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Dr. ARR Menon
Scientist (Rtd., Kerala Forest
Research Institute) and
Adjunct Faculty, School of
Environmental Studies, Cochin
University of Science and
Technology, Cochin, Kerala,
India

Dr. RG Vishnu Menon
School of Communication,
Journalism and Marketing,
Massey Business School,
Massey University,
Wellington, New Zealand

Corresponding Author;
Dr. ARR Menon
Scientist (Rtd., Kerala Forest
Research Institute) and
Adjunct Faculty, School of
Environmental Studies, Cochin
University of Science and
Technology, Cochin, Kerala,
India

Products marketing policy for small scale consumer products

Dr. ARR Menon and Dr. RG Vishnu Menon

Abstract

The development and implementation of a product marketing policy is necessary in small scale industries to boost the sales of their products. Since the small unit does not have a strong marketing network to move their products a strong marketing management programme is highly required based on various marketing strategies and tactics. Even though the government policies are in favour for generating employment opportunities in village and farmer communities, utilising the locally available natural resources, the producers are not getting sustainable income due to lack of knowledge in marketing strategies. Most of the Government of India programmes, like, Department of Science and Technology ISTEED (Innovation, Science, Technology and Entrepreneurship Development) project are running in progressive mode, but, the marketing aspects with respect to economic empowerment is poor. The need for establish a strong marketing policy for sustainable income generation for such small scale production units are highlighted in the present paper, in the light of various marketing strategies and marketing tactics.

Keywords: small scale industries, marketing strategy, marketing tactics, policy formulation

Introduction

One of the ongoing research project, sponsored by Dept. of Science and Technology, Govt. of India under their i-STED (Innovation, Science, Technology and Entrepreneurships Development) programme, running by Swadeshi Science Movement (SSM), a non-governmental charitable organization in Kerala, is targeted the utilization of dormant innovations and technologies developed as a part of various research projects, available in different Research Institutions and Universities, for employment generation and self-sustainability of villagers and farmers in the field of agriculture production and value addition. The project started in 2016 for 5 year period and currently 4th year activities are in progress. This will empower the poor peasants for their livelihood by creating new employment potentials and sustainable income.

Under the i-STED project of Swadeshi Science Movement (SSM), three such technologies are adopted for popularization and employment generation in village ecosystem viz. 1. Farming of Papaya (*Carica papaya*), latex extraction for papain manufacture, and value addition of papaya fruits, after latex extraction; 2. Production of virgin coconut oil from coconut milk (hot process) and value addition of by-products; and 3. Production of handmade paper, mainly from agric-waste materials and value addition of handmade paper in the form of bags and moulded articles. The project was successfully implemented in seven districts of Kerala viz. Quilon, Idukki, Thrissur, Palakkad, Malappuram, Wayanad and Kasaragod. The production of consumables, cosmetics, and other value added items has started in most of the units, as per the standard protocol provided. This will have an impact on quality control of similar product from different producers. Expert advice and linkages for Govt. subsidies, bank loans etc. are also provided under the programme. A numbers of small scale industrial units were started for empowering the economic status of poor farmers and villagers, and production of different value added consumer products were also started.

The present scenario

One of the major problems currently facing by the entrepreneurs is nothing but to implement a viable marketing strategy for product sales. Moreover, they have to compete with multinational companies, since most of their products are of consumer goods. Their marketing net-work is not as strong as that of multinational firms. To overcome these

problems, we have promoted formation of marketing co-operative society for collection and sales of farmers produce. The branding of the product by the farmer producer is yet another aspect to be considered. The product branding and sales through local net-work has its own limitations, since popularization of products through media and marketing/transportation net-work is not familiar to the poor farmers. To minimize the middle man intervention in the product marketing we tried to encourage direct marketing strategy by the producers, so that supplementary employment opportunity can also be created as an added advantage of the project. All the functional units are running as per the standard protocol developed by the experts, hence, there is not much variation in the quality of the products. Since, similar products are available in supermarket and shops, marketed by multinational agencies, in attractive packages, the product of these farmer entrepreneurs are not having regular movement in consumer world, adversely affecting their monthly income. Even though, the quality wise the products are of high standard, the farmer producers are in loss. Thus it is highly essential to develop a suitable marketing strategy for product movement in a better way. The digital marketing strategy is one of the remedial measures to overcome the present dilemma. Thus the formulation of a suitable marketing strategy is highly essential.

The need of a marketing strategy

According to American Marketing Association, 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 stakeholders (Marketing News (2004) ^[5, 6]). Later they modified this definition as, marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (Marketing News, 2008) ^[5, 6]. Even though, the definition of marketing was re-defined several times, the term marketing strategy and marketing management have not received similar attention for a very long time. Often, people are using these two terms as synonyms while preparing the management policies regarding product marketing. Similarly, the marketing strategy and marketing tactics are also used in a confusing manner, while formulating sales policies by production units. In strict sense these two terms differs very much. The 4 P's in marketing (*viz.* Products, Promotion, Price and Placement) are always considered by the experts, while developing a strategy for sales promotion; whereas, the behavioural aspects of consumers with regard to 4P's require much more attention (marketing tactics). This aspect is often overlooked by the professionals, since their ultimate goal is mainly for setting the economic graph to the rising scenario. Thus, in strict sense, both marketing strategy and marketing tactics are different, even though, we ignore the significance of these aspects. Quite often we use the terms, marketing strategy and marketing management in a confusing manner. Marketing strategy is mainly concerned with the organizational behaviour; whereas, the marketing management is managing the organizational behaviour. The three level marketing planning, *viz.* Corporate, Business and Functional or Operational are the common practice adopted in most cases. Again, one can identify three distinct

