



“A Study On Factor Analysis Of Extruded Snacks Under Snacks And Relax Category.”

Prof. Dr. Sanket L. Charkha¹, Mr. Swapnil B. Ghadge²

Savitribai Phule Pune University

Abstract:

Market penetration seeks to maintain or increase the market share of current products of a Company. This can be achieved by a combination of competitive strategies like pricing, Advertising, sales promotion and dedicating more resources to personal selling. Market Penetration seeks to secure company dominance of the market. For a company to grow its market share and sales volume, it is important that the company looks at the ways of increasing the usage and consumers of its products.

The purpose of this study was to identify market penetration strategies by Instinct Innovation Private Limited. The study adopted a case study design which is the most appropriate in the investigation of the market penetration strategies by Instinct Innovation private Limited (Redbook Software). The respondents for this study included the managers of the company in charge of corporate strategy, human resources, regulatory, business development, and sales and marketing departments. Being a case study, conceptual content analysis was the most useful method of analyzing the data.

The objective of this study is to identify market penetration strategies by Instinct Innovations Pvt.Ltd. To understand the customer response towards new product. To identify effectiveness of promotional activities of the product. Scope is study seeks to collect the information from among the customer which is the same software using.

Key Words: Marketing, Sales Promotion, Pharmaceutical Products, Strategies, Penetration

Introduction:

Market penetration is the name given to a growth strategy where the business focuses on selling Existing products into existing market or new market place. Marketer identifies four main objectives that market penetration seeks to achieve including increasing market share of the current product or services in the existing market or new market place. Market penetration is adopted by a firm to raise its sales revenue without making changes in the products or services, market penetration strategy can be implemented by offering sales, increasing sales force, increase distribution and promotion of products, and more expenditure in marketing and advertising activities to increase sales and it is a growth strategy where the business focuses on selling existing products into new market place.

A penetration strategy is an institutional arrangement that a firm uses to market its product. It also refers to the extension of ownership of a firm to cover new markets, new sources of materials and new stages of the production process. The study found that the company has engaged in both pull and push strategy as a form of Promotional strategy. The study further found that the company employed pricing strategies to penetrate the market. It further established that the company adopts market segmentation as one of the strategies in order to expand its market share. The study concludes that the company has been able to keep pace with the rivalry in the telecommunication industry by adopting various market penetration strategies for its products. The study recommends that although the company has been successful in neutralizing the challenges brought about by competition in the medical software company, the company should engage in more cost reduction as a response to its competitors' strategies whose products and services are much

cheaper. Instinct Innovation Private Limited should deliver benefits that exceed those of competing products (differentiation advantage) to gain a competitive advantage over other firms. The study further recommends that Instinct Innovation Private Limited should heavily advertise itself in other countries that are not in India in order to take advantage of economic liberations in many countries as a result of globalization. The study recommends that further research should be done on the other companies in the medical software industry so as to get comprehensive information on how the other players in the industry are able to penetrate the market.

Market Penetration Strategies

The market penetration strategy seeks to increase market share of the current product or service in the existing market. This strategy is adopted by the firms in order to raise their sales revenue without making changes in the products or services mix. The other dimension of market penetration is the existing market which means firm already offering products or services to the customer but can forecast that the existing sales figures can be improved by working on marketing penetration strategy.

Market penetration strategy can be implemented by offering sales, increasing sales force, increase distribution and promotion of products, increased expenditure in marketing and advertising activities will result in increasing sales. It is not guaranteed that market penetration works after investing in sales and marketing of products and service, therefore a firm should go for this strategy only if the current market is not fully saturated, market share of the competitors is decreasing whereas the industry growth rate is increasing, existing buyers have the potential to purchase same products and services in more quantity, when economies of scale provide competitive edge. For example, mobile service providers offering low price packages to increase talk time of the customers.

Problem Definition

To study about “Market penetration of product in market place of Redbook software in Pune city”

Objective of the Study

1. To identify market penetration strategies by Instinct Innovations Pvt. Ltd.
2. To understand the customer response towards new product
3. To identify effectiveness of promotional activities of the product

Importance of the Study

The results would contribute to a better understanding on how effective the strategies employed by sale team are in responding to the changes in the operating environment. In particular, the positive interaction between differentiation and cost leadership in predicting quality performance suggests the synergy between the two as well as supporting the cumulative view of competitive strategies. The results of this study would also be invaluable to researchers and scholars, as it forms a basis for further research. The students and academics may use this study as a basis for discussions on responsive strategies adopted by Instinct Innovation Pvt. Ltd

Scope of the Study

- 1) This project is related to Redbook Software at Pune and analyses of the customer which software is currently use.
- 2) Study seeks to collect the information from among the customer which is the same software using.

