

Together

ET
INDIA COMMUNICATION SUMMIT 2023
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THIS ISSUE

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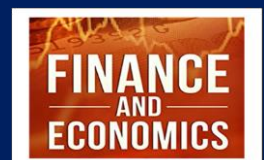
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Communicating Authentically
Fact-Checking in Information Era

THE EDIT PAGE
Issues & Insights

#ICS India
Communication
Summit '23

Research studies have affirmed the importance of authenticity as a key driver of overall work outcomes. Alternatively, inauthentic has adversely impacted trust & relationships with stakeholders, performance, and profits. Economic Times BrandEquity organized the leading 5th Edition summit on communication in India, the **India Communication Summit (ICS)** Certification Workshop on 28th April, at The Leela Ambience, Gurgaon. ICS 2023 brought together the most visionary communications leaders to foster conversations on the way forward for the industry in this digital era. The Workshop was designed to equip participants with the right skill sets to create the right communication strategy for different brands.

In a year that saw numerous challenges, Public Relations and Communications helped brands reach success through difficult seas of controversies. The PR and Corporate Communication professionals from different verticals have contributed to change the industry dynamics through their hard work, innovation and expertise. The objective of this mega event was to learn hands on from industry experts & leading thought leaders about creating the right communication strategy, new tools in tech & analytics as well as digital media story telling. Industry leaders known for building brands shared their knowledge, insights and real time challenges in this workshop. Media Relations Agencies, Corporate communication departments, Brand Consultancies, Employee Relations Departments, Govt. Policy Departments & stakeholders & Management Departments attended this summit.

ETBrandEquity being the most reliable source of information on the latest in marketing & advertising industry, panel discussions on- 'The fine art of Story Telling', 'Intersection of communications & Influencer Marketing', 'Navigating the intersection of business, Policy & Society with Public Affairs' & Fireside talks on-, 'The Changing Advocacy & Advisory Landscape' & 'Communicating They Instead of He or She', starting from market share battles to latest movements of key industries, dominated the agenda of the summit.

As a matter of fact, with the advent of digital revolution, the communications and public relations industry is diversifying into broader market offerings. While the demand presents a huge opportunity for communications professionals, there's also a challenge faced by the industry when it comes to equipping them with the right skill sets to navigate the future. Data suggests that the communications and PR industry is sourcing talent from outside the industry to fill in the void presenting an immediate crisis. Up skilling with a focus on the latest in tech and analytics as well as digital media storytelling is the only way to remain relevant in the fast changing landscape.



usha@imis.ac.in



MANAGEMENT QUIZ-55

1. Which sport has become very popular that even CEOs have started playing it?
2. Which company with a network of 12,200 ATMs is the leader in the white label ATMs category in India?
3. Which Indian IT major has launched a 'sonic' identity?
4. SEBI has cut down the number of days for listing after the closure of an IPO. The new rule will be applicable from December 1 mandatorily. As per the new rule, in how many days the issue has to be listed after the closure of an IPO?
5. Sintex is almost a generic name for overhead plastic tanks.. The company that makes it went to bankruptcy court. Sintex -BAPL, the company that sells Sintex tanks is now a subsidiary of which company?
6. In the context of entrepreneurship, what is the meaning of Bricolage, a term coined by anthropologist?
7. Name this pioneer in organic products and supplements in India that was promoted by Osho disciple Israeli entrepreneur Yoav Lev and his wife Bhavani in 1997. This company's majority stake is with FabIndia. Now FMCG majors are trying to acquire it.
8. ITC announced a demerger of its hotel business. What stake will ITC Ltd retain in ITC Hotels Ltd?
9. With which Hollywood production house does Mattel have a long standing licensing arrangement to produce toys based on the characters of their films like Barbie, Harry Potter and characters from DC comics ?
10. On what concerns has the Govt. of India rejected the proposal of Chinese EV car maker's investment in India in a JV with Megha Engineering for a car project?

Send answers of Management Quiz No. 55

latest by 30th August 2023, to the Email id: usha@imis.ac.in.

