CHAPTER I

INTRODUCTION

Globalisation has drastically impacted activities and lifestyle of man. It created lot of potential for business as well added complexities of man. No doubt, it gave birth to boundryless world and that facilitated easy access to information, technology, capital, goods and lifestyle world over. Man is found to be haunting for modernisation, westernisation, advancement and growth, which is visible from his behaviour, lifestyle, way of life, working and earning habits, moreover living standards and eating preferences. More so today in man, a quest for good health has been witnessed that all have led to study marketing of processed fruit products. Now the competition in the market has increased with more and more firms entering into the market, there is bulk of goods and the consumer does not buy enough of this product unless they are persuaded to do so. The firms has to promote its product in the market, such as heavy advertisement, strong publicity and high powered personal selling, besides maintaining good quality of the product, reasonable pricing and efficient distribution system. A variety of recent trends have resulted in many new product offerings for consumer satisfaction.

Some people who look for quick and simple solutions to problems feel that marketing is a superfluous activity – that wastes resources and energies that could be put to better use elsewhere. Marketing activity is especially susceptible to this criticism, mostly because the public sees its "end products" everyday. Most consumers have heard about the seemingly high mark ups taken by wholesalers and retailers, certain type of advertising offend some people; they say it wastes money, or it is in poor taste, or it ponders to undesirable wants.

Other people feel that marketing is overrated, that it does not have to be so costly or complicated. Their attitude is reflected in Emerson's old
adage: "If a man ....make a better mouse trap .....the world will beat a path to his door!" A good product in other words, is all you need to succeed in business. Make that better product and the customer will find you.

Today the design and the production of a good product are two of many vital steps. A producer must continually study his customers needs and preferences. After advertising and arranging for transportation and warehousing he may have to offer the product for sale.

The firms of today need to design a total marketing system which satisfies some consumers needs. The process may be complex and expensive and often subjected to public criticism, which ostensibly is designed to make the marketing system work more effectively.

It is generally perceived that distribution cost is very much high in relation to the cost of production. Since distribution activities between farm and the shop supermarket shelf are understood to be marketing function, some people blame middlemen for high cost of produce. Objections about the quality of a product are often raised. The producer is some time blamed for producing possible cheapest product and to charge highest price tag on it. Many consumers have confusion about similarity of products offered under different brand names. There are often complaints about the contents, labeling and packaging of a product, which do not clarify the usage, expiry date and similarities with other similar products.

There are products which do not perform as claimed and or their repair and maintenance is either very costly or not available in the immediate locality. Product warranties are not adhered to by most of the producers or some products may actually be dangerous in actual use that does not satisfy the consumer. Major criticism goes for the complexity of distribution channels. Small number of wholesalers and retailers and multiplicity of intermediaries adds up to the cost of raw material. Suppliers
are unhappy the way their material is handled. They feel that they get very small portion of the final consumer price.

There is criticism for advertising and sales promotion, for the way it manipulates the buyer. The consumer feels that too much expenditure on advertisement and sales promotion enhances the cost of a product. The critics of the advertising feel that by over advertising, the producer creates demand for trivial products and avoids price competition by creating monopoly for the product. The consumers do not feel free to choose quality and quantity of a product because heavy advertisement and low innovation of the goods restricts the choice for new products.

The consumers also feel that the seller do not supply the product which they require but supply a substituted product which does not fulfill their needs. While going through this criticism of marketing some people feel that there is no need for marketing. But if we want to solve these problems, this requires professional and scientific marketing of a product.

The criticism leveled by differed people can be segregated on two basis, one by the performance of the economy or macro level and other by the activities of the individual firms or micro level.

The macro level marketing system consists of demographic, physical, technological, political/legal and sociocultural structure. The marketer is mainly interested in the size of the world population, its geographical distribution, density, mobility trends, age distribution, marriage, birth, and death rates, and racial, ethnic and religious structure. The macro level marketing system is difficult to control but it can be managed in such a way that infrastructure, facilities develop, economy changes from subsistence to money economy, the rail, road and port facilities are developed.
Another micro level marketing system deals with the business firms its supplier, marketing intermediaries, competitors and public when the consumers get the product of their choice the purpose of the marketing firm is also solved. In micro level marketing system the firms need to anticipate the consumer psyche so that the time when the consumer needs the product it is available in the market and this emphasises the role of integrated marketing efforts.

Now the size and character of markets in many countries of the world has changed enormously. There was a substantial increase in population, the disposable income of the average family registered an increase, new industrial concerns spread up rapidly, a great variety of new products and services strengthened the rapidly developing consumer market, and selling of products and services became usually difficult because of the high intensity of competition, consumer had greater options to choose a product. The industrial firms realized that it was not enough if they some how made a one-time sale of their products, they had to ensure that the consumer who purchased their products once, come back to them again and again whenever he needed the product. The producer has also to ensure that the product was made available at a place convenient to the consumer. In addition, they need to make available their products at a price that is advantageous to the consumer. The seller require to ensure that any complaint from the consumer about the product attended to promptly, if the product needed replacing, it has to be replaced, if required, after sales servicing, it has to be provided, and that led to increasing relevance of marketing. The present global economy is characterized as market economy, for any produce market exists but buying and selling either of resources or finished goods has emerged very sensitive. Therefore first let us understand the basics of marketing.
1.1 MARKETING

The concept introduces the marketing man at the beginning rather than at the end of the production cycle and integrates marketing into each phase of the business. Thus marketing, through its studies and research will establish for the engineer, the design and manufacturing man, what the customer wants in a given product what price he is willing to pay and where and when it will be wanted, marketing will have authority in product planning, Production, scheduling and inventory control, as well as in sales, distribution and servicing of the product.

In the words of Lawrence, the marketing is a company wide consumer orientation with the objective of achieving long run success. The words company wide consumer orientation implies that all facets of organisation must be involved with assessing and then satisfying customer wants and needs. The effort is not something to be left only to the marketers. The words with the objective of achieving long run success are used to differentiate the concept from the policies of the short run profit maximisation. The marketing concept is a modern philosophy for dynamic business growth. Since the continuity of the firm is an assumed part of it, company wide consumer orientation will lead to greater long run profits than will managerial philosophies geared to reaching short run goals.

