India Inc: Shifting to top gear

Content

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Executive summary

"Innovation opportunities do not come with the tempest but with the rustling of the breeze."

- Peter Drucker

We heed Drucker's famous observation as we present various sales and marketing innovations that have either been or still are successful at various scales in India. The principles of doing business remain the same but the tools and methods in this customer-centric age need to be recalibrated in order to achieve success.

We begin with an extensive discussion on how India Inc is sitting on the cusp of a rural revolution, but at the same time, needs to realise that the nature and behaviour of the customer need to be taken into consideration and sales, marketing as well as distribution strategies need to be framed accordingly. Rural successes are based on constancy, which amplifies the necessity for organisations to be sensitive to the specific needs and conditions that have resulted in this success.

From rural India, we journey to assess the phenomenon of co-creation, thus far a B2C marketing strategy for urban customers. We use case studies from across industries around the globe to emphasise that Porter's classical value chain definition with business on one side and customers on the other, is increasingly getting blurry. Customers have stronger opinions networked age and therefore, it makes great sense to include them right at the beginning to ensure success of the product journey.

Next, we present a case study of Blue Star's social media marketing strategy. We show how Blue Star is experimenting in order to extend their brand quotient by customer engagement through social media and the difference in approaches in these marketing channels as opposed to traditional campaigns.

Lastly, irrespective of innovation in marketing campaigns, the need to measure the success of a particular campaign is an increasing imperative and is inspiring marketeers to adopt the empirical science of ROMI. This not only helps answer cynical queries about campaign costs vs returns, but also provides direction in terms of the structure and intended targets of the next cycle of campaigns and so on, thereby creating a virtuous cycle.

Rural India
Where the rules are different

PwC's Pulse Survey underscored the determined intent of companies across industries to tap into the inevitable rural juggernaut fuelled by the rising income levels and middle-class aspirations as well as continued investments in infrastructure in rural and 'rurban' areas.

Statistics do not lie. Based on the figures of the Census 2011 report, the current rural population can be estimated to be 875 million. If we consider the Tier I and Tier II towns as well, this figure is likely to touch one billion today. That is about 14% of the world's population, one that is young, ambitious, spreading its wings and has developed an appetite for the best products and services.

And they seem to be able to afford it. According to the consumption expenditure survey of the National Sample Survey Office (NSSO), rural monthly per capita consumption expenditure rose by 38% between 2010 and 2012, compared to 34% in the case of urban India during the same period. This is supported by the fact that there is a marked shift in rural or rurban consumption from necessities to 'experience' products. Relatively low penetration of consumer durables implies that this market has an increasing demand that needs to be fulfilled.

The question then, is not of choice but that of grabbing the implicit opportunity. The big players of the FMCG, telecom and financial sectors have already forayed with varying degrees of success. But vast hinterlands teeming with ready consumers are still waiting for their turn. The question that immediately follows this one is how this can be done.

Our attempt in this report is to use past trends and success stories and paint broad strokes to identify sound strategies that businesses need to be aware of and possibly emulate in order to successfully foray into the rural markets.

Know your customer and his environment

The methods that worked for the urban strata of society are unlikely to deliver similar levels of success. The rules of the game are different. Marketeers need to take into account the habits, lifestyles, cultures, traditions and social dynamics while enforcing the go-to-market strategies.

An important case in point is Gillette's market penetration strategy for India. Gillette's early version of Vector did not receive a great response in 2002. It had a plastic push bar that slid down to unclog the razor, ostensibly recognising that Indian men have thicker, denser hair and shave less often. As a proof of concept, Gillette tested the feature on a focus group of Indians studying at MIT. But the crucial point they missed was that these gentlemen at MIT had running water at their convenience, while men in Indian villages had only limited water and the razor stayed clogged with hair as a result.

This failure made Gillette realise the need to not only know the customer but also embrace the peculiarities of his environment and customs. In 2010, when Gillette launched Guard, it was after three painstaking years and 3,000 hours spent observing more than a 1,000 customers shaving and having innumerable group discussions with them. Gillette's product team understood how crores of men in villages shave with a basic bowl of water and often no mirror in the dark hours before sunrise. While in the developed world, millions are spent to provide the 'smoother' shave, the primary concern of rural Indian men was to not cut themselves.

