

# CHAPTER I

## INTRODUCTION

### **1.1 Background of the Study**

The word "Marketing" is derived from the word 'market'. Market is an area for potential exchanges. Thus, it is a group of buyers and sellers interested in negotiating, the terms of purchase or sale of goods or services. So it consists of the forces of supply and demand.

Marketing is a comprehensive term and it includes all resources and a set of activities necessary to direct and facilitate the flow of goods and services from producer to consumer in the process of distribution process. Human efforts, finance and management constitute the primary resources in marketing.

A simple meaning of 'marketing' is selling of goods and services. It is the purchase and sale of goods and services in the market. Marketing is defined from the viewpoints of different parties involved in the market. To a salesman it is selling; to an advertiser it is advertising; to a housewife it is purchasing of necessary goods; to a producer it is the distribution of product goods or services. So, it is not limited to the purchasing and selling of goods (Koirala, 2015).

Marketing may be defined as the process of exchange between seller and buyer. It involves a number of inter-related activities designed to plan, promote, distribute, and price a product or service in order to meet the wants and needs of both the parties in exchange transaction, viz., consumers (buyers) and producers (sellers).

We have twin activities which are most significant in marketing:

1. Matching the product or service, an article of trade, with demand, i.e. customer needs and desires or target market.
2. The transfer of ownership and possession at every stage in the flow of goods from the primary producer to the ultimate consumer.

Marketing comprises all activities involved in the determination and satisfaction of customer needs at a profit. By means of marketing function, marketer can direct the

firm's response to an ever-changing market environment and orient all parts of the business toward the creation of a satisfied customer.

The American Marketing Association defines marketing as the performance of business activities that direct the flow of goods and services for producer to consumer or user. This definition does not clarify the business activities to be included in marketing. It only emphasizes distributive aspects of the market, and fails to stress managerial aspect of marketing. Marketing under managerial thinking should also stress cost and price consideration, demand satisfaction or selling, and demand creation or sales promotion and advertising, and marketing research to match the supply with customer demand. Marketing must include ascertaining, creating, and satisfying the customer wants and doing it at profit. This is the proper concept of marketing function.

Kotler defines marketing as the set of human activities directed at facilitating and consummating exchanges. The essence of marketing is exchange of products and the transaction is to satisfy human need and wants. All business activities helping and promoting the exchange function are included in marketing (Kotler, 2003).

A marketing strategy defines objectives and describes the way you are going to satisfy customers in your chosen markets. It does not have to be written down but it is easier to communicate to outsiders, like your bank manager or other investors, when it is.

Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing objectives. Plans and objectives are generally tested for measurable results. Commonly, marketing strategies are developed as multi-year plans, with a tactical plan detailing specific actions to be accomplished in the current year. Time horizons covered by the marketing plan vary by company, by industry, and by nation, however, time horizons are becoming shorter as the speed of change in the environment increases. Marketing strategies are dynamic and interactive. They are partially planned and partially unplanned.

Marketing strategy involves careful scanning of the internal and external environments. Internal environmental factors include the marketing mix, plus performance analysis and strategic constraints. External environmental factors include customer analysis, competitor analysis, target market analysis, as well as

evaluation of any elements of the technological, economic, cultural or political/legal environment likely to impact success. A key component of marketing strategy is often to keep marketing in line with a company's overarching mission statement.

Once a thorough environmental scan is complete, a strategic plan can be constructed to identify business alternatives, establish challenging goals, determine the optimal marketing mix to attain these goals, and detail implementation. A final step in developing a marketing strategy is to create a plan to monitor progress and a set of contingencies if problems arise in the implementation of the plan.

Marketing strategies may differ depending on the unique situation of the individual business. However there are a number of ways of categorizing some generic strategies.

Marketing participants often employ strategic models and tools to analyze marketing decisions. When beginning a strategic analysis, the 3Cs can be employed to get a broad understanding of the strategic environment. An Ansoff Matrix is also often used to convey an organization's strategic positioning of their marketing mix. The 4Ps can then be utilized to form a marketing plan to pursue a defined strategy.

There are many companies especially those in the Consumer Package Goods (CPG) market that adopt the theory of running their business centered around consumer, shopper & retailer needs. Their marketing departments spend quality time looking for "Growth Opportunities" in their categories by identifying relevant insights (both mindsets and behaviors) on their target consumers, shoppers and retail partners. These "Growth Opportunities" emerge from changes in market trends, segment dynamics changing and also internal brand or operational business challenges. The Marketing team can then prioritize these "Growth Opportunities" and begin to develop strategies to exploit the opportunities that could include new or adapted products, services as well as changes to the 7Ps (Koirala, 2015).

### **1.1.1 Dairy Development Corporation (DDC)**

Dairy Development Corporation (DDC) was established in 2026 BS in accordance with the Corporation Act 2021 BS. Prior to the establishment of this corporation a separate dairy development board was constituted to carryout the task of dairy development in Nepal in wider scale. The dairy development activities in Nepal

started in Tusal, Kavre district and Kharipati, Bhaktapur in 2009 BS on experiment basis with a small scale of milk processing plant under the department of agriculture in the fiscal year 2010/11 BS at the initiative of dairy development board. The dairy plant was established in Bhotahiti, Kathmandu which has started milk collection processing and marketing activities from the year 2014 BS.

DDC has been collecting the milk of cow, buffalo and chauri from 33 districts. Its present milk collection network has spread from Pachthar in the east and Surkhet in the west. DDC has been playing a special role in uplifting the economic status of rural farmers.

DDC could not buy all the milk produced by the farmers especially during the flush season; as a result, it had to introduce Milk Holiday on certain days during the flush season. On the other hand, in the lean period DDC had to import skimmed milk powder to meet consumer's demand. To mitigate this problem, in according with the Ten Year Dairy Development plan prepared with the assistance of Danish Government, project for establishing a Skimmed Milk Powder Plant was initiated in 2048(1991) at BMSS and is in operation since December 1994. Capacity of this powder plant is 3.0 mt. of powder per day (Annual report of DDC, 2018: 1-2).

## **1.2 Statement of the Problem**

Manufacturing companies play very important role in the economic development of the nation. The health of the economy is closely related to the soundness of its manufacturing system. Marketing Strategy is something that helps organizations to achieve marketing objectives. Marketing objectives help achieve corporate objectives and corporate objectives aim to achieve a competitive advantage over rival organizations. Sun Tzu - The Art of War, says, "Strategy without tactics is the slowest route to victory; tactics without strategy is the noise before defeat." Nepalese financial institutions lack appropriate, well managed and formulated policies and strategies to develop appropriate marketing strategies in dynamic market. Nepalese manufacturing company have to compete with many more manufacturing and non-manufacturing companies. Which offer similar products/services to their customers. Planning and research are important elements to any kind of strategies to develop customer satisfaction in such competitive market. They mainly rely upon the guideline instructions of company act. There is lack of clean view towards sound

financial performance and better customer support. Customer satisfaction, the major part of modern marketing, has been seemed to be neglected by them. The strategies implementation part also is miserable. The marketing strategies are formulated but not implemented in effective and efficient way. Due to the lack of farsightedness in policy formulation i.e. hesitation to invest long-term projects, unorganized interest structure and absence of strong commitment towards its proper implementation, causes many problems to Nepalese A Manufacturing Company. The problem of this study is to examine the marketing strategies implemented by Dairy Development Corporation.

Following are the major problems that have been identified for the purpose of this study:-

- ) What are the various products and services offered by the DDC?
- ) What are te marketing strategies adopted by the DDC?

### **1.3 Objectives of the Study**

The main objective of this sutdy is to analyze the marketing strategies formulated and implemented by Dairy Development Corporation. However the specific objectives are as follow:

- ) To identify different types of products or services provided by the DDC.
- ) To evaluate the marketing strategies adopted by the DDC.

### **1.4Significance of the Study**

Due to the establishment of manufacturing companies in Nepal in innumerable manner, the DDC is at the saturation point. Experts say that the manufacturing sector in Nepal are about to obtain the stage of boom. So is the concept of development of Nepal that's why, it is pressurizing the new company for the development of nation and increase economic activities in Nepal. Through this way customes gets qualities products with satisfaction. Nation get employment opportunity. DDC and other companies are located at city side, they are provided lots of alternatives to the customers company is really competitive. The market for manufacturing every organization has Unique Selling Price (USP) that differentiates it forms other organizations offering similar objects.The organizations who have adopted strategy of

Customer Satisfaction as their USP are successful in long run. The main objectives of this research is to analyze the Marketing Strategies adopted or implemented by DDC and also to analyze the effectiveness of the strategies implemented by the DDC. This study is to analyze the fact, in such highly competitive market, how a manufacturing company like DDC has achieved the success among the manufacturing companies of Nepal.

The study will be helpful to understand how the effective marketing strategy helps in the achievement of success or ultimate goal of organization. The study will also be helpful to students and other groups interested in understanding the significance of marketing in this competitive and dynamic market situation. Not only manufacturing sectors, but every organization can be benefitted from the study. This study also provides the information regarding the actual practical exposure of organization functioning and also notifies about the implementation of theoretical knowledge in practice. As the study contains detailed analysis of the manufacturing industry, it may be very much useful to the company itself. This helps the company to know about the effectiveness of its marketing strategies and also to know about the further strategies that are to be implemented for better growth of the company.

### **1.5 Limitations of the Study**

This study is simply a study for the partial fulfillment of MBS degree, which has to be finished within a short span of time. This is not far from several limitations, which weaken the objective of the study. Some of the limitations are given below:-

- ) This study is limited to marketing strategy of a single manufacturing company.
- ) The study is based on secondary data and primary data website of the DDC. So, the result depends on the available and reliability of the secondary data.
- ) This study is based on the views and responses received from limited customers of DDC which may not represent views of every customers of the DDC.
- ) No depth analysis and further statistical tests were conducted to verify the responses. They were presented as received and interpreted.
- ) The data used in this study are modified as per need of the study.

## **1.6 Organization of the Study**

This research has been divided into five chapters. They are follows:-

**Chapter I: Introduction:** This chapter consists- background of the study, evaluation of Manufacturing Industry profile of the DDC, statement of the problems, objectives of the study, signification of the study and limitation of the study.

**Chapter II: Review of Literature:** The second chapter deals with review of literature. It deals with te review of avaiable literature. It concludes conceptual/theoretical review, review of books, articles & previous thesis etc.

**Chapter III: Research Methodology:** The third chapter explains about the research methodology. It covers on research design, sample, and sources of data and methods of analysis.

**Chapter IV: Data Presentation and Analysis:** The fourth chapter deals with presentation and analysis of data through a definite course of research methodology. This chapter mainly concerns to analyze and evaluate data with the help of analytical tools procedures & interprets the result obtained.

**Chapter V: Summary, Conclusion and Recommendations:** The fifth chapter sums up the results obtained through analysis and recommends some suggestions. This chapter will highlight the major findings of the study.

Besides this, bibliography on appendices is also included.

## CHAPTER II

### REVIEW OF LITERATURE

This chapter is related with review of literature dividing into two parts i.e. theoretical literature and empirical literature. Theoretical review provides concepts concerning the subject matter that are written on textbook on one hand. On the other hand, empirical review provides reviews the previous studies which are related to the subject matter of this study. Literature review begins with a search for a suitable topic and continuous throughout the duration of the research work.

#### 2.1 Theoretical Review

The theoretical review or conceptual review is also known as review of related textual literature i.e. books.

##### 2.1.1 Concept of Market

An actual or nominal place where forces of demand and supply operate, and where buyers and sellers interact (directly or through intermediaries) to trade goods, services, or contracts or instruments, for money or barter. Markets include mechanisms or means for (1) determining price of the traded item, (2) communicating the price information, (3) facilitating deals and transactions, and (4) effecting distribution.

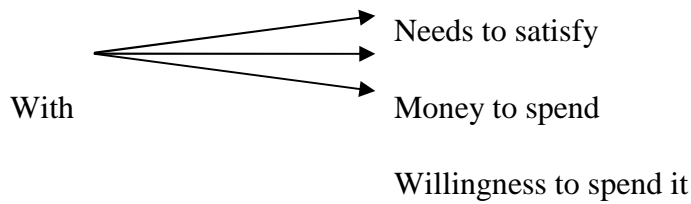
A market may be defined as a place where buyer and sellers meet, products or services are offered for sales, and transfers of ownership occur. The market is the arena for potential exchange. “Market is defined as people or organizations with wants to satisfy, money to spend, and the willingness to spend it” (Stanton, 1994: 25). “A market consists of all potential customers having a particular need or want who possess ability and willingness to engage in exchange to satisfy that need or want” (Kotler et al., 2017: 6).

In other words, there should be

- ) People or organization with needs or wants to satisfy
- ) Money to spend
- ) Willingness to spend through exchange



A market is people or organization:



### **2.1.2 Concept of Marketing**

The management process through which goods and services move from concept to the customer. It includes the coordination of four elements called the 4 P's of marketing: identification, selection and development of a product, determination of its price, selection of a distribution channel to reach the customer's place, and development and implementation of a promotional strategy.

For example, new Apple products are developed to include improved applications and systems, are set at different prices depending on how much capability the customer desires, and are sold in places where other Apple products are sold. In order to promote the device, the company featured its debut at tech events and is highly advertised on the web and on television (Koirala, 2017: 8).

Marketing is based on thinking about the business in terms of customer needs and their satisfaction. Marketing differs from selling because (in the words of Harvard Business School's retired professor of marketing Theodore C. Levitt) "Selling concerns itself with the tricks and techniques of getting people to exchange their cash for your product. It is not concerned with the values that the exchange is all about. And it does not, as marketing invariably does, view the entire business process as consisting of a tightly integrated effort to discover, create, arouse and satisfy customer needs." In other words, marketing has less to do with getting customers to pay for your product as it does developing a demand for that product and fulfilling the customer's needs.

