CHAPTER-II:

Marketing Strategies in Selected Companies of Battery Industry - A Review

1. Marketing –Mix in Nippo Batteries Limited
2. Marketing–Mix in Eveready Battery Company
4. Marketing –Mix in Sanyo
I. INTRODUCTION:

Marketing is the key function of any enterprise. However, the concept of marketing has been divided into four types, such as product, price, place and promotion. In case of the manufacturing or tangible goods the marketing strategies are describes as follows:

**Product** - A product is seen as an item that satisfies what a consumer needs or wants. It is a tangible good or an intangible service. Intangible products are service based like the tourism industry, the hotel industry, and the financial industry. Tangible products are those that have an independent physical existence. Typical examples of mass-produced, tangible objects are the motor car and the disposable razor. A less obvious but ubiquitous mass produced service is a computer operating system.

Every product is subject to a life-cycle including a growth phase followed by a maturity phase and finally an eventual period of decline as sales fall. Marketers must do careful research on how long the life cycle of the product they are marketing is likely to be and focus their attention on different challenges that arise as the product moves through each stage.

The marketer must also consider the product mix. Marketers can expand the current product mix by increasing a certain product line's depth or by increasing the number of product lines. Marketers should consider how to position the product, how to exploit the brand, how to exploit the company's resources and how to configure the product mix so that each product complements the other. The marketer must also consider product development strategies.

**Price** - The price is the amount a customer pays for the product. The price is very important as it determines the company's profit and hence survival. Adjusting the price has a profound impact on the marketing strategy, and depending on the price elasticity of the product, often it will affect the demand and sales as well. The marketer should set a price that complements the other elements of the marketing mix.

When setting a price, the marketer must be aware of the customer perceived value for the product. Three basic pricing strategies are: market skimming pricing,
market penetration pricing and neutral pricing. The 'reference value' (where the consumer refers to the prices of competing products) and the 'differential value' (the consumer's view of this product's attributes versus the attributes of other products) must be taken into account.

**Promotion** – It represents all of the methods of communication that a marketer may use to provide information to different parties about the product. Promotion comprises elements such as: advertising, public relations, personal selling and sales promotion.

Advertising covers any communication that is paid for, from cinema commercials, radio and Internet advertisements through print media and billboards. Public relations is where the communication is not directly paid for and includes press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events. Word-of-mouth is any apparently informal communication about the product by ordinary individuals, satisfied customers or people specifically engaged to create word of mouth momentum. Sales staff often plays an important role in word of mouth and public relations (see 'product' above).

**Place** - It refers to providing the product at a place which is convenient for consumers to access. Place is synonymous with distribution. Various strategies such as intensive distribution, selective distribution, exclusive distribution and franchising can be used by the marketer to complement the other aspects of the marketing mix.

The above described element of the marketing has been analyzed in the selected companies of the battery industry. The following paragraphs have been presented for those aspects briefly.

**Introduction to Marketing Strategy:**

In a layman language the term strategy is a term related to 'warfare or a plan to win a war'. But in the business world it refers to plans relating to marketing, financing and manufacturing operations. Executives of different business organizations concentrate their efforts to win the biggest possible share of the targeted market. The field of strategy planning is much wider. It deals with the adjustment of controllable factors, viz, production, physical distribution, promotion and
pricing within the environment of uncontrollable factors, viz, competition, legal barriers, interference of different behaviors and scientific and technological differentiation.

It is a job of crucial significance to formulate the business. Failure or survival of a business depends upon the effectiveness of strategic planning. For e.g. to increase the prices of a product to a significant extent the management will have to explore and evaluate the competitors towards the change in price. If the change leads to market dominance, competitors by changing the prices of their products will rush to grab the market share. The management of a company should look at defensive tools to be used to safeguard its market position. This requires a continuous review of controllable factors within the atmosphere of uncontrollable ones.

II. MARKETING-MIX IN SELECTED COMPANIES

This part of the chapter deals about the marketing-mixes of the selected companies in the battery industry. The following paragraphs contain all the details of the 4ps of marketing in the respective of the selected companies.

2.1. MARKETING –MIX IN NIPPO BATTERIES LIMITED:

Nippo Batteries Ltd., second largest dry cell battery manufacturer in India was incorporated in 1972 as a joint venture with Matsushita Electric Industrial Co., Ltd. of Japan, with the goal of bringing the world's best battery technology to the country.

Nippo Batteries Company Ltd. is an Indian company engaged in the manufacture of dry cell batteries. It is the second largest dry battery player in India that has a range of zinc carbon/manganese batteries in sizes of R6 (AA), R14(C), R20 (D), and R3 (AAA). It also manufactures no mercury added batteries in AA segment. The company launched a diamond cut reflector in durable polypropylene torches. It has launched radium torches. Nippo has launched energy saving torch lights using the technology based on light emitting diode (LED). With a distribution network of 33 offices spanning the country, Nippo batteries reach millions of homes through 7
distributors, more than 30,000 stockiest, 1,000 vans and 500 autos covering more than 7 lakh retail outlets.

Nippo Batteries Company Ltd was formerly known as Indo National Limited. With corporate office at Chennai, Nippo Batteries Company is the first Indian dry battery company to have been certified with the ISO 9001 and ISO 14001 international standards and has the IS1 mark of quality on all its batteries. As of December 2006, the company has been providing millions of its customers of its products crossing the landmark cumulative production of more than 10.78 billion batteries.

The Company is engaged in the manufacture of dry cell batteries and torch lights. The ‘Nippo’ brand of batteries is the biggest brand in its portfolio. Matsushita Corporation of Japan holds 40 per cent stake in INL. Indo National has a market share of 27 per cent in the domestic dry cell batteries market. It also imports the Panasonic brand of alkaline batteries for sale in the local market. INL's manufacturing facilities are located at Nellore and Tada (Andhra Pradesh). The Company has 30 branches that are based in almost all major Indian cities i.e. Mumbai, Kolkata, Delhi etc.

The Company reached the 500 million mark in sales volume in FY99, registering the highest growth rate in the dry cell battery industry at five per cent. It completed its expansion project in November 1998 by further increasing the production capacity at the Nellore factory by 120 million units per annum. The Company was incorporated in 1972.

The Company has informed the Exchange that the Company’s name has been changed from ‘Indo National Limited’ to ‘Nippo Batteries Company Limited’ with effect from December 16, 2005.