Consequently, Guard for the Indian market had only a single blade and a hollow and textured handle for easy an easy grip. The Mach3 razor had 25 components, while Guard was a minimalistic design with only four components that minimised nicks. This enabled lowering of the prices, increasing its mass appeal.

The results followed. According to P&G, Guard grew faster than any other P&G brand in India and Gillette's market share grew to 50%.

A marketing folklore, this story highlights for our marketeers and strategists, the need to avoid the obvious trap of attempting to bulldoze the rural customers with available products that have conquered urban markets. It throws light on the fact that products and services need to be tempered, even transformed to fit the needs of the customer.

To accentuate this further, let us understand the failure of Dabur's well-meaning health tooth powder that had 'tulsi' (basil) as one of its ingredients. Tulsi is sacred to the Hindus, and to spit it out was deemed sacrilegious. On the other hand, Cadbury's ChocoBix biscuits were a runaway success in rural India. This was because the marketing team realised that mothers in rural India consider biscuits a healthy food item while the child will also readily consume it because of the presence of chocolate. Again, an unbranded product called 'Daye ji ki ek sau barah saal purani ghutti', a gripe water product is popular in certain parts of U.P. 'Daye ji' is the midwife during childbirth and continues to look after the child through early infancy. Positioning a product in her name lent instant credibility to the brand, which 'daye ji' will make us drink unhealthy stuff?

Hence, it is necessary to accept that the customers of rural India have different habits, customs and mindsets and any penetration strategy needs to be mindful of that. This will require time, effort and nearness to these customers and all these aspects need to be part of the research. Companies must also be flexible to tailor products and reverse innovate in the way Gillette had done to modify product offerings.

Spread your message

Segmentation of the rural population is complex since the unit of target is not the individual but the primary earning member of the family who makes the purchase decisions and more crucially, the small, close-knit communities who are guided by elders.

Here are factors we think that a marketeer needs to take into account while segmenting according to his products:

- Social and cultural heterogeneity
- Literacy rates of the adults in the community
- Levels of infrastructure development in the region
- Average income levels of households in the town
- Occupation of primary moneyearners
- Family structure
- Exposure to media (print, radio, TV)

The main difference is to engage the community rather than simply targeting it since the influencing in general occurs either through decisions by the breadwinner or elders or through peer interactions during social occasions and community gatherings. This is especially relevant for Tier II and III areas.

Social and religious occasions are the happy hunting grounds of our rural marketeer. During social occasions, festivals and rituals, normal life stops and the entire town or village is easily accessible. For example, Dabur has for long advertised its messages on the walls that line the path leading to the temples. Dabur is aware that there are long, slow-moving queues during the holy days when the entire population will invariably end up waiting and will be compelled to take in the messages.

But perhaps the greatest single event case study of marketing brands in rural India is the Kumbh Mela. Spread over 50 days, the 2013 Mela is estimated to have attracted over 100 million devotees of which most are from small towns or rural areas. The Mela also becomes a honeycomb for brands positioning themselves to grab attention.

A brilliant example of advertising during the Kumbh Mela is that of Lifebuoy soap. HUL partnered with more than 100 restaurants and cafes and for every meal ordered, the first roti had the branded message 'Lifebuoy se haath dhoye kya?' (Have you washed your hands with Lifebuoy?). The messages were heat-stamped onto the baked roti without any ink and hence completely edible. Since the Mela can also become the epicenter of germs and virus, the timely message embedded into the devotee's way of life grabbed a rather large number of eyeballs.

Other brands were seen indulging in extensive promotional strategies as well. Airtel provided special tariff plans that include live audio coverage of the kumbh as well as live discourses from the akharas. Vodafone meanwhile set up film stalls to show mythological videos and freely distributed earmuffs with built-in speakers preloaded with devotional tunes for free. The message on the Dettol entry gate exhorted thus 'Kumbh snan aaj, Dettol snan har roz'. In every case, messages were integrated to the occasion and environs and helped drive home the need for the product in everyday life.

