

# Marketing mix of aarong essay sample

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Aarong is an enterprise of BRAC and it's a CSR based handicraft company established in 1978. Today, Aarong's reach has spread beyond Manikganj to the rest of the country. At present Aarong is operating through 9 domestic outlets and one franchised outlet in London. Aarong has more than 488 products in their outlets. They have grown into a thriving international enterprise showcasing ethnic wear to beautiful crafts from silks, handloom cotton, endi to terracotta, bamboo, jute and much more. From a single shop, Aarong has grown into one of Bangladesh's biggest retail chains, with eight stores spread across the major metropolitan areas of the country – in Dhaka, Chittagong, Khulna and Sylhet and one in London, UK. Aarong embraces and nurtures a diverse representation of 65, 000 artisans, 85% of whom are women. Aarong also plays the role of protector and promoter of traditional Bangladeshi products and designs. It houses an extensive design library where remnants of our rich craft heritage, such as Nakshikatha art and Jamdani patterns, have been widely researched and archived for present as well as future use.

Aarong began as a cause – a means to an end for a quiet organization fighting to uphold the dignity of the marginalized. In 1976, when BRAC- a Bangladeshi NGO dedicated to alleviating poverty and empowering the poor, first began encouraging sericulture for women in Manikganj, their only buyers were a few scattered retailers in Dhaka. Weeks, even months would pass between supply and payment, until BRAC intervened. Aarong was born out of a need to ensure that the penniless silk farmers of Manikganj were paid for their goods upon delivery, so that they could feed their families. The women Aarong employs are among the countries most disadvantaged.

Through Aarong they have been offered a way out of destitution and degradation where before they had none. And the benefits that they receive extend well beyond simply the wages they earn for their products, since every single woman who works in Aarong-owned production facilities is also a beneficiary of BRAC's multifaceted development programs. Mission:

Aarong's mission is to work with people, whose lives are dominated by extreme poverty, illiteracy, and other disadvantages. With a holistic approach, we strive to bring about positive changes in the quality of life of people who are poor and to promote Bangladesh while protecting our environment. We achieve our mission by:

- \* working with the poor, especially women and children;
- \* engaging in multifaceted development interventions;
- \* striving to promote positive changes in quality of life;
- \* working to attain socially, financially and environmentally sustainable programs;
- \* Promoting human rights, human dignity and gender equity;
- \* helping to shape national and global policies on poverty reduction and social progress; Vision:

Aarong's vision is of a just, enlightened, healthy and democratic world free from hunger, poverty, environmental degradation and all forms of exploitation based on age, sex and ethnicity.

Company position in the industry: Aarong got the most of the market share in handicraft industry. They are in the position of market leader. In the last

annual year they almost made a profit of tk. 120million. That was a profit after their expenses. So we can say that Aarong is the main dominating company among the handicraft company. Marketing strategies of Aarong

The retail strategies that Aarong follows can be concluded through their marketing strategies which mean their competitive strategies, their 4 P's and 4 C's, SWOT analysis of Aarong. They are explained below:

#### 4 P's

**Product:** They offer a wide range of product line at high price. When it comes to product they maintain a quality. Their products focus on authentic

Bangladeshi craft and are produced by rural women who are actually most special in this field. ❖ **Price:** They do pricing of the product according to the

promotional activities they do to promote the product and to recover the fixed cost of the product. Aarong follow differentiate pricing policy as they charge higher price and better quality which create value to customer. ❖

**Place:** They don't it does not have any product out of its retail outlet. Aarong try to locate their outlets in huge space. Because they really need certain

land and location for their outlets and it is a particular brand product that's why it does not have any out let in any shopping centers. Only Aarong retail

outlet has Aarong products. The location is very important for Aarong as they are always located in cities. ❖ **Promotion:** Aarong promote their product

pretty strategically. They often promote their product on some concepts.

Basically when they introduce any new product they do promotion for the product. Sometimes they do promotion to sale only that item. (Example- Sari

in the bill board near Ramna Thana). Aarong is exclusively produce new

goods and they do fashion show to aware the customers about the upcoming trend of Aarong. They practice some unethical promotional strategy which will discussed in the later part of the case study analysis. 4 C's against the 4 P's

> Customer Solution: Aarong has a large outlet and they can easily get the product and select from outlets according to their preference and choice. If they do not like the product they can change the product after purchase within one month. > Customer Cost: though products are not free there so they should have to bear the cost and here the cost of the product is the selective price for selective product. > Convenience: though Aarong products are only found in Aarong outlets but it prestigious for customers to purchase from there.

These outlets are very selective and well known. Aarong is a brand so customers felt comfort to buy from there and they are getting genuine product from there. > Communication: it is very hard to find out any advertising in the media to communicate with the customers of Aarong. Aarong only do bill board for the customers to communicate with the customers and in every bill board they have some conceptual work. (Like that may be motion- motion used resent taaga product as the background) some time they come up giving add in newspapers. Magazine is the most common for the customers to get the information about upcoming product and Aarong does that very efficiently.

