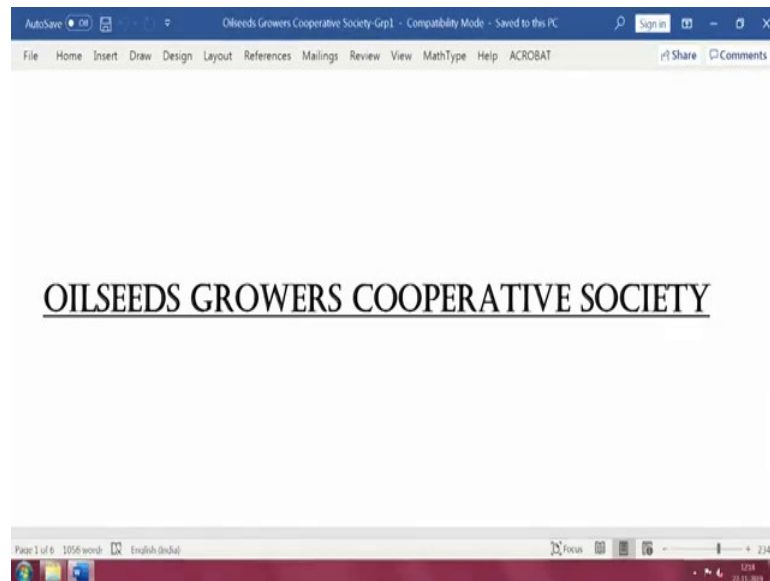


Integrated Marketing Management
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Lecture – 36
OGCS

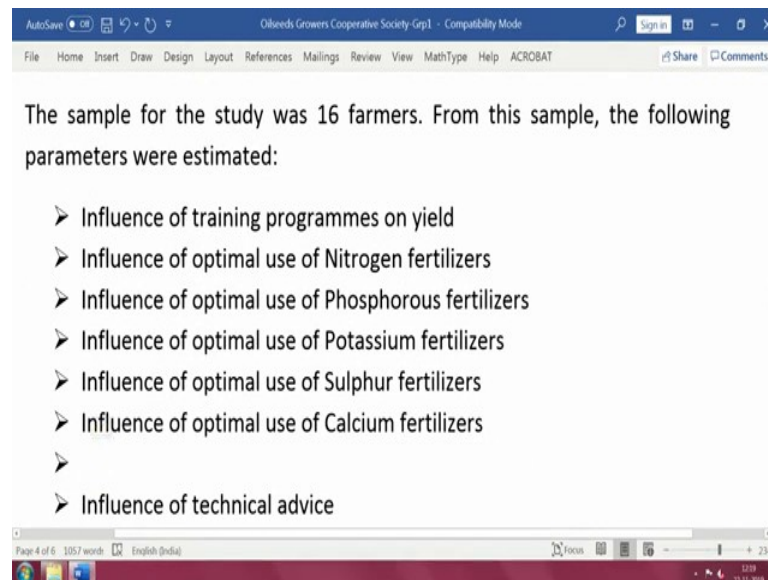
Welcome to this class where I will give you the word report on these questions.