**Products Policies in Nippo:**

The successful marketing of the any business has started only from the well designed and qualitative products. The products which are manufactured in Nippo are basically proven as quality products with international standards and also a well branded product in India and other world countries. The product features, the product
quality management, brand management, and maintenance of the product life cycle along with the new product development the Nippo batteries are much more ahead in the line of the competitors in the battery industry. Nippo has wide range of Zinc Carbon/Manganese Batteries in Sizes of R6 (AA), R14(C), R20 (D), R3(AAA). Nippo Batteries was the first to launch Zinc chloride heavy duty batteries in India. And Nippo has the ISI mark on its products manufactured in India. Nippo is also the first company to launch environment friendly no mercury added batteries in AA segment. Let's see the all the product-line of the Nippo from the Table-III-1

Table.2-1 Product lines of Nippo

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<thead>
<tr>
<th>S.No</th>
<th>Name of the</th>
<th>Image of the product</th>
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<tbody>
<tr>
<td>1</td>
<td>UM-4D Gold</td>
<td><img src="image1" alt="Image of UM-4D Gold" /></td>
</tr>
<tr>
<td>2</td>
<td>UM-2U Hyper</td>
<td><img src="image2" alt="Image of UM-2U Hyper" /></td>
</tr>
<tr>
<td>3</td>
<td>UM-3UM Hyper</td>
<td><img src="image3" alt="Image of UM-3UM Hyper" /></td>
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<tr>
<td>4</td>
<td>UM-3US Super</td>
<td><img src="image4" alt="Image of UM-3US Super" /></td>
</tr>
<tr>
<td>5</td>
<td>UM-1S Super</td>
<td><img src="image5" alt="Image of UM-1S Super" /></td>
</tr>
<tr>
<td>6</td>
<td>UM-1P Special</td>
<td><img src="image6" alt="Image of UM-1P Special" /></td>
</tr>
<tr>
<td>7</td>
<td>UM-1PA Agni</td>
<td><img src="image7" alt="Image of UM-1PA Agni" /></td>
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<td>8</td>
<td>UM-1P Special</td>
<td><img src="image8" alt="Image of UM-1P Special" /></td>
</tr>
<tr>
<td>9</td>
<td>UM-1U</td>
<td><img src="image9" alt="Image of UM-1U" /></td>
</tr>
</tbody>
</table>
As it is shown in the above table that the product line of Nippo dry batteries are more unique in the list of the other batteries of the competitors. The product specifications and other technical components are well designed and also tested with the international standards. Therefore, the product management of the Nippo and its policies regarding the quality and line of the products and other factors it is proven well track of record.

**Pricing Strategies in Nippo:**

Pricing Strategy Low Price Pricing the product at a lower price really attracts rural population for trying the products. For many FMCG companies had fixed appropriate price point to draw new customers and increase consumption. Nippo has introduced verities of product category to meet the economic conditions of the customers and satisfy the rural customer mostly. This company also introduced low cost manufacturing methods to reduce initial costs and serve for rural consumers.

Pricing Strategy of Nippo Products, the production cost can be lowered by using less sophistications and rather concentrating on sturdiness and utility of the product. For example, the rural markets operate on a price value proposition LG electronics has knocked off some of the frills in the products. The rural consumer does not require Golden Eye Feature and therefore base models do not have this feature. Again not all consumer need 200 channels and therefore they have provided 100 channels in the base model.

Pricing Strategy Refill/Reusable Packaging By giving refill packaging marketers can add value pricing of the product. Pricing Strategy Credit Facilities The credit period varies between 7-30 days in the case of fast moving consumer goods, 60-90 days credit for fertilizers, seeds, etc.

Pricing Strategy Discounts, Cash discount, Quantity Discount, Off season discount and Promotional Schemes. Pricing Strategy Value Engineering etc are all techniques help the organization not only lower the cost but enhance the value product over a period of ten years has become the largest selling brand in rural India. The success of Nippo is due to affordable price, medium quality, availability at village shops and use of rural specific mass media.
Nippo: Pricing Strategy radio set for Rs.180 (the Phillips radio set cost Rs.250) Rural Marketing Strategies Segmentation of Rural Market. Competitive Strategy based on five force model Supplier – who can serve cheap quality raw material. Customer Power – Good quality products to be served to enhance customer power. Potential Entrants – By being in rural area first and building good relations, so that chances of new entrants will be less. Substitute Products – Company must have adequate strategy to counter the problem of substitutes. Competitors – Brands rarely compete with each other in rural area they just need to be there with the retailer and with the help of the retailer products enter the rural homes.


Distribution Network of Nippo:

The Nippo batteries India limited has its own network structure to meet the target market and costumer. The network as per the organization’s procedures and process it has desired and shown in the Fig.2.1. In this distribution network the making team has associated with the dealers and agencies and also the retails moreover, as an industrial and consumer goods it has its own system of the distribution to success its marketing activities.

As it is shown in the above diagram, the well designed and structured distribution net-work has been following in the Nippo batteries distribution system. Any organizations while making their product available at the door steps of the customers or consumers might have well designed and systematic distribution system. Being a fast consumer good the dry batters distribution systems has set with four levels of the middlemen systems, those agents, wholesalers, retailers and the customers. Regarding the distribution network and its policies the company has very specific guidelines. It also observed that the well designed distribution a system has been maintaining in the company and also they are very well on far with the industry norms and practices.
Promotional Activities of NIPPOT:

Another element which is equally important with other elements of the marketing is promotional activity. Regarding the promotional activities and policies of the Nippo is satisfactory with other rivalries in the industry. Because, the company has divided into two separate marketing communicational plans, such as, general marketing promotional activities and tools and rural marketing promotional tools. The most part of the market for the dry batteries in the Indian market are only from the rural market; therefore, all the companies have been very much concentrating on the rural marketing promotional plans. Let’s sum the marketing promotional activities that are practiced by the Nippo batteries limited.

Some of the major issues and examples regarding the Nippo promotional activities and its network have been highlighted in the following paragraphs.
Advertising & Sales promotional strategies in rural market:

The Promotion Media: The Promotion Media Newspaper: Eenadu (A.P), Dina Thanthi (Tamil Nadu), Punjab Kesari (North), Loksatta (Maharashtra), Anand Bazaar Patrika (West Bengal), Dainik Baskar (North) Television: Sun TV (Tamilnadu), Asianet (Kerla), Eenadu (AP), Alpha Punjabi (North), Alpha Marathi (Maharashtra).

Radio: Radio reach is the highest in Kerla (62%) followed by Tamil Nadu (35%) and Karnataka (32%). Example: Colgate, Jyoti Labs, Zandu Balm are some of the companies using radio communication programmes. A ten second spot in Regional station would cost only about Rs. 2000/-.

Cinema: Films on products like farmers torch list at dark night cultivation, Colgate and other more films are shown in rural cinema halls. All battery manufacturing companies have been showing short movies in rural theatres to create awareness about Battery Products, Outdoor Advertisement Form of media which includes signboard, wall painting, hoardings, tree boards, bus boards etc.

Direct Mail Advertising: Direct mails about the product profiles and its manual are sent to the users profiles through direct mailers. The Direct mailers on consumer durables to be sent during the harvesting season so that the farmers will have money for purchasing the same.

Farm to Farm / House to House: Many Product agents and companies dealing with high value consumer durables have tried this farm to farm/house to house approach with success in rich rural areas. Nippo representative retailers make house-to house visit and give information about product stability.

Group Meeting: The members in group Meetings once in a week visit a village get the villagers in the local school hall or Panachyat office and explain to them the various products and facilities offered by the Nippo Company and to conduct tractor owners meet in association with local distributors.

