

Marketing mix paper essay sample

[Business](#), [Marketing](#)



Multinational companies often serve as standard for excellence in relation to their business success and excellent profitability. Small businesses with their own marketing strategies look up to multinational corporations as their goal. The small businesses are aiming that one day they will also be a big conglomerate with branches in different countries. It is a known fact that multinational companies were once upon a time started as a small corporation or single proprietorship business. The people manning these corporations which are previously small businesses have a long tale of history of trials and tribulations. One such company is Syngenta. The website syngenta.com (2007) revealed that the pesticide company started in 1753 under the name Geigy. The company in 1970 became Ciba- Geigy as a result of a merger with Ciba. The website reported that in 1996, the company merged with Sandoz and became Novartis. In 2000, Astra Zeneca merged with Novartis and became Syngenta.

The website further reported that Syngenta is the first global group focusing exclusively in agribusiness. The website revealed that Syngenta comes from two Greek words, “ Syn” meaning synergy or strength achieved from consolidation and “ Genta” meaning people in a community, bringing out the information that the company name Syngenta means “ bringing people together.” (Syngenta.com, Syngenta Company History, 15th para.). It is very evident from the series of mergers from 1753 that the main reasons for the merging is to bring together the strength of two companies. Strength which may mean specialty products as in the case of Zeneca which is a biotech seeds company and Astra, a known pharmaceutical company and Novartis which is known for sales expertise. (Syngenta Company History). As of 2006,

“ Syngenta is a world-leading agribusiness committed to sustainable agriculture through innovative research and technology. The company is a leader in crop protection, and ranks third in the high-value commercial seeds market. Sales in 2006 were approximately \$8. 1 billion. Syngenta employs around 21, 000 people in over 90 countries”.

Syngenta. com, About Syngenta, 1st para.). This paper aims to document the marketing strategies being implemented by Syngenta and analyze very closely the healthy interplay of the 4P’s of Marketing Mix Paper 2 marketing which resulted to a very successful multinational company. The Marketing Mix article (2007) by netmba. com, revealed that “ These four P’s are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decisions that center the four P’s on the customers in the target market in order to create perceived value and generate a positive response” (1st para.). One of the elements of the Marketing mix is the product. The Company History of Syngenta revealed that the primary reasons for the series of merger is the lack of suitable products the emerging market needs in the 21st century. Ciba-Geigy was not able to introduce innovative products which they got from merging partners like Sandoz and Astra Zeneca. These newly acquired products are soft to the environment and very effective against pests and diseases which became resistant already to first and second generation products which were the organophosphates and organochlorines. It is a known fact among competing agricultural pesticide companies that these outdated products were the products being marketed by Ciba-Geigy before the merger.

The Marketing Mix article (2007) further revealed that under the Product, the brand name, functionality or uses, safety, packaging, supports and services are the requisites to be considered. One of the new products which considered the functionality is Amistar. As revealed by syngenta.com.ph (2007) under the topic Products and Services, Fungicide, Amistar is a breakthrough product as it came from mushroom, a fungus also and not chemically synthesized. Syngenta further revealed that the product is very effective at extremely low rates and therefore more economical than the leading fungicide in the market. These are the qualities of the product that the end user wants; more effective, economical, user-friendly and safe to environment. The packaging also is innovative as it is effective at low rates, the packaging is handy and comes in 100 and 200 gram packs compared to kilos and drum packing of the nearest competitor. The product at present is indispensable partner of the mango, watermelon and other high value crops that require more fungicides due to diseases and therefore more sales and profit for the company. Marketing Mix Paper 3 The next important element of the Marketing Mix is price. In the case of fungicide Amistar, the strategy that Syngenta implemented is premium price.

This is for the reason the product is also of premium quality. Based on the interview from a high ranking marketing executive of the company, they want to create an impression among the high value crop growers that the product is high priced due to its being effective at extremely low rates compared to the nearest competitor which is Benomyl, a second generation fungicide. The end user were the ones who discovered that the strategy of Syngenta is optical price illusion strategy claimed by the high ranking

marketing executive. The price of Amistar is US\$129. 00 per liter and the recommended rate is 110ml/200 liters of water, the price per drum therefore of ready to use diluted product is 110ml x US\$0. 129 per ml or US\$14. 19. The nearest competitor, Benomyl is priced at US\$60. 00 per liter, the recommended rate is 360 ml/200 liters drum, the price of diluted product ready to use is 320ml x US\$0. 060 per ml or \$19. 20. Added to this, the end users claim that Amistar is rainfast or is not easily washed off by rain aside from the fact that it is extremely effective. Benomyl on the other hand is not rainfast and they have to repeat spraying if the rain comes within the day of spray.

