

Strategic marketing : colgate flashcard



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The concern given to develop a marketing strategy which acts as a vital and integral part of business where a fastest growing company like Colgate being taken under consideration focusing to the basic understanding and developing opportunities In sales Increment, brand management as well as to evaluate and understand the current opportunities to derive the best from It as an advantage.

The development of marketing strategies acts as value added in business and also helps the firm to grow faster as compare to the competitors as well as to develop competencies in customers satisfaction should be a main goal for one's (Shearer 2008). The concern given to the importance of strategic marketing approach which ensures the competitive position of Colgate in the current market place where the importance marketing is to develop marketing strategies shows the importance in developing competences, sales, promotion and all marketing communication methods and contributor to the satisfaction of the customer needs and wants.

The marketing strategy approach acts as a medium to grab the niche In focusing to the consumer market for Colgate (David, 201 1 Direct marketing Is done through mail, telephone, ax, e-mail, or Internet (Joseph H. , D. Montana 2005). 2. COMPANY OVERVIEW Since 200 years Colgate was operating in the whole world after it was founded in the United States. In more than 200 countries people are using the products of Colgate in the brand name as Colgate, Ajax, Palmolive, Soft-soap, Some Hill's Science diet products.

Colgate is the maximum used product by the customers and the company focus more in the production of Oral care, Household care, Personal care products and many more. According to the recent survey it was found that Colgate \$9 billion Company (Colgate Annual Report 2013; Ellen, 2012). 3.

MARKETING OBJECTIVES AND GOALS SMART Objectives:- The SMART objectives of Colgate are as follows: 1 . To influence and motivate the team members and employees so that the common goal is achieved. 2. To participate and accept all the major functions of the organization.

SMART Goals of Colgate: Concerning to strategic plan there are two types goals concerning to Colgate. The Colgate has two types of goal short term and long term goals. The goals are supported by detailed production, financial and marketing plans (Promo Magazine, 2005). 4. **GROWTH AND PROFITABILITY** Concerning to Colgate, the total sale during the financial year end December 2013 lion during 2013, an increase of about 17% over 2012 ((Colgate Annual Report 2013). It was observed that the current market share was of Colgate about 45% in the tooth markets of the world.

Focusing to the toothpaste company in US Colgate has the largest number of consumers of toothpaste. Colgate is the biggest toothpaste selling company renowned globally with a market share of about 36% (Colgate Annual Report 2012, p. 2-4); (Chop, 2006). 5. **DIFFERENTIAL ADVANTAGE / COMPETITIVE EDGE (USPS) Strategy** USPS (Unique Selling Proposition) developed by Rouser Reeves, the advertising heart of New York, Madison Avenue which shows importance of the toothpaste in the global market acts as choice of the personal care products which being named as Colgate toothpaste.

The concern given to the products with respect to the target market where there was a application of various marketing strategies approaches (Blandishing V. , C. S. Aragua, 2006). The initial phase of promotions, Colgate uses television, radio and newspaper advertisements and many more. The strategy also supports to promote other products as because of strong brand image of Colgate in global market (Kurt, 2008). 6. SITUATIONAL ANALYSIS. The situational analysis of Colgate is done though SOOT Analysis which can bring tragic alternatives.

The SOOT analysis determines the strength, weakness, opportunities and threats prevailing in the business organization (Moon, 1999). The competitive advantage of the firm is gained through strength whereas the weakness stops it. 6. 1 . Strengths:- Concerning strengths, the brand image of Colgate is very strong. Due to global brand image sales has increased which lead to availability of cash flow for operations abundantly (Gibson, 2008). Further it has observed that Colgate has relatively very strong market share in US, Asia and Europe.

The increasing health awareness among people regarding their teeth will be a reason for the growth of the company earnings. The strength concern with the wide aspects of developing core competencies in global business as well as in products selling focusing to the competitors of Colgate (Colgate 2013).

