

Marketing ps

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



In today's multi-faceted business environment, it is generally agreed that a strong customer-driven marketing strategy can give one an edge over his competition. Designing it, however, did not prove to be so straightforward. It is therefore this reflection paper's aim to ponder over the various aspects that I have found intriguing and glean insights from them. Firstly is the "Marketing Mix" aspect, specifically the 4 As framework - Product, Pricing, Placing & Promotion.

The 4 As is one of the best known frameworks for a marketing plan, of which the aim is ultimately to fulfill a basic marketing purpose? Putting the right product in the right place, at the right price, and at the right time. Getting all aspects of this framework is of paramount importance. Miscalculating one could result in disastrous consequences, for example you could be promoting a revolutionary diet plan in a country hit by famine or publishing a textbook after school term has started.

In the process of brainstorming for a product, some innovative ideas were eliminated due to the fact that they were deemed unsuitable for the Singapore market. One such example is the ostrich pillow, a nifty headgear for people to catch a comfy nap anytime, anywhere. Due to its odd shape and Singapore's conservative culture, we decided that the market might not open up to the idea. The product itself was good, but the promotional strategy would encounter difficulties. One of the other teams did their project on space-saving furniture. The end result was that one convertible table/couch would cost upwards of \$2000.

This is a potential mismatch between Product and Pricing strategies, as the average consumer who could afford such prices would unlikely be living in a house that requires space-saving technology. The Pricing aspect by itself also proved to be extremely interesting, as everyone's project seemed to unanimously adopt a value-based pricing strategy. So then, what of cost-based pricing? Is it not an effective strategy? With this in mind, I began my research to find out more about it. The classic example cited in this debate is that of Steve Jobs vs. Sam Walton, two of the greatest business leaders in history.

An interview conducted by Fortune Magazine's best highlighted the difference between these two extraordinary men and their methods. It is noted that Steve Jobs epitomized value-based pricing by focusing mainly on the product instead of margins. He said, "If you keep your eye on the profit, you're going to skimp on the product. But if you focus on making really great products, then the profits will follow." Sam Walton, on the other hand, built Walmart around the concept of low margins and high volume, i.e. cost-based pricing. If the margins got above anything that was infinitesimal, he would get angry.

Both have built extremely successful companies using entirely different pricing strategies. So why does a value-based pricing strategy seem so much more popular than a cost-based one? Perhaps it all boils down to prestige. Being the boss of a premium brand certainly holds more distinction than say, opening a dollar store. Or perhaps the road to building a company large enough for cost-based pricing to be effective is an arduous task that faces

more obstacles in the form of existing industry giants. In any case, it was overshadowed by the recent successes of premium brands.

Another strategy that the class unanimously adopted is promotional strategy, specifically in social media terms. Facebook appeared to be the prime choice of social media strategy for everyone, and rightly so. A survey conducted in 2011 showed that Singapore are the global leaders for the longest time spent on Facebook, clocking minutes per session, putting us ahead of countries like US, UK, and Australia. Add that in to the capital limitations of start-up companies, Facebook becomes the logical choice for our promotional channels.

A case study on Scout's wildly popular Facebook marketing campaign gave us further affirmation that this was the right way to go. As for the placing aspect, the dilemma existed whereby in order to position ourselves as a high street fashion brand, a retail store had to be open at a prime location such as London. The rental for such locations, however, would strain our budget even further. To put it in perspective, the rental costs for an London level 1 space is \$29 per square feet whereas the rental costs for Nag Mo Ski Hub is a mere \$19 per square feet.

That adds up to almost \$100k difference per year for a store of 330 square feet, which is an extremely large sum for a start-up company. We eventually decided that it was worth the risk, but had to make careful budget adjustments to manage our finances. Next issue of interest is the importance of an action plan. Why is an action plan so important? Without an action plan, all we have is a broad strategic plan. Think of it like making a resolution

for a new year - you may state that you plan on losing weight, however you do not add in specific details as to how you are going to do it .

A concrete action plan ensures that one stays focused and has a clear idea of what to do and when to do it by. The group that did the project " Fitting Reality' had an impressive action plan which was both detailed and tailored to account for contingencies. That way, should anything go wrong, there would still be plans to fall back onto instead of the whole project being thrown into disarray. Another particularly noteworthy issue is that seemingly all groups focused on customer acquisition, but few bothered to put effort into customer retention.

This is puzzling for one main reason - It is a widely held belief that acquiring a new customer costs on average 5 times more than retaining an existing one. It is therefore wise to invest equally in customer retention alongside customer acquisition, or else it would be tantamount to taking one step forward and two steps back. Some recommended strategies of customer retention include loyalty discounts and membership reveilles, as well as constant updates and active engagement with the customers .

An area that I found intriguing was the fact that no other groups seemed to conduct a market survey in their marketing plans. To me, a market survey is extremely useful as it helps gauge the future demand of the product. A poor response would allow to us to pull the plug on the project before anything concrete is launched, thereby cutting our potential losses massively.

Furthermore, based on the results of our market survey, we were able to

effectively segment our consumers as it showed distinctly which group of customers were most interested in our product.

Of course, a counter argument could be made that a well-crafted marketing strategy would amp up the hype over the product and turn initial consumer skepticism into enthusiasm. Both arguments are certainly valid, but it seems that market surveys are still very business . One of the difficulties encountered by our group in the process of designing our marketing plan is the aspect of controls. We all know the importance of controls. It monitors the progress of our plan and makes adjustments when it deviates off course. So how then do we determine the key performance indicators (KPI) and at what level do we set it?

Should we operate on the economist's definition of bottom-line or the accountant's definition? These were all daunting questions that had to be answered. Ultimately, we chose to follow sales projections quoted in our financial plan as the main control. In hindsight, we could have adopted a market share analysis instead as sales figures may not give a wholly accurate representation. For example, if the footwear market faces a sharp downturn, we could be facing lower than expected sales figures but still capturing a large market share visit--visit our monitors.

A qualitative control method in the form of customer attitude tracking can also reveal to us what customers feel about our organization, products and services, thus allowing us to make pre-emptive changes and preserve the brand reputation . The final topic of interest again lies with the marketing mix, but this time with respect to BIB commerce. Two of the groups came up

with products that were targeted solely at businesses and within their marketing plan included the conventional 4 As. The 4 As has been a great framework that has served marketers well for over half a century.