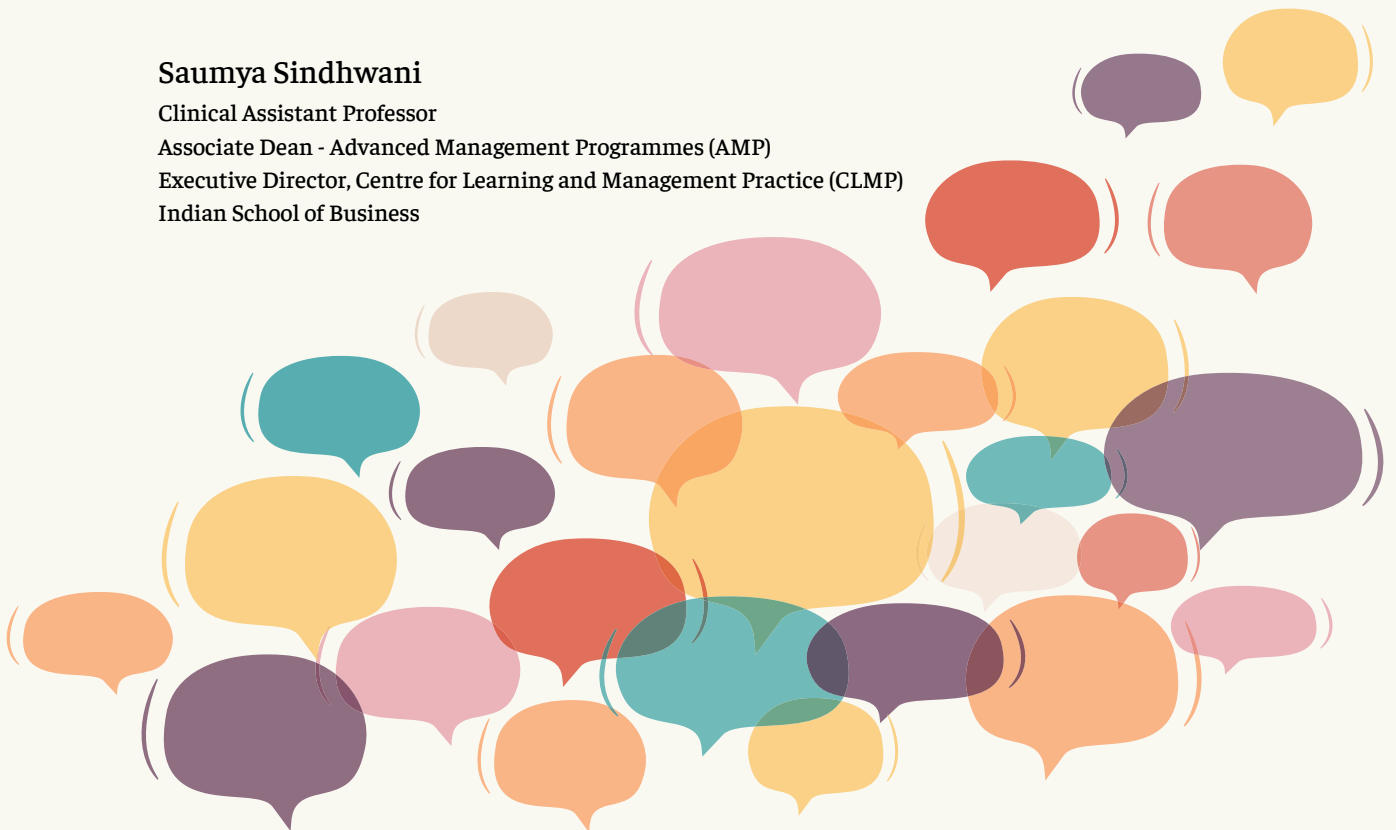
Expert Speak

Rebranding—What's in a Name?

Ambi Parameswaran

Independent brand coach and Founder of brand-building.com

Brand identity is the cornerstone of building a successful marketing strategy. However, often, over the course of time, companies may seek to opt for a refresh, or to put it in the right terms, 'rebrand.' But rebranding an established entity can be a complicated and delicate process. Rebranding goes beyond aesthetic changes and includes both internal (for the employees) and external (for the customers) change. Ambi Parameswaran, independent brand coach and Founder of brand-building.com, walks us through some of the successful rebranding initiatives and throws light on the intricacies of their processes.

My first exposure to what we today know as 'rebranding' was in 1980. As a young client-servicing executive at an ad agency called Rediffusion Advertising, I found myself at one of the regular monthly review meetings with our Pune-based client. This meeting, however, took an unexpected turn when the Managing Director of the client company joined us with a seemingly unconnected question—"What challenges would a company face if it were to change its name?" As it turned out, our client—Wanson, a B2B[1] company, designing and marketing industrial boilers and heat transfer equipment—was contemplating changing its name. Wanson was becoming Thermax.