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives (Peter, 1995: 55). This is a management oriented definition of marketing. It recognizes marketing as a process.

Today, as business has evolved, marketing has changed from sale orientation to broader customer orientation. Marketing includes sales, but encompasses much more. It is fundamental to the successful creation, distribution, promotion, and pricing of goods, services and ideas in all business and non-profit organizations.

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others (Stanton, 1994: 6).

Marketing can be defined in a simple manner as the activities done by the company to deliver the product from the place of production to the place of consumption. It means that marketing is the process of the transfer of ownership of the product in exchange of something of value.

Different authorities define marketing in different ways. "Marketing is the exchange taking place between consuming groups on the one hand and supplying groups on the other" (Alderson and Richard, 1975: 42).

Marketing is human activity directed at satisfying needs and wants through exchange processes (Kotler, 2000: 13). In light of the above definitions, it can be concluded that marketing is a process of delivering goods and services produced to satisfy the needs of consumers in an effective way so that the objectives of the producers are fulfilled. Marketing thus satisfies the objectives of the producers by making it possible to sell their products in the market on the one hand and helps consumers get the maximum satisfaction by providing goods and services for their consumption on the other.

### **2.1.3 Marketing System**

The social network that permits interaction between buyers and sellers. It includes all the rules and regulations, the reputations and credentials of the companies and individuals involved. The market system is where market players bid and ask. Auctions, rationing, black market and free market, real estate market, stock market and others are types of market systems.

A system is a set of units with relationship among them. Marketing is a total system of business activities designed to plan, price, promote and distribute wants satisfying

product to target market to achieve organizational objectives. The term "marketing system" consists of two separate words "marketing" and "system".

Marketing is a human activity directed at satisfying needs and wants through exchange processes. On the other, the term "system" means regularly interacting group of activities forming a unified whole. In other words, system means systematic or regular flow of any thing directed at fulfilling basic goals.

"Marketing system deals with the smooth functioning of the marketing activities for the fulfillment of the consumer needs and wants". If marketing fails to do so, then one must know that there is something wrong with the marketing organization. And in this situation no marketer can work successfully. So, the marketing manager must be able to analyze the marketing system in a systematic manner (Koirala, 2015: 15).

#### **2.1.4 Marketing Environment**

Marketing environment consists of forces that directly or indirectly influence the organization's marketing activities. Marketing receives various inputs from the environment in the form of personnel, financial resources, raw materials and information. Marketing provides various outputs to the environment in the form of goods, services, ideas, information. Marketing environment can be internal as well as external (Koirala, 2016: 16).

##### **Internal**

Internal environmental forces provide strengths and weaknesses. The Internal environment of marketing, located within the organization, is not easily controllable by the marketing manager, at least in the short-run. Organization should be able to anticipate and predict the changing forces in the environment. Internal environment consists of marketing activities, organization structure, organization resources, organizational objectives and organizational policies.

##### **External**

External environmental forces shape opportunities and threats. It is located outside the organization and is uncontrollable to a large extent. However, they can influence them and be influenced by them. External environment consists of political, legal, economic, technological, competitive, socio-cultural, demography and natural forces.

The importance of marketing environment to the management has been increasing these days than even before, because there are several opportunities and threats or challenges within the marketing environment, which should be, forecasted and rightly analyzed by the marketing manager to enjoy the opportunities. A successful marketer is one who can appropriately analyze these forces (Koirala, 2016: 55).

### **2.1.5 The Marketing Mix**

The marketing mix is a familiar marketing strategy tool, which you will probably know, was traditionally limited to the core 4Ps of Product, Price, Place and Promotion. It is one of the top 3 classic marketing models according to a poll on Smart Insights (Kotler et al., 2017: 55).

The 7Ps model was devised by E. Jerome McCarthy and published in 1960 in his book Basic Marketing. We've created the graphic below so you can see the key elements of the 7Ps marketing mix.

1. Product
2. Promotion
3. Price
4. Place
5. People
6. Process
7. Physical evidence

The 4Ps were designed at a time where businesses sold products, rather than services and the role of customer service in helping brand development wasn't so well known. Over time, Booms and Pitner added three extended 'service mix P's': Participants, Physical evidence and Processes, and later Participants was renamed People. Today, it's recommended that the full 7Ps of the marketing mix are considered when reviewing competitive strategies.

The 7Ps helps companies to review and define key issues that affect the marketing of its products and services and is often now referred to as the 7Ps framework for the digital marketing mix.

In Dave Chaffey's book: Digital Marketing: Strategy, Implementation and Practice, this model was refreshed and applied to online channels to give a practical approach

which works well for multichannel businesses. An eighth P, 'Partners' is often recommended for businesses to gain reach online (first mentioned in E-marketing Excellence by Dave Chaffey and PR Smith although some would argue it's part of Place) (Kotler et al., 2017: 56).

### **Use of this Model**

Companies can use the 7Ps model to set objectives, conduct a SWOT analysis and undertake competitive analysis. It's a practical framework to evaluate an existing business and work through appropriate approaches whilst evaluating the mix element as shown below and ask yourself the following questions:

- ) **Products/Services:** How can you develop your products or services?
- ) **Prices/Fees:** How can we change our pricing model?
- ) **Place/Access:** What new distribution options are there for customers to experience our product, e.g. online, in-store, mobile etc.
- ) **Promotion:** How can we add to or substitute the combination within paid, owned and earned media channels?
- ) **Physical Evidence:** How we reassure our customers, e.g. impressive buildings, well-trained staff, great website?
- ) **People:** Who are our people and are there skills gaps?
- ) **Partners:** Are we seeking new partners and managing existing partners well?.

### **An example of a company using the 7Ps strategy**

Take a look at HubSpot as an example, which was founded in 2006; Hubspot has 8,000+ customers in 56 countries and sells software. What does their marketing mix look like? (Koter et al., 2017: 55).

This is a top level overview; you would take this into greater detail and ask the following questions:

- ) **Products/Services:** Integrated toolset for SEO, blogging, social media, website, email and lead intelligence tools.
- ) **Prices/Fees:** Subscription-based monthly, Software-As-Service model based on number of contacts in database and number of users of the service.
- ) **Place/Access:** Online! Network of Partners, Country User Groups.

- ) **Promotion:** Directors speak at events, webinars, useful guides that are amplified by SEO and effective with SEO. PPC Social media advertising, e.g. LinkedIn.
- ) **Physical Evidence:** Consistent branding across communications.
- ) **Processes:** More sales staff are now involved in conversion.
- ) **People:** Investment in online services.
- ) **Partners:** Hubspot looks to form partnerships with major media companies such as Facebook and Google plus local partners including Smart Insights who it is collaborating with on research in Europe.

### 2.1.6 Marketing Strategies

A marketing strategy defines objectives and describes the way you are going to satisfy customers in your chosen markets. It does not have to be written down but it is easier to communicate to outsiders, like your bank manager or other investors, when it is.

A set of strategies found quite commonly in smaller businesses are growth strategies. One way to look at strategies to grow your business is through the way you will use products and markets or customers.

- ) **Current Product/Current Market:** Market penetration is a strategy of increasing your share of existing markets. You might achieve this by raising customers' awareness of your products and services or finding new customers. For further information on planning effective marketing communications see the Related Items section below for a link to the Factsheet: Planning marketing communications.
- ) **Current Product/New Market:** Market development is a strategy of finding and entering new markets with your current product or service range. The new market could be a new region, a new country or a new segment of the market. For further information on selecting and entering new markets see the Related Items section below for a link to the Factsheet: Entering new markets.

- J) **New Product/Current Market:** Product development is a strategy for enhancing benefits you deliver to customers by improving your existing products and services or developing new ones.
- J) **New Product/New Market:** Diversification is a strategy that usually carries high costs and high risks. It often requires firms to adopt new ways of doing business and so has consequences far beyond simply offering new products/services in a new market. It is therefore usually a strategy to be adopted when other options are not feasible.

### **Isn't this Just Business Strategy?**

The marketing strategy focuses on markets and customers and is just one part of business strategy. Business strategy takes a broader view that includes other business functions such as manufacturing and operations, finance, quality, purchasing and supply chain, and information and communication technology. For example, a business objective may be to increase sales. Marketing objectives to achieve this would be to reach new customers, promote repeat buying among existing customers and launch new products.

### **Is it the Same as the Marketing Mix?**

The marketing mix is an important part of the marketing strategy and consists of the marketing 'tools' you are going to use. But marketing strategy is more than the marketing mix.

The marketing strategy sets your marketing goals, defines your target markets and describes how you will go about positioning the business to achieve advantage over your competitors.

The marketing mix, which follows from your marketing strategy, is how you achieve that 'unique selling proposition' and deliver benefits to your customers.

### **What then is a Marketing Plan?**

When you have developed your marketing strategy, it is usually written down in a marketing plan. The plan usually goes further than the strategy, including detail such as budgets. You need to have a marketing strategy before you can write a marketing plan. Your marketing strategy may serve you well for a number of years but the

details, such as budgets for marketing activities, of the marketing plan may need to be updated every year.

### **What Information do I Need and Where Do I Get it?**

The key in marketing strategy is to understand and match the capabilities of your firm to the opportunities available in the market. You will therefore need a range of information such as:

- J **Market Data:** data about the size and growth rate of the market, who potential customers are, what they buy, when they buy, from whom and through whom do they buy, etc.
- J **Competitive Data:** data on who direct competitors are, their products, prices, etc. It also helps to identify indirect or potential competitors who may take you by surprise.
- J **Internal Data:** data within your business will help to assess the strengths and weaknesses of your product/service and its core capabilities.

Your business judgement will play a key part in deciding marketing objectives, target markets and suitable positioning strategies.

### **So What Should My Marketing Strategy Consist of?**

The constituent parts of a marketing strategy are based on a thorough and objective understanding of the current situation. They usually include:

- J **The Scope of the Business:** the customer groups you serve, the benefits they are seeking and which you deliver, and the technology you use. This may provide you with what some companies call a 'vision' or 'mission statement', a set of words explaining what your business is about and where it is going.
- J **Marketing Objectives:** eg. market share, sales or market share growth, market entry, increase awareness, etc.
- J **Target Segments and Positioning:** the specific customer groups or segments you are targeting and your business' position in those segments. For further information on segmenting and targeting customers see the Related Items



section below for a link to the Factsheet: Segmentation, targeting and positioning.

- J) **Marketing Mix:** the products, price, place (distribution) and promotion that you are using as 'marketing tools' to deliver benefits to your customers and beat competitors. Implementation: includes action plans, budgets, timescales and resources.

The best marketing strategy is not going to help if it you cannot implement it. When you have finished your marketing strategy, it is worth checking that you have the operational capacity and processes capable of fulfilling the extra orders, delivering on time and providing any extra services reliably and efficiently.

#### **2.1.6.1 Product Strategies**

For the target market, the product is the means to the end. More than just a physical object or a service, it is a provider of benefits –a way of directly satisfying existing or latent needs. The success of a product is contingent on how well it compares with the competitors' products in satisfying the target market's needs or wants. Firms that excel in products strategy develop and offer products designed specifically to solve the problems of their target markets.

ADBL provides two types of product (services) and Loan (Pezzullo, 1999).

#### **2.1.6.2 Pricing Strategies**

Selling a product at a price the target market sees as commensurate with the product's perceived benefits is the key to market success.

Initially banks were limited in their use of pricing strategies by regulations governing interest rates on deposits and loans. Only since the onset of deregulation, for example, has banks had the opportunity to select a deposit pricing strategy. Some banks choose to pay consistently high, top –of-market rates. Some sates their rates just under the markets leader, and still others set their rates at the lower end of the market, perhaps believing that their target market is less responsible to such factors as superior service. In addition to interest rates on loans and deposits, bank pricing consists of fees and charges levied for the performance of various services. In recent years, as non-interest expenses have increased, bank have paid increasing attention to fee

income. They are more likely than in the past to raise service fees or institute fees on service previously provided at no charge, such as ATM transactions. Some banks even charge certain customers for every deposit and withdrawal, whether made through an ATM or in the bank. For some time, banks have been marketing fee-based services, such as offering annuities and mutual funds, through a third party (Pezzullo, 1999).

### **2.1.6.3 Promotion Strategies**

Promotion strategies focus on communicating the availability of products or services to the target market. Advertising campaign, point of purchase materials, sales promotion activities, direct marketing and product publicity are the main elements of promotion. Personal selling generally is considered to be a part of promotion strategy, but due to its importance in providing and delivering bank services, this function is regarded in this text as part of distribution strategy.

The development and implementation of attention-getting, informative and persuasive communication techniques is vital to creating market awareness of a bank's product. A product's positive attributes, its price, and its means of distribution are meaningless unless the product's benefits are clearly and forcefully communicated to prospective customers.

Banks typically communicate with customers through print advertising in newspapers and magazines, broadcast advertising on radio and television, direct marketing through direct mail and statement inserts, and point of purchase advertisement through brochures and posters in the bank, now due to the increasing use of personal computers, and banks are also communicating with customers via pc banking programs and the internet. In addition, banks and other marketers still use a limited amount of sales promotion techniques such as special offers, giveaways, contests, and packaging incentives (Pezzullo, 1999).

### **2.1.6.4 Place (distribution) Strategies**

Distribution strategy is mainly concerned with making the product available at the desired time and place. A bank might have superior service and products, but if it is located where potential customers must pass by several others financial institutional to get to it, its ability to attract those customers will be greatly lessened. Accordingly,

two important elements of distribution strategy for banks are site location and ease of access. Furthermore, the current social environment places a heavy emphasis on time as well as convenience. As a result, many banks have joined nationwide automated-teller networks

To maximize the number of locations where customers can access their accounts. Many banks also provide telephone banking services and pc banking services that enable customers to perform transaction and make account inquiries 24 hours a day, 7 days a week.

