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Formulation of Marketing Strategy in India
- Application of the Global Strategy Formulation Model
NOTE: This is a revised version of our master thesis. Some references and pictures have been removed in accordance with our partner company’s desire. Our partner company is therefore simply referred to as “The company”. // The authors

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Abstract

As a part of the strategic planning process a company has to formulate a marketing strategy before entering a new market. For global marketers, formulation of a global marketing strategy is of big importance since it contributes benefits, including raising the efficacy of new-products launches, cost reduction and improving product quality and market share performance. India is a fast growing subcontinent and it is predicted to be among the top five economies in the world by the year 2025. The driving force in the Indian economy is the growing number of people from the middle class, which currently consists of over 300 million Indians. They are consuming progressively more western brands and more and more foreign companies are establishing in the country.

The purpose of this thesis is to get a better understanding of the Indian market in order to formulate a strategy for this market. The thesis aim to identify how a business to business company, with baby products aimed for the upper class segment, should formulate their marketing strategy. To be able to answer our research question we have conducted a number of qualitative interviews, including a focus group interview with potential Indian consumers. The result of our interviews, empirical data along with our collected theory shows that the Indian market is fragmented and diverse. This thesis tells us that a company offering exclusive products should focus on consumers living in urban areas of India. A company should considerate on important aspects when formulating a marketing strategy for the Indian market: Assessment and adjustment of core strategy (choice of competitive strategy), formulation of a global strategy (choice of competitive strategy, choice of segment, marketing in India, the purchase process, culture) and development of global marketing program (degree of standardization).

Keywords: Marketing  Global strategy formulation  India  Choice of segment
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1. A beginning to an end

The intention of this chapter is to highlight the underlying conditions to our chosen subject, give an introduction to the increasing awareness among companies strategy formulation and why it is important, for a company, to formulate a strategy before entering a new market and increase the awareness among a marketing strategy.

1.1 Background - the market

The choice of strategies is of big importance when a company works with more than one product and different values. A company has to make the emotional building experience available to their customers through building a strategy that focus on market attractiveness and organizational learning from international- and local activities (Pitta & Franzak, 2008). It is also important to focus on the information and knowledge the host-market can give you, about the potential target audience and market, when formulate your marketing strategy (Yeniyurt et al., 2007). There are two broad issues of relevance in entry decisions in foreign markets. The first issue, for a company, is the motivation to enter and the advantage that a company possesses, to strengthen an existing strategy or to develop a new one. The second issue is in what way the company chooses to participate in the particular product-market, the decision regarding the mode of entry and which country they choose (Madhok, 1997).

The world provides a lot of developing countries with increasing markets and with fast growing systems. By the year of 2030 India, the world largest democracy, is estimated to be the third largest economy in the world (Swedish Trade Council, 2009c). It is an attractive market for foreign companies to enter. With a population of over 1 billion people and over 60% under the age of 25 the business opportunities are enormous and it is continuously growing, approximately with 12% every year. The driving force in the Indian economy is the growing number of people from the middle class, which currently consists of over 300 million Indians which are consuming progressively more Western brands and products (Swedish Trade Council, 2009b).
1.2 The company

- “The children are the most important in the world – for parents and for us. At The company we will make the daily life easier for parents and children so the first years will be more fun” (Vice President, The company, 2009).

The company is a family-owned, Swedish company founded in 19XX. Right from the start, The company’s goal has been to simplify everyday activities for parents and small children by developing innovative products for children up to the age of three (The company, 2009a). A lot has happened during their XX years in the business, but they have never compromised their core values – quality, safety and style (Vice President, The company, 2009). The company’s strategy is directed to parents, their children and to the ones that buy their product which can be different among different countries. The company is very aware down to the smallest product detail and tries to combine production, logistics and management, by developing durable and recyclable products that fits every market. The company’s products are characterized by clean design with no unnecessary frills that are suitable for the mother and the father and parents on all foreign markets (The company, 2009b). The company nearly uses the same strategy on every new foreign market they are entering. They find the best fitting distributors, start to launch their products in the big cities and, if successful, they extend their product-line around the country. Their products are now used worldwide by millions of parents in Europe, America and Asia. Today they are presented in all, for them, obvious countries and now they want to launch their products in countries outside this segment. Their establishing goal are now concentrated to India where the company believe they have good opportunities to succeed but in the same time have to face differences they have to be prepared for (Vice President, The company, 2009).

1.2.1 The company’s present strategy

The first and most important opportunities the Indian market has according to the (marketing manager, The company, 2009) market manager for Asia, is the market size. It is a large, expansive and growing market with a lot of potential. The mainly threat is to not have enough information about the current market before entry and their competitors copying of their products.

- “It is a market we believe in and have faith in for the future. We think India is our next step in our developing- and establishment process” (Vice President, The company, 2009).
The biggest threats are the Indian people’s already existing opinion of baby products. If the people have bad experience to their own produced baby products they probably are going to transfer their preferences and probably neither accept The company’s high price.

- “In China we experienced skeptical meanings against foreign product and if it is the same in India it is going to be a big threat for us” (Marketing Manager, The company, 2009).

The company’s foreign segment is usually focused on the big cities where the biggest interest from parents and distributors are. In most of the time The company direct and begin to sell their products in shops that already sell western products. They rely on strong Swedish values to make their brand stronger and always promote the importance and opportunities with parents shared responsibility which is a big marketing part for The company. They offer products with high quality and safety to a higher cost and they do not bend the rule.

- “Usually we get inquiries from distributors who want to sell our products and regularly that is the starting point to a new establishment process in a new market” (Marketing Manager, The company, 2009).

The basic need regarding baby products is the same among every parent and that is the main reason why The company do not think it is of big importance to conform their products to different markets. Regarding different cultures and juridical decisions they have to adapt, for example, their printed information against different markets but overall they try to standardize as much as they can regarding products and marketing decisions to keep down the costs. The company, in Sweden, develop the general guidelines, how the ads should be used, and then the distributors, in the foreign country, chooses the best channels, language and content for the current market. It is the distributor who has to pay for all marketing effort they chose to do.

- “For example, when the paternity leave was a very interesting, and up to date, topic in Australia and the fathers was supposed to get more time with their child. To meet the market we did a marketing campaign where we tried to draw attention through showing fathers with their children in our ads. We try to work with themes that focusing on something presently at the time for a special market” (Marketing Manager, The company, 2009).

1.3 Problem discussion

More emerging companies are established and the competition is increasing. Consequently companies will need to look beyond their traditional strategies in order to meet the market more drastically and to provide the market with their needs (Coleman, 2007). The rules for
survival companies have changed since the beginning of the 1980s when Theodore Levitt first coined the phrase *global marketing* (Levitt, 1983). The biggest companies cannot survive on only the domestic market. They have to be in and take help from other market regarding sales, import and export to exist. The globalization leads us to rising raw material prices and price wars but at the same time, markets abroad, are full of opportunities (Czinkota & Ronkainen, 2007). “*Becoming a global appliance player is clearly the best use of our management expertise and well-established brand line-up*” (Whirlpool, 2005).

Companies and their decision makers have to engage themselves in strategic planning to match markets with products and resources more effectively, to strengthen the company’s long-term competitive advantage.

Figure 1: Global Strategy Formulation model (Czinkota & Ronkainen, 2007:194).

A company has to summarize their process and formulate a strategy to build a strategic planning process before entering a market. It has been shown that, for global marketers, formal strategic planning contributes to benefits, including raising the efficacy of new-products launches, cost reduction and improving product quality and market share performance. These efforts increases and improve the understanding of different markets point of view (Czinkota & Ronkainen, 2007). When a company transferring a marketing strategy into new markets they have to consider that the purchasing power can be diverse across countries and therefore different strategies have to be used (Schuh, 2007). Which market should a company chose to enter these days? India is a fast growing subcontinent, their market is increasing and more and more western companies are establishing there. The country has a high population with a population growth of 1.4% and is predicted to be among the top five economies in the world by 2025. The market provides over one billion consumers and is expected to be among the top five markets for consuming goods in the world within year 2010 (The company, 2009c)

**1.4 Problem question**

To clarify, interpret and analyze, with background of above declared discussion, we inquire following question:
How does a company formulate their marketing strategy for the Indian market?

1.5 Purpose
The purpose is to get a better understanding of the Indian market. To do this the thesis aim to identify how a business to business company directed to baby products, with products aimed for the upper class segment¹, formulate their marketing strategy and categorize themselves with the Global Strategy Formulation models first three steps. The first step are directed to get a better knowledge about the assessment and adjustment a company take in consideration before formulating a strategy, the second step in which way a company formulate their strategy regarding segmentation and the third step in which way a company choose to standardize their strategies.

1.6 Delimitation
The thesis is directed to a company that already has chosen country to launch and the purpose is to study what a company should considerate before establishing their product on a new market. On a request from our partner company we are focused on the Indian market. It is a developing and growing market with a lot of opportunities that we, in consultation with our partner, believe in. Regarding the chosen model our main intention is only to focus on the first three parts: assessment and adjustment of core strategy, formulation of global strategy and development of global marketing program. In the first part, which includes analysis of the market and competitors and internal analysis, we delimit our research from the internal analysis. The second step is focusing on the formulation of a strategy which our focus mainly relies on. In the third part we only focus on the standardization. Since our purpose is to examine the Indian market, we consider the remaining parts to be the most suitable for fulfilling our purpose. We reject the last part of the model, the implementation, which we are leaving to the company to take in consideration after our research has been done. We think our result has better potential to reach a good result if we do this limitation and in lack of time and resources we think this limitation brings a better flow, focus and attention to our master thesis.

¹ People prepared, willing and who have ability to pay a higher price for a product provided on the market (Vice President, The company, 2009)
2. The scientists thoughts

In this chapter, we present and describe the theoretical framework of our study. The theory is selected based on our research question and the purpose of the study. The overall theme of our theoretical framework is Global strategy formulation. Within this theme, we discuss market and competitive analysis, choice of competitive strategy and segments, as well as degree of standardization. We also discuss the marketing opportunities, the purchase process and the culture of India.

2.1 Theoretical choices

Much research has been made on the topic of global strategy formulation. We have tried to pick a conceptual model that is relevant and well-presented as the basis for our study. We chose the Global Strategy Formulation model by Czinkota & Ronkainen (2007). This model contains well-known concepts and deals with the basics of building a global strategy, step by step, and is overall easy to understand. We chose to focus only on three of the four steps in the model. We excluded the last step; Implementation, partly due to lack of time but also because we believe it is up to the company itself to go through with the implementation.

Among others, we reviewed similar models for global strategy building by Zou & Cavusgil (1995), Viswanathan & Dickson (2006) and Elg et al. (2007). Zou & Cavusgil (1995) presents a model called Integrated conceptual framework of global strategy, which consists of internal and external analyses. As we will not be focusing on the internal factors (such as organizational policies) of the company, we did not choose this model. Viswanathan & Dickson introduce a framework model called Degree of marketing strategy formulation, which has a global perspective but is somewhat complex and puts too much emphasis on standardization of the strategy. Elg et al. (2007) presents a model called The Role of networks, which is a rather complicated model with too many factors to consider for it to be useful to us.

2.2 Global Marketing Strategy

To formulate a marketing strategy, companies have to focus on three main aspects. Czinkota and Ronkainen’s (2007) model shows how to synchronize and coordinate the Global Strategy Formulation model, how to construct a marketing analysis, and how to choose competitive
strategy and segments, product offering, marketing approach, location and competitive moves when formulate a marketing strategy.

![Modified Global Strategy Formulation model](Czinkota & Ronkainen, 2007:194).

2.2.1 Assessment and adjustment of core strategy

2.2.1.1 Market and Competitive Analysis
The foundation for global strategy planning is to investigate which underlying forces determine business success in the targeted country. In other words, the environment of the market in which the new product will compete must be assessed. The marketer has to consider risks, resource requirements and possible economies of scale, profitability, and so forth. However, it is important to understand the trends and sources of profit in the global market as well, not only in the individual national market. On the demand side, knowledge of customer requirements and customer choice factors is necessary, which are the trends in lifestyles and consumption patterns that will shape customer expectations and preferences, for instance when it comes to safety, economy, design, and performance. It is also central to understand the structure of the industry, in order to identify which forces will drive and intensify competition and determine profitability (Czinkota and Ronkainen, 2007).

2.2.2 Formulation of global strategy
When formulating a global strategy, the first step for the company is to choose which competitive strategy to apply on the new country market. When a competitive strategy has been chosen, the second step is to select which markets and segments to target in the country in point (Czinkota & Ronkainen, 2007).

2.2.2.1 Choice of competitive strategy
Kwasi and Moses (2007) state that by pursuing a competitive strategy, companies can gain a competitive advantage and a favourable position in the industry that allows them to surpass competitors. According to Czinkota and Ronkainen (2007), there are three strategy options when it comes to global markets. The first strategy is cost leadership. With a cost leadership
strategy, the firm focuses on achieving and maintaining a low-cost competitive position compared to competitors, which usually results in the ability to offer a lower price. In this strategy, the company offers a product or service that is identical to competitors’, but consequently to a lower cost. The implications of a cost leadership strategy are, for example, investments in economies of scale, strict cost controls, product standardization, etc.

**Differentiation** is the second strategy, which could pertain to the industry as a whole or to a single segment. A differentiation strategy focuses on creating a unique image or value for a product that distinguishes it from competing products; for instance regarding design, after-sales service, product attributes, or brand image. The third strategy is called **focus**, which is characterized by an emphasis on a single narrow segment. In this segment, the approach can be either cost leadership or differentiation – the point is the company’s focus on the particular segment (Czinkota & Ronkainen, 2007). However, Kwasi and Moses (2007) point out that in order to outclass its competitors, the company must make a clear choice between a cost leadership and differentiation strategy, as the different strategies somewhat contradict each other. Firms that fail to develop a specific strategy becomes "stuck in the middle" without a clear approach. Offering high quality products, extensive after-sales service, and so forth is incompatible with striving to keep costs to a minimum. Firms stuck in the middle either loses the high-volume customers who demand low prices, or loses the high-profit customers who seek high quality (Kwasi & Moses, 2007).

### 2.2.2.2 Choice of segments

According to Park and Sullivan (2009), mass marketing as an approach cannot satisfy the needs of customers, since their preferences are so diverse. As a result, companies use segmentation in order to divide the market into groups of customers with similar characteristics, which differ among each other. Detailed studies should be conducted in order to do a proper segmentation, and there are several different variables that may be used as a base for the segmentation (Wang, 2009).

**Geographic** variables are typical bases for segmentation. The market is then divided into regions, which can vary in scale from entire continents, to countries, to smaller districts and provinces. These regions may be broken down into different size (of countries or cities), concentration (urban, suburban, or rural areas), or climate (tropical, subtropical, etc.) a company has to take in consideration regarding which product they launch. Geographic
segmentation is used by marketers because they believe that consumers who live in the same area share similar needs, wants and behavior, and that these needs and wants are different from consumers living in other regions. For example, marketers have observed different purchasing patterns among urban, suburban and rural areas. Geography can be a useful segmentation strategy because it provides a quick overview of differences and similarities between consumers from different regions, and takes into consideration climatic differences and language differences between regions (Kotler et al., 2005).

