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# **ASSESSMENT OF MARKETING MIX IN THE SALE OF NEWLY REBRANDED BIGI SOFT DRINKS**

# CHAPTER ONE

# INTRODUCTION

# 1.1. BACKGROUND TO THE STUDY

Marketing is often described as the art of selling products and services. The aim of marketing is to make selling superfluous and to understand customer so well that the product or service offered meets his expectations (Kotler, 2020).

Business organizations develop market strategies that can help them exist sustainably and achieve long term objectives. They use various tools to set appropriate strategies so as to get the desired responses from their target markets. (Chai, 2019). One of such tools is a marketing mix. It is a framework that firms use to pursue their marketing goals in the target markets. McCarthy classified marketing mix into four broad groups that he called four Ps of marketing: product, price, promotion and place. (Chai, 2019).

**DEFINITION OF MARKETING MIX**

Marketing mix is the set of controllable variables that the firm can use to influence the buyers response (kotler, 2020). The controllable variables in this context refer to the four Ps (product, price, place and promotion).

Marketing mix has been extremely influential in informing the development of both marketing theory and practice. The main reasons that 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 (Chai, 2019). As described in Philip, Kevinlane, Abraham and Metileshwar, (2019), marketing mix analysis explore which part of the advertising budgets are wasted, what optimal spending levels are and what minimum levels should be. Davar (2016), stated that, the 4-Ps is vital in making marketing decisions towards consumer satisfaction and company profitability. He emphasized the need for marketing research which is concerned with gathering the relevant fact so as to formulate appropriate policies to direct the elements of marketing mix effectively towards the consumer.

According to Jobber (2011), there are three hallmarks of an effective marketing mix; these are:

The marketing mix matches customer needs,

It creates a competitive advantage,

When well blended, it enhances corporate resources.

Marketing mix analysis is helpful in answering major questions in international marketing such as: 1) which elements of the marketing mix can be standardized and where is standardization not culturally possible? 2) Which cultural/environmental adaptations are necessary for successful acceptance of the marketing mix? And 3) Will adaptation costs allow profitable market entry? (Cateora, 2016). Manipulation of the elements of marketing mix helps to understand ways in which a differential advantage might be achieved and sustained. The effective management of each individual elements of the mix is very important. Besides, the marketing strategist also needs to pay attention to the ways in which the mix as a whole is managed and how the various elements can be integrated to achieve a high degree of synergy (Richard , Wilson, Gilligan, 2015).

As quoted in Ramaswamy and Namakumari (2012), Culliton coined the expression of marketing mix and described the marketing manager as a mixer of ingredients. Culliton noted that, the marketing man is a decider and an artist- a mixer of ingredients, who sometimes follows a recipe developed by others and sometimes prepares his own recipe. And sometimes he adapts his recipe to the ingredients that are readily available and sometimes invents some new ingredients, or experiments with ingredients as no one else have tried before.

The concept of the marketing mix has proved a helpful devise in teaching, in business problem solving, and, generally, as an aid to thinking about marketing. It is helpful in providing an answer to the question often raised as to “what is marketing?” A chart which shows the elements of the mix and the forces that bear on the mix helps to bring understanding of what marketing is. It helps explain why in our dynamic world the thinking of management in all its functional areas must be oriented to the market. (Borden ,2014).

# 1.2. STATEMENT OF THE PROBLEM

Whether the organization is domestic or international, new or existing, small or large, and private or governments all are operate in a turbulent and uncertain environment. In the context of changing customer expectations, technological discontinuities, and increasing environmental uncertainties business managers have a big challenge of making the right strategic choice and setting their strategic priorities in order to allocate their resources to different functions in an efficient manner for business success. Due to this, managers must develop new tools, new concepts, new strategies and the new mindsets to cope with the turbulent and chaotic marketing environments that may lead to failure of the organization (Burnett, 2018).

According to Kotler (2018) there are many companies which operate without formal plans. In new companies, managers are sometimes too busy for planning. In small companies, managers may think that only large corporations need planning. In mature companies, many managers argue that they have done well without formal planning, so it cannot be very important. They may resist taking the time to prepare a written plan. They may argue that the marketplace changes too fast for the marketing plan to be useful and because of this they fail to make good marketing strategy.