According to Philip Kotlar "Marketing is a social process by which individuals and groups obtain what they need and want through creating and exchanging product and value with others". This definition focuses on, needs, wants and demands, products, value and satisfaction, exchange and transactions, markets, and marketing and marketers.
E. Jerome Mc Carthy defines the marketing on two basis i.e. macro marketing concerns and micro marketing concern. According to macro marketing concern, "marketing is concerned with designing an efficient (in terms of use of resources) and fair (in terms of distribution of output to all parties involved) system which will direct an economy's flow of goods and services from producers to consumers and accomplish the objectives of society". The micro-level program defines the marketing in the following way "Marketing is the performance of business activities to which direct the flow of goods and services from producer to consumer or user in order to satisfy customers end accomplish the company's objectives"

According to Chartered institute of marketing (UK) "Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements and profitably"

The basic purpose of the business is to earn profits and cater to customer needs and to serve the welfare of consumers, therefore it is essential that the business operations be geared to this end.

American Marketing Association has defined Marketing from following three view points. Legalistic View: Marketing includes all activities which are concerned with effective changes in ownership and possession of goods of services. Economic View: Marketing is that part of economics that deals with the creation of time, place and possession utilities. Descriptive View: Marketing is the performance of business activities that direct the flow of goods and services from producer to consumer or user.

Relating business activities to consumer wants is accomplished through marketing. It is the role of marketing to identify consumers to
determine their wants to be satisfied. So marketing does not end when the consumer receives the product, but it continues until his satisfaction with the product is assured. Another definition by Rewoldt Scott Warshard is given as "Marketing is the process in a society by which the demand structure for economic goods and services is anticipated or enlarged and satisfied through the conception, promotion, exchange and physical distribution of such goods and services."

Peter Drucker, stated the position even more comprehensively "Every business can be defined as serving either customers or markets or end users". According to Christian Gronroos "Marketing is to establish, maintain and enhance long term customer relationship at a profit, so that the objectives of the parties involved are met. This is done by mutual exchange and fulfillment of promises".

From the above discussion it can be said that different definitions have been given by different authors, to sum up the focus of these definitions, marketing is a total system of business activities designed to plan, price, promote and distribute want satisfying product in target markets in order to achieve organisational objectives.

1.1.1 Marketing Mix

In order to target and retain desired customers on one side and attain organisational goals on the other, a firm must design a marketing mix. It is the combination of a product, price, place and promotion strategy adopted to satisfy the needs of the target market and at the same time achieve the organisation's marketing objectives. Marketing mix is the mixture of controllable marketing variables that the firm uses to pursue, the sought level of sales in the target market. The consumer needs can be met in many ways like different characteristics of a product, various colours & sizes, and packages. Similarly many types of prices, promotion
and distribution channels can be used to satisfy the needs of the consumers. Thus we can see that there are dozen of marketing mix elements. Always firms spend huge resources on research and development focusing on these aspects for continuous innovation so that keeping edge over competitors. McCarthy has simplified these elements into four Ps: product, price, place and promotion. Their brief discussion is as follows:

1.1.1.1 Product

The consumers are not really buying a set of attributes of a product but rather benefits that satisfy their needs. A product is not a physical object only but more than that, for example, when a producer is selling pickle, he is not only selling a container, a mixture of spices, salt, colour and fruit but he is also selling (functional and aesthetic features) nutrition, taste and service quality which provides satisfaction, use or perhaps the profit desired by the consumer. Kotler has defined a product as, anything that can be offered to a market for attention requisition, use or consumption that might satisfy a want or need, it includes physical object, service, person, place, organisation or an idea.

This definition clarifies that a product is not just a physical entity but also a complex of tangible and intangible attributes including such things as warranties, service policies, packing, colour, design and even psychic stimulations (related to its functional and aesthetic features). A product may not include physical product at all i.e. a medical doctor may not give patients anything tangible yet he satisfies the need and thus offers a product. Kotler, has given broad classification of a product into following items/features, as quality, features, options, style, brand name, packaging, sizes, services warranties & returns. Thus formulation and execution of a product policy involves many decisions. By now the meaning of the product is clear and we can now move to classify the multitude of products
found in consumer and industrial markets so that the link between appropriate marketing strategies and types of product can be set up.

In order to improve decision making and better understand consumer behaviour, to know economics of goods is essential. The goods, which are gift of nature, called free goods, whereas other goods having utility, price and exchangeability termed as economic goods. All business resolves around these economic goods may be as producer or consumer. Further various product-classifications on the basis of product characteristics has been developed by several marketers. This classification can be given as follows\(^5\) (a) Consumer Goods Classification- convenience goods: staple goods; impulse goods; and emergency goods, shopping goods, specialty goods, and unsought goods. (b) Industrial Goods Classification- Material and parts, raw materials; manufactured materials and parts, Capital items: installations; accessory equipment, Supplies and service, supplies, business service. Thus decision on appropriate product mix is necessary.

(I) Product Mix Decisions

Product mix or product assortment is the set of all product lines and items that a particular seller offers for sale to buyers. A product mix for processed fruit products is, juice, squash, candy, jelly and pickle etc.

Product mix decision involves many variables and is a complex phenomenon. A change in product mix implies effects on the price, promotion, distribution, manufacturing and possibly the product characteristics of each item offered or being considered by the firm. The Product mix changes are frequently made for the purpose of meeting changing tastes and preferences of customers and competing with rivals. A broad product mix also spreads the risk of failure over a greater number of product lines.
(II) Product Line

A broad group of products intended for essentially similar uses having similar physical characteristics constitute a product line. Thus a product line for juice is apple juice, lichi juice, pineapple juice and orange juice etc.. According to Ralph, S. Alexander "A product line is a group of products that are closely related either because they satisfy a class of need, are used together, are sold to the same customer groups, are marketed through the same type of outlets or fall within given price ranges. The product line decision consider three major variables i.e. product width, product length and product consistency. Width of the product mix depends upon the number of product groups of product lines offered by a company and is a measure of its diversification capabilities.

