Study of Collaborative marketing approach for Borderless Business World

Dipanjay Jayant Bhalerao
Study of Collaborative marketing approach for Borderless Business World

Dipanjay Bhalerao, Assistant Professor, Indira Institute of Management, Pune

Abstract: The business world with borders is like a pond where the constraints are small and simple. But business world in the borderless world will be like an ocean where the borders seem without limits but with high complexity.

So what makes the business simpler in limited markets is the “Degree of knowledge “about the markets & business. Fragmented markets make it easy for the entire marketer’s to compete in such businesses.

But in case of the Borderless business environment this “Degree of Knowledge “about the markets becomes lower in a very strange way. So much so that in spite of a great market with high business potential, organizations faces difficulties for their typical COMPETITIVE approach.

These are the companies carrying their competitive approach from bordered world to the borderless world.

Researcher has attempted to study a unique marketing approach i.e. Collaborative Marketing approach over traditional competitive marketing Approach in light of the borderless business world.

The research methodology adopted here is Case study methodology, as this approach being in its early stages, since the globalization has now started showing its impact on the world. A new borderless world is now shaping up the business environment.

Models of competitive advantages were shaped during the bordered business world. Researcher has attempted to study the collaborative marketing advantages for the borderless world.

Customers, competitors, regulatory bodies are the main architect elements of this borderless business world where the researcher has kept the focus of study.

Key Words : Customers, Competitors, Collaborative Marketing, competitive advantage.
Introduction:

Winning in the market is everybody’s wish, but not everyone’s destiny. This seems to be true to many companies as all the companies do the marketing in very different ways.

It is a general assumption that the markets can be won by competing with competitors. But some smart companies do it by even collaborating with the competition. They not only collaborate, but also do “collaborative marketing”. Collaborative marketing not only gives strength to the companies but also creates high growth chances in competitive market.

Collaborative Marketing can be done by collaborating with many market elements such as customers, competitors, regulators, suppliers.

Collaborative marketing gives an edge by complementing the strengths of the companies and compensating for the weakness.

For example: Recently BMW and Toyota collaborated for creating a small SUV car in the global markets. (Source Economic times, 25\textsuperscript{th} Jan 2013.)

The collaboration can be done on many parameters of marketing, research on which is discussed ahead in existing literature.

Importance of the study:

Today when we are talking about borderless world we need to evaluate our marketing in the same regard. We can do marketing at our own capabilities in a small pond of market. But when it comes to crossing the borders of the markets across the nations, collaborative marketing comes as route to complement our strengths. Therefore it is important for all of us to study collaborative marketing for borderless world.

Objectives:

1. To study collaborative marketing research done presently.
2. To study collaborative marketing with competition in Indian context

Research Methodology adopted:

1. Case study methodology.

Collaborative Marketing literature review:

The research is focused on the collaboration can be done on the two major pillars namely: sales & marketing. The researcher talks about various challenges and parameters where the collaboration can be brought.

Here the area of research gap remains is about the collaboration between the marketing company and the competition. Also the area of research remains unfolded whether any company has actually benefited in the markets with this approach.


This is again a milestone research done with a very important business parameter “Technology”. The paper takes us through various supply chains points of an organization.

Though the research gives new dimension on collaboration done through the supply chains elements, it does not gives clarity on the collaboration to done along with the competition.


Prof. George says:

“The ability of a firm to create and maintain relationships with their most valuable customers is a durable basis for a competitive advantage. To keep this edge over rivals, who continually try to attract these customers away, a firm has to master the three elements of a market-relating capability. First, a relationship orientation must pervade the mind-set, values, and norms of the organization. Second, the firm must keep deepening its knowledge of these customers and putting it to work throughout the organization. Third, the key processes must be internally integrated and externally aligned with the corresponding processes of the firm's customers”

The crux of the above statement of Prof. George lies in the relationship with customers. In other words collaborative approach with customers. But here also the approach does not touch the competitor side of collaborative approach, which remains for the future scope of research.


In this research Mr. Wang tries to find collaboration between various destination elements to see whether the same can used to promote the destinations in destination marketing. In this the author tries to look for collaboration customers i.e. destinations for tourism.

Again this research paper does not touch the competitive collaboration as such.

According to Prof. Vera: “Marketing theory and practice both recognize the increasing importance of customer collaboration for service provision and innovation. As part of such customer collaboration, customers of electronic services coproduce knowledge in varying degrees.”

This implies that collaboration has the apex place in the marketing as per this research. The paper touches upon specially the collaboration areas with customer for service provision & innovation.


Prof. Sivakumar clearly strikes the right string here by saying –

“The past few decades have witnessed a significant increase in the number of cross-border strategic alliances among firms. We focus on the role of alliance expertise (alliance experience and diversity of partners) and alliance governance (horizontal vs. vertical alliances and joint venture vs. other alliances) in global innovation generation. We find that while prior alliance experience has a positive association with global innovation generation, diversity of partners has a negative relationship. In addition, whether the alliance is horizontal or vertical has no bearing on the innovation generation.”

Clearly this is the research which emphasizes up on cross border collaborations that too with the other firms or organization to improve upon the innovation generation & financial performance improvement.

Here the area of research remains in the form of gap is that the research gap in the area of collaboration in the Indian context and with the clear cut marketing objective.

This means the research needs to be done in the area of Competition collaboration with marketing objectives and not with financial objectives.


The researcher is acknowledging here about the alliance marketing orientation in various areas of marketing such as relationships, market share in turbulent times, new product development technology and distribution.

This is the area the researcher is focusing about the competition in the marketing side. This research speaks after analyzing 182 US firms. The gap remains here is about the geography. This research talks only about US firms and not on the emerging economies like India.

