 

# MARKETING MANAGEMENT SBS MBA/MSc

**Assignment – Bahrain 2020**

STUDENT ID

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UNIT TITLE / CODE: MKT501

NAME (in Full): LEENA JOHN

## GENERAL INSTRUCTIONS

* All assignments are to be submitted 14**th May 2020** on to [examinationboard@atmsedu.org](mailto:examinationboard@atmsedu.org) and cc to [azrafatima@atmsedu.org](mailto:%20azrafatima@atmsedu.org), [assignmentsubmission2019@gmail.com](mailto:assignmentsubmission2019@gmail.com)
* If assignment is not submitted on date, will follow with penalty of 10% deduction of marks for every day.
* Similarity between students work is strictly not accepted, any student found with similar work will be graded Zero and fail for the course. However, Plagiarism is an academic offence and will not be tolerated under SBS
* Assignment once submitted to exam board is final for marking.
* Total 100 marks

## GUIDELINES FOR ASSIGNMENT

* 1. If assignment is Question & Answer based then.
     + Introduction is needed for each question.
     + Question has to be answered based on the mark allotted for each question with references if any idea or information is taken from other source.
  2. If assignment is case based then,
     + Executive summary
     + Table of content
     + Body of assignment (questions related to case need to be answered)
     + Conclusion / Recommendation if any
     + References (in-text + citation) to be used

## Total Marks / 100

**PLAGIARISM**

Plagiarism is a form of **cheating**, by representing someone else's work as your own or using someone else's work (another student or author) without acknowledging it with a reference. This is a serious breach of the Academic Regulations and will be dealt with accordingly. Students found to have plagiarised can be **excluded from the program**.

Plagiarism occurs whenever you do any of the following things without acknowledging the original source:

* Copy information from any source (including the **study guide**, books, newspapers, the internet)
* Use another person's concepts or ideas
* Summarise or paraphrase another person's work.

## How do I avoid plagiarism?

To ensure you are not plagiarising, you must acknowledge with a reference whenever you:

* use another person's ideas, opinions or theory
* include any statistics, graphs or images that have been compiled or created by another person or organization
* Paraphrase another's written or spokenword.

## What are the penalties?

The penalties for plagiarism are:

* Deduction of marks,
* A mark of zero for the assignment or the unit, or
* Exclusion from the program.

Plagiarism is dealt with on a case-by-case basis and the penalties will reflect the seriousness of the breach.

## Please note: claiming that you were not aware of need to reference is no excuse.

**Marketing Management Assignment Structure – Marketing Strategy (Brand)**

For your brand of choice please prepare a marketing strategy on the below guidelines. This should clearly reflect the marketing mix – product, place, price, promotion and packaging as discussed in the class. The learnings on Brand Equity in the class should be the emphasis of the assignment.

Please note the brand should have linkage in the UAE – must be an existing brand or a brand that intends to be introduced in the UAE.

1. Executive Summary – summarizing points 2-8.
2. Brand Overview – describe the current status of the brand with a brief historical background. Also define the brand’s current state on the Product Life Cycle.
3. Competition Overview – Define competition
4. Target Market – Define who is being targeted
5. Segmentation – Demographic, Behavior, Psychographic
6. SWOT – on brand or industry
7. Market Research if any carried out – if no research carried out then suggest a need if any
   1. Product – BCG matrix. Also include packaging plans if any.
   2. Place – Choice of retail strategy
   3. Price – penetrative or skimming or competitive
   4. Promotion – pull or push strategy including choice of medium – digital or traditional
8. Conclusions and Recommendations – suggestions for change in current practices if any to make it more effective should be discussed.
9. Appendix – Any other information you may provide.

1. **Executive Summary**

Philips is a Dutch multinational company that primarily designs and manufactures electronics, including lighting and healthcare systems. Philips, look beyond technology to the experiences of consumers, patients, providers and caregivers across the health continuum – from healthy living and prevention to diagnosis, treatment and home care. With leading research, design and innovation capabilities, we partner with our customers to transform the delivery of healthcare.

