studocu

COMM 223- Midterm

Marketing Management I (Concordia University)

COMM 223- Midterm

LECTURE 1

Marketing concept: the key to achieving organizational goals consists of determining the needs/wants of target markets + delivering the desired satisfactions more effectively/efficiently than competitors

Concentrate → needs of buyer, NOT needs of seller

Marketing: the process of maximizing company profits (short/long-term) through creation of superior value for customers relative to competition

The Core Marketing Concept:

Needs: state of feeling deprivation (e.g.: hunger)

Wants: needs shaped by culture/individual personality (e.g.: "I want a hamburger and fries")

Demands: wants backed by buying power (e.g.: I have money to buy this meal → I'm buying it)

Meeting customer needs and wants:

Products: anything that can be offered to a market for attention, acquisition, use or consumption and that might satisfy a need/want.

Customer's Decision Criterion:

Customer value: benefits customer gains from using product compared to cost of getting product

Customer satisfaction: depends if product's perceived performance in delivering value can meet buyer's expectations

How Consumers Meet Needs and Wants:

Exchanges: obtaining a desired object from someone, offering something in return

Relationships: process of creating, maintaining and enhancing ongoing exchanges/transactions

The Market: the set of all actual/potential buyers of a product/service

LECTURE 2

Marketing Management Orientations:

Marketing Approaches

Classic Marketing Approach (stick to basics)	Alternative Marketing Approach (innovation)
▫ Market-driven ▫ "Give customer what they want." ▫ Matches well with markets containing products with high buyer familiarity ▫ Assumes buyers evaluate choices based on fixed value concepts	▫ Market-driven ▫ "Help customers learn what they want" ▫ Matches well with rapidly evolving markets with growing number of original products ▫ Assumes buyers can learn/evolve with new value concepts

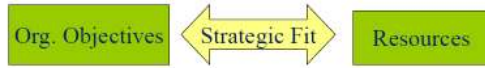Customer Relationship Management (CRM):

- ▫ General process of building/maintaining profitable customer relationships by delivering superior customer value/satisfaction.
- ▫ It costs 5-10x more to attract a new customer than it does to keep current one satisfied
- ▫ Marketers → concerned with **lifetime value of the customer**
- ▫ Customer equity: total customer values of all of the company's current/potential customers
- ▫ Ideal relationships with customers → treating customers as assets that need to be managed/maximized
- ▫ Different customers = different CRM strategies

Customer Lifetime Value (CLV):

- ▫ The value of the entire stream of purchases that ONE customer would make over a lifetime of sponsorship
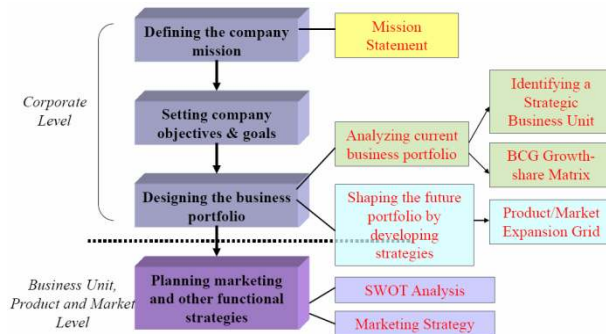- ▫ E.g.: Lexus estimates one customer = $1,170,000 in lifetime sales

□ CLV can end up negative→ e.g.: customer buys but does not pay

Strategic Planning: managerial process of developing/maintaining a strategic fit between organization's goals and resources in its changing market environment

Steps in Strategic Planning:

1) Mission statement:
   □ statement of organization's broad purpose; what it wants to accomplish in the big picture
   □ statement of the organization's scope, often identifying its customers, markets, products, technology and values

Evaluating a Mission Statement:

   □ Market oriented: focus on meeting consumer needs
   □ Realistic: don't be delusional
   □ Motivational: inspire employees
   □ Consistent with the market environment: be up to date

2) Corporate goals:
   □ Convert the mission into targeted levels of performance
   □ Measurable, achievable, unequivocal
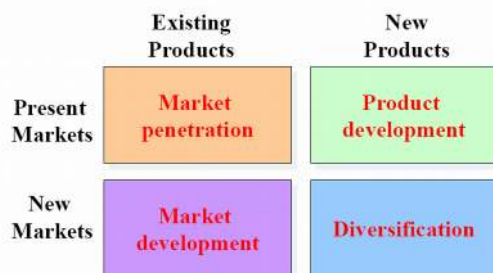
3) Business Portfolio: P&G example

4) BCG Growth Share Matrix

Limitations of BCG analysis:

- Independence assumption
  -does not account for synergies
  -cannot explain cannibalization
- Not powerful for future planning
- Limited information used
  -market attractiveness= growth?
  -competitive position = market share?

Product/Market Expansion Grid:

Market Penetration:

- ▫ Making more sales to current customers without changing its products
- ▫ How? →Add new stores in current market areas, improve ads, prices, service/store design, suggest a new usage

Market Development:

- ▫ Develop new markets for its current products
- ▫ How? → Identify new demographic/geographic markets

Product Development:

- ▫ Offering new products to current markets
- ▫ How? → new styles, flavors, colors, modified products

Diversification:

- ▫ New products for new markets
- ▫ How? → Start up/buy new businesses

Planning Phase:

- ▫ Situation analysis (SWOT): complete analysis of company's situation
- ▫ Customer-focused Marketing strategy (STP): targeting/positioning + managing marketing mix (4 P's)

SWOT analysis: formal framework for identifying/framing organizational growth opportunities

Strengths
Weaknesses } internal

Opportunities
Threats } external
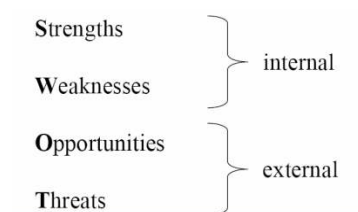
Marketing Environment:

I. Company's Microenvironment:
- ▫ Consists of the actors close to the company which affect its ability to serve customers
- ▫ The company, customers, competitors, suppliers, marketing intermediaries, publics

II. Company's Macroenvironment:
- ▫ Consists of the larger societal forces that affect the microenvironment

- Demographic, economic, natural, technological, political, cultural-environment.
- E.g.: more people are divorcing and separating

Age groups:

I. <u>Children: (generally speaking)</u>
- Increasing in <u>developing</u> countries
- Decreasing in <u>developed</u> countries → does NOT imply ↓ spending
- Expenditure on baby/kids products depends on culture

II. <u>Teenagers</u>
- Easily switch brand preferences
- Easily liable to peer influences

III. <u>Young adults</u>
- 18-25 have ↑ (gen Z)
- 26-36 have ↓ (gen Y)

IV. <u>Middle-aged segment</u>
- Baby-boomers

V. <u>Elderly</u>
- Proportion growing strongly in industrialized nations
- Cognitive/perceived age often different from actual age
  - Want ads to appeal to them, but not too obvious
- Have a lot of discretionary income, but:
  - often don't need to spend
  - are often careful spenders
  - have more time (use coupons, buy during off-peak hours)
- Newspapers and AM radio
- Shop earlier
- Declining sensory abilities
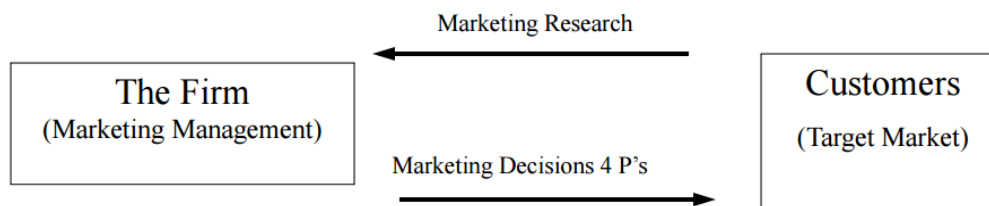
Attractive Age groups:
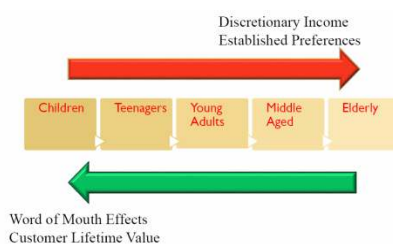
Technological environment: includes forces that create new technologies creating new product/market opportunities

Political environment: increase legislation and social responsibility emphasis

LECTURE 3

Marketing Research: the process of acquiring market information to improve marketing decisions

*4 P's = Product, pricing, placement, promotion

Marketing Information System: information needed by managers can be obtained from…

I.   Internal data
  ▫ Computerized collection of consumer and market info from data sources (i.e.: accounting) <u>within the company network</u>
  ▫ Gathered via customer databases, financial records and operations reports
  ▫ PROS: quick, easy access to info
  ▫ CONS: incompleteness, inappropriateness to a particular situation
II. Marketing Intelligence
  ▫ Collection/analysis of <u>publicly available information</u> about competitors/developments in the marketing environment (i.e.: technological)
  ▫ Competitive intelligence gathering activities have grown
  ▫ Many sources of competitive info exists

Procedure for Marketing Research:

1) **Define purpose of the research**
  ▫ Why should we do the research?
  ▫ What should the research tell us?

2) Plan the research
- How should the research be carried out?

3) Perform the research
- Collecting/analyzing data
- What should we do with the data?

4) Interpret and report the findings
- What do we do with the results?

Research plan: classification of research types

I. **Exploratory:**
- Gives insights into the general nature of a problem, possible decision alternatives, and the relevant variables to consider
- Used when little is known about the problem/situation → to develop initial hunches/insights and to provide direction for any further research needed
- Used to gain ideas and insight into the research problem
- Used to determine what factors/variables/constructs may potentially be influential
- <mark>Research outcome</mark>: a list of **potentially influential** factors/variables

II. **Descriptive:**
- Provides an accurate snapshot of some aspect of the market environment
- Used when the research objectives/questions are clearly defined and summary measures are needed to address the research questions
- Used to describe the characteristics/composition of relevant groups or units
- <mark>Research outcome</mark>: summary measures (of characteristics)

III. **Causal/Confirmatory/Experimental**:
- Shows whether one variable causes or determines the values of other variables
- Used to identify/establish cause-and-effect among variables
- Used to understand tight connections between management actions and observed outcomes
- <mark>Research outcome</mark>: and X & Y relationship → if X occurs, Y happens

Increasing Uncertainty

Exploratory Research	Descriptive Research	Causal Research
(Ambiguous Problem)	(Aware of Problem)	(Problem Clearly Defined)
• focus group • secondary data • expert opinion • case study	• survey • observation • secondary data	• laboratory experiment • field experiment • quasi-experiment
"Our sales are declining and we do not know why."	"What kinds of people are buying our products? Who buys our competitors' products?"	"Will buyers purchase more of our product in a new package?"

Descriptive vs. Causal Studies: Correlation and Causality

- Correlation DOES NOT = Causality
- Reverse causation: the more firemen fighting a fire, the bigger the fire is going to be. Therefore, firemen cause fire
- A third common causal factor: does wearing a seatbelt reduce death risk in a car accident?
- Coincidence: since the 1950's, both the atmospheric CO_2 level and crime level have increased sharply. Hence CO_2 = crime

Experiments for Causal Relationship:

- Goal: to determine causality
- Conditions necessary to establish causality
  - The cause must precede the effect (A before B)
  - No plausible explanation for B other than A
  - Ceteris Paribus (all things being equal)

Design Issue: Types of Data

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                    ┌─────────────────────────┐
                    │ Marketing Research Data │
                    └─────────────────────────┘
              ┌──────────────┴──────────────┐
    ┌─────────────────┐          ┌──────────────┐
    │  Secondary Data │          │ Primary Data │
    └─────────────────┘          └──────────────┘
                          ┌─────────────┴──────────────┐
                ┌──────────────────┐        ┌────────────────────┐
                │ Qualitative Data │        │ Quantitative Data  │
                └──────────────────┘        └────────────────────┘
                                    ┌───────────┴────────────┐
                          ┌──────────────┐          ┌──────────────┐
                          │  Descriptive │          │    Causal    │
                          └──────────────┘          └──────────────┘
                      ┌──────────┴──────────┐             │
              ┌─────────────┐  ┌──────────────────┐  ┌──────────────────┐
              │ Survey Data │  │ Observational Data│  │ Experimental Data│
              └─────────────┘  └──────────────────┘  └──────────────────┘
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Primary vs. Secondary Sources

Primary

- Collected by researcher
- Addresses a specific research objective (survey data, questionnaire, etc)

PROS of Primary:

- More reliable
- Better suited to specific research goals
- Used in exploratory, descriptive, and causal research designs

Secondary

- Typically collected by a 3rd party (not the researcher)
- Collected without specific research objective (census, store audits)

PROS of Secondary:

- Cheaper than primary data
- Easy to obtain
- Best for exploratory research

Qualitative Research:

- Involves: small samples + non-structured data collection procedures
- Provides: initial insights, ideas of understanding of the problem
- Should NOT be used to recommend final course of action
- Main methods
  - focus group: a group discussion, best for preliminary research

- in-depth interviews: one respondent, one researcher leads discussion, encourages uninhibited responses, laddering (follow-up question based on respondent's answer) as a technique
- observation: involves recording the behavioral patterns of people, objects and events in a systematic manner
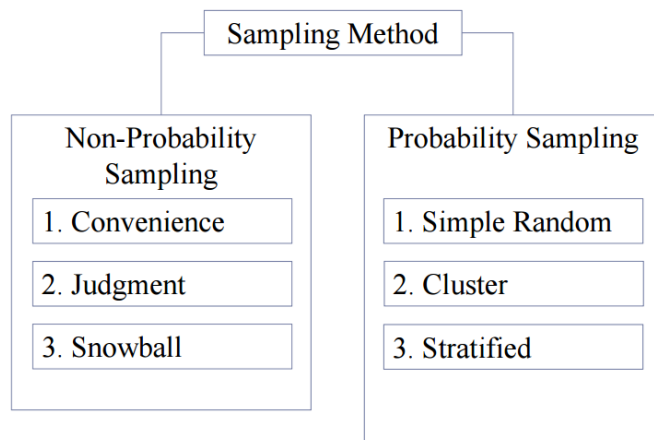
Projective Techniques:

- unstructured/indirect form of questioning which encourages the respondents to project their underlying motivations, beliefs, attitudes or feelings regarding the issues of concern
- Examples:
  - word association: respondent responds to a list of words, reacting to them with the 1st word that comes to mind
    -Measures: frequency, time limit, # of respondents who don't respond at all
  - sentence completion
  - picture response and drawings
  - ZMET: Zaltman Metaphor Elicitation Technique
    -elicitation of respondent's unconscious thoughts via non-literal or metaphoric expression
    -respondents are asked to collect a set of pictures that represent their thoughts and feelings about the topic of interest

Survey Data:

- Useful for descriptive research
- PROS:
  - Standardization/completeness
  - Ease of administration
  - Access to unobservable perceptions
  - Suitable for statistical analysis
- CONS:
  - "I don't care"
  - Easy to do wrong

Types of Sampling Methods:

Sampling Method	
Non-Probability Sampling	**Probability Sampling**
1. Convenience	1. Simple Random
2. Judgment	2. Cluster
3. Snowball	3. Stratified

Probability vs. Non-Probability Sampling

- o Probability sampling: every element of the population has a known probability of inclusion in the sample
  - ▪ PRO: one can quantify the amount of error that is introduced because a sample is used instead of a census
  - ▪ Simple random sample: computer generated random numbers
  - ▪ Stratified sample:
    - o Use it to increase precision and ensure different subgroups are represented
    - o To use this method researchers must have knowledge on the size of each stratum in population
    - o Two step procedure:
    - i. The target population is divided into subsets or strata
      - a) Mutually exclusive/exhaustive
      - b) Strata are based on one of more characteristics (e.g.: age, gender, state, store size)
    - ii. A simple random sample is chosen from each subset
  - ▪ Cluster sample:
    - o cost friendly
    - o require homogeneity across cluster and heterogeneity within cluster
    - o Two step procedure:
    - i. Population is divided into mutually exclusive/collectively exhaustive subsets
    - ii. Random sample of subsets is selected

- Non-probability sampling: some elements have zero chance of being selected
  - Convenience sample: "person on the street" survey, popup window on website, mall intercept
    -cheap, convenient, but often opinionated
  - Judgement sample: expert opinion, "techy" consumers
  - Snowball sample
  - CONS of non-probability sampling:
    - sample may not be representative of target population
      -difficult to project sample results to target population
  - Circumstances under which a non-probability sample may be used:
    - Exploratory research, e.g.: focus groups
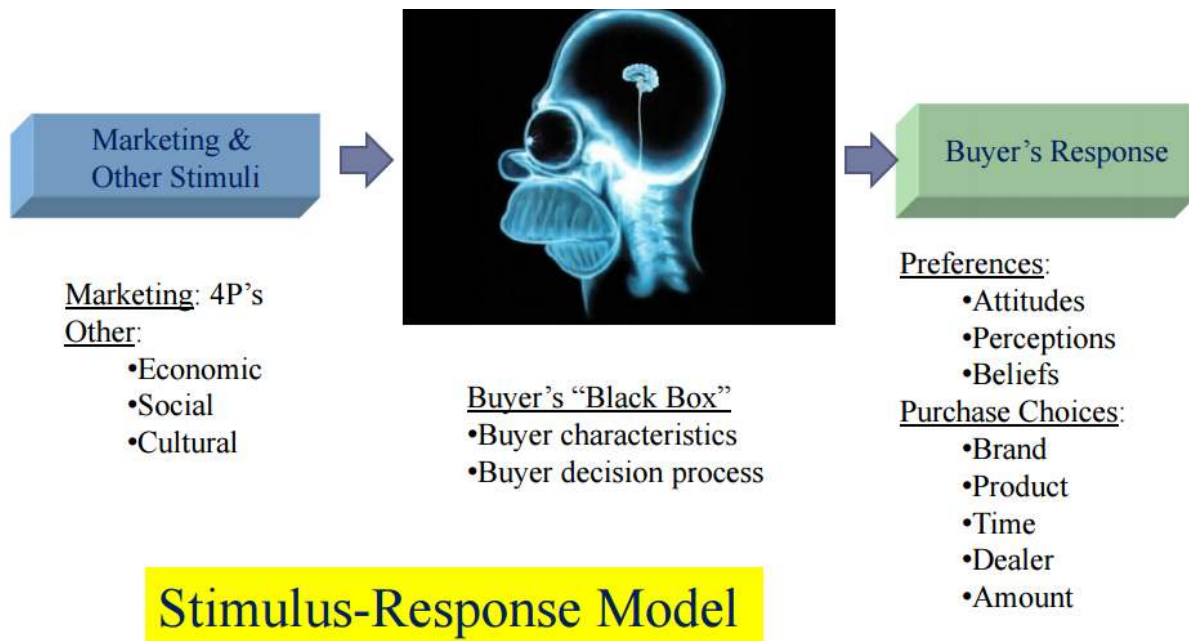   - When probability samples are too costly

Why don't we just ask consumers what they want?

  - People don't know what they want
  - People don't always know their needs
  - People don't want to tell you why they do what they do
  - People don't know why they do what they do
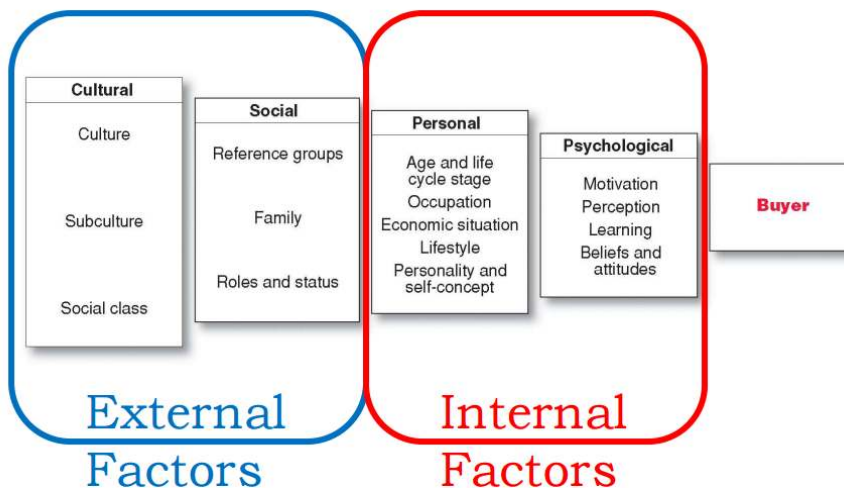 - Sometimes asking them changes their behavior

LECTURE 4

Consumer behavior: the activities of consumers in obtaining, using and disposing of goods/services, including the decision process that precede and follows these actions

Consumer behavior model:

Stimulus-Response Model

Marketing & Other Stimuli

Marketing: 4P's
Other:
 •Economic
 •Social
 •Cultural

Buyer's "Black Box"
 •Buyer characteristics
 •Buyer decision process

Buyer's Response

Preferences:
 •Attitudes
 •Perceptions
 •Beliefs
Purchase Choices:
 •Brand
 •Product
 •Time
 •Dealer
 •Amount

Factors affecting consumer behavior:

Influences

External Factors

Cultural
 Culture
 Subculture
 Social class

Social
 Reference groups
 Family
 Roles and status

Internal Factors

Personal
 Age and life cycle stage
 Occupation
 Economic situation
 Lifestyle
 Personality and self-concept

Psychological
 Motivation
 Perception
 Learning
 Beliefs and attitudes

Buyer

Internal factors:

Personal factors

- Age and life cycle stage
- Occupation
- Economic situation
- Personality
  - Refers to the unique psychological characteristics that lead to consistent and lasting responses to the consumer's environment
  - Brands also have personalities →consumers are likely to choose brands with personalities that match their own
- Lifestyle
  - person's pattern of living as expressed in his/her psychographics
  - measures consumer's AIOs (activities, interests, opinions) → capture person's pattern of acting/interacting in the environment

Psychological Factors:

- Motivation: drives person to seek satisfaction of need
- Perception: process by which people select, organize and interpret info
- Learning: changes in individual's behavior arising from experience
- Belief: descriptive though that a person holds about something
- Attitude: person's consistently favorable or unfavorable evaluations, feelings and tendencies toward an object/idea
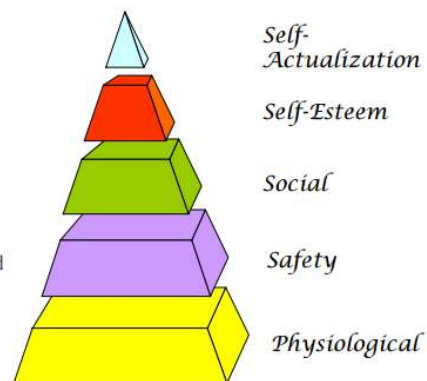
Psychological Influences Motivation

Maslow's Hierarchy of Needs:

- ▶ Meaning of this hierarchy?
  → Once a lower need is met, person's next highest need is actuated

- ▶ Why care about needs?
  → If needs are not met, there is a market opportunity to provide that need

Self-Actualization

Self-Esteem

Social

Safety

Physiological

i. Physiological needs: generic foods, medication, special drinks, supplements for athletes

ii. Safety needs: smoke detectors, preventative medicines, insurance, social insurance, retirement investments, seat belts, burglar alarms

iii. Social needs: cosmetics, clothing, entertainment, house

iv. Esteem needs: clothing, furniture, hobbies, automobiles, watches

     v.   Self-actualization: education, hobbies, sports, adventure, vacations, books, gourmet foods, museums

Psychological Influences: Perception and How to reach consumers

- Exposure: e.g.: consumer must SEE your billboard
- Attention: e.g.: consumer must LOOK at Ad message
  - Selective attention: people screen out most of info to which they're exposed to
  - Selective distortion: people interpret info in a way that will support their beliefs
  - Selective retention: people will remember good points made about a brand they favor and forget good points about competing brands
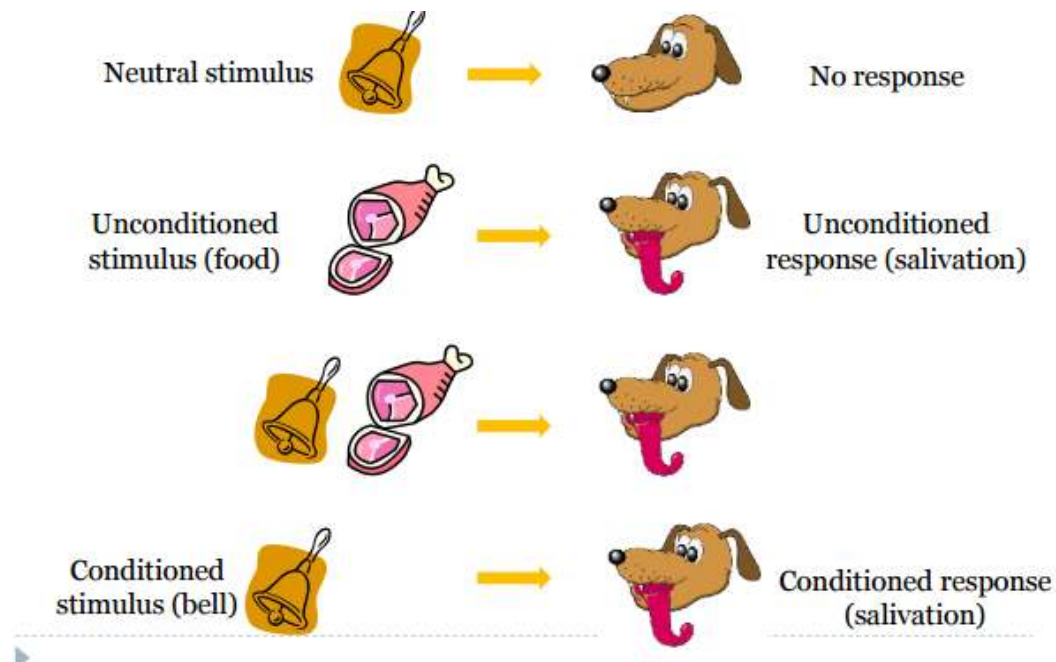- Perception: e.g.: consumer must TAKE IN message

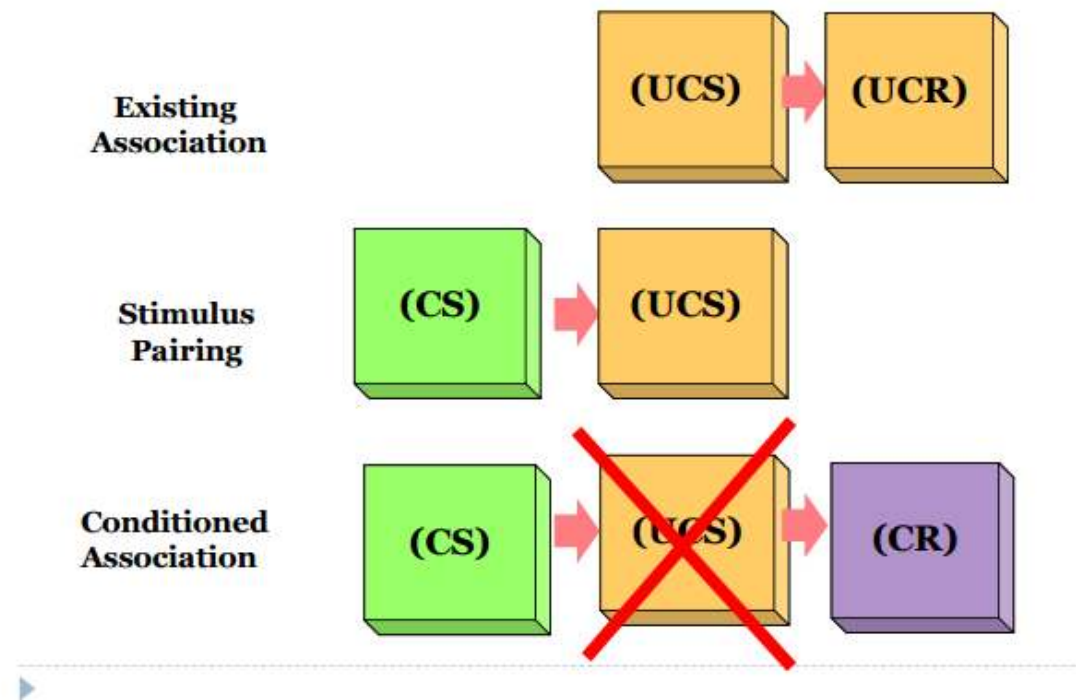Perception = Constructed Reality:

- Reality = perception

Perception is Crucial in Consumer Behavior:

- What is perceived is not necessarily what is true
- What consumers perceive is what is reality for them; it affects their actions

Psychological Influences: Classical Conditioning

Classical Conditioning

Existing Association

(UCS) → (UCR)

Stimulus Pairing

(CS) → (UCS)

Conditioned Association

(CS) → (UCS) → (CR)

▶

Types of Buying Behavior

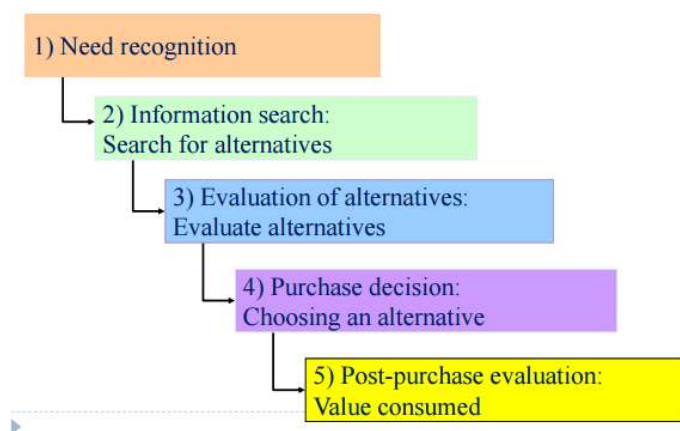|	High-involvement	Low-involvement
Significant differences between brands	Complex Buying Behavior	Variety seeking Buying Behavior
Few differences between brands	Dissonance reducing Buying Behavior	Habitual Buying Behavior

Types of Buying Behavior
Examples

	High-involvement	Low-involvement
Significant differences between brands	Computer	Chewing Gum; Snack
Few differences between brands	Carpet	Salt; donuts

Consumer Decision Making
Buyer Decision Process

1) Need recognition

2) Information search:
Search for alternatives

3) Evaluation of alternatives:
Evaluate alternatives

4) Purchase decision:
Choosing an alternative

5) Post-purchase evaluation:
Value consumed

i.   Need recognition
     o   Stimuli

-internal: hunger, thirst

-external: rain

- o Need recognition does NOT equal need
- o Consumers may not always identify their needs, marketers should help them recognize them
- o Marketers must know why consumers need something, while consumer do not need to

ii. Information search
- o Personal sources: family + friends
- o Commercial sources: ads, internet
- o Public sources: mass media, consumer org.
- o Experiential sources: handling, examining, using the product

iii. Evaluation
- o Most buyers evaluate multiple attributes (i.e.: product characteristics), each of which is weighted differently
- o Marketer's perspective → highlight products strengths in info stage. If features = benefits consumer, product will stand out

iv. Purchase decision
- o Consumer chooses the alternative the "best" solves the problem based on…

-attributes of the alternative

-other consumers' attitudes

-value net of cost to acquire (e.g.: proximity to store)

v. Post-purchase evaluation
- o Discrepancy between: consumer expectations vs. perceived performance
- o Cognitive dissonance: buyer discomfort cause by post-purchase conflict

External Factors:

Cultural Influence

- ▪ Culture: learned values, perceptions, wants and behavior from family and other important institutions
  - o Cultural shifts can be good market opportunities
- ▪ Subculture
  - o Smaller groups with shared value systems
  - o E.g.: francophones vs. Anglophones
- ▪ Social class
  - o Divisions based on social/economic status
 - o Distinctions can be unclear in some cultures like Canada

Social Influence

- Family
    - Wife/husband, parents/children
- Groups
    - Membership
    - Reference groups
    - Opinion leaders
    - Online social network

Sources of Socio-Cultural Influences

- Opinion leaders
    - More likely to create WOM than others
    - Characteristics of opinion leaders
        - Similar to receiver
        - Greater status
        - Involved with the product
        - Outgoing
        - Seek others' opinions themselves
- Market mavens
    - Have a lot of info about the marketplace in general
    - Initiate discussions with consumers and respond to requests from consumers for market info

Types of Reference Groups: person/group that influences your behavior
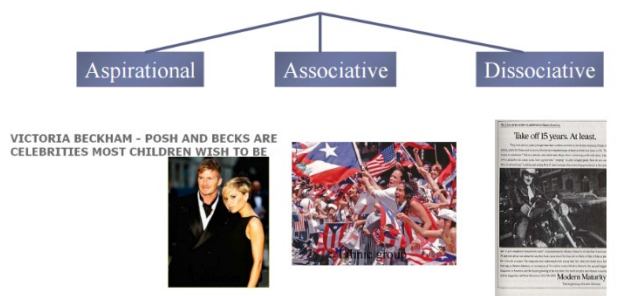
Compliance

- Tendency to be influenced
- More likely to occur publicly than privately
- Can also occur in response to some trigger
    - Automatic
    - Efficient
- Compliance tactics
    - Authority
        - People defer to experts
        - Experts provide shortcuts to decisions requiring specialized info
    - Social Proof
        - We determine what is correct partially because of what others think is correct
        - E.g.: "most popular", "best selling"
        - Laugh tracks for TV comedy (makes you want to laugh)

Socio-Cultural Influences: Reference group – Influence on Product/Brand choice

Group Influence on Brand Choice
"What specific brand should I buy?"

	Strong	Weak
Strong (Group Influence on Product Choice *"Should I buy this product?"*)	**Public Luxuries** — Golf clubs, skis	**Private Luxuries** — Ice maker, billiard table
Weak	**Public Necessities** — Automobile, men's suit	**Private Necessities** — Mattress, milk

LECTURE 5

Marketing Planning Process

Identify Objective

Competition → Analyze Environment ← SWOT

Analyze Consumer

Segment Market

Choose Target

Differentiate and Position Product

Develop Strategy

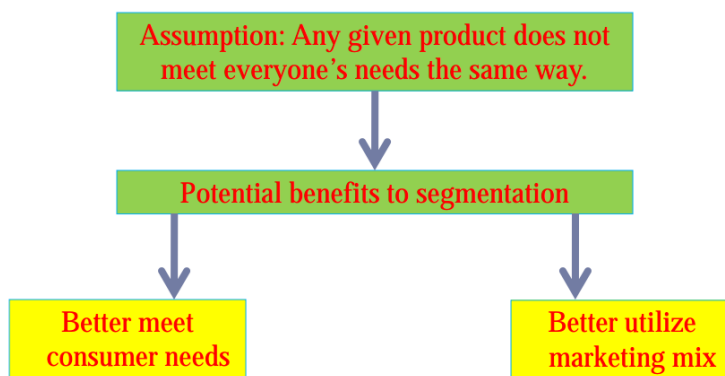Product | Price | Place | Promo

Market segmentation:

- Dividing the market into smaller groups with distinct needs, characteristics, or behaviors that might require separate marketing strategies/mixes.
- Bottom line: not everyone likes the same things and preferences variate

Targeting: evaluating each market segment's attractiveness + choosing one or more segments to enter

Differentiation: differentiating the market offering to create superior customer value

Positioning (Value proposition): arranging for a market offering to occupy a clear, distinctive, and desirable place in the minds of target consumers

Market Segmentation Benefits:

```
Assumption: Any given product does not
       meet everyone's needs the same way.
                        |
                        v
       Potential benefits to segmentation
          |                        |
          v                        v
     Better meet              Better utilize
   consumer needs            marketing mix
```

Bases of Segmentation:

- Geographic Segmentation
    - By region
    - Urban vs. rural
    - City size
    - Climate
- Demographic Segmentation:
    - Age
    - Income
    - Gender
    - Family size
    - Life cycle: The traditional family life cycle

Life cycle
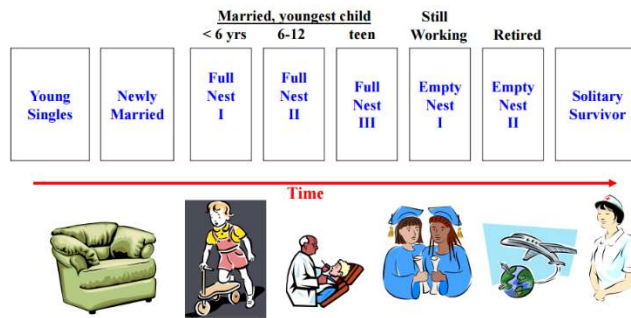
- ▫ Different stages of life cycle: why are they important?
- ▫ "Sharpened" memory, loyalty (e.g.: newlyweds)
- ▫ Open to changes (e.g.: Ford Freestyle)
  - o Education
  - o Religion
  - o Nationality
- ➢ Demographic segmentation doesn't always work!
  - **o** People from same demographic segment may exhibit very different preferences
  - **o** People from different demographic segment may exhibit very similar preferences
  - **o** Solution: add **Psychographics Segmentation**
- ▪ Psychographic Segmentation:
  - o Social class
  - o Lifestyle
  - o Personality
  - o Values
- ➢ Compared to geographic/demographic:
  - o Usually difficult to identify
  - o Often closer to "real" segmentation
- ➢ Consumer characteristics that are not evident:
  - o Not overt (obvious), but **covert** (discrete) characteristics
  - o Tells you why people consume, not just who consumers
  - o Psychological and sociological variables. E.g.: consumer personalities, values and lifestyles
  - o More determinant of consumer behavior, but harder to measure than demographics
 - o Example:

- **Behavioral Segmentation:**
  - Usage occasion (typecasting)
    - Particular holiday-specific product
    - "XXX chocolate for snowy winter"
  - Usage experience
    - "I haven't bought it"
    - "I had bought one"
    - "I currently own it"
  - Usage frequency
  - Loyalty
  - Benefit
- **International Market Segmentation:**
  - Political factors
  - Legal factors
  - Religions
  - Culture
  - Economic factors

Necessary conditions for good segments:

- Homogenous (consistent) within
- Heterogeneous (diverse) between
- Targetable
  - Measurable (identifiable based on observables)
  - Accessible (for marketing activity)
  - Substantial (large enough to make business sense)
  - Actionable (resources should be available)
  - Differentiable (distinctive behavior)
  - Stable (across time)

Targeting: Levels of Targeting
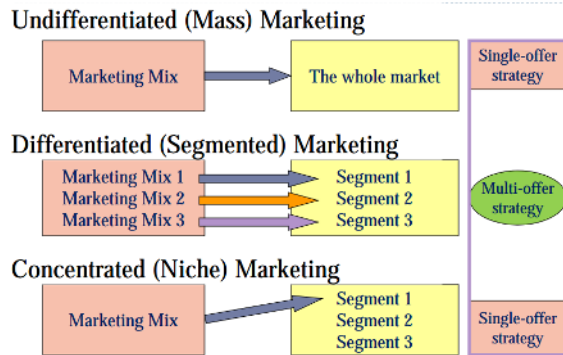
Target Marketing Strategies:

- Undifferentiated Marketing (Mass-marketing)
    - Economies of scale (produce large quantities and benefit from lower average costs)
    - Less investment
    - Vulnerable to competition focusing on segments
- Differentiated Marketing (Segmented)
    - Higher combined sales
    - Better/ stronger position
    - Potential problem with economies of scale
    - Cannibalization (a reduction in sales volume, sales revenue, or market share of one product as a result of the introduction of a new product by the same producer.)

Target Marketing Strategy

- Niche marketing
    - Narrowly defined group, typically a small market whose needs are not being well served
    - Good when company resources are limited
    - Achieve a strong position
    - Large market share of a small market

Selecting Segments to Target:

- Segment size + growth
    - Market + sales potential
    - Project growth rate
- Segment structural attractiveness
    - Competitors
    - Manufacturer-retailer relationship (bargaining power)

- Company objectives + resources
  - Consistent with the long-term objective
  - Feasible

Positioning (Value Proposition)

- Define the product/firm/brand's place relative to the market's
  - Needs
  - Consumer perceptions, beliefs and attitudes
  - Competitive offerings
- Segmentation + positioning
  - Segmentation: the market's view of the consumer
  - Position: the consumer's view of the firm
  - Positioning: using the 4P's to affect the firm's position

Choosing a Positioning Strategy

- Choosing the right competitive advantages
- How many differences to promote?
  - Unique selling proposition
  - Several benefits
- Which differences to promote?
  - Important: does it matter to consumers?
  - Distinctive: is it different?
  - Superior: is it better?
  - Communicable: can you explain?
  - Pre-emptive: can you competitors catch up?
  - Affordable: does consumer benefit exceed cost?
 - Profitable: does additional profit exceed additional cost?

Positioning Statement

- Components
  - Target segment and need
  - Brand
  - Concept
  - Point of difference
- Example
  - Too busy, mobile professionals who need to always be in the loop, Blackberry is a wireless connectivity solution that gives you an easier, more reliable way to stay connected to data, people, and resources while on the go.

Perceptions and Positioning

- Perceptual map
  - Spatial representation of several competing products/services
  - Conveys perceptual info in 2-3 key dimensions
  - Represents the position of the product…from consumer perspective

- Example:

Perceptual Map:
Beer (Brands & Attributes)

Example of a Perceptual Map: Automobiles
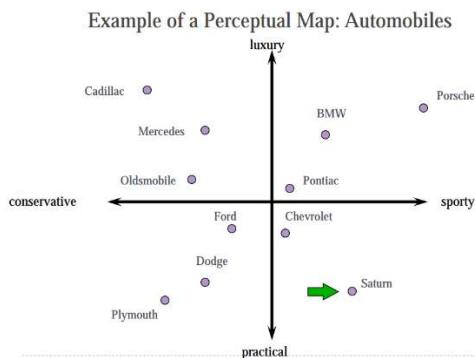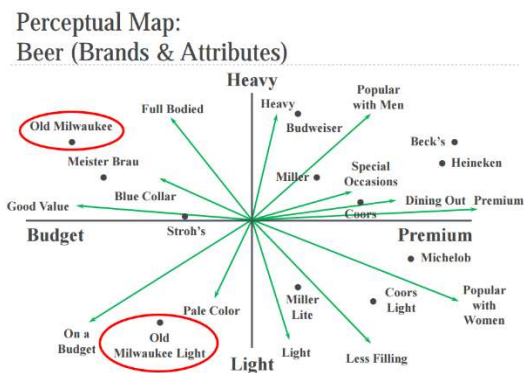
Integrating Perceptions/Preferences

- The consumer's **ideal point** represents the trade-offs being made among key attributes
- Brand closest to the ideal point = highest consumer preference
- Consumers are most likely to choose the product for which they have the highest preferences

Perceptual maps help managers to:

- Investigate where unmet customer needs potentially exist

- Identify where competitors might be vulnerable
- Gain insights into how an under-performing product might be repositioned

Positioning: techniques

- The product/service can be positioned in many ways:
  - Product attribute(s)
  - Benefits sought by consumers
  - Competitors (towards or away)
  - Example: BMW, Avis