Accordance with the firm's offer assignment

Business, Marketing

The plant was inaugurated on September 03/2007 & start producing its licensed products namely Pepsi, Miranda Orange, 7 Up, Miranda Tonic & Miranda Apple for its customers officially. Honestly speaking, no organization exists without a performance target or objective intended to achieve over a defined period of time. In manufacturing & service giving firms marketing & sales departments are back bones to achieve these goals or objectives, the mentioned department works mainly with the four marketing mix elements namely product, price, placement & promotion.

Each element plays a great role in making the company to exist in the market. The purpose of this study is to know how those marketing mix elements affect the sales & if there is negative effect, to take corrective action & to avoid something difficult before happening & if positive, to make them the strength of the company in the millennium Pepsi cola. 1. 2 Statement of the problem Using marketing mix elements is an important tool for marketing activities in that it helps to have the best marketing & sales departments & competent firms in the market & meet the objectives of the firms.

Despite the fact that marketing is the basic function of all manufacturing & service giving companies, it differs or varies among them is basically in its degree of proper applicability of the marketing mix elements. It's advantageous for companies to use those marketing mix elements wisely & execute them properly to meet the general objective of marketing. The impact will be both positive as well as negative. When looking at those marketing mix elements in the case of millennium Pepsi cola factory:- In case of the first P [I. E. Reduce/ they are using it extensively by availing all product lines of the company better than the competitors do, so that it inclines the sale that is one strength of the company. In case of the Price- the company is selling its products in higher price, as the study tastes it is not a fair price for the consumers since the end user can't afford it because through retailers/ like- hotels/ & wholesalers the price becomes higher in each of the mentioned bodies set their profit margin, so that it decreases the outlets dropping capacity of the companies products since the consumer is not using it because of the higher retail price.

In case of Promotion – competitors promotional activities done is better than the millennium Pepsi did, even taking in to consideration only the Hawks city the competitors promotion is much better available than the Pepsin's promotion. His promotional impact may not be seen immediately but in the long run it will be observed since those kinds of promotions create images in the minds of the customers that leads to use those products that causes the millennium Pepsi to decline its sales & market share it had.

The 4th P / Placement/ – in this marketing mix element the company had best strategy than those of the competitors since it is distributing [supplying/ its product door to door to the customers gate & effective service that creates positive image of the company in the minds of the customers, and also since it avoids different costs for customers it rates increment in sales if it had consistent supply. As mentioned above, those marketing mix elements have whether positive or negative impacts on companies. 1. Objectives of the study 1. 3. 1 General objectives The general objective of the study is to assess or examine the impacts of marketing mix elements on sales. 1. 3. 2

Specific objectives To assess the marketing mix elements of millennium Pepsi cola factory To investigate about the extent to which the company follows or applies marketing mix elements while performing the marketing activities. To review the marketing activities of the many. To see the strength & weakness of the company in the area of marketing. . 4 Significance of the study The need for this study is in order to observe & analyze the impacts of marketing mix elements on sales & marketing & it’s worth while to the millennium Pepsi in such away that it helps in fostering & strengthening the existing marketing activities & making them more workable there by tightening the gap that may expose the company for failures. It also suggests the company what its marketing activities should look like to develop the existing market share it had.

Further, the study is an important starting point to other young student researchers who want to conduct a research on the same topic, even as a model & reference material on different topics, it also experiences building ground for student researcher. / Who is interested or willing to review in same field of study’. 1. 5 Scope of the study The study is delimited or confined only to Hawks millennium Pepsi cola factory from which the necessary data is collected & the study is conducted. The study will be conducted only to see the marketing mix elements impacts on sales positively or negatively. . 6 Limitations of the study The limitation of the study is that primarily since the study is conducted only at millennium Pepsi cola factory, the findings of the study cannot be a representative of any other research that could be conducted on other organization. In addition the researcher could not get all company’s documents believed relevant for the success of the study. Since the company is newly inaugurated it may not have sufficient data to be used as source document & also the student researcher may not get all company's documents since some are company secrets. 1. Research Methodology A blend of primary data & secondary data was used in conducting the study. The primary data was conducted through questionnaire & interview; the secondary data was secured from relevant literatures like books & company data's. The population was the Hawks outlets ' customers/ of the company / that are around 2000 in number/ & the marketing department staffs of the company, & the sample size was at least 5 ' five/ customers from each 7 [seven/ routes the company had in Hawks town & at least 10 [ten/ staffs from the marketing department of the company.