**Demographic** variables are commonly used to identify broad customer groups, and could pertain to gender, age, ethnicity, etc. (Kotler et al., 2005). A subcategory of demographics is socio-economic variables, which involves economic and social position based on income, education and occupation. These factors have a significant influence on consumer choice in many markets, such as cars, clothing, home furnishing, etc. Understanding who the consumers are will enable the company to more closely identify and understand their needs, product and services usage, and wants. Demographics, however, are rather constraints than causes for behaviour; therefore they should be used primarily to reduce the number of possible alternatives (Datta, 1996).

**Psychographic** variables are another common basis for segmenting a market. Psychographics are attributes relating to personality, lifestyle, values, attitudes, etc. These variables are highly connected to national culture. If a company understands the lifestyle of a particular group, it can sell them products and services on the basis that it will enhance their lifestyle. Products and brands can also be aimed at particular personalities, such as outgoing or independent. Often marketers try to develop personalities for their brands and products that imitate that of their target market (Kotler et al., 2005).

**Behavioral** variables are the most useful aspect in segmenting markets (Datta, 1996). These behavioral variables relate to customers’ behavior; why they would purchase a certain product, how they use different products, their loyalty to a brand or company, their attitudes toward the product, purchase frequency, etc. Behavioural segmentation can be broken down into the benefit a consumer seeks from purchasing a product. How will the product enhance their overall life? It is important for a company to know why customers would buy their product and how they feel about the product and its qualities. This practice in marketing has been
valuable for many marketers as they find more about the customer needs other than just customer potential (Kotler et al., 2005).

2.2.3 Development of global marketing program

Emerging markets’ characteristics affect how to develop the marketing program and in the end the most important decision is to decide to what degree the company should standardize marketing activity and product offers (Dawar and Chattopadhyay, 2002). Based upon the conditions of competitive challenge and resources within the firm, decisions need to be made regarding how to best utilize these particular conditions (Czinkota & Ronkainen, 2007).

2.2.3.1 Degree of standardization

Depending on what kind of product offering or nature of the product itself, the need for localization varies. If standardization of the product across the market(s) is possible, this may result in significant cost savings for the company (Czinkota & Ronkainen, 2007). There is a positive relationship between global standardization and performance. Global standardization can lead to superior performance, especially in the context of high-tech- and advanced products. The ambition to be global and adapt the business activities to local conditions means to act glocal (O´Donnell and Jeong, 2000). This glocal strategy thus emphasizes a state of harmony between standardization and adaption where the tailoring of business activities is optimized. For example a company can pursue and assume global strategy, but allow it to involve differences in packaging, distribution and media that they consider important to the particular market (Svensson, 2001).

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Emerging markets is defined as a country making an effort to change and improve its economy with the goal of raising its performance to that of the world’s more advanced nations (Czinkota, 2007:116).
2.3 Marketing in India
Since advertising and commercials reflects the cultural values of a given society, Khairullah and Khairullah (2009) suggest that before developing advertising campaigns for foreign markets, it is important for the international marketer to assess and understand the cultural values of consumers in different markets in order to communicate effectively with them. This knowledge will help them to incorporate both the traditional cultural values that are significant in a certain culture, as well as the more modern values that are changing with time due to socio-economic progress. In India, the wealthy urban middle class influenced by the West is growing and advertising campaigns include and consider the more current values and trends. For example, India as a country has rather traditional gender roles, which is why more male than female models are used in commercials, and women are often portrayed in the traditional roles of housewives and mothers. However, this is changing to some extent – at least in urban areas, women are increasingly shown in ads, even in less traditional roles. While it is acceptable to show Indian women to be educated and career-oriented in ads and commercials, they still have to be in modest clothes according to the norms of Indian culture; for example. Generally, Indians also prefer to see younger people in the advertisements. In other words, marketers have to take into consideration the specific traditional values and preferences of Indian consumers, while including the modern ones that follow the changing conditions in Indian society (Khairullah & Khairullah, 2009).

Bhatia & Bhargava (2008) suggests basing the advertising in India on glocalization. As mentioned earlier, glocalization is the ambition to be global while adapting business activities to local conditions (O’ Donnell and Jeong, 2000). The advertisement should highlight the product’s foreign origin, while at the same time being adjusted to local preferences. For example, creating advertising that is both in English and the local language increases the strength of a marketing message. When it comes to the content of the advertisement, it is important to display extensive information. The most significant information in an ad is the product name; followed by the company’s name, contact information, different product choices, as well as price and assurance. TV advertising has increased significantly in India in the past years (Bhatia & Bhargava, 2008).

2.4 The purchase process
To understand consumers it is about understanding how and why consumers make their decisions which is the source of the consumer behavior. For a company it is all about
understanding the consumer and their behavior through their buying and decision process. The process is built on seven steps with the purpose to show external and internal forces affect on the consumer: need – when the consumer identifies a need and where the marketers have the opportunity to influence the consumer. Information search – in which way the consumer choose to search for information, either trough individual internal factors such as experience and memory or through external factors such as messages from companies and marketers. Alternative evaluation – the consumer evaluates and chooses between a lot of products and brands and identifies important features to delimit the alternatives (Blackwell et al., 2001:70-76). Purchasing – here observes five central questions: if, when, what, where and how the purchase will be realized, personal and social motive and the environment are of big importance. Consumption – when the product is consumed and where, how and in which quality this happen, the consumption can take place immediately or be delayed. Evaluation after purchase – the evaluation is personal and the consumer reflects over the purchase effect and the experience it have given (Vrontis & Thrassou, 2007). Satisfied consumers show loyalty through buying the same product again, in the same store, when a new need has to be satisfied. Liquidate – if the consumer is not satisfied the purchase will not happen again and the recyclable process has ended (Blackwell et al., 2001:70-80).

2.5 Culture
Culture is defined as “the set of basic values, perceptions, wants and behaviors learned by a member of society from family and other important institutions” (Kotler, 2005:219). Culture is closely related to consumer behavior and consumption decisions made in every market; through preferences, attitudes, values, and social relationships and cultural commitment (Banerjee, 2008). Dawar and Chattopadhyay (2002) state that following globalization; culture is becoming an increasingly important strategic issue in marketing that must be managed correctly. As culture and values vary across countries, a deep understanding about country-specific culture and core values is crucial for success in any market regarding positioning and marketing mix strategies. Generally, for the marketing mix to quickly connect with customers in a specific market, it should emphasize their cultural values and base the message on these values. Using local language shows that the company is serious about doing business in the country (Banerjee, 2008). When it comes to product attributes and promotion, the marketer should also take advantage of rituals, customs and traditions and integrate cultural symbols and signs that speak to the customers, to gain a place in their minds. Nonverbal communications is significant in many cultures. However, the marketer must know the
meanings of different symbols to avoid confusion. It is also important that the product or service does not interfere with traditions in the targeted market (Banerjee, 2008).

Czinkota and Ronkainen (2007) suggest that marketers should develop checklists and models showing significant cultural variables that may have an impact on how consumers perceive and evaluate a product. Furthermore, they state that cultural lifestyle can be described along four dimensions:

1) Individualism vs. Collectivism: “I” mentality versus “we” mentality; whether a culture emphasizes the individual or the collective.

2) Low/high Power distance: Level of equality in a society, i.e. the extent to which it is accepted that power is distributed unequally; emphasis on formality or informality.

3) Uncertainty avoidance: The extent to which members of a culture attempt to minimize uncertainty; need for formal rules and regulations.

4) Masculinity vs. Femininity: Attitudes toward achievement, roles for men and women and emphasis on masculine/”hard” or feminine/”soft” values.

There are different implications of these dimensions. For instance, in a culture characterized by individualism, the promotion of a product should appeal to the individual. In a collectivist culture, the promotion should thus address the collective. In a culture with low power distance, the marketing should incorporate a friendly and informal message. On the contrary, in cultures with high power distance the marketing communication should be more formal, and emphasize that the new product is socially accepted. When it comes to uncertainty avoidance, cultures with low levels are mostly very open to new products, while cultures with high levels should be targeted with risk-reducing marketing programs with extended warranties and generous return policies. As for masculinity, cultures with high levels have a preference for high-performance products, and thus themes such as success and achievement may be used in the promotion, while “softer” values such as environmental friendliness speak to cultures with lower levels of masculinity. On the whole, launching products in a new culture requires in-depth consumer usage and attitude studies, for instance regarding preferred tastes and image (Czinkota & Ronkainen, 2007).
3. How, where, when?

The chapter represents the practical starting point of the thesis and the main purpose is to describe how the theoretical- and empirical material has been collected, worked through and analyzed.

3.1 The research process

In order to achieve a high degree of validity, reliability and to make it easy to comprehend and to provide an overview of this process a model is constructed. This is a guide as well as an explanation how the different parts of the thesis are connected and in what way they contribute to the fulfillment of this thesis’s purpose.

![Figure 4: Modified method model (Björklund & Paulsson, 2003:29)](image)

3.1.1 Research design

This thesis takes on a deductive approach, were the empirical data is collected with the theoretical data as a framework. It enables a systematic delimitation when it comes to collection of empirical data (Bryman & Bell, 2005:23). The criticism against the deductive approach is that it already on an early stage delimits the survey, which makes certain data fall outside the deductive framework and will thus not be noticed by the researcher. Furthermore, this means that information that could be of value does not come within the survey, which can affect the final result. We will keep this in mind as we carry out the work of collecting empirical data, thus it is impossible to include all potential valuable information (Jacobsen 2002:42).
3.2 Choice of data

3.2.1 Data collection
This thesis contains both primary and secondary data; we will explain the data collection process in order to answer our research question. Primary data is data initially collected for another purpose than the purpose of the current study, in contrast to secondary data, which is collected for the specific purpose of the study (Björklund & Paulsson, 2003:67-68). The primary data used in this study is the answers gathered from interviews from our partner company, Indian people and a focus group. Apart from the information gathered through interviews we also used secondary data in terms of scientific peer-reviewed articles as well as books, The Swedish Trade Council and relevant websites. The scientific articles were found through the portal ELIN via the University Library of Växjö University. The search criteria used were: market entry, marketing strategies, emerging markets, marketing programs, etc. Books were collected at the library of Växjö University by browsing through the marketing and economics sections.

3.2.2 Need of information
To answer our research question, appropriate information is needed. Therefore we need to localize the information gaps that we have to close, which is visualized through the model below. Under each headline, which represents one step in the global strategy formulation model, the need of information is presented.

![Figure 5: Need of information model (own construction)](image-url)
3.3 Interviews

Some of the information needed in this study is collected through semi-structured and unstructured interviews. One advantage of using interviews is that relevant information regarding the study’s purpose is received directly, in other words: primary data (Björklund & Paulsson 2003:70). Another positive feature with using interviews is that it makes it possible to explain the questions if the respondents do not understand it and it is also possible to ask follow up questions (Bryman & Bell, 2005:377). There are thus negative aspects of conducting interviews. It is important to be aware of that the interviewer may affect the answers received during the interview. This can be characteristics of the interviewer such as gender, ethnicity or socio-economic status. Some of the interviews were conducted by phone, and in these cases the interviewer effect most likely has a minor effect on the interviews (Bryman & Bell, 2005:157). A distance between the interviewer and the respondent is created which minimizes the interviewer effect (Jacobsen 2002:311). Some of the respondents in this thesis are not geographically close, which decrease the abilities of conducting an interview face-to-face. It is not economically possible for us to visit these respondents; even this should have been preferred since it probably would provide us with a more multifaceted empirical material. However, some of the respondents are relatively close located, which enabled us to perform personal interviews as well (Jacobsen 2002:312).

3.3.1 Choice of respondents

The choice of respondents is based on a convenience selection, which is a type of non-probability selection (Bryman & Bell, 2005:124). A non-probability selection can for example be an expert sampling, quota sampling or just making use of the available respondents. It is for example possible to choose respondents according to some certain criteria (Körner & Wahlgren, 2006:30). Our main respondents are all potential Indian consumers and we used the non-probability selection process when finding respondents. We did not choose respondents randomly. Criteria used are that the respondents have adequate knowledge of the subject (marketing) or exclusive information regarding the Indian market. Since our research question is aimed at formulating a marketing strategy in the Indian market, this leaves us potential respondents such as marketing managers in companies established in the Indian market or in the establishment phase, Trade Councils and Indian consumers. We have therefore conducted interviews with the marketing manager at The company as well as potential Indian consumers. Through the unstructured interview with the vice president of The company, we received contact information with the marketing manager at The company. We
found contact information with the Trade Council in India on their website, and established contact through mail. The contact with the Indians was made by first contacting the Student Union of Växjö University. From the Student Union we received a list of Indian students in Växjö, and with this list we were able to contact the Indian students by phone and email.

3.3.2 Semi-structured interviews
In this thesis we have performed qualitative semi-structured interviews with the marketing manager at The company, one potential Indian consumer and an associate at the Swedish Trade Council in India. Semi-structured interviews are well suited for studies with an initial and clear focus already from the beginning (Bryman & Bell, 2005:366). As we already from the beginning had a distinct purpose this kind of interviews suits this study well. A semi-structured interview is flexible when it comes to the order of the questions asked. An interview guide is thus needed, but it is not necessary to follow the questions in any particular order, but they will more or less be asked in the original order depending on whether the respondent already has answered them or not through previous questions (Bryman & Bell, 2005:363). The semi-structured interviews were conducted through phone. The main reason why we chose semi-structured interviews through phone is that it was the only realistic option for us to interview these people, as they were not geographically close.

3.3.2.1 Outline of the semi-structured interviews
The interviews were conducted over a telephone with speakers so all of us could actively participate, and all of them lasted for approximately one hour. We sent the interview guide to the respondents by e-mail a day ahead to facilitate the interview process. The interview was led by one person who initiated the telephone conversation and asked the questions of the interview guide, while the other two were taking notes of the answers provided by the respondents. However, all of us participated in the interview by asking follow-up questions. The interviews took place at daytime between 10 am and 15 pm. The emails to the Indians also contained pictures of The company products in order to avoid misperceptions of the questions.

3.3.2.2 The interview guide
A semi-structured interview guide was used during the telephone interview with the marketing manager at our partner company and one directed to the Indian consumers. A semi-structured interview is less controlled than a structured interview. We had specific questions formulated, but were able to complement with additional information from follow-up
questions that were raised during the interview. According to Bryman and Bell (2005), it is appropriate to have some structure of the questions in the interview guide. We structured the guide so the questions pertaining to each of the stages of our theoretical model were grouped together. Further, Bryman and Bell (2005) state that interview questions should be formulated in a way that facilitates the answering of the study’s research question, and with this in mind our questions were formulated based on the theoretical framework. We compiled a number of questions based on the theoretical chapter and the Global Strategy Formulation model (Czinkota & Ronkainen, 2007). We formulated the questions with the purpose of the thesis in mind, to ensure that they provided enough information to answer the research question. We also made sure that there were no redundant questions that somehow overlapped each other (Bryman & Bell, 2005).

