

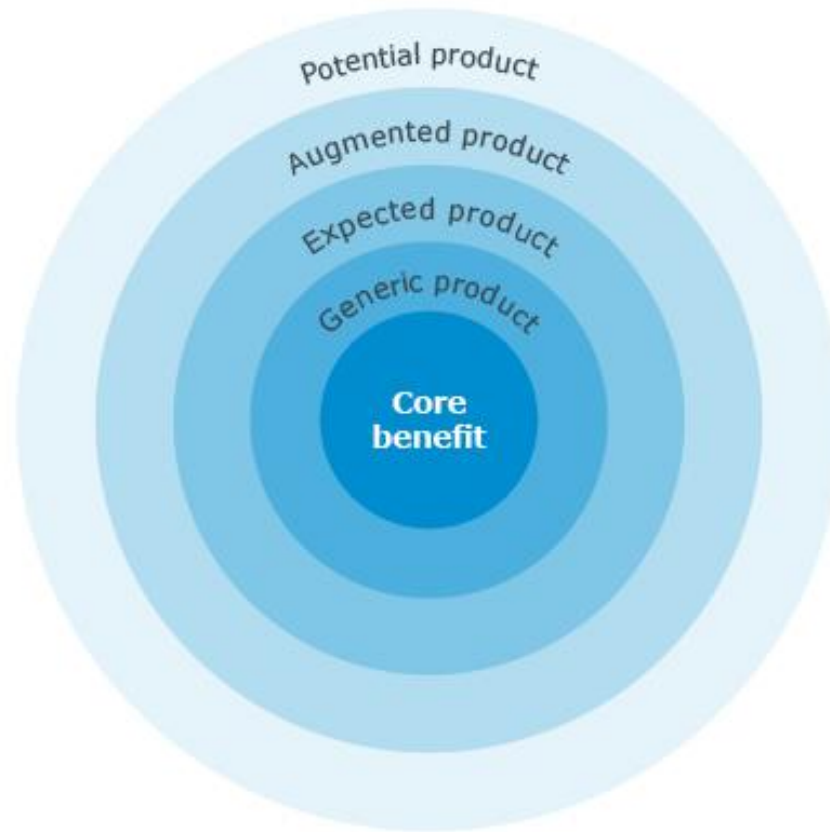
The 4Ps

Product, Price, Promotion, Place

Product

A **product** is anything that can be offered to a market that might satisfy a want or need.

Levels of product



The five levels

1. Core benefit:

The fundamental need or want that consumers satisfy by consuming the product or service. the need to process digital images.

2. Generic product:

A version of the product containing only those attributes or characteristics absolutely necessary for it to function. ...low-end, personal computer using free image processing software

3. Expected product:

The set of attributes or characteristics that buyers normally expect and agree to when they purchase a product. fast image processing, high-resolution.

4. Augmented product:

The inclusion of additional features, benefits, attributes or related services that serve to differentiate the product from its competitors. ...the computer comes pre-loaded with a high-end image processing software.

5. Potential product:

This includes all the augmentations and transformations a product might undergo in the future.

