

On lever, ltd

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



On Lever, Ltd*

Case Study on Lever Ltd The present strategy of Guard with regards to allocation of the advertising budget is based on the population of the area (Aronchick 579). One does not believe that advertising budget should be allocated as a proportion to population. Although the population in one area may be huge, it does not necessarily follow that it is where one's target market is located. One thinks that advertising budget should be allocated to the area where one's target market is greater in number. An effective marketing strategy is one which involves target marketing (" Chapter 4 - Focusing Marketing Strategy with Segmentation and Positioning" 98).

Chen's proposed strategy is to increase the advertising budget allocation to Ontario to 48% of the total budget because of the grocery chain delisting problem that exists there (Aronchick 579). The strategy proposed by Chen is based on his desire to capture larger market in Ontario. He wants the Guard to compete head on with the big players in the soap market in Ontario. Chen is convinced that since there is intense competition in the Ontario market, that is where they should invest more in terms of advertising. He feels that an increase in advertising budget will bring an increase in market share; thus, the grocery chains will not delist them.

On the other hand, Keystone's proposal is to allocate more advertising funds to Quebec and the Prairies because those are their areas of strength (Aronchick 579). Keystone's strategy is based on the premise that priority should be given to areas where they have a stronger market.

2. As Keystone suggested, one thinks that the promotion money should be allocated more in Quebec and the Prairies. One believes that Guard should

further strengthen their hold in these markets rather than compete in the Ontario market where their competitors are very strong. Guard should prioritize the Quebec and the Prairies because they have a greater potential here rather than in Ontario. Furthermore, the consumption of Guard in the Ontario market is less than those in Quebec and the Prairies. The advertising budget should be bigger where the consumption or projected sales is also bigger. Contrary to Chen's belief, one thinks that Guard can afford to lose its market in Ontario considering that it is a very small market.

3. One does not think that an investment spending market test should be run first because it takes too much time, specifically 12 months. The research conducted that showed the past 12-month share of the bar soap market, the consumption of Guard soap per 1, 000 people in 12 months and the usage results may be enough basis to determine the market behavior. It is obvious from the results of the research that consumers in Quebec are the market segments that Guard should target. Although Ontario is a big market, Guard's target market is not there. It would be useless to spend on a market test when the market is not even there.

Works Cited

Aronchick, Daniel. " Lever, Ltd." n. d. 578-580. Print.

" Chapter 4 - Focusing Marketing Strategy with Segmentation and Positioning." Essentials of Marketing - 12th Edition. n. d. 90-109. Print.