Principles and Practice of Marketing of Pandora

Posted on September 21, 2018

Introduction

Marketing of any organization is an essential part of their business strategy. Companies strive to make their marketing strategies skillful and improve them in their organization. It helps in increasing the firm's overall income growth and improves the brand image in the minds of customers. There are different marketing strategies that are acquired by marketers, based on the type of their organization. Having different marketing techniques helps a company to create a long-lasting relation with the audience (Oladepo and Abimbola, 2015). It also helps the customer to make rapid decisions in buying products, as they have come across them before. For this study, we are going to create certain new strategies for the retail giant Pandora, which is a jewelry company. More unique set of marketing strategies will be discussed, which are benefical for the company, compared to the strategy they are using right now. These strategies, as a result, will help the marketing aspect of Pandora to be used at the multinational level.

The main course of this study is to introduce CRM and promotional mix strategies in Pandora and evaluate its effectiveness in the company. These are the types of marketing strategies that are going to help the company develop new marketing opportunities by evaluating the techniques within the organization.

Background of Pandora:

Pandora started its operation back in 1982, which was only a shop owned by Per Enevoldsen and his wife Winnie. Enevoldsen was a Danish goldsmith, and Pandora is originated from Copenhagen, Denmark. In the year 1987, after years of wholesale success, Pandora decided to expand their business to a global level. In these affairs, Pandora hired their first in-house designer from Denmark and focused on designing their own jewelry. Pandora decided to start its manufacturing in Thailand in the year 1989. In 2000, Pandora launched their first charm bracelet in the Danish market, on which the company was working for a long time. Due to the excess consumer demand in the local market, Pandora started to expand this product internationally. They entered the US markets in 2003, and in 2004 they entered Australia and Germany.

Following the same pattern, Pandora excessively expanded their market to Scandinavian platforms. Pandora's sales approach and international market in Scandinavian countries were mostly run the third-party distributors and strong markets in Thailand. To increase its production capacity, Pandora has opened manufacturing plants on a large scale in Thailand. In 2005, Pandora opened six-story plants across Thailand to enhance their production and infrastructure. In the sequence of coming years, Pandora opened production houses one by one in the same areas. It was done to strengthen the unique product manufacturing setup.

Currently, Pandora's marketing strategies are mostly overlapped with their business strategies, which include the different market segmentation of their product line. Pandora makes marketing on a segmentation strategy right now, and mostly sales promotions are also segmented. Pandora's main marketing strategy is to provide consumers with a perfect retail experience by opening a number of retail stores, having all the product lines. Some of the stores are franchised, and most of them are run by Pandora itself. Depending on the market needs, Pandora works with the outsourced franchises at times and solely runs the stores in some areas. It is a question of market need when it comes to running the stores by the company itself.

Another aspect of Pandora's marketing strategy includes online shopping for consumers. They have made efforts in online shopping as the modern world is shifting to an online shopping perspective. All products of Pandora, which are available at the retail stores, are also available in the online stores of Pandora, which is the current marketing strategy of the company to enhance their shoppers' experience. Pandora also acquired market segmentation in their marketing perspective, where they maintain one flagship product across the globe. According to the segments, they try to offer the product that is liked by the segment to deliver the best to their target customers. Pandora's main market is women of all ages who like to buy quality jewelry products. For this purpose, Pandora's brand experience across the globe should be consistent and should meet the consumer's demand. Offering the segmented products to the customers, Pandora tries to maintain and adjust their channels, communication, and product offering to the relevant segments in which they engage. In all of this segmentation, their products remain consistent around the globe because every market cannot be segmented.

Customer Relationship Management (CRM)

What is Customer Relationship Management (CRM)?

CRM is a technological implication for a company, which manages all the relationships and interactions of a company and its potential customers (Oladepo and Abimbola, 2015). The basic goal of CRM is to improve business relations between customers and the company. When we talk about CRM, we are referring to a CRM system, which helps a company be in contact with customers and improve their profitability (Mohanraj and Kalaivani, 2016). It is basically a modern tool that helps in sales, contact, and productivity management.

