

content

- Marketing Management Micro focus
- Approaches to Marketing Micro Marketing
- Micro Market Strategy and the Business Plan
- 4Ps -Options & How to Determine/Assess the best option for your business idea
 - Product
 - Price
 - Promotion
 - Place/Distribution

Back to Strategy

marketing management



Marketing Management

Marketing Management involves:

- Understanding needs of consumers and developing and selling products to meet those needs
- Helps producers decide what, how, why, where, when and whom sells the product and to whom is it sold
- Industry and competitive landscape review
- Marketing strategy definition regarding price, product, promotion, place and target market (marketing mix – 4Ps)
- Activities such market research, selling , advertising, web design, customer service and new product development
- Labeling, Food Safety, Labour, Trade and Tariff Regulations & Relevant Provincial/Federal Legislation

Approaches to Marketing Management



Approaches to Marketing Management

- Production
- Product
- Selling
- Marketing
- Societal
- Social



Approaches to Marketing Management

- **Production:**
 - Involves manufacturing concept & economies of scale
 - Quality and efficiency of production key strategic points.
 - Produce as much as possible at lowest possible cost
 - Producer focus
 - Possible where demand is greater than supply
 - Challenge: focusing on technology development and optimized manufacturing may cause a firm to lose touch with the marketplace.
- **Product:**
 - Focuses on building a superior product or service that will pull customers to firm because you have what they need.
 - Still mainly producer-focus versus consumer-focused
 - Firms make product research, development and improvements the focal point, and then market the results to consumers.
 - Involves marketing concept

7

Approaches to Marketing Management

- **Selling**
 - Characteristics that set it apart from a market-oriented business. aggressive selling methods
 - relies on branding and communications strategies to pull customers to firm by making them believe you have something they want
 - tendency to plan for the short-term rather than the long-term
 - need for heavy promotion
 - assumption that consumers will buy the product if the company makes it.
 - **Examples:**
 - Door to Door Sales ? Ali Express ? Amazon?
 - Not initially looking for the product, but did so because the ad or salesperson showed benefit to buying it.

8

Approaches to Marketing Management

- **Marketing approach**
 - Strategies derived from assessing customer needs and competitor data, and responding
 - Customer-first approach: detect needs before the general market is aware of them.
 - Firm conduct marketing research and responding to customer
 - Long term profit and loyalty focus
 - Challenge: Keeping up-to-date, and responding to market changes
- Examples:
 - **Personalizing Online Shopping:** Amazon.com - company with a high level of market orientation.
 - **Best Buy** – Return Policy 14 days trial on computers
 - **Food:** Celiac, convenience, salads box

9

Examples

What are the marketing approaches for these products?

- Milk
- Eggs
- Cheese
- Wheat
- Flour
- Ready-to-eat salad
- Meat



- Soil remediation services
- Water and wastewater treatment technologies
- Wood products
- Stormwater management techniques / technologies
- Invasive species removal plans and implementations

10

Approaches to Marketing Management

- **Societal marketing**
 - Purpose of societal marketing is for a company to meet its needs and the needs of a consumer while considering the long-term good of society.
 - Company uses its socially conscious stance as a way to attract consumers who may appreciate the company's desire to market its products with consideration for society.
 - Build social and ethical considerations into their marketing practices.

11

Approaches to Marketing Management

- **Societal Marketing: Examples**
 - **Consumer Health**
 - Firms that market organic ingredients or no chemicals or additives in their products consider/promote consumer health
 - **Eco-Friendly Marketing**
 - Firms that emphasize recycled products and organic products market themselves as concerned about the long-term impact on society. Includes materials used for producing products and their own day-to-day operation
 - **Supporting Farms and Local Business**
 - More contained form of societal marketing by marketing products made with materials obtained from local sources – accounts for well-being of a local social structure.

12

example

IKEA's "No More Plastic Bag" movement

By Packaging Digest Staff in *Smart Packaging* on April 29, 2009

[Twitter](#)
[LinkedIn](#)
[Facebook](#)
[Google+](#)
[Email](#)



13

example

- "better for you" products.
 - "using a more natural sweetener doesn't make it a healthier product, just less unhealthy."



<http://www.sbs.com.au/news/article/2014/10/03/coke-and-pepsi-healthier-green-cola-dont-be-fooled>

14

Back to examples: In which cases and how might Social Marketing apply to helping sell products?

