

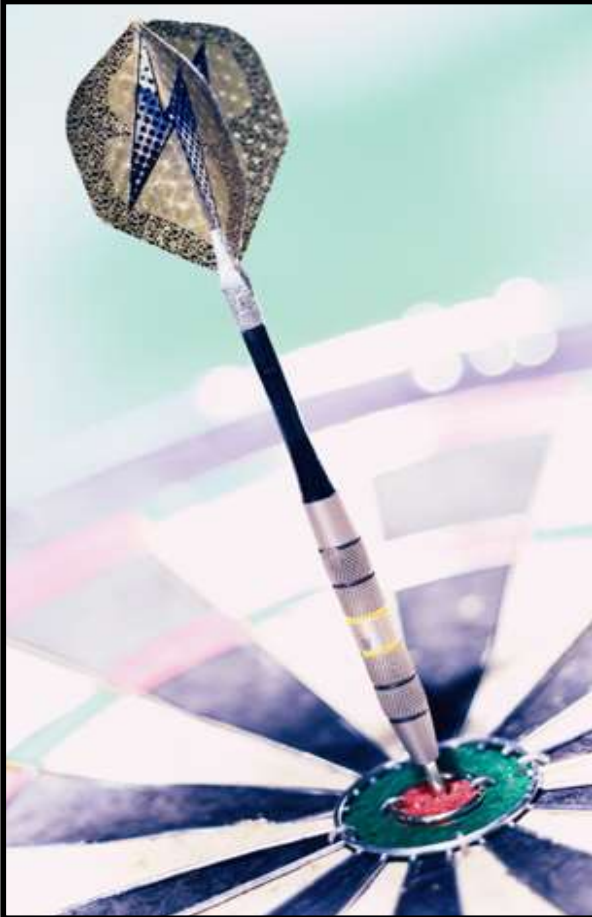
# Lecture #8

## MKT503 Marketing Management



*Rajesh Verma*

# LEARNING OUTCOMES



After this session you will be able to:

- Analyse how companies use strategic planning.
- Understand the purpose and functions of marketing research.
- Be familiar with the stages of the marketing research process.



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Tuesday, 13 September, 2022

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Home » Economy » Perfume maker Riya eyes diversification, aims to capture 20 pc market share...

Economy

# Perfume maker Riya eyes diversification, aims to capture 20 pc market share by 2025

ANI | 25 August, 2022 01:13 pm IST



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Neeti Nair · 13 September, 2022

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Rs 240 crore company  
20% Market Share by 2025



## Product/Market Expansion Grid

	Existing products	New products
Existing markets	Market penetration	Product development
New markets	Market development	Diversification

# Example-National Foods Ltd.

- Multi Category food company manufacturing over 250 innovative products and marketing in 35 countries.
- Started with basic spices
- In 1970 introduced branded & packaged spices in Pakistan
- **Market Penetration:** (Making more sales without changing its original product)
  - Marketing mix improvement - design, advertising, pricing & distribution efforts
  - Broad range: Chili, Coriander, Kasuri methi & Turmeric powder
  - Added key accounts managers to handle cash and carry giants like Metro etc
  - Used internet to reach consumers



	Existing products	New products
Existing markets	Market penetration	Product development
New markets	Market development	Diversification



# Example-National Foods Ltd.

- **Market Development:** (Identifying & developing new markets for its current products)
  - Explored new geographic markets: Middle east, North America, Australia, India
- **Product Development:** (Offering modified or new products to current markets)
  - Added Tomato Ketchup, Chinese Sauces, Pickles, Jams, desserts
  - Diet versions of products
- **Diversification:** (Starting up or buying businesses outside of its current products and markets)
  - Ronaq brand of ready to eat meals



	Existing products	New products
Existing markets	Market penetration	Product development
New markets	Market development	Diversification





# QUIZ

- A. Market Penetration
- B. Market Development
- C. Product Development
- D. Diversification



# QUIZ



- A. Market Penetration
- B. Market Development
- C. Product Development
- D. Diversification





# QUIZ

- A. Market Penetration
- B. Market Development
- C. Product Development
- D. Diversification



# QUIZ

The Coca-Cola logo, featuring the brand name in its iconic white script font on a red circular background.

- A. Market Penetration
- B. Market Development
- C. Product Development
- D. Diversification



Identify the strategy used by Anchor when they started manufacturing Tooth Paste?



- A. Market Penetration
- B. Market Development
- C. Product Development
- D. Diversification

## THE ECONOMIC TIMES

### IndiGo plans services to China, Vietnam, Myanmar, other countries

*IndiGo's CEO Ronojoy Dutta said the airline would be looking at ambitious expansion in the international market and utilise around 50 per cent of its new capacity on that market.*

PTI | Updated: Feb 25, 2019, 03:11 PM IST



3  
Comments



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*IndiGo is the country's largest domestic carrier with a market share of 42.5 per cent in January.*

Budget carrier [IndiGo](#) NSE 0.28% will be looking at starting services to China, Vietnam, Myanmar and Saudi Arabia, among other countries, as the airline embarks on expanding its international network, according to a communication.

In a communication to employees on Monday, IndiGo's CEO [Ronojoy Dutta](#) said the airline would be looking at ambitious expansion in the international market and utilise around 50 per cent of its new capacity on that market.

- A. Market Penetration
- B. Market Development
- C. Product Development
- D. Diversification





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# EXAMPLE

New Tab \*Aacharyadev... diversification UBON announces LEX Diversifying in UBON announces Diversification TME Coronavi... Ubon | Pow X

https://ubon.in

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TW-21001 Bluetooth 2.1 Tower Speaker. Speaker System 2 Speakers 2 Subwoofers Inbuilt Digital Amplifier MP3

2019 MKT501 MAR...

Music on the Go  
UBON BUbon BT-3551 Multifunctional Sport Wireless Earphone Now, no more choppy playback, weak batteries.

Stay Charged  
PB 10020 UB is the solution for batteries of your smartphones that are in dire need of the fuel.

