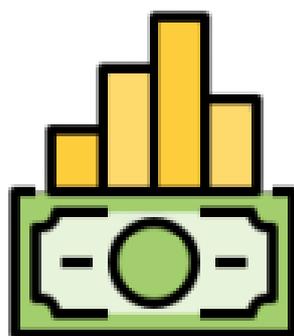
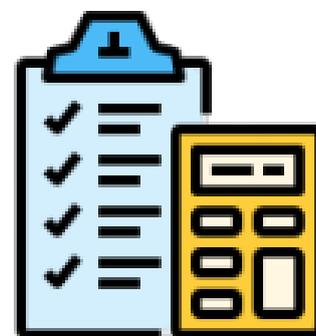
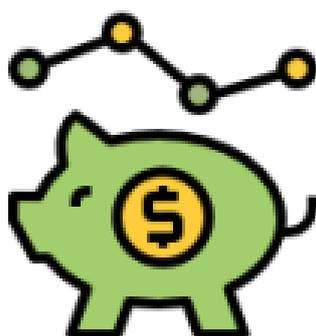
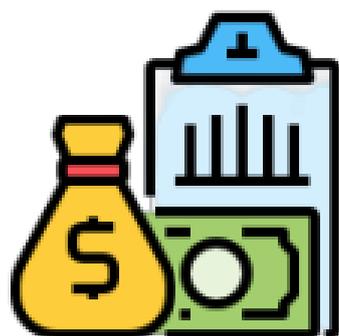


GREY MATTERS

July'20 Edition



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Marketing in a pandemic world

For many companies around the world, the 4 Ps of marketing – product, place, price and promotion - quickly changed to 4 Cs – confusion, calamity, chaos and complexity.

Reassessing and Readjusting the 4 Ps

- Product – Companies temporarily narrowed down production varieties and focusses on ‘essential items’ to reduce supply chain burdens as well as some portion of production resources to deliver crisis-related goods. For example, Facebook shifted its focus from in-person focus areas such as Facebook events and Facebook Marketplace, to provide more security and functionality to areas such as Facebook live, Facebook messenger and WhatsApp, where user demand spiked significantly
- Place – The primary concern for the companies were to adjust employee and customer interaction to maximize safety while still delivering what customers want and need. These were achieved through many ways. Expanded delivery and touchless options for product receipt and service implementation. Virtual alternatives like self-guided demos and how-to-do videos through increased online educational content for safe and secure customer interaction
- Price – Businesses and brands started to re-evaluate on possible pricing adjustments, offers or changes to buying terms and develop creative approaches for enticing purchases. Like removal or changes to ancillary fees, allowances for

delayed payments and expanding financing options. Companies were quick in extending free trials, widening cancellation condition options and promotion of bundled pricing to support higher average volumes, even at lesser margins

- Promotion – For B2B marketing, marketing has become accustomed to getting information via video conferences and in-person exchanges and in-person exchanges and having to turn to digital channels even more.

How to frame a balanced marketing strategy during a pandemic?

The right approach for marketing during times of economic uncertainty is to increase – not decrease – your marketing spends. The reason behind is that you don’t want yourself caught off-guard once the economy revs up again.

Sensitive marketing by understanding the conditions of the customers would be the right approach. A study conducted by the American association of Advertising agencies have found that 43% of the consumers found it reassuring hearing from the brand during the pandemic. 56% said they like understating how brands are helping the vulnerable communities during the pandemic. Only 15% said they would rather not hear from the brands.

Brands are being empathetic to people’s concerns and problems. Marketing during these times need a deeper understanding of people’s perceptions about the insecurities and vulnerabilities about the pandemic.

Marketing by staying true to its brand is an important element during these times. It is done by not depicting the company what it's not for any undue benefit. Rather, pandemic is an opportunity to drive home the authenticity of your brand by being transparent about the situation

Crisis marketing

A proper crisis marketing strategy should contain the following elements

- Help customers rather than simply selling to them
- Focus on online events and offerings
- Plan for future growth
- Empower employees

Brands customised their advertisements by showing that how they have met global-crisis in the past. Many automobile brands which have survived world wars like Ford showed, for example, how they manufactured military grade equipment for the war – and to convey their commitment to fight Covid-19.

Open for new market data in post Covid world

Some scientists are predicting that some of the social distancing norms might continue somewhere till 2022. That's long time to put hold any type of marketing. An important consideration is that the pandemic will have a long-term impact on the psyche of the consumers. Irrespective of the time taken for the crisis to subdue, it is widely believed that pandemic will surely change the customer perception like never before.

Companies can't go back to their old ways after this comes to pass. Strategies need to be rethink in a post-Covid world. For many reasons, CMO's of various firms are reluctant to engage customers in research at this point of time. But many marketers who have deployed surveys specifically about Covid-19's impact on customer experience have gained positive response. Fresh data and reviews have never been more important. Relying on instincts is a bad idea but instead marketing research focussing on reaching out to customers should be given priority.

Empathy marketing during Covid-19

An unexpected and unintended result of the pandemic is that it is forcing the businesses to evolve. Empathy marketing shows that businesses not only care about them but understands and relates to them. Brand empathy is like creating a shared journey between your brand and the customers. These are some of the steps in empathy marketing

1. Re-schedule your marketing – Every time a customer sees an ad for something being sold as if in a pre-pandemic era, it is going to rub your customers in the wrong way
2. Plan a new marketing campaign – To truly create an empathetic marketing campaign, starting from scratch is the right option
3. Don't take advantage of people during the crisis – This is a sensical statement but can't be said enough. Things like showing off your company during the crisis will eventually turn-off the customers from the brand
4. Visuals and positioning – reinforce your marketing campaigns in line

with what the experts are saying about the pandemic like doing social distancing, washing hands and using sanitizers

5. Give people hope and show how your brand can help – hope is a powerful feeling and a pandemic like crisis is when it is lost. Rebranding your

brand in a positive note, in a human side, will make customers feel more connected your company. Give people tools to survive during pandemic. Ease their burdens, bring your product and service in the safest and secured way possible



Good to know

FOMO (Fear of Missing Out)

It is a phenomenon in stock market investment where when the market steadily climbs up in a V shaped trajectory, investors feel that they will never get a better opportunity to invest at attractive prices. Rather than buy stocks at the most attractive risk-to-return ratio, FOMO pushes the investor to follow the fad which will be technically not a wise decision

Brands: Looking for opportunities amid a crisis

The pandemic changed the consumer perception of brands and consumption of products and services. With lockdown being extended, stay at home being implemented and obstacles in the supply chain, the traditional platform to shop have been forced to cope up with the competition by online retail platforms. Though digitization has been around the corner even before the outbreak in India, many consumers in the metropolitan and Tier II cities have been shopping more online at this time.