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15

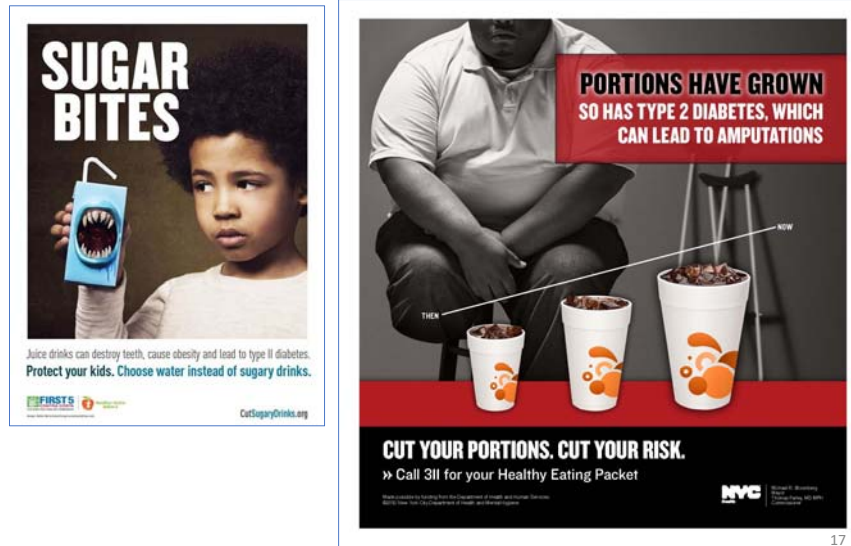
Approaches to Marketing Management

Social Marketing

- Marketing approach with the goal of individual/societal gain – behaviour change
- **Strategy**: utilize commercial marketing techniques
 - **Application** of commercial marketing techniques (target and segment identification and 4Ps) consumer and the greater good.
 - Industry profile frameworks – industry, competition, segmentation & 4Ps (price, promotion, place, product)
 - Market research is key to success
 - Not just an ad but an coordinated approach
- **Used by?** Government or Non-profit agencies use marketing techniques to deliver clear and targeted messaging in order to change behaviors of a specific group of consumers.
- **Results** do not benefit the marketer (not selling or making profit), but instead benefit the **target audience** and the general society

16

example



Example



example

**STOP
SMOKING**



hypnosistive

<https://www.youtube.com/watch?v=CO0qwl5k9R4>

19

example

Make Health Last. What will your last 10 years look like? -
<https://www.youtube.com/watch?v=Qo6QNU8kHxI> ▼

- <https://www.youtube.com/watch?v=Qo6QNU8kHxI>



**HEART &TM
STROKE
FOUNDATION**

20

Back to examples: In which cases and how might Social Marketing apply to changing behaviour?

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21

Approaches to Marketing Management

Difference & Similarities between social and the rest of the approaches

- Goal: financial gain vs. individual/societal gain
 - social marketing tries to change people's behavior for the benefit of the consumer, or of society as a whole.
 - commercial marketing (earlier approaches) tries to change people's behavior for the benefit of the marketer (profit seeking)
- Strategy: both utilize commercial based marketing techniques

22

Approaches to Marketing Management

Difference & Similarities between social and the rest of the approaches

- Product sold:
 - goods and services vs. behaviour change
- Price:
 - money vs cost to the target audience of changing behavior (financial, or more often related to other "costs)
- Place:
 - Distribute vs Move programs or products to places that the audience frequents, in order to ease access

23

Example: Commercial Exchange

You Give Me

\$1.00

You Get

A Pepsi

- a thirst quencher
- good taste
- fun
- youthful feeling

24

Example: Social Marketing Exchange

You Give Me

Time
Effort
Momentary discomfort

You Get

Exercise

- better health
- avoidance of greater discomfort (sickness)
- ability to go to school, work, travel

25

Micro Marketing Strategy & the Business Plan



26

Micro - Marketing Strategy

- Day-to-day strategy, based upon macro analysis
- Need to create a successful and coordinated combination of 4Ps
- Coordinate with Target, Product, Competition
- Based upon the industry analysis



27

Price



Price Strategy

- Business plan will present pricing strategies utilized and justify why this will be used
- Note that price:
 - Determines firm's revenue
 - Sends message to customers
- Objectives of strategy:
 - Maximize profit
 - Cover break-even and more
 - Achieve economies of scale
 - Ensure consistent with other 3 Ps, competition, industry, & target customer



29

Price Strategy Options: New Products

- **Cost Based:**
 - Price = Cost + Markup Over Cost
 - (Use breakeven and target analysis)
- **Value Based:**
 - Customer's Perceived Value of Product
 - Other Choices Available to Customer (competition based)
 - In value-based pricing, the list price is determined by estimating what consumers are willing to pay for a product and then backing off a bit to provide a cushion
- Again in context of other 3Ps, competition, industry, & target customer
- Challenge of determining best approach, in changing market: story of sewer heat recovery