Since banking products and services are largely intangible, they are often difficult to separate from the people who distribute them. This is especially true at the time the customer initiates the relationship with a bank, but it also applies to the day-to-day servicing of accounts. Although the use of technology has reduced contact with tellers, there will always be a need for personal customer service, whether it is in person or by phone. The growing implementation for customer-relations and sales training programs in banks reflects management's recognition of the importance of the human element in the bank's distribution strategy (Pezzullo, 1999).

### **2.1.7 Theory in Marketing Strategy**

In general, there are aspects to the strategy of firms, regardless of the level of the strategy: content, formulation process, and implementation. Strategy content (what the strategy is) refers to the specific relationships, offerings, timing, and pattern of resource deployment planned by a business in its quest for competitive advantage (e.g., generic strategy of cost leadership versus differentiation: push versus pull strategy). Strategy formulation process (how the strategy is arrived at) refers to the activities that a business engages in for determining the strategy content (e.g., market opportunity analysis, competitor analysis, decision making styles). Strategy implementation (how the strategy is carried out) refers to the actions initiated within the organization and in its relationship with external constituencies to realize the strategy (e.g., organization structure, coordination mechanisms, control systems).

The body of marketing literature termed as strategic market planning primarily focuses on the content of strategy and process of strategy formulation at the business

unit level and the corporate level, and the role of marketing in these spheres of organizational activity (Boyd Jr et al. 2001)

Firms initiate strategic actions to achieve competitive advantage. However, these actions are shaped and their outcomes influenced, by the external environment and internal environment of the firms. Institutional theory suggests that the actions of firms and the outcomes of these actions are influenced by the knowledge systems, beliefs, and rules that characterize the context of organization.

- ) The firm is embedded in a general environment comprising (a) the institutions that lay the guidelines to shape the behavior of firms and (b) macro-societal factors such as the prevailing culture.
- ) The firm is embedded in an industry environment that comprises the actors within an industry such as suppliers, customers, competitors and channel partners. The nature of the relationships among these industry stakeholders influences the actions that a firm can initiate in pursuit of competitive advantage.
- ) The firm has a internal environment that comprises its unique sets of skills and resources; collective beliefs about the market, competition, and industry (e.g., shared mental models; and culture).

Corporate strategy, business strategy, and functional strategies such as marketing strategy interact to shape the competitive advantage of individual business in a firm's portfolio. It is the confluence of these strategies that determines the extent to which a particular business is able to achieve and sustain a competitive advantage. This competitive advantage, in turn, affects the market-based performance and financial performance of the business.

There are certain theories derived in marketing. These strategies serve as an important tool in marketing process. The important theories in marketing strategy are explained below:

#### **a) Game Theory**

Game-theoretic models assume that firms are (hyper) rational utility maximizers, where rationality implies that they strive to achieve the most preferred of outcomes subject to the constraint that their rivals also behave in a similar fashion (zagare

1984). While there may be uncertainty regarding the expectations and actions of its rivals a rational firm is expected to overcome uncertainty by forming competitive conjectures, subjective probability estimates of rivals' expectations and behavior. In effect, game-theoretic models assume intelligent firms that can put themselves into the "shoes" of their rivals and reason on from their perspective (Chisnell, Peterm. 1997).

### **b) Signaling**

Competitive signals are "announcements or previews of potential actions intended to convey information or to gain information from competitors". Competitive behavior is often influenced by signals sent by competitors. Signaling could also place the firm that sends the signal at a disadvantage. For example, signals that provide competitors with advance information about the firm's intentions could hurt the competitive position of the firm, and the signals that are not followed through (cheap talk) could hurt the competitive reputation of the firm. Furthermore, signaling that is interpreted as predatory behavior may trigger antitrust review into the behavior of the firm.

### **c) Innovation**

Innovation and R&D for the long-term profitability of the firm is viewed as a process of "creative destruction" (through innovation that changes very nature of competitive advantage in the market) rather than as a condition leading to equilibrium. This argument is supported by the "Austrian" school of strategy (Jacobson 1992), which suggest that the business environment is inherently dynamic and therefore characterized by uncertainty and disequilibrium, The Austrian school views profits in such an environment as a consequence of discovery and innovation. Such discovery and innovation do not necessarily mean drastic changes of a discontinuous (Schumpeterian) nature alone. Rather, they span a continuum encompassing innovations with the potential to provide the firm with a differential advantage over its competitors (Jacobson 1992) such as reformulation of a product, developing new processes for manufacturing a present product, and developing new channels of distribution.

### **d) Product Quality**

The economic view of quality is "any aspect other than price that influences the demand curve of a product". Combining these two notions, quality can be construed as any non- price aspect of a product that signifies its superiority and causes a shift in

its demand curve. Ideally, a business would want to sustain a higher price as well as a higher market share but these two objectives may not always be compatible. That is, if the business were to follow a niching strategy by offering a high quality product at a high price targeted at a small market niche, it effectively excludes itself from the contest for market share dominance in the broader market.

The ability of a business to charge higher prices for higher quality is contingent on the ease with which consumers can determine the quality of the product. When quality is uncertain, consumers tend to use price as an indicator of quality. This suggests a bidirectional relationship between quality and price, in which perceived quality positively influences price under conditions of greater information availability, and price positively influences perceived quality under conditions of lower information availability.

#### **e) Market Share**

The structure-conduct-performance model posits a positive relationship between industry concentration and profitability. Evidence also suggests that relationship between market share and profitability is robust across different definitions of market share, different sampling frames, and controls for accounting method variation.

- ) The **quality explanation**. In markets beset by uncertainty and imperfect information about product performance, the high market share of a brand acts as a signal of superior quality to consumers. In such markets, consumers are likely to have greater confidence in high market share brands. This enables high market share brands to command a price premium over lower market share brands and thereby enhance their profitability.
- ) The **market power explanation**. Business with a high market share, by exercising their market power-the ability to command a price premium, lower costs by negotiating for more favorable terms (than their competitors are able to) with vendors and marketing intermediaries, and obtaining favorable shelf placements from retailers enhance their profitability.
- ) The **efficiency explanation**. The scale and experience effects associated with market share to lower costs and thereby enable a business with a high market share to earn higher profits than its competitors with a low market share.

- ) The **third-factor explanation**. A set of third set of factors (un-observables such as luck, uncertainty, or managerial insight) may play a crucial role in helping a business achieve a high market share as well as superior performance.

#### **f) Market Pioneering**

A market pioneer or first-mover refers to a business being either the first to introduce a new product, to employ a new process, or to enter a new market. Market pioneering advantage refers to the competitive advantage associated with being the first to enter a market

The **economic-analytical perspective**. According to this perspective, a market pioneer is able to achieve sustainable competitive advantage as a result of result of entry barriers.

The **behavioral perspective**. Behavioral theories typically explain pioneering advantage at the product or brand level in terms of the role of learning in consumer preference formation. This perspective suggests that a pioneer can shape the beliefs of consumers about ideal brand attributes and preferences in its favor.

#### **g) Market Orientation**

The marketing concept the normative philosophy that underlies modern marketing thought, suggests that to be successful, firms should determine customers' needs and wants, and satisfy them more effectively than their competitors do. Narver and Slater (1990) define market orientation from a cultural perspective as "the organization culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and thus, continuous superior performance for the business". Market orientation is conceptualized in terms of three dimensions: customers orientation, competitor orientation, and inter-functional coordination. Define market orientation from a behavioral perspective as "the organization wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization wide responsiveness to it" (Ferrel & Micheal 2011).

### **2.1.8 Strategic Marketing Planning**

Strategic marketing planning is the integral part of every organization. The process of strategic marketing planning can either be quite complex or relatively straight forward. Every marketers, whether small or large. struggle to meet the needs of their

customers while meeting their own business and marketing objectives. Sound marketing strategy is the foundation of a well-written marketing plan. While a marketing plan contains a list of actions, marketing plan without a sound strategic foundation is of little use. A marketing plan is a written document that provides the blueprint or outline of the organization's marketing activities, including the implementation, evaluation and control of those activities. The marketing plan serves a number of purposes. For one, the marketing plan clearly explains how the organization will achieve its goal and objectives. The aspect of marketing planning is vital not having goals and objective are useless. In this sense, the marketing plan serves as the "road map" for implementing the marketing strategy. It instructs employees as to their roles and functions in fulfilling the plan. It also provides specifics regarding the allocation of resources and includes the specific marketing tasks, responsibilities of individuals, and the timing of all marketing activities (Goet & Shah 2013).

The strategic marketing planning begins with broad decisions, then flows into more specific decisions as the process proceeds through subsequent planning stages. It involves establishing an organizational mission, corporate or business-unit strategy, marketing goals and objectives, marketing strategy, and ultimately a marketing plan. It is consistent with the organization's mission and corporate or business unit strategy. It establishes marketing-level goals and objectives that support the organization's mission, goals, and objectives. Strategic marketing planning develops a marketing strategy, which includes selecting and analyzing target markets and creating and maintaining an appropriate marketing program to satisfy the needs of customers in those target markets which ultimately results in a strategic market plan that outlines the activities and resources required to fulfill the organization's mission and achieve its goals and objectives. The strategic marketing planning must be coordinated with all functional business areas to ensure that the organization's goals and objectives will be considered in the development of each functional plan, one of which is the marketing plan. Every business units or level of management have their unique and vital role in the strategic marketing planning process (Koiral K.D. 1997).

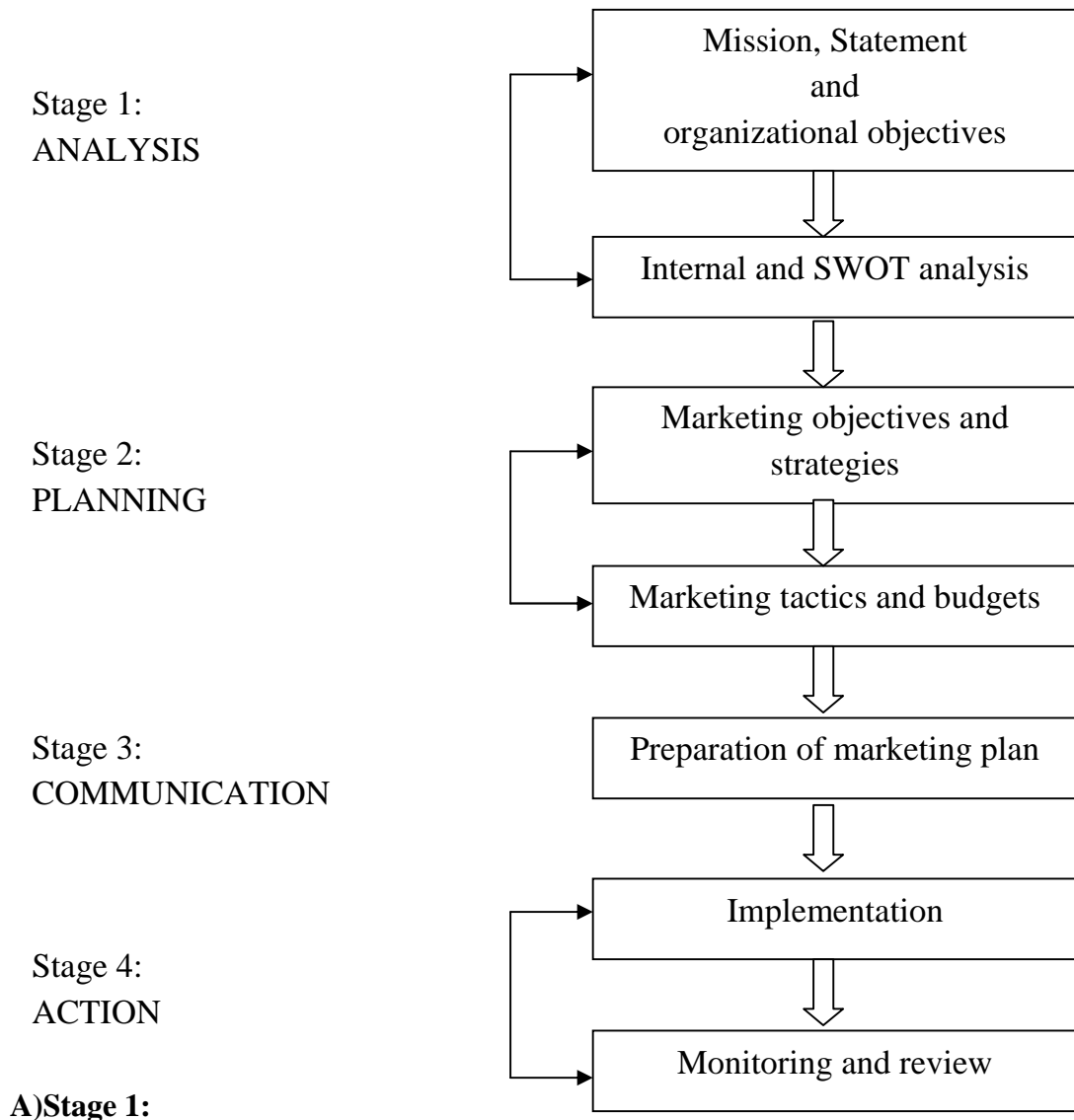
### **2.1.9 The Strategic Planning Process**

Strategic Marketing Planning is a time consuming process but is a vital part of each and every organizations. Preparation of marketing plans requires information that is available within the organization (e.g. sales data) and information that is external to the organization (e.g. demographic trends). Development of a marketing plan can be



approached in a variety of ways and is affected by the size of the organization, the number of products and services offered and the number and the size of the target market segments, etc. The strategic planning process can be divided into four stages i.e., analysis, planning, communication and action which can be explained with the help of following figures:-

**Figure: 2.1**  
**Strategic Planning Process**



In the first stage of strategic planning process, analysis of various factor is done. The marketer does the analysis of mission, statement and objectives of the organization. The situation analysis, industry analysis and SWOT analysis is also performed by the marketer.