These unprecedented disruptions in the supply chain and shift in demand had an enormous impact on the brands. Stronger and clear brand values and a deep understanding of its customers are the pillars on which brands stand all. As of now, to sustain and overcome the crisis stronger is what has been put forth for the brands.

Dynamic landscape

The virus has changed the marketing landscape beyond recognition and going digital has gained paramount importance. The unprecedented situation has made Brands to shift various models and mode of business. In food and beverage segment brands like Budweiser, Carlsberg, Pernod Richard, and Rémy Martin to shift o online clubbing in partnerships with e-commerce platforms.

In personal care and health care category, FMCG companies like ITC, Dabur, Marico, and Godrej have extended its business into hand wash (8x times increase in market share), floor cleaner (2x times increase in market share), and hand sanitizer segments(14x

times increase in market share) largely after the pandemic. Fitness centres across the globe though got a nosedive result in revenue, London fitness studio Frame for example came up with online content within few days of lockdown implementation and the same trend is being observed lately in other parts too.

Room for manoeuver

Though the pandemic has worsened the DNA of the business, it provided new options to test the key consumer behavior metrics which would have been a costlier move in a normal situation. On a positive side the crisis have provided the brands the opportunity to gain consumer's attention, novel product trails, etc., Here are few examples how brands around the globe gained a brownie point among the consumers by shaping the product in 4P's of marketing of their product and service

Hyundai

Hyundai EMI Assurance program revised program of the one offered during the 2009 financial crisis provides relief to its new members a peace of mind who lost their job in the pandemic with a deferred payment option. This earmarks positive and confident sentiments of the brand among its consumers.

LMVH

The world leader in luxury was pivoting from producing perfume to making hand sanitizer in March and sales of the same at free of cost to health authorities in France, this has and will ensure consumer realization of the commitment of the brand to the society. of the same at

free of cost to health authorities in France, this have and will ensure consumer realization of the commitment of the brand to the society.

Heinz

Heinz set up its "Heinz at Home" direct channel. It has launched its delivery box of baked beans for 10 Euros. The brand's discount services move to emergency service, armed forces, and social care workers is a brilliant choice to enhance its image and value in the longer time.

Cadbury

Mondelez India makes its entry into the cake segment by launching Cadbury chocobakes choc layered cakes to drive consumer convenience and new eating experience.

ITC

The FMCG conglomerate has launched various products in response to the shifting demands like milkshakes under its Sunfeast Dark Fantasy brand, Savlon multi-purpose germ protection wipes, NimWash, a Vegetable & Fruit wash that ensures washing away of Pesticides and Germs. B natural+ fruit beverage with immunity offerings

Ninjacart

As food safety is gaining popularity and concern among the consumers the

business to business tech-driven supply chain platform has introduced foodprint generator in its packaging of products to ensure transparency and ensures food traceability

Apart from these, the social media campaigning by brands like Lifebuoy – Wash hands properly with any soap; Coca Cola – Today being apart is the best way of being together' HDFC – Maintaining social distance, yet being near you 24/7, etc., are important in these difficult times to ensure brand engagement with their customers.

Extending horizons

This crisis has allowed brands to go digital which would have taken several years. Yet there are plenty of other issues to the companies in this worsening economic situation and as stressed-out consumers constantly look for how their trusted companies make them feel at this moment, being responsive to the changes becomes essential to sustain the business and brand value.

Through months of turmoil, this period of uncertainty has allowed brands to realign their brand around purpose. The crisis has given a new wave of innovation and thus it provides a new competitive landscape for brands and it becomes part and parcel of companies to march towards a new normal!



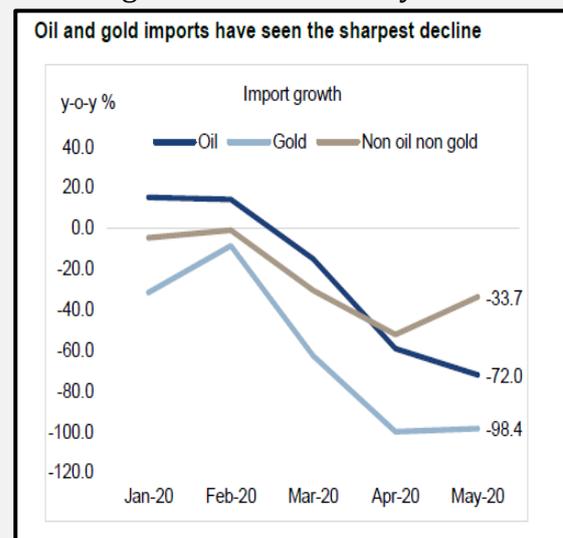
India's Foreign Trade 2020: Back on track?

India's foreign trade is now getting back on trade in May as compared to previous months. Due to various relaxations in worldwide, India's overall trade is likely to gain momentum in future. The growth in trade volumes in May over April is the first signal that trade and economic activity are getting back to normal levels. In May the overall merchandise trade (imports & exports) saw a sharp improvement in May. Total trade in May stood at \$41.25 billion as compared to just \$27.48 in April 2020. Due to all these trade disruptions the trade deficit has narrowed down to \$3.15 billion, which is the lowest trade deficit in over 10 years.

Amid social distancing requirements most transport and manufacturing activities started reopening by early May. Also, there is an overall recovery in Asian and European markets. Many countries across world started unlocking in month of May. All these factors contributed to a bounce in overall trade in May 2020. Merchandise exports in May 2020 stood at \$19.05 billion, a fall of (-36.28%) as compared to May 2019. But compared to April 2020, May's exports are up by 84%, giving indication of MOM pickup in economic activity. The good news is that some of the segments of exports saw a good growth even on a YOY basis. For e.g. exports of iron ore (+103%), Drugs & Pharma (+17.3%), Spices (+10.6%) and Rice (7.6%) were the start performers in the month of May. While Leather, Handicrafts, Gem & Jewellery, Petroleum, jute, textiles,

engineering, meat & Dairy products saw a deep cut in exports on an YOY basis. Among major exports destination, the sharpest decline has been seen in exports to Singapore followed by United Kingdom, United Arab Emirates, China, European Union and United States of America.