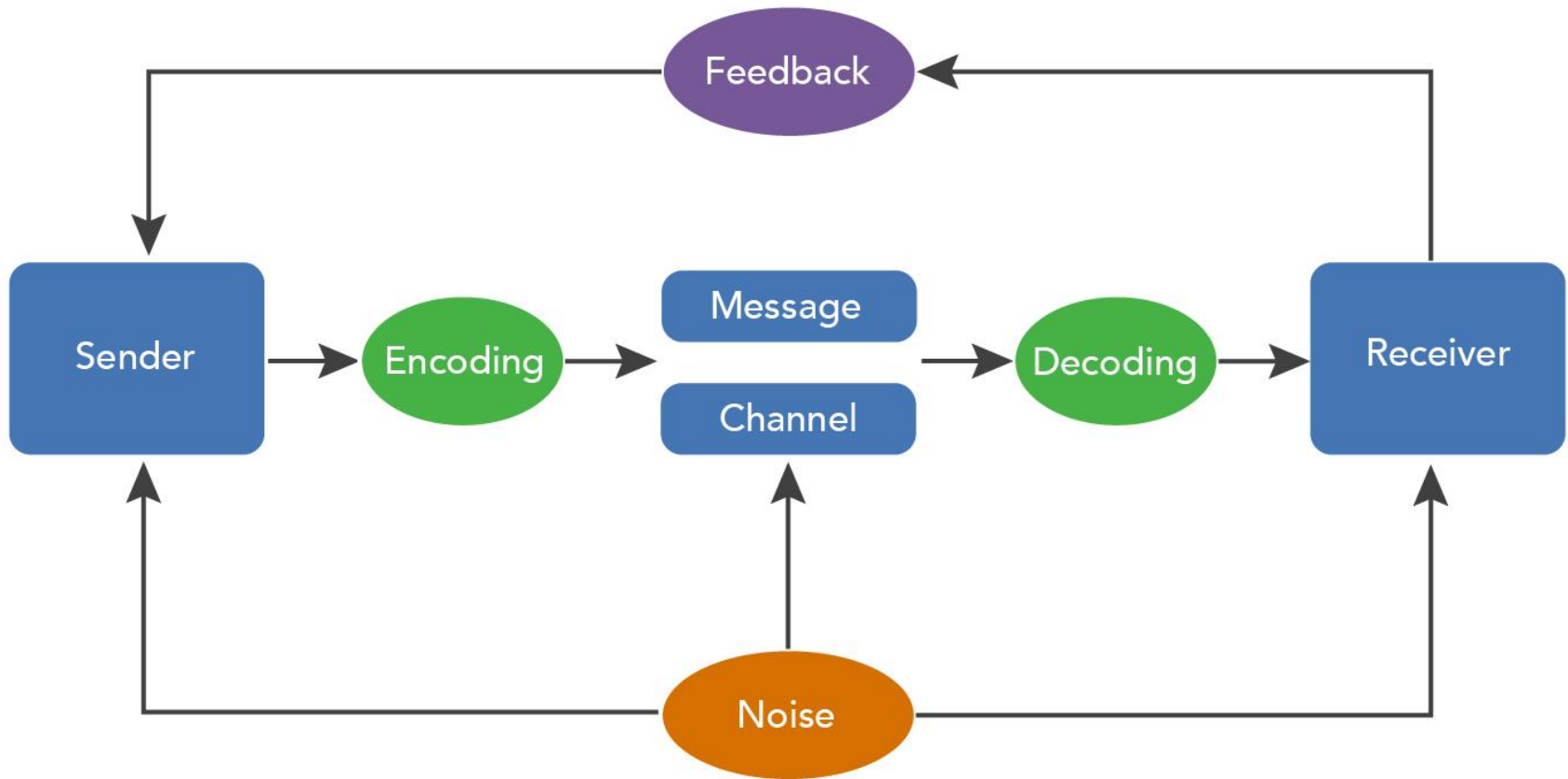
Pricing

- Cost-plus pricing
- Value pricing
- Penetration Pricing
- Price Skimming
- Bundle pricing
- Premium Pricing
- Competitive Pricing
- Psychological Pricing

Promotion (Marketing Communications)

- The means by which firms attempt to inform, persuade, and remind customers about the products and brands they sell.
- The 'voice' of the company

Communication Process



Communications Mix

- The communications mix involves all the tools you use to communicate with your customers or potential customers.
- This could be through advertising, social media, product packaging, direct marketing, websites, events, exhibitions – the list goes on!

Communications Mix

includes

- Advertising
- Direct marketing & digital marketing
- Public relations (PR)
- Personal selling
- Sales promotion

Advertising

- Advertising covers all avenues where a business pays for their message to be broadcast.
- In 1922, the first radio advertisement was aired in New York, promoting apartments in Jackson Heights.