Opinion Leaders: Nippo promoted its all brand of paint by painting the village Sarpanch’s house choosing them as opinion leaders a few months prior to the launch to demonstrate that the paint does not peel off and is an ideal replacement of chuna.
The health development assistant of HUL regularly meets school teachers to promote quality education in Villages.

**Audio Visual Van:** (The van is a mobile promotion station having facilities for screening films, slides and mike publicity. Audio Visual Van (The van is a mobile promotion station having facilities for screening films, slides and mike publicity. Nippo promotes batteries through specially designed vans called “Mela vans”. The van is equipped with TV/VCR for showing products awareness films. It is also doing like Colgate India makes extensive use of VANS. ITC’s mobile Vans take the message of e-choupal to new village.


Client and Location specific promotion involves a strategy designed to be suitable to the location and the client. Joint or co-operative promotion strategy involves participation between the marketing agencies and the client. ' Bundling of inputs' denote a marketing strategy, in which several related items are sold to the target client, including arrangements of credit, after-sale service, and so on. Management of demand involve continuous market research of buyer’s needs and problems at various levels so that continuous improvements and innovations can be undertaken for a sustainable market performance.

Developmental marketing refer to taking up marketing programmes keeping the development objective in mind and using various managerial and other inputs of marketing to achieve these objectives. Media, both traditional as well as the modern media, is used as a marketing strategy. Unique Selling Propositions (USP) involves presenting a theme with the product to attract the client to buy that particular product.
For examples, some of famous Indian Farm equipment manufacturers have coined catchy themes, which they display along with the products, to attract the target client that is the farmers. English version of some of such themes would read like: The heartbeats of rural India With new technique for a life time of company For the sake of progress and prosperity

The marking mix and marketing strategies of the Nippo has been analyzed in the chapter-4 with applying of the appropriate statistical tools.

2.2. MARKING MIX IN EVEREADY BATTERY COMPANY:

In 1957, employees Lewis Urry, Paul Marshal and Karl Kordesch (while working for U.C.C.P) invented a long-lasting alkaline battery using a zinc/manganese dioxide chemistry. The company did not aggressively market the invention, and instead of continuing to market the old Zinc-carbon battery. As a result, the company lost significant market share to Duracell. Prior to 1980, the company's alkaline battery had been called the Eveready Alkaline Power Cell. In 1980, it was rebranded under its current name, Energizer. In 1986, Union Carbide sold its Battery Products Division to Ralston Purina Company for US$1.4 billion, becoming the Eveready Battery Company, Inc., a wholly owned subsidiary. At that time, the Eveready and Energizer batteries held 52 percent market share. The company under Ralston lost market share to rival Duracell.

In 1992, it bought the British Ever Ready Electrical Company (manufacturer of Gold Seal and Silver Seal batteries) from Hanson Trust, bringing its former subsidiary back under common ownership. In 1999, Eveready sold its rechargeable battery division, although it still markets them for retail sale. In 2000, Ralston spun off Eveready, and it was listed on the New York Stock Exchange as a holding company, "Energizer Holdings, Inc.", with Eveready Battery Company, Inc continuing as its most important daughter company.

The company's current US production facilities for batteries and battery parts are located in Asheboro, North Carolina; Bennington, Vermont; Maryville, Missouri; St. Albans, Vermont; and Marietta, Ohio; with a technology center for research located in Westlake, Ohio. There are also numerous production facilities outside the
US. Eveready products are available under the mother brand name EVEREADY (Batteries and Lighting Solutions) and also extended brand names like

- EVEREADY ULTIMA (Alkaline Batteries)
- EVEREADY RECHARGE (Rechargeable Batteries)
- EVEREADY JEEVAN-SATHI (Brass Torches),
- EVEREADY DIGI-LED (LED Flash Lights),
- EVEREADY CFL (Compact fluorescent lamps),
- EVEREADY PREMIUM GOLD / JAAGO / TEZ (Packaged Tea)

Product strategies in Eveready Company:

Dry cell batteries are of three types - zinc, alkaline and rechargeable. The low-priced zinc battery cell is the mass segment, while premium-priced alkaline and rechargeable battery cells cater to niche segments. Grover says the Indian market is skipping one stage, alkaline battery cells, and is moving directly to rechargeable batteries. Though a few players did launch alkaline battery cell operations, none of them made a real mark in the market. “Even our Energizer brand was unable to notch up a decent market share. The domestic alkaline battery cell market is not more than 20 lakh units per year,” he points out.

But rechargeable batteries can only be used for certain types of equipment. So for all practical purposes, dry cell batteries in India are basically zinc batteries. Battery cells classified into four segments in terms of their size. The smallest, AAA, are used in television remote controls and some toys. These are followed by AA, popularly known as the pencil cell. Medium and D or big size cells are mostly used in torches, cassette recorders, transistors and other portable equipment.

Today, the medium size is almost extinct, and most battery-powered equipment requires AA, AAA or D size battery cells. Amongst these three, AA has been the fastest-growing segment in the last few years, but the last fiscal was different, as the AA segment stagnated while the D segment grew - Eveready saw a two per cent growth in the AA segment and 10 per cent in the D segment. Nearly 55 per cent of its battery sales consist of the D size. Battery cells are also classified by
their dressing - the more expensive leak proof metal clad cells and the cheaper paper clad cells.

Eveready Industries is not neglecting its core business; it is looking for an ambitious 50 per cent market share for Eveready batteries. Presently, the brand commands a market share of 47 per cent, though the group's combined brands Eveready and BPL command a formidable 55 per cent market share.

Even though it is already the world's third largest zinc carbon battery manufacturer, the company is putting up a new plant in Uttarakhand - its 11th overall - to make AA battery cells. The Rs60 crore plant will have a capacity of 40 crore units per year, taking the company's total capacity to 210 crore units per year. Adding Power cell's capacity, the group total is 230 crore units per year.

"Though they Give Me Red campaign established Eveready's dominance in the consumer mind space, it failed to convey the product's essential attribute - a long life," Grover points out. "As per our tests, across all equipment, Eveready batteries last 10 to 25 per cent longer than other brands." What is most interesting is the company's client profile. Unlike other players, who sell sizeable quantities to bulk customers like clock and television manufacturers, Eveready generates nearly 90 per cent of its battery sales from retailing. "It is not that we are absent in the institutional segment," says Grover, "we do sell to Philips, LG and some clock manufacturers. But, compared to the retail market, the institutional segment is small," he concludes.

As the company reaches sales of around 33 lakh retail units across the country - its products moving faster than some of the fast moving consumer goods (FMCG) companies - Eveready Industries has moved into the FMCG space for growth.

