

By
Moien Ahmed Khan
MBA-2003

Acknowledgement

First of all I would like to thank ALLAH ALMIGHTY for giving me strength and opportunity for completing this research report. Then I would like to thank my thesis advisor Madam Asfia Obaid for helping me and giving me right directions to complete this research report.

In the end my special thanks to Mr. Muhammad ISA DAD, Director Marketing who took special interest in completion of my thesis project and devoted his precious time for me. Here I shall also like to thank Mr. Daud Chaudry, General Manager Marketing and Mr. Sheikh Latif, Manager Marketing at Shezan who helped me more than once and gave information regarding the marketing mix strategies of Shezan.

EXECUTIVE SUMMARY

This thesis report is covering all aspects of marketing strategies of Shezan pack juices and the real focus of the study is Shezan Mango juices 250ml pack. In my thesis report I have explained the concept of marketing management, marketing management philosophies of Shezan and strategic planning and marketing process of Shezan. I have also explained the marketing environment and marketing research and information system of Shezan. Marketing mix for Shezan Mango juices is discussed in great detail. I have explained market segmentation and targeting product, pricing, placing and promotion strategies for Shezan mango juices. Research methodology for this thesis report is also being discussed. In the end analysis of the findings and recommendations for the future is being done to conclude this thesis report.

TABLE OF CONTENTS

Acknowledgement

Executive Summary

Chapter 1

Research Design

1.1	Research design	1
1.2	Sample size	1
1.3	Research approach	2
1.4	Questionnaire working and sequence	3
1.5	Personal interviewing	3

Chapter 2

Introduction

2.1	Shezan International Ltd	4
2.2	Company and its Operations	4
2.3	History and Background	7
2.4	Structure of the company	7
2.5	Marketing Department	9
2.5.1	Structure of marketing department	9
2.6	Production Department	11
2.6.1	Structure of production department	11
2.7	Finance department	13
2.7.1	Structure of finance department	13
2.8	Mango	14
2.8.1	Composition and uses	14
2.8.2	Young and unripe fruits	14
2.8.3	Ripe Fruits	14
2.8.4	Nutritional value	14
2.8.5	Cultivars	14
2.8.6	Dasehari	14
2.8.7	Langra	14
2.8.8	Chaunsa	14
2.8.9	Soil and Climate	14
2.9	Storage aspects	15
2.10	Mango Production in Pakistan	16
2.11	Harvesting Season	16

Chapter 3	Literature Review	
3.1	Definition of Marketing	17
3.1.1	What Marketing involves	17
3.2	Marketing Mix	18
3.2.1	Promotion	19
3.2.2	Price	19
3.2.3	Product	23
3.2.4	Place	24
3.3	Marketing Strategies	25
3.3.1	Types of marketing strategies	25
3.3.2	Porter generic strategies	27
3.4	Strategic Management	31
3.4.1	Strategy formulation & implementation	31
3.4.2	Strategy Hierarchy	33
Chapter 4	Strategic Planning	
4.1	Strategic planning	35
4.1.1	Defining the mission statement	35
4.2	Divisions of Shezan International	36
4.2.1	Bottle division	36
4.2.2	Consumer product division	36
4.2.3	Paper pack division	36
4.2.4	Boston consulting group approach	37
4.3	Developing growth strategy	38
4.3.1	Product / market expansion grid	38
4.3.2	Market penetration	38
4.3.3	Product diversification	38
4.3.4	Product development	38
Chapter 5	Marketing Environment & Information Systems	
5.1	Marketing environment	39
5.2	Shezan's Micro environment	39
5.2.1	Shezan International Limited	39
5.2.2	Suppliers	39
5.2.3	Marketing intermediaries	40
5.2.4	Customers	40
5.2.5	Competitors	40
5.2.6	Publics	40

	5.3 Shezan's Macro Environment	41
	5.3.1 Demographic environment	41
	5.3.2 Economic environment	41
	5.3.3 Natural environment	41
	5.3.4 Technological environment	42
	5.3.5 Political environment	42
	5.4 Marketing information system	42
	5.4.1 Developing information	43
	5.4.2 Internal records	43
	5.4.3 Marketing intelligence	43
	5.4.4 Marketing research	44
	5.4.5 Information analysis	44
	5.4.6 Distributing information	44
	5.6 Marketing research process in Shezan	45
	5.6.1 Defining the problem and research objectives	45
	5.7 Developing the research plan	45
	5.6.2 Specific information needs	46
	5.6.3 Secondary data collection	46
	5.6.4 Primary data collection	46
	5.6.5 Observational Research	46
	5.6.6 Survey research	46
	5.6.7 Research instruments	46
	5.6.8 Analyzing the data and decision making	47
	5.8 International marketing research	47
Chapter 6	Marketing Management Process	
	6.1 Market of juice	48
	6.2 Marketing of juice	48
	6.3 Marketing system	49
	6.4 Marketing management	50
	6.5 Marketing management philosophies	50
	6.5.1 Production concept	50
	6.5.2 Product concept	50
	6.5.3 Marketing concept	50
	6.5.4 Societal marketing concept	51
Chapter 7	Marketing segmentation, targeting and positioning	
	7.1 Market segmentation	53

	7.1.1 Geographic segmentation	53
	7.1.2 Demographic segmentation	54
	7.1.3 Psychographic segmentation	54
	7.1.4 Occasional segmentation	54
	7.1.5 A.I.O.D framework	55
	7.2 Market targeting	55
	7.2.1 Segment size and growth	55
	7.2.2 Segment structural attractiveness	55
	7.2.3 Company objective and resources	55
	7.3 Positioning strategy	56
	7.3.1 Choosing and implementing a positioning strategy	56
	7.3.2 Product differentiation	57
	7.3.3 Service differentiation	57
	7.3.4 Image differentiation	57
	7.3.5 Perceptual map	58
Chapter 8	Product	
	8.1 Shezan Mango juice pack	59
	8.1.2 Individual product decision	59
	8.1.3 Product attributes	60
	8.1.4 Quality	60
	8.1.5 Features	60
	8.1.6 Design	61
	8.2 Branding	61
	8.2.1 Brand equity	62
	8.2.2 Brand strategy	62
	8.2.3 Line extension	62
	8.3 Packaging	62
	8.3.1 Labelling	62
	8.4 Product mix decisions	63
	8.5 Product life cycle stage	64
	8.6 Production flow	65
	8.6.1 Chart of production flow	66
	8.7 Production capacity	69
Chapter 9	Price	
	9.1 Factors to consider when setting price	70
	9.1.1 Internal factors	70

	9.1.2 Marketing objectives of Shezan	70
	9.1.3 Market share leadership	70
	9.1.4 Product quality leadership	70
	9.2 Cost as a function of product experience	71
	9.2.1 External factors	71
	9.2.2 Monopolistic competition	71
	9.3 General pricing approaches	71
	9.3.1 Cost based pricing	72
	9.3.2 Competition based pricing	72
	9.4 Product mix pricing strategy	72
	9.4.1 Product line pricing	72
	9.5 Price adjustment strategy	73
	9.5.1 Discount and allowance pricing	73
	9.5.2 Promotional pricing	73
Chapter 10	Placing	
	10.1 Distribution channels	74
	10.1.1 Nature of distribution channel	74
	10.1.2 Distribution channel function	74
	10.2 Number of channel levels	75
	10.2.1 Direct marketing channel	76
	10.2.2 Indirect marketing channel	76
	10.2.3 Channel behaviour and organization	76
	10.3 Conventional marketing system	76
	10.4 Channel design decision	77
	10.4.1 Setting the channel objectives	77
	10.4.2 Identify major alternative	77
	10.4.3 Number of market intermediaries	77
	10.5 Responsibilities of channel members	78
	10.5.1 Channel management decisions	78
	10.5.2 Selecting channel members	78
	10.5.3 Motivating channel members	78
	10.5.4 Evaluating channel members	79
	10.6 Physical distribution and Logistic management	79
	10.6.1 Nature of physical distribution	79
	10.6.2 Physical distribution objectives	79
	10.6.3 Major logistic functions	80

	10.6.4 Process of inventory	81
	10.6.5 Transportation	81
Chapter 11	Promotion	
	11.1 Factors in setting promotion mix	83
	11.1.1 Consumer product	83
	11.1.2 Push strategy	83
	11.1.3 Buyer's readiness state	84
	11.2 Promotion mix	84
	11.2.1 Advertising	84
	11.2.2 Objectives of advertising	84

11.2.3 Advertising budget	85	
11.2.4 Advertising agency	85	
11.3 Advertising strategies	85	
11.3.1 Advertising message	85	
11.3.2 Message execution	86	
11.3.3 Advertising media	86	
11.4 Sales promotion	87	
11.4.1 Objectives	87	
11.4.2 Consumer promotion tools	87	
11.4.3 Point of purchase promotion	87	
11.4.4 Trade promotion tools	88	
11.5 Public relationing	89	
11.5.1 Function of public relationing	89	
Chapter 12	Analysis & Recommendations	
12.1	Consumer Response	90
12.2	Retailers Response	102
12.3	Recommendations	109

1.1 RESEARCH DESIGN

According to F.N Kerlinger "Research Design is the plan, structure, and strategy of investigation. Conceived as to obtain answer to research questions." Research design refers to the purpose of research. Thus following research design is available to the researcher.

- i) Exploratory Research
- ii) Descriptive Research
- iii) Causal Research

Considering the topic I have chosen, descriptive research design suits it best.

Descriptive studies that present data in a meaningful forms help to

1. Understand the characteristics of a group in a situation of interest.

2. It involves minimum bias and maximum reliability.
3. It offers ideas for further probing and research.
4. It aids in thinking systematically about aspects in a given situation.

Population Targeted: Population of research involves household consumer of juice pack and youth, more correctly students.

Multivariate Population: Researcher interested in more than three characteristics of population and how they affect the purchasing habit of consumers of juice packs. Characteristics we considered as age, gender income, occupation and place of residence.

1.2 SAMPLE SIZE

Sample size for consumer survey Questionnaire is 50 out of which. 30 are household consumers & 20 respondents selected from students. Among household respondents 25 are female respondent, and only `5' are male.

20 retail store are included in retail survey out of which 5 are departmental store while other 15 are small retail stores.

Limitation

1. Sample size is not a true population representative.
2. Lack of transportation.
3. It is assumed that all respondents gave their opinion without any bias.

1.3 RESEARCH APPROACH

Survey Research: As the type of research I am conducting is descriptive and I needed to find out the preference or buying behavior of sample as regard to Shezan juice packs I delivered to gather primary data by asking questions about the knowledge and attitude of people.

Tools of data collection:

The instruments used in data collection are:

1. Questionnaire Technique
2. Personal interview based on Questionnaire design.

The above techniques are selected because of their suitability to research design.

Questionnaire

Following types of questions are used in Questionnaire.

1. Closed ended Questions
2. Open ended Questions

Closed ended Questions: This type of questions includes following categories in my questionnaires both on consumer and retailers survey.

Dichotomous: Dichotomous questions help the respondents to answer quickly and easily.

Importance Scale: In case respondents can not adequately express themselves verbally. Importance scale provides them opportunity to respond more correctly.

Rating Scale: It helps in quick and accurate response, no weighting is required.

Multiple Choices: It helps eliminating biasness and reducing the time associated with data processing.

Open Ended Questions:

This type of questions help respondent to express their general attitude freely but it is more useful in exploratory research so I include only 2 or 3 questions of sentence completing type and completely unstructured type.

1.4 QUESTIONNAIRE WORKING AND SEQUENCE

Keeping in view the target sample following patients was kept in mind.

1. Language used is simple and clear.

2. Double barreled questions are avoided.
3. Technical language is also avoided at the most and used only when really necessary.

1.4.1 Distribution Method

Questionnaire was distributed to the respondents at their household and work place and completed questionnaire was collected later on, provided I was available to help the respondents in case of difficulties.

1.5 PERSONAL INTERVIEWING

I personally interviewed Director Marketing, G.M. Marketing and other persons from sales force at Shezan on the basis that quality and speed of data is good in this method.

Chapter 2

2.1 SHEZAN INTERNATIONAL LTD

Shezan International Ltd. was initially conceived as a joint venture by SHAH NAWAZ GROUP OF PAKISTAN and ALLIANCE INDUSTRIES DEVELOPMENT CORPORATION OF USA in 1964. In 1971 Shah Nawaz Group purchased all the shares of Alliance Industries Development Corporation, with the permission of Government of Pakistan. Shah Nawaz Group Comprises of

- Shah Nawaz Ltd.
- Shah Taj Sugar Mills Ltd.
- Orient Ltd.
- Khalid Hai (Pvt) Ltd.

- Alson Service (Pvt) Ltd.
- Shezan International Ltd.
- Shahtaj Textile Mills
- Hattar Fruit Products
- Guardian Mudarba Management (Pvt) Ltd.

2.2 THE COMPANY AND ITS OPERATION

The Company is public limited quoted in Karachi Stock Exchange. It is engaged in the manufacture and sale of juices, beverages, pickles, preserves and flavoring based upon or derived from fresh fruit and vegetables.

COMPANY'S PROFILE

Corporation Set Up

Shezan International Limited

Board of Directors

Mr. Muneer Nawaz

Chairman

Mr. Saifi Chaudhary

Chief Executive

Mrs. Najeeda Begum

Mr. Mahmood Nawaz

Mr. C.M. Khalid

Mr. M. Naeem

Mrs. Amtul Hai Khalid

Mr. Muhammad Khalid

M. Sk Jahangir (Nominee NIT)

Mr. Muhammad Khalid

**Executive Director and
Secretary**

Registered Office/

56-Bund Road, Lahore-54500

Head office

Factories:

Lahore:

Bund Road, Lahore

Ph: (042) 7466900-04

Fax: (042) 7466899

Telex: 47275 She ZN PK

Grams: She Z Juice

E Mail: Shezan@brain.net.PK

Karachi:

Federal B. Industrial Area

Ph: (021) 6344722-23

Fax: (021) 6313790

Telex: 23160 SHZAN PK

E Mail: Shezan @cyber.net.PK

Hattar:

Plot No.33-34, Phase-III,

Industrial Estate, Hattar.

Auditors:

Messrs Ford, Rhodes, Robson, Morrow

Chartered Accountants

1st Floor, The Syed, 11, Civic Center,

New Garden Town Lahore.

Legal Advisors:

Messrs, Cornelius, Lane & Mufti

Nawa-i-Waqt Building,

Shahrah-e-Fatima Jinnah, Lahore

Bankers:

United Bank Limited

Citibank N.A.

The Bank of Khyber

2.3 HISTORY AND BACKGROUND

The Company was incorporated in May 13, 1964 as a private limited company with objectives as set in the memorandum of association in general and in particular to set up an industrial undertaking for production of juices, squashes, sherbets, jams, pickles and preserves from fruit and vegetables.

Operating Plants

Shezan International Ltd. involves largely in processing and packaging of fruit and vegetables products. The processing is carried out by qualified food technologists in Shezan's ultra modern plants at

Karachi: It caters to the needs of Karachi, Sind and exports the product.

Lahore: A bottle division and Head office.