Philips is a global health and well-being company operating across the health continuum from healthy living and prevention, to diagnosis, treatment, recovery and home care. A workforce of over 100,000 employees committed to making the world healthier and more sustainable through meaningful innovation. Its mission is to improve the lives of 3 billion people a year by 2025.

The Philips is one of the leading organizations in its industry. Philips maintains its dominant position in market by critically analyzing and reviewing the SWOT analysis**.**

2. **Brand Overview** – describe the current status of the brand with a brief historical background. Also define the brand’s current state on the Product Life Cycle.

Headquartered in Amsterdam, Phillips is a multinational company and is one of the world’s largest electronics company and is currently focused in the area of lightning and healthcare. Phillips was founded in the year 1891, by Gerard Phillips. Phillips is [technology](https://www.marketing91.com/how-to-make-your-business-more-efficient-by-upgrading-technology/) focused and company aims to improve health and enabling better outcomes across the continuum of health from prevention to healthy living, diagnosis to treatment and home care.

Phillips has over 110 production facilities spread across 100 countries and has a strong R&D department and leverages advanced technology with deep [consumer](https://www.marketing91.com/consumer/) insights to deliver solutions across home care and consumer health. Their solutions are targeted to deliver an optimal clinical and patient experience that can help care providers and health systems as they navigate complex and changing patient conditions work in partnership with health systems to drive innovation, support financial and operational goals, and enable personalized transformations in a value-driven era.

Products under the Philips Healthcare Division include Clinical Informatics, Imaging Systems, Diagnostic Monitoring, Defibrillators, Consumer Health Products, and Patient Care and Clinical Informatics.

3. **Competition Overview – Define competition**

Competition includes all the actual and potential rival offerings and substitutes a buyer might con-sider.

4. **Target Market – Define who is being targeted**

Philips look beyond technology to the experiences of consumers, patients, providers and caregivers across the health continuum – from healthy living and prevention to diagnosis, treatment and home care. Unlock insights leading to innovative solutions that enable better care at lower cost. With leading research, design and innovation capabilities, Philips partner with customers to transform the delivery of healthcare.

**5. Segmentation – Demographic, Behavior, Psychographic**

Some of the major bases for market segmentation are as follows:

* Geographic Segmentation
* Demographic Segmentation
* Psychographic Segmentation
* Behavioristic Segmentation
* Volume Segmentation
* Product-space Segmentation
* Benefit Segmentation

Developing meaningful technology that optimizes healthcare delivery and meets society’s needs

Implementing practices that assure business integrity and accountability

Investing in our employees and ensuring their wellbeing at work

Creating products that consume lesser amounts of materials, energy, and contain recyclable substances

Preventing pollution, conserving resources, and reducing the use of hazardous substances in our operations and products

Complying with relevant environmental legislation, regulations, voluntary standards, and Philips requirements

Product stewardship is mandated for electronic medical devices in over 40 countries globally. Depending on the legislation, product stewardship can mean anything from paying import fees to covering product disposal at end-of-life, to requiring Philips Healthcare to arrange for the removal and disposal of used products at end-of-life

6. **SWOT – on brand or industry**

The Philips is one of the leading organizations in its industry. Philips maintains its dominant position in market by critically analyzing and reviewing the SWOT analysis.  SWOT analysis an immensely interactive process and requires effective coordination among various departments within the organization such as – marketing, finance, operations, management information systems and strategic planning.

The Strengths-Weaknesses-Opportunities-Threats

(SWOT) Analysis / Matrix helps the managers of the Philips to develop four types of strategies:

* SO (strengths-opportunities) Strategies
* WO (weaknesses-opportunities) Strategies
* ST (strengths-threats) Strategies
* WT (weaknesses-threats)

**Step by Step Guide to Philips SWOT Analysis**

**Strengths of Philips** – Internal Strategic Factors

As one of the leading firms in its industry, Philips has numerous strengths that help it to thrive in the market place. These strengths not only help it to protect the market share in existing markets but also help in penetrating new markets.

