

ADM2320 Lecture 2

4 Ps

Price:

Target market exists where people believe that *price = quality*. In reality price is only part of the value

Place:

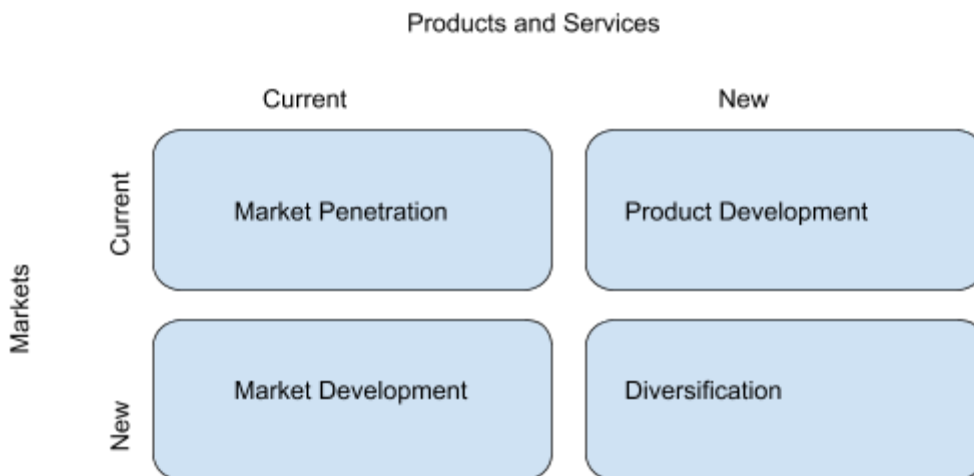
Not always trying to serve entire consumer market, a place will sometimes only target a niche market.

Promotion:

The use of mediums such as television, radio, print, and internet to communicate with consumers.

Product:

The product itself.



Market Penetration:

- Existing product services offerings
- To Existing consumers

Product Development

- New product/service
- Current target market

Market Development

- Existing marketing offering
- New market segments

Diversification

- New Product Service
- New market segment not currently being served

Analyzing the market environment

Tracking environmental trends

- Changes in the environment can affect the organization as well as its suppliers and customers. Macro-environments are sources of opportunities and threats that need to be managed.
- SWOT Analysis requirements environmental scanning

Micro environment:

Company

- Satisfy customer needs
- Applied to target markets, products

Competition

- Identify and analyze direct and indirect competitors
- Know strengths and weaknesses
- Competitive intelligence CI used to collect and synthesize info
- “Should we compete and if we decide to compete, what market should we compete in”
- “How do we compete using the 4 Ps”

Partners

- Firms are part of alliances - few work in isolation
- Align with suppliers, corporate partners ETC.
- Manufacture to retailer

Example- Ben and Jerries

Company:

- Good sources
- Community value
- Socially motivated

Competition:

- Haagen das

Partners:

- Greyston - locally produced baked goods

Macro-environmental factors:

Culture

- Shared through words, literatures, institutions
- Shared meanings of beliefs, morals, values, and customs of a group of people.
- Country culture, and regional subculture

Demographics

- The characteristics of human populations and segments used to identify consumer markets.
- Age, Ethnicity, Gender
- Age
 - "Generation Cohorts"
 - People in the same generations tend to share the same values and cultures
- Income
 - Purchasing power is tied to income
 - Statistics Canada tracks income
 - Many middle class families feel the decline in purchasing power in the recent years.
- Gender
 - Male/female roles have been shifted
 - Marketing has changed to reflect these shifts
 - Still inconsistent stigma amongst genders
- Education
 - Related to income and is therefore linked to spending power
 - High income families don't need to make money so they can focus on their education which leads to better income.
- Ethnicity
 - Ethnic composition of Canada is changing
 - 1/5 Canadians not born in Canada
 - By 2030 population growth will mainly be attributed to immigration.
 - Marketers need to learn international cultures.
 - Cater to more regional cuisines

Social and Natural trends

- Thinking more about the environment and the next generation
- Consumers: Hybrid cars, green bin program, water bottles.
- Marketing to children: be responsible
- Greener consumers: more environmentally friendly products

Economic Situation

- Foreign currency fluctuations
- Combined with inflation and interest rates affect a firm's ability to market goods and services.

Political Regulatory Environment

- Competition act

- Consumer packaging and labelling act
- Food and drugs act
- Access to information act
- Patent act
- NAFTA