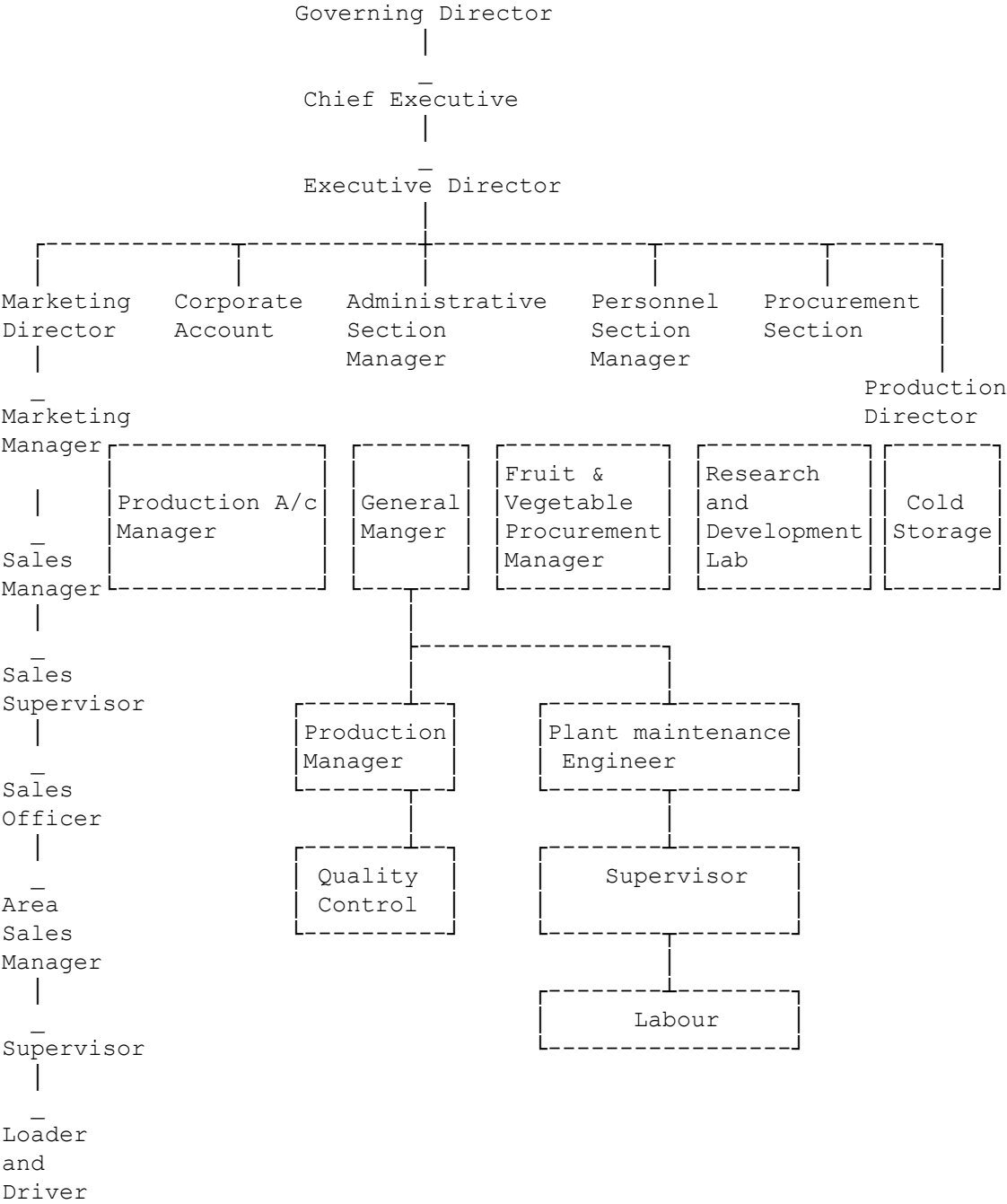
Hattar Fruit Products Ltd.: Wholly owned subsidiary.

The ever increasing demand for Shezan fruit products, both at home and abroad testifies to the consistently high quality of Shezan products.

2.4 STRUCTURE OF THE COMPANY

Formally defined a Company structure is the system of communication and authority that links people and groups together to accomplish tasks that serve the organizational purpose. Structure can be described in the form of an organization chart. As far as Shezan is concerned its organizational chart shows that it has functional structure. In functional structure people with similar skills are performing closely related activities and are placed together in formal group. They are expected to work together to perform a critical function for the total organization. For example following figure - shows common functional departments of Shezan.

ORGANIZATIONAL CHART



In this functional structure of Shezan all manufacturing problems are the responsibility of the Production Managing Director, while marketing problem is the province of the Marketing Managing Director, and so on.

2.5 MARKETING DEPARTMENT

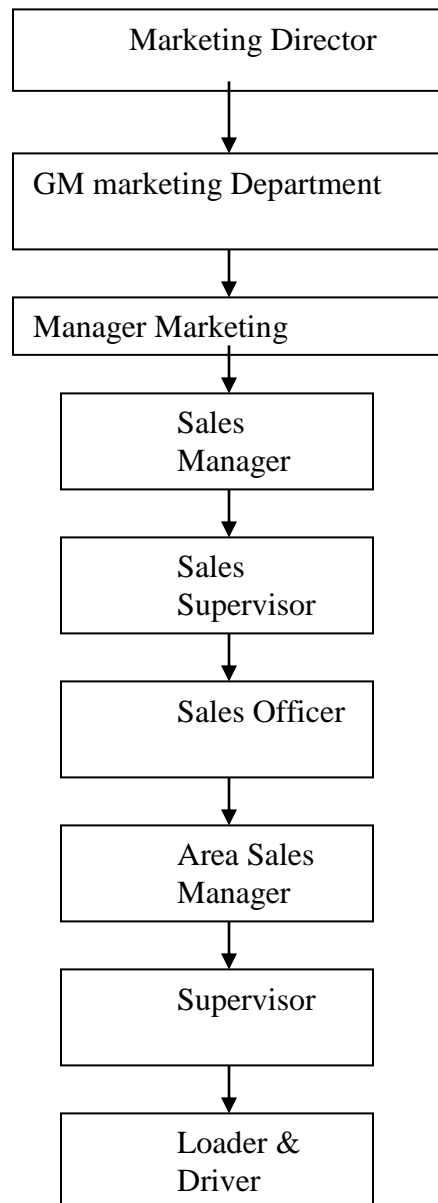
Marketing department carry all marketing activities like products development, research, communication, distribution, pricing, positioning and promotion etc. Shezan is producing consumer products. Its sales force search for buyers, identify their needs, design new product and promote them, store and deliver these products and set their prices.

2.5.1 Structure of Marketing Department

For the purpose of achieving organizational goals and objectives, marketing managers analyze, plan, implement and control the programs, design to create, build and maintain beneficial exchange with target buyers. For all these functions a chain of command exists in Shezan's marketing department. But top management has the ultimate authority to take decisions. i.e Board of directors. Director marketing working as an in charge of all marketing activities consults with top management before making decisions. He is responsible for implementation of policies. For this purpose a general manager is appointed as in charge of whole sales force in form of vertical structural levels.

Hierarchy in marketing department

There is uniform chain of command and shorter span of control. The sales force section is also a part of marketing department. All the decision are centralized in marketing department.



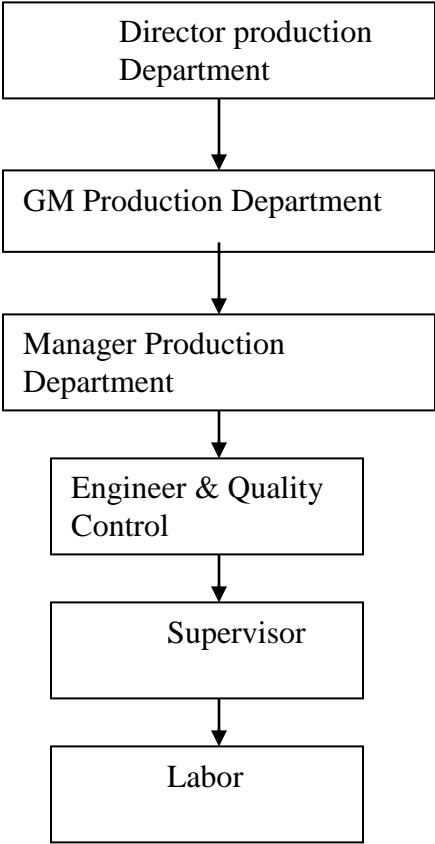
2.6 PRODUCTION DEPARTMENT

Production department is responsible for producing all products of Shezan. The production department consists of three factories, procure section and export department. The factories carry all activities of peeling, crushing and blending of juices. The production and packing of different products are done in different factories. In Lahore the factory produces juices, jams, juice bottles, ketchup, chutneys and squashes. The filling of juice pack is done at Hattar factory. In Karachi products like juices, jams, fruit in syrup, salad, meat packs are produced. In Hattar factory the juice packs are prepared is juice in filled and other products of fruit are also produced. Procure department is responsible for receiving inventory, paper packs, labels, bottles, and covers, tin packs etc.

2.6.1 Structure of production department

The production department is headed by director of production department then further hierarchy from top to bottom are the general manager of production department, manager, engineer, supervisor or quality controller and labor.

Chart of Production department



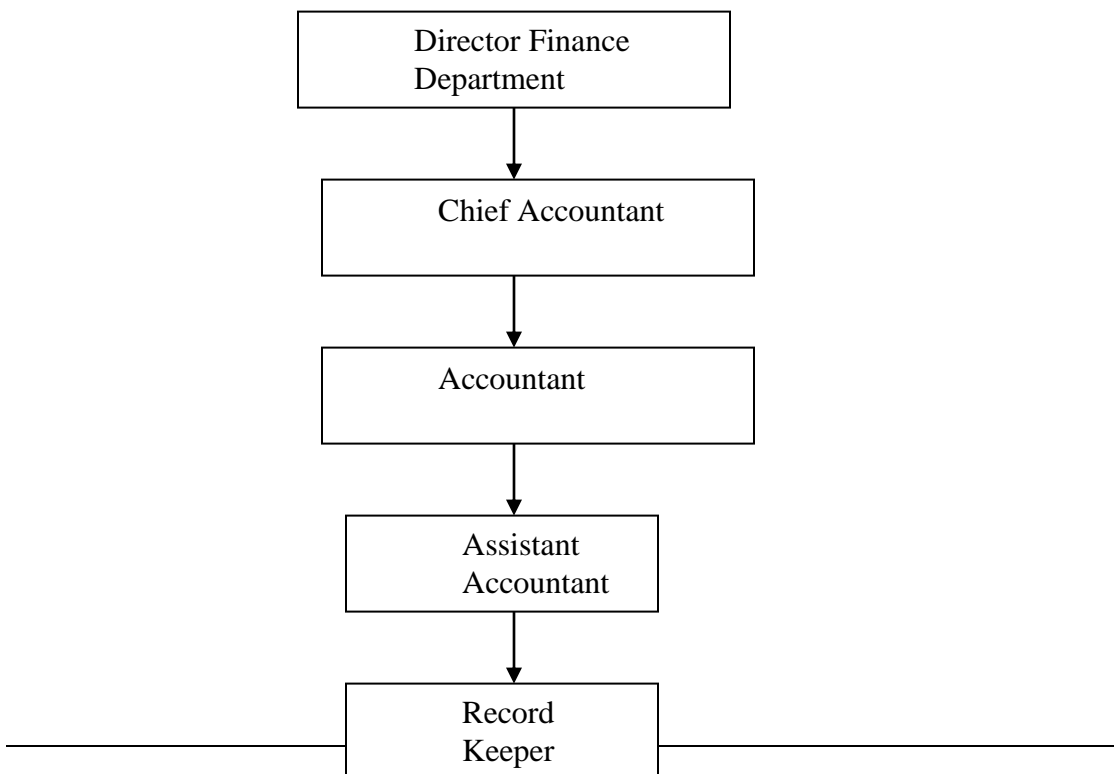
2.7 FINANCE DEPARTMENT

Finance department is responsible for preparation of financial statement, sales and cost records, the inflationary and economic trend measures etc. Finance department plays a very important role in new product development, promotion, plans, export plans and long run strategy of marketing department.

2.7.1 Structure of finance department

Finance department is headed by a director. The director is responsible to have a control and check over the day to day financial activities of the company. The inventory decisions are approved by him. General Manager of finance department or Chief Accountant is next in hierarchy. He keeps an eye on the assistant accountants and consults the director in every case.

Chart of finance department



Pakistan is blessed with a climate ideally suited to the farming of all kinds of fruits rich in taste and flavors, sweet, mellow, and juicy.

2.8 MANGO

2.8.1 Composition and uses

The mango, because of its great utility occupies a pre-eminent place amongst the fruit crops grown in Pakistan and is acknowledged as the king of fruit of this country.

2.8.2 Young and unripe fruits:

Young and unripe fruits are acidic in taste, are utilized for culinary purposes as well as for preparing pickles, chutneys etc.

2.8.3 Ripe fruit:

Ripe fruits are utilized in preparing squash, nectar, jam, cereal flakes, custard powder and baby food juices and toffees. Besides, this fruits of some cultivars like Alphonso and Dasherri are sliced and canned for catering to the needs of consumers during the off-season.

2.8.4 Nutritional Value:

From nutritional point of view the mango is a rich source of vitamin A, almost as rich as butter. Also it has a fair amount of Vitamin C. The carotene pigments, B-carotene (pro vitamin A) increases with ripening, whereas vitamin C registers a sharp fall on ripening.

2.8.5 Cultivars

Due to long history of cultivation in the subcontinent, about a thousand of cultivars of mango are known to exist in Pakistan. Salient characteristics of some cultivators are given in the following paragraph.

2.8.6 Dasehri

This is the most popular cultivator of Pakistan because of its attractive appearance, excellent taste and pleasing flavor. It is a mid-season cultivator maturing towards the end of June.

2.8.7 Langra

It is also a mid-season cultivar oblongish-oval in shape and have lime green color. It has excellent sugar/acid blend and a characteristically pleasant flavor.

2.8.8 Chausa

This is one of the sweetest mangoes, racking somewhat is acidity. It is a late cultivar and matures towards the end of July or beginning of August.

2.8.9 Soil & Climate

The mango can grow well in all types of soil from alluvial to lateritic except black cotton soil which are considered to be poor. The only pre-requisite is a deep and well drained soil. Although, essentially a tropical fruit, the mango can grow from sea level to an altitude of about 1400 meters provided there is no high humidity, rain or frost during the flowering period. It does well within a temperature ranging from 24-27°C. Although it can successfully endure temperatures as high as 48°C during the period of fruit development and maturity. Higher temperature during the period of fruit development fastens maturity and improves fruit size and quality.

2.9 STORAGE ASPECTS

Storage is one of the most important aspects of the post-harvest handling of fruits. The main object of storage of mango is to extend their period of availability. The fruits are living entities and under go physiological and biochemical changes after harvest. The primary purpose of storage is to control the rate of transpiration, respiration, ripening and also any undesirable

biochemical changes and disease infection. As far as the Shezan is concerned, it has very well equipped cold store to increase the storage life of mangoes so they could be utilized in off-season, and makes its availability possible to the target market.

2.10 MANGO PRODUCTION IN PAKISTAN

Pakistan is a country which is famous for the production of citrus fruit and mangoes. Allah has blessed Pakistan with rich soil and suitable climate for harvesting a variety of mangoes and other fruit. Climate of different areas in Pakistan is suited for the production of different fruits and vegetables. As in Punjab, Multan, Sahiwal, Okara, in Sind Khairpur, Hyderabad are the famous areas for production of mangoes in Pakistan.

2.11 HARVESTING SEASON

In Pakistan harvesting season of mangoes starts from October-November and last till January to February. In Sind it starts from June till August, in Punjab it starts one month later than Sind i.e from July and continue till September.

CHAPTER 3 LITERATURE REVIEW

3.1 DEFINATION OF MARKETING

'Marketing' is the craft of linking the producers (or potential producers) of a product or service with customers, both existing and potential. It is an inevitable and necessary consequence of capitalism. However marketing is not limited to capitalist countries. Marketing techniques are applied in all political systems, and in many aspects of life. Marketing methods are informed by many of the social sciences, particularly psychology, sociology, and economics. Marketing research underpins these activities. Through advertising, it is also related to many of the creative arts.

3.1.1 What marketing involves

Contrary to the popular conception, marketing is not just about promotion -- it can be divided into four sections, often called the "*four Ps*". They are:

- **Product** - The Product management aspect of marketing deals with the specifications of the actual good or service, and how it relates to the end-user's needs and wants.
- **Pricing** - This refers to the process of setting a price for a product, including discounts.
- **Promotion** - This includes advertising, publicity, word of mouth, and personal selling, and refers to the various methods of promoting the product, brand, or company.
- **Place** or distribution refers to how the product gets to the customer; for example, point of sale placement or retailing.

These four elements are often referred to as the marketing mix. A marketer will use these variables to craft a marketing plan. For a marketing plan to be successful, the mix of the four "p's" must reflect the wants and desires of the consumers in the target market. Trying to convince a market segment to buy something they don't want is extremely expensive and seldom successful. Marketers depend on marketing research to determine what consumers want and what they are willing to pay for. Marketers hope that this process will give them a sustainable competitive advantage. Marketing management is the practical application of this process.

3.2 MARKETING MIX

Marketers have essentially four variables to use when crafting a marketing strategy and writing a marketing plan. They are price, promotion, product and distribution (also called placement). They are sometimes referred to as the *four p's*.

A marketing mix is a combining of these four variables in a way that will meet or exceed organizational objectives. A separate marketing mix is usually crafted for each product offering. When constructing the mix, marketers must always be thinking of who their target market are. *Mix coherency* refers to how well the components of the mix blend together. A strategy of selling expensive luxury products in discount stores has poor coherency between distribution and product offering. In the long term, all four of the mix variables can be changed, but in the short term it is difficult to modify the product or the distribution channel. Therefore in the short term, marketers are limited to working with only half their tool kit. This limitation underscores the importance of long term strategic planning. Some commentators have increased the

number of p's in the mix to 5, 6 or even 8. "People" is sometimes added, recognizing the importance of the human element in all aspects of marketing. Others include "Partners" as a mix variable because of the growing importance of colaberative channel relationships.

