

Indian marketing environment assignment

[Art & Culture](#)



**ASSIGN
BUSTER**

They should realize the serious challenges of doing business here like segmenting the market properly, Understanding country's social and cultural issues, getting through government bureaucracy and understanding economic and political situation. There have been bunch Of examples of companies who have tried to enter in Indian markets without taking care of these issues and have failed badly. Now before understanding Indian Marketing Environment, it is important to understand what is Marketing Environment. Marketing Environment consist of factors and forces outside or inside the organization that affect its business in the market.

The racking environment is divided into tow different environments. 1) Micro Environment: It consist of factors lose to the company that have a direct impact on the organization strategy. This includes company's suppliers, distributors, customers and competitors. 2) Macro Environment: It consists of larger societal forces. And these are beyond the control of the organization. These shape the characteristics of the opportunities and threats facing a company. For example, Economic, Cultural, Political, Demographic and Technological.

Demographics Environment It is the study of the people terms of their age, gender, race, ethnicity, and action. Demographic characteristics strongly affect buying behavior. The current population of India is 1. 18 billion and it is the second most populous country in the world next to China. And it is being projected that by 2010, it will overtake china with 1. 53 billion.

Obviously that's not a good news but for marketers there lies lots of opportunities. Fast growth of population accompanied with rising income means expanding markets. And among this 1. 18 billion population, more

<https://assignbuster.com/indian-marketing-environment-assignment/>

than 50% are below 25 years of age. ND that is the reason why why tree is tough intention in the area of soft drinks, outworking sites, stylish mobile handsets, job portals and all. Estimated in 2008, around 71% population lives in rural areas even after so much migration to urban cities and that is the reason why low cost brands have started targeting rural communities. They put Camps, Hat in meals to promote their products. Literacy rate, as estimated in 2009, for men it was 76. 9% and for women it was 54. 5%, though there is still wide gender disparity, but it has been observed that growth In women literacy rate is more than men's.

So women is another big target for marketers. Specially for home eased products, as we know women is the chief person to select them for her home. Now, In India different behavior of different age group has been observed which is mentioned below. Adolescents: The new-age teens are marketers delight. They do no earn but they are fond of spending. They spend lavishly on clothes, eating out, latest gadgets and are very keen t keep up with their friends in terms of possessions and lifestyles. They do not feel guilty of spending their parents money and put pressure on their parents to shell out money for them.

They feel they need to have a life of their own, and t should not be denied to them just because they are not earning. Youth: The current youngsters are growing in a more media-influenced, brand conscious world than their parents. Companies have to take their messages to the places where these youngsters frequent, whether on the internet, in a cricket stadium, or television. They do not mind information reaching them but they will reserve their right to make their choices. They know what they want from their lives
<https://assignbuster.com/indian-marketing-environment-assignment/>

and the product or services they buy. They hate to be persuaded and influenced. Hereford companies would do well to leave them alone to make their choices. They create their own website, make movie with their own webbed, post their thoughts, pictures and writing online. Since they are sure about what they want, they prefer customized products and services.

Companies are realizing that they have to provide something unique and deeply personal to in their loyalty. People between 35 to 45: People in this age group are settled in their professions and have toddlers and growing children in their home. They exert themselves in their profession because they realize that their career is likely to take off at this stage.

They put in long hours at office and they have to juggle endlessly between their susceptibilities as spouses and parents and growing responsibilities at work. Parents may be staying with them or they may be living in different city. Income Of the people rises at a good rate and they are good spenders. Some of them may be buying their infirm car while most of them thinking of upgrading their cars. They are also open to new gadgets for themselves and for households. People in this age group want to live a good life and are constantly on a buying spree to improve their lifestyles.

They dress well, dine out frequently, and look for opportunities to go on holidays. These days they re also keen to buy new houses very early in their lives. They also plan to retire early, and they plan their finances accordingly. People Between 45 to 60: Some people in this age group are at the peak of their careers while some others are struggling to keep their jobs. Children boomed major priority for people in this age group. They spend less as they save resources to fund the higher education of their children. They are also <https://assignbuster.com/indian-marketing-environment-assignment/>

worried about their own future and make a last-ditch efforts to put a retirement plan in place.

People above 60: people in this age group live on a steady income. Some Of them live with their grown-up children and are part of their household. They do not spend much on themselves. Their family looks after their requirements. Most of their money spent on buying gifts for their children and grand children. They have to spend a substantial part of their earnings on health-related issues and domestic help. Political Environment The political-Legal environment of a country is influenced by political structures and organizations, political stability, government’s interventions, constitutional provisions, government’s attitude, foreign policy.

Businesses feel helpless in countries where contracts cannot be enforced by the judiciary of the land or it takes excessive timeline the judicial proceedings. Governments will need to provide an environment in which businesses can flourish. In turn, government needs businesses because the marketplace generates taxes. In this way government and businesses need each other. Also every aspect of marketing mix is subject to laws and restrictions. As in any part of the world, political influence is highly essential to start a business in India.

Especially if you are planning to start a multi billion business, some sort of political derogate is an absolute necessity. Not only for safeguarding the interest of the company but even to begin the process of getting the required sanctions, one requires hold in the high echelons of politics and administrative circles. Indian society is highly plural. It is the biggest

democracy in the world with multi party political system. During the last couple of decades, India has opened its market to world. It has absolutely become an open global market.

