

Developing a Strategic Marketing Plan

Warm welcome to SMP 16 participants

June 2020



Agenda

Understanding Customers (June 14, 2020)

Creating a product strategy (June 21, 2020)

Managing Distributions/ Channel Challenges
(June 21, 2020)

Communicating to customers (June 28,
2020)

Pricing it right (June 28, 2020)

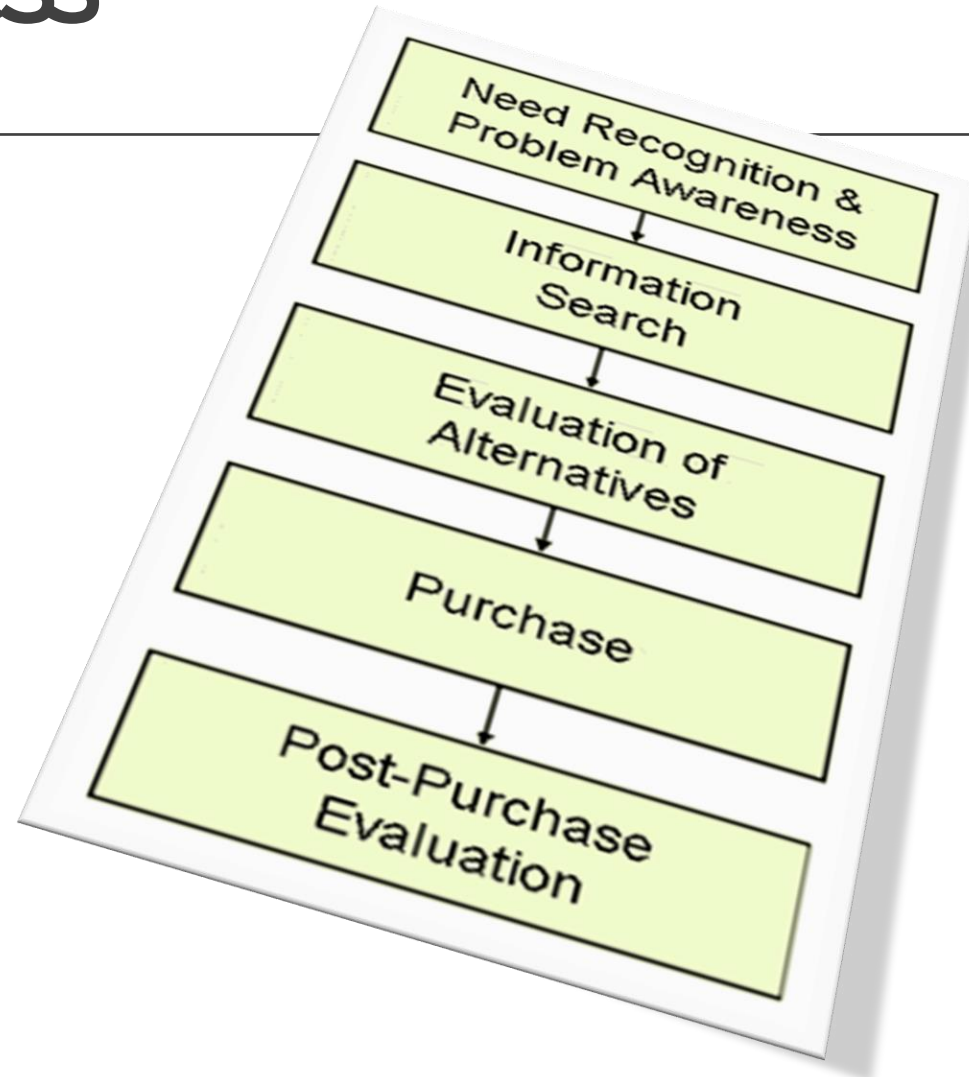
A quick recap!

What you remember from Pre-COVID era!

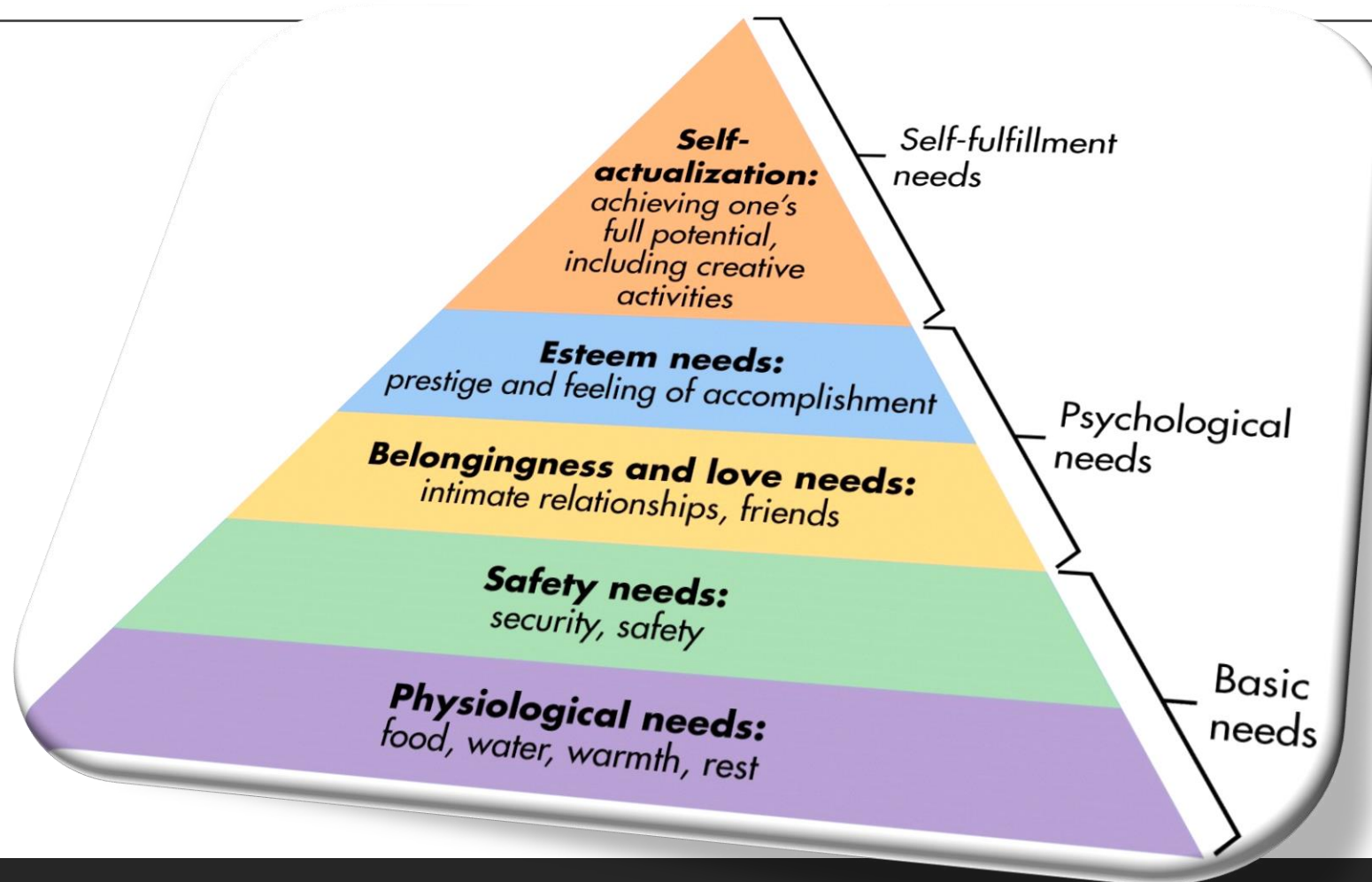
Decision Making Process

The simplest is the:

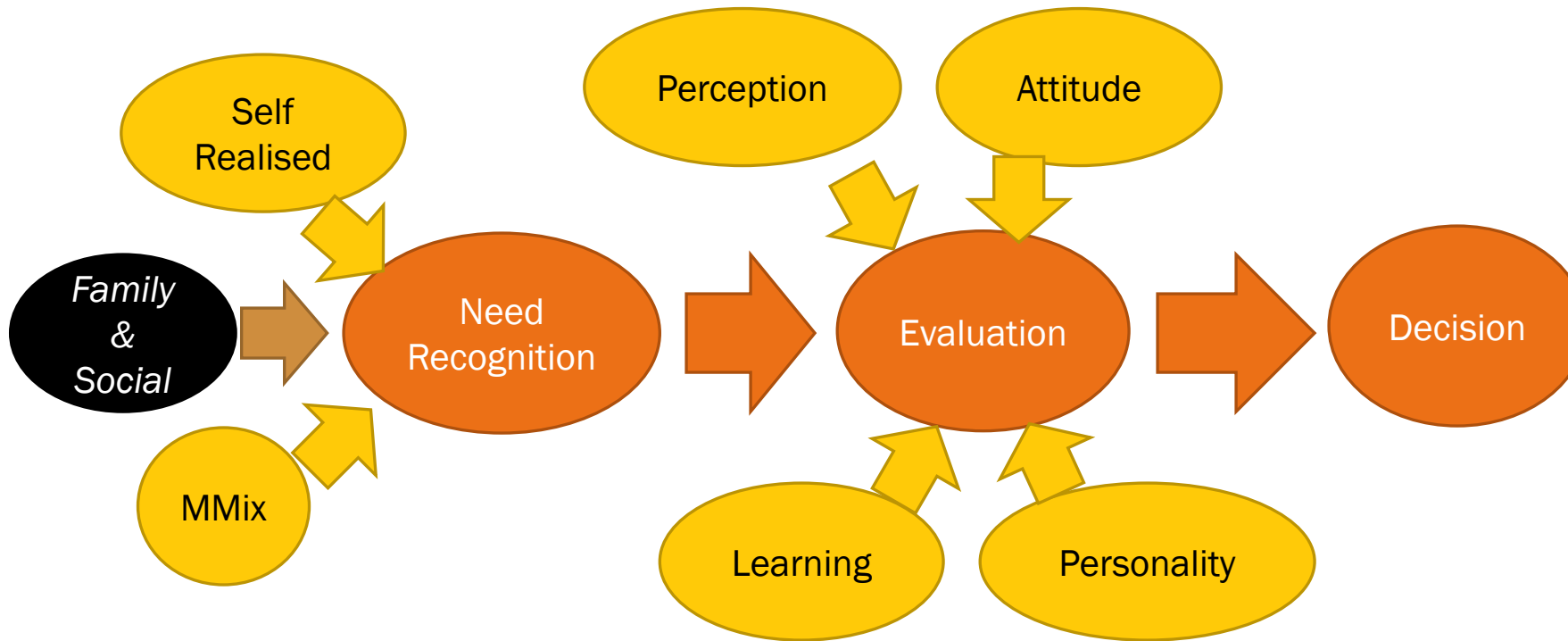
- A-I-D-A model
- More 'detailed' models



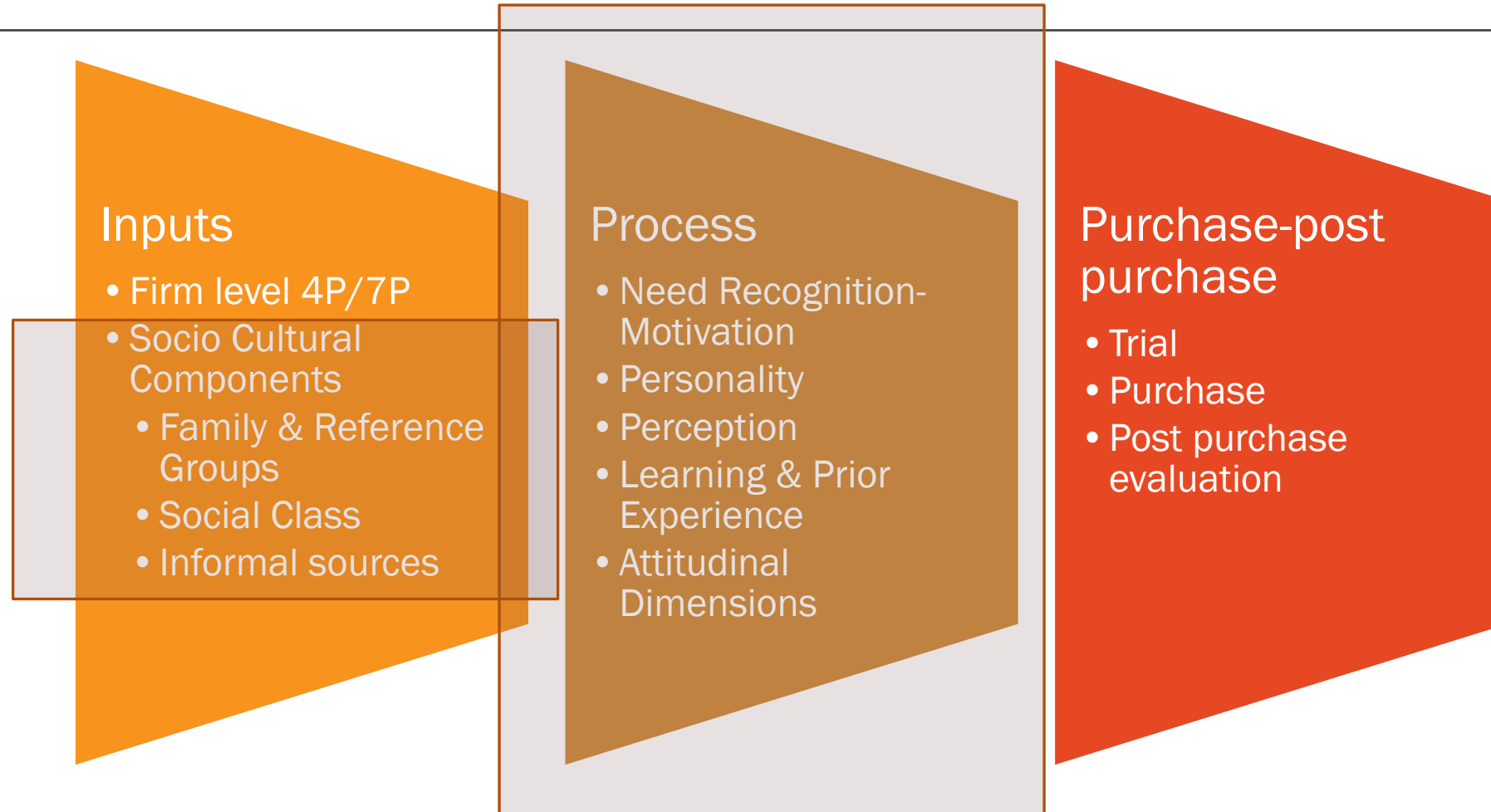
Need, Want and Demand



The process in flow!