Dawning a New Identity

So, why was Wanson looking to become Thermax? What drove that change in name?

Rebranding comes in many forms. In the case of Thermax, Wanson was a name that belonged to a company with whom Thermax had collaborated. Therefore, it was imperative that the name had to go. Interestingly, Thermax was the name of one of their small subsidiaries and therefore, could easily be usurped by the parent company.

[1] B2B refers to business-to-business transactions.

Once acquainted with the reasons, we at the meeting were asked to pitch in with ideas. I asked the client a series of questions: What was the brand image of Wanson? What would happen if the name went away? And how would their customers react? My initial questions at the time were seemingly naïve but as I would later realise, they would play a crucial role in the successful implementation of the rebranding process.

After much deliberation, it was decided that before we undertake any rebranding, we should understand what the image of Wanson with its current and prospective customers was, how did they rate Wanson against its competitors and image leaders like Larsen & Toubro. Research revealed that customers rated Wanson well and even non-customers/prospects held a positive view of the company. The rebranding process needed to preserve and build on this goodwill and enable its transfer from Wanson to Thermax. This was followed by defining a new logo/identity for the brand and an ad campaign was planned to announce the arrival of the [old] new company. I remember, as a young executive, I was tasked to travel to the six key offices of Thermax around the country and share the rebranding initiatives, the new campaign, etc., with the employees. The rebranding initiative was a success. The company got a new identity and the corporate campaign that ran in leading business publications was widely talked about and won a lot of industry awards too.[2]

The market research conducted to study where the company stood, defining the objectives of the rebranding programme, creating a play book, carrying the whole organization with the change, and measuring the results achieved were all critical stages of the rebranding exercise.

Internationally, one of the most famous rebranding exercises was by Accenture when they changed their name from Andersen Consulting to Accenture. They dodged a bullet since their erstwhile parent company Arthur Andersen went out of business in 2002. But not all rebranding may involve a complete revamp of the company name. Sometimes, all that is required is reimagining of the messaging and identity of the company.

In 2003, the Government of India stepped in to solve the mess that was the

[2] For a more detailed version of this story, read Parameswaran, *A. SPONGE – Leadership Lessons I Learnt From My Clients*. New Delhi: Westland.

Unit Trust of India (UTI). The company was split into two, with one part managing the assets of the erstwhile company and the other part becoming a mutual fund called UTI Mutual Fund (UTI MF). The mutual fund was given a new logo identity and a new ad campaign boldly announced the birth of a new mutual fund with a rich legacy: "Welcome to UTI Country" was the clarion call. The dynamic chairman and managing director of UTI MF ensured that there was good news coming out of the UTI MF every month. Net result, the company not just survived but thrived. Contrary to the fears, investors did not rush and withdraw their money from the fund. The rebranding worked and the new shareholders brought in by the Government of India to bail out the old UTI could exit the company at an appropriate time.

Rebranding to Redefine the Vision

> Rebranding is not always about creating anew but sometimes about defining and sharpening the old.

Tata Consultancy Services (TCS), a division of Tata Sons, is a great example of the same. TCS was facing the challenge of taking the company public and giving it a sharp position in the minds of its employees and customers. The naysayers prophesied that a Tata company will not be able survive the competition posed by the 'new boys': Infosys, Accenture, and the behemoth IBM. Some experts suggested that the name of the company was all wrong, touting Accenture as an example. It had to change. Amidst all the criticism, the then CEO of TCS stood firm. He listened to all the divergent opinions but stood steadfast with the belief that TCS will be a name that the world can respect and invest in.

Rebrand   **Refresh**   **Redefine**

In 2004, TCS successfully launched its IPO.[3] What followed was a rebranding exercise of a different kind. The company hired a consultant who analysed what customers and prospects thought of TCS (remember what we did at Thermax?) and conducted internal workshops to evolve a positioning for the company. This hard work boiled down the clear positioning that 'with TCS you can be sure of getting your projects executed on time, on budget, and on quality.' This translated into the tagline "Experience Certainty." The company created a mass media campaign that ran in leading business publications including Wall Street Journal and Financial Times. The company philosophy was disseminated to the 100,000+ employees of the company and a cascade kit was created that was widely shared with all team leaders. Every employee was trained to make an elevator pitch to a potential customer. TCS, which was at one time labelled a 'body shop' whose success formula was built on labour cost arbitrage, rebranded itself into a global IT services company with numerous first in class features. And as they say, the rest is history.

The Right Approach Towards Rebranding

While these three cases demonstrate successful rebranding efforts undertaken by Indian companies, rebranding can often also be the product of a new CEO's ego, eager to leave their mark on the company. When motivated by ego the rebranding exercise is bound to have no impact on the company.

Rebranding processes are expensive and time consuming. We need to have more pressing reasons such as change in ownership of name, a business crisis that needs a recast of the business, change in the nature of business, or change in business processes to initiate this change.

[3] IPO, or Initial Public Offering, is the sale of shares of a private company to the public for the first time.

