

CLASSIFICATION OF ELEMENTS OF EFFECTIVE MARKETING IN THE DAIRY INDUSTRY

Behnaz ghazanfari^{1*}-ali asghar sargazi¹-ali dehghani¹-mahdi banhashem¹

¹ Department of Accounting and management, Payame Noor University, 19395-4697 Tehran, I.R. of IRAN

*(corresponding Author: behnaz ghazanfari)

ABSTRACT

Marketing is defined as a management - social process by which individuals and groups through the production and trade with each other, meet the needs and demands. To clarify this definition, the important terms such as demand, request and commodity exchange, trading and market should be investigated. The present study is a functional case in terms of goal and is considered a descriptive-analytical research. The population consists of marketing executives, of Amul City dairy companies including Kaleh and Haraz companies as many as 250 persons. Stratified sampling method is used in this research and using Cochran formula the number of 148 people was selected to be investigated. The questionnaires were used to collect data. Furthermore, for data analysis SPSS 21 Software was used. Taking advantage of the Effective Marketing Model of Philip Kotler, 5 components of customer-philosophy, integrated marketing efforts, marketing information, strategic orientations and operational efficiency were analyzed and considering the abnormality of data, Friedman Test was used to prioritize the 5 criteria. Research results indicate that measure of customer-philosophy is located in the dairy company of Amul City in the highest priority.

KEYWORDS: Customer-philosophy, integrated marketing efforts, marketing information, operational efficiency, strategic orientations.

INTRODUCTION

Marketing is said to efforts to communicate the value of the product (goods or services), and the customer .Marketing is sometimes also known as the art of selling. But sale is considered as one of small functions of marketing (Kotler, 2012) Dictionary definition of marketing is "providing goods or services to meet the needs of consumers." In other words, marketing involves understanding customer needs and adapt the company products to meet those needs, and include the profitability process for the company. Successful marketing requires having the right product at the right time and right place, and ensuring that the customer is aware of the existence of the product, and hence this will lead to the future orders. In marketing we are facing with 6 basic concepts, that understanding these concepts help the marketers and all the actors in this field greatly and be able to attract the public opinion and can enter the competition market with more knowledge.

- Need
- Market
- Goods
- Transaction
- Demand
- Request

Base marketing trends are the following four factors:

1. Customer -orientation:

The rationale for Organization is satisfying the demands of target customers

2. Systemic view, Organization decisions with a systematic view.

3. Goal -orientation: Organization should seek for a satisfactory return for the investments of company owners.

4. General market orientation: the organization must have a broad vision (Mohammadi, 2005).

The company's marketing unit plays a fundamental role in enhancing the company on top of the group. If the companies only focus on the costs, will not experience progress. If companies want to attract intelligent human resources, and creation of excellent employment opportunities, satisfaction of shareholders and effective competition need to grow and excel. Marketing is the direct responsible for profitable growth for the company. This unit needs to identify, evaluate and select market opportunities. And adopt appropriate strategies for outstanding (if excellence is not possible) in the target market. (Kotler and Armstrong, 2006).

Theoretical Framework

Effective Marketing

Measure of effectiveness of marketing believes that, integration of customer satisfaction, and organizational performance depends on the integrated agency of marketing effectiveness, that covers variety of topics of marketing operations. The following five- section- model that include customer- philosophy, integrated marketing efforts, marketing information, strategic orientations and operational efficiency, are among the effectiveness of marketing features of Kotler, that adopt the inner and outer landscapes for marketing capabilities.

A) customer- philosophy

Focusing on customer needs is the main factor of the marketing philosophy. Today, many companies and service organizations have accepted the new marketing concepts and act accordingly. They have found that focusing on customer needs means paying attention to quality and offering customer services, so any company tries to be customer-oriented. Service organizations have recognized the fact that, for achieving their goals (survival), or transcending it, should attract customers' satisfaction .Because disregard for customer satisfaction, which is the result of disregarding his/her wishes and needs, will correlate with failure (Roosta, 2002). In today's competitive world, achieving appropriate place in the market is difficult .And for having a stable position in the market, providing top quality services to customers, especially in the case of service companies, is arisen as a durable competitive advantage. Customers satisfied with the services, are the source of survival and profitability of the companies .Companies that fail to keep their customers satisfied the market will not remain in the competitive market over time .Supply of superior product quality and excellent customer services, create competitive advantages including the creation of barriers to competition, customer loyalty, manufacturing and supplying of differentiated products, reducing marketing costs and determining the higher prices (Kotler, 2013) .The survival of any organization requires a serious effort to outdo the competition in increasing the market share of products or delivery of services, to be put at the agenda of the organization .The best action to achieve this important issue, is customer-orientation .Since the external organization customer orientation is not possible without employee satisfaction with the organization, so internal organization customer orientation will be very important. Thus, each organization must first steps towards satisfying the employee's .To provide the necessary context to customer-oriented behavior of staff .Therefore; customer orientation should start from the staff (Kotler, 2013).

