CHAPTER II
SYMBIOTIC MARKETING - THE CONCEPTUAL DIMENSIONS

2.1 INTRODUCTION:

The successful pedigree of the joint activity in the business world, at the organizational level, i.e. Joint ventures, motivated the entrepreneurs to practice the same at the functional level too, i.e. Organizational Exchange. Two of the major forces for any joint activity are the facts that the human being is not omniscient and the resources available at individual's disposal are limited. To develop himself and the society he lives in, he is required to cooperate and coordinate, a major part of his activities with those of others. In such unavoidable act of cooperation and coordination, the objective of self-benefit is, in most circumstances, not undermined. This becomes more profound when two organizations, with the ultimate motive of generating more profits, agree to participate in a Joint Activity. The motivators thus, for any joint activity, are the benefits that the participants would forego in the absence of such joint activity. In Joint Ventures, two individuals or organizations promote jointly, a new entity with

1 Gronhaug K., 1990, The Incentive Fallacy in Cooperative Agreements: A case Study. OMEGA 18. 5. 541-548
separate organizational identity for executing economic activities, either connected partly or fully with the existing business or entirely a new business, for varying organizational objectives. Joint Ventures have attracted adequate attention and a good amount has been written on various dimensions of the joint venturing activity.¹

In the Organizational Exchange, two or more firms share different resources for complementing their weaknesses with each other's strengths along with developing synergy in their activities². The concept of Organizational Exchange develops the premise for the application of the concept of Symbiosis, to the business activities. The few existing studies on Symbiotic Marketing are mainly limited to the proposition of the concept. But, the boundaries of Symbiotic Marketing are not clearly defined in the earlier works, leaving wide scope for including varied interorganisational arrangements into the concept. The present chapter, initially discusses the contributions of the pioneers in the concept of Symbiotic Marketing and later, proceeds to define the confines of the concept, in accordance with the definition given by Lee Adler (1966)³. It further proposes a model to illustrate the nature

   b Kogut B., 1991, Joint Ventures and the option to Expand and Acquire, Management Science, 37.1, January, 19-33
   c Robert W., Haigh. 1992, Building a Strategic Alliance, Columbia Journal of World Business, Spring, 60 - 74
2. Sol Levine and Paul E White, 1961, Op cit Pg 588
of Symbiotic agreements. Further, it continues to assess the validity of the concept as an alternative to the Small Scale Sector and to differentiate it from the other Inter-organizational cooperative systems.

2.2 OVERVIEW OF LITERATURE:

The focal consideration in a Symbiotic Marketing agreement is an 'exchange or sharing' of resources or facilities by two or more independent organizations. Thus, it is a manifestation of the concept of Organizational Exchange. Levine & White (1961) define Organizational Exchange as "any voluntary activity between two organizations which has consequences, actual or anticipated, for the realization of their respective goals". This concept of organisational exchange has been the central theme in most of the studies on Interorganisational arrangements. The characteristic features of the definition, as proposed by Levine & White are:

1. It refers to activity in general, and not exclusively to reciprocal activity.

1 Sol Levine & and Paul White, 1961, Op cit Pg 588


2. It widens the exchange concept beyond the transfer of material goods and beyond gratifications in the immediate present.

3. It excludes relationships involving physical coercion.

The concept of Symbiotic Marketing, as it is a manifestation of the concept of Organizational Exchange, also draws its features from this definition as well as its characteristics. Lee Adler (1966), for the first time integrated the concept of Organizational Exchange into Marketing function (by finding similarity with "Symbiosis" concept of Natural Sciences), and coined the term "SYMBIOTIC MARKETING". He defined Symbiotic Marketing as "the alliance of resources or programs between two or more independent organizations, designed to improve the marketing potential of each". Adler wrote that the alliances are based on a real complementarity of resources and programs. According to him, symbiosis can be practiced through either sharing the existing resources or by jointly promoting new resources for the purpose of jointly sharing the same. Various modes like Franchising, Licensing, Joint Product offering, Joint Sales organizations, Production Partnerships, Joint Customer Service, Mergers and Acquisitions are identified by him, for practicing Symbiotic Marketing.

These various Interorganisational systems with wide disparities in their nature have been brought under the umbrella of Symbiotic Marketing,

by expressing that all the functions of a business unit, have finally to aid in creating a better marketing image of the firm. Adler further proposed a series of 12 questions, the answers to which enable the managers in identifying the scope for Symbiotic Marketing and help them in adopting Symbiotic practices into their Marketing activities. In spite of all this contribution, the study has been limited to postulating the concept and little has been achieved in constructing a pragmatic framework for Symbiotic Marketing.

Venkataraman(1981) studied the concept under the head “Marketing Synergy”, and focused on its applicability by quoting a few examples from Indian business environment. He defined Marketing Synergy as “Joint preparation of programs and plans based upon combined resources of two or more independent organizations to achieve increased individual productivity, enhanced sales and greater customer satisfaction in all spheres of activity”. He differentiated these synergistic agreements from the large scale mergers and other financial or technical collaborations. He further added that the primary objective of these agreements is to enhance the marketing productivity of the participating firms. A simple framework is developed to explain how the respective strategic weaknesses of the participating firms are complemented with strategic strengths of each of the symbionts.

But, the model presented has been limited to only one of the benefits or Symbiotic Marketing and thus is not comprehensive in its nature. He organized various modes of Symbiotic Marketing into 3 quadrants of a $2 \times 2$ matrix with RELATIONSHIP (TEMPORARY AND PERMANENT) and TIME (SHORT TERM AND LONG TERM) dimensions. The fourth quadrant (Permanent-short term) does not exist and these relationships automatically get transformed into any of the other three quadrants. A five-step process to aid in operationalising the concept is also proposed in his paper. The process remains skeletal and is provided as a concluding note, rather exploring into the practical intricacies of the concept.

Varadarajan & Rajaratnam¹ has brought the concept back to the academic forefront, after almost two decades. The authors, accepting the definition given by the proponent, were not attracted by the assessment of its congruence with the present-day business characterized by turbulence and super-specialization. Further, they have accorded Adler's opinion that Symbiotic Marketing relationships are different from the traditional cooperative relationships between a marketer and a marketing intermediary. But, they contradicted with Adler's inclusion of Mergers and Acquisitions as modes of Symbiotic Marketing, as

¹ Rajan P. Varadarajan and Daniel Rajaratnam, 1986, Op cit
both result in loss of identity of either of the participant firms.

