

Marketing

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



They are busy at work, so they do need a convenient heating tool to facilitate daily cooking. And these people are generally at the relatively higher social class and earning a stable annual income, so that they may be willing to and also have the ability to improve their family's quality-of-life. In order to improve the living standard, they may hold the concept as: 'buy the best'. Media also has considered customer generations. In China, go's generations generally received higher education than their older generations, but they are unfamiliar with cooking.

Therefore, these young people are easier to accept advanced cooking tools, and may lay a higher perceived value on those high-tech products. 2.

Marketing targeting Media applied the segmented marketing strategy. The company offer the low-price microwave oven to satisfy customers who are earning lower income or do not regard with the advanced functions. As for those customer who has a decent job with stable annual income, Media offer them advanced products with higher prices. And for those customer who want to improve living standard and experience new-tech, Media offer hem the most expensive products which has one or more high-tech functions. .

Differentiation and positioning The Chinese microwave oven market was suffering the price war. Some strong company adopted the penetration strategy and repeatedly reduced price. As a result, the whole industry was in deficit because of the limited profit margin, The very low prices also has influenced the customer perceived value on microwave ovens. Consumers may belle that these microwave ovens only worth low prices and then regard these prices as reference price to value other similar products. The main

reason of this situation is that, all the microwave ovens in the market are similar, without any distinctive value.

Consumers can not see any superiority among these products, so they only choose the cheapest one. In order to get rid of the blind competition and capture more value from this market, Media has made great efforts to 1 OFF Firstly, Media lengthened its product line, pushed more advanced microwave ovens into the market. Media found that there were not any high-end product existing in the market but customers did need advanced ones. Thus Media stretched its product line upward, started to offer customers higher-end products with higher prices.

These new products filled the blank area of the Chinese microwave oven market, satisfied customers' different need hierarchies. For example, the lower-end products could satisfy customers' basic needs for cooking meal; and the 'Shenanigan microwave oven could satisfy customers' higher level needs, such as social needs, because this product seems very cool and could be sent as a gift to relatives or business partners. 2 Second, Media integrated many new-tech functions in its most advanced and most expensive product: 'Shenanigan.

Media invested lots money to buy the patents of key techniques. This new product not only provides customers with the basic value of a microwave oven, to heating food, but also satisfies customers' further demands: to cooking a delicious meal, which is backing up by its 350 °C steam heating technique. On the other hand, the intelligent control system also solves customers' problem of 'how to control the cooking, as many customers may

be unfamiliar with cooking. The fine product, 'Shenanigan, has many advantages that made it superior to other reduces existed in market.

Its unique features deliver great benefits to customers. In order to introduce the value of this product to the market effectively, Media named this product series as 'XX', which is same with the name of a high-grade car. Media believed that this name will make customers connect this product with the adjectives of high quality, high grade, and high price. These high-level attributes make it easy to distinguish the new product from the other low-end and low-price products existed in market, and they also could leverage up customers' perceived value on this rout.

As added such highly valued functions on the 'Shenanigan microwave oven, Media was able to set a high price on it (value added pricing). But Media's goal was not to skim revenues from this luxurious product. The company's ultimate purpose was to position its microwave brand on a stronger value proposition of 'more price for more benefit'. Media believed that by developing high-grade products, change customers' value perception on its microwave oven products, the company can create higher brand value and strengthen its pricing power on other microwave oven products.