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From the Editor's desk

It was a really cold winter and it seemed that the Mayan's were right and the world would end !! But we survived, and here we are with yet another edition of reflEXions.

On behalf of the newsletter team, I take this opportunity to wish all our readers a very happy new year.

Your response to the first three editions of reflEXions has encouraged us in our effort to strive towards improving our newsletter and we are thankful for your support.

The last month was very eventful and we hardly had any breathing space with

lots of projects and end term examinations on everyone's mind.

In usual IMT style we mixed work with pleasure and thoroughly enjoyed the Fresher's and New Year's parties.

The placement photo shoot gave us an excuse to dress up in formals and I must say that we enjoyed the experience!!

We would love to hear from you !!! Do mail us your suggestions and feedback at :

reflexions.imt@gmail.com



Fiscal cliff in USA

Fiscal cliff implies more liquidity by way of increasing revenue via imposing more tax and curbing the expenditure so that budget deficit can be kept within reasonable limits.

In USA, the debt burden in August 2011, increased heavily due to high deficit and the credit rating agencies particularly Standard and Poor's downgraded the credit rating of the country. The subsequent failure of the bipartisan super-committee to reach a deal on \$1.2 trillion in targeted budget savings over ten years unleashed automatic spending cuts for both defense and non-defense spending. Consequently, the creditability of USA economy in the world took a beating.

There have been increasingly contentious fiscal showdowns between the Democratic and Republican parties over the last few years because there was no comprehensive, long-term acceptability on the policy of deficit reduction.

In order to solve the problem of high deficit Republicans are of the view that Govt should reduce the expenditure



whereas Democrats typically believe tax increases should be part of any bargain to reduce long-term entitlement spending, and have generally supported greater reductions in the defense budget. This is the exact conflict over the fiscal cliff between the two parties. Republicans are pushing for all cuts to be extended, while many Democrats, led by President Obama, would extend all cuts except for the wealthiest 2 percent of domestic taxpayers.

It has become necessity to solve this problem of fiscal cliff otherwise it is likely to send the United States into another recession in the first half of the year. In such a scenario, analysts pro-

ject real economic output to decline by 0.5 percent from the fourth quarter of 2012 to that of 2013. Furthermore, economists say the dip in GDP would precipitate a commensurate rise in unemployment to over 9 percent.

Further there is a lot of uncertainty around and any further delay to resolve the problem of high deficit will have less effect, and there may be a permanent shock to the economy.

So, the world economy heaved a sigh of relief when the US Congress passed resolutions to curtail fiscal and defense spending.

The fiscal cliff resolution has shown its effect immediately. Investor's confidence has increased. The stock market in USA has shown upward movement.

The fiscal cliff resolution has helped lift technology stocks in India also. Many leading IT stocks, including that of Infosys, reported the highest closing of the year on Thursday.

- The indirect impacts of the agreement may be many, such as:
- It may leave the US companies with more cash in hand.

- It may ease economic depression and slowdown
- Customer spends may improve.
- Projects that have been postponed may come back to the pipeline.
- Companies may look at putting back the budgets that were cut.
- Projects that have been postponed may come back to the pipeline and the Companies may look at putting back the budgets that were cut.



Gaurav Sharma
PGDM-Executive(2012-13)

Game Changer #1: The Great Facilitation ballgame of Multi-sided Business Platforms



Let me start with a simple question. What is common among these, as of 2006 (and, for that matter, even as of today)?

- Visa
- Sony Playstation
- Orbitz
- NASDAQ
- Microsoft Windows

All of these are known examples of facilitation based multi-sided business models. These are not just products or businesses; these are platforms, in the true sense of the word. These platforms have, some even in industrial and so called traditional businesses, created value by "facilitating interactions & transactions" among various groups involved. They depend on network effect to kick in, and then thrive big time.

The concept of the two-sided markets is not new. In fact, the newspapers might have been among the first to exploit it, through low-priced subscription subsidized by the sponsors paying for advertisements.

Network- ing Events and conferences have been a great example of a non-tech two-sided platform, and they are sold on the same direct benefit as well. The sponsors subsidize the participants' fees, and hence get presumably higher visibility. Participants get to network; sometimes get direct information or sales leads; and pay for it unless in some cases, fully subsidized by the sponsors.

However, these business models, as represented by the examples above, were still very few & far in between until few years back.

The business world, since, has changed. And, drastically so!

