CHAPTER III

MARKETING CONCEPTS, PRINCIPLES, STRATEGIES AND OCCASION BASED MARKETING STRATEGIES
Marketing emerges as a discipline at the beginning of the 20th century as a branch of applied economics and develops as a separate discipline in the first half of the century (Bartels 1988). Marketing has been one of the most exiting subjects in the business world during the past six decades (Philip Kotler, Kartajaya, Iwan, 2010). Marketing deals with identifying and meeting human and social needs. One of the shortest definitions of marketing is “meeting needs profitably” (Philip Kotler, Keller, Koshy and Jha, 2007). There are many other definitions suggested by various researchers and organizations, which cover various dimensions and provide a comprehensive picture about marketing. Kotler defined marketing as a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others (Kotler, 2002). American Marketing Association (2004) offered a formal definition ‘Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stake holders’. In essence, marketing covers all those activities in providing customer satisfaction and making a profit for the manufacturer who make use of available resources to the maximum. This makes marketing the focal point of every business efforts.

3.1 The Evolution of Marketing

Marketing is an ancient art and has, since the days of Adam and Eve, been practised in one form or the other (Ramaswamy & Namakumari 2009). Over 6,000 years of recorded history documents that the roots of both Western and Eastern
civilization included some form of trade (Skinner (1), 1998). Going by the historical accounts of trade practice, some conclude that as long as there have been people, some form of marketing has been going on. Marketing is comparatively a new field, but strangely enough, it has been one of the world’s oldest professions.

The need for marketing evolved as a historical process. The earliest man, the early races of Homo sapiens, who began to inhabit the earth around the year 20000 B.C. in the upper Paleolithic period, lived a purely vegetative life by hunting and eating the natural products of his land. Later, following Neolithic period, as man began to feel the need of more food, he began to cultivate on his land. Each person produced whatever he needed for himself. He made his own clothes, killed animals for his food and in general, looked after his own and his immediate family requirements (Northcote, Rustomji and Vieira, 1999).

As time passed, the concept of specialization in one area and the idea of division of labor began to evolve. Skilled laborers began to concentrate on the production of goods in which they had skill and expertise. This resulted in the production of more items than a person needed in some cases and less in some others. This paved the way for laying the foundation for marketing. Each person made a set of one item and exchanged the excess with the others for items he needed. This was the barter stage. “Whenever a person made more than he needed or wanted more than he made, the foundation was laid for trade, and trade is the heart of marketing (Stanton, 1971)”.

Later it was found that a common medium of exchange would make the transactions easier. Thus coins of copper, bronze, iron etc. came to be used and money was found to be far more efficient and convenient. Thus money came to
play an important role in marketing in all civilizations. As the size of wealthy class increased, some goods and shops emerged that catered to the rich, and here some of the characteristic consumer-oriented retailing first appeared (Cardiff, 2002).

With the industrial revolution, which gave a fillip to the means of production of goods, the speed of selling could not keep pace with the speed of manufacturing. Large quantities of stocks started piling up. And a solution had to be found out. Thus arose the need for marketing: Agents and sales men were added to develop new markets and to protect or expand company sales in existing markets. The inventions of large machines and the rapid expansion of economic and industrial growth resulted in large-scale marketing. As early as 1900, some firms chose to differentiate their products in order to do a better job of satisfying the customers’ diverse needs (Frederick E Webster Jr. 2002). By the mid-1920s, mass production provided sufficient products for consumers to satisfy many of their needs and wants, and the strong demand for products subsided (Skinner (2), 1998).

Marketing flourished in the United States of America in the prosperous years following World War II. A business-practice perspective, which views marketing as a means for achieving an individual firm’s objectives, came to dominate textbooks and curricula. As the marketing field matured in the 1950s and 1960s, it articulated a set of foundational concepts (Quelch & Katherine 2008). Increasingly, in theory and practice, marketers embraced the idea that they were not simply selling core product functionality but were also offering an augmented set of benefits. They were not selling just goods and services but were also offering solutions to customer problems (Theodore Levitt, 1960).

Ever since Neil Borden coined the marketing mix term in 1950s and Jerome
McCarthy introduced the four Ps in the 1960s, marketing concepts have undergone significant transformation while adapting to the changing environment (Neil Borden 1953, Jerome McCarthy, 1960). Marketing was initially viewed as just one of several important functions supporting production, along with finance and human resources. The key function of marketing was to generate demand for the products. McCarthy’s four Ps concisely explained the general practices of product management in those days: develop a product, determine a price, do the promotion and set up the place of distribution. For two decades nothing more was needed for marketing other than those tactical guidelines. (Philip Kotler, Kartajaya, Iwan, 2010).

When the U.S. economy—and the Western economy in general—hit by oil shock-driven stagflation in the 1970s the situation changed. Generating demand was harder and required more than 4 Ps. Marketing finally gained prominence during this period of low demand. Marketers realized that to effectively generate demand, “customers” should replace “product” at the heart of all marketing activities (Philip Kotler, Kartajaya, Iwan, 2010). With the shift in focus, the nature of the buying decision by consumers and business customers came under closer scrutiny. Existence of a business firm is justifiable only when it produces, communicate and distribute what buyers need and prefer. Peter Drucker rightly said, “The purpose of the company is to create a customer…. It is our job to produce what the market needs” (Peter Drucker, 1954). Following Drucker’s lead, the “Marketing Concept” asserted that, above all, firms must create value for customers and see the business from customer point of view. This “customer orientation” vied with alternatives such as manufacturing, research and development, sales or finance. Proponents tended to view the acceptance and the implementation of marketing concept as the
final, and highest, stage in a firm’s evolutionary progress (Robert J Keith, 1960). If the marketer does a good job of understanding consumer needs; develops products that provide superior value; and prices, distributes, and promotes them effectively, these products will sell easily (Philip Kotler 1997).

The customer management discipline, including strategies such as segmentation, targeting and positioning (STP), was introduced. At this point, marketing was no longer only tactical. As it focused more on customers than on the products, marketing became strategic. The introduction of the strategic marketing model marked the birth of modern marketing (Philip Kotler, Kartajaya, Iwan, 2010). The year 1989 was phenomenal for global business and for marketing as well. It was a tipping point for globalization and was remarkable for humans as personal computers entered into the main stream of human life. Networking of computers facilitated networking of humans, which was instrumental in the spread of word-of-mouth information sharing. Information became ubiquitous and consumers became well connected and thus well informed.

To embrace these changes, marketers around the world expanded the concept of marketing to focus on human emotions. They introduced new concepts such as emotional marketing, experiential marketing, and brand equity. To generate demand, it was no longer enough to target the customer’s mind with classic positioning model. It was necessary to target the customer’s heart as well. The marketing concepts that emerged in the 1990s and 2000s mostly reflected the brand management discipline (Philip Kotler, Kartajaya, Iwan, 2010).
3.2 Marketing Management

Marketing management is a broad scope of the study of marketing, focusing on the practical application of the marketing concept. Marketing management encompasses marketing planning and strategy, orientations, and processes needed in attaining company goals by providing value to customers. It has a wide coverage involving all factors required to satisfy customers and thus marketing management must be all-pervasive and part of every employee’s scope of work, from the subordinates to those in the higher management. American Marketing Association, (2004) defined marketing management as the process of planning and executing the conception, pricing, promotion, and distribution of goods, services, and ideas to create exchanges with target groups that satisfy customer and organizational objectives. Marketing Management is the art and science of choosing target markets and getting, keeping, and growing customer through creating, delivering, and communicating superior customer value (Philip Kotler, Keller, Koshy and Jha, 2007). It relies heavily on the adaptation and coordination of product, price, promotion and place of achieving effective response.

3. 3 Strategy and its Definitions

Strategy is viewed in different ways by various authorities. The Oxford Advanced Learner’s Dictionary defined a strategy as art of planning and directing operation in a war or campaign or skill in planning or managing any affair well, or plan or policy designed for a particular purpose.

Chandler (1962) sees a strategy as the determination of the basic long term goals and objectives of an enterprise and the adaptation of courses of action and the
allocation of resources necessary to carry out these goals.

Strategies are resulting from the process of deciding on objectives, on the resources used to attain these objectives and on the policies that are to govern the acquisition, use and disposition of these resources, Antony (1965).

In the opinion of Appleby (1987), strategies are the broad programmes of activity to achieve organization objectives. Strategies are guides as to how resources are to be deployed to achieve the objectives.

According to Daft (1988), strategy is the plan of action that prescribes resource allocation and other activities for dealing with the environment and helping the organization attain its goals.

A strategy in the view of Baker (1992) is the pattern or plan that integrates an organization’s major goals, policies and action sequences into a cohesive whole. To Baker a well-formulated strategy helps marshal and allocate an organization’s resources into a unique and viable posture based upon its relative internal competencies and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponents.

In his work on strategy, Porter (1996) views strategy as the Creation of a unique and valuable position involving a different set of activities. To Porter a company that is strategically positioned performs different activities from rivals or performs similar activities in different ways.

A critical examination of all the views and definitions above show that while the term ‘strategy’ still usually has a competitive implication, it has been increasingly
used to reflect broad overall concepts of an enterprise operation. Strategies therefore, most often denote a general program of action and an implied deployment of emphasis and resources to attain comprehensive objectives.

3. 4 Marketing Strategies

Strategy as stated earlier or stated among others is the means by which objectives are achieved. If objectives specify what is to be done, then strategy lays down how it is to be done. Marketing strategy is the set of integrated decisions and actions (Day, 1990) by which a business expects to achieve its marketing objectives and meet the value requirements of its customers (Cravens, 1999; Varadarajan and Clark, 1994). Marketing strategy is concerned with decisions relating to market segmentation and targeting, and the development of a positioning strategy based on product, price, distribution, and promotion decisions (Corey, 1991; Hunt and Morgan, 1995; Kotler 1994).

An important aspect of strategy is its interest in the market environment of the firm. It has been rightly pointed out by Brownlie (1985) that, the need for business strategy is to have a marketing perspective if it is to be consistent with customer needs, perceptions and preferences. Marketing develops strategy based on analysis of consumers, competitors, and other environmental forces, which then should be combined with other strategic inputs (such as financial, R&D and human resources) to arrive at an integrated business strategy. Sound business strategy should have a marketing perspective, i.e., marketing should provide inputs to strategy generation and the evolved strategies should be tested against the reaction of consumers, competitors and other stakeholders. (Yoram Wind and Thomas S. Robertson, 1983). A marketing strategy articulates the best use of the firm’s resources and tactics to achieve its marketing objectives. It should also match the
customers’ desire for value with organization’s distinctive capabilities. Internal capabilities should be used to maximize external opportunities. A marketing-oriented culture and processes in the organization should guide the planning process. When properly implemented, a good marketing strategy also enables a company to achieve its business –unit and corporate objectives. Although corporate, business unit, and marketing strategies all overlap to some extent, the marketing strategy is the most detailed and specific of the three (William and Ferrell 2006). It focuses on the performance of a product/service in the target market and combines the customer- influencing strategies with market- focused activities to gain a competitive advantage in the industry.

The marketing function is indeed considered as the main function that allows the enterprise to adapt to its environment (Webster 1974). It namely provides "a company-wide orientation that mediates between the internal workings of the firm and its environment" by allowing the enterprise to "understanding the firm's external environment, particularly customers; communicating this understanding effectively within the firm, particularly to policy makers; facilitating the organization's response to this understanding" (Maklan et al. 2002). This is of special interest in times of rapidly changing environment as "strategic marketing planning is concerned with adapting the organization to a changing environment" (Doyle 1994).

