

TVS hits the road for loyalty

The two-wheeler maker has won customer patronage with relentless focus on after-sales service

RITWIK SHARMA

TVS Motor Company stands third in the 16.5 million unit Indian two-wheeler market — way behind Hero MotoCorp and Honda — but survey after survey suggests the manufacturer is right at the top when it comes to customer satisfaction. For instance, earlier this year, it topped the JD Power 2016 India Two-wheeler Customer Service Index scoring 773 on a 1,000-point scale on overall customer satisfaction, ahead of an industry average of 748.

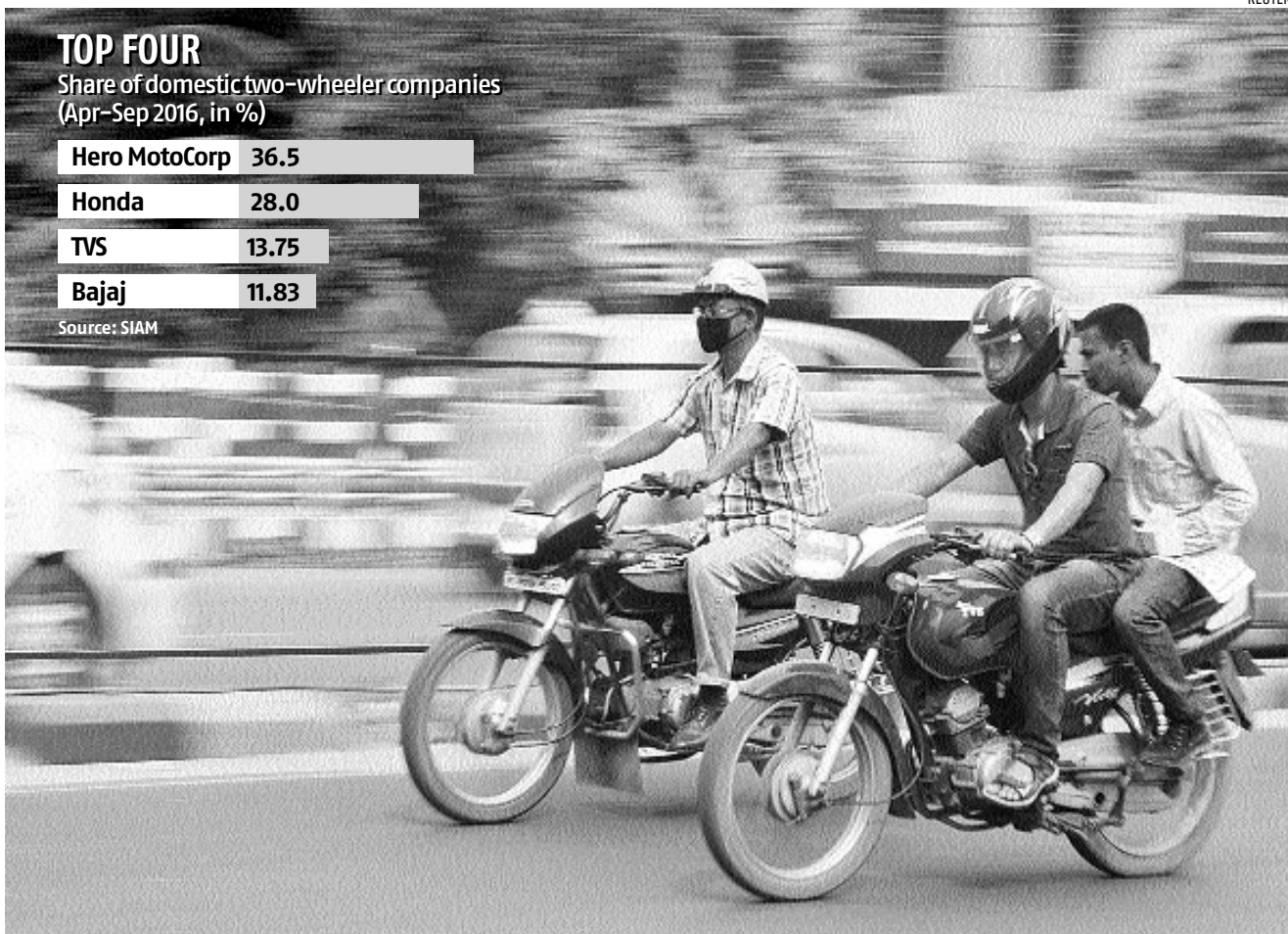
The launch of a 24/7 roadside assistance (RSA) programme by the company late last month reaffirms its claims of “customer-centricity”, while pointing to how auto companies in India are giving more importance to an after-sales segment that has been traditionally dominated by independent garages and workshops.