Conclusion

Rebranding is a complex process that affects beyond the outward identity/ messaging of the company. Therefore, for successful implementation, it must always be preceded by a deep immersion into what the current situation is and the current customer's image of the company. The next step should be an internal immersion to understand the employees' own image of the company. From these will emerge a clearer direction for positioning the new entity. If the name stays the same, it may have to undergo some design change to send out a message that the company is changing. If the design cannot change, as we saw in the case of TCS, you may just unleash a strong internal and external communication initiative to get the new message across, as quickly as possible.

Mind you, a rebranding exercise does not mean that all is done and dusted in a few weeks. Leaders must monitor the impact of the rebranding exercise and adopt course correction when needed. With the availability of digital media and monitoring tools, you can, real time, monitor the impact that rebranding is creating.

Rebranding is a delicate process that can command significant impact on the public and private image, and success of the company. Thus, done well, rebranding can help a company overcome a crisis, drive growth momentum, conquer new mountains. But done as an ego gratification exercise, it will only end up causing greater grief by drawing attention to the lack of initiatives and ideas in a company. In other words, it will be as the old saying goes, 'Lipstick on a pig.'

Ambi Parameswaran is an independent brand coach and Founder of brand-building.com, a brand advisory. Much of Ambi's illustrious forty-year career was spent in advertising, first at Rediffusion and then a 25-year stint at FCB Ulka. He has worked on iconic brands and companies such as Tata, Wipro, Zee, TCS, ICICI Bank, UTI, Thermax, GSK, Tropicana, Abbott, ITC, etc. He is also an award-winning, best-selling author of eleven books on branding, advertising, consumer behaviour, leadership, and resilience.
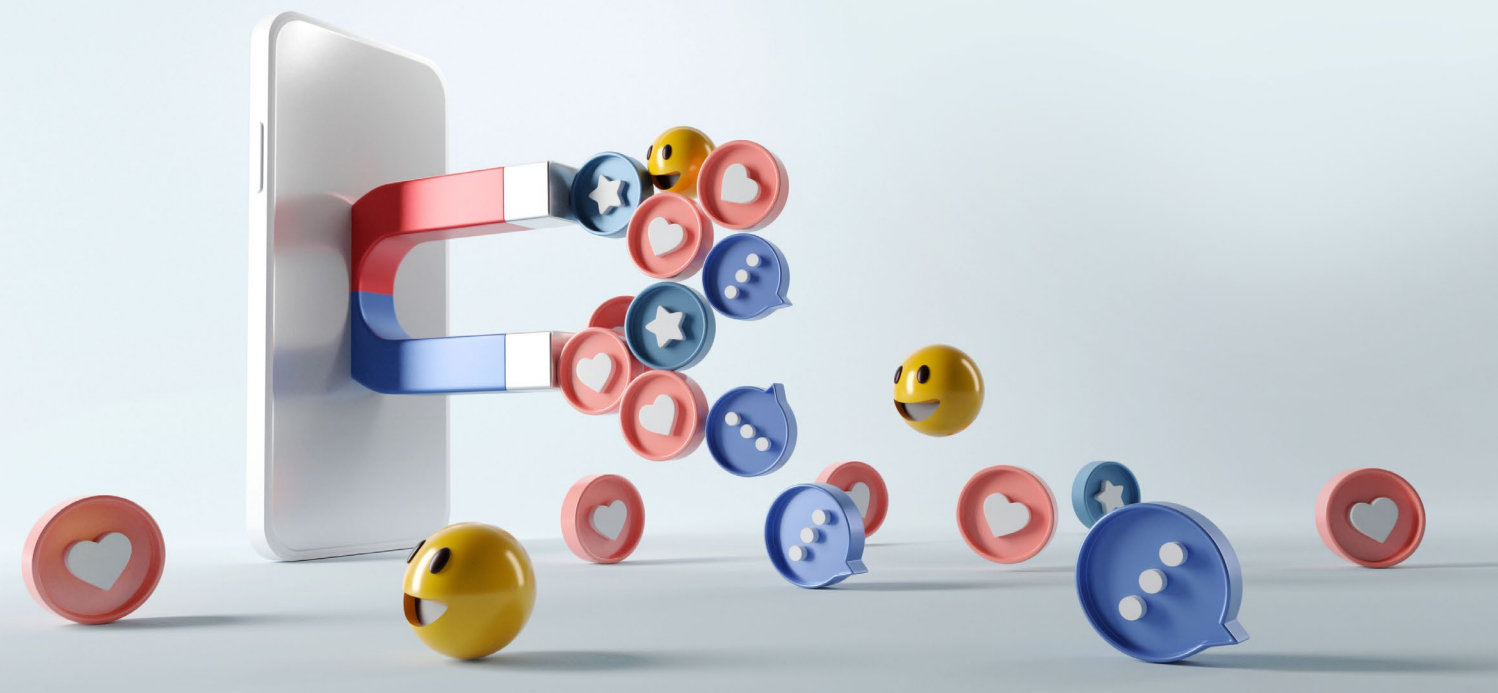
Lloyd Mathias

Business Leader and
Marketer

Expert Speak

Troll Marketing: Creating Buzz with Controversies

A disruptive yet somewhat controversial trend in marketing is that of troll marketing. If done well, troll marketing can create the right buzz. But if brands err and find themselves on the wrong side of the fine line of propriety, it can have its repercussions too. Lloyd Mathias, business leader, marketer, and strategist, discusses how marketers can make the best use of troll marketing as a strategy and grab the customers' attention, all while staying within bounds of propriety.