3.2.1 Promotion

Promotion is one of the four aspects of marketing. The other three parts of the marketing mix are product management, pricing, and distribution. Promotion is comprised of four subcategories:

- advertising
- personal selling
- sales promotion
- publicity and public relations

The specification of these four variables creates a promotional mix

3.2.2 Pricing

Pricing is one of the four aspects of marketing. The other three parts of the marketing mix are product management, promotion, and distribution. It is also a key variable in microeconomic price allocation theory.

Pricing involves asking questions like:

- How much to charge for a product or service?
- What are the pricing objectives?
- Do we use profit maximization pricing?

- How to set the price?: (cost-plus pricing, demand based pricing, rate of return pricing, or competitor indexing)
- Should there be a single price or multiple pricing?
- Should prices change in various geographical areas, referred to as zone pricing?
- Should there be quantity discounts?
- What prices are competitors charging?
- Do you use a price skimming strategy or a penetration pricing strategy?
- What image do you want the price to convey?
- Do you use psychological pricing?
- How important are customer price sensitivity and elasticity issues?
- Can real-time pricing be used?
- Is price discrimination or yield management appropriate?
- Are there legal restrictions on retail price maintenance, price collusion, or price discrimination?
- Do price points already exist for the product category?
- How flexible can we be in pricing? : The more competitive the industry, the less flexibility we have.
 - The price floor is determined by production factors like costs, economies of scale, marginal cost, and degree of operating leverage
 - The price ceiling is determined by demand factors like price elasticity and price points
- Are there transfer pricing considerations?
- What is the chance of getting involved in a price war?

- How visible should the price be? - Should the price be neutral? (ie.: not an important differentiating factor), should it be highly visible? (to help promote a low priced economy product, or to reinforce the prestige image of a quality product), or should it be hidden? (so as to allow marketers to generate interest in the product unhindered by price considerations).
- Are there joint product pricing considerations?
- What are the non-price costs of purchasing the product? (eg.: travel time to the store, wait time in the store, disagreeable elements associated with the product purchase - dentist -> pain, fishmarket -> smells)
- What sort of payments should be accepted? (cash, cheque, credit card, barter)

A well chosen price should do three things:

- achieve the financial goals of the firm (eg.: profitability)
- fit the realities of the marketplace (will customers buy at that price?)
- support a products positioning and be consistent with the other variables in the marketing mix
- price is influenced by the type of distribution channel used, the type of promotions used, and the quality of the product
- price will usually need to be relatively high if manufacturing is expensive, distribution is exclusive, and the product is supported by extensive advertising and promotional campaigns
- a low price can be a viable substitute for product quality, effective promotions, or an energetic selling effort by distributors

From the marketers point of view, an efficient price is a price that is very close to the maximum that customers are prepared to pay. In economic terms, it is a price that shifts most of the consumers surplus to the producer. The effective price is the price the company receives after accounting for discounts, promotions, and other incentives. Price lining is the use of a limited number of prices for all you product offerings. This is a tradition started in the old "five and dime" stores in which everything cost either 5 or 10 cents. Its underlying rationale is that these amounts are seen as suitable price points for a whole range of products by perspective customers. It has the advantage of ease of administering, but the disadvantage of inflexibility, particularly in times of inflation or unstable prices. A loss leader is a product that has a price set so low that it acts as a promotional device and draws customers into the store. Promotional pricing refers to an instance where pricing is the key element of the marketing mix. The price/quantity relationship refers to the perception by most consumers that a relatively high price is a sign of good quality. The belief in this relationship is most important with complex product that are hard to test, and experiential products that cannot be tested until used (such as most services). The greater the uncertainty surrounding a product, the more consumers depend on the price/quantity hypothesis and the more of a premium they are prepared to pay.

Premium pricing (also called prestige pricing) is the strategy of pricing at, or near, the high end of the possible price range. People will buy a premium priced product because:

- 1) They believe the high price is an indication of good quality;

- 2) they believe it to be a sign of self worth - "They are worth it" - It authenticates their success and status - It is a signal to others that they are a member of an exclusive group; and
- 3) They require flawless performance in this application - The cost of product malfunction is too high to buy anything but the best - example : heart pacemaker

Demand based pricing refers to any of the pricing methods that use consumer demand as the central element. These include : price skimming, price discrimination and yield management, price points, psychological pricing, bundle pricing, penetration pricing, price lining, and premium pricing

3.2.3 Product

Product Management is one of the four areas of marketing. The other three parts of the marketing mix are pricing, promotion, and distribution. Product management deals with questions like:

- What products to produce and sell
- What new products to add
- What existing products to discontinue
- How long will it take for a product to penetrate the market
- How many products to have in the product line
- How to balance a product portfolio
- Whether to use a product differentiation strategy
- What is the best product positioning
- What brand name to use
- Whether to use individual branding or family branding

- Whether to use product bundling or product lining
- What logo to use
- Product Life Cycle considerations
- Obsolescence considerations

3.2.4 Distribution (place)

Distribution is one of the four aspects of marketing. The other three parts of the marketing mix are product management, pricing, and promotion. Distribution deals with how to get the product or service to the customer. It must answer questions such as:

- What kind of distribution channel to use?
- Should the product be sold through retailing?
- Should the product be distributed through wholesale?
- Should multi-level marketing channels be used?
- How long should the channel be (how many members)?
- Where should the product or service be available?
- When should the product or service be available?
- Should distribution be exclusive or extensive?
- Who should control the channel (referred to as the channel captain)?
- Should channel relationships be informal or contractual?
- Should channel members share advertising (referred to as co-op ads)?
- Should electronic methods of distribution be used?
- Are there physical distribution and logistical issues to deal with?
- What will it cost to keep an inventory of products on store shelves and in channel warehouses (referred to as *filling the pipeline*)?

3.3 MARKETING STRATEGIES

Strategy is the crafting of plans to reach goals. Marketing strategies are those plans designed to reach marketing goals. A good marketing strategy should integrate an organization's marketing goals, policies, and action sequences (tactics) into a cohesive whole. The objective of a marketing strategy is to put the organization into a position to carry out its mission effectively and efficiently. Marketing strategies are partially derived from broader corporate strategies, corporate missions, and corporate goals. They are also influenced by a range of microenvironmental factors. Marketing strategies are dynamic and interactive. They are partially planned and partially unplanned.

3.3.1 Types of Marketing Strategies

Every marketing strategy is unique, but if we abstract from the individualizing details, each can be reduced into a generic marketing strategy. There are a number of way of categorizing these generic strategies. A brief description of the most common categorizing schemes is presented below.

- Strategies based on market dominance - In this scheme, firms are classified based on their market share or dominance of an industry. Typically there are four types of market dominance strategies:
 - leader
 - challenger
 - follower
 - nicher
- Porter generic strategies - Michael Porter assessed strategy on the dimensions of strategic scope and strategic strength. Strategic scope

refers to the breadth of market penetration while strategic strength refers to the firm's sustainable competitive advantage. He felt three types were important:

- cost leadership
- product differentiation
- market segmentation
- Innovation strategies - This deals with the firm's rate of new product development and business model innovation. It asks whether the company is on the cutting edge of technology and business innovation.

There are three types:

- pioneers
- close followers
- late followers
- Growth strategies - In this scheme we ask the question, "How should the firm grow?". There are a number of different ways of answering that question, but the most common gives four answers:
 - horizontal integration
 - vertical integration
 - diversification (or conglomeration)
 - intensification
- Aggressiveness strategies - This asks whether a firm should grow or not, and if so, how fast. One scheme divides strategies into:
 - building
 - holding
 - harvesting

- Warfare based strategies - This scheme draws parallels between marketing strategies and military strategies. There are many types of marketing warfare strategies, but they can be grouped into:
 - offensive marketing warfare strategies
 - defensive marketing warfare strategies
 - flanking marketing warfare strategies
 - guerrilla marketing warfare strategies

3.3.2 Porter generic strategies

Michael Porter has described a category scheme consisting of three general types of strategies that are commonly used by businesses. These three generic strategies are defined along two dimensions: strategic scope and strategic strength. *Strategic scope* is a demand-side dimension (Porter was originally an economist before he specialized in strategy) and looks at the size and composition of the market you intend to target. *Strategic strength* is a supply-side dimension and looks at the strength or core competency of the firm. In particular he identified two competencies that he felt were most important: product differentiation and product cost (efficiency). He originally ranked each of the three dimensions (level of differentiation, relative product cost, and scope of target market) as either low, medium, or high, and juxtaposed them in a three dimensional matrix. That is, the category scheme was displayed as a 3 by 3 by 3 cube. But most of the 27 combinations were not viable. In his 1980 classic *Competitive Strategy: Techniques for Analysing Industries and Competitors*, Porter simplifies the scheme by reducing it down to the three best strategies. They are cost leadership, differentiation, and market segmentation (or focus). Market segmentation is narrow in scope while both cost leadership and differentiation are relatively broad in market

scope. Empirical research on the profit impact of market share indicated that firms with a high market share were often quite profitable, but so were many firms with low market share. The least profitable firms were those with moderate market share. This was sometimes referred to as the hole in the middle problem. Porter's explanation of this is that firms with high market share were successful because they pursued a cost leadership strategy and firms with low market share were successful because they used market segmentation to focus on a small but profitable market niche. Firms in the middle were less profitable because they did not have a viable generic strategy. Combining multiple strategies is successful in only one case. Combining a market segmentation strategy with a product differentiation strategy is an effective way of matching your firm's product strategy (supply side) to the characteristics of your target market segments (demand side). But combinations like cost leadership with product differentiation are hard (but not impossible) to implement due to the potential for conflict between cost minimization and the additional cost of value-added differentiation. Since that time, some commentators have made a distinction between cost leadership, that is, low cost strategies, and best cost strategies. They claim that a low cost strategy is seldom able to provide a sustainable competitive advantage. In most cases firms end up in price wars. Instead, they claim a best cost strategy is preferred. This involves providing the best value for a relatively low price.

3.3.2.1 Cost Leadership Strategy

This strategy emphasizes efficiency. By producing high volumes of standardized products, the firm hopes to take advantage of economies of scale and experience curve effects. The product is often a basic no-frills

product that is produced at a relatively low cost and made available to a very large customer base. Maintaining this strategy requires a continuous search for cost reductions in all aspects of the business. The associated distribution strategy is to obtain the most extensive distribution possible. Promotional strategy often involves trying to make a virtue out of low cost product features. To be successful, this strategy usually requires a considerable market share advantage or preferential access to raw materials, components, labour, or some other important input. Without one or more of these advantages, the strategy can easily be mimicked by competitors. Successful implementation also benefits from:

- process engineering skills
- products designed for ease of manufacture
- sustained access to inexpensive capital
- close supervision of labour
- tight cost control
- incentives based on quantitative targets

3.3.2.2 Differentiation Strategy

Differentiation involves creating a product that is perceived as unique. The unique features or benefits should provide superior value for the customer if this strategy is to be successful. Because customers see the product as unrivaled and unequalled, the price elasticity of demand tends to be reduced and customers tend to be more brand loyal. This can provide considerable insulation from competition. However there are usually additional costs

associated with the differentiating product features and this could require a premium pricing strategy.

To maintain this strategy the firm should have:

- strong research and development skills
- strong product engineering skills
- strong creativity skills
- good cooperation with distribution channels
- strong marketing skills
- incentives based largely on subjective measures
- be able to communicate the importance of the differentiating product characteristics
- stress continuous improvement and innovation
- attract highly skilled, creative people

3.3.2.3 Market Segmentation Strategies

In this strategy the firm concentrates on a select few target markets. It is also called a focus strategy or niche strategy. It is hoped that by focusing ones marketing efforts on one or two narrow market segments and tailoring your marketing mix to these specialized markets, you can better meet the needs of that target market. The firm typically looks to gain a competitive advantage through effectiveness rather than efficiency. It is most suitable for relatively small firms and has much in common with guerrilla marketing warfare strategies.

3.4 STRATEGIC MANAGEMENT

Strategic management is the process of specifying an organization's objectives, developing policies and plans to achieve these objectives, and allocating resources so as to implement the plans. It is the highest level of managerial activity, usually performed by the company's Chief Executive Officer (CEO) and executive team. It provides overall direction to the whole enterprise. An organization's strategy must be appropriate for an organizations resources, circumstances, and objectives. The process involves matching the companies' strategic advantages to the business environment the organization faces. One objective of an overall corporate strategy is to put the organization into a position to carry out its mission effectively and efficiently. A good corporate strategy should integrate an organization's goals, policies, and action sequences (tactics) into a cohesive whole.

3.4.1 Strategy formulation and implementation

Strategic management can be seen as a combination of strategy formulation and strategy implementation. Strategy formulation involves:

- Doing a situation analysis: both internal and external; both micro-environmental and macro-environmental.
- Concurrent with this assessment, objectives are set. This involves crafting vision statements (long term), mission statements (medium term), overall corporate objectives (both financial and strategic), strategic business unit objectives (both financial and strategic), and tactical objectives.

- These objectives should, in the light of the situation analysis, suggest a strategic plan. The plan provides the details of how to obtain these goals.
- This three-step strategy formation process is sometimes referred to as determining where you are now, determining where you want to go, and then determining how to get there. These three questions are the essence of strategic planning.

Strategy implementation involves:

- Allocation of sufficient resources (financial, personnel, time, computer system support)
- Establishing a chain of command or some alternative structure (such as cross functional teams)
- Assigning responsibility of specific tasks or processes to specific individuals or groups
- It also involves managing the process. This includes monitoring results, comparing to benchmarks and best practices, evaluating the efficacy and efficiency of the process, controlling for variances, and making adjustments to the process as necessary.
- When implementing specific programs, this involves acquiring the requisite resources, developing the process, training, process testing, documentation, and integration with (and/or conversion from) legacy processes.

Strategy formation and implementation is an on-going, never-ending, integrated process requiring continuous reassessment and reformation. Strategic management is dynamic. See Strategy dynamics. It involves a

complex pattern of actions and reactions. It is partially planned and partially unplanned. Strategy is both planned and emergent, dynamic, and interactive. Some people (such as Andy Grove at Intel) feel that there are critical points at which a strategy must take a new direction in order to be in step with a changing business environment. These critical points of change are called strategic inflection points.

3.4.2 The strategy hierarchy

In most (large) corporations there are several levels of strategy. Strategic management is the highest in the sense that it is the broadest, applying to all parts of the firm. It gives direction to corporate values, corporate culture, corporate goals, and corporate missions. Under this broad corporate strategy there are often functional or business unit strategies.

Functional strategies include marketing strategies, new product development strategies, human resource strategies, financial strategies, legal strategies, and information technology management strategies. The emphasis is on short and medium term plans and is limited to the domain of each department's functional responsibility. Each functional department attempts to do its part in meeting overall corporate objectives, and hence to some extent their strategies are derived from broader corporate strategies.

Many companies feel that a functional organizational structure is not an efficient way to organize activities so they have reengineered according to processes or strategic business units (called SBU's). A strategic business unit is a semi-autonomous unit within an organization. It is usually responsible for its own budgeting, new product decisions, hiring decisions, and price setting.

An SBU is treated as an internal profit centre by corporate headquarters. Each SBU is responsible for developing its business strategies, strategies that must be in tune with broader corporate strategies.

The “lowest” level of strategy is operational strategy. It is very narrow in focus and deals with day-to-day operational activities such as scheduling criteria. It must operate within a budget but is not at liberty to adjust or create that budget. Operational level strategy was encouraged by Peter Drucker in his theory of management by objectives (MBO). Operational level strategies are informed by business level strategies which, in turn, are informed by corporate level strategies.

Since the turn of the millennium, there has been a tendency in some firms to revert to a simpler strategic structure. This is being driven by information technology. It is felt that knowledge management systems should be used to share information and create common goals. Strategic divisions are thought to hamper this process.

Dual strategies

Strategic management operates on several time scales. Short term strategies involve planning and managing for the present. Long term strategies involve preparing for and preempting the future. Marketing strategist, Derek Abell (1993), has suggested that understanding this dual nature of strategic management is the least understood part of the process. He claims that balancing the temporal aspects of strategic planning requires the use of dual strategies simultaneously.

Chapter 4 STRATEGIC PLANNING

4.1 STRATEGIC PLANNING

Strategic planning is the process of developing and maintaining a strategic fit between the organizational goals and capabilities and its changing marketing opportunities. It consists of developing clear company mission, supporting objectives, a sound business portfolio and coordinated functional strategies.