A survey design was used in conducting the study & random sampling techniques was used since it's easy to analyze data & compute error. Both field & in-house editing quenches will be used to correct if some inconsistency & contradicting happen. In addition pre – coding & post coding techniques was used to check omission, legibility & to clarify responses before & after data collection. CHAPTER TWO REVIEW OF RELATED LITERATURE 2. 1 . Definition of Sales Management originally referred exclusively to the direction of sales force personnel. Later the term took on broader significance.

In addition to the management of personal selling, meant management of all marketing activities, including advertising, sales promotion, marketing research, physical distribution, racing & product merchandising. (Edward,

2002) In time business, adopting academic practice, came to use the term rather than to describe the broader concept. Then, the definition committee of the American marketing Association agreed that sales management meant " the planning, direction & control of personal selling, including recruiting, selecting, equipping, assigning, routing, supervising, paying & motivating as these tasks apply to the personal sales force. The American marketing association’s definition made sales management synonymous with management of the sales force, but modern sales managers have considerably reader responsibilities. Sales managers are in charge of personal selling activity, and their primary assignment is management of the personal sales force. However, personnel related tasks do not comprise their total responsibility. (Edward, 2002) 2. 2. Objectives of Sales Management According to Richard, Edward & Norman (2002) the objectives of sales management can be seen from the company view point, there are three general objectives of sales management:- 1. Ales volume 2. Contribution to profit 3. Continuing growth Sales executives, of course, do not carry the full burden in the effort to reach these objectives, but they are major contributors. Top management has the final responsibility, because it is accountable for the success or failure of the entire enterprise. Ultimately, too, top management is accountable for supplying an ever- increasing volume of " socially responsible” products that final buyers want at satisfactory prices. 2. 3.

The Definition &Importance of Marketing Mix Elements The marketing program consists of numerous decisions on the mix of marketing tools to use. The marketing mix is the set of marketing tools the firm uses to pursue its marketing objectives in the target market. Mac Charta classified these tools in to 4 broader groups that he called the ups of marketing:- product Price Promotion & Place Note that the ups represent the seller’s view of marketing tools available for influencing buyers.

From buyers’ point of view, each marketing tool is designed to deliver a customer benefit. Robert Literature suggested that the sellers ups correspond to the customers sac’s: Product – Customer solution Price – Place – Customer cost Convenience Promotion – Communication Winning companies will be those that can meet customer’s needs economically & conveniently & with effective communication. . 3. 1 PRODUCT Is anything that can be offered to market for attention, acquisition, use or consumption that might satisfy a want or need. Kettle, 2007) people purchase what is termed a " bundle of satisfaction”(Geoff , 2002) Product classifications Products can be classified in three groups according to their durability or tangibility. 1 . Non-durable goods: – those goods are tangible goods that normally are consumed in one or few users. Egg. Pepsi, soap, salt 2. Durable goods: – are those tangible goods that usually survive many users. Egg. Refrigerator, TV, clothing etc 3. Service: – are activities, benefits or satisfactions that are offered for sales. Egg. Hair cut, repairing.

Etc – Products fall in to two broad classes on the types of consumers that use them. Consumer Products & industrial products. Consumer Products: – are those brought by final consumer for personal consumption. Marketers usually classify these goods based on how consumer goes about buying them, as convenience products, shopping products, specialty products & unsought

Products. Industrial Products: – products bought by individuals & organizations for further Processing or for use in conducting a business & industrial products.

These products further classified in to materials & parts, capital items & supplies & business services. (Kettle, 2007) 2. 3. 2 PRICE Is the amount of money charged for a product or service or the sum of the values that consumers exchange for the benefits of having or using product or service. It is the only element in marketing mix that produces revenues. Is the most flexible marketing mix element. Types Cost- plus pricing – cost based pricing, also known as cost plus pricing, & includes a certain percentage of profit margins on the sum total of the full cost of production, racketing costs and an allocation of overheads.

Market oriented pricing – this is a very flexible policy in the sense that it allows the price to be changed in accordance with the changes in the market conditions. The product may be priced higher when demand conditions are very good & the prices may be lowered when the market is sluggish provided it helps in increasing sales. Following competitors – many firms follow the dominant competitors, particularly the price leader, in setting price. The various alternatives can be setting price at the same level; below that of the competitor; higher than that of the competitor.

Negotiated pricing- deciding the price by negotiating between the seller & the buyer is very common in government & industrial purchases. Break even pricing- the firm tries to determine the price at which it will break even or make the target profit it is seeking. Break even point is a point in a graph or mathematical model where cost equals revenue. Creative pricing- creative pricing means taking advantage of flexibility between the lower limit of break even pricing and the competitor's price for similar product.