The Consumer Decision making process



Needs and Motivation

Cornerstones of Motivation and Needs Studies

- Maslow's Hierarchy of Needs
- Freudian Paradigm
- Drive Theory
 - Gap Between the Current State and Desired State
 - Magnitude of the 'Gap' is important
 - Homeostasis

Loco
Elect
Motive
Ohm's Law?
 $I \propto V$

Ideal
?
Drive
Need
Ideal
Current
R = prop. Const
Motiv \propto Need Gap

Needs and Motivation

Expectancy Theory

- *motivation of the behavior selection is determined by the desirability of the outcome. However, at the core of the theory is the cognitive process of how an individual processes the different motivational elements. This is done before making the ultimate choice. The outcome is not the sole determining factor in making the decision of how to behave.*

Emergence of Involvement as a Mediator

- Emerged a critical aspect in the online context

Needs and Motivation

Intrinsic and Extrinsic Needs

- Need for own self
 - Comfort and Convenience
- Other directed Need
 - Impress, status enhancer
- Maybe linked to a single product
- Trade-off Motivators
 - Healthy and Tasty

Positive and Negative Motivation

Approach (positive) and Avoidance (Negative) Goals

- Approach-
 - Fair and Lovely Fairness Cream- Airhostess
- Avoidance
 - Fair and Lovely Dark Circle Remover Cream
 - Dettol
 - Cease-Fire

Rational & Emotive Needs

Personality & its Dimensions

Personality

Makes people Unique

- Refers to a person's reaction to his environment
- Is it consistent?
 - Are we consistent? Always?
- Enduring
 - True?
- Interesting aspects for Lifestyle Marketing
- Do people consume products or symbolism?
 - Ernest Dichter

Personality

Paradigms in Personality

- Freudian Systems
 - Id-
 - Oriented towards Immediate Gratification
 - Party Animal
 - “TATA SAFARI- It is a jungle out there”
 - Superego
 - “Counterweight” to Id
 - Conscience
 - Social Focus
 - Ego
 - Balances between the two extremes
 - Product Symbolism is key- “vicarious experience of the forbidden fruit”

Personality

Other Neo-Freudian Paradigms

- Resulted from unacceptability of motivation around sexual orientation as proposed by Freud
- Karen Horney
 - CAD
- Carl Jung- father of Analytical Psychology
 - Archetypes- handed down from the experience of
 - Fear of Dark
 - Old Wise Man
 - Earth Mother

Personality

Trait Theory

- Introversion- Extroversion (Reserved vis-à-vis Outgoing)
- Materialism (importance on acquiring things)
- Innovativeness (Tries out new things)
- Self-Consciousness (Deliberately monitors him/herself)
- Need for Cognition (likes to think about things)
- Problems with Trait Theory
 - Validity with Scales
 - Need to be modified according to context
 - Specific sections- mentally ill!! 🚨

TAG HEUER

TAGHeuer

WHAT ARE YOU MADE OF ?

MONACO

Automatic Chronograph

SWISS AVANT-GARDE SINCE 1860

STEVE McQUEEN AND HIS TAG HEUER MONACO

FOR AUTHORIZED DEALERS IN THE US AND CANADA, CALL 1-800-800-0000. WWW.TAGHEUER.COM

What are you made of?

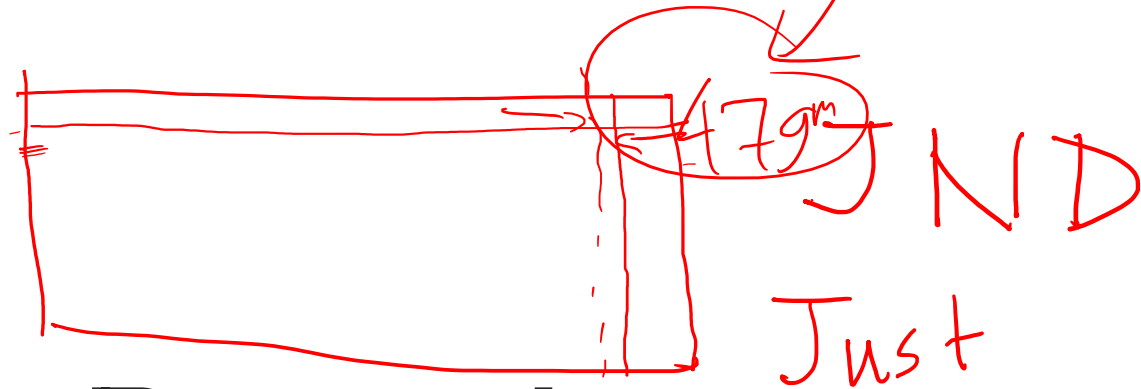
Personality

The Self or the Selves

- Multiple Selves
 - A father, a friend, a husband, a son, or just a man
 - Titan Raga
- Extended Self
 - Attribution to a product/ 'concept'
- Actual/ Ideal
- Expected Self
 - GNIIT

	Internal	External
Actual	<i>Actual self</i>	<i>Social Self</i>
Ideal	<i>Ideal Self</i>	<i>Ideal Social</i>

Poule - G → 100 gm → Rs 4/5 X



Perception

Just
Noticeable
Difference.