3.3.3 Unstructured interviews
An unstructured interview is characterized by the usage of no particular pre-constructed questions; instead the content of the interview is based on “themes” of particular interest of the study. In most unstructured interviews the respondent is allowed to freely associate, more or less like a regular conversation. The interviewer is only disturbing the conversation by asking follow-up questions (Bryman & Bell, 2005:362-363). For this thesis we conducted an unstructured personal interview with the vice president of The company. This interview took place at the The company facilities in Sweden. While talking to the vice president we also got a chance to take a closer look at the facility and The company’s products. The purpose with this interview was to gain a deeper knowledge of The company to be able to formulate a research question of this thesis. Since this was an unstructured interview we did not follow any interview guide, instead we discussed marketing issues in general.

3.3.4 Focus group
A focus group is a group interview appropriate with 6-10 respondents (Bryman & Bell, 2005:394). The questions asked are directed and formulated with a specific theme in mind. Focus groups are a combination of two different methods: a group interviews and focused interviews. One main purpose is to create a common way of understanding and collective construction of meaning. The moderator takes on a non-controlling, or at least a quite invisible role. His or her role is to direct the members toward the goal and purpose of the focus group. A focus group is a great tool when opinions regarding a specific topic are sought out (Bryman & Bell, 2005:389). One of the main criticisms that have been aimed against
focus groups is the unsystematic procedure and that the results lack the ability to be generalized. On the other hand it is also argued that focus groups are a good way of collecting information about a specific market (Bryman & Bell, 2005:391). The respondents are usually chosen through a convenient or non-probability selection. A group that consists of people that do not know each other from the beginning works better. Everyone that find the general theme interesting may be suitable potential members of the group (Bryman & Bell, 2005:398). Our focus group consisted of six Indian people between the ages of 24-32, two of them where females and the interview took place in the library at Växjö University. At this occasion we also were able to show some of the products of The company; for example a baby carrier and a baby sitter in order to make the discussion more rewarding. Some of the respondents were more talkative than others, but we managed to keep the discussion running at a steady level. The session lasted for approximately one hour and took place at the 13th of May 2009. We chose to have one moderator of the group to lead the respondents through our questions, but without interfering too much in the discussion. Before the session started, the moderator explained the purpose of the focus group and some general information about our thesis. The rest of the authors of this thesis were taking notes of the discussion. None of the students knew each other from the beginning. The respondents were sampled by a convenience selection from the list of Indian students received from the Student Union. We are aware of that we only conducted one focus group which makes the results tough to generalize. However, since we use triangulation and comparing the results with other research we do not believe this is a problem.

### 3.4 Quality of the research

#### 3.4.1 Validity

Validity can be explained as to what degree the study measures the wanted factors. This means that a high validity is desirable, and if not achieved, systematic errors will occur. When measuring attitudes and abstract qualities, this is of great importance (Dahmström, 2005:334). There are four different types of validity: theoretical validity, internal validity, external validity and ecological validity. The most important types of validity in this thesis will be the external and the ecological. The reason is the qualitative nature and purpose of this study. The definition of external validity is whether the results from a study can be generalized to other contexts beyond the research context. It is therefore crucial that the choice of respondents for a study is well defined. We chose respondents and information with a clear connection to the Indian market in order to increase the level of external validity. External validity in this study
is not sought after, since we only are interested in the Indian market. The ecological validity is concerned of whether the results from a study can be applied to the reality it examines. This is closely related to the purpose and research question of this thesis, since our goal is formulate a marketing strategy for a company with products aimed for the upper-class segment on the Indian market. To achieve a high degree of validity, ecological validity is the aim of the study (Bryman & Bell, 2005:49).

3.4.1.1 Triangulation
The validity of a study can be increased by using triangulation which means that several methods are used to fulfill the same purpose. There are a number of ways to use triangulation:

- Data triangulation: different sources of data are used, for example several different respondents or literature
- Theoretical triangulation: the use of different theories on the same empirical data
- Evaluation triangulation: several different evaluators (in terms of people) are used to evaluate the data material used in the study

In this thesis we used triangulation of data in order to achieve a high degree of validity. More practically we collected data from several respondents as well as data from several different articles, books and internet sources (Björklund & Paulsson, 2003:76).

3.4.2 Reliability
The reliability of a study carries the results and the accomplishment to its extremes by questioning whether the results would be more or less the same when conducting the study under the same circumstances (Bryman & Bell, 2005:48). Reliability thus measures the degree of authenticity in the study. High reliability implicates few systematic errors and a high reliability is necessary in order to achieve a high degree of validity. This has a logical reason; if there are many errors in a study we consequently do not measure what we are supposed to measure (Dahmström, 2005:334). Even if it may be practically impossible to repeat a qualitative study, the main purpose is to critically scrutinize the study in the light of the conception of reliability in order to minimize bias and errors in a study (Bryman & Bell, 2005:306). The reliability of this particular study depends on a number of factors such as how well and correct we carried out the interviews, interpreted the respondents’ answers as well as secondary data. One possible weakness in terms of reliability is that we misinterpreted the results and answers used in this study.
3.4.3 Replication of the study
The thesis is intended to clearly and systematically account for the whole research process in order to create opportunities to replicate the study as far as possible (Bryman & Bell, 2005:48). More practically this means that all steps in the study should be possible to carry out once more. The results from a particular study should not be affected by the expectations and other biases concerning the researcher. If a study is impossible to replicate the results of such a study is questioned and lose its academic credibility. The risk of subjective research is greater when the research is concerned with the social reality. It was therefore important to keep this in mind when working through this study and constantly keep track of what we did and how we carried out the study (Bryman & Bell, 2005:102).

3.5 Building a new model
The model presented below shows how we built our new model to formulate a marketing strategy for the Indian market based on the information needs presented in the earlier section of the methodology.

![Diagram of Global Strategy Formulation model]

*Figure 6: Building a new model (own construction)*
4. Reality check

This chapter presents the collected empirical data that will be used in the analysis to answer our research question. Both secondary and primary data is presented divided by geographical, demographic, psychographic and behavioral factors. We complete with information about the Indian purchase process, as well as Indian culture.

4.1 The Indian market

The Indian market is currently the 12th biggest economy in the world with a GDP of 1, 237 billion US$ the year 2008. Compared to Sweden the average GDP per capita is low with only 960 USD (Sweden: 56 690USD) (Swedish Trade Council, 2009f). There are approximately 40 million households with an annual income of over 5000 US$ (Swedish Trade Council, 2009d). Around 15 million people (1 million households) in India are considered to be very rich, with an annual income of over 117 00US$. These people buy high-end branded products and most of them are living in the bigger cities. Despite this, 78 percent of India’s total consumption is spent by poor and lower middleclass (Swedish Trade Council, 2009b).

4.2 Assessment and adjustment of core strategy

4.2.1 Competitors

4.2.1.1 Natraj

Natraj is a family-owned company from India that both manufactures and distributes baby products. The products are sold under their own brand name at over 500 retail shops and stores throughout the country. Natraj has a rather large product assortment, ranging from carriers, strollers, cradles, bouncers, and mosquito nets to baby swings, nursery furniture, and potties. According Natraj, their products are distinguished by superior quality, competitive prices, and on-time delivery. Every product undergoes scheduled tests regarding safety and comfort, and all materials and components are regularly tested for durability in compliance with childcare standards. Natraj regularly conducts marketing research regarding trends and end-customer preferences, resulting in frequent product upgrades in styling, safety and functionality. All of the company’s processes are conducted in-house, which provides an advantage in terms of quality control & well-timed deliveries. Having been established since 1975, Natraj is quite experienced in the baby product industry. The company also offers
customized products in terms of colors, fabrics, sizes, etc., depending on the demands of their customers (Natraj, 2009a).

4.2.1.2 Mothercare
The British company Mothercare Group sells their own brand Mothercare internationally through retail franchises. The company offers a wide range of baby and children's products; such as strollers and prams, carriers, cots, nursery furniture, toys, and baby/children's clothes. The brand is said to stand for quality, safety, and innovation and the products are intended for mothers, mothers-to-be, babies, and young children. While the principal office of the Mothercare Group is in the United Kingdom, the company has invested resources in sourcing and supply chain operations in Bangalore in order to better understand and serve their customers’ needs. Mothercare has also established Gurgle.com, a social networking site targeted at new parents which provides specialist information from Mothercare’s own experts. Their products are also available to purchase online and via mail order. Mothercare is available throughout India; for example in Mumbai, Hyderabad, New Delhi, Bangalore, Chennai, and Pune (Mothercare, 2009a).

4.2.1.3 Graco
Graco is an American company which sells their products through retailers, both in stores and online. Their product assortment includes baby sitters, carriers, strollers, car seats, potties, hygiene products, etc., with several different designs in each product category. In India, their products are distributed through the trading company Mahindra Group and its own speciality retail chain Mom & Me. These stores can be found in Pune, Mumbai, Ahmedabad, Ludhiana, and New Delhi. Graco emphasizes top quality, style and design in their products, as well as the possibility to get customized products when it comes to colors, patterns, special features, etc (Graco, 2009a).

4.2.1.4 Mothertouch
Mothertouch Baby Care Products is a company from India that manufactures baby products such as baby sitters, strollers, cradles, swings, and walkers. The company manufactures all products in-house, which are then sold by retailers under the brand name Mothertouch. Mothertouch claims to be market leader in baby and children’s products, and that their products are the top of the line. The company emphasizes quality and innovative technical know-how, and has continuous quality check-ups of all products. They also focus on better customer service in the retail outlets. Since Mothertouch have all processes in-house, they can
easily promise timely deliveries. Mothertouch’s products are available through more than 600 retailers all over India (Mothertouch, 2009a).

4.3 Formulation of global strategy

4.3.1 Geographic

As the size of the Indian country is huge, each region represents a big local market, which makes it important to find a suitable local market early in the establishment phase. The size of the country makes it impossible to set up businesses all over the country at the same time. The complexity of the country gets even more complex when that India consists of twenty-eight states and 7 union territories, 19 languages and most religions of the world are represented. The official languages are however both English and Hindi, but English is the most common business language (Swedish Trade Council, 2009e).

Swedish companies established in India consider the business climate to be favorable but there are also some difficulties. According to a business climate survey conducted by the Swedish Trade Council (2008), the major obstacles in India are the high degree of corruption, taxation rates and the extensive amount of bureaucracy. The import tariff is high in India, about 30-40% and terms of delivery have to be agreed upon, either the exporter or the importer pays the tariff. Further the companies participating in this survey state that for example frequent power cuts, poor infrastructure and transportation of goods affects the business climate in a negative way (Swedish Trade Council, 2009c).

If a company wants to be strong against their competitors they have to create a niche or provide their customers demand with a low price. The Indian competitors are often highly competitive because they do not need to pay a high custom duty which enables them to charge lower prices than the foreign companies (Swedish Trade Council, 2009d). A company that wants to establish their business in India should be aware that the Indian business climate is ranked only as the 31 best in the world (Swedish Trade Council, 2009c). The retail sector in India consists mostly (97%) of smaller family-owned shops but the organized retail sector such as supermarkets and department stores are growing with 48% each year. At the moment, 250 large size shopping malls are under construction and the leading cities by the year 2030 in the retail sector are forecasted to be Mumbai, New Delhi and Chandigarh (which appertain to the regions Haryana, Maharashtra and Delhi) (The company, 2009c). Both Mumbai as well as New Delhi already today has over 10 million residents. The three most populous cities in
India today is Mumbai (approx. 14 million inhabitants), New Delhi (approx. 12 million inhabitants) and Bangalore with an estimated population of 5.3 million (Indian Census, 2001).

4.3.1.1 The Indians perspective

India is a large country which means that the launching process can be diverse across different regions. A company should focus on the south regions and the biggest cities in the north, they are more educated and usually have more money.

- Even when it comes to FMCG (fast moving consumer goods) companies such as Unilever we, at the trade council in India, see that they employ different marketing and distribution strategies for the rural areas and the urban areas (E.g., small sachets of shampoo are marketed aggressively instead of big bottles in rural areas) (Mukherjee, 2009).

In general, our respondents think, the average person in South India is better educated than the average North Indian. In terms of development of industries, Gujarat is a state that has been doing particularly well lately. Karnataka, Tamil Nadu, Uttarakhand and a few north-eastern states can be seen as “Enterprising regions”. Regarding the climatic conditions it varies vastly from North to South. In some Northern states such as Rajasthan, Bihar, Jharkhand temperatures in the summer can soar up to 55 degrees Celsius. Traditionally people beat the heat by wearing pure cotton clothes of lighter shades.

- Most people simply do not go out of their homes between 13.00 pm and 16.00 pm when the sun is the brightest in the summer (Davuluri, 2009).

- The weather is warm and the baby carriers are a waste during the summers. I have used it and really know about it. But I still use to take it along if I am going to some big shopping complexes where heat would not be a problem (Sailwal, 2009).

4.3.2 Demographic

One third of the India households are located in rural areas, and half of the households have four or fewer members (NFHS-3, 2005-2006). The average family size in India has thus reduced significantly during the past decades, but is still higher than most developed countries which is a consequence of declining fertility rates (Niranjan et al., 2005:645). The sizes of the families in the southern states of India are clearly smaller than those in the north, and have thus also lower fertility rates. A woman in India has an average of 2.7 children in her lifetime at current fertility levels (NFHS-3, 2005-2006). The median age for the first birth among women is approximately 20 years, but it varies with the level of education, wealth and whether the woman lives in rural or urban areas of the country. Women with at least ten years
of education statistically have their first child at the age of 23.6 years. In urban states such as Delhi, Goa and Punjab the fertility rates are below or around the replacement level of two children per woman. The states with the highest fertility rates are Bihar and Uttar Pradesh (4 children) but these states are also some of the poorest and those women will statistically have two children more than the wealthiest (NFHS-3, 2005-2006).

The family structure looks the same among Hindus and non-Hindus throughout India (Niranjan et. al., 2005:645). Families in rural areas tend to stay in so called joint families. Furthermore, the level of education is closely related to what type of family structure that is evident. The higher education head of the household have, he/she is likely to live in a nuclear family. Education has implications for where the household is located geographically, since it drives people to move to urban areas (Niranjan, et. al., 2005).

4.3.2.1 The Indians perspective

Peoples in the rural areas and villages have babies earlier but the age is extending and usually women are younger than the men. It is very unusual to have baby before marriage and a women usually get married in an age between 20-24 and a man between 26-28 years. Often a couple waits for about one or two years before getting a baby, then, in an age between 24-30 years old. The family size is diverse, it can be a big joint family with grandparents, uncles, aunts and cousins or a nuclear family with only parents and their children most of the Indian people live in big families. Independent of family size everyone have a really close relationship with their child.

Regarding education it is very common and important to get one. In the urban areas it is common for both men and woman. Woman usually only take an undergraduate degree and the men a higher degree of education and they usually have babies afterwards. Parents are behind their children for education but sometimes it seems like some parents pressurize or impose a lot about education on their children. It is advisable to have a job before having a baby but that differs from urban and rural people; rural people usually have babies with or without a job. But in urban India, when a couple decides to have a baby they ensure that one of them has a stable job and a source of income. Regarding woman, if she is educated, she should start working before planning for motherhood.