Google and Apple have become the most valuable brands in the world. Amazon, that revolutionized the Books & Publishing market through the e-Commerce strategy, has since transformed itself into a Platform company. Facebook, Twitter, Instagram, and recently Pinterest have become the household names, beyond the tech world. Travel, Hospitality & Commute have become well-integrated

platforms driven businesses – driven through online technologies and ground-level operational integration.

HOW SONY FALTERED, AND HOW APPLE & GOOGLE PROPELLED

Let's take an example of two companies that seem to be very similar on products stack otherwise. Apple and Sony. Sony actually brought upon the concept of music that you could carry, with its revolutionary Walkman. Apple came in very late, with iPod. Sony has had a premium quality tag in computing machines (with Vaio) for a long time, while Apple's Mac slugged it out in its own creative/designer/geek space. Sony even had the earliest starts with its Reader as long back as in 2006! They even had a great idea of Reader being the platform, and got the leading publications in Japan to take note that time. Sony, a very relevant company even today in tech world with the quality and huge brand image to boot, (interestingly, it

has had at least one product in platforms category in Playstation) has fallen to 31-Year lows. They continued selling products in silos on their own stand-alone benefits. They are a product company, still a great one, but that doesn't seem to be enough!

On the other hand, Apple had an iPod – as a standalone “take your music with you device”, around 2001-02. With iTunes, it took the first steps into a platform around 2003. However, it has since transformed into a true platform company, with its formidable all-integrated business strategy that brings together computing, entertainment, and business. iTunes is a comprehensive AppStore, and not just a music store. Apple is a multi-dimensional company at its best – it brings multiple beneficiaries together in this multi-facets products business. iOS developers and Applications users. Musicians, music companies and Music lovers. Local or global businesses and their customers and fans. We've even started seeing the serious Enterprises making Apple devices the central to their CoIT (Consumerization of IT) and collaboration strategy. iPod, iPhone, iPad, Mac, iCloud – they sell products but they're a platform! And, in Feb 2012 Apple became the most valuable company in the world!

Google is an obvious name in the multi-sided platforms strategy. They took forward the newspaper ads model and applied it to search beautifully. And now, with the Enterprise businesses as well as their ever-growing list of vehicles – in Gmail, Google Apps, Android, Chrome, Maps, Drive, and so on – have established themselves as an formidable multi-sided platform. At this time, there doesn't seem to be a limit on what vehicles Google can choose to drive their platform strategy. Microsoft is now fighting it out on its own turf while Google and Apple make inroads into its huge Enterprise foothold.

SO WHAT?!

This era clearly belongs to the multi-sided Platforms based business. It's important, however, to not confuse this with the traditional definition of platforms in technology space. The true business platform is the one that is driven by facilitation and network effect, and which actually has multi-sided business model in the sense of heterogeneous set of beneficiaries that are not directly connected to each other. It is also important to note that this disruption has been caused not only by technological evolution, but also the interlinked effect of the other disruptive patterns such as “Long Tail” and “Free”, both terms made popular by the very respectable Chris Ander-

son. I will touch upon these in the next couple of posts as noted in my cover post on Game-Changer trends.

If you're in a business – whether technology or not, whether e-commerce or not, whether products or services – don't ignore this trend. Think about how you can leverage on this model, or be part of this ever-growing multi-cog machine that benefits all its gears. But, if you really think details, it's not just a marketing gimmick, and it's not just a tweak in the product. It should become the foundation of how business is conceived, strategized and operationalized.

Or would you think this is a passing trend? At least, I don't think so!



Ashish Bhagwat

Marketing Head– Magic Software

Some Marketing Terms, Explained !

You see a gorgeous girl at a party. You went up to her and say "I am very rich. Marry me".

That's DIRECT MARKETING

You are at a party with a bunch of friends and see a gorgeous girl. One of your friends goes up to her and pointing at you says, "He is very rich. Marry him".

That's ADVERTISING

You see a gorgeous girl at a party. You go up to her and get her telephone number. The next day you called her

and say, "Hi, I am very rich. Marry me".

That's TELEMARKETING.

You are at a party and see a beautiful girl. You get up and straighten your tie, you walk up to her and pour her a drink. You open the door for her, pick up her bag after she drops it, offer her a ride, and then say, 'By the way, I'm very rich. Will you marry me?'.
 and say, "Hi, I am very rich. Marry me".

That's PUBLIC RELATIONS.

You are at a party and see a gorgeous girl. She walks up to you and says, "You are very rich".

That's BRAND RECOGNITION.

You see a gorgeous girl at a party. You go up to her and say, "I am very rich. Marry me".

She gives you a nice hard slap on your face.