proportion to the Price

Perception

Sensation

- Absolute or relative

Absolute threshold

- Sensory Adaptation
 - Cosmetic Changes
 - Substantive Changes

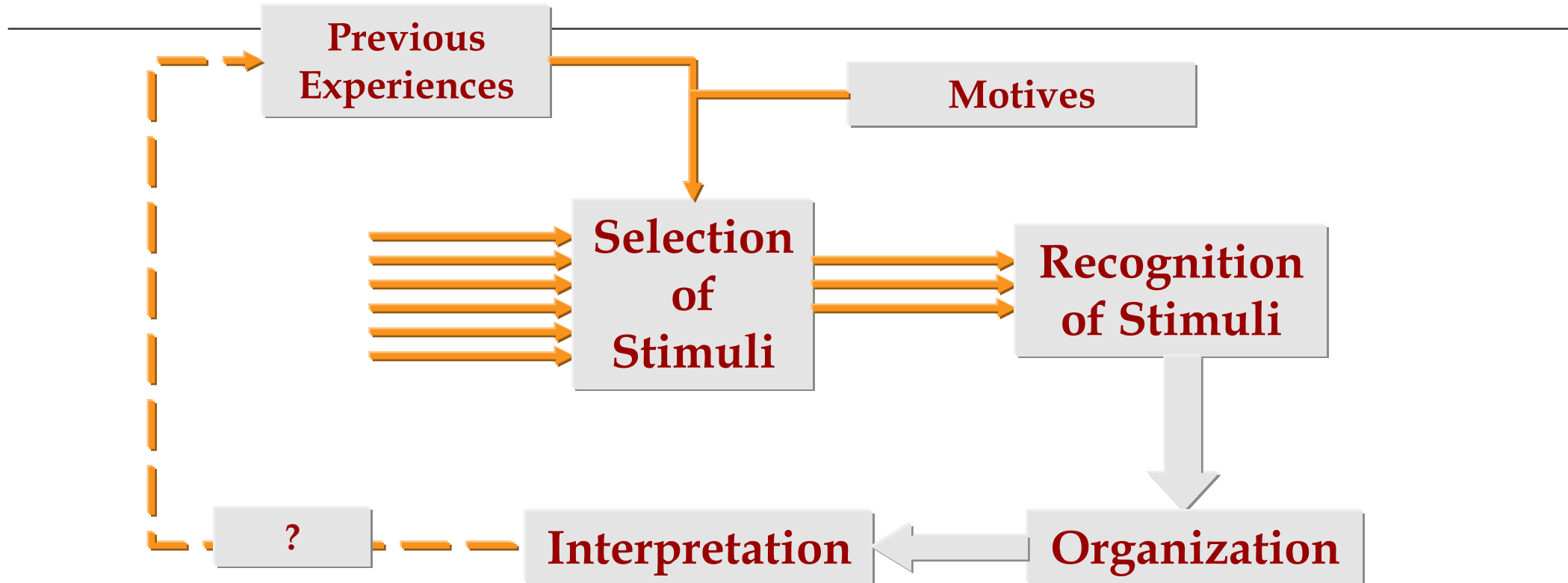
Perception

Differential threshold

- Weber's Law
 - Amount of change that is necessary to be noticed is systematically related to the intensity of the original stimulus
- JND
 - Campbell's Soup
 - Nestlé Munch
 - Pond's Dreamflower Talc- 30% more

$$k = \frac{\Delta i}{I}$$

Perception



Perception

Selection

- Contrast
 - **More-**
 - J & N
 - Bright color ads in Newspaper
 - Black and White ads in a glossy colorful magazine
 - **Less-**
 - Advertorials
 - Nature Fresh
 - Showing ad clips during high involvement serials- often depicting the actors in those advertisements
 - *Importance of “Figure and Ground”*

Perception

Internal Ref. Price

Perception and Pricing

- Reference Prices
 - Internal Reference Price
 - Through Learning, advertising, product category
 - External Reference Price
 - Through Marketers' Claims. "create value"
- Transaction Utility
 - Internal Reference Price ~ Purchase Price
 - Change Internal Reference Price (?)
- Acquisition Utility
 - $U(x) \sim \text{Purchase Price}$
 - "Enhance Experience"

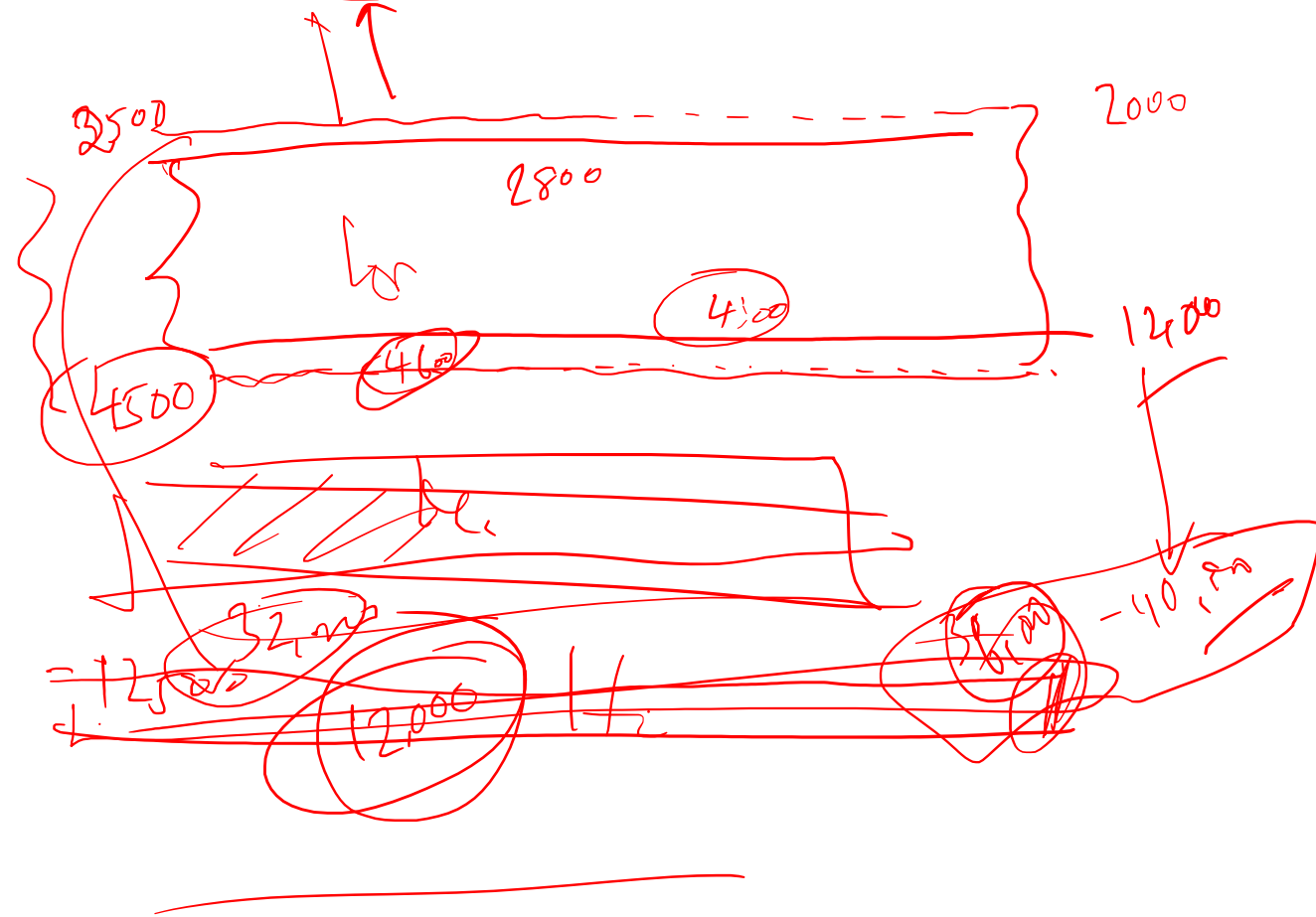
9,999
~~13,999~~
4,000
9,999

Total
 $U = \text{Acq } U + \text{Trans } U$

Perception

- Assimilation – Contrast Theory
 - High Plausible
 - Low Plausible
 - High Implausible
 - Low Implausible
- Marketer's Implications

