



A Marketing Plan for Riva-Flo Brand Centrifugal Pumps

by

Ms. Achara Buaratcharoen

A Final Report of the Three-Credit Course
CE 6998 Project

Submitted in Partial Fulfillment
of the Requirements for the Degree of
Master of Science
in Computer and Engineering Management
Assumption University

July 2006

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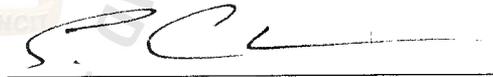
The Graduate School of Assumption University has approved this final report of the three-credit course, CE 6998 PROJECT, submitted in partial fulfillment of the requirements for the degree of Master of Science in Computer and Engineering Management.

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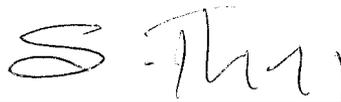
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ABSTRACT

This project is concerned with Centrifugal Pump Product. Centrifugal Pump is the product to supply water to all houses; hotels and factories from the river or canal, water from artesian wells. We have to use pump to transfer the water from this place to store in the tank and pipe before sending to any user. We have many kinds of pumps, it beyond the place of suction of water. Such as centrifugal pump, deep well pump, etc.

Riva-Flo is very famous Brand in Australia. We are the first company that imports this product & brand to market it since the year 2000. Now Riva-Flo is well-known in the market in Thailand. We have good relationship with our customers and market so we have up-to-date information about the marketing plan and strategies for this product. This Project will show how the marketers work to set up the strategies and make everything to compete with their competitors and after that will expand the market to be the specialist for water systems in the future

This plan is for 3 years. The first covers year 2006 when all marketing plan mainly focuses on Riva-Flo Brand Centrifugal pumps. The second year covers year 2007 for the remaining market of centrifugal pumps, expand it not much and try to sell other products related to centrifugal pump. The third covers year 2008 and beyond. During this period we will expand other kind of water pumps such as, deep well pumps or submersible pumps. So that we can expand the market and get more market share.

There is a contingency plan if the suggested marketing plan is not successful. However, we believe that this plan will be successful.

ACKNOWLEDGEMENTS

I am indebted to the following people and organizations. Without them, this project would not have been possible.

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I. INTRODUCTION

1.1 Overview

The basic idea of marketing as a business discipline. The concept of marketing is not particularly complicated or even original. Saying such as "the customer comes first" or "the customer is always right" have been used by forward-thinking merchants and entrepreneurs ever since the Industrial Revolution. Marketing is a more formal business orientation, based on a simple principle of consumer behavior. At one time the carpenter, tailor, Saddler and Stonemason knew their customers personally, and they were in a position to discuss their individual needs of size, Colors, Shape and design. To gain repeat business craftsmen appreciated that they had to provide satisfactory service to individual customers, and so the notion of caring for customers became apparent. With the Industrial Revolution and large-scale manufactures, this personal contact ended. With mass production came mass markets and mass distribution, and manufactures were no longer able to offer a personalized service to their customers, so it could be argued that inadvertently the Industrial Revolution was the birthplace of modern marketing.

Marketing has an increasing impact on the decisions being made not only by buyers and sellers but also by other divers group.

Buyers of Industrial goods are confronted with related yet different aspects of marketing. Should sources of supply be switched because of the supplier quality and lower price of the new supplier? Will a new firm be consistently able to supply the quantity needed at this price? Will the new supplier deliver the product on time, in order to avoid any costly plant shutdowns that would result from an out-of-stock condition?

An industrial buyer must carefully weigh many aspects of marketing in selecting the correct product and supplier.

Water that is supplied in any house, hotel and factory comes from river or canal, water from artesian wells. We have to use pump to transfer the water from this place to storage in the tank and pipe before sending to any user. We have many kinds of pump, beyond the place of suction of the water. Such as centrifugal pump, deep well pump, etc Riva- fib is the brand of centrifugal pump.

Riva-Flo is very famous Brand in Australia. We are the first company that imports this product & brand to do the marketing since year 2000. Now Riva-Flo is well- known in the market in Thailand. We have good relationship with our customer and market so we have up-to-date information about the marketing plan and strategies for this product.

1.2 Objectives

The objectives to set A marketing Plan of Riva-Flo Brand Centrifugal Pumps is to show how to plan and set strategies to compete with their competitor. The marketing include:

- a. Conducting a marketing plan and activities for year 2006 — 2008.
- b. Proposing the marketing plan evaluation.
- c. Developing a contingency plan.

1.3 Scope

Scope of this project is to set the vision and mission of the company that includes Long term and short term plans, identify the market situation, find market segment and target market, setting the marketing mix strategies, setting an activity plan for short term and long term.

II. LITERATURE REVIEW

2.1 The Concept of Marketing

Marketing is a broad subject that can be viewed from many perspectives, it can be described in many ways, most people have been exposed to advertising, point-of-purchase displays, and personal selling, so marketing is often seen strictly as the promotion and sale of existing products. However, marketing is much more extensive. Excellent marketing begins long before a product exists. This allows all marketing decision-including promotion-to be made with customer needs and wants in mind. Marketing extends far beyond a purchase to ensure customer satisfaction and loyalty.

The American Marketing Association (AMA), an organization of professionals interested in furthering the marketing discipline, develop the following definition. Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of idea, goods, and services to create exchange that satisfy individual and organizational objective.

Marketing is an ongoing process. Processes are used to manage complex phenomena that undergo change. New competitors enter the market, customer change, and the economic climate shifts. What works today may be totally wrong tomorrow. Consequently, those who practice marketing must take a long view of events and see the world over time. They must not focus on a single transaction at one moment but on the enduring, systematic management of change. Marketers look for pattern, trends, and surprised that signal what is likely to happen in the future. In fact, later it will be apparent that marketing has its greatest value when it helps guide organizations in highly dynamic environments.

Marketing is concerned with the process of planning, providing the guidance systems for companies. Planning sets direction before action takes place. It addresses what is to be accomplished and how to accomplish it. Competition forces marketing plans to be strategic, to address ways to satisfy customer needs and wants better than competitors. Later we will see that plans are create for a whole organization as well as for selected products. No matter what is being planned, marketing involves a broad range of people in order for plans to be relevant. Consequently, marketing usually means working in group rather than alone.

Marketing is also responsible for executing or carrying out the plan. Marketing manages people and events in line with the plan, which serves as a guide. To carry out plans, Marketing must acquire and develop many of the organization's human resources. According to the marketing concept (philosophy), the purpose of marketing is to understand the needs and wants of customer and to create customer value through satisfaction and quality more effectively and efficiently than competitors in order to increase the value of the organization. Applying the concept helps meet the long-term goals of the organization. The marketing concept provides the guide reference for appropriate marketing action.

Understanding needs and wants is central to the marketing concept. It is not possible to implement appropriate marketing without this understanding. Market uses a consumer orientation, an organization philosophy that focused on satisfying consumer needs and wants.

Need and wants are not the same. Needs are fundamental requirements-meeting them is the ultimate goal of behavior. A need become apparent when there is a gap between a desired state and an actual state. Needs represent what people and

organizations must have to survive and thrive. The degree to which needs are satisfied determined the quality of life for all people and organization.

A want is the specific form of consumption desired to satisfy a need. Many different wants can fulfill a need. Each want represents an alternative way to meet goals or requirements. A want is simply one of many desires a person may have to help fulfill a need. As show in Figure 2.1



Figure 2.1. Needs and Wants

The marketing concept recognizes the long-run nature of successful marketing. Potential customers continuously search to satisfy wants in such a way as to produce the greatest amount of need satisfaction. Therefore, customers are dynamic Marketing leaders facilitate and adjust to change rapidly by learning how to serve customers in new and creative ways. Long-term success as a marketer requires change management. /the speed and effectiveness with which marketers learn how to serve customer can provide tremendous competitive advantage. Because needs and wants are numerous, divers, and dynamic, the concept points toward unlimited opportunities for marketing.

The second element of the marketing concept is to create customer value through satisfaction and loyalty. Satisfaction refers to the consumer's overall rating of his or her experience with a company and its products. Loyalty is a measure of how often, when selecting from a product class, a customer purchases a particular brand. Customer value refers to what consumers perceive they gain from owning or using a product over and above the cost of acquiring it. In combination, satisfaction and customer value help create loyalty. Loyal customers are a valuable asset. They provide a continuous revenue stream through repeated purchases of a product. They tell others about their satisfaction, which is one of the most effective and inexpensive forms of promotion. To increase customer satisfaction, Organizations strive to implement a marketing philosophy that benefits the company develop satisfied, loyal customers. A level of satisfaction strong enough to create product loyalty requires an organization commitment to customer value in every aspect of the business.

In order to deliver customer satisfaction, an organization has to offer quality in its goods and services. Quality represents all the dimensions of the product offering that result in benefits to the customer. Sometimes the word "value "is used interchangeably with "quality. " Typically, value is considered to represent the relative quality of an offering taking into account the price of the product.

The term quality is often thought to mean defect-free products. This traditional manufacturing-oriented view of quality has been broadened considerably in recent years. Today, high quality means pleasing customers-going beyond merely protecting them from announces. Thus, a truly quality-oriented view of customer satisfaction is one that subscribes to providing a level of benefits that exceeds rather than just matches expectations.

In seeking to provide this level of customer satisfaction, organizations can pursue any of eight dimensions of quality.

- (1). Performance: the basic operation characteristics of a product, such as the prompt delivery of an express package or the clarity of a television picture
- (2). Features: the special supplemental characteristics that heighten the use experience, such as free drinks on an airplane trip or optional seat-cover materials in an auto mobile.
- (3). Reliability: the probability of product failure within a given time frame
- (4). Conformance: the degree to which a goods or service meets established standards, including the timelines of an airplane arrival or how close a shirt comes to its state size
- (5). Durability: the amount of use a product can take before it must be replace
- (6). Serviceability: the speed and ease of repair, and the courtesy and competence of service personnel
- (7). Aesthetics: how a product looks, feels, sounds, tastes, or smells
- (8). Perceived quality: the quality hat is inferred from a seller's reputation

The quality of goods or services provided as perceived by the customer will determine the customer's perception of performance and, thus, satisfaction, as show in

Figure 2.2

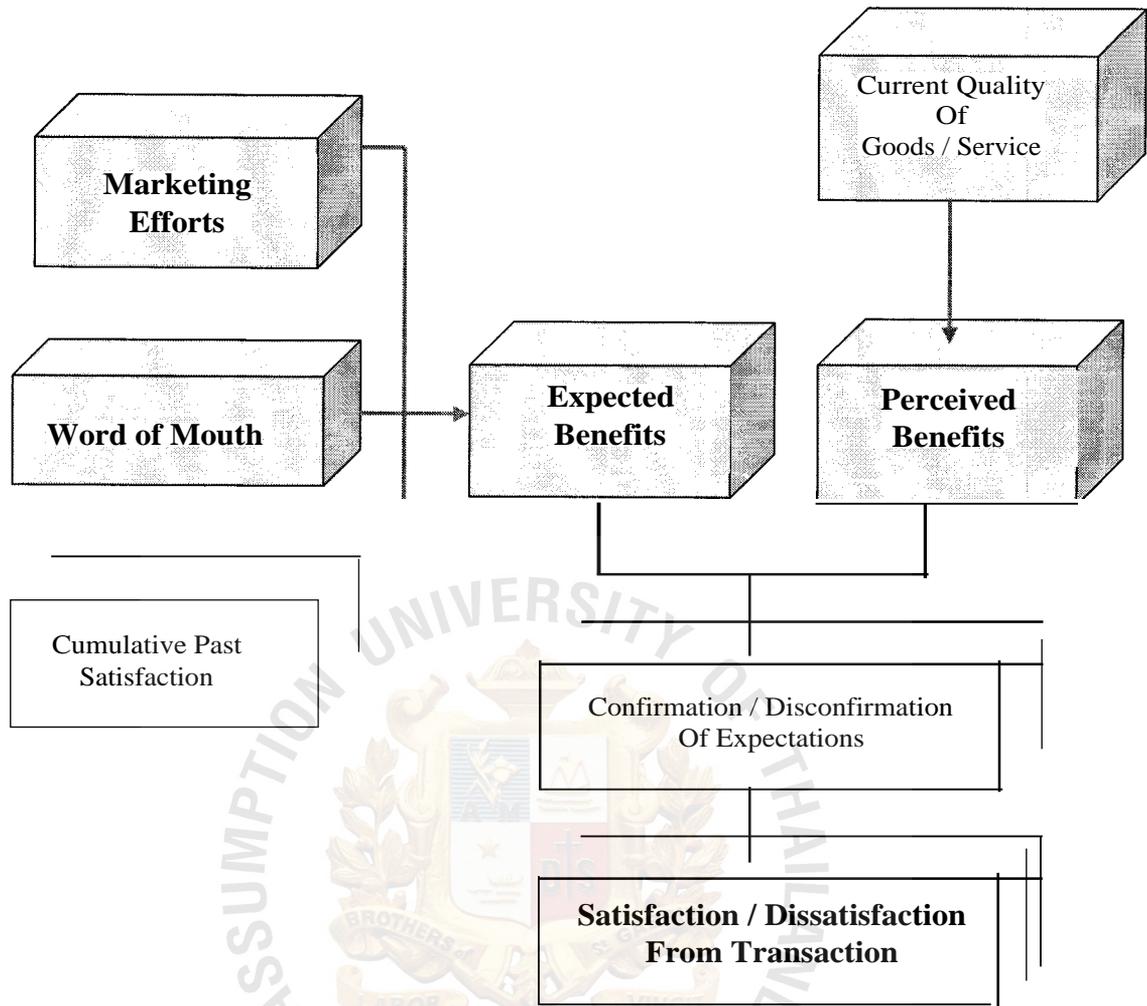
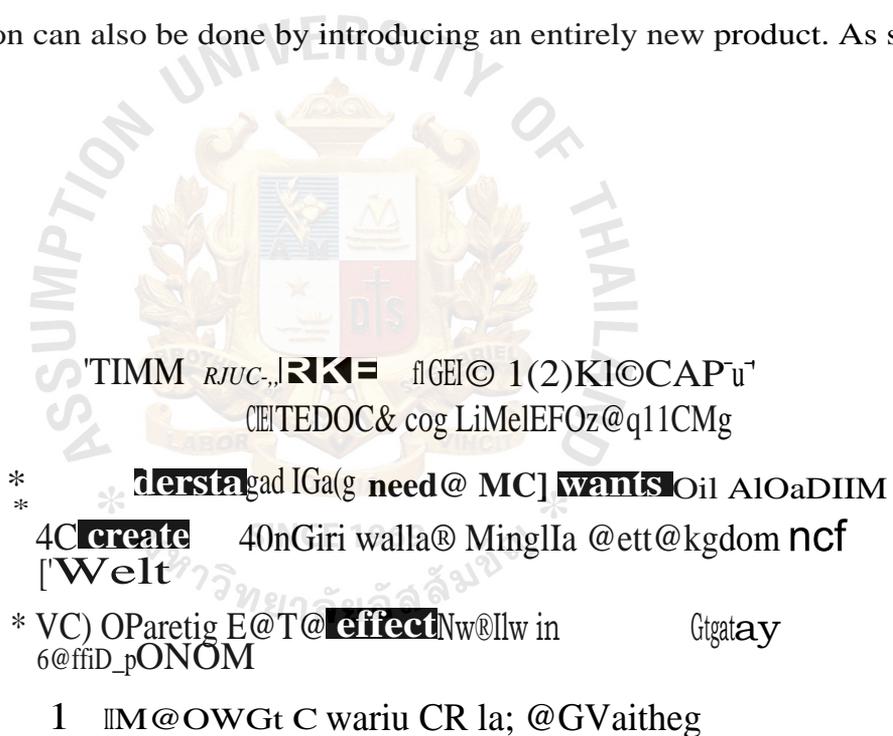


Figure 2.2. Process to Find Customer Satisfaction

The third element of the marketing concept is to operate more effectively and efficiently than competitors. Strong marketers compete, and they measure success by the way their customers judge them especially relative to competitors. Competition is the key to our economic systems. You see aggressive global competition occurring every day. Effectiveness means that the organization's activities produce results that matter to consumers. It means doing the right things. Efficiency means doing these things with minimal waste of time and money.

The last element of the marketing concept is to increase the value of the organization. Both private and public companies strive to increase the value of the organization to its stakeholders. Stake holders of an organization include customers, suppliers, stock holders, and employees. The single most important role of the marketing effort is to increase the value to stakeholders by establishing and implementing an effective marketing strategy. Many strategies can be developed. For example, it can involve focusing on a new set of customers or focusing on the types of customers that the company has targeted in the past. Increasing the value of the organization can also be done by introducing an entirely new product. As show in Figure 2.3



The Marketing Concept

Figure 2.3. The Marketing Concept

We define marketing management as the art and science of choosing target markets and building profitable relationships with them. This involves getting, keeping, and growing customers through creating, delivering, and communicating superior customer value. Thus, marketing management involves managing demand, which in turn involves managing customer relationships (Kotler 2003).

There are five alternative concepts under which organizations conduct their marketing activities: the production, product, selling, marketing, and social marketing concepts (Kotler 2003).

