



**BUSINESS GROWTH-NEW STRATEGIES AND TACTICS**

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**ABSTRACT**

In order to understand our customer and target market, it is necessary to formulate different marketing strategies and tactics. If the manufacturer applies different marketing strategies successfully business growth will be easy. Marketing strategies can be done on the basis of 7 P's. Different cases of business innovation through different marketing strategies are discussed in the article.

**Key words:**

Business growth, Marketing strategies, business tactics and business Innovation.

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**INTRODUCTION**

**Marketing strategies**

A marketing strategy is to be defined as the overall direction and goals for marketing to sale products. Business strategy should articulate how you are going to deliver your products or services in ways that will satisfy your customers and expand your business. Marketing strategy is the fundamental goal of increasing sales and achieving a sustainable competitive advantage. It consists of every thing that a company can do to influence demand for its product. Some businesses are having very aggressive strategy to acquire market while some are having go slow market strategy.

Under marketing strategy, business has to define

1. Who is your customer?
2. What is your target market?
3. What is your mode of advertisement to reach out customer?
4. What is your product type i.e. fast moving consume product (FMCG) or Consumer durable product (CDP)?

There are many ways to improve the sales of organisation through various marketing tactics. All the tactics may or may not be relevant all the times. Many have to be changed based on business situation. Below are some of marketing strategy have been elaborated as growth strategy-

**Marketing Tactics**

It refers to specific steps that leads to implement marketing strategy. It is right step to achieve the marketing strategy in defined manner. It is cutting the strategy in multiple pieces to achieve organisation goals which is called marketing tactics

**Difference between Strategy and Tactics**

We use the terms strategy and tactics interchangeably and in a haphazard manner. There is small difference between these two terms.

Strategy refers to long term goal which does not change frequently while tactics refers to short term goal which changes, based on requirements of the market.

In strategy experience, research, analysis, thinking, competitor's presence, policies and communication matters. Tactics include experiences, best practices, plans, processes, teams and present market situation.

Strategy refers to broader concept than tactics.

Strategy refers to overall organisation objective while tactics refers to specific activity within strategy.

"P" factor is important in developing marketing strategies & tactics. "7 P" factors are expanded as below-

1. Product
2. Pricing (of product)
3. Promotion (of product)
4. Place (of product where it is manufactured and where it is sold)

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5. People (in the organisation who are taking the responsibility to sale the product)
6. Position ( of selling in the market )
7. Process (of manufacturing of product)

*Above all are elaborated as under*

### **Product**

Marketing strategy & tactics are dependent on product of the organisation. The range of products to be offered to consumers are to be planned in advance. Type of branding and type of packing also matters, Best features of product and unique selling points of product are important, Competitors' offer for similar product are need to be considered while planning. These aspects are considered while designing marketing strategies.

### **Pricing (of product)**

In order to attract, consumers, pricing of product is always critical. Pricing of product also vary based on quality, competitors pricing, availability of similar product in the market, uniqueness of product, technical specification etc.

### **Promotion (of product)**

Company should to use various promotional and marketing strategies for expanding the business. Regardless of how good your business is, if you don't promote it and tell people you exist, it's unlikely you will make many sales. Promotion is about attracting the right people to use and reuse your product. There are number of techniques to use and they can be combined in various ways to create the most cost effective strategy for your needs. This can include online, branding, public relations and advertising.

### **Place (of product where it is manufactured and where it is sold)**

Whether it's a retail store, online shop or on social media, 'place' refers to the channels and locations for distributing your products, related information and support services. This is how positioning of your products in the market, it's the location where a product can be available for sale. Often referred to as the distribution channel, this can include any physical store (e.g supermarket) as well as virtual stores (e.g eBay) online whether to use long or short channel of distribution is strategic decision.

Being in the right location can be a deciding factor in deciding customer loyalty. Some market research is required to find out customer habits of buying.

### **People (in the organisation who are soldering the responsibility to sale the product)**

If you have good employees in your business, they can influence the marketing of your products and services. Knowledgeable and friendly staff can contribute creating satisfied customers, and can provide the unique selling experience that an organisation is often seeking. If an outstanding team provides a competitive advantage, then the quality of recruitment, selection and training becomes essential to achieve marketing objectives.

### **Position (of selling in the market)**

It is very much essential to find out what is the market share of the product. This is to be found out through rigorous

market research. Market share % will give clear idea about the position of product in the market. After that we can design different strategies and tactics to increase market share in future taking into account competitors' position.