3 Joint family: extended family; head and spouse, married children and their spouses (Niranjan.et. al, 2005:626)
4 Nuclear family: head and spouse living with or without unmarried children (Niranjan, et. al, 2005:626)
4.3.3 Psychographic

A study of urban, educated middleclass Hindu families showed that mothers spent more time with taking care of the children than the fathers. The woman plays a prominent role as an important figure in the early years of the children. The father’s level of involvement and interaction with his children are described as distant, peripheral and minimal and both physically and emotionally detached from young children. Even if the woman is employed outside the home, the level of the fathers’ involvement with the child is still little. The women do the majority of the child care and household tasks independently of family structure. This is something that is evident throughout the whole of India whether the household is located in an urban area in the south or a rural area in the north. India is still built on hierarchical structures determined by customs, religion and culture (Suppal & Roopnarine, 1999).

When it comes to married women empowerment in India only 52 percent, even if it currently increasing, participate in all decision making this regarding own health care, large household purchases, household purchases for daily household needs, or visiting her own family or relatives. Women living in nuclear families, urban areas or those who have more than 10 years of education are though more likely to participate in such decisions. The wealthiest women, Christians, or those of 30-49 years of age are more likely to take decisions. Women’s participation in decision making is highest in larger cities such as Delhi, Goa and Kerala. Another important issue in this context is the freedom of movement of women in India. Only one third of the women are allowed to go to the market or places outside the community by themselves. Urban women and older women though have more freedom of movement (NFHS-3, 2005-2006).

4.3.3.1 The Indians perspective

The typical Indian person is very high cultural and traditional influenced and they are simple and easy to handle. The urban Indian is educated, works with, for example: running own business, work in a multinational company, takes up jobs in aviation/banking/civil service/fashion designing etc. and also has a family life, in nuclear- or joint family. The rural Indian is normally not well educated beyond primary school/high school. The primary occupation focus on agriculture and fishing and the rural people also join the military forces and are very strongly patriotic. The people from the village are more simple and uncomplicated than the urban people.
- If we talk about metro cities, old aged people are still conservative, regarding baby products, and do not think this products will be good or they think it is sheer waste. They are very simple minded and think that such products is of no use after 1-2-3 years and do not prefer to buy it. In villages such products like strollers are not seen. The past few years the stroller rate has been great in metro cities but baby carriers are seen very less. People are easy and want to try good products. Software engineers get good salary so such products are more seen in those families. So people are money minded and can spend at the cost of quality (Sailwal, 2009).

When an Indian person seeks for baby advice they rely on trusted information especially from their mother but also from friends and from their doctor. In rare cases people seek information from advertisement and Internet. Parents usually find information about baby products from friend, family and doctors but also from book and other media such as magazines, TV and posters. When it is time to purchase a product it is always the parents who buy the products for their baby, mainly it is the father and sometimes the grandparents. It is always the mother and the father who takes care of the baby the first year and it is the mother who has the primarily caring and the father the monetary responsibility over the child.

- It is common to have assistance in the house and with the baby during the first years from grandparents and friends along with hired local help (Mukherjee, 2009).

The paternity leave for fathers almost not exists in India but it also depends on the family structure and that the father often is working full time.

- I have seen rare cases where father is home taking care of the child but then only for 15 days. This was possible for the first time for about two years ago, before that no such leaves were known (Sailwal, 2009).

4.3.4 Behavioral

Increasing urbanization and an explosive growth of the electronic media and media exposure, as well as many Indians working abroad, have led to extensive changes in lifestyles, preferences, and consumption attitudes of Indian consumers (Banerjee, 2008). Particularly the urban middle and upper class consumer buying behavior is strongly influenced by the Western world. As a result, Indian consumers have become much more open-minded and experimental (Chennai, 2005). Products that used to be seen as luxuries are nowadays becoming necessities. Indians are increasingly positive towards Western trends and products, and foreign brands are competing to a greater extent with domestic brands. Indian consumers
have always been quite positive towards foreign goods, and since the economic liberalization they now have greater purchasing power and a choice between foreign and local products. As the disposable income increases so does the aspiration of Indians to lead a better quality of life. Western brands are associated with modernity and individuality, and are perceived to be of higher quality and more prestigious than local brands (Sweden-India Business Council, 2009).

The average Indian is a “safe player” by nature. They calculate risks in terms of investments and expenditures (Banerjee, 2008). As a result, Indian consumers are known for being extremely value-oriented and price-sensitive. They are knowledgeable about technology, products and the market, and thus very conscious about their purchases and selective about the quality of products and services. Even luxury brands have to formulate a unique pricing strategy in order to get a hold of the Indian market, as Indians prefer “value-for-money” products (Chennai, 2005). Those who are looking for quality often choose expensive brands, as Indians often feel that price indicates quality. Brands are important; 71% of Indian consumers state that they would pay more for a product simply based on the brand. Although they are price-sensitive, Indians are willing to purchase high-priced products. The middle and upper class Indians are rather "status-conscious" or "prestige-conscious" (Sweden-India Business Council, 2009).

4.3.4.1 The Indians perspective

Regarding purchases both parents are involved in the decision and they often buy their products from department stores. Catalogues and Internet are rarely used mostly because, for example, Internet is not available around the country. According to our respondents the Indian people’s “must have” baby product is relayed on more simple and useable products such as medicines and diapers. Even baby shampoo, soap, powder, baby blankets, baby mosquito nets, baby prams, walker, potty seat, learning toys, bathtub, oils for massages to babies is of big importance. The baby carrier is seen as abundance from 6/8 of our respondents and the most important factor when a Indian choose between two similar products are the safety then the prices, quality, design and last the products brand name. They put a lot of time, energy and money on their child and usually do not see baby products as something luxury more as something you, as a parent, must have. But the country provides a lot of brands and exclusive baby shops that catering to different needs and age groups.
Reality check

- **Baby food is expensive and not all can afford brands like Farex and Cerelac (two Indian brands for baby food)** (Mukherjee, 2009).

The status and prestige factor depend on the kind of family and the environment in which the baby is brought up. In the Northern- and Southern part of India status and prestige is an important issue and in the central part of India people are more simple-minded.

- **People are trying to be stylish** (Rayapati, 2009).

A typical Indian person purchases often and few products each time but it depends on the product that is bought. Baby food is purchased regularly and so are medicines and oils etc. Pram and bathtubs are purchased only once and can often be handed down from a previous sibling. It is popular to buy products from department-stores and supermarkets but it depends on the family and the income level. In differences from Sweden supermarkets are seen as luxury stores and smaller shops are often less expensive and therefore more directed to people with less money. Regarding to our respondents most of the time an Indian person plan their purchases and Mukherjee (2009) thinks it is about 90% that plan their purchases. The Indians are quite loyal to a special brand or at least to a special store. If the product did provide what they were seeking they probably are going to buy in the same store again.

- **We are prefer and are loyal especially to big shops that provide all brands in one shop** (Sailwal, 2009).

In India they do not have various foreign brands and therefore they also often use products from their own country, although, foreign brands are more preferable.

- **I think foreign products are more likable because they often have better standard** (Davuluri, 2009)

On the question if, our respondents, know any brands that provide baby products the answer were diverse but a few that was mentioned was: Johnson & Johnson, Pampers, Graco, Farex, Cerelac, Baby soft and Mothercare. The values that, in generally, is most preferred are quality and price and when it comes to baby products safety as well. Dependability and trust was also mentioned.

4.4 Marketing in India

By appealing to prestige and status a marketer may motivate consumers to purchase a product (Sweden-India Business Council, 2009). Indians are generally also great admirers of celebrities, so they tend to like advertisements more if they are fans of the celebrities used in them (Chennai, 2005).
Indian consumers are highly family-oriented, and thus brands supporting family values tend to be popular and quickly accepted on the Indian market. Furthermore, as Indians favor values of care, friendliness and affection, products that communicate emotions and sharing are appealing to them (Chennai, 2005). A good opportunity in India is the steady growth of working women in India, as a result of the increased educational opportunities for women. Because of this growth, women (mainly urban upper class women) nowadays have an increased purchasing power. The middle and upper class woman is generally educated and decides the purchases for many of the products the family buys, for example products meant for the children (Sweden-India Business Council, 2009).

4.4.1 The Indians perspective
Regarding marketing the Indian advertising is very progressive and the ads are a result of culture, creativity and also the viewer is taken into consideration while creating advertisements. Our respondents like to see women in ads, but can target men too, and a majority of the persons we interviewed thinks the right choice is to use Indian people in the ads instead of foreign people.

- People will already understand that it is an international product, but if the products are seen on Indians they will think of taking a look at these products in the stores (Sailwal, 2009).

The most common advertisement tool, in India, is though TV, magazines, posters, newspapers and in the bigger cities also from Internet and mobile phones. It seems like the Indian people like to find a lot of information in their marketing ads. The ability of see the product, the price and information- and history about the company is of big importance in the ad, but also product range, colors available, store locations etc. Reliable and clear information that explain and portray the product is important in order to help make a wise decision.

- I want information about who the product is directed to and how to use it (Davuluri, 2009).

4.5 The purchase process
As incomes in India have grown, the aspiration among Indians to purchase has increased greatly; they are now more “consumption-friendly”. The purchasing process is a joint process in the Indian family, where the woman is the initiator, the man the financier, and the child is often the influencer. Indian wives are often the ones to identify the need for a purchase (Kumar et al., 2009). Information about products often comes from family, friends or the
social network, as Indian consumers tend to rely strongly on the social circle when making purchase decisions and seek social acceptance and reassurance for the products they are buying. Thus, word-of-mouth communications can be an important source of information and a way to create interest about new products (Roslow & Nicholls, 1996). However, according to Choo et al. (2004) more and more Indians (at least urban consumers) now have greater access to independent sources of information than before; for example they search for information about products on the Internet.

When it comes to evaluating different products, Kumar et al. (2009) claim that Indian consumers have become more decisive during the initial stages of the purchase process and are considering a smaller number of products. Roslow & Nicholls (1996) state that the purchase decisions in Indian homes are now a collective process with women and teenagers playing the central role in product and brand choices. Further, Roslow & Nicholls claim that Indian consumers are somewhat resistant to innovations. As a collectivist society, social norms have a great influence on Indian consumers’ attitudes, intentions to buy, and actual purchase behavior. Indians have more favorable attitudes and a greater intention to buy when they are more familiar with a product, and the product is socially accepted. However, tactical sales promotions such as free samples and free gifts with a purchase may encourage Indian consumers to try a new product (Choo et al., 2004).

Regarding Indian consumers’ loyalty, Kumar et al. (2009) state that overall satisfaction with a store does not significantly influence their loyalty to that store. Instead, Indian customers’ intention to remain loyal is influenced by factors like frequent-buyer reward programs, travel distance, preference for a unique product, or the level of assistance. Disappointed Indian customers will not only take away their business but will probably tell several others about their experience. Being price and quality-conscious, Indian consumers seek very reliable sources for purchases, such as organized, well-established retail chains with a corporate background. They also seek to purchase from a place where their feedback is more valued (Consumer behavior in India, 2005).

4.5.1 The Indians perspective
The buying and decision process start during the pregnancy and people starts buying and saving money for future needs. Most of our respondents (6/8) start their information research
from internal, family and friends, sources and they do further external, from companies and marketing campaigns, research lately on. The purchase will be realized in the store.

- If I want to buy this product and if it is not in the Indian market, then I shall ask my friends over the globe to courier it and shall pay them back the exact amount (Sailwal, 2009).

The most important aspect, if our respondents are going to buy the product again, is that the quality is good and that they are satisfied with the product.

- Ask in the friend circle if anyone would like to try this product, else curse the company and eventually dump it (Madhyanapu, 2009).

- Will not use it again and will caution friends and relatives about the products (Bowenpally, 2009)

4.6 Indian culture

India as a country is very heterogeneous when it comes to culture and values. Many subcultures exist in Indian society, which have their own set of values, beliefs, norms, and behaviors. Values and norms that are typically important to Indian consumers include spirituality and religion, as well as history and traditions. For example, meditation and prayer are almost daily rituals. Indians are very family-oriented, and have strong ties to both family and friends. The old have always been cared for at home, and it is generally the eldest who makes important decisions for the family, whether it is a financial matter or a relationship. Indians also value peaceful co-existence and hospitality (Banerjee, 2008). Indians are also associated with values of concern for others, care and affection. These values are far more dominant than values of ambition and achievement (Consumer behavior in India, 2005). Indians also tend to emphasize social acceptance. Other important values in India include nature, artistic expression, wealth, and happiness (Banerjee, 2008).

The linguistic diversity in India is intense. Even though the official languages are Hindi and English, there are an additional 26 unofficial languages as well as over a thousand dialects. Three-fourths of the population communicates through different languages. However, English is the main language used in business. Nonverbal communications also play a vital role in Indian culture. The country is rich in ceremonies and significant symbols (Swedish Trade Council, 2009a). The caste system is of little importance in the larger cities, but is still significant in rural areas. However, a strong class system exists all over the country and the social hierarchy is very prominent (Håkan Löfstedt, 2007).
Johnson et al. (2005) describes Indians along the four cultural dimensions mentioned by Czinkota and Ronkainen (2007); individualism, power distance, uncertainty avoidance, and masculinity: 1) **Individualism**: Indian society could be described as “collectivist”, where individuals see themselves as a part of a group such as family or co-workers. Striving for individuality is not the top priority. Indian society is not particularly competitive in nature. Instead, Indians believe in the group’s performance; they feel that collectivism brings better coordination and efficiency. However, under the influence of Western culture, the concept of individualism is gaining more and more acceptance. 2) **Power distance**: India, being a traditionally oriented country, sees power distance as a gap whereby respect and formalities should be given to elders and seniors. People are taught to respect the elderly, their wisdom and experience. Regarding hierarchy, Indians are highly concerned with positions and rankings while interacting with people. However, the anxiety of being around people with higher positions has decreased. To some extent, someone can approach their seniors in a friendly way, as in Western countries. 3) **Uncertainty avoidance**: Traditionally, Indian culture has been rather risk-averse, i.e. with a high level of uncertainty avoidance. However, this has somewhat changed. Now, Indians have become risk-conscious rather than risk-averse – they work towards covering risks instead of avoiding them. Indians seem to be more flexible nowadays, and risk-taking is to a greater extent encouraged. In other words, Indian culture is more open to unusual ideas and opinions, with fewer rules to try to control unknown situations. 4) **Masculinity**: Being a traditional country, India is still male-dominated. There are certain gaps between men and women, and Indian women are less opened up to society. Decision-making is still dominated by men. However, the culture is changing and Indian women are increasing their participation in society (Johnson et al., 2005).
5. How to formulate a strategy

In this chapter, the previously presented empirical data from our study is analyzed and connected with the theoretical framework, with the initial research question as the starting point for the analysis.