- (1). The Production Concept: The production concept holds that consumers will favor products that are available and highly affordable. Therefore, management should focus on improving production and distribution efficiency. This concept is one of the oldest orientations that guide sellers. The production concept is still a useful philosophy in two types of situations. The first occurs when the demand for a product exceeds the supply. Here, management should look for ways to increase production. The second situation occurs when the product's cost is too high and improved productivity is needed to bring it down. For example, Henry Ford's whole philosophy was to perfect the production of the Model T so that its cost could be reduced and more people could afford it. He joked about offering people a car of any color as long as it was black. Although useful in some situations, the production concept can lead to marketing myopia. Companies adopting this orientation run a major risk of focusing too narrowly on their own operations and losing sight of the real objective—satisfying customer's needs.

- (2). **The Product Concept:** The product concept holds that consumers will favor products that offer the most in quality, performance, and innovative features. Thus, an organization should devote energy to making continuous product improvements. Some manufacturers believe that if they can build a better mousetrap, the world will beat a path to their door. But they are often rudely shocked. Buyers may well be looking for a better solution to a mouse problem but not necessarily for a better mousetrap. The solution might be a chemical spray, an exterminating service, or something that works better than a mousetrap. Furthermore, a better mousetrap will not sell unless the manufacturer designs, packages, and prices it attractively; places it in convenient distribution channels; brings it to the attention of people who need it; and convinces buyers that it is a better product. Thus, the product concept also can lead to marketing myopia. For instance, railroad management once thought that users wanted trains rather than transportation and overlooked the growing challenge of airlines, buses, trucks, and automobiles. Kodak assumed that consumers wanted photographic film rather than a way to capture and share memories and at first overlooked the challenge of digital cameras. Although it now leads the digital camera market in sales, it has yet to make significant profits from this business.
- (3). **The Selling Concept:** Many companies follow the selling concept, which holds that consumers will not buy enough of the firm's products unless it undertakes a large-scale selling and promotion effort. The concept is typically practiced with unsought goods—those that buyers do not normally think of buying, such as insurance or blood donations. These industries must be good at tracking down prospects and selling them on product

benefits. Most firms practice the selling concept when they face overcapacity. Their aim is to sell what they make rather than make what the market wants. Such marketing carries high risks. It focuses on creating sales transactions rather than on building long-term, profitable customer relationships. It assumes that customers who are coaxed into buying the product will like it. Or, if they don't like it, they will possibly forget their disappointment and buy it again later. These are usually poor assumptions. Most studies show that dissatisfied customers do not buy again. Worse yet, whereas the average satisfied customer tells three others about good experiences, the average dissatisfied customer tells ten others about his or her bad experiences.

- (4). The Marketing Concept: The marketing concept holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions better than competitors do. Under the marketing concept, customer focus and value are the paths to sales and profits. Instead of a product-centered "make and sell" philosophy, the marketing concept is a customer-centered "sense and respond" philosophy. It views marketing not as "hunting," but as "gardening." The job is not to find the right customers for your product, but the right products for your customers. As stated by famed direct marketer Lester Wunderman, "The chant of the Industrial Revolution was that of the manufacturer who said, 'This is what I make, won't you please buy it.' The call of the Information Age is the consumer asking, 'This is what I want, won't you please make it.'"

- (5). **The Social Marketing Concept:** The societal marketing concept holds that the organization should determine the needs, wants, and interests of target markets. It should then deliver superior value to customers in a way that maintains or improves the consumer's and the society's well-being. It questions whether the pure marketing concept overlooks possible conflicts between consumer short-run wants and consumer long-run welfare. Is a firm that senses, serves, and satisfies individual short-term wants always doing what's best for consumers and society in the long run? Consider the fast-food industry. Most people see today's giant fast-food chains as offering tasty and convenient food at reasonable prices. Yet many consumer and environmental groups have voiced concerns. Critics point out that hamburgers, fried chickens, French fries, and most other foods sold by fast-food restaurants are high in fat and salt. The products are wrapped in convenient packaging, but this leads to waste and pollution. Thus, in satisfying short-term consumer wants, the highly successful fast-food chains may be harming consumer health and causing environmental problems.

2.2 The Marketing Strategy Process

The marketing concept is implemented through the marketing strategy process; the series of steps in the marketing strategy process are as follows: See Figure 2.4

- (1). Situation analysis
- (2). Targeting
- (3). Positioning
- (4). Development of the marketing mix

Situation
analysis

Targeting

Positioning

Development
of the
marketing mix

Steps in the Marketing Strategy Process

Figure 2.4. Steps in the Marketing Strategy Process

Situation analysis includes all the marketing activities required to understand the global marketing environment, the customer's needs and wants, and the competition. It predicts future marketing conditions for the period covered by the strategic marketing plan. Many aspects of the global marketing environment are the same for all organizations, no matter what their line of business. Other aspects are unique to a particular industry.

To enhance their ability to analyze situations, organizations often build elaborate marketing intelligence systems. These capture, distill, and disseminate data to executives on an ongoing basis. Marketers also engage in marketing research, which supplies information about a particular circumstance such as planning for a new product, pricing, or the selling approach.

The situation analysis gives a good idea of the issues an organization must address. It provides the context around which plans are created, altered, and adjusted. This generally requires a thorough knowledge of consumer behavior or, in business-to-business marketing, of organization buying behavior. Understanding consumer behavior gives marketers insight into why buyers respond to goods and services as they do.

Organizational buying behavior is more complex in terms of the functions and personnel involved in the buying decision, and marketer relationships with these buyers are often more direct.

Targeting: Markets usually have types of potential customers with many different needs and wants. It is impractical to attempt to satisfy all customers. /consequently, leading marketers divide customers into groups with similar characteristics. They then select one or several unique groups to address; a target market is a group of potential customers with similar characteristic that the company tries to satisfy than the competition.

The first decision that a customer-driven company makes is to choose its target markets.

Positioning: One of the most useful concepts to help integrate marketing decision is positioning, Positioning is the process of creating an image, reputation, or perception of the company or its goods and services in the consumer's mind. Although the idea exists in the buyer's mind, it is formed by very specific action of the marketing organization. First, the company must identify how it wants to by positioned with a target market. Positioning is accomplished by creation and adjusting the product, place, promotion, and price variables so that consumers can recognize the distinctiveness of a company or its product. Potential buyers can then better determine the degree to which a product fits their desires. It is this distinctiveness that supports positioning.

Marketing mix decision: Once the target market is selected, marketing mix decisions have to be made. How do you go about blending the elements into an appealing mix? Clearly, there needs to be a focus and a purpose. That's what the target market enters the picture. Since it is composed of similar customer, it is possible to

address them with one marketing mix. Adjustments to individual customer then can be made within this framework (Figure 2.5 The Marketing Mix and Target)

- (1). Product strategy includes decisions about which products to develop, how to manage current products, and which products to phase out. It thereby determined the portfolio of goods and services the organization provides to the market. Because products go through a lift cycle, product strategy decisions are ongoing. Most organizations use systematic processes to develop new products and manage products over their life cycles, including decision regarding product attributes, warranties, package design, and customer service features

Equally important for many companies is the establishment of brands and the creation of brand equity, the value associated with a brand. Brands send messages to consumers about the quality of products. A great deal of care must be taken to establish brand names and protect their reputation.

- (2). Place strategy. The objective of place strategy is to serve customers by providing products where and when they are needed, in the proper quantities, with the greatest appeal, and the lowest possible cost. The first task is to determine which distribution channels to use. A distribution channel is a set of independent organizations that makes goods or services available for purchase by consumers or businesses. Some companies sell directly. Place decisions also involve physical distribution, which is the movement of products through the channels to consumers to make movement efficient, companies need order entry systems, transportation, and shipping and inventory storage capacity. Sophisticated information systems are creating some extremely innovative ways of serving customer better.

Finally companies need to manage their interface with customers. Two basic ways are retailing and direct marketing. Retailing involves selling products directly to end users. Marketing via telephone is one of the traditional direct-marketing approaches. However, with the growth and proliferation of the Internet, traditional direct marketers are turning more and more to e-mail marketing.

- (3). **Promotion Strategy:** Promotion involves communicating with customers in a variety of ways. Marketers develop integrated marketing communications by coordination advertising, sales promotion, personal selling and public relations to get consistent messages to all type of customers. These messages provide information necessary for the choice process. Promotion also increases demand for products, describes unique product characteristic, and helps build customer loyalty by creating expectations and reinforcing buying decision. The promotion strategy includes determining the objectives to be attained, as well as creating messages and the forms they will take. In addition, the communication mechanism or media must be selected. Will two- way communication be used, such as personal selling, the phone, or internet, or will one-way radio, television, or other media carry the message. Since many messages are carried by numerous media, these decisions can be complex and tremendously interesting. Marketers have a vast number of options when developing promotions, such as training and managing a sales force or creating advertising. Because these mechanisms work together, coordination is vital.
- (4). **Price Strategy:** Price strategy affects nearly every part of a business. The objective is to set prices to reflect the value received by customers and to achieve the volume and profit required by the organization. When prices are

too high, customer are dissatisfied and refuse to buy or switch to a competitor. When prices are too low, companies don't have money to cover costs, invest in new development, and provide a fair return to owners, so pricing strategy is extremely important

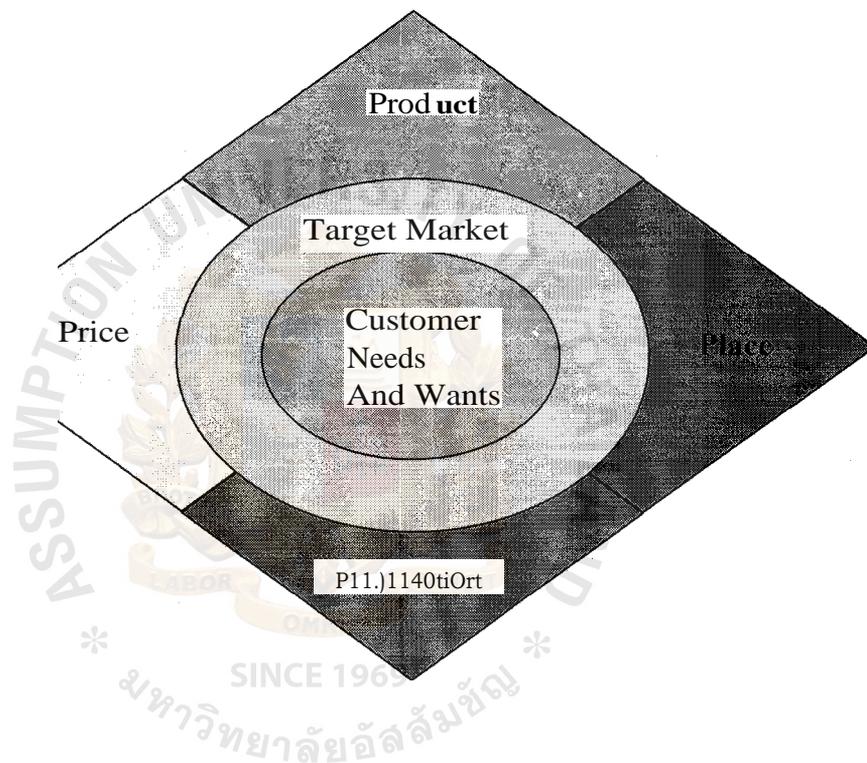


Figure 2.5. The Marketing Mix and Target

Historically, prices were set by adding up costs and tagging on some extra for profit. That approach ignores customers and competitors, two critical elements in determining price. Pricing must focus on determining value, which is based on what customers expect and desire. Marketers must also determine how their prices will influence the volume sold relative to the competition, and what competitors are likely to

do with their prices. Consequently, we find many different pricing strategies for new and existing products and for various competitive scenarios. Price not only need to be set but also must be communicated and administered.

2.3 Market Orientation and Marketing Planning

If a firm is to implement the market-orientation philosophy, it must not only motivate employees to adopt this view; it must provide the analytical tools and decision-making frameworks to generate and process marketing intelligence. Some specific example of key actions to be taken include

- (1). Deciding which business opportunities give the firm the best chance to create satisfied customers
- (2). Analyzing customer decision processes and identifying the various preference patterns in a market.
- (3). Assessing competitive advantages and competitors' positions in a market
- (4). Measuring market opportunities and assessing the impact of plans for enhancing customer satisfaction or competitive advantage on profitability
- (5). Applying the knowledge from market intelligence to the design of the market offering

These are the basic actions that, taken together, represent the marketing planning process.

The marketing planning process

Planning is merely a systematic way for an organization to attempt to control its future. A plan is a statement of what the organization hopes to achieve, how to achieve it, and when it will be achieved. Firm that engages in planning believe that planning

- (1). Encourages systematic thinking about the future
- (2). Leads to improved coordination

- (3). Establishes performance standards for measuring trends
- (4). Provides a logical basis for decision making
- (5). Improves the ability to cope with change
- (6). Enhances the ability to identify market opportunities

Marketing planning is the systematic process for developing and coordinating marketing decision. Essentially, then, marketing planning provides the framework for implementing a market orientation. It provides the focus for information gathering, the format for information dissemination, and the structure for developing and coordinating the firm's strategic and tactical responses.

As indicated in Table 2.1 it is important that marketing decision be made at two levels-top management and middle management-so the marketing planning process operates at two levels.

Corporate marketing planning focuses on providing the long-term direction of the organization regarding the markets and needs that will be served. From the perspective of market orientation, the key question this form of planning address is "Where can we be most effective at competitively satisfying customers?" It also attempts to set objectives for the various products and businesses it will pursue. Often, firms use the term strategic business units (or SBUs) to represent these products and products lines.

Table 2.1. THE TWO LEVELS OF MARKETING MANAGEMENT

THESE PERSONNEL	AT THIS LEVEL	MAKE THESE DECISIONS
Chief executive officer Comptroller Vice president of marketing Other vice presidents Marketing managers Product and brand managers Sales manager Advertising managers Promotion manager Customer service manager	Top management Middle management	Markets to be served Products to offer Product objectives Allocation of resources Product design Prices Advertising Sales promotion Selling and distribution Customer service

Middle-management planning specifies how the corporate marketing plan will be implemented on a product-by-product basis by focusing on the sales and profitability of individual products, brands, or lines of closely related products. While the number of middle-management positions has declined in many firms in recent years, these middle-management functions remain. Indeed, one of the outcomes of the restructuring has been to increase the decision-making responsibilities of middle managers. The analyses of customer needs and competitor strengths are a core part of the middle-management marketing planning process. Additionally, it is at this level of planning that detailed action for product design, advertising, and other strategies for responding to customers and competitors are developed.

It is important to recognize that the two planning levels should be interdependent. Middle-management planning must be consistent with the goals and resource allocation decisions that top management makes in the corporate marketing plan. The corporate marketing planning process must rely on the information provided by middle managers on product and market trends, problems, and opportunities facing the firm.

Basic steps in Planning

Although marketing planning takes place at both the corporate level and the middle-management level, four basic steps are involved at each level.

- (1). Conducting a situation analysis. Before developing any action plan, decision makers must understand the current situation and trends affecting the future of the organization. In particular, they must assess the problems and opportunities posed by buyers, competitors, cost, and regulatory changes. Additionally, they must identify the strengths and weaknesses possessed by the firm.
- (2). Establishing objectives. Having completed the situation analysis, the decision makers must then establish specific objectives. Objectives identify the level of performance the organization hopes to achieve at some future date, given the realities of the environmental problems and opportunities and the firm's particular strengths and weaknesses.
- (3). Developing strategies and programs. To achieve the stated objectives, decision makers must develop both strategies (long-term actions to achieve the objectives) and programs (specific short-term actions to implement the strategies)
- (4). Providing coordination and control. Plans that are fairly comprehensive often include multiple strategies and programs. Each strategy and each program may be the responsibility of a different manager. Thus, some mechanism must be developed to assure that the strategies and programs are effectively implemented.

Organizational structures and budgets are the primary means for coordination actions. Control is also essential because the success of strategies and programs can

never be predicated with certainty. The purpose of control is to evaluate the degree to which progress toward and objective is being made and to pinpoint the causes of any failure to achieve objective so that remedial actions can be taken.

One further point about planning must be noted. Planning is a process. Organizations operate in complex and dynamic environments. Therefore, as the situation changes, managers must be prepared to modify objectives and strategies to deal with those changes.

2.4 Corporate strategy

Corporate strategies are long-range plans designed to select the various businesses a company should be in. They identify the markets to be served (defining them in terms of needs or customers or both) and the product lines and services to be produced on the basis of an assessment of the company's environment, resources, and objectives.

Corporate strategies should be derived from the analysis of three elements: environmental threats and opportunities, corporate mission and objectives, and organization strengths and weaknesses. A corporate strategy should be consistent with a company's objectives and achievable with existing (or anticipated) resources and competencies. Further, it should take into account prospective threats and opportunities in the environments.

Environmental Threats and Opportunities

Every organization operates in a dynamic environment that can create a variety of threats or opportunities in the firm's existing or potential markets. Specifically, managers should be aware of the possible impact on their markets of six major environmental forces.