In any business the width of product mix as well the depth and its consistency are very sensitive issues. Depth of a product mix depends upon the number of product items within each product line, and reflects on the company's segmentation approach and marketing orientation. Consistency of the product mix refers to the question whether or not the products have production affinity, marketing affinity or research affinity. Improvements in manufacturing technology have given manufactures greater flexibility in the size and diversity of their product lines. The main questions in product line are whether to add new products or to eliminate old products. This depends upon appropriate analysis of the environment. How long a product can sustain in the market depends upon length of the product life cycle. Like human life cycle, a product also passes through various stages in the sales history of the product. From the marketing point of view a product life cycle comprises the following four stages: Introduction, Growth, Maturity, and Decline.
(a) Introduction
This refers to the launching of a product into the market. The introductory stage requires the greatest promotional effort and because expenditure for research and development as well as promotion need to be recovered, it is the least profitable stage of product life cycle.

(b) Growth
In the growth stage, the rate of increase of sales turnover is very rapid. The sales and profit rise. To enhance the competitive position, management pays more attention towards product modification and improvement.

(c) Maturity
As volume rises and the market becomes increasingly saturated, marketing steps to the centre of the stage. Despite rising sales volume profit margin starts decreasing. Market reaches at the saturation which can be sustained by creative marketing.

(d) Decline
This is the stage when sale of the product starts declining. The inventory, distribution and promotion cost increase and the product also became obsolete leading the decline of the product. Gradually the product may be displaced by innovation. So functional control comes full cycle in the decline stage. Thus the firm has plan, whether to reposition, modify, or innovate new product offer to the market.

(III) Product Planning & development Process
Several factors contribute to new product development. Most variables are related to the external environment (i.e. changing customer preferences, technological changes and government policy changes etc.) while supply capacity that a firm may have at any given time as an important internal variable contribute largely to new product development. Product development is described as a sequential decision process based on limited information. It is the process of converting new product idea into
commercially viable goods and services. The product planning and development programme can be shown through the following diagram.

New ideas can be generated from within and outside the organisation. These ideas are screened and best ideas are selected. Based on these ideas a concept is developed and tested. This is followed by a detailed analysis of cost benefit is conducted and then the product is developed. After developing the product it need to be tested in the market, before it can be actually commercialized. After understanding the product concept, second P of marketing i.e. (Price) can be discussed as below.

1.1.1.2 Price

Pricing decisions and management of price is a crucial task that confronts a marketer. In order to take correct decisions it is important for the producer to understand the factors that influence pricing decisions. Economists define price as the exchange value of a product & service always expressed in money. Price is the mechanism and device for translating into quantitative terms (Rupees & Paise or Dollar & Cents or any currency) the perceived value of the product to the customer at a point of time. Price regulates business profits, allocates economic resources for optimum utilisation or production and distribution. Thus price is prime regulator of production, distribution and consumption of products. The price is a complex decision that has a direct bearing on the firm’s profitability, and the marketer needs to know the cost function and also customer perception about product and its value at different price levels. To arrive at a good pricing strategy the firm should be able to decide on pricing objectives.

(I) Objective of Pricing

The prices of a product are determined in view of the goods targeted to be achieved. A firm may choose from any of the following pricing objectives. Profit Centered: Maximization of profit; Target rate of
return, Sales oriented: growth in sales Growth in market share; Maintaining market share, Status: Avoiding or meeting competition; Non price competition

The followed objectives lead to frame pricing policies

(II) Pricing Policies

Price policies provide the guide lines within which management formulates and carries out pricing strategy. Since cost demand and competition are the basic determinants of price and pricing objectives provide the overall guide lines for determining prices, based on them, companies formulate the following types of pricing policies.

(a) Cost Oriented Pricing

Most of the companies fix their product prices largely or even wholly on the basis of cost. Following policies may be followed on this basis.

i) Full cost Pricing

Both variable and fixed cost are covered in the pricing policy. The buyers willingness to pay bears little relationship to the seller costs.
ii) Contribution Pricing

In this policy full cost pricing is used whenever possible but under certain conditions price may be set at level above the relevant increment cost.

iii) Mark up Pricing

Most commonly used method where a mark up percentage is added above the unit cost. Mark up may be fixed or flexible. The approach depends upon degree of competition in the market.

iv) Target Pricing

Under this policy the price is set at a point which gives a specified target rate of return on total cost as an estimated standard volume.

(b) Demand Oriented Pricing

Under this policy demand of a product is taken into consideration. If the demand is more elastic, relatively less price is charged if the demand is more inelastic, relatively more price is changed. A common form of demand oriented price is seen in monopoly and monopolistic competition markets.

(c) Competition Oriented Pricing

When the motive of the firm is to meet the competition, the price set is called competition oriented pricing following types of price can be charged under this policy.

i) Pricing at the Competition Level

A Company charges price at the level of competition when it can easily compete with other features of the product in the industry. This is also called as going rate pricing or imitative pricing or market pricing.
ii) Pricing Below the Competition

When demand for the product is less elastic as compared to industry demand this policy is followed. Firms that produce low quality products or spend less on production also rely on this policy.

iii) Pricing Above the Competition

This policy is useful when the product is unique or has brand name in the market; thus changes price more than the going market rate.

iv) Sealed Bid Pricing

The Bid is the firms offer price, based on expectation of how competitions will price rather than on a rigid relationship within firms cost or of demand.

Other Pricing Policies are: (1) Market Penetration Pricing, (2) Market Skimming Pricing (3) Psychological Pricing.

(d) Market Penetration Pricing

In this type of pricing a relatively low initial price is established for a new product in relation to the target markets range of expected prices. The pricing aim of the strategy is to penetrate the mass market immediately and in so doing generates substantial sales volume and a large market share.

(e) Market Skimming Pricing

The price is high in marketing skimming pricing in relation to the target market range of expected prices. This pricing is suitable when product has distinctive features strongly desired by customers and have fairly inelastic demand.

(f) Psychological Pricing

When the prices are decided on the basis of psychology of the customers, it is called as Psychological Pricing. Many consumers use
price as indicator of quality. But when alternative information about true quality is available, price becomes a less significant indicator of quality.

