

**“A STUDY OF EFFECTIVE USE OF MARKETING STRATEGIES TO IMPROVE THE
FINANCIAL PERFORMANCE”.**

WITH REFERENCE TO

“DIVINE INDUSTRIAL SOLUTIONS, JAYASINGPUR”

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ABSTRACT

The marketing strategy is not just evaluating the external and internal factors, but it also needs to be implemented efficiently to develop an attractive suitable product and distribution channel, to hire an effective sales team and to generate business support for the firm. The study of 150 customers located in Kolhapur (Maharashtra) which are manufacturer and traders also who purchase Divine Industrial Solutions products. The primary data is collected through Questionnaires, Personal interview, discussions, field survey from these 150 customers and the secondary data is collected from the companies previous records, files as well as review of financial statements, balance sheets etc. for the period of three year from 2019 to 2022. The marketing strategy of an enterprise is a complete and unbeatable plan or instrument specifically designed to achieve the set of marketing objectives that will influence and finally improves the financial performance of the company. The marketing strategies is a managerial process of developing and maintaining the relationship between the changing market opportunities, as well as enhancing the financial growth and performance of the company. Marketing strategies further predetermines the choice of target market segments, positioning, marketing mix and allocation of resources. This research will provide insights into the various marketing strategies to improve the financial performance of the organization and to maintain the growth of the organization.

Keywords:- Marketing Strategies, Strategic Marketing, Financial Performance.

1.1 INTRODUCTION

Marketing involves the exchange of goods or services that represent core competencies of the company. Marketing strategy is simply "marketing logic by which an enterprise creates consumer value and achieve profitable customers. Each company has to predetermine the marketing strategies which will be beneficial to the company to achieve their vision, mission and goals. Every industry with its core competitiveness is putting this function on a very important level. This research is carried out to know the importance of marketing strategies, selling and marketing expense in the firms and its financial benefits. A firm with efficient marketing strategy can achieve its long term objectives, higher returns, and get competitive advantage in the market. All the business set and planned suitable marketing strategies to achieve their business growth. These activities contribute to the increase in sales, increase in customer satisfaction level to improve the financial performance. During this journey they will face many difficulties and challenges to form the suitable marketing strategies and to sustain the business in the market the various Marketing Strategies are necessary.

1.2 Review of Literature

A) Review of Literature on Marketing Strategy.

1) "**Philip Kotler**" (1997) explains in his book **Marketing Management**, "Marketing is an administrative and social process through which individuals and groups obtain what they need and desire by the generation, offering and exchange of valuable products with their equals".

2) *Positioning* is making your target audience know exactly how you differ from your competitors. "For example, in Starbucks case, you will see that not only do they ensure that the coffee is fresh and that the product has what it takes, but also that they add so much more".

3) **Philip Kotler** stated that a marketing strategy may be defined as a plan (usually long term) to achieve the organisation's objectives as follows..."

- Identifying markets and customers needs.
- Planning suitable products which will satisfy the customers.
- Organising marketing to maximise customer satisfaction and formation of marketing strategies in the organisations which will improve the financial performance of the company.

4) **Aramario & Lambin (1991)**

Marketing strategies starts in thoughts about current situation of the company and situational analysis and possible evolution of the markets and the environment, with the goal of detecting opportunities which can establish objectives".

5) Walker, Boyd, Larreché (1992) The primary purpose of a marketing strategy is to effectively allocate and coordinate marketing resources and activities to accomplish the firm's objectives. The scope of a marketing strategy involves the target-market, the product mix.

B) Review of Literature on Financial Performance

1) Chidambaram Rameshkumar & Dr. N. Anbumani (2013), he explained that Ratio Analysis enables the business owner/manager to spot trends in a business and to compare its performance and condition with the average performance of similar businesses in the same industry.

2) Peeler J. Patsula (2013), he defined that a sound business analysis tells others a lot about good sense and understanding of the difficulties that a company will face. We have to make sure that people know exactly how we arrived to the final financial positions. We have to show the calculation but we have to avoid anything that is too mathematical. A business performance analysis indicates the further growth and the expansion.

3) Kennedy and Muller (2012), has explained that "The analysis and interpretation of financial statements are an attempt to determine the significance and meaning of financial statements data so that the forecast may be made of the prospects for future earnings, ability to pay interest and debt both current, long term and profitability and sound dividend policy

1.2 Objectives of The Research

1. To understand the marketing strategies used to improve the financial performance.
2. To know the planning and implementation of marketing strategies for improving the financial performance.
3. To review the balance sheet/cost sheet after implementing the marketing strategies.

1.3 Scope of The Study

- Topical Scope :-

The study of "Effective use of Marketing Strategy to improve the financial performance is with reference to "Divine Industrial Solutions, Jayasingpur".

- Geographical Scope:-

The study involves all the customer located in three states i.e Maharashtra, Karnataka and Goa has been covered to collect the data.

- Analytical Scope:-

The analytical scope of the study is related to the collection of data (Primary and Secondary), Reviewing of data, analysis of data and interpretation. Research applies tables, graphs for analysing and interpretation of research through the survey and personal interview.