The point is, campaigns cost money and need ROI. Rural social structures are such that people celebrate in communities leading to large gatherings. Well-directed messages in that limited time and pertinent to the occasion are unlikely to cost much but the ROI in terms of branding and sales, is bound to be immense.

Reach your customer

Despite improvements in infrastructure and transportation, being able to reach every potential customer is the major challenge for organisations planning to extend their reach. The key to rural sales is, in general, volumes rather than margins but organisations need to achieve as wide a footprint as possible across vast land areas despite poor connectivity.

An effective way to achieve this is through direct distribution - handling and stocking products with retailers directly without going through wholesalers and middlemen. Direct distribution helps in the quality of last-mile delivery as well as better understanding of data points across regions for the purposes of cross-selling.

A major player in direct distribution is Emami, who first invested in creating a separate distribution system for rural markets under Project Swadesh in 2010-2011. In 2013, Emami had planned to add 2,00,000 outlets to its existing network of 6,00,000, across the country in the next couple of years. Over half of its sales come from rural markets and hence, it comes as no surprise that direct distribution is the key strategic focus for Emami.

However, direct distribution requires investment. Are there options to create networks with lesser investment but equal impact? For the answer, one needs to look no further than HUL's ongoing Shakti project which piloted in the year 2000. Under this project, rural women (Shakti Ammas), armed with micro-credits, are trained to become direct-to-home sales women in their geographies of influence. It is a unique concept that empowers underprivileged rural women by creating livelihood opportunities, increasing their family household incomes; benefitting the HUL brands at the same time. In 2010, HUL also rolled out the Shaktimaan initiative, which provides men in Shakti Amma families with bicycles to travel to neighbouring villages. The crux lies in building a viable business model where entrepreneurs (Shakti Ammas), micro-credit agencies as well as vendors (HUL) leverage each other's skills and capabilities; resulting in a win-win solution for each participant. This works provided the business plays the role of an honest facilitator and invests to train, equip and manage the Shakti Ammas on an on-going basis, enabling them to become independent and self-sustainable.

Sachetisation: Small is big

Sachetisation has been one of the most successful penetration strategies in rural India. The first instance of sachets in India was in the 80's with the introduction of 10ml sachets of Velvette shampoo and since then, this has been a particularly effective entry strategy. The data available till 2011 indicates that 87% shampoos sold in India are through sachets.

Inevitably, when large firms see positive market traction of an innovation they set forth their entire financial and organisational prowess to take advantage. One such sachetisation example is that of Coca-Cola when, in 2001, it radicalised its packaging by introducing a 200 ml bottle for 5 INR. Sales increased by 34% by the end of 2002Q1, boosted by the acceptance of customers at the bottom of the pyramid. It is important to notice that the strategy is ubiquitous across the size and reach of firms and not just a penetration strategy for smaller players to disturb the current market status quo.

However, sachetisation is not only about selling sachets, but about a principle that successfully targets rural, non-premium customers – small is big. This means that the main goal is to increase the sales volumes. For example, Godrej and Boyce's ChotuKool, the super-economical refrigerator was the result of a workshop between the senior management and Clayton M. Christensen, the Harvard University professor, famous for his thoughts on disruptive innovation.

The concept was defined based on workshops that involved village women and articulated their needs. ChotuKool weighed only 7.8 kgs and used high-end insulation to stay cool for several hours without electricity, a precious resource in rural India. Though small, it was capable to cool five to six bottles of water and could stock upto 4 kgs of vegetables. The workshop also considered the key element of portability and the refrigerator was designed so that it could be moved to service family gatherings. The success of ChotuKool has led Godrej and Boyce to expand distribution using rural community networks, thereby drawing a parallel with our earlier discussion on citing the Shakti distribution strategy.

