

Customer satisfaction on marketing mix of lux soap assignment

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LUG revenue is estimated at ?? 1 billion, with market shares spread out to more than 100 countries across the globe. Today, LUG is the market leader in several countries including Pakistan, Brazil, India, Thailand and South Africa. Developed by Milliner, LUG (soap) is now headquartered in Singapore. LUG launched the world's first mass market beauty bar, "made like the costliest French soap". Since then, LUG has been associated with over 400 of the world's most glamorous actresses from Hollywood legends like Elizabeth Taylor, Audrey Hepburn, and Grace Kelly, to Plywood Royalties such as Cassowary Aria and Strain Skiff.

Origins and history: The brand was founded by the Lever Brothers (today known as Milliner) in 1899. The name changed from "Sunlight Flakes" to "LUG" in 1900, a Latin word for "light" and suggestive of "luxury." LUG toilet soap was launched in the United States in 1925 and in the United Kingdom in 1928. Subsequently, LUG soap has been marketed in several forms, including hand wash, shower gel and cream bath soap. Early beginnings: Lull's early advertising campaigns aimed to educate users about its credentials as a laundry product and appeared in magazines such as Ladies Home Journal.

By the early sass, it was a hugely successful brand and in 1924, the Lever Brothers conducted a contest that led them to a very interesting finding: women were using LUG as toilet soap. Building beauty soap credentials: Introduced in the United States in 1924, LUG became the world's first mass market toilet soap with the tagging "made as fine as French Soap". In the first 2 years of launch, LUG concentrated on building its beauty soap

credentials. Advertisements offered consumers “ beauty soap made in the French method” at an affordable price, with the promise of smooth skin.

Made with fine-texture, rich in fragrance, and manufactured using a method created in France, the first LUG toilet soap was sold for 10 cents apiece.

1928-1940: 9 out of 10 stars: This era saw key launches of LUG in the I-J, India, Argentina and Thailand. The brand concentrated on building its association with the increasingly popular movie world, focusing more on movie stars and their roles rather than on the product. In 1929, advertising featured 26 of the biggest female stars of the day, creating a huge impact liking about the importance of smooth and youthful skin.

This pioneered the trend of celebrity product endorsements. The series of print ads had stars talking about preserving youthful skin. LUG also launched campaigns featuring interviews with Stars and Close Ups of Stars, bringing to life the ‘ 9 out of 10’ idea. Ass & ass: Romancing the consumer: Using movie star as role models, Lull’s strategy was to build relevance by looking at beauty through the consumer’s eyes. While still retaining the star element, the focus shifted to the consumer and the role of the brand in her life.

Advertising immemorial showed ordinary looking women with direct references to stars, such as Deanna Durbin. Ass: Romancing the brand: The ass’s saw a shift in advertising to product stories and the romanticizes of brand through its “ censorial & emotional” dimensions. This was the era of the film star feeling and the ‘ Golden LUG’, featuring stars such as Sandra Dee, Diana Rig and Samaritan Egger. The bathing ritual, the fantasy element that has been the imagery of LUG was created in this era. The brand also

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moved forward with launching LUG in the Middle East, entering a more conservative market. As: Dimensionality tatty: Reflecting the shift in beauty trends in the ass, the LUG stars stepped down from their pedestals and were portrayed as multi-faceted women with natural, wholesome beauty that the ordinary consumer could relate and aspire to. The executions were more of 'a day in the life' of the stars with focus on their 'natural beauty. Stars included Brigit Abroad and Natalie Wood. Ass: Owning the category space: Establishing itself as THE beauty soap for stars and beautiful women, the Ass emphasized the importance of skin care – the first step to beauty. LUG was launched in China at this time.

Sophia Loren, Racquet Welch and Cheryl Laid were some famous celebrities used during this time. In India actresses Hem Malign, Parvenu Baby, Madrid Dixie, endorsed LUG soap. Ass – Early sass: Advanced skin benefits: In the Ass, LUG moved from generic beauty benefits to focus on specific benefits and transformation. More emphasis on functionality and variant associations with different skin types as well as mention of ingredients. The communication was far more regional specific and localized, using stars like Mall Madder and Deborah Bloch. This period launched product brand extensions Shower Cream and Gels and LUG

Super Rich Shampoo in Japan and China. sass: Beyond movie stars: In early 2000, the focus shifted from specific skin benefits to a stronger emotional space. The brand provided the link between the aspiration role models and real life with the campaign, 'LUG' brings out the star in you'. The benefit was now more than just beauty, it was also about the confidence that comes

from beautiful skin. In 2005, LUG encouraged women to celebrate and indulge their femininity with the “ Play with Beauty’ philosophy, with stars like Cassowary Rat. The brand also connected with consumers to take a more ‘ active’ stance on beauty.