To begin, the company introduced four packet tea brands - Tez, Jaago, Premium Gold and Classic, selling around 7,000 tonnes of branded packet tea for Rs65 crore during FY2006. The target for the current fiscal is 10,000 tonnes. To leverage the flagship brand's equity, the company will soon have the brand name Eveready prefixed to its tea brands.
Last year the company added Eveready Poweron mosquito coils to its product basket. Having already launched it in a few states - West Bengal, Uttar Pradesh, Kerala and the North East region - the company plans a national rollout shortly. It will also add a 12-hour burn coil to its existing 8- and 10-hour burn coils. A rechargeable battery-powered mosquito mat heating unit is also on the anvil. "Owing to power cuts, mosquito mats do not find favor in the rural areas, though there is a good potential," Grover explains.

And finally, with real estate prices going through the roof, the company is looking at mining more value from its land holdings. It has concluded a Rs72 crore deal in Chennai, and similar deals in other cities may happen in future. For instance, the company is closing down its electrolyte manganese dioxide (EMD) unit in Thane, as it has become unviable.

**Product-Line of Eveready:**

Eveready has its manufacturing units spread all across the country in order to maximize logistical efficiency and reduce time-to-market. The Company’s state-of-the-art manufacturing units are located in Kolkata, Noida, Uttaranchal, Chennai, Lucknow and Maddur. The company has high-speed manufacturing units, both for batteries and flashlights, with in-house facilities for metal flashlights along with a fully automated injection-moulding set-up for plastic flashlights. **Eveready** also has a full-fledged machine design group at Chennai with capabilities of making special-purpose machines for both captive consumption and customer-specific requirements.

The manufacturing units of Eveready are ISO 9000 and ISO 14000 certified. Eveready has a sophisticated R&D laboratory for design and testing of batteries. The laboratory is NABL accredited.

The company also has its own flashlight design and development unit with the latest computer aided design facility.

**Eveready** has on offer Eveready Ultima batteries, the most powerful solution for your power-hungry devices like digital cameras, remote-controlled toys and portable music/video players. It has also come out with the Eveready Blue batteries,
which are long-lasting value-for-money solutions for your low-drain devices like TV / DVD remote controls, table/wall clocks and portable FM radio players. Eveready was also among the foremost players to foray into the Rechargeable Batteries segment with Eveready Recharge brand of rechargeable batteries and chargers.

**Zinc Carbon Batteries**

*Eveready* is one of the world’s largest producers of Zinc Carbon batteries, selling more than 1 billion batteries every year. The Indian market for dry cell batteries is estimated at 2.2 billion pieces by volume and Rs.14 billion by value, and Eveready is the undisputed market leader with more than half of the share of the market. Eveready offers the entire range of zinc carbon batteries required for various devices.

The Zinc Carbon batteries are ideal for:

- Flashlights
- Remote Controls
- Toys
- Penlights
- Cameras
- Clocks
- Medical Equipments
- Electrical Equipments
- Walkman / Discmans
- FM Radios / MP3 / MP4 players
- Transistors, etc.

**Alkaline Batteries**
Eveready Ultima Alkaline battery is the ultimate energy solution to the power-hungry electronic gadgets of modern times. It is undoubtedly a new benchmark of quality & performance in the category of alkaline batteries. The promise of performance comes with an affordable price tag, making it truly an ultimate choice.

**Eveready Ultima Alkaline Batteries** are best suited for power-hungry new age gadgets like:

- Digital cameras
- Remote-controlled toys
- Certain MP3 players
- High-end portable audio-recording systems etc.

More variety of sizes in the Ultima range will be available very soon.

**Rechargeable Batteries**

There is a surfeit of power-hungry electronic gadgets in the market today. With every passing day, the list of such gadgets only gets longer. As an answer to the changing portable energy needs, Eveready has come up with Eveready Recharge, world class range of rechargeable batteries. Eveready was among the foremost players to foray into the Rechargeable Batteries segment with our Eveready Recharge brand of rechargeable batteries and chargers.

Eveready Recharge took the rechargeable battery market in India by storm with its world-class, value-for-money product range becoming an instant hit. Since today's high-tech devices demand more powerful batteries, Eveready rechargeable batteries are designed to deliver optimal performance. They are ready whenever you are. The higher end batteries come with an Intelligent Charger. The Intelligent Charger range includes chargers of various capacities.
<table>
<thead>
<tr>
<th>S.No</th>
<th>Product</th>
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<tr>
<td>1</td>
<td>Misell's Patent 617,592</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1899 Eveready flashlight</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Energizer 2500mAh rechargeable AA size cell</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>An Eveready A battery from 1943</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Eveready Gold size &quot;AA&quot; alkaline cells</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>EVEREADY PREMIUM GOLD JAAGO/TEZ</td>
<td></td>
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</table>
It is certainly not an overstatement that battery and Eveready have been synonymous with each other in India since time immemorial. After all, this is the only battery that has been with the people— in their good and bad times, in light as well as in darkness- through generations, for over a century.

Technological advancement of recent times has been nothing but phenomenal making room for large-scale upgradation and innovation in portable energy sources. And in keeping with these developments, Eveready has diversified the portfolio to suit everyone's needs. Eveready offers a wide range of batteries to fulfill the diverse portable energy requirements of progressive India.

Pricing Strategies in Eveready Company;

Eveready’s strategies revolve around making its operations best in class of comparable FMCG organizations across the world. It is towards this objective that restructuring measures initiated and successfully completed in FY 2005 and the current fiscal, which included –

1. Demerger of Eveready’s plantation business to a separate entity.
2. Raising of capital through the GDR route and Promoter warrants.
4. Acquisition of Power cell Battery India Ltd.

Having achieved the above, the Company is poised to take an aggressive path of sustainable profitable growth. After an 11 % growth in batteries in FY 05 – which was in some measure a correction for a stagnant market position in the preceding fiscal - growth in the current year has settled down to a sustainable 8 %. The growth could perhaps be higher had it not been for the price increases which the Company had to take from time to time to pass on the burden of rising input costs. The growth of the lucrative ‘D’ segment at more than 8 % is most heartening given the fact that Eveready’s market share in this segment exceeds 50 %. This growth rate seems to be holding going forward in 2006-07.

Growth in the other major segment – viz.'AA' has of course belied expectations this year. From a historical growth rate of about 15 % in the last 10 years, current
year's rate is marginally negative for the industry and a positive of just 1 % for Eveready. However, this is believed to be temporary in nature and in all likelihood a trade de-stocking in reaction to pricing changes in the market. It is expected that gradually growth will be back to the double-digit levels, as there has been no discernible change in off-take patterns at the tertiary level.

It is expected that raw material prices will continue to rise in the near term. This will necessitate further price increases to be effected by Eveready. In fact, action is already in place for a series of price increases over Q1 06-07, which will cover Zinc at US $3500. Considering this scenario, volume growth is being estimated at 8 % - though resultant value growth after considering the impact of price increases will be 20 %.

Growth in flashlights came down to 7 % in the year under review - after growing double digit over the last 2 years. The growth rate would have been higher had it not been for the pricing measures taken on account of input cost increases.

