

SCOPE:

Marketing is the soul of every business. Without marketing no one can survive in their business. Principles of marketing practical subject provide the on hand knowledge to the students on the current marketing scenario. This helps them to acquire the sufficient knowledge in the marketing field.

OBJECTIVES:

- Helps the students to get in-depth knowledge on Marketing Segmentation
- Helps to know about the proper Distribution channels
- Helps to identify the media of Advertisement

List of Practical

1. Prepare and Present the Development of Market Segmentation for any FMGC products
2. Give a Presentation of the Selection of distribution channel for Baby Product
3. Present in which media of Advertisement will you select for Cosmetic products
4. How to develop online marketing for apparels? Present and Defend
5. Give a Brief Account on Social Marketing
6. Give a Presentation on the following
 - i. Green Marketing
 - ii. Rural Marketing
 - iii. Service Marketing
7. Design a presentation on Consumer Exploitation - Food Products
8. Discuss in Group – “The Consumer Movements in India”

Note: Record note to be submitted and Viva-voce will be conducted.

Suggested Readings:**Text Book:**

1. Philip Kotler. (2003). *Marketing Management*. New Delhi: Prentice Hall of India Pvt. Ltd

Reference Books :

1. Michael, J. Etzel, Bruce J. Walker, William J Stanton and Ajay Pandit. *Principles Marketing* [13th edition]. New Delhi, Pearson Education.
2. CB Gupta and Dr. Rajan Nair (2014). *Marketing Management*. New Delhi, Sultan Chand Sons.
3. William D. Perreault, and McCarthy, E. Jerome (2005), *Basic Marketing*. New Delhi, Pearson Education
4. Neeru Kapoor (2005). *Principles of Marketing*. New Delhi: Prentice Hall of India Pvt. Ltd
5. Rajendra Maheshwari (2010) *Principles of Marketing* [2nd Edition]. New Delhi, International Book House.

○INTRODUCTION ABOUT COMPANY



- ❑ Lipton was created in 1871.
- ❑ CREATOR: Thomas Lipton.
- ❑ AGE :129 years.
- ❑ SLOGAN:"Direct From Garden To Tea Pots"
- ❑ Thomas opened his own shop.
- ❑ After 1880's business grew up to 200 outlets.
- ❑ Today Lipton covers more than 15% of total world market of tea.

MARKETING MIX

PRODUCT

Pleasure

- ✓ Taste
- ✓ Aroma
- ✓ Flavor
- ✓ Delight and freshness

CONVENIENCE & HEALTH

- ✓ Availability
- ✓ Quality Available
- ✓ Physiological Functional Claims



7p's



Lipton

TYPES OF PRODUCTS

- ❖ **Lipton green tea**
- ❖ **Lipton ice tea**
- ❖ **Lipton black tea**
- ❖ **Lipton white tea**
- ❖ **Lipton herbal tea**



Place:



- Lipton Yellow label has distribution network across Pakistan.
- Its popularity in Pakistan make it No1 Brand in country.
- It is available at more than 180000 outlets in Pakistan
- Lipton has its Head quarter in Karachi and 650 distribution offices all over the Pakistan



Sales Promotion:

- Lipton tea is advertising itself on TV channels, print media and social network giving promotion like the chance of winning Car through lucky draw
- Lipton does its promotion done in following ways advertisement
- Personnel selling
- Sale promotion
- Internet marketing
- Publicity

Geographic:



- The market of Lipton is segmented according to geographic criteria such as:
- Nations
- States
- regions,
- Countries
- Cities
- Neighborhoods.