- (1). Demographics, such as the age distribution of the population, birthrates, population growth, regional population shifts, and the percentage of two-worker households
- (2). Social and cultural values, such as attitudes toward health and nutrition, the need for self-expression, materialism, ecological concerns, and product safety
- (3). Economic factors, including inflation and unemployment rates, economic growth, raw materials scarcities, energy costs, interest rates, import duties, and excise taxes
- (4). Technology, particularly developing and anticipated changes that affect the kinds of products available in a market and the kinds of processes (such as automation or the use of synthetic materials) used to produce these products
- (5). Legal and regulatory actions, including regulations on the type of advertising available to a product, product labeling and testing requirements. Limitations regarding product contents, pollution control, and restrictions or incentives with respect to imports or exports
- (6). Competition, which to a large extent is a function of the other environmental forces. Specifically, both the identity of competitor and the type of focus (for example, price-oriented versus technology-oriented) of competition may change because of
 - The entry of new forms (especially foreign forms)
 - The acquisition of a small competitor by a large, well-financed organization
 - Deregulation, changing economic conditions or new production processes that foster increased price competition

- Changing social and cultural values or new technology that causes buyers to purchase products or services previously considered noncompetitive (such as the renewed popularity of cloth diapers)

Examining these forces is essential to develop corporate strategies because these factors will shape the attractiveness of various businesses. Often such factors will create new opportunities or lead to the rejuvenation of mature markets.

The modern organization must develop global assessments of the environment, as trend and developments on these six dimensions are likely to vary around the globe.

Strengths and Weaknesses

Because environmental changes result in changing opportunities and changing treats, they are fundamental considerations in the development of corporate strategies. However, not all firms are equal in terms of their ability to take advantage of an opportunity or to avoid a threatening situation. A second fundamental consideration in selecting a corporate strategy is whether the firm possessed the strengths and weakness requires o respond to environmental developments. In general, a firm's strengths are analyzed by identifying its resources and competencies. Managers should pursue those market opportunities that allow it to capitalize on those strengths.

In the broadest sense, resources and competencies include

- (1). Financial resources such as cash reserves
- (2). Labor and managerial skills, such as the expertise to produce high-technology products or to manage large advertising budgets
- (3). Production capacity and efficient equipment
- (4). Research and development skill and patents
- (5). Control over key raw materials, as in the ownership of energy resource
- (6). Size and expertise of the sales force

(7). Efficient or effective distribution channels and systems

Too often firms limit their evaluation of resources to the more tangible ones, such as cash and facilities. Yet management and marketing capabilities are often more important. For example, Frito-Lay's success in the snack business is due primarily to effective advertising management and its extensive sales force, which rotates and replenishes the stock in the retail stores. These competencies enhance the company's ability to continue to bring successful new products to the marketplace—a necessity in a market where product variety is important to the buyer. A firm's strongest resource or competence is generally referred to as a core competency.

Often a firm finds that its strategic options are limited unless it can acquire new resources or competencies. In such cases, the firm's strategy may be to form a strategic alliance with another firm. A strategic alliance is more than a joint venture. In the case of a joint venture, two firms essentially create a third entity that develops on its own. In a true strategic alliance, two firms collaborate in a far more complete way by exchanging some key resources (although new entities may also be formed) that enable both parties to enhance their performance. Typically, alliances involve exchanges of one or more of the resources listed below.

- (1). Access to sales and distribution networks
- (2). New-product technology
- (3). Production technology and capacity

Corporate Mission and Objectives

In most organizations, strategic decisions are guided by statement of corporate mission and/or corporate objectives. A corporate mission describes the broad purposes the organization serves and provides general criteria for assessing long-run organizational effectiveness

As an environment changes, organizations often modify their missions and objective. For example, change in technology, or the natural extension of existing technology, can create an opportunity for broadening the definition of a business.

It is importance to recognize that there may be built-in conflict when a firm tires to achieve more than one objective. For example, a small business that sets sales growth as a primary goal may find that its increase working capital and production facilities dramatically to meet rising demand. To acquire the investment funds to support this expansion, the firm may be force to take on new investors-an action that could conflict with an objective of maintaining family control.

Moreover, a long-range goal for profitability or increased sales may only be achieved if short-run sacrifices are made.

In sum, the process of developing a corporate strategy is bases on

- (1). Examining environmental threats and opportunities
- (2). Selecting corporate objectives that are consistent with these threats and opportunities, and with the firm's core competencies
- (3). Acquiring any additional competencies requires for successful implementation often through strategic alliances.

Although this process appears rather simple, any numbers of corporate strategies are available to top management. Only by understanding the different types of strategies available can managers effectively select the ones most appropriate for a particular firm's situation.

2.5 Market Analysis

The central importance to an organization is understanding the customer. The ultimate objective of market analysis is to determine which needs of a buyer the firm hopes to satisfy and how to design and target the office to satisfy these needs. In order

to achieve this objective, managers must develop an understanding of the alternative and substitute products available to potential customer and the processes consumers use in deciding among the option.

Our approach is designed to clarify the different kinds of demands that company must be considered in strategic decision making. Additionally, it offers a series of diagnostic questions that are designed to guide company through the process of analyzing demand and establishing target for marketing strategies and program.

- (1). Define the relevant market. To analyze a market, a manager must first define it. Frequently there are a variety of products and services available for satisfying needs and wants. Most products and service have direct substitutes and alternatives. A market can be defined narrowly (to include only products that are very similar to one another) or broadly (for example, to include a variety of different types of products). It is importance to remember that the way a market is defined will have a major impact on the specific findings we can expect in the subsequence steps.
- (2). Analyze primary demand for the relevant market. Primary demand involves demand at the products-class level. Such as coffee versus tea or the demand for rail versus air travel between two point. In this step managers attempt to profile buyers-that is, define what characteristics the buyer have in common. Managers are also interested in understanding the factors that influence the buying process for all brand and products in the relevant market. Specifically, we provide a series of questions to help managers diagnose who the buyers (and non buyers) in the relevant market are and why they buy (or don't buy).

- (3). Analyze selective demand within the relevant market. In this step we examine the process by which buyer select specific alternative brands or suppliers within the boundary of he relevant market.
- (4). Define market segment. There are few buying situations in which all customers have similar motivations and undergo similar choice processes. The concept of market segmentation explicitly recognizes this reality. This step in the process presents some alternative ways of separation buyers into segments whose members are similar in their response to marketing programs.
- (5). Assess the competition. In this step we examine procedures used by managers to assess their products/brands against competitive offerings. Managers must be aware of how their products/brands are perceived relative to the competition. Competitive intelligence establishes the relationship of the firm to its competitors.
- (6). Identify potential target markets. Ultimately, the goal of market analysis is to identify the best opportunities for creating customers. This final step demonstrates how the information from preceding steps can be used to identify the specific markets (and market segments) managers should consider as target when selecting marketing strategies.

2.6 Willingness and Ability to Buy

Customer cannot be created for a company unless potential buyers are first willing and able to purchase the product form or class. To the extent that managers can identify ways of improving the willingness and ability to buy, primary demand can be increased either because potential buyers become actual buyers or because actual buyers increase their rate of use.

Willingness to buy

The main determine of the willingness to buy a product form or class is the buyer's perception of a product's utility for one or more usage situations. A manager's analysis of the product market structure should identify the usage situations to which a product form is potentially applicable. However, in order to determine why some potential buyers do not use the product for one or more of these purpose, several specific questions should be raised.

- (1). Related products and services. Usage may be limited because the related products and services essential to satisfactory usage are inadequate. Manufactures of personal computers found that the lack of programs for applications that were not job-related served as a barrier to sales growth for in-home computers. In contrast, the market for videocassette recorders was expanded when consumers could rent cassettes of movies rather than having to buy them. Similarly, manager involved in marketing fitness centers are recognizing that related services are important in luring older clients.
- (2). Usage problems. Some products are not perceived as performing equally well under all circumstances. It is important to identify situations in which problems occur and to determine whether the problems lie in the product features or in the user's lack of knowledge about how to use the product correctly. In the first case, new product features may have to be designed; in the second, customer training or technical assistance is necessary to overcome perceived deficiencies. To a large extent, the growth of microwave oven was due to the efforts of manufacturers and retailers to educate consumers about the correct use of the product so that they could avoid overcooking or undercooking various foods.

- (3). Value or experience compatibility. When a new product requires a change in buying or using behavior that conflicts with customers' prior usage experiences or with broader value systems, the rate of adoption will be slower. To overcome this source of resistance, managers should design communications that stress not only the advantages of the products but also the advantages of the change in values or usage experiences that go with the product. A classic study conducted.
- (4). Perceived risk. The willingness to buy a product form or product class will also depend on the types of risks perceived by potential buyers. Perceived risks will exist when buyers believe that there is a strong likelihood of making a poor decision and that the consequences of a poor decision are significant. Specifically, there are six type of risk that may exist when purchasing a product form or class.
- a) Economic or financial risks-if the purchase price, maintenance costs, or operating costs are high.
 - b) Time or convenience risks-if there is the potential for using up a large amount of timer in purchasing or using a product
 - c) Performance risks-if there is concern about how well the product performs its basic function.
 - d) Physical risks-if there is a threat to the health or appearance of the buyer.
 - e) Social risks-if the purchase or use of the product may affect the attitudes of reference groups toward the buyer
 - f) Psychological risks-if the purchase or use of the product may influence the buyer's self-image or self-esteem.

g) By knowing the types of risk perceived by buyers, manager will be able to design marketing programs to reduce these risks and thus enhance the willingness to buy. For example, bottled-water suppliers may offer home delivery to reduce the convenience risk to a consumer not willing to bring home large, heavy jugs of water. Similarly, some firms offer special trial sizes or money-back guarantees to reduce economic risks. Social risks may be reduced if products or services are advertised in a way that emphasize they are social acceptable.

Ability to buy

The ability to buy a product may be limited to a number of factors, many of which are not under the direct control of managers.

- (1). Cost factors. If a product is a discretionary item, or if less expensive product-form alternatives exist, the price and/or associated buyer costs (operating cost, credit cost, installation cost, maintenance cost) are likely to inhibit primary demand. For example, the demand for solar collectors to heat homes has been limited by the large initial investment require of a homeowner, even though solar energy is often very price-competitive when viewed in long run. Similarly, high interest rates on home mortgage loans were partly responsible for declines in new home and automotive sales during the late 1970s and early 1980s.
- (2). Packing and size factors. Product-form sales may be limited by virtue of space and size requirements. Some potential buyers of home computers, big-screen television, and similar products have a space problem in accommodating these items. Many real-estate developments have size

limitations on satellite dishes for televisions, is they allow them at all. Also, space limitations may inhibit the purchase of a product in large volumes.

- (3). **Spatial availability.** The cost of acquiring a product may be a function of locational factors. For example, people in very rural communities have less access to health care and, consequently, visit physicians less frequently. Similarly, the rate of purchase of low-value, postponable purchases can be enhanced by improved access. Consider, for example, the impact on soft-drink sales if vending machines were not available.

Although our discussion of the willingness and ability to buy has focused on the implications for assessing opportunities for building primary demand, these forces can often be important in analyzing selective demand as well. Certainly a firm that gains an advantage on cost or location, or that does a better job for reducing perceived risk or offering related services, will enhance its ability to acquire customers. Indeed, by developing a thorough analysis of primary demand, managers will usually be in a better position to understand the processes determining brand or supplier choice.

2.7 Target market and Competitive advantage

The goal of target marketing is to position a brand within a product market so that the brand enjoys a competitive advantage. Products achieve a competitive advantage when the offer attributes are important to the consumer and are unique. Therefore, to create a competitive advantage, the firm must first understand, what is importance to consumers? What do consumers prefer? In addition, the firm must determine the degree of homogeneity of preferences within a designate relevant market. Do consumers agree on the importance of attributes or are there segments of consumers that differ from other groups of consumers in their appraisal of attributes? The firm cannot ignore the

competitive environment when it is targeting consumers. Management must understand the level and intensity of competitive forces that exist within the relevant market.

Market Segmentation

The concept of market segmentation was introduced by Wendell R. Smith in 1956. He distinguished between bending the will of demand to meet supply and bending the will of supply to meet demand. Mass marketing—one product, one marketing strategy—seeks to bend the will of demand to meet supply. Without doubt, it would be easier, more-efficient, and more desirable for a firm to produce one product in one size, one color, and so on. Henry Ford took this approach when he said, "You can have a Model T Ford in any color your want, as long as it is black." Demand for this automobile far exceeded supply; therefore, he was able to bend the will of demand to that for supply.

Market segmentation capitalizes on differences in consumers' tastes and preferences by targeting segments with a product and marketing strategy consistent with their unique requirements.

Three activities are involved in market segmentation:

- (1). Formation and profiling of segments
- (2). Evaluation of the market segment
- (3). Selection of a segmentation strategy

Evaluate the market segments

The results of market-segment study are evaluated against five criteria:

- (1). Uniqueness refers to large between-group differences in the segments.

Greater difference in a group's desired benefits render segment that are more unique. The best basis for forming market segments is the one that creates segments that are most unique. The objective of market segmentation is to achieve competitive power by translating the segmentation scheme into

integrated strategic and tactical actions. The more unique the segments are, the easier it is to translate the segmentation results into strategic and tactical actions.

- (2). Responsiveness, if we design specific strategic and tactical actions for a particular segment, then we would expect that segment to be more responsive to the tactical actions than another segment.
- (3). Actionability is the extent to which the marketing manager can take action on the results of the segmentation analysis. In some cases, segments are formed based on needs, and these needs-based segments are unique; however, no relationship(s) among the needs segments and the other segmentation variables-value/lifestyles, purchase behavior, or classifying characteristics- can be formed. The marketing manager cannot act on the results produced by the segmentation study. One approach to making the segmentation results more actionable is to simultaneously include classifying characteristics and the other measures. The segments are formed by using both needs and classifying characteristic and, therefore, are as predictive as possible in terms of the behavioral criteria.
- (4). Stability, manager hope that the segments formed are stable over time with respect to desired end benefits and classification factors. It is not necessary that the same people remain in the segment, but people with needs identified by the segment should have the same classification characteristics as the segment. Or, alternatively, people with the same classification characteristics should have the same needs. For example, consider a strategy aimed at a segment of people with children under the age of 5. People who are in the segment now will move out of the segment as their children grow up. They

will move into another segment and, if the segments are stable, will then have needs similar to those defined by the next segment in the family life cycle.

- (5). Profitability is the assessment of the impact of various marketing strategies and programs on the profit contribution that can be expected from a product or product line.

The last step in a segmentation study is to select a segmentation strategy. Management must first decide whether it wants to take a mass marketing approach, mass producing one product and promoting it to all buyers, or whether it wants to take a segmented approach. If the decision is to target segments, then management must decide whether to target all market segments or only certain market segments. For example, Porsche targets a market segment, whereas Chevrolet targets multiple-market segments. The decision will rely on the number, size, and profitability of the market segments identified in the evaluation stage of the market-segmentation study.

The ultimate in the evaluation stage of the market-segmentation strategy would be to treat each customer as a segment.

The process of market analysis is the first step in designing a marketing strategy for a product or a line of related products. Specifically, a market analysis enables managers to identify potential target markets toward which the marketing effort might be focused

2.8 Corporate Marketing Planning

The BCG model assumes that cash flow and profitability will be closely related to sales volume. Accordingly, products are classified in terms of the relative share on the market that a product holds and in terms of the rate of growth in that market. Note that a relatively high market share does not necessarily mean the leading share. Rather, it

means that the product has a market share that is at least close to that of the market leader. The BCG model enables a manager to classify a firm's product into four basic types: stars, cash cows, dogs and problem children: (Gultinan & Paul 1985)

- (1) Stars are products that hold a major market share in a high-growth market. Because such products can be expected to enjoy rapidly growing sales and profits, they will likely generate a large cash flow. But high-growth markets are attractive to competitors. Consequently, stars must receive continuing cash resources to provide a level of marketing support that will enable middle-level managers to protect the market-share position. Additionally, because sales will grow rapidly, additional investment in production facilities and inventories may be needed. As a result, most of the cash flow generated by stars must be reinvested in these same products.
- (2) Cash cows are also market leaders, and so the sales volume from these products is usually large enough to generate substantial profits and cash flow. But because they are in low-growth markets, the cash generated will not typically have to be reinvested in additional marketing expenses or in expanded facilities. Consequently, these products are a firm's primary source of cash flow.
- (3) Dogs are low market-share products in low-growth markets, and consequently are likely to be weak cash providers. If such products do have loyal core markets they may yield consistent profits and cash. However, because the future contribution of these products is not likely to be very large, they normally should receive a relatively small share of the firm's scarce cash resources for marketing purposes.

(4) Problem children are so named because they have great potential (being in high-growth markets) but require a good deal of attention (in order to build market share). To put it another way, a problem-child product may ultimately be a good cash provider if the firm can successfully build its market share. But problem children will often be heavy users of cash, because large dollar commitments for product reformulation, advertising, improved distribution, or other marketing activities will be necessary in order to achieve a profitable market-share level.