#### BRAND MANAGEMENT STRATEGY OF AARONG:

\* Competitions run through Facebook and other social media platforms are

the latest way brands hope to win consumer affection. \* Now the company is hoping to tap into the cultural norms of the times by using a competition for its fans to become the “ face” of the brand, run through social media and augmented reality. \* The sheer volume of campaigns run as social network competitions suggests the competition-through-social-network route is now a mainstream marketing tool for Aarong.

### Product positioning

Positioning of the product is very important for every company and Aarong have a very good fame of positioning of the product. Aarong is very selective and very strategic in positioning. Before launching any new product they promote that product through billboards and fashion magazine. Even they often have fashion show for specific product only to make a perfect positioning. Product life cycle stage

Aarong has very satisfactory result in their product life cycle because they plan trough out for the product and they have different promotional activities for the product so it always go a very long time. Every individual product gets the highest priority in different times. Every product has very natural kind of life cycle. Aarong’s product introductory stage is pretty different because they don’t have any distribution channel so they have less cost than others so it’s another reason of getting some profit.

### SWOT Analysis:

Aarong has certain strength which other competitors lack. The strength is listed below.

## Strength

Brand image and unique idea: Aarong has successfully created a brand in the customers mind. Their unique idea draws the attention of the customers. General perception about Aarong is positive because they claim themselves socially responsible. People don't mind paying high price for the same product which is much lower price in other stores. It has created such a brand image that when we even think about presenting a souvenir to a foreign friend, many prefer to present Aarong products as they reflect the country's unique contemporary fashion. Aarong is creating an image that they are fair trade organization dedicated to bring about positive changes in the lives of disadvantaged artisans and underprivileged rural women. This idea of selling is unique which is creating an image in customer mind that by they are doing business which directly helps the extremely poor people.

Their UK branch is making huge profit as foreign customer has high perceived value for their product. Lower production cost: Aarong is making huge profit as their cost of production is extremely low. They don't have any factory cost, and the cost of making the product is cheap. We were curious to know how they are able to meet huge demand without any factory, then we asked Executive of Aarong marketing department referred that they are able to meet huge demand of customer because they have large workforce although they lack factory. They have 65000 employees working under them who make the products. Weakness:

The unethical marketing strategy: The market strategies they follow are not ethical. It may generate profit for the organization in short-run but in long

run it may hamper the image that they have earned. Aarong are claiming that their main purpose is to build a healthy and democratic world free from hunger, poverty, environmental degradation and all forms of exploitation based on age, sex and ethnicity. These messages touched thousand customers emotion and build customer confident that generated short time profit. But in reality, they are actually not doing what they are claiming. Allegations are their employees are underpaid and products are overpriced.

In near future it is possible that customer may lose confidence in them if truth really turns out to be something harsh like this The website is not up to the mark- They are revolting website which provides very less information about them. For UK customers they should have on-line buying option to be competitive in market. No Research & Development department: Aarong is the market leader and generating huge profit but they don't have R&D department which can come up with more innovative products and superior marketing strategy. Inefficient H. R. department: The responsibility of H. R. department is to select right person to right place to increase efficiently. But customer are not satisfied with their customer service as they sales person are slow in doing transaction in computer.

External factors:

There are opportunities as well as threats to the organization 1. Opportunity- Entering different market, expansion- USA, Australia, as they are having a good business in England now they can shift their target towards other countries, who are willing to accept the traditional artifacts and clothing of Bangladesh. 2. New trend- They can come up with some modern and



classical types of designs, mixing up both together and people might love it, because it's something unique.

Threats: There major threats are ' Deshi Dosh' and ' Jatra" as they are also offering same products as of Aarong. Though the prices are slightly lower than of Aarong so many people are shifting to these places. ' Deshi Dosh' and ' Jatra' has a huge shop space to display their products and with professional sellers and in a good environment.

### Market Share

Aarong got the most of the market share in handicraft industry. They are in the position of market leader. In the last annual year they almost made a profit of tk. 120million. That was profit after their expenses. So we can say that Aarong is the dominating one company among the handicraft company.

### Existing competitors

Their main competitors now are ' Jatra' and Deshi Dosh who also provide the same types of authentic handicrafts and quite similar clothing that of Aarong. Jatra also have a wide range of clothing and accessories like Aarong, many people are also now favoring their product then that of Aarong as their products are slightly reasonable in price then of Aarong. Deshi Dosh is a combination of Bangladesh's best ten brands like Onjons, Kay Kraft, Rong, Probortona, Deshal, Shadakalo, Nogordola, Banglar mela, Nipun and Bibiani. They are now also becoming a major threat to Aarong as all these shops have merged together in a huge space in Bashundhara shopping mall.

## COMPETITIVE ADVANTAGES OF AARONG:

Aarong is out bidding all rivals on differentiating features as – 1.