## **1) Situation analysis**

A situation analysis, according to the American Marketing Association (AMA), is "the systematic collection and the study of past and the present data to identify trends, forces, and the conditions with the potential to influence the performance of the business and the choice of appropriate strategies." The situation analysis involves a thorough review of the industry, market and the competition.

### **Industry analysis:**

Understanding the industry, the history of that industry, its current challenges and the potential for future growth are critical inputs into the marketing planning process. The marketer does the analysis of the range of industries in which a company will operate. Some companies operate in only one industry, some in a set of related industries, some only in industrial goods, consumer goods, or services and some in any industry. The study of the status of that industry in the terms of its position in the marketplace is also performed by the marketer.

### **Market analysis:**

Market is the group of people who have purchased or are likely purchase the product or service offered. Markets are based on customer needs. Those needs are driven by both demographics and psychographics. Demographics, according to the AMA is: "The study of total size, sex territorial distribution, age, composition, and other characteristics of human population; the analysis of changes in the make-up of a population." Psychographic analysis, by contrast, is "a technique that investigates how people live, what interests them, and what they like; it is also called life style analysis because it relies on a number of statements about a person's activities, interests and opinions." By understanding the unique attributes of the market segments that are targeting based on both demographic and psychographic characteristics, marketer will be able to develop message that are meaningful, relevant and likely to impact behavior. In addition, careful analysis of the market helps the marketer to identify ways in which most likely to be able to connect with his target audiences through the use of specifically directed media. The more specifically a marketer can define the target market, the more effectively he can communicate value to that market.

**Competitive analysis:**

Competitive analysis involves looking at the competition-both direct and indirect. The analysis is designed to help the marketer determine how the organization is doing relative to its competitors, considering a number of factors including: sales and profit figures, price, product attributes, customer service attributes, market position, etc. The marketers needs to explore his competition's strengths and the weakness to determine how he positions his own products and services to compete most effectively.

**Internal analysis:**

In addition to looking at external environmental factor that impact the organization, the marketer also explores internal factors and gathers information relative to the existing products and services, their sales volumes, profitability, customer mix (who buys which products), data on customer complaints and customer perceptions etc. In the organization's product line managers, customer service departments heads, or others who can provide insights related to product/service demand, customer needs and perceptions. The marketer should give adequate time and attention to the situation analysis. It will provide him the information and background needed to make sound and appropriate decisions about the marketing mix elements that will drive the marketing activities.

**2) SWOT analysis:**

SWOT analysis (alternately SLOOT analysis) is a Strategic planning method used to evaluate the Strengths, Weakness/Limitations, Opportunities, and Threats involves in a business venture. It involves specifying the objective of the business venture and identifying the internal and external factors that are favorable and unfavorable to achieve that objective. The information gathered through the situation analysis process is used in the development of a SWOT analysis monitoring at the organization's marketing efforts and the strengths, weakness, opportunities and threats that are facing. 'Strength' refers to characteristics of business that give is and advantages over there. 'Weakness (or Limitations)' are characteristics that Place the business at a disadvantage relative to others. 'Opportunities' are external chances to improve performance (e.g. make greater profits) in the environment and 'threats' are external elements in the environment that could trouble for the business or project. The SWOT analysis can be a helpful starting point for the identification of

objectives/goals, strategies and tactics. The first step is to gather the appropriate people-organizational leaders as well as front line manager and staff who have direct knowledge and impact on marketing efforts, 'Marketing' is an organization-wide function, not just confined to what might be formally called the 'marketing department' in the organization. The marketer should focus on identifying the strengths, weakness, opportunities and threats of the organization relative to the marketing function from the broadest perspective-product, place, price and promotion.

### **B) Stage 2:**

In the second stage of strategic planning process, the marketer does the planning of various aspects. Planning is the process of thinking about and organizing the activities required to achieve a desired goal which involves the creation and maintenance of a plan. The marketer develops the quantifiable marketing goals or objectives, strategies or tactics to meet those objectives or goal and also address the budget resources needed.

### **Strategy and Goal**

A goal is what we want to achieve as an organization. It is specified in broad terms in a language in terms of some achievable outcomes or targets. It is like a place or destination. A strategy is the approach that we would like to take to achieve the specified goal. It is like a road that we would take to reach the destination. For example, one's goal might be to get promoted to a professor in 2 years. Then the strategy might include: (1) to publish a good number a of papers in prestigious journal; (2) to secure substantial funding from major sponsors; (3) to present keynote speeches at major internatila conference, etc.

### **1) Quantifiable objectives/goals:**

Once the opportunities and challenges of the organization have been identified, the next step is to develop objective/goal statements that indicate the 'end state' the marketer hope to achieve to address the opportunities and challenges that have been identified. It's critical that each of the objectives/goals has a specific, targeted 'end point'. While setting the goals, it should be considered where we are today and where we would be (specifically) so that we can focus on closing gap. The appropriateness of the objective/goal is evaluated on the basis of the acronym 'SMART'. The SMART acronym is used to develop goals that are most likely to achieve result-goals that are Specific, Measurable, Attainable, Realistic and Time Framed. Establishing SMART

objectives will help ensure that staff understands what's expected of them, that the expectations. An objective of achieving "more" can lead to frustration and the sense of chasing one's tail to achieve something that seems always beyond reach. SMART objectives, in addition, helps to ensure achievement of goals and also serves to increase employee satisfaction and morale. Moreover, the goals should be arranged hierarchically, from the most to the least important which helps the business to move from broad to specific objectives for specific departments and individuals.

## **2) Strategies and tactics to meet objectives/goals:**

Objectives/goals indicate what a business wants to achieve. The next step is to determine how to achieve those end points. This involves developing strategies and tactics. Strategy is a game plan for getting the end points. Strategies are broad statements of activity. Tactics are more specific statements of activity that are actionable. When identifying strategies and tactics, it is important to be realistic. There is probably a wide array of activities that could be undertaken to achieve the objectives, but those activities should not be hampered by budget and staff resources. Every business must design a strategy for achieving its goals, consisting of a marketing strategy, and a compatible technology strategy and sourcing strategy (Goal B.S. 1996).

## **3) Responsibility/accountability for completing strategy/tactics:**

Having a plan is a good start, assigning accountability for the accomplishment of that plan is critical. Unless specific areas of the organization and individuals within those areas recognize that they are being held responsible and accountable for completing specific tactics that drive the organization's ability to achieve the strategies and objectives, the organization will not be successful in achieving the marketing goals. Assigning responsibility involves more than simply putting department names or individuals names in the plan. The commitment from those departments or individuals for the completing of those responsibility and tasks should be obtained. This may involve discussion at the senior management level of the organization and negotiation between organizational leaders to gain agreement on where the company's human resources should be focused. It should also involve conversation with the department and individuals named ensure that they understand the expectation, realize the impact their involvement has on the achievement of the marketing plan objectives and are personally committed to helping to achieve those objectives.

## **4) Budgeting:**

In addition to identifying the people resources needed to achieve the marketing plan: it is also needed to address the budget resources needed. There are a couple of

different ways that organizations approach the marketing budget process and a certain amount of debate about which methods are most appropriate. One common method is to allocate marketing budget based on a percentage of revenue but critics of this approach suggest that it limits market potential. Another approach involves identifying what the competition spends on marketing and then matching or exceeding that amount. This method can be challenging because it's difficult to determine how much the competition is spending and there are other operational factors that impact those expenditures (distribution channels, for example). Zero-based budgeting is also an effective method. Basically, this involves starting from scratch and in looking at the identified objectives/goals, strategies in the marketing plan determining the budget that will be necessary to accomplish the plan (Dik. W. 1983).

The budgeting process clearly involves a combination of science and art. A combination of the above methods is most likely to achieve the best results. Identifying the cost associated with various aspects of marketing plan can provide the basis for a certain level of expenditures, as can a review of past marketing expenses and results. The development of creative materials is obviously an area that can involve huge costs depending on the size of market and the "production values" required to adequately convey the organization's desired market position. The marketing budget will be based primarily on the ability to justify expenditures that are required. The ability to provide objective data to support the effectiveness of the marketing efforts will also help to leverage the ability to receive approval for the marketing expenses budget.

### **Stage 3:**

In the third stage of strategic planning process, the marketing plans are prepared and communicated among the staffs. In order for a strategy to be implemented successfully, the organization must rely on the commitment and knowledge of its employees-its internal target market. After all, employees have a responsibility to perform the activities that will implement the strategy. For this reason, organizations often execute internal marketing activities designed to gain employee commitment and motivation to implement functional plans, It is an important task of the marketing manager to communicate with the staffs about the marketing plans that the company is going to implement. Since marketing involves the contribution from various departments and individuals in as organization, the single effort of marketing manager is not sufficient for this. Hence, this stage relates very much to the role of

the marketing manager and his or her skill at conveying a message. Ways of involving as many staffs as a possible in contributing to the process of setting objectives and drawing up plans, is an important aspect of securing willing, enthusiastic participation in their implementation. Poor communication can result in de-motivated staffs that are unwilling to help achieve desired objectives. Proper communication can also result in confusion and ignorance among the staffs due to which the plans or strategies cannot be implemented effectively and efficiently. While communicating with the staffs, it should be considered that there should be two way communication.

#### **Stage4:**

The fourth stage of strategic planning process is directed towards program formulation and implementation of marketing plans. This stage is also directed towards monitor and control of implemented plans.

#### **1) Program Formulation and Implementation**

Once the business unit has developed its principal strategies, it must work out detailed support programs. After these marketing programs have been tentatively formulated, the marketing people must estimate their costs. A great strategy can be interrupted by poor implementation. A clear strategy and well-thought-out supporting programs may be useless if the firm fails to implement them carefully. In implementing strategy, companies also must not lose sight of their multiple stakeholders and their needs. Unless the organization nurtures other stake holders-customers, employees, suppliers, distributors, the business may never earn sufficient profits for the stockholders. A company may aim to deliver satisfaction levels above the minimum for different stakeholders. There is a dynamic relationship connecting the stockholder groups. An elegant company creates a high level of employee satisfaction, which leads to higher effort, which leads to higher quality products and services, which create higher customer satisfaction, which leads to more repeat business, which leads to higher growth and profits, which leads to high stockholder satisfaction, which leads to more investment and so on.

## 2) Monitoring and review/control

Organizations design the evaluation and control phase of strategic planning to keep planned activities on target with goals and objectives. As it implements its strategy, the firm needs to track the result and the monitor new developments in the internal and external environments. Some environments are fairly stable from year to year. Other environments evolve slowly in a fairly predictable way. Still other environments change rapidly in significant and unpredictable ways. Nonetheless the company can count on one thing: The marketplace will change. And when it does, the company will need to review and revise its implementation, programs, strategies, or even objectives. A company's strategic fit with the environment will inevitably erode because the market environment is quite dynamic in nature. Thus a company might remain efficient while it loses effectiveness. According to Peter Drucker, "it is more important to 'do the right thing' (effectiveness) than 'to do things right' (efficiency). The most successful companies excel at both." Budgeted goals and activities provide direction to the organization in terms of identifying things that are being done and things that need to be done. By comparing actual and planned results, the marketing team can ensure that it's on course to meet its objectives and can quickly act to make changes in the plan as evidence suggests that changes need to be made.

Marketing plans are not always effective. A variety of factors impact the ability of an organization to effectively implement the marketing plans. Many of these factors are avoidable. Ken Gaebler has pointed out several points for the failure of marketing plans which are listed below:-

- ) **No Written Marketing Plan.** A marketer should write down the marketing plan that he is going to implement. Unless the marketing plans are stated properly, the marketer cannot work on it.
- ) **Goals Are Poorly Defined.** Every good plan starts with goal definition. If the marketer didn't define the goals for the plan, there's no point in preparing a marketing plan. He should make sure that marketing goals are aligned with the business plan and with key business objectives.



- ) **Unattainable Goals.** Nothing is worse than working a plan where the goals are not even possible. The marketer should set realistic marketing goals that can be achieved if the marketing plan is executed well.
- ) **No Buy-In.** Everybody in the company executes a marketing plan. As such, the plan needs to be created with buy-in from key employees who ultimately will own the execution of the plan. Getting buy-in starts with effective marketing planning and strategy conversations.
- ) **No Clear Responsibilities or Accountability.** The great marketing plans may fail because tasks are not assigned to individuals and there is no accountability. The market should assure to define who is doing what when as part of his marketing plan.
- ) **Wrong People Working the Plan.** Even the best laid plans fail if the people who are in charge of execution don't have the skills and attributes needed for successful plan implementation.
- ) **No Discipline to Execute the Plan.** Some organizations talk a good game on planning but the lack the discipline required to implement a plan.
- ) **Lack of Performance Consequences.** In order for marketing a plan to be executed successfully, the marketer needs motivate his team positively.
- ) **Lack of Time or Lack of Money.** Nothing is more frustrating than writing a marketing plan and then finding out that there's no budget to cover it and everybody's too busy to execute the plan. The marketer should be sure to get consensus on his marketing budget and available resources before finalizing the plan.
- ) **Changing Market Conditions.** The last reason that marketing plans can fail is the only one that's outside the control. If there are fundamental shifts in the market, the plan may not work. For this reason, it's good to revisit the marketing plan frequently during the year to see if it needs to be updated based on changing marketing conditions.

### **2.1.10 SWOT Analysis of DDC**

SWOT analysis is a tool for auditing an organization and its environment. SWOT analysis is the vital stage of planning which helps marketers to focus on key issues. SWOT stands for strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are internal SWOT factors. Opportunities and threats are external SWOT factors. Like other institutions, DDC also has some strengths, weakness, opportunities and threats which are mentioned below:

#### **Strength**

- ) DDC is run by experts and professionals who have a strong track record in the related fields.
- ) DDC has been providing wide range of milk products to its customers based on their needs, demands and nature.
- ) DDC has been providing service through its nine branches networks including its main office. The location of the branches are in the suitable areas in business point of view.
- ) DDC has been providing qualitative services with the use of various modern technologies to its customers. The services provided by the DDC are directed towards customer satisfaction.
- ) DDC has been technically or financially supported by government.