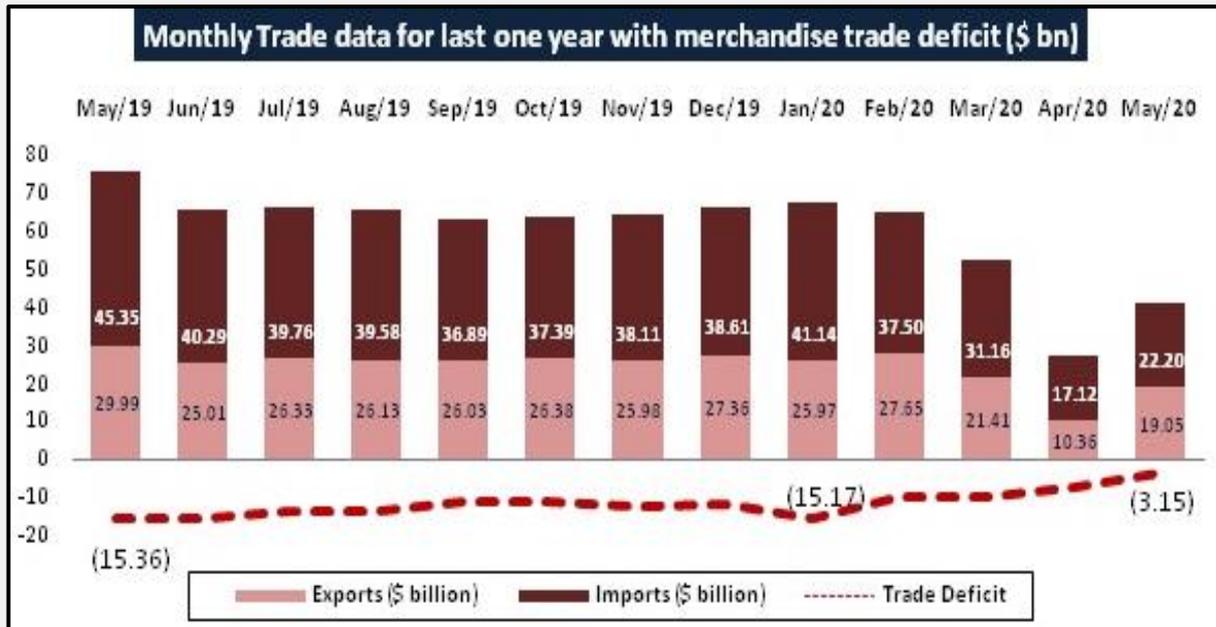
Merchandise imports for May stood at \$22.20 billion, a fall of (-51.05%) on a YOY basis. The imports for May 2020 grew by just 17% over April as compared to 84% of exports. Gold imports are cut down by 98% to \$76.31 million compared to last year. Low oil prices have driven the fall sharp in imports. Oil imports stood at \$3.49 billion in May compared to \$12.44 billion in May 2019. There is 71.98% downfall in imports of oil. Core imports (i.e., non-oil, non-gold imports) saw a lower rate of decline. The main contributors to the decline were precious and semi-precious stones, electric goods and machinery.



Source: Ministry of commerce and industry, CEIC, CRISIL Research

In service sector according to RBI data, the exports in April 2020 were \$ 16.45 billion registering a negative growth of -8.92% against April 2019. And the estimated value of services export for May 2020 is \$15.70 billion. In April the export of services declined for the first

time since 2017. While the imports in April 2020 were \$ 9.30 billion registering a negative growth of -18.43% against April 2019. The estimated value of services import of May 2020 is \$ 8.57 billion.



Source: DGFT

The fall in imports was sharper than decline in exports. This led to the trade deficit narrowing to a 10 year low of \$3.15 billion, compared to \$15.36 billion in the May 2019. This is also the lowest deficit since February 2009. The trade deficit to remain subdued through this fiscal, with the lockdown disrupting trade flows and weakening demand. The World Trade Organization expects global merchandise trade to plummet 13-32% in 2020 owing to the Covid-19 pandemic. This poses a significant risk for Indian exports in the current fiscal. However, imports are likely to decline even more sharply on account of the crash in oil prices and weak domestic demand.

The Organization for Economic Cooperation and Development last week

said the world economy may contract by 6% or 7.6% in 2020, depending on a single-hit or a double-hit scenario, respectively. It expects India's economy to contract by as much as 7.3% in FY21 if a second wave of coronavirus sweeps the country. According to Aditi Nayar, Principal Economist at ICRA Limited, a credit rating agency, "India could report a current account surplus of \$12-15 billion in FY21 based on the expectation of a gradual normalization in trade levels in the coming months, a stabilization in crude oil prices at a moderate level, a revival in demand for gold closer to the festive season, and the continued adverse impact of economic uncertainty on remittances, however, if the domestic demand recovers faster than global demand, the size of India's current

account surplus may be limited below \$10 billion," she said.

The positive development in May has been the sharp spike in overall trade. The government has identified specific sectors like pharmaceuticals, specialty chemicals and electronics as the big

export thrust areas. It is time to action these plans when the iron is hot. On the imports front, it is time for a more perspective plan on oil security. There is need to hedge India's oil price risk more effectively to keep the trade balance check.

 **Good to know**

In 2009 Burger King launched a campaign that if you unfriended 10 friends on Facebook you were entitled to a free whopper. The ex-friend would then receive a message explaining that their friendship was less valuable than a whopper.

Rebranding the ugly fancy for fair skin

A perfect life from a perfect skin – but only for those with the right shade – is the message and mindset that is being passed down. This has spawned a multibillion-dollar industry in cosmetic creams and invasive procedures such as the skin bleaching, chemical peels, laser treatment, steroid cocktails, “whitening” pills and also intravenous injections – all with varying effectiveness and health risks. It’s more than a bias now, it’s a dangerous cultural obsession.

Multinational cosmetic brands have found a lucrative market: global spending on skin lightening is projected to triple to \$31.2bn (£24bn) by 2024, according to report released in June 2017 by the research firm Global Industry Analysts. The driving force, it says is “the still rampant darker skin stigma and rigid cultural perception that correlates lighter skin tone with beauty and ones personal success”.

The deep-rooted color bias has ensured that certain professions such as aviation, films and many other white collar jobs, people with fair skin are generally the preferred choice.

