

Marketing

Business



The consumer product proposal presented by the marketing director lists all the relevant information necessary to create a marketing plan. It first introduces the target segment which the product will be designed and marketed to. Skipping this step can result in the product's failure and millions of dollars wasted in ineffective advertising. Secondly, it lists all of Graves Enterprises' main competitors and briefly cites their distribution channels.

One of the proposals is to increase the company's market shares by designing a new product line advocated as "safe, effective and eco-friendly". In addition, the product's packaging would also be derived from recycled material which will help the company save money and re-enforce its green initiatives. In turn, the company will be able to price the product at a higher rate to match the competitors' market price for green products. These strategies will enable the company to double its net profit as it reduces cost and increases profit margin.

In my opinion, this proposal will be effective due to the rise of a new social trend of sustainability.

As consumers become more aware of the impact of global warming, cycling and other green initiatives, a great part of consumers will choose to buy environmentally safe products even if it costs them a little more. This sustainability trend is fairly new which may be the reason as to why the marketing researches conducted suggested that price and quality are still the first and second major impacts on the consumer's buying decisions.

Another proposal by the consumer product manager is to create a new product line to be offered in retail stores. This multi-brand strategy will increase the company's market share in the industry by attaining a new target segment for the line. Moreover, the creation of a website for online sales will give consumers a more convenient and modern way to purchase products. It will also provide Grave Enterprises with the opportunity to target a more Internet-savvy market besides increasing its advertisement ability and allowing for better communication with customers.

I don't think the proposals by the Commercial Products Directors will be effective in increasing the company's market share. The new line of antibacterial products' specifications with the citrus aroma added feature is not going to fix a problem those nursing homes and hospitals currently have and that the original reduce isn't solving. As per Jostler's text "The buyers are not buying "products"; they are buying solutions to the organization's economic and strategic problems. "(Kettle, page 53) Furthermore, the new product's high price will be a disincentive to its business customers who may feel they are being taken advantage of and choose to select a new antibacterial supplier.

The second proposal of repackaging its Skid-no-More floor wax as a new product line is likely to be another failure. Businesses are aware of the current market products and organizational buyers are trained to be monomaniac with suppliers and get the best deal. It's very unlikely that they will pay by engaging in modified rebury.

After completing this assignment I was able to realize that as a consumer, I've never paid attention to knowing the parent company of new product lines since it does not impact my buying decisions as much. In addition, this case also clarified a suspicion I had about “green” product prices which are market higher to the consumer but cost less for manufacturers to produce. In reference to the Business market, I wasn't aware of all the complex stages involved in the buying process for organizations and that each business buyer will be influenced by different factors when making a buying decision.

I thought they were fully trained to make equal buying decisions. The case is trying to demonstrate that marketers first need to grasp the product's target segment decision process in order to successfully design and market a product. It also conveys the intricate process companies go through in order to market new products with the purpose of gaining market share, grasping new target markets and as a result becoming more profitable.