1.1.1.3 Place

A place or distribution strategy is a plan that lead to obtaining an ideal channel. It means ideal from the producer point of view. The physical distribution is a process consisting of various activities responsible for efficient movement of finished product within individual firms and through distribution channels. Moreover increasingly the term physical distribution is being used to describe a total and integrated process including transportation, storage and warehousing, inventory control and closely related activities. This refers to the whole gamut of transferring produce to the end user.

a) Physical Distribution

An efficient physical distribution system includes the following activities: Transportation, Storage, Inventory Control, Order Processing, and Material Handling System. These are briefly discussed as follows.

(i) Transportation

Transportation and communication facilities developed in a particular area greatly influence the growth and development of business activities. Movement of the goods from the place where they are in abundance to the place where there is high demand. Transport efficiency can be examined from speed and safety view point during the transit. The main modes of transportation are railways, roadway, waterways and airways.

(ii) Storage

Automation and mechanisation of production activity on one side and global approach to business on other has necessitated storage and inventory management. Storage is necessary for holding the goods in
proper condition for a particular period and thus adjust supply and demand through the creation of time living.

(iii) Inventory Control

Inventory control refers to the efficient control over the stock of goods stored in warehouse for the purpose of meeting customer demands in times. A number of techniques can be sued to decide the volume of inventory. The goal of inventory control is to satisfy the order fulfillment expectations of customers in time, while minimizing both the investment and fluctuations in inventories.

(iv) Order Processing

Order processing is the starting point in a physical distribution. It is a set of procedures for receiving, handling and filling orders promptly and accurately. An efficient order processing includes provisions for billing, granting credit, preparing invoices and collecting past due accounts however an inefficient order processing can lead to unnecessary large inventories. Thus Order processing is a receipt of the supply order from the customer, and a seller assembles the products and dispatch the same to the buyer.

(v) Material Handling System

All those activities which are responsible for the efficient movement of product within the factory, warehouse and transportation and company terminals. A proper material handling equipment can minimise losses from breakage, spoilage and reduces time required for handling.

b) Channels of Distribution

Distribution channels are the set of marketing institutions participating in the marketing activities involved in the movement or the flow of goods or services from the primary producer to the ultimate consumer. The selection of channels of distribution are affected by
following factors: The target consumer, The product, The producers status & objective, and The middlemen's status & objective

(i) Major Distribution Channels

A distribution channel should be an integrated systems, each part of which performs necessary economic services and cooperates with other channel members. The profit of each link in the distribution system depends to some extent how well other channel members do their job. Distribution system ranges from very simple to the complex one. Most commonly used channels however are:

- **Producer → Consumer**
- **Producer → Retailer → Consumer**
- **Producer → Wholesaler → Retailer → Consumer**
- **Producer → Agent /Middleman → Wholesaler → Retailer → Consumer**

**Producer → Consumer**

This channel is mostly used by industrial market, but it is also used to some consumers goods. Products sold directly to the ultimate consumer by the producer include cosmetics, magazines etc.

**Producer → Retailer → Consumer**

This channel is used for large number of goods whose unit value is relatively high. The channel is feasible if quantities are large or unit value of product is high enough to absorb direct selling cost.

**Producer → Wholesaler → Retailer → Consumer**

A longer channel of distribution is customary for convenience goods that require wide distribution, such as many food products, drugs and hand woven products etc.

**Producer → Agent/ Middleman → Wholesaler → Retailer → Consumer**

Many products are distributed through this channel to small retailer. In the food area, For example, the producer often uses brokers to attain
wider distribution of their products. A producer can use one or mix of above channels according to the need of the both producer and consumers. However the consumer awareness level can be enhanced with the help of promotional activities.

1.1.1.4 Promotion

In consequent to globalisation of business and information revolution the role of promotion has emerged dominating in the success of business activity. Promotion is the process of Marketing Communication involving information, persuasion and influence. A marketing communication mix (also called the promotion mix) consists of five major modes of communication that is, Advertising, Sales Promotion, Public relation and Publicity, Personal Selling, and Direct Marketing. Some other communication mix tools are sponsorship, exhibitions, packaging, point of purchase, merchandising, word of mouth and corporate identity. Basically promotion is a communication process that consists of the following elements:

Sender —• Encoding —• Message —• Decoding —• Received

Noise

Feedback —• Response

The five main components of promotion mix are as follows.

(I) Advertising

Advertising is mass communication tool available to the marketer. Stauton defines advertising, as all the activities involved in presenting to a group, a non personal, oral or visual, openly sponsored message regarding a product, service or idea, this message called in advertisement is disseminated through one or more media and is paid for by the identified sponsor. To understand more clearly Kotler has divided
advertising programme into five Ms i.e. mission, money, message, media and measurement. Their brief description is as follows.

**Mission:** The goal is reached by setting specific objectives that are reflected in individual advertisement incorporated into an advertising campaign. **Money:** Allocating promotion budget is extremely a challenging task, because it is difficult to decide how much to spend altogether on advertising, sales promotion, personal selling and other promotion mix. There are four commonly followed methods: percentage of sales, all available funds, matching the promotion budget of competitors and on the basis of objective of promotion program. **Message:** A successful message must hold the attention of the intended audience and influence the audience in the desired way. **Media:** The decision on creating advertising message and selection of media are usually made simultaneously. Both the message and the choice of media are determined by the nature of appeal and intended target audience. **Measurement:** The company wants to know whether money spent on advertising is producing as many sales as could be reaped from the same penny spent on the marketing activity.