In the western state of Maharashtra, about 100 tribal girls, who were trained to be airhostesses and cabin crew under government scholarship program aimed at empowering them, were denied jobs apparently because of their darker skin color. Only 8 of them landed jobs, but only as ground staff, according to [report by the Indian Express newspaper.](#)

Marriage, which in India's case is mostly arranged, is an ordeal especially for women as looking fair is the only

dominant theme. Matrimonial advertisements reflect this social trend where potential brides and bridegrooms with fair complexion are the most in demand. In fact, skin colour seems to have become as important a marker as age and occupation now.

Fairness creams

The Western beauty ideals, including fair skin, dominate worldwide. And with these ideals come the products to service them. In Nigeria, 77% of the country’s women use skin-lightening agents; in Togo it’s 59%. But the largest and the fastest-growing markets are in the Asia-Pacific region. In India, a typical supermarket will always have a wall of personal care products featuring “whitening” moisturizer or “lightening” body creams from all the well-known brands.

An array of leading Bollywood celebrities endorse various skin whitening creams often with very regressive messages that end up promoting prejudice around skin color and looks. Cultural preference to look “beautiful” and the burden of fairness predominantly falls on the women, forcing millions into using skin lightening creams such as “Fair and Lovely,” introduced in early 1970s itself.

The Indian fairness cream market generates revenue of more than around \$400m and has been growing by 20 percent annually, according to [Bloomberg.](#)

According to another report by Associated Chambers of Commerce and Industry in India, the cosmetics industry is poised to double by around 2024. The

cosmetics business has successfully capitalized on peoples' insecurity, critics says, alleging this industry has been running insensitive and irresponsible campaigns to allure new customers.

As the world speaks out...

Companies have been criticized for expressing their solidarity with the Black Lives Matter movement while also selling the products that advertise their skin-lightening effects. More than 11,000 people have signed the petition calling on Unilever to stop selling Fair & Lovely, a skin-lightening product marketed in India and Middle East. Commercials for this lotion have shown dark-skinned women using it to lighten their skin and then becoming more successful as a result. "This product has built upon, perpetuated and benefited from the internalized racism and promotes anti-blackness sentiments amongst all its consumers," the petition says.

The decision to remove Clear Fairness line is the latest move by Johnson & Johnson to respond to the demonstrations against racism that have been held across US since the death of George Floyd. Band-Aid, which is also owned by Johnson & Johnson, announced it would start selling bandages meant to match different skin tones.

L'Oreal followed the suit, and said it would drop words such as white, fair, and light from all its skincare products, a day after the Unilever made the announcement.

Kolkata-based FMCG firm Emami, which owns the fairness cream brand Fair & Handsome, had also said it was evaluating the current situation.

Multinational giant Hindustan Unilever Limited's Fair & Lovely brand, according to Bloomberg report garners \$500 million in the domestic market alone. HUL Announced that it would rebrand its best-selling skin-lightening cream, Fair & Lovely and renamed its products as 'Glow & Lovely', The men's range of the product will be called 'Glow & Handsome' and also start by removing the words "fair/fairness", "white/whitening", and "light/lightening" from its brand packaging. The rebranding, however, will be costly. HUL will probably need large media campaign to win over consumers which poses short-term risk to its margin in that particular segment.

Shaadi.com has been one of the leading matrimonial websites for Indians worldwide, and currently claims to have over 35 million users in total. Shaadi.com removed an option which allowed users to search for their potential partners on the basis of their skin tone after an online petition started against this option.

Recently, Procter & Gamble skincare brand Olay said that it would no longer retouch skin in its advertising by 2021 as it reflects an idea of beauty which is almost impossible to achieve.

The ministry of health and family welfare has recently finalized Drugs and Magic Remedies (Objectionable Advertisements) (Amendment) Bill, 2020. The draft amendment now bans advertisements of products that promote fairness creams, enhance sexual performance, cure premature ageing and greying of hair, improvement in the height of children or adults, increase in brain capacity and memory, improvement in strength of teeth and

vision, change of the foetal gender by drugs. Under Section 7 of this Act, the first conviction is punishable with an imprisonment of up to six months or fine or both.

Seems the manufacturers, as well as the stakeholders of the fairness cream industry, have realized that the future of such product are in danger. From fairness cream brands to celebrities, efforts are now being made to reposition the idea of beauty, not just in India but globally.

While the future of fairness creams are now in danger, meanwhile the organic cosmetic industry is growing at the rate of 10 per cent approximately, this industry has witnessed a shift to organic beauty products that are growing at a CAGR of 10 per cent during 2019-2025.

While the people’s obsession with fairness is unlikely to fade away anytime soon now, it is a very good opportunity for Companies to revamp their fairness cream brands. Keeping the element of the packaging and color while changing the proposition. At the same time, staying clear of controversy and making sure that there is nothing in the brand that will connote color. It will be a more inclusive vision of beauty. Continuing with the confidence proposition, but they need to emphasize on the fact that confidence isn't about skin color but about healthier skin. It is deep and not superficial. Every market and industry evolves. This is just a journey of evolution in the continuum. Consumers have evolved and so must marketers. Sometimes evolution is self-imposed or gets a trigger from outside. Moving ahead with the Brand Mantra-“Markets don’t decline, they shift.”



Good to know

Macallan M Highland’s Isabella Islay whiskey bottle is the costliest whiskey bottle ever sold. It carries an incredible price tag of USD 6.2 million. The six-litre bottle is fashioned from white gold and is crusted with 8,500 diamonds and 300 rubies.

Advantages of UBI

- UBI would be a sort of insurance against unemployment and hence helps in reducing poverty
- UBI will result in an inequitable distribution of wealth i.e. poor will receive the full net benefits
- By providing a basic income, the bargaining power of individuals will also increase, as they will no longer be forced to accept any working conditions
- UBI is easy to implement because of its universal character, as there is no need to identify the beneficiaries. Thus, it excludes errors in identifying the intended beneficiaries-which is a common problem in targeted welfare schemes
- As every individual receives basic income, it promotes efficiency by reducing wastages in government transfers. This would also help in reducing corruption
- By transferring the basic income directly into bank accounts, the demand for financial services will also increase. This would help banks to expand their service network, which is extremely important for financial inclusion.

Arguments against UBI

- Because of the large population size, the fiscal burden on the government would be high. Also, once implemented, it may become difficult for the government to wind up a UBI in the case of failure
- There are chances that a guaranteed minimum income might make people lazy and it breeds dependency. They may opt-out of the labor market

- There is very less guarantee that the additional income will be spent on education, health, etc. there are chances that cash are going to be spent on 'temptation goods' like alcohol, tobacco, drugs, etc.
- Also, there are chances of reduction in the availability of workers in some sectors which are necessary but unattractive and raise the wages of such works. For example, the wages of agriculture labor might increase due to the non-availability of workers willing to work in others' farms.

