



Assignment

Marketing Management

Program

MBA (Non Business)

Submitted to

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Q1: States of demands.

Integrating marketing with operations and the current operating environment is important for business to compete and succeed. In today's operational environment organizations will encounter varied states of demand for their products and services. Business need to recognize and understand the state of demand for their product and the correct marketing mix to apply for each state. There are 8 states of demand: negative demand, no demand, latent demand, falling demand, irregular demand, full demand, overfull demand and unwholesome demand. One must understand how to manage the demand state. For each state of demand, there is a marketing task and a marketing technique.

Negative demand-

This occurs when a major part of the market dislikes the product and may even pay a price to avoid it. The marketing task is to analyze the reasons for this dislike and to find out whether a marketing program consisting of product redesign, lower prices, and more positive promotion could change the customers belief and attitude.

Example of negative demand: Dentist, many people avoid seeing the dentist

Task: Disabuse the demand

Technique: Conversational marketing- use marketing to have a rational, calming dialogue with customers about the importance of dental hygiene and how the dentist is professional and painless.

No demand-

Here the target market may be uninterested or indifferent to the product. For example, a young couple may not be interested in adopting family planning. The marketing task is to find ways to connect the benefits of the product with the person's natural needs and interests.

Example: The first Cell phones 1980s

Task: Create demand

Technique: Conversional marketing, another discussion with prospect about the usefulness and productivity gained through cell phone usage.

Latent demand-

Many consumers may share a strong need that cannot be satisfied by any existing product. There is a strong latent demand for more-efficient vehicles .The marketing task is to measure the size of the potential market and develop effective goods and services that would satisfy the demand.

Example – Safe cigarette – Premiere 1980s

Task: Develop demand

Technique: Developmental marketing– develop a marketing mix that announces the product and stimulates demand for trial.

Falling demand-

Every organization, sooner or later, faces demand for one or more of its product. The marketer must analyze the causes of market decline and determine whether demand can be re-stimulated by finding new target markets, changing the products features or developing more effective communication. The marketing task is to reverse the declining demand through creative remarketing of the product.

Example: High School student enrolments for college

Task: Revitalize demand

Technique: Remarketing- develop a marketing mix that repositions schools, rebrands schools and revitalizes demand.

Irregular demand-

Many organizations face demand that varies on a seasonal, daily, or even hourly basis, causing problems of idle capacity or overworked capacity. Museums are under visited during weekdays and overcrowded during weekends .Likewise, holiday resorts are visited more frequently during summer and winter holidays and are idle in other seasons .The marketing task, called synchro marketing , is to find ways to alter the time pattern of demand through flexible pricing , promotion and other incentives.

Example: Restaurants and movie theaters on Cape Cod

Task: Synchronize demand

Technique: Synchromarketing, develop a marketing mix that shifts demand from heavy usage periods to periods with more availability.

Full demand-

This is an ideal situation .Organizations face full demand when they are satisfied with their volume of business. The marketing task is to maintain the current level of demand in the face of changing consumer satisfaction to make sure it is doing a good job.

Example: New England Patriots ticket sales

Task: Maintain demand

Technique: Maintenance marketing- develop a marketing mix that reinforces and reminds customers why they follow or are loyal brand.

Overall demand-

Some organizations face a demand level that is higher than they can or want to handle. The marketing task called demarketing, requires finding ways to reduce the demand temporarily or permanently. General marketing and reducing promotion and service is one way of handling this situation. Selective de-marketing consists of trying to reduce the demand coming from those parts of the market that are less profitable or less in need of the service. De-marketing does not aim to destroy demand but only reduce its level, temporarily or permanently.

Examples: Beanie Babies or Tickle Me Elmo

Task: Reduce demand

Technique: Demarketing, marketing mix that reduces exposure in tight markets and increases it in looser markets.

Unwholesome demand-

Unwholesome products require organized efforts to discourage their consumption. Campaigns have been conducted against cigarettes, alcohol, hard drugs, etc. The marketing task is to help people give up the habit by using such tools as fear communications, price hikes, and reduced availability.