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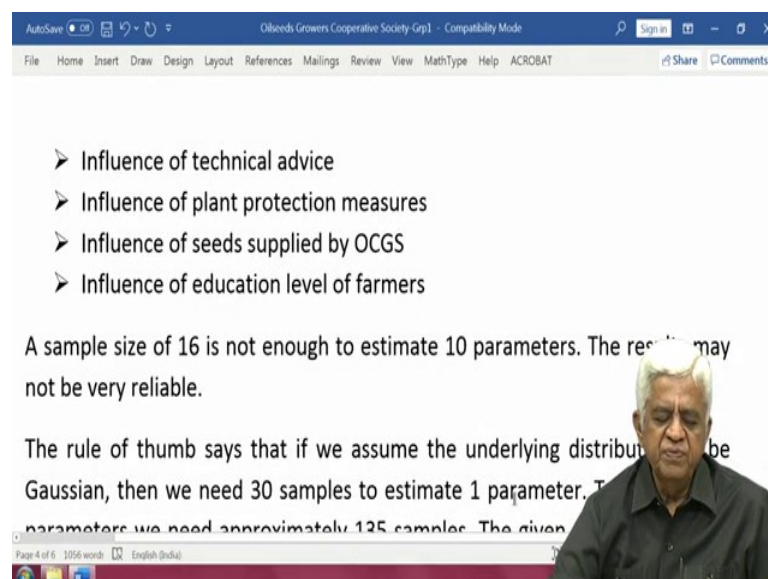
As I mentioned in the earlier classes when I analyzed these case studies in the PPTs I gave you points, but each of these case studies you should give a question and answer report, usually a word document that is called a Q and A report. When you do that for this OGCS what you are going to get? What is the type of expansion that you can think of on these points?

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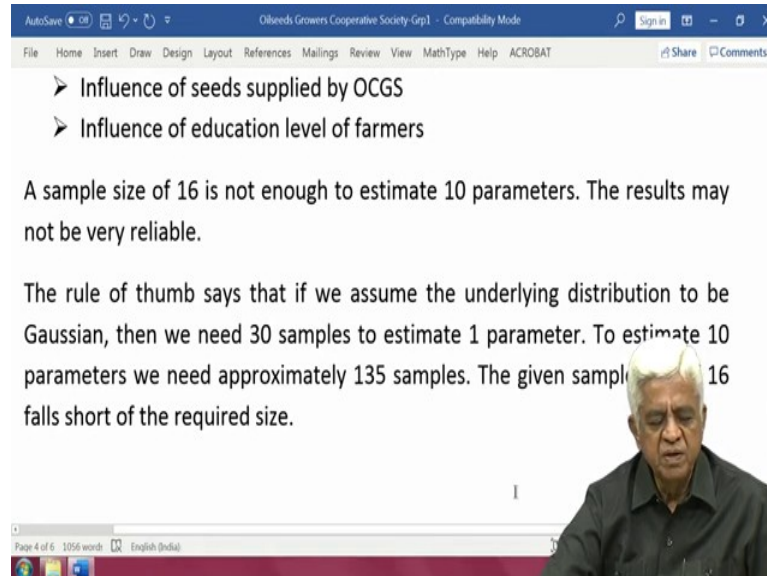
This is OGCS as we saw this sample for the study was 16 farmers. From this sample what are the type of parameters that was being estimated? One was influence of training programs and yield, then optimal use of nitrogen fertilizers, phosphorus fertilizers, potassium fertilizers, sulfur fertilizers, then calcium fertilizers. Then the influence of technical advice, what is the type of influence the technical advice was having on this oil seeds production.

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If you really look at this influence of technical advice then the influence of this plant protection measures, then influence of seeds supplied by this OGCS.

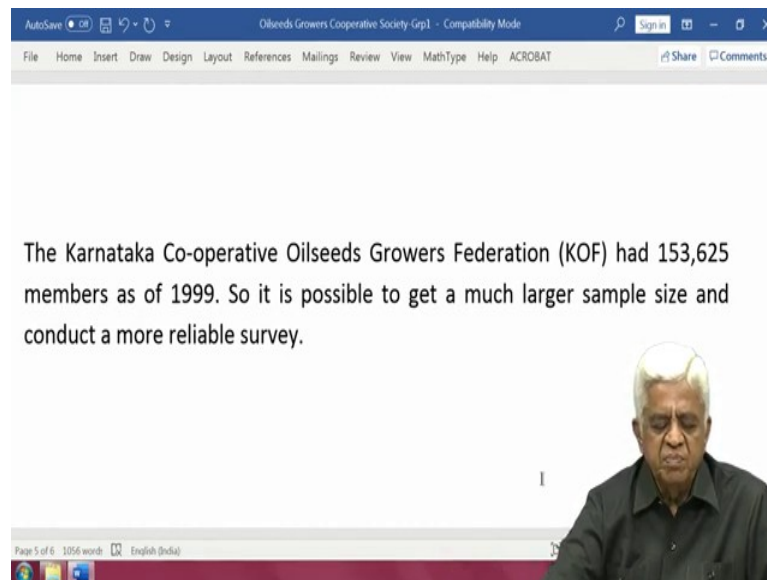
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Then the influence of education level of farmers that is suppose a farmer is educated fairly educated, then is he getting benefits higher than he is uneducated farmer colleague. The first this thing which observation which was made was sample size of 16 is not enough to you estimate 10 parameters, this is most important. So, if you do not have an adequate sample size which is a representative of the population then your results are also to that extent less reliable. What does the rule of thumb say?