Does India have money for UBI?

Table: Amount (% of GDP) needed as per various schemes proposed

Proposed UBI schemes	(% of GDP)
Poverty Line Equivalent (2011-12)	9.8
Economic Survey (2016-17)	5.5
IMF 2017	2.6
Felman Subramanian 2019	2.5
NYAY	10.1
Savings from Union Budget	2.6

Source: The Hindu

The table shows that the government has little space in the budget to fund a UBI scheme, which is not sufficient to propose a UBI scheme in the country.

Challenges in implementation of the UBI

- According to the World Bank, in India, there are only 20 ATMs for every one lakh adult population. Nearly, one-third of the Indian adults remain unbanked. With such a state of financial service infrastructure and financial inclusion, it might be difficult for people to access their benefits

- For UBI, a budget of about 10% of the GDP is required. Financing the 'guaranteed minimum income' would be the biggest challenge. There are chances that UBI would become an add-on to existing subsidies instead of replacing them.

UBI in other parts of the world

Several countries have adopted UBI like-program and shown successful results like MINCOME in Canada and Basic Income Grant in Namibia. Other countries like Kenya, Iran, Alaska, Finland, Mexico, Italy, Uganda, Brazil, Germany, Netherland also adopted this scheme. The advocates of the UBI praise the concept as futuristic which will allow the people to look into the future without worrying too much about income to survive.

Conclusion

Despite making remarkable progress in

poverty reduction, nearly 22% of the population lives below the poverty line (as per the Tendulkar Committee report, 2011-12). One of the major criticisms of poverty alleviation programs is significant leakages. UBI is seen as a more efficient alternative. Though UBI has several advantages, there are a number of practical challenges too.

A transparent and safe financial architecture that's accessible to all is vital for the success of the UBI. In other words, the success of UBI depends on the success of an efficient mode of delivery like JAM Trinity. Also, a behavioural change on the part of account holders needed so that they use their accounts more often. Banks need to find it profitable to provide access to banking services. As the Economic Survey states, UBI may be a powerful idea whose time albeit not ripe for implementation is ripe for serious discussion.



Good to Know

Antilia, in Mumbai, valued at \$1 billion, is the world's priciest private home. It is owned by the chairman of Reliance Industries, Mukesh Ambani, the richest person in India. The towering mansion, apparently named after a mythical island in the Atlantic Ocean. While the Buckingham Palace, home of Great Britain's Queen Elizabeth II, is the world's most valuable residence, worth \$1.55 billion, which is open to the public.

The Atma-Nirbhar Bharat

The world's biggest lockdown imposed to contain the spread of COVID-19 has severely impacted almost all the domestic economic activities as it brought nearly 70% of economic activity, investment, exports, and domestic consumption to a standstill and is likely to drag down the GDP growth of the country to negative single-digit band for Fiscal year 2021.

However, India has faced the COVID-19 situation with fortitude and a spirit of self-reliance, that is evident in the fact that from zero production of Personal Protection Equipment (PPE) before March 2020, India today has increased the capacity of producing PPE kits to 2 lakh per day, and the situation is still gradually improving.

So, to improve the prevailing economic environment and to provide a boost to the ailing economy the current government has announced the Atma-Nirbhar Bharat Abhiyan, or Self-reliant India mission, under which a financial package of Rs 20 lakh crore equalling to 10% of the national GDP has been announced. It includes all the earlier measures announced by the finance ministry of India as well as the steps taken by the Reserve Bank of India. The main focus of the package is land, labour, liquidity and laws. Atma-nirbhar Bharat has also been called by some as a re-packaged version of the Make in India movement using new taglines such as 'Vocal for Local'.

The Five pillars of Atma-nirbhar Bharat focus on:

1. Economy
2. Infrastructure

3. System
4. Vibrant Demography and
5. Demand

Global Scenario

GOI's Atma-nirbhar Bharat Abhiyan or Self-reliant India Mission package is about 10 per cent of India's GDP in 2019-20 and would rank behind Japan, the US, Sweden, Australia and Germany.

- The US has announced the largest rescue package of all countries in pure dollar terms of USD 2.7 trillion but as % of GDP it trails behind Japan, according to COVID-19 Economic Stimulus Index (CESI). The US measures constitute about estimated 13% of the GDP.
- Japan has announced a package which amounts to around to 21.1 % of its GDP. Presently, It has outlined USD 1.1 trillion recovery package and plans for further spending.
- This is followed by Sweden with a stimulus equal to 12 % of its GDP amounting to \$29.2 billion followed by Australia (10.8 %).
- Germany has announced a COVID relief package of around USD 815 billion, which equal to 10.7 % of its GDP.
- India's Rs 20 lakh crore package equals to USD 265 billion, all of which is not government spending as in case of the US where entire USD 2.7 trillion is the money that the Trump administration will spend and does not include what the Federal Reserve (US central bank) might have done.
- In Europe, Spain and Italy have endured devastating coronavirus outbreaks, the size of stimulus

packages are estimated to be 7.3 % and 5.7 % of GDP, respectively. Italy's stimulus package amounts to Euro 750 billion (around USD 815 billion).

- France announced a package equal to 9.3 % of its GDP.
- Smaller countries like Luxembourg and Belgium have spent a fifth of their GDP on COVID-19 related stimulus measures, at 20.7 % and 19.2 %, respectively.

India's COVID-19 relief package value in dollar terms is higher than the GDP of 149 countries such as Vietnam, Portugal, Greece, New Zealand and Romania and is almost equal to Pakistan's annual GDP of USD 284 billion.

Atma-nirbhar Bharat Abhiyan Package Break-up

The Self-reliant India Mission package or the Atma-nirbhar Bharat Abhiyan package focuses on survival of business and sets a roadmap for the revival of the economy. It is basically a five-part stimulus package and was announced in May, 2020.

First Tranche – focussed on funding and loan guarantees to MSME's, NBFC's/HFC's, discoms, contractors, real estate and salaried workers and amounted to a total value of 5.94 lakh crore. It provided credit line to small businesses and support to shadow banks and electricity distribution companies.