Examples: Excessive Beer consumption

Task: Destroy demand

Technique: Counter marketing, a marketing mix that emphasizes the downside of product use and the benefits or product abandonment, public service announcements.

Q2: Write briefly about Key Customer Markets.

Key Customer Markets Consider the following key customer markets: consumer, business, global, and non-profit. ... Business Markets Companies selling business goods and services often face well-informed professional buyers skilled at evaluating competitive offerings.

Key customer markets:

Consumer Markets:

Companies selling mass consumer goods and services such as juices,

cosmetics, athletic shoes, and air travel spend a great deal of time establishing a strong brand image

by developing a superior product and packaging, ensuring its availability, and backing it with

engaging communications and reliable service.

Business Markets:

Companies selling business goods and services often face well-informed

professional buyers skilled at evaluating competitive offerings. Business buyers buy goods to make

or resell a product to others at a profit. Business marketers must demonstrate how their products

will help achieve higher revenue or lower costs. Advertising can play a role, but the sales force, the

price, and the company's reputation may play a greater one.

Another Version of Business Market:

Marketplaces where organizations purchase raw materials, natural resources and components of other products for their resale or for use in manufacturing another product. Business markets are generally made up of businesses which buy products and raw materials for their own operation.

Global Markets:

Companies in the global marketplace must decide which countries to enter;

how to enter each (as an exporter, licensor, joint venture partner, contract manufacturer, or solo

manufacturer); how to adapt product and service features to each country; how to price products

in different countries; and how to design communications for different cultures. They face different

requirements for buying and disposing of property; cultural, language, legal and political differences; and currency fluctuations. Yet, the payoff can be huge.

Non-profit and Governmental Markets:

Companies selling to non-profit organizations with limited purchasing power such as churches, universities, charitable organizations, and government agencies need to price carefully. Lower selling prices affect the features and quality the seller can build into the offering. Much government purchasing calls for bids, and buyers often focus on practical solutions and favor the lowest bid in the absence of extenuating factors.

Q3: Write briefly note on porter generic strategies.

Cost Leadership:

In business strategy, cost leadership is establishing a competitive advantage by having the lowest cost of operation in the industry.[1] Cost leadership is often driven by company efficiency, size, scale, scope and cumulative experience (learning curve). A cost leadership strategy aims to exploit scale of production, well-defined scope and other economies (e.g., a good purchasing approach), producing highly standardized products, using advanced technology.[2] In recent years, more and more companies have chosen a strategic mix to achieve market leadership. These patterns consist of simultaneous cost leadership, superior customer service and product leadership.[3] Walmart has succeeded across the world due to its cost leadership strategy. The company has cut down on excesses at every point of production and thus are able to provide the consumers with quality products at low prices.[4]

Cost leadership is different from price leadership. A company could be the lowest cost producer yet not offer the lowest-priced products or services. If so, that company would have a higher than average profitability. However, cost leader companies do compete on price and are very effective at such a form of competition, having a low cost structure and management.[1]

The concept of cost leadership was developed by Michael Porter.

Example of Cost leadership

“Superstore XYZ is able to provide customers with lower prices because they have efficient methods of distribution, large volume discounts from suppliers and they are in control of portions their manufacturing and inventory.”

Differentiation:

Differentiation is about setting your company, product, or service apart. It distinguishes your brand from all others. Your differentiation strategy is an integrated set of action designed to produce or deliver goods or services that customers perceive as being different in ways that are important to them.

Consumers love getting the same product for less. An example of this is a lawn-care company that will do weekly maintenance guaranteed to cost less than any other advertised price. ... Selling the most expensive products in a market is a counterintuitive differentiation strategy.

Example of Differentiation

“ABC beauty company has differentiated themselves from their competitors by offering handmade bath and beauty products that are pure and benefit the core values of their customers.”

Focus:

A marketing strategy in which a company concentrates its resources on entering or expanding in a narrow market or industry segment. A focus strategy is usually employed where the company knows its segment and has products to competitively .

Example of Focus

Focus may be applied to either cost leadership or to differentiation. Here is an example of cost leadership focus:

“Summer Jewellery Company offers inexpensive jewellery, gifts and other accessories to young women.”