Direct marketing & digital marketing

- Telephone, email, social media etc.
- Now digital
- Targeted approach

Public relations (PR)

- Public relations turns brand messages into stories that appeal to the media and its target audiences.
- It amplifies news, strategies and campaigns to create a positive view of a company through partnerships with newspapers, journalists and other relevant organisations.
- But not everything can be shared via PR. The idea is to separate the stories they think could be developed into an effective PR strategy.
- So, usually anything considered too 'salesy' is a no no.
- A great PR campaign revolves around a public interest, current event or trend that can be connected to a product, service or brand.

Personal selling

- Personal selling means selling through a person, usually in a face-to-face setting.
- Making presentations, answering questions, procuring orders.

Sales promotion

- **Sale! 50% off selected lines!**
- Using various online and offline outlets, sales promotion creates **limited time deals** or promotions on products or services in order to **increase short-term sales**. It can include sales, coupons, contests, freebies, prizes and product samples.

Sales promotion

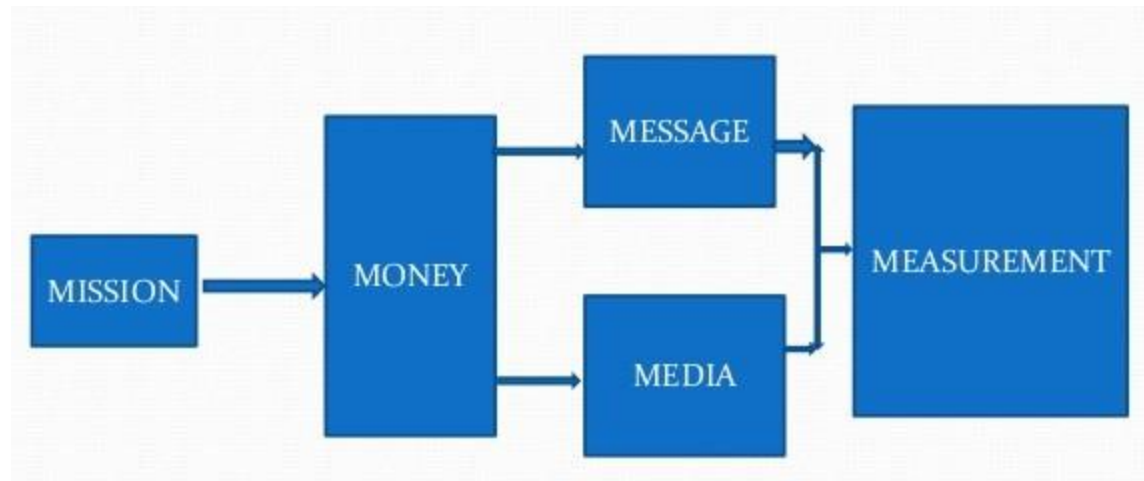
When conducting a sales promotion, it's important to consider:

- how much it costs and whether the volume of sales will make up for the lost revenue
- whether it will build loyalty or just attract one-off purchasers
- if the promotion fits with the brand's image

Advertising

- Any paid form of nonpersonal presentation and promotion by an identified sponsor.
- The 5Ms of advertising

The 5Ms of advertising



Objectives

- Informative
- Persuasive
- Reminder
- Reinforcement

Factors affecting budget

- Stage in PLC
- Market Share
- Competition and Clutter
- Advertising Frequency
- Product Substitutability

Positioning

Positioning:

the place that a brand occupies in the minds of the customers and how it is distinguished from the products of the competitors.

STP

S-T-P Approach



Message

- Message generation and evaluation
- Message development and execution
- Legal and social issues

Media

- Various media types

Measurement

- Communication effect
- Sales effect

Place (Distribution)

Distribution (or place) is one of the four elements of the marketing mix.

