

Introduction its pens
an everyday item. it



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Introduction

PenAgain was established by Roche and Ronsse back in 2001. PenAgain is a young company that is struggling to maintain and expand its market position.

The company produces pens which it supplies in various parts of America and Europe. PenAgain is currently seeking to become Wal-Mart's supplier in pens. Wal-Mart is among the largest retail stores in the world with over 6,500 branches (Bounds, 3 Article para. 4). The company aspires to achieve the levels of well established pen companies like Bic and Paper Mate in market position. Its operations are geared towards expanding its market shares.

SWOT Analysis of PenAgain

Its main aim is to become a household name and to make its pens an everyday item. It aspires to establish itself as a global player in the market.

The founders aim at making the company's reputation known to everyone so that it is able to sell its products by virtue of its reputation in the market. It therefore provides a wide variety of pen products which come with unique features and advantages which enable it to capture attention of customers.

Internal Factors

Pen Again company employs internal marketing strategies to achieve competitive advantage. The pens are designed to reflect customers' desire and the features that are currently missing in the market. According to Office Depot of Delray's Senior Vice President, PenAgain is focused on ensuring that its retail customers get what they want (3 Article para. 12). The product <https://assignbuster.com/introduction-its-pens-an-everyday-item-it/>

brand names are generally attractive, for example, wishbone pen reflects what the customer should expect from the pen.

PenAgain also attaches price tags on its products in order to be more price-appealing to its primary consumers. The company has a testing store where customers are given the opportunity to try out some of its products designs. PenAgain collects data and applies strategies which enable it track the movement and the usage of its products by analysing its sales volume. Its marketing involves online advertisement of its products through its website.

This enables it attract online customers from different regions and to also achieve demographic market segmentation (Hill and Westbrook p19). The company employs an outside group, Merchant Service Organization to monitor the display of its products at Wal-Mart stores so as to ensure that the company's products are up on the shelves and that they are displayed in the right place. This tactic is standard among established retailing companies. This is aimed at making Wal-Mart make accurate judgment for PenAgain's test run (3 Article para. 8). One major constrain that the company experiences comes from the company being a two-man operation with little infrastructure to enable it carry out large supplies. PenAgain is also incapacitated by its low capital and as such, is not able to employ advertisements through the TVs, newspapers among others.

This therefore restricts the company to employ online advertisements only. This limits the company's ability to reach other retail customers who do not access the internet and who have no idea about the company's website.

External Factors

Customer behavior towards the company's products has been positive. The company has been able to establish relationships with its retail customers and has achieved customer loyalty among some of its retail customers.

It has also been able to establish strong distribution networks which is enabled by the transport infrastructure and the retail customers (eBoo p. 207). PenAgain faces strong competition from companies that are already established in the market like Bic.

The company is also affected by Wal-Mart's cross-merchandising behavior which limits its ability to provide customers with a wider choice when selecting from the shelves. Wal-Mart's low purchasing and selling prices also affect other PenAgain's retail customers' business operations. This implies that they also have to lower their prices especially in places where Wal-Mart has stores. It may also affect the company's overall revenue collection.

Opportunities

The company's founders feel that meeting Wal-Mart's requirements may warrant more innovations and expansion of its product varieties. It also seeks to address the concerns of its smaller retail customers as it tries to meet the demands of Wal-Mart.

Threats

The major threat for the company is duplication of products by other third party companies (Bounds, 1Article para.

7). Wal-Mart has also put a price tag of \$3. 76 which is just a proportion of what other retailers have put on the same products from PenAgain. This threatens the pricing stability at PenAgain.

Marketing Research/Data Collection

PenAgain is committed to meeting its customers' expectations. Thus they are keen to obtain information on its customers' characteristics in order to effectively meet their requirements and to also monitor and evaluate its performance. To monitor its performance at Wal-Mart stores, the company's founders, Mr. Roche and Mr.

Ronsse ensure that they visit 50 stores to check the performance of their products as well as the display of the products on the shelves. The company also has a testing station where it collects information on what the consumers feel about their products. The company employs an online-based marketing strategy to collect information from customers. Its website is open to customers to comment on the company's products and the important improvements that they would want to be made.