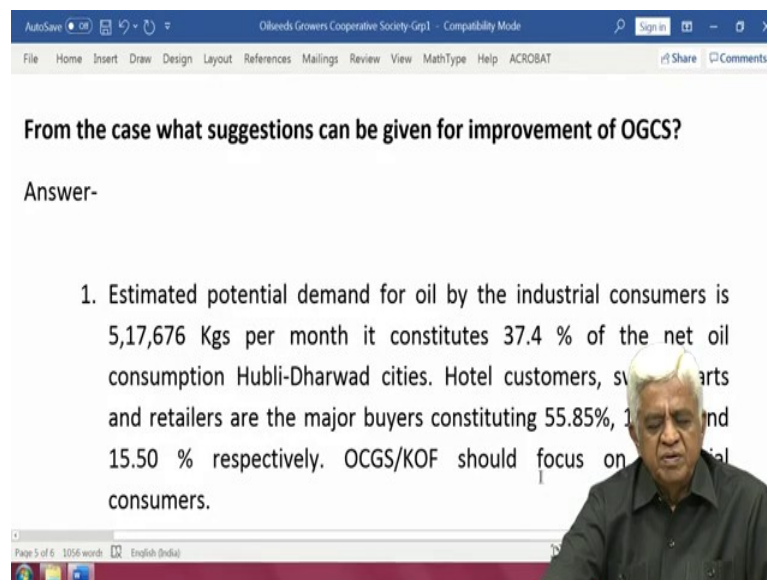
The underlying distribution to be Gaussian, then we need 30 samples to estimate 1 parameter. To estimate 10 parameters at least we should have 135 samples. One parameter is there; if you look at 30 samples for 1 parameter then you should be actually getting to more than 300, but when we reduce it a little further take 50 percent of this. You get at least you should require at least 135 samples; this 16 falls very much short of the required size.

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The second observation that was made was KOF had more than one and half lakh members in 1999 only. Getting a higher sample size is not a problem.

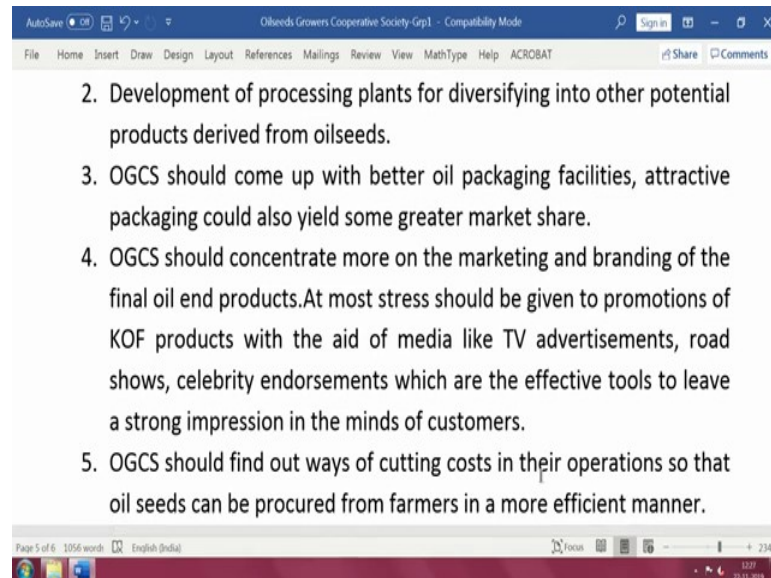
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The type of answers that are coming in if you look at it, the estimated potential demand for oil by the industrial consumers was more than 5 lakh kgs per month. It is constituting to 37.4 percent of the net oil consumption of Hubli-Dharwad cities. You find these oil seeds production units concentrated in and around this region that is the KOF units.