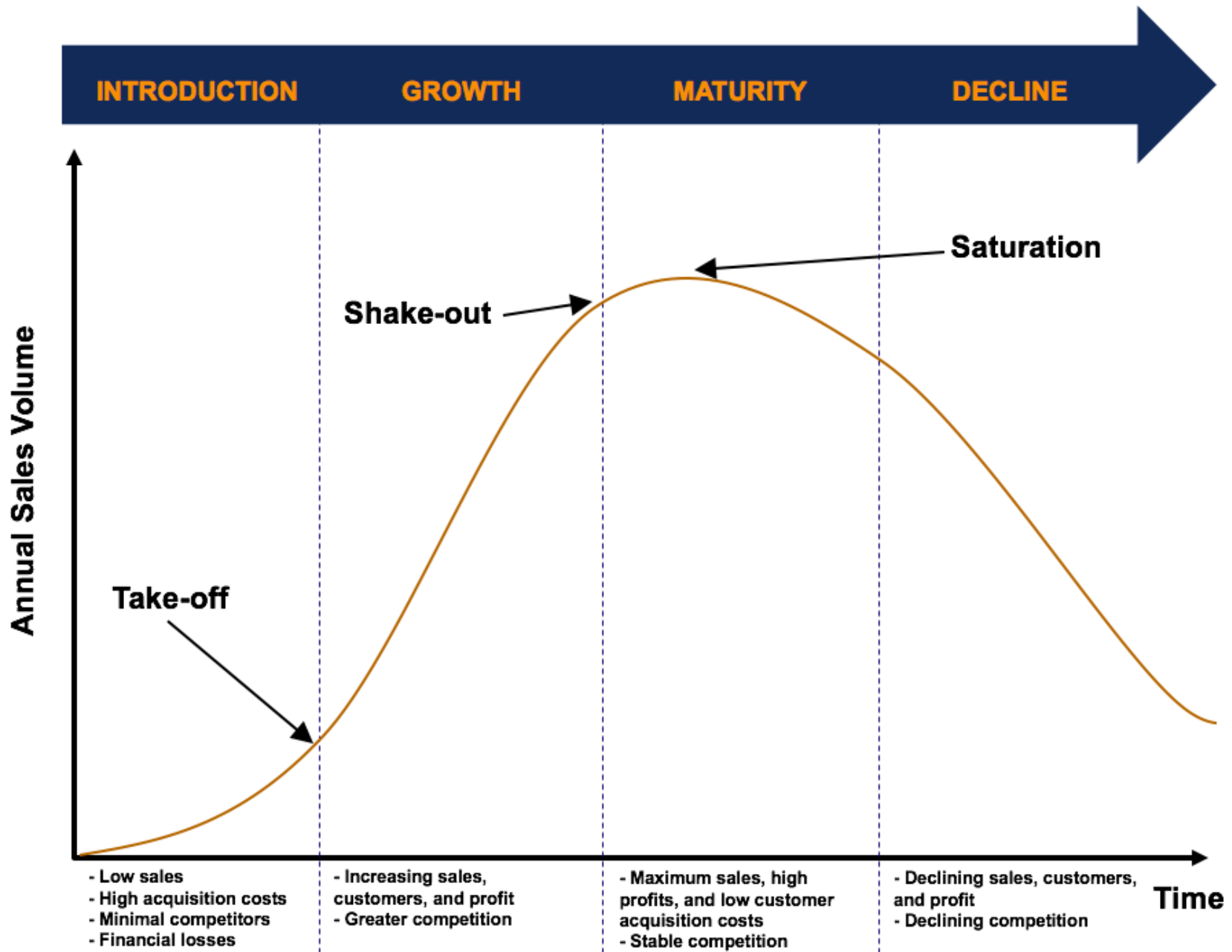
Distribution is **the process of making a product or service available for the consumer or business user who needs it.**

This can be done directly by the producer or service provider or using indirect channels with distributors or intermediaries.

Product Life Cycle (PLC)

The Product Life Cycle (PLC) defines the stages that a product moves through in the market as it enters, becomes established, and exits the marketplace.

In other words, the product life cycle describes the stages that a product is likely to experience.



Marketing Research

Marketing Research is the systematic collection, analysis, and interpretation of data pertaining to the marketing conditions.

Why it is done...

The basic reason for carrying out the marketing research is to find out the change in the consumer behavior due to the change in the elements of the marketing mix (product, price, place, promotion).