From 2008, building off the brand’s root strengths, focus has shifted to beauty (vs.. Femininity), appealing to that shouldn’t be denied’ and showcases the pleasure that every woman enjoys from using her beauty, encapsulating that idea in a simple phrase: Declare your beauty. Today, LUG products are manufactured at 71 locations with more than 2000 suppliers and associates providing the raw materials. It has key markets in Pakistan, Brazil, China, Bangladesh and South Africa, and is a market leader in India (for soap bars), Pakistan, Brazil, Saudi Arabia (for soap bars), Bangladesh, Thailand and Vietnam. . Vision, mission, goals and objectives: LUG began its story in 1924 as the first mass marketed beauty soap. Now sold in over 100 countries, it is the most recognizable soap brand in the world – bringing a combination of fun, pleasure and comforts to women’s beauty routines the world over. Since its start in 1924 as the first mass marketed beauty soap, LUG has made its way to over 100 countries across the globe and is now the most recognizable soap brand in the world. During this long Journey, some of the world’s most talented and beautiful women have become a part of Lull’s history as brand ambassadors.

LUG combines exquisite fragrances with the most exotic ingredients to give a truly unique bathing experience. VISION It is the vision of LUG to give women that million dollar feelings every time they use a LUG product, be it

one of their fragrant beauty soaps or refreshing body washes. LUG believes beauty doesn't have to be a chore and brings a combination of fun, pleasure and comfort to women's beauty routines all over the world. **MISSION** The mission of LUG is to embrace consumers' new expectation, to maintain good governance, product quality and long experience of working with communities.

Their totality mission will focus brands on meeting consumer needs arising from the biggest issues around the world today – ageing populations, arbitration, changing diets and lifestyles. They see growing consumer need for: * A healthy lifestyle * More variety, quality, taste and enjoyment * Time, as an increasingly precious commodity * Helping people to feel good, look good and get more out of life will enable us to meet these needs and expand our business. **GOALS** The goals of LUG are- * To maintain strong science capability. * Ensuring the quality of the raw materials and the ingredients needed to make products.

To manufacture high-standard products. * Promoting products to the highest extent. * Producing large volume to achieve production cost economies. * Enabling quality products to be sold out at obtainable product. * Maintaining healthy relationship with the customers. **OBJECTIVES** Always working with integrity: Conducting operations with integrity and with respect for the many people, organizations and environments. Positive impact: LUG aim to make a positive impact in many ways: through the brands, commercial operations and relationships, through voluntary contributions, and through the various other ways in which they engage with society.

Continuous commitment: They're also committed to continuously improving the way they manage the environmental impacts and are working towards the longer-term goal of developing a sustainable business. Setting out our aspirations: Their corporate objective sets out their aspirations in running business. It's underpinned by the code of Business Principles which describes the operational standards that everyone at Milliner follows, wherever they are in the world. The code also supports their approach to governance and corporate responsibility.

Working with others: They want to work with suppliers who have values similar to them and work to the same standards as they do. 3. 3 LUG Range: LUG Peach & Cream blends Juicy peach and moisturizing cream extracts to give you velvety, soft skin. LUG Fresh Splash is crafted with the icy freshness of cooling mint and the invigorating power of sea minerals to transform your skin from dull to vibrant in an instant. LUG Sandal & Cream uses extracts of alluring sandalwood and a unique consistency of moisturizing cream to give your skin a captivating and ministering glow.

LUG Purple Lotus & Cream is infused with fragrant moisturizing and beauty oils, leaving your skin silky smooth. 3. 4 SOOT Analysts for LUG: The SOOT analysis for LUG helps identify the internal environment, its strengths and weaknesses as well as the external environment faced by it, and the opportunities and threats that it presents: Strengths: * LUG possesses a very strong network of market research. * LUG has a very wide range of products to offer. * The parent company of LUG has helped in establishing a strong supply and distribution network.