A recent trend that has caught on in the marketing space, is that of 'troll marketing.' Not the same as trolling, which comes with a negative connotation and can often be vicious, troll marketing is merely the use of provocative comments or remarks to create controversy and capture the attention of the audience, a phenomenon largely seen on social media nowadays.

Fundamentally, troll marketing is an opportunity where a brand or a business uses something topical and of mass interest, and passes a cheeky comment or a barb that is aimed to be disruptive. The target could be a competitor, another non-competing brand, a celebrity, or even the consumers themselves.

Troll marketing is a great way for brands to take potshots at one another, in a friendly manner and occasionally even at celebrities. In the Indian context, consider the likes of Zomato, Swiggy, and Myntra, who have used troll marketing effectively to create a buzz among their audience. Internationally, a great example is that of Burger King and McDonald's, a rivalry that has given the consumers and audience many a laugh with their good-natured and creative trolling. Netflix and Spotify too have shown great ingenuity in forwarding the trend, trolling celebrities and users alike. All of these have managed to get the audience talking, if not applauding.

Not Just a Recent Phenomenon

Troll marketing in itself may be a new term that has emerged from the internet or digital economy, but the strategy itself is an old one. The fact that brands have used it to attract attention or to create controversy deliberately is an old ploy. A great example are the cola wars—the evergreen Pepsi versus Coca Cola rivalry. At various times, over the years, Pepsi, the challenger brand in the cola category, has taken clever potshots at Coca Cola, often without naming them but making their target obvious.

A memorable instance of this comes from the ICC Cricket World Cup of 1996, when Pepsi took on Coca Cola, which was the official sponsor of the event and who went to town about being the "Official Sponsor." Pepsi turned this on its head, signing on the reigning cricket superstars doing 'un-cricket' like things and signing off with the tagline "Nothing official about it." The campaign at once became a massive hit, and to date, most people associate the 1996 World Cup with

Pepsi than with Coca Cola. This also helped consolidate Pepsi's challenger brand status, that was part of the brand DNA.

What is Driving the New Trend?

> **Troll marketing comes easier for the digital-first brands largely because much of the charm of troll marketing is timing and being contextual or #trending in social media lingo.**

In this sense, troll marketing has an element of moment marketing because it is the viral or trending moments on which brands are capitalising.

The rise of troll marketing as a trend, especially online, then can be attributed to the combination of two key drivers. One, consumers' preference for brands to be less formal and preachy in their communication, and two, brands are seeking higher attention and engagement by leveraging social media, which is where most people nowadays spend much of their time seeking information and entertainment.

First, about consumer preference: in the eighties and nineties, brand communication used to be typically one-way, confined largely to television, print, or radio. However, the new breed of younger consumers, younger millennials, and Gen Z,[1] prefer brands to constantly engage with them. The Gen Z desire a more

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[1] Gen Z, or Generation Z, refers to people born between 1997 and 2012.

interactive relationship, where brands do not solely promote their products, but instead, foster a two-way exchange of ideas and opinions. Such a conversation is only possible when brands successfully capture the viewer's attention—by speaking their lingo—and elicit their active participation.

This shift in consumer preference ties closely to the second driver of troll marketing—social media. Since consumers want brands to be contemporary, relevant, and more conversational, brands are leveraging the increased prevalence of social media in order to garner attention. And what better way to do it than to create some kind of controversy on social media.

Brands have understood that pushing controversies as part of troll marketing also keeps the brand in public memory for a while. Anything that's controversial, attracts interest, gets talked about, or sparks a debate. This, in turn, gets shared on various platforms avidly and gathers a lot of attention, often turning viral. Sometimes, the audience pull themselves into the controversy by taking sides and making comments, creating a chain that keeps the issue alive, all of which benefits the brand. So, in this ecosystem, where digital and social media have become critical, where influencers are playing a big role, I think brands have an opportunity to employ troll marketing cleverly.

Finding the Balance

> When done properly, it can pay great dividends, though one has to be extremely careful, because there is a fine line between making a cheeky comment and trolling, which can be taken amiss, and that can backfire.

Troll marketing can help brands gain an advantage in the digital world, but a brand has to tread very carefully.

Ensuring that one does not cross that boundary and create negative ripples is very critical and an important part of what good marketeers should do.