Point of Parity

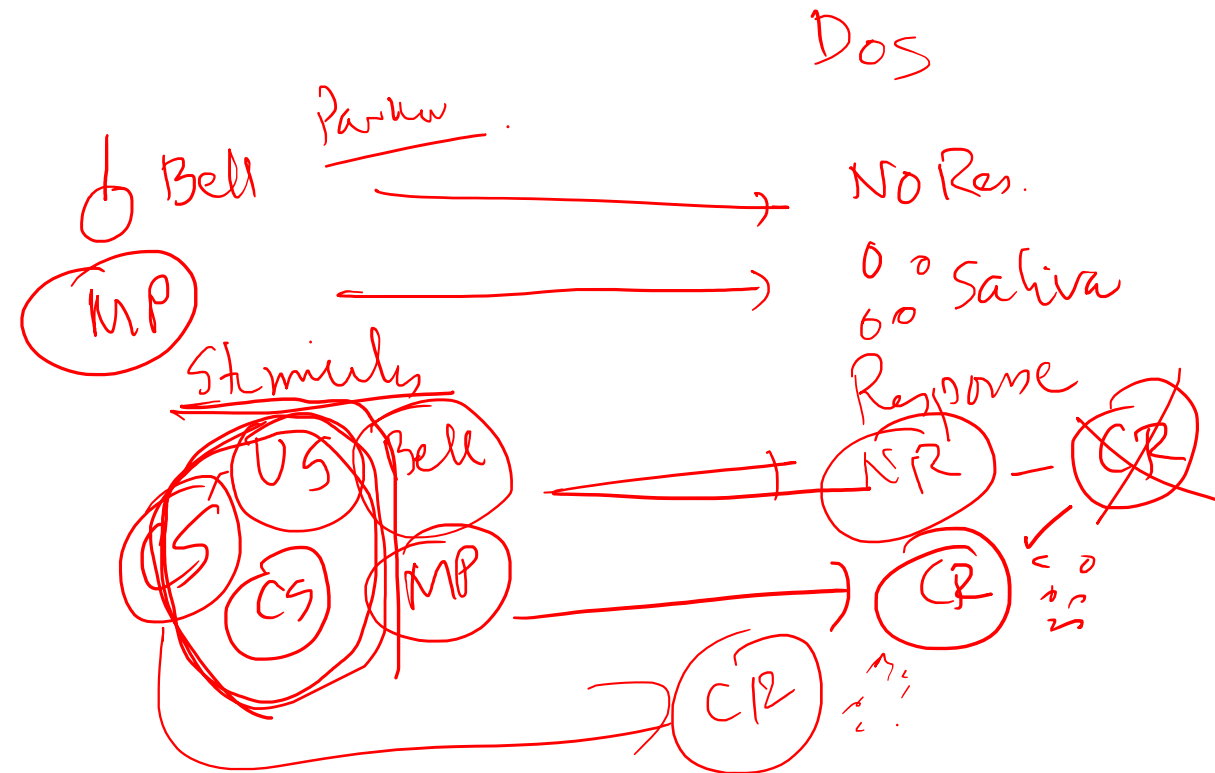


Learning

Learning

Classical Conditioning

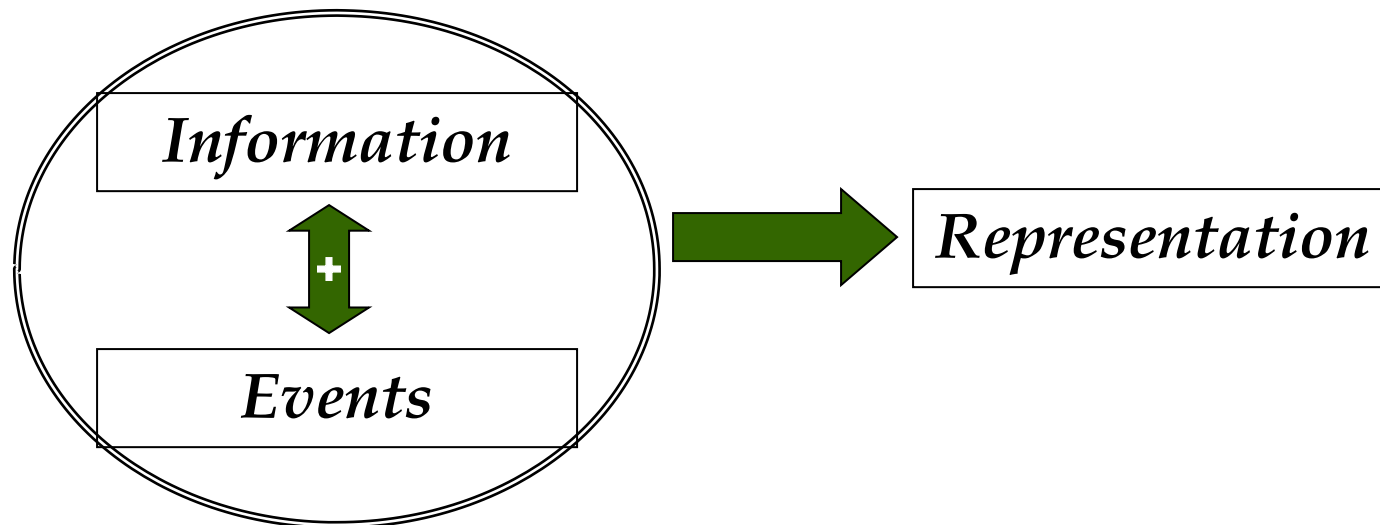
- Pavlovian Dog
- Brand Recognition
 - Learning
- Advertisements
 - “Wear out” issues
 - Cosmetic Variation
 - Substantive Variation
- 3 Hit theory
 - Awareness
 - Relevance
 - Reminding



Learning

Classical Conditioning

- More recent theoretical Implications
 - Pepsi - associations
- Cognitive Associative Learning
 - Repeated associations



Learning

Classical Conditioning

- Stimulus Generalization
 - NIRMA- *Nima*
 - Promise
 - Soft Drinks Market
 - *Brands with distinct/ strong images may fall prey*
- Extension
 - Line, Form and Category
 - Brand Extensions
 - Family Branding
 - Industrial vis-à-vis Consumer goods

Learning

Classical Conditioning

- Licensing
- *Generalization of Usage?*
- *Stimulus Discrimination*
- Positioning
- Product Differentiation
 - *New*
 - *Improved*
 - *Better*
 - *More*