Varadarajan & Rajaratnam (1986) have identified five dimensions for explaining the nature of Symbiotic Marketing relationships, viz., **TIME FRAME** (Long-term, Medium-term, Short-term), **PROXIMITY** between the participants (Arms-length and Close-working), **LEVEL** of cooperation (Organizational and Functional), **FOCUS** of relationship (Only one Symbiont's products or products of both Symbionts) and **SCOPE** at the marketing function level (Formulation of single strategy or cooperation limited to specific Marketing function). Though, they have implicitly observed that marketplace relationships explain the scope of cooperation between two organizations, the proposed five dimensions do not include the ‘Domain Similarity’ or Marketplace relationship as one of them. The significance of their study remains in assessing the applicability of Symbiotic Marketing as an alternative strategy in INTENSIVE, INTEGRATIVE and DIVERSIFICATION growth opportunities of Kotler.¹

They also have focused on the different PRODUCT-MARKET Characteristics, Environmental and Organizational factors that foster Symbiotic Marketing relationships. A table of illustrative guidelines to aid the practicing managers in identifying, evaluating and exploiting the different Symbiotic Marketing opportunities, is also presented. Thus, the study has

been basically exploratory, drawing upon a few real-life examples from the American industry. But, it has failed to establish relationships among different measures of Marketing Symbiosis, like Scope of Cooperation, Marketplace relationships, preferences of Symbiotic partner, and the success of Symbiotic agreements.

The first primary data based study on the concept has been conducted by Bucklin and Sengupta (1993) under the head ‘CO-MARKETING ALLIANCES’. The co-marketing alliances are ‘working partnerships’, defined as mutual recognition of and understanding that the success of each firm, depends, in part on the other firm ———”. The authors by drawing literature from Interorganisational Exchange and Transaction cost economics, formulated a framework for Co-marketing alliance’s perceived effectiveness (success). This study focuses on the perceptions of the respondents and establishes relationships among different factors. For instance, a negative correlation has been established between the success of the alliance and the power imbalance in the relationship. This means that the higher the power imbalance in the relationship, the less is the efficiency of the alliance.

2 c.f. Ibid Pg 32
Similarly, the managerial imbalance is also negatively related with the success of the alliance. Some positive relationships have been found between the success of the alliance and factors like Higher Project Payoff, Greater Organizational Compatibility and the age of the co-marketing alliance. The study also proves that a longer and more stable prior business relations between the partner-firms, increase the effectiveness of the Co-marketing alliance. The results of their study may be pictorially presented as in Figure 2.1 for a better comprehension. The following paragraphs discuss the major managerial implications of their study, as specified in their paper.

Three major managerial implications mentioned by Bucklin & Sengupta are considered for the discussion. One of the significant findings of the study is that “compatibility of the partners is critical to the alliance success”¹. Discussing its implications, the authors suggest the prospective managers to `seek relationships with a variety of potential partners on an exploratory basis’². Another alternative suggested is to permit frequent interactions between the managers at all levels of both the organizations to explore mutuality of their interests and working styles³. Both the alternatives suggested, may only demotivate the managers to practice Symbiotic Marketing. For,

2. Ibid., Pg 44
3. Ibid., Pg 44
RELATIONSHIPS AMONG DIFFERENT MEASURES OF SYMBIOTIC ALLIANCES ESTABLISHED
LOUIS P. BUCKLIN AND SANJIT SENGUPTA

Figure 2.1

(-) denotes a NEGATIVE Relationship
(+) denotes a POSITIVE Relationship

the first alternative i.e. trial and error approach, may be expensive, in terms of both financial costs involved and time lost, in identifying the 'compatible' partner. Moreover, these two constraints have strategic implications to the organization affecting its efficiency as well as competitiveness. Unless the firms are assured of long-run benefits which superfluously outweigh the short run costs and other related tolls, the entrepreneurs may not prefer Symbiotic Marketing. Similarly, the second alternative proves costly on 'strategic information' grounds. When the managers at all levels are allowed to interact frequently with each other from both the organizations, it is implied that both tactical and strategic information of one firm, though partially, is available to the other firm. Thus, this also has strategic implications and very few firms may venture to adopt Symbiotic Marketing for the uncertainties involved in selecting the compatible Symbiotic Partner-firm. To conclude, it may be said that further research is demanded to determine the various measures for judging the partner compatibility and the methodologies to achieve it. Second, the authors also advise to "initiate relationships with a series of minor projects before attempting to start a project in which major resources must be invested". But, one of the conclusions made by the authors is that only projects with high stakes and cost pay outs are most likely to be successful. In other words, Symbiotic agreements involving low stakes are more prone to failure. Thus, when minor projects are considered as pilot testers, whose probability of failure is high,

they may only result in demotivating most of the Symbiosis prospects. Third, the authors conclude that these agreements are more likely to prosper only in markets of high technological turbulence. The validity of the conclusion may be questioned, for the study collects primary data from only one industry: ELECTRONICS - more specifically Computer and Semiconductor industries, in which the technological turbulence is, probably the highest. Otherwise, the study does not observe the success or failure of Symbiotic agreements in industries of low technological turbulence.

Gopal and Sarin(1986)¹ have identified the necessity of Symbiotic approaches in marketing, especially in areas like physical distribution, marketing research, advertising etc., in exploring the Indian rural markets, mainly among non-competing firms. Prasad(1991)² has, while comparing the growth patterns of Small Scale Industry in Italy and India, identified the importance of small cooperative groups, known as CONINDUSTRIA in Italy, specialized in one function like Marketing, Production and other functions in assisting themselves.

2.3 A CONCEPTUAL OVERVIEW:

Symbiosis³, a word more familiar to the nature’s scientists,

has its roots in a Greek word ‘Symbion’, The dictionary meaning of the term Symbiosis is “Mutual Cooperation between two persons or groups, in a society, especially when ecological interdependence is involved”. The existence of a sort of ‘mutual interdependence’ beneficial to both, can be concluded from the above. But, such interdependence is not inevitable for the survival of the organisms, but is sought for an efficient living, and is prolonged as long as it does not threaten the life of the participants. For example, the African Buffalo bird, finding its residence on the back of Rhinoceros or African Buffalo, obtains its food consisting of organisms like gnats that also reside on the host. And in turn, it warns the host, when danger impedes to the host, by emitting a loud squawk and fleeing-off. This relationship at any point of time is not inevitable and is not the only source of survival for either of the organisms.

Symbiotic Marketing, as defined by the proponent, Lee Adler, is ‘the alliance of resources or programs, between two or more independent organizations designed to improve the marketing potential of each’. The unambiguous conception of the definition becomes important in identifying the arena of its scope and in assessing the appropriateness of the different modes as those of Symbiotic Marketing. A glance at the definition, gives us three phrases, in comprehending the meaning of Symbiotic Marketing. They are

1. Lee Adler, 1966, Op cit., Pg 30
(a) the alliance of 'resources or programs',
(b) between two or more 'independent organizations',
(c) designed to improve the 'marketing potential' of each.

The first phrase 'the alliance of resources or programs', defines the scope of the concept and identifies the resources or programs that have potential to develop symbiosis. The difficulty exists in identifying the resources or programs that can be shared. Quite realistically, all the resources can be shared. Simultaneously, the scope of Symbiotic Marketing is also not unlimited and to determine the boundaries of the concept, identification of different marketing resources that create or develop symbiosis becomes critical. This resource identification becomes helpful in excluding the other 'symbiotic relationships in business' from 'Symbiotic Marketing Relationships'.

