

**TO STUDY THE IMPACT OF REFERRAL MARKETING
WITH ONE-TO-ONE SEGMENTATION IN
WAREHOUSING**

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Abstract

The business organizations who plan to capitalize the worth of customers need to manage the sales prospective from customer referral proactively. To persuade existing clientele to generate referrals, a trader can offer incomparable value to current customers through either admirable quality or very attractive charges. Rewards to the customers for referring other customers can also encourage referrals. We investigate

when referral rewards should be offered to stimulate referrals and derive the optimal amalgamation of reward and price that will lead to the most profitable referrals. Many firms are now using referral marketing campaigns to strap up the power of word of mouth and to increase referrals to acquire new customers. Market competition becomes much larger role in anticipating lasting development of the organization, with a basis of strategic management, business process efficiency and organizational capital. This research study examines the impact, role and advantages of referral marketing and one to one segmentation in the warehousing. It covers different aspects which are of at most importance for Referral marketing, one to one segmentation and Warehousing as well. It has also enlightened the concept of referral management system with one to one approach for better functioning and success in the

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Warehousing. Especially the adaptation of technology that allowed the adoption of more efficient organizational solutions where Referral marketing can be the most aspired channels.

Key words: Referral Marketing, One-to-One Segmentation, Warehousing, logistics, Word of Mouth effect, marketing in Warehousing.

INTRODUCTION:

BACKGROUND:

Marketing is a general term used to describe all the steps that lead to final sales. It is the process of planning and executing, pricing, promotion and distribution to satisfy individual and organizational needs. From this definition it is easy to see that marketing is more than just the process of selling a product or service. Marketing is an essential element of business, and without marketing, even the best products and services fall short. Companies constantly fail because they do not know what is happening in the market place and as a result, they are not fully meeting their customer's needs. They erroneously believe that with the proper amount of advertising, customers will buy whatever they are offered. The companies must have to be concerned of their marketing strategies to be used as well as the segmentation according to the behavior of the customers. One of the most frequently used marketing strategy is referral marketing. It is marketing technique which helps the companies to build an image in the mind of their potential customers. In warehousing both, referral marketing as well as one to one segmentation can play a very important role to achieve better success.

WAREHOUSING:

Globalization has increased the need for a flexible logistics infrastructure to support a global supply chain, enabling the movement of goods from a growing number of source locations to meet market demand. Indeed, the global logistics and express market is expected to shake off the effects of the recession and reach \$4 trillion by 2013, up from its current value of \$3.5 trillion. This means that, by 2013, logistics spend as a proportion of global GDP will reach 9.3%. Warehousing refers to the activities involving storage of goods on a large-scale in a systematic and orderly manner and making them available conveniently when needed. In other

words, warehousing means holding or preserving goods in huge quantities from the time of their purchase or production till their actual use or sale. Warehousing is one of the important auxiliaries to trade. It creates time utility by bridging the time gap between production and consumption of goods.

NEED OF WAREHOUSING:

Warehousing is necessary due the following reasons:

Seasonal Production- Agricultural commodities are harvested during certain seasons, but their consumption or use takes place throughout the year. Therefore, there is a need for proper storage or warehousing for these commodities, from where they can be supplied as and when required.

Seasonal Demand- There are certain goods, which are demanded seasonally, like woolen garments in winters or umbrellas in the rainy season. The production of these goods takes place throughout the year to meet the seasonal demand. So there is a need to store these goods in a warehouse to make them available at the time of need.

Large-scale Production- In case of manufactured goods, now-a-days production takes place to meet the existing as well as future demand of the products. Manufacturers also produce goods in huge quantity to enjoy the benefits of large-scale production, which is more economical. So the finished products, which are produced on a large scale, need to be stored properly till they are cleared by sales.

Quick Supply- Both industrial as well as agricultural goods are produced at some specific places but consumed throughout the country. Therefore, it is essential to stock these goods near the place of consumption, so that without making any delay these goods are made available to the consumers at the time of their need.

Continuous Production- Continuous production of goods in factories requires adequate supply of raw materials. So there is a need to keep sufficient quantity of stock of raw material in the warehouse to ensure continuous production.

Price Stabilization- To maintain a reasonable level of the price of the goods in the market there is a need to keep sufficient stock in the warehouses. Scarcity in supply of goods may increase their price in the market. Again, excess production and supply may also lead to fall in prices of the product. By maintaining a balance of supply of goods, warehousing leads to price stabilization.

Types of Warehouses:

In order to meet the requirements of today's competitive business scenario, various types of warehouses came into existence, which may be classified as follows.