Second Tranche - Included provision of free food grain to stranded migrant workers for two months and credit to farmers, totalling Rs 3.10 lakh crore. It mainly focussed on migrant workers, small farmers, street vendors and the poor

Overall Stimulus provided by Atma-nirbhar Bharat Package		
S.No.	Item	Rs. Crores
1.	First Tranche	5,94,550
2.	Second Tranche	3,10,000
3.	Third Tranche	1,50,000
4.	Fourth and Fifth Tranche	48,100
	Sub-Total	11,02,650
5.	Tax concessions, Health Measures and PMGKB	1,92,800
6.	RBI Measures	8,01,603
	Sub-Total	9,94,403
	Total	20,97,053

Source: Ministry of Finance

Third Tranche - The main focus was on activities like agriculture, dairy, animal husbandry and fisheries, the main aim being to strengthen the overall farm sector. Spending on agri infrastructure and other measures for agriculture and allied sectors in this tranche totalled to Rs 1.5 lakh crore.

Fourth and Fifth Tranche – These sets of measures are worth Rs 0.48 lakh crore with a focus on 8 critical sectors which are Coal, Minerals, Defence Production, Airspace management, Social Infrastructure Projects, Power distribution companies, Space sectors, and Atomic Energy. It also focussed on viability gap funding and additional allocation for MGNREGAs.

Other than these five tranches, the stimulus package also includes the earlier measures taken by the government under Pradhan Mantri Kalyan Package, Government spending for the health measures taken by the government and also the stimulus provided due to the various measures taken by RBI to boost the economy.

Brand Image and Consumer Loyalty

We have entered the era where every now and then companies launch innovative products and new inventions. Also, for a single product we can find many variation and brands in the market still there are some brands which have made a name and outrun every in that particular segment. For example, in case of soft drinks Coca Cola has grown to such a level that instead of people asking for cold drink they would say “Please give me a cola”. This is the level of awareness and market penetration that Coca cola has built during all these years. So, does this mean that a brand can only be built if it exists for years. The answer varies as with the **Correct Technology** being launched at **Correct Time** with **Correct Marketing Campaign**; it can gain popularity even if it has entered the market only a few years back. Companies often stumble trying to cross the chasm between promise and reality. And the whole game is about bridging this gap.

Brand image is the reflection of current view about brand in the minds of customers. And if a customer sticks to a single brand every time then it becomes Customer’s loyalty. It can be measured by the level of satisfaction provided to the customer in each use. The main driver here is the connection between what is being promised with corporate capabilities (reality) in an end-to-end customer experience, which is the only path to brand loyalty. A well build and properly articulated brand image can attract customers very easily. Marketers of big companies while outlining their marketing strategies focus mainly on such marketing activities which

influence consumers’ perception and built a trust and make customer committed toward a brand, establish the brand image in consumers’ mind, and stimulate consumers’ actual purchasing behaviour of the brand, therefore increasing sales, maximizing the market share and developing brand equity.



Source: Brand Equity

The main reasons why today's customers are more inclined towards brands are:

- Minimize the risk for customers in terms of quality
- Helps the customers in decision making to purchase a right product
- Leads to saving the costs in decision-making

According to a survey conducted by GfK Consumer Insights Engine it was found that 57% of Indians look for brand while making a purchase.

How Customers Are Made Brand Loyal?

Customers nowadays are quite risk-taking and it amazes them to try new



products. Therefore, in order to remain in the competition, it is very necessary to remain consistent in the quality and experience of product and services being provided to the target customers.

Brand attributes that leads to loyalty are:

- Quality
- Consistency
- Reliability
- Customer service

One of the new things that has evolved in recent times is the **BRAND INTERACTION**. Social media platforms have provided the dynamicity to the companies to interact with customers through polls or one-on-one interaction they can easily test the needs of the customers and can accordingly come-up either with new invention or customize/improvise the existing product.

According to a survey conducted by Yotpo, Facebook has been the most used platform for this as 45% of people find Facebook to be the best mode for online interaction. It also revealed that generally it takes “**5 Purchases**” for a

customer to become brand loyal, if provided the consistency in quality.

Impact of Loyalty Programmes

This technique helps to gain more attention by the customers. Commonly a loyalty program encourages customers and make them feel valued. It included giving rewards, discounts or in some cases advanced access to new products and services. It helps to attract customers and boost sales. It helps companies by taking the competition beyond the price of the product and compete on extra facilities and benefits being provided. They can change the customers perception and now customers are more inclined towards the extra services provided to them in terms of convenience.

The most common loyalty programs are:

Point Program: Where the customers earn points on every rupee spent and then can get a discount on future purchases

Paid Program: It includes to pay a fee and get a membership and then accordingly certain discounts and

benefits are being provided to customers.



Tier Program: Loyalty is judged on different levels. Here, the more loyal the

customer is the more benefits he will avail. To stay in market and moreover on the top of mind of customers it is very crucial to be consistent and provide the customers what is being promised. If customers' expectations are met then your brand image will remain forever but if in any way the customer feel that the service is being deteriorated then there is a huge chance that your brand may lose its positioning in the minds of target customers. For customers to remain loyal to your brands Quality and consistency is the key and companies should focus more on these.



Good to know

FSSAI launches new food safety compliance platform

Food regulator FSSAI has launched a new online platform for granting licenses and registration to food business operators (FBOs) as well as regulatory compliances. Since 2011, the FSSAI's online licensing platform FLRS (Food Licensing and Registration System) has issued 70 lakh licenses/ registrations till date. Over 35 lakhs licensees/registrants are actively transacting on it.

Now it has upgraded to a new cloud based, food safety compliance online platform called Food Safety Compliance System (FoSCoS). The platform is integrated with its mobile app and will be linked with other IT platforms and will enable pan India integrated response system to any food fraud and ensure an advanced risk

Rise of Gig economy in India

What is the Gig Economy?

It is a labor market characterized by the high proportion of short-term contracts or freelance work instead of permanent jobs. The demand of the consumer is met by a service provider, i.e. a gig worker who can perform a specific task, facilitated by a tech-enabled platform for a short-term. Gig workers comprise self-employed, freelancers, independent contributors, and part-time workers. In simple terms, a shift from a full-time 9-to-5 job to an on-demand, freelance, and task-based economy can be termed as the gig economy.

The gig economy currently more ubiquitous in US, Europe, and India, is expected to transform traditional HR practices around the globe, where gig and the traditional economy will flourish together. Considering the uprising gig economy in India, the country has higher potential to be an attractive freelancing and crowdsourcing hub in the Asian region as a result of urbanization of the workforce

Global Trends in Gig Economy

The digital Gig economy accounts to \$204 billion by gross volume from worldwide customers in 2018 in which 50% is shared by transportation services. The economy is expected to expand at a rate of 17% i.e., a gross volume of \$455 billion by 2023.