Sachetisation continues to be one of the most enduring penetration strategies for rural India. Products as diverse as washing liquids, talcum powder, toothpaste, biscuits, mosquito repellents have taken this course. Despite rising incomes, the mentality of the rural customer with traditionally low disposable incomes is not to make large investments in daily products. Affordability is a crucial pointer towards a customer's intent to buy and this is where sachetisation continues to score high.

Even in FY15, with the weak monsoon and the deleterious threat of El Nino effect, consumer brands such as Emami are banking on their lower priced packs to ward off the weakening purchasing power of rural India.

Hence, sachetisation is perhaps the best way forward and marketeers will do well if they formulate their go-to-market strategy accordingly, irrespective of their industry. While consumer companies have a clear edge here, the journey of ChotuKool is a clear indication that small is indeed big.

Co-creation
Letting the decision-makers decide

Henry Ford, the great innovator and sponsor of modern industry, once remarked, "If I had asked people what they wanted, they would have said faster horses."

However, the phenomenon of co-creation is at sharp odds with Ford.

The essence of co-creation is indeed to ask the people first. And it is becoming one of the key marketing trends today, increasingly gaining traction around the globe as organisations look for the next cutting-edge value differentiator for their businesses.

At the heart of the concept lies the recognition that customer satisfaction is of the highest importance for a business to survive and flourish. Instead of creating value in silos by guessing the customer's needs, co-creation engages with customers at the outset and in great intimacy during the product or service creation stage, thereby increasing the probability of the value proposition's correlation with the market needs. Co-creation is going to be a powerful marketing tool for organisations that realise that advantages on products, logistics and distribution reach and services are limited as competition generally reproduces them and arrives on par. For such organisations, 'cheating' a bit by including the ultimate decisionmakers in the build process, is an effective differentiator.

Also, the imperative to listen in on the voice of the customer is so much greater in these connected times. Consumers now subject a product and its creators to far more scrutiny and are quick to share perspectives across networks. A powerful army of opinion is created that cannot be wished away and can often accelerate the product's brand or hasten its demise.

Co-creation succeeds when the executives and professionals inside an organisation acknowledge the presence of these opinion-makers and realise that there is more smartness outside the organisation than inside, due to sheer connectedness. In most cases, while the product or marketing vision is there either leaders wonder about the specifics or take an inordinate amount of time to come up with viable solutions. But in co-creation, ideas flow at a quicker pace, the risks in innovation are vetted out and the outcomes are already far more meaningful for customers. Business leaders are required to move from an organisation-centred or product-centred vision to a customer-centric vision.

Co-creation has thus far been pioneered by B2C firms for experience products. A great international example is that of Heineken for its concept club of the future vision. In order to achieve this, they hired a team of 19 young designers from Milan, Sao Paulo, New York and Tokyo as well as a panel of 100 regular clubbers to bounce off ideas. The collective experience and wisdom was pooled and the team toured clubs across the four cities to collect real intel. As a result, "The Club", a pop-up club started in Zona Tortona during Milan's Fashion Week.

Heineken's co-creation was a physical team throughout. But when Telenet, Belgium's largest cable broadband services launched Yelo, an application that converged digital TV to smartphones, laptops and tablets, the user universe was asked to provide ideas about what they would want from the yet-to-be-born Yelo. Relevant themes were detected from a netnography analysis and 100 users were recruited for a period of closed-door, pre-launch conversations on relevant themes. A roadmap was developed accordingly. This was again thrown into social media for inputs. Accordingly, when Yelo launched in 2010, it hit the road running and was a huge success.

Business giants are into co-creation as well. Unilever recruited a group of men and women to ideate product strategy and marketing campaigns which led to Twist, a fragrance that metamorphosed from ’fresh’ to ’smooth’ in the course of a day. This product idea though not on the anvil of Unilever, became a success by the power of co-creation.

Another blue-chip company who has adopted co-creation is Dell. In fact, Dell’s initial way of doing business is a co-creation model wherein customers can greatly specify their needs. In managing this, Dell created a cost-effective and fast business model to sell their computers. But Dell’s stamp of co-creation lies in the formation of Dell IdeaStorm in 2007. Here, consumers could talk about their perspectives on computers and about their expectations from Dell as a company.

