

Market coverage decisions essay



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1. Question 1 Introduction Marketing distribution channels play a big role in the marketing process, the marketing team will have to decide to what extent they want to distribute the product and in what market segment they want to place it. Packaging has the dual function of protecting the product and also of advertising the product, thus it is of great importance to use the right type of packaging. a. Market coverage decision •Intensive coverage; is where the manufacturer of a particular product requires that the product receives maximum market exposure in the specific geographic domain.

(Strydom & Jooste, 2007: 418) Thus the manufacturer will try exposing it to as many as possible outlets to optimize sales. The products that are usually sold thru intensive market coverage is inexpensive, often purchased and requires little shopping effort- thus it is also a convenience product.

•Selective coverage; when a channel strategy is followed that limits the availability of the products to certain outlets it is called selective coverage.

(Strydom & Jooste, 2007: 418) Certain outlets will be selected considering they comply with a certain pre-set criteria.

The products used in the selective coverage channel are usually more expensive and are mostly in the shopping products category. •Exclusive coverage; is products that are only sold to a single or a few selected outlets in a large geographic region. The main advantage of exclusive coverage is that it reduces intra branding, a certain outlet will only be responsible for a single brand, and thus only that particular brand or product is promoted. On the outlets side, the supplier would usually give a certain domain right to that outlet, thus only that outlet promote that certain brand in that certain geography.

b. I would suggest that Cadburys use the intensive coverage distribution channel. The reason for that is because the Cadburys Boost is a Convenience product; it should be available to as many outlets as possible. It is a product that is less-expensive, which are frequently purchased by a large number of consumers and requires little effort to purchase 2. c. Packaging •Family or individual packaging; The marketing team needs to decide if they are going to use individual packaging for every product or family packaging.

Family packaging is the same principals are used for a line of products.

- Special packaging; To give the product an exclusive image.
- Reusable packaging; Is packaging with more than the function of protection of the contents, it re-used in a different form for whatever purpose. Some people collect coffee tins which is an example of reusable packaging. Some times customers purchase reusable packaging products not just for the contents but also for the functionality of its packaging. It is also a good form of marketing considering that the consumer is exposed to the advertisement every time he/she uses the packaging.

Multiple packaging; When related products are packaged in the same container this strategy is useful to win brand recognition as well as to introduce new products. This type of packaging is also used when the producer want to create the image of value with the client, cosmetics company would say include lipstick, eye shadow, and perfume in the same multiple packaging. •Kaleidoscope packaging; The intention of this type of packaging is to create a demand for the particular product by creating a demand for the packaging, this would be done by the producer by altering

different details to the packaging. The certain details which are altered are usually contemporary with the times. Question 2.

a. Sales promotions Sales promotions are incentive tools to promote sales in the short term. Promotions encourage customers and the industry to buy the producers products and are action focused. When sales promotions are considered there are three distinct audiences that should be targeted the internal environment, usually marketers own sales team, second is the intermediaries in the distribution channel and third is the marketer's final customer or consumer.

(Strydom & Jooste, 2007: 463) Consumer promotions: Are either product-based incentives or tie-in promotions •Advantages; Benefit direct and easy to obtain, often outsourced to specialized organizations •Disadvantages; Expensive for the manufacturer, Difficult packaging can cause havoc in transport. 3. Money based promotions: This type of promotion encourages repeated purchases, this technique is often used to promote brand switching. •Advantages; This type of promotion ensures brand presence and is also a reminder for future purchases. Disadvantages; This type of promotion should not be done too often. Tie- in promotion: Are promotion where two or more products ,(which are not in direct competition) from different organizations do a joint promotion •Advantages; It may be a less expensive type of promotion, there is more shared resources.

•Disadvantages; There is a longer lead time to coordinate because of communication between different organizations. Price cuts: A technique to convince consumers to buy larger amounts of a certain product than they

usually would. This can lead to a repeat purchase pattern. Advantages; The benefits of price cuts are immediate and this may lead to a sales increase by the consumer. •Disadvantages; There is no brand devotion built by this technique, the reason for that is because it mainly attracts brand switchers. This technique can damage brand image.

Trade shows and exhibitions: Trade shows are well known for introducing new products and also to attract new dealers and distributors. •Advantages; There is a high quality of sales leads created by trade shows. Trade shows are further more a good place to gather market intelligence and to launch new products. Disadvantages; Trade shows are only usually hosted annually, meaning there is only that one chance to introduce product. Trade shows and exhibitions are usually quite a costly type of promotion. b.

Sponsorship I don't think personally that The Cadburys Boost marketing team should launch the product initially by following the path of sponsorships. Sponsorship is good for public relationships, awareness, trade relations etc, I do think sponsorships would be more effective if the product has been known in the market for a while. All sponsors in the market today are already well known by the consumers or have been in the market for some time. It would be a total gamble to sponsor an event by some totally new product that no one has ever heard of. 4.

Conclusion Market coverage decisions and packaging both play a very crucial role in the placing of the product in the marketing process. The Cadburys Marketing team should consider every aspect in complete detail to optimize the success of the Cadburys Boost marketing strategy. Sales promotions and

sponsorships plays more a role in the actual selling process of the product , again there is a lot of options available each with its own advantages and disadvantages therefore the marketing team should consider the most appropriate path to take to optimize sales. Bibliography •Cant, M. C, Strydom, J.

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