Learning

Observational Learning

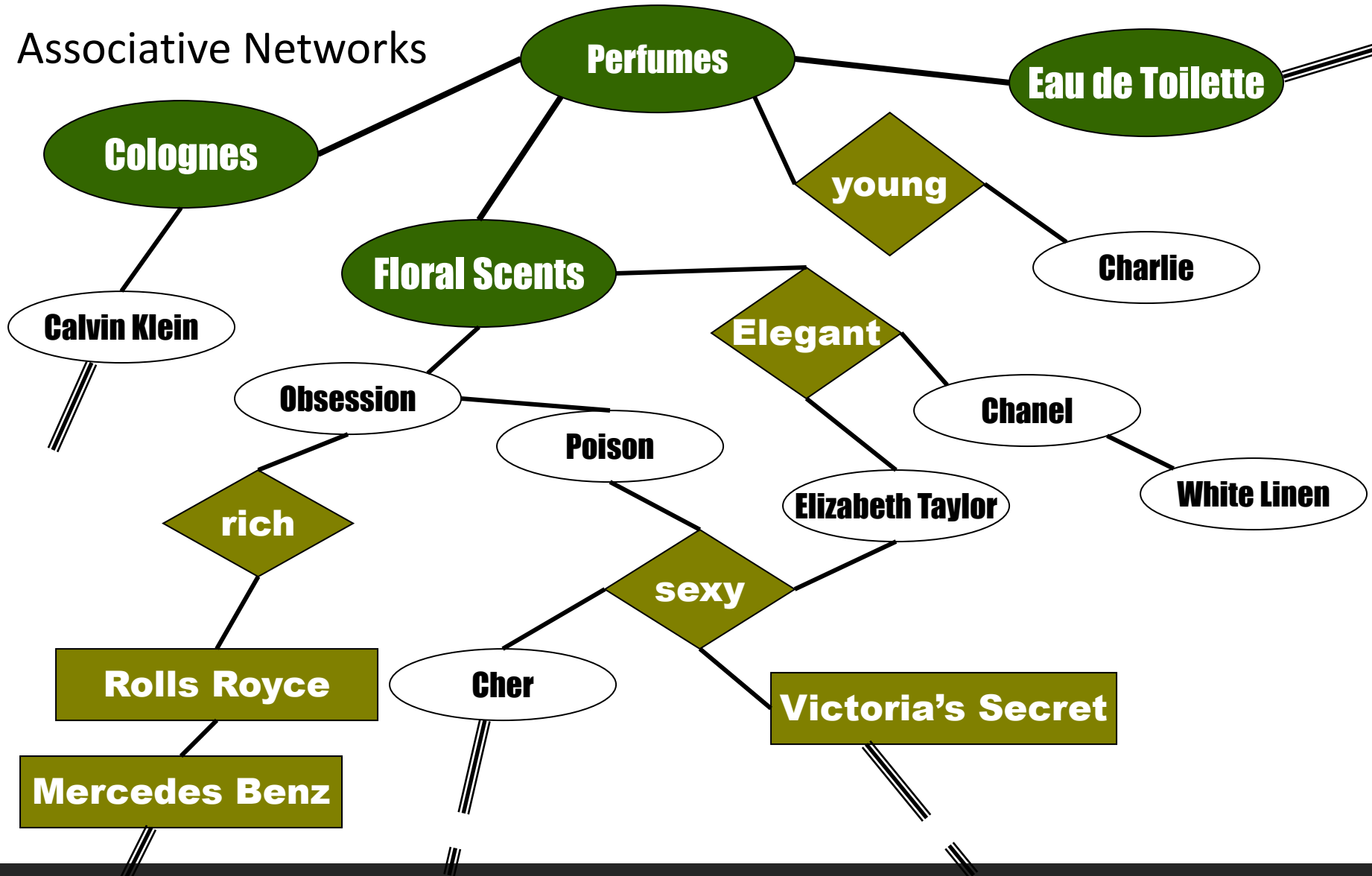
- Vicarious Learning
 - Children learn watching parents, siblings
 - Largely with Negative reinforcement but also some with positive reinforcement
 - Fair and Lovely
 - Most of recent communication depict scenes of common people- “Slices of Life”

Learning

Cognitive Learning Theory

- Information Processing individual
 - Familiarity with category aids in processing
- Structure of Memory
 - Sensory Store
 - Short Term memory
 - Long Term memory
 - Through Rehearsal
 - Encoding
 - Retention
 - Formation of Schema

Associative Networks



Attitude

Attitude

Attitudes

- A 'Learned' pre-disposition
 - Directed- Either towards or Away
- Attitude Object
 - Brand
 - Product Category
 - Or a Product
- Attitude Formation
 - Direct Experience
 - WOM
 - Information

ATIO

Activity
Interest
Opinions

→ Consumption
↳ Product
↳ Brand -

Attitude

Attitudes are lasting

- Towards Smoking

Attitudes can change

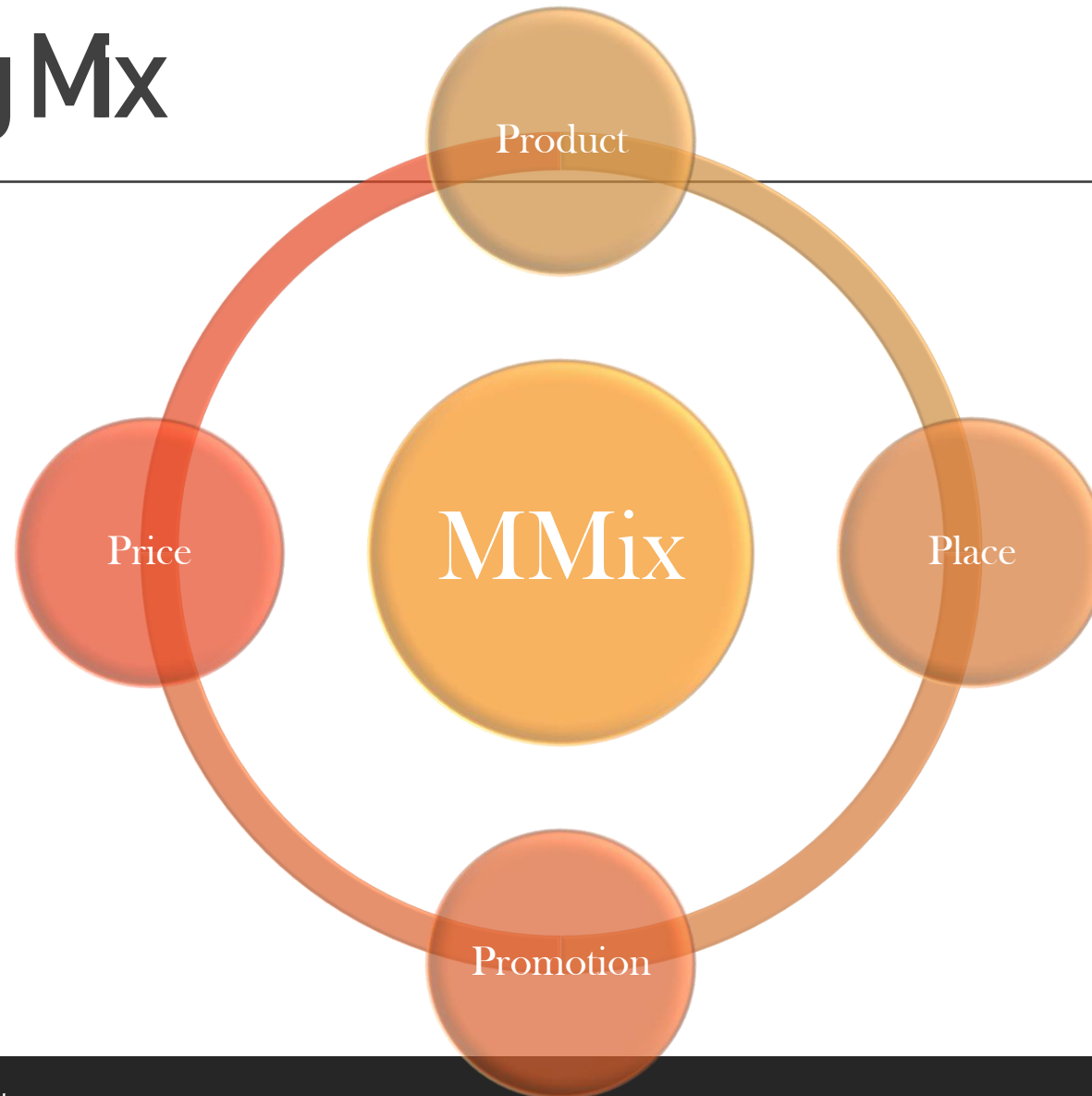
- With respect to a situation
- Capitalize
 - Create unique positioning
 - Firoz hates Fast Food, but for Late nights from his office, he walks into the local Pizza store
 - Anand hates to splurge, but just might buy a diamond ring for his girlfriend