Answers (Management Quiz No. 54), Together, March - April 2023, Vol.11, No. 115

1. Akshay Kumar 2. SBI Mutual Fund 3. Dark stores 4. The RBI MPC went for a pause in the interest rates 5. Signature Bank (New York) 6. Airtel XSafe 7. Italy 8. Six months 9. Microsoft for their Office 365 10. Statue of Unity 11. Ranveer Singh 12. First Citizen Bank for \$500 Mln. 13. Crompton Greaves & Gandhimathi Appliances 14. Deposit Insurance Credit Guarantee Corp, Rs 5 lakh 15. First Republic Bank

#ICS

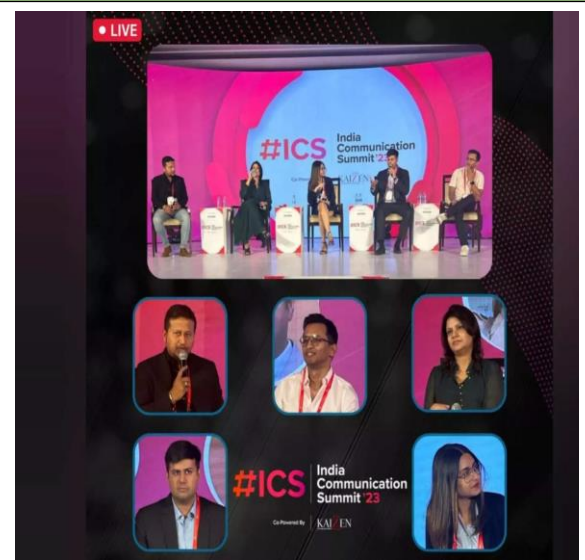
India Communication Summit '23

DOMINANCE | RESILIENCE | INFLUENCE

2022 was characterised by the sentiment of 'cautious optimism'. From economic uncertainty, funding winter, downsizing, burnout culture, climate change, military conflict, to IPO delays and resurgence of Covid-19 pandemic, the year played a spoilsport on the brand's expectations. Communications and PR leaders who took a proactive approach in their strategy were able to deftly guide organisations through this volatile period. Organisations with a strong corporate reputation and track record of earning the public's trust were not only able to survive but thrive in this charged business environment.

Today, companies are paying more heed to a corporate purpose than ever and executing multi-pronged communications strategies to garner goodwill. The 5th edition of the India Communication Summit will bring together the most astute and far-sighted communications leaders and foster conversations on the way forward for the industry.

AN OVERVIEW



Speakers at the Indian Communication Summit included influential business leaders, policymakers, and thought leaders such as-

1. Shreya Sachdev - Head of Marketing, Puma
 2. Devesh Gupta - Content Lead - Product and Community, ETBrandEquity.com
 3. Kaushik Mukherjee - Cofounder & COO, SUGAR Cosmetics
 4. Runa Ahlawat - Head of Communications, Morris Garages India
 5. Sonia Huria - Head of Communications, India, Prime Video
 6. Padmaja Joshi - Executive Editor, Times Now
 7. Samarpita Samaddar - India Communications Director, Bumble
- & many more.....



Dr Pawan Agrawal

International Motivational Speaker,
Author, Educationist,
Business Consultant,
President Kamlabai Educational
and Charitable Trust

#ICS India
Communication
Summit '23

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CASE STUDIES

SHREYA SACHDEV

Head of Marketing & Strategic Initiatives
PUMA India



PUMA'S CLEVER MARKETING PLAY: The Anushka Sharma Saga

In a surprising turn of events last year, Puma India sparked controversy by featuring Bollywood star Anushka Sharma's photos in their 'End of Season Sale' campaign without her apparent consent. However, a year later, the tables turned as Puma strategically orchestrated a captivating case study on 'Onboarding Anushka Sharma as a Brand Ambassador,' presented by Shreya Sachdev, Puma's Head of Marketing, at the India Communication Summit 2023. The uproar began when Anushka Sharma expressed her displeasure on social media about Puma's unauthorized use of her images. Amplifying it, Virat Kohli, Indian cricketer & Anushka's husband, who was already Puma India's brand ambassador, also joined the chorus.

But what seemed like a feud took an unexpected twist the next day when Puma shared an image of a contract, marked 'confidential,' blurred for secrecy, indicating a staged controversy. According to Sachdev, Anushka's alignment with sports and fitness values resonated with Puma's brand identity. Sachdev revealed that the motive extended beyond mere promotion. It aimed to build brand affinity, position Puma prominently in the Indian market, and engage a broader audience. With competition abound in athletic apparel sector, Sachdev stressed the importance of maintaining a constant presence in consumers' minds.