1.4 Research Methodology

Research Methodology describe the methods used in our study. The research refers to the procedure use in getting an answer to our purpose, various ways we collected data. Problems and limitations of types of data used during our work is also be discussed in this chapter. The adopted methodology for the study is the various tools, which essential to analyse critical financial position of the firm.

a) Sampling Area:

- DIVINE INDUSTRIAL SOLUTION located at Jatsingpur.

b) Sampling Size :

- Sampling unit: Divine Industrial Solutions, Jayasingpur.
- Universal population: - The universal population is 150 customers located in Maharashtra, Karnataka state and Goa State as below,

Sr.No	States	No. of Customers
1	Maharashtra	70
2	Karnataka	30
3	Goa	50
	Total	150

- Sample size: - The sample size for the survey is all 150 customers located in the three states Maharashtra, Karnataka and Goa.

c) Sampling Method:

Census Sample Size method (100 %) has been used for this research study.

1.4.1 Data Collection :

(A) Primary data :

Primary data is collected by,

1. Observation
2. Interview/ Face to face discussion.
3. Questionaries
4. Field Survey

(B) Secondary data:

Secondary data in research methodology is any information or statistics that researchers have already collected through,

1. Published Data
2. Balance Sheet and Profit and Loss Account Statements of company for the three years.

1.8 Limitations of The Study

- 1) The study based on historical data, so it cannot be reliable.
- 2) The study has been carried out for the period of three years.
- 3) The result of the study cannot be generalized for other organization and we cannot predict future financial position of the company based on the study.
- 4) Time taken to complete this research paper consumed long time being all the 100 % customers from the three states are covered.
- 5) Some confidential data was not given by the company for the research.

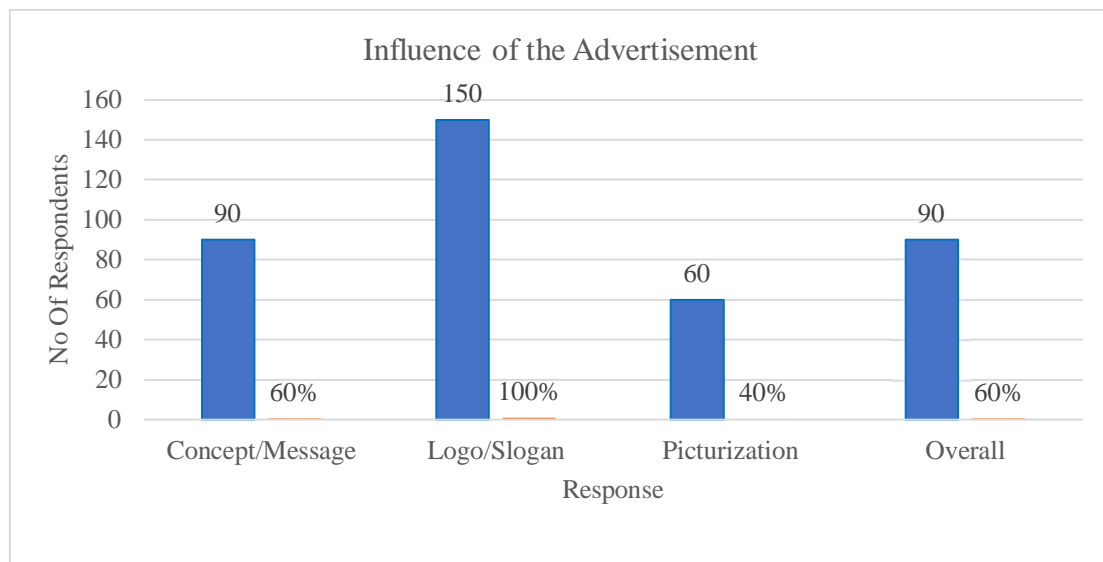
1.9 Data Analysis And Interpretation:-

The Data Analysis Process is collecting data and turned into information by using a proper way of method or tool which allows us to explore the data and find a pattern in it. Based on the information and data the interpretation is made and based on that corrective actions are suggested. This chapter deals with data processing, tabulation, presentation, analysis and interpretation of data.

Table No- 1.9.1

Influence of Advertisement on customers

SR.NO	Response	RESPONDENT	PERCENTAGE
1	Full Information of Product	90	60
2	Logo	150	100
3	Slogan	60	40
4	All of the above	90	60