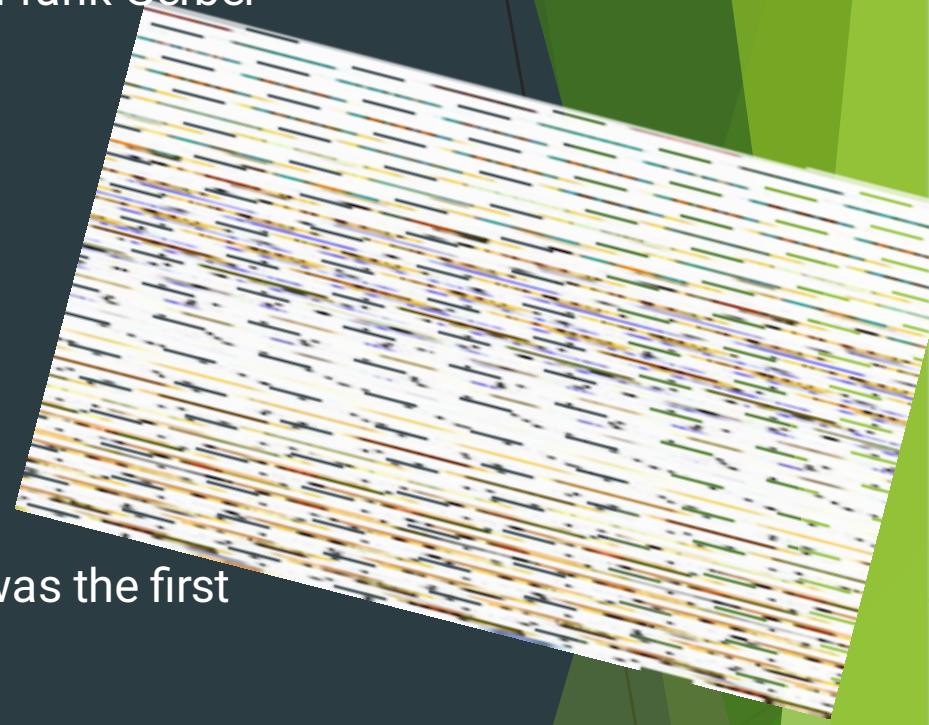
Demographic Target:

- All age groups
- Lower, Middle and High income class
- Lower-Middle class



Nature of firm

- ❑ 1927 – Founded in Fremont, Michigan by Daniel Frank Gerber
- ❑ 1928 – Developed five products
 - ❑ Beef vegetable soup
 - ❑ Strained peas
 - ❑ Prunes
 - ❑ Carrots
 - ❑ Spinach
- ❑ Six months later Gerber went nationwide, which was the first nationally advertised baby food in grocery stores.
- ❑ 1939 - Cereal was added
- ❑ 1990 - Gerber graduates were added
- ❑ 2007 - Nestle acquired Gerber which improved the baby food industry by having the world's leading experts in childhood nutrition working together.
- ❑ 2011, Gerber Good Start formula was introduced which was the first formula to meet FDA criteria for qualified health claim.



Current Marketing Strategy/ Objectives

- ☒ Direct Marketing
 - ☒ Emails
 - ☒ Mailings from existing database
- ☒ Mass Marketing
 - ☒ Television and newspaper ads
 - ☒ Coupons and free samples
- ☒ Emotion-Based Marketing
 - ☒ Colors to convey calming and purity
 - ☒ Pictures of mothers with babies
- ☒ Traditional Marketing
 - ☒ Reasons why our product is better



Distribution Strategy



What channel(s)

