

The Wharton School
Marketing Department

DRAFT COURSE OUTLINE

COURSE TITLE: Marketing in Emerging Economies:
Understanding and Marketing to the Indian Consumer

INSTRUCTOR: 1. Jagmohan S. Raju, Joseph J. Aresty Professor

TA's: To be announced.

DATES: December 28 – December 30, 2010
Evening Reception December 27, 2010

LOCATION: Mumbai, India [at Taj President]

Credit: 0.5 CU's

Course Overview

This course is the first part of a two part series. The second course, "Marketing to the Chinese Consumer" will be offered next year. Students can choose to take either one of these courses or both. India and China add up to 1/3rd of the world's population. Each presents its own challenges and opportunities. The two countries contributed to more than ½ of the world's GDP five centuries ago. Many suggest that history might repeat itself very soon. MNC's from the West have operated in both countries for many years but domestic MNC's and MNC's from SE Asia are becoming stronger and in many cases have overtaken MNC's from the Western world despite their very strong brands and know-how.

The objective of this course is provide students with a critical understanding of the Indian consumer, distribution channels, and the media available to influence the consumer and through this an ability to market to the Indian consumer successfully.

The course will consist of a combination of lectures, case studies, presentations by industry experts and senior executives, and site-visits. Frameworks for understanding consumers' psychology and buying habits will be studied including the influence of family, religion, income and other demographic characteristics on purchase behavior. Students will gain an appreciation of the diversity of the Indian market as well an understanding of some common drivers of purchase behavior. Differences between consumers in India and western countries will be studied. Students will learn about traditional and the emerging modern distribution systems. The course will also provide a critical understanding of the media available in India to influence the Indian consumer.

The course is likely to use case studies from a selection of the industries: consumer packaged goods, two-wheelers and cars, large and small household appliances, mobile phones and service, retailing, media and entertainment (Bollywood, Sports - IPL), western and traditional medicines, residential real estate, education, and life insurance.

The course will meet over 3 days in Mumbai India. As of now, the course will be open to only Wharton students (MBA, WEMBA and UG's). We might allow Penn students from other Schools depending on availability.

All students should read the following book as background reading. We shall re-visit some of the chapters from this book during the course:

The Marketing Whitebook 2010-2011: One Stop Guide to Marketers, Business World.

Students are expected to write a paper after the course's completion to receive credit. Students may follow one of the three options below:

1. From the perspective of a company not based in India, write a paper on a particular firm or sector of the Indian consumer industry focusing on how this industry has evolved and the key challenges and opportunities. Advise your "client" company how they might go about capitalizing on this opportunity and what pitfalls they might want to avoid. This can be done as a team or as an individual.
2. Write an update to one of the cases used in the course based on more recent industry data, executive interviews and site visits. The update should cover what has happened since the case was written, and what strategies were pursued. Our goal here is to have student papers and project contribute to teaching materials and cases that Wharton can use for future course offerings.
3. Following the same guidelines as in #2, write a new case that can be useful for future course offerings.

Grading Scheme:

Class Participation and Preparation: 30%

Term Paper (Group or Individual): 70%

Preliminary Course Outline **More Sessions will be added as necessary based on participant input**

Module 1: **Overview of the Indian Consumer**

- a. What does the Indian consumer buy?
- b. Where does the Indian consumer buy?
- c. How does the Indian consumer buy?

Suggested Background Readings:

1. Banerjee and Duflo (2008), "What is Middle Class about the Middle Class around the World," **Journal of Economic Perspectives**.
2. Erik Simanis, At the Base of the Pyramid, October 26 2009, WSJ

Case: Air Deccan (B);

Louis Vitton in India

Module 2: **Consumer Segmentation**

Suggested Background Readings:

1. Kopalle, Lehmann, and Farley, "Consumer Expectations Satisfaction and and Culture, The Role of Karma in India," forthcoming, **Journal of Consumer Research**.

Case: Tanishq: Positioning to Capture the Indian Woman's Heart

Module 3: **Distribution and Retailing**

Suggested Background Readings:

1. Singh, VK, R. Blattberg (2006), "Market Entry and Consumer Behavior: Case of Walmart Supercenter", **Marketing Science** 25(5), 457-476.
2. Ailawadi, Kusum, Jie Zhang, Aradhna Krishna and Mike Kruger, "When Walmart Enters: How Incumbent Retailers React and How this Affects their Sales Outcomes", forthcoming, **Journal of Marketing Research**.

Case: Tesco PLC in India? Stanford GSB Case P-62 10/2008

Module 4: **Marketing to the Rural Consumer**

Suggested Background Readings:

1. Laurel Jackson, "Decision-Making of Poor Consumers in Emerging Economies: A Conceptual Framework,
2. Vishwanathan, Rosa and Harris (2005), "Decision Making and Coping by Functionally Illiterate Consumers", Journal of Marketing
3. Knowledge@Wharton Video: MNC's in the Indian Rural Market <http://knowledge.wharton.upenn.edu/india/article.cfm?articleid=4475>
4. Koenigsberg, Kohli, and Montoya (2010), "Package Size Decisions," **Management Science**.

Case: Unilever in India: Hindustan Lever's Project Shakti – Marketing FMCG to the Rural Customer

Module 5: **Emerging Middle Class in India**

Suggested Background Readings:

1. The Marketing Whitebook 2010-2011, Chapters on Food and Beverage Industry and FMCG and Consumer Durables.
2. Fairness Products Market in India: Who is the Fairest?

Case: From Sweet Moments to Magic Moments: Cadbury 2009 (A)

Module 6: **Branding Strategies**

Suggested Background Readings:

Case: Branded Indian Snacks Market: Case of Pepsico's Kurkure.

Module 7: **Media and Entertainment Industry in India**

Suggested Background Readings:

1. The Changing Face of Indian Television Industry: 2006
2. Shah Rukh Khan vs Amir Khan: Who is the Better Marketer?
3. Tata Sky's Marketing Strategies.