The BCG model does not show management how it must allocate resources among products. However, in developing a product mix plan, managers should consider the following implications of this portfolio model: (Guiltinan & Paul 1985)

- (1) If problem children fail to obtain a dominant share of the market, they will seldom become major cash contributors. Consequently, if management believes that a problem-child product can achieve a greater market share, and if expanding the sales of such a product is consistent with the firm's corporate strategy, increased resources should flow to the product.
- (2) Dogs cannot provide a large cash flow, and if small cash inflows cannot be maintained with a low level of marketing expenditures, these products will be candidates for elimination from the firm's product mix.
- (3) It is important for management to maintain the market-share position of stars so that, when market growth rates ultimately decline, these products will be cash cows rather than dogs.
- (4) Cash cows are profitable but do not provide a high level of growth. Additionally, cash cows may be in markets that are either unstable or

declining or both. Accordingly, cash cows should be used to fund problem children and new products in order to develop future stars.

2.9 Market Positioning and Differentiation

All marketing strategy is built on STP—Segmentation, Targeting, and Positioning. A company discovers different needs and groups in the marketplace, targets those needs and groups that it can satisfy in the superior way, and then positions its offering so that the target market recognizes the company's distinctive offering and image. If a company does a poor job of positioning, the market will be confused as to what to expect. If a company does an excellent job of positioning, then it can work out the rest of its marketing planning and differentiation from its positioning strategy (Kotler 2003).

We define positioning as follows: Positioning is the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market. The end result of positioning is the successful creation of a customer-focused value proposition, a cogent reason why the target market should buy the product (Kotler 2003).

As companies increase the number of claimed benefits for their brand, they risk disbelief and a loss of clear positioning. In general, a company must avoid four major positioning errors: (Kotler 2003)

- (1) Under positioning: Some companies discover that buyers have only a vague idea of the brand. The brand is seen as just another entry in a crowded marketplace.
- (2) Over positioning: Buyers may have too narrow an image of the brand.

- (3) Confused positioning: Buyers might have a confused image of the brand resulting from the company's making too many claims or changing the brand's positioning too frequently.
- (4) Doubtful positioning: Buyers may find it hard to believe the brand claims in view of the products; features, price, or manufacturer.

To communicate a company of brand positioning, a marketing plan should include a positioning statement. The statement should follow the form: To (target group and need) our (Brand) is (concept) that (point-of-difference) (Kotler 2003).

Note that the positioning first states the product's membership in a category and then shows its point-of-difference from other members of the group. The product's membership in the category suggests the points-of-parity that it might have with other products in the category, but the case for the product rests on its points-of-difference. Sometimes the marketer will put the product in a surprisingly different category before indicating the points of difference (Kotler 2003).

Once the company has developed a clear positioning statement, it must communicate that positioning effectively through all the elements of the marketing mix. Suppose a company chooses the "best quality" positioning (Kotler 2003).

Quality is also communicated through other marketing elements. A high price usually signals a premium-quality product. The product's quality image is also affected by packaging, distribution, advertising, and promotion (Kotler 2003).

The task of positioning is to deliver a central idea about a company or an offering to the target market. Positioning simplifies what we think of the entity. Differentiation goes beyond positioning to spin a complex web of differences characterizing that entity. We define differentiation as the process of adding a set of meaningful and valued

differences to distinguish the company's offering from competitors' offerings (Kotler 2003).

All products can be differentiated to some extent, but not all brand differences are meaningful or worthwhile. A difference will be stronger to the extent that it satisfies the following criteria: (Kotler 2003)

- (1) Important: The difference delivers a highly valued benefit to a sufficient number of buyers.
- (2) Distinctive: The difference is delivered in a distinctive way.
- (3) Superior: The difference is superior to other ways of obtaining the benefit.
- (4) Preemptive: The difference cannot be easily copied by competitors.
- (5) Affordable: The buyer can afford to pay for the difference.
- (6) Profitable: The company will find it profitable to introduce the difference.

The number of differentiation opportunities varies with the type of industry. The Boston Consulting Group (BCG) has distinguished four types of industries based on the number of available competitive advantages and their size (Kotler 2003).

- (1) Volume industry: One in which companies can gain only a few, but rather large, competitive advantages. In the construction-equipment industry, a company can strive for the low-cost position or the highly differentiated position and win big on either basis. Profitability is correlated with company size and market share.
- (2) Stalemated industry: One in which there are few potential competitive advantages and each is small. In the steel industry, it is hard to differentiate the product or decrease manufacturing costs. Companies can try to hire better salespeople, entertain more lavishly, and the like, but these are small advantages. Profitability is unrelated to company market share.

- (3) **Fragmented industry:** One in which companies face many opportunities for differentiation, but each opportunity for competitive advantage is small. A restaurant can differentiate in many ways but end up not gaining a large market-share. Both small and large restaurants can be profitable or unprofitable.
- (4) **Specialized industry:** One in which companies face many differentiation opportunities, and each differentiation can have a high payoff. Among companies making specialized machinery for selected market-segments, some small companies can be as profitable as some large companies.

Here we will examine how a company can differentiate its market offering along five dimensions: product, services, personnel, channel, and image (see Table 2.2) (Kotler 2003).

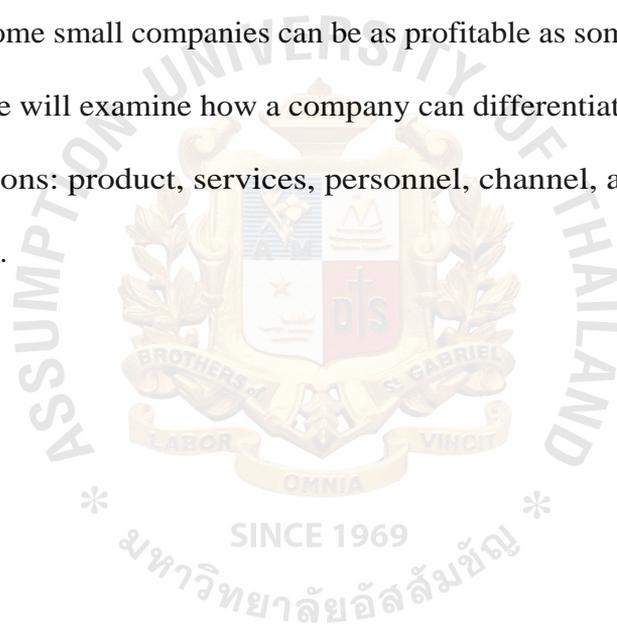


Table 2.2. Differentiation Variables (Kotler 2003).

Product	Services	Personnel	Channel	Image
Form	Ordering ease	Competence	Coverage	Symbols
Features	Delivery	Courtesy	Expertise	Media
Performance	Installation	Credibility	Performance	Atmosphere
Conformance	Customer training	Reliability		Events
Durability	Customer consulting	Responsiveness		
Reliability	Maintenance and repair	Communication		
Reparability	Miscellaneous			
Style				
Design				

Product differentiation. Physical products vary in their potential for differentiation. At one extreme we find products that allow little variation: chicken, steel, aspirin. Yet even here, some differentiation is possible. At the other extreme are products capable of high differentiation, such as automobiles, commercial buildings, and furniture. Here the seller faces an abundance of design parameters, including form, features, performance quality, conformance quality, durability, reliability, reparability, style, and design (Kotler 2003).

- (1) Form: Many products can be differentiated in form—the size, shape, or physical structure of a product.

St. Gabriel's Library, All

- (2) Features: Most products can be offered with varying features that supplement the product's basic function. Being the first to introduce valued new features is one of the most effective ways to compete.
- (3) Performance quality: Most products are established at one of four performance levels: low, average, high, or superior. Performance quality is the level at which the product's primary characteristics operate. The important question here is: Does offering higher product performance produce higher profitability? The Strategic Planning Institute studied the impact of higher relative product quality and found a significantly positive correlation between relative product quality and return on investment (ROI). High-quality business units earned more because premium quality allowed them to charge a premium price; they benefited from more repeat purchasing, consumer loyalty, and positive word of mouth; and their costs of delivering more quality were not much higher than for business units producing low quality. Quality's link to profitability does not mean that the firm should design the highest performance level possible. The manufacturer must design a performance level appropriate to the target market and competitors' performance levels. A company must also manage performance quality through time. Continuously improving the product often produces the highest return and market share. The second strategy is to maintain product quality at a given level. Many companies leave quality unaltered after its initial formulation unless glaring faults or opportunities occur. The third strategy is to reduce product quality through time. Some companies cut quality to offset rising costs; others reduce quality

deliberately in order to increase current profits, although this course of action often hurts long-run profitability.

- (4) **Conformance quality:** Buyers expect products to have a high conformance quality, which is the degree to which all the produced units are identical and meet the promised specification. The problem with low conformance quality is that the product will disappoint some buyers.
- (5) **Durability:** A measure of the product's expected operating life under natural or stressful conditions, is a valued attribute for certain products. Buyers will generally pay more for vehicles and kitchen appliances that have a reputation for being long lasting. However, this rule is subject to some qualifications. The extra price must not be excessive. Furthermore, the product must not be subject to rapid technological obsolescence, as is the case with personal computers and videocameras.
- (6) **Reliability:** Buyer normally will pay a premium for more reliable products. Reliability is a measure of the probability that a product will not malfunction or fail within a specified time period. Maytag, which manufactures major home appliances, has an outstanding reputation for creating reliable appliances.
- (7) **Reparability:** Buyers prefer products that are easy to repair. Reparability is a measure of the ease of fixing a product when it malfunctions or fails. An automobile made with standard parts that are easily replaced has high reparability. Ideal reparability would exist if users could fix the product themselves with little cost in money or time. Some products include a diagnostic feature that allows service people to correct a problem over the telephone or advise the user how to correct it.

- (8) **Style:** Style describes the product's look and feel to the buyer. Style has the advantage of creating distinctiveness that is difficult to copy. On the negative side, strong style does not always mean high performance.
- (9) **Design:** As competition intensifies, design offers a potent way to differentiate and position a company's products and services. In increasingly fast-paced markets, price and technology are not enough. Design is the factor that will often give a company its competitive edge. Design is the totality of features that affect how a product looks and functions in terms of customer requirements. Design is particularly important in making and marketing retail services, apparel, packaged goods, and durable equipment. All the qualities we have discussed are design parameters. The designer has to figure out how much to invest in form, feature development, performance, conformance, durability, reliability, reparability, and style. To the company, a well-designed product is one that is easy to manufacture and distribute. To the customer, a well-designed product is one that is pleasant to look at and easy to open, install, use, repair, and dispose of. The designer has to take all these factors into account.

Services differentiation. When the physical product cannot easily be differentiated, the key to competitive success may lie in adding valued services and improving their quality. The main service differentiators are ordering ease, delivery, installation, customer training, customer consulting, and maintenance and repair (Kotler 2003).

- (1) **Ordering ease:** Ordering ease refers to how easy it is for the customer to place an order with the company.

- (2) **Delivery:** Delivery refers to how well the product or service is delivered to the customer. It includes speed, accuracy, and care attending the delivery process. Buyers will often choose a supplier with a better reputation for speedy or on-time delivery.
- (3) **Installation:** Installation refers to the work done to make a product operational in its planned location. Buyers of heavy equipment expect good installation service. Differentiating at this point in the consumption chain is particularly important for companies with complex products. Ease of installation becomes a true selling point, especially when the target market is technology novices who are notoriously intolerant of onscreen messages.
- (4) **Customer training:** Customer training refers to training the customer's employee to use the vendor's equipment properly and efficiently.
- (5) **Customer consulting:** Customer consulting refers to data, information systems, and advice services that the seller offers to buyers.
- (6) **Maintenance and repair:** Maintenance and repair describes the service program for helping customers keep purchased products in good working order.
- (7) **Miscellaneous services:** Companies can find other ways to differentiate customer services. They can offer an improved product warranty or maintenance contract. They can offer rewards.

Personnel differentiation. Companies can gain a strong competitive advantage through having better-trained people. Better-trained personnel exhibit six characteristics: Competence: They possess the required skill and knowledge; courtesy: They are friendly, respectful, and considerate; credibility: They are trustworthy; reliability: They perform the service consistently and accurately; responsiveness: They

respond quickly to customers' requests and problems; and communication: They make an effort to understand the customer and communicate clearly (Kotler 2003).

Channel differentiation. Companies can achieve competitive advantage through the way they design their distribution channels' coverage, expertise, and performance (Kotler 2003).

Image differentiation. Buyers respond differently to company and brand images. Identity and image need to be distinguished. Identity comprises the ways that a company aims to identify or position itself or its product. Image is the way the public perceives the company or its products. An effective identity does three things. First, it established the product's character and value proposition. Second, it conveys this character in a distinctive way. Third, it delivers emotional power beyond a mental image. For the identity to work, it must be conveyed through every available communication vehicle and brand contact. It must be worked into ads and media that convey a story, a mood, and a claim—something distinctive. It should be diffused in annual reports, brochures, catalogs, packaging, company stationery, and business cards (Kotler 2003).

III. MARKET SITUATIONS

3.1 Research Methodology

Gathering Data Process: This report uses the documentary research and interviews the target group in collecting and gathering information.

(a) Study by Document Research

The researcher collecting the data form website that relate with target group such as factories and government to identify the demand of market and market capacity. The samples of web site are Department of Industrial Work, Department of Water Resource etc, and collecting the data about sales volume of main competitors in the market to identify the market share, products positioning, sales growth and sales forecast. The sample of web site is Department of Business Development.

(b) Study by Interviews Targets Group

For interviews the groups of industries the researcher selected 7 groups of industries that mainly related with the products by send sales visiting and calling to the factories by interview 10 factories of each group to get the information and interview the government officer of department of water resource. The list of industries that selected are as follows:

- (1) Factories Related to Paper Industry.
- (2) Factories Related to Chemical Industry.
- (3) Factories Related to Food Industry.
- (4) Factories Related to Textile Industry.
- (5) Factories Related to Automobile Industry.
- (6) Factories Related to Cement Industry.
- (7) Factories Related to Home Appliance Industry.

Question for Interviews: The researcher selected the question that will bring the answer to evaluate the demand and forecast the market. The question of interview of each group have some different because each target have some special application and quantity. The sample questions for Interview Groups of Industries are as.

- (1) How long pump should be replaced?
- (2) How many units that uses in their factory?
- (3) Is it important in production process?
- (4) What is the department that use pump most?
- (5) What is the solution to solve when pump broke?
- (6) How about the budget for pump system each year?

The sample question for interviews group of government.

- (1) How about the trend of government policy for water supply systems in the future?
- (2) How many units of water systems that fully completed?
- (3) How about the budget that will be use for water systems in the future?
- (4) How many types of water supply systems?
- (5) What is the best type of water supply systems?

Data Analysis: Data analysis will use all data and information to evaluate by using the marketing tools such as Historical analysis to forecast sales volume of next 5 years, Field Sales Force, by force sales to plan and forecast sales volume of each month and full year, Executive Consensus, by asking the specialist such as marketing manager, Consumer Surveys, interview user or target group. For the marketing tool the researcher will use the many type of marketing tool because it will make more accuracy to evaluate the information.

Presentation of this study: After receive all of information, I know the market situations and conclude that I can make the marketing plan of water pumps. I will set mission and vision of my company. I will use marketing mix 4P and SWOT analysis to make the marketing plan for short term, long term and contingency plan to make this products can compete with the competitor in this market. Last I will present the marketing plan of RIVA-FLO centrifugal pump to show how about my marketing plan work.

3.2 Market Situations Analysis

The factories market is continuously growing. The information by department of industrial work is shown below

Table 3.1 Number of Factories in Thailand.(By department of industrial work)

Year\Type of Factories	New Factories	Expanded Factories	New and Expanded Fac	Closed Factories	Total at End Year
1997 Bangkok	1,013	318	1,331	1,118	21,107
Others	3,530	1,038	4,568	1,518	105,561
Total	4,543	1,356	5,899	2,636	126,578
1998 Bangkok	775	255	1,030	1,172	21,096
Others	1,938	769	2,707	2,629	106,268
Total	2,713	1,024	3,737	3,801	127,364
1999 Bangkok	688	216	904	717	21,164
Others	1,542	654	2,196	1,365	107,186
Total	2,230	870	3,100	2,082	128,350

Table 3.1. Number of Factories in Thailand. (Continued)

Year\ Type of Factories	New Factories	Expanded Factories	New and Expanded Fac	Closed Factories	Total at End Year
2000 Bangkok	969	148	1,117	1,249	20,910
Others	2,018	600	2,618	1,466	104,539
Total	2,987	748	3,735	2,715	125,449
2001 Bangkok	726	150	876	1,340	20,273
Others	2,292	725	3,017	3,139	103,806
Total	3,018	875	3,893	4,479	124,079
2002 Bangkok	637	210	847	651	20,195
Others	2,637	693	3,330	4,402	106,482
Total	3,274	903	4,177	5,053	126,677

From the detail above we can conduct the relate graph as Figure 3.1, 3.2, 3.3, 3.4

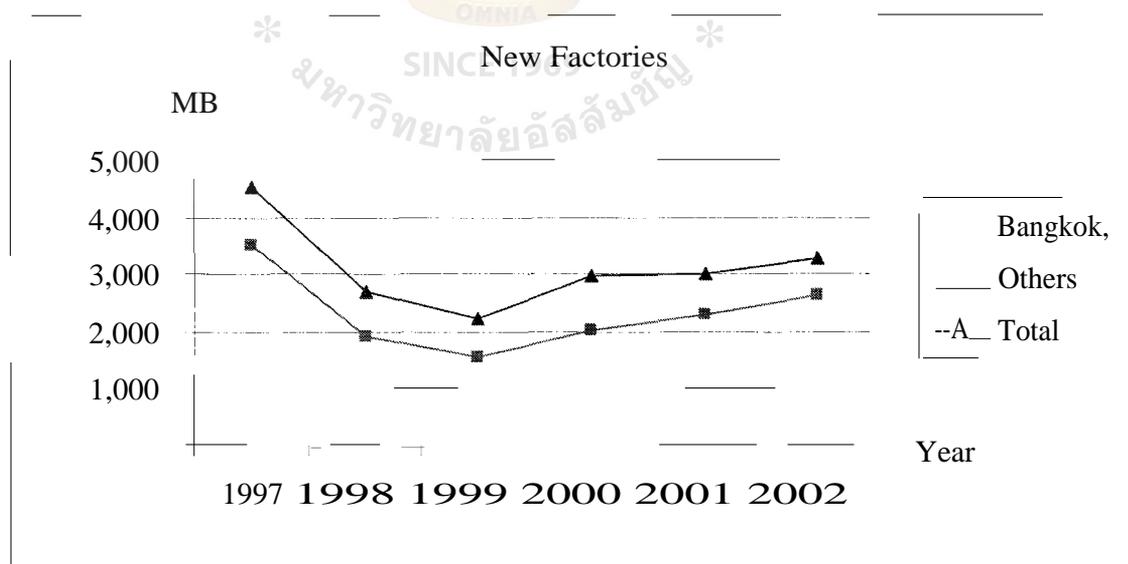


Figure 3.1. New Factories.

