

THE CELEBRITY EFFECT

In the 21st century, if a producer is asked to name one factor that can guarantee the sale of his products, chances are, he will answer Kylie Jenner.

While traditional factors such as advertising, price and convenience continue to hold their relevance in the market, an unexpected factor that has proven to be among the most impactful in the market is the use of celebrities. Be it through formal celebrity endorsements or through a casual Instagram post or tweet, celebrities have proven that they can influence the market in a significant way.

Recently, the popular reality TV star, Kylie Jenner tweeted to her 26.6 million followers, expressing her opinion against snapchat. Jenner's huge social influences backfired for the company and caused the app to loose over a billion dollars. Of course, there were other factors that contributed to Snapchat's downfall but most experts agree that Jenner's tweet played a significant role.

The fact that celebrities have a huge effect on the audience is well known and companies have been using that to their advantage ever since the 1970s when the word 'brand' itself was not coined. The first instance of a celebrity endorsement can be traced to when a tea set created for Queen Charlotte and became an extremely popular item and came to be known as Queensware.

Interestingly, even the mention of a product by someone who is not even a celebrity gives the product a sales boost. Former President of the United States, Barak Obama, when videotaped singing a line from Al Green's song 'Let's Stay Together' lead to a 490% increase in the sale of the song.

Celebrities impact the market in a way that is unique to them. As impactful as the presence of influencers is, it still remains as just a slice of a multi-channel approach in order to maximize impact on the people of a particular brand.



Rishika Singh (SC B)

NETFLIX TAGGERS

Majority of us spend hours watching Netflix and scrolling endlessly past the unlimited movies and TV shows but do we get paid for this?

Imagine getting paid for watching Netflix and literally living every teenager's fantasy.

The basic job of a "tagger" is to watch movies and TV shows ranging from your ever favorite Harvey Specter starring in Suits to the various international documentaries, and to categorize or "tag" these based on their characteristics. The tags help Netflix suggest additional shows to viewers based on their viewing history. It usually takes an hour after watching the title to complete the tagging process – which involves selecting certain descriptors in a spreadsheet-style online tool. Taggers usually need to work 15 hours a week and hitting the deadline from the cozy confines of your house is very important as heavy competition is expected.

Tagging helps the company in organizing their ever changing catalogue and bringing about even more accurate recommendations for the viewers and also making the search functions more precise. The role of a tagger is mainly ideal for those with a background in film or film history, or those with filmmaking experience.

Reed Hastings, CEO of Netflix recently stated "It's a job that's good enough that they want to stay doing it for a long time." Being a tagger comes with its pros and cons, more of pros to be honest. The popularity of this profession has grown ever since and continues to enthrall the worldwide audience.



Navya Mohan (SC C)

BUSINESS IN SPACE

The private sector is making its way out of the atmosphere as companies take on the tasks of launching astronauts and satellites, building space hotels and yes, even going to Mars. But can the space business be a profitable endeavor or is it just an exciting way for billionaires to live their fantasies?

A Houston based company 'Orion Span' plans to open the "first luxury space hotel" by late 2021. Orion Span's 'Aurora Station' will be a luxurious pill-shaped space hotel where you will have the privilege of spending twelve days with five other people (including two crew members) in the middle of nowhere.

For just \$9.5 million, you get a week-and-a-half long trip where you'll have spectacular views of two things: the Earth and the chilling midnight black of unexplored cosmos. When that gets old (probably after about a day!) you'll be able to spend the next eleven days poking around the rest of the cabin, which measures about 43 feet long by 14 feet wide. Guests will also get the chance to participate in research experiments like growing edible plants and livestream with people back home via high speed wireless internet.

The founder Frank Bunger told Bloomberg: "We want to get people into space because it's the last frontier of our civilization." With all the chaos going on here on earth perhaps going into space could be checked off your bucket list for much-deserved cosmic calm!