New product pricing – Market skimming- prices are set to achieve a high profit on each unit y selling to buyers who are willing to pay a higher price for a product of perceived higher value. After the demand of these buyers is satisfied, competitors produce similar products at lower prices, prices may be reduced to increase volume & maintain overall profitability. – Market share/ penetration pricing- is based on the assumption that long-run profitability is associated with market share. When using the strategy, the goal is to dominate the market through market penetration.

Firms set prices relatively low to win customers & discourage competition. Early losses may occur, but as volume increases, cost per unit decreases & long term profits are achieved. 2. 3. 3. PROMOTION (Kettle, 2007) -is the transmission of a message to the buyer (consumer) channel of distribution in which the supplying company. Aims to tell each one of these receivers why they should buy or handle the product. Major promotional mix [tools/ are:- Advertising- it refers to any paid form of non-personal presentation & promotion of ideas, goods or services by an identified sponsor.

Personal selling- it is a personal presentation by the firm's sales forces for the purpose of making sales & building customer relation ship. Sales promotion- it consists of diverse collection of incentive tools, mostly short term, designed to stimulate quicker and/or greater purchase of particular products/ services by consumers or the trade. Public relation- public relations offer several unique qualities. It is very believable news stories, features, and events seem more real and believable to readers than advertisement do. (Kettle, 2007) 2. . 4. PLACE ‘ DISTRIBUTION/ Place I. E. – placing the product refers to distribution of products, covering both channel of distribution [which includes direct & indirect transfer of title to a Reduce/ & physical distribution [which includes management/ movement of raw materials, parts & supplies in to & through firm & management & movement of finished products to consumers/ Common channels of distribution:- – Channel to consumers Producer to consumer- this channel, often called the direct channel, includes no marketing intermediaries.

Producer to retailer to consumer- a retailer is a middleman that buys from producers or other middlemen and sells to consumers. This channel is most often used for products that are used for bulky & perishable. Producer to wholesaler to retailer to consumer- this channel is known as the traditional channel because many consumer goods pass through the wholesaler to retailers. Producer to agent to wholesaler to retailer to consumer- agents are functional middlemen that do not take title to products and that are compensated by commissions paid by producers.

This channel is used for highly seasonal products 7 by producers that do not have their own sales force. – Channel to industrial products Producer to industrial user:- in this direct channel, the manufacturers own sales force sells directly to industrial user. Producer to agent middlemen to industrial user:- manufacturers use this channel to distribute such items as operating supplies, accessory equipments, small tools and standardized parts. The agent is independent intermediary between the producer and the user. Generally agents represent sellers. Kettle , 2007) 2. 4. How those marketing mix elements become so important? Guided by marketing strategy, the company designs an integrated marketing mix made up of factors under its control product, price, place & promotion [the 4 Up’s/. To find the best marketing strategy & mix the company engages in marketing analysis, planning, implementation & control. Through these activities, the company watches & adapts to the actors & forces in the marketing environment. Marketing is a driving force in the modern global economy, so does its mixes.

To understand why is so & some related ethical aspects let us look at the evolution of marketing and sales orientations. Production Era /1860- 1920/ Goods were scarce in the early year of the United States, so buyers were willing to accept virtually any goods that were produced & make do with them as best they could. The central nation was the products would sell them selves, so the major once of the business firm was production. Sales Era /1920- 1960/ During this era firms discovered that they could produce more goods than their regular buyer could consume.

Competition grew the usual solution was to hire more sales people to find new buyers. Marketing concept era /1960- 1992/ In this era marketing become the motivating force for many firms. Then the policy become ” we are in the business of satisfying needs & wants of consumers” this is really a brief statement of what has come to be known as the marketing concept, the idea that an organization should strive to the needs of consumers while also trying to achieve the organizational goal. The market orientation era /1992-

2000/ Many of the implementation issues are now being addressed by the total quality management movement.

An organization that has a market orientation focuses. Its effects on continuously collect information about customer’s need & competitors capabilities, sharing this information across departments & using the information to create customer value. An important out growth of this market orientation is the recent attention placed on consumer relation ship management /CRM/ (Microsoft Incarnate, 2009) 2. 5 Marketing Mix Decisions In marketing mix there are four main decisions, product policy, pricing policy, promotion policy & distribution policy:- 2. 5. Product policy For marketing it is crucial to see how the products benefits are perceived by customers rather than are defined by production expert. Production positioning is a market research technique which seeks to elicit from buyers. A description or map of how alternative brands are perceived. Products positioning models suggests seven alternative strategies marketers can pursue by modifying their product or persuasive communications. Among these:- developing a new brand edifying the new brand Altering benefits about the competitors brand.