### **Process (of buying of product)**

Process represents the buying experience the customer gets when they buy your product or service. For example, the way a fine bottle of wine is presented and served in a restaurant, the reaction of a business to a complaint or the speed of delivery in a fast food outlet. A poor process can undermine the other elements of the marketing mix. Budget airlines, for example, may offer very competitive headline prices, but if the final price is inflated by additional charges such as baggage charges and administrative fees, customers may begin to feel they have been taken advantage of, which will result in losing of customers in future.

*Below are few examples where marketing tactics are used to influence consumers to increase sales. These examples are mainly relating to*

1. Increase in buying of additional product
2. Selling in bulk quantity
3. Selling with small gift item & later on withdrawing gift.
4. Increase in consumption of product

### **Increasing buying of additional product**

These types of schemes are mainly in garment industry where it attracts customer to buy one and get one / two / three of similar items as free. If you look at scheme of buy one – get one free, price of one item is almost double. It means, consumer is paying for two items but whole scheme is showing that one item is free. Buyer is happy that he is getting one items as free of cost while seller more is happy because he is selling two items & also recovering cost of two items where buyer is tempted for purchase one item but actually he purchased two items. In one single transaction, business has increased double. This is the tactic used by seller to enhance his sales as business growth strategies. In process, what seller has gained is that his cost of administration is recovered, his efforts are less as compared to selling of two products separately vis-à-vis selling one product & offering one product as free of cost. No way any company can give the product free of cost, it is only ways and means marketing tactics to increase sales, increase profits and expand the business. If in actual life, such scheme would have been implemented then seller / manufacturer would have been declared insolvency but almost all are doing great business.

### **Selling in bulk quantity**

Recently soap manufacturer made an advertisement for selling of bath soap in bunch of five soaps (Santoor Soap, Dettol Soap, Rin Soap). Selling price total of five soaps is equal to price of 4.5 soaps. In other way, seller is selling bulk quantity at profit of 4 soaps and fifth one selling at cost to cost. Benefit of such scheme is that sellers business growth is guaranteed for next few months. Customer is loyal to the same product next couple of months. In the whole process, a sale of company is increasing in multiple folds. This business development is mostly used to grow sales by effective way of advertisement with no additional cost & profits are maintained in moderate level in this tactics.

### **Selling of product with small gift article/ toy**

Every year Kellogg's selling chocos with small gift/ toy item which attracts children. During the same period, it was observed that they are increasing the selling price by Rs. 20 / 30 per chocos of 700 gm pack. Price of chocos is Rs. 200 plus Rs. 20 for gift article / toy, so total price of pack is Rs. 220. This scheme will be continued for a month or so. After a month, gift article / toy will be withdrawn and selling price of pack will remain as Rs. 220 per pack. Company will enjoy the benefit of Rs. 20 which was charged as cost of gift article / toy for remaining 11 months. As public memory is very short over a period of time, people forget about the gift / toy and & loyal customer continue to use the product at increased price. Next year again, Company will bring the same strategy to earn more profits and grow the business. By a simple step, company will earn large profit even in the ordinary circumstances nobody will notice that.

Sunrise coffee which is premium coffee brand India was selling 50 gm coffee pack / pouch for Rs. 80. It was observed that they have increased the price to Rs. 90 per pack but at the same time they offered steel glass worth of Rs. 10 with 50 gm pack. After a month, they withdrew steel glass scheme and price remained at the same of Rs. 90. Indirectly Company incurred the cost of steel glass for a month and later on enjoyed the whole benefits of increased price of sale for remaining months. Such tactics are used by manufacturer to boost profit as well as boost sales.

In case of shaving cream, it was observed that manufacturer was offering shaving cream of 70 gms with 30% extra, however 30% extra is calculated on 70 gms which comes to 91 gm after adding 30% extra and not 100 gm. After few years later, same scheme is continued i.e 30% extra but this manufacturer offered 30% extra on 60 gms and not on 70 gms. Indirectly manufacturer is getting benefit of 10 gm extra profit on product even in the ordinary cases, it would not be realised.

### **Increase in consumption of product**

Some of the FMCG companies use the tactics of increasing consumption by just changing the product structure itself.

For Example tooth paste OR saving cream is used daily by consumers while these companies expand the nozzle of product where excess quantity will be released by pressing the tube every day. These products are such that customer can not restore in to pack / tube and no option but to consume. This is non-noticeable change in these products over the years.

### **CONCLUSION**

There is nothing wrong what type of business tactics to be used by companies. These tactics will come and will go over the period of time. There are always changes in customer taste, markets changes, competitor's changes. It is very important to sustain in business by adopting intelligent tactics and strategies.

Buyer must be beware that nothing is free. Free is only a concept, no one can give free unless there is hidden agenda to grow the business by various methods.

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