Then how should marketing strategists proceed?

First, one must check whether the brand is 'ready' for troll marketing. Whatever comment they make has to be in keeping with the personality of the brand. For instance, in the case of a serious category such as medical or engineering systems, manufacturing, or the like, there is no place for troll marketing. Whereas for consumer categories, especially impulse categories or lifestyle categories, in my opinion, troll marketing can add value to the marketing outreach.

The second part concerns the 'relevance'—what is the reason for getting into or commenting about a particular issue? If you don't have a relevant take, it is better to stay silent. It can be tempting for brands to dive into something a large part of their audience has been following, say a big sporting event like the Wimbledon finals. But if there is no context, the ploy can fall flat. In this, troll marketing has an interesting intersection with moment marketing, because in a sense, they both are playing on a certain current development. A great example of this is Amul, which has built a solid reputation for great contextual marketing from way back in the analogue era. Amul has an interesting take on the issue of the day, with the Amul girl and the "utterly-butterly delicious" tagline to comment or even light-heartedly troll through clever puns and innuendo.

The third part is that the strategy must seem 'authentic.' It should be in line with the brand's voice and not a borrowed voice—it must reflect what the brand stands for.

> **To summarize then, brands need to keep in mind these three rules when deploying troll marketing—first, it should be in keeping with your brand's personality; second, you should have something relevant to say; and third, make sure your approach is authentic.**

Following on from these, brands must make every attempt to keep their comments within a respectable and positive framework. It is indeed possible to be tongue in cheek without being nasty, bitter, or insulting. You can be cheeky, you might even take a minor swipe at a celebrity, but without really putting someone down or insulting them. The intent must be to avoid a massive backlash and tread carefully. The yardstick you should use is, would you want that comment about you or your brand? If the answer is no, then do not use it.

Avoiding the Pitfalls

While navigating the fine line between troll marketing and trolling, brands must keenly recognize the pitfalls to avoid. To this extent, there are some additional things they can do.

Know when to engage

Mind your language

Don't be a bully

Be debatable, not polarising

BRAND

The first is to recognize the right opportunities for their brand around trending topics. Don't troll randomly. To reiterate what I said earlier, have a perspective that is relevant to your brand and your audience. Let's say, your audience is based in cities which are plagued by monsoon woes. You can have witty takes on the monsoons that resonate with the audience but avoid poking fun at people's miseries.
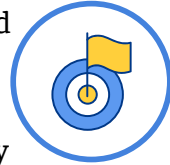
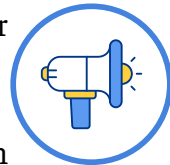Secondly, use the language and tone of your audience. If your customers are more comfortable with memes or videos, create content accordingly to communicate. Explore the medium they are most comfortable with and reach out in ways that will make them more amenable to engaging with you.

Thirdly, don't be a bully. The moment you cease being civil and become nasty, you cross the line into being a bully and that is completely avoidable. Simply put, avoid taking on individuals when troll marketing. One can afford to be a little cheeky, but when you pit a brand or a corporation against an individual, you can be sure that the sympathy will lie with the latter, no matter the intent.

And lastly, focus on topics that are debatable but not polarising. Aim to open up a topic for debate, which will engage the audience but not create polarisation. Avoid topics where people have sharp, emotive views, as that can create backlash for your brand. All said and done, some backlash will always be a part and parcel of troll marketing, or any marketing strategy. This is why brands need to be mindful of their communication otherwise they might find themselves in a hellhole which will not be desirable.

Of course, there is still no guarantee that nothing will go wrong. If even a single person creates enough of a splash, putting a negative spin on a perfectly well-meaning marketing strategy, that is enough to generate the wrong kind of publicity. I think that's inevitable in the digital economy and the world we live in, which is why I emphasize on always having a crisis management team at hand to tackle such issues.

A Word of Advice

Whether by intent or otherwise, brands end up shaping culture. How brands put out communication, what they show and communicate in advertisements is a stylised reflection of the real world and it also influences people to imitate them. These put added responsibility on the brands, and they cannot walk away from it.

Thus, troll marketing can be interpreted simply as a brand commenting on an issue that is not strictly within its domain. In a way, the brand is infringing upon the public space and how they navigate this is going to be closely watched by consumers.

Hence, brands need to be ultra-careful about their reputation when delving into troll marketing. Stay consistent with what your brand and company stand for and take into account your consumers. That is all it takes to create the right kind of attention that will keep you in the minds of the public for longer.