- i. Private Warehouses
- ii. Public Warehouses
- iii. Government Warehouses
- iv. Bonded Warehouses
- v. Co-operative Warehouses

i. Private Warehouses - The warehouses which are owned and managed by the manufacturers or traders to store, exclusively, their own stock of goods are known as private warehouses. Generally these warehouses are constructed by the farmers near their fields, by wholesalers and retailers near their business centers and by manufacturers near their factories. The warehouses are usually constructed at strategic locations to cater various manufacturing, business and service units. They are flexible enough to be customized in terms of storage and placement, according to the nature of the products.

ii. Public Warehouses - The warehouses which are run to store goods of the general public are known as public warehouses. Anyone can store his goods in these warehouses on payment of rent. An individual, a partnership firm or a company may own these warehouses. To start such warehouses a license from the government is required. The government also regulates the functions and operations of these warehouses. Usually, these warehouses are set up at transportation points of railways, highways and waterways, providing the facilities of receipt, dispatch, loading and unloading of goods. They are rented out against a certain fee. They are economical and easily available storage facilities for small manufacturers and traders too. Some

warehouses provide facilities for the inspection of goods and also permit packaging and grading. The public warehousing receipts serve as good collateral securities for borrowings. Mostly these warehouses are used by manufacturers, wholesalers, exporters, importers, government agencies etc.

iii. Government Warehouses - These warehouses are owned, managed and controlled by central or state governments or public corporations or local authorities. Both government and private enterprises may use these warehouses to store their goods. Central Warehousing Corporation of India, State Warehousing Corporation and Food Corporation of India are examples of agencies maintaining government warehouses.

iv. Bonded Warehouses - These warehouses are owned, managed and controlled by government as well as private agencies. Private bonded warehouses have to obtain license from the government. These warehouses are generally owned by dock authorities and found near the ports. The concept of bonded warehouses was developed in order to facilitate the deferred payment of customs duty by entrepreneurs, exporters and importers, to enable them to carry out their operations with least investment. These warehouses are used to store imported goods under an undertaking or 'bond', which does not allow the release of goods until the custom duties are paid. Currently, the Central Warehousing Corporation operates 75 custom-bonded warehouses with a total capacity of nearly 0.5 million MTs located at Ahmadabad, Bangalore, Bhopal, Chandigarh, Chennai, Delhi, Hyderabad, Jaipur, J N Port, Kolkata, Kochi, Lakhnaw and Mumbai.

v. Co-operative Warehouses - These warehouses are owned, managed and controlled by co-operative societies. They provide warehousing facilities at the most economical rates to the members of their society. Container freight stations (CFS)/inland container depots (ICDs) CFSs/ICDs are custom-bonded facility with public authority status for the handling and storage for containers.

Functions of Warehouses

Warehouses preserve the goods on a large-scale in a systematic and orderly manner. They provide protection to goods against heat, wind, storm, moisture, etc. and also cut down losses due to spoilage, wastage etc. This is the basic function of every warehouse. In addition to this, warehouses nowadays also perform a variety of other functions. In this section let us learn about the various functions of warehouses.

Warehouses perform the following functions:

1. Storage of goods
2. Protection of goods
3. Risk bearing
4. Financing
5. Processing
6. Business Studies
7. Grading and branding
8. Transportation

i.Storage of goods- The basic function of warehouses is to store large stock of goods. These goods are stored from the time of their production or purchase till their consumption or use.

ii. Protection of goods- A warehouse provides protection to goods from loss or damage due to heat, dust, wind and moisture, etc. It makes special arrangements for different products according to their nature. It cuts down losses due to spoilage and wastage during storage.

iii. Risk bearing- Warehouses take over the risks incidental to storage of goods. Once goods are handed over to the warehouse-keeper for storage, the responsibility of these goods passes on to the warehouse-keeper. Thus, the risk of loss or damage to goods in storage is borne by the warehouse keeper. Since it is bound to return the goods in good condition, the warehouse

becomes responsible for any loss, theft or damage, etc. Thus, it takes all precautions to prevent any mishap.

iv. Financing- When goods are deposited in any warehouse, the depositor gets a receipt, which acts as a proof about the deposit of goods. The warehouses can also issue a document in favor of the owner of the goods, which is called warehouse-keeper's warrant. This warrant is a document of title and can be transferred by simple endorsement and delivery. So while the goods are in custody of the warehouse-keeper, the businessmen can obtain loans from banks and other financial institutions keeping this warrant as security. In some cases, warehouses also give advances of money to the depositors for a short period keeping their goods as security.