KEYNOTE

Dr Pawan Agrawal

International Motivational Speaker,
Author, Educationist, Business
Consultant, President Kamalabai
Educational and Charitable Trust.



MUMBAI DABBAWALAS: Making Flawless Deliveries with Effective Communication & Coordination

For over 130 years, the Dabbawalas of Mumbai have been delivering lunchboxes, called tiffin's, to more than 200,000 people every day with amazing coordination. Pawan Agrawal, who is a motivational speaker, author, and educator, captivated the audience at the India Communication Summit 2023 in New Delhi. He explained that around 5,000 Dabbawalas use local trains to carry tiffins from homes to offices and back, helping families show love through food. Each Dabbawalla carries around 110 pounds of tiffin. Interestingly, the person who picks up the tiffin might not be the same one who delivers it to the office. This complex process has worked flawlessly for 132 years because of their excellent teamwork and communication skills.

Agrawal highlighted that good communication starts with understanding what you're doing and why. He mentioned that serving food is like serving God, which is why they prioritize punctual tiffin deliveries. They even provide extra services, like returning forgotten items, building trust with customers. Agrawal also shared how the Dabbawalas encouraged sharing uneaten food by giving stickers to tiffin receivers, showing how powerful communication can be in making positive changes. He wrapped up by sharing a simple communication rule: "If you don't want to argue, focus on good communication."

SCRIPTING INDIA'S D2C STORY



Kaushik Mukherjee

Cofounder & COO, SUGAR COSMETICS

This trend has gained momentum due to the rise of e-commerce platforms, social media and the increasing desire for unique and personalized products.

How has the D2C story evolved?

"When we started trying to build a brand, people told us if you don't have INR 40 crore you will not be able to build a brand," said Kaushik Mukherjee, co-founder and chief operating officer, SUGAR Cosmetics in a fireside chat with Devesh Gupta, content lead, product and community, ETBrandEquity at the India Communication Summit 2023 curated by ETBrand Equity. There is only one way to build a brand and that is by building a product, Mukherjee was told. Speaking of communication, he mentioned that new age brands have now realized that communication is a two-way street. "Today brands are active in talking to their consumers," Mukherjee said. He however added that it is uncertain how a two-way communication would work for a behemoth like Godrej, Marico or Unilever, who have millions of consumers. "But for the new age brands, it does." Normally the target audience for a digital first D2C brand would be millennials. The brand is now even looking at how to communicate in the right way with Gen alpha and Gen Z. Sharing SUGAR's strategy and importance of good packaging, he mentioned that when they started, they realized that a good-looking package can make the consumer stop scrolling and look at the product. Concluding, Mukherjee shared that he felt a little sad about the fact that a lot of people launch a brand and immediately start discounting. "Someone has told them that is how to build a brand. Giving heavy discounts in the beginning of brand building will separate winners from losers," he said.



Devesh Gupta

**Content Lead - Product & Community,
ETBrandEquity.com**

Devesh Gupta, content lead product and community, ETBrandEquity.com along with Rahul Sharma, managing director, APCO Worldwide discussed the changing face of advocacy and advisory. Over a period of time, businesses have realized it is extremely critical to pay heed to the advocacy function, Sharma stated: Earlier, this function was also limited to only top tier management levels. Now, things are moving fast and it becomes extremely difficult for a limited few to stay in touch with what's trending. A whole team is definitely required. Sharma shared, "The democratization of advocacy and advisory is not just happening with traditional or new-age organizations, but all across. Brands today are looking at knowledge, network and trust to manage businesses, while sitting in another country as well." When it comes to the situation in India versus abroad, western governments are way more glued to the idea of what the business wants. That is now happening in India too slowly and gradually, the APCO executive said. Initially it was taken to be something unlikely to be a formally recognized sector. This happens because the government comes up with policies and regulations on two demands. One being, they are willing to change the rules of a game not for one company, but a set of companies forming an industry.

Concluding the discussion, Sharma suggested PR professionals to identify stakeholders and build the right narrative for them in order to gain their trust. To pre-empt any crisis, it will be important to stay updated, have a strong network and build trust. This will be key to driving impactful policy changes.