5.1 Assessment and adjustment of core strategy

5.1.1 Market and Competitive Analysis

To investigate which forces determine business success a company has to look at their primarily competitor. For a company that make, sale, distribute baby products the main competitor, in India, is Natraj, Mothercare, Graco and Mothertouch. They are all distributing to stores around the whole country and a few of them also have own stores. Is it of big importance to provide a wide range of products, everything from strollers, swingers, nursery furniture’s to hygienic products, toys, mosquito nets and baby clothes. The Indian market is diverse which mean a company should provide products with different category design. Like Czinkota and Ronkainen (2007) recommend, a company has to gather the markets preferences and expectations, and like all the competitors, offer and endow high quality on their products. In comparison with the authors our collected data also emphasize the importance of understanding trends, like the usage of Internet, selling products online and also the big importance of doing market researches. It is a resource to do sourcing about existing- and future customers to get information about customers’ preferences and needs to upgrade their products. For example Mothercare have established their own network, Gurgle.com, to target new customers with their information and offers.

5.2 Formulation of global strategy

5.2.1 Choice of competitive strategy

As Kwasi and Moses (2007) state, a company must choose which competitive strategy to pursue. In the case of a company that sells exclusive/expensive baby products, the appropriate strategy should be a focus strategy. The segment to focus on should be the middle class/upper class, seeing as these consumers are the ones who will be able to afford the more expensive products. Although a rather large percentage of India’s consumers are poor or lower middle class, there are about 15 million people in India who are considered very rich (mostly in the
larger cities) and these consumers present an opportunity, since they tend to buy exclusive brand name products.

Furthermore, Czinkota & Ronkainen (2007) state that in the selected segment, the approach could be either cost leadership or differentiation. A company selling exclusive baby products should preferably pursue a differentiation strategy, where they emphasize a distinct attribute or value for a product, since it is incompatible with cost leadership to try to maintain an exclusive brand image, or high quality. Many Indians are quality-seekers, and if the company goes for cost leadership the product quality will suffer, as costs must be kept down, which could result in the company losing the high-profit customers seeking high quality. Our respondents confirm that quality is the most sought-after value when it comes to purchasing products. According to Chennai (2005) many Indians are price-sensitive, this must be taken into consideration as many of our respondents also mentioned price as an important factor when choosing baby products. However, they can be persuaded to buy more expensive products if they get good value and quality out of the purchase. As one respondent mentioned, extensive information about the product and what it provides may very well convince respondents to buy it. Especially since Indians (as verified by our respondents) tend to favor Western brands because of their perceived higher quality and image, and consumers (in the Northern and Southern regions, at least) are very conscious about status and style.

As Czinkota & Ronkainen (2007) point out, the company must distinguish itself from its competitors in the same segment, in order to pursue a focus/differentiation strategy instead of competing with low prices. As mentioned before, there are a number of competitors in the market for baby products (some of which were mentioned by our respondents) that position their products as exclusive and high quality. Therefore, a company in this segment must find some aspect of their products that sets them apart from the competing products, whether it is a unique image, design, etc. According to our respondents, brand name does not seem to be the most important factor when choosing between two similar products. This contradicts from our secondary data, saying that brand name is very important to Indian consumers. However, this relates to products in general and our respondents were discussing baby products specifically, so when it comes to baby products in particular there are other more important factors, such as safety and quality. Either way, some aspect of the product must be distinguished from competing products and highlighted in the marketing.
5.2.2 Choice of segment

**Geographic**

Similar to what Kotler (2005) says, the Indian country is divided into several regions with individuals with different needs, wants and behavior which are diverse from consumers living in other regions. Since the regions are so different from each other it is impossible to establish business in all of them at the same time, meaning that a company must find suitable regional markets to target. When it comes to language, a company introducing a new product, doing a marketing campaign, or launching product information can use the English language. However, English is mostly used in business situations, and in order to reach a larger audience the company may has to complement their communications with the local language of a specific region.

India is a large and diverse country, with high corruption, high taxes and an extensive bureaucracy. The import tariffs are high, 30-40% of the product value, which a company have to consider before exporting to India. The two business partners have to agree concerning who is going to pay the amount. The infrastructure is poor, which indicates that the distribution of products may be difficult. Despite these facts, Swedish companies have very positive attitudes towards the business climate in India. However, since it is only a small minority of the Indian population that is wealthy, our respondents recommend a company that chooses not to focus on offering low prices must provide a specific and more special product category that will attract a larger customer group. Companies selling their products through retail outlets should be aware of that a huge majority of Indian stores are small, family-owned shops. On the other hand, according to our respondents, most Indian consumers consider department stores and supermarkets to be more luxurious than the smaller family shops, and prefer to buy more expensive and exclusive products there. In addition, supermarkets and departments stores are growing rapidly, which obviously poses a good opportunity. Kotler (2005), as well as our respondents, mention the urban regions. Our respondents claim that a company should target regions in the South, as well as the large cities in the North, seeing as consumers are wealthier and more educated in these areas. They also mention, among others, Karnataka, Tamil Nadu, and Uttarakhand as major enterprising regions.

Our respondents, along with Kotler (2005), mention that a company need to adjust its products to the climate, as the climate varies much from region to region. Our respondents emphasize that a company selling baby products should be aware that Indians in warmer
climates do not even go out during the day. Therefore, products such as baby carriers or strollers may not be the most requested products and a company should adjust the product regarding fabric and function to suit the climate in the warmer regions.

**Demographic**
According to Kotler et al. (2005) demographical values, in big amount, rely on the family structure which is diverse over the Indian country but in the same time have similarities. A company, selling baby products, should be aware of that the family sizes are reducing and parents get fewer babies than before. According to our respondents it is, if the opportunity gives, very important with education for both men and women to ensure a stable and safer environment for the whole family. High educated and people with higher income have less children and in an older age but still the average fertility age, for a woman in this segment, is 23.6 years old. A company directed to a higher class segment should venture and provide their products to the nuclear families in the bigger cities, with higher education, more independence and more money. Even if they, usually, have less children they probably are more agreeable to bay a higher price for a product.

Demographical aspects have, according to Datta (1996), big influence on consumer’s behavior and choice of purchases. When it is, for example, very rare to have children before getting married baby product purchases does not happen before that. Even Kotler et al. (2005) mention the importance of taking age, gender and family cycle in consideration when analyze the demographical market segments. Our respondents enlighten the important and obvious close relationship between the parents and the child which is comparable to the weight the parent put on the child. Parents put a lot of effort and money on the child which is beneficial for a company that offers and sells baby products.

**Psychographic**
According to Kotler et al. (2005) the psychographic variables relies on which personality people from a certain county or group have and our respondents declare that the typical Indian person is high cultural and bounded to traditions, also simple and easy which companies have to consider when establish business and marketing their strategies in India. If you, as a company, have high priced products you should focus on the urban areas with more educated and wealthier people. In the rural areas people are simpler and conservative which also mean
they are not up to new, modern and expensive products and according to our respondents these kinds of products can be seen as a waste.

Even if India is a developed country the environment regarding some attributes can be conservative. Suppal and Roopnarine (1999) and our respondents, both, draw attention to the fact that the father has more power regarding decisions and purchases. Usually it is the mother who is home taking care of the child and stands for the emotional aspects when the father is more distanced, to the baby, the first years. In bigger households the husbands’ parents can stay with and be the one helping the wife (never her own parents) with the children, which is reliable to what Kotlet et al. (2005) mention about psychological variables connected to special national culture values. A company, selling baby products, should therefore be aware that even if it is the mother who take care of the child it is not even half of the Indian woman, even if it increasing, who has the ability to take decisions in their own home. It is the man who has the monetary responsibility.

**Behavioral**

How a person or group of people behaves is, according to Datta (1996), for a company of big importance to know all about when segment their market. In similarity Kotler et al. (2005) mention that behavioral segmentation is all about why and how a consumer purchases a product. According to our collected data we can see that the need for western products is increasing. Indian people are more and more open-minded towards foreign brands and trends and our respondents support the fact that foreign brands are seen as more modern and with good standard which give a good establishment opportunity on the Indian market for a foreign company. Kotler et al. (2005) also mention the importance to consider the behavior and attitudes consumers have against a certain product and as we can see our respondents believe the Indian consumer is a “safe player”. They put a lot of time and value in the products they buy and always keep in mind price against what you get regarding quality and service, even if you are used to more expensive brands. Overall, the brand is a very important aspect when choosing product but according to our respondents it is safety that goes first regarding baby products. Here it is significant for a company to work with the benefits and the value a product gives the consumer.

As we can see the Indian consumer are, if opportunity gives, very status-minded and our respondents think that prestige is an important issue when a products take in consideration
before purchase. It is becoming more and more popular to buy products from department-
stores and supermarkets which are seen as more luxury stores than smaller shops. A lot of
Indian people prefer to buy their products in a store that provide a lot of brands under same
roof and reject purchases over the Internet or through catalogues. According to our
respondents the necessary products are usable products, such as medicines, and not prams or
bathtub which often inherit from friends and family. At the same time the typically Indian
person put a lot of time and money on their child which indicates that the market has high
potential for a baby product company.

5.2.3 Marketing in India

According to Datta’s (1996) opinion about using consumers’ behavior when segmenting a
market, Kotler et al. (2005) mention the marketer’s role in finding customers’ needs and
potential. When establishing a marketing strategy in India a company should focus on
building up the motivation, which is a high inspiration source among consumers. Indians
admire their own domestic celebrities and like advertisements with these kinds of people in.
This can be a great opportunity for a new, foreign company to take in consideration when
doing their marketing campaigns.

Khairullah and Khairullah (2009) claim that when developing advertising campaigns for
foreign markets, a company must be aware of the cultural values of the consumers in that
market in order to communicate and connect with them. Family values, values of care,
friendliness, affection and products that communicate emotions are popular and liked in India
which means that this kind of advertisement also have effect and influence on them. Further,
Khairullah and Khairullah (2009) state that a company must also include the modern values in
their marketing that follow the changing conditions in Indian society. For example, like
mentioned before women’s purchasing power is low but in the same time companies should
have in mind that it is an increasing target group. More and more women educate themselves,
start to work and have more possibilities to take purchase decisions. Therefore, companies
should consider also including women in their advertising, portrayed as educated and working,
with the ability to make their own purchases.

The majority of our respondents mentioned that the baby products purchases involve both
parents which convey difficulties regarding to who the company, should direct their
marketing campaigns, ads and information to; to the woman/mother who identify the need or
How to formulate a strategy

to the man/father who make the mainly decision. One thing is clear; how the Indians, according to our respondents, want their advertisement enhanced. As Kotler et al. (2005) mention, the behavioral segmentation can be broken down into the benefits a consumer seek for and according to our respondents they demand for creative ads with cultural influences. They prefer to see women, but can target men too, and favor Indian people before other foreign people in marketing campaigns. This corresponds to what Bhatia & Bhargava (2008) say; that ads should be adapted to local preferences. On the other hand, they also mention that ads should show the product’s foreign origin, but as our respondents said; consumers will understand that it is an international product anyway, and will be more inclined to take a look at the product if seen on Indians. The best way to reach the Indians is through TV commercials which most of the Indian respondents get their influences from. According to Bhatia & Bhargava (2008), TV advertising has increased much in India in the past years, but also magazines, newspapers, Internet (in bigger cities) and posters (in smaller cities) are used. The desire is for a large amount of information in ads, which first of all contains the products, but also history information about the company, contact information and the product price.

5.2.4 The Purchase process

As Blackwell et al. (2001) state; a company needs to understand the consumer behavior through their buying process. Indians are increasing their consumption steadily, which presents an opportunity for a company establishing on the Indian market. In India, the woman often initiates the purchase while the man usually is the one who is paying for it. Women are getting more and more decision-making power (especially urban women) partly because their purchase power is growing, and thus they represent a good opportunity as a target group. Our respondents agree that women should be targeted in the marketing of baby products, since they are the ones who generally decide and care for the children.

Indians mainly prefer to get information about purchases from family and friends in the social circle, as verified by our respondents, and this shows again that social acceptance for a product is a major concern. Word-of-mouth is one source for this, which is why a company in India should work with factors influencing positive word-of-mouth, such as feedback. More and more Indian consumers search externally for information about products, such as from marketing campaigns or online. Although our respondents highlighted that many people (mainly in rural areas) do not have access to the Internet, they do have access in urban areas and it is an increasing number of people who are using the Internet to search for product
information, which is why a company should be available online. One of our respondents thought that extensive information should be available about the products, prices, etc. on a company’s website. Blackwell et al. (2001) mention loyalty as an important factor in the purchase process. According to our respondents, loyalty emerges if the quality is satisfactory, meaning that quality is the most important factor for creating loyalty. This corresponds to our secondary empirical data which says that Indians are extremely quality-conscious. When it comes to loyalty for an entire store, our secondary empirical data says that loyalty is mainly created by reward programs, customer assistance, and such. Both our respondents and the secondary empirical data say that if Indian consumers are not satisfied with a product, they will not only take their business elsewhere, but also caution several other people from using the product. Thus it is very important to create satisfaction and positive word-of-mouth among consumers.

Our secondary empirical data suggests that while Indians are becoming more and more open to new products, they are still somewhat resistant to innovations. This is a factor that a company should consider; they must quickly increase the awareness of their product and get Indians to try it.

5.2.5 Culture

As Dawar & Chattopadhyay (2002) say, it is very important for a company to understand the culture and values of a country in order to have a successful marketing strategy, and the marketing message should include these values. For example, for a company selling baby products it is interesting to note that Indians are very family-oriented. Our respondents also state this; they said among other things that parents have very close connections with their children and that they often live in large joint families. They also enjoy values such as care and affection for others, which could be highlighted when marketing baby products.

In general, India is such a large and diverse country that many different subcultures exist. It would be impossible to change the marketing message for every region, but it is important to keep the diversity in mind. However, the urban consumers of the larger cities are very influenced by the Western culture, so here the need for adjustment is less important. Our respondents mention that products are often marketed differently in urban and rural areas. Another important issue is language, pointed out by Banerjee (2008). As mentioned before, there are a large number of different languages in India and this must be taken into
consideration when marketing a product, perhaps by adjusting language of the marketing message depending on targeted region. This will be favorable for the company as it shows that they are putting effort into doing business in India.

Czinkota & Ronkainen (2007) suggest that culture could be described along four dimensions. First of all, India is a collective society, meaning that a product should be marketed directed to the group rather than the individual. India is also a country with a high power distance. When marketing a product, a company therefore must take into consideration that the marketing should be formal and emphasize that the product is accepted by others. When it comes to baby products, our respondents say that women should be the main targets, but that men could be targeted as well. In other words, the marketing message should be formally presented and directed to a whole group. However, the Indian culture is changing and they are becoming more and more individualist. Furthermore, Indians used to be quite risk-averse, but are nowadays rather low in uncertainty avoidance. This means that they are more open to new things, which certainly is favorable when launching new products on the Indian market. However, our respondents state that old-aged people are still rather conservative about new products, even in the larger cities. According to Johnson et al. (2005) India is a highly “masculine” country. Thus, the marketing message should incorporate masculine values such as the performance and success of the product. This does not imply that the products should be directed only to men; simply that Indian consumers tend to like “hard” values in products, such as efficiency, capacity, quality, etc.

