

FRUGAL MARKETING

As Thomas Friedman's 'flat world' continues to change the marketing landscape, first-time author Jessie Paul details on how to build a successful firm on a shoestring budget

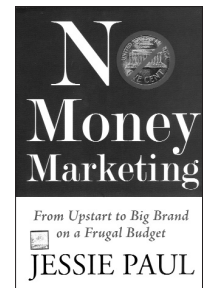
Marketing is about making yourself relevant in the marketplace. But it isn't all about "PR, Advertising and Brochures". In fact, in the flat world, advertising and brochures aren't all that effective. There are many new marketing tools that clever marketers can leverage. There are new techniques that can help emerging brands challenge the biggies, and succeed. Talking about frugal marketing, it has worked for challenger companies like Infosys, Wipro, Avaya and shares insights gleaned from some of the best marketing brains that I have met around the world. Marketing and innovation are the mainstays of any organisation, in good times and in bad. Ability to excel in these two areas will determine the firms that succeed. Many of today's great brands were launched during the Great Depression of the 1930s. Revlon, launched in 1932, succeeded because it understood what consumers wanted in those uncertain times—a variety of cheerful coloured nail-polish. *Fortune* magazine launched in 1930, tapped into the general public's newfound interest in understanding the business world that had created the mess they were in. Ralston-Purina, a pet food company saw declining sales but sponsored the Admiral E Byrd expedition to the South Pole to keep itself in the public mind. Kellogg's, which doubled its advertising spend in the depression era, was another sponsor of this expedition. P&G pioneered the use of radio and played a role in creating the genre of soap operas. These companies not only survived the Great

Depression, but emerged stronger than ever.

What makes frugal marketing possible is a flat world. In physics, a flat world is a world without a horizon line, that is, where the possibilities are seemingly endless (till you fall off!). In business, a flat world is where organisations have an equal chance of making themselves heard, and can deliver from anywhere around the world. Container ships and the Internet — the two biggest forces responsible for flattening the world — give you the opportunity to market your goods anywhere in the world. Each market has its own structure and history, and an understanding of that will help you beat the incumbents in these new markets, even if you are much smaller than them. It levels the playing field and increases the possibility that an upstart brand will succeed. This has been achieved by the likes of Infosys, Wipro, and TCS from the Indian IT industry in North America and Europe, by the Korean car manufacturer Hyundai in India, and by Samsung on a global scale. A flat world makes it easier for smaller, upstart organisations from anywhere around the world to upstage current incumbents. One of the objectives of this book is to provide insights to make the flat world work for you.

Think flat, live frugal

There is an amazing kick in spotting your ad in a magazine or while watching TV which just cannot be replaced by seeing your company's position rise in search rankings. Unfortunately, in the flat world,



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you won't need too many ads to help your brand grow. In fact, you may need none. Infosys and Wipro, two brands which have gone from \$200 million to \$54 billion in less than a decade, spent virtually nothing on traditional advertising.

Marketers and CEOs who understand the dynamics of flat world can reap enormous benefits, even if their firms or brands are relatively small compared to their competition. In fact, I will go further and state that new entrants have the head start in terms of agility, lack of legacy baggage and flexibility in building new business models suitable for the flat world. It's not just that they have the advantage of working on a fresh new canvas; the constraints of being an upstart and often beginning on a frugal budget force the newcomer to adopt innovative techniques, more suitable to today's networked world.

What differentiates upstart branding from conventional guerrilla marketing is in leveraging the flat world. Typical guerrilla marketing techniques revolve around the conventional Kotlerian 4P levers-Product, Place, Price, and Promotion. In the flat world, upstarts can take advantage of newer levers like executive or personality branding, country of origin, and ecological sustainability. They can get their message out through newer channels like thought leadership, publicity,

honours marketing, and online marketing. Traditional incumbents often find it difficult to adjust and respond in a similar manner, not because of any lack of awareness, but because their marketing and branding strategies are baked into their traditional business models.

Those who do not understand the new dynamics, even if they are really big, established firms, will see the world pass them by. There are now six Indian firms among the top 100 IT services firms with revenues above \$1 billion, and they continue to notch up scorching growth rates. Erstwhile leaders like EDS did not make the transition to the realities of the new, global world and got acquired by leaders like HP, who did so.

Upstart brands and the flat world

Whether you are an upstart brand or an established player in an industry under attack by an upstart brand, you can leverage the changes in the marketing landscape caused by the flat world to your benefit.

In a flat world, free flow of communication, capital and people remove many of the impediments to international competition. With the Internet, information is widely and freely available to everyone. With the falling cost of telecommunications, it is possible to communicate for free. And international travel is more accessible than ever before. All this is creating a level global playing field where location of your organisation or country of origin is no longer a handicap to your success.

With the right business model you can break free of your geographic, financial, and demographic limitations. The flat world does not remove poverty or eradicate disease or empower everyone equally. But the flat world does provide equal opportunities to the digitally literate, regardless of location.

Quest for a unique identity

Before I can start positioning a brand, I spend time figuring out who we are and what is our brand DNA. Many CEOs consider marketing to be the icing on the cake, and tell their chief marketing officer to slap it on thick and sweet, regardless of the quality or flavour of the cake. That does not work. Would you like pineapple icing on chocolate cake? Just as the icing is integral to the cake, you cannot build a marketing programme unless you understand the core principles of your brand. Brand-washing, as I call it, where a brand is slapped on based on organisational aspirations completely ignoring the reality of capability, is a common problem even in well-meaning and well-run companies. And a loosely positioned brand is much harder and more expensive to sell than a well-crafted one, because it just doesn't sell itself.

We all know people who are not sure of what they stand for and can easily be changed by the environment or the closest strong personality. They are rarely successful, because they are like a house built on sand. This is true for organisations too.

Many companies, services, and products also do not have clarity of identity. An upstart brand has to compete with larger incumbents or create a new category for itself. That in itself is difficult, but in addition an upstart brand usually has to achieve this at the fraction of the marketing cost of an established brand. Nothing could be more disastrous than spreading the marketing efforts too thinly across a wide variety of features, or promoting the wrong attributes. If you do it internally, it does not cost anything. If you use an external consultant, it does not come cheap. This lies at the heart of the brand and can influence the success of all other activities undertaken. **IM**

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