



Procedural Management Based Marketing Strategies for Lays Chips Company in Pakistan

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Abstract:

This paper mainly focuses on the marketing strategy of lays company in Pakistan. Lays is a potato chips manufacturing company operating all over the world with huge marketing setup in Pakistan. To define a business model, it must be a set of strategies and plans, which any business adapt to making the market share and the market place. A business should choose the strategies which define itself different from the competitors. In this study, we will discuss lays chips digitalization that how this chips company is offering its services digitally through social media platforms in Pakistan. Value proposition also involved primarily in the lays company in the shape

of chips packaging, discounts, more wide range of customer attractive strategies and tours in a very comfortable way. This research also focuses giving best ever potato chips in Asian regions.

Keywords: *lays chips company, lays marketing, SWOT analysis, PEST Analysis.*

Introduction

As smart information technology advances, countries have proposed their manufacturing industry development legislation (Shoukat et al., 2022, & 2021). China launched the “Made in China 2025” development strategy in 2015 (Shoukat et al., 2023). The twenty-first century has continued to bring more competitiveness in the market than ever before. In the back days, there were few products in the market that the

customer could choose from and therefore the level of competition was less. Moreover, as there was less globalization and trade it wasn't as easy as it is today, therefore, the challenge of the imports being a competitor for the local market did not exist either (Kiratli et al., 2023). Linking this to porter's five forces model the bargaining power of buyers was less and therefore the buyers were at the mercy of the companies



hoping that the companies produce the product they want (Chen and Evers et al., 2023).

Furthermore, because there were few companies in the market, therefore, the competition was also low furthermore there was a low threat of new entrants as the international competition and multinational lacked in number. Global expansion was a vision that was heavily perused by the companies in the late 1970s when the giants in the market decided that they wished to go global (Ben et al., 2022). Microeconomics teaches that whenever there is a high demand for a product the supplier is in control of the market. With the consumer demanding products and there being only a handful of people in the market, the customer could easily recall the product and extensive efforts were not needed from the supplier side (Kuhlmann et al., 2023).

Moving ahead to the current time, due to excessive competition and globalization there is more competition today than ever before in history. E-commerce has forever changed the way people conducted business. E-commerce setups have proved to be a bigger competition for the people than ever predicted (Esmeli et al., 2022). The e-commerce store varies from small setups to massive companies e.g. Alibaba. The e-commerce industry has helped the customer get cheaper products at ease. The e-commerce market is forever revolutionizing the way of conducting business (Gupta et al., 2024). A study predicts that by the year twenty fifty about seventy percent of the stores will go online and the physical setup of the companies will finish. Therefore, keeping in mind, the extensive competition that exists today there is a massive need for advertisement and promotion for companies (Qader et al., 2022). Advertising is a form of catching customer attention in which using different mediums e.g., print media, television, and billboards the customers are pulled towards the brand (Lyu et al., 2022).

Many advertisement companies suggest that the advertisement of any product should be repeated again and again so the customer can recall it more and as the customer recalls the advertisement, therefore, they instantly recall the product when they are in the market trying to

make a purchase (Beard et al., 2022). The recall value of a product is the most important element of an advertisement. An advertisement is also used to reinsure the brand value of the company and its products e.g., (D'Uggento et al., 2023). Many companies announce their corporate social responsibility (CSR) activities and plans in their advertisements by linking it to products e.g., Pepsi & Coca-Cola often rolls out advertisements around the special holiday season that is linked to the message of the holiday e.g. (Swaminathan et al., 2022).