4.1.1 Defining the company mission

An organization develops a formal mission statement that gives an idea of the objectives and goals of the organization and the purpose for which company has entered the market. A mission statement is a statement of the organization's purpose-what it wants to accomplish in the larger environment. A clear mission statement acts as an 'invisible hand' that guides people in the organization so that they can work independently and get collectively towards overall organizational goals. The mission statement of Shezan is product oriented. It tells that the company is manufacturer of fruit and vegetable products.

Mission statement

**“To become the largest processor of fruit and vegetable products
In Pakistan”**

Shezan mission statement motivates management and channel members to be the leader in market and produce goods at large scale.

4.2 DIVISIONS OF SHEZAN INTERNATIONAL

4.2.1 Bottle Division

Bottle division consists of returnable bottles of juices. The bottles are available with two flavors; mango juice and lemon barley. The target consumers are lower middle and middle class. The prices are 7 rupees for each bottle. The bottles are fitted at the processing plant situated in Lahore. The target market is only Punjab. The distribution channel is excellent for bottle division. Shezan has captured 90% market shares as compared to their competitors Benz and Fanta. Bottle division produces mango juice at rate of 22000 crates per day.

4.2.2 Consumer Product Division

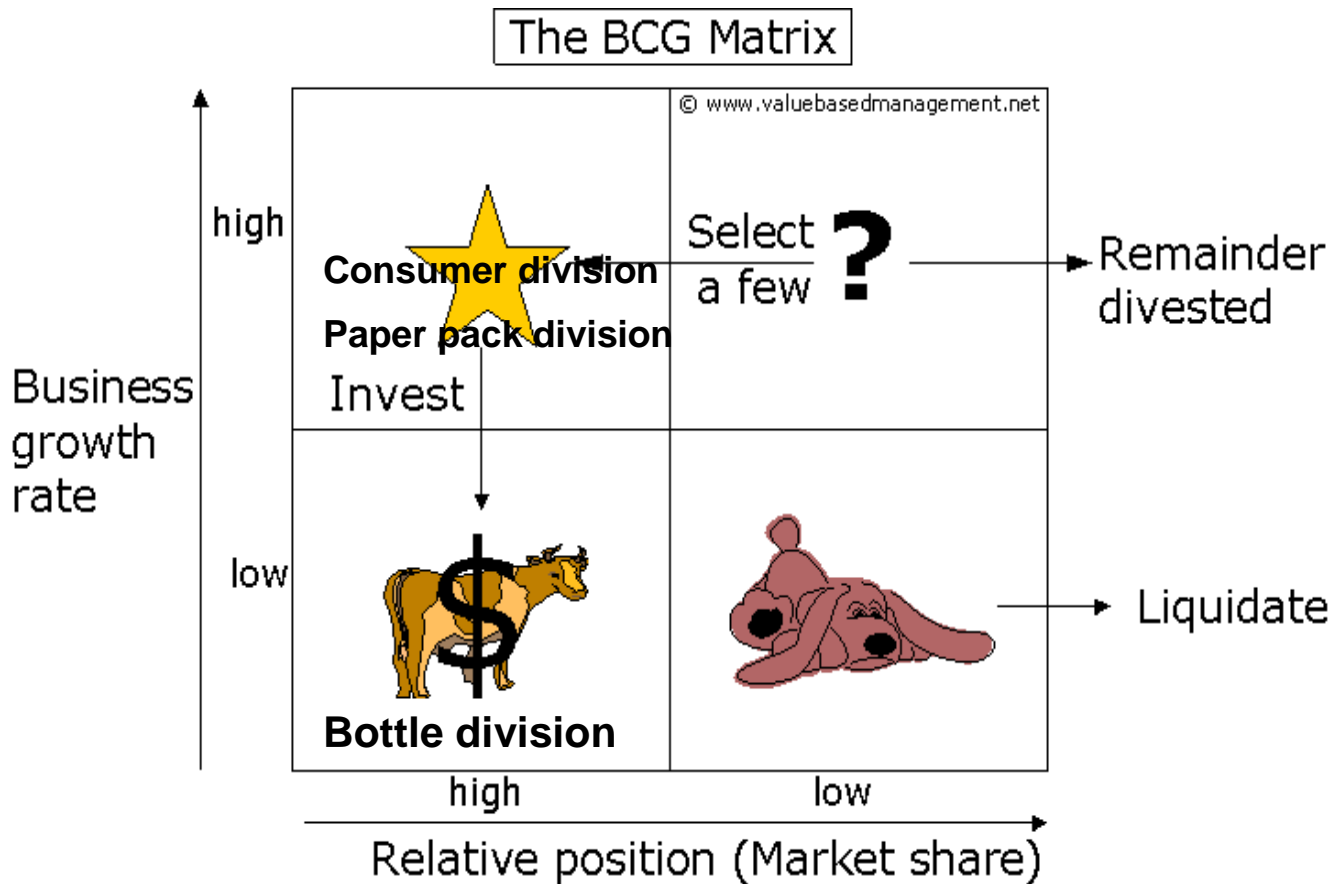
The consumer product division includes products like jams, jelly, marmalades, fruit in syrups pickles (in oil and vinegar) sources etc. These products are targeting upper and middle classes and are produced at the rate of 6000 dozen for squashes and syrup, 4000 for jams and 4000 dozen for tomato ketchup. Shezan produces these goods in different flavors, packages and at different convenient prices.

4.2.3 Paper Pack Division

This division includes all paper pack juices which are available in 250 ml and 1000 ml. All the process of paper packs like grading and filling etc is done at Hattar processing plant. The paper pack division consists of flavor of apple, orange, mango, punch, lemon barley. The prices for 250 ml are 10 rupees and for 1000 ml pack are 50 rupees. In paper pack division a new juice pack is also introduced by Shezan named potpourri.

4.2.4 Bosten Consulting Group Approach

A portfolio-planning method that evaluates a company's strategic business units in terms of their market growth rate and relative market share. Strategic Business Unit (SBU's) is classified as stars, cash cows, question marks, or dogs.



The consumer division and paper pack division are stars. In foreign markets the meat and other fruit preserves are cash cows. Bottle division is cash cow, as in juice bottles it covers 90% share.

4.3 DEVELOPING GROWTH STRATEGIES

Beyond evaluating current business designing, business portfolio, Shezan involves themselves in finding business and product that the company considers in the future. The device used by shezan for identifying growth opportunities around the world is with the help of product/market expansion grid.

4.3.1 Product / Market expansion grid

A portfolio-planning tool for identifying company growth opportunities is done through market penetration, market development, product development or diversification.

4.3.2 Market Penetration

Shezan uses market penetration strategy for bottle division and consumer products division for company growth by increasing sales to current product to current market segments without changing the product in any way, and by giving superior quality in fewer prices.

4.3.3 Product Diversification

Shezan adopted this strategy to introduce two sauces; ginger garlic chilli sauce and green chilli sauces and offers these products to current market segments. They have also introduced 100% orange juice to offer same market segments.

4.3.4 Product development

Shezan adopted this strategy to change the package and taste of mango juice with kino juice and introduced it with name of potpourri.

CHAPTER 5 Marketing Environment & Marketing Information Systems

5.1 MARKETING ENVIRONMENT

It includes the actors and forces outside marketing that affect marketing management's ability to develop and maintain successful transactions with its target customers. The marketing environment is made up of a micro environmental and a macro environmental.

Micro environment: It consists of the forces close to the company that affect its ability to serve its customers - the company itself, suppliers, market channel firms, customers markets, competitors, and publics.

Macro environment: The macro environment consists of the larger societal forces that affect the whole microenvironment - demographic, economic, natural, technological, political and cultural forces.

5.2 SHEZAN MICROENVIRONMENT

5.2.1 Shezan International Limited

Shezan consists of groups such as top management, finance, production and marketing. All the decisions are taken by a committee which includes members from top management, finance, production and marketing directors. The decisions are implemented by managers after approval from top management. The company's objectives, all other strategies and plans are first discussed by the committee and then final decisions are implemented.

5.2.2 Suppliers

Suppliers provide the resources needed by the company to produce its goods. Shezan has long term contracts with suppliers to produce the goods needed by company. Shezan suppliers include farmers of different vegetables and fruits from all over Pakistan, Ravi Glass (Pvt) Ltd, Packages, local printing press etc.

5.2.3 Marketing Intermediaries

Marketing intermediaries are those firms that help the company to promote, sell and distribute its goods to final buyers; they include resellers, physical distribution firms, marketing services agencies and financial intermediaries.

Physical distribution firms help system to move its products from its factories to warehouses outside the big cities and from warehouses to final buyers. It also includes distributors outside the country. Marketing services agencies include marketing research firms, Ad. Co; advertising agency, Ptv, Jang, other newspapers and marketing consulting firms. In financial intermediaries the company has banks.

5.2.4 Customers

The customer is buyer of company's products. Shezan customers are four types; consumer markets consist of individuals and households, business market includes restaurants and hotels, resellers markets includes warehouse, retailers and dealers. Finally international market consists of those buyers in other countries including distributors, resellers and consumers.

5.2.5 Competitors

The company's competitors are producing goods at regional level such as Simba, Poly, Frost, Country and at national level as well such as Ahmad, Mitchells, National, Sunripe, and at international level the company has to face a stiff competitions from national brands and foreign brands.

5.2.6 Publics

Public is any group that has an actual or potential interest in an important impact on an organization's ability to achieve its objectives. Financial publics: Banks i.e United Bank Limited, Citibank N.A., The Bank of Khyber, Stock Exchange. Media publics: Urdu and English newspaper such as Jang, Dawn,

magazines such as Herald, Akhbar-i-Jahan, Ptv and foreign televisions. Government publics: Sales and tax departments, export department, quality central department of govt. Citizen Action publics: labor union at Shezan General Publics: All consumers, retailer's resellers or warehouses, potential buyers. Internal publics: Board of directors, managers, labors, sales force.

5.3 SHEZAN'S MACROENVIRONMENT

Shezan macroenvironment includes demographic, economic, natural, technological, political and cultural forces that affect company's strategies.

5.3.1 Demographic environment

Demography is the study of human population in terms of size, density, location, age, gender, race, occupation and other statistics .Pakistan has population of more than 13 corer out of which 55% are male and 45% are females. 55% of the population involves in agriculture. The literacy rate in very low i.e 39% and population rate is 3.3% annually. Most of the population lives in rural areas but migration rate is high. The per capital income is \$480 per person annually hence such goods produced by Shezan can be afforded only by upper middle and upper class of society.

5.3.2 Economic Environment

Economic environment includes factors that affect consumer purchasing power and spending pattern. The country major economic sectors are underdeveloped. The common man works hard to meet his basic needs. Thus a large part of the income is spent on basic needs, and shezan products don't come under basic necessity for the people.

5.3.3 Natural Environment

The natural environment involves the natural resources that are needed as inputs by marketers or that are affected by marketing activities. Pakistan is ideal for fruit and vegetable growth hence natural environment is ideally

suitable to the company. The company is taking advantage of natural resources available in Pakistan.

5.3.4 Technological Environment

Technological environment includes all forces that create new technologies, creating new products and marketing opportunities. Technological environment of the company is continuously improving and helps to utilize new marketing opportunities. Recently Shezan have installed 30 new computers, which will help them to record their inventory, and new software is being installed which will help them to control the inventory level and will help the production department to control the flow of inventories and accurate lead time can be calculated by Shezan.

5.3.5 Political Environment

The political environment consists of laws, government agencies and pressure groups that influence and limit various organizations and individuals in a given society. The political environment of the company is most encouraging. The govt. imposes limited tax on local companies and less tariffs on exporting organizations. The company has to work according to quality standards of government.

5.3.6 Cultural Environment

The cultural environment is made up of institutions and other forces that affect a society's basic values perception, preference and behaviors. Cultural environment of the company is perfect for the production of Shezan products. The people consume and prefer the products and use the product in daily routine. As time is passing by new products are coming in the market and media is improving day by day, impact of WTO have to be catered by the company because it will impact our culture.

5.4 THE MARKETING INFORMATION SYSTEM

A marketing information system (MIS) consists of peoples, equipment and procedures to gather, sort, evaluate and distribute needed timely and accurate information to marketing decision makers.

5.4.1 Developing Information

The information needed by marketing manager at Shezan is obtained from more than one source. These sources are internal records, marketing intelligence and marketing research.

5.4.2 Internal records

The necessary information required for day to day decisions is obtained from the company's internal records. The finance department prepares financial statements, keeps records of sales, costs and flows. The department also gives information about the other company's internal record and annual reports. The department helps marketing manager to evaluate the performance of sales people and their efforts. The overall economic conditions of the country are also predicted by the finance department.

The marketing department also keeps sales records of different seasons, the performance of competitor's products, the prices of competitors and other market conditions. It keeps data on demographic, psychographic and buying behavior of people. The marketing department also provides information regarding retailers, promotion activities of sales force and retailers and future plans of the competitors.

5.4.3 Marketing Intelligence

Marketing intelligence is day to day information about the development in the marketing environment. At Shezan marketing intelligence is gathered from many sources. The company CEO, executive engineers, wholesalers, sales force and retailers are general sources of marketing intelligence. The

information regarding the competitors is obtained with the help of sales force and retailers. The suppliers of raw material also play very important role in the marketing plans and in execution of product development strategies. The company also seeks help of consultancy firm to gather information on behalf of the company. Marketing manager at Shezan also participate in this kind of research.

5.4.4 Marketing Research

Marketing research is defined as the systematic design, collection, analysis and reporting of data and findings relevant to a specific marketing situation facing by an organization. Marketing research provide information used to identify and define marketing opportunities and problems; to generate, refine, and evaluate marketing actions; to monitor marketing performance; and to improve understanding of the marketing process. The job of marketing research at Shezan is the responsibility of marketing department. Although there is no research and development department separately but from marketing director to sales force members all people are involved in collecting information in their areas of operations. The company also takes help of research firms but mostly rely upon its own findings.

5.4.5 Information Analysis

Information analysis is conducted by marketing manager at Shezan. He takes help of some statistical analysts as well. These analysis are compared with the outcome of research firms. It shows the reliability of data gathered in marketing research.

5.4.6 Distributing Information

All the Information gathered and analyses are presented to marketing director before making planning and control decision. As the decision making process is centralized at Shezan thus marketing manager cannot make all decisions

on his own but he has to take approval from marketing director. The marketing director needs to consult the CEO of Shezan and attend the meeting of directors to discuss the problem and opportunities and then the decisions are implemented.

5.6 THE MARKETING RESEARCH PROCESS

The marketing research process at shezan consists of four steps: defining the problems and research objectives, developing the research plan, implementing the research plan and interpreting and reporting the findings.

5.6.1 Defining The Problem And Research Objectives

The problem is identified and addressed after keenly analyzing the information collected from the internal sources of the company and then a meeting is held to discuss this problem and in this meeting the problem is defined. The meeting is attended by marketing managers and marketing director who is himself interested in marketing research. There certain factors are considered as reason of problem. But before that they look at overall economic and political conditions of the country and then move towards research objectives. The objective of research projects at Shezan is to explain the problems and to understand the situation. This type of research is called descriptive research in which research is conducted to better describe marketing problems, situations or market, such as the market potential for a product or the demographic and attitudes of potential consumers.

5.7 DEVELOPING THE RESEARCH PLAN

The research plan explains the specific information needs. In research plan sources of data and data collectors are mentioned, then research approaches, tools of data collection or instruments are clearly stated. The research plan is developed by manager and he is responsible for further steps to be taken in marketing research process.

5.7.1 Specific information needs

The research objectives are translated into specific information needs. For example Shezan conducted research on how the consumer perceives the new package of Shezan then following information was needed.

- * Consumer attitude towards new package.
- * The demographic and economic characteristics of consumer.
- * The retailers attitude towards new package.

5.7.2 Secondary Data Collection

Shezan utilizes secondary data for many purposes like exports, economic conditions of consumers, the demographic and lifestyle of the consumer. Secondary data is that information that already exists, having been collected for another purpose. The sources of secondary data are mainly government agencies and their publications, other companies, reports, magazines etc.

5.7.3 Primary Data Collection

Information collected for the specific purpose at hand is called primary data. Shezan marketing department plan to collect primary data for specific purposes two types of research approach are followed.

5.7.4 Observational research

Observational research is gathering of primary data by observing relevant people, actions, and situations.

5.7.5 Survey research

Survey research is the approach for gathering descriptive information. Survey research involves gathering of primary data.

5.7.6 Research Instrument

In collecting primary data by asking consumers and retailers about their knowledge preference and buying behavior the marketing researcher have only one type of instrument to be used; the questionnaire. The sales force is

responsible to collect the primary data by using this tool. The questions asked are closed-end questions. These questionnaires are handed over to retailers and consumers. After they fill this questionnaires the particular section of that sales force collect these questionnaire and give it to their supervisors. The supervisor gave them to marketing manager.