Physical distribution facilities

Location

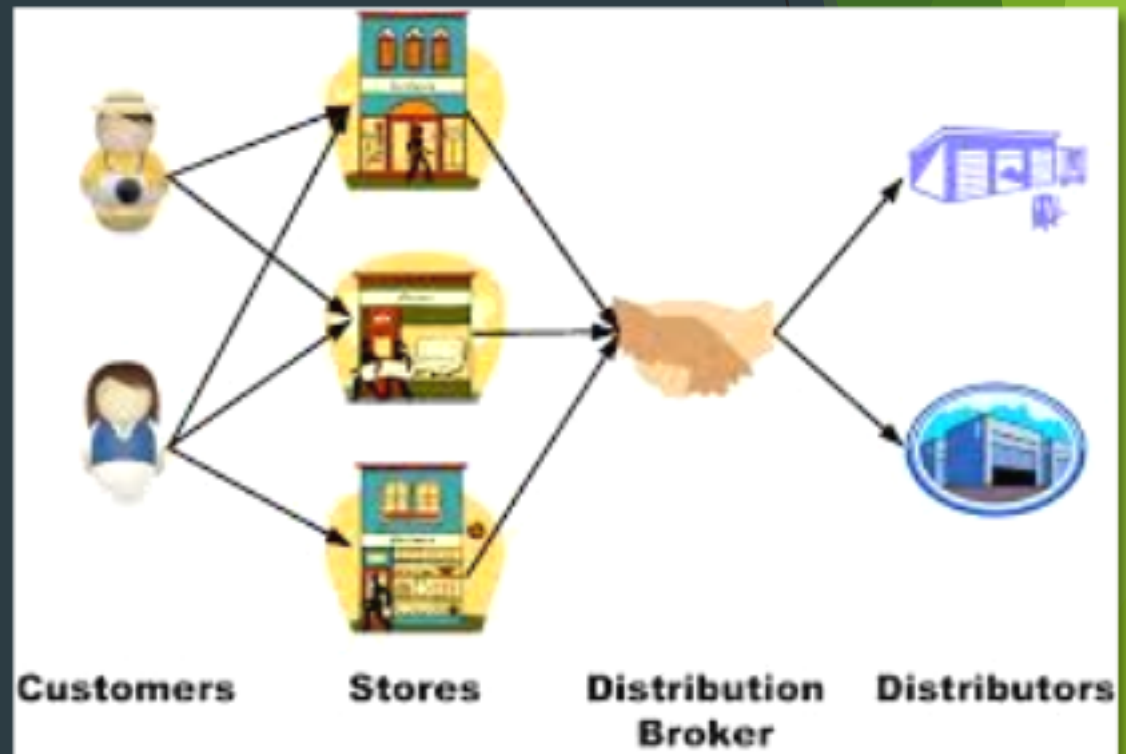
Other characteristics

What channel(s)

We are going to use a multiple distribution channel strategy.

This will include:

- ☒ Wholesalers
- ☒ Retailers
- ☒ Consumers
 - ☒ Internet
 - ☒ E-Commerce Websites



Physical distribution facilities



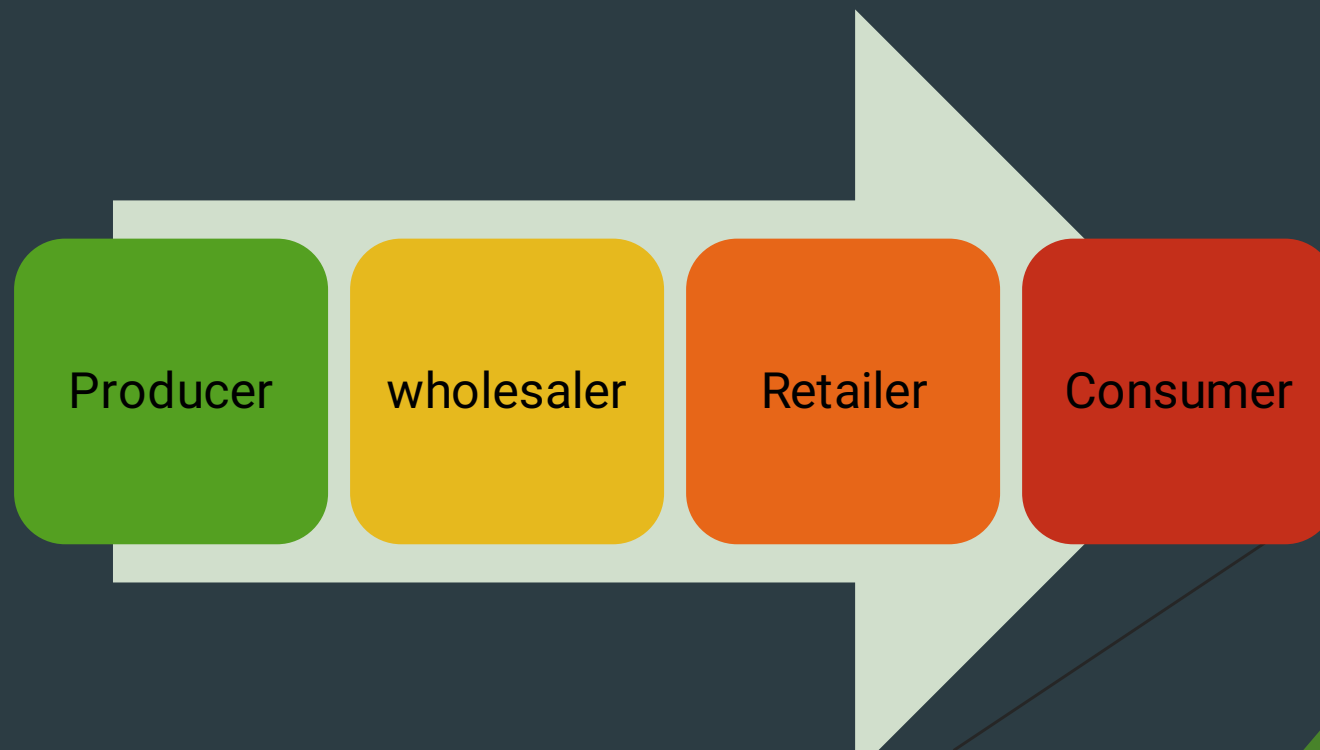
We need to make sure our product is sold in:

- Convenience stores
- Drug stores
- Grocery stores
- ☒ Big Box stores
- ☒ Specialty Stores (Babies R Us)



Other characteristics

- ⌘ We are using a distribution channel with two intermediary. We sell and deliver larger quantities of our Go-Baby products directly to the wholesaler who then breaks up and sells to the retailer who sells to the consumer.