Customer Relationship Management can also be termed as an approach to developing new customers and making them your loyal customers, which is done by gathering information about a customer, analyzing the information, and making the customer develop an interest in the process (Mohanraj and Kalaivani, 2016). For example, if a retail company has to enter a new market, they will get contact records from the outsource companies about the customer information and can contact them to tell about the new product being introduced in their area.

What is Market Orientation?

Market orientation is an approach where a company tries to meet the needs and wants of its customers. In market orientation, a company does not make new products but tries to amend them according to what the customer wants the product to be (Khodakarami and Chan, 2014). Some studies relate market orientation to marketing campaigns, which helps a company better understand the market needs of its product. The best example of market orientation could be the Samsung mobile phone product line. They made the Samsung Galaxy S3, and after a time, they launched the Galaxy S3 mini because they identified that the product demand was higher and the price of the mobile was not affordable by the customers. It can be helpful for CRM techniques, which, when building relations with a customer, can help them identify what the customer wants at the very beginning of the phase. Instead of developing products that are not wanted by the customer, CRM is influenced by the orientation approach.

What is a Customer-Centric?

Customer-centric is an approach that explains a business that focuses on providing a positive experience to the customer, on pre and post sale and purchase. This theory explains that a company should provide a customer with such an experience where he/she feels happy and has a greater chance of purchasing a product from you again (Khodakarami and Chan, 2014). The pre-sale experience tells about detailed knowledge provided to the customers, and post-purchase includes the services given to the customers. In CRM, being customer-centric is important because when a customer is contacted by a company and agrees to buy, the company needs to focus on being best at service providence otherwise, the relationship between the consumer and the company will be affected (Khodakarami and Chan, 2014).

Customer Relationship Management (CRM) techniques:

Range of CRM Techniques:

CRM TECHNIQUES	EXPLANATION
OPERATIONAL CRM	Includes sales automation, market automation, and service automation.
ANALYTICAL CRM	Gives insight for sales, marketing, and other departments to serve customers in a better way.
COLLABORATIVE CRM	Enables sales, operation, and marketing departments to work as one unit to produce effective results.

The basic approaches which are included in the CRM are operational, analytical, and collaborative. They are further divided into tools that are acquired individually by the companies to respond to CRM. Operational CRM is divided into sales, market, and service automation. Sales automation is the way any company sets standards to meet the requirements of the customers and acquire new customers (Nyadzayo and Khajehzadeh, 2016). It gathers certain required information to meet customer needs and ultimately increase sales. For this purpose, companies tend to make new leads in the market, create contacts with customers, and make sales forecasts according to this information.

Marketing automation is the way to find out the best possible marketing strategy to meet the customer's needs, and meet the purpose of CRM (Nyadzayo and Khajehzadeh, 2016). For this purpose, companies use different marketing strategies, which include social media advertisements, TV advertisements, email marketing, billboards, and direct phone calls. It is more of a campaign management for the company for the sole purpose of meeting the market CRM demands. Service automation is basically the approach to maintaining customer retention (Nyadzayo and Khajehzadeh, 2016). It means that the company focuses on providing the best customer service they possibly can. In CRM, issue, service label, and customer call management are evaluated and taken into measures to provide the best service to customers. Issue management is where the issue is to be resolved if any customer is facing it, then there is service label management which means monitoring the best service to be given to the customer, and customer call management, which includes handling customer calls and providing adequate information to the customers.

Analytical CRM means where the sales, support, or operational departments work to provide the best service to the customer. Data analysis is an important aspect of analytical CRM, which gathers data from the different segments of the markets, and turns them into their reason to resolve and provide service to the customers.

Collaborative CRM, which is also referred to as Strategic CRM, explains that in order to achieve an organizational goal, each department (i.e., sales, support, quality, and operations) needs to work together (Nyadzayo and Khajehzadeh, 2016). This means that if a customer puts up a query to the support department, it should be clearly discussed with the sales division, which can result in the proper building of customer relations.