However, innovation is key to growth and therefore they use the idea of product promotions to entice the customer. Promotional strategies may include buy one gets one free or buy one and get a certain percentage off, some promotion strategies that can be used by the companies to generate sales (Shoukat et al., and Nigam et al., 2023). In the market of Pakistan, there are currently five telecommunication companies operating with one of them operating only in a particular area. Due to the intense competition between the four labour telecom giants, there is mostly a tough competition of generating higher sales. The telecom sector is a job provider of thousands of employees and the four giant telecom companies are currently providing the network services to millions of Pakistanis. Keeping in view the research problem and research questions the following research objectives are proposed:

- To evaluate the impact of Advertising and Sales Promotions on the Sales Performance of lays chips in Pakistan.
- To evaluate the impact of advertising on the sales performance of lays potato chips in Pakistan.
- To evaluate the impact of marketing strategies on the sales performance of lays chips in Pakistan.

Background and Methods

The research methodology consists of procedures that are important to use for the validity and reliability of the data being used in

the research paper. The methodology of research must be chosen very carefully as it provides evidence to prove the arguments right. The methodology consists of various methods like questionnaires, direct interviews, etc to gather data. There are various research methods

such as qualitative research, quantitative research, and mixed research methods. Research methods should include Survey research method. This method collects data using questionnaires, direct interviews, etc., as shown in Figure 1.

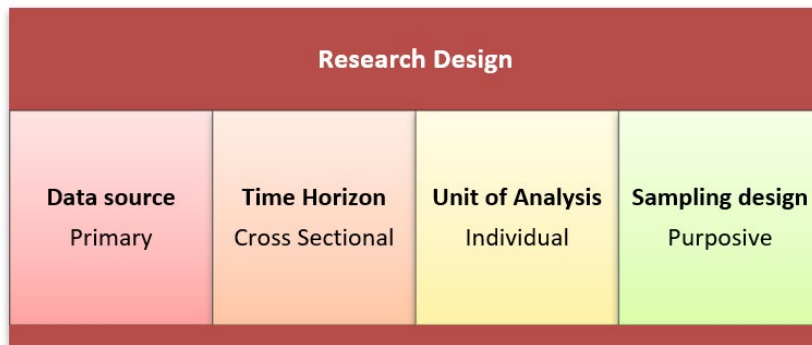


Figure 1. Research Design

PEST Analysis Method

Potato chips: the case study is on (A) PESTEL research involves macro environmental factors that influence business environments overall, including political, social (Hassaan et al., 2023), technical, environmental and legal considerations. We must analyze three interconnected systems to create an effective strategy. The three inter-related environments are the company's manufacturing setting, geographical market or zone, the socio-economic / macro environment. Mainly the assessment of macro-environment variables is PESTEL analysis.

Lay’s potato chips case description: It is known that snacks are healthier snacks and lower weights, but not just traditional salty snacks such as the famous Lays potato chip brand, snacks that are sold as nutrient saplings must formulate a balanced consumer plan without compromising its products in the changing market.

Politics Factors: Political concerns play a significant role not only in transnational investment decisions in companies like lays chips, but also in companies like them. The political climate and other factors not only

impact business prices, but also sustainability over the long term. Management, government and institutions, military coups, military confrontations, rule, market order and so on, all of which are political considerations.

Lay’s Potato Chips: Crunch is on the political factors that impact. The deficit of both national and local governments is on a national scale – to support short-term economic development, but it will lead significantly to a medium-term rise in inflation. Investment is the National Government's bond ranking. Different government agencies are segregated in political responsibilities – Multiple government agencies minimize the possibility of overwhelming pressure on a single entity. In the other hand, it raises both time and costs to carry out business and to obtain certifications and clearances. Democracy & Other Democratic Institutions According to Jared Harris, Jerry Yemen, Amanda Lozano needs more strengthening democratic institutions in order to allow businesses like Lays chips to prosper in a political context that is free, transparent and stable. Enhancing democracy would promote greater accountability and reduce the degree of corruption in the world.

Economic Factors: Employment rate – If the employment rate is big, Lay's strategies are affected doubly it will supply sufficient customers for the goods of Snacks Lay. While Lay's will have to recruit competent and skilled employees at an ongoing cost.