THE FINE ART OF STORYTELLING



Karishma Bhagi

Lead – corporate Communications,
South Asia Kellogg Company

Karishma Bhagi, the lead of corporate communications for South Asia at Kellogg Company. She shared her insights on how to craft engaging stories that resonate with the audience and reflect the brand values. She also talked about the importance of authenticity, empathy and relevance in storytelling.

Karishma Bhagi discussed how storytelling has changed over time, especially with the advent of digital media and social platforms. They also shared some tips and best practices on how to create effective stories that align with the brand identity and vision.

Dinesh Joshi is the head of corporate communications at HP India Market. He was part of a panel discussion on the long-term vision of communication having a seat in boardrooms². He talked about how communication can help businesses navigate through the challenges and opportunities in the post-pandemic world. He also highlighted the role of communication in building a strong corporate culture and reputation, as well as engaging with the stakeholders and the society.

He said that communication is not just a function, but a strategic partner for business growth and transformation.



Dinesh Joshi

Head – Corporate,
Communications, HP India Market



Pooja Pathak

Founder Director Media Mantra

Pooja Pathak emphasized on a flexible and hybrid mode of work for their employees. She said, “Our organization has started providing flexibility because post-Covid we have realized the importance of flexibility and how PR agencies can also work more effectively. Flexibility and hybrid mode is one thing.” According to Pathak, being data driven is another important trend. She added, “The second trend that would dominate this year is data driven. So, anything related to data is something that is going to work well in the communications industry.”

Shivanjali Singh spoke about the importance of storytelling in communication and how it can help brands connect with their audiences emotionally and authentically. She also shared some examples of how Vodafone Idea used storytelling to communicate its brand purpose and values during the pandemic and the rebranding process.

She emphasized that storytelling is not just about creating content, but also about listening to the customers and engaging with them in meaningful ways.



Shivanjali Singh

Head -Corporate
Communications Vodafone
Idea

BALANCING TRADITIONAL & DIGITAL PR TO CREATE STRATEGIC SUCCESS

At the panel discussion at the India Communication Summit 2023 organised by ETBrand Equity explored the classic coffee versus toffee debate aka traditional versus digital debate. Moderator Carson Dalton, director, public affairs, communications and sustainability - India & Southwest Asia, Coca-Cola wondered whether people really understand the crux of this debate. "When you think about it, I feel there are more questions than answers that arise," he said as he kickstarted the panel discussion. Dalton took an audience poll to find out how many people were dabbling through digital without having done a course in it. Close to 50 per cent of the room raised their hands.



Carson Dalton
Director, Public Affairs,
Communications & Sustainability



Pooja Garg Khan
Head-Corporate Communications,
Panasonic India

Pooja Garg Khan, head-corporate communications, Panasonic India as well. Khan stated that in today's day and age, public relations is mainly digital. "Even the traditional PR content is amplified via digital," she mentioned. Speaking of how digital PR has helped, Khan shared that it has improved targeting, it has helped in tracking measurements in an improved manner and has further helped in reaching the consumers directly. However, when speaking of digital, one might often use it interchangeably with the term 'social. Kunal Arora, managing director digital, Edelman India disagrees with the fact that social and digital can be used interchangeably. But he does believe that social media is in fact a major focus when it comes to digital PR.

Sonia Huria, head of communications - India, Prime Video shared the example of how Prime Video leveraged digital PR to create fandom for its latest show spy series 'Citadel'. The platform created a QR code for the audience to engage as a spy for Citadel. Explaining the fine line between marketing and PR, Runa Ahlawat, head of communications, Morris Garages India mentioned that PR is more organic in nature. However, Huria came with a different point of view. She felt that the lines between the two functions are blurring. Citing another example, Huria mentioned how the PR team came up with the idea of marketing Prime Video's show called 'Farzi, by launching a fragrance.



Sonia Huria
Head of Communications - India



Chhavi Leekha
Vice President – Corporate
Communications and Brand Reputation

Chhavi Leekha, vice president - corporate communications and brand reputation, IndiGo mentioned that the objectives of the two teams, that is marketing and PR might be different but the intent remains the same. "To me, PR is something that drives the reputation while marketing drives the brand building," she said.

Concluding the session, the panel jointly agreed on the principle of 'reverse metrics' when it comes to learning. This basically meant that while all other strategies might be well in place, it is the youngsters in their teams that teach them the most about the vast world of digital.