v. Processing- Certain commodities are not consumed in the form they are produced. Processing is required to make them consumable. For example, paddy is polished, timber is seasoned, and fruits are ripened, etc. Sometimes warehouses also undertake these activities on behalf of the owners.

vi. Grading and branding- On request warehouses also perform the functions of grading and branding of goods on behalf of the manufacturer, wholesaler or the importer of goods. It also provides facilities for mixing, blending and packaging of goods for the convenience of handling and sale.

vii. Transportation- In some cases warehouses provide transport arrangement to the bulk depositors. It collects goods from the place of production and also sends goods to the place of delivery on request of the depositors.

REFERRAL MARKETING:

In the current globalised scenario, India is seen as a market with good potential for business. Sellers who plan to capitalize on the lifetime value of customers need to manage the sales potential from customer referrals proactively. To encourage existing customer to generate referrals, a seller can offer exceptional value to current customers through either excellent quality

or a very attractive price. Rewards to customers for referring other customers can also encourage referrals. Word of mouth (WOM) has been acknowledged for many years as a major influence on what people know, feel and do. Referral marketing is using People as the new media for reaching prospective customers. Word-of-mouth (WOM) marketing has recently attracted a great deal of managerial attention and Many firms are now using referral marketing campaigns to harness the power of word of mouth and to increase referrals to acquire new customers. The definition proposed below presents the main features of this type of marketing communications. As I find it, Referral Marketing can be defined as:

“A structured and logical process to maximize the word of mouth potential by encountering, promoting, gratifying the customers and contacting the customers to think and talk as much as possible about their supplier, company, product, services, value and benefits bring to them and people they know, is referred to as Referred Marketing or Word of Mouth Marketing.”

OR

“Referral marketing is a method of promoting products or services to new customers through referrals, usually word of mouth. Such referrals often happen spontaneously but businesses can influence this through appropriate strategies.”

Consumers frequently rely on word of mouth and referrals (active) and observational learning (passive) from other consumers when making a purchase. decision. In some cases, the referral has a positive impact on their purchase decision, and in other cases, it does not alter their decision. In this article, we define a referral as when a new customer enters into a transaction with a firm and attributes the motivation for the transaction to a current customer. Research has shown that customers spread word of mouth and generate customer referrals in various situations, including during new product diffusion or when making general purchase decisions, in which they often seek others' opinions. Thus, we know that word of mouth and referral behavior play a role in consumer decision making and purchase behavior. The challenge that practitioners face is finding a way to use the information about word of mouth and referral behavior when managing customers. Although the existence of word of mouth and referral behavior has been studied in the marketing literature, only a few studies have examined how information about word of mouth or referral behavior can be used to manage customers effectively.

Referral marketing takes word of mouth from the spontaneous situation to one where maximum referrals are generated. Referral marketing is by far the best and most cost effective way to generate new business. Referral generate more loyal clients, more motivated buyers and seller, more profitable deals, and an increase in referral more opportunity. Referral and recommendation marketing is the practice of facilitating and encouraging interactions within trusted networks that influence prospects during your brand's purchase lifecycle.

ONE TO ONE SEGMENTATION APPROACH:

In one-to-one marketing, marketing material is targeted and customized for a particular customer and it therefore takes into account his or her particular individual needs. As such it focuses on economies of scope rather than scale. While selected forms, e.g. mail-in catalogs, of one-to-one marketing date back many years, it is in the past few years that it gained much traction due to modern information technology. Customer tailored email marketing, and cross selling through customized web sites (Amazon.com is considered a pioneer in this area) are now established marketing practices. One to One segmentation approach is the most dynamic marketing technique and can be defined as I find it;

“One to One segmentation approach is the most dynamic marketing which refers to the strategies applied directly to the individual customers respective to their preferences and needs. One-to-one approach is based in four main steps in order to accomplish its goals: Identify the potential customer, differentiate them according to their lifetime value, Interact and Customize or personalize the product or services to the customers individually. It is also known as Personalized Marketing.”