Importance of Marketing Mix

The 4Ps of Marketing Mix

- Product
- Place (Distribution)
- Promotion (reaching out to customers with the information on the product)
- Price (the amount we charge customers)

Marketing Mix



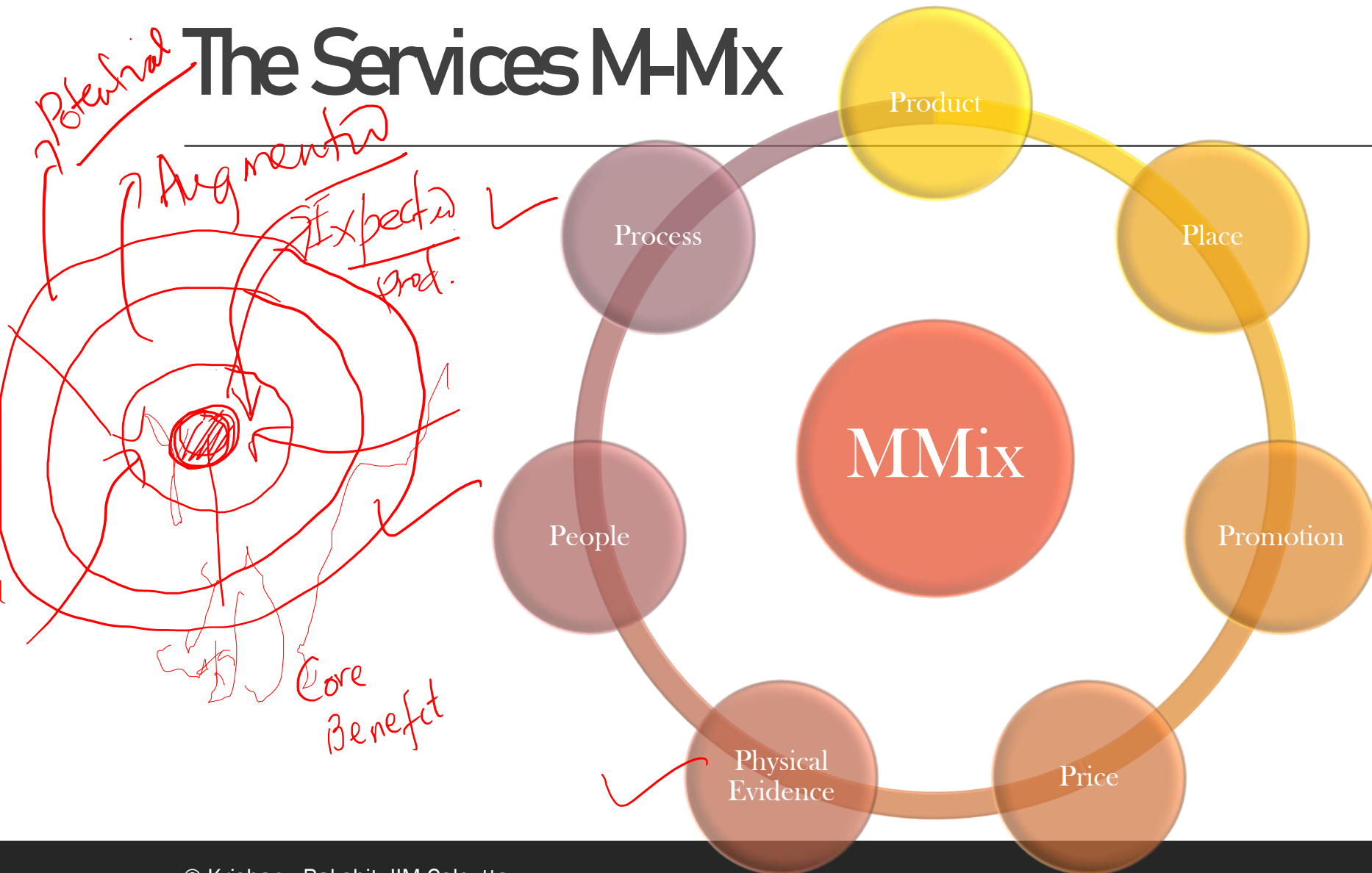
Importance of Marketing Mix

The extended version of Marketing Mix 7Ps

Used mostly in case of Services Marketing

- Physical Evidence
- People
- Process

The Services M-Mix



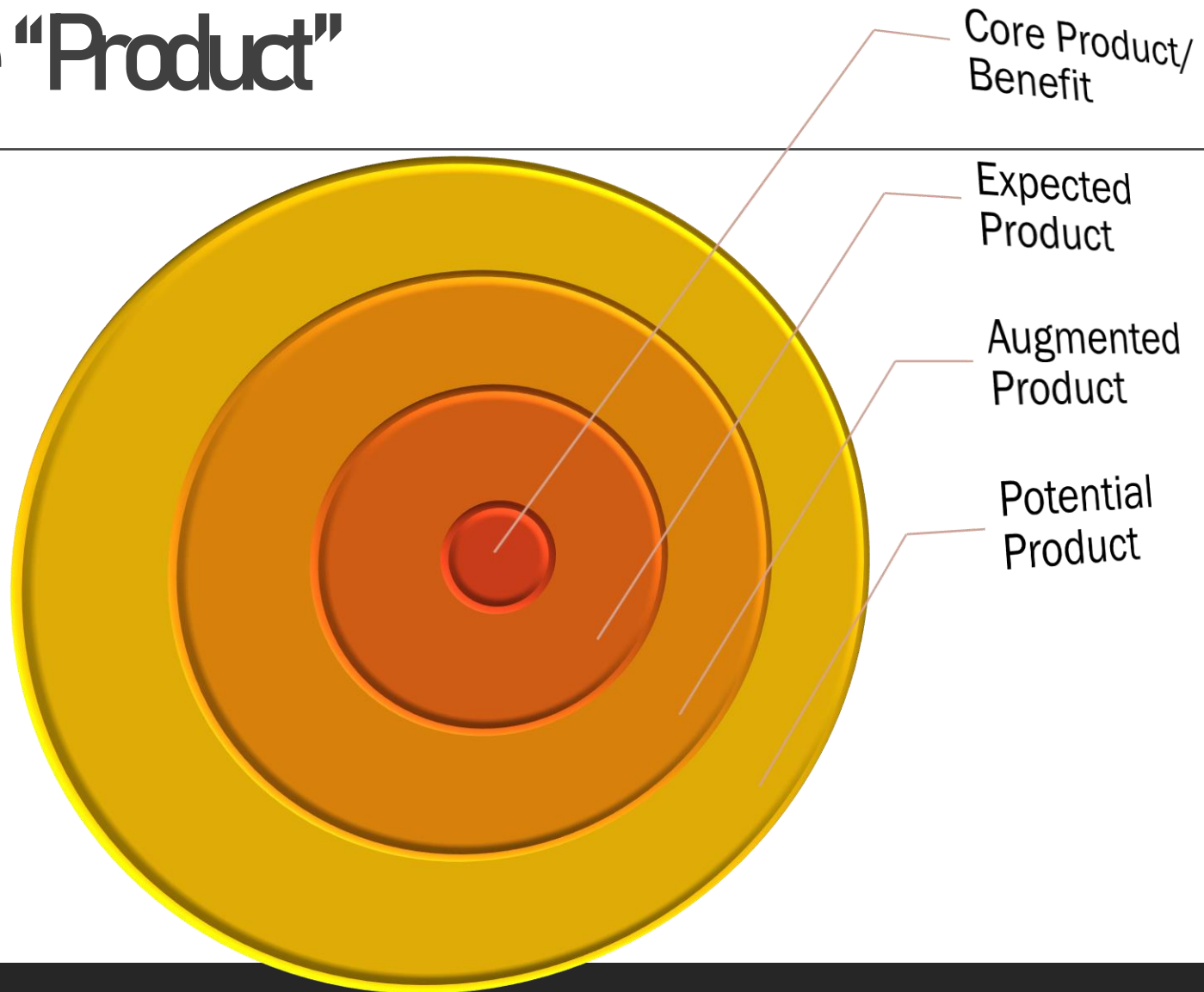
Product

Products (and services) are developed to service a specific *need* and include a *benefit* for consumers/ customers