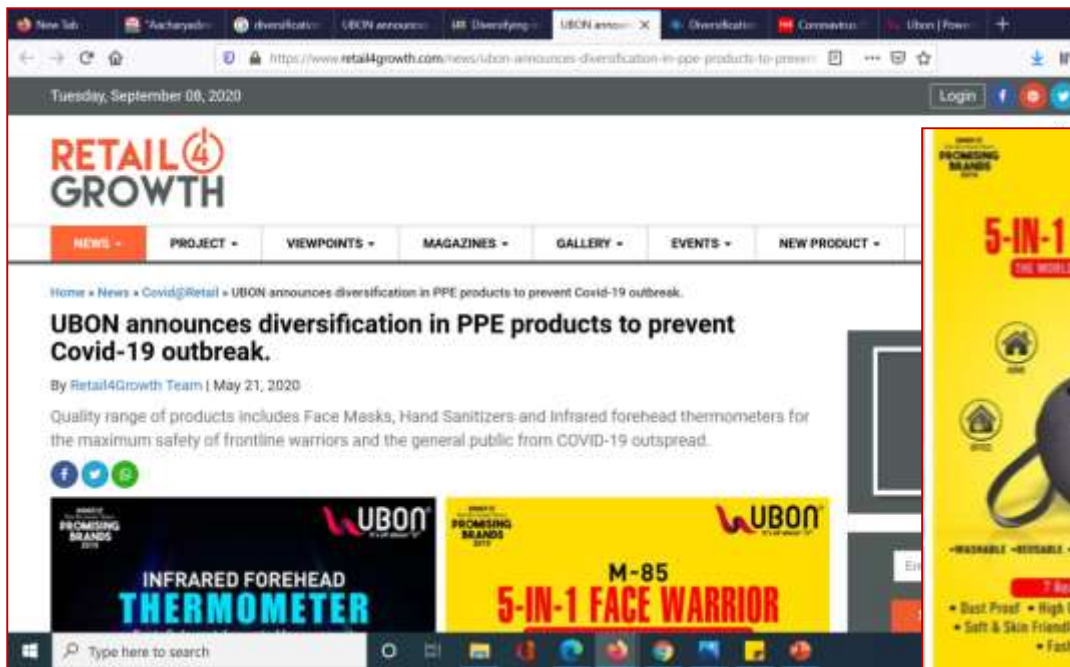
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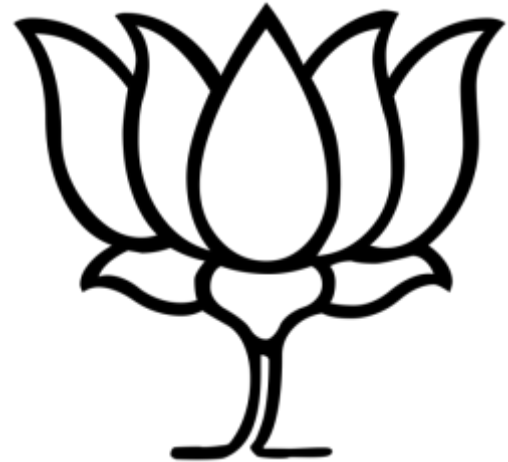


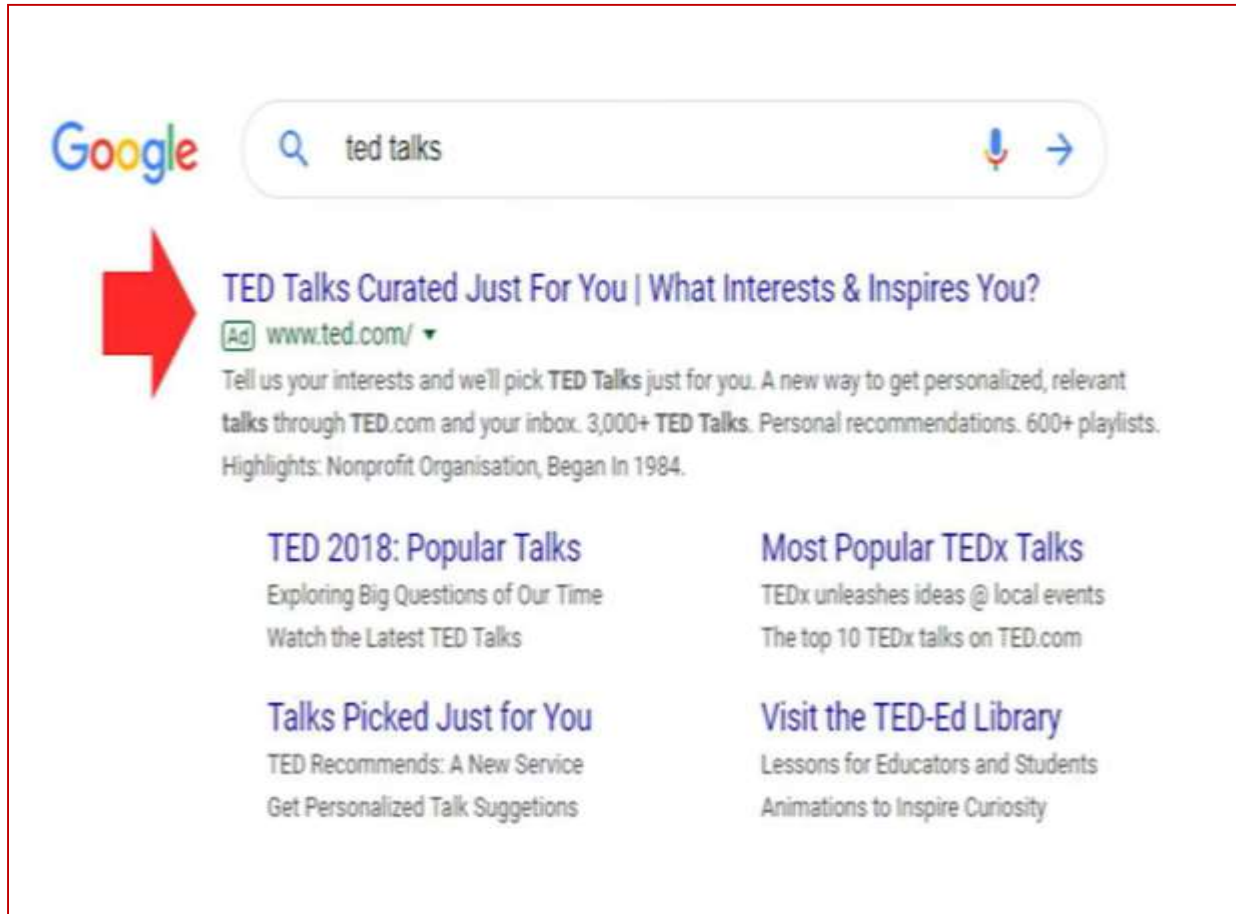
## Diversification





**How did the color of saffron-and-green  
Lotus change to white?**





**Tested 50  
shades of  
blue for  
more click**

Switching to a different  
shade of blue netted  
Google as additional  
\$200 Mn in Ad  
revenue



