

# Eureka forbes case



EUREKA FORBES (The Direct Marketing Pioneer) The case examines the strategies adopted (over the years) by leading consumer appliances company Eureka Forbes in India. The case explores how the company built up the vacuum cleaner and water/air purifier markets in India from scratch through its direct marketing efforts. The various initiatives to ensure good customer service and enhance customer satisfaction are examined in detail. The case also discusses the company's attempt to enter the bottled water business, its decision to increase the thrust on the retail business, and the problems between its owners, Forbes Gokak Ltd. and Electrolux.

Discussion Questions ANS1:- The different marketing strategies adopted by Eureka Forbes to popularize vacuum cleaners and water purifiers in the Indian market are as follows: \* Followed tried ; tested direct selling route. Direct Marketing is a method which helps to create a direct connection with the potential consumer to obtain an immediate response and cultivate lasting consumer relationship. \* Eurochamp ' the friendly man from Eureka Forbes'. \* Advertising campaigns featuring actors from Hindi TV serials. \* Customer care network including CRC ; 4000 sales personnel for after sales services. \* Annual Maintenance Contract Operation Red Zone \* Mobile service van facility \* Water labs \* Euroclean home contest \* Gift a Smile scheme \* Exchange offer at a discounted price for water purifier \* Service call back within 48 hours with the help of pagers. \* 24 hour - 365 days virtual call center. \* B2E strategy. \* Online model to interact with the customers over the internet. \* Ad campaign featuring maidservant using the vacuum cleaner. However Direct Marketing Consumer cannot touch and feel the

products before buying. The scope of expansion is limited in this kind of marketing. It has higher per person cost than other form of advertising.

There is great scope for misleading and deceiving customers by dishonest businessmen. It may cause irritation to the consumer through unwanted mail and spam. ANS2:- The main reason behind decision to increase the share of dealer sales in its revenues is to focus more on the retailing business by making its products available in retail outlets through its dealer network. Company also wants to create push demand through these dealer networks. No, I don't think company can hamper its direct marketing expertise by introducing bottled water. It was a move only to strengthen the core products by capitalizing on their brand image.

The company wanted to position itself as one-stop shop for products related to providing pure water. On the other hand reach of direct sales was limited to only the top end of the market. ANS3:- EF tried to change the advertising strategy for its vacuum cleaners in late 1999 to increase the growth of VC market which was stagnant due to lack of product usage at homes and to establish the fact that VCs were easy to use and that even maidservants could be trusted with the product. Following environmental initiatives were taken by EF to boost its image of environment-friendly and hygiene-oriented company. Establishment of Eureka Forbes Institute of Environment. \* Daily measurement of air pollution in 8 metro cities in association with NDTV ; Star News. \* Free pollution control camps in 10 metro cities on World Environment Day in association with National Geographic ; the UNICEF.

ANS4:- Yes EF will be able to hold on to its leadership status after the departure of Electrolux because Swedish partner never had management

control of the company and its involvement was more related to technical inputs. Technology was not a big issue for EF because it keeps changing very frequently and its not a competitive advantage anymore.

None of players in the market had been able to break EF's hold on the VC ; WP market because of its \* Unique direct selling approach. \* Innovative marketing strategies \* Ability to maintain a good relation with their consumers. \* Dedicated customer care network for post sales services. \* The hard work of all Euro champs. \* Creation of push ; pull demand. \* Environmental activities. \* 24 hour 365 day virtual call center. \* Free demonstration of product at customer's place.

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