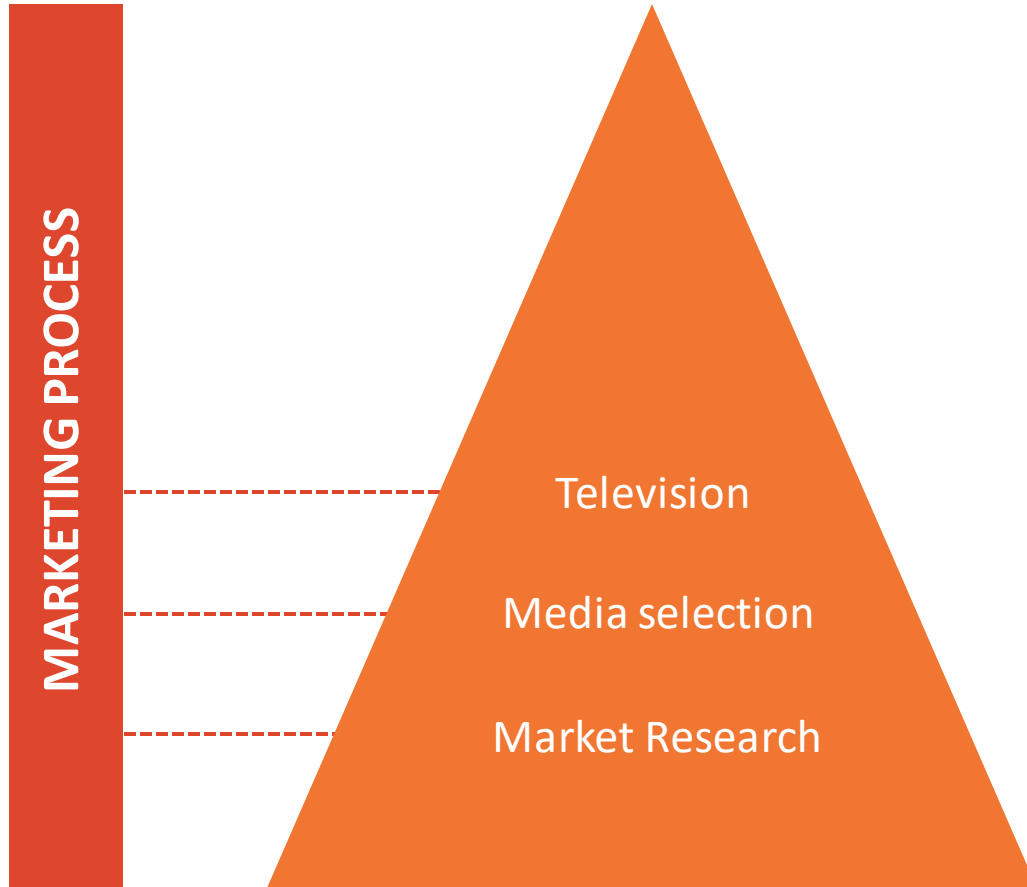
Advertising media selection

- The process of choosing the most efficient media for an advertising campaign.
- To evaluate media efficiency, planners consider a range of factors including: the required coverage and number of exposures in a target audience; the
- Relative cost of the media advertising and the media environment.

Types of advertising media

- ❖ Television advertising
- ❖ Radio advertising
- ❖ Print publications advertising
- ❖ Internet advertising
- ❖ Out-of-home media
- ❖ Mobile device advertising

marketing strategy



Television advertising

- Television advertising offers the benefit of reaching large numbers in a single exposure. The reason for having large numbers is that this advertising method can reach the household-level customers.
- Yet because it is a mass medium capable of being seen by nearly anyone, television lacks the ability to deliver an advertisement to highly targeted customers compared to other media outlets.

- Television networks are attempting to improve their targeting efforts.
- In particular, networks operating in the pay-to-access arena, such as those with channels on cable and satellite television, are introducing more narrowly themed programming (i.e., TV shows geared to specific interest groups) designed to appeal to selective audiences

- However, television remains an option that is best for products that targeted to a broad market.
- The geographic scope of television advertising may vary, from local or regional advertising through to national coverage, depending on whether public broadcasting or subscriber-based cable services are used.