3. 5 Occasion Based Marketing (OBM)

Marketing Strategy according to Kotler, Armstrong, Saunders and Wong (1999) is the marketing logic by which the business unit hopes to achieve its marketing objectives. That is it shows how strategies for target markets and positioning build
upon the firm’s differential advantages. It should detail the market segments on
which the company focuses. These segments differ in their needs and wants,
responses to marketing and in profitability. The company should put its efforts into
those market segments. It can best serve from a competitive point of view. It
should develop a marketing strategy for each targeted segment.

The traditional market segmentation approaches and its interpretative potential
seems somewhat restrictive when applied to a segment like consumer durable
goods and the present market. Numerous factors such as socio-economic
dynamics, geographical area, technology, change in life style, easy finance options
and brand image, have all seen a widespread increase in the role of consumer
durable goods, not only in relation to the subjective characteristics of the consumer
but also to the occasions of its purchase. Since the 1970s some researchers have
emphasised the limitations of using individual consumer characteristics to explain
consumption behaviour while focusing more on the effects of situational factors on
consumption decisions.

Quester and Smart (1998), propounded and a new approach called “person-by-
situation interaction.” In this approach an understanding of consumer decision-
making behaviour has become based on the analysis of the interaction between
usage situations and the characteristics of the individual. It can be said that
consumer needs arise from two different sources: from the subject himself, the
consumer, as a synthesis of his economic, demographic, social and psychological
characteristics and secondly from the interaction between subject and the occasion
of consumption. It is accepted that the consumer’s “structural variability” can
determine a diversification of needs even for a single occasion of consumption,
while the variety of what shall be called “consumption occasions” opens up a range
of different needs and behaviour patterns. Thus, the market’s objective constituent elements should be considered not as the consumers as such but rather the consumers and “consumption occasions” combination [Dickson, 1982; Dubow, 1992]. Occasion based segmentation, assumes that an individual may have differing motivations for selecting a product to be used under differing circumstances. That is not to deny the presence of some stable personal needs that may apply across situations" (Albert Goldman, 1979).

3. 6 OCCASION BASED MARKETING STRATEGY

There were only a limited number of studies and literature available on Occasion Based Marketing Strategy and hence the definitions are comparatively very less.

**Batra and Lilly** (2014) defined Occasion-Based Marketing (OBM) Strategies are the practices of manufacturers and retailers promoting sales by tying their offerings to consumer occasions, such as a festivals, holiday, a meal or even a particular time of day. By gaining deeper understandings on how the brands and competitor brands are used, a company can identify the greatest sources of untapped opportunity against which to focus marketing efforts to drive growth. A keen understanding of consumer behavior and careful strategic thinking are required to create value for customers and build strong customer relationships in order to capture value from customers.

According to **Lucio Ribeiro**, (2014), consumers eat and buy based on occasions, not by demographics or psychographics. Therefore, leveraging an occasion— like the Easter period – presents a real business opportunity. Ribero’s study shows the deep relationship between Easter and retailers. And now, more than ever, Occasion
Based Marketing campaigns can be greatly enhanced by incorporating social listening and online analysis into the marketing mix.

3. 6. 1 Occasions Based Marketing Strategy Definition

“Occasion Based Marketing Strategy can be defined as the marketing strategy of an organization for a specific market segment for a chosen occasion like a special or important time, festivals, holidays, events or celebrations, for succeeding within it, through product, pricing, distribution and promotional choices for achieving its marketing objectives”.

Thus OBM strategy is inclusive of having a deeper understanding about the customer tastes and preferences, habits, celebrations, etc., and then segmentation of the market based on different occasions of importance and choosing a target occasion and developing an appropriate marketing mix to satisfy that market’s needs. A target market is a group of customers of organizations to whom a firm wants to create marketing exchange. A marketing mix is the overall marketing offer to appeal to the target market. It consists of decisions in four basic areas: Product (development or modification of a product, service or idea to exchange), Pricing (what to charge for the exchange) and distribution (how to get the product, service, or idea to the target market to consummate the exchange) and promotion (communicating to the target market). An organization can accept any strategic pattern based on its specific advantages and capabilities to ensure the firm is environment fit.

3. 7 Strategic Dimensions for OBM strategies of Consumer Durable Companies

The study is an endeavor to examine the relationship between Occasion Based Marketing strategy and market performance of Consumer durable companies in
Kerala. The aim is to identify the major Occasion Based Marketing strategy patterns of Consumer Durable companies in Kerala and to substantiate an empirical link between OBM strategies and the performance of Consumer Durable Companies in Kerala market. The leading consumer durable manufacturers operating in Indian market are foreign or Indian multinational companies. The procedures in the literature on investigating and analyzing international marketing strategies are followed here for the study of OBM strategies of consumer durable products in the State of Kerala. The bulk of the turn over of consumer durable companies are coming from festival season sales and there is a definite requirement for organizations to develop OBM strategies to capitalize the customer readiness to purchase during the festival season. In the classification of strategy patterns of Occasion Based Marketing of consumer durable companies, the procedures in the literature on the strategy performance relationship (Cavusgil and Zou 1994; Lee 1994) are followed.

3. 8 Occasion Based Marketing Strategy Variables

Thirty-four Occasion Based Marketing Strategy variables were identified. The variables considered include Segmentation, targeting and positioning variables, product variables, (Cooper and Kleinschmidt 1985; Nakata and Sivakumar 1995), Price Variables (Cavusgil 1984; Vachani 1990), degrees of relative importance given to each of the four marketing mix elements by the consumer durable firms for occasion based marketing (Bilkey 1985; Cavusgil and Zou 1994). The market performance was defined operationally with seven variables, including sales growth, profitability, corporate perception of overall performance, market share, competitive response, gaining a foot hold in the market and increasing the
awareness and brand image in the market. These dimensions were used frequently in previous studies (Bilkey 1985; Cooper and Kleinschmidt 1985; Cavusgil and Zou 1994). The selected OBM Strategy Variables for the study are the following:-

1) Marketing Goals set during special occasions
2) Focus on Brand building during different occasions
3) Degree of Market Segmentation
4) Importance for Targeting strategies
5) Change in product Positioning for different occasions
6) Degree of product Adaptation for different occasions
7) Level of product Quality changes for different occasions
8) Degree of product Uniqueness for different occasions
9) Degree of product Improvement during special occasions
10) Change in the product line breadth during special occasions
11) Number of new product Launch during special occasion
12) Change in Pricing strategy during special occasions
13) Degree of special event pricing for different occasions
14) Degree of price competitiveness for different occasions
15) Degree of Training given to Channel members during different occasions
16) Channel members freedom on Target Marketing decisions based on local markets
17) Channel members freedom on deciding Product assortment and Procurement based on local markets
18) Channel members freedom on deciding Service store atmosphere
19) Channel members freedom on deciding Pricing
20) Channel members’ freedom on deciding Promotion.
21) Degree of spending on promotions
22) Degree of Promotion strategy changes
23) Degree of Advertising strategies executed by manufacturers
24) Degree of Advertising strategies executed by Retailers (Local)
25) Degree of Sales Promotion strategies executed
26) Degree of Public Relations strategies
27) Degree of Publicity strategies
28) Degree of Direct marketing strategies executed
29) Degree of Personal Selling strategies executed
30) Degree of Social media use for executing strategies
31) Relative importance of Product competitiveness
32) Relative importance of Price competitiveness
33) Relative importance of Place competitiveness
34) Relative importance of Promotion competitiveness

3. 9. MARKET SEGMENTATION, TARGETING AND POSITIONING

3. 9. 1. Market Segmentation

Market segmentation as a strategy, which referred to as the strategies of targeting and positioning in the Anglo-American literature for several years now (Myers, J. H. 1996), may be defined as the adjustment of the product and as far as possible of some other elements of the marketing mix (e.g., the price, distribution or advertising) to more closely match the needs and wants of one or several selected market segments (Bauer, E. 2000). The customers are too numerous and diverse in their buying requirements. It means that the market for a product is essentially a heterogeneous unit. However there are usually groups of consumers who can be
served well by a firm. A company needs to identify such relatively more homogeneous customer groups or market segments that it can serve more effectively and efficiently. Kotler (2002 p. 256) defines market segment as a large identifiable group within a market with familiar wants, purchasing power, geographical location, buying attitudes, or buying habits. Market segmentation is the process of dividing a market into groups of similar consumers and selecting the most appropriate groups for the firms to serve (Paul Peter & Donnelly, 1997) and an effort to increase a company’s precision marketing.

Tailoring the product and some other elements of the marketing mix to the needs and wants of selected market segments can offer competitive advantages to companies that practice this strategy (Erich Bauer, Yanli Liu, 2006). This became true in the mid-1950s, when Smith published his article in the Journal of Marketing, when many markets were became saturated and competition was fierce after a post World War decade of rapid growth. Companies serving the mass market with relatively undifferentiated products faced the prospect of slower growth and worse – some would go out of business. Market segmentation caught on quickly—it was a way of life by the mid-1960s, guiding the product development, positioning and promotion strategies of many of the large Fortune 500 companies (Erich Bauer, Yanli Liu, 2006). It continued to gain steam throughout the final decades of the last century, spurring some to label market segmentation as one of the most important strategic concepts in marketing (Engel, J.F., Fiorillo, H.F., Cayley, M.A. (1972)&Frank, R.E., Massy, W.F., Wind, Y. (1972)). However, articles began appearing in journals questioning the effectiveness of market segmentation, and indeed its very future during 1990s (Peppers, D., Rogers, M., (1993), Wind, Y.J., Mahajan, V., Gunther, R.E. (2002)).
With the advent of “customization” or “one-to-one marketing” (Kotler, 2003), market segmentation seemed perhaps less useful. Fifteen years later, however, market segmentation continues to occupy a useful middle ground between mass marketing and one-to-one marketing.

Moreover, the concept of market segmentation is now becoming relevant in countries that have suffered from a lot of problems and shortages in the past, but are now experiencing an economic development equal to that of the western countries after World War II (Erich Bauer, Yanli Liu, 2006). In particular, due to the economic liberalization processes and the opening of the Indian economy for foreign trade and investment, which have been carried out since 1991, this applies to India. As a result of these developments, the quantitative relationship between the consumer goods supply on the one hand and the rapidly rising consumer goods demand on the other hand has been continuously improved. Nowadays, the case that supply cannot satisfy demand is for most consumer goods a case of the past. Quite the opposite is to observe that Indian consumer goods markets are buyers’ markets, characterized by a surplus of supply and a strong competition between many national and multinational suppliers.

A company will hardly succeed in today’s consumer goods markets if it pursues the strategy of undifferentiated mass marketing and tries to serve the needs of the entire market with a single marketing mix (Brassington, F., Pettitt, S. 2005). In fact, the changed marketing environment makes it inevitable to pursue the strategy of market segmentation in the form of a differentiated or a concentrated marketing strategy. A differentiated strategy of market segmentation (multi-segment strategy) involves the development of a number of individual marketing mixes, each of which serves a different market segment (Dibb, S. / Simkin, L., 1996). In contrast,
a concentrated strategy of market segmentation (*single-segment strategy*) involves specializing in serving only one specific market segment. The realization of such a marketing strategy requires not only the existence of a heterogeneous consumer goods market, but also the possibility to identify market segments which are internally homogeneous and externally heterogeneous with regard to the product related needs and wants of their members.