Amazon found every 100ms of  
latency cost them 1% in Sales





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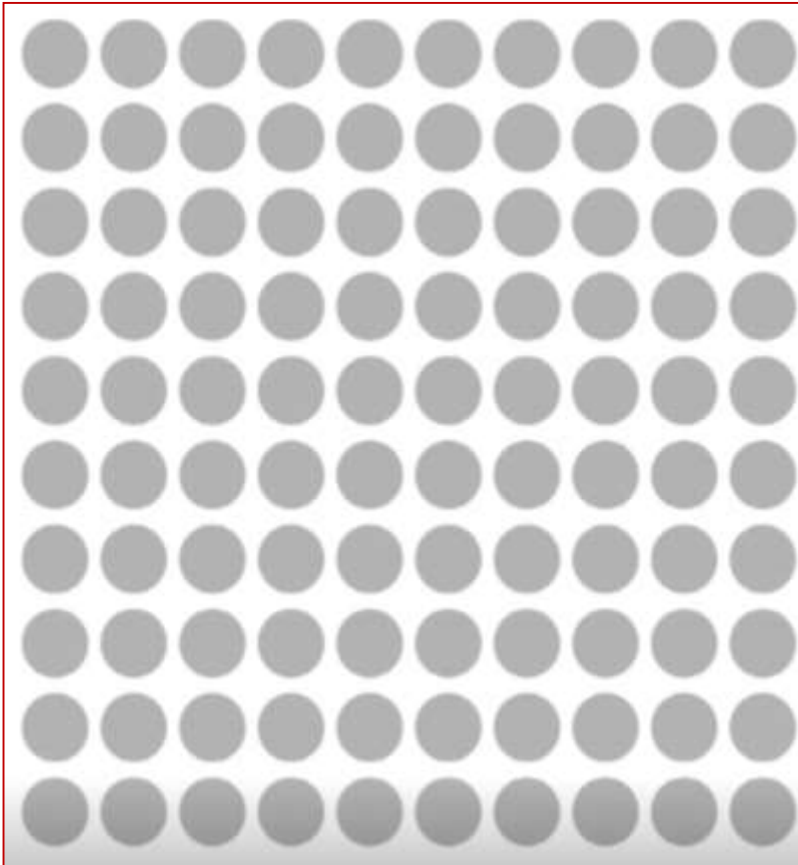
Marketing  
Research



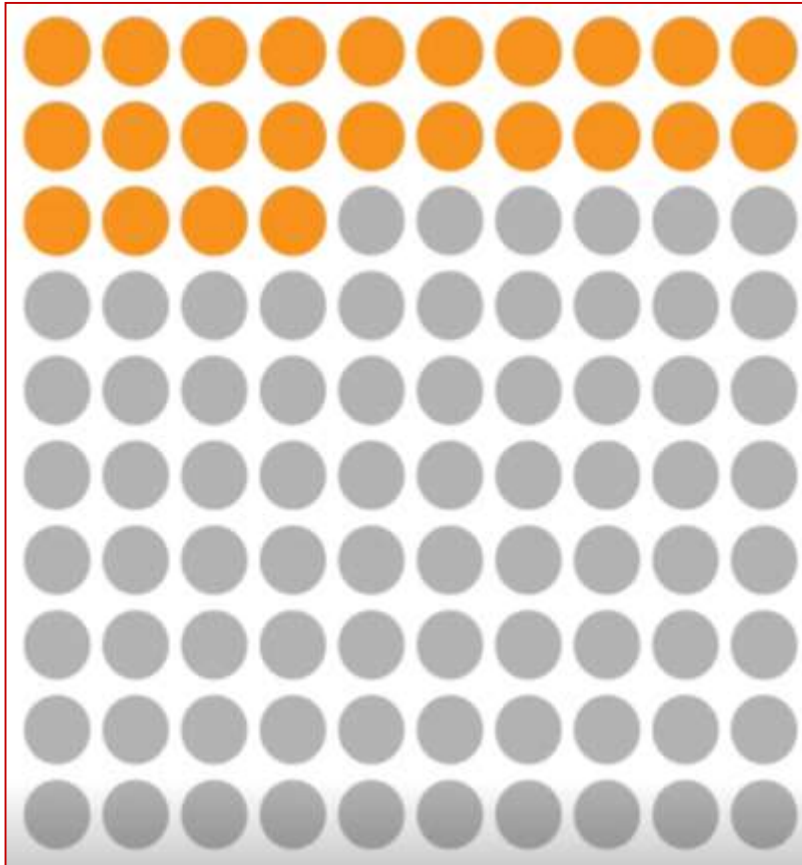


# Market Research VS Marketing Research

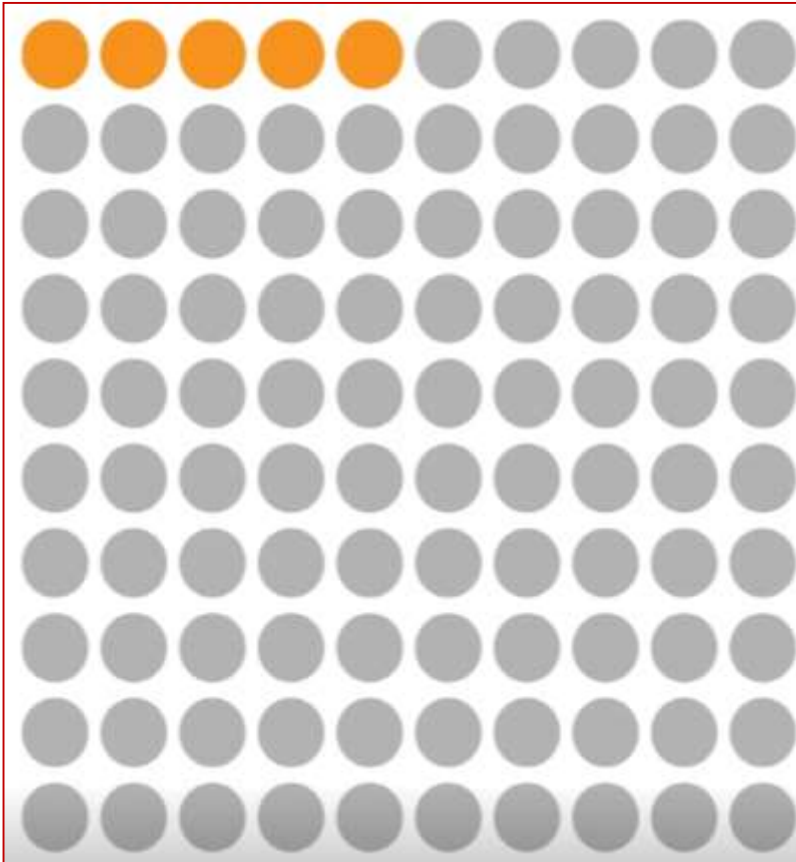
For every 100 people  
living in UK, How  
many are Muslims?



British Public think **24**  
out of every 100  
people are Muslims.



Government figures  
**05** out of every 100  
people are Muslims.