#### **Weakness**

- ) The DDC has not focused much on advertising and marketing aspects.
- ) The coverage of the DDC and its branches is relatively low with few branches inside the Kathmandu valley and outside the valley.
- ) DDC is suffering from the problem of over staff and political pressure

#### **Opportunity**

- ) The market of the DDC is in increasing trend. The faith and trust of people upon the DDC has been increasing. Due to this, the number of customers are increasing day by day.

#### **Threats**

- ) With the increases in competitors providing similar types of products and services in the market, there has been increases in competition in the market.

- ) There has been increases in price. There has been increases in wars with competitors.
- ) The economic condition of the country is poor with negative growth in industrial sectors. The country is also facing higher political instability.

## **2.2 Review of Previous Studies**

Review of literature comprises of previous research study articles concerned with the study and other studies with a view for supplement the present research and such review adds to the dimensions of the study. In order to conceptualize the issue of research of activities help to identify the research problem as well as to determine the methodology for the study. It also avoids unintentional replication of previous studies.

For this study, relevant literatures have been reviewed from books, journals, magazines, published and unpublished articles and so on. Reports of previous research and dissertation works have also been reviewed during the study. Relevant literatures are also cited from related web sites. Libraries and online libraries including encyclopedias are frequently visited for this purpose. This chapter presents an outline of the literature reviewed during the study.

**Bhatta (2014)** in his thesis entitled "*Sales Promotion and its effect on Sales: A case Study of Beer Market of Nepal*" has mentioned that impact of sales promotion on sales of Beer. The researcher has explained the mode of sales promotion acceptable by the Nepalese consumers and the mode used by the manufactures as sales promotion tools. The researcher has also find out the most suitable media used for sales promotion and has also evaluated the effectiveness of sales promotional activities in the sales of beers in Nepal. Thus, this study specially dealt with most recent and widely used methods of promotion sales promotion and its impact on product.

**Dhakal (2015)** in his study entitled "*A comparative study of Financial performance of Private Sector Banks in Nepal especially of Nabil Bank Ltd. and Nepal Investment Bank Ltd.*" Concludes that the banks with a successful track and a strong capital base along with adequate reserves have helped the banks in creating trust among the common public which has lead to their growth and higher profits. Both the banks are

found to be efficient in utilizing most of their total assets by minimizing their operational expenses, mobilizing resources more efficiently and extending their banking facilities to the rural areas. The trust and service that has been created through their customized banking services and access to the major areas of Nepal has led to increases in customers banking with them. The Banking services and stratifications level among the customers have also been satisfactory till date.

**Dahal (2016)** in his study of *"A Report Study on Performance Evaluation of Chaudhary Group for customer satisfaction in instant noodle"* has made remarkable efforts for evaluating Chaudhary Group on the customer satisfaction in instant noodles. He focused on customer satisfaction specially noodles products produced by Chaudhary Group. Dahal focused on his report writing that customer is the king of market and product should be produced according to test and want of customer and then only company can earn profit in competitive market. Goods should be produced as per above provision and after sale service should be provided and lastly the customers feedback about the sold product should be responded. Finally, he recommended that the company should focus on customer test and satisfaction rather than prizes and schemes, expand its new market area and expand its product line with the test and want of customer.

**Khatiwada (2017)** in her study entitled *"Internship Project Report on Marketing Strategies of Nepal Credit and Commerce Bank"*.has indicated that NCC Banks marketing strategies are mainly directly towards customers need's satisfaction. The bank has offered a variety of innovative products and services in the market with the help of new technology. As a consequence of competition the challenge of the bank includes market segmentation product positioning and innovative delivery channels, cross selling etc.

So from the review of above study very few research has done research entitled marketing strategy of DDC. So this research could be helpful to further research to planners related diary products.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

Research Methodology is the systematic way to solve the research problem. Research methodology refers to the sequential approach of the research where various steps are followed in order to conduct the study. Research Methodology is a way to systematically solve the research problem.

#### **3.1 Research Design**

Research design refers to the entire process of planning and carrying out a research study. The research design in this thesis is descriptive. Descriptive research includes surveys and fact findings inquires of different kinds. For this study, descriptive research design is used where the data is collected through the questionnaire. The information is gathered from the different customers of the DDC in order to obtain and analyze the marketing effectiveness of the DDC. To achieve the objective of the study, descriptive and analytical research design has also been used.

DDC were randomly selected in order to seek fair and frank responses on effectiveness of marketing strategies of the DDC. Researcher has chosen the customer of the DDC in order to make the research more effective and relevant. To achieve the objective of the study descriptive and analytical research design has been used.

#### **3.2 Population and Sampling**

The research work is related with marketing strategies of dairy development corporation. So the total present number of public enterprises in Nepal is the population of this study. Due to various constraints, like time, resources, etc the researcher has conveniently selected only one PE for the purpose of the research work, which is DDC. Only 180 customers of DDC were interviewed as sampled for study purpose.

#### **3.3 Nature and Sources of Data**

Data are collected from two sources. They are primary and secondary sources. The data presented here are both primary and secondary types. Primary data includes questionnaire, personal interview with the respondent and consultation with

concerned staffs and customers which are made for the reliability and practicality of the data by making different types of questions i.e. open ended ended, yes/no, choosing the best one to sampling method around 180 customers. Personal experience of the researcher during the work period was also a source of primary data. The opinion and general conception as per the researchers observation and academic knowledge has also the instrumental role in obtaining data.

Although the research is based on the primary data collected the secondary data obtained from various sources are also used in the interpretation purpose. Formal and informal talks with the concerned authorities of the DDC were also helpful to obtain the additional information of the related problem. Likewise, various data and information are collected from the official website of report, different brochures and leaflets published DDC customer service department record. Strategy department record of the DDC, economic journals periodicals, bulletins, magazines and other published and unpublished reports and documents from various sources.

### 3.4 Analysis of Data

For the purpose for the study of the data that has been collected, various statistical tools have been used to achieve the objective of the study. The following tools shall analyze the presented data.

#### 3.4.1 Simple Percent Tools

$$\text{Simple Percent Tools} = \frac{\text{Customer Type}}{\text{Total No of Respondent s}} | 100$$

#### 3.4.2 t<sup>2</sup> test

O= Observed Value

E=Expected Value

Degree of freedom (n-1) = 4-1=3

**Level of significance (r ) =5%=0.05**

$$\text{Test of Statistics} = \chi^2 = \frac{(O-E)^2}{E} = 34.46$$

## CHAPTER IV

### DATA PRESENTATION AND ANALYSIS

In the earlier chapters, general background and research methodology have been highlighted for the purpose of this study. Now it comes to the most important component of the study, which deals to the analysis of marketing strategies of DDC. This chapter analyses the various data of DDC which are used in studying the effectiveness of marketing strategies implemented by DDC. Basically, primary data collected through questionnaire has been used for the purpose. Different diagrams or charts have been shown for the clarification of the presented data.

#### 4.1 Data Analysis

The primary data is collected through questionnaire from 180 customers. The questions are basically focused to the services offered to the customers and the level of customer satisfaction, which is the major part of the marketing strategy of the DDC. The responses of the respondents have been shown in the table here under:

##### 4.1.1 Gender of the respondents

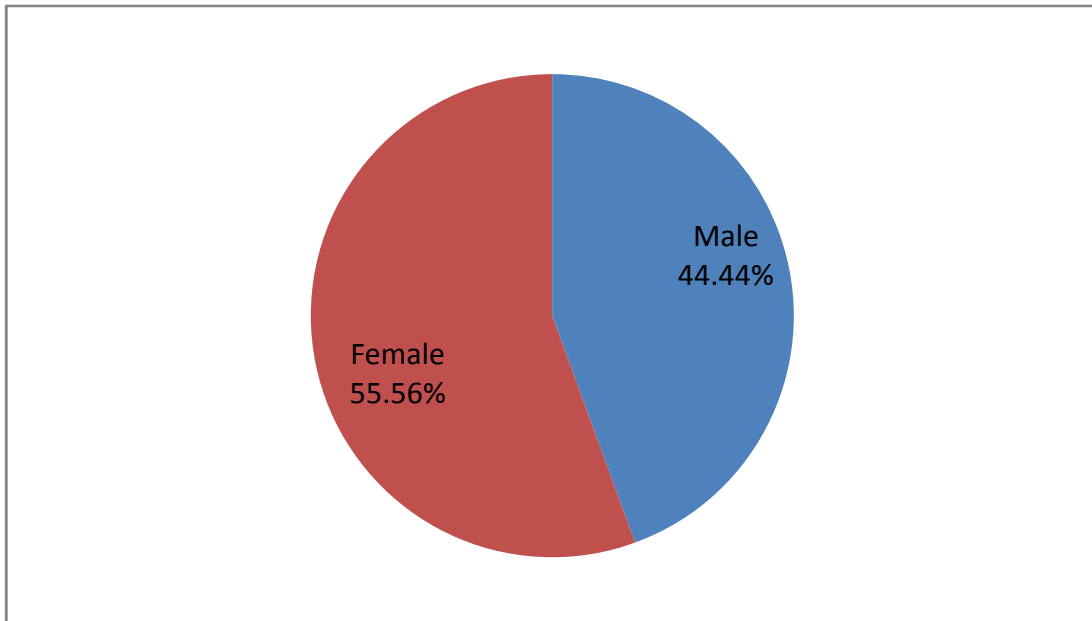
Total 180 respondents participate in the questionnaire survey. The sex wise distribution of the respondents is an under:

**Table 4.1**  
**Sex-wise Distribution of Respondents**

Gender	Respondents	Percentage
Male	80	44.44
Female	100	55.56
Total	180	-

*Source: Sample design.*

**Figure 4.1**  
**Sex-wise Distribution of Respondents**



Total 180 respondents participated in the questionnaire survey. It includes 80 male and 100 female which occupied 44.44% and 55.56% respectively. The gender of respondents is different. It reflects that the analysis on the questionnaire data can represent each gender's opinions.

#### **4.1.2 Occupation of the respondents**

The occupation of the respondents participating in the research was as under:

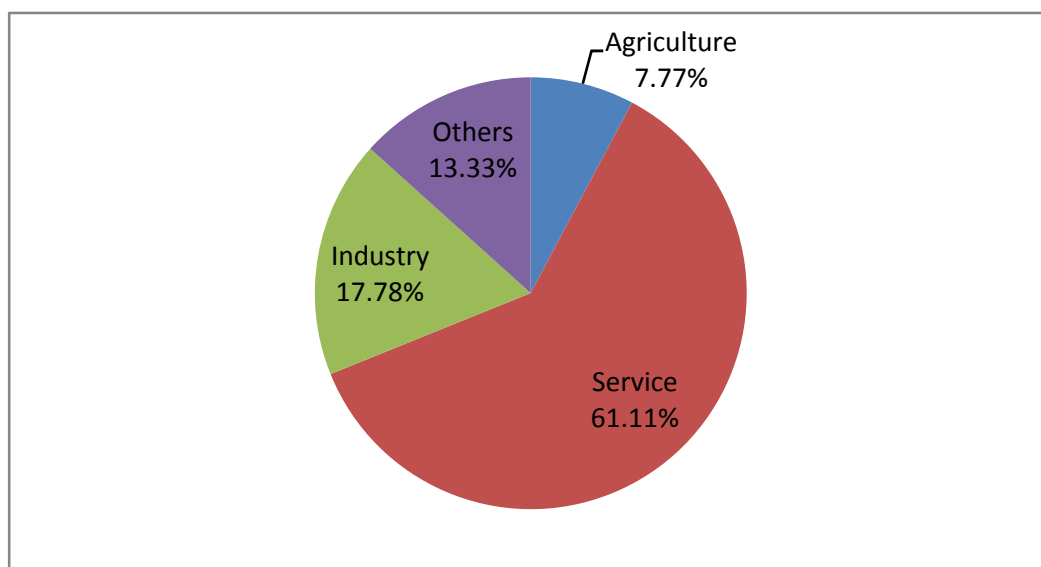
**Table 4.2**  
**Occupation of Respondents**

Occupation (Sector)	Number of Respondents	Percentage
Agriculture	14	7.77
Service	110	61.11
Industry	32	17.78
Others	24	13.33
Total	180	100.00

*Source: Opinion survey, 2019.*



**Figure 4.2**  
**Occupation of Respondents**



The above table or figure shows that majority of the participants were from service sector. Although most of the people in Nepal are engaged in agriculture only 7.77% of the participants in this research were engaged in Agriculture sector. Higher number of respondents are from service sector which constitutes 61.11 percent. Similarly, 17.78% of the participants were from industry sector and remaining 13.33% were from other sectors.

