

Pandg pakistan



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BUSTER**

Introduction to the Project:-

I would like to introduce our product, I choose the product “ Pampers” by Procter and Gamble. I analyzed the marketing environment of the company and its competitors around, on the whole the main focus will be on the marketing mix of the product which will include Product, Price, Place and Promotion analysis, Including the brief summary at the end of the project with some conclusions and recommendations.

Brief History of the Company:-

P&G Pakistan is a subsidiary of the Procter and Gamble Corporation the leading consumer goods company with a mission to improve the lives of consumers wherever it operates. P&G is an international Company reaching out to almost the entire world population with more than 250 brands in 130 countries. Many of these world brands (Ariel, Tide, Pert Plus, Pantene pro-V, Head & Shoulders, Pampers and Always) have become famous household names and are found in almost every home. Headquartered in Cincinnati-Ohio in the USA, P&G has local operations across the globe in more than 80 different countries, including numerous manufacturing sites and 18 R&D-technical centers. P&G is an internationally owned company with publicly traded shares, currently owned by over one million shareholders from around the globe. P&G employs over 100, 000 people from all over the world, spread evenly between 1-USA, 2-Europe/Middle East and Africa and 3-Latin America/Asia. P&G hires and respects individuals regardless of race, color, religion, gender, age, national origin, citizenship or disability, and actively promotes diversity within its organization as well as in its business operations.

Procter & Gamble started its operations in Pakistan in 1991 with the goal of becoming the finest global local consumer goods company operating in Pakistan. With commitment came growth, and in 1994 we acquired a soap-manufacturing facility, a sprawling 7-acre land at Hub, Balochistan. Over the past nine years, the plant achieved state-of-art manufacturing technologies and quality assurance processes. With a recent strategic investment of 5 million dollars, the bar soap production capacity jumped three-fold. As a company Procter & Gamble have always believed in the potential Pakistan has as a country and a nation to develop and excel. No wonder P&G Pakistan, within the last 12 years, has reinvested over \$100 million in Pakistan and has contributed close to seven billion rupees to the Pakistani government's revenues over the last 5 years in the form of sales tax, customs and excise duties. That is also why 99% of the jobs that P&G Pakistan creates in Pakistan are held by Pakistanis. All this makes P&G a more locally involved company than many companies actually headquartered in Pakistan P & G quotes " We proudly celebrate being a part of the Pakistani way of life."

(Official Website Statement)

Something about our Product:-

Our product is " Pampers" and the brief history of Pampers is as follows:-

Victor Mills was an American chemical engineer who, while working for the Procter & Gamble Co., revolutionized child care with the invention of the disposable diaper; he began work on that product in the 1950s, using his grandchildren as test subjects (b. 1897–d. Nov. 1, 1997).

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(Britannica Encyclopedia)

Evolution of Pampers:-

Evolution of Pampers has been carried out through its invention in 1950 to present year 2006. Today, Pampers offers a variety of customized sub-brands to address a child's growing (and going) needs. Globally Pampers is the undisputed leader with over 50 percent of the market share. Addressing an international stronghold, the home page of Pampers on web shouts out a welcome to over 20 different nations, offering versions of the site in many languages. In line with its aim to build a go-to site, Pampers. com contains a wealth of parenting know-how. The majority of said know-how is assembled courtesy of a section called the Pampers Parenting Institute

(Vivian Manning, Web Article)

Introduction of Pampers in Pakistan:-

In August 2000, Procter & Gamble launched Pampers in Pakistan. Local consumers benefit from this globally renowned product that is approved by standards of the Human Safety Reassurance Program and also endorsed by the International Society of Pediatricians. Imported from Saudi Arabia, Pampers is packed locally and aims to provide a better parenting experience to Pakistani mothers.

(Official Web Statement)

Marketing Mix Analysis:- “

The set of all controllable tactical marketing tools, product, price, place, and promotions that a firm blends to produce the response it wants in the target market.”