Range of CRM techniques for Pandora and its effectiveness:

The above-mentioned CRM techniques are effective if a company acquires the ones that produce better results. As Pandora is a retail jewelry company, it will be beneficial for them if they use market automation to build relations with the customers. As market automation includes advertisements and direct customer contacts, if will be great for Pandora if they make banner ads on Facebook or put billboards in different areas. Women are their foremost market, and they might respond to the new product billboard in their area and increase the sales of Pandora. The positive effect of market automation will directly increase the market condition of Pandora (Hassan et al., 2015). Marketing campaigns are always effective in increasing the sales of a company, and so it can effect the sales of Pandora as well. Making social media ads, emailing customers, calling them, and putting up billboards can influence word of mouth between the customers and increase the relationship between Pandora and its customers. From a negative side, marketing CRM can have a lot of budget allocation from Pandora. The company will need to have a lot of money allocated for the purpose, and the risk is also included if Pandora is making campaigns where the company is not known to the customers.

An analytical CRM approach for Pandora would also be effective in their customer building. Pandora can analyze what type of bracelets or charms, a customer needs and then analyze the need with their sales, design, and operations department. It can help Pandora build trust with the customers and make the exact product they want. The perfect analysis of the linked departments can further make Pandora a market leader and can result in a competitive advantage over the competitors. It can also improve the skills of all the departments, and make interactive learning from practical experiences with the customers. However, it can be negative for the company as well if the analysis is done wrong by any department (Hassan et al., 2015). If the customer's need was for brass necklaces, and the support department heard gold necklaces, it would decrease the overall worth of Pandora.

Recommendations to improve CRM techniques:

1. Pandora can improve their sales and operational department in the market automation CRM. It will help them in better understanding of the customer needs and will clear communication it will provide better insight for the other departments.
2. Currently, Pandora can develop strategies to make a gift box for the customers, which can build the trust and sales of the organization, and it can help in CRM development. Building customer relations can be done by implementing something extra for the customers.

3. The process of relation development is mostly linked with the approach where the company responds to customer needs. It is essential for Pandora to have staff development, where the staff is given proper knowledge and training for the processes to take forward.
4. A strategy should be formed to get contacts from the market and to implement them in the CRM process. It means that Pandora has to make sure that the contacts they have on their database are all responsive and should provide adequate information.

Promotional mix techniques:

A promotional mix in marketing is defined as a set of certain marketing techniques in which a firm reaches its goal. It is also known as the marketing mix, which is important in a firm's goal achieving (Wang, Cavusoglu, and Deng, 2016). The promotional mix includes five different elements, i.e., advertising, sales promotion, public relations, direct marketing, and personal selling. These elements are acquired by companies to develop a mixed strategy to reach their marketing objective and overall growth of the company (Wang, Cavusoglu, and Deng, 2016). Advertising is the most commonly used promotion mix strategy, where the company displays its products and makes advertisements. These advertisements can be of various types, like social media ads, banner ads, email marketing, billboard product designs, pamphlets, and brochures. It is actually a paid promotion of a company's ideas or products. Personal selling is the term in which face-to-face selling or phone call selling is done. It includes a direct promotion of any product to a customer. The sales team interacts directly with the customers and tells them about their promotions. Sales promotion is sometimes non-media or media-oriented strategy, where the promotion on any product is for a limited time or done just to increase the product's sales. Mostly, sales promotion is done for a new product. It includes banners in any retail outlet, discount offers, free samples of any product, contests, and coupons for the product.

Public relations or publicity is a term that is mostly taken up by a third-party company, and it is done just to increase the awareness of a company or product (Wang, Cavusoglu, and Deng, 2016). It includes TV magazines, seminars by any famous person, speeches for a product, and charitable contributions to any worthy authority. Direct marketing is a term where companies interact with the customer directly to market their products. Direct marketing is considered an effective approach, which lets the consumers understand a product better. It includes phone calls, emails, door-to-door marketing, interacting consumer blogs or websites, social media interaction, and mobile messaging.