Further pricing actions have been planned in Q1 & Q2 06-07, which will provide value growth to the business. Considering this, the volume growth estimate has been kept conservatively at 8 %. With this assumption, value growth will take place at 18 %. Packet tea growth for the year was at 17.8 %. Considering all factors, FY 06-07 growth is estimated at 21.5 %. Mosquito Coils had only marginal contribution to the sales revenues in the year under review. As at the year-end the product was available only in 2 states. A milestone kept for this business is to go pan-India by September 30, 2006.

The Company has been able to pass on the adverse impact of input material costs, albeit some delays. When margins came under pressure, the Company was also able to do cost conservation to improve or protect margins. The Company is now more adept handling the situation given the cost pressures it faced for more than a year. Given the above volume growth numbers, it is expected that the business will be able to improve margins from the 2005-06 level by at least 50 to 100 basis points on PBDIT from normal operations.
In the overall and in concept, Eveready’s growth strategies will be centered on the following:

- Sustaining organic growth in its mainline batteries and flashlights businesses
- Concentrate on organic growth through leveraging its distribution channels through newer product portfolio
- Address inorganic growth through the acquisition or joint venture route

All the above achievements is possible only by implementing right strategies in the pricing and its mechanism. The main approaches to make all those pricing strategies are follow the market leader and also the cost-based pricing methods.

**Eveready, hit by high inflation and currency swings, slides into the red**

Eveready East Africa, the largest supplier of portable power solutions in the region, released its results today that highlight a difficult operating environment during the full financial year ending September 30, 2011. The company, which also trades in personal care products under the Schick brand of razors and blades, registered a 16 per cent decline in net sales compared to 2010, resulting in a loss after taxation of Ksh123.9 million compared to net profit of Sh8 million in 2010.

The management attributes the low performance to: high inflation, which rose over the period to peak at 17.3 per cent in September 2011 from just 3.1 per cent recorded in October, 2010, impacting consumers’ discretionary spend; the drought situation experienced in the period which affected major segments of the “D” battery market; the depreciation of the local currency by 22 per cent in the financial year which resulted in an increase in the cost of inputs and KShs.87 million in foreign exchange losses - although over 90 per cent of the amount was unrealized by year end.

“The Company implemented various medium term plans to address the trend in performance by adopting additional cost saving measures, increased targeted marketing activities and a change management approach to operations,” says Eveready East Africa Ltd. chairman Moody Awori in a statement accompanying the
results. These actions resulted in improvements in factory efficiencies which he says, helped mitigate the increase in cost of production experienced in the year associated with loss of volume and currency issues.

He says the Company reviewed its route-to-market strategies resulting in the restructuring of the Company's distribution operations in both the export and local markets to achieve efficiency and effectiveness. “Proactive engagement with channel partners at various levels and adoption of a new electronic sales data collection and reporting system continues to improve our route to market programmes from the perspective of planning execution and oversight,” he says.

The Company’s bottom-line performance was further impacted by a sum of KShs53 million made to cater for waste management and slow moving machinery spares. A further Ksh.15 million was paid to the defined benefit pension scheme to address a funding deficit arising from the downturn in the equities market.

The payment was made in order to facilitate the closure of the scheme. Going forward, the Company's management indicates that it will continue to fast track its short and medium term plans by finalizing its reviews of personnel and operational requirements and implementing improvements to its business model. The directors do not recommend the payment of dividend due to the performance.

Pricing is the non-expenditure element, which creates the revenue to the organization. However, the mechanism of price is most difficult one. Because, there are so many factors which may govern in the fixation of the appropriate price for the products. In case of the selected company, the price fixation and strategies may work out to bring heights in the competitive market. The products of the dry battery cells making by the Eveready is reasonable and also on far with the competitor’s product price. Therefore, the company has been following the competitor parity pricing strategy. However, the calculation of the pricing and the profit margin breakdown has been key aspects in the case of pricing policy of the company. See the following paragraphs for more clarity in this regard.
Profit Margin breakdown for Eveready:

Profit Margin measures overall efficiency of a company and shows its ability to withstand competition as well as defend against adverse conditions such as rising costs, falling prices, decline in sales or management distress. Profit margin tells investors how well the company executes on its overall pricing strategies as well as how effective the company in controlling its costs.

\[
\text{Eveready Profit Margin} = \frac{\text{Net Income}}{\text{Revenue}} \times 100 = 8.01\%
\]

In a nutshell, Profit Margin indicator shows the amount of money the company makes from total sales or revenue. It can provide a good insight into companies in the same sector, as well as help to identify trends of a company from year to year.

Distribution Strategies in Eveready Company:

Eveready has a wide distribution network all over the country with 15 branches, 40 go downs and 4,000 distributors. Our products are available at grocery, general provision, music, electrical, hardware, stationery, gift/novelty stores, at the chemists' shops and at photo studios and printing centers. So much so, that many of our products are even available at the puan and cigarette shops.

According to AC Nielsen, Eveready batteries are available in 3.3 million outlets out of a total universe of 7.3 million FMCG outlets. The distribution structure extends coverage out to 5000-population villages.

The company employs a strong sales force so that they can operate the extensive sales network successfully. The physical distribution systems of the company have been presented in the Fig.2.2.

As Eveready walks ahead in second century of existence, we have the following objectives -

- To consolidate our benchmark supplier position in all traditional outlets for batteries and flashlights.
Employ a systematic and scientific approach towards increasing our reach and quality of reach.

To leverage our sales & distribution competencies into identified newer channels
To service the outlets with a diversified range of products. This includes batteries, flashlights, home lights, packet tea, CFLs and bulbs.
To constantly explore new selling arrangements in identified markets to improve effectiveness of servicing

Eveready Industries India Ltd has entered into a Memorandum of Understanding (MOU) with Housing Development & Infrastructure Ltd (HDIL) for the transfer and
or assignment of its right, title and interest under a lease for land at Navi Mumbai, for the residue unexpired period of the lease, subject to necessary clearances, approvals and such like requirements at a consideration of Rs 115,00,000.

Promotional Strategies of Eveready:

'Give Me Red' already has a strong connect with Eveready Batteries. The new campaign will take the brand to a new level altogether. Eveready Industries is ready to go a step beyond its much recognized 'Give Me Red' campaign. It has unveiled its new advertising statement, 'Kuch Hai Extra', which aims to highlight the extra features the battery will now provide to its consumers. Company officials insist that the brand is not shedding its 'Give Me Red' platform altogether. After all, it has been the brand’s punch line for over 15 years. However, this latest campaign will take the brand promise to the next level.

The 'Give Me Red' campaign was launched in the early 1990s and was targeted at youngsters in the age group of 15-25 years. "'Give Me Red' has a sturdy association with Eveready and accounts for instantaneous brand recall with the consumers," says Ravi Grover, executive vice-president, sales and marketing, Eveready Industries.

Hoping to go beyond this recognition, Eveready Industries decided that it was time to highlight its key brand feature (long-lasting power) in a more logical manner.

Eveready will now position itself as the EMD (electrolytic magnesium dioxide) battery that has a 10-25 per cent extra performance edge over its competitors across equipment. And this is what it wants to convey in its latest advertising communication.