That's CUSTOMER FEEDBACK.

Reinventing CRM: With Social Media



Traditionally CRM is based around data and information, that an organisation collects around its customers, all of which goes into the CRM system, that allows the Company to better target various customers. The purpose invariably has been to move customers through a pipeline (via few incentives, irrespective of the degree of relevance) somehow maximising their CLV.

Not that it has not worked! Traditional CRM (Telephone, mail, e-mail etc) has been employed by organisations across multiple industries, for cost reduction and overall profitability, simultaneously, benefiting customers with--- personalised offers, better interactivity, much more effective complaint handling to name a few.

One cannot but ignore the more than apparent downsides to CRM (incompatible systems, inaccurate presumptions, annoyingly frequent calls and mails, scripted responses even to unique problems faced by customers etc). This runs down the very purpose of almost all the organisations- of engaging customers.

The Question is: Can relationships be developed, with one party leveraging on piles of data about its customers?

Rules of Traditional CRM have been heavily one-sided , debilitating the very premise of Engagement between the company and the customers--- the TRUST.

In an ever increasing competitive landscape, TRUST can be developed , essentially through a two-way dialogue, in a transparent fashion. Here comes the role of social media, whose potential of bringing the customers, closer to the companies, is unprecedented and unchallenged, given its phenomenal growth in the last decade. It unleashes impeccable power to the customers to share, connect and act together. The trick lies in tapping into social networking as a new channel, within existing CRM processes. The objective is to deepen relationships with customers, strengthening them through meaningful interactions, ultimately leading to mutually beneficial and rewarding relationships.

But the bottom-line is that for tapping of this channel, it is imperative that users participate in communities, and they would do so, only when they perceive VALUE from it. Once they perceive value, engaging them and building TRUST ,would be far less daunting, and far more sustainable, given the support of a sound strategy with long term vision. The challenges are numerous (short life span, competition, insecurities of customers, resistance to change to name a few), but definitely not insurmountable, given the far outweighing benefits it can unfurl.

The simple rule is to be relevant to the target audience, through the right platforms, at the right time, with the right message, not to forget the incorporation of hugely interactive elements, in order to facilitate not just a dialogue, but also exploration of new insights.

Social CRM is not replacing CRM. Its taking CRM to a different altar, by unlocking what customers care about, and creating social media experience (through social networking sites, media sharing site, blogging, wikis, the list just goes on....) that contributes to the delivery of this VALUE.



Dr Tripti Ghosh Sharma

Asst. Professor (Marketing)

IMT-Ghaziabad

Opening the doors and embracing your story

IMT is a place where you learn and understand how to celebrate yourself and that too with a party. Almost every other day , there is a party. (A party which continues well beyond the IMT days)



Either some of us had won some event or topped in a particular exam or there is a birthday or may be all of us are so happy being here and together that no reason is required for a party.

It was the perfect chaos where the day consisted of attending classes , projects , events participation , clubs and committees' work and what not. Yet everything fell in place and

makes you wonder on your own unexplored potential.

The high level of competitiveness made one grow as every other person in IMT was a god in himself and could add something completely new. There were professors whose every class had a value addition and I loved attending them. Apart from making some wonderful friends, you also become fan of a few individuals who are not taking the popular path but the difficult path of making long term value additions to the work they undertake.

From library, I very fondly remember its online resources and video library apart from the hours at night where very often it would be a lot of us who would stay there till 5.45 AM when it actually

closes.

The visit to the library roof top and the parties there are also a treat to remember.

The networking and exposure that came from Alumni meets and organizing i events where you invite top most people from the industry and grow and evolve by sheer passion of their involvement and love of what they have done and achieved.

The wonderful chance that one get to publish the research papers and participate and organize the B- school events and actually see some extraordinary performances from almost all the participants was another delight.

Wish everybody all the very best and

would like to congratulate the new batch for many new and innovative endeavors like newsletter and symposiums which do add a lot of value and visibility.



Avijeet Khaitan

PGDM-Executive (2012)

Govt gets only Rs 1,707 cr from 2G spectrum auction

Falls way short of the Rs 40,000-cr target for the year Bharti makes upfront payment Vodafone, Telewings go for deferred scheme. Later, The empowered group of ministers (EGoM) on telecom decided to cut the 1,800-MHz band spectrum auction reserve price by 30 per cent for four circles that did not attract bidders.