(II) Sales Promotion

Sales promotion is the term commonly used in marketing as demand-stimulating device designed to supplement advertising and facilitate personal selling. Sales promotion is defined as those marketing activities, other than personal selling, advertising and publicity, that stimulate consumer purchasing and dealer effectiveness such as display, shows and exhibitions demonstrations and various non-recurrent selling efforts not in ordinary routine.\(^{16}\)

The sales promotion mainly aims at (i) to increase buying response by ultimate consumer, and (ii) to increase selling effort and intensity by dealers as well as by sales personnel. Sales promotion could be of two types: consumer promotion and trade promotion.
(i) Consumer Promotion

The sales promotion aimed at consumers is known as consumer promotion. The type of promotion tools here are consumer franchise building which help consumer brand understanding like free samples and coupons which include selling message and premium than they are related to the product. The sales promotion tools which are not franchise building include price-off packs, consumer premium not related to the product and trade allowance etc. This sales promotion activity is widely spread in medicines, cosmetics and readymade tools.

(ii) Trade Promotion

Trade promotion is directed to the members of distribution channels. It is an internal affair between the company and its trade. The main tools of trade promotion are, dealers carrying the brand, manufactures offers price off allowances, buyback guarantees to get his product placed on the shelf, Volume allowances, increased shelf facing sales aids recognition programme premium and sales contests are also used as sale promotion tools by the traders.

(iii) Public Relations and Publicity

The activity of public relation is designed to create a favourable attitude of the public about the organisation and its products and service in the marketplace. Public relations, as defined by the institute of public relations, London as the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation and its public's. Dr. Jon White in how to manage and understand public relation (1991) suggests that public relation is a complement and a corrective to the marketing approach. It creates an environment in which it is easier to sell the produce. Public relations can raise questions which the marketing approach with its focus on the market, product distribution channels and customers and the orientation towards growth and
consumption, cannot. Public relation concerns are with relation to, one group to another and with the interplay of conflicting and competing interests in social relationship.

Business like individuals develops a personality or image over a period of time. The image a business has i.e. the way it is perceived or regarded by the public is important to marketing management, because it helps determine consumer acceptance of the firm's product. The main objectives of the public relation personnel is to built awareness and credibility and to stimulate the sales forces and dealers to sell the product and finally to bring down the promotion cost. Publicity can be generated by written press release, feature articles for the press, video news release of television programmes, conference, media events, seminars and chat shows etc.

(IV) Personal Selling

The personal selling is direct and personalised form of selling. So there is more scope for flexibility in influencing the consumers as compared to other promotion mix tools. The American marketing association defines personal selling as the personal or impersonal process of assisting and/or persuading a prospective customer or buys a commodity or a service or to act favourably upon an idea that has commercial significance to the seller. A personal presentation is considered better method of communication since each consumer can be treated individually. According to Garfield Blake, Salesmanship consists of winning the buyers confidence for the sellers house and goods, thereby winning a regular and permanent customer.

To discharge the selling function efficiently a salesman should possess certain qualifications. Such qualification may differ from one job to another and from situation to situation within the same job. However, various attempts have been made to identify important factor of the selling job which should be common to all; and some of the attitudes, skills and
personal qualities which seem to be commonly held and used by successful salesperson are given below:

**Intelligence**: Salesperson need to be enough intelligent to understand the sales problem and to talk with the customer in their suitable language.

**Perception**: A good salesperson perceives the problem/need of the customer and makes every effort to fulfil it.

**Self-confidence**: Self-confidence helps salesperson meet opposition of buyers and persist in his efforts to sell in the face of failure.

**Honesty**: A true discloser of facts and figures of a product to the customer helps built good relationship between them.

**Ambition**: An ambitious salesperson builds long lasting relationship with the people around him so that he achieves the height of his profession.

The caliber of salesperson required for each of the kinds of sales jobs and the level of compensation will depend in large part on the nature of the job. That is why a job description is important. A careful job description may indicate that a higher caliber salesperson is required because of the stature of the usual type of buyer or the number of and level of persons involved in the sales negotiation.

(V) Direct Marketing

Direct marketing, sales promotion and public relations are complement for advertising and personal selling. The most important objective of complementary promotional activities is to identify and approach prospective customers with a promotion message as precisely as possible. Direct marketing activities are substantially increasing with the arrival of new data collection techniques and available computing power for analyzing the massive amount of customer data.

Direct marketing brings the market directly to the home or office of an individual buyer instead of the buyer having to go to the market. The Direct Marketing association in the US defines direct marketing as ‘An interactive system of marketing which uses one or more advertising media.
to effect a measurable response to any location. The major direct Marketing tools are as follows: E-Shopping; Telemarketing; Door to door selling; Direct response advertising (T.V., radio, Cinema, Web and press advertisement that solicit an immediate response e.g. Phone now or fill in the coupon); Computerized home shopping (live home computer with a store so that one can browse around the aisles, pick up merchandise inspect it by turning if around an serene etc) and Miscellaneous (inserts, leaflets drops)/house to house distribution.

(VI) E-Shopping:

E-Shopping is a large part of the overall direct marketing effort and can make an important contribution to targeted precision marketing campaigns. E Shopping has become very popular as personal data have become easily available, thanks to proliferation of electronic transactions, including use of credit cards, magazine subscription and purchase on the Internet. Much coveted information about customers purchase pattern, preferences, habits and purchasing power are readily available and marketed to companies that want to use such information. Direct mail has become an important personalized means of advertisement, particularly in business to business environment. The main advantages & Disadvantage of direct mail can be listed as follows: Advantages: Specific targeting, Personalized variable, accumulation of information flexibility. Disadvantage: High cost, Poor quality lists, Image Problem. However, it is predicted that in future e-shopping will spread and become more handy.

(VII) Telemarketing

Telemarketing or telephone marketing is used for many different purposes including selling, lead generation, customer care or even shareholder communication. In contrast with advertising telemarketing’s two way communication flow offers the opportunity of conversing with a customer. In inbound campaign where cases are received from customers
& prospects. Many of these calls are inquiries regarding product use or complaints about the product. The handling of such calls is often a weak link in the marketing operations of organizations.

An appropriate planned out marketing mix strategy ensures lowest cost of product. In the short period of time the cost may be high while adjusting marketing mix elements according to the requirement of the target market share and profit increases.

