

Marketing management: overview

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Ulaanbaatar carpet JSC was established in 1971.

Located in Mongolia, a very famous name in carpet manufacturing as their products have rich colors and beauty and high durability ensured by their high quality wool, sheep and fine workmanship. In 1992, the company had transformed into a Joint Stock Company. The company has around 550 employees; The main goal for the corporate is profit maximization Annual turnover around 2.5 millions dollars. The Ulaanbaatar carpet factory is 100% private, shareholder – based company that processes Mongolian sheep wool and offers high quality carpets in local and international market. The classical traditional and modern patterns, beautiful colors, various sizes, high density and best Mongolian sheep wool guaranteed. Current Situation: The company has been selling public shares since March 23, 1992 with the initial price of 100 MNT per 1 unit of stock.

The Carpet factory exports 40% of its products to Russia, USA, and China and European countries. Today, the company is a leader in its sector, and well known among customers by its brand name “ Altanbulag”. Ulaanbaatar Carpet had gained customer satisfaction for its warm soft qualities and for not having a negative effect on health and environment. The Plant: Large, Clean installation. Equipments: Modern, well kept & well maintained, last upgrade was in 1989 Production: 400, 000 m² / year. Production system: 50% workers & 50% automated tasks. Manufacturing Process : very good quality wool, improved total quality manufacturing process by unsophisticated method like visual detection, sampling, touching the carpet.

Painting section: less sophisticated tech. Patterns: Group designers.

Employees: 550, 2 shifts 7am to 10 pm. Market demand: Inelastic Sales: 269 millions 51% of them are export sales Expenses: 41 millions. Mark-up : 30% Profit : 69 millions. The problem: The company is still production oriented and now is trying to move towards marketing oriented but it is going forward with small steps not proportional to its growth and their first step was establishing small marketing department consists only from 3 persons and because of this small team it was not developed within line function but positioned as staff function in the organizational chart and the following analysis was made for marketing system inside the company and its outside environments results by the following : 1-No market segmentation , positioning or targeting -Company has no sales technique 3-No attempt has been made to assess key trends in marketing environment 4-No one analyze consumer behavior or organizational buyer behavior 5-No marketing research done before SWOT Analysis: Strengths: 1- Good Balanced Product mix 2- High quality product. 3- Plant facility is large.

4- Control noise pollution and human safety. 5-Modern machines & maintained. 6- strong production oriented. 7- established brand. 8- good market position according to other competitors. 9- targeting local & international markets. Weakness: 1- No clear strategy for development brand.

2- Doesn't provide any product guarantees or warranty. 3- no marketing research studies have been taken by the company. 4- no analysis of consumer or organizational behavior. 5- Lack of product variety . 6- No sales

force. 7- No MIS (marketing information system) 8- No forecasting techniques or procedures. 9- No formal physical distribution.

Opportunities: 1- New product development 2-Wide distribution channel 3- The country reputation can increase the demand on the company. - high quality could increase the demand. Threats: 1- Competitors 2- Country's economical difficulty that can affect the industry & the whole market. 3- Change in consumer's taste. 4- the buyer becomes powerful and control the price. Segmentation, targeting and repositioning: Segment : High quality carpets. Target: Local and foreign market (people with high income) Positioning : High quality ; price product.

Marketing Mix: Place: Local market and foreign market no direct sale for the end customer. Price: high price for premium products. Promotion: no promotion. Product: high quality. Conclusion: The Ulaanbaatar carpet factory have a good balance of product mix, high quality product the company has a lot of strong points however it severely need a marketing strategy such as research , advertising, and assessing key trend in marketing environment also personal selling, they would surely gain much better market share and a big brand value ; image. the company should monitor the market to adopt the latest in its field they also should try to increase their distribution channel.