This hotel customers constituted 56 percent, sweet mart 18 percent and this other retailers about 15 percent. The type of conclusion that you can draw is you focus on the industrial consumers because they are contributing to bulk oil productions, oil sales.

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Then development of processing plants for diversifying into other potential products derived from oil seeds, do not just remains stagnant and oil seeds production only. It is of course, your primary one look at what other potential products can be derived from oil seeds. Look at your competitors what are they trying to come out with, you can also come out with these type of products.

Many of them are coming out with what do you call the last portions of these oil, they are coming out with what we call lesser grade oils. For this lighting of lamps things like that which KOF is not doing presently. The result is other lower other players how come into this field and have made a mark.

You get these oils for lamp, from different brands yield like Deepam or some other brand which KOF can also very easily do. It can also give them good market share without much effort, then this OGCS should come up with better oil packaging facilities, come up with the good attractive packing.

It should not be difficult because considering that many of the packaging industries are located, well known packaging industries are located in Bangalore only, in and around

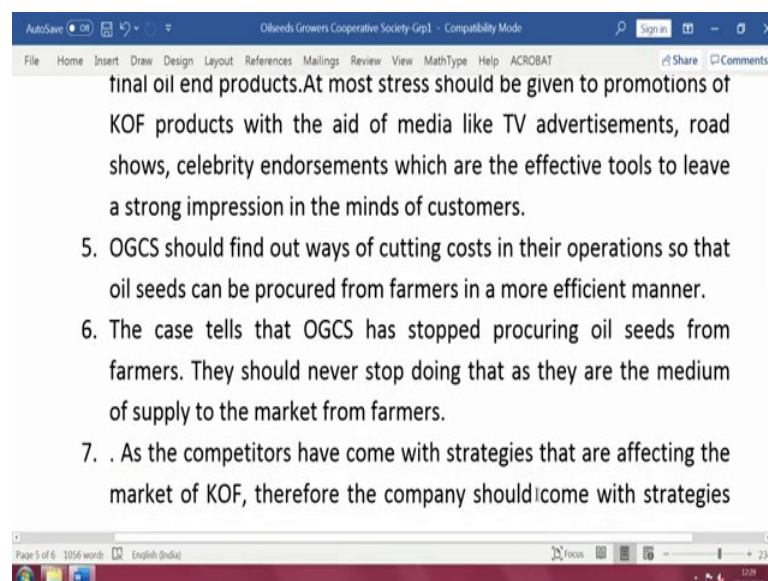
Bangalore. It can help increase the market share of this OCGS. One of the other observations that was made even in the while presenting the PPTs was stress by KOF on marketing and branding should be increased.

You should be able to market products at least at the same level as that of your competitors. Suppose they are advertising on TV, you are not found advertising on TV then it will be considered as a weakness. This was this is sometimes the weakness of public sector units as well.

Whereas, the private players are pumping in lot of money for advertisements, promotion, incentives etcetera. The public sectors do not show the same type of zeal, many of these private players products whether it is a Sundrop oil or some other oil they are endorsed by celebrities; why KOF should not also go in for that. They can have these can lead to a, this can be an effective tool and also leave a lasting impression on the minds of the consumer. The other most important point is OGCS should find out ways of cutting costs.