5.3 Development of global marketing program

5.3.1 Degree of standardization

India as an emerging market is, according to Dawar and Chattopadyay (2002), important to develop a marketing program for and in cooperation to our respondents a standardized strategy is, with a local touch, favorable. It is endorsed to use standardized strategies with received influences from local environment and thereby act glocal. Dawar and Chattopadyay (2002) mention the difficulties to what degree a company should standardize their strategy which we can, according to our respondents, focus on several aspects. The growing middle-class, the upper class and people in the biggest cities are progressively favoring western brands and the need for strategy adaption is therefore, for a western company, gradual less. If a company achieves to communicate their products western value, the need for localization of the product decreases. The wealthiest people are therefore the target group for exclusive
foreign products. These standardization opportunities may also result in cost savings (Czinkota & Ronkainen, 2007). Pursuant to O’Donnell and Jeong (2000) a glocal marketing strategy is favorable when a company establishes their business on a foreign market and in agreement with our respondents a baby product company should influence their strategy, from the local market, regarding some aspects. Concerning climate; fabric and function, since the India climate can be warm, packaging; even though English in the official language in India package should be complemented with information on the main language for a specific region. This should also be taken into consideration when making brochures and advertisement and in that way companies, like Svensson (2001) says, harmonize standardization and the permission to involve differences in a company’s marketing strategy.
6. The polished finish

The model represents several aspects that a company should considerate when formulating their marketing strategy for a new market. The three main steps with their related components are applicable on any market a company wants to enter. In our case we have analyzed the different steps in order to discover what is most important concerning the aspects on the Indian market specifically. When a company has already chosen which country market to enter, the primary focus should be on the mid-part of the model, Formulation of global strategy. After conducting our analysis we found that an additional three steps were missing regarding this part; culture, purchase process, and marketing. Thus, we included these steps in our new model to make it a more complete and suitable model.

![Diagram of the Fabulous Flower Formulation Model](image)

*Figure 7: The FFF Model (The fabulous flower formulation model, own construction)*
6.1 Assessment and adjustment of core strategy

Choice of competitive strategy
- Do a competitive analysis and find out who your competitors are on the current market you want to establish on. Trace where they are located, which products categories they use and which strategy they apply.
- In India baby products companies provide a wide range of products and different category designs and they all emphasize high quality on their products. Understanding trends are important and are done through market researches about preferences and needs, to upgrade their products.
- Possess an internal network to keep up the standard between the company and the customers.

6.2 Formulation of global strategy

Choice of competitive strategy
- The appropriate strategy for a company that sells exclusive baby products should be a focus strategy.
- The segment to focus on should be the middle class/upper class; they are the ones who are able to afford the more expensive products.
- 15 million people in India are very rich and tend to buy exclusive brand name products, which is an opportunity for a company with an exclusive/expensive product.
- In the chosen segment, a differentiation strategy should be pursued where a distinct attribute of the product is highlighted to differentiate the product from competitors.
- Cost leadership is incompatible with exclusive/expensive products, and many Indians seek good quality rather than just low prices. Still, Indians are quite price-sensitive, so to buy an expensive product they must know what value they get out of the product.
- Ways to differentiate a product could be through safety, design, image, or to emphasize the product’s Western origin, since Indians favor Western brands.
- When it comes to baby products values such as safety and quality are more important than design, style, etc.

Choice of segment
Geographic
- The Indian market is diverse therefore do not establish business in all regions at the same time, focus on one or a few at the time.
The polished finish

- The English language is used in business context therefore complement all information, from the company, with the urgent and local language in a specific region.
- Have in mind the high taxes, the tariffs and the poor infrastructure when launch a product and transporting through the country.
- Indian consumers prefer to purchase in department stores and supermarket, and these kinds of stores increasing rapidly.
- Target south India and the large cities in the north, and Karnataka, Tamil Nadu and Uttarakhand are seen as enterprising regions.
- A baby product company should be aware that Indians, in warmer climate, do not even go out during the day with their babies and therefore it may not be a demand for products such as baby carriers. Company should profile the products, regarding fabric and function, to a warmer weather.

Demographic

- Indians educate themselves more and more, ensure they have a job, always get married before they have children and families get fewer children than before. A company should provide their products to nuclear families, in the bigger cities which are higher educated, more independent and usually have more money.
- A benefit for a baby product company is the close relationship parents have to their child and the effort they put on them.

Psychographic

- Overall, Indians are cultural, traditional, simple and easy going. The urban areas are more educated and wealthier and the people from rural regions are more conservative and baby products can be seen as a waste for them.
- The man/father have more power regarding decisions and purchases and the women/mother the mainly responsibility for the child care. The women’s decision making is increasing and probably are going to be a favorable target group for companies selling baby products in India.

Behavioral

- Indians are “safe players”, they evaluate the price they pay for a product against the value, regarding quality and service, the product gives them. Therefore, it is of big importance for a company to work and promote the benefit the product give the consumer.
• The Indian market provide a good business chance for companies, the need for western products is increasing. Indians are more and more open-minded toward foreign brands, which are seen as high standard products.

• Indian persons are, overall, status-minded and put a lot of time and money on their child which brings high establishment potential for a baby product company.

**Marketing in India**

• A marketing strategy should create motivation among their customers through, for example, Indian celebrities, family values, friendliness and emotional communication.

• Indians desire for a large amount of information in ads.

• Consumers demand for creative, cultural influenced ads where the product, the company history and a person, an Indian, favorable a woman, are seen. They are affected primary from TV commercials, magazines, news papers, Internet and posters.

• The society is changing towards a more open and western influenced country, therefore it is important o include modern values in marketing.

**The purchase process**

• Indians are increasing their consumption, which presents a good opportunity for a company entering the market. Another opportunity is that women are getting more and more decision-making power, as well as increased purchasing power.

• Indians prefer to get information about products from family and friends; social acceptance of the purchased product is very important. Positive word-of-mouth is thus important, to spread information about a product.

• Indian consumers (mainly in urban areas) are increasingly using the Internet to find product information, and request extensive information online about the product, prices, retail outlets, etc.

• Indians have traditionally been resistant to new products, which is why it is important to quickly increase awareness of a product. This is somewhat changing though; particularly consumers in larger cities are more open to new products, especially Western ones.

• Quality is the most important factor for creating loyalty, and dissatisfied Indian customers will dump the product and spread the bad word to several other people.

**Culture**

• Indians are very family-oriented and favor values such as care for others, which could be highlighted in the marketing.
• It is impossible to change the marketing message for every subculture but a company should keep in mind how diverse India is. However, urban consumers are very influenced by Western culture, so here the need for adjustment is lesser.

• India has many different languages, which must be taken into consideration. For example by adjusting the language of the marketing for different regions, this also shows that the company is serious about doing business there.

• India is traditionally a collectivist society, however, they becoming more individualistic.

• Indians used to be quite risk-averse, but are nowadays more open to new things, which of course is favorable when launching new products on the Indian market.

• India is also a “masculine” country, meaning that the marketing message should incorporate masculine values such as the performance and success of the product.

6.3 Development of global marketing program

Degree of standardization

• A standardized marketing strategy, with local influences, is favorable and also cost effective.

• Indian people’s agreements for western products are increasing and the need for strategy adaption is therefore gradually less.

• A company should adapt to local Indian preference regarding climate; fabric and function, language; complement the English language with a local language on packaging and advertisement.
7. Recommendation

We recommend the company Partner Company to consider above mentioned aspects regarding how to formulate a strategy for the Indian market according to the global strategy formulation models three steps. We also recommend them to consider and observe the information about the four (below mentioned) states and the information our India respondents had about their baby products.

States in India

We recommend The company to focus on four special region or states in India, were the fertility rate and the GDP (gross domestic products) per capita is high. If the fertility rates are scrutinized per state/region and coupled with GDP (Gross domestic products) per capita/state, some potential areas, for companies offering high-end branded products, arise. The region with the highest GDP per capita is the Chandigarh territory, which serves as capital of the states Punjab and Haryana. If GDP per capita are coupled with fertility rates the most prominent states are Haryana (Chandigarh territory), Delhi Territory, Maharashtra (Mumbai territory) and Nataka.

Haryana

Haryana is the region with the highest fertility rate (2,7) among the 10 richest states in India according to the National Family Health Survey. The average size of households in the state is 5 members, and one third of these households are located in urban areas. The most frequent religion is Hinduism, but more than half of the households do not belong to any castes. The age composition is young, 35 percent are under 15 years and only 5 percent have reached the age of 65 or above. Haryana is a very wealthy state, with a wealth higher than the national average and only 4 percent considered being in the lowest class of wealth. Regarding urban areas in Haryana, a woman will statistically have her first child between the ages of 20-24. Approximately 30 months will pass between a woman’s births in the state. About 40 percent of the women in the state make own purchase decisions (NFHS-3, 2005-2006d). The total population in the state is approximately 21 million where as 11,3 million are males (Government of Haryana, 2009). Haryana is a state in the north of India that to a large extent also is included in the National Capital Region (with New Delhi), since it borders Delhi on three sides geographically (Encyclopedia Britannica, 2009). Its capital city is Chandigarh with
approximately 900,000 residents which has a sex ratio of only 777 females per 1000 men (Chandigarh Administration, 2009). Chandigarh is presently the richest city in India with a per capita income of 2200 USD) (Times of India, 2008a). The state thus has the 3rd richest per capita income in the country with approximately 1000 USD in the year 2008. It is a heavily industrialized state and considered to be the growth engine in the Indian economy at the moment. Haryana’s economy is mainly based on agriculture but this sector is declining each year. Instead the most important sectors are shifting in favor of manufacturing and the service sector, which is are increasing massively each year (Government of Haryana, 2009).

Due to the state’s close location to Delhi geographically, it is in close contact with the rest of the cosmopolitan world. A new international airport will be opened up in Chandigarh in June 2009 which will serve the inhabitants of Haryana, Punjab and Himachal Pradesh states. The reason for the initiative of building an International Airport in Chandigarh is that the city was in urgent need for a better connectivity internationally (The Tribune India, 2008). Apart from aircraft infrastructure, roads and railroads are well developed (Government of Haryana, 2008).

Delhi/Delhi territory
The National Capital Territory of Delhi is the second largest metropolis (after Mumbai) in India since it has an estimated population of 15.9 million people (United Nations, 2007). The fertility rate in the region is 2.1 according to the National Family Health Survey. 33 months will normally pass between births (NFHS-3, 2005-2006b). The average per capita income (current prices) is approximately 1367 USD in the year 2008 (Times of India, 2008a). Among India’s states; urban Delhi has the highest per capita expenditure per month with almost 35 USD (153 USD per household). 63% of this amount was spent on non-food items (Government of national capital territory, 2005). 93% of the residents in the Delhi territory live in urban areas, and the average size of the household is 4.6 members. Two thirds of Delhi’s households do actually not belong to any castes or tribes but the majority of the household heads are Hindus. The population is relatively young; 29 percent is under the age of 15, only 4 percent is over 65 years of age. 99% of the urban households have electricity and on the total the wealth of Delhi is higher than the average according to the NFHS-3 wealth index. More than half of the men and almost as many women in Delhi have an education of 10 years or more. More than 70% of the women make own household purchase decisions. The average age of having the first child in Delhi is statistically 20-29 years (NFHS-3 2005-2006b).
Since 1947 (New) Delhi is the capital of India and houses the government and other federal offices including the Parliament of India. The city has been, and is still going through a rapid transformation (Government of India, 2008). Delhi is at the moment the biggest commercial center in northern India (Government of India, 2003). A large number of multinational companies are established in Delhi, partly because of the large amount of the skilled Indian workforce (Maps of India, 2009). The retail industry in Delhi is growing rapidly and is currently the largest in the country (The Economic Times, 2008). This is a fact that is expected to transform the whole retail trading system, for example with more supermarkets (BBC, 2007). The city’s infrastructure is well developed and Delhi is the headquarters of the Northern Railway since it is a major rail road junction (Delhi Capital 2007a). Indira Gandhi International Airport is the main gateway for the city’s domestic and international traffic (Times of India, 2008b).

Maharashtra
Maharashtra is the richest state in India, and is contributing to about 15% of the country’s industrial output (13.2 %) of the GDP in 2006. GDP per capita is thus lower than Haryana since it only is around 745 USD. The state’s total population is around 96,7 million, (Government of Maharashtra, 2007) and 46 million of these are women according to the 2001 Indian Census. 48 % of the population live in urban areas and the average size of the households are 5 members. Hinduism is the main religion, but a little less than half of the population does not belong to any castes. The state has a relatively young population since 31 % is below the age of 15 and 6% over 65 years of age. Based on the NFHS-3 wealth index, the state has a wealth higher than the national average; almost 60% of the state’s urban residents are considered to belong to the highest “wealth class” of India. When it comes to education levels, a little less than half of the male population have completed at least 10 years of education and about one third of the women. Fertility levels in Maharashtra are just above the replacement level with 2,1 children per woman. In accordance with the national differentials, wealth and level of educations are the two factors deciding how many children a woman will have. Women with no education at all will statistically have one more child than women with 10 years of education in Maharashtra. The same is true when it comes to the level of wealth. Women will most likely be pregnant at the age of 20-24 years in urban areas of Maharashtra. Statistically, 32 months will normally pass between births in Maharashtra. Considering women’s empowerment in the state, 3 out of five women makes decisions
regarding their own health care and household purchases, but the percentage is higher in urban areas (NFHS-3, 2005-2006c).

The state is located in western India and is containing the largest city of India; Mumbai (Government of Maharashtra, 2007). The state capital Mumbai has a population of approximately 19 million people (United Nations, 2007) and a GDP per capita of around 1000 USD which is three times higher than the national average (MTDC: Government of India, 2009). Mumbai is commonly referred to as the commercial capital of India, and was ranked 48th on the Worldwide Centres of Commerce Index in 2008 (Mastercard, 2008). The city also seems to be a good place to stay if you are a billionaire, it was namely ranked 7th best city in the world when the magazine Forbes compiled a list of “Top Ten Cities for billionaires” This list also claims that the wealth among the billionaires in Mumbai was the highest in the world (Forbes Magazine, 2008). Infrastructure in Mumbai is well developed with one of the largest harbours in India, since it handles 11% of India’s sea-borne traffic in terms of volume (Mumbai Port, 2007-2008). The city also has the busiest airport in India; Chhatrapati Shivaji International Airport (CSIA, 2009).

Karnataka

Karnataka is a state in the south of India with an estimated population of 52.8 million people in the year of 2001 (National portal of India, 2009). By the year 2011, the state population at current growth is expected to be 62.2 million. The state is ranked as the fifth most urbanized among all States in India and 34% of the population lives in urban areas. The GDP per capita is quite high since it is estimated to be around 970 USD in the year of 2009 (Government of Karnataka, 2009). Fertility rates are, according to NFHS-3 just above the replacement level since it is 2.1 children per woman. It is only slightly higher in rural areas with 2.2 children per woman. And approximately 30 months will pass between births in Karnataka. A woman will most likely be pregnant at the age of 20-24 in urban areas, and after the age of 29 the fertility levels are declining rapidly. The majority (85%) of the households in the state is Hindus and an average household consists of 5 people. About 30 percent of the population is under 15 years of age, 5 percent are above the age of 65. People in Karnataka are slightly wealthier than the national average, with only 11 % belonging to the poorest wealth class. About half of the women in the state are allowed to make large household purchases and purchases for daily needs. Despite this only 31% are allowed to go to the market by themselves (NFHS-3, 2005-
The economic growth in Karnataka is quite high with an estimated growth of 7.2% in 2009 (Government of Karnataka, 2009).