THE INTERSECTION OF COMMUNICATIONS **& INFLUENCER MARKETING**



Swati Nathani
Co-Founder and Chief
business officer Team
Pumpkin

The intersection is indeed essential because the job of a communications professional doesn't just stop at communicating. "It also involves predicting and analyzing crisis," Sharing an example she mentioned that when an influencer made fun of a brand's products that her firm was associated with, the next step they took was to send a bouquet of flowers to the influencer. "That gesture itself lifted the brand equity," she added. She added that another way to look at this might be to start driving a communication using a big celebrity and amplify the communication further using an influencer strategy. This would help strike a balance.

Further explaining the scenario when budgets might be limited, say for new age brands, she mentioned that more micro influencers come into the play. "In some cases, brands want to hammer one single message, in which scenario we go with macro influencers too,"

It should be the art of storytelling. He shared that he watches most of the food blogging videos because he likes the way they weave the story around the core idea, which helps keep the target audience engaged. He also mentioned that the young and new age brands can learn basic hygiene factors from such collaborations with mega influencers.

However, along with the storytelling factor, comes a data driven approach when one looks at influencer marketing. Not every influencer would be ideal for every brand.

Gulati added to the big celebrity versus influencer discussion, saying that when one needs to drive credibility, a big celebrity might fit. But if the brand is chasing conversions and engagement as a goal, micro and nano influencers are a better choice.



Nikhil Gulati
General Manager - Marketing,
Clovia



Bratin Roy
Communications, South Asia,
AB InBev India

Panelist Bratin Roy, head of reputation & communications, South Asia, AB InBev India highlighted that be it any kind of communication that a brand drives, be it via influencers or even directly, the crux lies in being authentic. "While the idea might be to create a brand image, authenticity should lie at the heart of everything," he mentioned.

Roy also mentioned that while choosing influencers, Ab Inbev filters choices based on whether the person is matching the passion point that the brand wants to address.

PC Jeweller : Rise & Fall

INTRODUCTION

- ❖ PC Jeweller, founded by Padma Chand Gupta and Balram Grag, enjoyed success in stock market, with shares soaring from Rs. 50 to Rs. 500 between 2014 and 2018
- ❖ The company expanded from a single store in Delhi to over 84 stores across India, earning praise from brokerages and investors.



A DRAMATIC TURN OF EVENTS

- ❖ January morning 2018, a single piece of news nearly destroyed the company.
- ❖ News of Vakrangee, a software company, acquiring a stake in PC Jeweller triggered concerns among investors due to Vakrangee's ongoing probe by the market regulator SEBI for share manipulation.
- ❖ Report noted that Mr. Gupta, the founder had quietly gifted some shares to his relatives which was an off-market transaction.



EFFORTS TO RESTORE CONFIDENCE

- ❖ Meanwhile, the company came out and said that the promoters weren't selling shares. And to assuage fears, it even announced a share buyback.
- ❖ However, the announced share buybacks plan was later retracted due to banking concerns and the need for debt reduction.

DEBT BURDEN AND SALES DECLINE

- ❖ The company's debt burden had been steadily increasing due to capital-intensive operations and rapid expansion.
- ❖ Allegations and reputational damage led to a significant drop in sales, contributing to the decline from Rs.10,000 crores in FY18 to Rs.3000 in FY21.

CASH FLOW STRUGGLES & BANKRUPTCY THREAT

- ❖ PC Jeweller faced challenges in converting inventory into cash, with Days Sales of Inventory (DSI) soaring from 200 days to over 900 days.
- ❖ In 2022, PC Jeweller defaulted on a Rs.3,400 crore bank loan, leading to potential bankruptcy proceedings.

RBI rate cut possible only after July 2024: Icra

Aug 14, 2023, 07:14 PM IST

Credit rating agency ICRA has predicted that the Reserve Bank of India (RBI) will likely implement a rate cut between July and September of the following year. The agency anticipates that the cumulative reduction in rates during this cycle will range from 0.50% to 0.75%. However, ICRA mentioned that an RBI rate hike could occur if the headline inflation exceeds 6% for two consecutive quarters. Recent official data unveiled a 15-month high of 7.4% in consumer price inflation for July. ICRA's chief economist, Aditi Nayar, attributed the unexpected spike to factors such as vegetable prices and certain food items like pulses, spices, and cereals. She also noted that excluding the impact of vegetables would bring the CPI down to 5.4%, which she considered to be more manageable.