### 3. 9. 2. Occasion Based Market Segmentation

Many marketers believe that behavioral variables – occasions, benefits, user status, usage rate, loyalty status, buyer readiness stage, and attitude- are the best starting points for constructing market segments (Philip Kotler, Keller, Koshy and Jha, 2007). Buyers can be distinguished according to the occasions they develop a need, purchase a product or use a product (Philip Kotler, 2002). Lewin's field theory (1936) and the modern interactionism conception of human behavior have given a theoretical foundation to situational influences in consumer behavior. A fairly limited number of researchers have investigated situational factors as a determinant of choice behaviour. Occasion based segmentation, assumes that an individual may have differing motivations for selecting a product to be used under differing circumstances. "That is not to deny the presence of some stable personal needs that may apply across situations" (Albert Goldman, 1979). Occasion Based segmentation can be understood as the process of dividing the market into groups according to specific occasions when buyers are to buy, actually make the purchase and when they use the product. Some products or services are seen as being appropriate for a particular situation or occasion, which means the customer is looking for specific products on specific times or occasions. Sandell (1968)
presented subjects with an inventory of beverages and found that personal differences and differences in situations, considered separately, were poor predictors of product preference. Their interaction, however, provided a better predictor of beverage preference. Similar pattern of interaction between product choice and usage situation was found by Green and Rao (1972), Belk (1974), and Srivastava, Shocker, and Day (1978), Dubow (1992), compared occasion-based and user-based segmentation for the jug wine market in the US and concluded that the occasion-based segmentation was richer and more relevant for brand positioning and advertising strategy (John & Larry 2000).

3.9.3. Targeting

Once the firm has identified its market-segment opportunities, it is ready to initiate market targeting. Here, marketers evaluate each segment to determine how many and which ones to target and enter. Business dictionary defines targeting as the selection of potential customers to whom a business wishes to sell products or services. The targeting strategy involves segmenting the market, choosing which segments of the market are appropriate, and determining the products that will be offered in each segment. A business offering multiple products can determine if the various segments should receive one generic product (such as in mass marketing), or if each segment should receive a customized product (multi-segment), based upon the market's diversity, maturity, the level of competition and the volume of sales expected, called targeting.

In evaluating different market segments, the firm must look at two factors: (1) the segment’s overall attractiveness, and (2) the company’s objectives and resources. First, the firm must ask whether a potential segment has the characteristics that
make it generally attractive, such as size, growth, profitability, scale economies, and low risk. Second, the firm must consider whether investing in the segment makes sense given the firm’s objectives and resources. Having evaluated different segments, the company can consider five patterns of target market selection; Single-Segment Concentration, Selective Specialization, Product Specialization, Market Specialization and Full Market Coverage. Very often, companies start out by marketing to one segment and then expand to others. In targeting more than one segment, a company should examine segment inter-relationships on the cost, performance, and technology side. Moreover, companies should look beyond isolated segments to target a super segment, a set of segments that share some exploitable similarity (Philip Kotler, 2002 p.156, 157).

3. 9. 4. Differentiation and Positioning

Differentiation is the act of designing a set of meaningful differences to distinguish the company’s offering from competitors’ offerings. Each firm needs to develop a distinctive positioning for its market offering. All products can be differentiated to some extent (Theodore Levitt, 1980). But not all brand differences are meaningful or worthwhile. A difference is worth establishing to the extent that it satisfies the following criteria:

1. *Important:* The difference delivers a highly valued benefit to a sufficient number of buyers.

2. *Distinctive:* The difference is delivered in a distinctive way.

3. *Superior:* The difference is superior to other ways of obtaining the benefit.
4. *Preemptive*: The differences, which cannot be copied easily by the competitors.

5. *Affordable*: The buyer can afford to pay for the difference.

6. *Profitable*: The Company will find it profitable to introduce the difference.

Positioning is the act of designing the company’s offering and image to occupy a distinctive place in the target market’s mind. The end result of positioning is the successful creation of a market-focused value proposition, a cogent reason why the target market should buy the product (Philip Kotler, 2002, p.178). “Positioning starts with a product. A piece of merchandise, a service, a company, an institution, or even a person . . . But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect.” To compete against this kind of position, an organization can (1) strengthen its own current position in the consumer’s mind, (2) grab an unoccupied position, (3) deposition or reposition the competition, or (4) promote the idea that it is in the club with the “best” (Al Ries and Jack Trout, 1982).

3. **10 Marketing Mix**

Marketers use numerous tools to elicit the desired responses from their target markets. These tools constitute a marketing mix (Neil H. Borden 1964). Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market. According to Chong (2003) marketing mix is originating from the single ‘P’ (price) of microeconomic theory. McCarthy classified these tools into four broad groups that he called the four Ps of marketing: product, price, place, and promotion (Jerome McCarthy 1960). Marketing mix, often referred to as the ‘4Ps’, as a means of translating marketing planning into
practice (Bennett, 1997). Marketing mix is not a scientific theory, but merely a conceptual framework that identifies the principal decision-making, managers make in configuring their offerings to suit consumers’ needs. The tools can be used to develop both long-term strategies and short-term tactical programmes (Palmer, 2004). The proportions in the marketing mix can be altered in the same way and differ from the product to product (Hodder Education, n.d). The marketing mix management paradigm has dominated marketing thought, research and practice (Grönroos, 1994), “as a creator of differentiation” since it was introduced in 1940s. Kent (1986) refers to the 4Ps of the marketing mix as “the holy quadruple...of the marketing faith...written in tablets of stone”. Marketing mix has been extremely influential in informing the development of both marketing theory and practice (Möller, 2006). The main reasons the marketing mix is a powerful concept are; it makes marketing seem easy to handle, allows the separation of marketing from other activities of the firm and the delegation of marketing tasks to specialists; and – The components of the marketing mix can change a firm’s competitive position (Grönroos, 1994). The marketing mix concept also has two important benefits. First, it is an important tool used to enable one to see that the marketing manager’s job is, in a large part, a matter of trading off the benefits of one’s competitive strengths in the marketing mix against the benefits of others. The second benefit of the marketing mix is that it helps to reveal another dimension of the marketing manager’s job. All managers have to allocate available resources among various demands, and the marketing manager will in turn allocate these available resources among the various competitive devices of the marketing mix (Nasit Alpesh, 2011). In doing so, this will help to instill the marketing philosophy in the organization (Low and Tan, 1995). However, Möller (2006) highlighted that the shortcomings
of the 4Ps marketing mix framework, as the pillars of the traditional marketing management have frequently become the target of intense criticism. In addition to the traditional four Ps of marketing, three more Ps suggested by Booms and Bitner (1981) for services marketing: people, physical evidence, and process.

3.10.1. Product

The first element in the marketing mix is the product. It is the basic tool of marketing mix. It includes the product quality, design, features, branding, packaging, etc. “A product is anything that satisfies a need or wants and can be offered in an exchange. A product can be a good, service, or idea” (Skinner 1998) “It can be either tangible or intangible and includes functional, social, and psychological utilities or benefits” and Ferrell (2004) (The product of an organization is both the physical product as well as the service offered to the customer.

In marketing, the word ‘product’ means any kind of articles or services offered to a customer to satisfy his needs and wants. The customer will judge the offering by three basic elements: product features and quality, services mix and quality, and price appropriateness. As a result, marketers must carefully think through the level at which they set each product’s features, benefits, and quality (Philip Kotler, 2002 p.183).

3.10.2. Product Levels

Marketers plan their market offering at five levels (Theodore Levitt, 1980). Each level adds more customer value, and together the five levels constitute a customer value hierarchy. The most fundamental level is the core benefit: the fundamental service or benefit that the customer is really buying. Effective marketers therefore see themselves as providers of product benefits, not merely product features. At the
second level, the marketer has to turn the core benefit into a basic product. At the third level, the marketer prepares an expected product, a set of attributes and conditions that buyers normally expect when they buy the product. At the fourth level, the marketer prepares an augmented product that exceeds customer expectations. Today’s competition essentially takes place at the product-augmentation level. (In less developed countries, competition takes place mostly at the expected product level.) Product augmentation leads the marketer to look at the user’s total consumption system: the way the user performs the tasks of getting, using, fixing, and disposing of the product (Harper & Sidney Levy, 1963) As Levitt notes: “The new competition is not between what companies produce in their factories, but between what they add to their factory output in the form of packaging, services, advertising, customer advice, financing, delivery arrangements, warehousing, and other things that people value” (Theodore Levitt, 1969). At the fifth level stands the potential product, which encompasses all of the possible augmentations and transformations the product might undergo in the future. Here, a company searches for entirely new ways to satisfy its customers and distinguish its offer (Philip Kotler, 2002 p.185). In an export strategy-performance analysis, Min Han and Jung Min Kim (2003), three product variables were considered: (1) level of product quality, (2) degree of product uniqueness, and (3) extent to which a firm is involved in product improvement, in order to operationalize product variable.

3. 10. 3. Product differentiation and Cost leadership

Marketing strategy recognizes two alternative approaches for achieving a differential advantage over competitors and earning supranormal rates of return; product differentiation and cost leadership (Hall 1980, Porter 1980). Product
Differentiation entails designing or marketing products so that customers perceive them as unique. Although many bases for differentiation exist, superior quality is the approach most often used to characterize this strategy (Kiechel 1981). Differentiation by quality insulates a business from competitive rivalry by creating customer loyalty, lowering customer sensitivity to price, and protecting the business from other competitive forces that reduce price-cost margins (Porter, 1980). Product differentiation has many differentiation variables like, product form, features, performance, conformance, durability, reliability, repair ability, style, design, etc. (Chandrasekar (1), 2008).

3. 10. 4. Product quality

Product quality is a vital area, as it decides the fate of the firm in the marketplace. Several firms established themselves as leaders through the quality of their products. Strict control on product quality and insistence on zero defect products have made the products of many companies globally acceptable. A successful marketing strategy requires reliable, well-engineered, quality products. Marketing has to set the quality standards for the firm’s products. Consumer durable industry is a segment, where quality has become the true differentiator. LG electronics India was able to overtake its competitors and emerged as the leading player in Indian market and LG’s CEO clarified that the most important strategy they have adopted for the previous ten years was quality. According to him, only once the customers can be convinced with an attractive promotional activity, but finally it is quality. The most important strategy for LG India has been quality, and in future also it will be quality, as Indian customer is concerned about the quality of the product (Ramaswamy & Namakumari, 2009). Most of the consumer goods manufacturers in India have started selling high quality products as a competitive market strategy.
(Rajan Nair & Varma, 1993). In a study of the PIMS database Buzzell and Wiersema (1981) found that companies increasing their market share typically place greater emphasis than their rivals on new product development, product quality and expenditure on marketing activities.