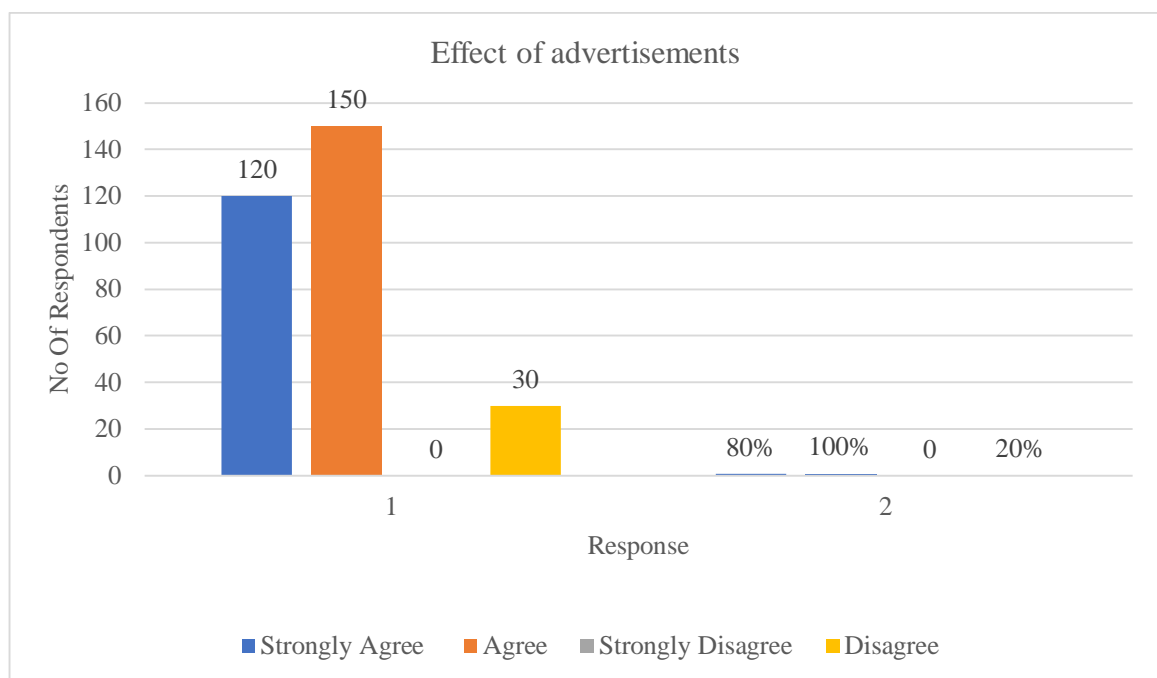
INTERPRETATION-

The above table shows that 60% Customers are influenced by Concept/Message feature of the advertisement, 100% Customers are influenced by Logo/Slogan feature of the advertisement, 40% Customers are influenced by Picturization feature of the advertisement influenced on the customers. And 60% customers are influenced by all the features of the advertisement to reach Divine Industrial solution and their products.

Table No- 1.9.2

Effectiveness of advertisements on customers.

SR.NO	Response	RESPONDENT	PERCENTAGE
1	Strongly Agree	120	80
2	Agree	150	100
3	Strongly Disagree	0	0
4	Disagree	30	20



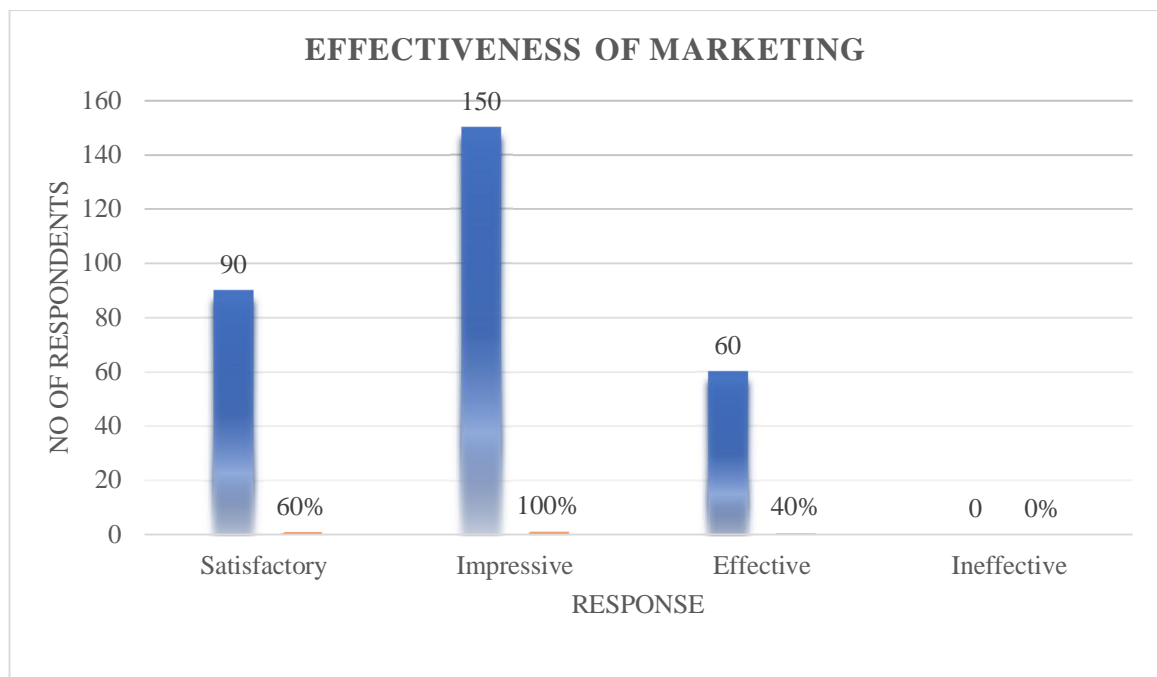
INTERPRETATION-

In this given table shows that 80% respondents strongly agree on that the actual product is reflect by advertisement of Divine Industrial Solutions, 100% respondents agree on that the actual product is reflect by advertisement of Divine Industrial Solutions. 20% respondents disagree on that the actual product is reflect by advertisement of Divine Industrial Solutions, because according to 20% respondents they want more features about the product need to show in ads also they want a practical video about the product.