According to Cravens et al (2016) a company needs to consider the competitors in its industry in order to develop successful strategies. Strategies such as price competition, advertising battles, sales promotion offers, new product introductions, and increased customer service are commonly used to attract customers from competitors. In order to fully analyze rivalry, it is important to determine which firms are the major competitors and what are their annual sales, market share, growth profile, and strengths and weaknesses. Also, it is useful to analyze their current and past marketing strategies to try to forecast their likely reactions to a change in a competitive firm's strategy.

# 1.3. RESEARCH QUESTIONS

In line with the problem statement the study will address the following questions:

1. What price strategies are being adopted by the company?
2. What are the marketing strategies for promoting Bigi soft drinks?
3. In what ways does the company distributes its products?

# 1.4. OBJECTIVES OF THE STUDY

The main objective of this study is to investigate the marketing strategies of Bigi soft drinks.

The specific objectives of the study are:

1. To examine the pricing strategies of the Rite foods Ltd.
2. To access the marketing mix for the promotion of Bigi soft drinks.
3. Analyze the distribution strategy of the company
4. Examine why the demand for Bigi soft drinks is declining
5. Recommend possible solutions to the management regarding the marketing mix framework used by the company.

# 1.5. SIGNIFICANCE OF THE STUDY

This study is believed to have the following significances:

1. The study will be used by the management of the company to resolve the problem of sales decline.
2. It will serve as a stepping stone for other researchers to undertake further study
3. It enhances the research skill & knowledge of the researcher.
4. The finding of the study will add knowledge on the existing stock of knowledge

# 1.6 SCOPE AND LIMITATIONS OF THE STUDY

This study is bounded in investigating the marketing mix of the two factories operating in Lagos. One of the plants in Lagos is not considered in this study due to the financial problem faced by the student researcher to collect primary data. The study is therefore delimited by the number of respondents which in turn affect the representativeness of the samples considered.

The study is also delimited by the geographical locations of the plants. There are plants under the auspices of the company located in different regions of the country and as a result not considered in this particular research. Therefore, the result from the study does not reflect the reality in the country concerning the issue to be investigated. Another limitation that should be mentioned here is that secondary data are not available as required, since the culture of organizing data base has not yet been developed in business organizations like the one under the study.

Furthermore, as the issue raised in the study is not yet researched well in Nigeria, the student researcher has faced difficulty in obtaining sufficient information to understand what has been done so far in this regard and learn about the data collection techniques and methods of data analysis employed in the previous researches. Also, it was difficult to include the methods, findings and conclusions of earlier studies undertaken domestically.

# 1.7 DEFINITION OF TERMS

**Marketing:** - is a set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large. (American Marketing Association, 2007).

**Marketing management**: - is the analysis, planning, implementation, and control of programs designed to bring about desired exchanges with target audiences for the purpose of personal and mutual gain. (Philip and Gerald, 2017).

**Marketing strategy**: - is an endeavor by an organization to differentiate itself from its competitors, using its relative corporate strengths to better satisfy customer needs in a given environmental setting. (Collins, 2018).

**Marketing mix:** - is a tool that can be used by firms to set appropriate strategies so as to get the desired responses from their target markets. It is framework businesses use to pursue their marketing goals in the target markets. (Chai, 2019).

**Four Ps of marketing**: - is a marketing mix comprising of product, price, promotion, and place. (Chai, 2019).

**Product:** - is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. (Ayad et al and Majed, 2012)

**Price**: - is the amount of money charged for a product or service or the total values that consumers exchange for the benefits of having or using the product or service. (Ayadet.el, 2012)

**Promotion**: - is an institution ability to communicate its customers. It includes sales promotion, advertising, personal selling, public relations and direct marketing. ( Fatal, 2020).

**Place**: - is an activity of a business that involves decisions concerning the distribution channels to be used and their management, the locations of outlets, methods of transportation and inventory levels to be held. (Jobber, 2011).