3. 10. 5. Product Uniqueness

The work of Porter (1980) contends that in order for a firm to compete successfully in an industry, it must exploit its strengths by pursuing one of the three generic strategies: differentiation, cost leadership or focus. The bases of Porter’s strategies are product uniqueness and pricing advantages (Jeen-Su Lim, Sharkey & Kim, 1993). In studies on international marketing strategy and firm performance (Kleinschmidt and Cooper (1985); Kwon 1996; Nakata & Sivakumar 1995; Min Han & Jung Min Kim, 2003), it is determined that product uniqueness or relative advantage is a significant factor in export success. Consumer durable goods are in the category of products, which allow high-level differentiation (Chandrasekar, 2008). According to Lynn & Harris (1997), the tendency to seek unique consumer products is of immense practical importance in marketing. In fact, marketers frequently appeal to consumers' desires for unique products. Relevant product characteristics that influence international marketing strategy and performance include the availability of innovative product and product uniqueness (Min Han and Jung Min Kim, 2003).

3. 10. 6. Product Mix

A product mix is the composite, or total, group of products that an organization makes available to customers. Therefore the company managers should have a comprehensive understanding of the relationship of one product with the other. Marketers must understand the relationships among all the products of their
organization of products. (Pride and Ferrell, 2004). Product Mix or product assortment is the total set of all products and items that a particular company offers for sale. The width of the product mix is the number of product lines that a company offers. Product Line is the group of products within a product class that are closely related because they perform similar function, are sold to the same customer groups, are marketed through the same outlets or channels or falls within the given price ranges.

A company’s product mix is never static because customer’s preferences change, new customer segments emerge, and company’s competencies and priorities change, and all these changes warrant a change in a company’s product mix. There are a number of product mix strategies adopted by the companies in order to cater to the changing market trends and customer tastes and preferences. Product Mix expansion, Trading Up and Trading Down, Alteration of Existing Products, Product Mix Contraction, Product Line extensions, Product Mix width expansion are some of the product mix strategies widely used by consumer durable industry in India. Product Mix expansion is increasing the depth within a particular product line or the number of lines. Trading Up and Trading Down is another type of product mix strategies, which are successfully implemented by many companies in the market. Trading up means adding a higher price product to a line to attract a broader market and trading down means adding a lower price product to a company’s product line. Alteration of existing products strategy is all about taking a fresh look at the organization’s existing products. Product Mix Contraction is another product mix strategy of eliminating an entire line or by simplifying the assortment within a line. Product Line extensions strategy is adding items in the similar line under the same brand name, usually with new features. Product Mix
width expansion is increasing the width of the product mix to spread the risk across many product lines rather than depending on one or a few of them. Companies also widen their product mix to capitalize on their established brand equity (Chandrasekar (3), 2008).

3. 10. 7. Occasion Based Product Mix Strategies

A report in Economic Times in 2013 November (Writankar Mukherjee (2), 2013), gives a vivid picture on occasion based product mix strategies and pricing strategies adopted by different companies and brands across categories in Indian market. It was reported that Brands like Apple, Samsung, Nestle and Ferrero Rocher were able to soar new highs in sales, with products coloured various shades of gold by targeting affluent Indian customers with well crafted Product mix strategies of Product modification and product adaption during festivals. Apple's iPhone 5s in the gold version sold out within minutes of its launch, and received the maximum number of advance bookings. The model was resold by smaller neighbor-hood retailers who had hoarded stock, and on websites like eBay, at Rs 10,000- Rs 15,000 premium. Samsung also successfully tried the 'gold' rush by launching its costliest smartphone ever in India, the golden-colour Samsung Galaxy Golden, has sold beyond company expectations. Gold has huge appeal amongst Indian consumers since it's a fantastic premium stand-out colour, this also means the product needs to be niche or super-premium, responded Samsung India country head (mobile and digital imaging) Vineet Taneja. Probably the same understanding might have led Apple to launch just 200-odd units of the gold colour iPhone 5s as part of the launch phase during festival season.

Cellphone retail chains like The Mobile Store, UnivelCell and Planet M Retail reported that consumers were ready to pay in advance for the gold device.
Customers who managed to score a gold iPhone 5S at Apple's launch events were re-selling the device on marketplaces like eBay, where a 16GB model was priced at around Rs 63,000 to Rs 67,000, compared with the device's official retail price of Rs 53,500. UnivelCell Telecom CEO, D. Satish Babu responded that the iPhone 5s models were sold at a significant premium to the market price. The phone was available in the grey market even before its official India launch - dealers at outlets in Delhi's Gaffar Market and Mumbai's Heera Panna were quoting as much as 1 lakh for the same. Samsung was able to sell its gold-colour offering Galaxy Golden smartphone at Rs 50,000, compared with its flagship Galaxy Note 3 selling at around Rs 47,000. Samsung revealed that despite the premium pricing, the demand for the model has been much more than the company's expectation during Diwali sales.

Among chocolates, Nestle's Alpino and Ferrero Rocher had sizzled retail shelves during the festive season gifting, both drawing the consumer's eye with the gilded packaging. Retail chains like Spencer's Retail and Future Group revealed that while Ferrero Rocher has been the king of Diwali gifting due to its similarity with the Indian Ladoo in shape and golden colour wrapper, Nestle's first premium chocolate brand Alpino has started off well with a similar packaging giving competition to Cadbury and imported brands during festival season. Spencer's Retail president and CEO Mohit Kampani said that while Ferrero's share increased from 25% to 32% in Diwali FMCG gifting during 2013, Alpino could notch up a 2% market share within a couple of months of its launch.

3. 10. 8. Product Launch

A report was published in Economic Times on August 21, 2013, after interviewing four top level marketing and strategic decision makers, of four major consumer
durable players in Kerala market: Samsung India, Whirlpool India, Sony India, and LG India, on consumer durables makers attempt to create an impact on the festive season starting with Onam in Kerala. According to Atul Jain, Samsung India, Senior Vice President, Consumer Electronics Business, Samsung has launched new products just ahead of the festive season ranging from Ultra HD TV set to air conditioner with jet engine technology and new T9000 refrigerator in Kerala in 2013. According to Shantanu Das Gupta, Whirlpool of India, Vice-President (Corporate Affairs and Strategy, Asia South, the company was planning to enhance its product range by launching new hi-capacity refrigerators, washing machine and microwave models during Onam festival in Kerala in 2013. Sanjay Chitkara of LG India Head Corporate Marketing said that the company considers the key product launches across categories could provide LG the strategic edge during the festival season and would strengthen LG’s market leadership in Kerala. Aadeetya S (2014) reported that in 2014, Major electronics brands like Sony, LG Electronics, Havells, Preethi Appliances and Panasonic launched new products and schemes for the festival season. LG Electronics has launched its new Health Guard Refrigerator and 3D Smart TV, adding to its range of products. Domestic brands like Preethi Appliances, which is one of the major brands in the South, has launched products in three categories for the Onam festival season of 2014. Also, Havells entered into the mixer-grinder segment by launching its Moment 750 watt mixer-grinder during the festival season of 2014.

3.10.9. Branding

Perhaps the most distinctive skill of professional marketers is their ability to create, maintain, protect, and enhance brands. American Marketing Association defines a
brand as a name, term, sign, symbol, or design, or a combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. Branding is the management process by which a product is branded. It is a general term covering various activities such as giving a brand name to a product, designing a brand mark, and establishing and popularizing it. Branding helps in product identification and gives distinctiveness to a product. Identity and distinctiveness are essential to competition, because without a means for identification there is no way for customers in making a choice. Brand names facilitate in making a choice (Rajan Nair & Varma (2), 1993). For a manufacturer, market power comes from building own brands. Even when companies can no longer afford to manufacture their products in their homelands, strong brand names continue to command customer loyalty.

3. 10. 10. Occasions are used as an opportunity for Branding

A report in Economic Times by Ratna Bhushan and Writankar Mukherjee (2013), says that festivals in India have got highly commercialized and companies look to get value in return. The argument was substantiated by citing examples of how companies utilizing Kolkata’s Durga Puja, as one of the major opportunities to advertise their products for building brand image. Companies have homed in on the Bhog or Prasad to be offered to the Goddess Durga. For many years the Durga Puja Pandals are being sponsored by companies and used as a media to advertise their product and services. Companies expect to derive a long-term impact and build an emotional connection with consumers.

Emami India has tied up with more than 100 Puja Pandals at housing societies in Kolkata and focused on branding its ‘Healthy and Tasty’ brand edible oil by cooking the ‘Bhog’ using the same. The company packaged Bhog for another 30
pujas and home-delivered in their respective localities with the package flaunting the brand name in big and bold. These twin initiatives helped the company reach out to a target base of more than one lakh people and establishing the brand, said Adithya Agarwal director of Emami India

Dabur India Limited focused to derive a long-term impact and build an emotional-connect with consumers, rather an immediate sales jump during festival season. Dabur India Limited found a sweet spot in the fruits that are consumed the least in the spread of the Bhog. The beverage and shampoo maker served 125-ml packs of its “Real” brand of fruit juice at the Pandals. According to Praveen Jaipuriar, Dabur India category head for food, ‘during festivals, the food habits of people become unhealthy with higher intake of sweets and fried items,’ and ‘Real’ attempts to bring in health during the times of festive binging.” Dabur has tied up with Pandals across Delhi NCR and Kolkata for the Real juice promotion during the occasion of Durga Pooja.

Tanishq adorned the Goddess Durga with jewellery worth an estimated Rs 5 crore. Consumer goods giant Hindustan Unilever branded ‘Rotis’ at the Kumbh Mela in 2013. Each roti bore the message, ‘Lifebuoy se haath dhoye kya’, (Did you wash your hands with Lifebuoy?), (Ratna Bhushan & Mukherjee, 2013). Clever branding exercises can translate into goodwill and mileage.

3. 11. Pricing

Pricing plays a key role in formulating marketing strategy. In the entire marketing mix, price is the one element that produces revenue; the others produce costs. Price is also one of the most flexible elements: It can be changed quickly, unlike product features and channel commitments (Kotler 2002). It is the most direct way of communicating value to customers and has the most direct impact on bottom-line
performance. Apart from the bottom line, it can also impact brand perception: Too low a price may cause the brand to be perceived as a commodity, whereas too high a price runs risk of being priced out of the market. Pricing has multiple levels of implementation. At the highest level is strategic pricing, which takes into account long-term profit objectives of the organization at brand or franchise level. The next layer is tactical pricing, which optimizes price to take into account short-term market dynamics, including demand shifts and competitive effects. The lowest layer is execution level, where SKU-level dynamics and inventory and supply management come into play. Pricing of consumer durable goods is more strategic, as the consumer’s willingness to pay for a durable good reflects not only the value to them of the product, but also their expectations about the price of this product in the future. An inverse relationship between price and market share is commonly thought to exist. However, the possibility of there being a positive relationship between price and sales when higher prices reflect greater prestige of ownership and/or superior quality cannot be completely overlooked (Michael and Becker, 1973; Monroe and Krishnan1984). Price influences a consumer's decision to buy the product and affects the market potential, performs best for air conditioners, clothes dryers, and color televisions. (Dipak C. Jain and Ram C. Rao, 1990).

3. 11. 1. Strategic Pricing

Companies usually do not set a single price, but rather a pricing structure that reflects variations in geographical demand and costs, market-segment requirements, purchase timing, order levels, delivery frequency, guarantees, service contracts, and other factors. As a result of discounts, allowances, and promotional support, a company rarely realizes the same profit from each unit of a
product that it sells. Some of the strategic pricing techniques are: geographical pricing, price discounts and allowances, promotional pricing, discriminatory pricing, and product-mix pricing.

**Geographical Pricing**

In geographical pricing, the company decides how to price its products to different customers in different locations and countries.

