

Digital Vs. Traditional Marketing: Success Comes with the Right Mix

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Founded in February 2001, *mjunction services limited* is today not only India's largest eCommerce company but also runs the world's largest eMarketplace for steel. It is a 50:50 venture promoted by SAIL and TATA Steel. In a span of 17 years, it has established a national footprint with presence in more than 25 locations all over the country. Today, *mjunction* offers a wide range of eSelling, eSourcing, eFinance and Knowledge services across diverse industry verticals that empower businesses with greater process efficiencies. It has service offerings spanning the entire eCommerce spectrum.

IMI Konnect: *Do you think that the marketing communication scenario has really changed over time? Do Digitization and social media really impact the way we brand or market today?*

MB: There has certainly been an evolution as far as the marketing communications are concerned. The communications have become much more targeted and there has been a steady shift towards digitization. Depending on the demographics of the target audience one has to choose the message and the medium. So if it is promoting something targeted at men in the age-group of 40 plus newspaper advertisements still work wonders. However, from launch of a new iPhone to promoting Justin Bieber rock concerts, you can't imagine a world without digital. The choice of the media in digital, however, is

dependent on the target audience. For example, for a young audience, video formats of communication in Instagram or Snapchat are more effective than LinkedIn or even Facebook for that matter. The youth is steadily finding social media platforms which have a predominance of videos and photographs to be more appealing and thus have a higher engagement.

IMI Konnect: *What are the day to day challenges faced by you as a Head of CSR, Corporate Communications and Branding of a well-known and reputed organization like mjunction?*

MB: In B2B e-commerce, the challenges are manifold. First, being in the B2B space carpet bombing solutions for communication, for example, advertising in all editions of a

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national newspaper like *Economic Times* does not work effectively. Every marketing or branding communication has to be targeted towards the clients or prospects or influencers, and thus the formats, frequency, medium and packaging are also very different. The objective is to be relevant with the news. So while there is an internal newsletter as well as slides for our internal stakeholders, there are mailers, eDMs, PR as well as targeted social media for reaching out to the external stakeholders. The biggest challenge that I faced was in making *mjunction's* story relevant to media. I overcame this problem by successfully positioning *mjunction* as leader in B2B e-commerce.

The challenge with CSR communication is that one has to be very sensitive to make sure the organization does not sound boastful and the sincerity has to come out. There is a huge demand for CSR news across different segments of the audience. Again the challenge is that a right mix of PR, videos, photographs and stories of touching lives need to be shared to make the maximum impact on the audience and to build a brand of a socially-responsible organization.

IMI Konnect: *Talking about CSR, how has communicating it changed with the dominance of digital media?*

MB: CSR is a great tool for any marketer for building the brand of an organization, showcasing the social responsibility of the company. It is the subtle art of marketing CSR. Here, content is the king. So the

objective is to generate compelling human interest stories that will strike a chord with the target audience and make them take interest. The only thing that needs to be kept in mind is to communicate truthfully the benefits that the society is receiving. This will eventually help associate the right virtues to the overall corporate brand.

With the dominance of digital, it is important that communication should also be made keeping in mind the format. There has to be a balanced media-mix. If it is for a traditional newsletter this will have more a company's perspective and if it is for print media it will have more of the beneficiary's perspective. If it is for social media it has to be very crisp in communicating the story as the attention span is the lowest here.

Media has become multi-faceted and thus every media needs a different format of content and thus a different packaging of stories. The story has complicated manifold with the onset of social media. Earlier communication was limited to newsletters and newspapers. Today, to that list is added social media's owned channels of an organisation as well as channels of its clients, prospects as well as public.

An organisation can only control its owned media but has to strive to generate authority with earned media in the digital platform wherein others are talking about the good work that the organisation is doing in CSR. This is a challenge no doubt but this is also a huge opportunity. This multiplies the

channels through which the good work done by organisation in CSR can be communicated to key stakeholders as well as audience and influencers in general.

A word of advice to all CSR communicators is always be balanced in your communication and stories. Your stories cannot sound like a sales pitch. Marketing has to be subtle. It is the unbiased voice of sharing how your organisation touches lives, lends credibility to your communication and thus to your organisation in turn.

In today's digital age you need to have a fair share of voice, across all channels, and that voice needs to be honest, unbiased and credible – this will eventually lead to the brand building of your organisation.

IMI Konnect: *It is argued that digital communications will replace other mediums of communications in future. What is your take on that?*

MB: One of the primary reasons why there is an increase in the dominance of digital communications is the shift in demography in India towards the youth. Small wonder, their choice of media will be the ultimate potent choice for all marketers. Having said that, there will always be a relevance of traditional media. It is still regarded as a more credible and serious form of communication. In an integrated marketing scenario there is a strong possibility that digital will find its percentage increasing, but traditional will always play a significant role in that media mix.

Digital media has also increased the challenge for marketing communicators as even a tweet today can snowball into a crisis that may seriously erode the reputation of an organization. There is an instance where a singer Dave Carroll wrote a song “United Breaks Guitars” and put it up on youtube. This is his protest against United Airlines which broke his Taylor Guitar. The song went viral reaching millions in a few days ruining the reputation as well as the revenue of United Airlines. This was in 2006, so imagine the extent of growth of the power of social media in the next 12 years. So every tweet, every post needs to be monitored and handled accordingly. Communicators today do not have the luxury of waiting a day before responding to a potential threat to its reputation – it has become real time.

