

Stealth marketing and neural marketing, relationship between a company and a cust...

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



Based on your experience, what are some ways companies have exhibited a concern (or a lack of concern) for the consumption of their product? How would you determine an appropriate level of concern? Why? Most companies exhibit a concern for the consumption by customers of their product. The product consumption affects the demand for the product. Based on the sales estimates that the marketing department establishes the manufacturing department of a firm creates a production schedule. Sales forecasts are also useful to determine the optimum inventory level to carry. Companies in the petroleum industry closely monitor consumption patterns due to the fact that the price of crude oil changes everyday on the open market. Marketing managers should be more concerned about the product consumption of an item when the product is in its introductory stage of the product life cycle. The longevity of the product is at risk during the introductory because if the product is not accepted by the public it is usually discontinued. In the retailing industry companies such as K-Mart are concerned about the consumption patterns of customers for particular brands in order to optimize the use of its shelf space. Products that have low sales should be taken off the shelves, while products with great sales numbers should be given greater exposure. 2. Do you think the company you work for or a company with which you are familiar would want a relationship with each customer? Why or why not? Establishing a relationship with each customer is not a proposition that makes sense for companies in different industries. The problem with maintaining a relationship with all your customers is that it costs money to implement. Based on the accounting principle of materialism a company should not invest money in acquiring information when its costs

outweigh the benefits. Getting information about the target market of the firm can be beneficial to the company. An example of a company that established a system to keep track of the expenditures of its most loyal customers is Burger King. Burger King has a customer reward program called BK rewards. The reward program gives the customer a 5% reward on all purchases. The customer benefits from the money reward for food, but the company benefits as well because the card the cashier swaps maintains a log of the purchase patterns of the customer. In the consulting industry it is critical for companies to maintain a close relationship with all its customers. Building close relationships can help the consultant identify better the needs of the client while at the same time providing a higher level of service for the customers.

3. You run into a friend with no business background and he or she asks you about what you are studying. How would you explain the difference between promotion and advertising to them? What examples would you use that your friend could understand? Promotion and advertising are two important marketing concepts that can help improve the sales of a company. The two concepts are fundamentally different. Advertising can be defined as any paid form of non personal presentation and promotion of ideas, goods, or services by an identified sponsor (Kotler, 2003). The advertising initiatives of a company help build the brand equity of the firm. The advertising efforts of the company are geared towards promoting the brand and raising customer awareness of the company. A promotion can be defined as something devised to publicize or advertise a product (Dictionary, 2013). An example of the use of a promotion is McDonald's dollar menu. This promotion enables the customers of the company to obtain items from a

special menu at low price of \$1. The objective of the promotion is to obtain more sales for a specific product. Promotions typically target a specific product and do not extend to all the goods sold at a store. Another example of a promotion is offering senior citizens a 20% discount on merchandise. The promotion is geared toward the increasing the sales of a target group. The use of promotions can help spur the sales of a product, but promotions can hurt the profitability of the firm because the promotions have the effect of discounting the price of the good or service.

4. What is your opinion of the ethical implications of marketing methods such as stealth marketing and neural marketing? Why might these forms of marketing be controversial? Stealth marketing is also referred to as undercover marketing. In stealth marketing campaigns the audience is not aware that they are being marketed to. "Stealth marketing tactics are meant to market to one's subconscious" (Inci, 2009). The use of stealth marketing can be controversial because people do not like companies playing mind games on them. Most people prefer to receive advertising in the appropriate forum such as when they are watching television. Stealth marketing hides to the customer the fact that the company is subjecting them to an ad. A company that uses stealth marketing a lot is Apple Inc. "Neuromarketing is a new field of marketing which uses medical technologies such as functional Magnetic Resonance Imaging (fMRI) to study the brain's responses to marketing stimuli" (Neurosciencemarketing, 2006). The application of Neuromarketing can help marketing professionals determine positive or negative responses to product attributes such as the color of the product. The technique is considered controversial largely because the customers do not understand

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