5.7.7 Analyzing the data and decision making

The data at hand is analyzed by manager and then he gives suggestions or recommendations. These recommendations are evaluated by the marketing director and then after consulting the CEO of the company the results of research are utilized and decisions are made.

5.8 INTERNATIONAL MARKETING RESEARCH

For international marketing Shezan rely on the distributors of the company. Periodically the export manager is sent to foreign market to analyze the problems or opportunities for company. Secondary data is gathered for this purpose. International marketing research is cost extensive for Shezan that is why Shezan also depends upon the trends in market and follow the large companies agencies and their publications, other companies research reports, magazines, etc.

CHAPTER 6 **MARKETING MANAGEMENT PROCESS IN SHEZAN**

6.1 MARKET OF JUICES

A market is the set of actual and potential buyers of a product. Originally market stands for the place where buyers and sellers gather to exchange their goods. But in broad sense market refers to a collection of buyers and sellers who transact in a particular product class. Market of mango and orange juice consist of people taste's but these people are scattered in various groups. It includes a child of even three year old and an old person. The market consists of men and women who want to keep themselves fresh and pleasant in life and get quick energy. Although the people are considered as market but their consumption varies from class to class. In upper class which has a high disposable income juice is as a necessity or basic need. They take juice in breakfast and other timings as well, whereas middle class take it as comfort and consumption of juice is a little lower than upper class and involve once or maximum juice a day. As for the lower middle class in concerned its consumption of juice is occasionally. The size and growth of market is very attractive. The culture of our country allow Shezan to have a large market size of juice.

6.2 MARKETING OF JUICE

Marketing means managing market to bring about exchange and relationships for the purpose of creative value and satisfying needs and wants. Shezan first identifies the needs and wants of market of juice and start marketing process. It designed bottle juices for the market in 1964 and started offering it to the large market of juice. The quality, prices and promotion allowed it to capture about 90% market shares at that time. It continuously involved in product development, research, communication, distribution,

pricing and core marketing activities. Shezan has competitive advantage at the time when it introduced mango juices in 1964 it was the first company to meet the needs of the market and thus soon got positive response. The marketing activities helped Shezan to build large profit and an image of quality goods. It realized soon that consumer of juice want convenience in consumption of drink therefore Shezan introduced 250ml juice packs which are convenient and possess extra features to give value products to consumers. With continuous product development, research and discovering new distribution channels Shezan is standing firm in juice market being at top among its competitors. Today Shezan has competitive advantage over its competitors in terms of quality, brand awareness, image, and distribution of juice packs.

6.3 MARKETING SYSTEM

Marketing system is a system in which firm meet the basic needs and wants of consumer and makes a product available to them. In marketing system main actors and forces are suppliers, company, marketing intermediaries and marketing environment. Shezan's marketing system starts from suppliers of fruit and vegetables. Shezan has its own orchard and selected farmers to supply the desirable quality goods suppliers meet the needs of company and help it to produce the fresh fruit and vegetable product. The company sends its sales force and marketing intermediaries to analyze the environmental forces of market. The information obtained in this way helps company to set its objectives and strategies related to marketing mix. It offers product for direct consumption to customer after setting a combination of marketing mix.

6.4 MARKETING MANAGEMENT

Marketing management is defined as the analysis planning, implementation and control of program designed to create, build and maintain beneficial exchanges with target buyers for the purpose of achieving organizational objectives. It involves demand management and building profitable customer relationships.

6.4.1 Demand Management

Shezan manages to create demand for its product when the demand varies according to season. In winter season it has adequate demand but in summer season it has too much demand. But it meets the requirement of consumers in both seasons. In summer it gets sufficient inventory of goods to meet the need during the whole year. Similarly it stores seasonal fruits and vegetable available in abundance to meet the demand in summer.

6.4.2 Building Profitable Customer Relationships

Shezan has built strong repeat customers and it understands the value assigned to its name. A country like Pakistan where inflation rate is quite high Shezan produces its products at cost based pricing. It is providing certain customer services like home delivery and participating in social activities and also providing economic goods. For new customers it keeps on investing in research and development of product. It searches for more consumer value and satisfaction and gives its products at right time.

6.5 MARKETING MANAGEMENT PHILOSOPHIES

Marketing philosophies is guidance for a company to achieve desirable exchanges with target markets. There are five alternative concepts under which a company conducts its marketing activities.

6.5.1 The Production Concept

The product concept is philosophy that consumer will favor product that are available and highly affordable and that management should therefore focus on improving production and distribution efficiency. For years Shezan adopted this philosophy and make their product affordable to target market and strengthened their distribution network. Till 1980 Shezan was the only producer of juices in Pakistan and this concept helped the company to build large market share.

6.5.2 The Product Concept

The product concept holds the idea that consumers will favor product that offers the best quality, performance and features and that the organization should therefore devote its energy to product improvements. Shezan moved from production concept to product concept when new competitors 'Frost', Mitchells entered into market. This concept leads Shezan to product improvement, quality performance and new features which could attract more customers and perceived value of consumers.

6.5.3 The Marketing Concept

The marketing concept holds that achieving organizational goals depends on determining the needs and wants of target markets and delivering the desired satisfaction more effectively and efficiently than competitors do. Shezan has recently adopted marketing concept when their market share dropped from last two years. Shezan has changed their marketing strategies. Now they first determine the value of customers and realize the needs of target markets then deliver their desired value. The profit is joined from the satisfaction of customer and Shezan is more focusing upon it. They have retargeted the same segments of market which had lost confidence over Shezan and have repositioned their products.

6.5.4 The Societal Marketing Concept

The societal marketing concept holds that the organizations should determine the needs, wants and interest of target market then it should deliver superior value to customers in a way that maintains or improves the customer's and the society's well-being. Shezan has also adopted societal marketing concept in certain product division and paper pack division is one of them. Shezan is raising slogan that paper packed juices are environment friendly. They do not lead to waste and pollution. They have raised slogan printed on the pack that consumer should not throw it any where but only in dustbin. They are creating awareness among consumers that cleanliness is very important for environment. The company also supports certain non-profit organizations like SOS Village and Shaukat Khanum Memorial Trust. Now Shezan is getting more like market focused and customer driven company.

CHAPTER 7 MARKET SEGMENTATION, TARGETING AND POSITIONING

7.1 MARKET SEGMENTATION

Market segmentation is defined as dividing a market into distinct groups of buyers with different needs, characteristics or behavior who might require separate products or marketing mixes. There are different groups of consumers scattered in the market. They may differ in their wants, resources, locations, buying attitude and buying practices. As the purchase behavior of such buyers are different to a large extent from each other which makes them a separate market. Thus firms need to offer product according to the required value of consumers. Juice markets have so many different groups of buyers that Shezan need to offer juice according to their choices. Although juice market consists of human beings mouths but their taste, habit or consumption is different from each other that Shezan has targeted these segments according to their pattern of consumption. That is why the bases for market segmentation are various.

Bases For Segmenting Consumer Market

The various variables are combined into certain classes of segmentations. The major bases for juice market segmentation are geographic, demographic, psychographic and behavioral variables.

7.1.1 Geographic Segmentation

Geographic segmentation means dividing a market into different geographic units such as nations, states, regions, countries cities or neighborhoods. Shezan target the mango juice market based on geographical boundaries. It means that people living in cities are targeted because these people prefer to buy mango juice as they have more disposable income and they have more

knowledge about the nutritional value of juice and believe in only quality drinks. It targets all canteens, convenience stores, hospitals, hotels.

7.1.2 Demographic Segmentation

Demographic segmentation consists of dividing the market into groups based on variables such as age, gender, family size, family life cycle, income, occupation, education, religion, race and nationality. Shezan mango juice is equally popular among people of all ages but it has targeted women and children more because of nutritional value and providing necessary vitamin for betterment of health and glowing skin. The target market has disposable income more than 5000 rupees and juice consumption is more among families having income more than 15000.

7.1.3 Psychographic Segmentation

Psychographic segmentation divides buyers into different groups based on social class, lifestyle or personality characteristics. Shezan target for its mango juice drink is middle, upper middle and upper class because the lifestyle of these classes allows them to consume juice with breakfast. The lower class is target on particular way to consume juice. This class consumes juice when they are outside home with friends or to refresh themselves and having fun.

7.1.4 Occasional Segmentation

Occasional segmentation divides the buyers into groups according to occasions when buyers get the idea to buy, actually make their purchase or use the purchased item. Shezan do occasional segmentation and offer its product not only for breakfast but also at time of fun, after exercise or game and while recreation.

7.1.5 AIOD Framework:

Customers of Shezan mango juices are from all societal groups that are from lower to upper middle and upper class. Following framework identifies the major chunk of customers of shezan mango juices.

NEEDS & PROFILE	ACTIVITIES	INTERESTS	OPINIONS	DEMOGRAPHICS
Occasional parties	Socialites Elite group	Social gatherings Dinners, variety, out of habit	Friends Family Peer groups	45-60 years, female, male. Married with kids.
Variety of juices	High society, Working class	Different taste, Dinners, Parties	Friends, Colleagues, Family	30-40 years, Female, males. married with kids
Out of habit	Lower or upper middle group, Socialites	Events, dinners, taste, Sports	Family, siblings, peer groups	30-55 years, female, males. married with kids
Taste	Social class, executives, working women	Convenience, variety, Out of habit.	Family, friends, colleagues, peer pressure	35-55 years, female, married with kids or no kids.

7.2 MARKET TARGETING

In evaluating different market segment a firm look at three factors, segment size and growth, segment structural attractiveness and company objectives.

7.2.1 Segment size and growth

The company first collects and analyzes data of Shezan mango juices on current segment sales, growth rate and expected profitability for various

segments. Restaurants and even khokhas, if target in rural areas all those stores which can provide drinks to the users. Mango juices of Shezan are also popular in the industrial zones.

7.2.2 Segment structural attractiveness

The segment's attraction depends upon more than one factor. It depends upon the number of competitor, substitute products power of buyers or the power suppliers. The competition in juice market is not as tough as the monopolistic competition but most of the competitors are producing goods at geographical bases that do not make troubles for Shezan mango juices to target the huge juice market. But there is only one big competitor i.e Frost Shezan mango juices competes with it in terms of price, quality and distribution. There are other local competitors like Country, Poly, Simba, and foreign competitors delmonte nestle Orange and Sunripe etc. The juice consumption is growing at 8% annual foreign market is growing at 28% and the juice buyers are not reluctant to pay for it that is why juice market is very attractive for Shezan.

7.2.3 Company Objectives and Resources

The company must target that segment which fulfils the company objectives and whose needs are met by the company resources. Shezan's juices objective is to target all market segment to sell as much as possible, become market share leadership by producing quality goods and reach them without wasting time. The company objectives are well met with its resources. The company's current assets worth 230425000 where capital employed are 156999000 rupees. It made sale of 556463000 to the domestic market. The company made sales to foreign market worth 71069000. The production capacity of Hattar Fruit Product Ltd for mango juices is 22000 crates per day and paper packs is 19000 dozens.

7.3 POSITIONING STRATEGY

Market position is the way that the product is defined by consumer on important attributes - the place that the product occupies in consumers minds relative to competing products. Shezan position is product for quality - best quality. They position their juices directly against a competitor and compare their products with competitors saying that Shezan juices are purest. Shezan position its product attributes and according to usage occasions. It says that one juice is treasure of healthy pleasure. They also claim that a glass of Shezan juice at breakfast will be beneficial for a person's health.

7.3.1 Choosing And Implementing A Positioning Strategy

The positioning task consist of three steps: identifying a set of possible competitive advantage upon which to build a position, select the eight competitive advantage and effectively communicating and delivering the chosen position to market. An advantage over competitors gained by offering consumers greater value either through lower prices or by providing more benefits that justify high prices.

7.3.2 Product Differentiation

Shezan mango juices have also decided to change its packages as for international standard using entirely different color from competitor's product. Shezan offer a large variety of flavours in juice pack as well as in its other product mix as compared to its competitors Frost, Hi orange, Poly, Simba, Delmonte, Sunripe etc. Shezan mango juices have differentiated also their product on such attributes such as consistency, durability and reliability.

7.3.3 Service Differentiation

In addition to differentiating its physical products Shezan has differentiated its services that accompany the product. Shezan provides speedy, convenient

and careful delivery. Shezan aims to reach each and every retailers, superstore and even a small pan shop.

7.3.4 Image Differentiation

Shezan has designed signs and logos that provide instant recognition. Shezan has created an image through types of events it sponsors like SOS, Shaukat Khanum Memorial cancer hospital. Shezan is associated with a combination of colors of red and yellow. Especially for neon signs and bill boards. Shezan juices also take part for sponsoring all types of local games and events based on the attributes of target market.

7.3.5 Perceptual Map:

Perceptual maps help in defining what the customers want and how they rate your company. With the help of the perceptual maps you can easily define what your customer wants and requires from your company. Following perceptual map is being made on the basis of consumer survey.



Somewhat Bitter

CHAPTER 8 PRODUCT

Marketing Mix is defined as a set of controllable tactical marketing tools that firm blends to produce the response it wants in the target market. The marketing mix consists of every thing the firm can do to influence the demand for its products. The many possibilities can be collected into four groups of variables known as the four P's.

1. Product
2. Price
3. Place
4. Promotion

A product is anything that can be offered to a market for attention, acquisition, use or consumption and that might satisfy a want or need; it includes objects, services, persons, places, organizations and ideas. We can also say that product stands for goods and services combination the company offers to target market.

8.1 SHEZAN MANGO JUICE PACKS

Our selected product of Shezan is mango juice pack 250ml. Shezan juice packs are consumer goods. As consumer goods include

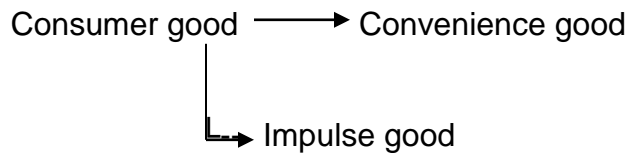
1. Convenience good
2. Shopping good
3. Specialty good
4. Unsought

But Shezan juice pack 250ml falls under the **convenience goods** because it is low priced and widely available.

Convenience goods can further be divided into

1. Impulse goods
2. Emergency goods

Shezan juice pack 250ml is an impulse good because most consumes buy it on the regular basis. As they purchase Shezan juice pack with little planning and effort, due to its better quality and availability at shops and convenience stores. We can show it as follows:



Basically there are three levels about the product. The most basic level is the core product.

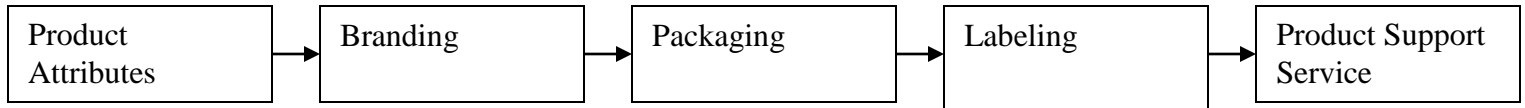
Core Product: The problem-solving services or core benefits that consumes are really buying when they obtain a product.

Actual product is around the core product. A product's parts, styling, features, brand name packaging and other attributes that Shezan combine to deliver core product benefits:

As Shezan juice pack is core as well as actual product and has fine characteristics, quality level, features, styling, a brand name and packaging. Shezan product, name, styling, features packaging and other attributes have all been combined to deliver the core benefit - a convenient, high quality way to capture important moments.

8.1.2 Individual Product Decisions

We now look at decisions relating to the development and marketing of Shezan's product. figure below shows the important decision, we will focus on decisions about product attributes, branding packaging, labelling, and product-support services.



8.1.3 Product Attributes

Developing a product involves defining the benefits that the product will offer. These benefits are communicated and delivered by product attributes such as:

1. Product quality
2. Product features
3. Product design

Decisions about these product attributes greatly affect consumer reaction to Shezan's product.

8.1.4 Product Quality

Quality is one of the marketer's major positioning tools. Quality has two dimensions - level and consistency. Product quality means the ability of a product to perform its functions. It includes the product's overall durability, reliability, precision and other valued attributes. Shezan has chosen the quality level that matches target market needs and wants. Beside quality level, Shezan consistently delivers the desired level of quality to consumers. Shezan always strives for high level of quality consistency. Shezan continuously improves its product by total company dedication. Recently Shezan has improved its product quality means using better quality control to reduce defects that annoy consumers.

8.1.5 Product Features

A product can be offered with varying features. A company can create higher-level models by adding more features. Features are a competitive tool

for differentiating the company's product from competitor's products. Following are the features on which Shezan has competitive advantage.