Adler (1966) aptly puts it as "every function performed in a corporation, including financing, manufacturing and Research & Development, is ultimately intended to sharpen the claws of the firm as a marketer". This is one of the several ways of presenting the preliminary objective of any organization, i.e., to create, maintain and develop a customer. The veracity of the statement was at an acceptable degree, when it was made, approximately two and a half decades ago when generalization, not specialization, was in vogue and when a clear demarcation among

the functional areas of Management had not completely taken place. But, in the age of specialization and super-specialization, the primary and more direct objective of the manufacturing or production function is to achieve lowest possible cost of production per unit, and that of financing is acquiring the funds at least cost and lowest risk. Marketing remains secondary objective to all other functions. There is no dearth of instances, where the survival of a firm is at risk, for the conflict between the Production Manager or Finance Manager and the Marketing Manager. Improved manufacturing facilities are acquired to serve more markets or to improve the product-form utility, but most often these two (major objectives for marketing), are outweighed by the cost of production, the primary area of manufacturing function.

From the above discussion, it can be concluded that Symbiosis is possible among and within different functional areas of a business. But not all the symbiotic relationships can be placed under one category, and studied by applying one single method. Symbiotic Marketing studies only those relationships that develop symbiosis and generate synergy among the activities and programs that are directly or primarily connected with and/or become part of marketing function of a firm. Marketing Research programs, Physical distribution facilities, Sales promotion programs, Demand Estimation programs, Advertising, New Product Development programs are some of the major sources of
symbiosis in Marketing. Not any more, all the interorganisational relationships can be placed under the shadow of one umbrella, the Symbiotic Marketing. The fact that the study of symbiosis in different functional areas require methodologically different approaches, further supports this perception.

The phrase *'two or more independent firms'* , takes us more close to the exact meaning of the definition. The above explained alliance of resources or programs, is possible only when two or more independent firms are willing to participate in the act of pooling the resources by the participants and then sharing the pool as per the norms agreed upon. An aspect of importance is the absolute meaning of the term *'Independent Organization'* . An Independent Organization has unadulterated control over its finances (*Economic Independence*), as well as on the operations (*Operational Independence*). If a firm retaining only either of the two and loses the other to an external entity [any firm or individual, not directly involved in the business activities of the unit, for instance, financiers (economic), or licensor/franchiser (operational)] it cannot be considered as an ‘Independent Organization’. The basic characteristic of Symbiotic alliance is an indeterminate relationship between the firms. But, the relationship is sought to increase the Marketing efficiency of each of the participating firms. Simultaneously, the absence of such relationship poses no threat to the survival of any of the member-firms. Symbiotic Marketing provides the same degree of liberty in tailoring the activities to the
firm's needs, as in the absence of any marketing alliance. Thus, to participate in a symbiotic relationship, the firm should possess absolute independence and should not be dependent on or dominate the other symbiont. Thus, only when the participating firms possess complete independence (i.e. both economic and operational independence), it is considered as a Symbiotic Marketing Agreement.

The third and the final phrase *designed to improve the marketing potential of each*, explains the objective of Symbiotic Marketing. One of the dictionary meanings of the term 'potential' is 'something that exists in a state of potency or possibility for changing or developing into a state of actuality.' Marketing Potential may be perceived as 'the marketing capacities or capabilities of a firm that lie potent which can further be developed and improved to make actively instrumental in marketing the products of a firm'. The objective of Symbiotic Marketing is to improve the efficiency of these capabilities. Thus, only those alliances that result in the increment or improvement of the marketing potential of the participating firms are considered to be Symbiotic Marketing Agreements. In other words, Symbiotic Marketing agreements are directly connected with the marketing function of the manufacturers, rather than any other function that helps indirectly or over a limited scope, in strengthening the claws of a marketer. This discussion leads to the following

propositions.

2.3.1 CHARACTERISTICS OF A SYMBIOTIC AGREEMENT:

1. The participating firms are absolutely independent (both economically and operationally) in nature.

2. The relationship is created among firms functioning at the same level of economic activity i.e., manufacturer with manufacturer, trader with trader etc. In other words, the relationship can’t be identified with the traditional marketer-marketing intermediary relationship.¹

3. Firms participate in a Symbiotic Marketing Agreement voluntarily, i.e. no external force, excepting the improved efficiency, can influence the management to opt for a symbiotic relationship.

4. All the participating firms maintain both their Organizational and Marketplace identities, during and even after the agreement period.

The presence of a manufacturing facility under a unique name, by which the firm is identified, is called 'Organizational Identity'. The recognition of a product by the customers as the produce of a manufacturing facility with the organizational identity is known as 'Marketplace Identity'. For instance, in Licensing and franchising

agreements, the licensor's or franchiser's brandname is popularized. Alongwith sharing the agreed facilities, the firms unconsciously, share the two dimensions of the identity. Though the Organizational Identity is retained by the licensee or franchisee, more valuable 'Marketplace Identity', is enjoyed by the licensor or franchiser, as his brandname is used. But, when such relationships cease to exist, the licensee or franchisee, having no market identity, finds hard to survive on his own, thereby characterizing the dominant-dependent relationships.

5. The resources or programs, being shared are directly connected with or form part of marketing function of the participating organizations. This means only the operating resources for marketing, or the activities whose direct and primary objective is to improve the marketing potential of the firms, are studied under the head 'Symbiotic Marketing'.

2.4 DIMENSIONS OF A SYMBIOTIC AGREEMENT:

Symbiosis can be developed by all the resources of an organization. 'These resources may include distribution facilities, sales force, research, market development, production, technical personnel, and/or finances'. Adler by saying this, opened Symbiotic Marketing to include all the inter-business cooperative efforts into one single concept, which is not far from impossibility in the days of specialization and

super-specialization, the growing number of examples, and the diversity in their nature, calls for a rational system of classification and categorization of these relationships. A broad and simple method of classification is one based on the Functional Areas of business, like Finance, Personnel, Production, and Marketing, Research & Development etc. Thus, we have Symbiotic Financing, Personnel Symbiosis, Symbiotic Production, and similarly Symbiotic Marketing, under the major head “BUSINESS SYMBIOSIS”.

For the absence of empirical evidence as to which resource or activity is to be assigned to which class of symbiosis, the basis for such allocation should be the intensity of influence of the relationship on the organizational functions. The greater the intensity of the influence, the more, it is described as the Symbiosis of that function. For instance, TVS Whirlpool Limited (TWL) has agreed to manufacture a part of its washing machines for Onida, on ONIDA brandname. The agreement though had an indirect impact on the marketing, especially for TWL, its direct effect is on the Production department/facilities of both the organizations. Thus, it is better branded as Symbiotic Production, rather than Symbiotic Marketing.