What is Online Marketing?

- Online Marketing is the marketing of products or services over the Internet & it ties together creative and technical aspects of the Internet, including design, development, advertising and sale
- Online marketing is used by companies selling goods and services directly to consumers as well as those who operate on a business to business model

Internet User By Country



Methods and Channels

Types of online marketing are :

Email Marketing

Blogging

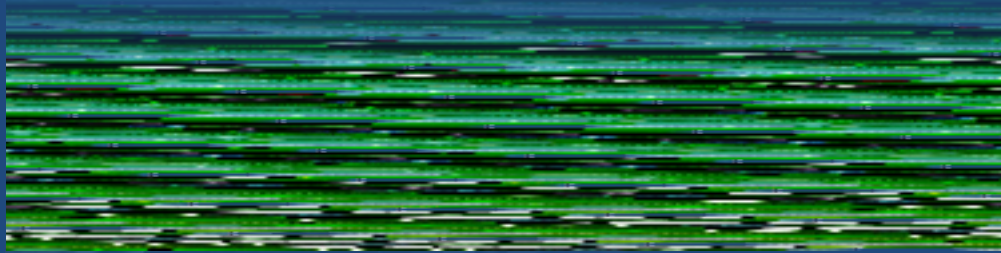
Pay per click (PPC) marketing,

Social media marketing,

Digital Marketing

Viral Marketing

Email Marketing



- Email marketing is promoting products through the use of email
- There are 2 main ingredients to an effective email marketing campaign
- They are to build a large list of people you can email and to write great emails
- The emails should be packed with free value and they should move people to buy what you're trying to sell



Blogging

- Yet another but important and crucial marketing trend that has brought a huge aberration in our society
- Blogger was launched in 1999 by three friends. Blogging as an ardent marketing tool has really blossomed in the last some years
- Businesses, companies and even superstar now use blogging system for huge promotion



DIGITAL MARKETING

- With regards to the Internet, this is the promoting of brands using all forms of online digital advertising channels to reach consumers
- This includes video channels, Internet Radio, mobile phones, display or banner ads, digital outdoors, and any other form of digital media.

Advantages Of online marketing

- One to one approach
- Cater to specific interests
- Different content by choice
- Geo- marketing
- Relatively inexpensive
- Global business
- Measuring statistics is easy
- Accountability

What is social marketing?

One definition:

- Purpose: **change behavior**
- Focus on target audiences
- Help those most at-risk and/or in-need
- Borrows best practices from consumer marketing
- Incorporates 4 Ps of Marketing

Steps in social marketing

1. Audience listening
 - Barriers & Bridges
 - “Competition”
 - Segmentation & prioritization
2. Planning
 - Actions??
 - Objectives
3. Pre-test
4. Implement
5. Evaluate

Planning

- Actions?
 - What is the target audience being asked to do?
- Objectives?
 - Change X audience by Y amount by Z date

Stages of Behaviour change

- **Pre-contemplation:**
 - Unaware
 - “does not matter to me”
- **Contemplation**—“matters to me” research
- **Trial**—experiment with solution(s)
- **Maintenance**—routine activity
- **Advocacy**—help others “make the change”

Social marketing vs commercial marketing

- Takes longer to change behavior
- Requires different/additional measures of success
- Typically has far fewer resources relative to “competition”

