

Delivering value case study examples

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



Delivering value

1. Marketing channels are sets of interdependent organizations involved in the process of making a product or service available for use or consumption.
2. Channel power can be defined as the ability to alter channel members' behavior so that they take actions they would not have taken otherwise.
3. Some Pizza Inn franchisees complained about other Pizza Inn franchisees cheating on ingredients and hurting the overall Pizza Inn image. This is an example of horizontal channel conflict.
4. Retail store types pass through stages of growth and decline that can be described as the retail life cycle.
5. Limited-service wholesalers, also known as cash and carry wholesalers, sell a limited line of fast moving goods to small retailers for cash.

Exercises:

1. Explain the difference between a push and a pull strategy in marketing. Under which conditions would each be appropriate?

Push marketing strategy encourages intermediaries to sell, promote and carry the products to the end users. As the means of encouragement the company may use manufacturer's sales force, money for trade promotion, etc. This strategy is most appropriate for products, which are bought by impulse, possess low brand loyalty and recognition, as well as clearly convey associated benefits (Kotler & Keller, 2009).

Based on the pull strategy producers convince consumers to buy products from the intermediaries, thus inducing the intermediaries to order products from the producer. The means of encouragement in this case are

advertising, promotion, and other communication methods. Pull strategies are effective for products with high customer involvement, brand loyalty and brand recognition (Kotler & Keller, 2009).

2. After a retailer has defined the store's product assortment how might he develop a product-differentiation strategy?

Once store's product assortment has been defined, retailer needs to develop a product-differentiation strategy. There are several possible methods for achieving product - differentiation. Firstly, it is possible to feature national brands, which cannot be found at competitor stores. Secondly, retailers may carry private-label merchandise only. Thirdly, retailers may offer surprise products or the newest merchandize in the market. Moreover, products can be further customized or target a very specific customer group. Lastly, merchandize should be adjusted based on the geographical region, consumer habits and income as well according to the distribution channel used, in order to gain customers and differentiate from the competitors (Kotler & Keller, 2009).

3. What is one of the hottest marketing strategies for ensuring success in the highly competitive grocery industry?

Lifestyle marketing is an innovative marketing strategy, which has been used already in several retail industries, such as fashion and apparel, however its application for grocery stores is quite novel. This marketing approach focuses on creating product offering, which closely relates to the lifestyle of the specific target customer group. Lifestyle retailers have to

closely follow the change trend of the lifestyle and adjust their products accordingly (Pradhan, 2009). They may offer either a wide variety of product categories, with very specific products within the categories (generalists) or provide both a large variety of categories and a significant number of products, which, however, target very specific lifestyle (specialists) (Varley, 2001). The success of this strategy has been demonstrated by San Antonio-based H. E. B. grocery retailer, which customized their offering to the lifestyle needs of people in Texas and Mexico. Their example shows an important trend in grocery retail, which indicates that consumers prefer to buy their food based on their lifestyle. Therefore, it is probably necessary for some of the retailers to rethink their marketing strategy and to focus on customization instead of standardization.

4. What does San Antonio-based H. E. B. call its approach to lifestyle marketing in the grocery industry?

San Antonio-based H. E. B. calls its approach to lifestyle marketing "different faces for different places". It focuses on locating and designing grocery stores in large cities of Texas and Mexico according to the lifestyle of the local population. Thus, each store includes Central Market configuration for traditional food and Hispanic food orientation "Mi Tienda". Such approach to grocery retailing offers consumers more than just shopping but an experience, which becomes the basis for H. E. B.'s success. Today the company successfully competes with such retail giants as Wal-Mart, demonstrating that consumers prefer buying products, which are tailored according to their lifestyle. The success of "different faces for different

places" demonstrates that product customization and lifestyle marketing is a likely trend for the grocery industry of tomorrow and indicates the need for change for many retail chains, which for years have been placing efficiency and standardization above all the other considerations .

References

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