

Marketing analysis

Main goals for today

- Marketing analysis goals and results
- Marketing segmentation
- Marketing mix: product, price, place, promotion
- Choosing right marketing strategy for your business

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Marketing analysis

- Looking for better information about market and customers
- Marketing mix – variable elements which are combined for customers' needs satisfaction
- Marketing activities assessment



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Market

Exchange relations (buying and selling transactions) between suppliers and customers

Market members decisions influence supply and demand

Market is the exchange place if:

- Customers feel buying need
- Customers possess money
- Suppliers possess products and want to sell them
- Customers accept suppliers prices.

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Market Segmentation

- Market
- Segmentation
- Segment choice
- Positioning



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Market segmentation

1. Customer criteria
2. Product criteria

Customer criteria		
Social - economic	Demographic	Psychographic
Income	Age	Life style
Profession	Gender	Activity
Education	Family size	Interests
Living place	Family life cycle phase	Opinions
Social class	Family status	
	Nationality	

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Market segmentation

1. Customer criteria
2. Product criteria

Product criteria		
Consumption patterns	Buying conditions	Offered benefits
Frequency of using	Kind of shop	Knowledge about product
Loyalty	Time of buying	Perceived benefits
Complementary goods	Impulse	Predispositions
	Occasions	
	Quantity of a single buying	
	Frequency of buying	

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4P

Product: the features and appearance of goods and services

Price: how much customers pay for a product

Promotion: how customers are informed about products

Place: the point where products are made available to customers

Marketing Mix

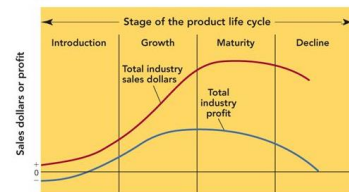
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MARKETING MIX DECISIONS

4 P'S OF MARKETING



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MARKETING OBJECTIVE	GAIN AWARENESS	STRESS DIFFERENTIATION	MAINTAIN BRAND LOYALTY	HARVESTING, DELETION
Competition	Few	More	Many	Reduced
Product	One	More versions	Full product line	Best sellers
Price	Skimming or penetration	Gain market share, deal	Defend market share, profit	Stay profitable
Promotion	Inform, educate	Stress points of difference	Reminder-oriented	Minimal promotion
Place (distribution)	Limited	More outlets	Maximum outlets	Fewer outlets

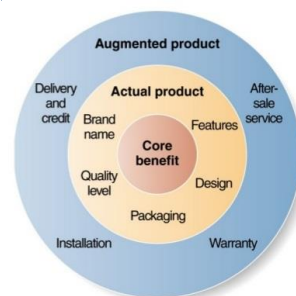
Product

- Product – everything the seller can offer on the market
 - Physical attributes: colour, smell, size
 - Non-material attributes: subjective and objective feelings – prestige, health, jealousy



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Product as a part of marketing mix



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Price

Price – money or other means exchange for product

- For the consumer determinant of value (expected benefits) and quality (comparison to other products)
- For the seller determinant of profits



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Pricing strategy



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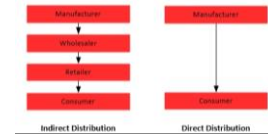
Pricing strategy

- **Premium** - price higher than the competitors.
 - For something unique about the product or when the product is first to market
 - good strategy for companies entering the market with a new market to maximize revenue during the early stages of the product life cycle
- **Penetration** - designed to capture market share by entering the market with a low price relative to the competition to attract buyers.
 - To raise awareness and get people to try the product.
 - For crowded market category.
- **Economy** - a very basic, low-cost approach to marketing in order to keep prices low and attract a specific segment of the market that is very price sensitive.
- **Price Skimming** - to gain maximum revenue advantage before other competitors begin offering similar products or product alternatives
 - If product is really significant better than competition
- **Psychological Pricing** - for instance, \$99 is psychologically "less" in the minds of consumers than \$100

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Place

- Distribution of products with proper quality
- Where, when, how many and how often?



- **Indirect Distribution** - use of an intermediary (transaction, support, logistic help)
- **Direct Distribution** - direct from the manufacturer to the consumer (complete control)

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Distribution functions

Information	Gathering and distributing market research and intelligence - important for marketing planning
Promotion	Developing and spreading communications about offers
Contact	Finding and communicating with prospective buyers
Matching	Adjusting the offer to fit a buyer's needs, including grading, assembling and packaging
Negotiation	Reaching agreement on price and other terms of the offer
Physical distribution	Transporting and storing goods
Financing	Acquiring and using funds to cover the costs of the distribution channel
Risk taking	Assuming some commercial risks by operating the channel (e.g. holding stock)

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Promotion

- Communication between sellers and customers
- The main goal: influence on customers to accept offered products
 - Advertising - communication through mass media, usually paid
 - Public Relations - developing a positive relationship between the organization and the media and the public (creating favorable publicity and minimizing the impact of negative situations)
 - Sales Promotion - designed to create a short term increase in sales. (i.e. money off coupons, discount codes etc.)
 - Personal Selling - sales interaction between the firm's representative and a consumer on a one to one basis

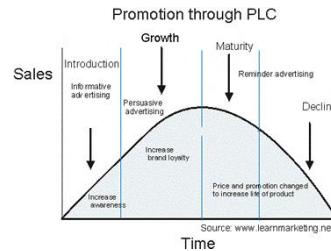
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Factors influencing the promotional mix

Stage in the product's life cycle	E.g. advertising & PR are often important at the launch stage
Nature of the product	What information do customers require before they buy?
Competition	What are rivals doing? What promotional methods are traditionally effective in a market?
Marketing budget	How much can the firm afford?
Marketing strategy	Other elements of the mix
Target market	Appropriate ways to reach the target market

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Advertising functions vs product life cycle



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Sales promotion

- Any initiative undertaken by an organization to promote an increase in sales, usage or trial of a product or service
- Examples:
 - Free gifts** e.g. for loyalty.
 - Discounted prices** e.g. Budget airline such as EasyJet and Ryanair, e-mail their customers with the latest low-price
 - Joint promotions**
 - Free samples** (aka. sampling) e.g. tasting of food and drink at sampling points in supermarkets.
 - Vouchers and coupons**, often seen in newspapers and magazines, on packs.
 - Competitions and prize draws**, in newspapers, magazines, on the TV and radio, on The Internet, and on packs.
 - Finance deals** – for example, 0% finance over 3 years on selected vehicles

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Public relations



- Public Relations (PR) - are any purposeful communications between an organization and its publics that aim to generate goodwill
- Examples:
 - Speeches, presentations and speech writing** to be delivered at corporate events, public awards and industry
 - Corporate literature** e.g. **financial reports**.
 - Organising events** internal and external (indirect business payoff)
 - Sponsorship and charitable donations**. The sponsors gain exposure and align their product or service with the attributes of the sport, celebrity or medium.
 - Facility visits** (factory, power plant) to generate a positive perception by experience what is behind a well-known product or locked doors
 - Product placement in media**
 - Advertorials** paid for advertisements that are designed to appear like copy (i.e. normal reported text)

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Elements of Promotion Mix/Marketing Communication Mix

Evaluation Factor	Advertising	Publicity	Personal Selling	Sales Promotion
1. Objective	To appeal to mass audience at reasonable cost, with an aim to persuade and inform	To reach masses with an independently (i.e. from a source other than company) message	To deal with one customer at a time to answer questions at	To stimulate sale and to motivate individuals to buy on impulse
2. Audience	Mass customers	Mass (customers, employees, stakeholders)	Small (one/few)	Mass
3. Message	Uniform (same for all)	Uniform for one category of audience	Specific to each customer	Generally same
4. Cost	Low per audience	No	High per customer	Depends on sales promotion scheme

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