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An Essay on Reckitt's Marketing Processes

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1. Processes and stages of marketing including the role of the marketing mix.

Reckitt is a British multinational corporation that operates in around 60 countries, with its products available in about 200 countries across the globe. It was formed through the merger of British firm Reckitt & Colman plc and Dutch firm Benckiser N.V. It was technically founded jointly by Johann Benckiser and Isaac Reckitt. It produces hygiene and health products. It has now become one of the largest consumer goods corporations in the UK. Dedicated marketing has helped Reckitt reach the peak of success that it enjoys today. The theme of this essay revolves around that dedicated marketing done by Reckitt to achieve its ambitious goals.

Marketing is a continuous process through which businesses create value for their existing customers and potential prospects, build and maintain profitable relationships with customers in order to capture value in return (Kotler & Armstrong, 2017). It is one of the most core and essential business functions in today's business world. It determines and sets the future of any organisation, regardless of its size (Baines, et al., 2014).

Marketing Process

Marketing process is a theoretical framework for developing marketing plans, goals, strategies, and tactics to achieve overall business objectives and goals (Blythe, 2014). It shapes the way a business delivers value to its customers and offers that value to attract its potential customers (Kotler & Keller, 2016).



Source: Sprint Marketing (2015)

Mission Statement and Objectives

Mission statement is a statement that outlines the purpose and objectives of an organisation. It is a public document stating the mission that the organisation wants to embark on with its business endeavours and its actions. Reckitt's mission is to make a difference by giving people innovative solutions for healthier lives and happier homes (Reckitt, 2021). Its purpose is to lead to a world that is cleaner and healthier. Its objectives are the following:

- Making its business better with an increased focus on rapidly-growing markets and categories.
- Building a better society by investing more in societal and community needs.
- Contributing positively to the environment by reducing waste, use of natural resources, pollution, and emissions.

Situational Analysis

Situational analysis is a tool to analyze factors both internal and external affecting businesses. Some of the situational analysis tools include SWOT analysis, Macro Environment analysis, and PESTLE analysis. These analyses indicatively reveal forces within and outside a business that have major business and legal implications.

Marketing Strategy

Marketing strategy consists of three broad elements. They are segmentation, targeting, and positioning. These three tools set the ground rules for approaching different markets in different ways with offerings that have value (Dadzie, et al., 2017)

Marketing Mix

Marketing mix tools, also known as 4ps, are tactical in nature. These 4ps are product, price, place, and promotion. Marketers use these tactical tools to achieve marketing objectives, which, in turn, achieve overall organisational objectives and goals.

Implementation and Control

The preceding stages in the marketing process are all about planning and strategising. Implementation is the stage that implements all the plans, strategies, and tactics defined in the prior stages. Control involves undertaking actions that correct work discrepancies and flaws so that targets can be met.

Reckitt's PESTLE Analysis

Political Factors

Political factors exert a big force on the sustainability and long-term goals of Reckitt. They dictate a number of factors that directly affect Reckitt and its business functions. Reckitt is a British consumer goods multinational company. Political stability is a reality in the UK. Although Brexit has some negative implications, the overall policies are good for businesses in the UK (Johnson, 2016). The conditions of doing business are in favour of Reckitt. In the

matter of international expansion, Reckitt faces some unfavourable situations at times due to local restricting laws.

Economic Factors

Economic factors are usually good in the UK economy. But, Covid-19 has caused it to go through a very tough time. People have lost jobs and many small businesses have dissolved (Albonico, et al., 2020). Reckitt, being a big business, manages to get by, despite economic issues going downward. Reckitt is in the health and hygiene industry. As a result, its hygiene product sales have gone up since Covid-19, which helped them recover from the losses in sales in other product categories.

Social Factors

Social variables are in a good way for Reckitt. People are increasingly becoming health-conscious and taking measures to boost their immunity, which presents Reckitt with huge opportunities. Reckitt has joined hands with “Save the Children” to protect children from deadly diseases by providing them with hygiene and healthcare products. This is a part of its investment to bring the greater good to the world.

Technological Factors

Reckitt always has a keen eye for innovations. It strives to come up with innovative products that can change the face of the world. In its manufacturing efforts, it extensively and enthusiastically uses high-end technologies. As a result, it has been able to keep the quality of its products consistent with every passing year. Technological factors are greatly in favour of Reckitt’s business operations.

Environmental Factors

Reckitt is an environmentally responsible corporate citizen. This reflects in every action it takes. Reckitt announced its plan to reduce the carbon footprint caused by its operations. It promotes an approach to sustainable materials sourcing and distribution network. It envisions

a better business and a better world at large. Environmental commitment by Reckitt is a plus for its growth.

Legal Factors

Legal factors include business legislation, regulations affecting businesses, tax returns laws, employee protection laws, consumer rights laws, and rules regarding labour practises. Reckitt pays taxes on time, compensates its employees at competitive industry rates, provides consumers with good and standard quality products, and complies with labour practise rules. So, it is in absolute favour with legal variables.

