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NEWS ALERT

GSK to Lower Prices to Woo India Market

GLAXOSMITHKLINE (GSK) would cut retail prices in India to cater to the lower-income segment and plans to pump in Rs 430 crore to develop vaccines from its local facilities, according to Andrew Witty, global CEO of the world's second-largest drug maker.

GSK was also evaluating potential acquisitions and alliances with Indian drug makers, but will not pay unreasonably high valuations expected by Indian companies. The London-based firm had "walked away from some" potential buyouts due to sharp valuation differences, he said. "But I will be disappointed if I don't pull off something in India," Mr. Witty said.

Stressing the growing share of low-income consumers in GSK's India sales, he said the company was working on plans to price its products accordingly. The long-term purpose of the initiative is to make its medicines accessible to all income groups. The strategy will be executed through a combination of alliances with local firms or reduction of prices of selective brands.

Among GSK's popular mass products in India are health drink Horlicks and painkiller Crocin.



- NESTLE, the world's largest food company that makes KitKat chocolates and Maggi instant noodles, is looking at bringing its weight management programme Jenny Craig to India. Jenny Craig, popular in the US, involves coaching by personal consultants and pre-packaged meals that costs about \$100 per week in the US besides a membership fee.
- THE Mahindra group and the US National Basketball Association (NBA) on Tuesday announced a partnership to set up a basketball league for teenagers in India. The Mahindra NBA Challenge League, meant to nurture players in the 14-18 age group, will start off in Bangalore, Ludhiana and Mumbai and will run for seven weeks every year. The league is being set up in collaboration with the Basketball Federation of India (BFI).
- LOW-COST carrier SpiceJet will launch its international operations in June with flights to Kathmandu, Colombo and Dhaka, a move that could spark off a fare war in these lucrative sectors. The Delhi-based airline will take on full-service carriers Air India and Jet Airways along and the latter's no-frills subsidiary JetLite that operates to the three destinations.

Send across your feedbacks to Dilpreet Kaur at dilpreet.kaur@jimsindia.org

Live Action

Using social media is not just about an online presence but giving users an experience



SOCIAL media is having an explosive effect on experiential campaigns, creating the potential to multiply thousands of brand interactions into millions. Websites had already become integral to experiential activity, but usually only as a follow-up to an initial interaction, enabling people to source further information or offers. This has changed, and now, thanks to widespread consumer awareness of Twitter and YouTube, for example, the digital element of campaigns can work before, during and after a marketing event.

Digital is joined at the hip to experiential, and is one of the business' biggest growth areas, thanks to its complementary nature. At the most basic level, filming a branded event and putting it on the web can hugely amplify its reach. Ten thousand people turned up to watch professional skateboarders at a Paris show organised by iris Experience for Sony Ericsson, but when a video was made available online, it attracted a further 220,000 viewers at almost no extra cost to the brand.

The possibilities offered by social networking are exciting brands as they realise how an online conversation can draw in huge numbers of consumers. If you execute these strategies properly, you attract a huge number of brand ambassadors who are self-recruited and self-motivating.

Read more in Brand Equity, Pg3, March 10, 2010

Market Mantra



BRANDS are like bank accounts, you have to invest in them continuously to make withdrawals in the future

– Nitin Mathur

DIRECTOR MARKETING, YAHOO INDIA

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