Limitation Of the Study

1) Company's Data

As company's data was confidential, they did not provide me with adequate data of the study

2) Time Management

As internship period was only for two months and ten days, it was not enough for a thorough study.

PROJECT METHODOLOGY AND DESIGN

Research refers to a search for knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic. In fact, research is an art of scientific investigation. Research is, thus, an original contribution to the existing stock of knowledge making for its advancement. It is the pursuit of truth with the help of study, observation, comparison and experiment. In short, the search for knowledge through objective and systematic method of finding solution to a problem is research.

	Basic	Silver	Gold	Platinum
Sales	Y	Y	Y	Y
Customer Credit	N	Y	Y	Y
Customer order schedule	N	Y	Y	Y
Purchase (inventory update)	Y	Y	Y	Y
Auto Order	Y	Y	Y	Y
Payment	Y	Y	Y	Y
Returns	Y	Y	Y	Y
Accounting	Y	Y	Y	Y
Barcode generation	Y	Y	Y	Y
SMS/email alerts to customers	N	Y	Y	Y
SMS/email invoice to customers	N	Y	Y	Y
Live Stock/Stage	N	Y	Y	Y
Sales Register	N	N	Y	Y
Cash Management	N	N	Y	Y
Users	N	Y	Y	Y
User Roles	N	Y	Y	Y
Multiterminal	N	Y	Y	Y
Loyalty Management	N	N	Y	Y
Retailer Mobile App (Android)	N	N	N	Y
Customer facing Mobile App (Android)	N	N	N	Y

Price	10000	18000	36000	63000
AMC	1800	3600	5400	9000
Per Terminal charge	3000	1000	1000	1000
Lifetime Price	19000	36000	72000	NA

Research design

The research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data. A sample size of 50 retailers was taken

Sample design

The sample design plans include information about sampling frames and their coverage, providing descriptions of the national sample designs that included stages of sampling, probabilities of selection, sampling units and sample sizes.

- A sample size of 50 retailers was taken
- The survey was conducted in the medical shops of Swargate, Hadapsar, Pullgate, Camp.

Population

A population commonly contains too many individuals to study conveniently, so an investigation is often restricted to one or more samples drawn from it. This project research populations belongs to overall Pune location medical stores

Sampling unit

A single section selected to research and gather statistics of the whole. For example, when studying a group of college students, a single student could be a sampling unit.

As we discussed above populations in this project from that I drawing a sample unit Hadapsar and nearby places for this project

Sampling frame

A sampling frame is a list of all the items in population. It is a complete list of everyone or everything wants to study. The difference between a population and a sampling frame is that the population is general and the frame is specific.

Simple random sampling

Simple random sampling is the basic sampling technique where select a group of subjects (a sample) for study from a larger group (a population). Each individual is chosen entirely by chance and each member of the population has an equal chance of being included in the sample.

Data Collection

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes.

Primary Data

When the data are collected directly by the researcher for the first time is called as Primary Data.

Primary Data Collection Methods

1) Observation Method

Observation method in this method the data collected with the help of observation by the observer or personally going to the field

2) Interview Method

The data was collected by visiting each and every medical stores. The information was taken by talking to the purchase managers of the stores as well as the distributors. The interview can have questions to secure more information. Observation approach can be combined to verify age, income, status, standard information. Visual aids in the form of catalogues samples etc. can be used to get views, opinions, and attitudes of shopkeeper. The objective of this was to know the preference of the retailers to stores the medical software, know the problems regarding the service issue by the old medical software, the problems between distributors and retailers. The questions were open – ended as well as close - ended.

3) Questionnaire Method

In this method researcher asks the questions to the retailers either personally, or through mail or telephone. The researcher physically going to the shops and asks the questions to the retailers.

Secondary Data

Secondary data is something which is already written in books, newspaper, magazines or internet.

The secondary data was collected from the documentary sources such as

- Company Records
- Registers files booklets
- Magazines
- Internet

MARKET PENETRATION STRATEGY

As soon as a company enters a new market, it strives for market penetration. The main objective behind the market penetration strategy is to launch a product, enter the market as swiftly as possible and finally, capture a sizeable market share. Market penetration is also, sometimes used as a measure to know whether a product is doing well in the market or not.

The technique of Market Penetration usually does not affect the overall marketing strategy of a company, but invariably brings a solid growth potential and an increase in revenue generation. A company trying to adopt the concepts of market penetration must remember to also implement specific plans and tactics to challenge the competitors and boost sales figures. However, it must also be considered that market penetration can be a risky affair and has some disadvantages also.