The business philosophy called the marketing concept was developed to aid companies with supply capabilities that exceed consumer demand. According to the marketing concept, a firm is best able to achieve its performance objectives by adopting a customer oriented, coordinating all of its marketing activities, and fulfilling the organisation's goals. Marketing management involves segmenting markets, selecting target markets and establishing a position in the minds of buyers. The primary focus of marketing is to select and execute appropriate marketing mix, the combination of product, price, promotion and distribution process to meet the needs of target segment of a market, consequent that help in achieving the ultimate goal of an organisation to earn profits. However, it could not be realised without the thorough understanding of consumer behaviour. So second part has been devoted to discuss various aspects of consumer behaviour.

1.2 CONSUMER BEHAVIOUR

Consumer behaviour is a rapidly growing discipline of study. It means more than just how a person buys products. It is a complex and multidimensional process and reflects the totality of consumers' decisions with respect to acquisition, consumption and disposal activities. Consumers exhibit significant differences from each other in their buying behaviour and play an important role in the local, national and international economic position. Every body has to satisfy their primary
needs irrespective of their, gender, age, occupation, education, economic conditions and the organisations try to meet their needs at profit by having deeper understanding of consumer behaviour. Leon G. Suliffman and Leslie Lager Kanuk has defined consumer behaviour as the behaviour that consumers display in searching for purchasing using, evaluating and disposing of, if products and services that they expect will satisfy their expectations. The marketer need to design the products or services to fulfil the needs of the consumers. The decisions regarding the product concern to size, shape and textures. The marketer has also to decide about packaging, important aspects of service, warranties and accessories etc.

Consumers always do not pre-decide what they are going to purchase (state of flux). As each generation grows and matures, it may adopt values and lifestyles, different from those of the previous generations. What is important today also changes as consumers progress through life cycles. Consumers also differ according to their demographic and social characteristics. The ability to create a product and to persuade the consumers to buy it instead of buying competitors offerings, requires, insights into the consumers buying process. Knowledge of consumer behaviour reduces uncertainty and sell the product in the market. The factors that determine consumer behaviour can be discussed as below.

1.2.1 Determinants of Consumer Behaviour

Consumer behaviour is a very complex phenomenon. It is neither rigid not flexible fully, ever-changing, situational, vary from person to person and product to product. Even behaviour can be assessed and understood. The consumer decision making process starts with problem recognition and followed by information search and evaluation, purchasing process and lastly by posts purchasing behaviour. This decision process
is influenced by individual and external factors. The individual factors, which influence the decision process, are personality and self-concept, motivation and involvement, information processing, learning and memory, and attitude. The major external variables that have influence on decision making of an individual are culture, subculture, social class, social group, family and personal influences. These determinants of consumer decision making process can be discussed as below:

1.2.1.1 Individual Determinants of Consumer Behaviour

(i) Personality and Self concept

A person's thinking and attitudes affect purchasing and consumption patterns. A marketer talks of personality of an individual as a dynamic concept describing the growth and development of an individual whose psychological system, which looks at some aggregate whole that is greater than the sum of parts. Schiffman defines personality as those inner psychological characteristics that both determine and reflect how a person responds to his or her environment. This definition focuses on inner characteristics i.e. specific qualities, attributes traits, factors and mannerism that distinguishes one individual from other individuals. Thus broadly there are three distinct characteristics of an individuals personality (i) personality is a reflection of individual preferences or differences (ii) personality of an individual is usually stable and long lasting (iii) personality can change under certain circumstances e.g. death of a close family member, marriage, career promotion etc.

Self concept is the image an individual holds of himself/herself and marketers considers this as most relevant and popular area of study on how the self image of individual consumer influences the purchase behaviour. There are varieties of self-concepts, which are useful in marketing communication they are: Actual self-concept, Ideal self-concept, and Expected self concept (i) actual self-concept is the way the individual perceives himself. The actual self-concept is the outcome of the
combination of individuals different roles (e.g. as a spouse, father, employee and a member of some club etc.) (ii) Ideal self-concept is concerned with how an individual would like to ideally perceive him. The ideal self-concept is based on future aspirations, deeper than the active self-image. And this depends upon individuals financial and educational status, upbringing, exposure and personality traits. (iii) Expected self-concept is a midway between the actual and ideal self-images. The expected self-image is the expectations of consumers, as how they expect to see themselves at some specified future time. These are important for the marketers as they can segment the consumers on the basis of the relevant self-images and position their products and services as symbols of such images.

(ii) Motivation

Motivation is a prominent factor affecting consumer behaviour. It is the driving force within individuals, produced by a state of tension caused by unfulfilled need, and wants. Needs are the most basic human requirements. To satisfy any specific need there are a number of solutions or goals. The goal satisfaction depends on an individual personal experiences, physical capacity and prevailing cultural norms and values and whether the goal object is accessible. The goals may be generic or specific. The consumer see generic goals as the way to fulfil the needs and specific goals as how in specific way that goal can be fulfilled. For example if a boy asks his father, he wants to drink apple juice, it is generic goal. And if the boy wants only HMPC apple juice, it is a specific goal. And the marketers are particularly concerned with product and services that consumers select for goal fulfillment. Marketers have always been interested in knowing about human motives, which influence consumer behaviour. Various theories have been propounded in this contexts, one such important theory was given by Maslow known as Maslow's Hierarchy of needs, which influence persons motivation level. Maslow divided these
needs into five levels and arranged in their order of importance as physiological needs (food, water, sex and shelter), safety and security needs (protection, order, stability), social needs (affection, friendship, belongingness), esteem and ego needs (prestige, status, self respect) and self actualisation (self fulfillment). This theory emphasises that only once the lower levels needs are sufficiently satisfied, will a higher level of needs act as the motivating or driving force.

Consumer involvement is considered as an important variable that can help explain how consumers’ process information and how this information might influence their purchase or consumption related behaviour. The degree of consumer involvement with the object is important. Typically involvement has been viewed in terms of two broad categories low involvement and high involvement. In low-involvement, brand beliefs are formed first by passive learning and then consumers make purchase decision. These may or may not be post purchase evaluation but in the case of high-involvement, brand beliefs are formed first by active memory followed by consumer evaluation of various brands and finally the consumers makes purchase decision.