Strong Free Cash Flow – Philips has strong free cash flows that provide resources in the hand of the company to expand into new projects.

Reliable suppliers – It has a strong base of reliable supplier of raw material thus enabling the company to overcome any supply chain bottlenecks.

Strong dealer community – It has built a culture among distributor & dealers where the dealers not only promote company’s products but also invest in training the sales team to explain to the customer how he/she can extract the maximum benefits out of the products.

Strong distribution network – Over the years Philips has built a reliable distribution network that can reach majority of its potential market.

High level of customer satisfaction – the company with its dedicated customer relationship management department has able to achieve a high level of customer satisfaction among present customers and good brand equity among the potential customers.

Successful track record of integrating complimentary firms through mergers & acquisition. It has successfully integrated number of technology companies in the past few years to streamline its operations and to build a reliable supply chain.

Strong Brand Portfolio – Over the years Philips has invested in building a strong brand portfolio. The SWOT analysis of Philips just underlines this fact. This brand portfolio can be extremely useful if the organization wants to expand into new product categories.

**Weakness of Philips** – Weakness are the areas where Philips can improve upon.

There are gaps in the product range sold by the company. This lack of choice can give a new competitor a foothold in the market.

Not highly successful at integrating firms with different work culture. It has its share of failure to merge firms that have different work culture.

Need more investment in new technologies. Even though Philips is spending above the industry average on Research and Development, it has not been able to compete with the leading players in the industry in terms of innovation. Philips is not very good at demand forecasting thus end up keeping higher inventory both in-house and in channel. Philips has to build internal feedback mechanism directly from sales team on ground to counter these challenges.

Threats Philips Facing - External Strategic Factors. As the company is operating in numerous countries it is exposed to currency fluctuations especially given the volatile political climate in number of markets across the world.

New technologies developed by the competitor or market disruptor could be a serious threat to the industry in medium to long term future.

The demand of the highly profitable products is seasonal in nature and any unlikely event during the peak season may impact the profitability of the company in short to medium term.

Rising pay level especially movements such as $15 an hour and increasing prices in the China can lead to serious pressure on profitability of Philips

Limitation of the counterfeit and low-quality product is also a threat to Philips’s product especially in the emerging markets and low-income markets.

Liability laws in different countries are different and Philips may be exposed to various liability claims given change in policies in those markets.

Rising raw material can pose a threat to the Philips profitability.

7. **Market Research if any carried out – if no research carried out then suggest a need if any**

Philips Offer an integrated proposition across health care continuum, connecting providers and consumers for better outcomes and higher productivity.

Philips has moved from holding company model towards a more integrated approach which is clustered around 3 themes

Enabling people to take care of their health by delivering connected products and services:

Health & Wellness, Personal Care, Domestic Appliances, Sleep & Respiratory Care

Diagnosis & Treatment: Enabling efficient, first-time-right diagnosis and precision therapies through digital imaging and clinical informatics solutions:

Diagnostic Imaging, Image-Guided Therapy, Ultrasound

Connected care & Health Informatics**:** Monitoring & Analytics, Therapeutic Care, Healthcare informatics and Population Health Management

* 1. **Product – BCG matrix. Also include packaging plans if any.**

BCG Matrix is mainly used by companies to analyze the performance of their multiple products and for decision making. Companies with very large product portfolios have one major issue – Which product to put money in and which product to take money out of?

This question is answered by the BCG Matrix. BCG’s Growth-Share Matrix, uses relative market share and annual rate of market growth as criteria to make investment decisions, classifying SBUs as dogs, cash cows, question marks, and stars.

