

# [Different products of the chosen organisation marketing essay](https://assignbuster.com/different-products-of-the-chosen-organisation-marketing-essay/)

## Introduction

This report explains the key components of a product of a chosen organization. The chosen organization is “ Pizza Hut” and the product is “ Pizza”. The report includes the range of contributions to sales and profit of the product, Pizza. It also analyses the pricing strategies and identifies different promotional tools of “ Pizza Hut” by using examples and how the product is distributed to the customers .

Pizza Hut was started in 1958, by two brothers in Wichita, Kansas. Frank and Dan Carney had the idea to open a pizza parlor. They borrowed $600 from their mother and the small 25 seated one room building was chosen for their restaurant, which looks like a hut established the first Pizza Hut. Fifteen years later, Pizza Hut opened the first restaurant in the UK and over 40 years serving billion of pizzas Pizza Hut has became the biggest pizza company in the world.

## Different products of the chosen organisation

Pizza Hut has different kinds of products. They serve many things but their main product is different kinds of pizza. The products they sell is shown below:

Different kinds of Pizzas, like,

Pan- Thick and fluffy pan baked pizza.

The Italian

Cheesy Bites

Stuffed Crust

Pizza Mia

Calzone

The Extreme Pizza

Starters and Sides

Pastas

Salads Stations and Salads

Desserts

Drinks

Weekday Lunch

Happy Hour

Weeknight Treat

Children -Pizza Hut has different kinds of products for children. Such as,

Macaroni Cheese

Wraps

Fish

Thin Tortilla Pizza

## Selected Product and its key components

The chosen product is “ The Extreme Pizza” of Pizza Hut.

Nature and characteristic of the product: “ The Extreme” is a twenty-inch with twice as much cheese and toppings as Pizza Hut’s other pizzas.

Service Quality: The Pizza Hut is a brand name. Pizza Hut has built a brand name that means quality products and services. As Pizza Hut introduced “ The Extreme”, customers will automatically think this is is a high quality product.

People: Customers are the part of production process. Young generation are the target customers of the product.

Partnerships: Yam and KFC are the partners of Pizza Hut.

## The product mix of the organisation contributes to sales and profit

The product mix of a company, which is generally defined as the total composite of products offered by a particular organisation, consists of both product lines and individual products. (http://www. businessdictionary. com/definition/productmix)

“ The Extreme Pizza” is an individual product, which contributes to sales and profits of Pizza Hut.” The Extreme” is the largest pizza on the market. No other pizza offers 20 inch pizza and does not has more cheese and toppings as “ The Extreme”. So it was profitable. The product’s target market is the youth, between the ages of 12 and 30, who purchase a lot of pizzas every year but few restaurants target them. After the introduction stage of the product life cycle, Pizza Hut established the market for the product. During the growth stage, Pizza Hut built sales and develops a preference for the product.

## Definition of Pricing Strategy

Pricing Strategies that takes into view factors such as a firm’s overall marketing objectives, consumer demand, product attributes, compitetor’s pricing, and market and economic trends. (http://www. businessdictionary. com/definition/pricing. html)

There are two pricing strategies. They are:

Skimming: Setting a relatively high price during the initial stage of a product’s life. A strategy designed to obtain a relatively high price from, relatively few consumers, who have the resources and desires to buy irrespective of price. (Hollensen, S.(2003), Pricing Decision, Marketing Management A Relationship Approach, p. 502, Pearson Publication Ltd.)

Penetration: Setting a relatively low price during the product’s life. A strategy that seeks the maximum number of buyers by charging low price. (Hollensen, S.(2003), Pricing Decision, Marketing Management A Relationship Approach, p. 502, Pearson Publication Ltd.)

## Pricing strategies of the organisation in details with examples

Pizza Hut has successfully used the high/low pricing strategy when setting the retail price of its products. The high/low retail pricing strategy allows Pizza Hut to charge a price that is above the competition, but also promote frequent sales to lower the price below them. The retail price of “ The Extreme” was set at £9. 99, which is higher than Pizza Hut’s competitor. Several sales promotions and coupons were used to lower the price below those competitors. Both Pizza Hut and the beverage Mountain Dew are Pepsi subsidiaries, bundle pricing has been used. “ The Extreme” pizza’s Price was £9. 99 and 2 litters Mountain Dew was free. The high/low pricing strategy has several advantages.

This pricing strategy will help segment market. Different groups of people are willing to pay different prices for the same product.

The high/low pricing strategy will also create excitement. Customers will be able to buy something new and this exciting experience may bring those customer back to purchase other products.

This strategy will emphasize product and service quality. Pizza Hut send a signal to customers that its products are high quality and service is excellent.

## Different promotional tools used by the organisation

Mail & Fliers: The promotion of The Extreme was distributed mainly by mail, but also by fliers on college campuses around the country in order to reach the target market.

Television Commercial: “ The Extreme” was introduced, 2001, in a television commercial. This commercial was similar to the Mountain Dew advertising campaign.

Magazines: There were also similar ads in magazines that are popular with the target market such as Surfers, Snowboarding, YM, and Maxim.

Internet: The product also introduced in the Pizza Hut’s website.

## Reasons for using promotional tools

The objectives of using the promotional tool are to introduce a new product, stimulate demand, change the short-term behaviour of the customers, and encourage repeat or greater usage by the customers.

The advertising campaign creates awareness of the new product in the target market.

Promotional tools also helps Pizza hut to attract customers and increase profit of the organisation.

## Distribution process of the product

The type of distribution channel used by Pizza Hut is the Direct channel. The direct channel is successful when there is a tremendously large market that is geographically isolated. The direct channel is also useful when there are a huge number of buyers, but a little amount of purchased by each. Pizza Hut uses three different techniques of selling its products directly to the market.

Delivery: The first technique is delivery. Customer can call Pizza Hut in advance, place an order , and the order is delivered to the customer’s home.

Dine -in: Another technique is dine-in, customer can go to the nearest Pizza Hut, place an order, either leave with the order or eat at the restaurant. Pizza Hut’s restaurant style facility is its one of the competitive advantages. Pizza Hut offers a clean place to sit down and enjoy the food in a fun and family atmosphere.

Online Order: Customer can go on the Internet and place an order. Online ordering technique is helpful because it helps the customer to see the entire menu , download any special coupon, and order without giving any credit card numbers.

The market exposure for “ The Extreme” is nationwide. Customers all over the country can order “ The Extreme” by Online ordering technique of the distribution methods.

## Conclusion

At the end of this report it can be concluded by giving the findings of this report. Pizza Hut is a renowned company in the UK and all over the world. “ The Extreme Pizza” is one of their various products, which is an unique one because of its size, 20-inch and key components of its. “ The Extreme” as a product mix has contributed the sales and profits. In this report there is definition of pricing strategy, which includes two strategies that are, Skimming and Penetration. There is an example of pricing strategy of Pizza Hut. Pizza hut uses different types of promotional tools like, mail, fliers, leaflet, T. V. ads, magazine ads, and internet. This report also contains the distribution process of Pizza Hut.

## WORD COUNT: 1, 340