Table No- 1.9.3

Effectiveness of Marketing strategies on customers

SR.NO	Response	RESPONDENT	PERCENTAGE
1	Satisfactory	90	60
2	Need Improvement	150	100
3	Effective	60	40
4	Ineffective	0	0



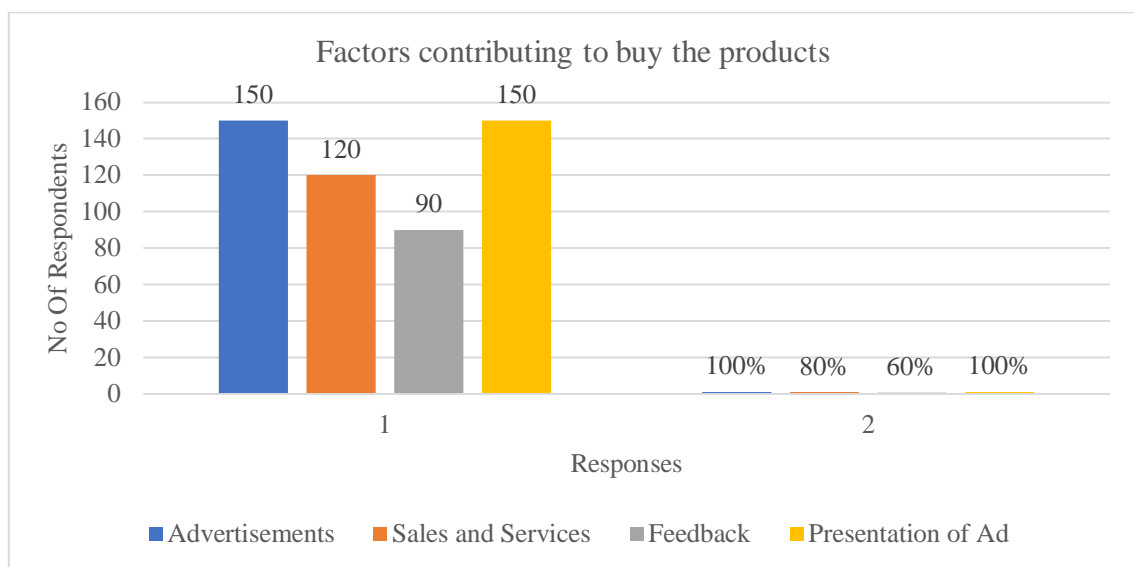
INTERPRETATION-

The above table shows that 60% Customers are satisfy on the Divine Industrial Solution are effective in marketing, 100% Customers are impressed on the Divine Industrial Solution are effective in marketing, 40% Customers are agree that Divine Industrial Solution are effective in marketing.

Table No- 1.9.4

Factors contributing to buy the products.

SR.NO	Response	RESPONDENT	PERCENTAGE
1	Advertisement	150	100
2	Sales and Services	120	80
3	Feedback	90	60
4	Presentation of Ad	150	100



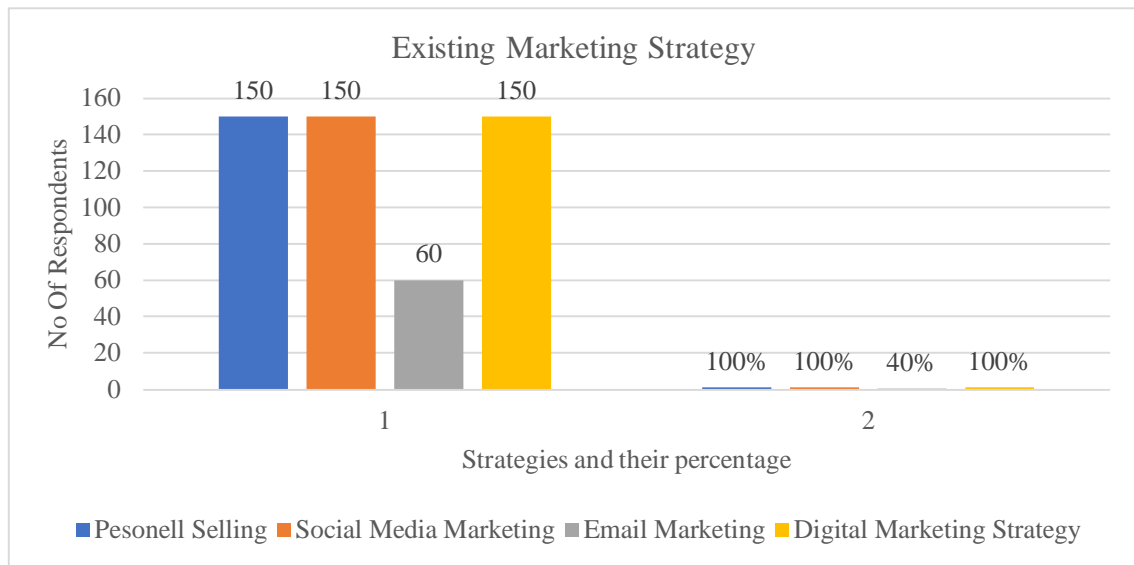
INTERPRETATION-

The above table shows that 100% Customers are agreed that they are motivating about organization and to purchase their products by Advertisement and Presentation of Ads for their needs and requirements, 80% Customers agreed that they are motivating about organization and to purchase their products organization by Sales and Services, 60% Customers agreed that they are motivating about organization and to purchase their products by Feedback which customers received from their users.