Wider product selection- Aarong's product designs has brought consumer attention back to the products and styles that are indigenous to Bangladesh, its designers blending the traditional with the contemporary in a manner that has won instant consumer appeal, starting a revolution in trends that has now been taken up by countless other boutiques and stores. Aarong's product designs focus on the diverse types and textures of crafts and patterns that have been passed along from generation to generation among weavers and artisans in craft hubs around the country. Aarong also plays the role of protector and promoter of traditional Bangladeshi products and designs. It houses an extensive design library where remnants of our rich craft heritage, such as Nakshikatha art and Jamdani patterns, have been widely researched and archived for present as well as future use.

2. Higher Quality than Any Rivals – Aarong's Total Quality management team tightly controls and maintains the quality of all their products. The customer have guarantee to get the good quality of local brand product and also they get the post purchase facilities like if they found any problem with the product they can return the product and can get back the money but they have to do it within one month after purchase. Aarong made up mind to make a good competition in the market of creative work and they producing export quality product to capture the highest market share in handicraft industry. Aarong is competing with not beyond the country they are competing in abroad that's why they have outlet in London. Other companies

are trying to compete with them and recently are getting enough close to them.

### The Different Departments

Information management system (MIS): Aarong have almost 25000 loyal customers all around the country. They have a data base and all the information about the customers they preserve there. In every September and April they have activity to collect information of each customer who purchased more than 3000 taka. At a time they pick up the information of those who have no identity in data base of Aarong. Aarong has 40 ambassadors' in loyal customer category, foreign people also do purchase from Aarong and teenage girls and boys love Aarong product.

Demographically it's very mixed kind of customer analysis because they deliver product in abroad by order through DHL in home for abroad customers. The customers of Aarong have very vast knowledge about the coming product of Aarong. Finance: we didn't get any information about Aarong financial statement as it is not given in website. They don't publish the annual report in web-site and they didn't disclose information about their financial statement. This could be because; they want to hide certain information from public. R & D: currently, they don't have R &D department. H. R.: the H. R. department hire part time worker as sales person in Aarong and they also provide training to them. But the customer service indicates that H. R. department is following behind to select the right person at the right place.

### Pitfalls of Marketing Strategy:

Although Aarong has positioned its brand name very uniquely than the rest of the competitors certain pit falls yet exist in their strategic brand management process. \* Aarong has not utilized many of the mediums such as advertisement on television channels and radio channels, selling through internet and catalogues, which could help developing its brand image to the optimum level. \* Utilizing these unused channels as a first-mover could also be opportunity for Aarong to gain another competitive advantage over its rivals. \* Its continuous ethical strategy may directly hamper the business in long run. The way they have portraying themselves is not real as they are more focused on generating profit than thinking for well-being of the society. They have adopted unethical practices such as paying very low salary, using children as model in advertisement. \* They don't have on-line buying facility for UK buyers. The customer's service must be improved to increase efficiency. \* They don't have any R&D department to come up with innovative ideas and good strategy. Since they don't have factory, there will not be able to serve the market in times to sudden demand. Therefore, customers may go to competitors.

### Recommendations

Adopting new ethical strategy: at present customers perceive the organization positively because of their goodwill. Therefore, they should keep it like that because it is an asset for the organization. There were the pioneer of the unique way of selling but, if customers get exposed to the information about organization is not doing what they are claiming will

reduce sell. Customers will switch to other competitors such as Jatra who has same time of setting and selling traditional products. They are not following their mission statement as they are attracted to unethical activity. They should provide appropriate salary to the worker to bring positive changes. Their strategy may backfire against their organization in future if customers become aware of their unethical practices. Adopting ethical advertisement: they should not exploit the innocence in the most silent way. Aarong has the child artists, not only are draped in garish make up, but also are used to (knowingly or unknowingly) preach wrong ideologies and stereotypical conventions that affect the psychology of under aged consumer. They should use more innovative way to convey the message without using children. Install On-line buying for UK buyers- Since in UK people are an accustomed to buy on-line Aarong should switch from brick -to-click. Therefore, they should offer this facility which will add value to customers. Improve customer service: the H. R. Department should hire right person at right place which will increase the overall efficiency of the organization.

#### Conclusion:

Aarong has a good reputation in handicraft industry. They are having good profit and they have very good product promotion and advertising strategy. They don't have that formal kind of distribution channel because they don't supply product out of Aarong outlets. They do number of CSR activities and we don't have to say anything more about any BRAC Enterprise CSR because it's totally based on CSR activities. Media is important to Aarong because through media Aarong reach to their customers. Members of motivating channel are Aarong itself. They have a skilled number of people for the

product promotion and product development. We also should say that Aarong is now exporting their product in foreign in demand of customers by the help of DHL Express, because they have a good relation with DHL. Aarong is going its long run for making the best quality of local products to satisfy the customers by giving good quality of product.