In recent years the state has emerged as the main centre of IT-technology and knowledge in India (Ministry of External Affairs, 2009). The state capital Bangalore is also known as “The Silicon Valley of India” since the city contains a large number of IT-companies, which contributed with approximately 33% of the country’s total IT exports (Business Standard, 2008). The city is growing relatively fast, 10.3% in 2008, which makes it one of the fastest growing metropolis areas in India (Rediff News, 2008). The city is home to around 10 000 dollar millionaires and this makes it one of the richest cities in India and considered to be the third richest city in 2007 when counting number of millionaires (Times of India, 2007). The aviation sector in India has grown tremendously in recent years, and a brand new international airport has been built from scratch outside Bangalore. The city is also well connected to the rest of the cities in India through the railway. The state of Karnataka also has one major port, located in Mangalore (Government of Karnataka, 2009).

The Indians perspective about the The company products

We exposed the The company products to our respondents, handed them questions and asked them to respond and have opinions about the products. All of our respondents thought the The company products are attractive products that are worth to buy and try.

- *I especially love the baby carrier. In fact I have used it for my baby. I knew only the baby carrier before, since I was looking for it while I was pregnant in India. A client manager of mine bought it from Denmark for me* (Sailwal, 2009).

Even if everyone could think of buying the products, and of course want the best for themselves and for their child, it is diverse regarding to what price. Most of our respondents thought it was hard to set a price on the products but Sailwal (2009) had already bought a The company carrier to a price of about 5000 INR (865 SEK) which she thought was a little too expensive. She is convinced that Indians would think the The company products are going to be seen as too costly. For example Davuluri (2009) thought he could pay about 400 INR (70 SEK) for a baby carrier and 1200 INR (210 SEK) for a baby sitter which is much lower than the price The company receive for their product (Baby carrier: 849-1395 SEK, Baby sitter: 1199-1249 SEK). All of our respondents think the The company products has potential on the Indian market especially regarding the baby sitter and also regarding the bathroom- and
Recommendations

kitchen products, although, 4/8 had a skepticism against the baby carrier. The Indian country and people are seen as very colorful and all our respondents prefer the red color but also orange and yellow on baby products, a few of them also preferred the colors black and blue. All of our respondents thought the products have everything they ask for but two of them mentioned that the Baby carrier probably is going to be too warm for the baby in the summer.

- A lot of parents do not go out with their children before they are about two years old because of the pollution and in the hottest season in India many parents do not even go out with their children at all, they stay home (Davuluri, 2009).
- Cotton materials would help the bay feel better (Sailwal, 2009).

The respondents should market the company products through regional channels, use TV commercials and supply the products exclusively for the women in maternity. A lot of brands only provide products just intended after the delivery not the first years with the baby which means they think the company have a good chance to succeed.
8. Reflections

During the process of this thesis, we have made a few reflections. For instance, it occurred to us that it would have been interesting to conduct two or more focus groups instead of only one, selected on a less random basis. For example, one group could have consisted of only women and one of men; they could have been divided in different age groups, or groups of parents and non-parents. In that case, we would have been able to make comparisons of the results of the different groups. Furthermore, in order to strengthen the analysis of the first step of the model, Assessment and adjustment of global strategy, it would have been favorable to compare our theory with the strategies of already established companies which would have constituted an entirely new research area. With limited time and resources, this study would have been too extensive to carry out. Instead, we believe that we have made the right choices in terms of priorities, and used our time well. Overall, we feel that we have had a good work process, where we believe that our collection of data has resulted in relevant information from which we were able to give concrete recommendations. We hope that these recommendations will be useful for any company that considers entering the Indian market. We also hope that The company will find them helpful, and that they will proceed with their establishment on the Indian market.
9. The end of the beginning

During the process of this thesis several interesting questions have been discovered but the limitation of the thesis has made it impossible to answer them all. This study has focused on the first three steps of the Global strategy formulation model, and mainly the second one, formulation of global strategy. Some aspects of the model have been excluded. It would be relevant to also look at the internal factors such as organizational resources needed when entering the Indian market, regarding finances, human resources, etc. Furthermore, the suitable location of value-adding activities, in terms of concentration of activities such as production pooling, may also be of interest to research. The fourth step of the model, i.e. implementation, we have not discussed at all. It would be interesting to further examine the aspects of implementing the global strategy, including practical issues such as finding distributors in India, but also management processes such as how the organization is structured – whether they have global or regional product managers, how the flow of information would work between the regional manager and the headquarters, or the local managers’ freedom of action. Examining the implementation may also include further exploration of the effects of corporate culture on global operations, for example how committed the company is to the global marketplace.
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Appendix I

- Questionnaire for The company management

1. What would You say are The company’s foremost strengths/greatest weaknesses?

2. In Your opinion, which are the greatest external risks associated with entering the Indian market?

3. What do you consider most appealing about entering the Indian market? In other words, what represents the greatest opportunities?

4. How would You mainly like to differentiate from competitors? For example; through design, after-sale service, product attributes, brand image, etc.?

5. Which segment(s) do your mainly target?

6. How do You usually carry out the segmentation of a new market? For example:
   - Geographically
   - Demographic variables (gender, age, income, etc.)
   - Psychographic variables (personality, lifestyle, attitudes, etc.)
   - Purchasing behavior

7. Would You consider targeting segments with lesser purchasing power in order to reach the large billion market (e.g. in India), where customers lack the purchasing power and global preferences of larger cities?

8. Do You have a formulated marketing strategy that you implement upon entering a new market; i.e. a specific model, a program/plan, etc.?

9. Which channels/media do You use for marketing purposes? E.g. TV, magazines, Internet, etc.?
   - What is Your reason for using these particular channels?

10. How important do You think the need for adaptation of your products is for different markets?

11. What is Your motive for either market adaptation or standardization of Your products?

12. Do You make any changes in packaging, media channels, or distribution to customer/importer depending on which market You wish to establish on?

13. Do You allow local actors/importers, etc. to make their own decisions regarding the local marketing of Your products? If so, what are they allowed to do?
13. Do You use the same positioning strategy, advertising theme and symbol globally?
   - Or is Your marketing adjusted to appeal to a certain culture through the
     inclusion of some aspect of that culture, such as values, symbols, styles,
     etc?

14. Do You keep a dialogue with local actors/importers when formulating your marketing?

15. Does Your company have a strategy for preventing similar activities from being
    carried out, for example a distribution center, a marketing center, and such?

16. What is Your motive for having/not having such centers?

17. Does the extent of Your marketing efforts/activities differ among the markets where
    You are established today?

18. Would You consider reducing the prices of Your products for the sole reason of
    meeting the competition?

19. To what extent do the product development department, the manufacturing department,
    and the marketing department cooperate in Your company?

20. Do You acquire information concerning for example consumer behavior, demand,
    requests, customer satisfaction, and such from the local agents/vendors on the markets
    where you are established today? If not; would You consider introducing such a
    system?
Appendix II

- Interview with the marketing manager at The company

Assessment and adjustment of core strategy

The company is a relative small company spread over the whole world. The company expands successive through one country or market at the time and are now interested in the Indian market with all their possibilities, chances and risks. The first and most important opportunities the Indian market has according to marketing manager for Asia (2009) is the market size. It is a large, expansive and growing market where a lot of potential.

- It is a market we believe in and have faith in for the future. We think India are our next step in our developing- and establishment process (Marketing Manager, The company, 2009).

Every market that has opportunities also has threats. Marketing Manager, The company (2009) think it is a hard question to answer today when they have no or so little information about the Indian market but he think that probably the mainly threat is: to not have enough information about the current market before entry. Generally a big threat for The company is the copying of their products and that is one thing they have to struggle a lot with against their competitors.

- Exclude this mentioned things the primary threat is always to fail, it is of big concern for me and of course for the whole company, Marketing Manager, The company (2009) claims in the interview.

If we do a comparison between the Indian market and Chinese market (where The company already are established) Marketing Manager, The company (2009) think the biggest threats is the Indian people’s already existing opinion of these kinds of products.

- If the Indian people have bad experience to their own produced baby products they probably are going to transfer their preferences and think The company fallow the same, for example, bad quality etc. If they have bad preferences of baby products since before they probably neither accept The company’s high price. In China we experienced once skeptical meanings against foreign product and maybe it is the same in India which in that case are going to be a threat for us (Marketing Manager, The company, 2009).

The company’s mainly weaknesses is there, in general, small size. The company may be a large company in their segment but overall they are very small with limited resources regarding workers, managers, time and money (Marketing Manager, The company, 2009).
Formulation of global strategy

The company products are intended for parents with small children and for children between 0-3 years. The company’s segment is usually focused on the big cities where the biggest interest from parents and distributors are. In most of the case The company direct and begin to sell their products in shops that already selling western companies products. They rely on strong Swedish values to make their brand stronger and always promote the importance and opportunities with parents shared responsibility which is a big marketing part for The company. They offer products with high quality and safety to a higher cost and they do not bend the rule.

- Usually we get inquiries from distributors who want to sell our brand and that regularly are the starting point to a new establishment process, for us, in a new market. That is the most common way when we take a new market in consideration (Marketing Manager, The company, 2009).

Development of global marketing program

The basic need regarding baby products are the same among every parent and that is the main reason why The company do not think it is of big importance to conform their products to different markets. Every market demand and ask more or less for different products but the company always offer the same products to every market. Regarding different cultures and juridical decisions they have to adapt, for example, their printed information against different markets but overall they try to standardize as much as they can regarding products and marketing decisions.

- This is also a good way to keep down the costs (Marketing Manager, The company, 2009).

At The company they do and develop all mainly and general marketing campaigns for all markets. Then all distributors have to use these ads when marketing The company in their specific region. Sometimes the marketing formulations are done in cooperation between The company and the distributor for a specific market to reach the customers in a more suitable way. The company develop the general guide lines, how the ads should be used, and then the distributors chooses the best channels, language and content for the current market. It is the distributor who has to pay for all marketing effort they chose to do.
- It is very seldom that we transfer all responsibility, regarding marketing, to the distributor. Often we take these decisions in consultation between each other (Marketing Manager, The company, 2009).

- I remember one time when the paternity leave was a very interesting, and up to date, topic in Australia and the fathers was supposed to get more time with their child. To meet the market we did a marketing campaign where we tried to draw attention though showing fathers with their children in our ads. We try to work with themes that focusing on something presently at the time for a special market (Marketing Manager, The company, 2009).

At The company they try to work close with each other and focus on similar things. One of the reasons why The company have succeeded is that the workers have the opportunity to work under the same roof which gives them cooperation and necessary advantage when working on a global market (Marketing Manager, The company, 2009).
Appendix III

- Questionnaire for interview with Indian people

Hi!
We are studying International Marketing Strategy and write our master thesis about how a company, directed to baby products, should build their marketing strategy and now we need YOUR help. The questionnaire has the purpose to get information about the Indian people, how you act, prioritize and value when purchasing. This questionnaire is only directed to Indian peoples and has the intent to provide answers regarding baby product purchases. We also ask a few general questions about lifestyle and values and hope you can give us good answers. We appreciate if you could answer the questionnaire so specific you can, gladly with examples.

Formulation of global strategy

Geographic
1. Which Indian regions do you think is most current to launch a new product in?
   a. Can you give examples of enterprising regions and interesting region to take in consideration when launching a new product?
2. Climate - How is the weather, warm or cold and how do you face the heat?

Demographic
3. Age, when do you usually get babies?
4. How common is it to get an education?
   a. Do you get babies before/after education?
5. How do people mostly live, big families or small?
6. How is your connection with your children, close?

Psychographic
7. Who are ”the Indian”? Tell us about you people, about your behavior? (For example the people are easy, strict, simple)
8. How important is it to have an education?
9. How important is it to get a job in early age?
10. Do you (the Indian country) advocate or recommend people to have a job before they get a baby?
11. Where do you seek baby care advice – from mother, friends, magazines, internet, doctors?
12. Where do parents find information about baby products?
13. Who is buying the baby products (nanny, parents, grandparents etc.)?

14. Who take care of the baby when it is born and the first years?
   a. Is it ordinary with nannies or is it the mother and the father who take care of the baby?
   b. Do you have paternity leave, when the father can be home with the child?
   c. Is it usual and acceptable for the father to be home with their child?

15. Is the father involved in the purchasing decision of baby products? If not, why?

16. Where do they buy the products – department stores (which one), catalogues, internet?

17. What baby products are considered “must have”?

18. What is most important if you choose between two similar products – price, quality, brand, design or safety?

19. Do you put a lot of time, energy and money on the children?

20. Is baby products seen as a luxury product?

21. What should a product provide to be classified as a luxury product?

22. How important is it with status, prestige and the opportunity to show what you wear, where you buy your products, which brands you are using etc. in India?

**Behavioral**

23. Over all, how often and much do you purchase – a lot or a few products at the time, every day or one time a week?

24. Where do you purchase – supermarkets or in small shops?

25. Do you plan your purchases or does it happen by impulse?

26. Are you loyal to a brand – do you buy from the same store again and again or do you purchase your products from different stores every time?

27. Do you prefer foreign- or domestic brands?

28. Do you know any brands that make baby products? Which brands?

29. What kind of values is most important?

**Marketing in India**

30. Regarding marketing
   a. What do you like to see in an ad?
      aa. The product, men/women or both, western people on peoples from your own region?
b. What kind of media channels do you often use, magazine, TV etc.?
c. What kind of information would you like to find in a brochure or a website?
d. Is the history of a company important to you?

Consumer behavior

31. Can you explain how your buying and decision process look like if you should buy a baby product?
   a. When do you identify the need?
   b. In which way do you search for information – internal (from family and friends) or external (from companies and marketing campaigns)?
   c. When, what, where and how the purchase will be realized?
   d. What is of big importance if you going to buy the same product again?
   e. If you are not satisfied with the product, what do you do?

About the company products (pictures below)

32. What is your spontaneous thought about the products?
33. Do you recognize the products since before?
34. Could you buy those products?
   a. To what price could you buy those products?
35. Do you think it is an attractive product?
36. Do you like the colors?
   a. Which colors would you prefer?
37. Which modifications would you like to do so the product would fit the Indian market better?
   a. What should you do different?
38. What can be done with the design, fabric etc. to match the Indian market better?
39. How should you market these products in India?
   a. Which (specific) channels should you use?

Thanks for your help!
Best regards
Lovisa, Jimmie and Lina
Appendix IV

- Interview with Ruam Mukherjee

Formulation of global strategy

Geographic

- Which Indian regions do you think is most current to launch a new product in?
  
