Basic concepts of marketing strategies

Business, Marketing

A product is a good or service that can be offered in an exchange for the purpose of satisfying a need or want. Most products are combinations of tangible and intangible benefits ? the total product concept. Ђ With mass-produced products, it is often on the differences in the intangible benefits that product competition is based. A brand is a name, term, symbol, design or any combination of these things that identifies a specific product and distinguishes it from its competition. A brand name is that part of the brand that can be spoken. A brand symbol or logo is a graphic representation that identifies a business or product. To guard against other businesses using its brand name or symbol, a business can apply to have the name registered. Ђ Manufacturer's or national brands are those owned by a manufacturer. A private or house brand is one that is owned by a retailer or wholesaler. Generic brands are products with no brand name at all. To assist sales, the packaging of a product is sometimes as important as the product itself. Marketers can use labels to promote other products or to encourage Marketing Strategies By Lubberly (CHAPTER 8: Marketing strategies, page 225) Price refers to the amount ofmoneya customer is prepared to offer in exchange for a product. There are three main pricing methods: Cost-based (mark-up) pricing is a pricing method derived from the cost of producing or purchasing a product and then adding a mark-up. Market-based pricing is a method of setting prices according to the interaction between the levels of supply and demand. Competition-based pricing is where the price covers costs (cost of raw materials and the cost of operating the business) and is comparable to the competitor's price. A business can select a price that is below, equal to or above that of the competitors. Ђ Once the basic price has been set using he preferred pricing method, the business then fine-tunes this price in line with its pricing strategy. The four main pricing strategies include: price skimming, which occurs when a business charges the highest possible price for the product during the introduction stage of its life cycle price penetration, which occurs when a business charges the lowest price possible for a product or service so as to achieve a large market share loss leader, which is a product sold at or below cost price.

Although the business makes a loss on this product, it hopes that the extra customers will buy other products as well. Mints (or price lining), which is selling products only at certain predetermined prices. Normally, products of superior quality are sold at higher prices. Prestige or premium pricing is a pricing strategy where a high price is charged to give the product an aura of quality and status. (CHAPTER 8: Marketing strategies, pages 234-5) Promotion describes the methods used by a business to inform, persuade and remind a target market about its products. Ђ Promotion mix is the various promotion methods ? advertising, personal selling and relationship marketing, sales remissions, and publicity and public relations ? a business uses in its promotional campaign. Advertising is a paid, non-personal message communicated through a mass medium. The purpose of advertising is to inform, persuade and remind. Personal selling involves the activities of a sales representative directed to a customer in an attempt to make a sale. Ђ Relationship marketing is the development of long-term and cost-effective relationships with individual customers. Sales promotion is the use of activities or materials as direct inducements to customers.

It also includes materials needed to carry out the service such as signage, brochures, calling cards, letterheads, business logo and website. A business should provide high-quality physical evidence to create an image of value and excellence. Summary (CHAPTER 8: Marketing strategies, page 249) With rapid changes in electroniccommunicationand the development of the 'information superhighway, marketers are beginning to exploit all types of e-racketing. E-marketing is the practice of using the internet to perform marketing activities.