Apple's iTunes debuts in India

To offer digital music at Rs 7/song, industry sees big impact. Earlier, the iTunes Store in India was mostly a marketplace for free digital books and podcasts. A KPMG reports suggests that digital music's share in the overall music market in India will grow from the current 49 per cent to 79 per cent by 2015 at Rs 1475 crore and close to 50 per cent of music revenue in India comes from mobile downloads.

Retail FDI gets LS go-ahead

Aided by the absence of the Samajwadi Party (SP) and the Bahujan Samaj



Party (BSP), the United Progressive Alliance government on Wednesday won the Lok Sabha vote on allowing foreign direct investment (FDI) in multi-brand retail. The final numbers showed 253 members of Parliament (MPs) voted in favour of the government decision on FDI, while 218 voted against it.

2012 turns out to be a jolly good year for Bollywood

The Rs 100-cr club expands to eight films, from five in 2011 and two in 2010.

Lok Sabha approves Companies Bill

The Lok Sabha on Tuesday approved the much-awaited Companies Bill, 2011, making it mandatory for profit-making companies to spend on activities related to corporate social responsibility (CSR). If a company does not do so, it will have to explain the reasons for it. Also Passage of the Companies

Bill in Parliament has paved the way for a new concept of 'one person' company' (OPC). Under the Companies Act, 1956, it required at least two people to form a company.

Lok Sabha clears Banking Bill paves way for new banks, foreign investment

The government on Tuesday cleared the decks for the Reserve Bank of India (RBI) to initiate the process to issue new banking licenses and widened the window for infusion of capital into the banking sector.

Now RBI gets more powers, it can now supersede bank board & will act as banking regulator. CCI on the other hand will regulate M&As. Also voting rights of shareholders in banks will go up. Banks will not be allowed to trade in commodity futures.

Impact will be that Industrial houses will now get licenses to operate banks & more foreign & domestic investment will flow in.

IKEA may enter India with cut-down product range, but not without cafes

IKEA may settle for fewer product categories in the Indian market than it had proposed in its application to the Foreign Investment Promotion Board (FIPB),

Even as IKEA, the world’s largest furniture retail chain, had sought approval to invest Rs 10,500 crore with 50 product categories, FIPB nod came for just Rs 4,500 crore striking off 18 product categories besides cafés/restaurants. But IKEA is unlikely to compromise on the “concept” the company represents across 80 countries, according to sources in the know. So, the fight is for the signature café, restaurant and the Swedish meat ball IKEA is known for, besides its furniture stores. But in a “review”, FIPB will take up the IKEA case again, based on a “request of the Department of Industrial Policy & Promotion”, according to the board’s agenda note for the year-end meeting.

Farewell, Mr RatanTata

Ratan Tata who took over as chairman of the Tata Group in 1991, as the untested nephew of J R D Tata, handed

over the baton, Twenty-one years later to 44-year-old Cyrus Mistry on 28th December.

Tata, 75, has led the transformation of the group to a \$100-billion-plus global conglomerate. Mistry inherits a global conglomerate that is 51 times bigger than in 1991 and the group has grown at a compound annual rate of 21.7 per cent. But Tata has set a challenging task for his successor: He wants the group to increase annual sales to more than \$500 billion over next decade. Business Today described Cyrus Mistry’s appointment as a googly that Shane Warne would be proud of.

He is not a member of the Tata family. He is not the first non-eponymous chairman: between 1932 and 1938 the job was held by Nowroji Saklatwala – though he was nephew of the group’s first chairman, Jamsheji Tata.- financial times.

M&M to invest \$900 million for new products with Ssangyon Motor Co

India's Mahindra & Mahindra will invest \$900 million over the next four years in

products to be developed jointly with its South Korean unit Ssangyong Motor Co Ltd. Mahindra, India's biggest utility vehicle manufacturer, also builds tractors, trucks and motorcycles, and bought a majority stake in the South Korean company in 2011 for \$460 million.-economic times.

Jet courting investment from Etihad Airways

Jet Airways, an Indian airline, is courting investment by Etihad Airways, the deep-pocketed flag-carrier of Abu Dhabi. It comes at an auspicious time for both parties. Local media reports suggest that a 24% stake could exchange hands, although the \$330m figure doing the rounds has raised some eyebrows. The government’s decision to relax ownership rules on domestic airlines in September—permitting stakes of up to 49% to be held overseas—went some way to piquing interest in the sector, but reform will be hard.- the economist

Source: The Business Standard

Fun fact: Did you know that the below car Brands are subsidiaries of Volkswagen group ?

	 Audi	 SEAT
		 BENTLEY
		
	 SCANIA	

