

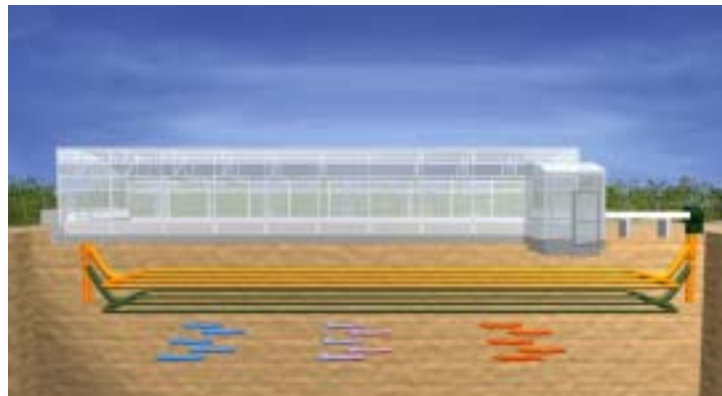
Global Development Marketplace 2005 Award

Professor Girja Sharan's painstaking and pioneering efforts at developing greenhouses suited to arid areas have won the coveted Global Development Market Place 2005 award organized by the World Bank. This is a creditable achievement when considered against the fact that about 2600 projects were entered for the award in several categories. Professor Girja Sharan won the award in the clean and sustainable technology category. The award carries a certificate of recognition, a plaque, and \$150,000 in prize money.



It took all of five years for Professor Girja Sharan to develop arid area greenhouses (AAGs) using the earth tube heat exchanger. After three years of rigorous field trials at Kothara in Kutch, the technology has been found successful. Using this technology, farmers can grow a wide variety of crops even in arid conditions. Other benefits include increased land and water productivity, extended cropping seasons, and improved cattle productivity.

Arid run greenhouse is specially suited to hot and arid regions where water is scarce, soils are salty, ambient temperatures high, and rainfall low. The innovative feature of AAG is that it uses earth tube heat exchanger (ETHE) for cooling and heating. ETHE is a device that enables transfer of heat from ambient air to deeper layers of soil and vice versa. It is simple to fabricate and easy to maintain. It does no harm to the environment and, most importantly, does not require water which is scarce in arid regions. The project was supported by Gujarat Energy Development Authority, Sir Ratan Tata Trust, Cummins Foundation, and Indian Institute of Management, Ahmedabad.



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Logistics and Supply Chain Management: Cases and Concepts

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G Raghuram and **N Rangaraj** Logistics and Supply Chain Management, New Delhi: Macmillan India, 2000, Reprinted 2003, 2005.

We are featuring the book “Logistics and Supply Chain Management: Cases and Concepts” authored by Prof G Raghuram and Prof N Rangaraj (of IIT Bombay) since, in 2004-5, it has made it to the top 100 titles out of over 1000 active titles of Macmillan India Ltd.

Logistics and Supply Chain Management is increasingly becoming a core competence area in management for sustainable competitive advantage. More and more management schools are introducing this subject as part of their curriculum both in the

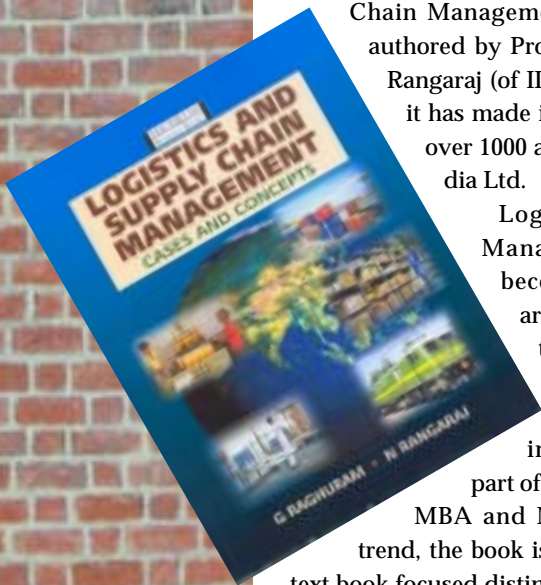
MBA and MDP contexts. Given this trend, the book is gaining in popularity as a text book focused distinctively on Indian case studies. Starting with sales of under 500 copies per year in the first couple of years after its publication in 2000, the book is now selling close to 1000 copies a year. It has been reprinted thrice.

In the current context of continuously improving customer service by managing uncertainties and shortening lead times, logistics and supply chain management has emerged as a crucial area of management. Though India spends over 12 per cent of its GDP on logistics, customer value provided is unsatisfactory. Scope for value addition through more effective logistics and supply chain management is enormous.