Fluctuations of the snacks price on local and foreign markets – In comparison to that of quantitative easing in the last decade, the snacks prices and overall commodity pricing remain stagnant on the U.S. market. Lay's chips should take into account that the levels of deficit in the developing U.S. economy could lead to heavy inflation and depreciation danger.

Inequality index / Gini index classification – A major barometer for stability and social development is the Gini Index and the degree of inequality. When society has huge wealth inequalities, the risk of abuse and crime increases. This may contribute to short and long-term uncertainty and the abolition of consumption.

Profits from households and investments - Increased US consumption and stagnant household incomes resulted in binge credit consumption. It decimated the savings business because people are not enough to save. Lays chips must ensure the creation of a customer-driven marketing campaign.

Society Factors: Social variables including demographic patterns, social power structure, involvement of women in labour, etc. have enormous repercussions for the economy, the availability and degree of market demand of workforce talent, and more.

Social impact factors – Lay's potato chips: the crunch comes into being Authority attitude different cultures all over the world have different authority attitudes. In Asia, authority is appreciated as something rebellious in the west takes place. Lay's chips should consider carefully the government's stance before initiating a marketing campaign for their products and services.

Community education level - the education level in society impacts both on the quality of jobs and on the level of income. High levels of education

often contribute to higher employment, higher income and expenditure for different and intentional products.

The essence of a contractual agreement between government and society – before entering into the business Lay needs to know the meaning of a social contract between government and society. Until a business joins American businesses, for example, have been facing immense difficulties in accessing the UK health sector, as the UK health system is nationalized and central contracts extend to all.

Technical Factors: The technological factors in the PESTLE Analysis of Lays are mentioned below:

With the progress of technology in the industry, adoption of the same is essential. Lays should ideally adopt the latest technology in its production process that will facilitate costs cutting options for the company. This will lead to even battling the competitor's question and also enabling faster and effective work process. Application of these developments will always provide and impetus to the business, thus reaping future profits.

The technological factors can also be exploited to the maximum by enabling better marketing strategies and brand awareness through social media and also other media platforms.

Lays falls under the snack industry thus there are stringent laws pertaining to carrying of business in various regions. Laws being dynamic from region to region, need to be taken into consideration while carrying out the business. Various health laws and production policies that are levied on the consumable goods needs to be abided by the company for hassle free functioning in the markets. Since the product is a consumable product, adhering to the health laws and quality of packaging is a major factor that needs to be considered while entering the market. Any faltering on these grounds may affect the company adversely leading to worsened conditions in the market and affecting the company's business. There exist various trade policies for import and export of ingredients in the market and those need to be

also accounted for while functioning in the market.

SWOT Analysis Method

Lays is a well-known PepsiCo chip owned by a wholly owned company, Frito Lays. The potato chips are available in many kinds, some worldwide, for example American cheese, and many local ones, including the magical Indian masala. Classic Tomato Tango, Lays Cheddar & Sour Cree, Lay's Flaming Sweet and many other popular variants have been made in the US, it holds 56% of the Frito Lays' market share, one of its highest. Lays is a potato chip flagship corporation with no sales of nearly US\$1.2 billion. In 1932, Lays was released and the rivalry was continuously defeated and market leadership continued ever since.

Although SWOT analyze is sometimes used as a tool for strategic planning, its share of the vulnerabilities is defined in the study. Strength and weakness may be any capacity or organizational factor. It's one of SWOT's biggest restrictions. Changing environmental rules, for example, may also be a challenge for companies to allow the organization to achieve or sustain competitors as they are able to produce their goods faster than their competitors. SWOT does not explain how to gain a competitive advantage, so that it is not an end itself.

The matrix is just the first time that the proposed solutions have been discussed. The appraisal window displayed an evaluation, but not a potato chip business plan.

