

Love - mednet.com

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



1) Discuss Mednet. com's competition (Marvel and Cholesterol. com) and how Mednet. com differentiates its offerings from its competitors. Marvel is a general search engine website that attracts more monthly visitors than Mednet. com. Mednet. com generates 4.3 million viewers monthly. This figure is much lower than the 19 million viewers that Marvel generates on a monthly basis. The advertising costs of Marvel are much lower than those of Mednet. com. Cholesterol. com is a specialized medical information website that concentrates on one specific disease. The website has diagnostic features. This tool is very popular among viewers of the website. Mednet. com differentiates its content by offering its viewers a wide variety of independent medical information. "A differentiation strategy means that value is provided to customers through the unique features and characteristics of a company's products rather than by the lowest price" (Openlearningworld, 2011). The firm provides value to its customers by allowing them to search for medical information beyond their immediate needs. Differentiation also implies offering a set of meaningful valued differences to distinguish the company's offering from that of its competitors (Kotler, 2003).

2) Discuss the marketing goals of Mednet. com.

The marketing goals of Mednet. com include achieving sales growth, satisfying its customers, increase viewers of the website, and increase its customer base. The firm is currently facing a marketing dilemma due to the fact that one of its largest customers is threatening to bailout on the company and leave for Marvel if the firm does not change its marketing cost formula. The client wants Mednet. com to stop charging for banner

impressions. “ Most web businesses generate their revenue via these banner impressions (advertising)” (Essortment. com, 2011). Approximately 80% of the firm’s revenues come from banner impression sales.

3) Evaluate the three options for Mednet. com at the end of the case and select a course of action for the pricing strategy. Provide a rationale for your selection.

The first option is to eliminate the banner impression advertising in order to match the pricing strategy of Marvel. This is not the best option because it would drastically reduce the revenues of the company. Executives of the company estimated the company would lose 80% of its current sales. The second option is to keep the current pricing strategy without making any adjustments. A third pricing strategy is to reduce the price structure of the company and substitute the income by adding additional services. “ Pricing is an important strategic issue because it is related to product positioning” (Netmba. com, 2012). When a company charges a price that is too low the customer perception is that the quality of the good or service offered by the firm is low.

4) Discuss other potential revenue streams for Mednet. com beyond advertising.

Mednet. com can change its revenue stream structure by adding new products and services to its offerings. The company could implement a medical service diagnostic model that would be sold to the customers for a minor fee. Another way to extend the revenues of the company is by adding alternative medicine content to its website. A third way the company could raise revenues is by offering medical consulting services to businesses. A

fourth way to generate revenues is by changing the business model from free to subscription base.

References

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