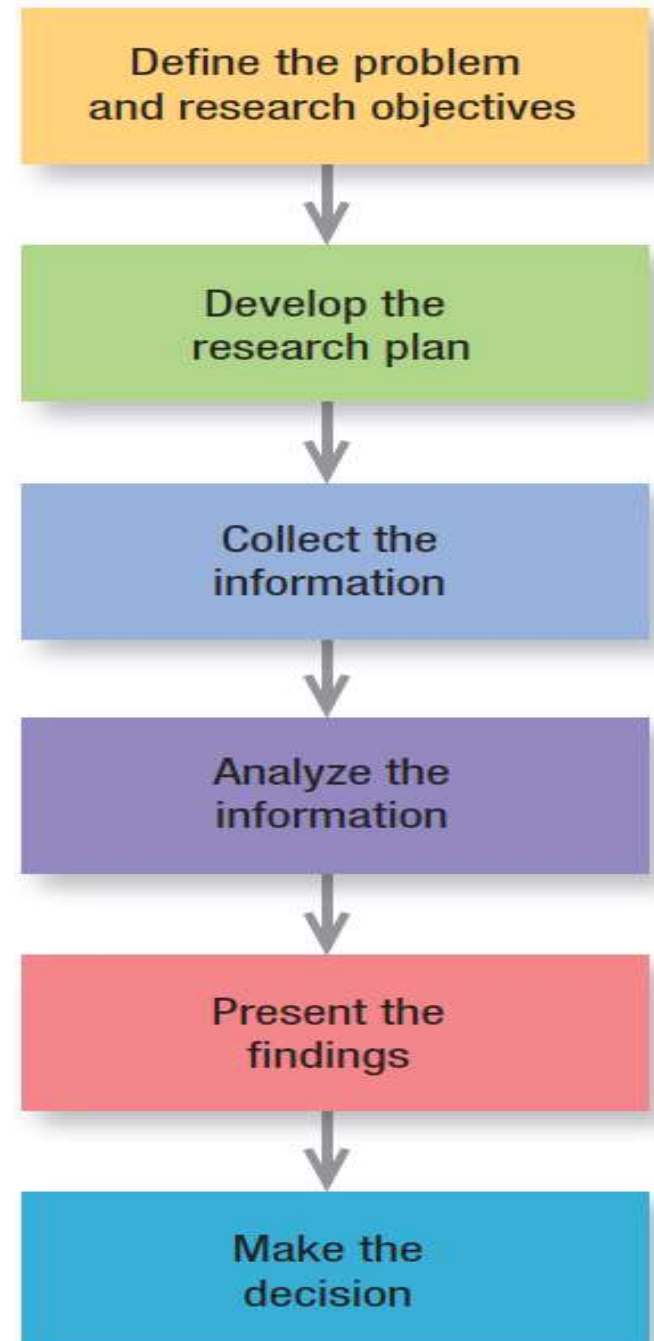
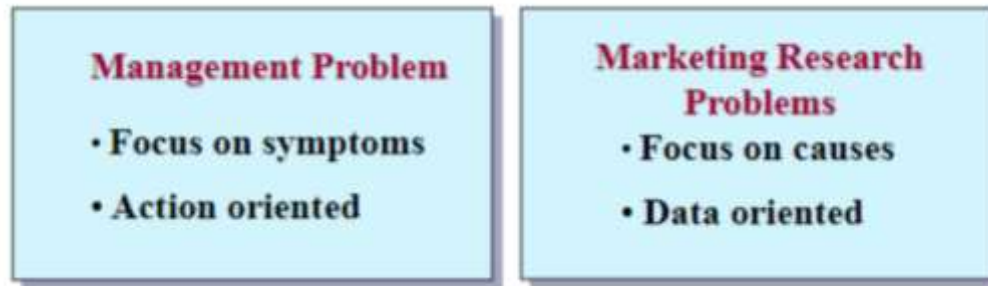


## Some More Questions

- Japan: How many of Japanese people live in rural areas?
  - People: 56
  - Government data: 7
- Saudi Arabia: What population living in Saudi is overweight or obese?
  - People: 28
  - Government data: 71



# Marketing Research Process





# Step 1: Define the Problem, the Decision Alternatives, and the Research Objectives

## Management Decision Problem

Should a new product be introduced?

Should the price of the brand be increased?

## Marketing Research Problem

To determine the effectiveness of the current advertising campaign.



# Step 1: Define the Problem, the Decision Alternatives, and the Research Objectives

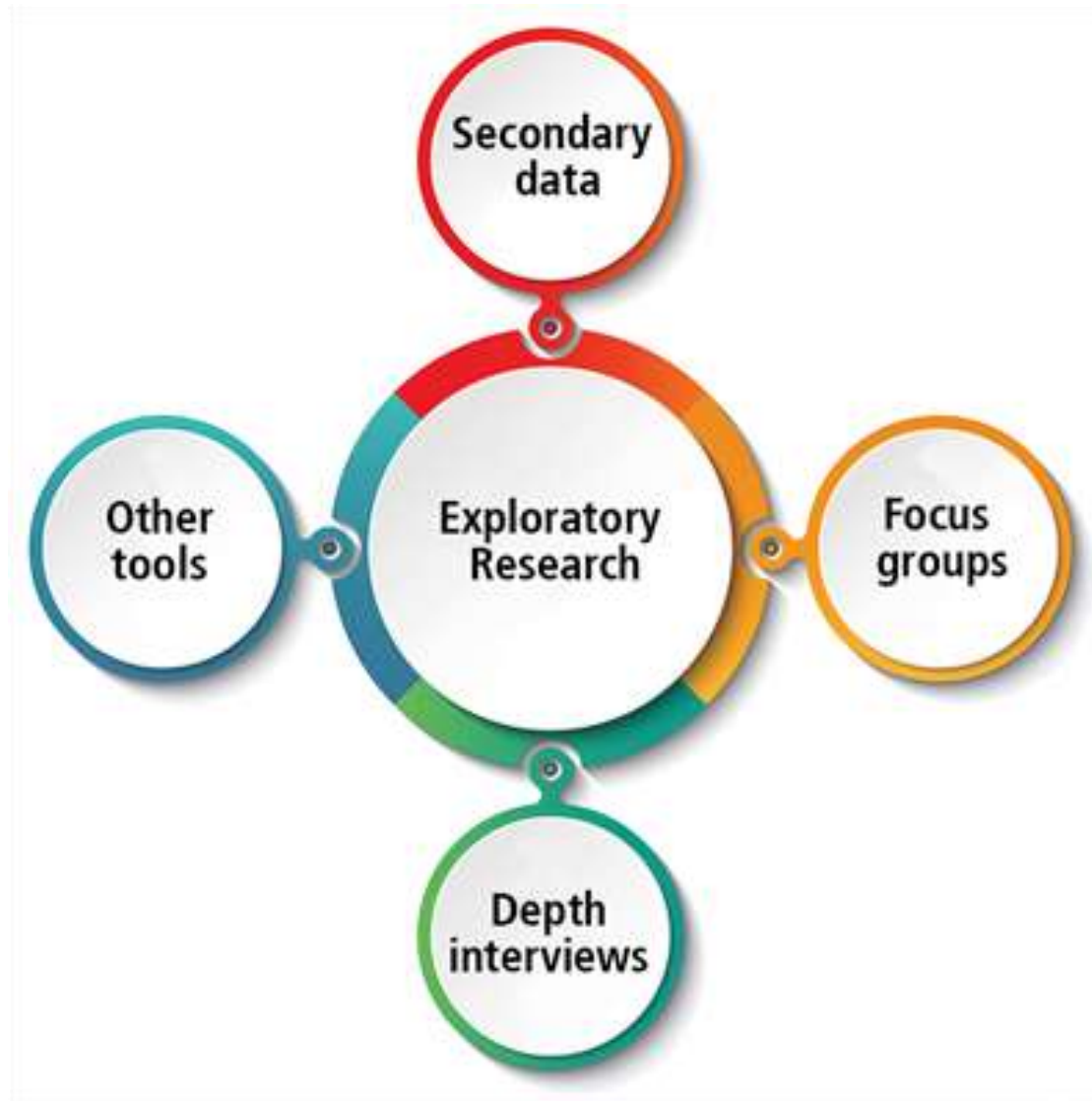
## Critical Thinking Activity:

What would you suggest to the marketing manager of Ocean Spray with regards to the name problem?