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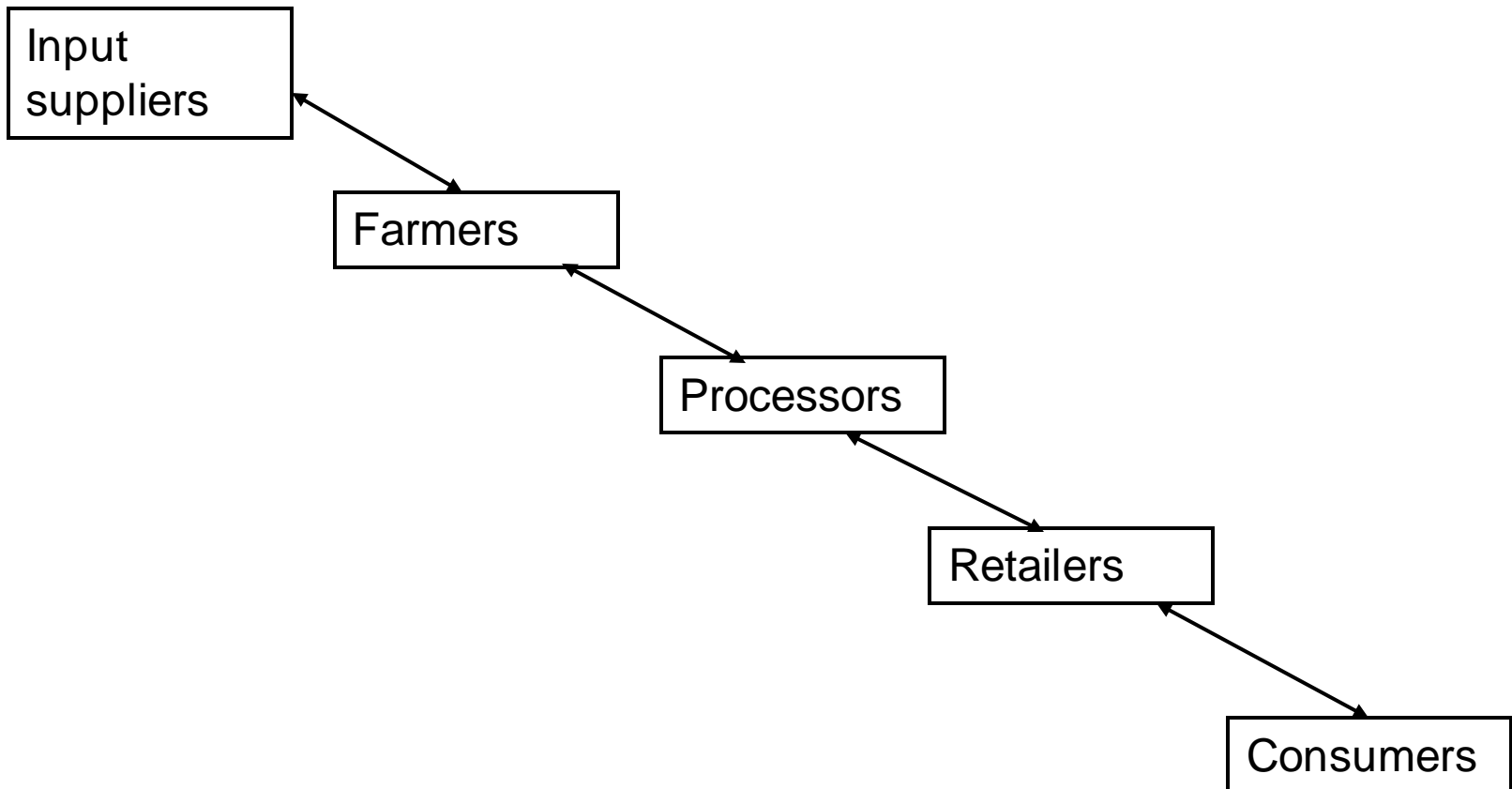
Social marketing vs Traditional marketing

- Audience first
 - Based on research, addresses wants/needs compared to instructing behaviors
- Goes beyond strictly information distribution such as PSAs
 - Partnerships
 - Public relations

Why social marketing matters

- Brings the audience that needs to take action into the process
 - Audience-centric=audience driven=audience relevant
 - Gets attention
 - Is understandable
 - Is memorable
 - Incites action
- Enables efficient and meaningful prioritizations
 - “low-hanging fruit”
 - “early adopters”

The food chain



objectives

- What are the main trends in the food chain at consumer, retailing, manufacturing and input supply levels?
- We focus on changes in market structure and implications for market power
 - The growth in horizontal concentration
 - Changes in vertical coordination and growth of retail buyer power

Consumer trends

- Drive for more convenience and added value foods, eating away from home
 - Demographic and lifestyle changes
 - Women working outside the home
 - Food consumption more a lifestyle choice
- Nutrition and health issues
 - Positive (functional foods)
 - Negative (obesity)

Growing concentration in food processing

- Traditional concentration concern is with food processors as sellers
- But increasingly it is their role of buyers which is coming under scrutiny
- Agricultural commodity markets will be narrower, and thus concentration higher
 - Geography: farm products are bulky and transport costs are high
 - Perishability of farm products: producers cannot respond to market power by threatening to withhold products until price improves