BIZARRE BUSINESSES THAT WE DIDN'T KNOW EXISTED

Services and products for just about anything exist nowadays. You never know what random or unconventional business idea is going to take off and resonate with people – and some are more bizarre than others. Here are some of the strangest businesses you did not know existed:

The Beerbelly:

The Beerbelly brings freedom to the beverage! The Beerbelly sells products that help you creatively hide alcoholic beverages, like a flask disguised as a hairbrush and a pouch for holding liquor that conveniently goes around your torso. Some other products are available on the official website as well, like a flask that looks like a bottle of sunscreen. Now you can drink your favorite beverage at the movies, ball-game, concerts, whichever place you like.

Dirty Rotten Flowers:

If you have a good sense of humor and want to shock your enemies with something unusual, Dirty Rotten Flowers is for you. This business sends bouquets of dead, rotting flowers to your not-so-loved ones. This is just the best legal way of showing your pure and overflowing hatred for your nemesis without having to resort to extortion or assassination. "Revenge is best served florally", is their tagline and they do not fail to live up to it.

Maker of Wearable Human Remains:

Leaving the remains of one's loved one in urns and letting them gather dust is not something Michele Palenik approves of. This lady is the owner of Purple Cloud Studio, an art glass studio situated in Land O' Lakes, that creates custom keepsakes using the ashes of beloved family members and pets. She also creates ash-free pieces using recycled pieces of antique glass scavenged from shipwrecks. It may be a business that earns \$62000 per annum but employs only one person.



THE GUPTA SCAM

Recently South Africa's President Jacob Zuma was asked to step down by his party the African National Congress. This resignation was followed by the allegations of Zuma having a corrupt relationship with the members of the Indian born Gupta family and even letting them interfere in ministerial appointments.

The three Gupta brothers relocated to South Africa and set up the family business Sahara Computers which now has a turnover of about 200 million rand. The relationship between them and Zuma can be seen blossoming since the day they met at one of Sahara's annual functions.

Bongi Ngema Zuma, one of the former President's wife used to work with the Gupta's as a communication officer. The family reportedly paid for her 3.8 million Pretoria mansion. Even his daughter, Duduzile and son, Dudzane have worked with the company at some point of time and later resigned. The family has been wielding enormous political influence with instances of offering ministerial appointments and promotion to the deputy finance minister Jonas in the presence of the President in exchange for favours. They have even been accused of involvement in the firing of finance minister Gordhan who accused them of being involved in suspicious transactions worth \$400m.

These ties were revealed in May 2017 with leaked emails showing alleged ties between the government and the family. Later a preservation order by the high court showed that millions worth of public money which was to be used for the small poor farmers was deposited into Atul Gupta's account. Although both sides deny any wrongdoing but these allegations have led to the involuntary resignation of Mr. Zuma and has got the Indian born family into controversies.

Rishita Khandelwal (SC C)

THE PSYCHE BEHIND ADS

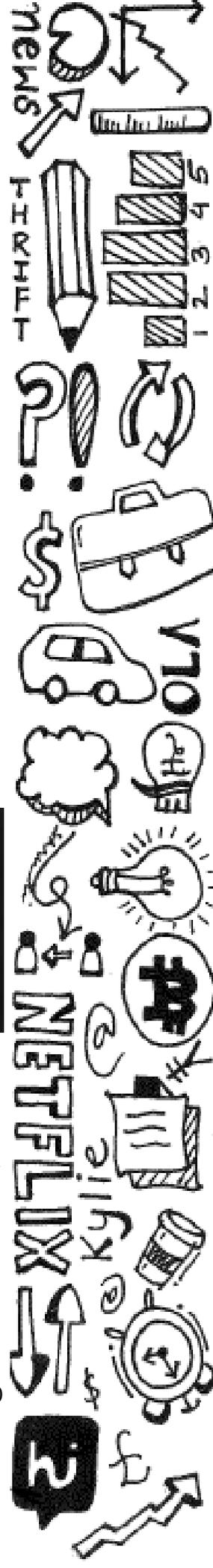
The vast majority of marketers aren't psychologists. But many successful marketers regularly use psychology to appeal to consumers.