dimensions of marketing, *viz.* marketing as culture, marketing as strategy, and marketing as tactics. The strategy marketing is emphasised in business model, where the focus is on market segmentation, targeting and positioning. The market tactics is functional at operating level only, where one should focus on Product, Price, Promotion, and Place/Distribution. As the part of marketing management, we often exercise some of the marketing tactics like Product Push/Product Pull strategy, to create an artificial crisis or fluctuation in the product availability, thus to attract the attention of consumers. This tactics is common in the sales of consumer products, especially in the case of cosmetic products, to create artificial shortage or flooding of products, thus to boost the market demand. This is often practised in the case of consumer accepted products for generating an artificial demand in the market, and later, re-introducing the same product or with slight modification either in quality or quantity, or even with price variation in different attractive packages. But this sales tactics is not advisable in the case of small scale unit products like i-STED products of DST (Department of Science and Technology), since the consumer acceptance of such products, even if the quality is good, will attain gradually through mouth to mouth publicity. From a marketing perspective, behaviour analysis can contribute to the development of strategies and tactics encompassing various environmental and situational factors that directly influence behaviour (Vishnu Menon, 2016) ^[8]. Thus, by studying the consumer psychology in product utilization, sales promotion can be achieved in small scale unit products also.

The behavioural aspects

According to Hunt (1985) ^[2], the marketing science is the behavioural science that seeks to explain exchange of relationships focused on: i). Buyer's behaviour on exchange of products, ii). Seller's behaviour on exchange of products, iii). Institutional behaviour on facilitating the exchange and lastly iv). Societal behaviour on buyer, seller and institution. The psychological approach in product marketing is the backbone of sale promotion today. Its influence is very much even in digital marketing recently evolved in the business ecosystem. If we evaluate the status of majority of so called "health boosters", either in the form of health drinks or tablets, this psychological approach plays a major role. The poor consumers are setting their minds in such a way, that these products are highly essential for their health, without even having a second thought. The media plays a key role in creating such a pseudo image among the community.

The business ecosystem in pandemic situation

The year 2020 is a pandemic year and the business ecosystem of the whole world is in retrogression due to Covid-19. The recession has affected uniformly throughout the world economy and job opportunities are minimized. Hence unemployment and economic crisis are in the top position. The rising of new entrepreneurs are necessary to combat the situation and as a result economically sustainable production units, utilizing the locally available natural resources, will be flourished. The Government of India, Department of Science and Technology programme called i-STED (Innovation, Science, Technology and Entrepreneurship Development), envisages such an unemployment mitigation activity, and as a result a number

of production units are established in different districts of Kerala, India. Since the small scale unit products are mostly consumer oriented, we can very well establish a linkage between human health and product status. During this pandemic situation, if we establish such a linkage between immunity status and product status, the business ecosystem can be enhanced very much. The creation of public awareness regarding the merits of such natural products can be considered positively for sale promotion. This again, is a psychological approach in this pandemic situation, since 99% of human population of the world are worried regarding the health condition.

The scope of digital marketing

The scope of digital marketing is immense in the current situation, since the mobility of the population, throughout the world is in dilemma. Since digital marketing is less expensive compared to conventional marketing system, it can be developed to a greater extent for maximum outreach of the products. The computerisation and subsequently, software development has changed the global market and the buying/ selling of any product is much easier than that of previous days. With a variety of search engine, websites, internet database, and social media, consumers are able to exploit new opportunities, whether it is information exchange or price/product comparison, and they can able to create content and spread their voice across the globe. The consumer preferences, their specific requirements, economic status, purchase capacity, browsing facility etc. are now available through various sources. There are a number of organizations now working on these lines to supply similar data as per the specific requirement of the marketing firms and production units. The data regarding consumer preferences within various income groups, within various religious sectors, within different cultural sectors etc. are easily available and digital data marketing itself is a big business now a days. The market analysis has expanded to a new dimension due to digital age and the global market concept is in reality, and interactive communication is a decisive factor in marketing the products. Adapting to the need of more influential and powerful consumers is one of the major goals of almost all firms (Carpenter, 2013) ^[1]. In such a scenario, for an organization to be successful, it has to adapt a consumer-centric approach for which a thorough knowledge of digital consumer behaviour is mandatory, where data beats opinion (Vishnu Menon, 2016) ^[8]. According to Kotler (1997) ^[3], marketing is one of the most dynamic fields within the management area.

Conclusion

There are always fresh challenges in the market place and immediate responses of the companies are essential for getting market stability. This is somewhat similar to that of ecosystem management in the case of environmental perturbations where, lack of immediate intervention may lead to an entirely different un-reversible ecosystem unit. Similarly, the negligence in tackling the instant challenges in market place will also lead to un-controllable situation in marketing management, adversely affecting the interest of producers. The dynamic mode of marketing phenomena is to be addressed separately with case to case preferences. The common management strategies are not always applicable, hence continuous monitoring is required in the market intervention and the subsequent changes.

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