The nature of different Symbiotic relationships in the various functions of a business, may be explained through the model presented in Figure 2.2. The model incorporates Axis, Direction, Multitude, Intamacy, Duration, Domain Similarity, Sector and Function dimensions. Each of these dimensions is explained in detail in the following paragraphs.
DIMENSIONS OF A SYMBIOTIC AGREEMENT

Figure 2.2

SOURCE: PREPARED FOR THE STUDY
Organizational Exchange in marketing is practiced either by sharing the existing marketing resources or by jointly promoting or developing new resources for sharing, as per the norms decided on by the participants. When a firm has of underutilized resources like distribution network, sales force, etc., they can be shared with another firm which needs similar resources and is reluctant to invest huge amounts for developing the same resources for various reasons. Viklik, a local brand of shampoo, manufactured by Sree Amar Enterprises, Guntur (A.P.), a small scale unit, is distributed by Crane Betel Nut Works, also based at Guntur. Crane, having geographically spread distribution network and physical distribution facilities, identified the unutilized additional capacity and the same has been extended to Viklik. On the other hand, Viklik had easy access to an already established distribution network and is relieved of the burden of investing huge amounts of money and effort, for developing the same, for its low priced shampoo. Another major advantage for Viklik, comes in the form of reduced gestation time in the launch of its product over a geographically wider market.

The second focal point is the joint promotion of new facilities. Here, the participating firms jointly develop a facility or resource for the combined use by the symbionts. Most of the promotional programs,

of late, are of this nature. An ideal example for 'joint promotion of new facilities' is the Very Large Scale Integrated Circuit Technology Research Association (VLSI/TRA), in which the five Japanese mainframe computer manufacturers are members. It was established in 1976 as a four-year, $200 million project for conducting fundamental research in computers and semi-conductors industry.¹ As a countermove, the U.S. electronic industry formed an R & D Consortium, Microelectronics and Computer Technology Corporation (MCC), participated by 16 U.S. electronics manufacturers.² In both these agreements, the required Research & Development facilities are newly promoted by the consortia. Thus, a Symbiotic agreement may involve the exchange of the existing resources or the exchange of resources jointly promoted by the participating firms.

2.4.2. DIRECTION :

A Symbiotic relationship can be either UNILATERAL, i.e. sharing of one’s resources by the other, or RECIPROCAL, i.e. sharing of every others' resources by every one of the participants.

UNILATERAL : Through an agreement, Godrej distributed Velvette shampoo a product of Pharmacare products Pvt. Ltd., Madras, through its well established distribution channels and facilities throughout the country. Here, the resource, the distribution channels and facilities, is an operational asset of Godrej, and Pharmacare's contribution is only to the extent of sharing the resource. But, Godrej, is not sharing any of the resources available with Pharmacare.
Thus, the direction of resource sharing, i.e. Pharmacare sharing Godrej's resource, is one-sided and is called Unilateral Marketing Symbiosis.

**RECIPROCAL** : In the example of courier industry (quoted while explaining Unidimensional - Multifirm relationship), major part of agreements that take place are Reciprocal in nature. Each of the parties agrees to deliver covers and articles, on other's behalf, within its operative geographical zone. Thus, each of the parties own definite resources that are shared by all the parties to the agreement, thus developing Reciprocal Marketing Symbiosis.

**2.4.3 EXTENT** :

Symbiosis can be extended over either only one or a few activities, or the whole function. The former, known as Activity-based relationship, can be either UNIDIMENSIONAL, (sharing only one activity) or MULTIDIMENSIONAL (sharing more than one activity). In FUNCTIONAL SYMBIOSIS, the participating firms perform all the marketing activities combinedly. In a Unidimensional relationship, only one marketing activity like distribution, advertising, sales force, promotional programs, warehousing etc., is shared, Whereas in Multidimensional relationship, more than one of such activities are involved in sharing. The Functional Symbiosis is carried on, either through floating a new marketing organization or through integration of the marketing departments.

1. Special Notice, 1992, OMEGA, 20, 5/6, September-November
of the participating firms. All Functional Symbiotic agreements are 'Integrative' in nature, i.e. they develop a single strategy for simultaneously achieving the marketing objectives of all the symbionts.

In the recent few issues of 'OMEGA', a management science journal, there appeared a notification, stating that, five publications viz., Management Science, The Journal of Operations Research Society, Omega, Naval Research Logistics Quarterly and Journal of Operations Management, formed a consortium with the objective of avoiding the redundancy in refereeing for simultaneous multiple submissions, for publication¹. As all these journals have similar objectives, elimination of multiple submissions will make refereeing process more efficient and thereby decrease the time required for refereeing. This interpublication relationship is a Unidimensional Symbiotic alliance, the objective of which is to reduce the time and effort wasted in refereeing multiple submissions. The authors, now receive a faster response from their publishers and are assured that one submission is sufficient for the article to be published in any of the five journals with similar objectives.

In the a priori quoted, Viklik-Crane example, prior to be branded as VIKLIK, the shampoo was marketed under the name 'NIMIE', but its failure was attributed to poor quality, unimpressive packaging and lack of proper distribution network. Crane, before making the
distribution alliance, extended a few suggestions, in the above areas, based on its marketing knowledge and expertise. Thus, it becomes a multidimensional Symbiotic Marketing alliance, wherein the marketing resources like marketing expertise and distribution facilities form the agents of Symbiosis generation.

2.4.4. MULTITUDE:

The Multitude dimension of the relationship determines the number of firms with which a firm is cooperating. In a 'UNIFIRM' relationship, a firm cooperates with only one firm. "Equal", a low protein sweetener, produced by Searle India, is jointly marketed with Glaxo India. Here, the relationship is Unifirm from the viewpoint of Searle India, as it has agreed to share only the facilities available with Glaxo India, for the distribution of its products.

In a Multifirm relationship, a firm uses the resources of two or more firms simultaneously for developing Symbiosis in its marketing activities. These relationships with a number of firms may be developed for sharing the same marketing facility or for sharing different resources.

A cross combination of Extent and Multitude dimensions of a symbiotic relationship gives the ensuing matrix, presented in Table 2.1. A detailed explanation of each of the quadrants follows.
## Cross Combination of EXTENT and MULTITUDE dimensions of a Symbiotic Agreement

<table>
<thead>
<tr>
<th>EXTENT</th>
<th>UNI-DIMENSIONAL</th>
<th>MULTI-DIMENSIONAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>MULTITUDE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNI-FIRM</td>
<td>* Uni-dimensional Uni-firm</td>
<td>* Multi-dimensional Uni-firm</td>
</tr>
<tr>
<td></td>
<td>* A distributing through B</td>
<td>* A distributing, Product promoting and advertising Tie-ups with B</td>
</tr>
<tr>
<td></td>
<td>* A product promoting with B</td>
<td></td>
</tr>
<tr>
<td></td>
<td>* A advertising tie-ups with B</td>
<td></td>
</tr>
<tr>
<td>MULTI-FIRM</td>
<td>* Uni-dimensional Multi-firm</td>
<td>* Multi-dimensional Multi-firm</td>
</tr>
<tr>
<td></td>
<td>* A distributing through B for Z1 / P1</td>
<td>* A distributing through B, product promoting with C, and advertising tie-ups with D</td>
</tr>
<tr>
<td></td>
<td>* A distributing through C for Z2 / P2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>* A distributing through D for Z3 / P3</td>
<td></td>
</tr>
</tbody>
</table>

**Table 2.1**

**SOURCE**
- Prepared for the study
- A, B, C, D - Independent Firms
- Z1, Z2, Z3 - Market segments
- P1, P2, P3 - Products
A. Unidimensional - Unifirm Relationship: Here, a firm enters into a symbiotic agreement with focus on only one marketing activity like distribution or advertising or sales force or sales promotion, with only one firm at a time. Velvette shampoo manufacturer's agreement with Godrej, for distributing their shampoo, is just an example to quote. In fact, this is the most popular mode of symbiosis in the commercial world.