When we turn on the television we see smiling faces on television trying to sell us soup, toothpaste, candy, politicians and the other hundred products available in the market. We usually think that advertising functions mostly to tell us about the uses of a product but it does a lot more than that for instance a particular face wash might advertise that it is better than its competitors, that it smells good, and leaves your face feeling fresh.

However, ads also do other things. They take a product and to put it next to things that we already like or make us happy. For example, an ad for face wash may have fresh flowers, friends, and attractive music in it. All of these things make us feel pretty good about ourselves which make us feel us good about the products. This transfer of our feelings from one set of items to another is called 'affective conditioning.'

The problem is that we don't realise that we are allowing advertisers to have access to our mental world. It makes you think about your flaws and instantly provides a solution to correct it. It also emotionally excites your thoughts. or example in a baby product ad they show if you don't use their product you are harming your own baby and in turn make you think that you are not taking care of your child properly. So the next time you see an advertisement you know exactly what it is doing to you.

-Stuti Rai (SC A)



DECONSTRUCTING

A seven-year saga unfolds...

Jeweller Nirav Modi wants to import diamonds to design high-end collection. He approaches PNB and asks for a letter of Undertaking (LOU)



WHAT IS AN LOU?

LOU is a bank guarantee that allows the customer to raise money from another bank's foreign branch in the form of a short term loan.



HOW DOES AN LOU WORK?

It enables the payment of the customer's offshore suppliers in foreign currency. If the importer fails to make the payment on the due date, the bank honours the commitment.



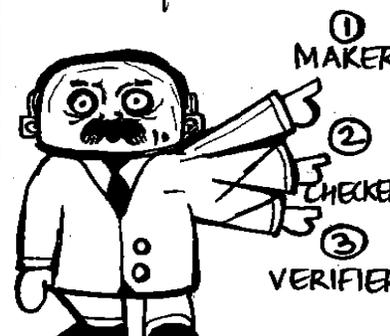
Colluding officials sent SWIFT messages from one of PNB's Mumbai branches to overseas banks offering unauthorised LOUs.

AND... SENT!



Generally, SWIFT messages have to go through a three-layer security system: a maker, a checker and a verifier.

- 1 MAKER
- 2 CHECKER
- 3 VERIFIER



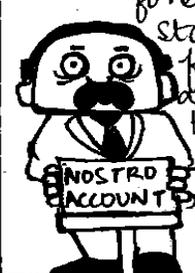
In PNB's case, LOUs had been issued by the branch officials through SWIFT without the approval of the competent authorities and the necessary documents of import.



Overseas bank remits funds to Nostro account of PNB, backed by the LOU.

What is a N.o.s.t.r.o account?

Banks maintain foreign currency stocks in the form of bank accounts with their overseas branches; these are called Nostro accounts.



In the normal course, on the due date, PNB should have remitted the funds to the overseas banks and recovered the amount from Nirav Modi.



Having used the imported stones for his jewellery business, Nirav Modi should have sold his wares and settled dues with PNB.



9 THE PNB SCAM

The LOU is issued by PNB's foreign bank through SWIFT messages.

WHAT IS S.W.I.F.T

It is a messaging network for securely transmitting instructions for all financial transactions through a standardised system of codes.



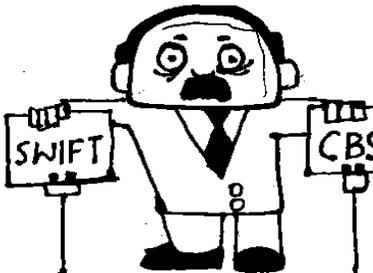
Normally, the bank issuing the LOU asks for a cash margin - usually 100%. In this case, there was no scheduled credit limit and no margin was demanded.