6. 2. Weaknesses:- As per SOOT analysis it has been observed that the product line of Colgate is very monotonous. Further the leverages is very high of Colgate (Colgate 2013). This might be due to very less innovation in the products. There is nothing new in the existing production line which might lead to decrease the profits margin of company

By SOOT analysis, it has been observed that the oral care market is globally very strong for Colgate. US has lesser Spanish people. It is opportunity for Colgate to increase their numbers. The company can focus on introducing more and more personal care product to grow in India and other Asian countries. The increasing health awareness in addition provide opportunities to Colgate to expand its business activities with new products in other parts of world also (Hill, 1997). 6. 4. Threats The threat concerning Colgate, increasing competition in the global market is major hurdle in present market scenario.

Secondly, Colgate is privately owned label growth. Thirdly, the growing prices of products introduced by Colgate are also a big threat. 7. PEST ANALYSIS: Focusing to Colgate after evaluating and analyzing the external environment and its impact business, the external factors are categorized into 4 major types by using the PEST or PESTLE Analysts. 7. 1. Political Factors The political factors affect the way in which the business was performed. The political issues may in form of trading policies of the government, political stability of the country, taxes and labor laws (David, 2011).

All these are imposed by the overspent. There may be many regulations that are put by the government which will affect Collage's production, marketing or selling activities (Colgate 2013). 7. 2. Economical Factors These factors affect the economic growth of the country and operation of business (CHIP, 2014). It is the duty of the senior management of Colgate to assess the economy of his home country and should follow the trend of changing taxation of product and services. Moreover if the company is involved in

foreign trade then the tariffs, exchange rates, import-export ratio should also be considered (Colgate 2013).

This changing exchange rate might be a threat to Colgate earnings. 7. 3.

Socio-cultural Factor The Socio-cultural factors implies to the point of view of the general public or society. It is also very important that the public has a good opinion and thinking towards the Colgate because it is very helpful in creating the brand image of the product. The company should be directly attached to the media, press, etc. Socio-cultural factors are also related to advertising and publicity as it is very important to build brand image (CHIP, 2014).

Hence it is very important that the company should respect the elderly section of the society and should take care of the minority interest and introduce products accordingly (Maxine N. Laurie, Marc Mapped, 2004). 7. 4.

Technological Factors These factors affect the technique of operating the business. Technology plays a vital role in the improvement of the business thereby increasing the productivity and application and implication of Just-In-Time (JIT) technology as well as Six Sigma's with respect to the competitors which helps to increase the production capacity by reentrant the quality for Colgate (Colgate 2013). . **PORTER'S FIVE ANALYSES** The Porter's five force analysis constitutes five factors that are as follows: 8. 1 .

Bargaining Power of Suppliers Focusing to Colgate, this factors was designed by Porter to form a competitive advantage for the company. Performing business globally and large number of assets has enabled the company to attract large number of investors and stakeholders (Porter, 2008). Although the business strategies of Colgate is not very strong still the threat of

bargaining power of suppliers is low due to partnership, supply chain management, training, and dependency (Aragua, 2006). . 2. Bargaining Power of Customers Customers are the biggest strength of every business organization. Colgate has more than 200, 000 manufacturing units all over the world and is providing its product to over more than 26 million customers per day (Del 2007; Porter, 1980). The example concern with the customer choice to buy Colgate because it is easily available everywhere, it is cheaper with high quality, good technology, etc. Moreover the customers were satisfied by its performance. . 3. Threat of New Entrants Focusing to the home care and oral care industries, the company has to face many robbers as new entrants because there are huge competitors in the market with similar product range and with high quality (Gibson, 2008). On the other hand due to the advanced technology these can be put at par with other entrants. The technology advancement of Colgate has enabled it to be different from other competitors (Promo Magazine, 2005).