Besides, it also has access to the resources of the parent company of Milliner. * LUG possesses a very strong brand image in the market. * The focus of LUG is going strong on beauty segment. LUG is a dynamic brand and is undergoes changes as per the changes in demand and trend. * The brand has innovative sales promotions tactics that spread across different forms of media – print, electronic and social. * The brand is known to deliver value-for-money in the eyes of the consumers. * It has a broad market presence and mass appeal, being the market leader in so many countries. As per STAR category for high market growth and high market share. Weaknesses: * LUG lacks a unisex appeal as it has essentially been portrayed as a women's beauty soap and has a lot of feminine appeal. * The wear rate of the soap is very high. It gets dissolved pretty fast and gets mushy and soggy quickly. * Certain variants of the soap, like the Haute Pink, Sunscreen, etc did not do so well in the market as some of its other variants have. * The stock replenishment in semi-urban areas and rural areas is quite long, despite having such a wide distributor network.

This leads to stock out in these areas. * Some of its advertisements have been quite controversial. * It includes too much base which makes the skin dry. Opportunities: * The industry today is growing ATA rate of more than 10% per annum. * LUG can yield great benefits by reinforcing itself in the beauty segment. Promotions strategies like trade fare, price offs, sample distributions, etc are essential with competitors. * The soap is in the maturity stage of its life cycle, so it is essential that a retentive strategy be adopted so that this can be sustained. Arrived variant of LUG could have a big scope in the market. So far, the only variant of LUG that has somewhat come close

to Arrived, though not actually is the festive glow variant, which had the goodness of haled and Achaean Bhutan. This could cater to a new segment in the market. * LUG Kids Special soap would also help the brand greatly, s this segment has been running dry for quite some time now. In this way, brand loyalty could be caught young. * The brand extension products of LUG – the body washes, with its new range launched recently, is in the growth stage of its life cycle.

They can pick up fast pace is positioned and marketed properly. Active marketing of these body washes is going on in the social media. * It can also launch face wash range as it is in great demand to today's women. Threats: * Number of competitors is rising – TIC, P&G, etc are fast catching up. * High internal competition also exists for the soap like Dove. * LUG seems overly relied on he beauty segment, so in case the consumer trends or preferences change, then LUG stands to be highly vulnerable. * More focus needs to be put on the newer technology. If constant reinvention is not there, then LUG can slip down from the maturity stage it currently is in and get into a declining phase. 3. 5 Marketing Mix of LUG: This chapter describes the way Milliner Bangladesh Ltd. Use the tactical marketing tools for marketing LUG in Bangladesh. The chapter comprises of four sections. Section 2. 5. 1 discusses the product attributes of LUG. Section 2. 5. 2 visualizes the price of LUG according to different size. Section 2. 5. 3 conceptualizes the distribution location of the company's warehouses all around the country. Finally section 2. . 4 discusses the promotional activities that the company undertakes for LUG. 2. 5. 1 product: LUG is an internationally renowned beauty soap brand of Milliner. Though manufactured in Bangladesh for the <https://assignbuster.com/customer-satisfaction-on-marketing-mix-of-lux-soap-assignment/>

local market by Milliner Bangladesh Ltd, as an international brand, it maintains an international quality for the product. Formula given by Research and Development departments in foreign countries, LUG is produced in Bangladesh from imported raw materials like sodium soap, glycerol and effluent extracts according to flavors, coming from Milliner plants situated abroad.

LUG is offered in Bangladesh in four different flavors which are: LUG Peach & Cream, LUG Fresh Splash, LUG Sandal and cream and LUG Purple Lotus & Cream. Taking into account the convenience of its customers, the company manufactures all flavors of LUG in three different sizes, gum, gum and gum.

2. 5. 2 prize: Though Milliner Bangladesh gives its LUG customers a lot in terms of the product itself, it cannot provide a better pricing. This is due to some constraints in the beauty soap industry. Beauty soap is a product with a vulnerable demand in Bangladesh.

A change in price has a high risk of creating price war among the rivals which will eventually cause a loss of profit. Its prices are almost equal to its competitor. Company carries out research on competitors' price and brand loyalty when it feels extreme necessity of changing price. 2. 5. 3 Place: Milliner Bangladesh Ltd. Has a huge distribution channel for LUG all over the country as its sales reach more than 10 million pieces a year. The company has six huge warehouses, one in each division of Bangladesh, where the product goes after they re manufactured at Gallagher factory.