B. Unidimensional - Multifirm Relationship: In a Unidimensional-Multifirm symbiotic agreement, one firm develops relationships with two or more firms, for sharing the same marketing activity. This type of symbiotic relationships have become popular among the courier industry. Most of the courier services, excepting a few giants like Blue Dart and Skypak, are spread over a limited geographical zone and basically extend service to smaller towns. For providing a geographically widespread delivery service, they enter into reciprocal agreements with firms operating in other zones, to deliver covers or articles, on their behalf to the customers. Such agreements for delivering the covers or articles are made with a number of firms spread over different regions or zones, which give them a full-domestic network to serve their customers.

C. Multidimensional - Unifirm Relationship: If a firm makes an agreement for sharing two or more activities or programmes of its
marketing activities with only one partner, it is called Multidimensional-Unifirm Marketing symbiosis. If the Velvette people participate in sales promotion programs of the Godrej, along with their agreement for distribution, it is called a Multidimensional-Unifirm Marketing Symbiosis.

D. Multidimensional-Multifirm Relationship: When a firm enters into exchange agreements with more than one firm, for sharing of different resources or programs, it is known as Multidimensional-Multifirm Symbiosis. Tourism industrialists maintain regular contacts with different boarding and lodging places, shopping complexes, and tourist place administrators at various places, for providing a wide range of facilities to their customers. Similarly, a firm may make arrangements for resource sharing with two or more firms over a range of activities like, marketing research, product improvement, new product development, sales promotion, sales force, etc., under a Multidimensional-Multifirm relationship.

2.4.5. INTIMACY:

A Symbiotic Marketing contact may be Nonadaptive, Adaptive or Integrative in Nature. In a NON-ADAPTIVE relationship, two firms, i.e. symbionts, develop the respective marketing strategies individually and separately, but implement their respective strategies
through a common resource or programme. It denotes the minimum level of interaction between the firms and such interaction is limited only to the act of sharing the resources or programs. But, in many a case, a few modifications in the strategy becomes unavoidable for the synergistic nature of the activity, though the overall strategy remains intact. Then, it is known as Adaptive Symbiosis. Cases are not rare, where the complete strategy of the two or more symbionts, is one and the same. In other words, the participants develop a strategy that cater to the objectives of all the symbionts. In turn, the symbionts may have to make a few changes in their schedules, when the need arises, to meet the strategy requirements. They are known as Integrative Symbiotic Strategies.

2.4.6 DURATION:

A symbiotic relationship can be either One-shot, Permanent or Time-based. Time-based relationship can in turn be either Short-term, Long-term or Medium-term.

A. One-shot Relationship: In a One-shot relationship, the resource exchanging or resource sharing is limited to a single activity or a set of activities. But, as soon as the activity gets over, the relationship also ceases to exist. Most of the joint sales promotion agreements are included in this category.
B. Permanent Relationship: The relationship is Permanent in the sense that it is active as long as either the participating firms undertake such activity or they are in business. To be more comprehensive, the life span of the sharing activity is not determined at the time of making the agreement, but by the life of the activity, or the life of one or more of the symbionts.

C. Time-based Relationships: When an agreement is effected by two or more participants to extend their marketing resources for mutually sharing over a specified time period, it is called a Time-based Relationship. It can be either Short-term, Medium-term, or Long-term.

i. Short-term: When the relationship ends or is intended to be terminated voluntarily and smoothly within a period of 12 months, i.e., less than a year, the agreement is said to be Short-term in nature.

ii. Medium-term: A Symbiotic relationship that extends over a period of more than one year, but less than three years, is called Medium-term Marketing Symbiosis.

iii. Long-term: Whenever the planned period of a marketing resource exchange relationship is more than 3 years, but for a specified time, it is called a Long-term relationship.

Here, need arises to differentiate between a One-shot relationship and a Time-bound relationship, as in many cases the former extends over a period, sometimes even over years. A One-shot relationship is mainly activity-based relationship. Here the participants agree to share an activity or a set of activities at the time of making the agreement. The activities may extend over a period of a day, a week, a month or a year or more. The sharing contracts become ineffective as soon as the activity is completed. For example, the world's largest computer Research & Development project, Very Large Scale Integrated Circuit Technology Research Association (VLSI/TRA), is membered by the five principal Japanese mainframe computer manufacturers, and extended over a period of 3 years, from 1976 to 1979, and generated 1000 new patents that helped build Japanese leadership in many areas of the computer and related areas. The relationship is an example for the one-shot activity based Symbiotic Agreement.

On the other hand, in a time-based relationship, the relationship converges its light onto the time dimension. As soon as the time ends, the relationship also terminates and the stage at which the activity is, becomes insignificant. In a time-based relationship, whenever the activity is performed during the specified period, it is performed combinedly. This time dimension becomes irrespective in a one-shot relationship, and its focus lies on the activity span.

2.4.7 DOMAIN SIMILARITY:

Symbiosis is practised by firms manufacturing related products i.e. either competitive or complementary, or unrelated products. The concept of Domain Similarity, as proposed by Andrew H. Van de Ven & Gordon Walker (1984), has been adopted to study the plausible relationships among the related and unrelated products. They define Domain Similarity as "the degree to which organizations have the same services, clients and personnel skills". They further write that high, moderate and low degrees of Domain Similarity represent the Competitive, Complementary and Unrelated nature among the products.

The competitive or highly domain similar firms have almost the same customers, serve the same needs of the customers and use almost similar skills in the process. The unlimited scope of cooperation and coordination, especially in areas like pricing and demand and supply control, among such highly domain similar firms would lead to the formation of the notorious cartels like organizations. But, the fear for cartelization should not lead to a society, where the unnecessary wastage and underutilization of scarce resources, become in-built characteristics. Cooperation even among competitors should be welcome, as long as the participating firms retain their competitive fragrance.

and intend to further sharpen their competitive efficiencies through such cooperative alliances. Thus, it may be concluded that the objective shifts from restricting intraindustry cooperation to defining the scope of such interorganizational cooperation. Such cooperation should have a limited scope, encompassing the activities like marketing research, sponsorship programs, market development programs and demand estimation programs. More specifically, cooperation among competitors should be allowed in those activities that do not endorse the participants any extra control over their markets through the alliance. The Detroit big three - General Motors, Ford and Chrysler, have formed a consortium to devise the plastic car of the future, and such alliance cannot be undermined by a civilized society. On the other hand, the unrelated or low domain similar products also have limited scope of interfirm cooperation. The products are unrelated, when they serve or intend to serve entirely different needs, either of the same market segment and use the same personnel skills or not. As the basic difference lies in the needs they serve, the unrelated firms might exhibit complementarity or commonality in relation to the segments they cater, the personnel skills and facilities they utilize while marketing their products. This perception of complementarity or commonality among the unrelated products develop the potential

1. HMV House - Two in One, 1991. Advertising & Marketing, Bombay, June, Pg. 17
for interfirm cooperation and coordination. Thus, the scope of such interaction is limited to the existence of complementarity or commonality in the customer groups they serve and/or skills and facilities they take help of. This type of marketing symbiosis is acceptably exploited by HMV Houses, the prerecorded audio cassette marketers, based at Banagalore. They entered into agreements with ice-cream makers like Dollops and Vadilar, for attaching ice-cream parlors to their HMV Houses. Chitra Thangaih Prabhakar, proprietrix, explain the commonality as 'both are the forms of entertainment'.