Startups powering the gig economy hire talent across technology, marketing, finance, and HR on freelance or need-basis. IT companies are opening roles for

various non-critical parts of projects, or for a short-term basis in larger development works. The gig economy can be the answer the obstacles faced by professional or technology sectors in supply chain. Even though critical roles would still be in the area of regular employment, freelancers can reduce the burden on the supply chain, increase operational efficiencies, and reduce project costs.

Trends in Indian Gig economy

In Flexi-staffing, India have gained the 5th position after US, China, Brazil, and Japan. In the country states - Haryana, Madhya Pradesh, Andhra Pradesh, Gujarat, and Telangana are expected to provide a thrust for the gig-workers. In the past two years, the percentage of freelancers as in the contingent workforce have shown a surge from 20% to 25%. This plugs to the rise of the Gig or Flex Economy. As more Indians are opting for a flexible style of work, the reason behind it being that they get an opportunity to work when they wish and how they want.

A report by FICCI, EY, and NASSCOM, states that globally, India is leading the online labor market. Further, the study "Workforce Agility Barometer" discloses that the proportion of temporary workers is more than 20% out of 56% of the firms in the nation. The numbers are intensifying with more than 71% of organizations hiring additional contingent workers.

The Indian government have ensured the importance of gig economy with one

year internship opportunities to engineers in the current Union budget. Mr. Debjani Ghosh, country director, World Bank has propounded a definite growth of a Gig economy pointing out that COVID 19 pandemic is going to change workspaces forever, and is likely to open up many opportunities for women.

Evolving Workforce Culture

A penchant towards flexible work is driven by a myriad of factors from freedom, advanced technology, additional income, and human capital. Gig economy allows task ownership, convenience, and flexibility. To reduce the cost with no compromise on the skillset required, the service seekers are moving towards gig economy. For instance many corporates find it cheaper to employ freelancers to perform specific tasks by avoiding the traditional costs associated with regular workforce.

Benefits

The growing prevalence of independent work could have tangible economic as raising labor-force participation, providing opportunities for the unemployed, or even boosting productivity.

Consumers and organizations could profit from the better availability of services and improved matching that enhanced fulfills their needs.

Key challenges

A big challenge of Job security, instability in retaining the workforce arises.

No basis for financial credit services as a steady income is not assured

Independent workers and traditional job holders alike will have to become more proactive about managing their careers as digital technologies continue to reshape the world of work.

**By Raghavi M.D.
PGDM (ABM) 2019-21**

Startup-Watch

FarmERP: *Shaping the Future of Farming*

Shivari Technologies Private Limited

Founders: Sanjay Borkar and Santosh Shinde

Year: 2001

Headquarters: Bangalore, Karnataka

Innovative Idea: Software for resource planning for manufacturing industries are common, the idea behind FarmERP. The platform is a farm management software for the farm, farmer, procurement, processing, supply chain and financial data management analysis with an objective of achieving profitable and sustainable agribusiness.

Vision & Mission: NA

Business model: B2B

Investors: TechnoGen

Total Funding: Undisclosed

Total Annual Revenue: NA

Products: FarmERP, FarmERP Lite,



User Base: Has deployed 600+ services in over 15 countries

The pioneer in the AgTech industry is a Smart Agriculture ERP platform provides enterprise resource planning (ERP) to agriculture companies and start-ups, crop insurance firms, research and design institutions and governments started by a technology-based start-up which lately expanded its domain into agriculture. The first project of the firm was with the Maharashtra Knowledge Corporation on a ICT-based community project to bring advice from experts to farmers through kiosks. In the last funding in 2019, the company focuses to develop artificial intelligence that will enable its clients to mitigate climate risks in agriculture and achieve sustainability.

Clientele: Dupont, Mahindra Rise, Azersun, Anadolu Etap

Feats achieved: Won 2009 South Asia Manthan Award for FarmERP Mobile, selected as one of the top 30 high-impact technology products in India in Tech30 report 2011, Maxwell award for excellence in Innovation 2017.

Competitors: CropIn, ISBL, Fasal, Grownetics, Farmlogs, Agrivi, Source race, etc.,

ReNew Power



Founder: Sumant Sinha

Year Founded: 2011

Headquarters: Gurugram, Haryana, India

Industry: Renewable Energy

Products: Wind Power, Solar Power, Solar Rooftop Power

About the Company: ReNew Power is a company dedicated to renewable energy. It develops, builds, owns and operates renewable energy production facilities with utility-scale wind, utility-scale solar, and rooftop solar projects. The largest independent renewable energy company in India, it is dedicated to growing its production while supporting sustainable business practices

Presence: The utility scale wind and solar energy projects are spread over eight states across India. They have over 250+ distributed solar installation sites spread across 80 cities in 18 states in India. Their portfolio as a whole provides a diversified balance of wind and solar projects.

Vision: To build the best renewable energy company in the world

Mission:

- Build a world class portfolio of renewable energy assets and be in the top 10 globally.

- Lead the energy transition by providing innovative solutions to our customers.
- Build a culture of excellence by efficient and safe execution of all our projects.
- We must maintain the highest standards of quality and sustainability and act responsibly at all times.
- Foster a culture of trust, collaboration and performance to achieve our business goals and be an employer of choice.
- Be a responsible corporate citizen and uphold the highest standards of corporate governance, ethics and integrity.

Investors: Goldman Sachs, Abu Dhabi Investment Authority, Canada Pension Plan Investment Board, JERA (a joint venture between two of Japan's largest utilities companies, Tokyo Electric Power Co., Inc. and Chubu Electric Power Co.) and Global Environment Fund.

Total Funding: \$2.8 Billion

Awards and Recognition:

- VC Circle Infrastructure Company of The Year 2020
- the ET Innovation Award, 2019
- Entrepreneur of the Year award at ET Awards 2018
- The Champion of Tomorrow at CEO Award 2018
- Corporate Social Responsibility Award at FICCI CSR Awards 2018

Agri Quiz

Q1. Goods and Services Tax (GST) was approved by the Parliament through -

- 1) 101st Constitutional Amendment Act
- 2) 99th Constitutional Amendment Act
- 3) 98th Constitutional Amendment Act
- 4) 102nd Constitutional Amendment Act

Q2. Which one of the following factors is not considered in determining the Minimum Support Price (MSP) in India?