Banking sector, Insurance sector and all fields of industrial and business are now open for multi national investment. Of course there are many obstructions to cross. And mostly all issues can overcome and establish business if you have the political patronage. India has a plural political system. With numerous political parties, national level and state level, it is very difficult to get a consensus among all parties for starting any business. Also these political parties have patronage of many factors, caste, creed and ideologies.

There are political parties with left centric communist ideologies; they are totally against direct foreign investments. But other parties, who are main ruling coalition partners, have right centric ideologies and open for reign investments. In most of the states, mostly local political parties are ruling. Political parties require financial patronage from big business establishments. Many constituent states have realized the need for foreign investments in their state for a growth oriented economic situation. Hence the climate has changed a lot in India. So many privileges are offered to entrepreneurs to start business.

With all these facilities, still political patronage is a must to start a business in India. Even after establishing the business, for a proper running of the business, political help is essential. It is mainly to sort out issues related to local taxes, labor problems and many such issues affecting the normal

working of the companies. Some examples in which the government interfere has changed the way people did business ; India food items need to put Green dot for all vegetarian items and a Red dot for all non-vegetarian items. ; All the packaged products need to have MR.(Maximum Retail price) on their package. Auto industries had to introduce expensive emission control in their car-Euro II compliance ; Public transport in Delhi like autorickshaws and buses have to use only CNG in place of Petrol or Diesel. Introduction of VAT in Delhi ; RBI various guidelines to credit cards companies ; Introduction of G technology ; And very recently, India has asked RIM (Research in Motion), maker of Blackberry, to install its sender in India for tracking its messenger & enterprise mail services. And if they don't do so, their services will be banned, which will affect their business in India.

Social-cultural Factors Social factors influence the products people buy, the prices they are willing to pay, the effectiveness of specific promotions and how, when and where people purchase products. They change gradually and some changes will be imperceptible if not watched closely. That is the reason why it is most difficult variable for marketing managers to forecast, influence and integrate into marketing plans. One thing India faces no competition is its varied culture and heritage. It has great diversity in cultural practices, languages, customs and traditions.

In India people before starting a new business consult astrologers.

Superstition are a part of life like they avoid eating non-vegetarian on Tuesdays due to some religious reasons. People here consider cows a holy animal and it is worshipped and this is the reason behind failure of KFC in India in 1997 when they un-reduced Beef items in their Menu. Values: A value
<https://assignbuster.com/indian-marketing-environment-assignment/>

is a strongly held and enduring belief. In India a person's values are key determinants of what is important and not important to him, how he reacts in a particular situation and how he behaves in a social situations.

Today educated Indian consumer do not tolerate ineffective products and sloppy behavior of marketers. He has become more inquisitive, discriminating and demanding. Companies should learn to expect tough customers. Time Starved Customers: Today many customers place value of non-material accomplishments, such as having control over their lives, and being able to take a day off when they want. As work life gets longer uninterested, people are spending their leisure time recuperating. Casual r-radials and Home offices are further blurring the boundaries between work and leisure. People will increasingly place more value on time than money.

Multiple Lifestyles: Today People lead multiple lifestyles. They choose products and services that meet diverse needs and interests rather than conform to traditional stereotypes. A person can be a teacher and also a a gourmet, fitness enthusiast and so many there things. Each of these lifestyles is associated with different products and services and is a potential customer for companies. This has increased the complexities of consumer's buying habits. A person may go on holidays to exotic holiday locations and may spend a fortune to travel, but may dine in very ordinary restaurants.

Changing structures of Families: The growth in the number of working women means an increase in dual-income families. These families have greeter household income but less time for family activities. More working women has meant an enraging demand for time-saving devices ND products,

particularly for the kitchen. It is being discovered that cost is more prominent in decisions made by women, whereas quality is relatively more important to men. This will have important influence when companies design marketing mixes for products where the women is prime decision maker.

Some examples how this factor has affected the market: ; Hindustan Milliner limited markets different blends of tea under the same brand name to address the regional preferences of consumers. ; Gist India specialized in supplying gourmet mixes to housewives, knows the taste well of North & South India. MET faceable, CNN, Discovery has completely changed the values of Indian consumers. ; Automobiles & Insurance companies pottery themselves as a family product in their advertisements. Natural Environment Natural environment includes factors such as seasonal variations, climatic differences, soil conditions and natural terrain.

In consumer markets, the natural environment affects companies because Of the differences in the nature of products bought by consumers due to variations in seasons and climate. In difficult terrains like hilly areas, it is difficult and expensive to get reduces to the customers.. It becomes more expensive to build distribution channels for companies whose target markets are geographically disperse. There are so many environmental issues in India for example Extinction of Tigers, Pollution in urban cities, Water shortages, Deforestation etc.

So a company raising even a single issue could do well here. How can we forget to mention Idea's initiative to save paper by using mobile phones. Its outstanding advertisements & promotional campaigns has really catches our

attention. Government also doing their best to save our environment like PLOP(Pollution under control) is must for all the vehicles, soap industry must have to increase its biodegradability, strict laws against killing tigers, encouraging use of solar energy in big government head offices.

Technological Environment Technology is practically everywhere today-it has changed the way we prepare food, we buy our clothes, and we build our homes. It has changed the way we send our posts, we take our exams, we fill up our forms and the way we resort to comfort and entertainment.

Computers, the most visible impact of technology have come a long way from being huge machines cocked up in a room to tiny palmtops with more features added everyday. It has all the functions of a calculator, a music player, a home theatre, a video camera and practically a better tool than a pen and a sheet of paper.