Altering the importance attached to the individual characteristics. Calling attention to neglected characteristics. Shifting consumers’ preferences. (Edward , 2002) 2. 5. 2 Pricing policy In setting prices the manufacturer has to consider not only profitability & the reaction of buyers, but other parties too. The company’s distributor must be given an adequate profit margin to ensure that they are sufficient incentive to push the product. The decision maker will also have to consider the likely reaction of competitors to switch in pricing policy.

The most common types of pricing policies firms pursue in practicing are the following:- – Market penetration pricing Here firm’s prices low, scarifying short term profits, to aim at market share. Circumstances favoring this policy are:- Where the market is highly price elastic. Where total unit cost is declining substantially with production experienced. Where a low price discourages new competitors entering the market – Market skimming pricing This entails prices which yield high profit margin over a relatively small volume & generally for a short period of time. It is viable option where:-

A segment of significant size exists which will buy at the high initial price. The firm has limited production capacity or resources with which to expand. High initial price will not attract an immediate competitive take over of the market. The high price creates an image of a superior product. – Cost oriented pricing Most firms set prices largely on the basis of product costs, mark up pricing & cost plus pricing set prices by adding some fixed percentages on to the unit cost. Target pricing is another cost oriented pricing approach that set prices to achieve a certain target return on investment. Perceived value pricing Unlike the cost oriented policies, this approach as described earlier, bases prices on demand considerations, on how the buyers perceive the value the product relative to the competition. To be effective this approach requires market research to obtain an accurate picture of the markets perception. – Price discrimination This is another common form of demand pricing where by the firm seeks to charge different types of customers with different types of the same or similar product where segments exists with prices elasticity.

This type of discrimination allows the firm to achieve higher profit. (Baker, 1994) 2. 5. Promotion Policy After a company has designed a product & offer to match the wants of its target market segment it needs to communicate this offer to buyers & persuade them to try it. There are four main tools which may be used to achieve goals. Advertising, personal selling, sales promotion & public relations. In general before purchasing a product, buyers have to be brought through various stages of the communication process. First, they are to be made aware of the products existence.

Second, they have to comprehend the benefits the product offers. Third, they need to become convinced that it will meet their wants. Finally they have to bring to the point of making a positive purchase decision. The different communication tools are frequently used to achieve specific communication goals. Advertisement is particularly good at making aware of a new product. But, it is usually for less effective than personal selling at closing the sale. Personal selling is usually a very expensive means of creating awareness & comprehension, but more efficient at stimulating conviction & purchase.

There are also differences between types of marketing but because of the larger number of buyers which characterize consumer marketing; ass media advertising is more, whereas personal selling is usually the major selling medium in industrial marketing. 2. 5. 4 Distribution policy Distribution management is concerned with decisions on moving goods from the producer to the target consumers. Decisions about distribution channel are very important because they intimately affect all other marketing mix choices & once made they are not easily changed.

In principle manufacturer can choose between selling the goods directly to the consumer & using a variety of distributors & retailers. – In choosing distribution channels the manufacturer will seek intermediaries which et Four criteria:- Intermediaries should be oriented to serve its target market. The firm will want distributors which help it to exploit differential advantage. Working with a particular channel must be economically rationale for the manufacturer. Direct selling with a company sales force is a powerful channel but it is too costly for companies with out significant market share.

The manufacturer will be influenced by the control & motivation of prospective intermediaries, a distributor selling a wide range of successful competitive products might give in sufficient attention to new comer’s products. Baker, 1994) 2. 6. Relation ship between sales & marketing mix Sells orientation firms seek to generate sells volume through intensive promotional activities mainly personal selling & advertising, in the same way customer based firms should recognize the promotional decisions are only one of the four marketing decisions that have to be made.

When a customer makes up his mind to purchase a company’s product, first he will look for the where he can find the product & he is likely to disregard those products that appears to be difficult to get access or that requires enormous effort to get access. Hence, marketers should make their products easily accessible to customers by distributing them through appropriate &

adaptive distribution channels. This by no means that a customer will instantly buy a product because it is available, rather he will consider whether the product he is considering is capable enough to deliver what he expects from the product [product aspect].

This also doesn’t mean that he will purchase the product for the sake of its quality or performance. Rather, he is likely to bargain about the price. But, to facilitate all these things a firm should communicate & inform to the prospective rarest about the attributes & qualities its products convey, the price of its brands, the place where it may be purchased etc, through advertising, personal selling etc in a way compatible to its offers so that customers will set their expectation in accordance with the firm’s offer.