  - Since India is a large country this question would have to be answered depending on the product. For example cooking coconut oil would have large market in the south but a very small market in the north. Moreover, even when it comes to FMCG companies such as Unilever we see that they employ different marketing and distribution strategies for the rural areas and the urban areas (E.g., small sachets of shampoo are marketed aggressively instead of big bottles in rural areas)

a. Can you give examples of enterprising regions and interesting regions to take into consideration when launching a new product?

  - Again this depends upon the product itself. If it is of any help, in general we can say that the average person in South India is better educated than the average North Indian. In terms of development of industries, Gujarat is a state that has been doing particularly well of late. Karnataka, Tamil Nadu, Uttarakhand and a few north-eastern states are can be viewed as ‘Enterprising’

  - Climate - How is the weather, warm or cold, and how do you face the heat?

  - Climatic conditions vary vastly from North to South. In some Northern states such as Rajasthan, Bihar, Jharkhand temperatures in the summer can soar up to 55 degrees Celsius. Traditionally people have been beating the heat by wearing pure cotton clothes of lighter shades. However, most people simply do not venture out of their homes between 13.00 right up to 16.00 when the sun is the brightest in the summer.

Demographic

- Age; when do you usually have babies?

  - India is divided into urban and rural areas. 20 to 30 years of age in urban areas, with most people preferring to have children from 26 to 28 years of age. 18 years onwards in rural areas/villages.

  - How common is it to get an education?

  - Very common in urban areas.
a. Do you have babies before/after education?
- Since India is divided into rural and urban areas, it is common to get children after an undergraduate degree.
  - How do you live, big families or small?
  - The families depend – it can be a big joint family (grandparents, uncles, aunts, cousins) or a nuclear family (parents and their children)
  - How is your connection with your children, close?
  - Parents are normally close to their children, again depends on the family structure and the environment.

Psychographic
- Who are "the Indian"? Tell us about your people, how you behave? (For example, are people easy, strict, simple?)
  - Indian is divided into the following: urban and rural. The urban Indian is educated, works (might run a business, work in a multinational company, takes up jobs in aviation/banking/civil service/fashion designing etc) and also has a family life (nuclear family/joint). The rural Indian sometimes may not be well educated beyond primary school/high school and works – primary occupation will center around agriculture and fishing and also the rural people join the military forces and also very strongly patriotic. The village people are more simple and uncomplicated than the city/urban people.
  - How important is it to have an education?
  - It is very important to have an education in today’s world especially because of the media that has spread awareness and knowledge around.
  - How important is it to get a job at an early age?
  - The job depends on the kind of educational background a person has, some people prefer working and some prefer studying further and many Indians go abroad to do their masters and specialize in different fields.
  - Do you (the Indian country) advocate or recommend people to have a job before they have a baby?
  - It is advisable to have a job before having a baby but that differs from urban and rural people; rural people usually have babies with or without a job. But in urban India- when a
couple decides to have a baby they ensure that one of them has a stable job and a source of income.

- Where do you seek baby care advice – from mother, friends, magazines, Internet, doctors?

- Rural areas - relatives and friends and doctor who advises Urban- Media (advertisements, Internet), doctor, friends and other close relations.

- Where do parents find information about baby products?

- Media - internet, magazines, books, doctor

- Who is buying the baby products (nanny, parents, grandparents, etc.)?

- Parents mainly buys the baby products.

- Who take care of the baby when it is born and the first years?

  a. Is it common with nannies or is it the mother and the father who take care of the baby?

  - It is not uncommon to have help with the baby during the first years and this can mean grandparents/friends along with the father and mother and also hired local help.

  b. Do you have paternity leave, when the father can be home with the child?

    - No, it is not practiced in India.

  c. Is it common and acceptable for the father to be home with their child?

    - Yes, depending on the family structure and if the father is not working full time.

    - Is the father involved in the purchasing decision of baby products? If not, why?

    - Yes, both the parents are involved.

- Where do they buy the products – department stores (which one), catalogs, Internet?

- Department stores differ from city to city. Malls, catalogues and Internet are rarely used.

- What baby products are considered “must have”?

- Baby shampoo, soap, powder, baby blankets, baby mosquito nets, baby prams, walker, potty seat, learning toys, medicines, bathtub to give the baby a bath, oils for massages to babies.

- What is most important if you choose between two similar products – price, quality, brand, design or safety?

- Safety, price, quality, brand, and design.

- Do you put a lot of time, energy and money on the children?

- Yes, there are lots of brands and exclusive baby shops catering to different needs and age groups.

- Are baby products seen as luxury products?

- In some cases - depending on the brand and the affordability of the parents.
Baby food is expensive and not all can afford brands like Farex and Cerelac (2 Indian brands for baby food).

- What should a product provide to be classified as a luxury product?
  - Clothes, food, medicines, blankets, bathtub, prams and toys.

- How important is status, prestige and the opportunity to show what you wear, where you buy your products, which brands you are using etc., in India?
  - The status and prestige factor depend on the kind of family and the environment in which the baby is brought up.

**Behavioral**

- Overall, how often and how much do you purchase – a lot or a few products at the time, every day or one time a week?
  - Depends on the kind of products that are bought – food is purchased regularly and so are medicines and oils etc. Prams and bathtubs are purchased only once or can be hand me down from a previous sibling.

- Where do you purchase – supermarkets or in small shops?

- Do you plan your purchases or do they happen by impulse?
  - The purchases are 90% planned.

- Are you loyal to a brand – do you buy from the same store again and again or do you purchase your products from different stores every time?
  - This depends on the family and the income levels.

- Do you prefer foreign or domestic brands?
  - Both are used depending on the kind of product.

- Do you know of any brands that make baby products? Which brands?
  - Farex, Cerelac, Mothercare, Johnson and Johnson

- What kind of values is most important?
  - Quality, dependability/trust, Price.

**Marketing in India**

- Regarding marketing:
  a. What do you like to see in an ad?
  aa. The product, men/women or both, Western people or people from your own region?
- It depends – Indian advertising is very progressive and the ads are a result of culture, creativity and also the viewer is taken into mind while creating advertisements.

b. What kind of media channels do you often use?
- TV, mobile phones, Internet, magazines, and newspapers.

c. What kind of information would you like to find in a brochure or a website?
- Reliable and clear information which would explain and portray the product in order to help make a wise decision.

d. Is the history of a company important to you?
- Yes.

**Consumer behavior**

- Can you explain how your buying and decision process would look like if you would buy a baby product?

a. When do you identify the need?
- During the pregnancy, people slowly start buying and saving money for future need.

b. In which way do you search for information – internal (from family and friends) or external (from companies and marketing campaigns)?
- All of the above.

c. When, where and how will the purchase be realized?
- At the store.

d. What is of big importance if you going to buy the same product again?
- Quality

e. If you are not satisfied with the product, what do you do?
- Will not use it again and will caution friends and relatives about the products.
Appendix V

- Interview with Bhagyashree Sailwal

Formulation of global strategy

Geographic

- Which Indian regions do you think is most current to launch a new product in?
  a. Can you give examples of enterprising regions and interesting region to take in consideration when launching a new product?

- Malls in Delhi & Mumbai and other metro cities in India

- Climate - How is the weather, warm or cold and how do you face the heat?
  - The weather is warm and the baby carriers are a waste during the summers. I have used it and really know about it. But still used to take it along if I am going to some big shopping complexes where heat would not be a problem.

Demographic

- Age, when do you usually get babies?
  - Usually, After 25+. Nowadays it is extending more. I delivered at the age of 28.

- How common is it to get an education?
  a. Do you get babies before/after education?
    - Mostly it is after education.

- How do you live, big families or small?
  - Both. I have a small family of my husband, me and my kid.

- How is your connection with your children, close?
  - Close connection.
  a. Do you often perambulators (baby-vehicle) or baby carriers?
    - Yes, I do.

Psychographic

- Who are ”the Indian”? Tell us about you people, how you behave? (For example, are people are easy, strict, simple)
  - If you talk about metro cities, old aged people are still conservative and don’t think such products to be good or they think it be sheer waste. They are very simple minded and think that such a product is of no use after 1-2-3 years and don’t prefer to buy it. In villages such
products like strollers and all are not seen. Past few years the stroller rate has been great in metro cities. Baby carriers are seen very less. People are easy and want to try good products. Software engineers get good salary so such products are more seen in those families. So people are money minded. But can spend at the cost of quality.

- How important is it to have an education?
  - Education is very important criteria in every family. Parents are behind their children for education. Sometimes I feel, some parents pressurize or impose a lot about education on kids.

- How important is it to get a job in early age?

- People start earning after the age of 20+. After they complete their graduation, at least. Parents somehow feel that their kids education should be complete and then he/she can start earning.

- Do you (the Indian country) advocate or recommend people to have a job before they get a baby?
  - Yes. If a woman is educated, she should go on job before planning for motherhood.

- Where do you seek baby care advice – from mother, friends, magazines, internet, doctors?
  - Doctor, Mother & Friends

- Where do parents find information about baby products?
  - From Internet and friends.

- Who is buying the baby products (nanny, parents, grandparents etc.)?
  - Parents

- Who takes care of the baby when it is born and the first years?
  a. Is it ordinary with nannies or is it the mother and the father who take care of the baby?
    - Mother & Father

  b. Do you have paternity leave, when the father can be home with the child?
    - Very little. 15 days I guess. But this also started some 2-3 years back. Before that no such leaves were known.

  c. Is it usual and acceptable for the father to be home with their child?
    - I have seen rare cases where father is at home taking care of the child most of the time.

- Is the father involved in the purchasing decision of baby products? If not, why?
  - Father is involved.

- Where do they buy the products – department stores (which ones), catalogues, internet?
- Department stores. Shopper stop, Pyramid, Mumbai Central, Pune Central (since I belong to this place)
  - What baby products are considered “must haves”?
- Medicines, Diapers. Among the range of baby carrier.
  - What is most important if you choose between two similar products – price, quality, brand, design or safety?
- Safety, quality, design, price and then brand (decreasing order of priority).
  - Do you put a lot of time, energy and money on the children?
- Yes.
  - Are baby products seen as luxury products?
- Strollers are not seen as luxury nowadays. But such products were seen as luxury products before.
  - What should a product provide to be classified as a luxury product?
- You can do without the product and it costs much also.
  - How important is it with status, prestige and the opportunity to show what you wear, where you buy your products, which brands you are using, etc. in India?
- Depends on the attitude of person to person. In the northern part of India, status, prestige is an important issue. In the central part of India people are more simple-minded. Again in the south, these issues of prestige and status are there. Such issues are there everywhere; I just pointed the difference in percentage.

Behavioral
  - Over all, how often and much do you purchase – a lot or a few products at the time, every day or one time a week?
- A few at the time.
  - Where do you purchase – supermarkets or in small shops?
- Supermarkets
  - Do you plan your purchases or does it happen by impulse?
- Plan for big purchases like furnishing and all. Some happen at an impulse (for clothing, painting, etc.)
  - Are you loyal to a brand – do you buy from the same store again and again or do you purchase your products from different stores every time?
- Quiet loyal, but big shops like Shopper stop has all brands in one shop, so we prefer such shops.
  - Do you prefer foreign- or domestic brands?
- Both. Foreign products are more preferable.
  - Do you know any brands that make baby products? Which brands?
- Graco and Bjorn.
  - What kind of values is most important?
- Safety and Quality.

Marketing in India
  - Regarding marketing:
    a. What do you like to see in an ad?
    aa. The product, men/women or both, western people or people from your own region?
- Mainly women, but can target men too. Indian people would be the right choice to use in the ad. People already will understand that it is an international product, but if seen on Indians they will think of taking a look into these products at stores more.
    b. What kind of media channels do you often use?
- TV and Internet
    c. What kind of information would you like to find in a brochure or a website?
- Company information, product range, colors available, price, store locations, etc.
    d. Is the history of a company important to you?
- Yes. Company information would be advantageous to launch the product in Indian Market

Consumer behavior
  - Can you explain how your buying and decision process look like if you would buy a baby product?
    a. When do you identify the need?
- During pregnancy.
    b. In which way do you search for information – internal (from family and friends) or external (from companies and marketing campaigns)?
- Internet
    c. When, what, where and how will the purchase be realized?
- If I want to buy this product and if it's not in the Indian market, then I shall ask my friends over the globe to courier it and shall pay them back the exact amount.

d. What is of big importance if you going to buy the same product again?
   - Satisfaction

e. If you are not satisfied with the product, what do you do?
   - Ask in the friend circle if anyone would like to try this product, else curse the company and eventually dump it.

About The Company’s products

- What is your spontaneous thought about the products?
  - Products are worth a buy. I especially love the baby carrier. In fact I have used it for my baby.
  
- Do you recognize the products since before?
  - I knew only the baby carrier before, since I was looking for it while I was pregnant in India. A client manager of mine bought it from Denmark for me.

- Could you buy those products?
  
a. To what price could you buy those products (answer in Indian Rupee, INR)?
  - I had actually converted the Danish Kroner to Rupees and paid it. But thought it to be little costly. It did cost me around 5000 INR. But since it was my first pregnancy I didn’t bother and wanted the best for me and my child. But I am sure Indians would think this to be too costly.

- Do you think it is an attractive product?
  - Babysitter and Baby carrier are attractive.

- Do you like the colors?
  
a. Which colors would you prefer?
  - Red & Black

- Which modifications would you like to do so the product would fit the Indian market better?
  
a. What should you do different?
  - They are just fine for the Indian market. Baby carriers will be too warm for baby when its summer, since India is too hot during the summers. But still they are fine when mothers are going to big malls having AC.
- Safety and quality

- What can be done with the design, fabric, etc. to match the Indian market better?
  - As I said, summer is really hot, so cotton clothing material at the inner parts would help the baby feel better.

- How should you market these products in India?
  - Supply to the stores (exclusively for the women in maternity). There are such shops in India where you get only maternity wear or comfort and also the products to buy just after the delivery. Also in Big shops like Shopper Stop, Pyramid where you get infant stuff too like strollers, bottles and other products related to infancy.
Appendix VI

- Questionnaire for the focus group

Formulation of global strategy

Geographic
- Which Indian region do you think is most current to launch a new product in?
- Climate - How is the weather and how do you face the heat?

Demographic
- Life structure
  - age of getting babies, education, family structure?

Psychographic
- Who are "the Indian"?
  - education, job
- Where do you seek baby care advice?
- Who is buying the baby products?
- Who take care of the baby when it is born and the first years?
- Where do they buy baby products?
- What baby products are considered “must have”?
- What are the most important values when it comes to baby products?

Behavioral
- About the purchase
  - Where?
  - Do you plan your purchases?
- Are you loyal to a brand?
- Do you prefer foreign- or domestic brands?
- Do you know any brands that make baby products?

Marketing in India
- What do you like to see in an ad?
- Media channels?
- What information?
Consumer behavior

- About the buying- and decision process
  - Identification of the need?
  - Information research?
  - When, what, where and how
- If not satisfied, what do you do?

About the company products

- Your spontaneous thought about the products?
  - Price?
  - Colors?
  - Modifications?
  - Marketing?
- Could you buy those products