7.2 **Place – Choice of retail strategy**

Phillips under [demographic](https://www.marketing91.com/demographic-segmentation/) [segmentation](https://www.marketing91.com/6-advantages-segmentation/) [targets](https://www.marketing91.com/swot-analysis-target/) all the ages and people with higher and middle income. Phillips has also focused on the rural [market](https://www.marketing91.com/market/) of India. The focus, however, has been mainly on the urban areas of India. Phillips provides [products](https://www.marketing91.com/types-of-products/) in the market in vast ranges and the [product](https://www.marketing91.com/what-is-a-product/) [portfolio](https://www.marketing91.com/product-portfolio/) is designed to attract the attention to vast ranges of clients. The product ranges are so extensive that almost everyone can be a potential consumer of Phillips and mostly those people looking for reliable products. The [target market](https://www.marketing91.com/target-market-find-one/) of Phillips is wide and it differs in age, culture, status, etc. With products ranging from home appliances to beauty appliances, medical instruments. Phillips targets consumers that are not conservative and are not skeptics.

With the [branding](https://www.marketing91.com/branding-started/) and [positioning](https://www.marketing91.com/positioning/) [strategy](https://www.marketing91.com/marketing-and-strategy-models-and-concepts/), namely “sense and simplicity” it aims to provide innovative, simple and ready to use products. The company has a belief that innovation is meaningful only if it satisfies people of their unmet desires and [needs](https://www.marketing91.com/needs-wants-and-demands/).

The products are advanced and are designed around the needs of consumers. The company has positioned itself as a brand that aims to improve people’s lives through innovations that are meaningful.  The R&D efforts are also aligned according to the needs of the consumers. Phillips has a built a [brand image](https://www.marketing91.com/brand-image/) that allows consumers to trust its products.

7.3 **Price – penetrative or skimming or competitive**

Penetration pricing strategy is one in which the company charges a low price, in the beginning, to derive maximum sales volume from the price-sensitive customers. On the contrary, when at the initial stage high prices are charged to the customers, which is gradually decreased to attain maximum profit from less price sensitive customers.

Price is among the important components of the marketing mix, which is the firm’s outright source of earning, and it not only covers the cost of production but also contains profit margin. The three major aspects that influence the pricing of a product are cost, consumer demand and competition.

For the purpose of entering the market with a new product, the firm’s management has to decide as to which pricing strategy to be adopted between penetration pricing or skimming pricing.

7.4 **Promotion – pull or push strategy including choice of medium – digital or traditional**

The main focus of Phillips is to make the world more sustainable and healthier through innovation and has an ambitious goal to improve the lives of people of 3 billion people a year by 2030.

It aims to lower the cost of care, and improving the work life of care providers, enhancing the patient experience and improving health outcomes.

Phillips aims to provide high quality and live enhancing products to its consumers and this focus has helped Phillips become one of the worlds most trusted and valuable brands.

Technology focus**:** Phillips technologies aim to facilitate healthy living and with the help of cloud-based technologies, Phillips has created more effective and low-cost health solutions for the consumers. In today’s marketplace, Phillips is spearheading environmentally progressive and innovative solutions.

It has been the foremost innovator in the lighting technology which has enabled newer and more efficient use of lights transforming the world both practically and visually. With their main focus on meeting customers unmet needs. This focus on technology has become a point of [differentiation](https://www.marketing91.com/differentiation-strategy/) for the brand.

The [brand name](https://www.marketing91.com/characteristics-of-a-good-brand-name/) of Phillips is very strong and the consumers believe that Phillips makes healthy, useful and eco-friendly products. The excellent quality of the products is well known among the users and thus the brand value of Phillips has been increasing and is one of the world most valuable brand ranking #43 with increase its brand value from USD 11.5 Billion to 12.1 billion.

8.**Conclusions and Recommendations – suggestions for change in current practices if any to make it more effective should be discussed.**

**9. Appendix** –

<https://www.marketing91.com/marketing-strategy-of-philips/>

fernfortuniversity.com/term-papers/swot/1433/1131-philips.php

[www.usa.philips.com/.../hospital-ventilation](http://www.usa.philips.com/.../hospital-ventilation)

<https://www.philips.com/a-w/research/research-programs.html>

https://www.health-care-it.com/company/269139/philips-healthcare