The success of the alliance can be assessed from their intentions to start two more Lopstops (HMV House + Ice-cream Parlor) at two other places in the city. The writeup also says that the alliance partners have plans of joint product promotions like offering free audio cassettes with bulk ice-cream orders.

The scope of interorganizational cooperation among moderately domain similar or complementary firms, is the widest. When two products, together satisfy the same need of a customer and if the utility or efficiency of the other is either nullified or reduced (considerably), in the absence of one of the products, then the products are complementary in nature. In Domain Similarity terms, the products have higher correlations in the market segments they serve, the need they fulfill and the skills and facilities they utilize. There exist a
fraternal feeling among the moderately domain similar firms as 'a change (increase or decrease) in the sales of one product, brings a respective change (increase or decrease) in the sales of the other product, though not definitely linearly, unlike in those of competitors (inversely related) and unrelated (independent of each other) products or firms. This fraternal feeling perceived by the manufacturers, customers and the Government, would help them in overcoming the barriers (like cartelisation and other unfair trade practices) for cooperating in areas like product improvement programs, advertising, sales force, distribution channels. This widens the scope for Symbiotic Marketing among moderately domain similar products. The complementarity in the markets they target, the skills and facilities they utilize, further extends the scope, for sharing the activities like Marketing Research programs, Sales Force Training and Development, Physical Distribution facilities, and Sales Promotion activities. Thus, the scope of Symbiotic Marketing for the moderately domain similar products is as wide as the marketing function of the participating firms, but only limited by the degree of commonality. Consider for example, Computer Industry. Computers and Computer software are highly complementary in nature, as in the absence of one of them, the second product becomes almost useless. Such highly complementary products provide highest scope for cooperation for fully sharing marketing activities, as the customers would require both the products simultaneously. But when the degree of complementarity among the products is lowered,
the scope for cooperation in various marketing resources also reduces.

2.4.8. SECTOR :

When all the members of a Symbiotic Marketing agreement, are operating in the same industrial sector, i.e. either Small Scale or Medium Scale or Large Scale Sector, the agreement is an Intra-sectoral relationship. When they (members) belong to different industrial sectors, Inter-sectoral Marketing Symbiosis is performed.

2.4.9 FUNCTION :

Marketing Symbiosis can be practised either intra-functionally or inter-functionally. In an Intra-functional relationship, the sharing is practised only in the marketing function and the benefits accrued from the relationship will have a direct positive impact on the marketing potential of all the participants. In an Inter-functional Symbiotic relationship, different resources, of which at least one is a marketing resource, are mutually exchanged among the members and the benefits that are accrued will be in different functional areas, of which at least one will have a direct positive impact on its marketing potential.

2.5 NEED FOR AN ALTERNATIVE MARKETING SERVICE SYSTEM :

The validity of Symbiotic Marketing as an alternative Marketing Service System to the Indian Small Scale Entrepreneurs may be assessed from the changing needs and demands of the industry, the contemporary Marketing practices of these entrepreneurs and the benefits of the
concept. The influence of each of these three aspects are discussed in detail in the following paragraphs.

2.5.1 CHANGING NATURE AND NEEDS OF MARKETING:

The concept of Marketing is as dynamic as business. It has been faithfully responding to the changing demands of the industry as well as the markets. The focus of Marketing has traversed a long trail from “production orientation” to "Customer orientation" through various intermediate phases. Almost all these philosophies encompass "transaction" or "exchange" between a producer and a consumer. But, in the current competitive environment the customers, either individual or institutional, are more often seen in terms of numbers. More lucidly, each customer is personally important to a marketer and is to be earned. Thus, the marketer is required to maintain an enduring “relationship” for long-term objectives, sometimes even at short-term expenses. In this relationship perspective, Marketing is redefined as “establishing, Maintaining and enhancing long-term customer relationships, at a profit, so that the objectives of the parties involved are met. This is done by a mutual exchange and fulfillment of promises.”

Figure 2.3 compares the Selling, Marketing and Relationship Philosophies.

CHANGING NATURE OF MARKETING CONCEPT

<table>
<thead>
<tr>
<th>Starting Point</th>
<th>Focus</th>
<th>Means</th>
<th>Ends</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Selling Concept @</td>
<td></td>
</tr>
<tr>
<td>Factory</td>
<td>Existing</td>
<td>Selling and Promoting</td>
<td>Profits through Sales</td>
</tr>
<tr>
<td></td>
<td>Product</td>
<td></td>
<td>Volume</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market</th>
<th>Customer</th>
<th>Integrated Marketing</th>
<th>Profits through</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Needs</td>
<td></td>
<td>Customer Satisfaction</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer</th>
<th>Relationship</th>
<th>Augmented Marketing</th>
<th>Profits through</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Long-term Customer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Relationships</td>
</tr>
</tbody>
</table>

@ Source: Philip Kotler, 1991, Marketing Management - Analysis, Planning, Implementation and Control, Prentice-Hall of India, New Delhi, 7th Ed., Pg 17

# Prepared for the study

Figure 23
of Marketing. Marketing philosophy is "responsible for making sure that every aspect of the business is focused in determining superior value to customers in the competitive marketplace". The shifting focus of Marketing from "transaction" to "relationship" brings about an analogous shift in the importances and necessities of various marketing resources and facilities. This accentuates the importance of "how to develop and execute good marketing performance, rather than just on what decisions to make to do marketing". The good marketing performance may be cultivated through supportive activities like Marketing Research, Product development, Sales Promotions and Demand improvement.

In India, "Place" dimension (ensuring the easy availability of the product in as many retail outlets as possible) involving Dealer Network maintenance and Physical Distribution facilities, has been practised with higher commitment, even though the other three variables of the Marketing Mix are considered equally important. This is because of the presence of huge untapped rural and other geographical markets, and the absence of a true oligopolistic competition requiring the firms to attract customers through better services and marketing performance. This practice is more prevalent among the Small Scale entrepreneurs,

1 Frederick E. Webster Jr 1992, "The Changing Role of Marketing in the Corporation", Journal of Marketing 56 October, 1-17
3. Christian Gronroos, 1990a, Op cit pg.6
who perceive the activities like Marketing Research, Personal/Direct Selling, Demand Estimation etc., as something "additional" to the 'marketing' function, rather than as integral parts of it. But, the intensifying competition in the marketplace necessitates a shift of focus from the core products and core Marketing activities to the augmented product and augmented Marketing activities.