More commonly, this technique is useful whenever a business is selling prevailing products in an ongoing market. Marketers must take into consideration the relevant market development or expansion grid data to decide actually, which penetration tactic to adopt? In other words, the market may be saturated or it may be in an intense competition scenario or the products may have low turnaround time. Now, what should be the best tactic for all of these different scenarios? Well, the answer to this question lies in the type of market penetration strategy you adopt. And yes, there are quite a few different penetration tactics to choose from. So, without further ado, let's know about a few of them.

Market Penetration tactics

Price Adjustment

The strategy of Price Adjustment is one of the most widely used market penetration tactics. A market penetration example could be lowering the price of a product or service with the aim of increasing sales is a price adjustment tactic. Furthermore, the alteration (increase or decrease) in the price of a product after analyzing the competitors' products is also a scenario of price adjustment. But, in the real sense, this marketing strategy should be used very judiciously as overdoing it can lead to adverse results. Like, increasing

your price consistently may make the customers believe that you are a company of high-profit motive. Decreasing the price too often would make them to believe that your products are of sub-standard quality.

Augmented promotion

The drastic increase in promotion of a product (or service) can lead to dramatic results. For example, advertising can be a wonderful tool for increasing brand awareness. Companies do have a choice of making their campaigns long-term or short-term which depends upon their needs and budget. However, the thing to be considered is that whatever be the size of the campaign, it must be well-planned and thought-out. An easy to counter promotional campaign would be simply ruined by competitors in this age of cut-throat competition.

Distribution Channels

The strategy of Distribution Channels is one of the most constructive market penetration strategies. This strategy typically involves opening of new distribution channels by focusing on a particular distribution channel. For example, if selling through retail outlets is your primary channel, then you can learn to gain new channels like telemarketing, e-mail marketing, online marketing, etc. Such opening of new distribution channels paves the way for more new channels and thus lead to increased market space and overall profitability.

Improving Products

It is true that to really appeal to your customers, you must improve your product quality. However, sometimes by communicating to them about the better standard of the product itself can do the trick and no major improvement in the product may be needed. This is because most consumers are encouraged to buy a product just by its appeal and do not necessarily check whether it proves itself or not. Thus, only by doing slight adjustments with the product and it's packaging you can appeal more strongly and increase your sales revenue.

Knowing Risk and Growth

Most marketers whenever think of growth, think of new launches. However, it is only partially true. Actually, it can be risky too. When a new product is being launched, there exists the risk of it being successful or not. But, an efficient distribution channel along with a smooth delivery process makes it sure that the product does meet the expectations. Similarly, entering a brand-new segment of the market can be risky as well. Therefore, it is absolutely essential to know your market and your product in order to do well and beyond expectations. An effective way to do this is to properly communicate with the customers and be sensitive to their requirements and wants.

Create barriers to entry

When it comes to adopting strategic options, it is crucial to leverage your business's strengths in a correct and just manner. For example, by minimizing your variable costs, you can boost your sales and establish a barrier to entry for others. This is why many firms with superior technology and distinct processes are able to reduce variable costs and earn better gross margins per item sold. With a substantial share in the market and an efficient marketing process, your business could create a barrier to entry to prevent competitors from coming into your industry.

Be unique and think differently

Although, the entire process of market penetration seems simple and monotonous, yet it's a big challenge if you perceive it to be. To overcome the challenge, you need to be more unique and highly innovative in your approach. A repetitive selling strategy would yield unsatisfactory results and hinder your growth potential. So, it would be better to think different and modify your penetration tactics as and when required. By being more innovative and adding value to your products you enhance your success chances.

Some actions you could consider to be unique are:

1. Educate your customers – This is important as many times people are unaware of the quality of the product and how it could be of use to them.
2. Make purchasing easier – Many successful businesses lend a credit facility to their customers and thus increase the customers' ability to buy.
3. Widen the distribution network – Making your product available at more locations and better delivery and service options can also significantly boost your sales figures.

4. Generate referrals – If you can encourage your customers to give referrals, it would certainly affect your chances of sales. For example, you can offer gift coupons or reward points to those customers whose referrals do actually get converted.
5. Changing product designs – By making the product in a more user-friendly manner, your chances of sales conversion significantly get a lift. For example, you could make a lengthy novel a paperback one instead of a hard-bound one.

Diversification

The product penetration tactic of diversification entails manufacturing new products for new markets. The strategy of diversification is usually followed whenever, there is saturation in the current market or when environmental changes such as societal, economic, technological or regulatory make it very hard to generate new sales in those markets. This strategy is most commonly followed by those businesses in the health sector, such as hospitals. Hospitals have now diversified their services in the form of long-term care facilities, reimbursement, network referrals, and utilization. Those firms that have diversified on opportunities of their strengths have been able to gain the most.