The entries in respect of LOUs issued were not recorded in PNB's core banking system.



PNB's failure to integrate SWIFT and CBS allowed stand-alone messages to be sent out without matching entries in the CBS.



Under RBI guidelines, buyer's credit for import of gems should not exceed 90 days from shipment date; in this case, however, they were rolled over repeatedly.



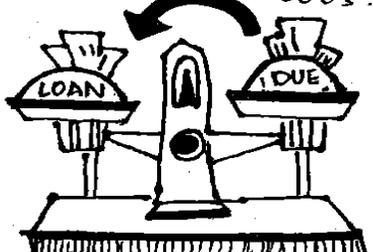
Not knowing Nirav Modi or his credit history the overseas bank extends credit based entirely on PNB's LOU. In case of a default, PNB will have to make good this amount to the overseas bank.



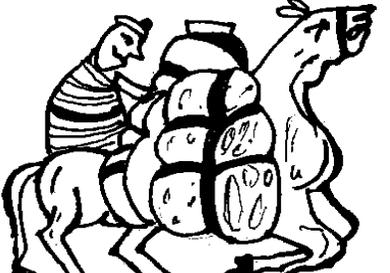
But in the Nirav-PNB case, LOUs kept getting rolled over.



According to reports, the money was not paid back by Nirav Modi. By rolling over the credit he had ensured that subsequent LOUs repaid the dues on the earlier LOUs.



The scam went on and on for a shocking 7 years; 151 LOUs were issued in 2017 alone...



PRODUCTION HELL?

We think of smart cars and the first name that comes to our mind is Tesla. They started producing electric cars about six years ago at their plant in Fremont, California, making a futuristic dream come true. But as we know some dreams turn into a nightmares. Well Tesla's chief executive Elon Musk learnt that the hard way. Tesla had started with a small production number but bumped that number to 100,000 last year. These numbers were easy for Elon Musk to handle. However once he tried to triple that number the quixotic dream turned to a living hell for him and the company.



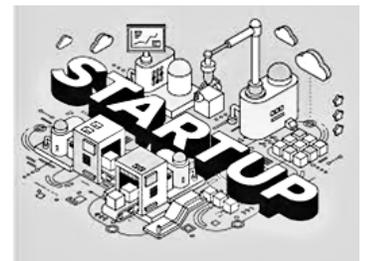
Even though the "production hell" was expected due to the drastic change in the production numbers, it was an unwanted setback to the company's growth. A year along and Musk has yet to surface the hell but he has begun in the right path of change. The increase in production will come as a relief to those patient Tesla enthusiasts on the waiting list though, as will news that the boss has taken over direct control of production. Though, these were positive improvements Tesla has other problems to deal with. Sometime ago, Musk confirmed that a Model X car was involved in a fatal crash which at the time was running the semi-autonomous Autopilot system at the time of collision. This accident drew the attention of Federal investigators. And it issued its largest recall to date, warning about 123,000 Model S drivers that their car's power steering might fail and cause an accident.

However Tesla's current priority is the production of the model 3. Even if Tesla meets its 5,000 Model 3s a week target by this year, the waiting list to actually buy the car is several years long. In Musk's words comparing production hell to Dante Allegeri's Inferno and the nine levels of Hell, "Let's say Level 9 is the worst," Musk said. "We were in Level 9, now we're in Level 8, and I think we're close to exiting Level 8. I thought we'd probably be more like in Level 7 by now."

-Mohini Chandra (SC C)

A START TO A MARATHON

Snapchat, Flipkart, Paytm and Ola what do they all have in common – creators with new concepts addressing the local problems, varied knowledge of the untapped market and the purpose of satisfying the need of the masses. Startups are new business ideas or concepts for products that people often don't know they need. They are an investment into the future as they encourage the youth to implement their ideas and contribute to the growth of the economy. Startup companies are the most dynamic economic organizations on the market, since they provide additional dynamics and competitiveness to any economic system.



