

India marketing
environment impact
on the i.t. industry
and strateggies
suggested...



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The Information Technology (IT) industry has become one of the most robust industries in the world. IT, more than any other industry or economic facet, has an increased productivity, particularly in the developed world, and therefore is a key driver of global economic growth. Economies of scale and insatiable demand from both consumers and enterprises characterize this rapidly growing sector. The Information Technology Association of America (ITAA) explains 'information technology' as encompassing all possible aspects of information systems based on computers.

Both software development and the hardware involved in the IT industry include everything from computer systems, to the design, implementation, study and development of IT and management systems. The market environment refers to actors and forces that affect a firm's ability to build and maintain successful relationships with customers. Three levels of the environment are:

- * Micro (internal) environment - forces within the company that affect its ability to serve its customers.
- * The company itself
- * Suppliers
- * Marketing intermediaries
- * Competitors
- * Employees
- * Customers
- * Media
- * Shareholders
- * Macro (national) environment - larger societal forces that affect the microenvironment.
- * Socio cultural forces
- * Political /legal forces
- * Technological forces
- * Economical forces

These micro and macro forces do influence the information technology industry. Industry if maintains itself and develop its strategies then these factors would act as opportunity else threat. To run a business effectively and efficiently it should study the situations and should act wisely and smartly. I. T. omponents like IT services, consultancy, hardware, software all need a market for the exchange of values and products. Taking the example of an I. T. company,

Tata Consultancy Services the impact of these factors can be highlighted.

Micro Environment treated as Opportunities by TCS . * As a brand, TCS is the 76th Most Trusted Brand according to The Brand Trust Report, 2011. TCS has been ranked as the world's 7th greenest company in Newsweek's Green Rankings 2011. In addition, TCS is the highest ranked Asia-based company and second highest ranked globally in the Information Technology & Services company category.

This recognition helps itself in terms of brand and popularity. * Employees are considered as the biggest strength of competent workforce because they can make or break an organization. TCS has 214, 770 employees till date. Obvious that employees are treated well which is reflected in their growth. * Competitors of TCS in India are Infosys, Wipro, HCL, Oracle, etc . These competitors give a close fight but during the present recession Infosys, wipro brush off their workforce failing to sustain while TCS sees opportunities and keeps the same ratio of intake. Shareholders are the key player because the firm makes money out of the invested money of the investors. Here Infosys attracts more as the last share price is 2701. 15 While TCS has 1180. 95. More the shares reach the value better for the industry so as better will be the dividends for the investors. But the difference can be overcome with days. * TCS has wide and reputed customers, clients like Microsoft , Motorola, Aviva, Sony, many more. TCS maintains the customer relationship in a better way than the competitors for whichi it maintains the growth curve. Macro Environment Forces Socio cultural forces including population demographics, rising educational levels, norms and values, and attitudes toward social responsibility are valued by TCS . It prefers to hire natives as

HR managers as it needs people who are familiar with rules of the land and speak the native language. During the past two years, TCS has been focusing on inorganic growth and is actively looking at setting up offices in emerging destinations in East Europe and Latin American countries. TCS has offices in Brazil, China and Hungary. TCS brings people from these countries to India for special training.

TCS aims to “ create a global organisation, which follows the same ethics and values everywhere.. It also selects qualified students in large numbers for employment across the nation. * Political Environment Political stability is a huge factor in the growth story of Indian IT sector. As Indian IT sector is driven by outsourcing, a stable political environment means increased customer confidence which eventually brings business to the domestic firms . From the onset Indian govt. has offered tax holidays to IT sector. Further it is extended till 2012.

This kind of favorable action from govt. has helped the companies like TCS to grow by leaps and bounds. The tax holidays was scheduled to be ended in 2008; but amid on going global slowdown Indian govt. decided to extend the same till 2012. Thus TCS has been benefited largely. However, if political scenario of USA is considered then, it has brought bad news for TCS. With the change of guard in USA, getting a H1B visa has become more stringent. Earlier , TCS was one of the main player who has utilized H1B visa in its favor to a great extent to serve its customers at near shore.

Obama’s anti outsourcing policy has compelled USA companies not to give more business to India which eventually has hit TCS badly. Thus, to deal with

the political environment of host country is a huge upcoming challenge for TCS. Strategy Suggested As TCS believes in taking risks, entering China and fighting the tide; I personally wish that competitors of TCS like Infosys, Wipro should also follow the strategy of taking risks . China has a better infrastructure. It will help the Information Technology companies of India to grow there and spread worldwide.

Many companies from China has tried their hands in India but only one company from our nation has newly entered to their place. IT companies should devise strategic plans to grow newly acquired businesses and verticals and also to enhance existing relationships . Indian companies should also think broad by investing more on latest technologies and helping the youth of the nation to learn and gain more by introducing open scripting languages related to project required so that interested candidates would get a chance to learn and grow more.