The campaign has a set of four commercials showing different situations in which Eveready causes a dramatic transformation in the person who touches it. The films have been directed by Pradeep Sarkar, known for his maiden movie, 'Parineeta', and the agency behind the idea is Rediffusion DY&R. The media mix for the brand will also include radio, print, outdoor and consumer promotion activities.
Last year, Eveready completed 100 years of its operations in the Indian market. According to AC Nielsen, Eveready's market share has shot up from 41.6 per cent in 2002-03 to 47.2 per cent in 2005-06. Company executives attribute this rise in market share to its advertising and getting Amitabh Bachchan to be Eveready's brand ambassador after 2003. Like before, this time too the Big B will endorse the Eveready brand. Moreover, the Country radio listeners in Australia struggled with heavy accumulators to power early radio sets, and in June 1937, Eveready was promoting its 'air cell' operated radio as 'Latest and most modern advance in the construction of farm radio'.

This ad from 'The Australasian Radio World' June 1 1937, invites country listeners to obtain 'All the convenience of city radio no matter where you are situated'.

**Eveready Forever Campaign:**

To better compete in the upper end of the South African battery market, Eveready decided to rebrand their current alkaline battery and introduce another two
products to their battery stable with the objective to increase Eveready’s perception in the Indian market and take its competitors in the battery market head on. Eveready is an energy company and should be positioned as an energetic and youthful brand that provides a quality product at the best price.

The brand's positioning in the Indian market was built on and elevated through the new look packaging of the three battery products, launches to the Trade, an experiential event, Television, Radio and Print advertising and In-store promotions. All these touch points were centered on the consumers insight of wanting longer lasting power. Forever is a unique, the way of depicting long lasting.

2.3. MARKETING MIX IN PANASONIC ENERGY (I) COMPANY LIMITED:

Panasonic Energy India Company Limited, established in the year 1972 as Lakhanpal National Limited, is one of India’s largest manufacturers of dry cell batteries and lighting products. Headquartered in Vadodara (Gujarat), Panasonic Energy India is a part of Global Panasonic Corporation, world’s leading manufacturer of audio-visual equipments, home appliances, electronic components, automotive electronics and environmental systems.

The foundation of Panasonic Energy India was laid by Late Mr. D. D. Lakhanpal and Mr. Konusuke Matsushita on 15th August 1972 at G. I. D. C., Vadodara. Established by the efforts of Former Prime Minister Late Mrs. Indira Gandhi and Konusuke Matshushita, this Dry cell battery manufacturing unit was formed to meet the escalating needs of power and energy in India. The Company has two manufacturing units, one in Vadodara, which commenced its operations in 1972 and another at Pithampur (Madhya Pradesh) that started manufacturing batteries in 1989.

Products and Distribution Network

Panasonic Energy India is a leading manufacturer and supplier of Zinc Carbon Batteries, Alkaline Batteries, Lithium Batteries, Rechargeable Batteries and Lighting Products. The Company has an established and wide distribution network that
includes 2 manufacturing units, distribution centers, numerous stockiest and thousands of retailers across the nation.

Innovation takes a top precedence at Panasonic Energy India. The company is a pioneer in Metal Jacketed Dry Battery, High performance pencil battery, Zinc-Chloride Technology and Eco-friendly batteries in India.

**Panasonic Global**

Panasonic Corporation based in Osaka (Japan) is an acknowledged leader and one of the largest electronic product manufacturers in the world. Comprised of over 680 companies, Panasonic Corporation is a diversified conglomerate and has a formidable presence in **HOME APPLIANCES**, along with interests in:

- **DIGITAL AVC NETWORKS**
- **COMPONENTS AND DEVICES**
- **OTHER BUSINESS DOMAINS**
- **PEW & PANAHOME**

Panasonic Corporation provides a wide range of products ranging from audiovisual and information/communication equipment to home appliances and other components to enhance and enrich lifestyles all around the globe. The company is currently manufacturing and marketing over 15,000 products under the brand Panasonic.

In over ninety years of successful business, our company has never lost sight of its corporate mission, that of enhancing the quality of life throughout the world.

**Foundation of Panasonic**

The history of Panasonic goes back to when Konosuke Matsushita (23) along with his wife (22) and brother in law (15) founded Matsushita Electric House wares Manufacturing Works in 1918. Panasonic starts with a desire to create things of value. As hard work and dedication result in one innovative product after another, the fledging company takes its first steps towards becoming the electronics giant of today.
**Business Segments**

Panasonic Corporation is comprised of 14 business domain companies. Each company has its own distinct R&D, production and sales divisions that respond to its own business segment, such as digital AV, home appliances, industrial solutions, and other electronic and consumer products.

**Brand Panasonic**

As a global company, active in more than 100 countries with affiliated companies, associated with thousands of customers and suppliers, our greatest asset is our brand and its values. Our Brand Promise is at the heart of everything we do and everything we say. It differentiates us and is the embodiment of the promise we make to our customers.

Our slogan *Ideas for Life* is our central organizing thought. Every Panasonic product or service is created from these *Ideas for Life*. Ideas to put a smile on your day and brighten our children’s horizon. Ideas that embrace the planet and bring people of all ages together.

**Jumbo**

Jumbo is our ‘little buddy’ and much-loved Mascot. With the twinkle in his eye, mischievous smile and jaunty hat, he charms kids and adults alike. He is cuddly, cute and powerful too. In addition to strength and power, he is also endowed with super intelligence and long life span just like the Panasonic batteries. **Power & Longevity** - that’s our Jumbo for you. He is a symbol of our colorful past and vibrant present. We love him dearly. And we want to thank him for making Panasonic batteries the most loved batteries in India.
**Guiding Philosophy**

At Panasonic Energy India, our guiding philosophy 'People before Product' has served as a beacon since our inception in 1972 as Lakhanpal National Limited. The conception of this philosophy is derived from the core objective of the company – 'To Contribute to the Society'. Adhering to this philosophy, the Company balances its business and manufacturing activities with its impact on the communities and people at large. Recognizing our responsibility towards our people, Panasonic Energy India passionately strives to attain progress and development of society through its operational activities.

This core philosophy of ‘People before Product’ has been imbued and executed by all the employees from the top level executives to lower level personnel across the organization. Seven Panasonic Principles

- Contribution to Society
- Fairness and Honesty
- Co-operation and Team Spirit
- Untiring Effort for Improvement
- Courtesy and Humility
- Adaptability
- Gratitude

The 5S Process, or simply ‘5S’, is a structured program to systematically achieve total organization, cleanliness, and standardization in the workplace. A well-organized workplace results in improved profitability, efficiency, service and safety.