Now it is the if you are not able to cut costs in your operations then natural it is eating into your profits which your competitors are doing, you must turn should cut costs in operations. Cost cutting should be one of the top priorities which this OGCS should give to.

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Then one of the disturbing facts which came out from the case was this OGCS has stopped procuring oil seeds from farmers. They should never do such an such a mistake, that is because they are the medium of supply to the market from farmers they came with this main objective. If you yourself stop procuring oil seeds from the farmers, what is likely to happen?

Then the farmers will be exploited by other players. As the competitors have come with strategies that are affecting the market of KOF, what should KOF do? It should come up with reactive strategies.

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that can counter react to these strategies with respect to pricing, effective promotion and ease-of-availability of the products.

8. Credit facility- It should be extended to some needy customers depending on their credit worthiness. In order to encourage cash sales, the union should extend cash rebate to institutions who prefer to buy oil on cash basis.

9. Door-to-door Sales- An approach, which would give a competitive edge by serving them at their places by knowing their need, requirement and suggesting them some purchase as well because very few competitors have this tactic in

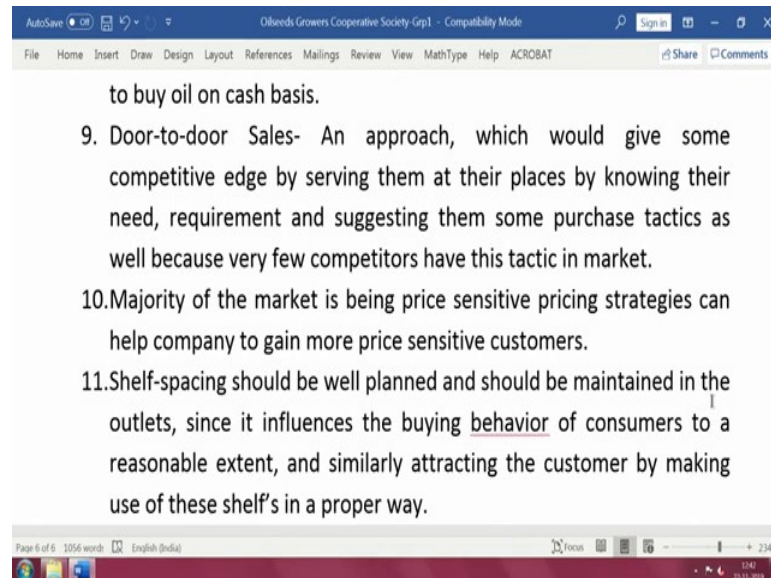
10 Mainrity of the market is heing price sensitive price

The best thing for you, for any organization would be to come with proactive strategies. In the case of KOF it has not happened because the competitors have always taken one up on them, they have come out with better strategies to the marketplace. Now, what KOF can at least do now is to be coming out with counter strategies.

It can be a reaction to the competitors' strategies, then the other thing which KOF could think of is extend credit facilities to needy customers depending on their credit worthiness. It should not become another NPA with respect to the banks. Depending on the credit worthiness you can think of extending credit facility.

In order to encourage sales the union should extend cash rebate to institutions who refer who prefer to buy oil on cash basis. Suppose they are making institutions are bulk buyers, you can consider giving them some cash rebate.

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This door to door sales which is an approach adopted would give competitive edge no doubt at places, because these KOF people know their growers much better than their competitors because, they are in touch with the local growers. They can perform this well and if they take it to the logical end they will find that there are few competitors who can match them in this tactic in a marketplace. The product of this KOF being price sensitive.

What is most important for KOF to market is adopt better pricing strategies? What do you mean by better pricing strategies? Many times, the competitor intentionally reduces price, then KOF should not be a mute spectator to that; you should also come up with sensitive pricing strategies. This can give you a market which you had not earlier exposed or explored that is the more price sensitive customers can come into this fold of KOF.