- 1) Cost of production
- 2) Price trends in international and domestic markets
- 3) Cost of living index
- 4) Inter-crop price parity

Q3. If the Cash-Reserve Ratio is lowered by the RBI, what will be its impact on credit creation?

- 1) Will get decreased
- 2) Will get increased
- 3) Will have no impact
- 4) None of the above impacts

Q4. Which one of the following sectors has attracted the highest foreign direct investment inflows into India during last one decade?

- 1) Chemicals other than Fertilizers
- 2) Service Sector
- 3) Food Processing
- 4) Telecommunications

Q5. Which of the following statements correctly depicts *Take off stage* in an economy?

- 1) It means steady growth begins
- 2) It means economy is stagnant.
- 3) It means all controls are removed from economy.
- 4) It means economy is about to collapse.

Q6. Which of the following is an example of *Wash sales*?

- 1) Money Laundering
- 2) Estate planning
- 3) Tax Avoidance
- 4) Accelerated Income recognition

Q7. Which of the following is/are credit rating agency/agencies in India?

- 1) CRISIL
- 2) CARE
- 3) ICRA
- 4) All of these

Q8. The share of the concerned State Government in the capital of Regional Rural Banks is -

- 1) 15 per cent
- 2) 35 per cent
- 3) 20 per cent
- 4) 50 per cent

Q9. Operation Clean Money is started by -

- 1) NITI Ayog
- 2) Income Tax Department
- 3) Ministry of Finance
- 4) Central Board of Direct Taxes

Q10. A closed economy is an economy in which -

- 1) the money supply is fully controlled
- 2) deficit financing takes place
- 3) only exports take place
- 4) neither exports nor imports take place

ANSWERS:

1) (1) 101st Constitutional Amendment Act
 2) (3) Cost of living index
 3) (2) Will get increased
 4) (4) Telecommunications
 5) (1) It means steady growth begins
 6) (3) Tax Avoidance
 7) (4) All of these
 8) (1) 15 per cent
 9) (2) Income Tax Department
 10) (4) neither exports nor imports take place

http://timesofindia.indiatimes.com/articleshow/76203516.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

June 6

Two-wheeler segment may see double digit sales dip this fiscal: Honda Motorcycle & Scooter India

Read more at:

https://economictimes.indiatimes.com/industry/auto/two-wheelers-three-wheelers/two-wheeler-segment-may-see-double-digit-sales-dip-this-fiscal-honda-motorcycle-scooter-india/articleshow/76243416.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

June 7

Himachal Pradesh allows MNREGA even in unapproved projects

Read more at:

http://timesofindia.indiatimes.com/articleshow/76239965.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

June 9

IRDAI withdraws long-term motor cover for new cars, two-wheelers

Read more at:

<https://www.thehindubusinessline.com/money-and-banking/irdai-withdraws-long-term-motor-cover-for-new-cars-two-wheelers/article31788893.ece>

June 11

Bad bank idea finds little support from RBI, govt

Read more at:

https://economictimes.indiatimes.com/industry/banking/finance/banking/bad-bank-idea-finds-little-support-from-rbi-govt/articleshow/76314391.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

June 12

Unilever picks London as its home over Rotterdam

Read more at:

<https://economictimes.indiatimes.com/industry/services/retail/unilever-picks-london-as-its-home-over->

rotterdam/articleshow/76329526.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

June 13

PSBs sanctioned Rs 24,260 crore loan to MSMEs for 'self-reliant' campaign: Nadda

Read more at:

https://economictimes.indiatimes.com/small-biz/sme-sector/psbs-sanctioned-rs-24260-crore-loan-to-msmes-for-self-reliant-campaign-nadda/articleshow/76356114.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

June 15

Mother Dairy ties up with Zomato to home deliver fruit, vegetables in NCR

Read more at:

https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/mother-dairy-ties-up-with-zomato-to-home-deliver-fruit-vegetables-in-ncr/articleshow/76383555.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

June 16

Global economy: The 'shape' of things to come

Read more at:

<https://www.thehindubusinessline.com/opinion/global-economy-the-shape-of-things-to-come/article31841587.ece>

June 18

MSMEs facing existential crisis due to Covid: Crisil

Read more at:

http://timesofindia.indiatimes.com/articleshow/76394602.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

June 19

China-linked FDI's look for gaps to stay below radar

Read more at:

https://economictimes.indiatimes.com/news/economy/finance/china-linked-fdis-look-for-gaps-to-stay-below-radar/articleshow/76456164.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

June 21

Ratan Tata calls for end to online bullying

Read more at:

<https://www.thehindubusinessline.com/companies/ratan-tata-calls-for-end-to-online-bullying/article31882923.ece>

June 22

Government's support comforts banks, boosts lending to virus-hit MSMEs

Read more at:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/governments-support-comforts-banks-boosts-lending-to-virus-hit-msmes/primeshow/76501782.cms>

June 24

Auto drivers, head-load workers hit hard

Read more at:

http://timesofindia.indiatimes.com/articleshow/76538342.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

June 25

Bayer's \$10.9-b settlement may see demand for glyphosate ban gaining traction here

Read more at

<https://www.thehindubusinessline.com/companies/bayers-109-b-settlement-may-see-demand-for-glyphosate-ban-gaining-traction-here/article31917144.ece>

June 26

HUL completes acquisition of Vwash from Glenmark Pharma

Read more at:

<https://www.thehindubusinessline.com/companies/hul-completes-acquisition-of-vwash-from-glenmark-pharma-ceuticals/article31924149.ece>

June 28

India's commercial investment transaction volumes shrunk by 94%

Read more at:

https://economictimes.indiatimes.com/news/economy/indicators/indias-commercial-investment-transaction-volumes-shrunk-by-94/articleshow/76674375.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

June 29

Companies can't survive by paying people sitting at home: Rajiv Bajaj, MD, Bajaj Auto

Read more at:

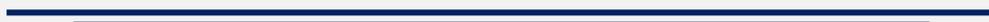
<https://economictimes.indiatimes.com/industry/auto/auto-news/companies-cant-survive-by-paying-people-sitting-at-home-rajiv-bajaj-md-bajaj-auto/primeshow/76680970.cms>

June 30

19% of MSMEs eligible for govt guarantee in high-risk category: CIBIL

Read more at:

https://economictimes.indiatimes.com/small-biz/sme-sector/19-of-msmes-eligible-for-govt-guarantee-in-high-risk-category-cibil/articleshow/76702377.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst



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AYUSH HAMMAR



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**DOGIPARTHI SAI RAM
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