Strengths: Lay's Potato Chips is one of the leading organizations with a wide variety of strengths and prosperity in its industry. These features contribute to the protection of market shares in established markets and emerging markets. Based on lay potato chip strengths. The company with the customer service department is very satisfied with existing customers and has a good brand reputation with prospective customers. Go to market tactics are highly competitive with their products. Solid distribution network – Lay's Potato Chips has developed over the years a steady distribution

network, which is able to meet a great deal of their market potential.

The goods from Lays Potato Chips were produced to increase their quality, and automated businesses were able to scale and decline according to conditions of market demand. Active training programmes offer highly trained staff. Lay's Potato Chips invested massive resources in the training and preparation of its workers, leading not only to a highly-trained workforce but also to an encouragement of further growth.

Weakness: Lay Potato Chips can improve on the fields of weakness. The strategic objective is to make decisions and weaknesses are areas where a company can strengthen its competition and strategic positioning by means of a SWOT review. Weaknesses are used in places where the company or brand wants to change. Any of Lays Are's major weaknesses: Reduction in snacks consumption: Globally snacks have been reduced due to increased health issues. This decrease has adversely affected Lays' revenue.

Poor margins: In the snacks market, there is strong competition and not much distinguishing except flavoring. The price differentiation is less because the consumer is very responsive to prices. These brands therefore must keep costs as low as possible, with very low margins.

The low propensity for innovation: In snacks like Frito Lays, there is very little room for imagination. Lays, the longtime brand in the company, thus loses market participation of small competitors and makes customers actively switch products through their low brand loyalty.

Compared with rivals, the day inventory is strong – raising more money for the channel. This can affect the Lay's Potato Chip's long-term growth in the division, the organization was unable to meet the demands of the new entrants and lost a small market share. Lay's Potato Chips must create an internal scanning system from a local selling team in order to respond to these challenges. Research and development spending is among the industry's fastest growing players. While the business invests more than average in R&D than Lay's Potato Chips, the industry does

not rival leading players in innovation. It was an advanced company which wanted to produce products on the market based on certain features.

Threats: In certain markets, increasing strengths of local distributors are risky as rivalries pay more margins. Modification of the online shopping behavior will disrupt existing models of the physical infrastructure supply chain. Shortage of qualified labor on certain global markets threatens a steady increase in Lay's Potato Chips income on those markets. In different markets, the business can face legal proceedings – various laws and constant variations in quality standards in these markets.

Because of the uncertain political situation of many countries, the Organization is vulnerable to currency fluctuations in many markets worldwide. Increased isolationism trends in the US economy could have similar effects on the foreign sales of other governments. Raw materials that are increasing will threaten the profitability of the Lay Potato Chips. Seasonally highly profitable products are needed and their profitability may be affected by a possible unforeseen event during the peak season. In the medium- to short term.

The Managements wanted to assess all internal strength and weakness of the organization because of the above SWOT analysis/matrix limits. Organizations are now determining the risk of possible incidents and the effects on the efficiency of the business. This technique is referred to as a weighted SWOT test. The weighted SWOT layer of potato chips management concentrates on the most relevant factors and eliminates the unimportance.

Case Study

Improvement of Product Strategy

As far as quality is concerned LAY'S CHIPS follows the Siemens principle. They should not disregard the two dimensions of quality (performance & conformity) in order to achieve customer satisfaction.

Features: the company compiles all of the structures and features (like spiciness) of LAYS in accordance with the needs and needs of the customer, as shown in Figure 2.