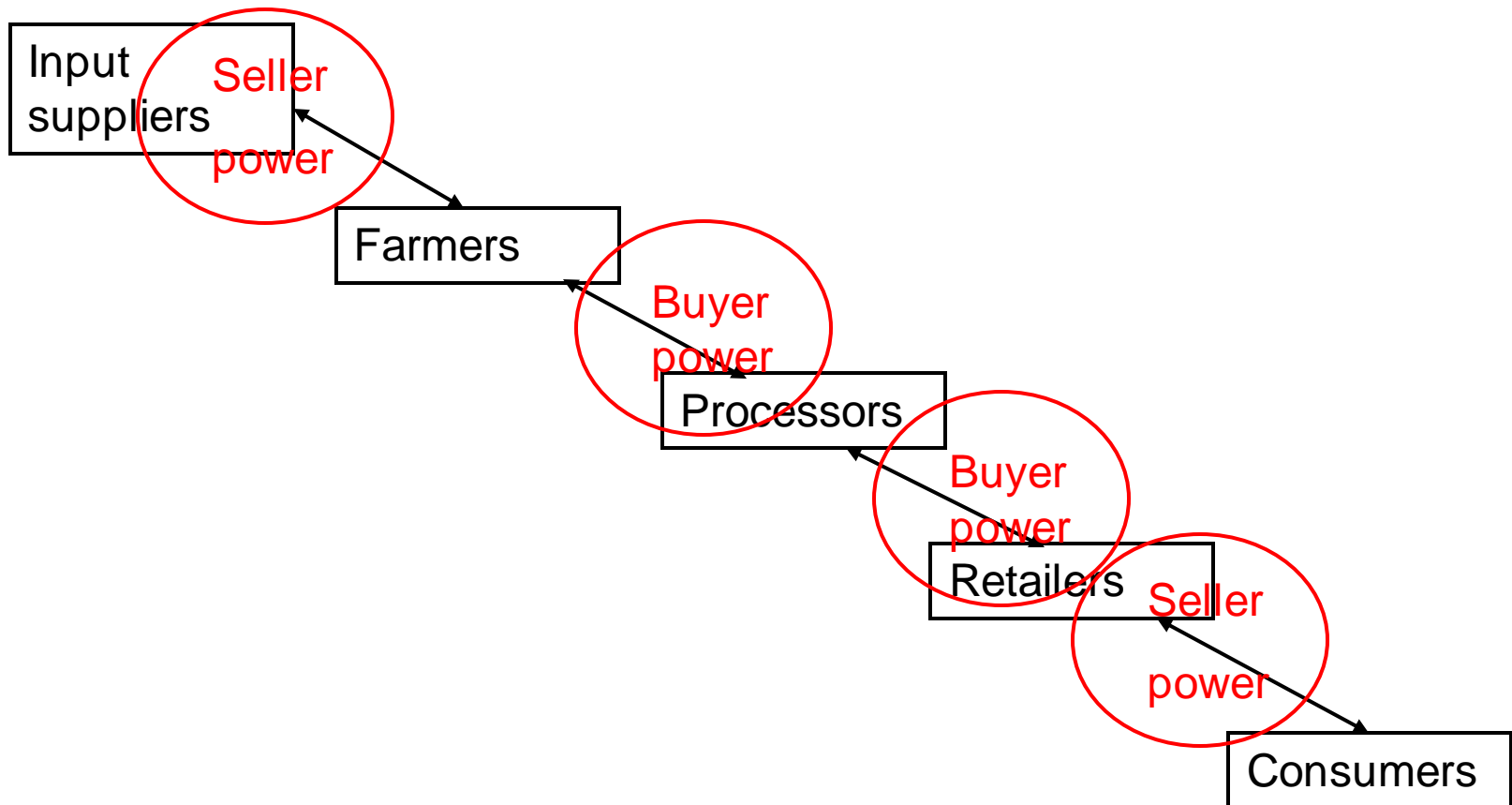
Growing concentration at retail level

- once largely fragmented, consisting largely of independent retailers
- even though there is variation in levels of retail concentration across EU member states, consolidation has now occurred all countries (Dobson)
- major retailers have also been expanding internationally (Wal-Mart). Top ten retailers in the EU now account for over 30% of sales of all food and daily goods.
- tables do not give full indication of the concentration facing suppliers in terms of retail procurement markets because of role of buying groups in many European countries.
- when cross border alliances between buying groups are taken into account, adding the 5 largest retailers and the five largest alliances means that the top ten buying group account for just over 50% of all EU food sales (Dobson).

Changing nature of the food supply chain

- nature of the supply chain has changed considerably. Traditionally manufacturers have driven distribution by developing brands and then using a network of wholesalers and retailers to distribute goods to consumers;
- now large retailers control of shelf space and limited retail competition offering few alternatives for suppliers means they are 'gatekeepers' to consumers. Gives them the potential power to extract more favourable terms.