Therefore marketers' responsibility is to understand the reason which benefit consumers are seeking

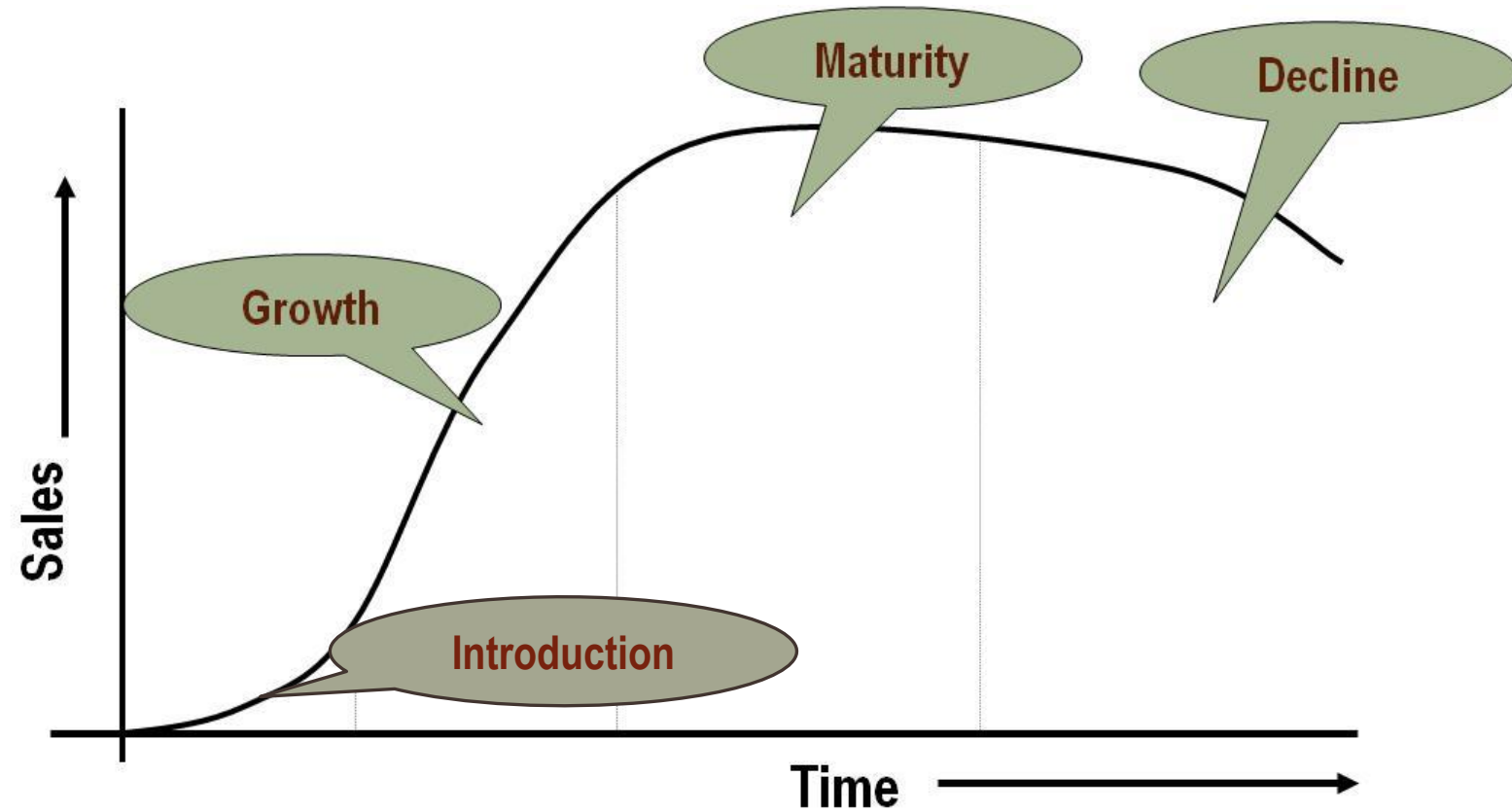
- Understand the competitive products/ substitutes

The “Product”



Product Management

The PLC



Product

To understand the purchasing context of consumers, another useful classification:

- Convenience Goods
 - Standard products, less involved decision making process
- Shopping Goods
 - Consumers search and compare across offerings
- Specialty Goods
 - Consumers can go great lengths to find out the *right* products for themselves
- Any examples?

Product

Classification

- Consumer vs. Industrial Goods
 - Same products could be consumer as well as industrial goods, however, the *context* is important
 - E.g. Desktop computers, Soaps
- Durable vs. FMCG
- Products vs. Services
 - Services follow the broad basics of Products marketing as well, however, poses certain unique challenges
 - Unique characteristics

Product & Services

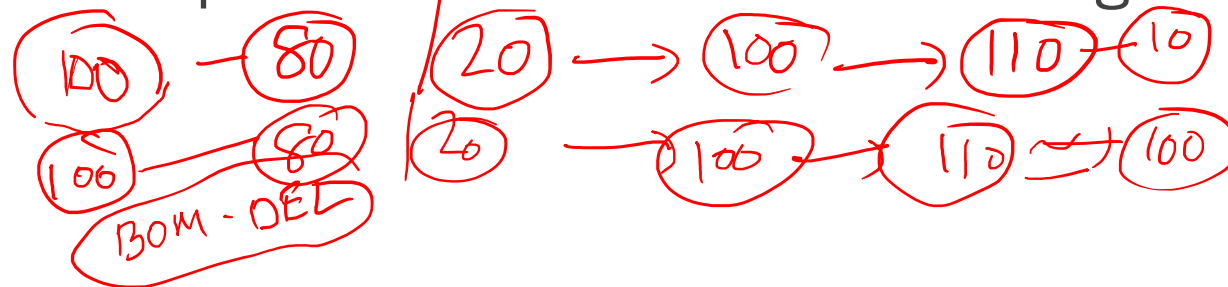
Search goods
Experience goods
Credence goods -

Services are different from products as they are

- **Intangible** in nature
- **Perishable** *i.e. cannot be stored*
- Produced and consumed at the **same time**
- **Heterogeneous** in nature

These are unique challenges from the delivery point of view

- Services, highlight the importance of few more marketing mix variables
- **People & Process**



Q&A

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