

PRADEEP GIDWANI'S VIEWS ON CREATING CONSUMER LOYALTIES

Operating Framework in India

- Due to vast diversities in the country, different strategies need to be employed for different states and even different districts
- The taxation structure varies in different states and does not provide a level playing field
- Since October 2000, liquor advertising is not permitted
- Archaic laws. For e.g. one needs a license to consume liquor in Mumbai.
- Not more than 10mn can afford beer (1% of total Indian population)

For a product like Foster's, which is not a mass product and falls in the luxury product category, identification and segmenting of the consumer is important.

Research showed that Fosters was linked to Australia - Australians love sports such as rugby, motor racing, surfing, football, cricket amongst others. The company decided to focus on the Australian heritage of the beer while reinforcing the fun, good humour and relaxation theme. Therefore the brand started associating with sports through integrated marketing communications and realised that the association with sports properties has to be leveraged through above the line and on-ground promotions.

Fosters decided to associate itself with Formula One (F1). More than 57 billion viewers around the globe view F1 racing. It has a tremendous fan following that cuts across all the barriers. It happens on 17 Sundays every year whereas cricket and football world cups are played once in four years.

The company believes that it is critical to provide its consumers an experience of its brand and therefore leveraged its association with F1 to reach out to its consumers and help create loyalty by creating an F1 experience. Some of the key activities it undertook to reach out to different consumer groups were :

Activation of crème of society or the **influencers**, through celebrity hosted screenings at unusual venues such as Stanza (a lifestyle store in Hyderabad), Poonawala farm (in Pune), ZIIP go carting track (in Mumbai). An effort was made to create an ambience to transport the viewers to the host country. Therefore, a casino theme was chosen for the

Monaco Grand Prix, focus was laid on German food for the German Grand Prix.

Used the **Lakme India Fashion Week** as a platform for showcasing the F1. It constructed a Foster's pit stop, which not only provided refreshments to the media and designers but also served as a meeting point for them during the weeklong event.

The company decided to reach out to its **corporate audience** by not just sending mailers but making them experience the F1. They created an F1 ambience at Kamla Mills (a venue where some of the leading business houses are located in Mumbai) and invited their target consumers to come and experience the event. A similar experience was created for the **trade** too.

To reach out to the **youth**, Fosters identified popular youth hangouts in Mumbai. One such location was the Hiranandani complex (an upscale shopping complex in Mumbai suburbs), where Fosters created extensive branding 15 days prior to an F1 screening and then held the screening within the premises of the supermarket.

While it was reaching out to its external audience, the company realised that it was important for its **employees** too to know about the F1 and that it was imperative to create an involvement with the brand internally. Fosters organised Go Carting for its entire sales team. It even encouraged and enabled F1 screenings at employees' homes, wherein the company provided free beer for the gathering. This exercise was a great success and therefore Fosters decided to replicate it with similar success to the socialite circle.

For Fosters, PR plays an important role and especially so because it can not advertise. In all the above PR played a critical role and the company was able to effectively garner media support for its endeavours.

QUESTIONS AND ANSWERS

What is the conversion of promotional activities into sales?

Pradeep Gidwani replied that like advertising does not equal direct sales, even promotional activities are not undertaken for direct sales. We undertake such activities to build an image for the brand and market sales are derived thereafter. Fosters has been present in India for five years and despite it being an Australian beer it has captured 28 per cent of the country's beer market share.

Why does Fosters have a weak presence in Goa, when the state matches the personality of the brand, that of an easy, fun loving one?

Maharashtra is the biggest market for beer in the country. In the light beer segment Mumbai has the biggest market followed by Delhi, Chennai, Hyderabad and then Goa, which has just five per cent of total marketshare. Also the taxation structure of Goa does not provide a level playing field for Fosters.

Comments from Participants

Moet- Henessy Advertising is not an option for the company, given the ban on liquor advertising in the country. The company believes that since its product belongs to the niche top-end category, it does not require consumer push as in its case consumer pull is what works. It conducts very focussed direct marketing programmes for its Dom Perignon brand in Mumbai and Delhi, which are its key markets and believes that its too early yet for consumer loyalty in its case. The company is still focussing on education, creating awareness and accessibility for its products.

Pradeep Gidwani added that it is essential to build an emotional appeal around a brand to draw consumer loyalty.

Swatch The company has been in the country since the last five years and has five brands present. It has tried to introduce the concept of owning multiple watches in India. Given that its products too belong to the niche top end segment, it is constantly trying to educate its consumers.

(Excerpted from the presentation made by Pradeep Gidwani, Managing Director, Fosters India, at PR Pundit's workshop, held in Mumbai on September 10, 2003)