#### **4.1.3 Information about the DDC**

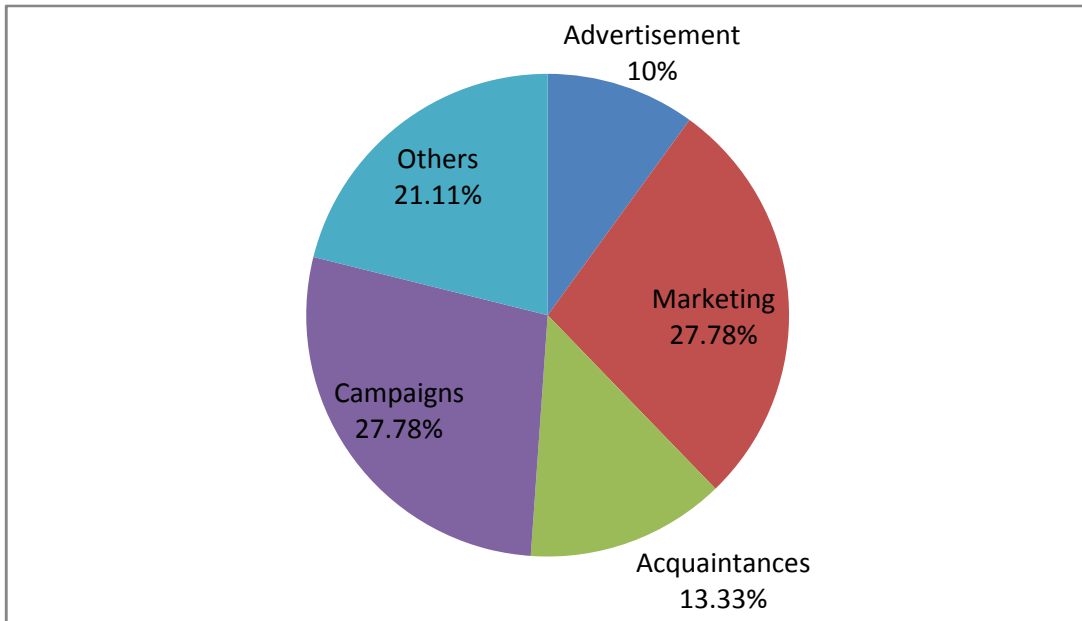
During the research, respondents were asked about how did they first know about DDC and following was the response:

**Table 4.3**  
**Reason of Familiarity to DDC**

Reason of familiarity to DDC	No. of Respondents	Percentage (%)
Advertisement	18	10.00
Marketing	50	27.78
Acquaintances	24	13.33
Campaigns	50	27.78
Others	38	21.11
Total	180	100.00

*Source: Opinion survey, 2019.*

**Figure 4.3**  
**Reason of Familiarity of DDC**



Since only the customer of the DDC were included in the survey, every respondents were familiar to DDC. Most of them i.e. 27.78% were familiar about the DDC and its products through the direct marketing 27.78% of the respondents were aware about the DDC and its products through various campaigns conducted by the DDC 13.33% of respondents were aware through their relatives or friends who have used DDC products. Only 10% of the respondents were aware through the various types of advertisements of the DDC 21.11% of the respondents were aware about the DDC through other reasons rather than these. The reasons behind choosing DDC among other milk products were good quality and services and affordable price. Hence we found that advertising condition is satisfactory.

#### **4.1.4 Products Types**

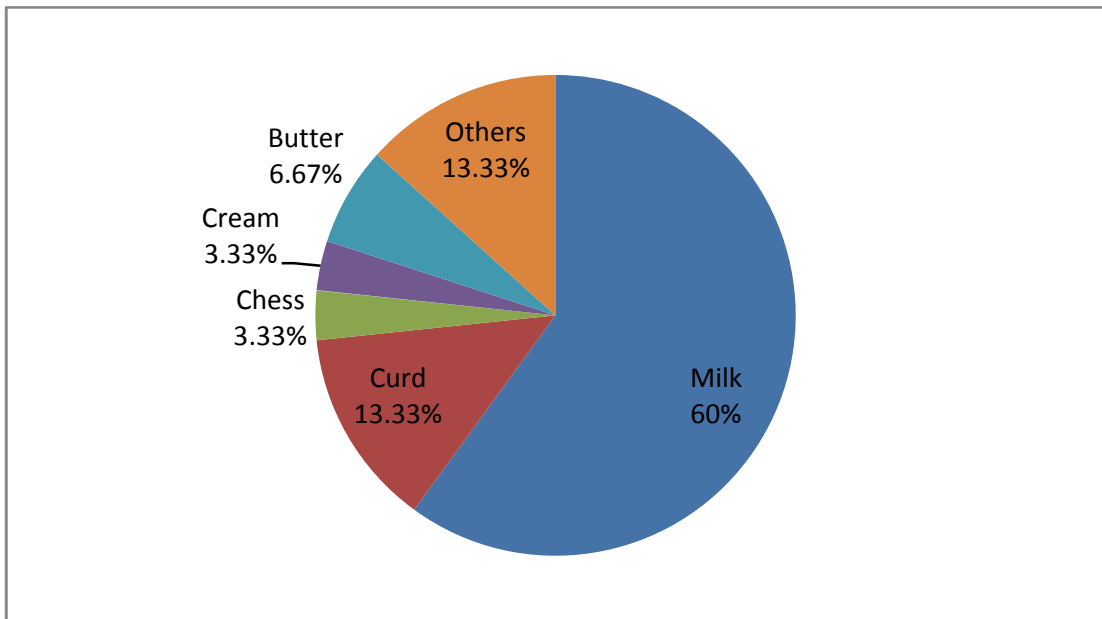
During research following were the types of products maintained by the participants:

**Table 4.4**  
**Types of Products**

Products Types	Number of Customers	Percentage
Milk	108	60.00
Curd	24	13.33
Chess	6	3.33
Cream	6	3.33
Butter	12	6.67
Others	24	13.33
Total	180	

*Source: Opinion survey, 2019.*

**Figure 4.4**  
**Types of Products**



The above table and figure show that out of 180 respondents chosen for this study, 60% customers were using milk, 13.33% participants were using curd, 3.33% were using cheese, 3.33% participants were using cream 6.67% using butter and remaining 13.33% using other. Similarly, during the research, it was also found that out of 180 respondents. 108 of them are interested to use milk. Hence we conclude that DDC should attract those customer who are using other than milk.

### 4.1.5 Diversity of DDC Products

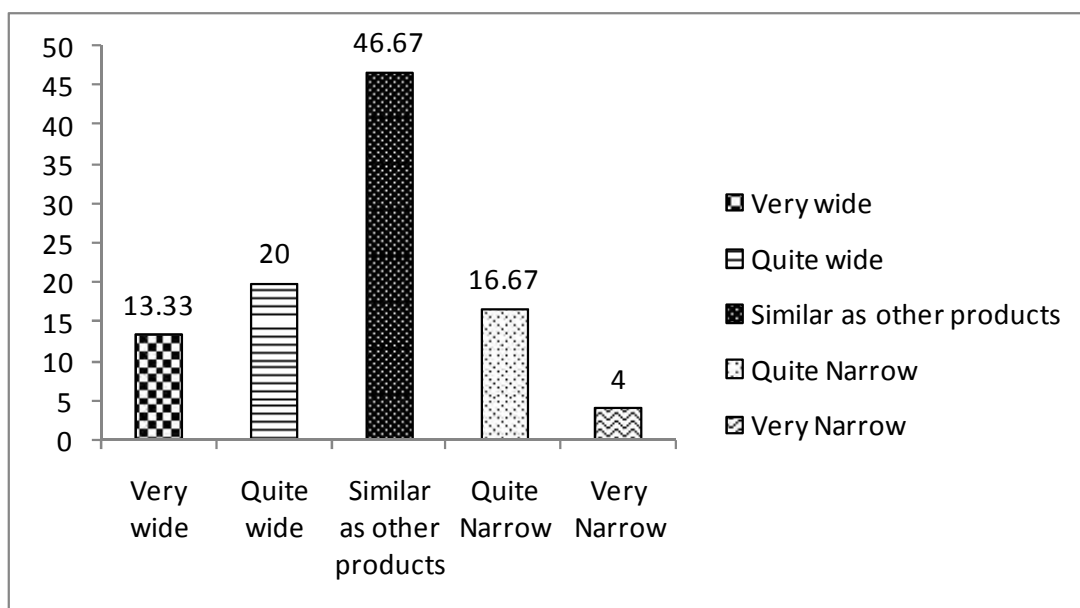
The following response of the respondents was observed during the survey while asking about the diversity of DDC products:

**Table 4.5**  
**Diversity of DDC Products**

Diversity of Product	Respondents	Percentage
Very wide	24	13.33%
Quite wide	36	20.00%
Similar as other products	84	46.67%
Quite narrow	29	16.00%
Very narrow	7	4.00%
Total	180	

Source: Opinion survey, 2019.

**Figure 4.5**  
**Diversity of DDC Products**



Above figure and table show that 46.67% respondents believe that the products of DDC are similar to other products while 4% of them believe that diversity of products of DDC is very narrow. 13% of the respondents believe that DDC has very wide product diversity while 20% believe that DDC has quite wide product diversification. During face to face questionnaire distribution, we collected some comments by

communicating with respondents. Most respondents though dairy products and more product diversity as compared to other sector. However, most of them believe that in the comparison with other milk products compares DDC has wide product diversity. We found that most of customer are felling DDC products are similar as other products.

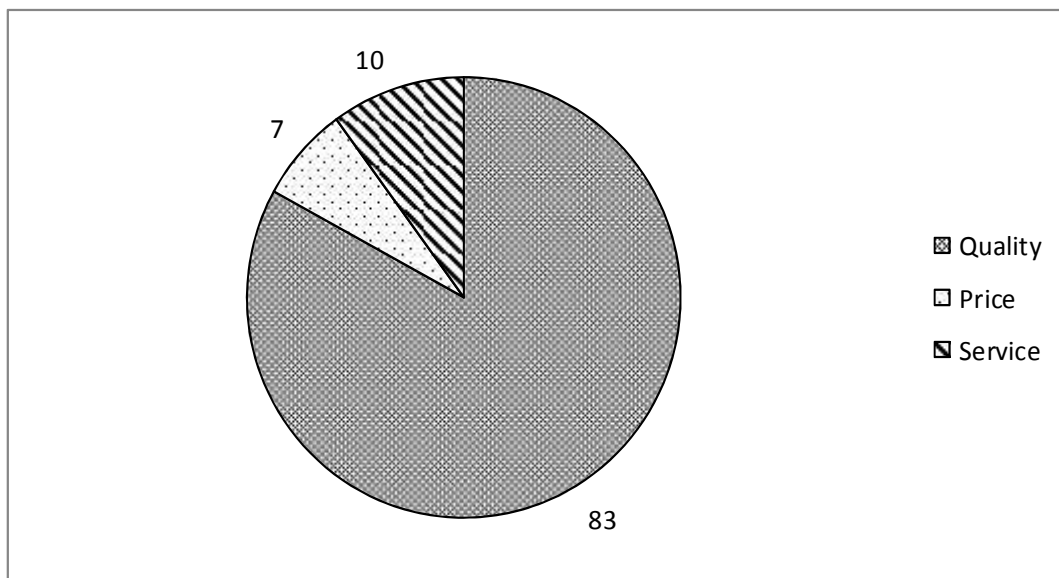
#### 4.1.6 Customer Response of DDC

**Table 4.6**  
**Dairy Products**

Option	No. of Customer	Percentage
Quality	149	83
Price	18	10
Service	13	7
Total	180	100

Source: *Opinion survey, 2019.*

**Figure 4.6**  
**Dairy Products**



The above table and figure show that most of customers are using DDC products for quality. It is around 83% only 10%, 7% customers are using DDC for price and service. We found that most of customer are using DDC products for quality.

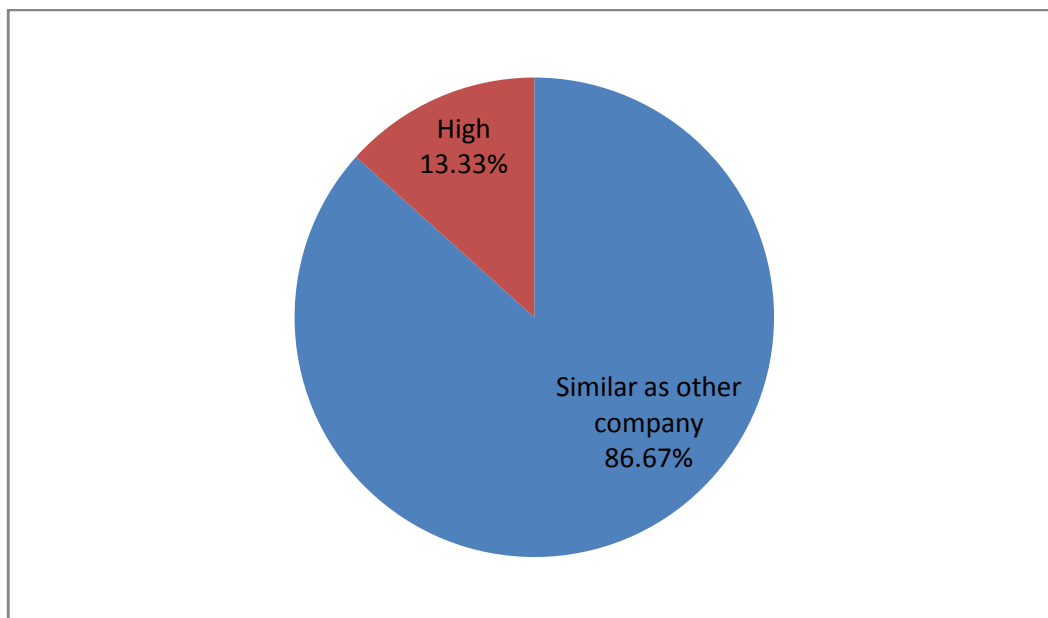
#### 4.1.7 Pricing of DDC Products

**Table 4.7**  
**Price of DDC**

Price of DDC	No. of customer	Percentage
Low	Nil	-
Similar as other company	156	86.67
High	24	13.33
Total	180	100.00

*Source: Opinion survey, 2019.*

**Figure 4.7**  
**Price of DDC**



The above table and figure shows that price of DDC is similar as the company. Among 180 participants, 156 customer agree with similar price as other company 24 customers agree high price of DDC products. No one agree with low price of DDC products. We conclude that DDC is not using low price strategy.