With the proliferation of electronic media, one-to-one marketing has become more accessible and it is moving toward widespread adoption. It is particularly important for every business, where several forms of one-to-one strategies are performed either before or after a transaction experience. Recently, there has been a remarkable shift from mass-production and mass marketing into the more individual customer approach, which resulted in emergence of new concepts like one-to-one marketing, mass customization and personalization. This shift owes its existence to contemporary computerized information systems and internet technology which enable companies to meet customers' needs and provide communication links to each customer individually. One-to-one marketing represents an extreme form of segmentation, with a target

segment of size one. There are two forms of one-to-one marketing: personalization and customization. Personalization is when the firm decides, usually based on previously collected customer data, what marketing mix is suitable for the individual. A good example is Amazon.com's personalized book and music recommendations. The e-commerce arena is replete with other instances of personalization. Customization is when the customer proactively specifies one or more elements of its marketing mix. For e.g. The MyYahoo feature at Yahoo.com allows users to specify elements of their home page such as the weather forecast, reports on their favorite stocks, or priorities given to local sports news.

LITERATURE REVIEW

George Silverman(1970), a psychologist, pioneered Word-of-Mouth Marketing/Referral Marketing, "when he performed a practical study and created a "teleconferenced peer influence groups" in order to engage physicians in dialogue about new pharmaceutical products. Silverman noticed an interesting phenomenon while conducting focus groups with physicians in the early 1970s. "One or two physicians who were having good experiences with a drug would sway an entire group of skeptics. They would even sway a dissatisfied group of ex-prescribers who had had negative experiences."

Sheth(1971), explained "The Referral Marketing/Word of Mouth (WOM) marketing has been shown to influence a variety of conditions: awareness, expectations, perceptions, attitudes, behavioral intentions and behavior. Sheth concluded that WOM was more important than advertising in raising awareness of an innovation and in securing the decision to try the product."

Mangold's (1987), reviewed of "the impact of Referral or Word of Mouth (WOM) marketing in the professional services context concluded that WOM has a more emphatic influence on the purchasing decision than other sources of influence. This is perhaps because personal sources are viewed as more trustworthy. In the industrial purchasing context, WOM influences expectations and perceptions during the information search phase of the buying process and influences attitude during the pre-choice evaluation of alternative service providers."

FRANCIS A. BUTTLE(1998), Stated that "Referral Marketing/ Word of Mouth (WOM) Marketing can be characterized by valence, focus, timing, solicitation and degree of management intervention. Most recent WOM research has been conducted from a customer-to-customer

perspective, even though WOM is found in other contexts such as influence, employee and recruitment markets. His Research generally supports the claim that WOM is more influential on behavior than other marketer-controlled sources. He computed that WOM was nine times as effective as advertising at converting unfavorable or neutral predispositions into positive attitudes.”

Arndt (1967) was one of the earliest researchers into the influence of WOM on consumer behavior. He characterized through his research study that “WOM is oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, product or service (Arndt, 1967). This was an attempt to identify the domain of WOM research. WOM involves the exchange of ephemeral oral or spoken messages between a contiguous source and a recipient who communicate directly in real life. Consumers are not assumed to create, revise and record pre-written conversational exchanges about products and services.”

The concept of One-to-One Marketing was first introduced by **Don Peppers and Martha Rogers** in their book “**The One-to-One Future**” (1993). According to them,” the information technology (IT) is a main driving force that makes it possible to treat different customers differently and thereby keep them forever. Companies are supposed to lock in the customer and build relationships. The reason for the customer to stay varies, but one reason is higher switching cost. He further explain this thorough his studies in this subject.”

Pine, Peppers & Rogers (1995) conceptualized and stated the term One to One approach as “One-to-one marketing turns the normal concepts of marketing on their head. While the focus of conventional marketing is to inform the potential customers about its product and help them make a selection, the focus of one-to-one marketing is for the vendor to do the learning instead. In one-to-one marketing, the vendor may learn about the customers’ desires and needs, build a personalized product for each customer and sell it to him at a special price While this kind of marketing has been the norm for business-to-business transactions, the information gathering and processing hurdles have prevented the extensive use of this approach in consumer marketing.”

Rajiv Dewan, Bing Jing, and Abraham Seidmann(2003) suggested through their study that “The Internet provides unprecedented ability for marketers to learn about their customers and offer custom products at special prices. The technology, marketing and economics of using the Internet for one-to-one marketing is examined. We find that, under very general conditions, a seller can make higher profits by adopting a "mixed" strategy of serving conventional segments with standardized products at a uniform price and serving the direct marketing segment with customized products at differentiated prices. Surprisingly, the seller can raise its prices for both standard and customized products as customization and information collection technologies improve.

Itamar Simonson(March 2003), stated that “Although each approach has its unique aspects, a common underlying assumption is that customers have hidden or overt preferences that marketers can reveal. Once identified, marketers can offer customers what they want, often even before they know they want it. If successful, marketers will be rewarded for the superior value they provide with higher customer loyalty.”