**Price Discounts and Allowances**

Most companies adjust their list price and give discounts and allowances for early payment, volume purchases, and off-season buying. However, companies must do this carefully or they will find that their profits are much less than planned (Michael and Rosiello, 1992, Gerard Tellis, 1995).

**Promotional Pricing**

Companies use any of the following seven promotional pricing techniques to stimulate early purchase. Loss-leader pricing, Special-event pricing, Cash rebates, Low-interest financing, Longer payment terms, Warranties and service contracts and Psychological discounting.

**Discriminatory Pricing**

Companies often adjust their basic price to accommodate differences in customers, products, locations, and so on. Discriminatory pricing occurs when a company sells a product or service at two or more prices that do not reflect a proportional difference in costs. Discriminatory pricing takes several forms: Customer-segment pricing, Product-form pricing, Image pricing, Location pricing and Time pricing.
Product-Mix Pricing

Price-setting logic must be modified when the product is part of a product mix. In this case, the firm searches for a set of prices that maximizes profits on the total mix. Pricing a product line is difficult because the various products have demand and cost interrelationships and are subject to different degrees of competition. We can distinguish six situations involving product-mix pricing: Product-line pricing, Optional-feature pricing, Captive-product pricing, Two-part pricing, By-product pricing and Product-bundling pricing.

Broader pricing strategies are "skim pricing" (high price margins in an innovative or low-competition market) and "penetration pricing" (low price margins for the purpose of building initial market share). Other pricing strategies like low price and low market share, high-end market leader and premium pricing, niche market player with price premium and high-volume and price discount, are segmented into more sophisticated techniques like Hi-Lo Retail pricing (alternatively pricing some items high in some weeks and low in other weeks to give an overall impression of being a low-price retailer). Every Day Low Price (EDLP) is another popular strategy (a strategy of consistently offering a low price, but not the lowest) (Joy Joseph 2007).

3.11.2. Occasion Based Pricing strategies

Durable makers and retailers are pushing premium products during festive season with price discounts, gifts and attractive finance schemes to improve their overall profitability. An article in Economic Times (Writankar Mukherjee, 16th Oct, 2012) substantiates this argument as a number of occasion based pricing strategies of
different consumer durable companies were illustrated in it. Videocon was offering assured gifts, finance options and extended warranty on products. Canon reduced prices of its 16 digital camera models between Rs 500-11,000, Free 4GB memory card and offered a carry case on purchase of digital camera. LG India offered Free 3D camcorder, 3D glasses and 0% finance scheme with 3D TV. LG also offered attractive consumer finance scheme on AC 10-year warranty on hi-end washing machines and refrigerators. Samsung India offered Samsung Galaxy tablet free on purchase of 46-inch and above smart LED and plasma TV; 3D Blu-Ray player free on 3D TV models; 51-movie DVD pack with any of its home theatre system; Free tablet on side-by-side refrigerators; free mobile phone on purchase of frost-free and direct cool refrigerators, front and top-loading washing machines, and dishwashers and free installation on 2-5 star-rated AC.

3.12. Promotion

Promotion is one of the key elements in marketing mix. Promotion is any communication used to inform, persuade, and/or remind people of an organization’s or individual’s goods, services, image, ideas, community involvement, or impact on society (Evans and Barry 1, 1982). It is a communication process that takes place between a business and the public who are interested in the business and what the business produces and offers for sale. Therefore an effective business plans its promotional activities with communicational activities in mind. In fact, promotion planning is a systematic decision-making relates to all aspects of an organization’s communication efforts. There are different promotion tools, which facilitate promotion. The five basic promotion tools are: advertising, sales promotion, publicity, public relations and
personal selling. Each of these five tools has different characteristics and functions to perform.

“Advertising is any paid form of non personal presentation and promotion of ideas, goods, or services by an identified sponsor. (Philip Kotler 10 1997) It is through advertisements that an organization invites or persuades the public or the customers to purchase a product or service and it is a powerful element of the promotion mix. Essentially advertising means spreading of information about the characteristics of the product to the prospective customers. The major objectives of advertisements are to prepare a ground for the new products, creation of demand for existing products by reminding the customers about the product or brand and persuading them to buy it, facing the competition, creating and enhancing good will, informing the changes to the customers, creating strong entry barriers for the new entrants, etc. In short, advertising aims at benefiting the producer, educating the consumer and supplementing the salesmen. Above all it is a link between the producer and the consumer.

The next promotional tool is sales promotion. Sales promotions are short-term incentives used to encourage consumers to purchase a product or service. It is a key ingredient in marketing campaigns. “Sales promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker and/or greater purchase of particular products/ services by consumers or the trade” (Philip Kotler 11 1997). While advertising offers or presents a reason to buy, sales promotion offers an incentive to buy. Three basic categories of sales promotion are; consumer, trade and business. Consumer promotion tools include samples coupons, rebates, price packs, etc. Trade promotion tools include discounts and allowances directed at wholesalers and retailers. Business promotion tools include
conventions and trade shows. Sales promotion has several advantages over other promotional tools because it can produce immediate consumer response, attract more attention and create product awareness, measure the results and increase short-term sales.

Publicity is another promotional mix element, which is non-personal communication, which is typically in the form of a news story, transmitted through the mass media. The purpose of publicity is to draw favorable attention to a company or its products without having to pay the media for it. The way it often works is as follows: a company sends a press release to the media, with the hope that it is newsworthy enough to be mentioned in the mass media. The advantage of publicity, besides the fact that it is free, is that it tends to be more credible than advertising. On the other hand, there is no guarantee that the media will find the story newsworthy. Also, they might change the press release around so that it does not help the organization in any way.

Public Relation is the fourth promotional tool. “Public relations include any communication to foster a favorable image for goods, services, organizations, people, places, and ideas among their publics—such as consumers, investors, government, channel members, employees, and the general public. (Evans and Barry 2,1982). Public relation tools help an organization to build up positive relationship with various groups. It enhances the credibility of a product and an organization.

The last promotional tool is personal selling. Personal selling can be characterized as a process designed to provide customer satisfaction. (Skinner (2) 1998) It is an interpersonal influence and information-exchange process. It is very effective in
promoting business because, sales persons can receive immediate and direct
responses from the customer. Another advantage of personal selling is that sales
persons can shape the information to fit the needs of the customer. The specific
activities involved in the selling process will differ from person to person and from
situation to situation. Therefore, it goes without saying that a promotion will be
effective only if an organization combines and blends all the four promotion tools
to achieve a proper promotional mix. The decisions on promotions are those
related to communicating and selling the products to customers. Since these costs
can be large in proportion to the product price, a break-even analysis should be
performed when making promotion decisions.

3. 12. 1 Promotion Strategies

Promotion strategies are concerned with the planning implementation and control
of persuasive communication with customers. These strategies may be designed
around advertising, publicity, personal selling, sales promotion or any combination
of function of these. One of the major issues associated with the development of
effective promotion strategy is the availability of financial resources for a specific
product/market. The distribution of the budget among advertising, personal selling
and sales promotion is another strategic matter. Promotion strategy consists of
planning, implementing & controlling communications from an organization to its
customers and target audiences. It is important to recognize the word-of-mouth
communication among buyers. Communications of the other organizations may
also influence the target audience of the company. Companies consider many
factors when developing their promotion mixes, including type of product/market,
the use of a push or pull strategy, the buyer readiness stage, and the product life
cycle stage.
3.12.2 Promotion Mix Strategies on the basis of Product/Market

The importance of different promotion tools varies between consumer and business markets. Consumer goods companies usually put more of their funds into advertising, followed by sales promotion, personal selling, and then public relations. In contrast, industrial goods companies put more their funds in selling, followed by sales promotion, advertising, and public relations. In general, personal selling is used more heavily with expensive and risky goods and in markets with fewer and larger sellers.

Although advertising is less important than sales calls in business markets, it still plays an important role. Business to business advertising can build product awareness and knowledge, develop sales leads, and reassure buyers. Similarly, personal selling can add a lot to consumer goods marketing efforts. It is simply not the case that salespeople put products on shelves and advertising takes them off.

3.12.3 Occasion Based Advertising

An analysis of newspaper advertisements released by consumer durable companies in Kerala market during the year 2011 (George Stanley, 2012) shows that, maximum advertisements are launched in the months of July, August and September. It is quite obvious that the sharp increase in advertisements is due to the occasion-based advertising of consumer durable industry during “ONAM” season. The promotion campaign starts in July, i.e. one month ahead of Onam and ends in September one month after Onam. The next highest number of advertisements is launched in the month of December and then January. It is due to Christmas and New Year promotions of the industry. The next highest is in the month of May and it is due to Akshya Thritheeya. Finally October also witnessed
an increase in advertisements due to the end of the season stock clearance sale done by consumer durable industry. The marketing strategies of consumer durable industry in Kerala are mainly revolving around festival seasons, as it and almost 75% of the print advertisements are released and maximum sales promotion deals are offered during Onam.

An article in Economic Times on 25th August, 2014 (Writankar Mukherjee, Sagar Malviya & Pritha Mitra Dasgupta 2014), says that Rs. 2000 crore spending (Table 3.1) was expected on advertising, marketing and promotions during the festival season of 2014.

The heaviest advertising spending has been concentrated during the Onam to Diwali (September-October) period. E-commerce companies such as Flipkart and Amazon were major spenders on advertisements in 2014 festival season along with the big companies selling smartphones and smart clothes, flat screen TVs and feature-rich refrigerators, and cars and cosmetics. The big spenders, apart from Amazon and Flipkart, were Sony, Samsung, LG, Amazon, Reliance Retail and leading Automobile manufacturers. Companies and media buyers revealed that the advertisement spending would be 20-50% higher than 2013. The sharp hike to change in sentiments was attributed to the change in government, an uptick in macroeconomic data and a general sense among business that things are going to get better. Ashish Bhasin, chairman & CEO South Asia Dentsu Aegis Network, who plans and buys media space on behalf of companies, revealed that the market sentiments have changed with the change of government. Sectors such as e-commerce companies would increase advertisement spend by at least 40-50% during festive season of 2014 because they could sell wider range of products. Basabdutta Chowdhury, CEO, Platinum Media, a media agency of the Madison
Group, was confident that overall, advertising spends in 2014 festive season would be increased at least 15-20%.

