

Marketing cases analysis

[Business](#), [Marketing](#)



Marketing case analysis Introduction The issue at hand for Haverwood Furniture, Inc is on increasing the advertising expenses for the company. The issue is on whether it is advisable to increase the advertising budget to 225, 000, the budget should be much less, or the budget increment should cover the additional sales representative's expenses. The management has to compare the benefits that are attributable to each of the available choices and that implies that a critical analysis has to be made on the available choices (Ali 5).

Body

Analysis of the available options

Option1: Additional personnel

The first additional option is having additional personnel who will be used to support the expected additional customer accounts. The strategy will implement 147, 000 of which 135, 000 will be used for the remuneration of the extra staff and only 12, 000 will be used for advertising. The strategy is good because it aims at cutting costs. However, the company needs to invest more on advertising so that it can keep up with the competitors who are advertising more every day. The company should also invest in advertising because there are new products that the company would like to launch. That means that the company will have to advertise so that the products can become known to all the company customers and other potential customers. That means that the option of adding an extra personnel and only investing few money in advertising will not be a viable option for the company for the moment.

Option 2: invest 225, 000 in advertising

For any brand or product to be successful, advertising and promotional activities have to be utilized. That will ensure that the products become known to the target customers. The right marketing channel must be used to ensure that the adverts reaches the people that it is intended to reach. In the case of Haverwood furniture, the company should use television adverts, magazine adverts, and the use of billboards. Television adverts will reach a wide number of people. That will create some form of interest among the customers and that will be a positive thing towards the sales of the company. For example, the company should use the most viewed television channels. That will ensure that the ads will have a large number of views. Magazine adverts will also be advisable to use because magazines will be read for a long duration of time. The adverts can be run on lifestyle magazines that are read by most middle-aged people. The company can also use website advertising. This channel of adverts will ensure that the company is able to reach a wide number of people especially the young who are technosavey and they spend most of their free time on social media. That will use sites like face book and twitter. The target customers will be able to view the ads when they visit the social media sites.

This option has a limiting factor. The 225, 000 is the 5% limit that the company has set for advertising. That implies that if the company does not become as profitable as required, the company will reduce its profit margin. That will be a huge setback for the company because it will not achieve its long run goal. The other setback is the fact that the industrial estimate states a 4% profit growth. If the estimates are to be used, then the company will not achieve as planned. Conclusion

The conclusion is a tough decision to arrive at. However, the company should go for the option in which the company wants to increase its advertising expense to 225, 000. Advertising will be aimed at ensuring that the company products become known to a wide population. Therefore, advertising will be the fastest and easiest way for the company to increase its sales. With time, the company can reduce the amount spent on the adverts.

Work cited

Ali Almarzouch. Haverwood Furniture. Strategic marketing. 2004. Print.