

Knorr soup marketing analysis



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Knorr product is sold in 87 countries their punch line is ' Good Food Matters ' only soup in India which has 18%growth. It holds a majority of market space {55%}. Maggi is one of the main brand of Nestle Knorr nearest competitors . It was first company to launch package soup in India in 1989. New punch line of maggi ' Taste Bhi Health Bhi' after relaunching its brand.

QNo. 1 which segments are being targeted and strategies used to influence the target segment

Target Segment:-Here we can devide the soup brand into two segment

1. Demographics

2. Psychographics

Demographics:-

Density

Urban

Same

Age

30-35

8-15

Gender

Female

Male /female

Lifecycle stage

Married with children

Kids early teens

Minimum Income

25000

N/a

Education

Graduate

Primary /secondary school

Psychographic:-

Social class

Upper middle , Low upper and upper- upper class

same

Life styles

Believers,

achievers

Personality

Ambitious , trendy

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Extrovert, Confident

Marketing Strategy (both knorr and Maggi soup)

Knorr

Maggi soup

Product strategy

Good food is their main priority

Responsible for good and healthy food

Categorized soup in three user friendly names

Relaunched with what the consumer want

Producing tasty and healthy soup for consumers

They are also mainly focus on taste and health.

Pricing Strategy

Knorr soup range between Rs 29 to 33 , 34gm to 65 gm.

Maggi range between 29 and 30, 40gm to 70gm pack

Marginal price increase increase in past few years that effect customer base.

Marginal price did not increase so much that help to increase brand loyalty.

Place strategy

Available in almost in all supermarket and departmental stores

Maggi soups are available mostly in supermarkets and very few stores

No presence in the rural market

Very -very less presence in the rural market

Promotion strategy

Effective advertisement of Knorr as compared to maggi.

Less advertisement than Knorr soup

Offering new India flavor according to customer demand

Offering same flavor approximately three

Does not believe in more discount offer

Providing various offer and schemes. Recently they are offering maggi noodles with soup pack and 20%extra on some pack.

Both are spending huge in promotional activities, both have different strategy to target the market but both have same target market. I compared both the brand because it helps us to give clear picture of both companies strategy.

QNo. 2 Different promotional tools used and the strategy behind using these tools

Promotional tools and strategies:-

Besides the proliferation of convenience-driven lifestyles and the array of variants, advertising and marketing too have played significant roles in enlarging the category.

Extensive deployment of ATL(Above The Line) and BTL(Below The Line) tools by manufacturers and marketers have certainly pushed awareness and demand for ready soup mixes.

Nestle India, for instance, has been aggressively promoting its Maggi soups through high-frequency television spots, which have played a great role in not just communicating the benefits of the product to target consumers, but its “ Taste Bhi, HealthBhi” tagline has also helped elevate the profile of the category other hand, are positioned as wellness meal solutions.

HUL has been banking extensively in employing various mass media to promote its Knorr range of soups. It was due to the creative and intelligent positioning of the brand in mass media that Knorr developed into the leader of the category in India. Its aggressive marketing strategies, strong distribution system and the wide range of flavors make knorr the market leader in this category. “ Hindustan Unilever further benefited from a realignment of its flavors of Knorr soups under the Snacky, Oriental and Classic ranges, to make it easier for consumers to make buying decisions, as they were now less confused about the different flavors.

The company has focused on distribution channels to popularize its new range by ensuring that its up market international flavors in the Oriental and Snaky ranges gain greater visibility in modern outlets, while its Classic range is more visible at kirana stores and in smaller towns and cities.

In terms of media promotions, both Knorr and Nestle have been focusing on conveying the taste and health aspects of their soups for the entire family.

In 2008, Hindustan Unilever introduced a new advertising campaign, which turned the conventional middle class Indian household image on its head . The campaign for Knorr featured Aman(Actor) making Knorr soup for dinner for the entire family, but mainly to lift the spirits of his wife. With this advertisement, the company not just pitched Knorr as a ‘ feel good’ food, but also promoted its user friendliness. Capital Foods has also been very active and persuasive in promoting its brand.

The advertising strategy Nestle and Maggi both promoting health with taste. All the nutritional information and health aspects are mentioned on the packs but they are promoting the range purely to offer something that will gratify the demand for soup.

At the retail end, employing strategic merchandising strategies and in store promotions to endorse the product features are also essential. So what is happening in the store? “ Well, merchandising at the retail end is certainly important as the category is still not the part of shopping list of Indian housewives. Smart merchandising at the retail end can also generate interest and impulse purchase. The soup category is still evolving, it is important to drive penetration and induce trials. “ Merchandising is the key to drive this category. You would see lots of cross promotions, bundled offers and other kind of promotions in soups.

Product features / USPs can be communicated through in store communication.

“ Companies also use especially designed outer cartons as a communication medium; this serves the dual purpose of visual merchandising and stocking on shelf.

Q. 3. Which strategy out of Pull or Push is used and why?

Push Strategy:-A “ push” promotional strategy makes use of a company’s sales force and trade promotion activities to create consumer demand for a product. The producer promotes the product to wholesalers, the wholesalers promote it to retailers, and the retailers promote it to consumers.

Pull Strategy:-A “ pull” selling strategy is one that requires high spending on advertising and consumer promotion to build up consumer demand for a product. If the strategy is successful, consumers will ask their retailers for the product, the retailers will ask the wholesalers, and the wholesalers will ask the producers

So this is clear from the definition this is pull strategy because both Nestle and HUL are spending heavily on promotion activities. Due to that activities consumer demand product from retailers of own choice.

QNo. 4 Critically Appraise the Promotional strategy of your selected brand.

I compared Knorr and Maggie soup both are using aggressive marketing strategy to promote the product . . But if we have to chose one product than Knorr has better promotion and place strategy. But maggi has fewer prices and healthier but need to focus on more promotion. Recently knorr took Kajol as a brand ambassador but Maggie is focusing on small artist.

Both companies are not focusing rural area. So they have to focus on rural area because rural area has large potential market. For they can introduce new flavor and new pack with less price. In India there is large potential market for soup so they have to focus on enhancing that market. Knorr soup has more prices as compared to Maggie soup if they want to increase the market share and want to stand as a market leader they have to provide various promotional offers with knorr soup pack. Knorr brand is more serious about its soup than Maggi. It has connotation of functional brand and after coming into the levers fold, its visibility and presence has been noticed more by consumers. Soup has still a small market and for its consumption to become habit, companies need to invest heavily. Unlike the rest of categories where some amount of efforts may be required. They are targeting women and children for soup because women are caring about children health as well as family health. So they do purchasing most of the time. So it is necessary for that companies to target the segment carefully by giving their benefits about health. This is a very lucrative and conscious market. Women are emotionally attached with the family where as children always believe in masti and mazza while doing eating. They believe in eating those thing which prepare in less time and good in taste. Both the company doing very well for targeting those market with greater spending on promotional advertisement.