Sung-Shun Weng*, Mei-Ju Liu(2004), stated through their research on “**Feature-based recommendations for one-to-one marketing**” that “One-to-one segmentation adopts an appropriate marketing strategy for individual customers. The purpose is to understand each customer well and foster high customer loyalty. This approach first tries to understand customers gradually and then actively recommend new products that would suit the particular customers’ tastes. This is different from traditional marketing in terms of the broadness of customer contact, since traditional marketing mainly focuses on marketing mass consumers. One-to-one marketing focuses on customer satisfaction and is customer oriented. ‘One-to-One Marketing with Internet’ would have its developmental strength through boundless and timeless qualities to communicate with consumers. It is cost-saving, interactive and educating; by observing one’s consumption and internet browsing habits, the records can be analyzed and personal needs can be tracked for active provision of products that suit a customer’s interests.”

Julia Kosela (2009), explained that “It is believed that globalization and technological development cause significant change in consumer behavior. Customers are nowadays better

informed, more demanding, and they often actively collaborate with each other sharing knowledge about the market and exposing marketing techniques. She also claims, in global market information about prices is easy to obtain and there are fewer purchasing barriers. She further argues that, in such a monopolistic market in which numerous companies offer the same or similar goods and services, it is difficult to achieve a competitive advantage. Practitioners see the solution in advanced differentiation where customized product should better meet individual needs and satisfy more customers at the same time.”

Mr. B. B. Pattanayak (July 2009), in his study explained that “Warehousing is a key part of supply chain management. The unorganized warehousing segment has benefited from this situation. He therefore asserted that the organized players should adopt new ways to take away the business from the unorganized players, which, he said, can be achieved through modernization, cost savings, etc.”

Mallikarjunagouda S. Patil (Feb, 2007), stated that “Traditionally, warehousing involves the storage of raw material, work-in-process inventory or finished goods in a covered space in the most suitable way for a specific time period. It also adds temporal and spatial significance to the value of the commodity. With the growing importance of logistics and supply chain management throughout the world, warehousing has emerged as one of the vital component of the supply chain. Warehousing has always been an integral part of marketing, as it is deeply related to agricultural production and which exercises an important economic influence by creating time and place utility. The problems of warehousing shall, therefore, have to be tackled with same zeal as production has been attempted with matching efforts.”

Rachna Nath(July, 2011), explained the warehousing on the basis of his study. According to him, “The growing demand of companies for better services at lesser costs, has led to the emergence of organized warehousing in the country. As a result, warehouses are now stressing on having efficient inventory management systems with greater emphasis on value added services such as consolidation, labeling, packaging and re-packaging, bar-coding, distribution services, custom clearance service, customer service and reverse logistics.”

Abhishek Roy (2011) explained the scope of warehousing as “The growing demand of companies for better services at lesser costs, has led to the emergence of organized warehousing in the country. As a result, warehouses are now stressing on having efficient inventory management systems with greater emphasis on value added services such as consolidation, labeling, packaging and re-packaging, bar-coding, distribution services, custom clearance service, customer service and reverse logistics. The growing demand of companies for better services at lesser costs, has led to the emergence of organized warehousing in the country. As a result, warehouses are now stressing on having efficient inventory management systems with greater emphasis on value added services such as consolidation, labeling, packaging and re-packaging, bar-coding, distribution services, custom clearance service, customer service and reverse logistics.”

OBJECTIVE OF THE STUDY

1. To study the role of Referral marketing with One to One segmentation approach for Warehousing in Indore market.
2. To study the important factors for Referral marketing and One to One Approach.
3. To study the scope of Referral marketing and One to One approach in Indore market.
4. To study the effect of referral marketing and one to one segmentation on small and medium scale manufacturers.
5. To study the Satisfaction level towards Referral Marketing and One to One segmentation in Indore market.

