**TAITA TAVETA UNIVERSITY**

**COURSE: BBIT 3.**

**UNIT: PRINCIPLES OF MARKETING.**

**UNIT CODE: HBT 2112.**

**TASK: ASSIGNMENT.**

**LECTURER: MR. MAKUGHU.**

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**Discuss the “product (company) life cycle” (PLC).**

**Keringet Mineral Water.**

1. **Give a brief background of your product/organization.**
2. **History of a product (Keringet mineral water)**

The Keringet success story is rooted in the vision and determination of the company’s founder. The founder of Keringet mineral water is Mr. Chandra Gohill. In 1982 with two degrees and many years of practical business experience, Mr. Chandra returned from England to Kenya as a director of families, soaps and detergents. In 1988 he launched an entire venture based on the idea of developing the purest water in Kenya into a natural mineral water branded that could compete internationally. (Akumu, 2004)

It was an idea ahead of its time in a market where water was still viewed as a product that could be obtained freely.

The first samples of Keringet mineral water was drawn in 1990 and sent to Leicestershire county council regulatory services in England, protesting where they met all the micro-biological and chemical parameters.

The next 2 years were dedicated to continue testing to guarantee consistency as a production facility was built to achieve bottling without human handling of the hills purest water. The first bottle of Keringet water was sold in 1992 (that is end of 4-year journey of development). Since then the brand has grown to market needs. (kirenget, 2014)

1. **Primary target market.**

The original Keringet mineral water was launched in 0.5litres, 1litre and 1.5litres bottles and the target market was the travelers and the safari and beach-oriented travel industries at the time. Currently Keringet water dispensers have been introduced for children’s lunch packs and also in sports such as the gyms and leisure clubs by which the company has stylized the bottle the bottle to be used by the sport men and women.

1. **Target consumer/customer profile.**

The profile of the consumers. Keringet mineral water mainly targets middle class and high-class members of the society.

This is because the prices of the mineral water are not favorable but too high to be afforded by the lower class i.e. 500ml @sh.60 (Jumia, 2019). It targets consumers of all ages.

1. **Outline the major competitors of the product/company assigned.**
2. Dasani water company.
3. Mayors water company.
4. Aquamist water company.
5. Pure fresh premium drinking water.
6. **Description of product life cycle giving details of each step.**

**Step 1: Development.**

The source of this exceptional, natural mineral water is in Molo, a town 8000ft above sea level bordering sea level. This location was carefully selected for its unique geological conditions. The timeline depends on the amount of water being processed.

**Manufacturing and packaging**

Here the water undergoes a long natural filtration process through deep strata of chalk, sand and gravel as well as layers of fine porous rock and hard volcanic stone created by intense seismic activities that formed the great Rift Valley.

The Keringet mineral water is bottled by the crown foods ltd which manufacture the water bottles. The bottle package uses 20% less plastic materials for a lighter carbon footprint and the bottle is designed in a unique neck finish to make it outstanding on the competition. The timeline taken is 5 days in that water is released to the market. (Mulunda, 2012)

**Step 1: Development.**

Product development stage is the stage at which costs are accumulating with no corresponding revenue. Some products require years and large capital investments to develop and then taste their effectiveness.

This stage is typically funded by the entrepreneur from their own personal sources.

**Step 2: Introduction.**

It is about developing a market for the product and building product awareness. Marketing costs are incurred and since it is necessary to reach out potential customers. It is also the stage where intellectual property right protection is obtained.

**Step 3: Growth.**

In the growth stage, the product has already has been accepted by customers and companies are striving to increase market share.

Both product demand and profit are increasing and marketing is aimed at a broad audience.

**Step 4: Maturity.**

At maturity stage sales will level off. Competition increases in product features may need to be enhanced to increase market shares while unit sales at their highest at this stage price stand to decline to stay competitive. Production cost also tend to decline at this stage because of more efficiency.

**Step 5: Decline.**

This stage associated with decreasing revenue due to market saturation, high competition and changing customer needs.

The company may choose to discontinue the product sell the manufacturing rights to another business that can better compete or maintain the product by adding new features, finding new uses for the product or tap into new markets through exporting.

1. **Description and illustration of the product life cycle of the product. Giving real or estimated-time lines for each stage**

**Step 3: Marketing.**

In the marketing of a product, billboards have played an important role in building Keringeti’s mineral water awareness.

Keringet mineral water company has held road shows across the region, it has also sponsored prominent events such as International Cricket Council, The Nairobi Standard Chart Marathon, Tusker, Rugby, Safari Sevens and concerts featuring International musicians such as Sean Paul etc. This has helped the market interact with consumers from all market segments.

The brands emphasis on purity and the waters natural status have been supported through many press campaigns to deliver marketing success and also supported by the launch of Keringet dispensers with installations reaching on averaging 15 units per month from the year 2000. Keringet mainly uses their Facebook page as a way of promoting their brand. (CCG, 2017)

**Step 4: Sales and distribution.**

They distribute using their own transport mechanism where they own trucks brand name Keringet mineral water.

The trucks have built in refrigerators for maintaining optimum temperature for preservation. Distribution is mainly to the wholesalers who in return sell to the retailers and consumers. They also carry out on delivery services whereby they install water dispensers to home consumers.

**Step 5: Consumer use.**

Bottled water is a healthier than most other drinks are as compared to tap water. It is also cost effective.

**Step 6: Final disposition.**

It involves the disposing off of the plastic bottle after use. They are re-used but the water bottles are recycled whereby they recycle the plastic waste.

1. **Discuss the marketing Challenges faced by your product at different stages at different stages of PLC.**
2. Scarcity of water- due to climatic changes the level of water has been depreciating. There has been depreciating of water due to climatic changes such as drought caused by deforestation.
3. High cost of maintenance- the machines require high maintenance from time to time and this cost is fairly high e.g. when there is siltation in the pipes dredging is required which is very expensive.
4. Customer/ community relations- outreach is needed to communicate the challenges of water stewardship and develop public support for their products.
5. Utility insecurity- the water can be intentionally water contamination and cyber security issues i.e. defamation of the water company.
6. Unpredictability of the market- its uncertain to predict the behavior of the consumer thus leading to substantial losses.
7. Public appreciation for the value of water- many people might prefer to use tap water to bottled water, this is a perception on society mindset.
8. Competition- Keringet company faces competition from other water companies like Dasani.
9. **Marketing strategies utilized at different stages of the PLC.**

Promotion- Keringet water company has sponsored prominent events such as the International Cricket Academy, the Nairobi Standard Chartered Marathon, Tusker Rugby Safaris Seven and concerts featuring international music like Sean Paul etc. This has helped to market the product from all market segments.

Pricing-They have used the pricing mechanism that is affordable to all consumers.

Advertisement-The use of social media tools and also road shows has helped to market the product and create awareness.

Product-Their water is clean and pure and also they have designed with a stylish look to make it more attractive.

Place-Keringet is located in Molo along Mau forest where there is availability of resources and ready market.

1. **Criticizing the market strategies and giving recommendations**
2. Promotion- The Keringet water company incurs cost since sponsoring of the events does not profit them in anyway thus increasing the cost of production. They should invest in their own teams.
3. Pricing-The company should not focus on reducing the price to attract customers but rather work on improving the quality of the product.
4. Advertisement-The company incurs high costs while advertising so they should use other cheaper means of advertising such as road shows or even creating their own websites.
5. Product-Designing of the water bottles into stylish look adds additional cost the company thus they should focus on maintaining the quality profile of the product in the market.
6. Place- Depending on one locality limits the market size hence should focus on spreading their wings to other areas

# References

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