(Kotler, 11 Ed)

Marketing mix includes:- Product Price Place Promotion We will analyze all the four categories of Marketing Mix:-

First of all we would like to tell about some of the competitors of the “Pampers”.

As Pampers is manufactured by P&G in Saudi Arabia and packed in Pakistan, They hold a significant place in the market with some local Competitors

Competitors:-

Strong competitors:-

There is no such string Competitors of Pampers in Pakistan however some new companies recently entered the scene in last few years.

Weak Competitors:-

In some what weak Competitors following competitors are there:- Baby Master (Comfort plus): –

Baby master Comfort plus Diapers are made by Z & J hygienic products private limited.

LG Household & Health Care:-

LG recently launched its baby diapers in the brand name of “ Maman Premium” Some Foreign Brands:-

Foreign brands of Huggies, Luvs Pampers Its self are competitors to Pampers sold in Pakistan, but they are afforded by few people in the country.

PRODUCT:-

Name:- “ Pampers”

Parts of Product (Pampers)

– Core part or Benefits

The core parts or benefits of pampers is it provide baby care, form the very tender age of 2 months to 4 years, Pampers is the brand which introduced the world to the concept of the disposable diaper.

– Actual parts

Actual parts of Pampers are different sizes of packages which come under the age Category of the child like it ranges from 2 months to 4 years. In Small, Medium, Large sizes

– Augmentation

Augmented part we can say that Pamper. com international website deals with delicate sensibilities of new parents, this area offers free expert advice through alliances with organizations and Pamper is also the innovator of Pampers Baby care Mobile Clinic, which is a door to door activity that educates Mothers about the key benefits of Pampers and on Baby care tips.

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– Packaging

Pampers packaging is done in Pakistan, and the company has introduced many packs for different segments of the markets depending upon the baby's age group and weight.

Small Pack with 9 baby diapers age ranging from 2 months to 8 months.

Medium Pack includes 8 baby diapers age ranging from 10 to 28 months.

Large Pack includes 7 baby diapers age ranging from 29 to 40 months

Value Packs (Large Packs including 16-20 Diapers in all sizes.) Product Segmentation:-

The Company is targeting the common house hold of the country with the firm belief that the company provides the baby care products to its very best. The awareness program is being created by making many health issues seminars and mobile baby care services which guides the mothers to take better care of their new born. Market is very much open for all the competitors, the competitors are competing in the better product survival environment.

PLACE:-

Distribution (Intermediaries) Channel:-

Company uses these levels of Distribution of Pampers:-

Distributor:-

There is one large distributor in the city (Lahore) . The distribution of the P & G products in Lahore city is done by IBL Private limited.

Small Distributors:-

The Pampers is distributed to the retailers by some small distributors which are defined and are divided on the base of geographical area of the city.

Availability:-

Pampers are very widely distributed through the group of both the main supplier in the city and small distributors, it is widely available at most retail shops in suburb, towns and pharmacies.

Justification:-

The availability of the Pampers in the market is due to the knowledge of the people towards baby care, and pampers really innovates the culture of baby hygiene and care products, this is the main reason of its wide availability in the market. People are more conscious towards the baby health issues and pamper is one of the core product in that regard.

PRICE:-

Internal Factors

Internal factors affecting pricing of Pampers are:

- Goal and Objectives

Company's goals and objectives are to maintain the market share of Pampers and to survive in the market. So company shifts its prices to increase sales and maintain its market position.

– Cost Aspects Actual Cost:-

Cost of production i. e. Cost includes its raw cost of importing from Saudi Arabia and its Packing in Pakistan. Costs involve in transportation of Pampers and its promotional Advertisements.

– Organizational Consideration

The decisions regarding the price of Pampers is undertaken by the mutual consent of P&G (Brand Director), Pampers Marketing Managers, Pampers Brand managers and Companies activation manager. The up and down in the price of the Pampers is due to there Competitors price strategy.