Table 3.1 OBM Strategies of Consumer Durable Companies (Onam to Diwali in 2014)

<table>
<thead>
<tr>
<th>No.</th>
<th>Company</th>
<th>Data Source (Top officials with Designation)</th>
<th>Occasion Based Advertising Strategies of 2014 Onam to Diwali (September-October) period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sony India</td>
<td>Kenichiro Hibi, Managing Director</td>
<td>Increase in Ad spend to Rs 200 Crore</td>
</tr>
<tr>
<td>2</td>
<td>Samsung India</td>
<td>R. Zutshi, Deputy Managing Director</td>
<td>Increase in ad spend to Rs. 300 Crore</td>
</tr>
<tr>
<td>3</td>
<td>Panasonic India</td>
<td>Manish Sharma, Managing Director</td>
<td>Increase in ad spend to Rs 85 Crore</td>
</tr>
<tr>
<td>4</td>
<td>Videocon</td>
<td>Top official</td>
<td>OBM spending Rs 150 Crore</td>
</tr>
<tr>
<td>5</td>
<td>Maruti Suzuki India</td>
<td>Media planners Ashish Bhasin, (Chairman &amp; CEO, Dentsu Aegis)</td>
<td>Increase in Ad spendsand Launching new model vehicles</td>
</tr>
<tr>
<td>6</td>
<td>Hyundai Motor India</td>
<td>Network), Basabdutta Chowdhury (CEO, Platinum Media)</td>
<td>Increase in Ad spendsand Launching new model vehicles</td>
</tr>
<tr>
<td>7</td>
<td>Tata Motors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Amazon and Flipkart</td>
<td>Media planners</td>
<td>40-45% increase in Ad spend (Rs. 50-60 crore). In advertising, including creative and media</td>
</tr>
<tr>
<td>9</td>
<td>Infibeam</td>
<td>Top officials</td>
<td>Spending Rs 25 crore (60% on digital marketing and the balance on print and TV campaigns.)</td>
</tr>
<tr>
<td>10</td>
<td>Shop Clues</td>
<td>Radhika Ghai Aggarwal, Co-founder and Chief Marketing Officer</td>
<td>Heavy Advertisement campaign ahead of the festive season</td>
</tr>
<tr>
<td>11</td>
<td>Arvind Lifestyle Brands</td>
<td>J Suresh, Managing Director</td>
<td>Ad spends will be highest ever during Diwali will be approximately 8-9% of the total sales</td>
</tr>
<tr>
<td>12</td>
<td>Croma, Consumer durables retailer</td>
<td>Ajit Joshi, MD &amp; CEO at Infiniti Retail which owns Croma</td>
<td>Increase in spending on festive campaign</td>
</tr>
</tbody>
</table>

Prepared by the researcher based on the Article by Writankar Mukherjee, Sagar Malviya & Pritha Mitra Dasgupta, ‘India Inc. to spend Rs 2,000 Crore on ads during Onam-Diwali’, published in Economic Times News Paper, India, 25th August, 2014
3. 12. 4 Occasion Based Sales Promotion

Durable makers and retailers are pushing premium products during festive season with discounts, gifts and attractive finance schemes to improve their overall profitability and sales targets. During the festival season of 2013, the consumer durable companies have increased their marketing efforts and promotion budget by 10-20% over the same period last year, which includes expenses on gifts, below-the-line activities on the shop floor and advertisement. (Writankar Mukherjee, 2013). Offering more value to consumers would help increase demand during the festive season, says Atul Jain, senior vice-president for consumer electronics at Samsung India, which has set an ambitious target to grow sales by 40-50% during September-November. Almost 40% of annual consumer electronics and home appliances sales in the country take place in the three-month festive season (Writankar Mukherjee, 2012).

Sunil Nayyar, Senior General Manager- Sales, Sony India, revealed that, the company has introduced various promotional offers for customers across all product categories, including Bravia Home Theatre, Cyber-shot Handy-cam and Vaio laptops during the Onam season. LG Electronics announced 'Bhagya Sparsham' scheme, where it was offered prizes like exciting trip to Sri Lanka for its customers. Panasonic announced scratch cards as festive offer on purchase of Panasonic products, where the consumers had guaranteed gifts on every purchase. (Aadeetya S., 2014). The festive season contributes 30 to 35 percent of the industry's sales. Most of these schemes run for two months and are generally extended for two weeks. Some special Sales promotion offers by big brands in consumer durable goods for the festival season in India and in the state of Kerala.
for the three consecutive years, 2012, 2013 and 2014 are shown in Table 3.2, Table 3.3, Table 3.4 and Table 3.5.

Table 3.2 Occasion based Sales Promotion offers in the Year 2012

<table>
<thead>
<tr>
<th>Company</th>
<th>Product</th>
<th>Sales Promotion offers –Festival Season 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Samsung</td>
<td>46-inch and above smart LED and Plasma TV</td>
<td>Samsung Galaxy tablet</td>
</tr>
<tr>
<td></td>
<td>3D TV models</td>
<td>3D Blu-Ray player</td>
</tr>
<tr>
<td></td>
<td>Home theatre system</td>
<td>51-movie DVD pack</td>
</tr>
<tr>
<td></td>
<td>Side-by-side refrigerators</td>
<td>Samsung tablet</td>
</tr>
<tr>
<td></td>
<td>Frost-free and direct cool refrigerators</td>
<td>Mobile phone</td>
</tr>
<tr>
<td></td>
<td>Front and top-loading Washing Machines, and Dishwashers</td>
<td>Mobile phone</td>
</tr>
<tr>
<td></td>
<td>2-5 star-rated AC</td>
<td>Free installation</td>
</tr>
<tr>
<td>2 Videocon</td>
<td>On all Videocon products</td>
<td>Assured gifts, finance option and extended warranty</td>
</tr>
<tr>
<td>3 Canon</td>
<td>16 Digital camera models</td>
<td>Price discounts</td>
</tr>
<tr>
<td></td>
<td>4GB memory card</td>
<td>Carry case</td>
</tr>
<tr>
<td>4 LG</td>
<td>3D TV</td>
<td>Free 3D camcorder</td>
</tr>
<tr>
<td></td>
<td>3D glasses</td>
<td>0% finance schemes</td>
</tr>
<tr>
<td></td>
<td>AC</td>
<td>Attractive consumer finance scheme</td>
</tr>
<tr>
<td></td>
<td>Washing machines</td>
<td>10-year warranty</td>
</tr>
<tr>
<td></td>
<td>Refrigerators</td>
<td>10-year warranty</td>
</tr>
<tr>
<td>5 Sony</td>
<td>On all products</td>
<td>Lucky draw for buyers and stand to win more than 1,800 prizes including 55-inch Bravia TV, personal 3D viewer, tablet and smartphone</td>
</tr>
<tr>
<td>6 Panasonic</td>
<td>Smart 3D TV</td>
<td>Gift voucher worth Rs 10,000</td>
</tr>
<tr>
<td></td>
<td>Selected TV models</td>
<td>All-in-one printers and rice cookers</td>
</tr>
<tr>
<td></td>
<td>Digital cameras</td>
<td>Three years warranty, memory card, carry pouch on</td>
</tr>
<tr>
<td></td>
<td>Hair-care and male grooming range</td>
<td>Movie and meal for two</td>
</tr>
<tr>
<td></td>
<td>Air-Fryer Frying pan with induction cooktops</td>
<td></td>
</tr>
<tr>
<td>7 Godrej Appliances</td>
<td>Selected Items</td>
<td>La Opala dinner set</td>
</tr>
<tr>
<td>8 Life style</td>
<td>Cosmetic purchases</td>
<td>Discounts, freebies &amp; free makeovers for women customers</td>
</tr>
<tr>
<td></td>
<td>Home ware above Rs 5,999</td>
<td>Prestige cookware set</td>
</tr>
<tr>
<td>9 Shoppers Stop</td>
<td>Loyalty cardholders</td>
<td>Free gifts value ranges up to Rs 12,000</td>
</tr>
<tr>
<td>10 Godrej Interior</td>
<td>Furniture</td>
<td>Lucky winners get up to 100% off on furniture or get a diamond pendant free</td>
</tr>
<tr>
<td>11 Style Spa</td>
<td>Furniture</td>
<td>Discounts, cash back offers and gift depending on the region</td>
</tr>
</tbody>
</table>

Prepared by the researcher based on the Article by Writankar Mukherjee, Big brands and Retailers like LG, Samsung offering Great Deals on High-End items published in Economic Times News Paper, India, 16th October 2012.
### Table 3.3 Occasion Based Sales Promotion offers in the Year 2013

<table>
<thead>
<tr>
<th>Company</th>
<th>Product</th>
<th>Sales Promotion offers –Festival Season 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Samsung</td>
<td>46-inch and above smart LED and Plasma TV, Microwave Oven, Refrigerators</td>
<td>Samsung tablet, Home theatre system, DVD Player, Cookware, Fridge Containers</td>
</tr>
<tr>
<td>2 Panasonic</td>
<td>Refrigerators and Washing machines, Microwave Oven</td>
<td>Steam Iron, La Opala Dessert Set, Startup Kit, Memory Card</td>
</tr>
<tr>
<td>3 Sony</td>
<td>Smart phones, Television</td>
<td>Free Case, Blu-Ray Player, Home theater</td>
</tr>
<tr>
<td>4 LG</td>
<td>3D TV, AC, Washing machines</td>
<td>3D camcorder, 3D glasses, 0% finance schemes, Attractive consumer finance scheme, 10-year warranty, Free 3D camcorder</td>
</tr>
</tbody>
</table>

*Prepared by the researcher based on the Article by Writankar Mukherjee, Consumer Electronic Companies like Samsung, LG line up Freebies this Festive season, published in Economic Times News Paper, India, 18th September 2013.*

### Table 3.4 Special Sales Promotion Offers for Onam in Kerala in the year 2013

<table>
<thead>
<tr>
<th>Company</th>
<th>Product</th>
<th>Sales Promotion offers (Onam Kerala) –Festival Season 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Whirlpool</td>
<td>For consumers buying any Whirlpool appliance</td>
<td>a) Assured gifts, b) Bumper scratch card offer of 51 return tickets to Dubai for a couple. c) Whirlpool will fly down 25 Keralites living in the Middle East who have not visited Kerala in the last three years, uniting them with their families to celebrate Onam,</td>
</tr>
<tr>
<td>2 LG</td>
<td>LED TV, washing machines, Refrigerators and Audio systems</td>
<td>Scratching card under its festive offer &quot;Onnamante Onaghoshangal&quot;. (Onam Celebration of the first)</td>
</tr>
<tr>
<td>3 Sony</td>
<td>Bravia, Xperia, VAIO and Cyber-shot</td>
<td>Blu-Ray player, movie titles and bass headphone, cordless headphone on purchase of different TVs under the Bravia range priced from Rs 16,999 to Rs 16 lakh.</td>
</tr>
<tr>
<td>4 Samsung</td>
<td>Flat panel TVs, air conditioners and Washing Machines.</td>
<td>'Varnavisayam', a special promotion scheme for Onam. Providing assured gifts</td>
</tr>
</tbody>
</table>

*Prepared by the researcher based on the Article, by PTI on Consumer durable makers offer incentives to boost sales, published in Economic Times News Paper, India, on 21st August, 2013*
Table 3.5 Special Sales Promotion Offers for Onam in Kerala in the year 2014

<table>
<thead>
<tr>
<th>Company</th>
<th>Product</th>
<th>Sales Promotion offers (Onam Kerala) –Festival Season 2014</th>
</tr>
</thead>
</table>
| 1) Whirlpool* | Any Whirlpool appliance bought between 1 August and 15 September 2014 | I) An Arrow or Revlon gift hamper or a Yera Bowl set as assured gift.  
II) A unique contest the winners will get:  
a) Complete beauty treatment for a couple  
b) A bouquet of Whirlpool appliances consisting of Frost Free Refrigerator, Fully Automatic Washing Machine, Microwave Oven and Split Air Conditioner  
c) Opportunity to get featured in Grihalakshmi magazine along with their story and photograph. |
| 2) LG**      | Added Health Guard Refrigerator and 3D Smart TV to its existing range of LED TV, washing machines, Refrigerators and Audio systems | “Bhagya Sparsham” scheme, offering prizes like exciting trip to Sri Lanka |
| 3) Sony**    | Bravia Home Theatre, Cyber-shot Handy-cam and Vaio laptops | Various promotional offers like Blu-Ray player, movie titles and bass headphone, cordless headphone on purchase of different TVs under the Bravia range. |
| 4) Samsung***| Samsung Products | Samsung tablet, Galaxy S5 smartphone, LED TV, Refrigerator and a Ninja bike Dubai trip for a couple’ every week |
| 5) Panasonic** | Panasonic products | Scratch cards and guaranteed gifts on every purchase |

Prepared by the researcher based on the following data.  
* Whirlpool Home appliances India, Website,  
** Aadeetya S, EFYTIMES News Network August 02, 2014  

3. 12. 5 Personal Selling

Personal selling occurs in any direct personal contact between a member of staff and a customer. It can be face to face, as in store, by telephone or by fax or email if it is to a specific person in the organization. In retailing, most of the services are provided by the people, and hence the selection, training, and motivation of employees can make a huge difference in customer satisfaction. Ideally, sales staff
should exhibit competence, a caring attitude, responsiveness, initiative, problem-solving ability, and goodwill (Kotler (22) 2002). The purpose of personal selling is to track the customer from entering from the store or initiating enquires in order to complete a sale and make a return visit.