According Bounds, 2 Article (para. 2), PenAgain has established it has about 10, 000 customers who are normally interested in the activities of the company. It uses the information collected from its website to develop standard and more appealing models to customers (Kurtz, Mackenzie and Snow p. 245). The company uses Retail Link software which enables it to acquire information and understand how its products are put on shelves and how the displays by Wal-Mart affect its sales performance. This gives it the

facts to pinpoint failures by its retail Customers to strategically market the company's product at its stores (Gates and McDaniel p.

154). PenAgain also intends to establish an independent advisory team that would help it address the concerns of the smaller retailers. This team would collect information from the smaller retailers and provide feedback that would help the company develop versions of the models which can meet the lower prices and meet the customers' expectations. This team will also be responsible for collecting information from consumers to determine their preference towards PenAgain's new models, 'indy' (Bounds, 3 Article, para. 14).

Integrated Marketing Communications

PenAgain applies an integrated marketing communication in its business operations. The company had to be creative as it entered the market with low capital that could not enable it apply traditional methods of advertisements. It used its website to promote its products by giving customers an opportunity to win prizes through an online game which was aimed at creating awareness on its products.

Online promotion has enabled PenAgain enter the volatile promotional market which comprises of many established companies as well as other companies which use PenAgain's logo. According to Barack and Clow (9) advertising helps reinforce the company's product brands as well as the company's image. The company also uses its website and online communication in consumer management. The company has about 10, 000

customers who normally take keen interests in its products and business activities.

It acknowledges that most of its consumers are from medical organizations and they include both doctors and patients since the ergonomic designs of its products have more appeal to them than any other consumer group. The company focuses on reaching out to all its customers who have shown interest in the company and its products (Bounds, 2 Article para. 2).

They use the information collected from its website and database on customers' response to understand their characteristics and needs and design models which better respond to their requirements (Shimp p. 47).

PeAgain uses its Retail Link software to track and monitor the daily sales at Wal-Mart's stores where it is still undergoing a test run. This is done over the internet and it tracks all the sales data. It enables PenAgain inform its vendors on areas in which the products better perform and where they do not, thus providing its retail customers with important information that increases their sales information. PenAgain also applies personal selling technique to reach its potential retail customers.

The company's founders applied to become Wal-Mart's pen suppliers. They are more than willing to meet their customers in person and to negotiate business terms to ensure that they capture the market. PenAgain is a member of the Home and Office Products Association which promotes individual meetings with retail customers (Bounds, 1 Article para.

23).

Consumer Decision Making Process

Consumers of PenAgain include both retail consumers and the final consumers. PenAgain enhances its consumers' decision making process through advertisement as well as through sales promotion. This helps stimulate the consumers' need for its ergonomically designed pens. It also let the consumers' physiological imbalances arouse their needs for the products by encouraging better positioning of the pens on the shelves of the retail shops.

This gives the customers the desire and the need to purchase the products (Hammond, Kennedy and Raifa p. 262). PenAgain enhance its customers' ability to search for its products through its website. All the information regarding its products and latest models are available in the internet and therefore they are motivated to explore all the product brands available as well as their prices.

The retail customers are therefore given the opportunity to choose brands that better responds to their customers' needs. The company also ensures its customers feel involved in its products. The company focuses in designing products which are relevant to the customers by taking into considerations their contributions of what they would want improved in the products (March p. 108). It encourages trial of its products at its testing stations so as to communicate the important attributes of its products and hence reinforce customers' decision making process as it provides them with evaluation alternatives.

The company also enhances customers' decision making process through participation in trade shows. The company also focuses on creating exclusive offerings to its small store customers. It plans to develop ergonomic designs which would enable them meet the needs of the small retail customers. It is also developing ways to adopt to ensure that it balances its price offerings to Wal-Mart and its other retail customers. The company's pricing strategy is seen as the major attraction to its customers.

Conclusion

PenAgain marketing strategies are varied and are all geared towards meeting the customers requirements. However, implementing prices that are leaner to the requirements of Wal-Mart while ignoring the pricing of other retail customers may affect its overall revenue collection.

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