Lloyd Mathias is a business leader, marketer, and strategist with Asia-wide expertise. Formerly the Asia-Pacific Marketing Head for HP Inc., he has held senior leadership roles across the consumer, telecom, and technology domains. In previous roles, he has been the President and CMO of Tata Docomo, Country Sales Director for Motorola, and Executive VP Marketing and Category Director for PepsiCo India and South Asia.
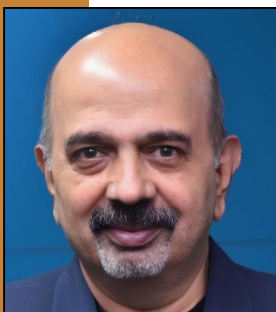
Giraj Sharma
Founder-Director,
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Expert Speak

Marketing to Bharat: Conquering the Tier-II and Tier-III Markets

For far too long, brands, local and global, have pandered to the customer in the metropolitan setting. With research showing rising growth in Tier II/III cities in India, are we witnessing a visible shift in marketing strategies? Are brands yet to recognize the potential of Bharat or is marketing to Tier II/III cities already underway? Giraj Sharma, Founder-Director of BehindTheMoon Consultants, a boutique marketing and sales consultancy, discusses how brands can leverage opportunities to market to and reach out to consumers in the heartlands of Bharat.

There is no country as diverse as India—quite the cliché! The food, dialects, and culture undergo a change every fifty kilometres or less, painting India as an ever-changing kaleidoscope—yet another cliché! Such clichés are now starting to appear trite for they tell the obvious as 'Bharat'[1] merges with India. Authors, poets, and even politicians have often romanticised this heterogeneity but for marketers, it is a nightmarish challenge. A mere decade ago, most marketers were happy focussing their major war zones to urban, Tier-I markets. However, the evolution of Tier-II and Tier-III[2] markets, fuelled by the penetration of the internet, has shattered that comfort zone. Marketers or brand managers can no longer confine themselves to the Tier-I bubble.

A Reflection of Popular Culture

Over time, much has changed in Tier-II and Tier-III markets. Today, young individuals residing in these towns are well-informed and in tune with global events, just like their counterparts in the metropolitans cities. This transformation is best reflected in the two most popular indulgences of our nation—cinema and cricket.

Cricket, for a long time, was perceived to be a metro-centric sport. The nuanced nature of the game and the metropolitan background of majority of its players

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[1] 'Bharat' is one of the many names used for the country India. In marketing parlance, the term has been used to refer to the market segment of consumers residing beyond metropolitan cities, in rural and semi-urban regions. Marketers and journalists also often use the term to refer to the cohort of people who dominantly use regional Indian languages, as compared to the category of people who use English. Please note that this usage is relevant to marketers and in the context of the marketing discipline and in no way related to the discussion surrounding the change in India's name to Bharat, which was initiated at the time of publishing this article.

[2] According to the Reserve Bank of India, cities and towns in India are classified on the basis of population (basis Census 2001) as Tier I, Tier II, Tier III, etc. Tier-I cities are those with a population between 100,000 and above; Tier-II cities are those with a population between 50,000 and 100,000; Tier-III cities are those with a population between 20,000 to 50,000; and Tier-IV cities are those with a population between 10,000 and 20,000.

was considered too elitist to attract audiences in Tier-II,Tier-III cities. However, today, the game has penetrated into Tier-II and Tier-III locales and how! We have talents like Shubman Gill who was born in Fazilka (Punjab, India), Rishabh Pant who was born in Roorkee (Uttarakhand, India), pace star Mohammed Shami who was born in Amroha (Uttar Pradesh, India), and the vice-captain Ajinkya Rahane who was born in Ashwi Khurd in Ahmednagar (Maharashtra, India), representing the country.

As for cinema, a plethora of stories deeply rooted in Bharat have found success, with films like *Kathal, Chhalaang, Badhai Do, Virupaksha, Pushpa, and Minnal Murali.* Even on OTT[3] platforms, one can notice that much of the programming—be it the content, settings, delivery style, or protagonists—has its roots firmly grounded in Bharat. OTT series like *Mirzapur, Khakee: The Bihar Chapter, Panchayat, or Paatal Lok*, engross audiences and are binge-watched not just in Tier-II and Tier-III cities, but across the board. Suddenly, the Bharat of Tier-II and Tier-III is being perceived as 'cool.'

Driven by E-Commerce

The widespread reach of internet and low cost of data carriage has empowered the consumers in non-metro towns like never before. For example, consider the household spending in Tier-I versus Tier-II cities. Today, there is not much difference between average household spending between the two. Rather, it might be surprising that the average annual household spending of some Tier-II cities is actually higher than the Tier-I.[4] One can attribute this to larger household sizes, but then, that would be looking at the picture too simplistically. People in Tier-II and Tier-III cities are changing in character and attitude and that has resulted in a novel set of items that have quickly moved from being 'luxuries' to 'necessities.'

> The convenience brought by technology has fundamentally reshaped the entire retail landscape.

[3] OTT or over-the-top media services refer to media services offered to people via the internet. The term is most commonly used to mean video-on-demand services, including films and television content delivered through websites or mobile applications.

