

# Marketing: the backbone businesses



## **INTRODUCTION:**

Marketing is the backbone of every business organization in the world. It is the act of understanding the customer needs and selling a product to satisfy his needs where in a market expansion happens. Marketing is managing profitable mass network of customers and their bonding with company. The goal of marketing is to attract new customers by promising high value products and to maintain existing customer base by providing best customer satisfaction.

Kellogg is the world's leading producer of cereal and convenience foods. In my market analysis, Kellogg's do not sell any Pasta foods. I present below my findings & marketing strategies and marketing planning if Kellogg's release a new product line – Kellogg's CUP PASTA

## **MARKETING DEFINITION:**

Many people think of marketing only as selling and advertising. Marketing must be understood not in the old sense of making a sale-“telling and selling”- but in the new sense of satisfying customer needs. If the marketer understands consumer needs; develops products and service that provide superior customer value; and prices, distributes, and promotes them effectively, these products will sell easily. In fact, according to management guru Peter Drucker, “The aim of marketing is to make selling unnecessary.” Selling and advertising are only part of a larger “marketing mix”-a set of marketing tools that work together to satisfy customer needs and build customer relationship.

Broadly defined, marketing is social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others. In a narrower business context, marketing involves building profitable, value-laden exchange relationships with customers. Hence, we define marketing as the process by which companies create value for customer and build strong customer relationships in order to capture true value from customers in return.

## **MARKETING PLANNING:**

### **Strategy & Market Planning**

#### **Marketing & Strategy Objectives**

Kellogg's Cup Pasta will be vastly growing Pasta brand as a best-selling product in UK. The marketing line of innovative Cup pasta varieties plain pasta of types – spaghetti (thin strings), maccheroni (tubes or cylinders), fusilli (swirls), and lasagne (sheets) and filled ones of ravioli & tortellini. Kellogg's Cup Pasta dishes have Pasta as the primary ingredient with other highly nutritious ingredients.

Kellogg's Cup Pasta will invent the new & energetic pasta experience for customers of all ages from economic class by selling best quality products at an economic cost but not under the compromise of taste. Kellogg's Cup Pasta will be available at all convenient locations for the people providing industry-benchmark customer service.

Marketing Strategy: Thomas Bonoma asserts, " Marketing strategy and implementation affect each other, while strategy obviously affects actions, execution also affects marketing strategies, especially over time. Although

the dividing line between strategy and execution is a bit fuzzy. It is often not difficult to diagnose implementation problems and distinguish them from strategy deficiencies.” The various roles in the decision making process in Kellogg’s Cup Pasta’s marketing strategy are defined in the following list,

**Responsible:** Being the marketing manager, I take initiative for analysing the situation after one year of product birth in developing alternatives and assuming consultation with others and then make the initial recommendation on approval of decision.

**Approve:** I then accepts or rejects a decision before it is implemented or chooses from alternatives developed

**Consult:** I’m consulted or asked for substantive input before the approval of the decision but does not possess power.

**Implement:** I’m accountable for the implementation of the decision, including notification of other relevant participants concerning the decision.

## **Marketing Audit:**

**Market Situation Analysis:** Kellogg’s Cup Pasta enters its 2nd year of operation in market. Marketing is crucial at this stage in terms of market expansion & profit. Kellogg’s Cup Pasta has an extensive offering of pasta varieties of different shapes & flavours. The fundamentals of Kellogg’s market is to provide customers, from kids to old aged people, a creative, attractive, pasta dishes at no cost of time in a sleek & stylish cup. It uses homemade pasta made of wheat flour & fresh vegetable extracts providing

flavours of veg curry, chicken, prawn, and includes new releases of fruity, nutty, easy-digest, hot ' n' chilly, peppery, cheesy.

Market Needs: Kellogg's gives customers a vast range of handful selection of Cup pastas which are rich in nutrients and quality. Kellogg's manages to satisfy the below needs of consumers,

Choice – Different lines of pasta to select for customers

Receptibility – Many distribution channels make Kellogg's Cup Pasta to available to all its customers.

Customer service – Kellogg's Cup Pastas are of high nutrient content & are safe to a person's health.

Competitive pricing – Price must be relative to other pastas available in market.

Market Trends: Kellogg's profits from emerging Organisation strategies and introduce new products or services to Pasta market. The market trend of pastas, salads, noodles is heading towards a more sophisticated customer.

Nowadays, Kellogg's Cup Pasta customers trends are based on the below,

Health consciousness. There is high rise in number of health club memberships & fitness clubs. Customers look out for healthier options in food but at no cost of taste. Cheap foods days are no more in today world. People recognise the benefit of healthy products.

Selection. Limited menu is unacceptable for people. They demand a wide range of selection to choose from for their everyday menu.

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Food quality. Organic foods are on demand for customers. People recommend for qualitative products and search for high nutrient foods.

Semblance. Since presenting products to customers becomes more pervasive, potential customers tend to praise this virtue of the growing Kellogg's Cup Pasta industry.