30

Price Strategy Options: New Products

Competitive Pricing

- Same as competition
- Why Used?
 - Easy
 - Sometimes required by structure of industry

31

Price Strategy Options: New Products

Skim Pricing:

- Charge high price for new, unique or innovative product
- Available for a limited time only before competition moves in
- Usually accompanied by heavy promotion and promoted to target that is not very sensitive to high prices
- Example – Gala apples, Salish apples
- Why used?
 - Based on recovery of product development cost
 - Obtain revenue when needed
 - New products tend to be less demand-elastic

32

Price Strategy Options: New Products

Mass Market Pricing :

- Set prices aggressively low in order to gain market share for new product
- Actual prices are just above the breakeven price or total unit cost
- Can be used with a new product to gain quick acceptance and high volume of sales distribution
- Used to get high market share and high sales volume to distribute fixed costs over larger volume

33

Price Strategy Options: New Products

Price Discrimination (Segment Discounts)

- Long term strategy so need to fit with the company image
- Attracts customers with little brand loyalty and price focus only
- Offer a discount to specific targets
- Example: Airplane tickets
- Examples: faculty and bank rate, food and student rate

34

Price Strategy More specific ideas to use

- **Volume/Multiple Pricing/Bundling:** Offer discount for volume purchases
- **Loss Leader Pricing:** Business cuts the prices of a popular products to increase traffic
- **Price Odd-Even:** Choosing numbers that have a psychological effect. Numbers ending in 9, 5, 7

35

Price Strategy Considerations

- Customers Make Price-Quality Attribution:
 - Higher price = Higher quality
 - Lower price = Lower quality
- Price You can charge is a function of:
 - Unique Service Proposition (USP)
 - Characteristics of product
 - Features: Perception of value offered

36

Place (Distribution)



Place Strategy

- Distribution: Activities that move products from place of origin to the consumer
- Variety of choices:
 - Sales force
 - Direct to consumers via website
 - Intermediary / channel
- Choice is based on best way to reach your target customer
- Ensure consistent with other 3 Ps, competition, industry, & target customer



38

Place Strategy & Considerations

Distribution needs to consider challenges associated with the Unique features of food & agricultural commodities, and other Land/Water characteristics and restrictions

Food / Ag characteristics:

- Bulky
- Low in value per unit of weight
- Perishable/ easy to spoil/bruise
- Produced in areas distant from consumers
- Fixed supply/seasonality
- Seasonal price fluctuations
- Production levels difficult to predefine due to uncontrollable factors
- Changing regulations on a global level
- Mix of trade and political issues

Land/water/energy:

- Often supply is very site-dependent, and markets may be far away
- Example: Windpower on Vancouver Island
- Example: Supply/demand of compost

39

Place Strategy & Considerations

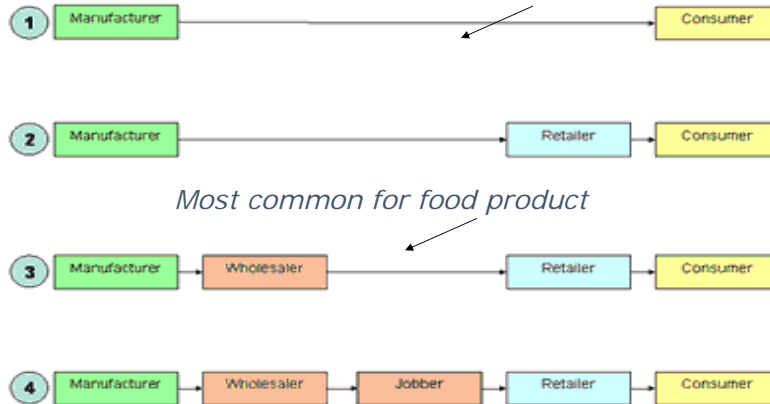
Consider your buyer:

- Where do buyers look for your product or service?
 - If they look in a store, what kind? A specialist boutique or in a supermarket, or both? Or online? Or direct, via a catalogue?
- What do your competitors do, and how can you learn from that and/or differentiate?