Promotional mix strategies used by Pandora:

PROMOTIONAL MIX STRATEGIES	EXAMPLES AND IMPLEMENTATION
Advertising	Bracelets and charms billboards, social media advertisements of Pandora

Sales Promotion	Putting a 10% discount on a purchase of 10 items from the store
Direct Marketing	Social interaction with Pandora's loyal customers
Public Relation/Publicity	Seminars on flagship Pandora brands with renowned people.
Personal Selling	Selling Pandora's products to customers directly in a retail store.

Evaluation of promotional mix techniques used by Pandora:

Advertising turns out to be important for a company to be effective in its marketing campaigns (Hassan, Nadzim, and Shiratuddin, 2015). Advertising, chosen for any organization has many advantages which turn out to be profitable for any company in the longer run. It helps a company introduce a new product into any specific market and helps it grow over time. It also helps in the expansion of the market and growing new markets for the company (Hassan, Nadzim, and Shiratuddin, 2015). For a company like Pandora, they are having new products launched almost every day, and for the increase in sales, they need to have advertising it is essential for the overall organization. Sales promotion directly increases a firm's sales and directly affects the level of customer involvement with the company. When a firm makes promotions for any product, its target is to have a positive impact on the sales of the company. Pandora has a positive influence on sales promotion in their business process because, being a retail company, sales promotion is essential for them to increase the sales margin.

Direct marketing gives a firm an opportunity to sell products to its most wanted customers (Khan, 2015). For Pandora, direct customers would be the women who cannot access online stores and do not even visit the shops, so selling them directly at their homes or over a phone call can help in their promotion and sales increase. Public relations can also be introduced in by Pandora, where they can make public speaking for their flagship products and link it with women's empowerment. Introducing publicity into Pandora can make it effective for their marketing and promotion strategies. Public relations also build strong relations with the firm and its consumers (Khan, 2015). It makes awareness about a firm to its consumers that the firm is taking part in the publicity and interacting socially with the people. Personal selling of products to its customers includes directly selling the products to the customers. Personal selling gives the customers the advantage of understanding the products better and making purchases more efficiently. Pandora, getting involved in retail selling, and giving information about their necklace types, ring designs, and other products can be very effective to the marketing and the company's marketing strategy. Personal selling will also allow Pandora to analyze what the customer really wants and what type of product should they make. Interacting directly with the customers allows the firm to better analyze the situation they are already in and what can be improved (Khan, 2015).

Suggestions for other promotional mix techniques for Pandora:

AIDA model:

AIDA Model was developed in the late nineteen century, which is not widely used by companies to deploy them in the marketing and overall business (Ebbes et al., 2015). AIDA consists of four different elements, which include; Attention, Interest, Desire, and Action. The AIDA model is done by companies to develop strategies for sales increase. It is directly centered on the customer, and the company tries to make plans according to the market needs, and these plans include the step-wise procedure of the AIDA model (Ebbes et al., 2015). AIDA starts with attention development, where the company makes certain strategies to attract consumers. These may include new product development, advertising of existing products, promotional campaigns for the products, and creating knowledge for the customers to understand. When attention is created in the customer's mind, and consumers become aware of the product, interest is developed in the customer's mind. Companies make new pricing strategies, and promotional campaigns to create interest in the customers' minds to purchase the product. After the interest is created, a desire to buy the product is created in the customers' minds, and companies do this by persuasive marketing by giving discounts and urging the customers to buy it. After the customer has completed this process, they tend to finally buy the product (Ebbes et al., 2015). All of these processes are applied to the customers' minds and this is done intentionally by companies to make the successful purchase of their products. AIDA model helps the customer to make clear decisions to make the purchase of products, and it also helps the companies to critically analyze each step that how the customer will make the purchase. Pandora can also implement these strategies, where they tend to make plans to attract customers with attractive pricing and advertising. Then, they can make interest in the customers' minds by manufacturing different bracelets and other products. This will directly make desire in the minds of targeted women to make the purchase and will result in successful sales of the product.