This book, organized in three parts, is a compilation of 25 cases and 7 notes documenting various problem contexts and their resolution approaches. The notes cover introduction to logistics management, evolution to supply chain management, doing better logistics and supply chain management through use of information technology, analytical models, infrastructure management, and structure

and systems. Cases cover the past decade, showing managerial responses in a liberalizing economy. The cases are positioned along key decision areas and classified systematically for easier and speedier access.

The book is primarily intended as a study text for case-based modules and courses on logistics and supply chain management. It will also serve as a useful practical handbook for key actors involved in efficient and effective logistics systems – shippers, suppliers of logistics services, and regulators of logistics. It would also serve an educative reading and reference note for managers involved in logistics and supply chain management.





Advertising Competition and Consumer Inertia

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Bibek Banerjee and **Subir Bandyopadhyay**, "Advertising Competition Under Consumer Inertia," *Marketing Science: The Marketing Journal of the INFORMS*, Vol. 22, No. 1, Winter 2003.

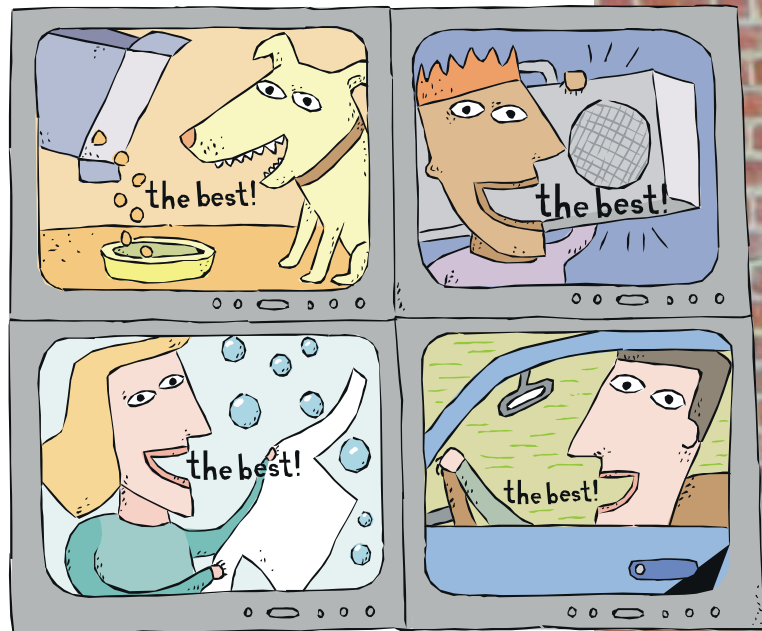
There are two broad strands in the existing literature on advertising. One looks at advertising as an instrument that provides valuable information to consumers, enabling them to make rational choices by reducing search costs. Advertising can be used by new firms as a device to penetrate a market and capture a share of the market from established firms. Again, high quality firms can use advertising as a way to reveal their product quality and separate themselves from inferior brands. Thus, advertising can reduce informational product differentiation and foster competition. Another view of advertising is that it persuades consumers by creating unnecessary differentiation among products, which at times may not be real. Thus, it also reduces product competition and creates a serious hindrance to the entry of new firms.

However, all of the previous research has allowed advertising to play a predominantly unidimensional role. For instance, the large body of literature on informative advertising simply looks at it as a tool for information dissemination, announcing important attributes regarding the product, e.g. its existence, location, price, and quality. On the other hand, the literature on persuasive advertising, which is relatively scarce, simply uses advertising as a device to persuade people to buy a particular product or brand. Although there are markets where one might expect to see one or the other of the above advertising strategies employed, the commonly observed phenomenon is that firms use advertising both as an informative as well as a persuasive device.

We have constructed a multi-stage game-theoretic model of advertising and price competition in a differentiated products duopoly where a proportion of consumers exhibit latent inertia in favour of repeat purchase. Advertising simultaneously plays the dual role of reducing such inertia through awareness

and enhancing perceived brand value (persuasion). We characterize the nature of equilibria under symmetry, and derive the advertising-price cross-effects. We show that when a large proportion of consumers exhibit inertial tendencies, a multiplicity of equilibria exists. Marketing implication and comparative statics are discussed.

Numerical simulations for asymmetric firms are discussed, where we show that advertising is not a useful competitive tool for small firms. However, advertising spending by large firms provides a halo effect for the category price level, which has a positive externality on the small firm's profits.



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