40

Distribution Options

Increasingly common as online sales increase



Examples of Customer Marketing Channels

41

Distribution example: Food Truck

EXAMPLE

The Food Truck Phenomenon



42

Distribution example: Farm-to-Table

EXAMPLE

Farm-to-Table example

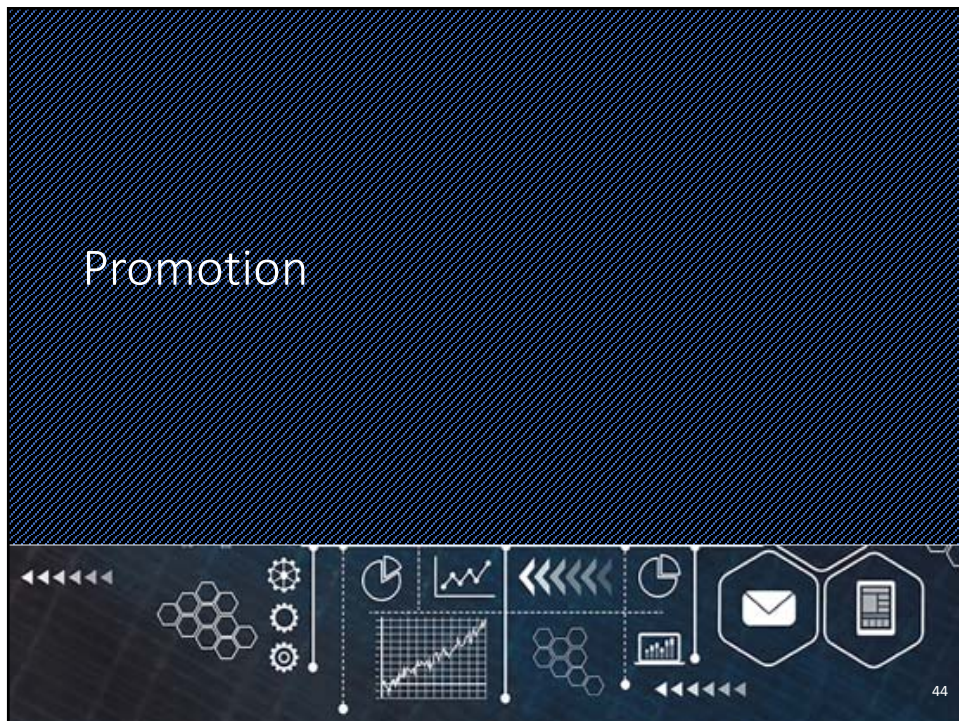
[https://www.vitalityfarm.ca/
contact-us](https://www.vitalityfarm.ca/contact-us)

<https://www.britishcolumbia.ca/industries/agriculture/>



43

Promotion



44

Promotion Strategy

- Specific tactics firms use to communicate with potential customers
 - Advertising
 - Public relations
 - Social media
 - Other promotions & related activities: samples, words of mouth, trial membership
- Choice is based on best way to reach your target customer
- Ensure consistent with other 3 Ps, competition, industry, & target customer



45

Promotion or Communication Categories

- **Advertising**
 - Television, radio, newspapers, magazines, billboards, social media
- **Publicity**
 - Publicity involves any unpaid form of presentation of ideas, goods, and services.
 - Example: trade magazine article
- **Personal Selling**
 - Personal selling includes all of the employee interactions with the customer, whether the salesperson or the person at the front desk.
- **Social Marketing**
 - This can take place in ways others than simple ad buys

46

Promotion Strategy Considerations

- **Create Awareness**
 - Is crucial to initiating the product adoption process
 - Helps generate revenues to recoup R&D costs
 - Refresh interest in existing brands and products
- **Stimulate Demand**
 - Primary demand is demand for a product category rather than for a specific brand
 - Pioneer promotion is promotion that informs consumers about a new product
 - Selective demand is demand for a specific brand
- **Reduce Sales Fluctuations**
 - Promotion raises sales in off-peak sales periods.

47

EXAMPLE

Must drink more milk

See videos

<https://www.youtube.com/watch?v=elz89EX8yFk>



48

EXAMPLE

Expanded market for eggs

<https://www.youtube.com/watch?v=lj1GKO-0z3A>



49

Back to micro market strategy



50

Micro Market Strategy & Business plan

- Success of any marketing program is the ability to work effectively in shaping product position and marketing mixes that meet the nature and needs of your specified target market.
- 4 P's should maximize performance of the company and fit with the company image and goals.

51

Micro Market Strategy & Business plan

- Define your marketing approach
- State your micro marketing strategy & justify decision
- 4 P's strategy should
 - Ensure consistent with other 3 Ps, competition, industry, & target customer
 - Feed info to financial, human resource, production plan sections

52

- End of slides