(iii) Information Processing and Memory

Consumers search relevant information to solve their problems. They may process information on attributes, brands, product categories or combination of these. The individuals also have a different orientation towards the ability to form mental images. Sensory information which acts as input to our senses (sight, touch, smell sound and taste) from the environment enters the sensory store in the memory. This memory last for a few seconds. A company with seasonal products like juices or squash can have special communication strategies which may be of interest to the target segment like sale contests, point of purchase display which will be different from regular campaign of brands. When an individual get, interested in the contents which go through the sensory store the
information is moved into the short term memory. Thus the working memory and the information to which attention has been paid is stored here. In order to transfer information from short term memory to long memory, the short term store undergoes a process called 'rehearsal' which is a salient, mental repetition of information. This memory contributes significantly to the top of the mind recall of brands. The information in the long term memory gets updated with appropriate linkages when new and relevant bits get into the memory. The consumer selects a word or visual image to represent the perceived object, if they find it difficult to encode information about a new brand of fruit juice/jams, the marketer may choose point of purchase material as having a better impact. Researches suggest that individuals are able to recover information from long term memory and remember benefits rather than attributes of a brand.

(iv) Learning and memory

Learning can be intentional or incidental. It is based on two vital aspects behaviour and experience. The learning process starts from simple almost reflexive responses to the learning of the abstract concepts and complex problem solving. Schiffman and Kanuk have defined learning from marketing perspective as ‘the process by which individuals acquire the purchase and consumption knowledge and experience that they apply to future related behaviour’, the components of learning process are drive, cues, response, reinforcement and retention. Drive is said to be any strong stimuli that impels action. Cues are relatively weak stimuli, not strong enough to arose consumers but have the potential of providing direction to motivated activity. The responses are result of stimuli and may be physical or mental in nature, leading to learning. Reinforcement is anything that follows a response and increases the tendency for the response to reoccur in a similar situation. Retention is well learned response which is achieved with the passage of time. The learning
theories agree that learning involves conviction between stimulus and some response to it. The two behavioural theories, which have more relevance to marketing, are classical conditioning and instrumental conditioning. Classical conditioning joins one stimulus with another that already elicit a given response and over a period of repeated trials, the new stimulus will also start causing the same or quite similar response. For example if a child gets excited every time he thinks of going to McDonalds, the reaction may be conditioned from many pleasant visits to the restaurant. Instrumental conditioning is a type of learning in which the consequences of behaviour lead to change in the probability of that behaviour occurrence.

(v) Attitude

Attitudes serve as reference points to consumer behaviour. Attitudes affect and influence the perception of products, brands, people, exposure to and comprehension of information, choice of friends and so on. Shiffman and Kanuk has defined attitude in a consistently favourable or unfavourable way with respect to a given object. Learning and associated theories contribute significantly to the formation of attitudes. Consumers are likely to assess the information about brand during the process of forming an attitude towards it. Psychologists have devoted considerable efforts to understand the relationship between attitudes and behaviour and a number of models have been developed to understand underlying dimensions of an attitude (Richard J Lutz). One such model is, Tri-component attitude model: According to this model, attitudes consist of three main components (i) cognitive component (knowledge, belief), (ii) affective component (emotions, feelings), (iii) Conative component (behavioural aspect).
(a) The Cognitive Component

Consumers’ belief about an object is the attributes they ascribe to it. These beliefs are based on a combination of the knowledge, experience and perceptions about the attitude object. For most attitude objects consumers have a number of beliefs and that a specific behaviour will result in specific outcome.

(b) The Affective Component

Consumers’ feelings and emotional reactions to an object represent the affective components. Consumers often evaluate products in the context of a specific situation and a consumers feeling evaluation may change as the situation change.

(c) The Conative component

Conative component is the likelihood or tendency of an individual to respond in a certain manner towards an attitude object. The consumers attitude can also change in the following way (i) By changing the values consumers place on product attributes, (ii) By changing consumers broad beliefs, (iii) by changing brand evaluations and (iv) by changing behavioural intention.

1.2.1.2 External Determinants of Consumer Behaviour

(i) Culture

The culture is broadest environmental factor which influences consumer behaviour. It is concerned with factors such as language, religion, knowledge, laws, art, music, work pattern, social customs, festivals and food etc. Culture influence consumer behaviour through the norms and values established by the society in which they live. D.J. McCort and Naresh K Molhotra have defined culture as the complex whole that includes knowledge, belief, art law, norms, customs and any other capabilities and habits acquired by humans as members of society. The culture consists of many characteristics, Significant of which can be given
as follows. The culture consists of the ideas, the skills, crafts and art that enable human to produce material goods and the organisational system (family and social class etc.) that make it possible to co-ordinate their behaviour effectively with the action of others. It is learned from generations and is socially shared. There are similarities and differences among different cultures and it tends to form consistent and integrated whole.

Cultural values as enduring beliefs serve as standards that guide our behaviour across situation and over time culture does not remain static, it changes in an evolutionary manner or a culture may change rapidly which tends to place more stress on the system. The marketer needs to understand that cultures do change and to appreciate the implications. This change may for consumer behaviour. For instance, the Indian consumer is heading towards ready to eat food due to more and more involvement in work and increased number of women workers.

(ii) Subculture

The behaviour pattern of culture is not same in different segment of the society. So the marketer needs to distinguish homogeneous subgroups within the heterogeneous society. The influence of subculture on consumer behaviour is deeper, when a subculture strike harder to maintain a separate identity, its potential influence is more, subculture with homogenous values is more likely to exert influences on its members and exclusion from a society tends to strengthen the influence of subcultural norms and values.

(a) Major subculture, categories

major sub culture categories can be given as under;
Religious subcultures: the members of religious subculture make purchases that are influenced by their religious identity.
Regional subcultures: Different climatic conditions, natural resources, languages and significant social and cultural events.

Age subculture: Age cohorts as subculture produce unique shared values and behaviours and have experienced a common social, political, historical and economic environment.

Gender as subculture: Males are typically thought to be independent, aggressive, dominating and self confident in almost all societies. They are viewed as bread earners. Females on the other hand are viewed as gentle, submissive, tender, compassionate, tactful and talkative. Their role is as homemakers with responsibility of taking care of children. Analysis of culture and subculture enables marketers to segment their markets and fine-tune their marketing mix strategies to meet the specific needs, motivations, perceptions and life styles shared by them.