2.5.2 MARKETING PRACTICES OF THE SMALL SCALE SECTOR:

The various Marketing assistance programs of the Government have enabled the Small Scale entrepreneurs to concentrate largely on quality maintenance and production volumes. Along with the growth of the sector, the demands for more assistance have also been increasing all through these years, making the existing assistance programs ineffective and inadequate by the elephantine size of the sector. This necessitated the Small Scale entrepreneurs to take care of their marketing function on their own. But, their practices are hampered by different marketing problems. The Marketing problems of the Small Scale Industry have been focussed in many studies.

Three fundamental sources of the


b. Ravi Prakash Singaravelu, "Role of State in the Marketing of Small Scale Industry Products", Indian Journal of Marketing


problems may be identified, viz. limited scope of their activities, excessive dependence on Intermediaries in marketing their product, and their inability to acknowledge the theoretical advancements of the Marketing concept which are supported by the present study results, which are discussed in chapter III. It is further observed during the survey that a considerable number of entrepreneurs still believe in "Quality or Product", and claim this as the main cause for their success, by not confirming to the recent developments in the concept. The limited scope of their marketing activities has largely limited their abilities to realize "synergies" in their operational expenditures. The limited financial resources lead them to excessively depend on Dealers, Sole Selling Agents and other marketing intermediaries. This tied-up their marketing budgets and limited their control on the markets, disabling them to plan for other marketing programs and plans. Consequently, the Small Scale Entrepreneurs have become complacent in their marketing practices, by attributing the inefficiency and unreactivity to those factors, instead of being proactive to overcome the inherent disadvantages of the sector. Given the changes in economic environment and entry of foreign entrepreneurs introducing more competition, the marketing function assumes greater importance and one can not afford to part with this pivotal function or depend on an outsider for the same. This can be observed from the trend becoming popular in the orient, where entrepreneurs are mainly concentrating and deploying

a major part of their financial resources to develop and strengthen their marketing abilities, and lease the production facilities from others for manufacturing their products. All these necessitate the Indian entrepreneurs to carry out "Marketing" on their own, by adopting strategies which will enable them to overcome the earlier mentioned strategic weaknesses.

2.5.3 SYMBIOTIC MARKETING AS AN ALTERNATIVE MARKETING SERVICE SYSTEM:

Symbiotic Marketing enable the beneficiaries to overcome the shortcomings of the existing system. It enables them to optimize the utility of marketing resources by improving or diversifying the scope of their marketing activities and reducing their dependence on the outsider acting as Marketing Intermediaries. Further, operational economies and reduced capital commitments encourage them to think of more innovative marketing programs or activities. The various benefits of Symbiotic Marketing are listed in Table 2.2, for an easy reading. It can be observed from the table that most of the benefits of Symbiotic Marketing complement the immediate needs of the Small Scale Entrepreneurs and will help them in building their competitive positions in the markets. Further, the different organizational foci that can be influenced by the strategy are presented in Figure 2.4. All these increase the validity of Symbiotic Marketing as a pragmatic alternative strategy to the Indian Marketers. The strategy is specifically termed as "Marketing Service
BENEFITS OF SYMBIOTIC MARKETING

- Accesses new and established marketing resources
- Creates new avenues of diversification
- Brings synergies in operational expenditures
- Enables to enter new markets with reduced resource-related risks
- Enables to conduct the marketing activities more aggressively within limited marketing budgets
- Enables to overcome the strategic weaknesses by drawing upon strategic strengths of others
- Reduces the financial commitments and gestation period in developing operating resources for marketing.
- Stimulates executive thinking by bringing together management groups with different skills, outlooks and values.
- Ideally attempts to avoid Marketing Intermediaries - otherwise enhances the negotiating capacities of the participating firms

<table>
<thead>
<tr>
<th>TABLE 2.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: Updated from the table proposed by Lee Adler¹</td>
</tr>
</tbody>
</table>

System", because the marketing facilities are provided by other manufacturers, for whom the sharing of the resources is not the table business. The sharing or exchange of the resources is opted for improving their cost and performance-related efficiencies. Thus, the excessive marketing services are made available to the other firms for improving their marketing potentialities.

1. Lee Adler, 1966, Op cit., Pg No 30
Focus of Competitive Advantages influenced by Symbiotic Marketing

![Diagram showing the relationship between reducing costs, increasing sales volume, and profit]

Reducing the costs
- Reducing the fixed costs
  - by increasing efficiency of operations
- Reducing the operational costs
  - by increasing productivity of facilities

Increasing the selling price
- by reducing the profit margins

Selling more units
- Entering new markets
- Aggressive product promotion

Profit

Increasing the selling price of product

Source: Prepared for the study
2.6 SYMBIOTIC MARKETING AND OTHER INTER-ORGANIZATIONAL SYSTEMS:

The differences between popular Strategic Alliances like Joint ventures, Technical collaborations, Licensing, Franchising, and Symbiotic Marketing agreements, makes the concept more lucid and its importance more visible. Basically, Strategic Alliances are performed at the organizational level, i.e. the participating firms are required to commit almost all or a major portion of their resources for achieving the objectives of the alliance. Symbiotic agreements are generally either function oriented or activity based, i.e. only a specified marketing activity or the whole marketing function is involved in the alliance. The participating firms can have complete autonomy over their business activities. Strategic alliances have strategic or long-term perspective and Symbiotic Marketing agreements are tactical in nature with a relatively short-term perspective. Symbiotic Marketing agreements are more of Working Partnerships, explaining 'How to implement' a marketing strategy. Table 2.3 presents the differences among Symbiotic Marketing, Strategic Alliances and Networks more clearly in terms of objectives, methods and characteristics.

The concept of DOMESTICATED MARKETS¹ is put forth in the light of increasing importance of varied Interorganisational systems and

---
¹ Johan Arndt, 1979, Toward a concept of Domesticated Markets, Journal of Marketing, Vol 43, Fall, PP. 69-75
## DIFFERENCES AND SIMILARITIES AMONG SYMBIOTIC MARKETING, STRATEGIC ALLIANCES, AND NETWORKS