Above the line & Below the line:

Above the line and below the line are the advertising strategies, which are acquired by the companies to create advertising according to their needs (Yang and Lee, 2016). Above-the-line advertising is where advertising is done by mass media sectors on a large scale to advertise any product of a firm. It is done to target and promote products in a target market, where the marketing is done for a global market. These include TV ads, social media ads, and billboard designs. Mostly these can include celebrity endorsement and public service advertising to create a level of interest in the audience (Yang and Lee, 2016). In above-the-line advertising, marketing is done to target the whole audience.

In Below-the-line advertising, companies try to reach the audience individually (Kumar and Patra, 2017). It is the opposite of Above-the-line marketing and is in more detail. These can include brochures, pamphlets, hand notes, and promotional messages, which are given to the audience individually. For Pandora, Above the line can be more beneficial, where they can target a whole audience to convey their product message to the audience (Kumar and Patra, 2017). Bracelets, rings, and necklaces can be their main products to advertise with cost-effective pricing, which can increase their overall sales and the promotional campaign target.

Conclusion:

In this research project, appropriate analyses were made for Pandora to acquire CRM and promotional techniques, which can be beneficial for the company to increase its overall marketing worth and develop its sales structure. It is positive for Pandora to get involved in CRM techniques because building relations with the customers is very important for the long-term sustainability of the company. In the line, promotional strategies should also be taken into account because the relations building cannot be done if the company is not taking interest in their promotional campaigns. Pandora, being a retail giant, should improve their global influence improved, with getting involved in the strong buildup of its customer experience.

References:

Ebbes, P., Ascarza, E., Netzer, O. and Danielson, M., 2015. *Beyond the Target Customer: Social Effects of CRM Campaigns* (No. 1111). HEC Paris.

Hassan, R.S., Nawaz, A., Lashari, M.N. and Zafar, F., 2015. Effect of customer relationship management on customer satisfaction. *Procedia Economics and Finance*, *23*, pp.563-567.

Hassan, S., Nadzim, S.Z.A. and Shiratuddin, N., 2015. Strategic use of social media for small business based on the AIDA model. *Procedia-Social and Behavioral Sciences*, *172*, pp.262-269.

Khan, M.I.H., 2015. A Case Study and Analysis of VFM campaign through out of home advertising of Airtel Bangladesh Limited.

Khodakarami, F. and Chan, Y.E., 2014. Exploring the role of customer relationship management (CRM) systems in customer knowledge creation. *Information & Management*, *51*(1), pp.27-42.

Kumar, S. and Patra, S., 2017. Does Promotion Mix Really Help To Enhance Brand Equity: A Literature Review. *Indian Journal of Commerce and Management Studies*, *8*(2), p.80.

Mohanraj, R. and Kalaivani, T., 2016. A Study on Effectiveness of Promotional Mix Strategies of FMCG Marketers in Salem District. *International Journal of Engineering and Management Research (IJEMR)*, *6*(2), pp.453-457.

Nyadzayo, M.W. and Khajehzadeh, S., 2016. The antecedents of customer loyalty: A moderated mediation model of customer relationship management quality and brand image. *Journal of Retailing and Consumer Services*, *30*, pp.262-270.

Oladepo, O.I. and Abimbola, O.S., 2015. The influence of brand image and promotional mix on consumer buying decision-a study of beverage consumers in Lagos State, Nigeria. *British journal of marketing studies*, *3*(4), pp.97-109.

Wang, S., Cavusoglu, H. and Deng, Z., 2016. Early mover advantage in e-commerce platforms with low entry barriers: The role of customer relationship management capabilities. *Information & Management*, *53*(2), pp.197-206.

Yang, D.J. and Lee, C.W., 2016. In-store promotional mix and the effects on female consumer buying decisions in relation to cosmetic products.