TVS launched the programme across 70 cities. It plans to extend it to 200 cities this month and roll it out pan-India by March 2017. It is applicable to new and existing TVS scooters and motorcycles under warranty with no additional costs.

J S Srinivasan, vice-president, sales and service, TVS Motor Company, says, “As a company, we constantly strive to meet the evolving needs of the two-wheeler customer with our products and also boost their overall ownership experience. With more than 3,500 dealer touch points, we are confident of extending a 24/7 RSA programme, which will cater to the consumer’s immediate requirements and also help them overcome any issue on the road.”

Given that competitors such as Honda also have similar roadside assistance plans, how does TVS plan to differentiate itself in after-sales services? Srinivasan says, “Our customer centricity and focus on quality are the underpinning factors for better than industry average performance.”

Arun Siddharth, vice-president-marketing (motorcycles), says TVS has launched a number of financial schemes to ensure affordability and sound financing across rural markets for the festive season. “A special 3.99 per cent interest scheme is available for all two-wheelers. A cheque-less EMI scheme is available at the rural dealerships (customers can pay EMIs in cash). Most of our rural retail financing is done through TVS Credit. We are offering special exchange offers to our customers during the festive season and have also



EXPERT TAKE

OEMs caught in a dilemma



RAJEEV SINGH
Partner and head of automotive, KPMG India

Most OEMs in India are caught in a dilemma. At the high end, companies are clear that they do not want to go into roadside assistance at all, but in the mass market they are facing a challenge.

On the one hand, companies are saying “let me go ahead and support the roadside workshops” so that authorised parts are available, they don’t lose on revenues or tarnish the brand image, and are able to extend their reach to customers; on the other, electronic components in vehicles,

including two-wheelers, is much higher than before. So, the skill set required to repair such vehicles is completely different from the skill set required to fix traditional vehicles. Typically, one may not be able to repair a car with high electronic content at the roadside; one has to take it to the garage or authorised dealer.

Even two-wheelers are moving in that direction, where electronic content is going up and the skill to repair is becoming more technology-driven.

very important to address the customer and profitability issues, and today you need to build a strong connect with customers after selling your product,” Majeed says.

In the absence of a sound after-sales strategy, he reckons companies might be considered the quintessential sweet treat for years, but before being transformed into delectable solid bars, they were consumed as a bitter beverage. Consequently, manufacturers started sweetening it to make it more acceptable to the masses. Of late, industry players have been experimenting with the art of chocolate-making at the back of innovative production techniques, churning out newer variants and flavours consistently.

However, purists these days are looking for a demanding and powerful consumption experience. Today, it’s interesting to witness the reverse paradigm shift, where the market is moving back to the original era — the purest form of chocolate, with high cocoa percentages. Emerging as a “favourite” and a not-so-guilty pleasure for the “health conscious” and simultaneously, for the “not so health conscious” for its distinctive taste and aspirational value, dark chocolates or chocolates with much less milk can easily be labelled as the super food. India has just begun savouring the bittersweet taste.

Chocolate is the world’s most widely consumed product. In the larger chocolate category, dark chocolate is panning out to be one of the biggest drivers of growth in sales, especially in countries like Switzerland, the United States and the United Kingdom. It enjoys greater acceptability in the international markets owing to the evolved palate of a global consumer

GUEST COLUMN

Adapting to consumer tastes

Dark chocolates or chocolates with less milk is the next super food

For as long as I remember, we all have been habitual of consuming chocolates to satiate our sweet tooth. So much so that chocolates became synonymous with desserts and sweets. But, very few people are well-versed with their rich bittersweet legacy. Chocolates might be considered the quintessential sweet treat for years, but before being transformed into delectable solid bars, they were consumed as a bitter beverage.

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which is not extremely sweet, and also because of the added health benefits the higher cocoa content offers. Contrary to the foreign markets which swear by the product, the scenario in India is quite different.



PRASHANT PERES
Director, Marketing (chocolates), Mondelez India

Until a few years ago, the dark chocolate category in India was largely untapped, given the key challenge of an unacquainted taste and by virtue of being more expensive than milk and white chocolates. From a lifestyle aspect also, traditional sweets have been inherent to India’s cultural fabric and hence, predominantly just the perception that desserts are meant to be sweet acted as the biggest roadblock to the concept of dark chocolates then.