Marketing Research Process

- Step 1: Define the Problem, the Decision Alternatives, and the Research Objectives
- Step 2: Develop the Research Plan
- Step 3: Collect the Information
- Step 4: Analyze the Information
- Step 5: Present the Findings
- Step 6: Make the Decision

Marketing Research Process

Research Approaches

- Observational
- Focus group
- Survey
- Behavioral data
- Experimental

Marketing Research Process

Plan for:

- Research instruments
- Sampling plan
- Contact methods

New Product Development

- Make or Buy?
- New to the world?!

Stages in New Product Development

Idea Generation

Idea screening

Concept Development and Testing

Development of Marketing Strategy

Business Analysis

Product Development

Test Marketing

Commercialization

Stages in New Product Development

Idea Generation

Customers *scorpio/ford*

Employees *toyota*

Top management *tata*

Channel members

Competitors!

Stages in New Product Development

Idea screening

DROP error vs GO error

Stages in New Product Development

Concept Development and Testing

Product concept: an elaborated version of a product idea expressed in consumer terms.

Stages in New Product Development

Development of Marketing Strategy

The marketing-mix

Target market

Product Positioning

Sales and profit goals

Stages in New Product Development

Business Analysis

evaluating business attractiveness

Estimating total sales

Estimating costs and profits

Stages in New Product Development

Product Development

Prototypes

Boeing

Customer tests

P&G

Stages in New Product Development

Marketing Testing

Sales-Wave Research

Simulated Test Marketing

Controlled Test Marketing

Test Markets

Stages in New Product Development

Commercialization

When?

Where?

To whom?

How?

Marketing & Culture

Culture

- “ways of living, built up by a group of human beings, that are transmitted from one generation to another.”
- “the collective programming of the mind that distinguishes the members of one category of people from those of another”

Culture

- Material

The physical component

- Non-material

The abstract component

Consumer culture

- Coffee culture
- Credit-card culture
- Fast-food culture

Global consumer culture positioning (GCCP)

24-05-2022

Global consumer culture positioning (GCCP) is defined as a strategy that identifies the brand as a symbol of a particular global culture or segment.

Attitudes, Beliefs, and Values

- An attitude is a tendency to respond in a consistent way to a given object or entity.
- A belief is an organized pattern of knowledge that an individual holds to be true about the world.
- A value can be defined as an enduring belief or feeling that a specific mode of conduct is personally or socially preferable to another mode of conduct.

Religion

24-05-2022

- An important determinant of how people react to marketing activities.

In _____, home to the world's largest Muslim population, KFC uses Ramadan-themed outdoor advertising to encourage people to come to the restaurants at buka puasa, the end of each day's fast. Business at KFC 400 units there is up as much as 20 percent during Ramadan.

Aesthetics

- Within every culture, there is an overall sense of what is beautiful and what is not beautiful.
- Global marketers must understand the importance of visual aesthetics embodied in the color or shape of a product, label, or package.
- Colors: white, red, grey
- Music

Dietary Preferences

Understanding of food-related cultural preferences is important for any company that seeks to market food or beverage products globally.

Although some food preferences remain deeply embedded in culture, plenty of evidence suggests that global dietary preferences are converging.

When Dunkin' Donuts opened its first Indian outlets in 2012, morning business was slow. Why? Most Indians eat breakfast at home; by contrast, the U.S. tagline "America runs on Dunkin'" is in sync with Americans' grab-and-go lifestyle. Success for Dunkin' Donuts in India came after it introduced a line of Original Tough Guy Chicken Burgers.

Language and Communication

- In global marketing, language is a crucial tool for communicating with customers, suppliers, channel intermediaries, and others stakeholders.

In China, Dell had to find a meaningful interpretation of “direct sales,” the phrase that describes the company’s powerful business model. A literal translation results in *zhi xiao*, which is the Chinese term for “illegal pyramid marketing schemes.” To counteract the negative connotation, Dell’s sales representatives began using the phrase *zhi xiao ding gou*, which translates as “direct orders.”

In Spanish, colgate is a verb form that means “go hang yourself.”

Hofstede's cultural dimensions

