MARKETING BEHAVIOR PRACTICES TOWARDS COMPETITORS FOR APPLICATION OF MARKETING BEHAVIOR MATRIX IN ONLINE MARKETING- AN EXPLORATORY STUDY

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Marketing behavior practices towards competitors for application of marketing behavior matrix in online marketing- An exploratory study

Abstract:

Behavioral aspect in marketing domain has been crucial majorly from consumer’s point of view. Since 1957, except the theory of MBEA (Marketing Behavior and Executive Action) by Prof. Wroe Alderson, the behavioral aspect of marketing was researched only in the consumer buying behavior arena. “All marketing activity is an aspect of the interaction among organized behavior systems related to each other in what may be described as an ecological network. Operating systems are a subclass of behavior systems, distinguished by inputs and outputs and the structuring of processes to achieve efficiency” (Wroe Alderson, 1957). As per this statement there is scope of research for the behavioral aspects of marketing function with various elements of market i.e. customers, competitors, marketing partners & regulatory bodies.

Further to the above said, the marketing behavior becomes critical in the online marketing field as the human interface is minimum as compared to the traditional marketing, and demands high level of human touch as the online marketing growing with heavy industry competition. This paper adopts case study methodology to do initial exploration of current marketing behavior pattern with these elements since the marketing activity is an aspect of organized behavior system w.r.t. marketing.

In this paper the researcher has attempted an exploratory study of marketing behavior practices towards competitors to come out with marketing behavior matrix which can be applied to the online retailing arena (a fast growing B2C part of online marketing industry i.e. e-commerce. The online marketing industry is growing; the competitors are doing everything to win the markets and many more things than just leveraging technology. Hence this study of marketing behavior of companies towards competitors will bring new insights in their focus towards competition.

Keywords: Marketing behavior, behavioral systems, marketing behavior matrix, online marketing behavior, customer collaboration.
Purpose of the research

The researcher attempts with the objective of studying the current marketing behavioral practices in offline as well as online marketing across industries. The exploratory research method is used here. The researcher have used the case study research method (Kathelene Eisenhardt, 1989) since this being an exploratory research with the second objective to come out with conceptual framework of marketing behavior. The purpose of the framework is to apply it to the online retailing industry where the human behavior will play critical role in future growth. Needless to say that the framework will be also needed to apply to the offline marketing.

Research Method

The research method used in this paper is case study method as the research in the marketing behavior is in exploratory stage. The objective of using the case study method is to develop a conceptual framework of marketing behavior for the online marketing, as this method is suitable for the exploratory research gives opportunity for the new testable models (Kathelene Eisenhardt, 1989). In this paper case studies will be presented to study the marketing behavior of the companies. Following the cases, conceptual framework will be discussed. A comparison between our model and other related theories will be also discussed.

Role of case study method in developing conceptual framework:

Validity of data is a concern in the design of multiple case study research (Yin, 1981). Specific tools like tabular displays and graphs are useful without changing the case meaning (Miles & Huberman, 1984). So the multifold utility of case study method is in building theory and testing theory (Eisenhardt, 1989). Some of the past researchers i.e. Gersick, 1988 for punctuated equilibrium model using 8 case studies, Mintzberg & McHugh 1985 for Grass root Strategy formulation with one case study have used this method. It is suggested that 4-10 cases should be studied for developing testable model/theory (Eisenhardt Kathleene, 1989). The strength of this method is that it can bring novel, testable idea as the new theory or model. The weakness of this theory is that the results can be narrow. The result may not seem proportionate as compared to the vast primary data based research. The applicability of the case study research method is most suitable when there is scarcity about the knowledge of the new concept or model (Eisenhardt Kathleene, 1989). In other words when the research is in its early stages, the case study research method is the best suited method for fresh perspective.

Major Results

The major results of the research are the set of marketing behavior towards competitors in the following set.
The set of marketing behavior:

1. Competitor exclusive marketing behavior - neglecting emerging or small competitors
2. Competitor conflictive marketing behavior - hard competition on marketing mix
3. Competitor centric marketing behavior - focused on particular competitor
4. Competitor inclusive marketing behavior - collaborating with big or key competitor 

(Dipanjay Bhalerao, 2013)

Marketing Behavior Matrix

Discussion: Marketing behavior towards Competitors:

1. Exclusive marketing Behavior demonstrated neglecting the competitor needs and not keeping the competitor in the eyesight while developing the product and followed by the whole marketing process.
2. Conflictive behavior creates conflict of interest between the company and competitor. When the company thinks sincerely that our product is just made for the competitor and it gets a negative response in the market over a long time. At that time we can say that there is a conflict in the interest or needs between the two stakeholders.

3. Focused marketing behavior goes one step ahead and ensures such conflict does not arise and all the actions are competitor centric, oriented. The marketers work hard to create the same image of the company in the hearts of the competitor through various activities.