The example may considered as building reputation focusing to both tangible and intangible like technology, products, adherence to business ethics, and code of conduct, and corporate social responsibility that encourages consumers to brand loyalty (Cone, 1996). 8. 4. Threat of Substitutes Concerning to this factor, the customers is likely to opt for substitute product due to several external and internal factors the company raises the cost of its product then the customer is forced to opt for his preferred next option (Porter, 1979).

The price cost of the product is increased due to social and political factors, which is a threat to the company like Colgate. 8. 5. Competitive Rivalry

between existing players In every business it is a common practice that in order to attract the customer the price should be lesser. If the price is less than the firm is able to attract more customer as compared to the price of the rivalry competitors. Colgate uses various strategies to market their product and achieve competitive advantage with respect to marketing (Storefront, 2009). Colgate also organized promotional campaigns for image in comparison to other rival companies (sedateness. Mom, 2012). 9.

SEGMENTATION TARGETING AND POSITIONING (STEP) Market segmentation refers to marketing strategy which involves segregating wide target market into subsets of customers who possess widespread wants and precedence, and subsequently intending and applying policies to aim them. Market segmentation policies might be utilized to recognize the targeted audience, and offer sustaining information for positioning to attain a advertising plan idea (Guava, 2005). Market Segmentation is a process in which the market is divided according to the needs of the consumers as per their needs and demands.

Moreover different segments are also targeted by using various strategies (Goldstein, 2007). Focusing to the Target Marketing, Colgate aim to target the customer group focusing to their business development and marketing efforts which ultimately categorized as follows Geographic Demographic Cryptographic Behavioral 10. 4 OF According to Borden (1965), 4-As are the base of the marketing management. Focusing to Einstein theory of relativity the comparison is made with Quantum Mechanics. The 4-P are alternatively called as marketing mix as it is a right way to launch new products in the market by applying marketing strategies (Storefront, 2009).

The 4-As of marketing includes product, price, place and promotion. This tool is used by management of Colgate to endorse the products and increase the revenue of the company by applying appropriate marketing strategies. 10. 1.

Product: Product of the company may be in a form any tangible substance or an intangible service that are manufactures by the company to satisfy the needs of the customers. The product should have variation and

differentiation depending upon the different market segments (Kerri, 2001 ; Kurt, 2008).. 10. 2. Price: Price refers to the amount of money paid by the customer to the seller in exchange of goods and services.

This is done through the various distribution channels (Kettle, 1997). There are several factors that help in price fixation these factors are market share of the firm, the number and strategy of the competitors, the costs of raw trial and most important thing is the view point of product choice in the eyes of the customer (Ante, 2006). At present the organization uses various types of pricing methods: Penetration Pricing:- According to Kettle (2012), the firm can attain monopoly in the market by doing this type of pricing strategy. Initially they may have to bear loss but later they may earn huge profit.

Price skimming: In this strategy the marketers first increase the price of the product and sell in the market and later decreased (Kettle, 2006). 10. 3.

Place Place refers to the destination where the customers buy the product. As per Kettle (2012), place is the mode of distribution through which the products are reached actually to the customers. Through place both direct and indirect selling can be done. The target country and market entry methods concern with foreign direct investment as well as direct marketing in the country market acts as a vital tool for the concern like Colgate. 0. 4.

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Promotion Promotion implies to the method of communication used by the marketers to let the customer be aware about the product. The advertising concern with branding of the products which include celebrities involvement for branding the products. The application of integrated marketing communication also plays a vital role to promote the product like Colgate toothpaste. CONCLUSION AND RECOMMENDATION Though Colgate is one of the biggest toothpaste manufacturing company but yet it does not have the best quality toothpaste in the market.

As per the current scenario the customers are using more advanced product and they have not found anything innovative in Colgate (sedateness. Com, 2013). – With respect to the ops, it can be assumed that the absence of this advancement is due to the lack of technology advancement. Colgate is selling quite a large number of tooth pastes because the price is cheaper. Concerning to the product development it can be assumed that the products in market today have come up with the latest technology don't have such a high sale.