‘5S’ was invented in Japan, and stands for five (5) Japanese words that begin with the alphabet 'S': Seiri, Seiton, Seiso, Seiketsu, and Shitsuke.
<table>
<thead>
<tr>
<th>Seiri</th>
<th>Sort all tools and materials,</th>
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<tr>
<td>Seiton</td>
<td>Organize and arrange tools, parts and equipments</td>
</tr>
<tr>
<td>Seito</td>
<td>Systematic Cleaning of workplace</td>
</tr>
<tr>
<td>Seiketsu</td>
<td>Standardize the Work practices</td>
</tr>
<tr>
<td>Shitsuke</td>
<td>Sustain the discipline</td>
</tr>
</tbody>
</table>

**Itakona:**

The literal Japanese translation for the word **Itakona** is "plates and powders." An Itakona program essentially pursues cost optimization through the analysis of costs at the raw materials level, such as the metals and plastics used in components. Panasonic Energy India promotes and internalizes the Itakona principle mainly through activities. By seeking economies of scale, thoroughly implementing the Itakona principle and carefully observing materials market conditions and exchange rates, the company accelerates cost reductions in procurement.

**Kaizen**

Kaizen refers to philosophy or practices that focus upon continuous improvement of processes in manufacturing, engineering, supporting business processes and management everyone in the organization – *managers and workers alike*.

The salient features of **KAIZEN** implementation are as follows:-

- Formation of KAIZEN organization
- Steering Committee
- Cross Functional Teams
- Training to
- Members of Steering Committee &
- Members of Cross Functional Teams
- Formulation of systems and procedures of Steering Committee & CFT'S.
- Formal launching of KAIZEN activities.
Formulation of awards & reward system for KAIZEN.
Assessment and review of KAIZEN activity.

Panasonic Energy India implemented the principles of Kaizen at Pithampur Plant w.e.f. 25.11.2004.

**Muda Tori:**

Muda are wasteful activities that lengthen lead times, cause extra movement to get parts or tools, create excess inventory, or result in any type of waiting. Muda Tori is the principle of 'elimination of waste' and over production avoidance. Panasonic Energy India implements diverse activities under Muda Tori principles to improvise on the existing operational processes. Various groups of personnel are formed with a dedicated leader, facilitator and other members. Each group works on a particular theme and examines the existing situation of any particular process. With thorough research, the group comes with definite solutions to refine the steps involved in the process. Each group is also assigned the task of measuring the performance of the process or theme allotted to them.

The Company has successfully completed various Muda Tori activities, few of which are listed below with their respective tasks.

- To reduce paper work and other administrative cost
- To re-use consumable spare parts
- To reduce mix wastage of battery components
- To identify non moving machines and equipments and utilize the same for project pp after repairing overhauling.
- To reduce slitting wastage
- To eliminate unproductive time and efforts of it department personnel
- To reduce zinc dust quantity in electrolytic solution
- To eliminate 'usage of steam' for preparation of 130 electrolyte solution in um-3u
- To reduce LDPE & HDPE wastage
- To identify & make spare parts using in-house facility and reuse of used spare parts.
• Verification & destruction of identified old records of excise & transport & thereby improving filing & arrangement of excise & transport records
• To reduce communication expense

Product Profile of Panasonic:

The Panasonic Corporation is a worldwide leading company in the development and production of electronic products for a large number of customer requirements in the private, business and industrial area. The group, with its headquarters in Osaka, Japan, achieved consolidated net sales of 7.42 Trillion Yen / 78.7 Billion US-Dollar (exchange rate of the dollar from 31.03.2010) in the past financial year (ending 31st March 2010). The shares of the company are traded on the stock exchanges in Tokyo, Osaka, Nagoya and New York (NYSE:MC).

Zinc carbon batteries

• Zinc Chloride Technology
• First Environment Friendly Battery
• Best performer - Consistent Quality
• More Safe Battery
• Manufactured by the Only Panasonic Battery Company in India
  o Alkaline batteries
  o Lithium batteries

Batteries to meet Needs of Customers:

The primary battery range includes the popular EVOLTA line, alkaline and manganese dry cell line ups as well as a comprehensive selection of batteries of specialized applications. Some of the innovative products said above are shown in the following picture.
Key Features of the Panasonic Batteries:

Panasonic batteries deliver long lasting power for all kinds of appliances, from toys and remote controllers to digital cameras and torches. The unique technology prevents performance degradation before use to guarantee consistent power when the customers need it, even if the batteries have been kept in storage for long periods. See the picture which shows about the product features.
### MODEL

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<tr>
<td><strong>Weight (kg)</strong></td>
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</table>

Batteries from Panasonic
The Panasonic group started battery production in 1931. Today, the Panasonic Energy Corporation (PEC), with 16,000 employees and 20 production facilities in 14 countries, is one of the largest battery manufacturers in the world. The product portfolio includes Lithium-Ion, Lithium, Nickel Metal Hydride, Alkaline, Zinc-Carbon and VRLA batteries. The all-round experience of one of the world's largest electronics groups in the development of high tech products such as notebooks and power tools leads again and again to ground-breaking solutions for the batteries needed for this. Panasonic also offers its OEM customers standard charging equipment and customized charging systems and emphasizes its corporate identity as a power solutions provider with a comprehensive product range.

**Panasonic Industrial Europe GmbH (PIE)**

Panasonic batteries are marketed in Europe by Panasonic Industrial Europe GmbH (PIE), a subsidiary of Panasonic Europe Ltd, the European headquarters of the Panasonic Corporation. Under the leadership of Managing Director Katsuhiko Otomo, PIE, with its head office in Hamburg, is responsible for the European sales and marketing of Panasonic's industrial business. This includes the Automotive, AV/Communication, Appliance, Industry & Devices and Factory Solutions Divisions. The company thus provides its customers with a one-stop shop for its extremely wide product range. It is therefore able to satisfy its customers' desire to source their requirements from one supplier, thus optimizing their procurement processes.

The company is responsible for Germany, the Benelux countries, Switzerland, Austria, Scandinavia and Eastern Europe and has sales subsidiaries in Munich, Düsseldorf, Bracknell (UK), Helsinki (Finland) and Barcelona (Spain), as well as offices in France, Italy, Denmark and Russia. 300 staff are currently employed. PIE is directly responsible for the sale of industry batteries to OEM customers, while a closely knit European-wide distribution network has been established for smaller and medium sized customers.

**Pricing Strategies in Panasonic:**

Panasonic uses a range of pricing strategies associated with adding value for money. For example, 'extra-fill' packs can give the customer up to 30% extra free.
This rewards regular buyers of a particular product. Panasonic may also offer its products at a special promotional price using price-marked packs to encourage people to try the product. However, the company has been following the industry to fix the price for their product. In the international market, the company adopting the decimating price method.

Besides product strategy, price strategy is the other influential marketing tool to Explicit Unit-Utility Cost. For instance, if price decreases, the result of cost divides utility will go down. Companies from a newly developed country must compete with international corporations usually utilize low-price strategy to make up deficient product utility in a target market.