[4] Dawer, Ina. 2021. Unlocking growth in the fast-changing Tier II cities in India – 2021. *Euromonitor International.* https://www.euromonitor.com/article/unlocking-growth-in-the-fast-changing-tier-ii-cities-in-india

Tier-II to Tier-IV cities have now surpassed their Tier-I counterparts in the realm of online shopping. Consumers from Tier-II cities and beyond have been found to spend an average of 2 hours and 25 minutes per week shopping online, spending approximately 16% of their income on e-commerce purchases, as per a recent study by CyberMedia Research (CMR).[5] Apart from the mere convenience and comfort of online shopping, it is the wide range of choices provided by e-commerce platforms that has truly empowered young consumers in Tier-II, Tier-III cities to embrace online shopping with more enthusiasm.

This trend is not confined to the e-commerce realm alone. Even in brick-and-mortar, the Tier-II and Tier-III cities are showing trends that reflect a real shift of the demand axis in favour of these towns. For instance, the branded consumer durables[6] market in India has witnessed a record spike in Tier-II cities leaving Tier-I cities behind. During the festive season of 2021, the demand in Tier-II cities was 1.5 times that of Tier-I cities, and by 2022, it had nearly doubled. Air conditioners experienced demand spikes as high as 2.5 times in Tier-II and Tier-III cities compared to Tier-I cities, while washing machines and refrigerators recorded 2 times and 1.8 times the demand, respectively.[7]

The Boost from the Pandemic

The pandemic has also played a pivotal role in revitalising the Tier-II and Tier-III cities. The enforced implementation of remote work, also known as work-from-home (WFH), compelled many young metro-based professionals to return to their hometowns, which, in many cases, happened to be these small towns. The

employers soon realised the benefit of having a section of their employees working from home. It resulted in reduced operational expenditures such as office rentals, utility bills, and costs associated with facilities like canteens and transportation. The employees embraced WFH with equal enthusiasm as it drastically reduced their fuel expenses and food bills. It alleviated the burden of paying exorbitant rents in metropolitan cities, leaving them with higher disposable incomes.

Additionally, they missed nothing of their life in the big cities. Their regular dose of entertainment through the likes of Netflix, favourite brands in shopping malls, and the cafes and pubs for socialising with friends, were all available in the Tier-II, Tier-III cities they came back to. The consumer spending in these cities picked up, resulting in a positive domino effect on their overall economic situation.

This further extended to the real-estate market. With tech firms and several other companies across sectors becoming location agnostic, housing projects in Tier-II and Tier-III towns attracted more buyers and investments. This incentivised the local and national real-estate developers to focus more on Tier-II, Tier-III towns which suddenly boasted a very high potential.

Not a Cakewalk for Marketers

Adding to these progressions, the government is further promoting infrastructural developments across Tier-II and Tier-III cities. The Union Budget 2023-24 introduced a provision for the setting up of an Urban Infrastructure Development Fund (UIDF), to supplement efforts of the State Governments and Union Territories for urban infrastructure development work implemented through various public and state agencies, municipal corporations, and urban local bodies in these cities.

While the potential of these cities exists and is growing rapidly, marketers cannot expect to reap the benefits merely by duplicating strategies that have succeeded in the metropolitans cities. What the consumers demonstrate in these Tier-II, Tier-III markets is a phenomenon that some savvy marketers term as 'masstige', a

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[5] Gupta, A. 2023, June 27. Tier-2 city consumers spend 16% of income shopping online: CMR study. *Business Standard*. https://www.business-standard.com/economy/news/tier-2-city-consumers-spend-16-of-income-shopping-online-cmr-study-123062700146_1.html

[6] The consumer durables segment refers to products which are 'durable' or need not be replaced for at least three years. This includes household appliances such as air conditioners, washing machines, television, etc.

[7] Goel, P. 2022, September 22. Tier-II cities driving demand for consumer durables and electronics this festive season. *ET Retail.com, The Economic Times*. https://retail.economictimes.indiatimes.com/news/consumer-durables-and-information-technology/consumer-electronics/tier-2-cities-driving-demand-for-consumer-durables-and-electronics-this-festive-season/94372388#:~:text=For%20home%20appliances%2C%20the%20demand%20for%20air%20conditioners,smart%20televisions%20%282.6%20times%29%20over%20tier%201%20cities.

fusion of the words 'mass' and 'prestige'. This concept signifies that if you possess a prestigious (or premium) product, these markets offer an opportunity to achieve mass appeal due to high aspirations and greater affordability of consumers. Conversely, if your product caters to the mass market, it must incorporate an element of allure (or prestige) to resonate with the well-informed consumers (remember, they too have Google on their smart phones!). It is not without reason that Maruti Suzuki, the automobile giant in India, is moving at break-neck speed to open Nexa[8] stores in these Tier-II, Tier-III cities.