The increasing promotional campaigning by using celebrities has lead to increase in the costs of advertising for the company which need to be reduced for increasing overall profits. In spite of all Colgate is holding quite a good number of share in the market and moreover it is an internationally recognized tooth paste brand. The new products are not aware about Colgate at present but it is sure that they must have use Colgate in the past (sedateness. Mom, 2005). Further the recommendation gives a light in the truth that a customer wants innovative products.

The company can focus on developing products as per geographical location where the product will be sold, the demand of people residing there as well as age group of people. Concerning old people, the toothpaste must be concerned with problems of sensitivity and concerning minor it must be strengthening teeth muscles. At present the market is focusing on the product through educative advertisements by using various markets by currently being a supplier of a high end product. Moreover this will increase the market share holding in the plus market but the traditional market's sale will not be affected by this.

The concern of contemporary marketing must be taken under consideration as the competition for toothpaste is higher in market and the importance of contemporary marketing plays a vital role and helps to develop competencies in the current market scenario. The approach of contemporary marketing includes relationship marketing which helps to develop better relation with the customers where several factors like price discounts, offers, branding of the product which helps to build customer loyalty. Colgate must concern on the social marketing which promotes the products to society, in product, production and acts as a best methods.

Beside these, branding of the final products plays a vital role for consumer products like toothpaste which also missing for Colgate and a strong concentration over branding and advertising is recommended. The importance of relationship marketing helps to develop good customer's relation for Colgate. The concept of marketing strategy as per STEP is a mixture of five major factors of communication where importance given to

the advertising, sales promotion, public relation's and publicity, personal selling, and direct marketing.

Advertising is a formal presentation of ideas, goods and services. The application of media as per recommendations extracted by marketing mix acts as a good source to grab the current market where advertising through Television and radio acts as great source for Colgate publicity. The concern on niche market seems more important as it helps to develop competencies for the global customer base. As the toothpaste is a FMC based sectors focus on niche market acts as a core competences development for the firm.

Sales promotion is a technique to promote the product for a shorter span of time. The importance also need to develop business marketing as well as industrial marketing helps to develop better relation in between the organization and the importance plays an vital role for the product lies on industrial goods or capital goods with respect to the consumer products where the factors like communication, advertising and promotion plays a vital tool focusing to the contemporary marketing which need to develop for Colgate.

For achieving the targets, advertising is best possible method between the others since it manipulates consumer behavior added for the specific product. As per recommendations of STEP, Technology can be used in production activities as well as research and development activities of the company to provide more innovative as well as healthy products to the consumers of every age group. Therefore, the advertisement should be imaginative and eye- catching to capture counterrevolutionaries.

In addition that, marketers should forever do study and learn concerning the psychological core of customers to appreciate the requirements of customers and discover way to accomplish them. According to marketing mix there should be continuous innovation in the products manufactured by the company in order to service in this competitive world. The concern given to the wide aspect of developing products by maintaining the quality where the concern given to the application and implication of technologies like SIT, Six Sigma's to develop stable products for global market.

The recommendation to Colgate as per STEP is to capitalist on the advertising prospective of going communal. The before the new products or stocks which will be launched are sold to the community will participate a significant responsibility on how well they perform in premature months of being a openly traded business. It is not rare for businesses to have an enormous increase in turnover and proceeds right once they discharge their stocks in marketplace. If Colgate sorts some new way to tie together this prospect, they must do exceptionally well.

They will require at least minimum time of one or two months in anticipation of the stock is essentially sold, as they immediately publicized the release a few days before. At the same time the conclusion; marketers need to build many labors to guarantee that their goods are competent to congregate the maximum sales. With the intention of achieving the targets set, publicity is the most excellent way amongst the others since it manipulate customer behavior toward the specific product the mainly. For this reason, the classified ads have got to be inventive as well as eye-catching to capture consumers' concentration.