Market power in the food chain



Concerns raised by concentration

- Market power reduces consumer welfare
- Farmers are at greater risk of exploitation in the prices they pay or receive
- Traditional price discovery fails under consolidation and vertical integration
- Contract producers are vulnerable to arbitrary behaviour by 'integrators'
- Should we be concerned about the threat of market power from growing concentration?

Consumer exploitation

- Consumer Exploitation is a condition in which a buyer is deceived or provided incorrect information by the producers. There are a number of ways, followed by the sellers to exploit consumers, for instance, adulteration, it is a way through which the seller mixes useless elements in the commodities that result in the heavy weight of the commodity. Besides this, some other measures such as under measurement, black marketing and substandard quality, are also adopted by the sellers

CAUSE OF CONSUMER EXPLOITATION

- **Illiteracy and Ignorance:** Consumers in India are mostly illiterate and ignorant
- **Unorganized Consumers:** In India consumers are widely dispersed and are not united.
- **Spurious Goods:** There is increasing supply of duplicate products
- **Deceptive Advertising:** Some businessmen give misleading information about quality, safety and utility of products.
- **Malpractices of Businessmen:** Fraudulent, unethical and monopolistic trade practices on the part of businessmen lead to exploitation of consumers.

Factors Leading To Consumer Exploitation

- Deceptive and misleading techniques
- False warranties or guarantees
- Non Availability of goods
- Adulteration
- Hoarding
- Black marketing



FORMS OF CONSUMER EXPLOITATION

- The following are the forms of consumer exploitation :-
- 1) Underweight and Under measures.
- 2) High Prices.
- 3) Sub Standard Quality.
- 4) Duplicate Articles.
- 5) Rough Behavior and undue conditions.
- 6) Lack of safety devices.
- 7) Poor or inadequate after sales service.

Consumer Movements



Smith wrote '*Wealth of Nations*' in 1776. He said that consumers will make choices that give them the greatest amount of satisfaction. He was a proponent of the invisible hand (minimizing government intervention in the place).

Consumer Protection Ancients Time

- Kautilya's Arthasasthra
- Sales and Price of commodities were organized.
- Profit and time fixed for Traders.
- Super intendant of Commerce was to supervise weight and measure.
- Trader who sell inferior goods as a superior goods will be fined.

Development Of Cooperatives

- First consumer cooperative was started in Great Britain in the year 1844.
- First consumer cooperative store in India came up in Madras in the year 1904.
- Helps in successfully halting the abuse of monopolies & in improving the condition of the lower-income classes.
- They have undertaken consumer education, elementary product improvement etc.
- On the other side , movement activities have been directed towards modification of business practices.

Consumer Movements In The Modern Period

- Consumer movement in the present form came in 60's in India with the basic objectives
 - To provide opportunity to the consumers to buy intelligently.
 - Recognition of reasonable consumer requests
 - Protection against fraud, misrepresentation, unsanitary & unjust product.
 - Participation of consumer representations in management, of aspect affecting consumers.
 - Promoting consumer interest.



Reason for Consumer Movement In India

In India, the basic reasons for the consumers movement have been:

- Shortage of consumer products; inflation of early 1970's
- Adulteration and the Black Market.
- Lack of product choices due to lack of development in technology
- Thrust of consumer movement in India has been on availability, purity and prices

Important Consumer Organisations

- Passengers And Traffic Relief Association (PATRA)
- Women Graduate Union (WGU) .
- Triplicane Urban Cooperative Store.
- Indian Association of Consumers (IAC).
- Consumer Guidance Society of India (CGSI).
- Karnataka Consumer Services Society (KCSS).
- Visaka Consumer Council (VCC).

Factors Stimulated The Consumer Movement

The factors which stimulated the consumer movement in recent years are:

- ✓ Increasing consumer awareness
- ✓ Declining quality of goods and services
- ✓ Increasing consumer expectations because of consumer education
- ✓ Influence of the pioneers and leaders of the consumer movement
- ✓ Organized effort through consumer societies

Challenges Ahead/Task for The Future

- Making the Consumer Protection Act effective is the first challenges facing the consumer movement in India.
- Consumer movement needs to be extremely alert regarding hazardous products entering the country in the wake of liberalization.
- There are now about **1000** organizations of consumers in existence, but all the cities and towns have not been covered.
- Lastly, the concern of consumer movement should also be to discourage racism, communalism, violence & conspicuous consumption.