Being savoured by numerous Indians, milk chocolates are currently the most popular category in India. The tablet segment constitutes 55 per cent of the total sales of chocolates, leaving little room for other chocolate categories. But now, with preferences of Indian consumers transforming due to rising disposable incomes, growing media exposure, changing lifestyles and a young population’s growing affinity for indulgence have set the stage to transform India into one of the world’s fastest growing chocolate markets. In the fine chocolate/premium category, dark chocolate is continually growing in both sales and volume, to match the evolving tastes of the discerning consumers in Asia Pacific. Dark chocolate constitutes six per cent of the total sales of the tablet segment.

In the Indian market, 100 per cent cocoa dark chocolates were anyway not strongly established as its positioning was that of an indulgent, aspirational product catering to a small segment of consumers. Though there was an initial hesitation, dark chocolate has gradually managed to adapt to the taste of the Indian consumers.

MOVEMENTS

Moving on



KV Sridhar aka Pops has stepped down as the chief creative officer at Publicis Groupe-owned operations. He is in the process of launching his independent set-up. Sridhar had joined as the first ever Indian CCO of SapientNitro after 17 years as chief creative officer of Leo Burnett-India and the subcontinent.

Creative streak



Anup Chitnis, executive creative director, South Asia, at Ogilvy & Mather Advertising, has decided to move on and become a full-time ad film director. He is joining Rising Sun Films, the Mumbai-based features and ad film production house that was launched by Shoojit Sircar and Ronnie Lahiri. Prior to Ogilvy, Chitnis has worked at agencies like Rediffusion, Saatchi & Saatchi and Mudra.

Media move

Madison Media has appointed Vinay Hegde as senior vice-president, buying, who will report to Neelkamal Sharma, CCO, buying, for the group. Hegde joins the agency from Starcom Mediavest Group where he was the national trading director. Hegde has over 20 years of experience having worked in Mindshare Fulcrum for over 10 years handling buying for Unilever business. He has also worked in Disney as director, revenue strategy, and HTA and Percept.

‘Today, every manager and employee needs to be a strategist’

Insights and strategy must have a voice in the C-suite and must be concerned not only with analytics but also with empathy-based learning, **Claire Brooks** tells **Sangeeta Tanwar**



CLAIRE BROOKS
Author, Marketing with Strategic Empathy

In a world where corporates chase profits relentlessly what role does empathy play in strategy?

In a slow growth environment, corporations are investing in predictive and prescriptive data analytics to guide decision-making and optimise sales. However, data alone cannot help managers develop a deep understanding of how consumers think, feel or behave, and to design effective products, services and marketing programmes. Nor can data easily spark the personal and subjective insights and intuitions; the metaphors and mental constructs which are essential for successful innovation. My research over the last 12 years has shown that the key to profitable marketing success and growth is for managers across firms to develop deep understanding and insight — empathy — with consumers within the broader context of their lives, as a basis for marketing strategy formation and activation. This requires a systematic approach to deep insights and empathy-based strategic learning about customers. This is what we call the Strategic Empathy Process. Empathy in this case is not a soft skill. Empathy without effective strategic action is not strategic empathy.

You have said traditional theory and current best practices of strategy formation are out of sync. What exactly is amiss?

Leading corporations have rigorous annual marketing strategy planning processes, lasting several weeks, once a year. Yet in a VUCA world — one of volatility, uncertainty, complexity and ambiguity — markets are now moving too fast for tradition-



al models of strategy planning. Henry Mintzberg of the McGill University Faculty of Management first demonstrated that the strategic planning processes carried out by major corporations ignore the frequent reality that strategy formation is not a deliberate, planned approach, but is emergent. In many successful Fortune 500 firms, forward strategic planning is being replaced by strategic learning — an ongoing process of shifting strategy based on the existing knowledge and new learning of stakeholders at all levels of the firm. In this new business environment, every manager, perhaps even every employee, must become a strategist.

How can organisations move towards flexible strategy formation and activation to keep pace with competition?

The Strategic Empathy Process was developed to facilitate strategic learning, as the basis for a flexible, dynamic approach to marketing strategy formation and activation among stakeholders who need to address specific marketing issues. However, it also promotes organisation-wide strate-

gic learning in support of ongoing, emergent strategy formation at all levels.