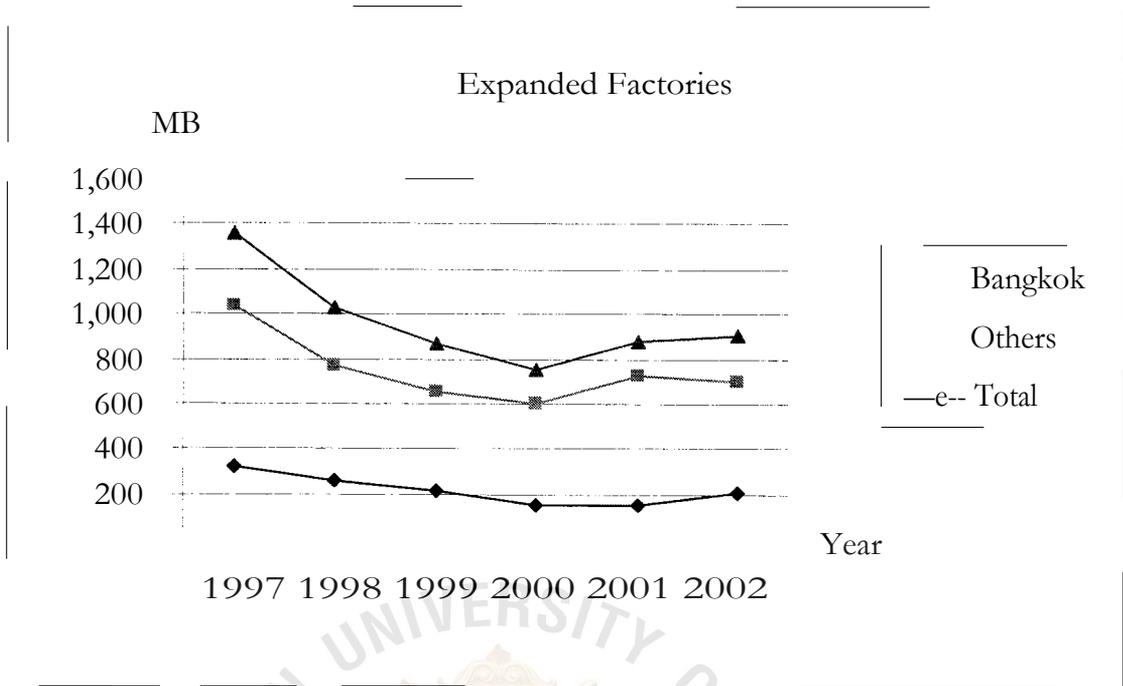


Figure 3.2. Expanded Factories.

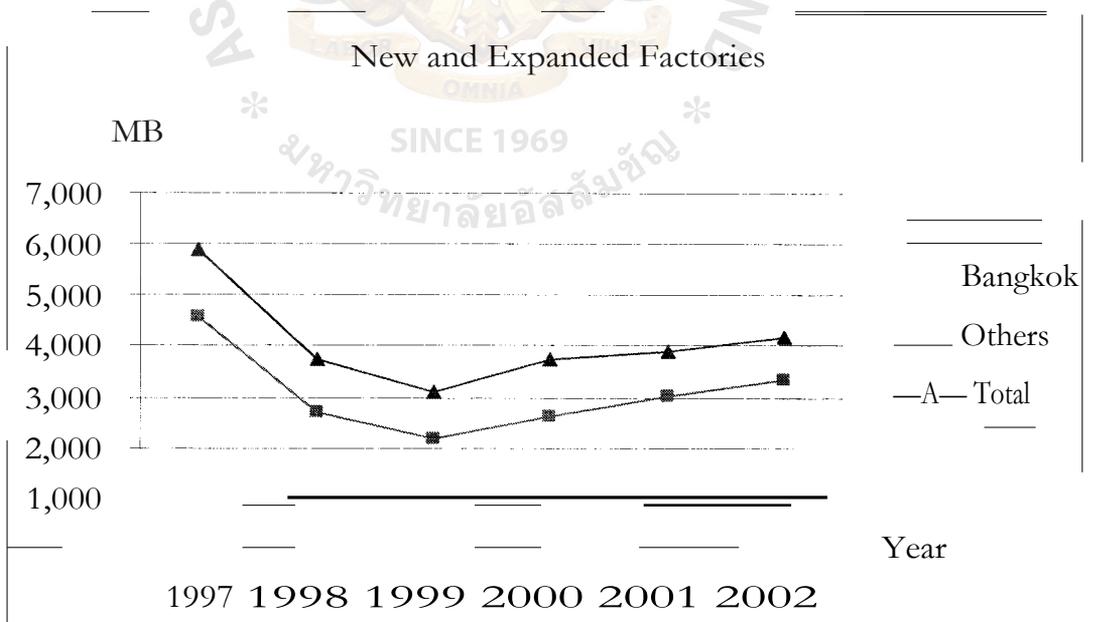


Figure 3.3. New and Expanded Factories.

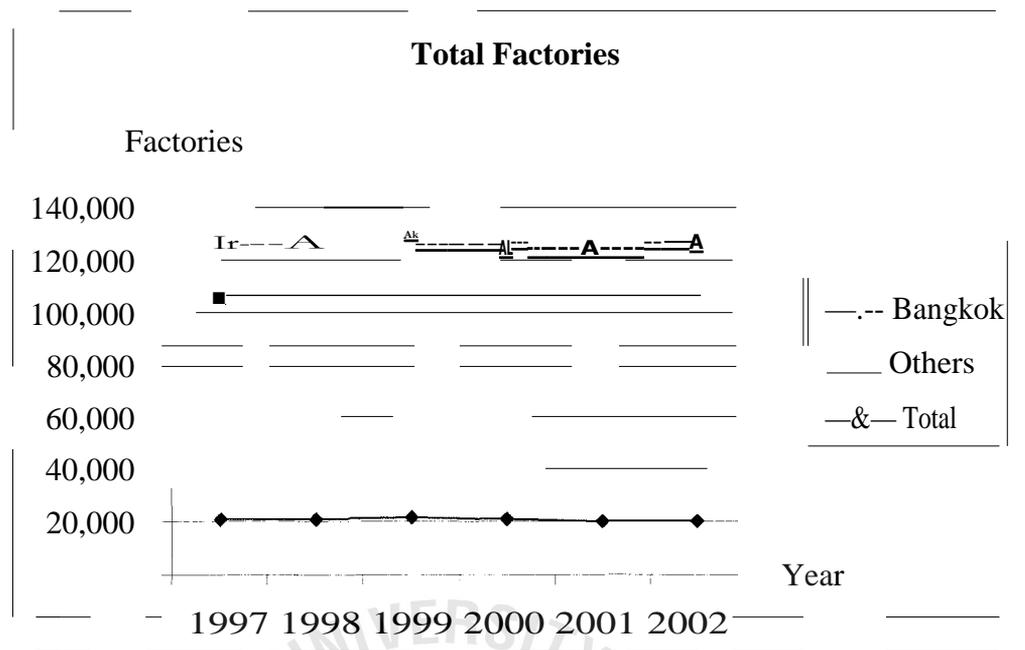


Figure 3.4 Total Factories.

Table 3.2. Number of Factories Grouped by Provinces at Year 2004.

Province\Type	Factory Type 1	Factory Type 2	Factory Type 3	Total Factory
Bangkok	2,600	7,301	10,294	20,195
Samut prakarn	210	904	5,943	7,057
Samut Sakhon	60	148	3,231	3,439
Nontaburi	26	194	1,237	1,457
Patumthaini	34	237	1,963	2,234
Nakompathom	89	336	2,404	2,829
Kanchanaburi	353	212	858	1,423
Chainat	97	75	354	526
Nakornnayok	28	57	211	296

Table 3.2. Number of Factories Grouped by Provinces at Year 2004. (Continued)

Province\Type	Factory Type 1	Factory Type 2	Factory Type 3	Total Factory
Prajuabkirikhun	96	132	479	707
Prachinburi	148	144	680	972
Ayutthaya	69	161	1,121	1,351
Petchburi	232	129	472	833
Rachaburi	123	265	1,276	1,664
Lopburi	58	70	361	489
Samutsongkram	17	59	272	348
Srakaew	104	26	228	358
Saraburi	95	155	1,015	1,265
Singhaburi	22	77	301	400
Supunburi	222	275	811	1,308
Ungthong	45	85	318	448
Uthaithani	98	24	270	392
Chantaburi	149	91	450	690
Chacheangsao	169	179	1,037	1,385
Chonburi	174	240	2,072	2,486
Trad	262	115	311	688
Rayong	287	123	1,103	1,513
Kalasin	1,589	159	385	2,133
Khonkaen	3,464	534	990	4,988
Chaiyapoom	1,262	168	391	1,821

Table 3.2. Number of Factories Grouped by Provinces at Year 2004. (Continued)

Province\Type	Factory Type 1	Factory Type 2	Factory Type 3	Total Factory
Nakornpanom	1,806	86	397	2,289
Nakornrachasima	4,905	649	2,064	7,618
Burirum	1,110	109	342	1,561
Mahasarakham	2,416	117	281	2,814
Mukdaharn	299	48	215	562
Yasothon	668	101	244	1,013
Roi-ed	3,084	332	460	3,876
Lei	396	68	233	697
Srisaket	1,475	108	237	1,820
Sakolnakorn	646	271	345	1,262
Surin	678	259	425	1,362
Nongkai	313	172	392	877
Nongbualumpoo	1,044	80	93	1,217
Umnajcharoen	68	57	123	248
Udonthani	2,741	655	1,043	4,439
Ubonrachathani	328	236	816	1,380
Kumpaengpetch	590	67	436	1,093
Chiangrai	725	154	454	1,333
Chiangmai	997	320	1,273	2,590
Tak	149	87	360	596
Nakornsawan	416	340	1,025	1,781

Table 3.2. Nuber of Factories Grouped by Provinces at Year 2004. (Continued)

Province\Type	Factory Type 1	Factory Type 2	Factory Type 3	Total Factory
Nan	175	25	209	409
Payao	196	67	204	467
Pichit	243	97	350	690
Pitsanulok	750	184	515	1,449
Petchaboon	352	189	226	767
Prae	190	129	450	769
Maehongsorn	77	32	119	228
Lumpang	825	391	1,054	2,270
Lumpoon	366	112	395	873
Sukhothai	426	86	227	739
Utaradit	543	147	353	1,043
Krabee	139	39	283	461
Chumpom	198	244	491	933
Trung	102	64	572	738
Nakornsritammarat	308	247	1,011	1,566
Narathivas	468	52	376	896
Puttani	581	114	314	1,009
Pungnga	68	36	232	326
Puttalong	315	139	288	742
Phuket	70	87	332	489
Yala	116	51	282	449

Table 3.2. Nuber of Factories Grouped by Provinces at Year 2004. (Continued)

Province\Type	Factory Type 1	Factory Type 2	Factory Type 3	Total Factory
Ranong	26	69	284	379
Songkla	122	160	1,218	1,500
Satul	116	28	150	294
Suratthani	84	174	810	1,068

From the information from the department of industrial work, we estimate that there are still about 120,000 factories which are opened each year with new expansion of factories at about 4,000 factories each year.

From the statistics that factories use centrifugal pumps in the past it should be 1 factory /5 centrifugal pump so it should use the pumps about 600,000 units in the market. Centrifugal pumps should be replaced every 10 years so each year must have the potential base of centrifugal pumps of 60,000 units and also use this factor with the new and expanding factories. From the growth of the economies and improvement of quality policy so the amount of centrifugal pumps that should be replaced will be increases up to 10 % every year. In 2001 the average price of a centrifugal pump was 30,000 baht

Table 3.3. Potential Market for Centrifugal Pumps.

Market\Year	2001	2002	2003	2004	2005
Factories	2,400.0	2,540.0	2,778.0	2,995.8	3,235.4
Government	210.0	241.5	277.7	319.4	367.3
Agriculture	200.0	230.0	264.5	304.2	350.0
Others	500.0	550.0	605.0	665.5	732.0
Dealer	150.0	160.5	171.7	183.8	196.6
Potential	3,460.0	3,722.0	4,096.9	4,468.7	4,881.3

Information of government pumps market comes from interviewing the government officers from the department of water resource.

Information of agriculture growth around 15% each year, other growth around 10% each year and dealer growth around 7% each year.

3.3 Market Segmentation

3.3.1 Geographies

We have customers throughout Thailand, but we are focusing on the main provinces that have industrial estates or have more factories, and also focusing on the provinces that have many people to live because our products are related to increase the quality of life of the people.

3.3.2 Demographics

Products Segmentation

From information of Department of Business Development.

Table 3.4. Water Pump Products Market. (Millions Baht)

Company\Year	2001	2002	2003	2004	2005
Yimyuth	34.1	43.5	45.8	48	50.4
Bruno	28.7	33.4	40.9	51.8	55.4
Grundfos	289.6	302.3	322.2	440.8	484.4
Kriangthai	432	663.4	887.7	913.2	936.7
Calpeda	178.9	183.4	214.4	189	204.6
Kultorn	722.3	811.7	724.6	678.9	712.6
Jebsen	289.2	302.5	358.8	431	458.5
Acme	413.7	450.4	498.1	671	711.8
MRM	51.4	55.6	62.3	62.4	63.8
PBM	24.6	34.2	47	51.7	76.8
OTHER	1,056.2	1,234.4	1,372.2	1,516.2	1,609.2
TOTAL	3,520.7	4,114.8	4,574.0	5,054.0	5,364.2

The information of other pumps in year 2004 and 2005 comes from appraising from the statistics of average growth of other pumps market.

The above information we collected from year 2001 to 2005 and divided by 5 years so we can conclude as shown in Figure 3.5

Centrifugal	have market share	60%
Submersible pumps	have market share	10%
Other pumps	have market share	30%

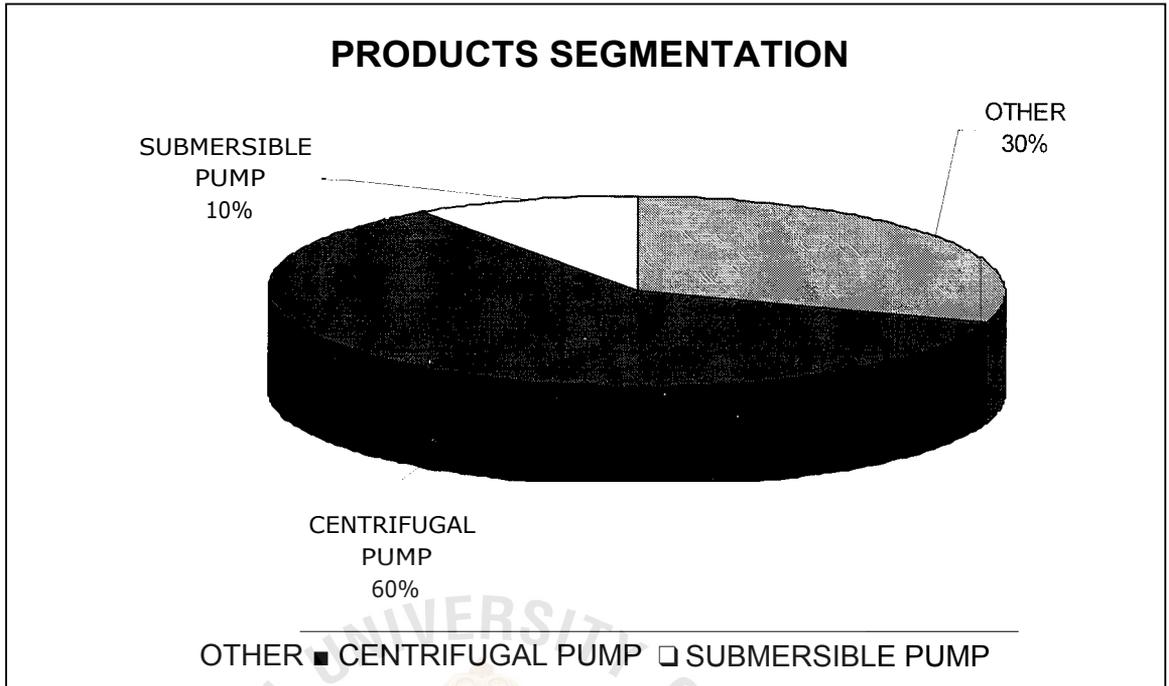


Figure 3.5. Products Segmentation.