Table No-1.9.5

Types of Marketing Strategies used in organization

SR.NO	Implemented Strategy	RESPONDENT	PERCENTAGE
1	Personnel Selling	150	100
2	Social Media Marketing	150	100
3	Email Marketing	60	40
4	Digital Marketing Strategy	150	100



Source-Field Work

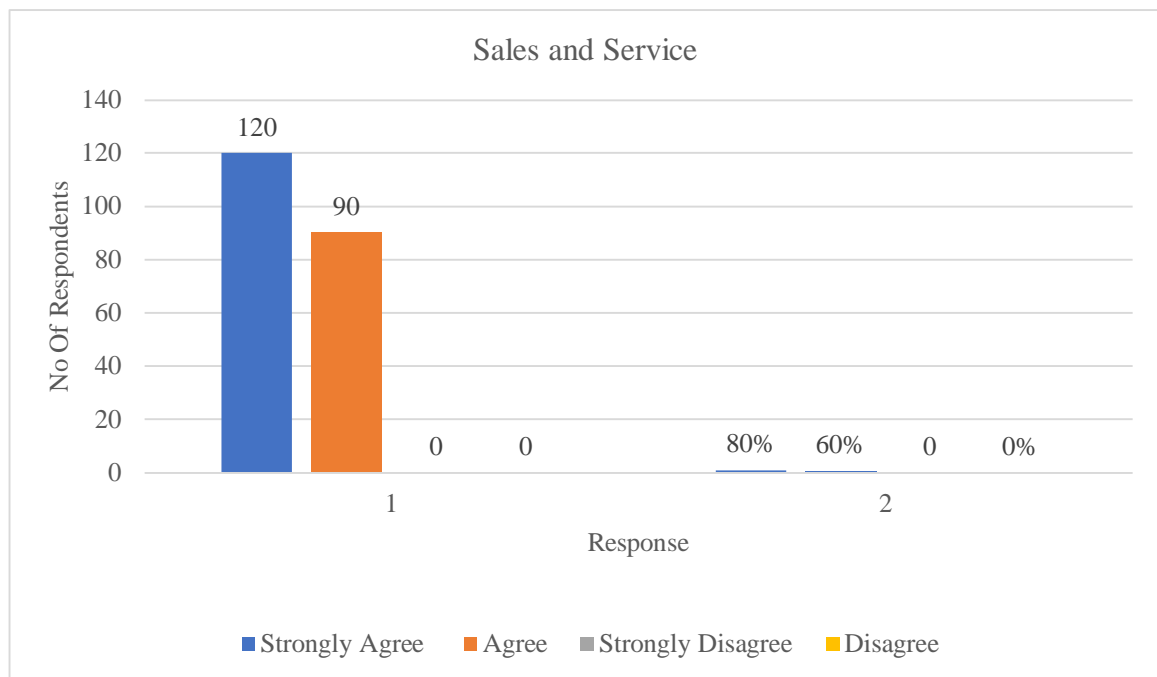
INTERPRETATION:-

From the above table shows that 100% customers are knows that existing strategy implemented in organization is “Personnel Selling” and Social Media Marketing helpful for maintaining the growth of the organization. 40% customers knows that the “Email Marketing” helpful for maintaining the growth of the organization. And according 100% customers knows that the existing marketing strategy “Digital Marketing Strategy” is helpful for maintaining the growth of the organization.

Table No- 1.9.6

Satisfaction level of customers after sales service.

SR.NO	Response	RESPONDENT	PERCENTAGE
1	Strongly Agree	120	80
2	Agree	90	60
3	Strongly Disagree	0	0
4	Disagree	0	0