A scholarly research with secondary research approach has widened the marketing horizons with the term called “Stakeholder marketing”. But this research is more focused on the chain of the stakeholders and their linkages with each other on activities and processes. Here the part of competitive collaborative is not scope of study.

9. **Buyer-Supplier Relational Characteristics and Joint Decision Making**, GARY L. FRAZIER

University of Southern California, Marketing Letters 5:3, (1994): page 259-270

This research paper focuses on the supplier side collaboration and how the decision making be made collaborative for a win-win situation. In this research the model is not marketing oriented but buying oriented. The research gap remains in the area of the competition collaboration.


Prof. Eric & Prof Speakman discover their new finding and they redefine alliances by saying “We argue that whether an indirect tie enhances or detracts from the market value a firm creates in a technology alliance depends upon factors related to inter-firm competencies at both an alliance- and partner-level of analysis.”

These two professors have shown us a niche area of collaboration in their research i.e. Technology. They have also come out with findings of motivating impact on both the alliance partners. Barring the fact that it leaves the competition collaboration on many more marketing parameters, it is really a break through research in the field of collaborative marketing for future.

The above research gives a scope of research for collaborative marketing in field of competition with various processes of marketing to actually gain positive impact in the market of the collaborative partners.

What makes collaborative marketing different from Present JVs & mergers and acquisitions?

How is collaborative marketing (competition) different than a JV? This is a question we need to address before we go ahead with the research. All the JVs are not generally only from the marketing point of view but from many other strategic concerns in financial area, cost of production area, and increasing scale of production etc. Now these are typically non marketing concerns, which still give lot of edge to the company over others. But if the JV is made from a pure marketing angle and it is used to leverage positive impact in the market.

Going further the researcher proceeds ahead with the following scope of study:

**Scope of the study:**
1. Indian organizations with Indian context.
2. Collaboration with competition

**Research Approach:**
This research in Indian context is of exploratory type.

**Type of research:**
Secondary research.

**Research Methodology adopted:**
The researcher adopted Case study method for the research as this is in the initial stages of the practice in India with regard to research and paradigm.

**Case study sample unit:** An Indian Company which has done collaboration with competition for gaining positive impact in the market.

**Case Studies of collaborative marketing:**

1. **Telco’s Join hands to expand market reach in India: A case of Indus Towers**
   Indus tower is a JV between three leading companies Airtel, Vodafone & Idea Cellular.
   What makes this a case of Collaborative Marketing? The answer lies in the marketing strategy these companies are deploying through this collaboration.
   A class & strong nationwide network, which is otherwise impossible for any telecom company at its own, has become their marketing strength in recent times to get the foot hold of deep rural market. Also it has helped these telecom companies to expand rapidly in to new markets of India.
   This collaboration has rapidly had one strong impact on the markets of the top telecom companies’ i.e. rapid increase in revenue market share & subscriber market share.

   **Objective of the collaboration:** Sharing network infrastructure for market expansion.

   **Gains of the collaboration:** each of the company in the collaboration could scale up the network to large geography of India and got quick market access through the combines network.

2. **Bajaj Auto and KTM (Korea) join hands for creating bikes for US market:**[Source: Business Standard, 6th Feb 2013]. In an interview with business standard KTM CEO Stef en Pierer says: We will be the first Indian venture to get into street bikes segment in US. Since the cars are becoming too expensive, this is going to be new breakthrough market.” Now the Indian partner company here has unleashed the power of collaboration to market the new age bikes in US roads.

   The need of US market is very different then the Indian markets. Winning this market Bajaj Auto needed a partner who can give the technology edge for the new bike to be made. Similarly the High tech company KTM also needed a partner who can bring the new product development at a large scale with low product costs. This winning combination has now started their collaboration to market the new generation bikes for the US roads. (Source: Economic times 31st Jan 2013)
Objective of this collaboration: New product Development with both technology & cost leadership.

Why are they looking for partnership for cross border marketing: Collaboration is giving them an edge over other competitors for technology and cost? As they are going to manufacture these bikes in Chakan plan of Bajaj Auto.

3. TATA Fiat Distribution Collaboration:

Tata motors & Fiat Ltd both giants of the automobile markets, collaborated for the market distribution of the cars of Fiat.

An excellent example of how collaboration can benefit for cross border operations, which recently faced parting away.
The JV was in the form of Distribution rights. Why the company needs the collaboration especially for the cross border marketing? Because it gives the company the marketing know-how through the collaboration.
In spite of the fact that the JV broke due to problems between the two companies, it certainly gave lots of benefits to the parent company (Fiat ltd) for getting in to the nerves of Indian customers of cars.

Objective of the Collaboration: To gain distribution reach in the Indian Car market.

Gains of the Collaboration: Fiat learned about the current car consumer buying behavior, which is helping them in gaining the market share in the Indian car market.

Conclusion:
With the help of the case studies mentioned above, we can surely enrich with the growing importance of collaborative marketing in the borderless world.
The borderless world will be more and more benefited with the strengths of collaborative marketing.
The main eye awakening parameter for all of us is that competing is not the only option but also collaboration with the competition to win the markets.

Future scope for research:
Future scope of the study also lies in the study of collaborations with other market elements with more global orientation.
The study for future can be also done with lot of primary interaction with the companies doing collaborative marketing, so that lot of insights can be learned about.

Author Name:
Dipanjay Bhalerao, Assistant Professor, Marketing
Indira Institute of Management, Pune
Mobile: 9503800802, E-mail: Dipanjay.bhalerao@indiraiimp.edu.in
References:


