

Insight Commerce and Trade (January 2015)

Department of Commerce

“Business is a game, played for fantastic stakes, and you're in competition with experts. If you want to win, you have to learn to be a master of the game.”

-Sidney Sheldon

Editorial:

Insight is an innovative approach by Department of Commerce to connect the syllabi and the buzz-o-buzz happening in the world of Commerce, whereby making teaching and learning process more productive.. Business environment is changing , there is explosion of knowledge therefore the key to survive in such a dynamic and competitive world is to keep oneself updated with the knowledge and information and thereby adding value for efficient use of this information. Insight is just a small step forward to facilitate this growth among the learners by providing latest information with reference to Commercial activities happening world wide. Department of Commerce has planned to come up with separate and exclusive e-letters from next month ie. February 2015 in the field of Business, Advertising , Marketing, Management and Environment. The articles, information and stories are taken from leading newspapers, magazines, journals, books, websites etc. for educational purpose only.

Management:

Management Reshuffle After Google Glass Flop

When Google announced it was halting sales of its Glass device earlier this month the firm's message was upbeat: Glass was simply being "graduated" from the research stage towards commercialisation. But now it has admitted for the first time that investment in the device has been cut back and management

reshuffled after the eyewear failed to hit internal targets.

The wearable headsets - which can be used to surf the web, check emails and record video - were discontinued on 19 January. In an analyst call following the release of quarterly earnings which fell short of forecasts, chief financial officer

Patrick Pichette admitted Google Glass had hit setbacks. He said: "When teams aren't able to leap hurdles, but we think there's still a lot of promise, we might ask

them to take a pause and take the time to reset their strategy, as we recently did in the case of Glass.

"And in those situations where projects don't have the impact we hope for, we do take the tough calls, we make the decision to cancel them, and you've seen us do this time and time again."

Google's growth slowed to 7% in the final quarter of 2014 compared to the year before.

The company's shares fell in after-market trading to a low of \$492.22 (£362.62) when earnings were first announced, but recovered to \$510 (£338.42). Its stock is down 9% over the past year, amid fears of a slowdown in desktop search and falling profit margins for online advertising. (Source: News.sky.com)

The Hot Stove Theory:

The "Hot-Stove Rule" of Douglas McGregor gives a good illustration of how to impose disciplinary action without generating resentment. This rule draws an analogy between touching a hot stove, and undergoing discipline. When you touch a hot stove, your discipline is immediate, with warning, consistent, and impersonal.

These four characteristics, according to McGregor, as applied to discipline are self-serving and may be explained as follows:

When you touch the hot stove, you burn your hand. The burn was immediate. Will you blame the hot stove for burning your hand? Immediately, you understand the

cause and effect of the offense. The discipline was directed against the act not against anybody else. You get angry with yourself, but you know it was your fault. You get angry with the hot stove too, but not for long as you know it was not its fault. You learn your lesson quickly.

You had warning as you knew the stove was red hot and you knew what would happen to you if you touched it. You knew the rules and regulations previously issued to you by the company prescribing the penalty for violation of any particular rule so you cannot claim you were not given a previous warning.

The discipline was consistent. Every time you touch the hot stove you get burned. Consistency in the administration of disciplinary action is essential. Excessive leniency as well as too much harshness creates not only dissatisfaction but also resentment.

The discipline was impersonal. Whoever touches the hot stove gets burned, no matter who he is. Furthermore, he gets burned not because of who he is, but because he touched the hot stove. The discipline is directed against the act, not against the person. After disciplinary action has been applied, the supervisor should take the normal attitude toward the employee.

Source: (whatishrm.com)

Advertising:

Creativeland Asia and Parle Agro Split

Creativeland Asia and Parle Agro have mutually agreed to end their alliance, which ran for nearly eight years.

Nadia Chauhan, CMO and joint MD, Parle Agro, and Sajjan RaJ Kurup, founder

and creative chairman, Creativeland Asia, who are wife and husband, have taken this decision to find a balance in their personal and professional lives, informed a statement from the agency.

Chauhan said, "The reasons for the split are purely personal. While it is not an easy decision, with our growing family we have mutually decided to separate our personal and professional lives. We have planned this mutually over the last one year. Both of us have had a fantastic journey working together over the last 10 years. It's been fantastic working with CLA and Raj and undoubtedly their style, culture and quality of work is extremely unique making it quite challenging to find a new agency to work with. For now we have decided to work with a few international and domestic agencies on project basis. As of now we are doing a project with Pentagram (London) and another with Sagmeister & Walsh (New York) - both for Frooti."

Kurup said, "Sometimes you have to make tough decisions and put personal life above business. Not having Parle Agro will impact our revenues by 19 per cent for this year. We are well prepared and our plans are in place. We'll come back stronger."

Creativeland has partnered with Parle Agro since its inception in 2007 on brands that include Frooti, Appy, Appy Fizz, Hippo, LMN, Frio, Bailley, Saint Juice and the recently launched Cafe Cuba.

(Source: CampaignIndia.in)

Google's gift to Marketers

The company announced viewability reporting across its ad platforms, part of its goal of "full transparency" for marketers.

Google has taken its definition of viewability from the Media Rating Council, an independent US body responsible for coming up with measurement standards. By that

definition, Google will tell advertisers whether at least 50% of their video ad was in view for at least two seconds.

For now, that means advertisers won't know whether the sound was on, or how long their ad was viewable. However, Google says both features will come later this year.

Viewability as default metric

Google will roll out viewability reporting to all marketers and publishers on DoubleClick and its ad exchange in the coming days. It will soon extend the service to YouTube ads reserved at a premium, or those booked through Google Preferred, a service that pairs advertisers with the top YouTube channels.

Bob Wootton, director of media and advertising for advertising trade body ISBA, said Google should reimburse advertisers for ads which are not viewable.

He added: "There is a discussion to be had around the Media Rating Council's [standard] that has been implemented in the US. Seeing an ad for two seconds with 50% in view surely is a very low bar to meet when talking about 'viewable' impressions."

(Source: Marketingmagazine.co.uk)



Marketing:

Twitter buys ZipDial

NEW DELHI: Twitter has acquired Bengaluru-based mobile VAS firm

ZipDial to mark its first acquisition in India, as the microblogging firm aims to expand its presence in one of world's largest Internet markets.

Though the deal size was not disclosed, reports suggest the monetary value is between \$30-40 million (between Rs 185 crore-Rs247crore).

The Indian startup, which was already working as a partner with Twitter, offers services like missed calls for user verification and alerts to its customers. "India is one of the fastest growing countries for us. We have been focussed on growing our audience here and this acquisition will dramatically accelerate that strategy," Twitter Market Director (India and Southeast Asia) Rishi Jaitly told PTI.

He added that the acquisition will also help Twitter strengthen its engineering efforts in the country. "Millions of people are coming online for the first time in countries like Brazil, India and Indonesia. For many, their first online experience will be on a mobile device - but the cost of data may prevent them from experiencing the true power of the Internet. Twitter, in partnership with ZipDial, can make great content more accessible to everyone," he said.

He said the ZipDial platform is a "perfect match for India", which is a mobile-first country.



"Only one in 3 phones in India have active Internet connections and even the average consumption is very low at an average of 60 MB per month compared to 1.38 GB consumed each month by users in the US. Our technology allows brands to interact with the audiences, especially in areas where people aren't always connected to data or only access data through intermittent WiFi networks," Wagoner said. ZipDial's platform has engaged nearly 60 million users with hundreds of marketer clients, including leading brands and media companies, including Procter & Gamble, Cadbury, Unilever, Colgate, Disney, KFC, and MakeMyTrip.

Over the past two years, ZipDial and Twitter have collaborated on a variety of campaigns, including the Indian elections, Bollywood film promotions and @MTVIndia's #RockTheVote "Dial the Hashtag" campaign.

Twitter has more than 284 million monthly active users. It, however, does not disclose country-specific user numbers.

ZipDial has about 50 employees. Its investors included Blume Ventures, AngelPrime, Sunil Goyal of YourNest Ventures, Mumbai Angels, Jungle Ventures, Unilazer Ventures, and 500 Startups.

(Source: economictimes.indiatimes.com)

Finance:

Bandhan Financial Services to start a bank

KOLKATA: Bandhan Financial Services is about to raise Rs 1,600 crore equity from International Finance Corporation and Singapore's sovereign wealth fund GIC to boost capital ahead of its banking foray.

Bandhan's chairman and managing director Chandra Shekhar Ghosh

confirmed it saying that IFC, itself would put in Rs 580 crore and GIC would invest the balance amount.

Bandhan is India's largest microfinance company and the first one to get in-principle license to start a bank. ..

IFC's investment in the Kolkata-based lender would be the biggest in the country's MFI sector so far. Accordingly, the World Bank's financing arm's shareholding in Bandhan would rise from the current 10.9% while the others would be the first time investors.

"The funding exercise would be completed in a month," Ghosh said adding that the entire amount would be channeled into the non-operative financial holding company, which will hold the bank.

He said Bandhan Bank would begin business with Rs 3,200 crore capital, 4.6 times more than Rs 500 crore, the minimum capital requirement for new banks fixed by Reserve Bank of India. At present, Bandhan's networth stands at Rs 1,400 crore with capital adequacy ratio being over 21%. It is expected to make its banking foray by September.



Bandhan Bank plans to begin operation with 600 branches and 4,000 officials at the branches and the headquarters. There would be over 10,000 field workers who will make the last mile connection between the new bank and the customer. Bandhan has decided to play to its strength, ie, rural and economically weaker

segment. Bandhan's strength as an MFI has been in catering to the poor borrowers at the doorstep.

Ghosh says that over 62 lakh borrowers of Bandhan microfinance will be brought in the banking fold almost immediately it turns into one and their portfolios will be transferred to the new entity. They will also be offered savings and deposits facilities which will help Bandhan access the low cost funds it has longed for all these years. The bank is expecting to open at least 10 million accounts in one go when it starts operations.

(Source: economictimes.indiatimes.com)

SEBI Cancels registration of ING Mutual Funds

MUMBAI: Capital markets regulator SEBI has cancelled the registration of ING Mutual Fund with immediate effect on account of transfer of all the fund house's schemes to Birla Sun Life Mutual Fund. Securities and Exchange Board of India today said it has "cancelled the certificate of registration of ING Mutual Fund and has withdrawn the approval granted to ING Investment Management (India) Private Ltd, to act as the Asset Management Company to MutualFund. "Consequently, with immediate effect, the ING Mutual Fund, the Board of Trustees of ING Mutual Fund and ING Investment Management (India) Private Ltd, cannot carry out any activity as a Mutual Fund, Trustee Company and asset

Business :

Strong dollar could scare tourists away from US

New York restaurant owner Jeremy Merrin has seen business droop in recent weeks at his Havana Central eatery in Times

Square. The reason: not enough international tourists.

"We're fighting a double-whammy," said Merrin, who owns three restaurants and is on the board of the New York State Restaurant Association. "Not only is the dollar going up and making things more expensive, Europe as a whole is not doing well."

International tourists to the United States spend more than \$200 billion annually on travel, hotels, dining and shopping, but growth in 2015 is expected to decelerate as would-be visitors balk at the stronger dollar and grapple with weaker economies at home.

"That could impact the length of their stay and the composition of their spending in the United States," said David Huether, senior vice president, research, at the U.S. Travel Association, which sees the influence of the stronger dollar becoming more severe in 2015's second half. Problems of the tourism industry are not the only ill effects of currency appreciation. The strongest dollar in a decade, by some measures, is causing some U.S. manufacturers to cut financial forecasts as the costs of U.S. exports rise. U.S. companies with foreign operations also will see lower revenue as offshore earnings are converted back into dollars.