Meanwhile, according to Kotler & Armstrong (2001), the objectives of pricing are for market survival, sales growth, profitability, competitive pricing, and quality & image enhancement. There are abundant pricing methods in practice or studies matching one or combinations of these objectives. Thus, to utilize the 4C structure's viewpoint in analyzing a specific price strategy is very significant. For example, marketing-penetration pricing is to set a low initial price in order to penetrate the market quickly and deeply, and so attract a large number of buyers quickly and win a large marketing share. If a company set up a market standard, the other peripheral products have to follow. Then, Holdup assets are formed.

**Promotion Strategies of Panasonic:**

A further demonstration of the 'It's All Good' ethos is McCain Foods' ethical stance on promotion. McCain makes a commitment not to advertise to children under 12 years old. It also ensures that the retail labeling on its products carries clear information on levels of fat, saturated fat, salt and sugar to help shoppers choose healthier options. Its labeling is in line with the Food Standards Agency (FSA) traffic light scheme and the food industry's Guideline Daily Amounts (GDA).

Promotion falls into two main categories:

- Above-the-line promotion
- Below-the-line promotion.
Above-the-line

Above-the-line promotion is paid-for and includes traditional advertising routes such as television, radio and the press. These are good for carrying marketing messages to a large audience. However, it is less easy to measure the impact of these channels, for example, whether a TV advert has increased sales. Special displays or positioning in stores or advertising on supermarket trolleys are also examples of above-the-line promotional activity at McCain Foods.

Below-the-line

Below-the-line promotion can take many forms and is usually more under the control of the business. Typical examples include events or direct mail. McCain uses a combination of below-the-line activities including:

- Door-to-door leaflet drops or books of vouchers which give customers discounts over a period of time. These help to attract consumers and establish brand loyalty so the consumer buys the product again.
- Email newsletter for consumers. This creates a relationship with consumers, which is unusual for a B2B organization. It not only allows McCain to communicate directly with and listen to consumers, it also enables the business to collect information, for example, about their lifestyles and product choices. This is used for feedback, research and promotions.

Physical Distribution Strategies at Panasonic:

Place describes the channels Panasonic uses to position its products in the marketplace. See the Fig.3.4, which reveals the distribution set of the Panasonic Company. In this line of the middlemen the supplier is the company personals who manufacturing and supply the product to the next level of the marketing channel. That is technically known as the first level of the channel. Later stage of this process is Wholesalers, Retailer and consumers. It is technically known as second level, third level and fourth level of the distribution net work.
Fig.2.3: Distribution network of Panasonic

As a business-to-business (B2B) organization, Panasonic does not sell directly to its consumers. Instead it places its products with wholesalers and retailers, such as major supermarket chains. Panasonic may then be able to influence how its products reach the consumer at the point-of-sale. For example, it may secure key positions for its products in stores. By paying for end-of-shelf positions for its products, customers are more likely to see and buy them.

Panasonic does not use its own vehicles to distribute products to its customers. Transportation is outsourced, which means another organization carries out the deliveries. Products are delivered directly to retailers' central depots for onward distribution to their stores. Alternatively, they may go to wholesalers, who sell them on to other businesses such as restaurants.

Panasonic takes the need for sustainability and reducing its impact on the environment into consideration in transporting its products. For example:

- Where possible local farmers are used to regular torch lies at the nights.
- Double-decker trucks are used, saving in the region of 2,000 lorry journeys a year.
- The Lorries have built-in solar panels which help to provide additional power, for example, to help with the internal lifting mechanism.
Promotional Strategies in Panasonic:

PR and sponsorship

Public relations (PR) are a form of promotion that is concerned with developing goodwill and understanding between organizations and the public. For example, Panasonic uses its relationship with UK Athletics to deliver 'Track and Field' road shows across the UK. These emphasize the link between healthy and healthy lifestyle. Again, this aligns with the 'It's All Good' message.

Panasonic also takes part in different types of sponsorship, such as:

- TV shows Family Fortunes. This brings the Panasonic brand to a wide audience through a popular family programme.
- Panasonic Athletics Networks which encourage young people to get involved in the sport through local clubs. This further supports the company’s approach to balancing life.

Panasonic also aims to promote better understanding of where food comes from through initiatives industry interaction for more quality of the product and innovative products ideas. This is an educational resource that helps teach children about how to grow healthy and their place in a balanced healthy diet.

'It's All Good' is a message that is embedded in all aspects of Panasonic's marketing mix. Not only are the products designed to look and good, they are produced from good quality technology and components in a way that addresses people's concerns about issues such as health and the eco-friendly systems. This helps to ensure that Panasonic remains a trusted brand. Panasonic also takes great care to minimize its impact on the environment. Its products are placed in the market in a way that reduces both technology and carbon emissions.

Promotion of the products focuses on the positive relationship between Panasonic and a quality and reinforces the importance of quality life a healthy lifestyle.
MARKETING MIX IN SANYO ELECTRIC COMPANY LIMITED:

SANYO Electric Co. Ltd is a Japanese manufacturer of a broad range of environmental solutions, consumer electronics, home appliances, industrial and commercial equipment including commercial kitchen and refrigeration along with devices and batteries.

First incorporated in 1950, SANYO has a history rich in creating and delivering technology-based products to every corner of the globe. A truly international organization, the SANYO Group of companies now comprises 206 subsidiaries and affiliates.

Product Profiles:

Batteries

1. Alkaline
2. Photo lithium
3. Rechargeable

Alkaline

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Photo lithium

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<tr>
<td>8</td>
<td>NCMDR03N</td>
<td><img src="image8.png" alt="Image" /></td>
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</tbody>
</table>
Distribution network of Sanyo:

The distribution system of Sanyo is very simple and clear with the three levels including the consumer. The manufacture process the product to the distributor and then the distributor exchange the product to the retailer and finally the consumer will purchase the products from the retailer. Suppliers’ role in this network is providing the necessary raw and semi finished items for manufacturing. Sometimes, the company directly can offer the product to the customers (industrial users). See the Fig.2.5.
After all, marketing is meant to enhance the efficiency of an exchange, solve the problems in an exchange, and increase frequency of an exchange. A simple example can be to find out the reasons why a product with otherwise market-demanded qualities is unpopular.
References:

7. CCID Consulting is directly affiliate to China Center for Information Industry Development (hereinafter known as CCID Group), it headquartered in Beijing.
8. Deutsche Securities Inc..LiB materials industry, Jan-26-2011, http://gold-estate.com/content/Lithium/LiB12611.pdf
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27. **The Chinese Battery Industry: The Truth behind the Charge**

Globalization Monitor June, 2012;Research Team: Winfield Glascock, Charlotte Wu, Au Loong Yu ;Proofreading: Bai Ruixue, Dianne Feeley

Publisher: Globalization Monitor, , Hong Kong, ISBN: 978-988-15405-5-3

28. The EU has prohibited the sale of nickel-cadmium batteries since 2008. China (the major producer of nickel-cadmium batteries) decided in 2011 to restrict the production of nickel-cadmium batteries due to serious cadmium pollution on agricultural land and water. It also planned to gradually reduce the consumption of cadmium within battery industry.

29. Web sites of the respected companies and company annual publications.