

Functions of marketing, perfetti van melle flashcard



Functions of marketing ? The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself? * In 2007 Perfetti Van Melle had a turnover of € 1. 83 billion worldwide, for the Benelux it was € 280 million. Of this € 280 million 10-15% goes to marketing, this shows that marketing is a big part of the company. Perfetti Van Melle is a family owned company, and the family is still very involved in the marketing process. 1. Marketing strategy Marketing strategy is the marketing logic by which the business unit hopes to achieve its marketing objectives.

Marketing strategy had three interdependent parts: segmenting markets into groups that can be served, ways of developing advantageous relations with those customers, and strategies to handle competitors. The market strategy in the Netherlands is based on innovation and speed on the market. Perfetti Van Melle wants to be the first and the best, they search for growth and growth in share. Segmentation and positioning Customers are people, so differ considerably. The marketing now-a-days is very customer driven, changes are continues and the customer needs are never the same.

Perfetti Van Melle makes use of a demographic segmentation. Demographic segmentation consists of dividing the market into groups based on variables such as age, gender, sexual orientation, family size, family life cycle, income, occupation, education religion, ethnic community and nationality. With the help of GfK (Growth from Knowledge) figures they can pinpoint who's buying what kind of product. For example they can see what kind of household is buying their products. Families, with or without children, which ages are the children, income and so on.

With the help of this information Perfetti Van Melle knows who and how to target with which brands. Not all brands target the same consumer, this is because the demographics of the consumers differ per brand. With Look-O-Look they target children and families with young children, they want the product to be playful original and delicious. With Mentos they target in their words entire generations of young people. The product is diverse so there is a choice for everyone, mint flavor, fruit flavor, sugar-free or gum. And with Klene they target an older audience, consumers that are more traditional and need to be approached in a different way.

Relationship Marketing Marketing management's crucial task is to create profitable relationships with customers. Perfetti Van Melle's customers are the retailers. Their customers are food markets, petrol stations, drug stores and smaller ones like swimming pools and sports clubs. Perfetti Van Melle has to keep these customers satisfied. Because of the larger chains of retailers these customers have much more power and are getting more demanding. A good relationship between Perfetti Van Melle and its customers is of even greater importance in this case.

For example: A few years ago we had the 'supermarket-war' in Holland. All supermarkets were reducing their prices wanting to be the cheapest of all to keep their customers. A big supermarket chain like Albert Heijn would want Perfetti Van Melle to reduce their price, or Albert Heijn would have huge losses. With smaller customers a company as Perfetti Van Melle can refuse to lower their prices. But now a days with big supermarket chains like 'Albert Heijn' they will have to lower their prices and make a deal. Clients like that

are of the highest importance so they will have to drop the prices and keep them satisfied, or it will have a very negative influence on their turnover.

When we look at the consumers of the products of Perfetti Van Melle they have to be kept satisfied as well. Perfetti Van Melle does this through interactive campaigns and the high quality of their products. Competitive strategy Providing excellent value and customer service are necessary but not sufficient means of succeeding in the marketplace. Besides embracing the needs of consumers, marketing strategies must build an advantage over the competition. Perfetti Van Melle tries to build its advantage by innovation and speed on the market.

They need to be cost conscious on all levels. They try to differentiate themselves with personality and products that aren't too expensive. 2. The marketing mix The marketing mix is the set of controllable tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for its product. The many possibilities gather into four groups of variables known as the 'four p's': product, price, place and promotion.

Promotion Promotion means activities that communicate the merits of the product and persuade target customers to buy it. At Perfetti Van Melle the most money is still spent on advertising through television. Making a good commercial can be one of the best ways to promote your product. In the case of Perfetti van Melle the 'Freshmaker' campaign of Mentos was far out

the most lucrative one. The idea was copied by artists as well as costumers and videos can still be found all over the world wide web.

Another way is an interactive campaign, with the growth of the Internet and others communication systems over the last years this way has become more important. More people have access to the Internet now, and with the help of multimedia targeting a specific group gets much easier. In 2006 Perfetti van Melle had one of their biggest interactive campaigns in India: Mobile2win. A specially designed wireless SMS based contest was created. Consumers had to SMS Mentos and participate in an interactive quiz, consisting of a number of questions related to the 'Mentos way of life'.

The campaign created the desired 'buzz' amongst the target audience and raised awareness of the brand. Another important thing Perfetti van Melle is focusing on is to make their products more desirable. Packaging and the availability of the product plays a big part as well. They try to make sure there products are available in enough shops and preferably on eye level in the shelves.

The presentation of the product is very important because confectionery is a impulse bought product. Before they start with the promotional process PVM defines the objectives. Here a few examples:

- Do we want to increase the number of people who buy this product? This means they have to reach new customers and find a way to make them interested in the product.
- Do we want to increase penetration? This strategy is most often used by businesses wishing to enter a new market or expand their relatively small market share.
- Do we need to change volume? Retailers want this more and more but will

help reach the set goals. •What to do for consumer promotion? •Do we need to build the brand and make it more seductive? Product Anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need.

It includes physical objects, services, persons, places, organizations and ideas. Perfetti Van Melle offers it's confectionery to a market for consumption. Designing good products that customers want to buy is a challenging task. Customers seek product benefits and are often willing to pay more for a brand that genuinely solves their problems or in the case of Perfetti van Melle satisfies their needs. Brands play a big part in the branch of Perfetti Van Melle. ' You always respect the identity of the brand.

' Says Jan Heeling Commercial director of Perfetti van Melle Benelux. Mr. Heeling thinks the company should strive for innovation but not let it influence the brand identity. ' If you do something that's not in line with the brand it doesn't work. ' Perfetti van Melle tries to create a strong identity for their brand.

Van Melle's last new brand creation was an extremely expensive exercise because you have to connect new product ideas to a new brand. This is very hard when a brand hasn't established a place on the market yet. They can also buy a brand, that is what they did with ' Chupa Chups'. This brand was well known, but Perfetti Van Melle thought it had much more potential. Perfetti van Melle competes in every market with the same standardized product.

In every country products have the same ingredients. Price A company's pricing decisions are affected both by internal company factors and by external environmental factors. Because the products of Perfetti Van Melle are bought in an impulse, most people don't know the prices so they have a limit. Perfetti Van Melle sets its own prices and can drop it if there is strong competition. Big retailers try to agree on one price. Most of the time they have a mainstream price or a little bit higher, this depends on the position of the product.

Big brands of Perfetti Van Melle will be in the same price class as a big brand of a different company. Place Place includes the company activities that make the product available to target consumers. Perfetti Van Melle has its own preparation plant and packaging plant, this means the product leaves Perfetti Van Melle as it would be in the stores. In some cases it goes straight to the retailers like Albert Heijn, or it goes to a wholesaler. From the wholesaler it goes to the retailer and there it will be available for the consumers. You can read more about this in chapter three about the value chain.

For the Netherlands we can divide the places where Perfetti van Melle's products are sold in four groups: •Food markets •Petrol stations •Drug stores •Swimming pools, sports clubs etc.