B) Integrated marketing efforts

advertising, through traditional media for many years or decades, have been the broadest form of communication with buyers .But today new mechanisms are used. For example, a grain mill, through incentive mechanisms (e.g. Granting gambling coupons and holding competitions, and the distribution of free samples, etc.) to ad-only methods , the media, will sell more .In Age IMC, what we commonly call Add is merely a way of advertising , and there are broader and more diverse and numerous facilities that the advertisers, if they wish, can use them .For example, Oakley is one of the most successful manufacturers of sunglasses and sport glasses, and owes its most success to the use of a non-traditional media that is label of its goods .The managers of this plant have found that their customers are very interested to add their credibility, through products with Oackley Brand . They are interested in purchasing advertising labels of these products, and put them on the glass of cars, motorcycles body and their other appliances. So, today, enjoying the suitable composition" of other relevant subsets of the general market, message carriers, and sales promotion and direct marketing channels, are regarded in companies' strategies (Mohammadi, 2005)

C) Marketing Information

Since the beginning of the 1990s, this consensus among experts worldwide was emerged that customer-oriented and market-oriented organizations are more successful in global markets. Peters and Waterman in the Book Search for Perfection, and Michael Porter in his Book entitled Competitive Advantage of countries, emphasized that competitive success in marketing field, depends on the correct understanding of markets, customers and competitors. On the other hand, the classical failures in products marketing, by Donald W. Hendon in 1989 and marketing mistakes, by R. F Hartky in 1992 have expressed the main source of the failure of organizations as lack of knowledge about consumers and markets (Roosta, 2011).Therefore, without having sufficient knowledge about the market. The adopted marketing decisions will not reach the desired result, new products may be offered to market, while their demand is low, and fail subsequently. Goods may be delivered to apparently attractive markets, while the market consumers, prefer those products more.These consequences are often the result of marketing decisions taken on the basis of incorrect or incomplete information.

D) The orientation of the strategy

Integrated (identical) marketing strategy is applicable, when the company rather than considering different typical needs of customers, only considers the common needs of customers. Integrated markets examine the sectors that are similar in terms of population. This strategy is more used to meet the needs of many people (Alipour, 2011). A distinctive marketing strategy is created when the manufacturers seek to produce a modified model of the products in the original groups. Companies apply different market strategies in their conscious decision-makings about the markets derived from several different parts of the target market through different products. These strategies in the form of combination of traditional and modern political marketing tactics are applicable. In focused marketing strategy, the manufacturer selects the main sectors of the market calculatedly, and focuses all the facilities and efforts on that part of the market. This strategic move will develop a product and for a specific population of customers in a particular sector of the market and will be marketed. Traditional (customized) marketing strategies when a product is designed specifically for the needs of a particular customer, the market is called customized (market). Customized market is one of the strongest and most effective ways to reach the target market. However, this strategy requires significant cost to make the idea of a person consistent with the expectations and political marketing operations (Alipour, 2011). What are the challenges that at the end of the 1990s companies are facing with at the beginning of the twenty-first century? By the end of the Cold War, companies, and countries are buckling up with increasing revenue, environmental pollution, carelessness on infrastructure, economic recession lack of labor skills and many of the economic, social and political problems. All these can be called a challenge, but they also can be called as opportunity as well (Rostampoor 2009).

E) Operational efficiency

Marketing plans do not make a profit unless they are effectively implemented at different levels. Here the interests of customers in the first place should be considered by employees of throughout the company. Marketing Manager should have the right amount of resources to do the intended job. In such circumstances the operational efficiency among units of the company is created (Kotler 1997). The effectiveness of the marketing concept has been widely discussed because it has strong links to the company's results with values such as: long-term growth, increase of customer satisfaction competitive advantage, strong orientations (Webster 1995).