The Market: On analysis of market served by Kellogg's Cup Pasta, the common characteristics of customers have been identified. Kellogg's will utilise this information to understand the customers its serve, their specific needs, and how to sustain them by better communicating their needs. Analysis of Customer data collected shows potential customers as Kids, Students, Families, & Old Aged People.

Competition: Kellogg's to acquire information about its competitor's strengths and weakness. On survey by Kellogg's to learn its three competitors: XX, YY and ZZ on five attributes, XX popular brand known for its good quality product but low in availing products at right time. YY was low on customer service and food quality. ZZ was not well branded though it was of good quality & price. In general, Kellogg's should monitor three variables when analysing competitors,

Share of Market – The competitor share of the target market

Share of Mind – The percentage of customers who named the competitors in responding to the statement, “ Name the first company that comes to mind in the industry”

Share of Heart – The percentage of customers who named the competitor in responding to the statement, “ Name the company from which you would prefer to buy the product”

## **Components of Marketing Planning & Risk**

2. 1 SWOT Analysis: Below is the SWOT analysis done by Kellogg’s to analyse its strength, weakness, opportunity & threat in its Cup Pasta market,

### **Strengths**

Thick bonding with providers of best-quality Pasta ingredients with quick delivery timings.

Multiple distribution channels to reach out customers

Location of Shops that sell Kellogg’s Cup Pasta in high street shops, malls, supermarkets.

Cup Pasta – rich quality & taste that exceed competitor’s offer in terms of cost, quality & appearance.

### **Weaknesses**

Kellogg’s Cup Pasta lacks brand name though it’s widespread in market.

Low marketing budget for developing brand awareness.

Compete with Competitors using cutting edge technologies for marketing

### **Opportunities**

Being a niche market, there is still good percentage of population where there is no awareness of Kellogg’s Cup Pasta.

Rise in opportunities in International marketing lines.

Innovativeness in creation of new Kellogg's Cup Pasta flavours & reusability of Cups for customers

Gain advantage using competitor's marketing techniques to increase its growth in market.

## **Threats**

High competition from well-established Pasta & other competitors for Cup Pasta.

Economic slowdown that affects potential customers income

2. 2 Marketing Objectives: When competitors of Cup Pasta are identified by Kellogg's, it understands the competitor's marketing strategies. It performs market analysis using Questionnaires & people analysis to find out the position of each competitor in Pasta market and the drivers for their current position in market. Kellogg's designed its marketing objectives based on drivers – productivity & growth in present market, liquidity of cash through market channels and marketing leadership in technological & customer service fronts. Kellogg's objectives are defined below,

Achieve & Sustain balanced growth in a quarter

Achieve minimum target of £80k – £90k sales bimonthly.

Set goals to bring in more new consumers of Cup Pasta while maintaining the existing consumers of Kellogg's.



Realize a growth strategy of one manufacturing unit biannually.

2. 3 Strategic Objectives: In the recent market trends, Logistics plays an important role for all business organizations. Kellogg's recognizes the same impact of logistics in its market of Cup Pasta too. Logistics is important to a company as Kellogg's so as to gain and maintain competitive superiority in its market. Kellogg's incorporates new objectives of improvised logistics approach for better performance and high deliverance into-long-term business strategies that help Kellogg's to achieve substantial profits in its Cup Pasta market. Kellogg's strength of strong relationship with its retailers & wholesalers is due to its efficient logistics processes. Say, it can deliver Cup Pasta to a sale point within deliverance window of 2 -3 hours. This effective logistics planning & process help Kellogg's Cup Pasta market to expand & reach its market objective of steady growth rate than its competitors in Pasta market as well as to maintain low implementation costs related with Cup Pasta production.

## **2. 4 Core Marketing Strategy:**

Target Markets: A Marketer can rarely satisfy everyone in a market.

Marketers analyse different groups of people and segment them based on factors of geography, demography, psychology, and behaviour. Once Kellogg's identifies its market segments, it decides its target markets as the one which gives Kellogg's greatest prospect for Cup Pasta. Kellogg's Cup Pasta customers are hungry individuals from age groups of 5 to 50. All age groups enjoy Kellogg's Cup Pasta. A customer's income, age, working pattern and proximity to the retailers for purchase and customer's needs &

trends are the key factors for Kellogg's to decide its target market for Cup Pasta.

### **Competitor Market & Its Advantages:**

Pasta Competitor XX: This is an Italian Ready-To-Cook product that has a limited selection of pasta recipes. With limited selection and best price rates, the dishes are good.

Pasta Competitor YY: A producer of chilled Italian meals, pasta and sauces based in Victoria with a decent Ready-To-Cook pasta selection, however quality is not good enough to capture more markets. General Mills acquires Pasta Master in 2011

Pasta Competitor ZZ: A restaurant with a wide range of pasta dishes based in Italy. Though taste & quality is average, price is high in comparison with its competitors.

Kellogg's Cup Pasta has created authentic recipes of pastas that are unique and high-quality to its competitors. The factors that contribute to this difference of Cup Pasta from its competitor's product are,

Cup Pasta is made using flour from fresh Indian Wheat along with fresh, organic vegetables extracts.

High-nutrient ingredients used by Kellogg's to prepare pasta are all imported & are of top qualities.