Viral videos. Slipping ads under the radar, via email

Remember our friend the skiing squirrel? He's hardly the only star of a sight gag gracing your email in bin. Along with cat stunts, parenting games, or trivia quizzes, they're all part of a guerrilla marketing tactic famously known as "viral videos." Advertisers realize that you're more likely to open a video from someone you know. So we marketers have created all manner of cute, silly and informative videos and games for you to send along, covertly carrying a sponsorship message. So don't think of your forwarding friend as one of those annoying people who sends on every email she receives. Instead, applaud her as an engine of commerce!

5. Briefly explain the following.
   a. Socio – cultural environment.
   b. Marketing environment interface.

Answer
a. Socio – cultural environment.

In broad terms, the social-cultural environment includes everything that is not included in the economy or the political system. Economic life is organized primarily through a market in which individuals relate to one another as buyers and sellers and the purpose is production. In political life individuals relate to one another as citizens and the basic purpose is making collective decisions and rules. The economic and political systems together create the conditions—goods, services and rules—which we all need in order to live the kinds of lives that we choose. The social cultural environment, then, consists of the whole range of behaviours and relationships in which individuals engage in their personal and private lives, including:

- the characteristics of the population (e.g. age, sex, race or ethnicity, class)
- values and attitudes
- lifestyles and relationships.

Culture is an attribute of groups, and this can mean society as a whole (e.g. national culture), groups within society (sub-cultures), or even groups of societies and nations (trans-national culture).

For example, it is quite common to speak of ‘western culture’. This term implies that there are certain values and ways of life that western societies might be said to share, such as: Secularism—this refers to the increasing influence of rational and scientific thought, and the
decline of religion as a framework of understanding and guide to behavior. Consumerism or materialism—this refers to the view that achieving higher levels of consumption of goods and services leads to greater happiness. A good life means having more ‘stuff’. This attitude lies behind the belief that economic growth is always a good thing. Individualism—this usually refers to the idea that individuals make their own life-style choices and are motivated primarily by self-interest. It can also involve the idea that individuals should strive to be self-reliant. However these attitudes or values vary in strength between western societies (e.g. UK society is more secular than the United States), and they also have their own distinctive cultural traits. For example, ‘Britishness’ might be said to include (among other traits):

- an attitude of reserve (e.g. compared to American outspokenness)
- a sensitivity to class differences (as expressed by accent and manners)
- a sense of fair play.

b. Marketing environment interface.

Answer

Introduction

Business environment comprises the exterior factors that influence the company operations either direct or indirect. Marketing environment is a component of business environment that influences the company's capacity to promote and perform efficient operations on the market. The environment can not be influenced by the company as it is comprised of external factors. An influence on these factors can be exerted, but it depends on the company's power and size on the market. There are big companies that have a major influence on environment factors and small businesses that need to adapt continuously to environment changes.

Considering this, the company's attitude towards the business environment can be:

**Active** – The Company tries to influence the environment factors

**Passive** – The Company continually adapts to the environment changes

Despite the company's attitude, the environment always exerts influence on it, externalized in:

- **Opportunities**
- **Threats**

The elements of marketing environment can be classified in:

**Marketing Micro-environment** – the factors that influence directly the ability of the company to achieve an offer standard desired by the customers
1. What are the significant factors that have led to the success of Shoppers' Stop?

There are three significant factors which led to the success of Shoppers’ Stop. The first was an inherent understanding of their core strengths in menswear and addressing the same by promoting men’s apparel in their showrooms. This was responsible for the initial success of the venture. The second was in understanding the psyche of an Indian buyer in wanting customized attention while buying and in wanting an intrinsic ‘buying’ experience each time they entered into a shop. Added to these two factors was the diversified product brand availability and adequate space to enhance personal freedom to a shopper while shopping. A combination of these factors along with focus on a facilitating experience gave the Shoppers’ Stop venture a unique selling proposition.

Their Competitive Strengths

They believe the following key strengths have helped them emerge as a prominent domestic retailer:

Experienced professional management team

They have an experienced professional management team led by Mr. B. S. Nagsh, their CCA & MD, who is a prominent professional in the retail sector in the country and has been the first Chairman of the CII Committee on Retail in 2000 and has received various awards over the years including ‘Retail Professional of the Year’ for the years 2003, 2004 and 2006 by CMAI, ‘Retail Professional of the Year’ in 2005 at the ICICI Retail Excellence Awards, ‘Entrepreneurship Award’ at the Enterprise Scions Awards by DNA Money in November 2006 and the ‘Visionary Award’ from ICFAI in 2006. He is supported by Mr. Govind Shrikhande, CCA, Executive Director and CEO.

Their GROUPCOM consists of 6 professionals and is supported by a team of professionals with relevant domain expertise and retail oriented functional specializations from FMCG and service industry background with professional qualification in their respective fields.

They were awarded the ‘Best Top Management Team of the Year’ in 2002 by CMAI. The management team is complemented by a committed work force. The HR policies aim to create an engaged and motivated work force, which is essential for success in any service oriented industry such as theirs.

Strong focus on systems and processes

They have a strong focus on systems and processes. They have been able to capture their learning over the years and use them to create Standard Operating Procedures (‘SOPs’) for each of the activities, right from planning and setting up of new stores to their day to day operations. Their SOPs are available on the Intranet, which helps their employees to access...
Vast range of lifestyle products and services
Their merchandise ranges across apparel, accessories, perfumes, cosmetics, home and kitchen products with over 400,000 SKUs, which are complemented by their services offerings. They offer their customers a variety of national and international brands as well as their in-store brands (private labels) under one roof.