#### 4.1.8 Services Provided by DDC

Respondents were asked about the various services provided by DDC. They were also asked whether they were satisfied by those services. While asking about the services provided by DDC the feedbacks of respondents were as under:

#### 4.1.8.1 Customer Services

Respondents were asked about the customer service provided by DDC. They were asked whether they are satisfied with the customer service of DDC their answer was as under:

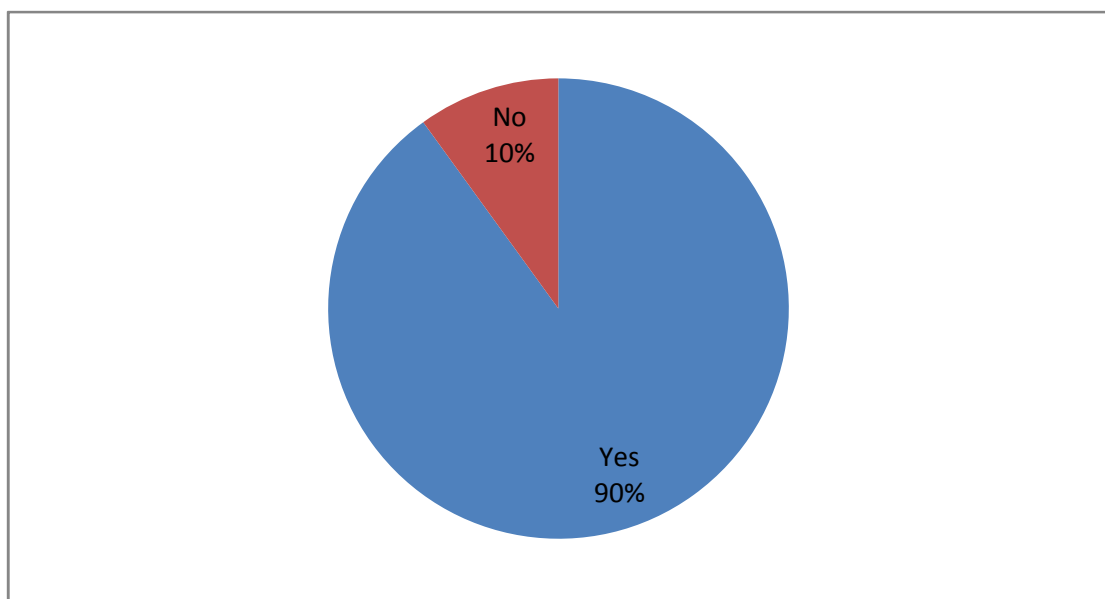
**Table 4.8**  
**Customer Satisfaction at DDC**

Are you satisfied with customer service of DDC	No. of Respondents	Percentage
Yes	162	90
No	18	10
Total	180	100

*Source: Opinion survey, 2019.*

Out of 180 respondents, 162 customers were satisfied with the customer service provided by DDC. 18 of the respondents were not satisfied with the customer service of DDC. The respondents were further asked about whether DDC offers effective and good customer services. Their response is given in the figure below:

**Figure 4.8**  
**Customer Satisfaction of DDC**



Above figure shows that 180 respondent, 162 satisfied with service. Among them 18 respondents are not satisfied with service of DDC. We conclude that still some customers are not satisfied.

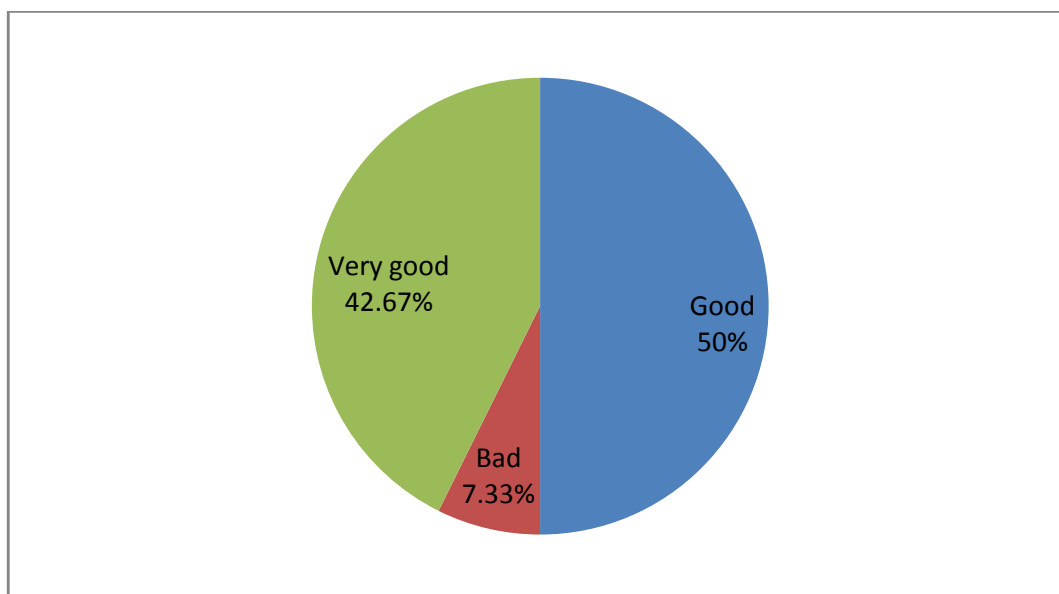
#### 4.1.8.2 Nature of DDC Staff

**Table 4.9**  
**Nature of DDC Staff**

Nature	No. of Customer	Percentage
Good	90	50.00
Bad	13	7.33
Very good	77	42.67
Total	180	100.00

Source: Opinion survey, 2019.

**Figure 4.9**  
**Nature of DDC Staff**



The above figure 4.8 shows that majority of the respondents, i.e. 50% thought that DDC staffs were good and helpful. They were pleased by the help and cooperation of DDC staffs. 42.67% of the respondents were delighted by the support of DDC staffs so that they thought DDC staffs are very good. Mean while 7.33% of the respondents thought DDC staffs are bad. These were the same respondents who are unsatisfied by the service of DDC. They thought DDC staffs are unsupportive and they lack professional etiquette. We conclude that DDC should improve nature of staff.



### 4.1.8.3 Quality of DDC

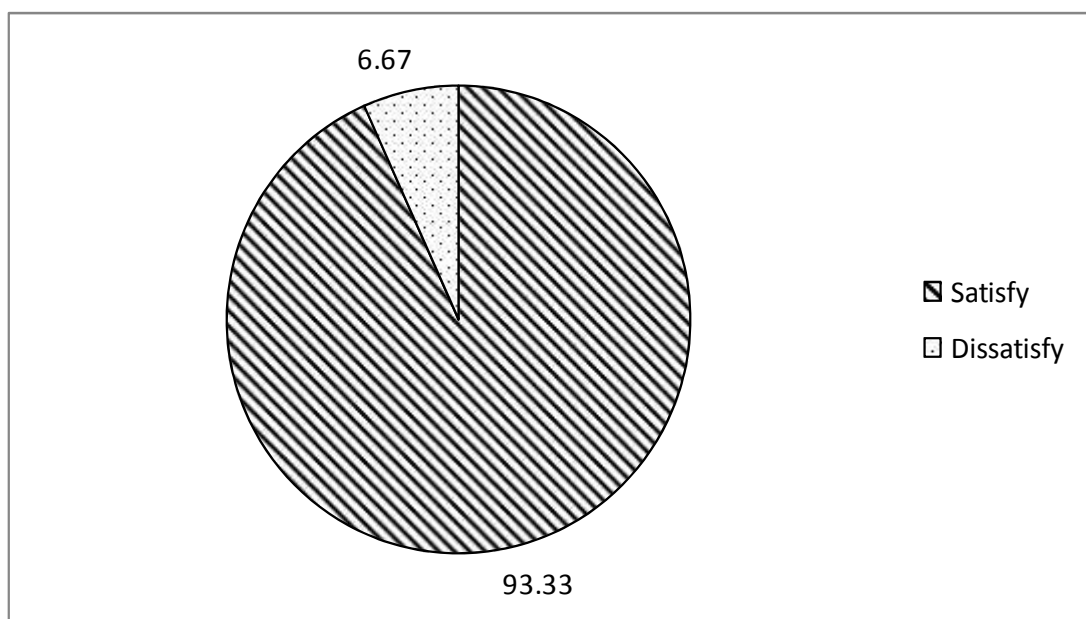
Out of 180 respondents 168 of them have statistical with quality of DDC. It is providing us better products than the dairy products. When asked about the quality of DDC following was the response.

**Table 4.11**  
**Quality of DDC**

Frequency	No. of respondents	Percentage
Satisfy	168	93.33
Dissatisfy	12	6.67
Total	180	100.00

*Source: Opinion survey, 2019.*

**Figure 4.10**  
**Quality of DDC**



The above figure and table shows that about 93.33% of the customers satisfied with quality of DDC. But 6.67% of customer are dissatisfied of quality of DDC.

### 4.1.9 Customers Buying Different Types of Products

To know about the types of products customers buying from DDC, the researcher put the question to the respondent's as "What types of products have you been buying." The following series of tables represent the response.

**Table 4.12**  
**Customers Buying Different Types of Products**

Particular	No. of Respondents	Percentage
Milk and Curd	40	22.22
Cheese and Cream	60	33.33
Butter	65	36.11
Others	15	8.33
Total	180	100.00

*Source: Opinion survey, 2019.*

Above table shows that among the respondent 36.11 percent are buying butter, 33.33 percent buying cheese and cream, and 22.22 percent are buying milk and curd, and 8.33 percent are buying other products.

Since the calculated value of  $\chi^2$  cal (34.46) is greater than the tabulated value of  $\chi^2$  tab(7.82) at 5 percent level of significance for 3 degree of freedom, so null hypothesis is rejected and alternative hypothesis is accepted (Appendix 1).

Hence, we conclude that there is significance relation between the price and products which is the outcome that product strategy is successfully implemented in DDC.

### 4.1.10 Pricing Strategies

Price rate in products, commission and other charges are known as price. To know about the pricing of DDC, the researcher has put two questions among the respondent; what are the rate on different types of products of DDC? Do you find that the rate of DDC is competitive in comparison to other dairy products?

**Table 4.13**  
**Customer's Response in Rates of DDC**

Particular	No. of respondents	Percentage
Very high	5	2.78
High	15	8.33
Moderate	60	33.33
Low	10	5.56
Just like others	90	50.00
Total	180	100.00

*Source: Opinion survey, 2019.*

About 50 percent of the respondent felt that the pricing of DDC is just like other dairy products and more than 33 percent perceived it as moderate and very few i.e. 2.78 percent felt it very high. As per the above table, the research can conclude that customers are perceiving the pricing policy of DDC is satisfactory level.

#### **4.1.11 Promotional Strategies**

In the formulation of marketing strategy the DDC professionals are also involved in the promotion mix in which different components of promotion such as advertising, publicity, sales promotion, word-of-mouth promotion, personal selling and telemarketing are given due weightage. The different components of promotion help DDC professionals in promotion the dairy business. To know about the impact of promotional activities for implementing marketing strategy for products policy of DDC, the researcher put the question to respondent i.e. How do you know about DDC's products scheme?

**Table 4.14**  
**Promotional Tools of DDC**

Promotion Variables	No. of respondents	Percentage
Direct marketing (Public relationship)	85	47.22
Advertising	35	19.44
Sales promotion activities	20	11.11
Point-of-purchase materials	12	6.67
Product publicity	18	10.00
Others	10	5.56
Total	180	100.00

*Source: Opinion survey, 2019.*

Above table depicts that more around 47 percent respondents have known about the products of DDC through direct marketing. Similarly, different media of advertisement are effective to attract the customers toward the DDC products. In the survey, around 22 percent have approached to the DDC due to the positive impact of advertisement.

Direct marketing or personal relation is major tools of marketing in the DDC. The main difference for customer for selecting particular product is personal relation of DDC staffs with customer. Whilst selling products, direct marketing is used at maximum level.

Since the calculated value of  $\chi^2_{cal}$  (133.92) is greater than the tabulated value of  $\chi^2_{tab}$  (11.07) at 5 percent level of significance for 5 degree of freedom, so null hypothesis is rejected and alternative hypothesis is accepted (Appendix 2).

Hence, we conclude that there is significance relation between the business development and promotion techniques of DDC. This shows that promotional strategy has been enhancing the business of DDC.

#### 4.1.12 Place (Distribution) Strategies

DDC has long term plan to open branches at various locations of country to render efficient services. Currently, they have established branches to some urban and semi urban area which are economically viable and feasible. The researcher has tries to find out the convenience of customer regarding distribution channel of DDC. To know the customer's feedback regarding place (distribution) strategy, the researcher put the question as Do you feel that the distribution channel of DDC is sufficient to support your business need? Are the services of DDC easily available to you?

**Table 4.15**  
**Sufficiently of Distribution Channel of DDC**

<b>Particular</b>	<b>No. of respondents</b>	<b>Percentage</b>
Sufficient enough	25	41.67
Sufficient	30	16.67
Okay	50	27.78
Not sufficient	75	41.67
Total	180	100.00

*Source: Opinion survey, 2019.*

Above table depicts that more 41.67 percent respondent felt that the distribution channel of DDC is not sufficient to support their business requirement. The DDC should set up more branches to different locations to collect and distribute.

**Table 4.16**  
**Availability of DDC's Services**

<b>Particular</b>	<b>No. of respondents</b>	<b>Percentage</b>
Easily available	120	66.66
Not easily available	30	16.67
Other	30	16.67
Total	180	100.00

*Source: Opinion survey, 2019.*

About two third (66.67%) of respondent feel that the service of DDC is easily available to them. And only 16.67 percent of the respondents feel the distribution channel is not easily available.

Since the calculated value of  $\chi^2_{cal}$  (90) is greater than the tabulated value of  $\chi^2_{tab}$  (5.99) at 5 percent level of significance for 2 degree of freedom, so null hypothesis is rejected and alternative hypothesis is accepted (Appendix 3).

Hence, we conclude that there is significance relation between place (distribution) of services and promotion tools of services. Relationship between place (distribution) of services and promotion tools of service shows the successful implementation of promotional strategy.