Step 1 of the Strategic Empathy Process involves the core stakeholder team in immersive research with consumers and customers, which nurtures deep and nuanced insight around one-dimensional data. In Step 2, the stakeholder team pinpoints the key insights and decides how each insight must be activated to address marketing issues. In Step 3, “Strategic Story-telling”, the core team decides how to socialise strategic learning across the firm in a way which will nurture empathy among other managers and employees. For example, we brought the US-based global brand team for a beverage brand to India, to experience immersive research in partnership with the local marketing team and local research specialists. The team needed to decide how to position and launch the brand in the Indian market in about four weeks. Following research, an activation session was held with the Indian and US teams and all the partner agencies to share learning, ideate, and confirm the launch strategy and creative briefs.

How should companies go about building brands that are not just “wanted” but “desired” by the consumer?

Leading consumer marketing corporations are becoming strategic learning organisations because they know that the key to meaningful brand differentiation is depth of consumer understanding: empathy. Empathy-based strategic action, leads to the development of products and programmes which meet the consumer’s needs and desires. Empathy must be patiently developed with the guidance of deep insights and brand marketing specialists, using multidisciplinary theoretical frameworks. This means that insights and strategy must have a voice in the C-Suite and must be concerned not only with analytics but also with empathy-based learning.

QUIZ

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- Name the brand that launched its ready-to-wear spring summer collection in Paris with a set resembling a data centre android-like catwalk models recalling Softbank’s Pepper or Honda’s ASIMO robots instead of human models.
- Who said this: “Ultimately it comes down to taste. Picasso had a saying: Good artists copy, great artists steal. We have always been shameless about stealing great ideas. I think part of what made the ___ great was that people working on it were musicians, poets, artists and zoologists and historians who also happened to be the best computer scientists in the world.” Fill in the blank too.
- This Englishman came up with an innovative idea in horticulture in the 1890s. He found that the public were being priced out of taking an interest in gardening. He thought that by selling penny packets of seed through mail order, he could make it affordable for people to take pride in sprucing up their gardens and at the same time could prove to be a profitable business. He is also associated with a famous sporting event. Name him and the event.
- This brand opened its first store in the mid-1960s, with the Grateful Dead playing at the opening and a poster of Bob Dylan hung in the window. It is celebrating its 50th year this year. Name it.
- Which brand’s first topical advertisement came out in mid-1960s when horse racing in India was becoming popular. The ad featured ___ riding a horse with a pun on a word which means of pure breed.
- In this island Portuguese sailors afflicted with scurvy during the 16th and 17th centuries were dropped off by their ships and subsequently on their return found them to be have recovered from it. A product from this island is popular with bartenders and is found in alcoholic and non-alcoholic drinks. Name the product and the island it comes from.
- Founded by a NASA researcher, the firm’s product was refined by two brothers when their high school teammates were murdered in a road rage in the US. It gets its name from Tom Swift, a sci-fi character by Victor Appleton. What is it.
- In war this term is used for an infallible attack or defence. In business it’s a guaranteed solution to a problem. Name it?
- This firm’s scrip is touted as “from a balloon seller to the most valued stock” in the Indian bourses. It has grown more than 100 per cent since 2001. Name it.
- Whose logo is this?

COMPILED BY GAURAV SRI KRISHNA, www.facebook.com/gaurav.s.krishna

ANSWERS TO THE STRATEGIST QUIZ 482

- Hippalus, a Greek navigator and merchant credited with discovering the direct route from the Red Sea to India over the Indian Ocean by plotting the sea’s scheme and the location of trade ports along India’s coast. He discovered the south-west monsoon wind, also called Hippalus. A crater on the moon is named after him
- Cigarettes
- Coutline
- Flying cash. The Tang (dynasty) government, considering the trouble of shipping cash to distant areas where government purchases were made, paid local merchants with money certificates made in paper and prone to fly away
- Nikola Tesla
- Maria Sharapova (Homestead) and Zinedine Zidane (Kanakia Builders)
- Males are generally called empty suits and female execs hollow bunnies
- Swarovski
- Victor Mills — a chemical engineer for Procter & Gamble Co credited with creating modern disposable diapers and the Pampers brand, production improvements for Ivory soap and Duncan Hines cake mix, and the production concept for Pringles
- Authentic Brands Group. It owns consumer brands Bobby Jones, Muhammad Ali, Shaquille O’Neal, Elvis Priestley & Marilyn Monroe

One lucky winner will receive a cheque for ₹2,000. Send your entries to strategist@bmail.in. All entries must carry the postal address of the contestant. Last date for receiving entries: October 14 till 8 pm. Previous winners and employees of Business Standard and their families are not eligible to participate. The winner is chosen on the basis of the first correct entry received.

There were six entries to quiz No 482. The winner is Anand Raj of Jharkand. The winner is based on the first correct entry received.