Internationally benchmarked shopping environment
They believe and focus on providing their customer a globally benchmarked shopping environment with the best in class service which has been instrumental in their success. They engage international designers such as Portland Design Associates (UK) to design their stores, sourcing the fixtures in domestic as well as international markets. They periodically provide the managers exposure to international department stores through IGDS to be able to capture and implement best practices in their operations.

This has helped them to create a niche in the customers’ mind, and enhance their brand equity. It is because of this service and ambience that they offer, has created a differentiation in the mind of the customer versus their competitors where similar products and brands are available.

Strong understanding of the real estate business
The benefit from the Promoters’ association with the real estate business and their relationships with developers, which have helped them acquire preferred properties at competitive rates. They enjoy Anchor Tenant status in most of the malls that are presently located in due to their high brand awareness and trust, ability to draw a large number of customers and occupy a significant space in the mall. As Anchor Tenants, they occupy a prime location in the malls on terms that they believe favourable to them as compared to the other occupants.

Large base of loyal customers
They had 19.9 million customers entering the stores in the year ending March 31, 2007. They believe that the emotional connect that they have been able to create with their customers through their service offering and special promotions has helped them convert many of them into loyal customers. This is clearly proven by their large and constantly growing base of First Citizen members.

2. Draw the typical profile(s) of Shoppers’ Stop customer segments.
Shoppers’ Stop initially started out as a retail entity for menswear. The focus on menswear was in line with their core competency. The focus then diversified to other segments as well since the major customers in these shops were primarily women. The venture also focuses on
top of the line product brands and affluent clientele who can afford international brands of repute under one roof. These brands are changed in line with customer expectations on a periodic basis. The chain also seeks to address those customer who seek a complete shopping solution replete with personalized care and even food courts to enrich their shopping experience.

Shoppers’ Stop (SS) is the leading department store company in India. It has built robust management systems to capitalize on the growth potential in the organized retail space, particularly the department store segment. However, the stock has priced in the bulk of its upside potential leaving little room for positive surprise, in our view.

SS enjoys a unique advantage of having a strong presence in the niche department store segment, which is likely to face limited competition from both foreign and domestic players. In our view, income elasticity in this business segment is high, and as India per capita incomes grows, SS should capitalize on its growth potential. The company has a strong, loyal customer base, relatively high earnings visibility and low business risk. Efficient business systems, better/standard companywide business practices and a balanced portfolio lowers SS’s business risk.

SS plans to enter new segments such as home improvement and hypermarkets. These can give up further upside to the stock if successful.

- Shoppers Stop is one of the leading retail stores in India.
- Shoppers Stop began by operating a chain of department stores under the name “Shoppers’ Stop” in India.
- Currently Shoppers Stop has twenty seven (27) stores across the country and three stores under the name Home Stop.
- Shoppers Stop has also begun operating a number of specialty stores, namely:
  - Mother Care
  - Crossword Book Stores
  - Brio
  - Desi Café
  - Arcelia
- In April 2008, Shoppers Stop changed its logo and adopted the mantra “Start Something New”
- Shoppers Stop was promoted by the K Raheja Corp Group (Chandru L Raheja Group).
• **Wallet & Belts:** Hidesign, Arrow, Tommy Hilfiger, Fossil, Lorad
  
• **Watches:** Titan, Timex, Swatch, Fossil, Casio, Kenneth, Giordano
  
• **Eye Gears:** Fastrack, Ray Ban, Provogue, Polaroid, Crisil
  
• **Socks & Handkerchiefs:** Van Heusen, Allen Solly, STOP, Zodiac
  
• **Pens:** Century, ATX, Sheaffer, Cross

**Women’s Accessories:**

• **Handbags:** Haute Curry, Hidesign, Elliza Donatein, Rocky S Sport
  
• **Footwear:** Catwalk, Nike, Reebok, Adidas, Puma, Levi’s
  
• **Jewellery:** Sparkles, Nirvana, Estelle, Zaveri
  
• **Watches:** Titan, Timex, Swatch, Fossil, Casio, Kenneth, Giordano
  
• **Eyegears:** Fastrack, Ray Ban, Provogue, Polaroid, Crisil
  
• **Socks & Stoles:** Van Heusen, Allen Solly, STOP

**Kids:**

• **Toys:** Hot Wheels, Barbie, Kelly, Play N Pets
  
• **Boys & Girls Wear:** Gini & Jony, Liliput, Beebay, Disney, Barbie
  
• **Bags:** Duckback, Gini & Jony, Barbie, Disney, AVENT
  
• **Footwear:** Gini & Jony, Liliput, Bubble Gummers
  
• **Watches:** Fastrack, Zoop
  
• **Feeding:** High Chair, Soother & Teethers, Steriliser, Equipment

**Bath time Accessories:**

**Bedding, Bedroom Furniture & accessories**

**Cosmetics:** Maybelline, Chambor, LAKME, Revlon, Nivea,
  
• Himalaya, Loreal

**Skin care:** Himalaya, Loreal, LAKME

**Fragrances:** CK, Davidoff, DKNY, Nautica, Ralph Lauren

**Others:**

3. **How are Indian customers visiting Shoppers’ Stop any different from customers of developed western countries?**

Shopper's Stop is an chain of department stores in India, with 35 stores across the country. Presumably, there should not be too many differences between the customers of Shopper's Stop and the customers of a western brand in a western country. Shopper's Stop sells clothing, accessories, beauty products, toys, home and travel items. They also have an online service delivering to India’s major cities. There are also cafes and entertainment. This all seems very similar to any store in a country of the western world. Since the similarities...