India needs 10 million jobs a year and reports show that since 1977 startups create 3 million jobs annually and unlike established companies do so without any job destruction. On the contrary established industries have suffered net job losses during economic recessions unlike the startups which experience steady growth and create more jobs than they lose. The key criteria for the investors is whether the concept addresses a large market or not. The current government, has understood the importance of startups for employment and economic growth and has launched 'The Start-up India, Stand up India mission'.

India is a home to almost 3100 startups starting per year just behind the US, UK, and Israel and if the growth continues at the same pace then it is expected that Indian tech startups may generate almost 2.5 lakh jobs in the next five years. It is anticipated that by 2020 India will be a home to 112 million working population as compared to that of 94 million workers of China despite a perception that the ecosystem in the country has slowed down in the last year.

-Anurati Grag (Pre SC B)

BANKING ON SWIFT

SWIFT, or the Society for Worldwide Interbank Financial Telecommunication, is the world's largest electronic payment messaging system. SWIFT is just a bank-to-bank messaging system which supplies a standardized language that institutions use to communicate payment instructions and other information to each other. Today, SWIFT's services are used and trusted by more than 11,000 financial institutions sending more than 25 million messages per day in more than 200 countries and territories around the world. For Example- A coffee retailer in London can send money to the coffee vendor in Colombia by providing the right account number and corresponding bank SWIFT code. SWIFT sends a message code to release the funds from the retailer's account in London and to be received in the vendor's account.



Business to business wire transfers through banks have always been slow and costly despite technological advances which have seen other areas in the payments industry progress. In today's digital world, when you make a cross-border payment you expect the service to be delivered at the touch of a button. Today, SWIFT GPI or Global Payment Innovation is transforming the cross-border payment experience entirely by enabling you to credit your end beneficiary in minutes or even seconds, allowing you to track your payment from end-to-end, like a parcel. In effect, the first phase of SWIFT GPI seeks to provide faster payments by making transferred funds available provided they are transferred before SWIFT's cut-off point. It uses real-time tracking, end-to-end view of payments and enables you to know when the payment has reached its destination. **The second phase** will feature the immediate stopping of a payment, the idea is to give banks more control over cases of fraud or duplicate payments by allowing building in the ability of cancelling a payment anywhere in the payment chain.

The SWIFT Global Payments Innovation or GPI is the largest change in cross-border payments over the last 30 years and is the new standard. Hundreds of thousands of cross-border payments are today being sent using the new GPI standard, and payments are made quickly, typically within minutes, even seconds. It is set to be the standard for all cross-border payments made on the SWIFT network by the end of 2020.

With wider adoption of SWIFT GPI, it may become the norm for international remittance, rather than the exception.

-Lakshita Agarwal (SC C)

THE FODDER SCAM

Lalu Prasad Yadav the (erstwhile) indomitable leader of the Rashtriya Janta Dal (RJD) seems to have bitten off more than he can chew with the all-too-famous Fodder Scam.

The scam that spiraled into a multi-million scandal began with the small scale falsification of transactions related to syphoning of government funds in the name of buying livestock and supplying fodder. Basically, in the name of non-existent livestock, thousands and thousands of rupees worth of fake bills were made out to be paid to suppliers for fodder, medicines and animal husbandry equipment.



It started when TN Chaturvedi, the then comptroller and auditor general of India, found something amiss when he noticed that the Bihar treasury inevitably submitted their monthly accounts later than the due date. In 1996 there was a raid at AHD and documents confirming illegal withdrawals were discovered. Lalu was convicted alongside Mishra and 45 others for being involved in the withdrawal of 377 million from the Chaibasa Treasury in 2013 and disqualified as a Lok Sabha member and debarred from contesting elections in one of the six cases levied against him.