With consumers prioritising aspirations and allure, the buying experience of the consumer has gained equal importance. The customer in a Tier-II and Tier-III city is likely to have more time at hand, making the shopping experience or moment-of-truth (MoT) delivery even more critical. They expect an experience similar to their brethren in metros, if not better. Consider Toyota: their largest store (perhaps largest in Asia) offering a superlative MoT is not situated in a metro but at Kalamassery, Kochi, India. The Decathlon store at Siliguri gives its customers the same experience as the store in the upmarket Khelgaon complex in New Delhi. Sipping latte at Starbucks will feel the same in the outlet at Athwalines, Surat, as in the one in Hitech City, Hyderabad. By now, most Indian marketers are well aware of the dangers of faulting on MoT protocols based on their judgement on a customer's outlook. We all learnt this at Mahindra's expense when a farmer walked in to their store in Tumakuru, Karnataka.[9]

Taking the Right Approach

There can be serious repercussions to the 'similar to that in Metro cities' approach when expanding to Tier-II and Tier-III cities. There have been cases where enterprises have simply extended their successful and existing metro-city models to the Tier-II, Tier-III cities and failed to garner similar success. A brand that has defied norms and achieved phenomenal success is Meesho. It first targeted the smart-device possessing population by bringing on board some established resellers from Facebook groups and fashion influencers who hailed from these Tier-II, Tier-III cities. This helped establish trust and familiarity with the

[8] Maruti Nexa showrooms are a premium sales channel initiated by Maruti Suzuki in India for their high-end sedan and hatchback cars.

[9] In January 2022, reports surfaced of a farmer in Tumakuru, Karnataka, being humiliated by a customer service executive at a Mahindra dealership. The social media backlash in the wake of the incident led Anand Mahindra, Chairman, Mahindra Group, to issue a personal apology to the farmer and his family.

consumer population. The user experience provided by the online platform also factored in the limited digital expertise and apprehensive nature of consumers in these towns. Today, it is estimated that more than two-thirds of Meesho's business comes from Tier-II, Tier-III cities.[10]

> **"** **Marketers would do well to remember that we are largely dealing with simple folks who, without a doubt, have exposure to the ways of the world but are still grounded in the good old Indian value system.**

They are smart enough to see through the desperate promotions of the likes of 'moment marketing'. We saw this during the pandemic when brands such as Domino's and Godrej, among others, offered discounts as incentives to take the vaccine shots. Such opportunism is not seen in good taste and in the long term, it obviously dilutes the brand equity. These consumers may be residing in small towns, but their knowledge base and worldview is large!

In Conclusion

Markets across the country are evolving and so should our marketing practices. The consumers in Tier-II-Tier-III cities may not have the cosmopolitan flamboyance as shoppers from the Tier-I cities, but their demands and ability to spend are at par. Thus, marketers need to identify the shift and strategise to reach out to this section which holds immense potential in driving forward the brand markets. For in Bharat lie the opportunities of the future that must be tapped into and taken advantage of.

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[10] Sharma, A. (2023, April 24). How Meesho is penetrating tier-II, 3 and 4 cities? *Retail News, ET Retail (indiatimes.com)*. https://retail.economic-times.indiatimes.com/news/e-commerce/e-tailing/how-this-unicorn-e-tailer-is-penetrating-tier-2-3-and-4-cities/94904698

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Shubho Sengupta

Head, Marketing and Communications, Mission Karmayogi, GoI

Podcast

For the People: Exploring the Nuances of Government Branding

Crudely put, the purpose of branding and marketing is consumer attention that culminates in sales. But if we widen the scope of our understanding, every public entity that engages with people needs an idea or an image to be remembered by, i.e., a brand. This stands true for the government as well. When launching new initiatives, programs, and agencies, governments need to communicate the same to the citizens these are aimed at. Shubho Sengupta helps us understand how the aims, objectives, and strategies differ in branding for the government as we explore an end goal beyond sales.

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Shubho Sengupta is a digital marketer, startup co-founder, columnist, and podcaster. He is currently the head of marketing and communication at Mission Karmayogi, Government of India and has been the former director, media and creative, at MyGov India. In his illustrious career in marketing and communications, he has held multiple creative roles with the most recent being digital marketing, working with both startups and big corporations, and now the government. He focuses on building integrated strategies, with a digital core, aligned with business objectives.

Podcast

Has the Moment Passed? Understand Engagement in Moment Marketing

Naresh Gupta
Co-founder & Managing Partner, Bang in the Middle

In 2021, P.V. Sindhu filed a lawsuit against 20 brands that released congratulatory ads following her Olympic win. Were the brands within their rights to use her moment for their moment marketing campaigns? Naresh Gupta helps us understand the concept of moment marketing, its effectiveness in engaging with consumers and beyond, and given the recent backlash, how it fits into the future of marketing?

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Naresh Gupta has been in the communication business for over three decades as a market researcher, brand marketer, and communication strategist. He has watched the industry move from primacy of print to the evolution of digital medium. Having worked across brands, agencies, and geographies, he thrives on the dynamism of this industry. Apart from founding and running a successful communication agency, Bang in the Middle, he also teaches, coaches, and writes.

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