

# Gibson and fender marketing mix



**ASSIGN  
BUSTER**

## **Introduction**

### **1. 1. Background**

A guitar is an indispensable musical instrument for playing a variety of music, such as jazz and pop music. Because of Chinese economy grows and an increasing number of consumers' interest in music develops, China is becoming an essential market for guitar companies. Most guitar users own at least one guitar which can provide them their favorite tones. For the demand for different types of guitar making dissimilar tones, there are many producers that have been manufacturing guitars for a number of years such as Ibanez and ESP. However, the two quality makers, Gibson and Fender, stated by Gearpipe (2007), have the best sales volume at a high price. Gibson Guitar Corp (2010 a) mentions that Gibson is an American establishment which began in 1904 whose main product is electric guitar. Another leading guitar company is Fender. According to Fender Musical Instruments Corporation (2010 a), Fender began in 1946 in The USA which is not only adept at making electric guitars, but electric basses and other products as well.

### **1. 2. Theory**

#### **1. 2. 1. Market Segmentation**

All about economic on the web (2010) shows that as people's different needs and wants, market segmentation is becoming increasing stable for business. The definition of market segmentation is dividing a market into a number of sub-markets based on some sort of particular features.

### **1. 2. 2. Marketing Mix**

According to Hall et al (2008), marketing mix is the elements of a market which are designed to satisfy consumers' needs and wants. There are basically four Ps of marketing mix. The four Ps are product, price, promotion and place.

### **1. 3. Aims**

There are three aims of this report. The initial one is to analyze the market segmentation of Gibson and Fender for Chinese consumers and comparing the marketing mix from different angles in the findings part. Moreover, evaluating and comparing these two firms from both positive and negative ways is another target in the discussion. Finally, recommendations in the conclusion show suggestions of development for Gibson and Fender companies in China.

## **Findings**

### **2. 1. Market Segmentation**

The market segmentation of Gibson should be guitar players who are affluent and interested in old fashion music. Gibson Guitar Corp (2010 b) demonstrates that Gibson guitars are much more expensive than its competitors'. In addition, Gibson electric guitars are almost all be designed in the same style which can often attract buyers who are the big fans of old fashion style.

Fender mainly aims at attracting electric guitar and bass players who are wealthy and crazy about nowadays music. Fender Musical Instruments

Corporation (2010 b) shows that its products are costly which are designed in an extremely popular style with modern tone.

## **2. 2. Marketing Mix**

### **2. 2. 1. Product**

Gibson is a world-wide guitar company. According to Gibson Guitar Corp's (2010 c) demonstration, the major product of this company, undeniably, is the electric guitar. The Gibson Les Paul and the Gibson SG are the most salable and classical types of product that are always in the same shape with limited colors. Gibson targets guitar players who play heavy metal.

Therefore, the tone of Gibson electric guitars sounds highly heavy and quite suitable for performing heavy metal. Guitarz (2008) introduces that the famous lead guitar player Angus Young who was playing in a heavy metal band, ACDC, is using a guitar made by Gibson.

Fender is also a well-running guitar establishment. Fender Musical Instruments Corporation (2010 c) explains that despite the electric guitar, Fender is also well-known for other products such as modern style's electric basses and amplifiers. Fender has been trying to make its products can be used to play jazz, blues and pop-rock. Thus it is found that Fender guitar's tone is awfully soft and clean. An example of musician who is using Fender to play pop music is Eric Johnson (Eric Johnson, N. D.).

### **2. 2. 2. Price**

By analyzing data from Smarter (2010), Price of Gibson merchandise is frequently higher than other guitar producers'. The same as Gibson, Fender products cost consumers considerably. Undoubtedly, with such a high price,

the quality of products from these two businesses is usually better than other companies' for their unique technique.

However, Gibson and Fender not only make high quality guitars to the rich. Both of them own subsidiary companies (Squier and Epiphone) for making lower-quality guitars for green hands playing guitar and who find that it is difficult to afford the guitars which are completely pricey(Fender Musical Instruments Corporation, 2010 d; Gibson Guitar Corp, 2010 d).