FINDINGS

As the survey conducted amongst the respondents consist of warehouse managers as well as marketing managers of the companies in Pithampura industrial area near Indore market. We found that:

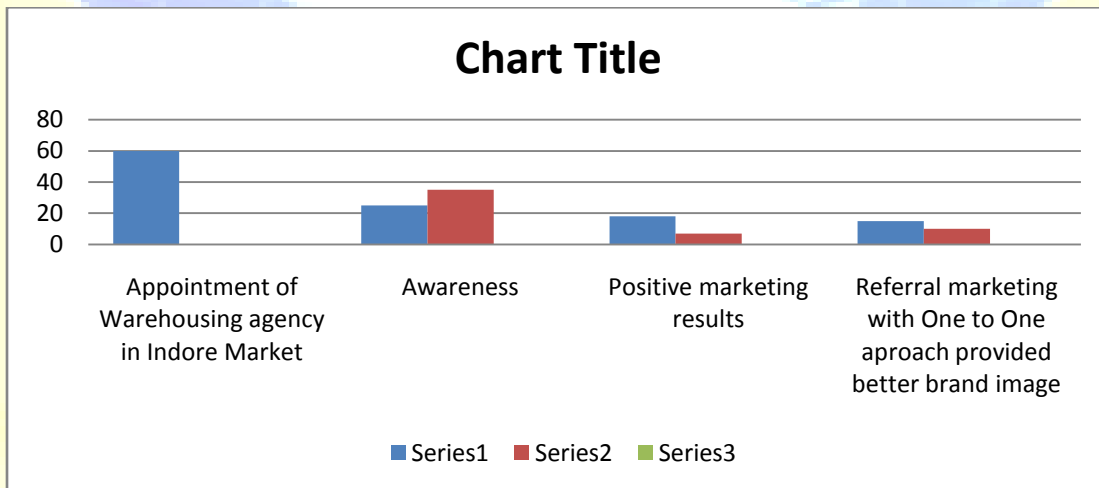
1. To study the role of referral marketing with One to One segmentation approach for Warehousing in Indore market.

Respondent’s replies:

	saying Yes	NO
Appointment of Warehousing agency in Indore Market	60	0

Awareness	25	35
Positive marketing results	18	7
Referral marketing with One to One approach provided better brand image	15	10

As we have taken the sample size of 60 companies under the research, who have appointed a warehousing agency to handle the goods in and out of the company. It has been found that only 41.6% of Warehouse Managers and Marketing Managers were aware about the term Referral Marketing and one to one segmentation while remaining 59.4% of managers were not aware about it. In this 41.6% strength of companies approximately 72% of the Warehouse Managers and Marketing Managers were able to produce the good results with the help of Referral marketing with One to One segmentation factors. On the basis of which 82% (approx.) of warehouse managers and marketing managers have agreed that Referral Marketing and one to one approach has provided a better brand image to their respective companies. Thus, The referral marketing is playing its important role for their success as warehousing is one of the most essential parts of supply chain management of any company.



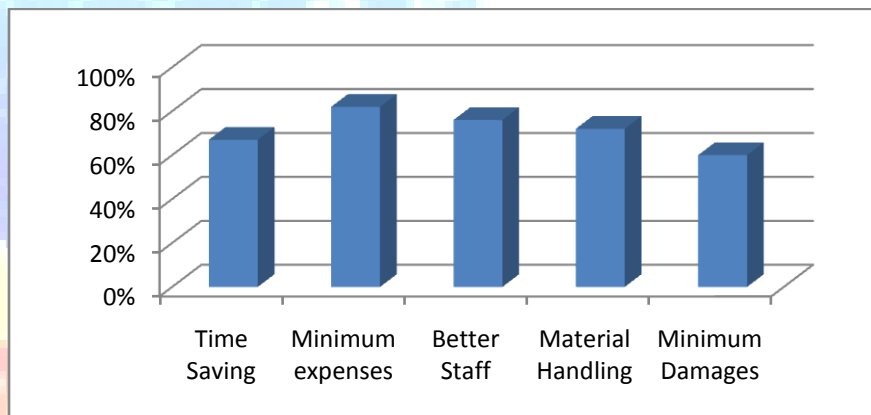
- To study the important factors for Referral marketing and One to One Approach.

As per respondents they are:

Time Saving	67 %
Minimum expenses	82 %

Better Staff	76 %
Material Handling	72 %
Minimum Damages	60 %

As the responses we got from the warehouse managers and marketing managers, it has been found that 67% of the managers think that referral marketing with the help of personalized approach is time saving, 82% of managers says that it can be implemented with minimum expenses, 76% of managers says that it needs better staff, 72% says that it improves the material handling process and 60% of the managers says that it provide minimum damage delivery of the product to the end users. Thus, Timely and Undamaged products and better service quality will be easily noticed in the market. All the respondents were providing the various factors as per the market view towards referral marketing and segment of one.