## **4.2 Major Findings**

After analyzing the data and with the references of introduction and research methodology, the following has been taken the key point of findings.

- ) DDC develops good social reputation through its various branch networks in Nepal. DDC has been able to create higher trusts and satisfaction among the customers.
- ) Various sectors customer are using DDC product for better satisfaction but share of agriculture customer is low.
- ) Various channel of advertisements are using by DDC for capture the market but output is not effective.

- ) Various types of products are using by public still to produce horizontal products.
- ) DDC is using wide product diversity for customer satisfaction.
- ) DDC is providing similar types of products comparing to the dairy products.
- ) Customer satisfaction level upon the DDC is very high but still unsatisfied customer in market.
- ) Price of DDC is similar as other company not in large differences DDC is not use low price strategy.
- ) Customer service is satisfactory but not high.
- ) Nature of staff is satisfactory but not good.
- ) Internet marketing is not providing by DDC in competitive market.
- ) Credit facility is not providing by DDC.
- ) Female customer is more satisfied than male customer.
- ) Quality of DDC is very high than other products.
- ) Most of customer wants to new facility for milk products but DDC is not fulfil the need.
- ) Service quality of DDC not good than other.
- ) In participation of respondent female is more than male customer.
- ) About 50 percent of the respondent felt that the pricing of DDC is just like other dairy products and more than 33 percent perceived it as moderate and very few i.e. 2.78 percent felt it very high.
- ) There is significance relation between place (distribution) of services and promotion tools of services. Relationship between place (distribution) of services and promotion tools of service shows the successful implementation of promotional strategy.
- ) There is significance relation between the business development and promotion techniques of DDC. This shows that promotional strategy has been enhancing the business of DDC.
- ) There is significance relation between the price and products which is the outcome that product strategy is successfully implemented in DDC.

## **CHAPTER V**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

This chapter presents summary, conclusion and actionable plans. Summary mainly focuses on the objectives methods and findings of the study. Conclusion section attempts to synthesize the results of specific objectives. Similarly, the recommendation part consists of some fundamental recommendations to the immediate stakeholders.

#### **5.1 Summary**

A marketing strategy is a process or model to allow a company or organization to focus limited resources on the best opportunities to increase sales and thereby achieve a sustainable competitive advantage. It is a strategy that integrates an organization's marketing goals into a cohesive whole. Ideally drawn from market research, it focuses on the ideal product mix to achieve maximum profit potential. The marketing strategy is set out in a marketing plan. Marketing strategy includes all basic and long term activities in the field of marketing strategy includes all basic and long term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market oriented strategies and therefore contributes to the goals of the company and its marketing objectives. Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing objectives. If an organization is to have any chance of reaching its goals and objectives, it must have a game plan or road map for getting there. A strategy in effect, outlines the organization's game plan for success. Strategy is the foundations upon which marketing campaigns are formed. Effective marketing requires sound strategic planning at a number of levels in an organization. At the top levels of the organization, planners concern themselves with macro issues such as the corporate mission, management of the mix of strategic business units, resource acquisition and assignments, and corporate policy decisions. Planners at the middle levels, typical a division or strategic business unit, concern themselves with similar issues, but focus on those that pertain to their particular product/ market. Strategic planning at the lower levels of an organization is much more tactical in nature. Here, planners concern themselves with the development of

marketing plans more specific game plans for connecting products and markets in ways that satisfy both organizational and customer objectives.

Customer satisfaction is a customer's feeling of pleasure or disappointment regarding the performance of the product he consumes. Since, customers are the king of market, the success and failure of every organizations are basically dependent upon the satisfaction of the customers. Satisfied customers are most likely to share their experiences with other people to the order of perhaps five or six people. Equally well, dissatisfied customers are more likely to tell another ten people of their unfortunate experience. Furthermore, it is important to realize that many customers will not complain and this will differ from one industry sector to another and it is the duty of marketer to know the psychology of people. Hence while preparing and implementing the marketing strategies, organizations are concerned about connection their products or services in such a way that satisfy the customer needs and demands. This study has been prepared with a specific the customer needs and demands. This study has been prepared with a specific objective of presenting about the marketing strategies of DDC to also assess the performance of the DDC in terms of customer satisfaction in which is the marketing strategies of DDC are directed towards.

The effectiveness of marketing is calculated on the basis of level of customer satisfaction. In order to retain the customers in every organization the service provider must know how to please their customer. Furthermore, it is important to realize that many customers will not complain and it is the duty of marketers to understand the feelings of customers and the strategy should be developed on the basis of it. This research was undertaken to find out whether the marketing strategies of DDC effective or not mainly on the basis of customer satisfaction which is the major tools for measurement of marketing efficiencies.

As per research the means of advertisement used by the DDC are seemed to be ineffective. However, the campaigns followed by the DDC are found to be effective in building the goodwill and brand image DDC. Majority of the customer were form service sector with limited customers from agriculture sector. In terms of customer satisfaction, majority of customers of DDC were found satisfied. Some of the account holders were not satisfied with the customer service and products or services offered by the DDC but the majority of the customers were found satisfied. DDC is not



providing credit facilities. Majority of the customers were found to be unsatisfied with the limited features available in internet sales. Customers were found satisfied from the quality of products provided to them and were also satisfied with the services and behaviour of the employees and overall impression of the DDC was found to be good. In overall the research revealed that the customers of DDC were found to be satisfied and the marketing strategies of the DDC were also found to be medium.

## **5.2 Conclusion**

DDC offers a variety of products and services to its customers. The DDC offers wide ranges of products and services which include various types of products milk, curd cream cheese, ghee and sweets DDC is playing a proactive role in finding the best solutions to create an effective platform for the sustained development of the country. DDC seeks to be responsible by incorporating environmental and social factors into the day to day decision making and business processes while using the limited resources morally. The DDC is well known about its duties and responsibilities towards the nation. As a part of its operation, the DDC serves the society through the fulfillment of its corporate social responsibilities through various campaigns. The DDC committed towards responsible customer service, customer satisfaction environmental foot prints. The DDC tries to build an important relationship of trust between its clients and itself. This enables DDC to forge ahead in its market building a partnership based on sincerity and most importantly prosperity.

DDC priority lies in serving the people and the nation, providing world class products and services. During the research program the primary data is collected from 180 customers DDC. Since, the DDC regards itself as the part of the society and its activities are directed towards customer satisfaction main focus of the research has been made on customer satisfaction provided by DDC and on the basis of it, questionnaires were designed. From the survey and interaction with the respondents, it has been found that the overall marketing strategy of the DDC is found to be satisfactory and the bank is being able to fulfill its objectives. The majority of satisfied customers and current position of the DDC provides that the product and services to the needs and demands of its customers. A company that seeks to satisfy the customer by providing them value for what they take and the quality they expect will get more repeat

business, referral business and reduce complaints and service expenses. DDC not only provides quality service but they also give extra service to make their customers feel important and valued. In this way, the DDC has been able to satisfy both organizational and customer objectives.

### **5.3 Recommendations**

The following recommendations are prescribed on the basis of data analysis and major findings of the study.

1. DDC products are using various group of customers according to field study, customer relation of DDC is not satisfactory. DDC should be improve customer relation .
2. DDC is using various channel of advertisement still whole market is not covered by DDC. So, DDC should use more effective channel of advertisement.
3. DDC is producing so many products, that is not enough for customers satisfaction, DDC should develop horizontal products.
4. DDC product pricing is high than other milk products. According to customer DDC should be take low price strategy to attract lower level customer.
5. According to field study, customers are complaining staff of DDC behaviour is not good DDC should be improve behaviour of customer.
6. In the IT world still DDC is not using internet marketing, DDC should develop internet marketing for capture of national and international market.
7. In bottle neck competition market, DDC is not providing credit facility to customer. DDC should provide credit facility to capture maximum market share.
8. According to field survey make customer is not satisfied comparison the female customer. DDC should develop strategic plan for improve satisfied male customer

9. According to customer opinion quality of DDC products are not distinct from other milk products. DDC should be improve quality of products for better satisfaction of customer.
10. According to field study service quality of DDC is not good. Still DDC is using traditional service system. DDC should be improve service quality for as a leading organization.
11. Satisfaction level of customer is high. A littlebit complain in customer satisfaction. DDC should be achieve very high customer satisfaction.
12. DDC supply capacity is very low. DDC can supply very low quantity of products. But DDC products demand is very high. DDC should be produce hug quantity of products for meet customer demand.

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## Appendix - I

### 1. Calculation of Hypothesis

H<sub>0</sub>: There is no relationship between price and products.

H<sub>1</sub>: There is relation between price and products.

Particulars	O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
Milk and Curd	40	45	(5)	25	0.56
Cheese and Cream	60	45	15	225	5
Butter	65	45	20	400	8.9
Others	15	45	(30)	900	20
Total	180	-	-	-	34.46

Here,

O= Observed Value

E=Expected Value

Degree of freedom (n-1) = 4-1=3

Level of significance ( $\alpha$ ) = 5% = 0.05

$$\text{Test of Statistics } = \chi^2 = \frac{(O - E)^2}{E} = 34.46$$

The tabulated value of  $\chi^2$  at 5 % level of significance for 3 d.f. is 7.82.

#### Hypothesis No. 1

H<sub>0</sub>: There is no relationship between price and products.

H<sub>1</sub>: There is relation between price and products.

Since the calculated value of  $\chi^2$  cal (34.46) is greater than the tabulated value of  $\chi^2$  tab(7.82) at 5 percent level of significance for 3 degree of freedom, so null hypothesis is rejected and alternative hypothesis is accepted.

## Appendix - II

### 2. Calculation of Hypothesis

H<sub>0</sub>: There is no relationship between business development and promotion techniques of DDC

H<sub>1</sub>: There is relationship between business development and promotion techniques of DDC

Particulars	O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
Direct marketing (Public relationship)	85	30	55	3025	100.83
Advertising	35	30	5	25	0.83
Sales promotion activities	20	30	(10)	100	3.33
Point-of-purchase materials	12	30	(18)	324	10.8
Product publicity	18	30	(12)	144	4.8
Others	10	30	(20)	400	13.33
Total	180				133.92

**Here,**

O= Observed Value

E=Expected Value

Degree of freedom (n-1) = 6-1=5

**Level of significance (r) =5%=0.05**

Test of Statistics  $\chi^2 = \frac{(O - E)^2}{E} = 133.92$

The tabulated value of  $\chi^2$  at 5 % level of significance for 5 d.f. is 11.07.

**Hypothesis No. 2**

H<sub>0</sub>: There is no relationship between business development and promotion techniques of DDC

H<sub>1</sub>: There is relationship between business development and promotion techniques of DDC

Since the calculated value of  $\chi^2$  cal (133.92) is greater than the tabulated value of  $\chi^2$  tab(11.07) at 5 percent level of significance for 5 degree of freedom, so null hypothesis is rejected and alternative hypothesis is accepted.



### Appendix - III

#### 3. Calculation of Hypothesis

##### Calculation of Hypothesis

Ho: There is no relationship between place (distribution) of services and promotion tools

H1: There is relation between place (distribution) of services and promotion tools

Particulars	O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
Easily available	120	60	60	3600	60
Not easily available	30	60	(30)	900	15
Others	30		(30)	900	15
Total	180	-	-	-	90

**Here,**

O= Observed Value

E=Expected Value

Degree of freedom (n-1) = 2

**Level of significance (r ) =5%=0.05**

$$\text{Test of Statistics } = \chi^2 = \frac{(O - E)^2}{E} = 90$$

The tabulated value of  $\chi^2$  at 5 % level of significance for 2 d.f. is 5.99.

##### **Hypothesis No. 3**

Ho: There is no relationship between place (distribution) of services and promotion tools of services.

H1: There is relation between place (distribution) of services and promotion tools of services.

Since the calculated value of  $\chi^2$  cal (90) is greater than the tabulated value of  $\chi^2_{\text{tab}}$  (5.99) at 5 percent level of significance for 2 degree of freedom, so null hypothesis is rejected and alternative hypothesis is accepted.

## Appendix-IV

### Questionnaire

Dear sir,

First of all I would like to introduce myself as a student of Central Department of Management, is going to conduct a research on "Marketing Strategies in DDC". So I would like to request you to fill up this questionnaire. I also want to assure you that the information will be kept secret.

Yours faithfully

Tuka Devi Acharya

Name:

Address:

Sex:

1. What is your occupational?

- a. Agriculture b. Service c. Industry d. others.....

2. How you familiar with DDC?

- a. Marketing b. Acquittance c. Campaigns d. Others.....

3. What are the types of products of DDC?

- a. Curdb. Cheese c. Cream d. Butter e. Others.....

4. What are the diversity of DDC products?

- a. Quite wide b. Similar as other products c. Quite narroq d. Very narrow

5. What are the responses of customers towards DDC products?

- a. Quality b. Price c. Service

6. What is the price level of DDC products?

- a. Low b. Similar as other company c. High

7. Are you satisfied with customer service of DDC?

- a. Yes b. No

8. What is the nature and behaviour of DDC staffs?

- a. Good b. Bad c. Very good

9. Are you satisfied with the quality of DDC products?

- a. Satisfied b. Dissatisfied

10. What types of products have you been buying?
- a. Milk and curd
  - b. Cheese and cream
  - c. Butter
  - d. Others.....
11. Do you find that the rate of DDC is competitive in comparison to other dairy products?
- a. Very high
  - b. High
  - c. Moderate
  - d. Low
  - e. Just like others
12. How do you know about DDC's products scheme?
- a. Direct marketing (public relationship)
  - b. Advertising
  - c. Sales promotion activities
  - d. Product of purchase materials
  - e. Product publicity
  - f. Others.....
13. Are the services of DDC easily available to you?
- a. Sufficient enough
  - b. Sufficient
  - c. Okay
  - d. Not sufficient
14. What is the status of DDC services availability?
- a. Easily available
  - b. Not easily available
  - c. Others.....

**Thank you !**