Market segmentation of centrifugal pumps, As show in Figure 3.6, consists of

Factories	60%
Government	10%
Agriculture	10%
Dealers	5%
Other markets	15%

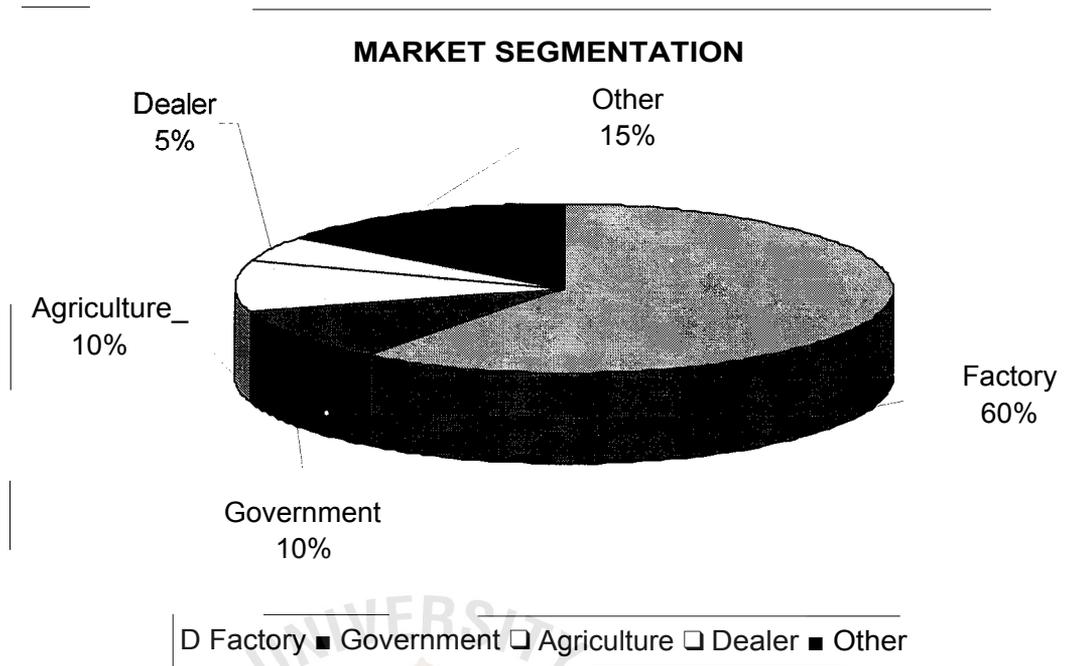


Figure 3.6. Market Segmentation.

Table 3.5. Forecast Centrifugal Pumps Potential Market.

Market\Year	2006	2007	2008	2009	2010
Factories	4,000.0	4,480.0	5,017.6	5,619.7	6,294.1
Government	450.0	477.0	505.6	536.0	568.1
Agriculture	400.0	424.0	449.4	476.4	504.9
Others	800.0	880.0	968.0	1,064.8	1,171.3
Dealer	250.0	262.5	275.7	289.5	304.0
Potential	5,900.0	6,523.5	7,216.3	7,986.4	8,842.4

Table 3.6. Forecast Sales Values Based on the Local Past Sales Volume Records.

Activities\Year	2006	2007	2008	2009	2010
Sales value overall	115.5	173.3	260.0	325.0	406.3
Centrifugal pump value	46.2	78.0	130.0	162.5	203.2

Market share of centrifugal pumps separated by each brand in government section, As show in Figure 3.7

LOWARA	25	%
EBARA	15	%
RIVA - FLO	10	%
MONOFLO	8	%
SAER	5	%
GRUNDFOS	5	%
OTHER	32	%
	100	%

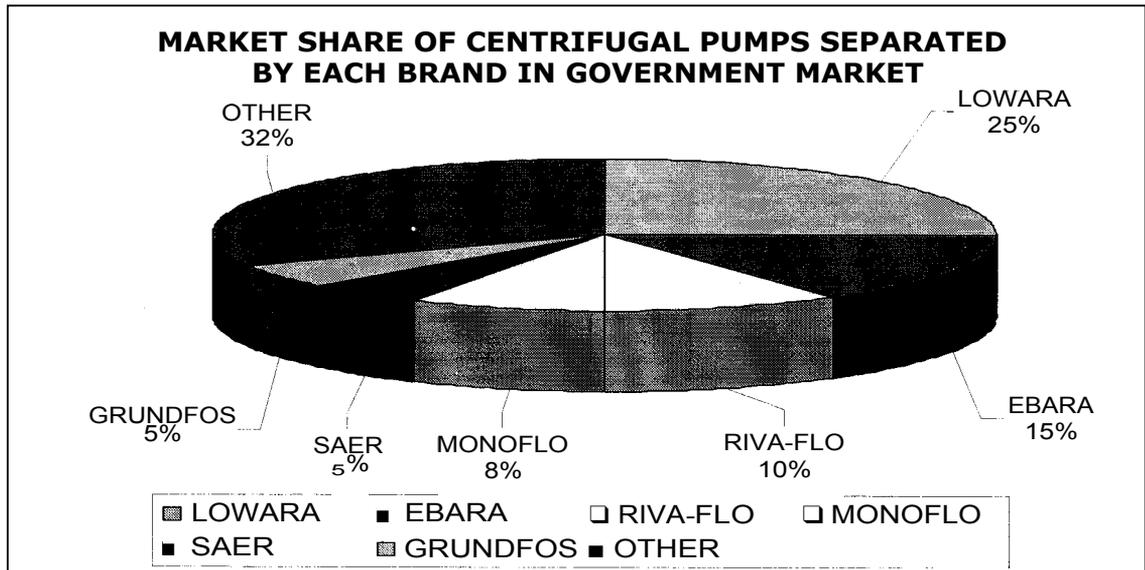


Figure 3.7. Market Share of Each Brand.

3.4 Competitor Analysis

3.4.1 Key Competitors

Lowara (<http://www.lowara.com>)

Lowara is committed to studying, developing, manufacturing and distributing pumps and pumping systems for water technology applications.

Founded in 1968 and based in Montecchio Maggiore, near Vicenza in Italy, Lowara has been serving customers and users of hydraulic pumps in various sectors for more than 30 years.

Lowara is a leader in the European residential and commercial pump market. It is part of ITT Industries, the world's largest producer of pumps and complementary products for water and industrial fluid applications. ITT Industries is a global multi-industry company active in fluid technology, defense systems, components for the

automotive industry, connectors and switches for information systems and telecommunications.

We will provide efficient and reliable products, services and solutions for the water supply and water pumping needs in the residential, irrigation, building service and commercial markets worldwide, in order to maximize value for our customers, coworkers and shareholders.

Lowara shares certain fundamental objectives with its customers: creating new products, perfecting quality and improving processes. Therefore Lowara's values are centered on its customers. The Lowara people work in teams, since having common objectives is the best way to attain excellence in production and distribution.

In its relationships with co-workers, customers and the outside world in general, Lowara consistently refers to its values: respect for people and the environment, quality of life, innovation, excellence, integrity and the pride of belonging to the team.

Lowara serves the global market directly or through the distribution network of other Group Companies.

Lowara operates its own branches throughout Europe and is capable of reaching every market in the world from its distribution center in Montecchio Maggiore.

Lowara's service organization guarantees its customers consultancy, assistance accurate and timely information along the entire distribution chain.

As a member of ITT Industries, Lowara also shares the most advanced research, design and industrial engineering skills with other Group Companies. This wealth of knowledge enhances Lowara's innovation capabilities.

Ebara (<http://www.ebara.com>)

Ebara Corporation was established in May 1920, head office in Tokyo-Japan, committed to becoming a Comprehensive Environmental Engineering Enterprise, has

adopted a corporate philosophy that stresses "extensive contribution to society by providing superior technologies and services related to water, air, and environment." Using a wealth of technologies accumulated to date, we are harnessing the resources of the entire Corporation to address important environmental issues through relentless research and development activities and the commercialization of leading-edge technologies.

Ebara Corporation is one of the world's principal manufacturers of fluid transfer machinery, with particularly strong positions in pumps, compressors, fans, and chillers. The Company is also a prominent contractor of environmental engineering systems, focusing on the realization of the "sustainable society." Ebara is a leading supplier of precision machinery to the semiconductor device manufacturing industry. Key products in this sector include chemical mechanical polishing systems, dry vacuum pumps, and other equipment, such as wafer plating systems, that assist the industry in meeting the demands of manufacturing the next generation of semiconductor devices. Ebara is actively engaged in developing and commercializing new energy technologies, including wind power generators, fuel cell cogeneration systems, and photovoltaic power generators.

Ebara is working hard to harmonize the need to develop and the need to maintain quality of life on a global basis. More than ever, we share a responsibility for life on earth, and need to ensure that our water, air, land, and other vital resources are restored and maintained. As we approach the 21st century, Zero Emission will be a key to advancing sustainable development as a way of life.

Saer (<http://www.saerwaterpumps.com>)

SAER ELETTROPOMPE S.p.A. was established in 1951 by Carlo Favella that left the company as inheritance to their sons. Saer can vaunt more than 50 years of experience in water technologies.

The range of products covers different applications and includes centrifugal pumps up to 150HP, submersible pumps and submersible motors up to 400HP.

The main applications are in the civil, municipal, industrial, agricultural and domestic fields, for rainage, in fire fighting systems and in air-conditioning and heating plants.

From year 2000, thanks to the realization of a new factory, the manufacturing systems have been completely renewed and reinforced.

Today the company operates in 3 modern manufacturing factories, one of them dedicated to the production of submersible motors, for a total surface of 100.000 square meters.

Saer products are exported to more than 90 Countries and its trade mark have been regularly deposited and registered all over the world. And moreover: borehole pumps, self priming pumps, centrifugal pumps, electric motors, drainage pumps, self priming pumps, radial submersible pumps, semi axial submersible pumps, normalized pumps, industrial pumps, close coupled normalized pumps, stainless steel pumps.

Grundfos (<http://www.grundfos.com>)

Grundfos was founded in 1945 by Poul Due Jensen. The Grundfos Group is represented by 67 companies in 43 countries. The pumps are manufactured by Group production companies in 12 countries. Sustainable development is a key concept at Grundfos. It is vital that our pumps demonstrate respect for the environment, especially

in terms of energy consumption and use of materials. In principle, Grundfos will do business with customers all over the world because we believe that our products meet the most basic, fundamental needs of humanity. Respect for human rights, however, is an important issue. Consequently we will always observe and respect any sanctions that the world community and the United Nations impose on individual nations for not respecting democratic and human rights. We will do business with due respect to proper business procedures and ethical behaviors. Grundfos is an international Group with a global mindset. The Group has production facilities and sells pumps in every corner of the world. We already have sales and service companies in most of the world's most important pump markets, and we wish to continue to increase our presence in new markets. We have organized ourselves in this way for two reasons: Firstly, because there is a need for high-quality pumps all over the world — and secondly because the need for consultancy service and service in general differs from country to country. That is why we also customize our solutions to meet local requirements. Moreover, we have established ourselves all over the world because we believe that it is impossible to operate and manage a global organization from one centralized point. We focus on regional production facilities and a local set-up because we want to demonstrate our respect for local values, culture, ways of doing business and social conditions.

The Grundfos Group is and always will be growth-oriented and we continually strive to maintain our position as one of the world's leading and most successful manufacturers of pumps and water supply, heating and waste water systems. We want to be a market leader in pump production and we strive to establish production facilities in or close to all the largest markets. We will continue to produce our key products and the components by using the world's most advanced production technology. It is important for us that our pumps are user-friendly and that they are so flexible that they can be used

everywhere. That is why we invest in a wide range of high-quality pumps. It should be common knowledge among customers that Grundfos pumps are always synonymous with quality and durability so that it pays to invest in Grundfos products. Customer satisfaction is one of our most crucial goals and success criteria. This means that we place great emphasis on advising customers so that they receive the product which meets their exact needs — neither more nor less.

Monoflo (<http://www.monoflo.com>)

Monoflo is a leading manufacturer of progressing cavity pumps, grinders, screens and packages solutions for a wide variety of industry selection. With extensive knowledge, experience and a comprehensive network of authorized distributors and agents through out the world, Monoflo is well positioned to service its customers, whatever the fluid handling requirement or location.

Monoflo offers a wide range of progressing cavity pumps, grinders, screens and packaged solutions for a variety of industrial applications, including water & wastewater, paper & pulp, chemical & pharmaceutical, food & beverage, mining & mineral processing, solar& agricultural and oilfield industry solutions.

In addition to the supply of equipment, Monoflo and our worldwide distribution offers a complementary range of services designed to assist you from initial selection and throughout the life of your equipment, to ensure long, trouble-free operation.

3.5 Product Positioning

Riva-flo centrifugal pumps position has the medium price with high quality in the market. Riva-Flo centrifugal pumps will serve four target customer groups of government, factories, dealers, agriculture.

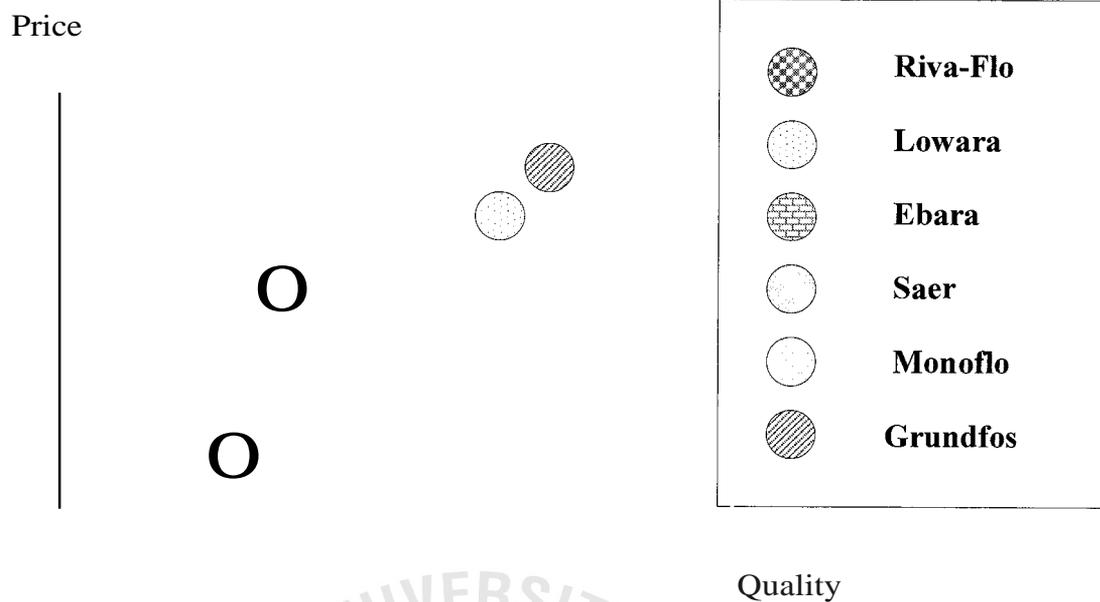
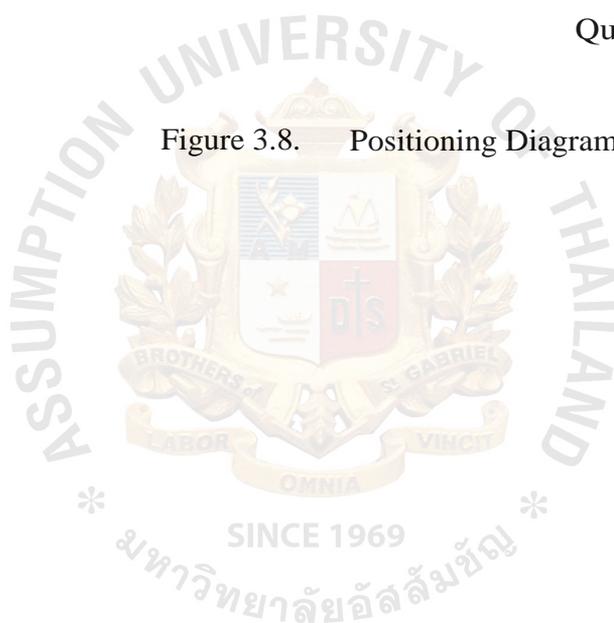


Figure 3.8. Positioning Diagram.