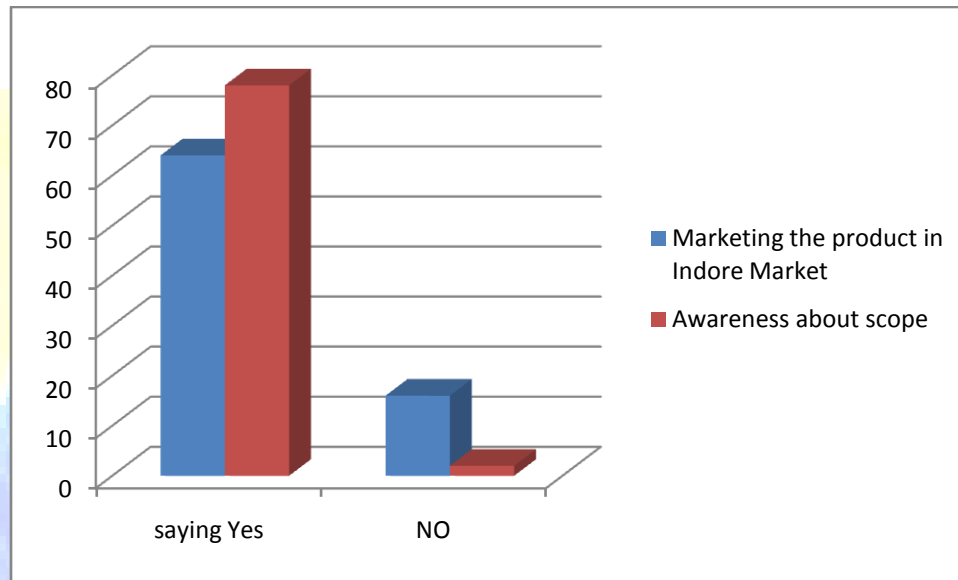
- To study the scope of Referral marketing and One to One approach in Indore market.

Respondent’s replies

	saying Yes	NO
Marketing the product in Indore Market	64	16
Awareness about scope	78	2

According to the results of survey conducted, it is being found that near about 80% of companies were marketing their product in Indore market and more than 97% (approx.) of the

company/managers were aware about the scope and future aspects of Referral Marketing and One to One segmentation. Thus, All the Managers who were taking the help of the referral marketing said that there is a huge scope as the customer were now showing the more interest toward the referrals and referred products.



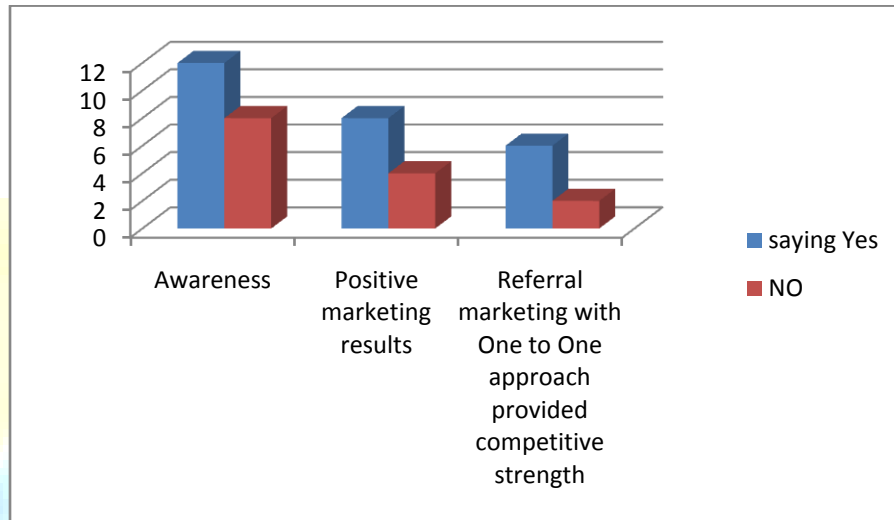
- To study the effect of referral marketing and one to one segmentation on small and medium scale manufacturers.

Respondent’s replies:

	saying Yes	NO
Awareness	12	8
Positive marketing results	8	4
Referral marketing with One to One approach provided competitive strength	6	2

On the basis of the interview survey conducted, it is being found that about 60% of the warehouse managers and marketing managers are aware about the referral marketing and one to one segmentation while rest 40% are unaware. Out of which 66% (approx) of the small and medium companies / managers are making positive marketing results and the Managers who were taking the help of the referral marketing with personalized approach (segment of one),75%

of them said that they are getting more competitive strength and edges over the others in the Indore market. Thus these marketing techniques are also beneficial for new, small and medium manufacturing companies.