The other aspect which KOF should can think of is how is the product placed in the different outlets. Suppose it is a Big Bazaar outlet, it should not be in a remote shelf where not many will notice the product only. It should be prominently displayed, when

you are able to prominently display this product then you will certainly have an advantage of this shelf spacing.

This can influence the buying behavior of consumers to a reasonable extent. This was also what was brought out to you with respect to this candy companies operating in the western market, especially the European market and the United States market also. There are a large number of companies making candies and they are given time slots to exhibit their products by these different malls and other outlets.

You have in the morning one candy company exhibiting its product, then in the afternoon it will be a different candy company. There is a constant demand for shelf spacing by these companies; that many types of growers are not there with respect to these oil seeds. So, you should exploit this to get better shelf spacing and if you see any outlet of say Big Bazaar; you have at least minimum of two racks devoted to this oils. And, these two racks you should ensure that this KOF products are displayed prominently.

Similarly, with respect to other outlets like your Reliance Fresh or this Big Basket or this Walmart. You can in other words say the main emphasis of KOF should be for improved marketing methods. When you look at improved marketing methods what is going to happen? You are influencing the buyer behavior of the consumers, ultimately what is required in the marketplace is purchase.

This purchase will result in improved market share for the company. And, if you are able to attract the customer making use of your shelf space in a proper way; that means, to say you have done a relatively good job which KOF presently appears to be not doing, the way its competitors are doing. Take other competitors; if you look at a Big Bazaar outlet only you should ask him for this Safal oils, unless and until you ask him for the Safal oils you may not be able to find out where these Safal oils are exhibited.

You will find all other brands of oils, but you will not find this Safal. Similarly, the housewife may be aware of all the other brands of oils, when you say why do not you try this Safal; she may not be very enthusiastic in trying it out also. In other words what is required is look at improved marketing methods, look at getting good self spacing for your products. Improved self spacing for the products in these outlets whether it is a

Metro or a Big Bazaar or any other outlet can contribute substantially to increasing your market share.

These are points which are expansions of the these are expansions of the points which are mentioned in the PowerPoint presentation which I gave to you on this particular case. This is basically a question and answer report for this particular case study. What are we done in the whole process? We have looked at the introduction of a new product in the form of this Suryodaya case in this Udyan Nagar market.

We looked at the types of strategies that was adopted by a well-known automobile company like Toyota marketing strategies. Then we looked at a good service industry like Cafe Coffee Day, how it is operating. Then we looked at a well-known IT service provider like this i-flex now taken over by Oracle how it is operating.

Then we came to the primary sector of the economy to look at this agriculture sector and look at the oil seeds in this OGCS, that is this Karnataka oil federation coming out in Safal brands of oil ok. In short through this in this course we have looked at 5 cases. The case studies book gives you nearly 30 cases or maybe even 30 plus. It looks at different aspects of marketing, can be international marketing also, can be services marketing as well.

My suggestion would be to look at this case studies book, look at all the cases; all these cases are real life cases and they present you the factual data. And, it can be very helpful for you to appreciate the markets in which these companies are operating and it can also help you to analyze these cases from your own way. Many times', as I mentioned there is no particularly right method with respect to a case study.

You should look at the method which contributes to increase in revenues mainly, how does it the increase the revenues of the company. That could be a good alternative for you and if you are able to do that then more or less you have achieved your end result. The two books for this one is the Kotler along with Kotler, my book on case studies in marketing in the Indian context can help you to approach this subject in a fairly professional manner.

You will get a good exposure to the subject also, you will also be able to appreciate the nonsense of this particular subject. How marketing is not the same marketing which we

were used to, the marketing that you are using you are having in the present-day setup is highly competitive. The competition is almost severe in almost all the products or the services.

When you are having this type of fierce competition what is required from your side as a player is to stand up to this competition, if not better than the other players. Only when you stand up to this competition then you can make a mark in this market.

I will stop here.

Thank you.