Retail inflation surges to a 15-month high of 7.44% in July as vegetable prices soar

14 Aug 2023, 09:45 PM IST

Retail inflation spiked to a 15-month high of 7.44 per cent in July as tomatoes, vegetables and other food items turned costlier, overshooting Reserve Bank's comfort level for the first time in the current fiscal. The Reserve Bank of India (RBI) has the mandate to keep retail inflation in the range of 2 to 6 per cent and after remaining above the upper limit for most of the 2022-23 financial year, inflation was in the central bank's comfort zone this fiscal till June. Official data released on Monday showed that the Consumer Price Index (CPI) based inflation surged to 7.44 per cent in July, much higher than 4.87 per cent in June. Retail inflation stood at 6.71 per cent in July 2022 and the previous high was recorded at 7.79 per cent in April 2022.

"HDFC Bank Chief Warns of Funding Risk and Margin Impact Post Merger"

Aug 12, 2023, 12:47 AM IST

HDFC Bank's Managing Director, Sashidhar Jagdishan, has highlighted funding as the primary risk in the merger between HDFC Bank and HDFC, the former mortgage lender. To offset liabilities resulting from the merger, HDFC Bank has been actively accumulating deposits. While the bank has maintained a stable business performance within a 4% to 4.4% range over various cycles, Jagdishan noted that the merger, which incorporates the finances of the mortgage lender, will impact net interest margins (NIMs). With home loans becoming a significant portion of the total advances book, carrying lower spreads, NIMs are expected to decrease. The extent of this impact is set to become clearer in the second quarter results, scheduled for release later in October.

"Finance Minister Expresses Concern Over Global Debt Vulnerabilities"

Aug 12, 2023, 12:48 AM IST

An independent committee of experts, led by finance commission chairman NK Singh and former US treasury secretary Lawrence Summers, has proposed that multilateral development banks (MDBs) respond to growing calls from donor and borrowing nations to extend their lending operations beyond core developmental objectives. The committee's recommendations include addressing global challenges in addition to poverty reduction, aiming to triple sustainable lending levels by 2030, and enhancing capital adequacy through fund infusion.

Wholesale inflation eases in June, but still above 15%

Jul 15, 2022, 08:44 IST

Wholesale price inflation in India slightly eased to a two-month low in June, but it persisted in double digits for the 15th consecutive month and above 15% for the third consecutive month, primarily due to modest increases in certain food prices. The Wholesale Price Index (WPI) recorded a 15.2% annual rise in June, a slight reduction from the record 15.9% in May. This moderation was attributed to decreased global commodity prices and a marginal softening in fuel and power inflation. Core inflation (excluding food and fuel) also eased to 9.3% in June, while food inflation remained a concern with food articles registering a 14.4% increase. The lingering inflation prompted expectations of further interest rate hikes by the Reserve Bank of India (RBI) in the coming months, especially considering the persistence of retail inflation near the 7% mark.

India's Q1 Fiscal Deficit Reaches Rs 4.51 Lakh Crore, Widening to 25.3% of FY23 Target

Jul 31, 2023, 04:24 PM IST

India's fiscal deficit for the April-June quarter of this fiscal year stood at 4.51 lakh crore rupees, equal to 25.3% of the annual estimate, a rise from the comparable period's 21.2%. Total receipts were 5.99 lakh crore rupees, and expenditure reached 10.51 lakh crore rupees, approximately 22.1% and 23% of the budget target, respectively. Revenue receipts included tax revenue of 43.36 lakh crore rupees and non-tax revenue of 15.50 lakh crore rupees, comprising 18.6% and 51.4% of the budgeted estimate. Non-tax revenue surged due to the Reserve Bank of India transferring Rs 87,416 crore as surplus to the central government.

India's Public Borrowing Manageable but Leaves Limited Policy Margin

Jul 27, 2023, 10:37 PM IST

Shifting spending focus towards investment in capacity and infrastructure has the potential to stimulate GDP and revenue growth. Reducing contingent liabilities, a persistent issue at the state level, could stabilize state debt. India's fiscal outcomes, initially divergent, veered further towards higher debt due to the pandemic. In the peak year of 2020-21, the combined public debt and fiscal deficit of the central and state governments reached 89% and 13% of GDP respectively. While these ratios have decreased with nominal GDP recovery, they remain elevated at 84% and 9%. Despite the decline, they remain comparatively high among emerging markets and middle-income countries.