4. Inclusive marketing Behavior is the epitome of all the above ones. Here the marketer not only the competitor but includes them like a community in the marketing process. The relation here between the company and competitor is win-win. (Dipanjay Bhalerao, 2013)

Case 1 - of Hindustan Unilever Ltd

HUL the largest FMCG Company of India and part of global giant Unilever was always proud of Surf as its power brand in detergent segment. HUL thought that Surf can compete in both urban as well as rural market. HUL focused on Nirma, the then market competitor in the detergent segment. In this war the HUL considered another rising detergent brand Ghadi (Launched in 1987) as a weak competition. HUL focused all its marketing strategy on Nirma by launching a similar positioning brand Wheel. In 2012 Ghadi detergent took over Surf as a leading brand in the segment to become no 1. The researcher calls this behavior as exclusive behavior towards behavior towards a small brand.

Case 2 of Telecom Market in India. Or laptop /PC market.

Case 3 of Lifebuoy dish wash and Dettol hand wash or Colgate & Oral B plus toothpaste or Cola war. Here the competitors focus on attacking particular company in the marketing behavior.

Case 4 of IRCTC and Yebhi.com partnership. Here the clear competitors have collaborated for a win-win situation. For mutual benefit both the companies have collaborated in the online retail market. (www.yebhi.com)

Case 6 of Indian telecom giant Airtel, famous for cut throat competition in the telecom market, collaborated with other GSM players Idea and Vodafone for the network sharing for its own market expansion with profitability (www.coai.com)
## Marketing Behavior traits towards Competitors

<table>
<thead>
<tr>
<th>Research Case</th>
<th>Marketing Behavior Traits towards Competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exclusive</strong></td>
<td><strong>Conflictive</strong></td>
</tr>
<tr>
<td>Surf Vs Ghari detergent</td>
<td>Neglecting emerging or small competitors</td>
</tr>
<tr>
<td>Flipkart</td>
<td>Competition on various parameters without creating major USP.</td>
</tr>
<tr>
<td>Vim dish-wash liquid</td>
<td>Focused on particular competitor</td>
</tr>
<tr>
<td>Colgate Vs Oral B plus</td>
<td>Focused on particular competitor</td>
</tr>
<tr>
<td>Airtel</td>
<td>Collaborating with major competitors to attain win-win benefit in the market growth.</td>
</tr>
<tr>
<td>Yebhi.com</td>
<td>Collaborating with major competitors to attain win-win benefit in the market growth.</td>
</tr>
</tbody>
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### Research implications:

Earlier research in facing the competition has revolved around competitive advantage and competitive strategy. The behavioral aspect of the marketing towards competitors was the scope of research. Winning in market depends on creating competitive advantage (Michael Porter, 1985). Competition lies in the core of success or failure of firms. Competitive strategy should
aim at positioning the company against the forces determining the competition. (Michael Porter, 1986). Michael Porter also indicated towards two core issues in determining the competitive strategy i.e. industry attractiveness and determinants of relative position in the market (Michael Porter, 1986). Research on marketing behavior towards competitors has done a value addition in creating an innovative framework in deciding actions towards competition. In the research of marketing behavior towards competitors we have explored the various types of behavior which would help companies to align according to market conditions. The findings show that there are four sets of marketing behavior towards competitors, i.e. exclusive, conflictive, focused and inclusive marketing behavior with the help of the case from across the industries. The marketing behavior matrix provides us a platform for offline & online marketing companies for realigning the marketing behavior towards competitors for future market growth. As the important pillars of collaboration are sales and marketing (Le Meunier, et al, 2009) the exclusive set of behavior should be avoided even if the competitor is emerging or small in size, because in future that competitor can cause greater efforts of sales and marketing. Also it pays off well to collaborate with the competitors if he is a stronger or bigger threat, so as to convert it into an opportunity.

Role of Marketing Behavior Model in online marketing w.r.t. online retailing:

Online marketing with respect to the online retailing is driven by internet technology. From the marketing point of view the interaction between the company and customer (CK Prahlad, Ramaswamy, 2004) is at the center. So the marketing behavior becomes instrumental in creating a situation where company and customers are well engaged in the process of marketing. At the same time aligning the marketing behavior with the competitors in the emerging industry like online retailing is very critical.

In this direction the role of marketing behavior of the marketers in the online retailing industry will play critical role over the technology. Because technology can be brought at any time by any company, but the marketing behavior will be the biggest asset of the internet companies and offline companies as well. Thus, in future the inclusive marketing behavior will be the biggest USP of the internet marketing companies as that will bring the most sought after customer acquisition through win-win collaboration with competitors. As every industry is getting more and more competitive, the customer acquisition cost is getting higher. So from the marketing profitability point of view the focused & inclusive marketing behavior will be the key to success.

Future scope of research:

Because of the exploratory status of research in marketing behavior area, researcher adopted case study research method (Eisenhardt.1989). We touched up on the marketing behavior of
companies only towards one market element i.e. competitor. The marketing behavior towards other major elements should also be researched by the researchers. The empirical method of data collection along with quantitative analysis can be also carried to test the marketing behavior matrix in future. Since the behavioral aspect research on marketing activity towards competition is in great paucity, surely this research in marketing behavior will contribute to verify the existing behavior pattern of the companies and drive towards the more growth centric and collaborative state to gain the leadership in the market. The impact of various behavioral sets on the competitive strategies can also be studied with respect to online marketing. As the efforts in this direction have always reaped high for such companies as discussed in case studies.

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