IV. MARKETING PLAN DEVELOPMENT

4.1 Company Profile

PBM COMMERCIAL CO., LTD. was established on May 19, 2000. It is in the market of importing and selling the products concerning water treatment and waste water treatment business.

In year 2005, the company annual sale more than 70 millions baht. With the purpose to extend the target market, we try to find more qualities and standard of related products from many countries in order to serve the customs in every industry.

Our efficient sales forces were trained and practiced with various products ranges. Therefore, we could introduce and recommend suitable products to reach the customer satisfaction. Moreover, our technicians, who are expert in various products, regularly support and solve all problems for our customers.

Since these are basic standards of PBM COMMERCIAL CO., LTD. In running our business in order to go beyond our good service to exceed the customer's expectation with only company policy as to "FOCUS ON CUSTOMER SATISFACTION".

Management Structure

Our company has a management policy that is flexible, we delegate authority and control only major decisions such as credit approval, price in the market.

We analyze our strategy and try to seek stability of a core business while selectively responding to opportunities or innovation and change.

Our organizations have a short chain of command and wide span of control

Products and Activities

Importing & Selling the range Comprise of :

- (1). Water Pumps
- (2). Chemical Pumps
- (3). Swimming Pool Pumps and Equipments
- (4). Equipment for water and waste water treatment
- (5). Measuring Instruments

4.2 Marketing Mix

4.2.1 Product Analysis

The Riva-flo PF range of cast iron centrifugal pumps have been designed and manufactured for cost-effective general purpose water transfer duties.

Their cast iron construction and heavy duty TEFC motor makes for a solid, dependable pump.

The impeller is cast and machined from bronze (model PF110) or moulded (models PF200 and PF300), while the motor shaft is constructed of high grade stainless steel. The PF models include a high offset suction port for ease of priming and better air handling in suction lift applications. CF models have a suction port in line with the impeller eye for better performance when the source of water is above the pump

It has a warranty of 1 year under factory conditions from their factories. By nature of centrifugal pump, if suction head not more than 7 metres, and it not have the electrical problem, it rarely have the problem from using it and warranties may be claim from PBM COMMERCIAL CO.,LTD.

If centrifugal pumps have the problem that are defective from factories they can claim with PBM COMMERCIAL CO.,LTD., and the company will send the new pumps to them if they do not use it for more than 1 month or up to the situation.

4.2.2 Price Analysis

List Price

MODEL	PRICE LIST
CF 35 / 220 V.	6,000
CF 55 / 220 V.	7,000
CF 75 / 220 V.	8,000
PF 110 / 220 V.	12,000
PF 200 / 220 V.	14,000
PF 300 / 220 V.	18,000
PF 300 / 380 V.	18,000

Discount

Riva-Flo gives discount up to type of customer business.

- (1) Factories maximum 10% discount, normal discount is 5%
- (2) Dealers normal discount 35% but can be more discount up to the situations
- (3) Government maximum 15% discount, normal non-discount
- (4) Agriculture maximum 20% discount

Payment Period

Normally the price that PBM set is in cash

- (1) Factories get credit 30,60 days up to the financial status.
- (2) Dealers get credit, 30 - 60 days but for first time, they have to pay by post-dated cheques.
- (3) Government gets credit 30 days.
- (4) Agriculture cash only.

For new customers normally PBM COMMERCIAL CO.,LTD. get cash except factories and government that get credit 30 days if new customer want to buy in credit

term, they must fill out the credit form that PBM COMMERCIAL CO.,LTD send to them and send back all of information that PBM COMMERCIAL CO.,LTD need and then the manager will make the decision whether the company should give them credit or not.

4.2.3 Places Analysis

PBM COMMERCIAL CO.,LTD sell centrifugal pumps to many customers but the customers can be grouped in to these categories

- (a) Dealers, Retailers throughout Thailand. PBM COMMERCIAL CO.,LTD try to sell to every dealer but some provinces have the big retailer that have more power so they may ask PBM COMMERCIAL CO.,LTD to set them to the dealer that take care of that province only, so any retailer in that province must buy from them. The dealers must keep more stock, and show brand loyalty with PBM COMMERCIAL CO.,LTD brand products.
- (b) Government organizations. PBM COMMERCIAL CO.,LTD sell directly to them consists of
 - (1) Ministry of Industry
 - (2) Ministry of Public Health
 - (3) Ministry of Education
 - (4) Ministry of Science and Technology
 - (5) Ministry of Culture
 - (6) Ministry of Labor
 - (7) Ministry of Justice
 - (8) Ministry of Interior
 - (9) Ministry of Commerce
 - (10) Ministry of Energy

- (11)Ministry of Information and Communications Technology
- (12)Ministry of Natural Resources and Environment
- (1 3)Ministry of Transport
- (14)Ministry of Agriculture and Cooperatives
- (15)Ministry of Social Development and Human Services
- (16)Ministry of Tourism and Sports
- (17)Ministry of Foreign Affairs
- (1 8)Ministry of Finance
- (19)Ministry of Defence
- (c) Agriculture firms, PBM sell directly to them.
- (d) Factories and other companies. The company wants to sell PBM centrifugal pumps and anything that PBM can sell to that company. PBM focuses on those that are located in the industrial estate and factories that stay in the industrial park. From data of Industrial Estate Authority of Thailand and from department of industrial work. PBM will focus on these industrial estates and industrial parks that consist of
 - (1)Northern Region Industrial Estate EPZ
 - (2) Pichit Industrial Estate
 - (3) Kaeng Khoi Industrial Estate
 - (4)Nong Khae Industrial Estate
 - (5)Khon Kaen small Industrial Estate mini factory
 - (6) Hi-Tech Industrial Estate
 - (7) Bang Pa-In Industrial Estate
 - (8) Saharattanakorn Industrial Estate
 - (9) Ratchaburi Industrial Estate

- (10) Samut Sakhon Industrial Estate
- (11) Bang Chan Industrial Estate
- (12) Lat Krabang Industrial Estate
- (13) Gemopolis Industrial Estate
- (14) Bang Poo Industrial Estate EPZ
- (15) Bang Phlee Industrial Estate
- (16) Well Grow Industrial Estate
- (17) Gate Way City Industrial Estate
- (18) Bowin Industrial Estate EPZ
- (19) Laem Chabang Industrial Estate EPZ
- (20) Bang Pa Kong Industrial Estate
- (21) Pin Thong Industrial Estate
- (22) Map Ta Phut Industrial Estate EPZ
- (23) Eastern Industrial Estate
- (24) Padaeng Industrial Estate
- (25) Eastern Sea Board Industrial Estate
- (26) Amata City Industrial Estate
- (27) Asia Estate
- (28) Southern (Chalung) Industrial Estate EPZ
- (29) Thai Summit Industrial Park
- (30) Cementhai Industrial Park
- (31) Siam Eastern Industrial Park
- (32) LPN Industrial Park
- (33) Bang Bon Industrial Park mini factory
- (34) Thai Petrochemical Industrial Park

- (35) Kaeng Khoi (TPI) Industrial Park
- (36) Kabinburi Industrial Park
- (37) Sanyo Industrial Park
- (38) Factory Land Industrial Park
- (39) GK land Industrial Park
- (40) North-Eastern Industrial Park
- (41) Sinrattana Steel Industrial Park
- (42) Prachinburi Industrial Park
- (43) Thai Suzuki Industrial Park
- (44) LPN Industrial Park mini factory
- (45) Alpha Technopolis Industrial Park
- (46) SSP Industrial Park
- (47) Nakarin Industrial Park
- (48) Bangna Industrial Park
- (49) Pan Thong Industrial Park
- (50) Rayong Land Industrial Park(Cementhai)
- (51) Chatchaval Industrial Park
- (52) Suan Nong Bon Industrial Park
- (53) Bung-Klo Intercity Industrial Park
- (54) Tanning Leather Industrial Park

Inventories

PBM COMMERCIAL CO.,LTD always have centrifugal pumps in the stock in Thailand. The ordinary dealers send purchase orders to them in advance, the PBM policy lets the dealers keep some stock with them. So that it is easy to distribute the product throughout the province in Thailand after that PBM send orders to factories and

keep inventories for them. Big dealers have committed to order about 300 units per lot within 3 months. Dealers will know which model exists in stock or which models do not exist in stock in advance, so it is very comfortable to sell PBM products. It is less costly for inventories for the dealers, so it encourages dealers to sell more.

Transportation

PBM has much transportation provided to their customers. The types of transportation can be divided into

- (1) By courier. PBM uses it when customers stay in another province and want to use the company's products as soon as possible.
- (2) By motorcycles. PBM uses it when customers stay in Bangkok and want to use the company's products as soon as possible and the product is not big so the company send it by motorcycles
- (3) By company's trucks. PBM uses this type of transportation when customers are not more far from PBM's office than 500 km. The company must get cash or post-date cheque from these customers, or customers are not familiar with the company's products so they can't install the company's products so PBM send the company's person to advise them to install and send the company's products also.
- (4) By third-party transportation that may be bus, train, It's upon the request of the company's customers but the transportation cost, the company's customers must pay for that.

4.2.4 Promotion Analysis

PBM will advertise the company's products in Yellowpages, and Industrial book magazines, Technique book magazines, and another book that related with PBM's products. To be sponsor of academic seminars or government seminars or group

customer seminars that related with PBM's products such as seminar of department of water resource. To be sponsor of university press or books. Make the special gifts that related with PBM's products and send through the company's customers.

PBM's sales brochure will contribute to dealers, as they can use this brochure to promote the company's product with no charge and the company also gives to agricultures, governments, factories and other customers that want it.

PBM must radically improve the company's direct mail efforts, reaching the company's established customers with training, support services, upgrades products, and seminars.

PBM's salespersons are high quality with these characteristics: well educated, well trained, professional who work to build and maintain long-term relationships with customers. They build these relationships by listening to customers, assessing customer needs and organizing the company's efforts to solve customer problems.

Sales Promotion

For old customers it's up to the situations. In general if the products is in the company's stock for more than 2 months without movement or little movement, PBM will have promotion to send PBM's products to PBM's dealers until that product is out of stock. The way that PBM use when customers stay in Bangkok and want to use the company's products as soon as possible and the product set product promotion to PBM's dealers is the same price, but the company gives another gift or another product for free such as buy 20 pumps get 1 pump for free. Another way is to extend the credit term may be from 30 to 60 days especially for this product and during this promotion time only or send PBM the purchase order and then send the order after that. If take this solution and it's not make the situation better so you can sales anyway but must have the profit. And it have another way that PBM set the commitment for PBM's dealers

that if you want promotion price that lower than ordinary price you must commit to buy from PBM at least 10 pumps per month for every month and they take this special price.

For new customers PBM will have a promotion to convince them for trial. The promotion may be buy at the same price that they buy before, price higher a little but have special gift for free, give them more credit term than the competitors

Both old and new customers of PBM will set the target for sales of each year and if they can reach the target, they will get special gifts from the company such as if they reach 600,000 baht target 1 baht gold, 1,200,000 baht get 2 tickets to Japan for 4 days 3 nights.

4.3 Position Analysis

4.3.1 SWOT ANALYSIS

Strengths

Strengths are internal factors that are better than other competitor or we can called it competitive advantage. PBM have these strengths:

- (1). Team of directors have more experience in doing a kind of trading business
- (2). Decentralization decision, so all process able to run very fast
- (3). We have many market segment such as chemical pump, water pump, electrical component, Swimming pool etc.
- (4). Sales and delivery process faster than competitor
- (5). Continuingly analyze the market situation so we able adapt and change our strategy faster than competitor
- (6). Good customer relationship so we can introduce and sale our new products easier.
- (7). Doing business by using alliance policy, So we can buy products from competitor and sell to our customer (incase of we can't change the brand)

(8). Try to develop our employees to growth with the company.

Weakness :

Weakness are internal factors that where we are worse than the competitors. PBM has these weakness:

As we able to sell any products so we have some problems such as:

- (1). Purchasing department can't find the new products on time so our sales has to help them to find it and these may cause effect for our sales can't pay attention to improve our sales volume.
- (2). Some products we sell without the technical data because the customer already selected the Brand and model.
- (3). Systems of Control for account receivables is not strict, So we can not collect the money on time.
- (4). Management system is not complete.
- (5). The quality of employees does not grow as the organization does.

Opportunities:

Opportunities are external factors that give them a chance to make something better. PBM have these opportunities:

- (1). Expand the market to the factory market , this is the big market.
- (2). Government have the policy to expand the water supply plant all village in Thailand.
- (3). Able to find and import the new products
- (4). Avoid product life cycle because we have many market segments.

Threats:

Threats are external factors that can make problems to PBM market. PBM have these threats:

- (1). Price war for the same products.
- (2). In the future the potential customer will be change to the importer.
- (3). The fluctuate of exchange rate will cause the customer holding the order.
- (4). Higher cost and customer can't accept the price so they change to new products that cheaper and lower quality.

4.4 Activities Plan for Year 2006

At year 2006 PBM plan to achieve the sales target of 115.5 millions baht. These are the activities that they plan to do to achieve the sales target of year 2006:

- (1) Checking competitors information that how about their situations and from SWOT analysis compared with each of competitor and concludes that which competitor is the weakest, so we will beat them first. Because we want to have more market share in the government market, so some competitors should be eliminated.. From data that we compared, we conclude that we should eliminate Monoflo first.
- (2) Analyzing situation about the existing customers separate in groups of customers that governments, agricultures and, factory and dealers and analyze with these questions
 - (a) Why they use Riva-Flo pumps and what do they think about our products compared with other brands?
 - (b) What is the portion that they use compared with the whole pumps that they must buy per year?
 - (c) Why do they use another brand that is not Riva-Flo and if they must sell only Riva-Flo what would they want from us?
 - (d) How many pumps do they buy per year?

- (3) After analyzing customers we try to keep the loyalty customers and potential first by sending manager to go with sales to visit the customers at least 2 times per year. and use every way to keep them and try to satisfy them as much as possible.
- (4) Analyze where we are strong in which market and weak in which market and why we are strong and why we are weak in that market?
- (5) Maintain the strong market, by sending the junior sales officers to visit the customers every month, and give them some gifts. And keep in touch to repeat the order.
- (6) Find the way to go to the weak market and improve them by send manager or supervisor to sales in the weak market by themselves to make more market share. And trying to eliminate Monoflo products as much as possible.
- (7) List all of target customers, and then analyze that customer's use Riva-Flo only one brand or not, if not try to replace another brand by convincing about quality, services, and price that compare to quality of lifetime.
- (8) Set CRM (Customer Relation Management) to call about 50% of our customers that use our products, to know the response of customer when they use our products.
- (9) Increase sales person to focus more customers because total market have more than 100,000 customers but we have only 10 sales to cover so we must increase our salesperson.
- (10) Advertise in Yellowpages, Industrial and Technique magazines that may be cost about 300,000 baht per year

- (11) Set commission for people that sell pumps for us or introduce another people to buy.
- (12) Set the budget of 2 MB for training the dealers about the features of products and how to repair our pumps with themselves. That may set the seminar for each part of Thailand should be east, west, north, north-east and Bangkok.
- (13) Give money to big dealers or send free pumps for them to show our products in their showroom. Budget about 1 Million baht.
- (14) Setup the call center for after sales service and toll free number for long distance.
- (15) Arrange sales promotion programs for the first month of each quarter by including premium such as T-shirt.
- (16) Contact with Government organizations related with centrifugal pumps product to be the sponsor of seminar or co-instructor of seminar that related with centrifugal pumps.
- (17) Arrange the rewards for dealers who can achieve the sales target as follows:
 - (a) Target 800,000 baht : 2 tickets for Hong Kong trip (value of 20,000 baht).
 - (b) Target 2,000,000 baht : 2 tickets for Europe trip (value of 80,000 baht).
- (18) Target top twenty potential dealers in major provinces and try to push products through these channels of 100 unit's per year and sells to the retailers at least 1 shop per province. Dealers and retailer. Thailand has 76 provinces so we divided in to 5 parts and we will set main dealers to take care of each parts.

- (a) North part we set dealers at Chiangmai, Nakornsawan, Phitsanulok, Lumpoon.
 - (b) East part take care by I dealer at Rayong Province
 - (c) East-North we set dealers at Koankaen, Udornthani, Ubonrachathani, Nakornrachasrima
 - (d) South part we set dealers at Songkla, Suratthani, Trung, Puttalong, Praj uabkirikun.
 - (e) West part we set dealers at Kanchanaburi, Rachaburi
- (19) Arrange main dealers in each part of Thailand to be after sales service center that receive products from customers and can repair them from not serious case and if it is the serious case send back to main office.
 - (20) Use logistic or supply chain management to reduce transportation cost as much as possible.
 - (21) Join the international exhibition such as INTERMACH or ENTECH and other that related for the budget of 2 MB.
 - (22) Try to send sales to every industries or market to find the new groups of customers.
 - (23) Make the souvenir or special gifts to send to the dealers or customers that buying our products.
 - (24) Prepare to keep more stock of pumps because bigger order can be negotiate with the factories better.
 - (25) Help dealers to use and to sell our products in everyway that they want, let the sales go to survey what customer want from our company.
 - (26) Try to reduce operation cost as much as possible.

