

Product strategy, pricing, and distribution

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



Product Strategy, Pricing, and Distribution Affiliation The Product Strategy, Pricing, and Distribution strategies of any form three-fourths of its product marketing mix. It refers to the combination of factors contributing to the development of a valuable market position that appeals to the target market. The product strategy, prices, and distribution methods are part of that value and the way of a company promotes aids in conveying that value to the customers (Lamb et al. 2012). The paper analyzes Aspirin, a health care product, in terms of product strategy (including product life cycle and branding), price, and distribution.

Product strategy

Aspirin as an external and internal analgesic is an example of OTC substance that is approved in the United States and manufactured by Bayer. The products strategy of Bayer Aspirin is that they sell their products through retail channels. They aim at attracting and retaining customers by appealing to them to continue using the products in case it works for them (Rogers, 2001). The company boasts of the best and most effective external and internal analgesic. In the introduction state of product lifecycle, Bayer aspirin is promoted so as to create awareness using skimming price strategy. In the growth strategy, the company has increased its advertising costs to outdo the generics. The company promotes the brand name version of the product to compete the competitors with similar offerings. In the maturity stage, the company's sales stabilize and the company uses more widespread promotion to remain in the market. While in decline stage, Bayer has introduced new more innovative products. The company also improves profit by lowering marketing spending.

Branding

Aspirin has a brand name Bayer Aspirin which has not been changed since 1899. The company has spent millions of dollars to build this trusted brand image which has helped them in attracting and retaining many customers. Though the brand-name aspirin versions are costlier than generics, the company still has high sales volume due to loyal customers (Rogers, 2001).

Pricing

Being a high-end provider, Bayer Inc includes distribution factors in its pricing decisions. The company uses cost-based pricing strategy. This helps it in covering at least the cost of running the business and the price set it cost plus mark-up. Bayer Inc usually analyses its pricing environment in which it is operating, identifies the pricing discretion it has and the value its product has for customers (Doole & Lowe, 2008). This has helped them to develop a suitable pricing strategy for the market place to ensure that they capture as much value as possible. The company also uses price discrimination strategy where the prices per tablet decrease drastically as the size of packages get larger.

Distribution

Bayer has developed an extensive network of distributors, sales representatives, dealers and wholesalers who helps in the distribution of Aspirin. It has efficient sales network that ensures that the product reaches its target market. They also manage their distribution channels in an efficient way to ensure that they increase their market share and improve the overall products offered (Dent, 2011).

With that, Bayer Inc has been able to convey value. The company has

developed a successful business model that is based on distributing their products through sales representatives (Dent, 2011).

References

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