1. Quality
2. Availability
3. Convenient prices

8.1.6 Product Design

Another way to add consumer value is through distinctive product design. As style of Shezan's recent juice pack is eye catching, garb attention. Design of a product goes to very heart of a product. Shezan juice pack's good design contributes to its usefulness as well as to its looks. Shezan import its juice packs internationally in many countries that's why it has changed its product design so that beside appearance. It also creates product that is easy, safe, inexpensive to use, simple and economical to produce and distribute. Now new juice package of Shezan can attract attention, improve product performance, cut product costs and give the product a strong competitive advantage in the target market.

8.2 BRANDING

Consumer view a brand name as an important part of the product and branding can add value to the product. A name, term, sign, symbol or design or a combination of these intended to identify the goods and services of one seller or group of seller and to differentiate them from their competitors.

Brand Name is that part of product which can be vocalized.

Brand decision, The company must first decide whether it should put a brand name on its product. Branding has become so strong that today, hardly anything goes unbranded. Shezan brand decision is based on the fact that company's name "Shezan" is most popular and is perceived by the consumer as quality product. Shezan brand name has consumer franchise - they

command strong consumer loyalty, a sufficient number of customers are loyal to Shezan products.

8.2.1 Brand equity

Shezan has higher brand loyalty, name awareness, perceived quality, strong brand associations, and other assets. Such as patent, trade mark and channel relationship. Shezan juice pack has high brand equity. Shezan's powerful brand enjoys a high level of consumer brand awareness and brand loyalty.

8.2.2 Brand Strategy

A company has four choices when it comes to brand strategy these are:

- | | |
|--------------------|--------------------|
| 1. Line extensions | 2. Brand extension |
| 3. Multibrands | 4. New brands |

As far as Shezan juices is concerned they have adopted line extension strategy.

8.2.3 Line Extensions

Line extensions occur when company introduces additional items in a given product category under the same brand name, such as new flavors, famous, colours, ingredients or package sizes. Thus Shezan recently has introduced several line extension including two new juice flavours, one is potpourri 250ml and second is pure orange juice 1000ml under the brand name of Shezan.

Shezan has introduced line extensions for meeting the consumer desires for variety, and to match a competitors (Sun ripe, Frost) successful line extension level of consumer brand awareness and brand loyalty. Packaging is annulments of product strategy.

8.3 PACKAGING

Packaging includes the activities of designing and providing the container or wrapper for a product. Shezan 250ml juice pack has secondary package,

because its pack is thrown away immediately after the consumption. The carton in which juice is available is environment friendly and is disposable.

8.3.1 Labelling

Labelling is also part of packaging and consists of printed information appearing on or with the package.

Labelling Decision: Labels may range from simple tags attached to products to complex graphics that are part of the package. Labels of Shezan juice pack has complex graphics and performs several functions which includes.

Identify: It identifies the product or brand such as "Shezan" stamped on each of its juice pack and other product lines also.

Describe: Shezan's label describe several things about the product - who made it, where it was made, when it was made, its contents, how it is to be used.

Promote: Shezan juice label promote the product through attractive graphics besides all these functions performed by Shezan's label. It also describes Unit pricing which states the price per unit of standard measure. Nutritional labeling which states the nutritional values in the product. Shezan's label also provide health related terms such as sugar free diet pack, pickles in vinegar or oil, orange nectar.

8.4 PRODUCT MIX DECISIONS

An organization with several product lines has a product mix. A Product Mix also called product assortment is the set of all product lines and terms that a particular seller offers for sale. Shezan's product mix consists of squashes, jams, jellies and marmalade, pickles, juices, vegetable tins, cooked food, fresh fruit tin, juice pack of 250 ml and 1000 ml etc. product mix can be

described as having a certain breadth, length, depth and consistency. These are illustrated as follows.

Width: The width of Shezan's product mix refers to how many different lines the company carries. The company carries seven product lines.

Length: The **length** of Shezan's product mix refers to the total number of items the company carries i.e 41 items.

Depth: The depth of Shezan's product mix refers to the number of versions offered of each product in the line i.e 4.

Consistency: The consistency of the Shezan product mix refers to closely related various product lines are in end use, production requirements distribution channels.

8.5 PRODUCT LIFE-CYCLE STAGE

Product life cycle means the course of a product's sales and profits over its lifetime. It involves five distinct stages, product development, introduction, growth, maturity and decline. Shezan juice pack is in the maturity stage as its sales growth slowed down because the product has achieved acceptance by most potential buyers. Profit level off or decline because of increased marketing outlays to defend the product against competitors. As Shezan juice pack are most successful ones so to meet changing consumers needs. It recently has defended its products. Shezan product manager has considered to modify the product and marketing mix.

8.5.1 Modifying the product

Shezan has changed the characteristics of its juice pack. Characteristics such as quality, feature, and style to attract new users and to inspire more usage which has improved the product quality performance and taste.

8.5.2 Modifying the Market

In modifying the market the company has tried to increase the consumption of existing juice pack. By adding new features in the product line Shezan has targeted new market segment which consists of upper class and quality conscious people.

8.5.3 Modifying the Promotion Mix

Shezan had adopted push strategy for all consumer products but as the product is also modified and to persuade consumers and to pull them to product, Shezan has launched an advertising campaign. In which the message is that "fresh your mood, memories and drink fresh juices of Shezan". The advertisements remind the quality of juices and attractive package of product. Shezan is continuously concentrating on its juice packs and involves in promotion of its new packs. The new bill boards of Shezan claims that it has taken a further step in quality of introducing new package

8.6 PRODUCTION PROCESS OF MANGO JUICE

Mango juice is produced by Shezan after going through different stages from purchase of mangoes to filling stage. The production flow for mango juice is explained as follows:

8.6.1 PRODUCTION FLOW

8.6.1.1 Purchase of Mango

Shezan has its own orchards but the fruit's quantity is not sufficient to meet the demands of market. Therefore it has to purchase from local market in harvesting season. It purchases fruit in large quantities.

8.6.1.2 Gross Weight

When the fruit is acquired the initial weighting is done at the factory that whether the quantity acquired is equal to the estimated needs of production.

8.6.1.3 Sorting

At this stage quality control department sort out fresh ones from bad ones, to assure quality standards.

8.6.1.4 Grading

This stage is meant for grading the ripen fruit according to its size and quality level.

8.6.1.5 Washing

Factory has a washing plant where graded fruits are washed out to assure hygiene factors.

8.6.1.6 Crushing

Fruit is crushed at crushing plant in the factory. At this stage the mangoes are peeled and crushed and pulp is separated to be stored.

8.6.1.7 Pasteurizing

Pulp acquired need to be pasteurizing as it is in large quantity and need to be preserved. For this purpose pulp is kept at +4°C for few hours so that it become germ free.

8.6.1.8 Cold Storage

In cold store the temperature control is very important. The temperature is brought down by taking out the heat with the help of mechanical refrigeration. Refrigerated gas ammonia and Freon etc takes out the heat from chamber store as it expands. The expanded gas is then compressed, the heat is removed from the compressed gas by means of running water a circulating air over the tubes containing the hot gas. The ideal environmental conditions for mangos, oranges in storage is the lowest temperature which doesn't cause chilli injury to produce. Any variation from the desired condition in controlled.

8.6.1.9 Out from Cold Store

When the existing inventory of juice pack is not sufficient to meet the demand the pulp is acquired from cold store.

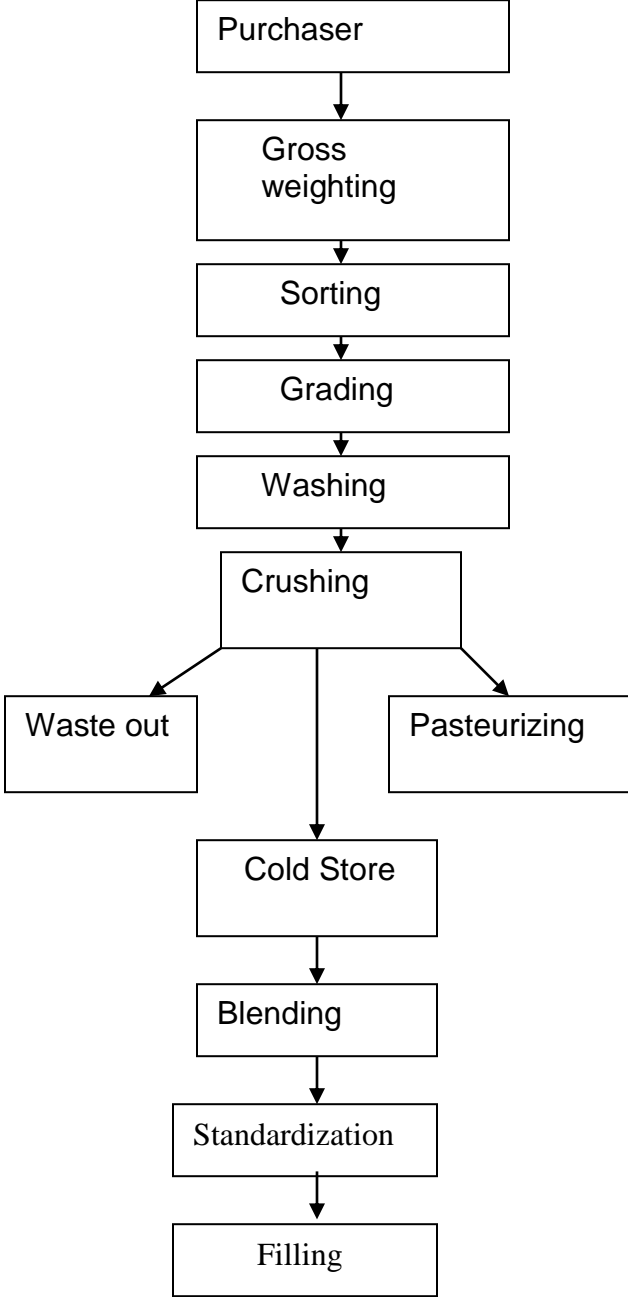
8.6.1.10 Blending

The pulp out from cold store is blended and turned into juice.

8.6.1.11 Standardization

The pulp is added up with other necessary ingredients necessary for the juice, which include sugar, fructose, and citric acid. After that filling is done in Hattar.

CHART OF PRODUCTION FLOW



8.7 PRODUCTION CAPACITY

The production capacity of Shezan mango juice is 22000 packs per day. The production capacity of product mix of Shezan is given as follows:

Product	Capacity per 8 hour shift/product
Juices	1200 crates
Bottling plan	9000 crates
Tetra plant	3000 dozens
Squashes and syrups plant	3000 dozens
Jams and ketchup plant	600 dozens
Achor plant	300 dozens
Canning plant	600 dozens

CHAPTER 9 PRICE

The amount of money charged for a product or service, or sums of the values that consumers exchange for the benefits of having or using the product or services.

9.1 FACTORS TO CONSIDER WHEN SETTING PRICES

A company's pricing decisions are affected both by internal company factors and external environmental factors.

9.1.1 Internal Factors Affecting Pricing Decision

Internal factors affecting pricing include Shezan's marketing objectives, marketing-mix strategy, costs and organizational.

9.1.2 Marketing Objectives Of Shezan

Shezan has very clear marketing objectives which has made it easier to set the price. Following are the objectives of shezan mango juices.

9.1.3 Market share leadership

In the beginning of its establishment and for several years Shezan was consistence with market share leadership. As Shezan wanted to enjoy largest market share with lowest costs and highest long-run profit. Shezan had reached for the price and marketing program that has achieved this goal.

9.1.4 Product-quality leadership

After getting the market share leadership especially in the juice market, Shezan has adopted. Product-quality leadership as Shezan wants to provide better quality product as compare to its competitors at convenient prices. This normally calls for charging a high price to cover such quality and the high cost of R&D but Shezan has set its price at competitors lends to stabilize the market and to keep the loyalty and import of customer and resellers.

9.2 COST

9.2.1 Costs as a function of production experience

Shezan has gained experience in manufacturing and sales of juices, beverages, pickles, preserves and flavourings based upon or derived from fresh fruits and vegetable, it has learned how to do it better with higher volume, Shezan has become more efficient and has gained economics of scale. As a result average cost tends to fall with accumulated production experience.

9.2.2 External Factors Affecting Pricing Decisions

External factors that affect Shezan's pricing decisions include the nature of market and demand, competition and other environmental elements.

The market and demand: whereas costs set the lower limit of prices, the market and demand set the upper limit.

9.2.3 Monopolistic competition

A market in which many buyer and sellers trade over a range of prices rather than a single market price. Shezan also has monopolistic competition as a range of prices occurs because sellers can differentiate their offers to buyers. As juice pack in market varied in quality, features or style or the occupying services can be varied. Buyers see differences in sellers product and will pay different prices for them. Sellers try to develop differentiated offers for different customer segment and in addition to price freely use branding, advertising and personal selling. For example Shezan, Frost, Country, Sunripe and several other rational brand of juice pack compete with dozens of regional and local brands.

9.3 GENERAL PRICING APPROACHES

Shezan set its pricing strategy based on two pricing approaches.

1. Cost-based pricing
2. Competition-based pricing

9.3.1 Cost-based pricing

Cost plus pricing: Adding a standard mark up to the cost of the product. Shezan's cost based pricing is fairer to both buyers and sellers. Price of Shezan juice pack is fixed. They provide retailers facility to add their own profit to price, but to limited extent.

9.3.2 Competition-based pricing

It means going rate pricing. Shezan sets the prices based largely on the following competitors like Frost, Country etc. They use the going sale pricing when demand elasticity is hard to measure, firms feel that the going price represents the collective wisdom of the industry concerning the price that yield a fair return. They also feel that holding to the going price will prevent harmful price wars.

9.4 PRODUCT MIX PRICING STRATEGY

Shezan looks for a set of prices that maximizes profit on the total product mix which are often based on demand and cost and faced different degree of competition.

9.4.1 Product-line Pricing

Shezan has product line pricing because it sets the price steps between various products in a line based on cost differences between product, customer evaluation of different features and competitor's prices. It charges following retail prices for its juice packs:

Retail price of Shezan

Juice pack 250 ml Rs. 10

Juice pack 1000 ml Rs. 50

Retail price of Frost

Juice pack 250 ml Rs.10

Retail price of Sunripe

Juice pack 250 ml Rs.10

Juice pack 1000 ml Rs.50

9.5 PRICE ADJUSTMENT STRATEGIES

When the marketing situation changes Shezan adjust its prices and adopt price adjustment strategies, to account for various customer differences and changing situation.

9.5.1 Discount and allowances pricing

Discount is a straight reduction in prices on purchases during a stated period of time.

Functional discount: A functional discount is offered by Shezan to trade channel member who perform certain function such as selling and storing.

Seasonal discount: A seasonal discount is price reduction to the reseller to purchase merchandise out of season by Shezan e.g in winter season when the demand reduced and retailers are reluctant to buy merchandise.

9.5.2 Promotional pricing

With promotional pricing Shezan temporarily priced its product below list price. Shezan also use special event pricing on certain occasions to attract more customer.

CHAPTER 10 PLACING

Placing stands for company's activities that makes the product available to the target consumer. Shezan maintains a large body of retailers that sells company's product.

10.1 DISTRIBUTION CHANNELS

A set of interdependent organizations involved in the process of making a product or services available for use or consumption by the consumer. Marketing channel decisions are among the most important decisions that management faces at Shezan, as it directly affect every other marketing decision.

10.1.1 The Nature of Distribution Channels

Shezan use intermediaries to bring its products to market. So it tries to forge a distribution channel.

There are two types of marketing channels or the way to reach the customer.

1. Direct marketing
2. Marketing through distributors

Shezan uses both direct marketing and marketing through distributions as its channel level.

10.1.2 Distribution Channels Function

Shezan distribution channel perform major function to carry research and sale. They not only move product from the company but perform key function for company.

Information: Shezan distribution channels helps in gathering and distribution of marketing research and intelligence about actors and forces in the marketing environment needed for planning and aiding exchange.

Promotion: Shezan distribution channels perform key role of production of products and develop or persuade communication about an offer.