IMI Konnect: *Indian e-commerce market has grown by leaps and bounds during the last decade or so. What are the biggest triggers according to you?*

MB: There are multiple reasons that triggered the success of e-commerce. First is the sheer convenience of the consumers. Who would have thought buying clothes and shoes will be ever possible via mobile or laptop windows. We are so used to trying them on and then there is always the issue of the right size and the right fit. E-commerce was able to disrupt that market and change the way people shop. What aided the pace was the unbelievable discounts that they were able to offer. So this eventually changed the buying scene and

e-commerce became an integral part of our daily lives. Technology advancement, especially mobile technology has played a very important role in the success of e-commerce and in getting customers hooked.

While e-commerce has been such a success story everywhere, it has done more harm than good in the luxury brands segment. Growing at a compounded annual growth rate of almost 40-45 per cent, the counterfeit luxury products market in India is likely to more than double to ₹5,600 crore from the current level of about ₹2,500 crore. A reason why the market of luxury fakes is growing at such a fast pace is the advent of e-commerce platforms selling them at lucrative prices. Web shopping portals account for over 25 per cent of the fake luxury goods market in India. The size of the counterfeit luxury industry in India is currently about 5 per cent of the overall market size of India's luxury industry which currently is worth over \$14 billion. With a share of about 7 per cent, fake luxury products account for over \$22 billion of the global luxury industry worth about \$320 billion.

Luxury counterfeits are not a new phenomenon, but with technological advances and sophisticated new ways to reach consumers, the business is increasing rapidly.

IMI Konnect: *How do you cope up with the increasing pressure coming from peers in ever-changing e-commerce market in India?*

MB: It is a very challenging environment for us in the e-commerce space, even in B2B, as

new players keep entering the domain with fresh ideas. We keep a close eye on their developments via various means such as media reports and advertisement. At *mjunction*, we study and prepare regular reports on competition.

IMI Konnect: *As a prolific writer on luxury marketing, what are your views on the opportunities and challenges of the Indian luxury market?*

MB: Indian luxury market is a multi-billion dollar market, growing in double digits. We have had a great history with luxury brands. As a matter of fact in 1920s, over 20 per cent of Rolls-Royce's global sales used to come from India alone. Indian Maharajas had been very luxury brand conscious – DeBeers for diamonds, Cartier for jewellery, Louis Vuitton for customized trunks and Harley Davidson for motorcycles (Nizam's postmen used to ride them). Today they are replaced by the New Maharajas – the industrialists and the Richie rich from all walks of life. So the opportunity lies in the size. Unlike those days today the definition of “maharajas” has expanded and so has the customer base. A significant contribution is made by the Indian great middle class who keep the counters ringing for these luxury brands.

The challenges are that these foreign luxury brands have not been able to understand the traditions and culture of the Indian market. Why are we ready to pay a huge premium? This is the question they need to first get the

answer of. To get a bigger pie of this fast-growing market in India, all luxury brands need to understand the mindset, traditions, culture and the history of Indian customers. One size fits all the markets is history and doomed for failure.

Another challenge is the growing market of counterfeit, which now has the support of e-commerce wherein these dealers are showcasing photographs of original luxury goods and selling fakes.

IMI Konnect: *What makes a brand powerful? Is it the logo, the style, the luxe, the promotions, the brand ambassadors or is it the exclusivity factor?*

MB: It is all that and a lot more... it is whether a brand is able to live up to its promise at every touchpoint with its customers, it is whether the brand is able to ensure every moment of discipline — this, dear readers, is the brand experience. The brand experience is a holistic parameter of the power of a brand – luxury or otherwise. It is that x-factor that is a heady mix of all the brand elements that keep a customer loyal and make him/her a strong advocate of the brand.

Not only the CEO, but every executive and every element of the brand is responsible for making or breaking it and delivering a world-class brand experience to its customers, and making a brand powerful.

It is the customer's aspiration and love for it that empower a brand, and as long as the brand is able to keep that love and aspiration alive in the hearts of its customers it will remain

powerful. Brand experience is the only strategy by which a brand can ensure that customers will always be by their side ... making the brand, in turn, powerful.

IMI Konnect: *In today's world of powerful marketing, communications and PR, how important is keeping brand promise?*

MB: I would rather say that because marketing, communications and PR, especially in this digital age have become so powerful that keeping your brand promise has become non-negotiable. Brand is a promise that the product or service will perform or deliver as per the expectations of its stakeholders. Branding unlike sales does not cater to only clients but has a bigger picture in mind. It is not about its client list but about the perception that one wants to create in the overall scheme of things.

Why customers need to trust a brand and stick to it is because it lives up to the brand promise. For example, Britannia's "Eat Healthy Think Better" promise. If now they start manufacturing cold drinks and potato chips, they will lose their customers. So whatever brand extension they get into, they need to be in the 'healthy' segment, no matter what the opportunity cost to business is. So the glue will be how one delivers and lives up to the promise to the customers and stakeholders. Another example is FedEx's promise 'When it absolutely, positively, has to be there overnight'. So small wonder, if it fails to deliver overnight, no matter what you communicate, the customers will not trust its promise

anymore. In today's digital world it will spread like wild fire.

For establishing a brand one needs to dwell with the intangibles such as trust or innovation or efficiency or transparency and similar attributes. We, brand custodians, are still story tellers, we still have our wands to weave magic. What we need to additionally work on is to convince the management the criticality of keeping promises.