This means additional cost on fungicide and labor. The strategy of Syngenta to guide the users in their meetings to promote the product and discover by the end user themselves the real cost involved is very effective and this also lead to word of mouth promotion or endorsement of the product to other end users. Per the experience of Syngenta, the Marketing Executive claims that the endorsement from other end user is a more effective promotion aside from the fact that the company is not spending additional funds to get the endorsement per se and the transmission of the message to other end users which are dominant in the market. This price illusion strategy is not only for Amistar but for all products of Syngenta including the seeds. Aside from the price illusion strategy, the Marketing Executive also revealed that they offer volume discounts to their distributors and direct accounts. Normally, the volume discount is being offered 30 days before the onset of the season. A much larger discount is given Marketing Mix Paper 4 to a volume which is

pre-determined already by the company based on the market size and normally representing 60% of the market.

The advantage of this volume discount is that the company is tying the finances of the distributors to their products so that there will be little fund left from the distributors for the competitor products. Due to the fact that their products are fast moving, the volume is sold also very fast and so they offer additional discounts for 7 days cash on delivery (cod) or strictly cod basis. This way, the cash roll-over or the days that the capital is reinvested per month by both the distribution network and the company is becoming shorter resulting to a more bigger business volume and more profit for both of them. To ensure that the products will be available in the area where it is needed, the Syngenta. com. ph (2007) revealed that they established a distribution or wholesalers network in all urban areas termed as key accounts and specialized retailers in the rural areas where the farms are located. The company also is maintaining as direct accounts the big plantations who require bulk packing of the products.

The distributors were the ones serving the specialized retailers The Syngenta. com. ph maintain this distribution network and are listed under the key account, specialized retailers and plantation accounts section of their website. Moreover, direct plantation accounts were being maintained and their product requirements are served directly by the company not passing through the distributor network. This is for the reason that plantation accounts require bulk packing and special pricing which is not available in distributors network. The fourth element of the Marketing Mix is promotion.

To ensure that the promotional messages will reach the end users, the Marketing Executive interview revealed that they have nationwide and local radio spot commercials using the dialects. They also employ a number of specially trained Agronomists who do the meetings and farm demonstration trials in end user farms. Video and audio recordings of product benefits, user safety and environmental impact are also being played in their audio visual facilities at the distributors store while the latter is open for the farmers to see and absorb the message.

The Marketing Executive revealed that they were Marketing Mix Paper 5 the first company to implement this audio- video display promotion strategy which they find very effective. The company also prepares and distribute during meetings product brochures emphasizing the benefits of the product, how the product is used and safety to environment and user. The interplay of the Marketing Mix resulted to Syngenta although a very young company being considered as one of the leaders in the crop protection industry and third ranking company in commercial biotech seeds. As mentioned earlier, in 2006, the world wide sales amounted to US\$8 billion employing 21, 000 people in 90 countries where the branches are located. The company also established the Syngenta Foundation as part of their corporate social responsibility. (Syngenta. com. ph, corporate social responsibility).” Its aim had been to assist the company in achieving its vision of ensured sustainable growth through a balance of economic, social, and environmental responsibilities”. (Syngenta Foundation, Inc., 1st para.). Field trips and training of selected farmers as well as scholarships for the children of loyal farmers are being offered through the fund of the Foundation.

This way, the picture of the company that was programmed to be perceived as an innovative, solution provider and socially responsible is achieved. From the analysis of the interplay of the Marketing Mix or 4P's of Marketing which are product, price, place and distribution, the company Syngenta seriously and professionally develop their strategies based from their strength and weaknesses. Innovative and soft to environment pesticide products is the demand of the 21st century as the consumers and food providers or farmers became health conscious and aware of the benefits from less toxic pesticides. They also became conscious of environmental health and the effect of persistent chemicals. The success that the company reaped in the past and continued to be achieved in the coming years is a product of carefully laid out marketing strategies and tactics based from interplay of Marketing Mix elements which the company management carefully implemented.

References

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