In the second case, CBI court convicted Lalu in January 2018 followed by the third case when Mishra was also convicted alongside Lalu. Both were awarded an additional 5 years in jail and fined 1 million.

In March 2018, Lalu Prasad was sentenced, in the fourth fodder scam, to 14 years in jail and fined 6 million. This is by far the severest sentence doled out to the 69 year old RJD chief so far.

-Tanya Garg (Pre SC A)

THUNDER INSIDE A BOTTLE

Thums up , a carbonated beverage brand owned by Coca Cola Co .,is the largest cola brand in India . With Rs.5000 crore in annual sales , the company said that it is aiming to increase to \$1 billion (about Rs. 6500 crore) in two years . But coke has a complicated history with Thums up .

It was launched by Parle Agro , a Mumbai based consumer goods company ,in 1977. The same year Coke and Pepsi pulled out of India after the government introduced new foreign ownership rules that would have forced them to sell 60% of their business to local partners . Parle Agro promptly launched a coke alternative – though with “an orange base and more fizz” .

In 1993 , when Coca Cola returned to India , Thums up had about 85% of the market . Parle was catered by 62 bottlers across India , out of which Parle owned only 4 bottlers while the rest (58 bottlers) were owned by franchises . Due to Ramesh Chauhan’s (owner of Parle) attitude they preferred working for foreign brands like coke .This made it easy for Coca Cola to switch Parle’s top bottlers to Coca Cola. Chauhan saw no point in fighting with a multinational like Coca Cola. Although unwillingly, he decided to sell these brands to Coca Cola. In the first few years of owning the brand Coca Cola tried it’s best to kill Thums up . They immediately reduced the advertisement of Thums up .

At this time Coca Cola was the leader all over the world but in India it was trailing behind Pepsi . . This was partly because Pepsi was betting big on cricket and Bollywood for marketing . In 1996 ,Coca Cola spent lots of money and finally defeated Pepsi by becoming the official sponsor of the 1996 Cricket World Cup . Pepsi turned this defeat to its advantage by creating a new campaign called “Nothing Official About It “ . The campaign implied that nobody cares about which is the official drink because everyone wants only Pepsi .In the absence of Thums up most of its fans switched to Pepsi , due to Pepsi’s aggressive marketing .That year when Coca Cola realized that by killing Thums up they were giving a significant marketshare to Pepsi . Before it was too late, Coca Cola decided to revive Thums up in 1997 and the drink returned with a thunder .



Thums up is going to become the first Indian beverage to be a \$ 1 billion brand .

The journey of this beverage brand shows that it truly is thunder inside a bottle .



-Shreshtvi Havelia (Pre SC C)

FACTS ABOUT THE BIGGEST COMPANIES

Here are a few things you probably didn't know about companies you know and love:

- 1. Half of the stake in Domino's Pizza was once traded for a used car**-Domino's was founded by two brothers, Tom & James Monaghan, who bought a pizza restaurant called DomiNick's for \$500. Early on, James traded 50% of the ownership of the company to his brother for a used Volkswagen Beetle.
- 2. The first iteration of Ben & Jerry's was a bagel company**-Ben and Jerry were actually planning on founding a bagel company. However, the equipment was so expensive they switched tracks, instead investing \$5 in a correspondence course on ice cream making from Pennsylvania State University.
- 3. Smirnoff once branded itself as 'white whiskey'**-Smirnoff was originally a Russian company that changed hands with American ones in 1939. At the time, Americans were huge whiskey drinkers and knew little about vodka. Enter an inspired marketing idea: Smirnoff branded itself as "white whiskey," one of the advantages of which was that it had "no taste, no smell."
- 4. The bite in Apple's logo was added so it wouldn't be confused with a cherry**-Ever wonder why the Apple's apple has a bite taken out of it? The original logo included Isaac Newton perching under an apple tree. That was eventually switched to the one we know today, a simple apple. The bite was added to the silhouette after the fact to distinguish the fruit from a cherry.

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