<table>
<thead>
<tr>
<th>Major Objective</th>
<th>SYMBIOTIC MARKETING AGREEMENTS</th>
<th>STRATEGIC ALLIANCES</th>
<th>NETWORKS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accessing Resources/facilities unable to develop individually and reducing operational costs</td>
<td>Acquiring competitive advantage over respective competitors</td>
<td>Obtain highest scale economies through functional/process specialisation</td>
</tr>
<tr>
<td>Tacit Objective</td>
<td>Achieving higher efficiency levels which automatically leads to competitive advantage</td>
<td>Learning and acquiring knowledge otherwise not available to the participants</td>
<td></td>
</tr>
<tr>
<td>Types/Methods</td>
<td>Joint Marketing Research programs, Joint use of distribution networks, Combined market development programs, Joint advertising and product promotion programs etc</td>
<td>Joint ventures, Licencing, Franchising, Outsourcing, Value-adding partnerships, vendor tie-ups etc</td>
<td>A confederation of Multiple Strategic alliances with a HUB ORGANISATION coordinating the activities of all the participant organisations</td>
</tr>
<tr>
<td>Major Features</td>
<td>All the symbionts will have, generally, common operational methodologies and need almost similar resources (but may have different objectives)</td>
<td>The goals of the alliance are common to all the participants and are agreed upon by all</td>
<td>The goals are generally determined by the HUB ORGANISATION, and will be accepted by the participants</td>
</tr>
<tr>
<td></td>
<td>One symbiont may not affect the success, either negatively or positively, of the other symbiont organisations</td>
<td>Each of the participants will be able to affect the success of each of other participants</td>
<td>The success of all the participants mainly depends on the efficiency of the HUB organisation</td>
</tr>
<tr>
<td></td>
<td>All the symbionts can maintain their individual marketplace identities, i.e Brand Names</td>
<td>Either a New brand name is promoted or the brand of the dominating participant firm is marketed by all of them</td>
<td>Generally the HUB organisation will decide on the brand to be marketed by the participant organisations</td>
</tr>
<tr>
<td></td>
<td>All the symbionts can have individual strategies, though they utilise common resources/facilities for implementing their respective strategies</td>
<td>The strategies are developed through mutual agreements and acceptances</td>
<td>The grand strategy is generally formulated by HUB organisation, and the participants will have specific strategies in accordance with the grand strategy</td>
</tr>
<tr>
<td></td>
<td>It is a tactical strategy aimed at achieving immediate and relatively short-term objectives</td>
<td>It is intended to move each of the partners toward the achievement of some long-term strategic objectives</td>
<td>It is also intended to move each of the partners toward the achievement of some long-term strategic objectives</td>
</tr>
<tr>
<td></td>
<td>It is a HORIZONTAL strategy, and is generally acceptable only when all the participants are at the same level of commercial activity, i.e all are manufacturers etc</td>
<td>No such restrictions exist. These are possible among any two or more organisations, even if they are at different levels of commercial activity, i.e between a manufacturer and a dealer etc</td>
<td>Similar to Strategic Alliances, no restrictions exist, and possible among any three or more firms</td>
</tr>
</tbody>
</table>

**TABLE 2.3**

Source: Prepared for the study
Strategic alliances. Domesticated Markets are a class of Administered Markets. Arndt proposed 'reducing uncertainty of operations, transaction costs and achieving operational economies' as the major objectives for Domesticating the markets. The importance of Domesticated markets is amplified by the changing perspectives of the Marketing theory and its increasing responsibilities towards the marketers as well as the consumers. In Domesticated Markets, "transactions are planned and administered, instead of being conducted in an ad-hoc basis". Further, Conglomerates, Franchising, Horizontal and Vertical integrations, Joint Ventures and other joint product offerings are the major tools of Domesticating the markets. Though, Symbiotic Marketing is referred to as a manifestation of the Domesticated markets, in reality it may not be so. The primary objective of Symbiotic Marketing is to enhance the marketing efficiency of the participating firms, rather than to channelize the efforts for achieving control over the markets through administering them. Further, Symbiotic Marketing agreements are not Strategic alliances, imparting influence on all the other functional areas of business. These agreements are functional alliances with tactical nature, explaining an alternative mode of implementing Grand Marketing Strategy, rather than a strategy in itself.
Similarly, the concept of MARKETING COALITION COMPANY is not the same as Symbiotic Marketing, though both seem to be distantly related. The Marketing Coalition is achieved by a constellation of alliances with firms, specializing in some aspect of the product or production technology, whose activities are administered by a central organization specialized only in the marketing function. This represents a QUASI-ORGANISATION and the purpose of functional outsourcing is served only if the product and production criteria are enhanced to specialist levels of performance. Thus, the degree of specialization for a specified industry determines the applicability of the strategy in that industry. So, the Marketing Coalition Company is more similar to a NETWORK organization. In a Marketing Coalition Company, the seemingly core organizations perform the marketing functions and outsources the product or production facilities. In contrast, Symbiotic Marketing is developing alliances for sharing of underutilized resources by two or more independent organizations. Thus, the core objective of the alliance is to strengthen their weaknesses and achieve operational economies. In Symbiosis also, a QUASI-NETWORK may develop with one firm making multiple Symbiotic agreements with different organizations sharing various resources simultaneously. Moreover, in Symbiotic Marketing, the firms perform their production activities and outsource of the Marketing facilities. Whereas in a Marketing Coalition Company, the central organization performs the Marketing functions and out-sources the product or production functions.

HYBRID MARKETING SYSTEMS are expected to dominate other designs of Marketing systems during '90s.¹ Hybrid Marketing systems involve more than two marketing channels being operated simultaneously by a single firm. More specifically, when an organization tries to promote its products simultaneously through multiple channel systems like, Direct Selling, and Dealer Sales, it is said to have developed Hybrid Marketing Systems. “The drive to increase market coverage and the need to contain costs” are the two major objectives of these Hybrid Marketing Systems. Though, these are not Interorganisational Marketing Systems, the discussion on the concept is significant from the point of differentiating it from Symbiotic Marketing. The primary difference is fundamental, i.e. Symbiotic Marketing is practiced when two independent firms come closer to share specified Marketing resources. Whereas, no such coming together of two organizations is involved in Hybrid Marketing Systems. But, the objectives of both the systems are almost similar, i.e. providing efficient Marketing and reducing the marketing expenditure

2.7 CONCLUSION :

Symbiotic Marketing is not an innovation either to the Indian economic environment or that of the world. Human cooperation is as old as the emergence of the human being. But, it is an innovative perspective of ‘Exchange ’ process, where two or more independent organizations with, almost competing objectives of making more profits come together to help each other, for more mutual benefits. The limited conceptual and empirical efforts by the academics in the field are presented

in the beginning of the chapter. An effort is made here to discuss the dormant and latent meanings of the definition of 'Symbiotic Marketing' given by Lee Adler. Further, this discussion enables to determine the scope of Symbiotic Marketing by proposing five characteristic features of a Symbiotic agreement. A simple model has also been proposed incorporating all the dimensions of a Symbiotic relationship viz. Axis, Intimacy, Multitude, Extent, Duration, Direction, Domain Similarity, Function and Sector dimensions.

The shifting focus of Marketing from "customer" to "relationship" needs to practice augmented Marketing activities like Marketing Research, Personal Selling, Overall demand improvement programs, and more efficient After Sales Services for building competitive positions in the market. Symbiotic Marketing, with inherent advantages like access to new resources, operational synergies, lowered capital and other resource related risks, is considered as a valid alternative Marketing service system to the Indian Small Scale Sector. For more clarity in understanding the concept and its applicability, Symbiotic Marketing is differentiated from other Interorganizational cooperative systems like Strategic Alliances, Networks, Domesticated Markets, Marketing coalition companies and Hybrid Marketing systems. It can be concluded with a remark that cooperation in the business activities is becoming more and more inevitable and advancement is made towards a point, where determining the scope of interorganisational cooperation, instead of restricting it, even among competitors, is becoming essential.