Swift Non-Tariff Barrier Removal Crucial for Achieving Trillion-Dollar Merchandise Export Target: GTRI Report

Aug 15, 2023, 01:20 PM IST

To achieve the ambitious goal of one trillion dollars in merchandise exports by 2030, India must urgently address non-trade barriers (NTBs) encountered by its exporters in various nations, including the US, China, and Japan, as highlighted by a report from the Global Trade Research Initiative (GTRI). The report recommends a dual strategy: enhancing domestic systems to rectify quality-related rejections of Indian products and responding with countermeasures when unreasonable standards or regulations impede New Delhi's exports. GTRI Co-founder Ajay Srivastava stressed the need for dialogue with partner countries to find equitable solutions, as many of India's exports face delays due to prior registration requirements and impractical domestic standards.

Marketing NEWS

FMCG companies fight for market share: 'Agile' small peers

Smaller Indian players like Parle, Britannia, and Hindustan Unilever have made inroads into sectors such as biscuits, tea, detergents, oil, and snacks, eroding the market share of larger corporations due to reduced raw material costs. In times of deflation, local competitors capitalize on the value proposition by offering increased product quantities and showcasing agility in product launches. Hindustan Unilever, Britannia, Parle, and Marico have all acknowledged the encroachment of smaller players on their market share across segments like tea, detergents, oil, biscuits, and snacks, attributed to their entry with cost-effective products after raw material prices have stabilized.

For instance, within the rusk market, there are approximately 2500 local contenders, while over 3000 smaller and regional players command around 40% of the snacking sector. During deflationary periods, local rivals focus on enhancing customer value through additional grammage and swift adaptation of products. The impact of these local players has been substantial, especially in areas like soaps, detergents, hair oil, tea, and biscuits, as they steadily eat into the shares of leading consumer product giants.

The pandemic-induced disruptions and subsequent inflation in raw materials led some smaller players to scale down or cease operations. Hindustan Unilever has noted a resurgence of small and regional players, many of whom returned to the market after the peak of inflation.

In specific segments like tea and detergent bars, smaller players have outpaced their larger counterparts in growth rates. Similarly, Marico has observed heightened competition in the bottom-of-the-pyramid segment, primarily dominated by smaller players. Market research firm Kantar's analysis revealed that local companies operating within a single market grew by 13% during the year ending April 2023, surpassing national brands' 9% growth. However, brands functioning in two to eight markets experienced a 2% decline, while unbranded entities dropped by 5%.



CONCLUSION

In summary, smaller local players in India's consumer goods sectors have seized opportunities during periods of deflation to offer more value to consumers and display agility in launching products. This has led to a nibbling away of market shares from larger corporations like Hindustan Unilever, Britannia, and Parle. Despite challenges posed by inflation, these smaller players have shown resilience and resurgence, resulting in a shift in market dynamics and competition across various segments.

Government to invest \$13 billion more in BharatNet: Ashwini Vaishnaw

Jul 15, 2023, 12:03 AM IST, Economic Times

The Indian government plans to invest \$13 billion in BharatNet to ensure high-quality broadband internet access reaches all villages. Currently, around 850 million people have internet access, but this investment aims to expand coverage further. An initial \$8.5 billion has already been invested in the rural connectivity scheme, targeting all six lakh villages. Additionally, the government will enhance 4G connectivity in economically less viable areas. The focus is on inclusive technology access, preventing monopolies, and providing equal access regardless of wealth. The approach involves public-private partnerships to develop core digital technology platforms using public funds, supporting widespread digital infrastructure development.

Tesla builds first Cybertruck after two years of delays

Jul 18, 2023, 8:51 AM IST Economic Times

Tesla has manufactured its inaugural Cybertruck at its Austin, Texas plant, marking the end of a two-year delay. Initially unveiled by Elon Musk in 2019, the pickup's production faced setbacks, with component shortages delaying the launch to 2023. Musk aimed for an annual production of 250,000 Cybertrucks, targeting a lucrative segment of the US market and competing with Ford and Rivian. Tesla's entry follows limited releases from its competitors. Mass production of the Cybertruck is slated for late 2023, as per last year's reports. This milestone bolsters Tesla's presence in the electric vehicle sector and intensifies competition in the EV truck market.