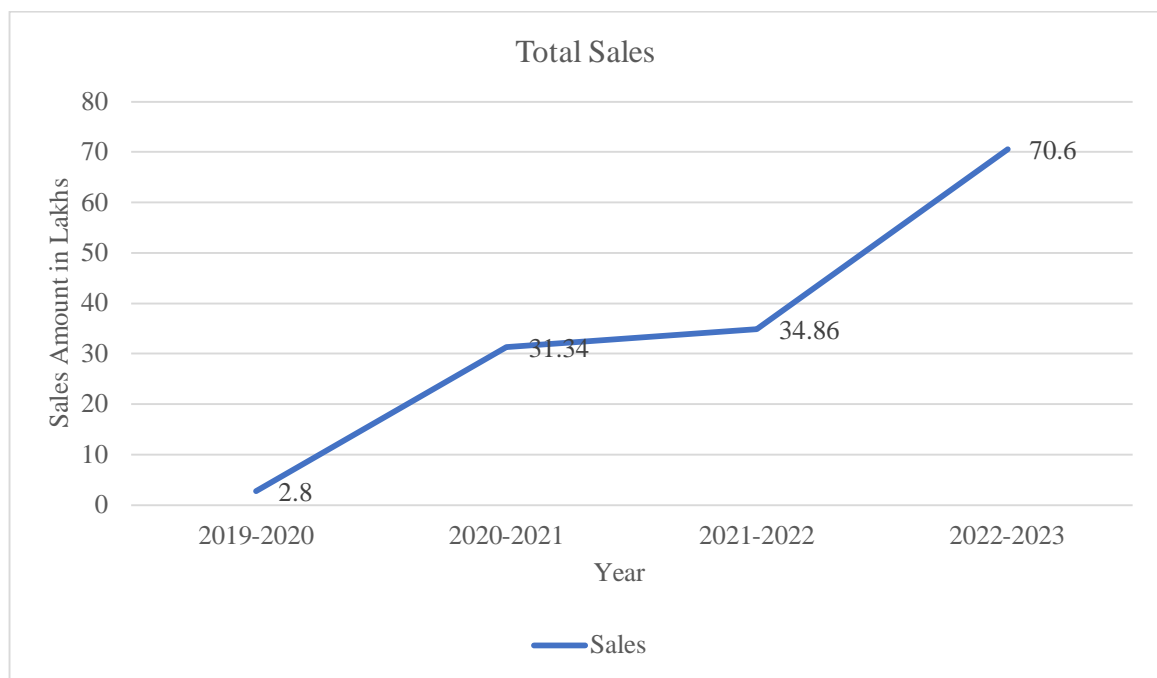

INTERPRETATION-

In this given table shows that all the 80% respondents are strongly agreed that they are happy and satisfied with after sales and services with the Divine Industrial Solutions. 60% respondents are agreed that they are happy and satisfied with the after sales and services with the Divine Industrial Solutions.

Table No:- 1.9.7

Total Sale for the last three financial year in Rs.

SR.NO	Year	Sales(In Lakhs)
1	2019-2020	2.80
2	2020-2021	31.34
3	2021-2022	34.86
4	2022-2023	70.60



Source:- Field Work

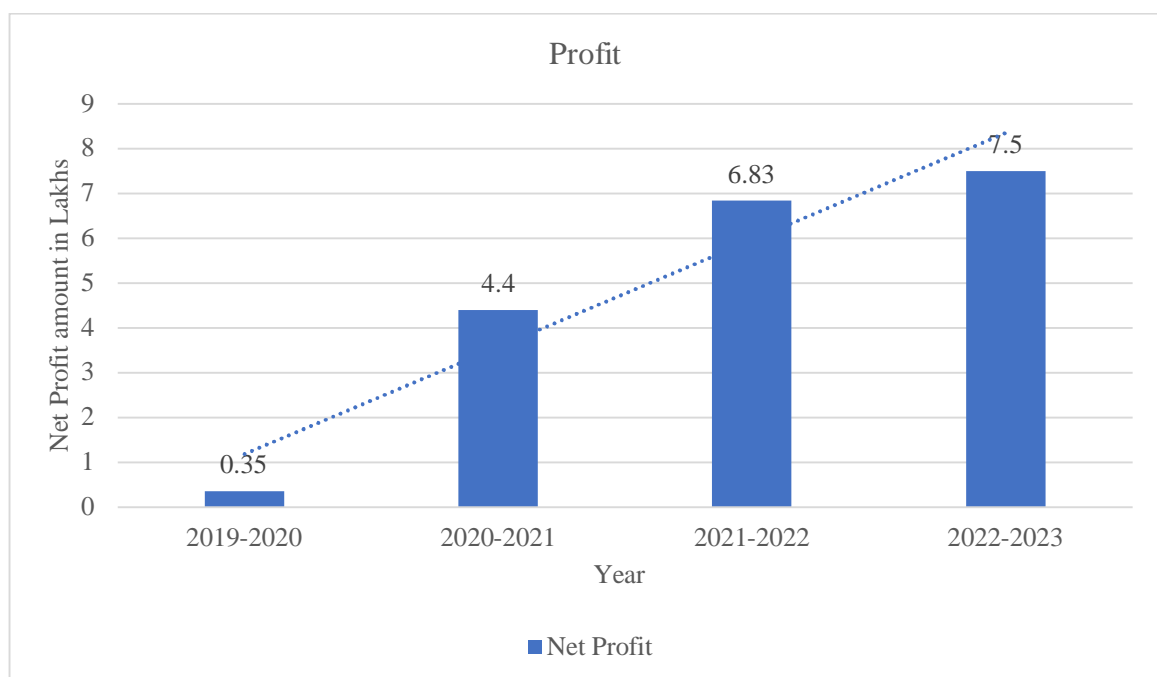
INTERPRETATION

The above table is showing sales amount figure for the three successive financial years. The sale amount for the F.Y 2019-2020 is low as compared to other two years because the business is established in Nov 2019 and this amount indicates the four months sales, whereas the years between 2020-2021 went through a change in the amount as Rs. 31.34 Lakhs and for the 2021-2022 it reached to Rs. 34.86 Lakhs similarly for the year 2022-2023 is Rs. 70.60 Lakhs. So at the end we can conclude that the sales figures are steadily increasing yearly.