The company does not use its own fleet of transport for distributing its product. However, it has outsourced its distribution process to various third

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party distributors, exclusively dedicated to Milliner Bangladesh Ltd. These distributors then supply the product all over Bangladesh to a huge number of retailers. Even though LUG targets the urban and sub urban middle and upper middle class people they are distributing their products all over Bangladesh because of a recent increase in demand of its product to all segments of the population. 2. 5. 4 Promotion:

Milliner Bangladesh undertakes huge promotional activities to promote LUG which has topped the beauty soap industry of Bangladesh. It spends almost 20% to 25% of its Net Proceeds from Sales (NP) of LUG for promotional activities for LUG. It's certain annual promotional campaigns like LUG Channel I Superstar and LUG Channel I Annual Cinema Awards has made the product a part of the glamour world. Since the sass, over 400 of the world's most stunning and sensuous women have been proudly associated with LUG advertisements. They do not only promote LUG in and the company proved that, by including world famous male celebrity Shrun

Khan for their advertising campaign. Milliner Bangladesh Ltd spends a huge amount of money for promoting LUG through TV commercials, newspaper advertisements and billboards. 3. Theoretical Aspect 3. 1 Customer satisfaction: Customer satisfaction is a term frequently used in marketing, is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as " the number of customers or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals".

In a survey of nearly 200 senior marketing managers, 71 percent responded that they found a customer satisfaction metric very useful in managing and monitoring their businesses. The importance of measuring customer satisfaction is discussed below: * It is seen as a key performance indicator within business and is often part of a Balanced Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. * Within organizations, customer satisfaction ratings can have powerful effects.

They focus employees on the importance of fulfilling customers' expectations. Furthermore, when these ratings dip, they warn of problems that can affect sales and profitability. These metrics quantify an important dynamic. When a brand has loyal customers, it gains positive word-of-mouth marketing, which is both free and highly effective. Therefore, it is essential for businesses to effectively manage customer satisfaction. To be able to do this, firms need reliable and representative measures of satisfaction. * In researching satisfaction, firms generally ask customers whether their product or service has met or exceeded expectations.

Thus, expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short, they will be disappointed and will likely rate their experience as less than satisfying. For this reason, a luxury resort, for example, might receive a lower satisfaction rating than a budget motel?? even though its facilities and service would be deemed superior in 'absolute' terms. * Customer satisfaction provides a leading

indicator of consumer purchase intentions and loyalty. Customer satisfaction data are among the most frequently collected indicators of market perceptions.

Within organizations, the collection, analysis and dissemination of these data send a message about the importance of tending to customers and ensuring that they have a positive experience with the company's goods and services.

* Although sales or market share can indicate how well a firm is performing currently, satisfaction is perhaps the best indicator of how likely it is that the firm's customers will make further purchases in the future. Much retention.

Different processes to measure Customer satisfaction are given below: 1 .

Theoretical Ground: In literature antecedents of satisfaction are studied from different aspects.

The considerations extend from psychological to physical and from normative to positive aspects. However, in most of the cases the consideration is focused on two basic constructs as customers' expectations prior to purchase or use of a product and his relative perception of the performance of that product after using it. Expectations of a customer on a product tell us his anticipated performance for that product. As it is suggested in the literature consumers may have various " types" of expectations when forming opinions about a product's anticipated performance. 2. The Discrimination Model:

The Discrimination Model is based on the comparison of customers' expectations and their perceived performance ratings. Specifically, an individual's expectations are confirmed when a product performs as

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expected. It is negatively confirmed when a product performs more poorly than expected. The discrimination is positive when a product performs over the expectations. There are four constructs to describe the traditional discrimination paradigm mentioned as expectations, performance, discrimination and satisfaction. The usual measures of customer satisfaction involve a survey with a set of statements using a Likert Technique or scale.

The customer is asked to evaluate each statement and in terms of their perception and expectation of performance of the organization being measured. Their satisfaction is generally measured on a five-point scale. Customer satisfaction data can also be collected on a 10-point scale. Regardless of the scale used, the objective is to measure customers' perceived satisfaction with their experience of a firm's offerings. Good quality measures need to have high satisfaction loadings, good reliability, and low error variances. 3. 2 Marketing mix: The marketing mix is a business tool used in marketing and by marketing refashions.