External Factors

– Market and Demand

Pampers has a stiff competition now a days due to two competitors competing along with Pampers , In Winter season the demand for the baby diapers Increases so the company follows the promotional price strategy.

– Competitor's Pricing Strategy

Competitor's price strategy also affects the price and promotional strategy of the Company, but Pampers holds quite good share in the market so Competitors may have the effect on the pricing strategy but t normal extent.

Prices Adjustments Techniques

Discount Techniques

Pampers follows different discounts techniques for the distributors, retailers and consumers. The details are as follows.

Distributors

P&G offer 6% discount to their distributors on Pampers.

Retailers

Pampers offer Rs. 8 to 10 to the retailers on each Pack offering them the pack for 90 to 92 Rs.

Consumers

Consumer Price for the Normal Pack in all sizes is Rs 100 and Value Pack is Rs 169

Price Comparison of Pampers with other brands

Brands

Quantity (No Of Diapers) R. P S. T

Consumer Price (Rs)

Pampers

Normal Pack

7-9 86. 9012. 10100

Small Size 9 86. 9012. 10100

Medium Size 8 86. 9012. 10100

Large Size 7 86. 9012. 10100

Value Pack(All sizes) 14-18 144. 2324. 77169

Baby Master

Normal Pack

7-9 82 10. 1394

Small Size 9 82 10. 1394

Medium Size 8 82 10. 13 94

Large Size 7 82 10. 13 94

LG Maman Diapers

Normal Pack

7-9 82 10. 1394

Small Size 9 82 10. 1394

Medium Size 8 82 10. 13 94

Large Size 7 82 10. 13 94

Promotion

Promotion Mix Advertising:-

P & G uses extensive promotional tools to promote its product “Pampers”. The Advertising phenomenon which is used for Pampers promotional campaign is Educational Promotion, which means that the advertisements on the media are purposely educative which define the mother-child relationship with the use of Pampers. Most of the ads used in the media educate mothers of how to be better in baby care and to benefit the use of Pampers for the toddlers.

Objectives of Advertising:-

Pampers advertises on television all year round delivering the central message of a

night's sleep being essential for a child's growth and development

, and the only way to ensure a good night's sleep is to keep the baby dry.

Pampers is also the innovator of Pampers Baby Care Mobile Clinic, which is a door-to-door activity that educates Mothers about the key benefits of Pampers and on Baby Care tips.

Public Relations:-

Pampers forms a healthy relationship environment between mothers, Pampers and child, by building a complete figure of baby care phenomenon.

Like recently a product upgrade on Pampers, was announced at a press conference in Karachi. The event also celebrated Pampers' successful

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collaboration with the Pakistan Pediatric Association in delivering child welfare education to the Pakistani mothers.

(Press Release Source)

Sales Promotion:-

Pampers has always offered sales promotions for its customers by introducing the Value Packs from time to time, also offers discounts on its Value packs to strengthen its Sales Promotions.

Selection of Media:-

Pampers have used all types of media sources available in the country like Television, Radio, Bill boards, poster adds.

Marketing Mix Analysis:-

Recommendations and Conclusions:-

The product mix

for Pampers is broad and it contains a deep line. The special feature of Pampers is the new diaper core design including a new dual acquisition system which helps to improve the condition of baby's skin through a better dryness performance. The Pampers core takes in urine from the diaper surface after loading. Fast acquisition minimizes baby's contact time with the skin. A homogeneous blend of cellulose and a very absorbent material result in efficient distribution of the GM. The storage technology locks the urine away so that it cannot return to the baby's skin. Leg elastics, barrier leg cuffs

and the waist shield are added to provide greater leakage prevention. The fastening strips allow the diaper to be refastened over and over again. Balsam lotion on the top-sheet provides comfort and moisturizing to baby's skin, each time he moves.

Furthermore,

labeling

is also important to Pampers. Every label clearly shows the

Pamper logo on its package. Labeling is also used as a way to educate consumers. For

example, Pampers had a public campaign educating parents of the importance of placing

their baby on their back to sleep to help prevent Sudden Infant Death Syndrome (Back to

sleep). The “ Back to Sleep” message was printed on the back of all packages on diapers

in order to educate and inform consumers of this serious matter.

