

# Benihana case study

Education



Marketing Management Class Notes 1/16/13 Markets: \* Consumer market—B2C \* Business market—B2B \* Global market ( ? ) \* Not-for-profit market—must have higher revenues than cost to survive \* ex: health-care: hospitals need 7% more revenues than expenses to survive \* Government market

Core Concepts: \* needs, wants, and demands \* segmentation, target markets, positioning \* offerings and brands value and satisfaction \* relationship marketing \* marketing channels \* supply chain \* competition \* marketing environment

Marketing mix—4 Ps \* Product—good, service, idea, experience, place, person, etc. \* Price—above, at, or below market \* Place—retail location, channel of distribution \* Promotion—advertising, personal selling, sales promotion, PR/publicity

Shifts in marketing management: in past: marketing does marketing; now: everyone does marketing \* organized by product units; now: organizing by customer segments \* using many suppliers; now: using fewer suppliers who are partners \* ex: Wal-Mart and Procter & Gamble pampers—no longer places orders for pampers; now P&G brand manager manages Wal-Mart shelf of pampers \* emphasizing tangible assets; now emphasizing intangible assets \* building brands through advertising; now building brand through performance and integrated communication \* good experience= tell 5 other people; ad experience= tell 9 other people \* now even more permanent with online ratings \* shotgun (dispersed) v. rifle (accurate) \* avoid shotgun (avoid developing product/service that would appeal to everybody) \* relying on old markets; now uncovering new markets \* focusing on profitable transactions; now customer lifetime value \* major goals of increasing revenue and market share v. now: must be responsible for return on marketing investment (ROMI) \* local; now glocal (local and global) \* focus on shareholders; now

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focus on stakeholders What do marketers do? develop marketing strategies and plans \* generate/collect marketing info (research) \* connect w/ customers \* develop market offerings \* build brands \* delivery and communicate value \* create long-term growth \* ex: ivory 1879 and still going

New Marketing capabilities: \* use of internet for info and sales \* easily gather info about: \* customers, prospects, markets, competitors \*social media\* facilitate and speed communication w/ customers \* personal marketing (thru email) \* mobile marketing for customers on the go \* mass customization \* bit of an oxymoron \* ex: Levi's jeans made to size measurements use internet internally and for other than marketing

Evolution of the Marketing Concept \* Production Concept—production efficiency, low costs, mass dist. ; consumers want the most quality, performance, or innovative features (more, better, faster) \* Stool made in cottage industry—individuals made them at home w/ tools on hand industrial revolution—factories, standards, conformity, production concept emerged \* Selling Concept—consumers will buy only if the company aggressively promotes/sells these products \* Too many stools produced and no one is buying them how to sell them? must aggressively sell and advertise \* Marketing Concept—focuses on needs/wants of target markets and delivering value better than competitors \* Quit making stools that people don't need or want; \* must determine how many stools the customer wants first before making them \* The Marketing Concept's—Three Pillars: \* Customer orientation \* Integrated marketing effort\*\* \* Table 1. 1 on p. 23 \* integrated w/ other departments b/c marketing interacts w/ customers \* Emphasis on profitable sales (not all sales are worth pursuing) \* Pillsbury Ex: 1. We make flour...how do we make the flour faster and better \* 2. We sell flour...hired sales people and started

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advertising \* 3. What do customers want that has flour in it—expanded product lines ...Burger King—hamburger buns, pie shops, refrigerated dough products

Ch. 2: Developing Marketing Strategies and Plans \* Value—the totality of features and characteristics of a product or service compared to its costs \* Determinant of Customer Values: \* Customer perceived value \* total customer value \* Image value \* Personal value \* services value \* product value vs. total customer cost \* Monetary cost \* time cost \* energy cost \* psychic cost \* in mind—instantly assessing value and weighing it against cost

Creating value: \* satisfy needs \* more than one org \* functions of marketing creates value

Generic value chain—link in chain consists of: \* Primary activities: inbound logistics, operations, out-bound logistics, marketing and sales, service \* support activities: firm infrastructure, HR management, technologydevelopment, procurement (purchasing) \* margin-includes profitability

Ex: Levi Jeans Value-Delivery Network: Dupont fibersMilliken fabricsLevi’s apparelSears retailcustomer \* each is a link in the value chain

When value is not provided: \* lost sale \* lost customer—CLV (accounting for the number of years person would have been a customer)

Competitive Advantage—something a co. has that no other co. has \* achieved through: \* 1. core competencies—source of comp. advantage, application in wide variety of markets, and difficult for competitors to imitate \* 2. distinctive capabilities—excellence in broad business practices \* involve multiple levels of people ex: ability to innovate, ability to understand your customer, understanding the market

Marketing goal= competitive advantage \* must be something significant to customers \* important in a variety of markets \* difficult to imitate

Strategic planning: \* Corp. Mission \* “Marketing Myopia”—see close but don’t see far away; \* Railroads thought

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they were in the railroad business, had they realized they were in the transportation business they could have expanded line to auto or plane \*

What business are we in? \* growth opportunities \* growth matrix \* SBU—Strategic Business Unit \* Resources—S/W Assessment—O/T \* goalsstrategies to achieve goalstactical plans to achieve strategies Good Mission Statement

\* ex's in the book: Table 2. 5 \* identify: \* target customers and markets \* principle services delivered \* org. philosophy\* desired self/public image \* Mission statement—what the co. does; Vision statement—hope for future

Goals and Objectives: \* goals—umbrella; hierarchical (at different levels) \* provide broad direction \* objectives—SMART \* Specific \* Measurable \* Actionable \* Realistic \* Time bound—for marketing plan, usually a year \* for new product, maybe 6 months Porter's Generic Strategies: \* 1.

Overall costleadership—low cost provider; can make stuff at the lowest cost (will have higher margins and more choices) \* 2. Differentiation—develop competitive advantages that are diff. from competition \* Focus—segment; \* niche market focus that has either overall cost leadership or differentiations

Ansoff's Product/Market Expansion Grid: | Existing products| New products| Existing markets| Market Penetration \* advertising, lowering price, increasing sales personnel, \* take existing pie of market share and try to get bigger piece of the pie | Product development| New markets| Market development \* ex: co. hat made lawnmowers B2B (golf courses) decided they could sell those lawnmowers to consumers | Diversification | Boston Consulting Group's Growth Share Matrix | Relatively high market share| Relatively low market share| High market growth rate| Stars| Question marks (aka problem children —don't know how they are going to turn out)| Low market growth rate| Cash

cows—products you've had for a relatively long time but they have slow growth Ex: Coke for Coca-Cola| Dogs| Implementation—plans

Evaluation and Control: \* Set objectives (to be measured) \* measure performance against objectives \* understand deviations—why didn't you achieve what you set out to achieve \* set new objectives Marketing Plan Parts: \* Exec. Summary \* Table of Contents \* Situational Analysis: External Analysis \* Situational Analysis: internal analysis \* SWOT critical success factors \* Goals/objectives \* Strategy—4 Ps \* Action programs \* Financial implications \* Controls Case Analysis—slides being sent via email