When the company provides excellent customer service that will create a positive experience for the customers, and in doing so the brand is getting marketed to the customer. In turn, existing customers may spread the word about the excellent service and can win referrals. Recruiting the right people, training them to develop their skills, and retaining good staff will provide a competitive advantage. It is the interaction with people consumers perceive of quality of service. The people should have appropriate interpersonal skills, aptitude and service knowledge to deliver expected service. From a customer perspective, the difference between a mediocre and an excellent service experience lies more often with the person who serves them their immediate point of contact. This person embodies the service and the customer’s perception is influenced to a large extent by the way they view this interaction. (Robert Johnston and Clark, 2005). In fact, customer rarely distinguishes or separates the service from the person who performs it. Hence retail marketers have to invest heavily in their service staff for enhancing service quality and thereby the customer satisfaction. Retail marketers must bestow close attention to four vital aspects to improve the service quality of their in-store sales personnel, viz., selection, motivation, training and team development (Ramaswamy and Namakumari, (2) 2009).

Selection of the people: Marketers must pay close attention for selection of people and more emphasis should be given on attitude rather than on knowledge or
intelligence. Knowledge can be imparted through training, attitude cannot be imparted through the same measure through training.

Motivation of Personnel: In both product and service business, employee motivation is important. Customer satisfaction directly hinges and almost totally on positive attitudes of well-motivated employees. In fact, one of the essential requirements in services marketing is empowering those even at the lowest level of the service delivery task.

Training of Personnel: A sales staff’s commitment towards serving the customer and his attitude towards the service as such are very crucial in retailing, training to develop interpersonal skills and technical skills are of special importance here. A sales staff must be well trained to identify customer requirements when they enter the store, advise the customer on suitable product, secure the sale of the requisite item, stimulate impulse purchase by identifying extra suitable and affordable products, complete the transaction to the customer’s satisfaction and encourage return visits. The staff should be trained and developed to become order getters rather than order takers (Andrew J. Newman and Peter Cullen, 2007).

3. 13 PLACE

Place is the fourth element of marketing mix. Place is concerned with making available the products at a place where the customer demands. Thus, it is concerned with the store where the goods shall be displayed and sold, the channels of distribution and logistics management through which goods will flow from marketer to consumers. Place decisions are associated with ways and means of distribution associated with reaching the products or services to the customers. Most producers do not sell their products directly to the final users. Between them
stands a set of intermediaries that perform a variety of functions. These intermediaries constitute a marketing channel, which is also called a trade channel or distribution channel (Philip Kotler, 15 2002). Louis and Ansary (1996), defined marketing channels as sets of interdependent organizations involved in the process of making a product or service available for use or consumption. The distribution variable also involves selecting intermediaries (Wholesalers and retailers), establishing and maintaining inventory control procedures, and developing and managing transportation and storage systems (Skinner (4) 1998). Each participant in the channel of distribution is concerned with the three basic utilities: to make a product available at the right time in the right place in the best manner possible with the least obstacles. Marketing-channel decisions are among the most critical decisions facing management. The company’s chosen channels intimately affect all the other marketing decisions. (Philip Kotler, (20) 1997) Distribution decisions include market coverage, channel member selection, logistics, and levels of service. Distribution decisions are crucial in the success of a business. Therefore managers have to choose channels with proper care so that their selections and decisions will be conducive to the future selling environment as well as the current marketing atmosphere. Place is where the products and services are seen, made, sold or distributed. Access for customers to the products is key and it is important to ensure that customers can find the seller as well. Manufacturers and retailers can set themselves apart from the competition through the design of the retail space and by using effective visual merchandising techniques. Place is an important element of marketing mix and finding the right business location is a key marketing strategy. For an efficient channel network, the manufacturer should clearly define the target customers it intends to reach. Implicit in the definition of
target customers is a decision about the scope of distribution the manufacturer wants to pursue. The strategic alternatives are exclusive distribution, selective distribution, and intensive distribution (Subhash C. Jain, 2004). Exclusive Distribution means that one particular retailer serving a given area is granted sole rights to carry a product. Intensive distribution makes a product available at all possible retail outlets and selective distribution is the strategy in which several but not all retail outlet in a given area to distribute a product.

3. 13. 1. Store design

The store has traditionally occupied a central role in retailing as the direct point of contact between retailer and consumers. It is the place where the retailer can meet the customer requirements and ensure continued business. The major function of the store is to provide a basic storage and display for the merchandise offering, whether it is products or services or both. According to Besson and Jackson, “the appearance of the establishment and its personnel are often employed by the customer as cues to the quality of the service rendered.” A customer’s physical surroundings are the most readily apparent features of a situation. These features include geographical and institutional location, décor, sounds, aromas, lighting, weather, and visible configurations of merchandise or other material surrounding the stimulus object.

3. 13. 2. Store Image

For consumer durable retailers, the physical space is crucial for the business operation and is constantly manipulated to facilitate the customer. There are several strategic factors relating to the store and its environment that affect the consumer purchase process, which are: Location of the store, the retail format and
the store image. The location of a particular store determines the range of potential customers. The store must also fit the general area and surroundings, which themselves may dictate the best type of retail format. Retail formats play a compelling part in forming a customer’s image of the store. Customers tend to link the products they purchase with a particular retail format. Store image has got a greater strategic importance, as it is being used to establish competitive advantage and as a medium to communicate retail offerings to the customer. The key to success in retailing is to create a store image that is congruent with the lifestyles and expectations of the customers that the retailer is targeting (Andrew J Newman and Peter Cullen, (2) 2007). The store image consists of two major elements:

1) Physical characteristics of the merchandise such as their quality and availability. These characteristics, together with price perceptions, affect the consumer’s expectation of a successful shopping trip.

2) The psychological effect of the store’s physical characteristics, including the exterior of the store, interior design of the store, comprising internal layout of the store, the methods of display and atmospherics.

The store can be divided into two aspects, the external store and the internal store. The external store is important in attracting customers and informing them of where the store fits into their aspirations and lifestyles. The internal store provides in-depth information on the retailer’s products fit with their aspirations and lifestyles and completes the process of persuasion and selling that begins when customers are first attracted to the store.
3. 13. 3. External Store

The external store comprises the exterior of a store and its surrounding area. The external store has the aspects of the external architecture, External features like car-parking, external seating, etc., Entrances to the store, and Signage, etc. The retailer can use the external store to the best effect by relating its design to the principles of visibility, suitability, accessibility, and security.

3. 13. 4. Internal store

The internal store comprises the interior of the store that the customer sees once they enter the store. Its physical attributes consist of envelope (internal structure and decoration of the building), internal layout, methods of display, signage, visual merchandising and atmospherics.

3. 13. 5. Occasion Based Shop-Floor Activities

In an article ‘on shop-floor activities take center stage for consumer durable and appliance makers’, Ratna Bhushan & Writankar Mukherjee (2013), elucidate the latest trends on Shop-floor activities. During festivals and different occasions most of the consumer durable and appliance makers are steadily increasing their investments in shop-floor activities as they find it highly effective. White goods makers are focusing more on the shop floor, retail point-of-sale activation and training sales attendants at places where actual purchases are clinched.

According to Shantanu Dasgupta, Vice-President of corporate affairs and strategy, South Asia, at Whirlpool, the US appliances maker is increasingly focusing more on inconspicuous shop-floor attendants and sales representatives to boost its sales in India. Whirlpool's ratio of spending on below-the-line activities versus mass-media advertising was 70:30 during 2012, while it was 50:50 in 2011. Close to 90% of below-the-line budget goes into shop-floor activities. Most consumer
durable and appliance makers including Videocon, LG, Samsung and Panasonic are steadily increasing their investments on shop-floor activities such as sales promotions, in-store branding and product demonstration as they find it a highly effective way to push sales.

CM Singh, chief operating officer at Videocon revealed that most of the marketing spends are invested on in-store branding and shop demonstrators who can explain technology and brand's edge over competitors. Videocon has tripled spends on below-the-line (BTL) activities over the last two years, (2011-2012) and during the year 2013 almost half of the 200-crore marketing budget gone into below-the-line (BTL) activities.

According to Mahesh Krishnan, senior Vice President - consumer electronics at Samsung India, the focus on product demonstration at the shop floor is a growing trend across industry, whether it is audio video products, home appliances or smart devices.

According to Manish Sharma, Managing Director of Japanese consumer electronics major Panasonic had a marketing budget of 400 crore for 2013, spent almost half of it offline including shop-floor activity and road shows. Product has become the hero and differentiation is key to success, which can be addressed more through below-the-line (BTL) activities. LG also spent around 45-50% of its overall budget on below-the-line (BTL) activities, while Godrej Appliances spent almost 40% of its 130-crore marketing budget on below-the-line activities during 2013.

3. 14 MARKETING PERFORMANCE

Performance is usually the final dependent variable in the strategic management literature. Since" performance improvement is at the heart of strategic
management”, the ultimate aim of marketing or strategic management models is to explain organization performance (Venkatraman and Ramanujam, 1986). The assessment of business performance or organizational performance has been the subject of extensive empirical investigation for sometime now and review of the literature revealed that the results of these investigations are not conclusive. Although the importance of the performance concept is widely recognized through its extensive use as a dependent variable in empirical models, its treatment in research settings is perhaps one of important issues research face (Venkatraman and Ramanujam, 1986). The criteria and indicators of marketing performance should be employed and the characteristics of organizations or other variables are relevant to the study of performance are still a matter of debate and disagreement (Dess and Robinson, 1984). A difficulty in empirical research is the unresolved issue of how to measure business performance, with a continuing debate over the applicability and reliability of various organizations and social measures (Gray and Matear, 1998).

3. 14.1. Occasion Based Marketing Objectives, Goals and Performance

An objective is a long ranged purpose that is not quantified or limited to a time period and a goal is a measurable objective of the business judged by management to be attainable at some specific future date through planned actions (Subhash C. Jain, 2004) 174. Thus goals form a specific expression of purpose of an organization, which permit the measurement of performance. There is lack of uniform definition of occasion based marketing performance in the literature. Occasion Based Marketing performance can be defined as the extent to which a firm's objectives, both economic and strategic, with respect to marketing a product at a specifically identified occasion, are achieved through planning and execution
of occasion based marketing strategy. A firm usually constructs its marketing plan with a number of objectives, which can be economic (i.e., profits, sales, or costs) and/or strategic (i.e., market expansion, competitive response, gaining a foothold in foreign market, or increasing the awareness of the product/firm). Conceptualization and operationalization of performance is a thorny issue in strategy research (Venkatraman and Ramanujam, 1986).

