

Microsoft zune bell canada chrysler essay

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As Microsoft ventures into new markets, the Zune will definitely have an uphill battle in order to establish a significant market position. The portable media player industry is one which is dominated by iPod's monopoly, and saturated with second rate competitors; such as the ironically named iRiver, and Toshiba's Gigabeat. All have been struggling to attain any market share under Apple's prevailing shadow. Microsoft's major problem in this market is the dominance of the apple brand which has become synonymous with portable music entertainment. The company will need to capture a considerable market share in order for consumers to recognize the media player as purchase worthy. Already having been adopted by innovators in the market, it is now up to Microsoft to push the product onto early adopters with hopes that the product is accepted by all consumer segments.

Furthermore, the company needs to enlarge the market potential which at the moment, is restricted by 2 major factors: 1 - Awareness: With iPod's first mover advantage, reinforced by its effective marketing efforts, Apple has captured a large majority of market potential. While the Zune is a new product in the introductory stages of the product life cycle, consumers are lacking product and brand awareness and do not fully comprehend the benefits of the product. 2- Ability to Use: Since the iPod interface has been adopted by most, Zune's target market lacks the ability to use, and therefore comprehend the product benefits. Microsoft must therefore increase the ability for consumer trials before purchase, in order to promote its interface which has gotten positive reviews. It is obvious that Microsoft, like all other prospective iPod contestants, has taken a competitor oriented approach. The company is using benchmarking in all aspects of operations, from product

design, to pricing and distribution. Using a competitor reactive market based pricing system; the retail value of the Zune is exactly comparable to that of its most prominent substitute. This allows for the perceived value of the product to be on par with Apple's 30g iPod while still offering more advanced and impressive features.

Microsoft has successfully dissected the value added features of Apple's iPod, replicated them, and added specific product attributes with improved quality and technological capabilities. This approach has proven successful as Zune's unique features which have been approved by tech gurus (most importantly its wi-fi potential), will allow the company to differentiate the product in a dominated marketplace. When entering a new market, it is crucial for integrated marketing communications strategies to properly display brand values and product features.

Microsoft has launched several campaigns with a "\$100 million campaign to promote Zune with as a major theme"(Solman, 2006). However, Microsoft has failed to promote its most influential product features. These features include Wi-fi sharing, FM tuner, better interface technology, unique design, larger display screen. Unlike the iPod, Zune also allows consumers to customize backgrounds, another subtle aspect where the company has tried to deliver added value to the end consumer. Recommendations: In order for Microsoft to establish a significant position in the portable media player market, it is imperative that the corporation change its approach. An offensive strategic market plan is recommended as the Zune is only in the beginning of the product life cycle. As a plethora of internet blogs and

product reviews have already insinuated, Microsoft should first begin by finding legitimate solutions to consumer concerns.

Plainly, the Zune must become considerate of consumer needs by allowing unrestricted sharing ability, full compatibility (with Mac OS software and programs such as Napster, MSN music), and most importantly, larger music variety from the Zune Marketplace. Only then will the product have no limitations to consumer adoption and approval. Since competitive benchmarking has been successfully accomplished, Microsoft must now embrace a customer oriented approach. It is now impossible to change the product design, qualities, and software and any decrease in retail price may dilute brand equity and reflect poorly on quality. Therefore, the company should rely on better positioning, obtaining a continuously understand customer needs and deliver satisfaction. A successful market vision will require Microsoft to boost marketing efforts as a strategy to increase market share.

Marketing goals must focus on creating a strong connection between the brand name (Microsoft), product name (Zune) and aligning them with concrete brand values association. This can be accomplished by accentuating the improved and beneficial features which act as the foundation for Microsoft's differentiation strategy. Considering Microsoft spent approximately \$944. 9 million on US advertising alone (Appendix 1), the company is in reasonable position to implement advertising which stresses reliability, performance, and unique design while associating these values to the brands establish equity. Although Bell Canada enjoys a long

history of being a market share leader, it has faced many challenges in the past decade which has inevitably weakened its position.

Firstly, the company is facing both internal and external problems which must be recognized and resolved. The company seems to be unable to properly sustain operations after having diversified its product offerings over several different markets. As clashes between corporate managers and the company's fleet of technicians continue, Bell is finding itself in a losing battle as it is unable to guarantee effective customer-business relationships and efficient technical support. Customer contentment seems to be at an all time low as an increasing number of consumers are changing to providers which offer more variety, better promotions, and better quality customer service. Bell's performance has unsurprisingly been jeopardized by its failure to defend its monopoly. Instead of concentrating on sustaining profitability, the company has directed its focus to new ventures and acquisitions while allowing rival companies to implement long-term market penetration plans. This has created an opening for companies like Roger's and Videotron to gain competitive advantage by investing time and resources to increasing product offering and technological capabilities.

Presently, Bell is struggling for presence in new markets and is feeling the effects of strong competitive rivalry in its previously unchallenged domain. With its monopolization vulnerable to collapse, Bell is losing customers at an uncontrollable rate. Being a company with such a rich corporate history, servicing the industry since for over 125 years (Bell. ca, 2007), Bell should be more intent on preserving customer loyalty and brand position. It is

understood that the retention of customer is more profitable than customer acquisition should have capitalized on this concept when diversifying markets by trying to promote its brand extensions to existing customers.

However, the company failed to do so because of its lagging technical ability and internal mismanagement problems. With its roots obviously in telephone service, Bell Canada ventured for new opportunities as an internet provider with its Sympatico division. Later it became a cable provider with its ExpressVue satellite, where it capture about 13% of the market in 2003 (Appendix 3). Roger and Videotron, Bell most influential competitors are present in all three markets, however used a backward approach. Both began as exclusive cable service providers, while expanding into internet and telecommunications markets.