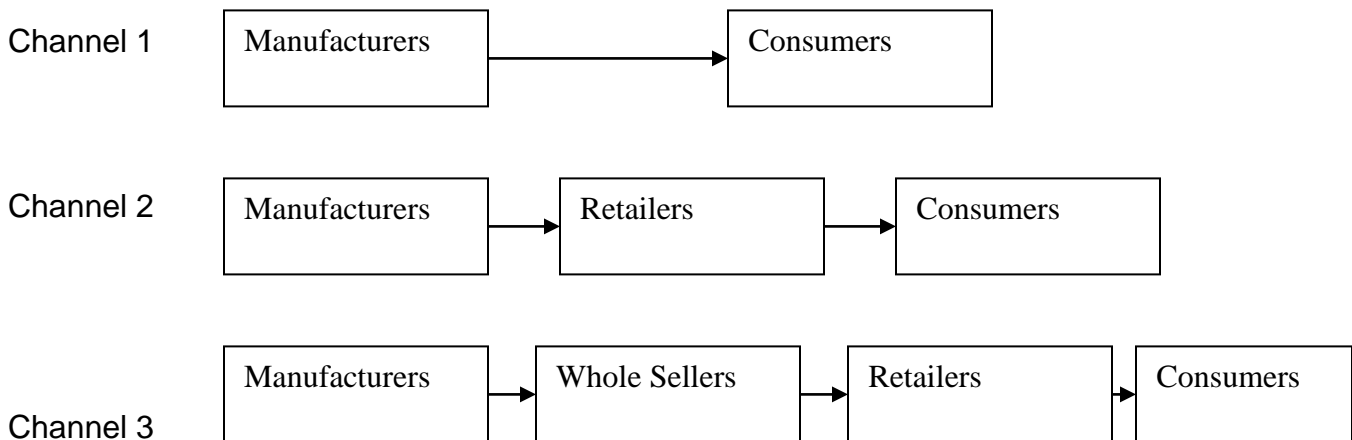
Contact: These channels find and communicate with prospect buyers. They reach the prospect buyers easily than its competitors and overcome their shares as well.

Matching: Shezan shape and fit the offers to the buyers needs including such activities as manufacturing grading, assembling and packaging.

Negotiation: They negotiate with retailers to reach an agreement on price and other terms of offer so that ownership and possession can be transferred. Shezan specially negotiate with retailers in low selling season and offer certain price offers to attract the product.

10.2 NUMBER OF CHANNEL LEVELS

Distribution channels can be described by number of channels level involved. Each layer of marketing intermediaries that perform work in bringing the product and its ownership to the final buyers is a channel level. Figure shows several consumer distribution channels of different length.



10.2.1 Direct marketing channel

Direct marketing channel is that which does not have any intermediary level. Shezan do direct marketing at time of launching their new products. Shezan had done direct marketing in 1980 at the time of introducing paper packs. If they receive on order of large amount of bottles or juice packs from houses, they deliver it through their personal sales force.

10.2.2 Indirect Marketing Channels

Channel 2 contains one intermediary level. In consumer market this level is typically a retailer. Channel 3 contains two intermediary levels. Whole sellers and retailers. Shezan have large body of wholesalers who are responsible to distribute Shezan product outside Lahore.

10.2.3 Channel behavior and organization

Distribution channels are more than simple collections of firms tied together by various flows. They are complex behaviour systems in which people and companies interact to accomplish individual, company, and channel goals. Shezan consists of formal interactions guided by strong organizational structure.

10.3 CONVENTIONAL MARKETING SYSTEM

A conventional distribution channel consists of one or more independent producers, wholesaler, and retailers. Each is a separate business seeking to maximize its own profit. Shezan has conventional marketing system as it has a body of wholesalers mutually depend upon the company but the retailers are independent.

10.4 CHANNEL DESIGN DECISIONS

10.4.1 Setting The Channel Objectives

The channel objectives are stated by Shezan marketing director in term of desired service level of target consumer. He said that the company aims to reach every customer in right time through a sales force. The channel should decide first which segment to serve and then design its channel according to the segment. The objectives of channel management are as follow:

1. To reach every customer through retailers and sales force.
2. The performance of channel member in so good that retailer are persuade to push the product
3. The products should be available in all locations of the customer.

10.4.2 Identifying Major Alternatives

Type of Intermediaries

The company has only two type of channel members that are available to carry out its channel work.

1) Company sales force

The company has direct sales force and assign territories and product and they have contract in the area and sell the company's product. The size force size in about 60 in Lahore.

2) Distributors

The company finds distributors in different regions of the country or industry who buy the company's product. The company gives them exclusive distribution and good margin and promotional support.

10.4.3 Number Of Marketing Intermediaries

Shezan is producer of convenience products and the strategy used by company is intensive distribution.

Intensive distribution is the strategy of Shezan that matches the objectives of channel member as well. The company stocks its product in as many outlets as possible. This strategy works for juice pack, bottles and jams but for other products the strategy is in exclusive distribution.

10.5 RESPONSIBILITIES OF CHANNEL MEMBERS

Shezan and channels numbers agree upon terms and responsibilities of channel members. They agree upon following things.

1. Price policies, conditions of sales, territorial rights and specific services to be performed.
2. Promotion of new product is if there is any.
3. The promotion of existing products in less selling seasons.
4. To have good relationship with retailers and to push the product.

10.5.1 Channel management decision

Channels management calls for selecting and motivating individual middleman and evaluating their performance over time.

1. Selecting channel member
2. Motivating channel member
3. Evaluating channel number

10.5.2 Selecting channel numbers

Channel members are selected on the basis of qualification and experience. Required qualification for sales officer is graduation and minimum experience of five year. The required qualification for the driver is matric and experience of three year with a driving licence. The loader who follow the channel member has been required no qualification.

10.5.3 Motivating Channel Members

The channel member are motivated by training and commission on the sales performance. The training and information is provided periodically to the sales

force and job rotation i.e changing their activities from product to product is essential for best outcome.

10.5.4 Evaluating channel members

The marketing manager regularly check the member performance against standard such as sales quotas, average inventory levels, customer delivery time, treatment of damaged and lost goods, cooperating in company promotion and training programs and service to the customer. The company periodically evaluates the performance and has a check and control over the channel members.

10.6 PHYSICAL DISTRIBUTION AND LOGISTIC MANAGEMENT

The tasks involved in planning, implementing and controlling the physical flow of materials and final goods from points of origin to point of use to meet the needs of consumers at a profit.

10.6.1 Nature of physical distribution

Shezan has a well defined distribution channel. Main elements of Shezan's distribution mix are:

- i) Transportation
- ii) Inventory carrying
- iii) Warehousing
- iv) Order processing

10.6.2 The physical distribution objective

Shezan has following physical distribution objectives.

1. To reach the customer and better availability of the product to customer.
2. To capture more market share as compared to competitors.
3. Satisfying the changing needs of market.

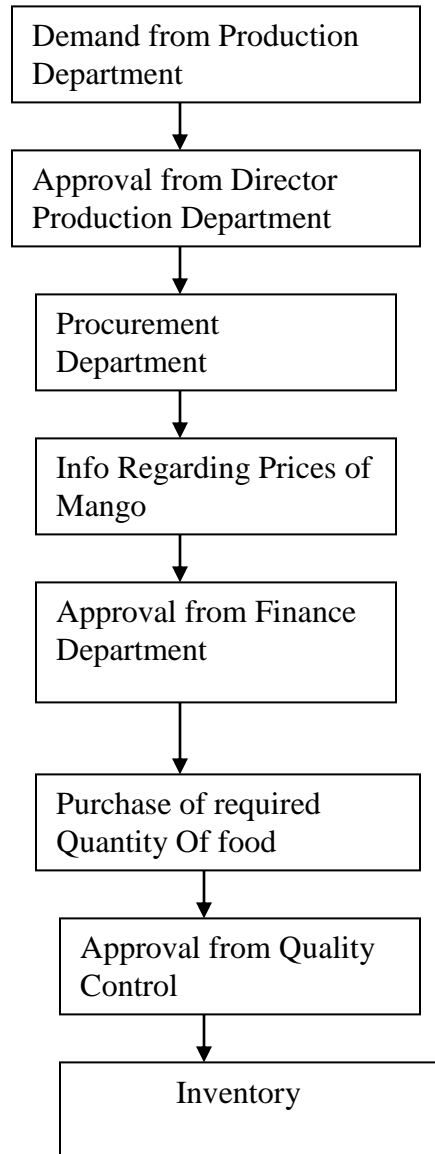
10.6.3 Major Logistics Functions

Order processing: Physical distribution begins with customer order Shezan's order processing steps are carried out quickly and accurately. Retailers send in their orders daily, Shezan's order department quickly processors these orders and the warehouse sends the goods out on time. Shezan has the sales department division. One of them work as order receiver. Sales force supervisor receives these orders and the second sales force division carries these orders.

Warehousing: Every company must store its goods while they wait to be sold. A storage function is needed because production and consumption cycles rarely match. As Shezan has three factories are (1) Lahore (2) Karachi (3) Hattar. Each factory has its own cold houses and which store its products. Shezan has large and highly automated warehouses designed to receive goods from its manufacturing plants. It also has warehouse in Multan which fulfills the local market demand in Multan and compete the local brands as well.

Inventory: Shezan's major goal is to maintain a balance of inventory which can meet the overall production requirement and fulfill the demand of the customers. Inventory decision involves production season of mangoes and after last review of year sale. They decide how much inventory they should keep. The inventory decision is taken by production department, finance department and marketing department. The marketing department provides review of sales and current market situation. The finance department look at the financial position and allocate the budget for inventory whereas production department is responsible for carrying the inventory just right-in time.

PROCESS OF INVENTORY



10.6.4 Transportations

The choice of transportation carries affects the pricing of the products, delivery performance, and condition of goods when they arrive -- all of which will affect consumer satisfaction. As for the purpose of keeping the Shezan's

paper pack price convenient, better delivery performance and for better condition of their product from point of purchase to point of sale Shezan prefer their own mode of transportation. It has two types of transportation

- i) 25 pick up (outside the city)
- ii) 8 truck (outside the city)

Trucking: Shezan use trucks to move the goods from Hattar to Lahore and Lahore to Hattar.

Pick up: Pick ups are used to distribute product within market inside as well as outside Lahore.

All export of goods are moved by ships. Shezan has contracted with ship owners for exporting purposes.

CHAPTER 11 PROMOTION

PROMOTION

Producing a quality product, pricing it attractively and making it available for the target consumer is not the only problem companies need to solve. Modern era is the era of communication with customer, assuring customer satisfaction, demands for personal and non personal communication with the target customer to build a relationship with them. Shezan is using a total marketing communication program to promote its paper pack mango and other juices. Its promotion mix is a blend of advertising, sales promotion, personal selling and public relationship.

11.1 FACTORS IN SETTING THE PROMOTION MIX

11.1.1 Consumer Product

Type of product affect the relative ratio of a promotion tools Shezan's juice packs are consumer product which demands for more advertising, with sales promotion and a relative less ratio of spending on personal selling and public relationship. But its not the case with Shezan mango juices strategy. They are spending more on their promotional budget, trade promotion and public relationship.

11.1.2 Push Strategy

Promotional mix is greatly affected whether a company uses push or pull strategy. Shezan has selected push strategy from the very beginning. Company has direct distribution channel and it is making the product intensely available at every retail store in adequate quantity.

11.1.3 Buyer Readiness Stage

Shezan's marketing department is also aware of the fact that buyer readiness stage for their product is and will affect their promotion mix. Readiness stage is the steps consumer pass through on their way to purchase. At present consumer of Shezan juice pack is aware of the brand and also there is no need to inform about the level of quality. The target audience may be in six of buyers readiness states, the state consumers normally pass through on their way to making a purchase. These states include awareness, knowledge, preference, conviction or purchase. Juices of Shezan have passed through all these states of target audience and now the target audience is in purchase state.

Purchase stage In purchase state the consumer had passed through states of awareness, knowledge, liking and preference. The target audience is aware of the product and its attributes and they purchase Shezan juice packs with all of its attributes, quality and price.

11.2 PROMOTION MIX

11.2.1 Advertising

Advertising is any paid form of non personal presentation and promotion of ideas, goals or services by an identified sponsor. Shezan strategy is to annually plan for advertising. As it allocates budget and hires advertising agency.

11.2.2 Objective Of Advertising

Advertising objective is a specific communication task to be accomplished with a specific target audience during a specific period of time. Shezan produces diverse products. For each product the objective is different according to market share, demand, and quality of product. Juice pack advertising has following two objectives.

1. Reminder Advertising

Shezan set its objective of advertisement to remind its juice packs and recognize its name during the whole year. Shezan maintains higher level of mind awareness among the consumers during the whole year and to remind the consumer the name of company in the market during the consumption season; from April to September season.

2. Persuasive Advertising

To face the stiff competition Shezan's advertisement campaign always gives support to the juice pack giving perception of the product. It claims that the quality of juices is best. It is pure, fresh, and good in taste,

11.2.3 Advertising Budget

Advertising budget is set by Board of Directors. Criteria for allocation of Ad budget for a year is that the sales of past year are evaluated, economic conditions and inflationary trends are also taken into account. Shezan spent Rs.485000/- as promotional budget in 2002 keeping in view the increased number of imported competitive brands in the market, due to decrease in tariff for imported products.

11.2.4 Advertising Agency

Shezan has 3 years contract with advertising agency Ad.Com that is chaired by Mr. Mohammad Akhlaq. Agency's main focus is on print media its cost is low.

11.3 ADVERTISING STRATEGIES

Advertising strategy has two elements creating advertising messages and selecting advertising media.

11.3.1 Advertising Message

The most famous and classic advertising message for juice packs is 'fruitfully yours'. But they keep on changing the messages with seasonal

considerations. However their basic aim is to develop the name of the company 'Shezan' as the only recognition of their products. This message is well communicable and meaningful. Their message gives consumers perception regarding the quality and purity of juices, telling about the taste, freshness and nutritional value of juice. Other message of the advertising is pure of the purest and message for new package is one step ahead in quality.

11.3.2 Message execution

The Shezan advertisements give the following impact through its messages given in advertisements.

Slice of life: This product of Shezan is to be used in normal, daily routine for healthy diet or because of nutritional value.

Lifestyle: Shezan advertisements of juice give image of healthy and better lifestyle and tell how necessary juices are for glowing skin and look.

11.3.3 Advertising Media

Advertising media is selected on the basis of cost of advertising media. That media is preferred which is least costing for the company and reach the consumer market very well. Profile of major media types selected by Shezan is given as:

Television: Television is selected on the basis that is most appealing to the human senses but Shezan gives ads on television only before the most consumption season. PTV is the channel that is selected on the basis of its popularity among the masses. As for television advertising is concerned the purpose is only to remind and give awareness to the consumer. The recent advertising campaign is run on PTV during prime time because at that time the target market is more likely to watch television.

Newspapers: Newspapers are selected on the regional basis. Jang and Nawa-e-Waqt are the two newspapers that give ads of Shezan.

Magazines: Magazines are selected on the basis of demographic factors, long life good pass along readership. Among magazines She, Herald, Teenager and all college magazines and digests; printed locally, give Shezan juice ads.

Billboard: Shezan has also adopted billboard media, these are selected due to low cost high repeat exposure and flexibility. This year Shezan has displayed billboard about on every road of juices and remind the consumer that Shezan has taken a further step in improvement of quality.

Shop display: Shezan is famous for its shop displays and painted counters of shops. Shezan has appointed a team to help retailers to paint their khokhas by the company without any payment by the retailers.

11.4 SALES PROMOTION

Sales promotion means giving incentives to the buyers and retailers to encourage purchase or sale of a product. Shezan pays more emphasis on sales promotion tools then on advertising due to several factors.

- a) Company's main objective of promotion mix is to increase sales.
- b) Competitors are increasing in juice market and company needs to identify its packs.
- c) Retailers are demanding more deals from manufacturers.

11.4.1 Objective

Shezan is using both tools sales promotion that are consumer promotion and trade promotion. Objective of consumer promotion is to differentiate the product and build a long term market share. Objective for trade promotion is to get retailers for carrying more inventories, getting them to promote the product and give more shelf space. Basic purpose of using sales promotion tools for Shezan is not to increase short term sales but to help reinforce the

product position and implementation of their Push Strategy for their pack juices.

11.4.2 Consumer Promotion Tools

Consumer promotion is designed to stimulate consumer purchasing it includes samples, coupons, price offs. displays etc.

11.4.3 Point-Of-Purchase Promotion

POP promotion consists of displays and demonstration that takes place at the point of purchase or sale. Shezan's main focus is to increase displays of its logo and juice pack. Many small retail outlets are painted in yellow red Shezan's logo. No other juice brand can compete with Shezan in terms of quality of displays it provide to retailers whether they are in down town areas or Giant retail chain store holder. These POP displays are very useful to entice the consumer, remind him of the product so that purchase decision become easy for them. These displays were recently used to introduce the new package more intensively and after making consumer familiar with the pack's color and design through displays Shezan's marketing department decided to support it with a T.V ad.