Background of Research

Pirayesh (2012) examined the relationship between competitive intelligence and effectiveness of marketing strategies in the public and private banks of Zanjan Province. This research is a correlational one in terms of research method. Statistical population of research includes public and private managers of state bank branches located in the province of Zanjan as many as 156 members. Of this number, 110 people were selected by stratified random sampling method. Data collection tool included competitive intelligence questionnaire and marketing effectiveness. To analyze the data, descriptive statistics (mean, standard deviation, etc.) and inferential statistics (t-test, correlation coefficient test, regression analysis, bivariate regression, and multiple regression analysis and Friedman test) were used. Correlation test results showed that there is a significant positive correlation between competitive intelligence, and marketing effectiveness between public and private banks in the province. According to the regression analysis of the components of market opportunities, awareness of the key vulnerability of organization, awareness of risks of competitors, awareness of threats of competitors has the greatest impact on the effectiveness of marketing respectively. The results show that Level of attention to the competitive intelligence between the public and private banks, is significantly different. State banks compared to private banks have higher marketing effectiveness. Samadi (2009) examined the impact of relationship marketing tactics on apparel shopping behavior using the structural equation modeling. Data analysis was performed by correlation test. The results showed that the relationship marketing tactics, (communications, personalization and preferential treatment) were significantly associated with the customer's willingness to continue buying, and between the tactics of reward and customer's willingness to continue purchasing no significant relationship was observed. The results showed that the relationship marketing tactics have positive effect on relationship satisfaction, trust, relationship commitment and shopping behavior. This study can help the retail stores to use more effective and evaluation of relationship marketing tactics. Khodayari (2008) attempted to identify and explain the factors influencing the effectiveness of internet marketing effectiveness of companies that are members of export companies. Given the growing importance of the use of Internet in business. This study acts to identify and explain the factors related to the effectiveness of international marketing at 5 levels:

Factors related to strategy, website, internal factors, external factors, and international factors, which are examined and analyzed with 62 variables in the form of six hypotheses. The selected statistical population are the companies that are

members of Iranian export organizations having website in 2006, that using the official website of Business Development and the available directories as many as 151 companies in 7 industries, were selected into classification. The results showed that the following factors play role in order of preference in the effectiveness of online marketing companies that are member of international export organizations:

1. Built-related factors
2. Factors related to Web Design
3. Foreign-related factors
4. Factors related to strategy
- 5-Global related factors

Haqiqi and Abedi in 2011 in a paper entitled effective marketing role in introducing the Cooperative Development Bank, using t-test, to design an effective relationship program, acted to investigate the mixed relationship elements. Both in customers' perspective and the perspective of experts, all of integrated communication elements were effective in identifying Cooperative Development Bank in banking services market. (haqiqi, 2011) Noca and Francis (2009) examined the competitive intelligence and its relation to the effectiveness of Nigerian large corporate marketing. For competitive intelligence, five variables (market opportunities, threats of competitors, competitors' risks key assumptions and key vulnerability) And for effectiveness of marketing five components were defined (customer satisfaction, marketing information, integrated marketing activities, strategic orientation and operational efficiency). In this study, 108 large bond companies of Nigeria include the statistical population of the research. The results showed that, between competitive intelligence and large companies marketing effectiveness, there is a significant positive correlation. Fayal (2008) in a study attempted to evaluate the effectiveness of marketing and business performance in the UK financial services industry .He defined five variables to measure the effectiveness of marketing (customer satisfaction, marketing information, integrated marketing information, operational efficiency and strategic orientation) according to Kotler model. The effects of various aspects of marketing effectiveness on profitability and growth and the customer-oriented performance indicators in his study were examined. The results indicated that organizational variables such as customer satisfaction, operational efficiency, marketing information and integrated marketing activities are positively and significantly associated with the operation of business performance.

Reasons for choosing the components of effective marketing

Pirayesh has used in his paper titled (The relationship between competitive intelligence and effectiveness of marketing strategies in the public and private banks of Zanjan Province) the model of Effective Marketing of Philip Kotler (Pirayesh *et al.*, 2011). Safarzadeh in his paper titled (Emotional intelligence and effectiveness of marketing of staff) has used effective Marketing model of Philip Kotler (Safarzadeh *et al.*, 2011).

MATERIALS AND METHODS

This research is a functional one in case of objective and is considered a descriptive- analytical one. The statistical population includes managers in the marketing of dairy companies of Amol city, including Kaleh and Haraz Companies as many as 250 persons. Stratified sampling method using Cochran's formula for the number of 148 persons was selected. The questionnaires were used to collect data. Validity of the questionnaire was verified using opinions of experts. Reliability of the questionnaire, using Cronbach's alpha coefficient was numerically greater than 0.7., indicating the indicating the reliability of the questionnaire. Using SPSS software and k-s and Friedman Tests data were analyzed. Friedman Test: This test is used to rank the variables. The null hypothesis and research are written as follows:

H0: the variables of interest (equal priority) are equal.