These cable companies have proven their technological worth by providing better internet service in terms of speed and quality, with little emphasis on price as a selling point. Therefore, Bell has faced regulatory constraints on both ends of the competitive spectrum. The company failed to implement significant retaliation strategies to bar competitive entry into the telecommunications market, and also lacked competitive and industry intelligence to successfully conquer new markets.

Recommendations: The markets in which Bell operates require companies to be responsible for their products, services and customer support maintenance. Once products are sold or a service is paid for, the company must reinforce its offerings with a customer focus from a service based approach. Establishing the proper means for implementation will require a

stronger customer support infrastructure to deal with customer concerns, as well as a healthier and more reliable fleet of service technicians. It is recommended that the company ensure the motivation of its work force in order to guarantee customer satisfaction. Through the Implementation of CRM, the company will have the means to analyze customer experience, and implement changes which will lead to added value. As networks are already created with existing customers, Bell should rely on obtaining an integrated view of its customer base to create more effective customer relationships. It is important that the company adopt an internal customer focus and emphasize the importance of each customer's lifetime value and the significance of customer retention.

As the company has found itself way behind competition due to its lagging technical capabilities, Bell, although not scheduled for a spending spree any time soon, must implement a long term strategy to regain its brand position. The company must invest considerable resources to resurface up to par with competitors. Presently, internet providers are finding success by offering faster, more reliable internet service, therefore, Bell is required to avoid lowering prices for Simpatico customers, and should augment speed capabilities of internet service. Bell's current marketing strategy employs humoristic appeals to Canadian consumer, while emphasizing product features and competitive prices (Marck, 2006). A new marketing communications plan will prove crucial for the company's success, which should ultimately use Bell's history and corporate values to create an emotional appeal.

While connecting it with the Sympatico and ExpressVue divisions, this umbrella marketing strategy will allow for elevated brand positioning in the minds of consumers and for the synergy of brand equity in all three markets. This should be accompanied by better package offerings, increasing the likelihood of providing two or more services per household. Since the company employs direct to consumer distribution, it should employ more non-traditional promotional techniques to increase sales. By analysing Chrysler current market position, it is clear that the company is facing several problematic areas which have become reasons for concern.

The mismanagement of its operations has left Chrysler in a stagnant growth phase, while projected growth has not been met. Firstly, Chrysler has unsuccessfully managed its fixed assets during its downsizing process. While closing several plants and cutting labor force, the company was still overproducing vehicles leading to a surplus of inventory flooding the market. “ Since the workers get paid whether working or laid off, finance types say that it’s better to build unwanted vehicles and cut prices to move them” (Flint, 2007).

However, by doing so, Chrysler has suffocated the launch of its newer models by unwillingly forcing the sale of outdated inventory before the promotion of its updated product line. In turn, this has diluted the brand’s position as a market leader in innovation and quality. Although most are opting for the company to liquefy its fixed assets, in terms of property, plant and equipment, the company should use its excess capacity in an effort to enter international markets. With three quarters of its line-up in the light

truck segment (pickups, minivans and sport utility vehicles), Chrysler has several matters to address. This market is vital to the future success of the company as major competitors such as Ford and GM are beginning to cut production and product offerings in this market (Flint, 2007). Yet, with the unpredictable fluctuations in oil and gas prices, followed by the industry trend toward environmental preservation, the company must find the proper solution to keeping this niche as the predominant source of revenue while catering to the evolving needs and perceptions of consumers. Furthermore, the brands three line extensions (Dodge, Jeep, and Chrysler) have been criticised for offering product lines with overlapping models. This issue has raised concerns as these models target similar consumer segments and therefore create stiff competition against one another, in addition to the Asian car manufacturer's newfound success on in US markets (Appendix 5).

An example of this can be understood from the comparison of the Dodge Durango and Chrysler Aspen. Also, the company has done a poor job at clearly differentiating these brands from one another and targeting each at distinctly different consumer segments. Chryslers' misfortunes can be directly associated to the company's inability to successfully attribute itself to its sister brand, Mercedes-Benz. While Chrysler benefits from Mercedes' superior quality and engineering, The German manufacturer reaps the benefits of economies of scale. Both companies have come together " on meeting the very stringent fuel economy and exhaust emission requirements of the future" (Taylor, 2007). Although both benefits from corporate synergy, Chrysler has really missed out on the opportunity to boost consumer's perceived value of the brand by associating it to the brand values and equity

which Mercedes prestigiously holds. Recommendations: As a first priority, it is imperative that Chrysler gain something positive from their marketing contribution.

While DaimlerChrysler occupies the position of the 10th largest spender on advertising in the US spending nearly \$2.2 billion in 2005 (Appendix A), the time has come to effectively associate Chrysler to its parent company.

Chrysler must drop its substandard Dr.

Z campaign, and devise a strategy which is efficient in its effort to associate the brand values with the historically revered industry dominator, Mercedes-Benz. Although the objective of the Dr. Z campaign is parallel, it failed in doing so because of low awareness of the merger among consumers (Minnini, 2006). The more consumers can associate the brand with the value perceived by German engineering, the more success the company will have in the long-run. A secondary marketing effort should also be aimed at differentiating among the three North American brands in order to reduce pressure of overlapping models.

A long term strategy is recommended for differentiated brand positioning which would entail a strategic need based-segmentation process but for brands instead of particular products.