In 2011, Dell has stated that over 450 ideas and suggestions in IdeaStorm have been implemented. Fedex figured out a complex logistics technology with substantial inputs from medical experts and suppliers from pertinent areas about how to ensure on-schedule and zero-defect delivery of live tissues for organ donation.

In India too, there have been successful endeavours in developing co-created brands. In 2006, HUL launched Sunsilk Gang of Girls, an online community to allow young ladies to express themselves about grooming, style and related products. The community is still on today and has over 7,70,000 members. In 2012, Tanishq, the jewelry brand from Tata, launched a promotion drive called ‘My Expression’ where participants were asked to submit an idea for Mia, the working women’s genre. There were cash rewards for finalists and the winner got a chance to work with Tanishq’s core designers.

Apart from inputs to improve value in products, co-creation can also be used to generate buzz in marketing campaigns by motivating certain sections of society. When Gillette Mach3 was launched in 2009, a ’Shave India Movement 2009’ campaign was launched where provocative questions such as ‘Are clean-shaven men more successful?’, ‘Does the nation prefer clean-shaven celebrities?’ ‘Do women prefer clean-shaven men?’ were asked and media channels ran interviews and stories on these. Also, the ‘Women Against Lazy Stubble’ (WALS) forum was created and had a multitude of applications from ladies who were then expected to influence their men to shave. With such co-marketeers on their side, sales and market share grew tremendously.

Co-creation is thus about the convergence of the customer as a consumer to a key player in the production and sale stage. In this connected world of discerning customers, it is poised to become a key differentiator for businesses across industries. In conclusion, marketeers and product teams would do well to reflect on what Gary Hamel, the management guru wrote in his book Leading the Revolution, “If you want to see the future coming, 90% of what you need to learn you’ll learn from outside your industry.”

ROMI

Applying science to the art of marketing

In the Pulse survey we conducted, one of the major trends to emanate was the increase in sales targets for FY15 across sectors as not commensurate with the increase of marketing spends. This is a trend that has also been observed globally. Marketing is often considered a cost centre rather than an investment and when push comes to shove, budgets are sheared to streamline costs.

In such scenarios, the marketeer has to choose his or her campaigns with care and plan to add maximum value through optimum effort. He or she needs to understand which segments to focus on and the marketing methods to be used. This is where he or she will require return on marketing investment (ROMI) strategy to provide requisite clarity.

Having gained prominence in global businesses only in the last decade, ROMI is a metric that quantitatively captures the incremental rise in revenue due to a specific marketing effort. It can be represented as:

ROMI = ***{Incremental revenue due to marketing campaign * Contribution margin (%) – Campaign expenditure} / Campaign expenditure***

A survey in 2010 by Omniture, an online marketing and web analytics business, puts the criticality of ROMI in perspective when 82% of managers surveyed realise the importance of ROMI but only 30% knew how to measure it such that it was useful to them.

In order for ROMI to return meaningful results, the first step is to have a clear goal for measuring the success of a campaign. Typically, campaigns are used to increase sales, build brands or target and retain customers. The marketeer needs to determine methods by which he or she can quantify and therefore measure the extent of a campaign's success.

The best way to have a meaningful ROMI is to be able to capture data during the campaign. Meaningful methods to capture data must be woven into the campaign during the planning stage itself. The ease, effectiveness and quality of data captured are generally influenced by the type of campaign and channels used. Typically, we list below the marketing channels in order of toughest to the easiest in terms of measuring ROMI.

- Radio advertisements
- Television advertisements
- Microblogging (e.g. Twitter)
- SMS marketing
- Social networking ads and mobile apps
- Permission-based email campaigns
- Paid search engine marketing
- Digital coupons

Clearly, data capturing becomes easier as campaigns move from traditional mediums to digital forums. Online marketing is bolstered by an impressive bouquet of analytical tools that capture and track data as well as lead to account conversions. At every step, these tools record data that enables eventual roll-up to a ROMI against the campaigns and validate the success of campaigns against particular segments of customers for specific brands. In the absence of tools, processes would need to be developed in the field across the chain of distribution, wholesale and retail networks to capture as much structured data as possible. A case in point is Dabur that has enabled its sales force with mobile phones to report sales data, with maps depicting demographics and market potential for micro-villages.