H1: Intended variables do not have equal rate (equal priority) .

Spss software output for this test is comprised of two tables.

Table 1 is associated with mean scores of each variable,

Table 2 is related to the statistical characteristics and chi-square statistic of the relevant variables. Due to the significance level of the second table, one can judge about the test result. If the test level is significantly less than 0.05 this means that research hypothesis has been confirmed and there is a significant difference between the ranks of variables.

Analysis of the data

To analyze the data SPSS software was used. Cronbach's alpha for expressing the reliability and validity of test was used.

Table1-cronbach's alpha

Cronbach's Alpha	Number of items
802	20

Considering Cronbach's Alpha test, we observe that alpha is greater than 0.7 and thus the questionnaire enjoys reliability. Kolmogorov-Smirnov Test. This test based on the following assumptions deals with data normalization.

H0: the data are normally distributed.

H1: The data are not normally distributed.

The judgment, according to the test by Kolmogorov - Smirnovis so that .If a significance level (sig) for all values is larger than the test level (0.05) the distribution of data is normal .The results of this test are shown in the table below.

Table 1 - The level of significance of Kolmogorov - Smirnov Test of the indicators

Table 2 - significance level of Kolmogorov - Smirnov Test of indicators

Components	Level of Significance (Sig)	Test Result
Customer-Philosophy	0.04	Rejected
Operational Efficiency	0.03	Rejected
Strategic Orientations	0.04	Rejected
Integrated Marketing Efforts	0.02	Rejected
Marketing Information	0.01	Rejected

All variables, according to the result of Kolmogorov-Smirnov Test have abnormal distribution because the obtained significant level from this test is less than 0.05. Therefore, the null hypothesis is rejected and the nonparametric Friedman Test can be used to analyze and prioritize the indicators. Friedman Test

Table 3- Prioritizing Components of Effective Marketing using the Friedman Test

Components	Degree of Components
Customer- Philosophy	8.38
Operational Efficiency	8.00
Strategic Orientation	7.93
Integrated Marketing Efforts	7.59
Marketing Information	7.45

RESULTS AND DISCUSSION

Given that, standard of customer- philosophy, is of the highest importance, so the focus on customer needs, is the main factor of the marketing philosophy. Today, many companies and service organizations have embraced the new marketing concepts and act accordingly. They have found that focusing on customer needs, means delivery of quality and services to customers. So any company tries to be customer-oriented. Service organizations have recognized the fact that to achieve their goals (survival), or transcending it, they should attract your customers' satisfaction .Because neglecting customer satisfaction which is the result of disregarding his/her wishes and needs will correlate with failure (Venus, 2007).

REFERENCES

- Alipour M. and Eivaz Zadeh** (2011). Assessment of strategies to determine the target market for the success of the campaigns of organizations and political parties of Iran, Islamic Azad University of Zanjan.
- Kotler P. and Keller L.** (2012). Marketing Management 14e. Pearson Education Limited 2012.
- Kotler P.** (1997). Marketing Management: Analysis, Planning, and Control, 9th ed, Prentice-Hall, Upper Saddle River, NJ.
- Kotler P and Armestrang G.** (2006). Principles of marketing, translated by Ali Parsian, Adabestan of Tehran, Fifth Edition, 2005.
- Kotler P. and Triassic D.** (2013). Creative Marketing. Translated by Omid Abdar Amukhteh Publications First Printing. Isfahan.
- Pirayesh R. and V. V.** (2012). The relationship between competitive intelligence and effectiveness of marketing strategies in the public and private banks in Zanjan province. *Tehran University School Business Administration Management J.* 2(12): 1-18.
- Rostam Pour F.** (2009). Strategic planning of marketing, Allameh Tabatabai University in Tehran.
- Rusta A.** (2011). Tadbir Magazine, Industrial Management Institute, Issue. 196, Tehran.
- Saeed Mohammadi Gh.** (2005). A glance at marketing management philosophy. Refah Bank management and marketing studies office. Translated and authored by: Kiomars Kelleher, 2013, MA in education and communications and broadcasting producer.
- Safarzadeh H., Kamali K. and Bonakdar Mazandarani N.** (2011). Emotional intelligence and effectiveness of staff marketing. *J. Business Management, Tehran Univ. Medical Sci.* 3(11).
- Venus D. and Rusta A.** (2007). Marketing research with practical attitude. Tehran, Samt Publications. : 3 -10.