Travel experts hope some of the drop in spending in the United States will be made up for by increased tourism from China, where visitors can now get a visa that lasts 10 years. Lower gas prices and a stronger U.S. economy also may encourage more domestic travel, they said.

The dollar has climbed about 15 percent against the yen and the euro over the past six months. It is up about 6 percent against the won.

Chris Gaffney, senior market strategist at EverBank Wealth Management in St.

Louis, expects the strong dollar will affect a number of U.S. sectors that serve foreign tourists, including airlines, hotels, and retail. Companies with tourism operations abroad could see relief because "For American tourists, Europe on sale", he said.

Morningstar equity analyst Paul Swinand said department store chains with a large presence in some of the "gateway cities" could see a 1 percent or 2 percent slip over the next year because of lower tourist spending.

(Source: The Economic Times)

90,000 handsets sold by Xiaomi and Flipkart on 20-01-2015.

Like clockwork, Xiaomi was at it again on Tuesday as it sold 90,000 handsets via online retailer Flipkart. It sold both the Redmi 1S smartphone and the Redmi Note 4G phablet.

The company sold 30,000 units of the Redmi 1S, which was sold out in 5 seconds. The company also sold 60,000 units of the Redmi Note 4G smartphone.

"Today's sale of Redmi 1S: went out of stock within 5 seconds. Thank you Mi fans for your love and support :) @MiIndiaOfficial," tweeted Manu Kumar Jain, head of Xiaomi India. The Redmi 1S is Xiaomi's entry-level product, which is sold for Rs.5,999. It is powered by a Qualcomm Snapdragon 400 quad-core processor and has a 4.7-inch LCD display with a 720p resolution.

It also has 1GB RAM, 8GB internal storage, and dual-SIM facilities. On the back, there's a 8-megapixel camera, while on the front there's a 1.6-megapixel

camera. It runs on Android 4.3 Jelly Bean topped up with MiUI.

The Redmi Note 4G is Xiaomi's phablet and only 4G enabled product. It has a 5.5-inch screen with a 720p resolution and is powered by the Qualcomm Snapdragon 400 processor. It has 2GB RAM, 8GB internal storage, a microSD card slot and a massive 3,200mAh battery. It sports a 13-megapixel camera on the back and a 5-megapixel camera on the front. It runs on Android 4.4 KitKat customized with MiUI. The Redmi Note 4G costs Rs.9,999 in India.

On January 28, the company will also launch its flagship phone the Mi 4 in India. Earlier in the month, the Chinese company announced the Mi Note and Mi Note Pro phablets.

(Source: BusinessToday.in)



India sees 421.6% jump in tourist arrivals in December

CHENNAI: The central government's effort to boost inbound tourism by including more countries under the visa on arrival scheme has paid off.

In December alone, the country saw a 421.6% jump in tourist arrivals compared to the same period in 2013.

The government issued 14,083 visas in December 2014 compared with 2,700 visas in December 2013, according to data from the ministry of tourism.

For the year 2014, India saw a 92.4% increase in tourist arrivals compared with the number in 2013. The government issued 39,046 visas under the visa on arrival scheme between January and December 2014, compared with 20,294 visas issues during 2013.

India saw maximum tourist influx from the US (24.26%), followed by Russian Federation (15.06%), Republic of Korea (11.01%), Ukraine (8.16%), Australia (7.98%), New Zealand (5.08%), Japan (4.30%), Singapore (4.27%), Germany (4.05%) and the Philippines (3.10%). In November last year, the government opened up visa on arrival for 43 countries enabled by Electronic Travel Authorization (ETA). Prior to it, the regular visa on arrival scheme had been in operation for 12 countries.

(Source: [Times of India](http://TimesOfIndia))