Tatas may adopt Vistara's SOPs in all airline entities

Jul 19, 2023, 12:30 AM IST, Economic Times

Tata Group is considering integrating Vistara's flight safety and customer experience standard operating procedures (SOPs) into the upcoming merged entities of Air India, AirAsia (India), and Air India Express. Preliminary discussions and data sharing on safety SOPs have commenced, while deliberations on incorporating customer service practices will follow pending regulatory approvals for the merger. This move reflects Tata's intention to leverage Vistara's established practices to enhance operational excellence and passenger satisfaction within the newly formed airline entities. The alignment of SOPs from Vistara underscores Tata's strategic approach to consolidate and optimize resources across its aviation portfolio for improved overall performance.

Jio building entire ecosystem for Jio Bharat phone in India for supply chain, assembly: Kiran Thomas

Jul 24, 2023, 12:38 PM IST, Economic Times

Reliance Jio is establishing an ecosystem for its Jio Bharat internet-enabled phone in India, collaborating with various original equipment manufacturers (OEMs) for design, assembly, and supply chain functions, as outlined by President Kiran Thomas. This strategic approach aims to deliver the device at an affordable sub-Rs 1,000 price point. This ecosystem involves multiple domestic OEMs supported by Jio, fostering localized design and assembly with an entirely Indian supply chain. The Jio Bharat device has garnered positive initial responses, prompting Jio to rapidly distribute approximately one million units through its platform and OEM partnerships.

Samsung aims for over 50% India premium market share: TM Roh

Last Updated: Jul 31, 2023, 05:14 PM IST, Economic Times

Samsung aims to secure a market share exceeding 50% in India's super-premium segment with its new foldable smartphones, reveals TM Roh, President of MX Business at Samsung Electronics. Currently holding 35% in this rapidly growing sector, Samsung seeks to leverage its position. Roh envisions the foldable market expanding to 100 million units annually within five years, with plans to extend the foldable form factor to products beyond smartphones, like tablets and PCs. Samsung's strategy entails dominating India's premium space, forecasting substantial growth in foldable technology adoption, and diversifying its innovative design across various tech categories.

Maruti Q1 net profit doubles on robust sales

Aug 01, 2023, 12:19 AM IST, Economic Times

The leading carmaker in the country witnessed a significant surge in net profit during the fiscal Q1 ending on June 30, reaching ₹2,485.1 crore compared to ₹1,012.8 crore the previous year. Net sales also saw a rise, escalating to ₹30,845.2 crore from ₹25,286.3 crore, accompanied by a higher average vehicle selling price of ₹5.33 lakh, compared to ₹4.76 lakh in the prior year. This robust performance reflects a substantial profit increase, bolstered by both enhanced sales figures and an improved average selling price for vehicles, signifying positive market dynamics and financial growth for the car manufacturer.

Amazon Frankfurt-listed shares surge, Apple slides after results

Aug 04, 2023, 12:18 PM IST, Economic Times

Amazon's shares surged by 8.5% in Frankfurt trading following a positive Q3 outlook. The boost came after the company exceeded Wall Street's expectations with strong sales growth and profits, attributed to improved delivery efficiency and easing challenges in cloud computing. Concurrently, Apple's German-listed shares dropped by 2.3% as the company predicted a persistent sales decline for the current quarter, despite surpassing sales and profit projections in the fiscal Q3. This divergent market response reflects Amazon's optimistic trajectory due to operational enhancements, while Apple faces concern over prolonged sales slump, causing its shares to dip despite solid Q3 performance.

Microsoft introduces next-gen AI solutions to boost frontline productivity

Aug 10, 2023, 12:32 PM IST, Economic Times

Microsoft has unveiled new tools and integrations, including a Copilot offering, to bring generative AI capabilities to frontline service professionals. Over 60% of Fortune 500 companies already use Microsoft 365 for their frontline workers. The initiative aims to enhance efficiency, customer experiences, and decision-making across three key areas: intelligent operations, effortless communication, and trusted experiences. Many frontline workers face challenges due to labor and supply shortages, leading to burnout and a desire for more meaningful work.