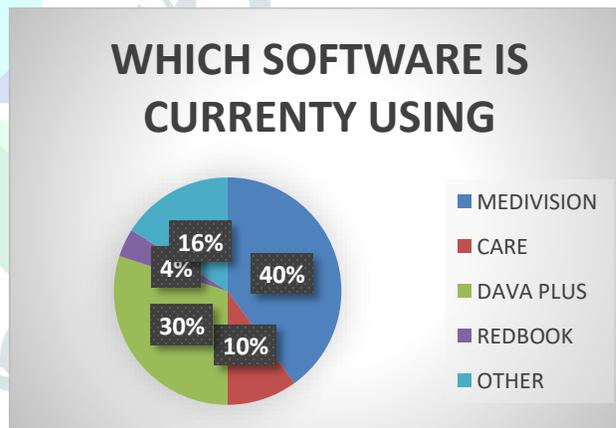
Strategic Alliances

For some organizations, it is difficult due to one or more reasons to enter new markets. To solve such an issue, many of these organizations enter into a kind of strategic alliances with one another to operate in a particular market. Although strategic alliances can be formed into many forms, the more common one is the joint venture business, in which each partner business holds an equity position. The most common and natural strategic alliances are found.

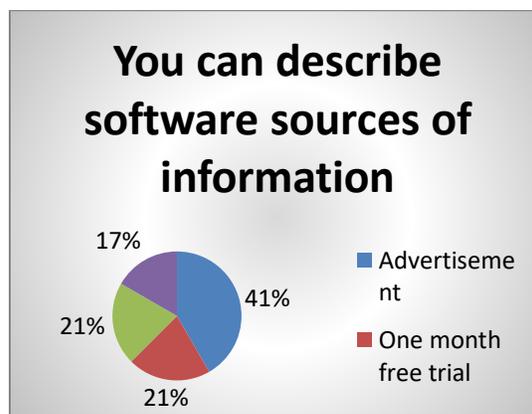
Pros & Cons of Market Penetration Strategies

The Market penetration strategies make benefit of reduced prices to upsurge product demand and increase your market share. As the demand for your product increases, your business saves money on product manufacturing costs due to the larger volume of produce. Market penetration strategy isn't going to work for all products and all types of businesses. So, some companies utilize different marketing strategies than the normal to be more effective.

Type of software	No user	In percentage
Medivision	20	40
Care	5	20
Dava plus	15	30
Redbook	2	4
Other	8	16



Source	No. of user	In percentage
Advertisement	20	41
One-month free use	10	21
Detail demo at your place	10	21
Discounted version	8	17



Findings

- 1 Exposure to market research.
- 2 Customer doesn't trust new product .
- 3 Customer mostly prefers existing product.
- 4 Customer are not satisfied by support and service of existing software.
- 5 Importance of promotional activities.
- 6 Customer service is very important

The study found that Instinct Innovation Private Limited (Redbook software) has to developed some market penetration strategies for its products including improved customer services, credit facility, post-paid cards, provision of convenience goods and services, technological innovations, product improvement, divestiture and diversification, increasing usage by existing customers by introducing loyalty schemes, offering sales, increasing sales force, increase distribution and promotion of products, increased expenditure in marketing and advertising activities, Increase feature for the customers and dedicating more resources to personal selling. The market penetration seeks to achieve four main objectives including; maintenance or increasing the market share of current products through a combination of competitive pricing strategies, advertising, sales promotion and perhaps more resources dedicated to personal selling; securing dominance of growth markets; restructuring a mature market by driving out competitors which would require a much more aggressive promotional campaign, supported by a pricing strategy designed to make the market unattractive for competitors.

Suggestion

1. Company should focus to develop live chat or online chat for better support and services.
2. Product price should not be very high
3. Company should provide time to time training to their customer
4. Company should proper upgrade and updation to their customer
5. Service first and best 24/7
6. Keep to customer happy

Conclusion:

In the modern world of stiff competition, Instinct Innovation Private Limited for Redbook has been able to keep pace with the rivalry in the pharmaceutical software scenario by adopting various market penetration strategies for its products. From the study findings, the researcher concludes that the company has engaged in both pull strategy and push strategy as a form of promotional strategy. It was clear that personal selling and trade promotions are often the most effective promotional tools in which Instinct Innovation private Limited engage its selling staff to direct contact with the customers for the sake of selling the company's products. The study further concludes that pricing penetration strategies such as setting of lower, rather than higher prices in order to achieve a large and dominant market share has been a successful penetration pricing strategy which has led to large sales volumes.

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