Table No:- 1.9.8

Profit for the three consecutive years in Rs.

SR.NO	Year	Profit(In Lakhs)
1	2019-2020	0.35
2	2020-2021	4.40
3	2021-2022	6.83
4	2022-2023	7.50



Source:- Field Work

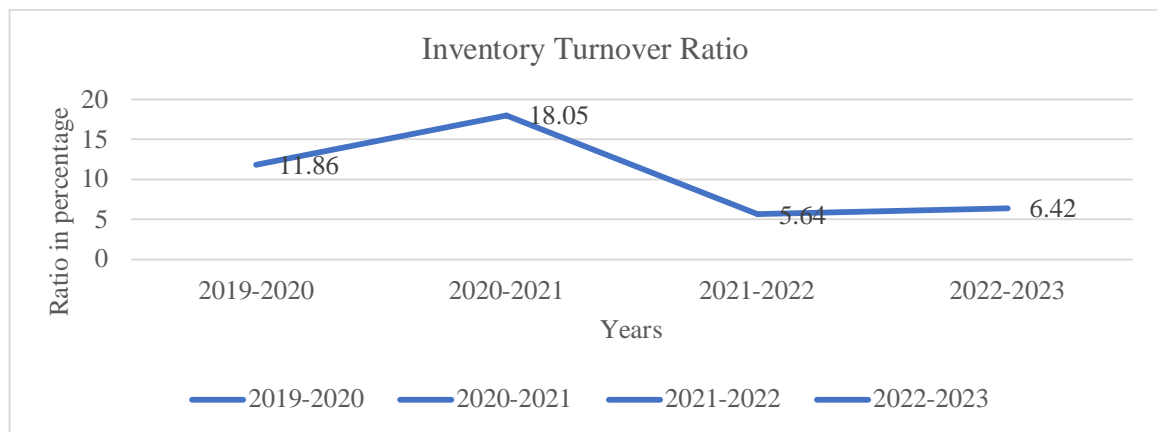
INTERPRETATION:-

The above table is showing expenses amount which spent per year for the three successive financial years. The expenses amount for the F.Y 2019-2020 is low Rs. 0.35 Lakhs as compared to other two years because this was initial phase of the, business and initially major time spent in the setup and finding the customer reach. Later in the in the years between 2020-2021 went through a change in the amount as Rs. 4.40 Lakhs as compared to year 2019-2020. For the 2021-2022 its reached to Rs. 6.83 and for the year 2022-2023 its increased to Rs 7.3 Lakhs.

Table No :- 1.9.9

Year wise Inventory Turnover Ratio

SR.NO	Year	Sales	Inventory used	Inventory Turnover Ratio(%)
1	2019-2020	280720.36	23659.00	11.86
2	2020-2021	3134544.13	173642.00	18.05
3	2021-2022	3486721.87	617390.89	5.64
4	2022-2023	4162527.45	647780.55	6.42



Source:- Field Work

Inventory turnover measures how efficiently a company uses its inventory by dividing the cost of goods sold by the average inventory value during the period.

INTERPRETATION-

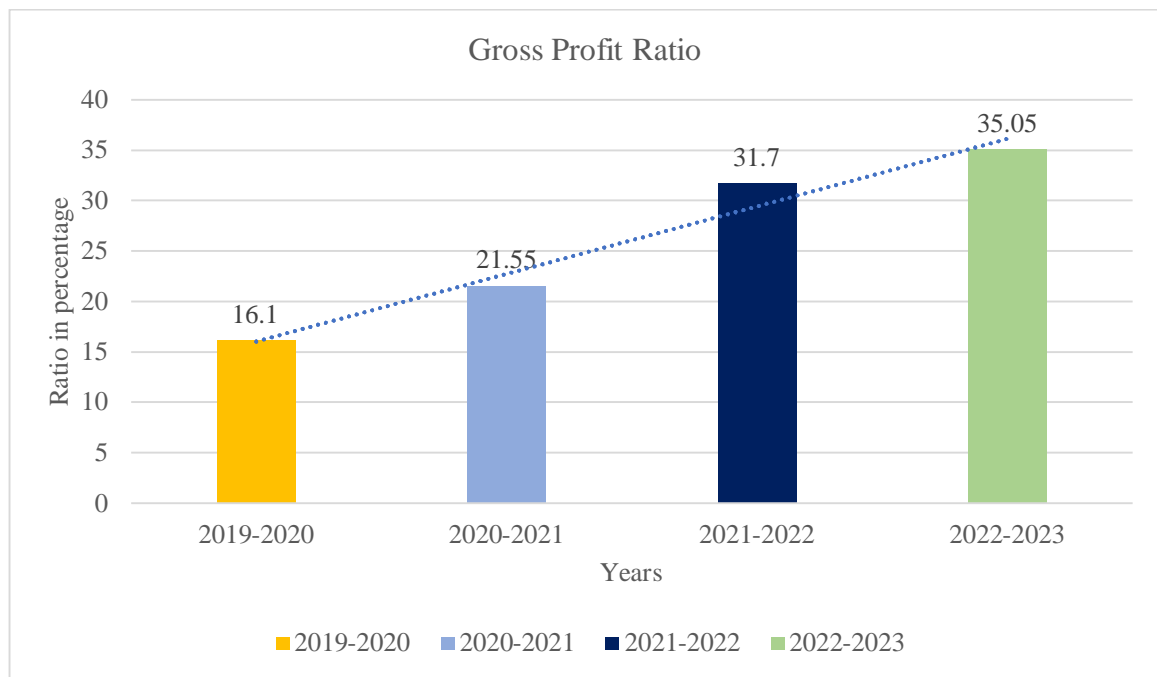
From the above table, the Inventory Turnover Ratio for the financial year 2019-2020 was recorded as per the ratio is 11.86%, where as the years between 2020-2021 went through a change in the ratio of 18.05% and the companies ratio went downward in 2021-2022 with the ratio of 5.64% and in the year of 2022-2023 it goes slightly upward to 6.42%. Since between the financial year 2021-2022 and 2022-2023 less ratio is recorded due to higher investment in the inventory majorly for the welding rods and cutting tools among the product mix. In the year 2021-2022 the Inventory turnover ratio goes down because of the high inventory purchased and the main reason is the market segmentation is done for the Karnataka and Goa states. As it was primarily only for the Maharashtra State. The main reason to have a Inventory was to cater the customer base in the time and to increase the customer satisfaction level as well as to reduce the business risks.