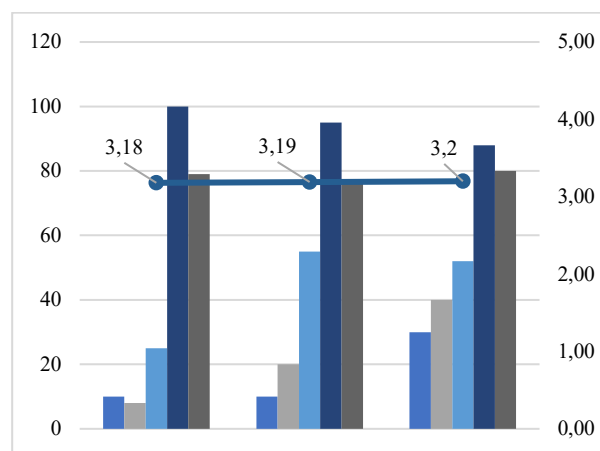


Figure 2. Response on Product Information

Improvement of price strategy

LAY'S has close competition, but it is a monopoly competition because every business charges the different prices in accordance with its performance, product viability and the target market because of many factors. Lay is charged comparatively high prices in potato chips. And when we are talking about Pringles it's good quality and design for the elite class, too they're getting so much for snacks which isn't business nearby, as shown in Figure 3.

Pricing methods: LAY'S has not specified a pricing policy, making it difficult to evaluate. Most organizations, including this, use cost-based pricing. A company's price-based fluence and consumer-worth impact on the FMCG product market will be fluid, therefore it cannot take one method. Kolson and Lays agreed on pricing. They also agreed to keep prices on the product; they also decided to develop their Cost + Prize strategies. Expenses included:

The price of Lays is affordable for the middle-income groups. The price is adjusted to the request of the product. When the Lays Jumbo package was launched, it now dropped by 20, causing a rise in demand for the product.

Improvement of promotion strategy

Lays are communicated through various channels media news (Fm media, TV channels, Internet links etc.) papers and journals news banners and publicity sponsoring multiple matches and shows free samples.

They are promoted to their company by introducing some new product such as Aquafina. They offered to purchase a "2 and get a free" pack as they laughed. It gave free taste drinks to people when the mountain dew was introduced. They have an arrangement with KFC and Pizza Hut to sell their customers their drinks.

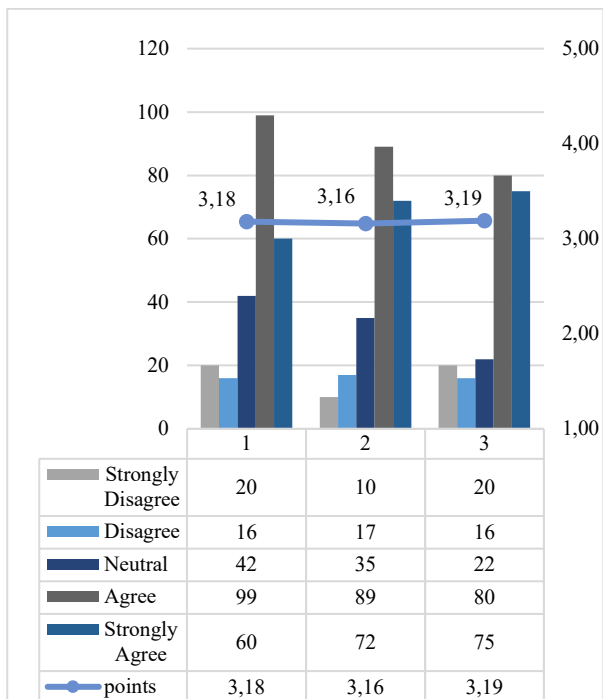


Figure 3. A Response to the Price Information

Conclusion

Lays marketing methods are employed to study brand loyalty elements. Referrals, promotional packages, complaints, delivery speed, churn rate, and monthly Lays chip charges effect brand loyalty. The current study uses sampling because the audience is large and needs real data to verify research. Deductive technique is utilized to examine Pakistani Lays chips brand loyalty factors. Most snack providers focus on

delivering excellent customer service, which boosts their business. Better product quality increases brand loyalty and trust. Contrarily, this study shows that if lays chip providers can't provide the finest products, brand trust and loyalty fall and customer ratio decreases.

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Conflict of Interests

No conflict of interest.

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