Pricing:-

Pampers is a premium product that has a substitutes available in Pakistan; such

as Baby Care, LG Maman Diapers, private and generic brands, Cloth Diapers.

Pricing is

done so that Pampers is economically affordable by all households. In addition, they use

psychological pricing; all of their

products prices end with a nine

. This makes the

consumer feel they are receiving a good value for their money.

Pricing is also elastic; consumers may buy a different product if the price of that product

is better. This is one reason why Pampers uses

competition-based pricing

when

determining what the price for their products will be. Pampers major competitor is prices

for the diapers are basically the same. This helps to maintain their portion of the market

share. However, Pampers diaper wipe line costs a little more than

Baby Care, LG

Maman Diapers

which gives Pampers the advantage of focusing on the quality of their diaper wipe line.

Distribution for Pampers is intensive, allowing them to reach their target markets; thus

staying competitive with their competitors. Pampers can be found in most grocery,

convenience, drugstores, and retail stores.. Since Pampers products are convenience

products distributing their products in many stores helps Pampers to remain competitive,

maintain their market share, and gain a portion of the market as well

. As market share of

Pampers in Pakistan is 75 %

(official website source)

The promotional mix

of Pampers contains a variety of elements through non personal

selling. These elements include advertising, product placement, sales promotions, and

public relations. All these methods of promotion are consistent with Pampers message.

Advertising is done in magazines that pertain mostly to parenting, TV commercials, and

billboards. Recently Pampers decided to cut back on their TV commercial air time and

concentrate more of their advertising using product placement

(Flint, 2005)

Sales promotions

are done on a continuous basis with Pampers. These types of

promotions most normally include coupons, displays, rewards, and samples.

Furthermore,

they utilize direct marketing to some extent by brochures, and pamphlets that educate

parents about their child's development stage while promoting and informing consumers

about their products. P&G in Pakistan, produces bar soaps and repacks bulk shampoos

into sachets and bulk Pampers into smaller Pampers packs

Pampers uses public relations throughout its entire global market. They make donations

to many causes and are associated with many prominent organizations in Pakistan. Like

They Step up to provide services to Earth Quake Hit areas last year in Pakistan. They

have an global website for parents and healthcare professionals that help educate them on

many aspects of babies and toddlers.

Pampers has been successful in developing a well integrated communications strategy.

Their message is consistent and they have coordinated their promotions to ensure that the

consumers are well informed about their products. By educating parents about the

developmental stages from newborn to toddler, Pampers has been able to successfully

promote it products at the same time.

Indicated Action/Recommended Changes:-

Even though Pampers has a well built strategy in place, there is always room for

improvement. Two areas where improvements could be implemented are in extending

their product line and developing new promotional strategies. Their product line could be

extended to include bath products such as baby soap and shampoo for the baby. This

would be good in educating parents the importance of teaching cleanliness to their babies.

Some what high prices of Pampers could not extensively attract the low income people in

Pakistan, We recommend that Pampers could introduce the Value pack of 5 Diapers for

50 Rs, to attract the most part of population, The cost may be very large initially, but we

think that this change will work wonder in long run for the Pampers ever bright future in

Pakistan, People with low income use to buy open pamper pack , like one or two piece at

a time, and retailers benefit this opportunity by charging high prices it could be made

publicly beneficial by introducing small packs containing 2 -3 diapers. Lastly, Pampers could promote their product a little more vigorously. For example, to gain new customers and keep loyal customer they could place a coupon for diapers on their package or inside the package of diapers. This could help increase sales since fewer customers would want to switch to another brand that has a better price. Even though they do have the rewards program for purchasing Pampers, not all customers get to reap these benefits due to lack of internet or just not being aware of the program. Coupons would give all the fair chance of being rewarded by saving money when they purchase their products...