(iii) Social class

Social class can be viewed as a range of social positions in a society. Though the social class is often measured in terms of social status, both concepts are not equivalent. Status refers to an individual in a social system as perceived by other members in a particular society. The kind of similarity in norms, values and buying patterns indicate that social classes are a frame of reference for consumers buying behaviour in a certain social class. Some of the characteristics of social class can be discussed as follows: social classes are based on many components and not only on income and occupation, though income and occupation influence the determination of social class in many development and developing countries.

Social classes are hierarchical, that is from high status to low status and generally mentors of social class feel more comfortable and find reinforcement of shared values and behavioural patterns. On the basis of education activities, interests, opinions, attitudes and other behavioural pattern, social classes are viewed as homogeneous divisions of a society.
Early studies in the United States divided specific communities into five or six social class structures. American class structure was proposed by W. Lloyd Warner in 1941 as upper-upper, lower upper, upper middle, lower middle, upper lower, and lower lower. The National Council of Applied Economic Research (NCAER) has reported five social class categories based primarily on access to economic resources as very rich, consuming class, climbers, aspirants, and destitute. Social class is a fair indicator of consumers' consumption patterns in a large number of product categories such as fashion products, clothing, autos, liquors, shopping, home location, choice of child school, etc. Social class information is important to marketers to develop specific marketing strategies for different groups of customers.

(iv) Social Group

A group consists of people who have a sense of relatedness as a result of interaction with each other. Reference groups furnish points of comparison by which one can evaluate attitude and behavior. Social groups can be classified in many ways, important of which are, aspirational groups, dissociative groups, and positive groups. The aspirational group is one which the consumer admires and likes to emulate but to which he/she is not a member. The consumer does not have a face to face contact with this group. Associative reference groups are those of which the consumer belongs. There may be his/her friends, family, college peers, and professional groups, etc. Dissociative groups are those, which the consumer may like to avoid. Positive reference groups are important and classified as primary and secondary and formal and informal groups. An individual can be a member of a reference group such as the family and would be said to be part of a membership group.

If a person maintains regular contact with family members, friends, and business associates all those individuals constitute a primary group. People who meet less frequently such as those who meet during morning...
walk, or club members, constitute a person's secondary groups. From the marketers point of view, primary groups are more important because they influence consumer's product beliefs, tastes and preferences and have more direct effect on buying behaviour.

(v) Family

Family plays predominant role in influencing consumer behaviour. It is also the most basic consumption unit for most consumer goods. A marketer can segment the family into different family life cycles, and target the segment to fulfil the need of the market. A traditional family life cycle is a progression of stages through which many families pass, starting from bachelorhood, moving on to marriage, parenthood, post parent hood and dissolution. In 1966, William Wells and George Gubar proposed Eight stages to describe the family life cycle such as, the bachelor stage (young single person) newly married (young married no children), full nest I (young married couples with youngest child), full nest II (young married couples with children from 6 to 12 years of age), full nest III (older married couple with dependant teenager children living at home), empty nest I (older married couple with no children living with them), empty nest II (older married couples with no children living with them and parents retired), solitary survivor I (older single person). Research reveals many differences in consumption pattern across family life cycle stages. It is significantly related to food and beverage consumption, purchase of major and minor appliances and monetary value of family purchase of furniture, autos and entertainment electronics etc. Some family purchases are inherently emotional and affect the relationship between family members. Joint decisions that are more likely to operate in the early stages of family life cycle, when both spouses are relatively less experienced. After gaining experience they usually delegate responsibilities concerning buying decisions to each other. When children enter the family scene both husband and wife assumes specific roles. If husband and wife both are
working, children influence most decisions by taking side of one of the parents.

The family is the primary socialisation agent for each new generation and passes on attitudes, values and behaviour of children. In the process of socialization the new generation acquires not only general social values and norms but also skills and knowledge. The new generation acquires not only general social values and norms and knowledge that help them in becoming successful consumers in an increasingly complex market place. According to Scott Ward socialization is the process by which young people acquire skills, knowledge and attitudes relevant to their functioning as consumers in the marketplace. When parents take children with them to the market place they start learning about the things in the shape and at the later stage buy the goods without parents assistance. Thus family influences on the children are more when they are younger and the influence tends to reduce as children grow up into mature group.

(vi) Personal Influences

The process of communication exerts a sort of influence on the parties participating in it. The communication may be verbal or visual. Personal influence is frequently used synonymously with the term word of mouth advertising or communication. Word of mouth is oral communication thus it is actually a subset personal influence. It refers to information about products or services communicated verbally. The word of mouth can be persuasive because of the credibility associated with it. In the marketer dominated media and also face to face association involved in the communication process. Word of mouth referrals can be very effective in consumer durable where there are a number of well known brands, but the consumer fears a rise against the product category because of high unit cost. Also word of mouth have better impact on fast moving consumer goods. For instance Mac-Donald’s entry in West Asia
market. It is necessary to promote positive word of mouth and prevent negative campaign. The information passes through mass media to opinion leaders and then these opinion leaders disseminate it to the followers. Marketers should identify these opinion leaders and provide with them inside information about new products, so that they are in strategic position to pass along this information to others. With this conceptual framework of marketing and consumer behaviour we are in a position to apply these concepts in practical situations. And endeavoring to study the gaps lacunas in the concept and real experiences, in order to understand the basic dynamics of the marketing and consumer behaviour.

Consumer behaviour does not only deal with making purchase decisions, but also includes the full range of experiences associated with using or consuming products or services. It also deals with the sense of pleasure and satisfaction, derived from possessing products. The consumption of products leads to changes in feelings, moods or attitude reinforcement of life style; belongingness to groups; and expressing and entertaining oneself.

The fact of the matter is that soundness of the marketing policies and its success is reflected in the behaviour of the consumers that vary from product to product and market to market. In the present research an attempt has been made to study the marketing of FPPs and examining attitudes of consumers with the help of primary probe.
REFERENCES