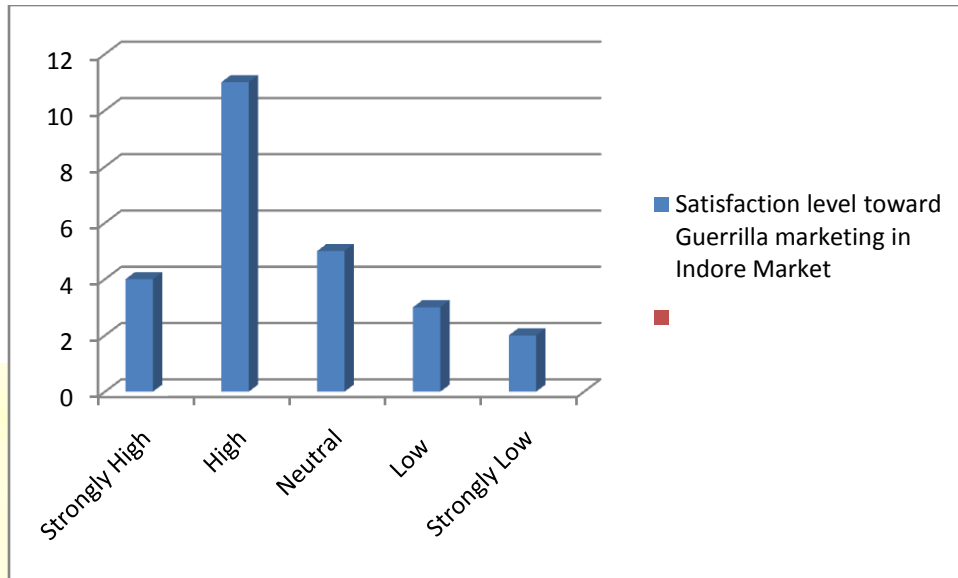


- To study the Satisfaction level towards Referral Marketing and One to One segmentation in Indore market.

Respondent’s replies

	Strongly High	High	Neutral	Low	Strongly Low
Satisfaction level toward Referral marketing in Indore Market	4	11	5	3	2

It is being found that The Managers of all the companies who are using the referral marketing with personalized approach (segment of one) said that they are highly satisfied with the dynamic yet responsive tactics of one to one and referral marketing as the results they are getting is really good and satisfactory results. Most of the respondents had a good picture of what referral marketing meant to them. They are all experienced from using it in their own marketing.



Other findings:

Some of the newest conducts as the Referral Marketing tactics that are thoroughly used by the warehousing agencies and marketers in the Indore market are

1. Uses the current clientele database and divide your list into 4 categories:

A List: Those clients that will always refer you to others and need little or no encouragement

B List: Those clients that would refer you if asked or prompted

C List: Those new or existing clients that will need more information or time to become A or B List clients.

D List: Delete these people because they are more trouble than they are worth.

After making such lists contact and talk to the clients about your products and persuade them to refer to other prospective customers.

2. Search for new database of the customers from various websites and social networking sites and then proceed with one-to-one approach.

3. Contact your suppliers and distributors and other in-house sources i.e. employees for referrals.
4. Providing rewards or more attractive offers or deals to customers or other source in return of referrals. Thus, also improving relations with customers i.e. customer relationship management.

These techniques has been used by the marketers providing their service in Indore market and given very beneficial results for the companies. Fast changing technology is like a boon to the referral marketing, since it helps the marketers to perform their task more efficiently.

Conclusion

The purpose of this paper is to examine referral marketing with one to one segmentation approach in the field of warehousing. After performing the interview surveys and reading the theory written about these subject, we found that there was something inimitable about referral marketing as well as one to one segmentation in this field. The ones who use referral marketing have a more open mind then the ones not using it, the people that believe in the phenomenon of referral marketing is open to new and more dynamic ways of marketing. Dynamic market requirements have made it imperative for Indian warehousing players to overcome challenges and maintain, improve and sustain competitiveness. Various measures such as personalized approach (make the segment of one), systematic and strong Referral management, skill development, policy initiatives and government measures, IT adoption and increased investments in the sector can be effective in increasing the competitiveness of the Indian warehousing players.

Warehousing forms an important constituent of the supply chain as it is where manufactured goods are collected, stored and distributed to the point of consumption. Warehousing in India, accounts for about 20% of the Indian logistics market and is expected to grow at a rate of 35 to 40% annually, displaying high potential for growth over the next few years. Changing business dynamics and the entry of global 3PLs has led to the re-modeling of the logistics and warehousing services in India. From a mere combination of transportation and storage services, logistics is fast emerging as a strategic function that involves end-to-end solutions that improve efficiencies.