11.4.4 Trade Promotion Tools

Trade promotion is designed to have reseller support and to improve reseller selling efforts, including discounts, allowances, free good and trade shows. Shezan's basic promotional strategy is to push the product. For that purpose it requires retailer's support for an adequate shelf space to promote their product.

Discounts: Shezan do offer a reduction in price of its cartons on purchase during some periods for specific purpose of inducing the retailers to promote their product.

Free Good: Retailers are offered 3 free packs on 3 dozens or sometimes on two dozens that is also an incentive provided by Shezan's management to acquire sufficient shelf space.

Special Advertising Items: Shezan's sales force also arranges for refrigerator on discounted price or at very low price if demanded by the reseller. In small canteen shops they are painted free of cost.

11.5 PUBLIC RELATIONSHIP

Public relations means building good relations with the company's various publics by obtaining favourable publicity and building up a good corporate image. Shezan at present have very limited exercise of PR tools but its marketing department is rethinking to have special team to arrange for publicity as suit has strong impact of awareness at a much lower cost.

11.5.1 Function Of Public Relationship for Shezan

Product publicity: Marketing department of Shezan arranges different event sponsorship to promote their juice packs. Shezan has sponsored recently National Games at Peshawar.

Public Affairs: To Build and maintain national community relations, Shezan has very actively participated in past and has made plans to sponsor societal and community causes not in terms of money only but also in kind. Shezan do sponsor various walks in which they provide free juices. At cancer walk held at Lahore by Shauqat Khanam Memorial Hospital and SOS they gave juices packs. They also provided free juices in Asian Special Olympics held in Pakistan. Company also sponsors seminars and exhibitions held by different NGO's walks in Lahore.

CHAPTER 12 ANALYSIS & RECOMMENDATIONS

12.1 Consumer Response

Table.1. Distribution of respondent by their age

	No. of Respondents	%
15-25	20	40
26-35	15	30
36-45	20	20
46-55	5	10
Total	50	100

Table 1 indicates that out of 50 respondents 40% are from the age group of 15-25, 30% are of 26-35 age group, 20% from 36-45 and only 10% from 45-55 age group.

Table.2. Distribution of Respondents on Gender

Gender	No. of Respondents	%
Male	15	30
Females	35	70
Total	50	100

Table 2 indicates that 30% out of 50 respondents are male while 70% are females.

Table.3. Distribution of respondent on family income

Family income	No. of Respondents	%
(Rs)		
Under - 5000	0	0
5000 - 9999	2	4
10000 – 14999	15	30
15000 - 19999	20	40
20000 - 24999	11	22
25000 - above	2	4

Table 3 indicates that 4% of 50 respondents belongs to income group from 5000-9999, 40% are from 15000-19999 group, 22% from 20000-24999 and 30% belong to 10000-14999.

Table.4. Preferred size of juice pack

	No. of Respondents	%
1000 ml	19	38
250 ml	31	62

Table 4 indicates that 38% out of 50 respondents preferred size of 1000 ml and 62% preferred 250 ml.

Shezan International Ltd.

Table.5. Factors considered while purchasing juice pack (In percentage)

	Taste	Price	Availability	Natural	Purity	PackageSize	Hygiene
Least Important		16	20	40			
Somewhat important	8	24	30	54	20	40	2
Very important	92	60	50	16	80	60	98

Table 5 indicates that out of 50 respondents 98% regarded hygiene as most important factor and 2% as somewhat important. Taste is regarded as very important by 92% while only 8% rate it as somewhat important. Another important factor is purity of juice which is considered very important by 80% respondent and some what important by 20%.

Shezan International Ltd.

Table.6. Loyalty ratio

	No. of Respondents	%
Yes	32	64
No	18	36
Total	50	100

Table 6 indicates that 64% of 50 respondents are loyal customers while 36% have no favorite brand.

Table.7. Most purchased Brand of Juice Packs

	No. of Respondents	%
Shezan	16	32
Frost	15	30
Country	7	14
Nestle	3	6
Sunripe	8	16
Any other	1	2

Table 7 indicates that 30% of the respondents make repeat purchase of Frost while Shezan's repeat buying respondents are 32%, Sunripe is the next close competitors with 16% respondent's favorite drink. Nestle and Country are 6% and 14% respectively.

Shezan International Ltd.

Table.8. Respondent's satisfaction with quality

Brands	No. of Respondents	%
Frost	15	30
Country	5	10
Shezan	12	24
Sunripe	18	36
Total	50	100

Table 8 indicates that 30% out of 50 respondents are satisfied with the juice quality of Frost while 24% are satisfied with Shezan's quality. 36% of respondents are satisfied with Sunripe's quality.

Table.9. Favorite flavor of juice

Flavour	No. of Respondents	%
Orange	16	32
Mango	23	46
Apple	6	12
Mix Fruit	4	8
Other	1	2
Total	50	100

Table 9 indicates that out of 50 respondents 46% like to buy mango flavour of juices, 32% prefer orange juice. While only 12% have the choice to drink apple flavored and 8% respondents for mix fruit.

Shezan International Ltd.

Table.10. No. of respondents to measure Taste Quality of given brands

	Shezan	%	Sunripe	%	Frost	%
Sweet	11	22	0	2	16	32
Somewhat Sweet	25	50	11	22	15	30
Somewhat Bitter	10	20	18	34	18	36
Bitter	4	8	20	40	1	2
Total	50	100	50	100	50	100

Table 10 indicates that each respondent when asked to rate separately 3 of given brands as regard the taste of juice they offer; out of 50, 22% regarded Shezan's juices as of sweet taste 50% think it to be somewhat sweet while 10% and 4% it as somewhat bitter and bitter respectively.

For Sunripe out of 50 respondents 40% think its juice are bitter in taste and 34% rate it some what bitter and only 24% respondents consider it somewhat sweet and 2% as sweet. For Frost 30% as somewhat sweet and 34% somewhat bitter and only 2% regard.

Shezan International Ltd.

Table.11. No. of respondent to measure the nutritional value of given brands

	Shezan		Sunripe		Frost	
	No. of Respondent	%	No. of Respondent	%	No. of Respondent	%
Less Nutritious	10	20	3	6	14	28
Somewhat Nutritious	25	50	17	34	29	58
Very Nutritious	15	30	30	60	7	14

Table 11 indicates that 50 respondents asked to rate nutritional value of juices as offered by different brands individually, 20% regarded Shezan as less nutritious 50% as somewhat nutritious and 30% as highly nutritious. Sunripe is rated by 60% respondents as highly nutritious while only 6% respondent it as less nutritious Frost nutritional value is rated by 14% as highly nutritious by 58% as somewhat nutritious and by 28% as less nutritious.

Shezan International Ltd.

Table.12. Promotional appeal of given brand

	Shezan		Sunripe		Frost	
	No. of Respondent	%	No. of Respondent	%	No. of Respondent	%
Not at all Appealing	28	56	20	40	11	22
Somewhat Appealing	20	40	26	52	21	42
Very Appealing	2	4	4	8	18	36
Total	50	100	50	100	50	100

Table 12 indicates that regarding the promotion of 3 given brand out of 50, 56% responded Shezan's promotion as not at all attractive. 40% as some what appealing and 4% as very appealing. For Frost 22% out of 50 responded not appealing, 42% as somewhat appealing and 36% as very appealing Sunripe's promotion is rated as very appealing by 8% respondents, 52% as some what appealing 20% not appealing.

Shezan International Ltd.

Table.13. No. of respondent to measure the availability of given brands

Shezan		Sunripe		Frost	
No. of Respondent	%	No. of Respondent	%	No. of Respondent	%
Not available	0	17	34	0	0
Rarely Available	0	28	56	20	40
Readily available	50	5	10	30	60
Total	50	50	100	50	100

Table 13 indicates that each respondent was asked to rate the availability of 3 given brand of juices on the set all outlets separately, 100% responses were for the readily availability of Shezan. For Sunripe 34% out of 50 respondents answered it as not available on retail stores, 56% believe it to be rarely available and only 10% as readily available for Frost out of 50, 40% responded it to be rarely available while 60% as readily available.

Table.14. Importance of different promotional Media

	Tv	%Mag	%	N.P	%	Billboard	%	Radio	%	Shop	%
Least	9	18	5	10	0	45	90	36			
Appealing											
Somewhat	36	4	8	29	58	24	5	10	0		
Appealing											
Very	38	76	42	84	16	32	48	96	0	0	47
Appealing											94
Total	50	100	50	100	50	100	50	100	50	100	50
											100

Table 14 indicates that studied sample of 50 consumer of juice packs were asked to rate different media of advertising individually. Out of 50 respondent 76% regarded T.V as very appealing, 6% as somewhat appealing and 18% as least appealing. Magazines are rate as 84% think it to be most appealing. Newspapers are regarded by 32% as most appealing and 58% respondents regarded it somewhat appealing and 10% as least appealing. Billboards are the most appealing media regarded by 96% respondents. While only 4% think it to be somewhat important, 90% responses against Radio ad as it is least appealing 10% regarded it as somewhat important.

Shezan International Ltd.

Table.15. Consumer acceptance ratio for new package

	Shezan		Frost	
	No. of Respondent	%	No. of Respondent	%
Not attractive	6	12	14	28
Somewhat attractive	18	36	25	50
Highly attractive	26	52	11	22
Total	50	100	50	100

Table 15 indicates that 52% respondents are highly attracted towards new package of Shezan while 36% are somewhat attractive and 12% are not attractive. For Frost 22% respondents are highly attractive while 50% are somewhat attractive and 28% are not attractive.

12.2 RETAILERS RESPONSE

Table.1. Highly Demanded Brand

	Shezan		Sunripe		Frost	
	No. of Respondent	%	No. of Respondent	%	No. of Respondent	%
Least Demanded	3	15	0	0	1	5
Somewhat Demanded	15	75	5	15	12	60
Highly Demanded	2	10	15	75	7	35

Table 1 indicates that retailers when asked to rate the demand level of given brand of juice packs, out of 20 respondents, 75% regarded Shezan as somewhat demanded while only 10% think it to be highly demanded juice. Frost when rated on the scale of demand, 60% respondents think it be somewhat demanded while 35% respond it to be highly demanded. Retailers view about Sunripe is such that 75% regarded it as highly demanded 25% thought it to be just demanded.

Shezan International Ltd.

Table.2. No. of retailer to measure the quality of given brands

	Shezan		Sunripe		Frost	
	No. of Respondent	%	No. of Respondent	%	No. of Respondent	%
Poor	0	0	0	0	0	0
Fair	0		5	25	0	0
Good	17	85	4	20	10	50
V. Good	3	15	2	10	5	25
Excellent	0		9	45	5	25
Total	20	100	20	100	20	100

Table 2 indicates that 20 retailers responded differently about the quality of juice for given brands. 85% regarded Shezan as good in quality and 15% as very good. Sunripe is regarded fair by 25%, Good by 20%, very good by 10% and excellent by 45%. Frost's quality is rated as good by 50% and very good and excellent by 25%, 25% respectively.

Shezan International Ltd.

Table.3. No. of respondents for the fair price of brands

	Shezan		Sunripe		Frost	
	No. of Respondent	%	No. of Respondent	%	No. of Respondent	%
Less	0	0	0	0	0	0
Fair	20	100	18	90	20	100
High			2	10		
Total	20	100	20	100	20	100

Table 3 indicates that 20 respondents separately ranked the price charged by juice brands 100% are of the view that Shezan charge a fair price. Sunripe's is judged as high by 10% and fair by 90%. Frost is also responded to be charging a fair price by 100%.

Shezan International Ltd.

Table.4. Factors on which retailer select a brand to sell.

	No. of Respondents	%
Good Quality	4	20
Highly Demand	16	80
Grade all	0	0
Total	20	100

Table 4 indicates that out of 20 respondents 20% prefer to sell the brand of good quality and 80% preferred to the brand which is highly demanded.

Shezan International Ltd.

Table.5. Most selling one flavour of Shezan juice pack

Flavor	No. of Respondents	%
Mango	13	65
Orange	6	30
Others	7	5

Table 5 indicates that Mango flavor responded to be more selling by 65% retailer out of 20 and 30% regarded orange as best selling flavor of Shezan and 5% regarded other flavor as best selling.

Table.6. Brand of higher inventory level

Brand	No. of Respondents	%
Sunripe	0	0
Shezan	18	90
Frost	2	10
Total	20	100

Table 6 indicates that out of 20 retailer 90% responded Shezan's inventory level higher than other while only 10% regarded Frost's inventory level as higher while Sunripe's inventory is level responded by none.

Shezan International Ltd.

Table.7. Demanded package size

Size	No. of Respondents	%
250	14	70
1000	6	30

Table 7 indicates that 70% of the 20 retailer respond 250 ml size as of greater demanded and 1000 ml was responded by 30% as in demand.

Table.8. No. of time sale people visit retailers

	Sunripe		Shezan		Frost	
	No. of Respondent	%	No. of Respondent	%	No. of Respondent	%
Weekly			2	10		
Fortnightly			1	5	1	5
Monthly			7	35	4	20
At the time of placing order	14	60	10	50	15	75
Never	6	40				
Total	20	100	20	100	20	100

Table 8 indicates that out of 20 retailers 10% are of the view that Shezan's sales people weekly come to get the feed back about their product and inventory, 5% said that they fortnightly visit the retail shop and 35% are of the view that Shezan's sales people monthly visit them while 50% said that they come to take orders of inventory. For Sunripe 60% told that distributor at the time of planning order ask about their then products position while 40%

Shezan International Ltd.

responded that they never visit. Frost sales people are also responded to visit the retail outlets, 75% retails as at the time of placing order.

Table.9. Complaints rate of given brand

Shezan			Sunripe		Frost	
	No. of Respondent	%	No. of Respondent	%	No. of Respondent	%
None or lest Complaints	19	95	11	60	14	70
Rare Complaints	1	5	8	40	6	30
High Complaints			1			
Total	20	100	20	100	20	100

Table 9 indicates that out of 20 retailers 95% responded that they receive no complaints for Shezan juice packs while 5% said to receive complaints rarely. For Sunripe 40% out of 20 reported to receive Sunripe's complaints and 5% responded high complaints rate. For Frost 30% out of 20 responded rarely receiving complaints, while 70% said to receive no complaints.

12.3 RECOMMENDATIONS

Shezan is the largest processor of fruits and vegetables in Pakistan it is not merely a statement but really a fact. Number of products with greater variety, Shezan is producing no other firm can claim to have. At present the marketing department's main concentration is towards the improvement of juice pack division. The product about the strategies of which I have discussed in the Project. Shezan's management is doing constant modification in the existing product. After analyzing the market situation and conducting the consumer survey, I am able to give source suggestions for the improvement of juice pack line of Shezan.

- Shezan should change its structure from functional to divisional structure. As company is showing tremendous growth in its various divisions they should change there structure to ease the communication and decision making. Different departments for different product category should me made to ease the flow of work.
- Although Shezan is exporting their products, but at the same time they should focus more on developing countries because they have a hedge potential market to cater for their business.
- Shezan have not yet a separate department for their Research and development. I recommend them that they should have a separate R&D department which will help them to create new flavor of juices.
- When WTO will be applied in Pakistan Shezan will face new and stiff competition, to cater that Shezan juices should develop a new strategy to maintain their market leadership. The new strategy should be of overall cost leadership.

Shezan International Ltd.

- Currently Shezan is using push strategy to promote their product. What I am recommending to Shezan is that they should come up with the mixture of both push and pull strategy.
- Shezan for its distribution purposes is using different channels all over Pakistan. They should not do that because it creates complexities in their operations. Shezan should design uniform channel for all Pakistan.
- First and the most necessary thing for Shezan's management is to change the image of its products from ordinary one to best ones. That can be done by a very careful spending on sales promotion and advertising by recognizing the segment which is really loyal and serving that segment specifically. As student and children segment is high growth potential markets, Shezan should go for advertising and consumer promotion that delight this segment most.
- Secondly sales force of Shezan should be active enough to identify social events organized by N.G.Os. and should voluntarily contribute for that event so as to make sure to people that as a Pakistani manufacturer Shezan is with them. Though it needs heavy spending but changing marketing environment demands, market oriented goals, and not sales oriented ones. Once a relationship is built with customers, that indirectly effect the long term sales and profits.
- On the recently developed or modified products, management is spending for the promotion even on T.V and ad. This is a heavy expense. Company should prefer to advertise in magazines as each magazines have identified consumer category.
- Ads illustration should not necessarily be in Urdu but also in English depending on the area where Billboard is placed.

Shezan International Ltd.

- Shezan is a company of consumer product, consumer products need adequate research. Consumer's taste and preferences change in months that is why a research department exclusively for research is the need of the time for Shezan which presently is doing research through its sales people.