Reckitt's SWOT analysis

Strengths ➤ Striking goodwill in the health industry ➤ Strong diversification in product mix ➤ Socially and environmentally responsible ➤ Powerful and inclusive corporate culture ➤ Highly skilled employees ➤ Product innovations.	Opportunities ➤ Huge expansion opportunities in newly emerging markets ➤ Improvement of R&D efforts ➤ Producing products for lower-income class ➤ Building a more responsive distribution network.
Weaknesses ✖ A bit expensive products ✖ Sales of expired products by retailers ✖ Leadership issues arising from top executives' departure ✖ Poor acquisition decisions.	Threats ✖ Economic slowdown because of Covid-19 ✖ Brexit impacts ✖ Substitute products at a low cost ✖ Ever-increasing competition on a global scale.

Advantages of SWOT for Reckitt

Reckitt's strong goodwill is the reason for its immense growth and outperformance that has enabled it to achieve its objectives over the years. Reckitt firmly believes in innovations and innovation's overwhelming power to change the world. Hence, it heavily invests in product innovations and also in production process automation. More research and development efforts may open new opportunities for Reckitt. Reckitt has room for improving its distribution and supply chain channels.

Disadvantages of SWOT for Reckitt

Retailers sometimes sell expired products, which alone is enough to tarnish the hard-earned goodwill of Reckitt. Reckitt has made some very terrible decisions regarding acquisitions of businesses, which is disastrous. It often faces the threat of being replaced by similar products of its competing brands. Its products are a bit over-priced, which might drive some potential customers away. Covid-19 has caused a massive economic slowdown, which is a big concern for Reckitt as well as other organisations. Brexit has some serious business implications on Reckitt.

Reckitt's Marketing Strategy



Source: Step One Market (2017)

Segmentation

Reckitt mainly follows a geographic segmentation approach to divide its entire market into small parts. It helps Reckitt exploit the full potential of different regions to capture more market share and ensure its highest level of growth in these regions. Different regions have varying individual market needs and require different approaches to attract more consumers (Johnson, 2015). Hence, it is justified for Reckitt to adopt and use a geographic segmentation approach.

Targeting

After segmentation, Reckitt targets which segments to serve and how to serve them. It is a vital part of the marketing strategy plan. Without targeting, it would become difficult for Reckitt to cater to the different needs of different market segments (Andaleeb, 2016). To better serve the defined segments, Reckitt comes up with unique targeting approaches to attract consumers in these segments. Besides, there are a number of competing brands that offer similar products. To tackle this very issue, targeting with right approaches is essential for Reckitt.

Positioning

Reckitt positions itself as a symbol of hygiene. It focuses on consumer-sought after product innovations, which is core to its purpose and objectives (Riezebos & Van Der Grinten, 2012).

It goes by the tagline “Health Hygiene Home”, which is what it is all about. People perceive Reckitt as a source of cleanliness and positive health enabler. It has successfully managed to keep the promise of being a hygiene partner of those that use its products.

Marketing Mix



Source: Marketing Mix (2019)

Product

Reckitt produces products in 7 categories, which are health care, surface care, home care, personal care, and others. its products include Dettol, Harpic, Vanish, Veet, Woolite, Power Clean, Durex, Airwick, Mortein, etc. it sells these products under more than 100 brands. it has a diverse product portfolio that contributes to its increasing growth. Reckitt’s diversified product mix helps it outperform itself every year and achieve its desired business goals (Sharma & Sharma, 2017).

Price

Reckitt sets its products’ prices mainly based on a value-based pricing model due to the existence of similar products by other competing brands in the industry. For the same reason, it cannot charge a premium price on its products. Reckitt uses a market-skimming pricing strategy when it introduces new products in new markets to cover its product development costs. This pricing model does not work in markets that have similar offerings from different businesses. Hence, Reckitt does not use the model everywhere.

Place

Reckitt's products are widely available across the globe. Its products can be found in around 200 countries (Reckitt, 2018). It is possible because of its very widening and smooth distribution network. People can easily find products like Dettol and Mortein in just their nearby superstores. Retailers play an overwhelmingly big role in this regard. Reckitt's own distribution channel directly sends products to retailers. Besides, Reckitt sells its products via its dedicated online platform. Ordering Reckitt products online is just a few clicks away.

Promotion

Reckitt extensively uses TV for advertising in many of its markets. It is easier for Reckitt to reach a mass of people through this medium. Its products fall under the fast-moving consumer goods (FMCG) category (Dost, et al., 2019). TV alongside radio and print media are the perfect promotional channels for Reckitt. Reckitt produces promotional content for its digital channels such as Facebook, Youtube, and Instagram. These tools cost Reckitt very low to advertise. Reckitt reaches a huge number of consumers through the use of these tools.

Conclusion

Marketing's contribution to a business's success cannot be stressed enough. It is the way through which an organisation identifies what its customers want and need and tries to satisfy these customer needs and wants. It tells the ways to reach these customers with offerings that have superior value and can solve customer problems. With a proper marketing plan and strategies, an organisation can reach new heights of success. That is the case with Reckitt. A strong marketing approach has helped Reckitt grow big enough to become a bigshot in the FMCG industry. Marketers at Reckitt earn all the credit for all of its success over the years.

Recommendations

- Reckitt should make smart decisions when it plans to acquire businesses.
- Reckitt should increase its operations in emerging markets.
- Reckitt should focus more on product development
- Reckitt should consider reducing the prices of its products in the face of Covid-19
- Reckitt should increase its R&D budget to a significant degree
- Reckitt should develop a distribution channel that is more responsive
- Reckitt should engage itself more in corporate social responsibility (CSR) activities.

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