Table No-1.9.10

Year wise Gross Profit Ratio

$$\text{Gross Profit Ratio} = \frac{\text{Gross Profit}}{\text{Net Sales}} * 100$$

SR.NO	Year	Gross Profit	Net Sales	Gross Profit Ratio(%)
1	2019-2020	45210.26	280720.36	16.10
2	2020-2021	675797.46	3134544.13	21.55
3	2021-2022	1105410.32	3486721.87	31.70
4	2022-2023	1458965.12	4162527.45	35.05



Source: Field Work

Gross Profit Ratio: This ratio is also known as Gross Margin or Trading Margin Ratio. Gross Profit Ratio includes the difference between sales and direct costs.

INTERPRETATION-

The Gross Profit for the financial year 2019-2020 was recorded as per the ratio is 16.10%, where as the years between 2020-2021 went through a change in the ratio of 21.55% and the companies profit went upward in 2021-2022 with the ratio of 31.70%. Thus, it is showing the steady growth in the company profile.

1.10 Findings: -

From the analysis and data interpretation we collected data from all the respondents and based on that researchers find the following findings:-

- 1) Advertisement has been an effective method for spreading awareness about the products.
- 2) All consumers have seen Divine Industrial Solutions ads. And ads represents actual product on social medial platforms
- 3) All consumers find the marketing of Divine Industrial Solutions effective and impressive.
- 4) Majority consumers are motivates for the Divine Industrial Solution products through their advertisements, feedback and after sales service.
- 5) A Personal Selling and public relation are the strategies was existing in initial phase of the organization
- 6) Consumers have been satisfied with the after sales service of Divine Industrial Solutions.
- 7) Total Sales for the last three years is observed as increase in the Sales.
- 8) In the year 2021-2022 the inventory turnover ratio went down as the market segmentation is done for the Karnataka and Goa states as it was primarily only for the Maharashtra State.

1.11 Suggestions

- 1) Awareness should be spread more about products on the social media platforms, participation in various business exhibitions and through the marketing strategy so that more and more people go and visit.
- 2) Organization should focus on the discount schemes for their products. Also we suggested to launch some festival offers and some gift a coins in each packet for the hot selling products.
- 3) Organization should appoint additional one or two marketing persons as the market segmentation is done for the Karnataka and Goa states and Proper marketing strategies should be planned for premium hot selling products in all the states as its limited to Maharashtra, Karnataka and Goa.
- 4) Organization should concentrate on improving the after sales service of products as it is a important factor for the sales of consumer products.
- 5) The Organization has been suggested to reduce the expenditure as it increases every year. Decrease in expenses will increase the profitability.
- 6) To improve the financial performance of the organization it is suggested to increase the Inventory turnover ratio by selling the inventory which is purchased due to the reason of Market segmentation.

1.12 Conclusion

In the study of “Effective use of Marketing Strategy to improve the financial performance is with reference to “Divine Industrial Solutions, Jayasingpur, it is clear that the company’s financial performance is satisfactory. The company has stable growth and it shows a greater efficiency in all the areas it works. If the company utilizes its working capital then the company can go heights which it wanted to achieve. The comparative income statement shows increase in the current and last three year of net profit and it depict the companies current profit position. To improve the efficiency the company will strive for better performance and increase the market share the company. The suggestions provided through the study will help the company to improve the operational performance efficiently.

Customer Service and Satisfaction are of utmost important in this highly Competitive market. Value Proposition should be created in the eyes of the customer to gain Loyalty which will in turn help to sustain and be a Leader in the Market. Constant Investment in R&D will help an Organization to get Innovative products in the market and in turn lead to higher Customer Satisfaction. Brand Awareness is of utmost importance and the Company should make efforts to increase the Brand Awareness.