### **2. 2. 3. Promotion**

Gibson Company has only one effective major promotion that is product endorsement by asking famous rock stars to use its guitars. One example is, Gibson Guitar Corp (2010 e) states that ' Slash Les Paul' which is shown in the picture is designed for a famous rock guitar player, Slash. This is such an impactful measure to promote Slash's fans to buy this guitar.

(Gibson Guitar Corp, 2010 f)

Similarly, Fender promotes in the same way. For instance, in the picture, there is ' Roger Waters Precision Bass' which is a late-model electric bass of Fender that is named for a celebrated bass player, Roger Waters and recommending his fans to spend money on this bass (Fender Musical Instruments Corporation, 2010 e). What is more, Fender Centre (N. D.) reported that Fender frequently do public relations for promotion such as donates to poor children which is such a nice way to obtain public approval.

(Fender Musical Instruments Corporation, 2010 f)

### **2. 2. 4. Place**

Selling place for Gibson and Fender are not even slightly different. There are mainly to locations types are involved. Firstly, is provision of products to retailers so that consumers can buy them which are displayed in musical stores. However, in China, there are few musical stores selling their products. As a result, another approach is to sell their merchandise online which is a convenient shortcut for customers who live in places where musical shop do not exist. Their online shops are available on their respective web-site.

### **Discussion**

Comparing the market segmentation, Gibson pays mass attention on making guitars providing to metal and hard-rock players who fancy old style. The obviously edge is that Gibson can manufacture professional electric guitars to win more market share. However, Changing of fashion or other factors may cause a sharp decline of demand. By contrast, Fender is radically different. It has been making diverse musical equipments for an amount of fanciers of jazz, blues and pop-rock who are following the up to date fashion. The vantage is the problems caused by diversification of consumers' taste and popularity will never be faced. A serious drawback is making the market over-broad. Further, the marketing mix is analogous between these two companies instead of their products considering their distinctive brand culture causing characteristic products. Additionally, Fender might achieve more public praise for its effort to public relations.

## **Conclusion**

### **4. 1. Recommendations**

Although Gibson and Fender have obtained a high market share and public praise, it is still necessary to have further improvement. By do surveys to obtain information from 60 guitar players, there are three suggestions for each company depending on the surveys' result which is shown below.

#### **4. 1. 1. Recommendations for Gibson**

There are three recommendations for Gibson. First of all, it is applicable to manufacture guitars into dissimilar shapes and colors. The changeless shape and boring colors cannot satisfy today consumers. Additionally, it is practicable to make an effort to produce other musical instruments. What's important should be done is to make more lower-level product for most Chinese are not wealthy enough hoping to buy their first guitars of good quality. Although there is Epiphone as the subsidiary company producing elementary product for novices, customers still hope to buy Gibson rather than Epiphone.

(Reasons for refuse to buy Gibson products)

#### **4. 1. 2. Recommendations for Fender**

There are three suggestions are provided to Fender. One method is to make products which can be not only high quality, but also unusual and special catching buyers' eyes to gain more market share from competitors. What is more, Fender should focus on Chinese market by selling its merchandise to more retailers so that consumers can buy Fender products easily. Marking lower-level products as cash cows with affordable price to segment

consumers who are interested in guitar but have not enough money is an acceptable strategy to improve sales volumes as well.

(Reasons for refuse to buy Fender products)

## **4. 2. Summary**

To sum up, both Gibson and Fender are immensely successful. The most essential factor for Gibson to achieve the success is to concentrates on electric guitar and making Les Paul and SG becoming world-wide triumphant. For Fender, the most momentous reason should be a broad enough market for with generally higher quality and public relation than its competitors'. Other factors causing success, such as product endorsement, are notable too. It is firmly believed that as Chinese market becomes increasingly important, Gibson and Fender may find more methods to take on this market.