Based on the interviews and discussions with industry experts and academicians, it is assumed that there is no big difference in the Occasion Based Marketing objectives of consumer durable companies in India from that of their international marketing objectives as the major companies selected for the study are foreign multi-nationals. In a study of export marketing strategy-performance relationships of Korean firms in China, Min Han and Jung Min Kim, (2003), the Export market performance operationalized with four items: Sales growth, Profitability, Corporate perception of overall performance and Market share. In addition to the above four items of Min Han and Min Kim, three more strategic objectives were added from the study of Marketing Strategy-Performance relationship by Cavusgil and Zou (1994) in the international markets, which are: Gain a Foothold in the market, Respond to competitive pressure, Increase the awareness and brand image of the company. Thus in this study an endeavor is made to define Occasion Based Market performance with seven variables, including Sales Growth, Profitability, Corporate perception of overall performance, market share, competitive response, gaining a foot hold in the market and increasing the awareness and brand image in the market. These dimensions were used frequently in many previous studies (Bilkey 1985; Cooper and Kleinschmidt 1985; Cavusgil and Zou 1994).
3. 14. 2. Sales Growth

A report was published in Economic Times (3) on August 21, 2013, after interviewing four top level marketing and strategic decision makers, of four major consumer durable players in Kerala market: Samsung India, Whirlpool India, and LG India, on their strategic marketing objectives during Onam festival in Kerala. Companies like Whirlpool, LG, Sony India and Samsung were aiming for a double-digit growth of sales in Kerala alone during Onam. According to Atul Jain, Samsung India, Senior Vice President, Consumer Electronics Business, Samsung was aiming for a double-digit growth of sales in Kerala during Onam. According to Shantanu Das Gupta, Vice-President, (Corporate Affairs and Strategy, Asia South,) Whirlpool of India, was aiming at a growth of 25 percent in Kerala during 2013 Onam which translated to a turnover of Rs 200 crore, Sanjay Chitkara of LG India Head Corporate Marketing told that company was expecting a 20 percent growth in sales during festival season of Onam in Kerala. According to Sony India, the company was aiming at sales worth Rs 170 crore from Jul-Sep 2013, targeting a growth rate of 34 per cent over corresponding period last year. Mr. Y. V. Verma, director (Aadeetya S 2014), Home Appliances, LG India, revealed that the company plans to invest around Rs 60 million during Onam period and hopes to retain LG's lead in the home-appliance segment in Kerala. Verma told that LG India was targeting a sales turnover of Rs 3.5 billion from Kerala during 2013 Onam. As for Panasonic, Kerala contributes about 5 percent to its total revenue in India. The company expects to do business of around Rs. 1.5 billion, which signifies 100 percent growth compared to the figure Rs. 750 million turnover during 2012 Onam. Along with the global players, Preethi Appliances, one of the major brands in the South India was also expecting 45 percent growth in sales in
the season in comparison to the previous year (Table 3.6).

**Table 3.6 Sales Growth as OBM objective**

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Company</th>
<th>Marketing Objective</th>
<th>Occasion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sony India</td>
<td>Sales Growth to 34%, Increase in Market Share</td>
<td>2013, Onam</td>
</tr>
<tr>
<td>2</td>
<td>Whirlpool India</td>
<td>Sales Growth to 25%</td>
<td>2013, Onam</td>
</tr>
<tr>
<td>3</td>
<td>LG</td>
<td>Sales Growth to 20%</td>
<td>2013, Onam</td>
</tr>
<tr>
<td>4</td>
<td>Samsung</td>
<td>Product Launch</td>
<td>2013, Onam</td>
</tr>
<tr>
<td>5</td>
<td>Preethi Appliances</td>
<td>Sales Growth to 45%, Increase in Market Share</td>
<td>2013, Onam</td>
</tr>
</tbody>
</table>

Prepared by the researcher, based on an article by Aadeetya S, Consumer Durable Firms Bet Big On Onam, EFYTIMES, News Network, 2nd August, 2014.

According to Sanjeev Agarwal, Vice President – Sales of LG India, the company witnessed more than 60 percent growth during the Onam sales of 2015. The sales of flat panel TV showed maximum growth, which was followed by frost-free refrigerators (Meenakshi Verma Ambwani, 2015).

### 3. 14. 3. Profitability

Profitability is an important measure of performance that must be considered as it is unlikely that firm’s growth can be sustained without profits being available for reinvestment in the firm. Growth along this dimension can be considered in terms of net profit margins or return on assets (Fitzsimmons, Steffens, and Douglas, 2005). Profitability can be defined as the state or condition, of yielding a financial profit or gain, which is often measured by price to earnings ratio (Business dictionary.com). Profitability variable is considered as one of the most important performance indicators to explain performance levels of the companies and sometimes it is used as a single ‘surrogate’ performance indicator by ignoring other variables. The profitability of an organization is an important financial indicator to reflect the efficiency of the organization and the owner’s/manager’s ability to
increase sales while keeping the variable costs down (Davis et al., 2000). At the corporate level, emphasis on profit in a statement of objectives is sometimes avoided because it seems to convey a limited perspective of the corporate purpose. But at a product/market level, an objective stated in terms of profitability provides a measurable criterion with which the management can evaluate performance (Subhash C. Jain 2004).

3. 14. 4. Market share

The importance of market share is explainable by the fact that it is related to cost; cost is a function of scale or experience. Thus, the market leader may have a lower cost than other competitors because superior market share permits the accumulation of more experience. The profitability of the market leader is ascertained by the same price level, that determines the profit of even the least effective competitor. Thus higher market share may give a competitive edge to firm. Market share is a viable goal. Tremendous foresight and efforts are needed to achieve and maintain the market share positions. A company aspiring toward a larger market share should consider its ability to finance the market share and ability to defend itself against anti-trust action that may be instigated by large increases in market share. (Subhash C. Jain 2004). As Cavusgil and Zou (1994) suggested that market share reflects the need for strategic dimensions in market performance. Market share is positively correlated to profits. A meta-analysis of the relationship between market share and profitability by Szymanski et al. (1993) identified 48 studies that reported 276 elasticities from econometric models. The elasticities ranged from -0.16 to 0.84 with the un-weighted mean elasticity equal to 0.20. However, it does not follow logically that seeking higher market share will improve profits. Rather the correlation between market share and profitability is
more logically interpreted as showing that firms with better offerings tend to achieve higher market shares. An article by Aadeetya S., published in EFYTIMES, on August 02, 2014, echoes the importance of market share as one of the major dimensions of OBM strategies of consumer durable companies in Kerala. Adeetya reports that, according to Sunil Nayyar, Senior General Manager- Sales of Sony India Ltd, the company plans to invest Rs 65 million to aggressively market its various products. Sony plans to sell 31,500 units of Bravia TV during July to September 2014, achieving 35 percent market share of Flat panel display market in the state. Sony had plans to sell 19,000 units of Cyber-shot camera during the festival period of 2014. For Vaio laptops, the expected sales were 7,500 units during Onam and were planning to capture 20 percent market share in the segment. The company had plans to do business of around Rs 1.35 billion during July to September 2014 period from Kerala itself. The company also plans to increase its outlets to 400 from the present 360 in the state during this period. This highlights the importance of market share as a performance criterion for consumer durable companies during the festival season.

3. 14. 5. Gaining a foothold in the market

Foothold is intentionally establishing a small position in a potential target market that is currently occupied by a competitor on a large scale. Foothold is defined as a tactical or strategic move in which a firm purposefully establishes a small position in a market — by branching out into an untapped geographic area, for example, or introducing a new product. From the foothold, firms can attack (by acquiring a smaller firm, launching a promotional campaign, or simply opening more branches, for instance), withdraw (by stopping the sale of products or services in the market), or maintain a wait-and-see approach. As market commonality and
resource similarity increase among firms, there is an increased tendency for each firm to establish footholds into areas that are currently well occupied by the rival firms. Establishing a foothold in a new market can be a potent weapon against competitors (John, Ketchen, Brian, and Annette, 2012).

3.14.6. Corporate perception of overall market performance

Performance is referred to as being about doing the work, as well as being about the results achieved. It can be defined as the outcomes of work because they provide the strongest linkage to the strategic goals of an organization, customer satisfaction and economic contributions. Performance Measurement is considered as part of the overall Performance Management system and can be viewed as the process of quantifying the efficiency and effectiveness of actions. It is a common practice in public sector performance management literature to talk about the three Es of: Economy, Efficiency, and Effectiveness. A good performance measurement approach should consider measuring and assessing the three Es. Business managers' judgments about organizational effectiveness presumably reflect their perceptions of organizational goals and their beliefs about variables related to the achievement of organizational goals. Identification of the criteria of effectiveness applied in managerial judgments should provide information about managerial perceptions of both ultimate and short-run organizational goals. This information would be useful in the development of operational measures of organizational effectiveness for administrative and research applications (Thomas A. Mahoney, 1967). In a study of marketing strategy analysis, market performance construct defined operationally by Min Han and Jung Min Kim (2003), considering managerial or Corporate Perception of Overall Market Performance as one among the four variables, along with Sales Growth, Profitability and Market Share.
3. 14. 7. Competitive response

An important dimension of marketing strategy concerns the understanding and the predictability of how a competitor responds to a move made by another competitor. This includes the marketing interaction behavior among existing competitors or brands as well as the reactions of incumbent firms to a new entry into the market (Hubert and Soberman, 2000). Competitive response has multi dimensional influence on marketing strategy (Kotler 2002). The important dimensions that have been considered to characterize competitive responses are the intensity of competitive rivalry, use of marketing mix instruments, innovation, nature of response (retaliation, accommodation, complete withdrawal or completely ignoring the competitor’s move, etc.), speed with which the firms react to a competitor’s move, complexity of reactions, and breadth of reactions, etc. The consumer durable market in India, especially in Kerala is highly competitive and thus competitive response is included in the study as a strategic objective of firms.

3. 14. 8. Increasing the awareness and brand image

It is noted that maximum number of advertisements and sales promotion offers of consumer durable industry are launched in the month of August and then September and July in Kerala. It is quite obvious that the sharp increase in advertisements is due to the Occasion-Based promotions of consumer durable industry during “ONAM” season. The promotion campaign starts in the month of July, i.e. one month ahead of Onam and ends in September, one month after Onam. (George, Stanley, 2011). Promotional objectives may include creating awareness or knowledge about a product and its attributes or benefits; creating an image; or developing favorable attitudes, preferences, or purchase intentions. The goal of most promotional strategies is to increase the likelihood that a brand will be
included in the consumer’s evoked set and considered during alternative evaluation. Marketers use advertising to create top-of-mind awareness among consumers so that their brands are part of the evoked set of their target audiences. Popular brands with large advertising budgets use reminder advertising to maintain high awareness levels and increase the likelihood they will be considered by consumers in the market for the product. Marketers of new brands or those with a low market share need to gain awareness among consumers and break into their evoked sets. Advertising is a valuable promotional tool for creating and maintaining brand awareness and ensure the brand is included in the evoked set (Belch & Belch, 2002).