- (27) Try to find another products that are related with our products to sells full of range and reduce ability to compete from competitors. In this year will find pressure switch and pressure tank to sell more.
- (28) Send salespersons to train for higher skill or for things where they want to improve their performance at least 1 person must train 1 skill. Try to motivate our salesperson to work more by using both of intrinsic and extrinsic motivation by give them the special rewards if they can reach their target sales.
- (29) Recruit salespersons from Monoflo company to reduce competitor's ability to fight with us

4.5 Activities Plan for Year 2007

In the year 2007 PBM plan to achieve the sales target of 173.33 millions baht.

These are the activities that they plan to do to achieve the sales target of year 2006:

- (1) Analyse the potential of dealers last year. Try to improve them to sell more and find that we cover all of dealers in Thailand already or not. Set the target higher than last year about 30% and find what they want from us to reach the target.
- (2) Talk to government section more to convince them to set the budget to use related to our products. And go to other sections that not use our products to convince them to use.
- (3) Arrange the rewards for dealers who can achieve the sales target as follows:
 - (a) Target 2,000,000 baht : 2 tickets for Hong Kong trip (value of 30,000 baht)
 - (b) Target 5,000,000 baht: 2 tickets for Europe trip (value of 90,000 baht)

- (4) Sell more products such as control box that controls the operation of water pumps because of these two products should be use together. Try to sell them more to gain more profit.
- (5) Asking factories to produce low cost products to sell in the low end market that want only the cheap price.
- (6) Recruit sales force from the competitor's sales to work with us to reduce the ability of competitors especially from Ebara company.
- (7) Conduct seminars for dealers to train them about 15 times in every parts of Thailand and upon they requests. Training or seminar is about repair our pumps by themselves, skills for sales, latest news from factories, new promotions to make them satisfy with our product. In the part that have more potential customers then we may be established the office of after sales service to take care of our pumps product but not sales the pumps because we want to sales through the dealers when customer is not within 200 km. from our office. May be set 3 service centers at Lamphoon, Khonkaen and Suratthani.
- (8) Sell the centrifugal pumps to be complete systems such as sell all the water supply plant.
- (9) Continuous motivating for all of employees in the company to make them love and try to do more for the company set the system just like Japan that want to work at the same place for whole of their life.
- (10) Rotate sales by sending supervisors or sales manager to sell to the market that is hard to sell; try to get more market share and eliminate the competitor.

- (11) Build up the factory to make the cast-iron tank that is used in the softener process and build up the factory that makes the mixer components.

4.6 Activities Plan for Year 2008

In year 2008 PBM plans to achieve the sales target of 260 million baht. These are the activities that they plan to do to achieve the sales target of year 2008:

- (1) Expand the market of another kind of products by the same way that we do before.
- (2) Conduct the seminar that all dealers come and we set the rewards and certificates to the dealers who sells our products most and have many rewards to encourage our dealers to sell our products.
- (3) Establish the service center at another provinces more such as Nakornsawan, Kanchanaburi, Petchburi to ensure that at each part of Thailand should have at least 2 service centers.
- (4) Recruit more sales force to expand the market.
- (5) Conduct seminar for the factories customer to promote our products and make more relation.
- (6) Conduct the seminar for government sections more than last year to convince them to use our products, it may be set budget for them to visit our factory in Germany to make them happy with our products, and sometimes go to visit other factories that make water pumps or another products that we sell to the government section also.
- (7) Build up the R/O systems and sales directly to end-user
- (8) Try to find submersible pumps and sell to the same market
- (9) Arrange the rewards for dealers who can achieve the sales target as follows:

- (a) Target 2,500,000 baht : 2 tickets for trip to Australia (value of 40,000 baht)
- (b) Target 5,000,000 baht: 2 tickets for trip to Europe (value of 100,000 baht)



V. A CONTINGENCY PLAN

If we do everything we could but the plan is not successful, we must use the contingency plan that is the back up plan, to solve the problems that may occur when we use the plan. These are contingency plans that we use to solve the problems that may occur:

- (1) From the rewards for dealers if they can not reach the target, we may find something for them such as target 2,000,000 baht get 2 tickets of Hong Kong trip but they can reach only 1,500,000 baht, so we may give them 1 tickets or change to 2 ticket tour in Thailand to Phuket. It depends upon the situation because if we do not do like this our dealers may be dissatisfy with OUT company.
- (2) If the department of water resources or government organizations do not have budget to buy centrifugal pumps or our products this year, we must find another products that can sell to them this year to keep the relation and waiting for the next year.
- (3) If our competitors launch the promotion more than we have, we will force our customers to think about the quality and try to launch nearly the equal promotions that our competitors have, but set price higher than our competitor a little hit to differentiate that our product is better quality.
- (4) If the product that we import or buy from suppliers can not sell through the market within 6 months, we will find another products that can sells such as Italy water pumps can not sell, so import Australia pumps to sell.
- (5) If in the future our price much higher than competitors and we can not compete with them anyway, so we will ask our factory to produce in China

to compete with our competitors or sell our products which include with the hi-tech equipments that our competitors do not have.

- (6) If our potential sales go to work with our competitors or establish their own company, we will try to make good relation with them first. But if they are not corporate with our company, so we try to eliminate them in every way because if we let them survive now, in the future they may become our great competitors.
- (7) If the economic has the crisis, so we will change our strategy from growth to retrenchment or stay at the position where we can survive, reducing investment.
- (8) In everything that we do, we will benchmark them such as CRM. If the result or benefits is not much but the cost is very much. So we will not use them anymore.
- (9) We will do them first but if it can not work within 6 months or 1 year, stop it and change it to a better way we can think of.
- (10) For the market that we will send the best persons of our company to try to sell but it does not work, we will change to another market. But always look for the situation that may change to become our opportunity.

VI. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

This marketing plan is made to help increase the sales of Riva-Flo Brand Centrifugal Pump and increase sales of related products also. Riva-Flo is the Centrifugal Pump made by Onga Pty.,Ltd, Australia. PBM Commercial Co.,Ltd. is only one company in Thailand which imports this pump and sells through Thailand.

We start this plan by analyzing situations compared with the market segmentation, and we selected the marketing plan for the government segment first, because we are more familiar and stronger than in other markets. We plan to increase high percentage of sales value around 30 — 50 % during next 5 years. This plan should be accomplished because during the next 5 years the government has a plan to expand the water systems to all villages in Thailand so the market has a high demand for using centrifugal pumps.

For the business we have to share the risk of uncertainty, just like the policy of the government changes, price wars, customer loyalty , we should there for have to plan and expand to other market segments, dealers and the agricultural market.

After the plan is implemented we will evaluate the plan, judging from the sales volume on the monthly basis. If the actual sales volume is lower than the budget, we will, then, find out the cause of the deviation and find the solution for it.

If the plan is not successful and we have done everything we could, we must use the contingency plan. This marketing plan can modify to be used with all kinds of pumps and products and also can be modified to use with the industrial products because marketing plan is of one industrial product is very similar to another industrial product in terms of marketing mix.

6.2 Recommendations

After the company uses this marketing plan, the company should keep in touch with the market situation because this market is high with uncertain situations. The company should revise a contingency plan every 6 months to make sure that they are always up-to-date of this market and should extend this marketing plan to use with all products that they have to achieve the company sales target. If they want to extend this marketing plan, they should find more information from another government organization such as department of interior, department of underwater resource etc. to make this marketing plan more accurate and more efficient to use, find more information from the factories that are very far from Bangkok because this marketing plan gets the most information from the factories that are not more than 400 Kms far from Bangkok, try to get information from every industry that is in Thailand by sending salespersons to survey all of industries and at least 5 factories/ industries to make their marketing plan more accurate.

By the way if other people want to use this marketing plan to adapt to use for their company, if they sell industrial products, they can use this marketing plan to use with their product because most industrial products have the same market and are similar in many factors. But if they do not sell industrial products they should read this marketing plan and try to understand the concept of marketing that we do, then make their marketing plan by themselves, because different products have different environments so they must solve their problems by themselves.

Riva-flo Cast iron Centrifugal Pumps

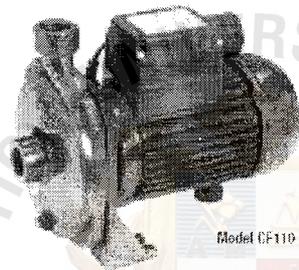
Water Transfer

The Riva-flo range of cast iron centrifugal pumps has been designed and manufactured for cost-effective general purpose water transfer duties. Their cast iron construction and heavy duty TEFC motor make them ideal for various pump applications.

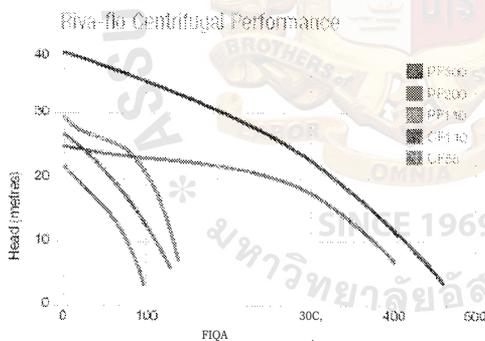
Riva-flo Range



The impeller is cast and machined from bronze (models CF55, CF110 and PF110) or moulded (models PF200 and PF300), while the motor shaft is high grade stainless steel. The PF models include a high offset suction port for easier priming and better air handling in a suction lift application. CF models have a suction port in line with the impeller eye for better performance when the source of water is above the pump.



Model CF110



Riva-flo Range features	
Cast iron construction	Heavy duty casing for strength
Stainless steel shaft	Corrosion protection
TEFC motors - inbuilt thermal protection	Durable drive source
Offset suction port (PF models)	Aids suction lift and priming
Central suction port (CF models)	Efficiency for positive suction lifts



Iriv Ho

OPERATION

Please read these instructions in full before installing and commissioning the pump unit.

PUMP PROTECTION (All Models)

Pump Protection: Warranty of these pumps is void unless they are housed correctly and protected from weather, floods, chemicals, dust, vermin, insects etc. The housing used should be weather proof and well vented so that motor heat can escape. To obtain best performance, pumps should be installed as close to water supply as possible. It is recommended that the pump unit is bolted down.

OPERATION

INSTALLATION: SHALLOW WELL & CENTRIFUGAL

PLUMBING

(Shallow Well up to 25ft (7.5 metre suction lift))

Riva-Flo Models TF, MF, SF, CF, & PF

Shallow Well Suction Pipe: Galvanised PVC or high grade polythene pipe can be used. A pipe friction table should be consulted to establish size of pipe. As it is important that there are no air leaks, pipe joints should be tightened correctly and jointing compound used. Self priming pumps should draw water through humps in the suction line but best results will be obtained if pipe rises evenly from water to pump. When pump is being used on flooded suction (from ground level tanks) a check valve should be used. Make sure it is installed in the correct direction. Water should be drawn 2 inches above the tank bottom so that sediment is not pumped through the system. On suction lifts, a foot valve **MUST** be used.

PRIMING:

HOW TO START THE PUMP

(Shallow Well Jet & Centrifugal Models)

Priming: To prime pump, remove priming plug and fill pump and suction pipe with water. Replace plug and start pump. If pump pumps a little and stops, then turn pump off, check suction pipe for possible leaks and repeat priming procedure until pump operates satisfactorily.

CONNECTING PIPES

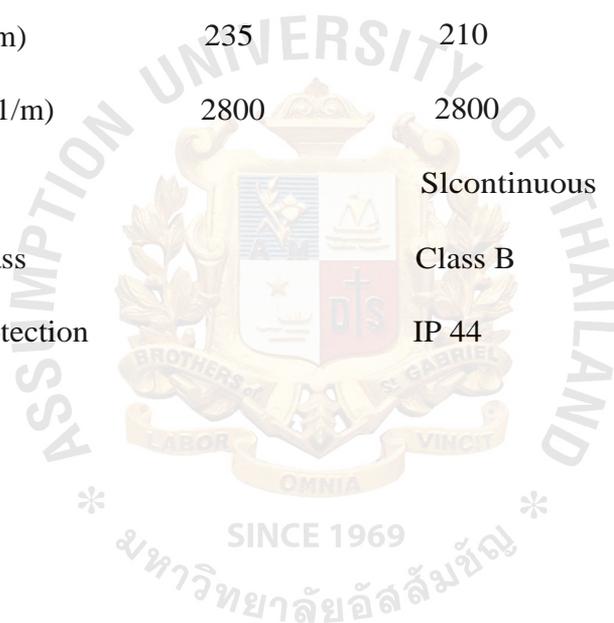
Pumps can be damaged if care is not taken when connecting pipes. Pipes should be supported so that the pump casing is not strained by the weight or misalignment. Pipe fittings should be carefully screwed onto the pump making sure not to crossthread or overtighten. We recommend the use of a moulded pipe fitting to connect to the pump as this avoids possible damage to the pump threads and unnecessary replacement of parts.

TECHNICAL DATA

Type	DF200	PF200	SF200
Rated Voltage (V)	220-240	220-240	220-240
Rated Frequency	50	50	50
Rated Power (W)	1800	1700	2000
Max. Total Head (m)	24.0	23.0	37.0
MM. Total Head (m)	9.0	8.0	12.0
Max. Flux (1/m)	64	355	155
Rated Speed (1/m)	2800	2800	2800
Duty Type		S 1 continuous	
Insulation Class		Class B	
Degree of Protection		IP 44	

TECHNICAL DATA

Type	DF300-3	PF300-3	SF300-3
Rated Voltage (V)	400-415	400-415	400-415
Rated Frequency	50	50	50
Rated Power (W)	3000	3000	3000
Max. Total Head (m)	33.0	36.0	38.0
Min. Total Head (m)	29.0	12.0	19.0
Max. Flux (1/m)	235	210	205
Rated Speed (1/m)	2800	2800	2800
Duty Type		S1continuous	
Insulation Class		Class B	
Degree of Protection		IP 44	



TROUBLE SHOOTING

FAULT	REMEDY
Priming Trouble	<ul style="list-style-type: none"> • Foot or check valve may be leaking. • Foot valve should be installed below actual drawdown water level. • Suction lift too high. • Air leak in suction pipe. • Check valve may be installed in wrong direction. • Voltage or wiring of motor maybe incorrect. •
Motor Switching On and Off When No Water is Being Used	<ul style="list-style-type: none"> • Pressure switch setting incorrect - check catalogue. • Pressure tank filled with water - no air cushion. Recharge to instruction on pressure tank. If pressure tank loses pressure after a short period of operation, then check pressure tank and air valve for leaks, replace pressure tank bladder if necessary. • Foot or check valve leaking. • Discharge or suction pipe or pipe fittings leaking.
Pump Not Switching Off or Taking Too Long to Switch Off	<ul style="list-style-type: none"> • Low line voltage. • Drop in suction water level. • A leak on discharge side of pump. • Blocked impeller or jet. <p>To correct for a drop in voltage and/or water level, adjust top pressure switch setting about 5 psi (35 kPa) below pump top pressure to compensate the differential change.</p>
Motor Thermal Overload Tripping	<ul style="list-style-type: none"> • Motor operating on low pressure. • A blocked impeller causing it to rub. • Waterlogged Aqua Pack. To cure see "Motor Switching On and Off" (2.) above.
Minimum Pump Operating Pressure High	<ul style="list-style-type: none"> • If deep well pumps have a minimum operating pressure of 5 to 7 lbs. above catalogue, this might indicate an air leak on the suction side of pump.
Pump runs but fails to operate	<ul style="list-style-type: none"> • The pump has probably lost prime. • Check for an air leak in the suction pipe. • Foot or check valve leaking making priming difficult. • Pump and suction pipe may not have been filled with water. Pump impeller, suction pipe, or foot valve clogged. • No water in the tank or water source.

ELECTRICAL (All Models)

All single phase systems are supplied with a standard Australian (3) three pin plug and cord for connecting to 240 volt power outlets. Either 10 or 15 amp plugs are used depending on the motor size.

Pumps intended for use in outdoor fountains, garden ponds and similar places must be supplied through a residual current device (RCD) with a rated residual operating current not exceeding 30mA.

Where required, means for disconnecting the pump from the supply having a contact separation of at least 3mm in all poles must be incorporated in the fixed wiring. On 3 phase motors the connecting box shall still meet the IP 44 requirements after the pump has been wired in. 480 volt single phase and 415 volt 3 phase motors must be equipped with a contactor and must be wired in by an authorised electrician. 3 phase motors can turn in any direction depending on their electrical connection.

When first connected the power should only be flicked on and off so as to determine the motor rotation. If the rotation is not correct as indicated on the pump then any 2 of the 3 power leads should be reversed and the direction rechecked. Do not run the motor or pump in the reverse direction as pump damage can occur

ELECTRICAL TROUBLE SHOOTING PROCEDURE (All Models)

No electrical power, electrical fuse blown, pump not plugged in, voltage incorrect etc.

If the motor thermal repeatedly trips there is a fault which should be corrected before major problems occur.

- Simple initial inspection may show cause of jammed or fouled impeller which if not corrected will result in motor burnt out.

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