Cranberry is not a part of their language but we would like the Asian consumers to try and like the cranberry juice.



## Step 1: Define the Problem, the Decision Alternatives, and the Research Objectives – EXPLORATORY RESEARCH



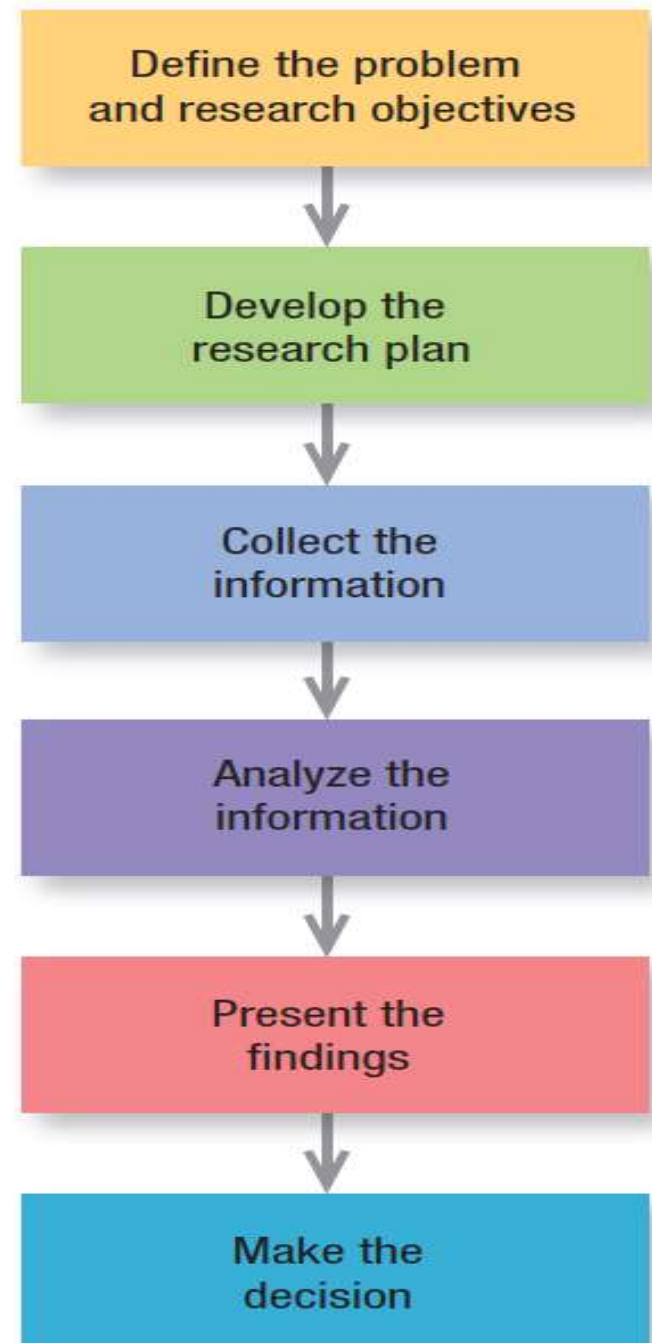
## Fuzzy Front-End" Methods

General Mills asked consumers to take a photo of themselves every time they snacked on popcorn. When they carefully studied the patterns in the photos they received, they realized that many people had salt and butter on the table to add extra flavor. They created General Mills' Homestyle Pop Secret popcorn as a result, which delivers the real butter and bursts of salt in microwave popcorn.



## Step 2: Develop the Research Plan

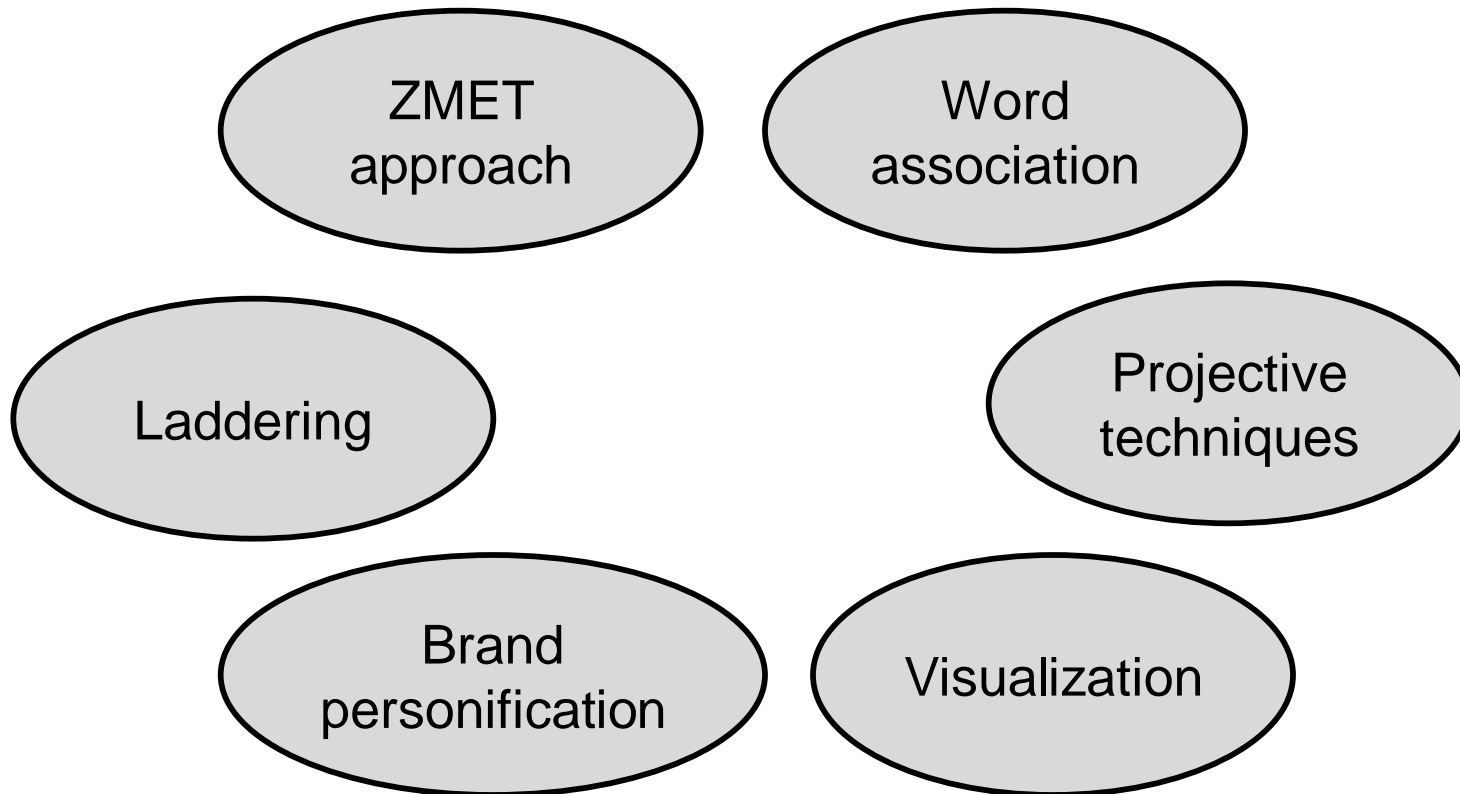
- Data sources
  - Primary Vs. Secondary
- Research Approaches
  - Observational research
  - Focus group research
  - Survey research
  - Behavioral research
- Research Instrument
  - Questionnaire
  - Qualitative Measures





- Imagine you are recruited as sales trainees in MRF Tyre Limited. You found that in one sales territory, the sales are very low from the last 6 months. You conducted a one time survey and got feedback from retailers and distributors to find and to lower down the reasons of low sales. You are doing which type of research in this case:
  - 1) Cross Sectional
  - 2) Longitudinal
  - 3) Experimental
  - 4) None of these

### Qualitative Measures







## Driving Brand Equity

A look inside our research with Frito-Lay that examined the minds and emotions of American snackers.

### Missing Meaning

When the Lay's brand faced the **challenge of creating a powerful connection with their brand beyond product attributes**, we leverage our expertise in mind science to understand the **deeper, emotional frames** of Lay's consumers. The goal was to explore and understand a connection with the brand that was **far deeper than the beloved product attributes**:



light



airy



crispy

### The Opportunity

Lay's consumers' emotional reaction has become a significant part of the **brand's equity**



### The Methodology

ZMET®

Our **patented and pioneered** methodology, the Zaltman Metaphor Elicitation Technique (ZMET), allows us to **go beyond the surface** and **illuminate the full complexity of the human mind**. As the **industry leader in behavioral science**, we leveraged our ZMET technique to **deeply understand the unconscious beliefs and behaviors that impact decision-making**.

### In-Depth Interviews

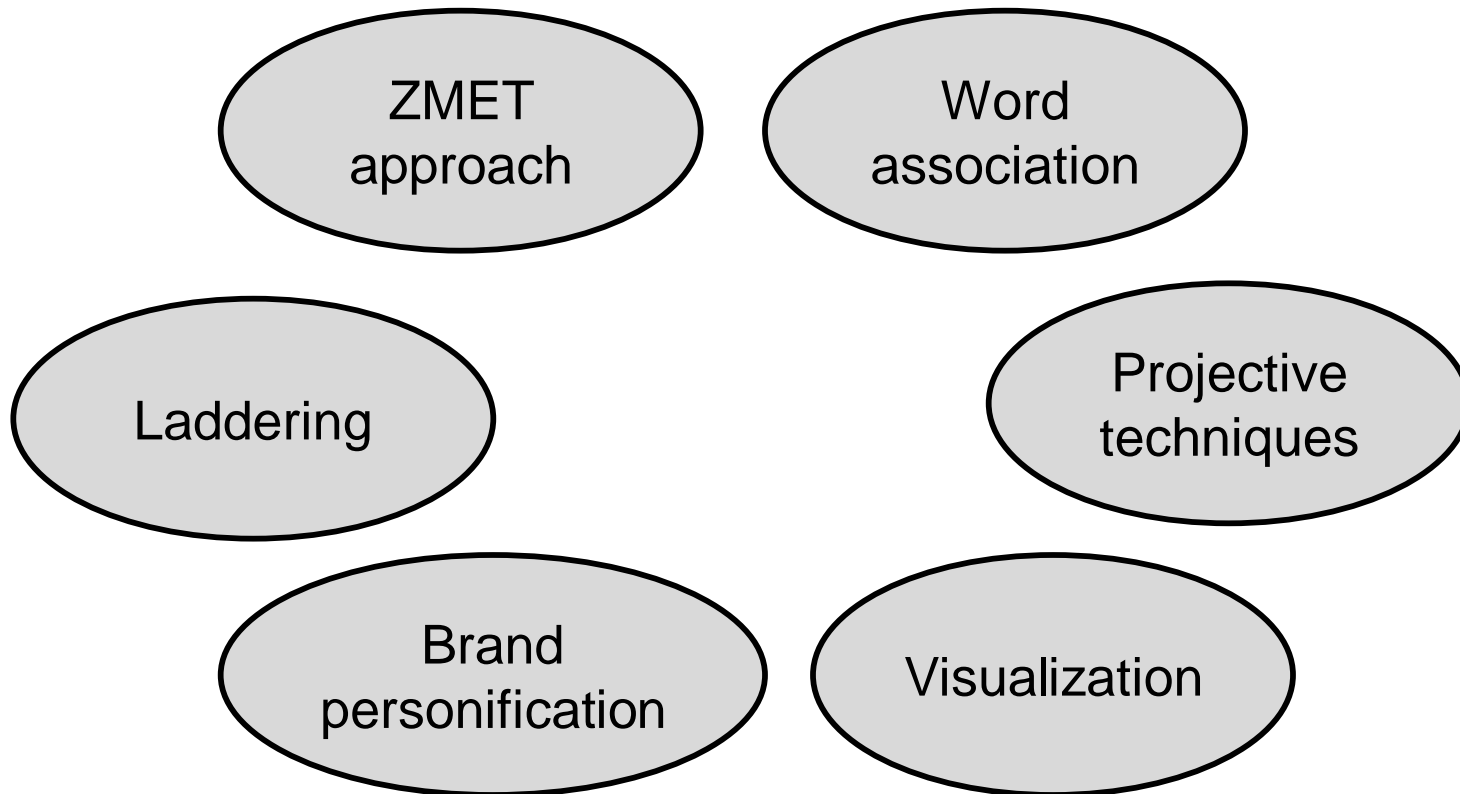


We talked to men and women across the United States to understand the **emotional territory** of loyal consumers and their **experience with the brand at each touchpoint**.





### Qualitative Measures

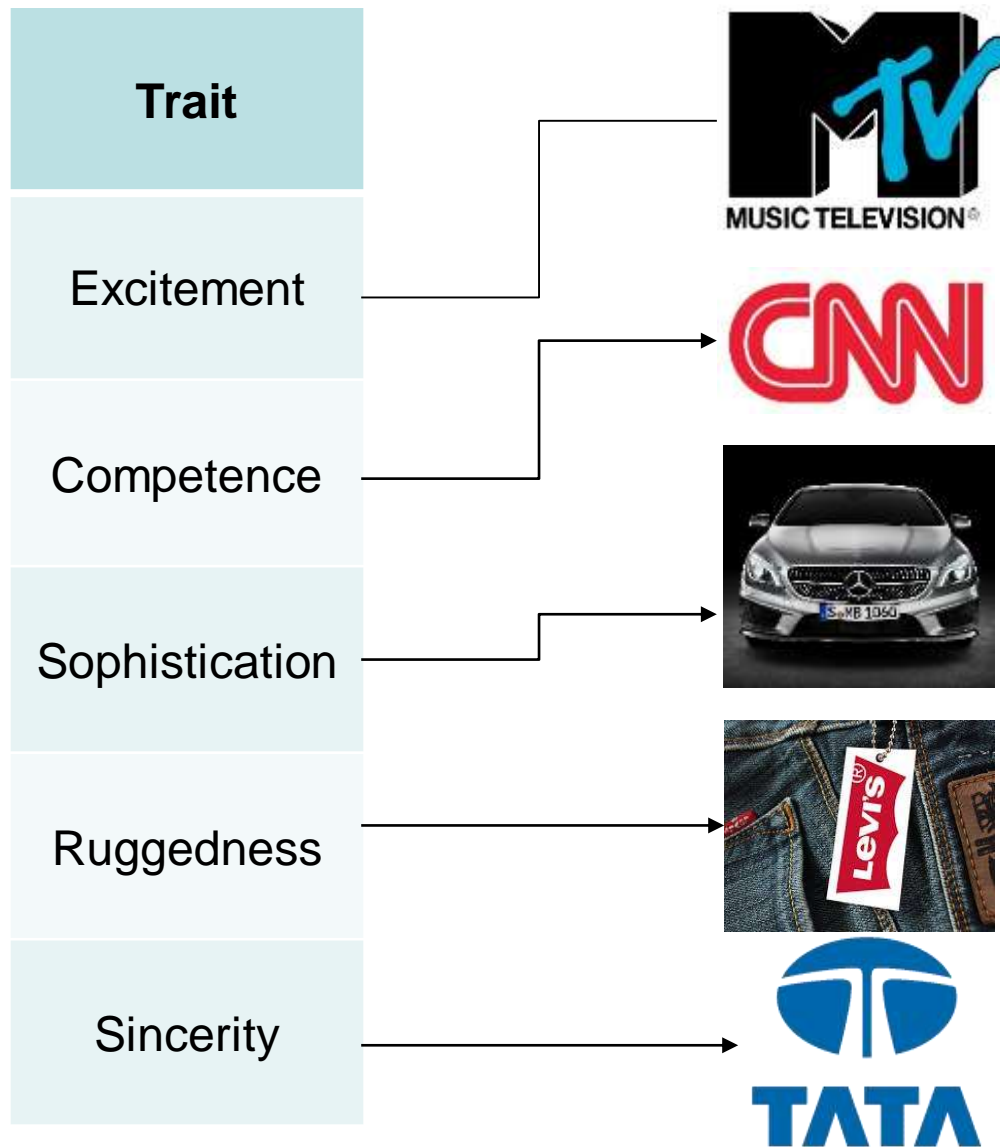




Identify one particular trait on which the following brands are strong at:

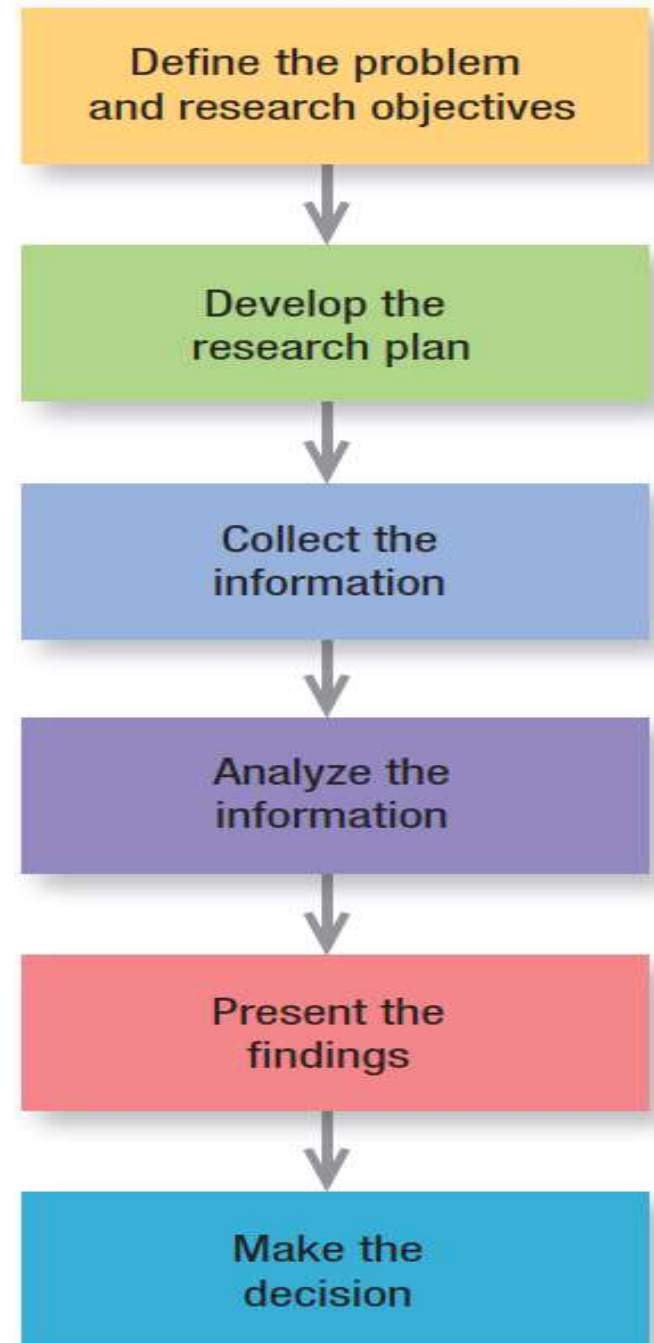
Trait
Excitement
Competence
Sophistication
Ruggedness
Sincerity





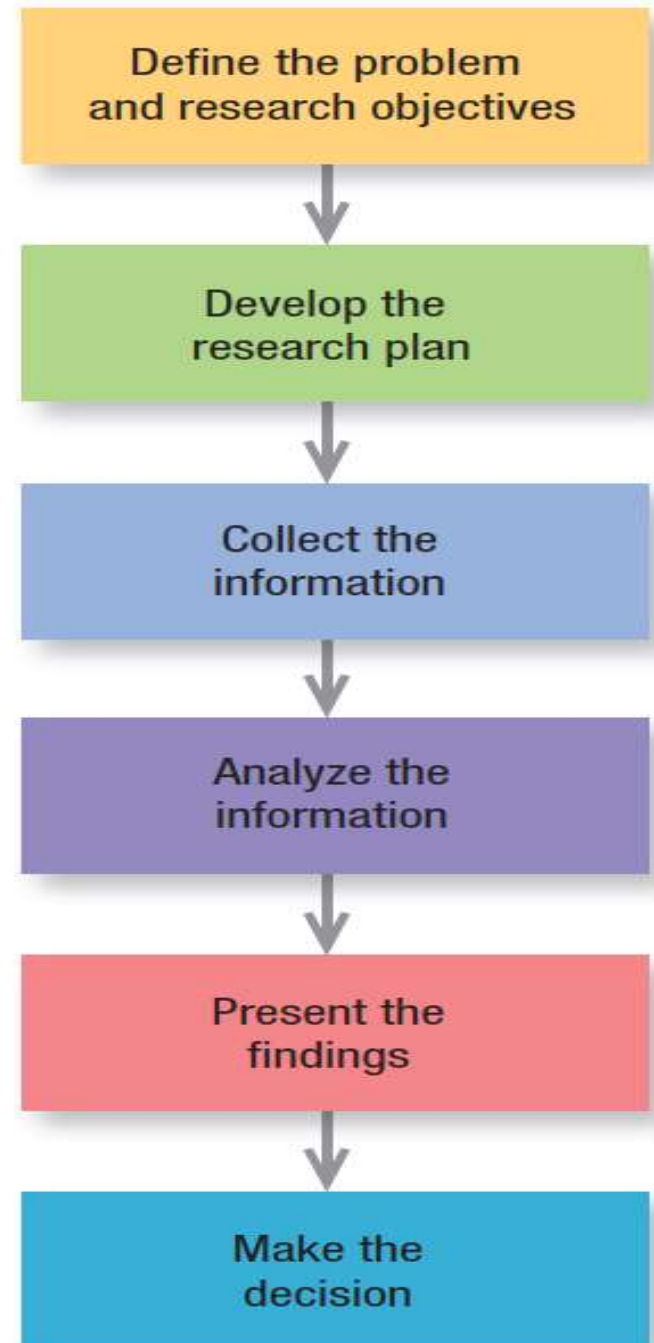
## Step 2: Develop the Research Plan

- Data sources
  - Primary Vs. Secondary
- Research Approaches
  - Observational research
  - Focus group research
  - Survey research
  - Behavioral research
- Research Instrument
  - Questionnaire
  - Qualitative Measures
- Sampling Plan
  - Probability, Non Probability
- Contact Method
  - Mail
  - Telephone
  - Personal
  - Online





- Step 3: Collect the Information
- Step 4: Analyze the Information
- Step 5: Present the Findings
- Step 6: Make the Decision







- In 2002, Westjet added service to two new Ontario destinations, London and Toronto. As Westjet expanded into Eastern Canada it began to run into competition from Montreal based discount carrier Jetsgo, which started in 2002 (and ended March 2005).
- In 2003 Jetsgo expanded into Western Canada to compete directly on flights between Calgary and Toronto and Montreal. In the first six months of 2004, Westjet's net earnings were \$8.0 million compared to \$15.5 million during the first six months of 2003. Both Jetsgo and Westjet modeled themselves on the highly successful US Carrier Southwest Airlines. Both airlines offered the same schedules, the same service, and the same fares. With little to differentiate the two airlines Westjet began to look at a way to increase passenger loyalty especially on the longer haul Domestic flights.



- **Management decision problem**
- **Marketing Research Problem**
- **Marketing Research Objective**



- **Management decision problem**  
How to attract more loyal customers?
- **Marketing Research Problem**  
Identify the factors that influence loyalty of airline passengers?
- **Marketing Research Objective**  
How to differentiate Westjet from the competition?

# Case – Exploratory Research



- Exploratory research revealed that the consumer's choice of an airline is influenced by:
  - safety, ticket price, frequent flyer program, convenience of scheduling and brand name.
- A theoretical model stipulated that consumers evaluate competing airlines based on factors of the choice criteria to select a preferred airline. Since both airlines offer the same schedules, same service, and fares Westjet had to find a way to differentiate itself.

# Case – Exploratory Research



- Exploratory research revealed that the **consumer's choice** is influenced by:
  - safety, ticket price, frequent flyer program, convenience of scheduling and brand name.
- Since both airlines offer the same schedules, same service, and fares Westjet had to find a way to **differentiate itself**.
- Secondary data, like the J. D. Power and Associates survey on “current and future trends in the airline food industry” indicated that “**food service is a major contributor to customer loyalty**”. This survey also emphasized the importance of food brands.
- Westjet then conducted a **Marketrak survey** to evaluate the importance of food service to its customers – “**Customer wanted more varied & up-to-date food**”

## Research Question:

- How important is food for airline customers

## Research Hypothesis

- Food is an important factor for airline travelers
- Travelers valued branded food
- Travelers prefer large food portions
- Travelers prefer exotic food



## McDonalds on a plane? Airline becomes FIRST to partner with fast food chain

MCDONALDS has teamed up with an airline in a world first, to serve its products mid-flight.

By **CLAUDIA CUSKELLY**

09:55, Fri, Nov 25, 2016 | UPDATED: 10:29, Fri, Nov 25, 2016



McDonalds has teamed up with WestJet to serve its products during flights





**WESTJET** 

- Choice of appetizers, entrees and separate dessert or cheese tray service in Business cabin
- Newly-designed menus with wine and beverage list included
- New snacks with after take-off aperitif drinks
- Tray-based service

- Nestle Rolls Out Touchless Coffee Machines, New Flavors

Read more at: <https://www.bloombergquint.com/business/nestle-has-its-starbucks-moment-as-consumers-sip-coffee-at-home>





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**How Bengaluru-based Entropik Tech decodes user emotions to help brands win customers**

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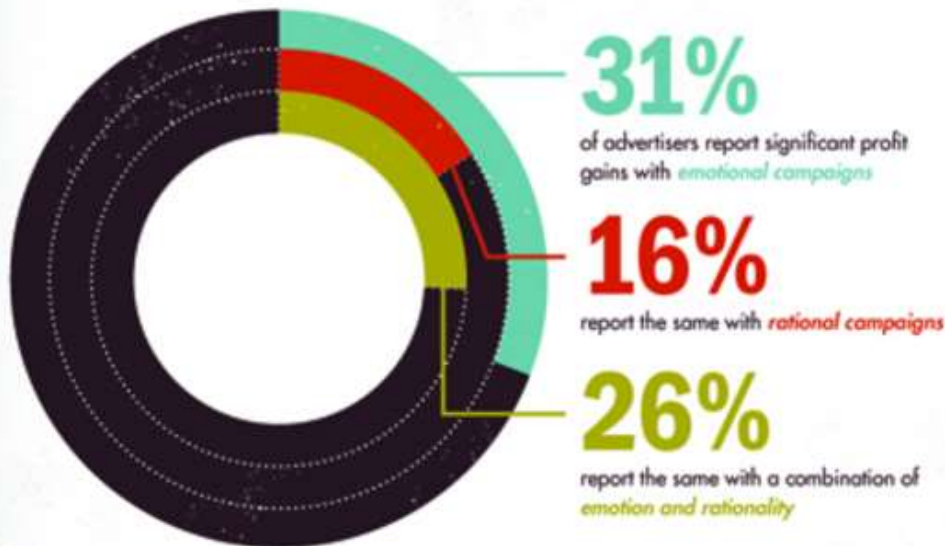
Can artificial intelligence accurately gauge what you might feel when you look at a new product? It might sound far-fetched, but that's exactly what Bengaluru-based Entropik Tech is helping its clients achieve

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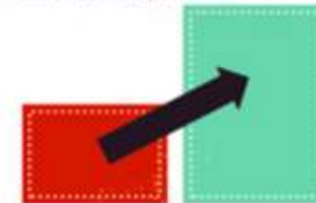
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# Any Questions?



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