As a result of such painstaking data collection, the marketing team knows accurately not only the extent of the success of a campaign but also the customer most responsive to a particular campaign. Thus, based on ROMI results, campaigns can be tailormade to achieve maximum results.

Marketing campaigns do not always lead to a direct increase in sales but can achieve a steady brandbuilding effort. An error can be made to trash a campaign because there is no spectacular topline increase. But even if a campaign helps create consciousness in a prospect's mindspace, there is an element of success to it as well. And the ROMI method can be used to capture this incremental, intangible success.

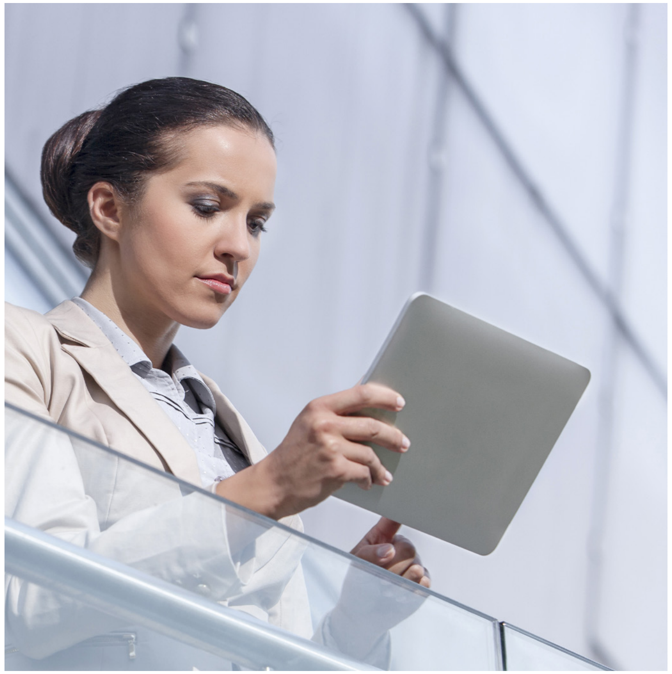
For example, let us understand levels of engagement that lead to a customer buying a product. These levels can be considered thus:

- Knowledge of brand through primary initiative (knowledge gained by one's own efforts)
- Knowledge of brand through secondary initiative (knowledge gained through peers or social knowledge sources)
- Familiarity (increased awareness of brand)
- Conscious contemplation of brand's value
- Decision to buy

Now, let us consider a situation where there is a planned launch of a new brand in a particular market. The initial campaign needs to be aligned to ensure that at least the first two levels of engagement discussed above are achieved–the potential customer becomes aware of the brand either through primary or secondary means. Depending on the channels of engagement, data points need to be captured to understand the ROMI levels for the campaign–the percentage of the potential universe that is aware of the brand.

This will provide a quantitative input for the marketeer to understand the extent of the campaign's success and the segments and geographies penetrated. It could well be that for certain segments, he or she needs to adapt the initial campaign to further the initial reach as well as plan for the second or third levels of the campaign in order to increase familiarity, conscious contemplation and ultimate decision to purchase. But it could be that for another targeted segment, the knowledge levels are not enough to either familiarise and influence contemplation of the brand's worth. In this case, the marketeer needs to re-target this segment again to ensure that a large percentage of consumers continue to ingest the knowledge till they are familiar and contemplate purchase.

In general, ROMI helps re-evaluate campaign impact, understand the extent of success and reshape the effort to ensure non-ambivalent results. It also informs management that a direct translation to increased sales is not always the one-stop success or failure state. Campaigns can often lay the groundwork for subsequent campaigns to build on and return numbers.



For companies with modest marketing spends, ROMI will serve as discipline to tailor campaigns, measure results and make precise adjustments to marketing strategy. And importantly, in certain cases, marketing recovers its pre-eminence as it provides tangible justification to necessary stakeholders for the smart work done and the corresponding results achieved.

Case study

Blue Star, customer engagement through social media

Social media has revolutionised the ways in which people are connecting to each other and expressing no-holds-barred views and opinions. Mobility and increased digitisation have ensured that vast, growing numbers are spending ever-increasing time on social media.

Businesses across the world are now gearing up to harness this potential audience to achieve growth. Facebook and Twitter campaign budgets are a reality and the role of the social media manager is taken with utmost seriousness.

The advantages of using social media are many.

- Insights about customers
- Complex brand identity creation
- Lead generation
- Scientific targeting
- Precise data capturing and analytics
- Reduced marketing expenses

However, the rules of the game in the social space are different for social media managers. Traditional campaigns of old-world media, when put in motion in toto, can be counterproductive. Many businesses are still treading the waters in terms of how to attract and increase customer base. The chief thumb rules that need to be maintained are as follows:

- Keep campaign strategy consistent and patient as there is no exact science as to how the network reacts.
- Keep content interesting to maximise chances of customers to share or converse about it.
- Avoid spamming in terms of frequency and sameness of messages.
- Beyond the initial steps, let customers engage and shape content and opinions, making them ambassadors of the brand while the marketing managers steer from the background.

In this context, our Pulse survey revealed an interesting social media strategy currently implemented by Blue Star India.

In the summer of 2011, Blue Star, a leader in the B2B and industrial air-conditioning business in India, took the business decision to move in to the B2C sector. The intent of the marketing department to engage with individual customers through social media was a strategic corollary of this corporate expansion.

Blue Star's marketing team initially had limited experience on how to use social media as a campaign channel but was unambiguous that they wanted to portray the Blue Star brand. They did not want to fall into the trap that many contemporary businesses in India and globally were doing--simply extending the same strategy for mass media to social media.

"We were perceived as experts but not always warm or approachable. So we wanted to appear as a friend, not preachy or aloof" says Girish Hingorani, General Manager, Corporate Communications and Marketing, Blue Star.

With the help of social media consultants, Blue Star started their Facebook site, Blue Star - Cool My World. The unwritten rule was that there would never be any mention of the term 'air-conditioner'. Initially, after brainstorming for themes, the team picked on the green theme, 'Global cooling'. However, numerous companies around the world champion the same theme and it did not seem unique enough. This prompted further soulsearching and the result was the development of the present-day avatar, ’Cool’, a community forum where people can relax and de-stress. The brand message emanating was that just as Blue Star air-conditioners cool physically, the social media would be an escape outlet to cool mentally.

The content posts range from yoga, anger management discussions, vacations, healthy lifestyle, recipes, new releases of films, sports and the ‘coolness’ content of each. Currently, the community is 57,000 and growing. The levels of engagement (clicks, likes, shares, comments) are 7% for every post, which is quite high. There are interactive campaigns. E.g., contests that ask for ‘cool’ pics to be posted and winners are rewarded. In Twitter as well, Blue Star started out by following those who had hashtags related to terms such as ‘anger’, ‘stuck in traffic’, etc. and assuaging, calming them. In turn, these individuals started following Blue Star back and thus connections were made.

The business objective is not immediate generation of sales funnels but positively occupying the mindspace of a potentially infinite amount of community users. It is about building a powerful brand message that reverberates in the social space till the word ‘cool’ is synonymous with Blue Star.

Blue Star targets the exact segment of the potential customer in terms of demographics. The content is designed carefully and in accordance with the brandbuilding. Typically, targeting smaller, precise segments cost more but Blue Star is willing not to sacrifice their target audience for inexpensive but generalised targeting. In fact, over time, if this brandbuilding exercise is successful in social media, there could well be a case for extending this brand equity to the mass media campaigns.

Blue Star’s case highlights how businesses can use social media to engage with customers with a candidness possible only in such a forum and play a friend, philosopher as well as a guide in a way not possible through traditional marketing methods. This will prove true for most experience products and a case study for businesses willing to venture into the unknown waters.

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