

# Intro to marketing assignment

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Market Penetration: Market penetration is used by both businesses, they sell their existing products on to their existing markets, they both do this as they offer loyalty bonuses, this gets them all more sales and reduces the risk of getting new products on to the markets and them all failing, the main difference between the two during market penetration is the way they both advertise, Sony constantly advertises their products, even if they are old and a new product is just about to hit the market, on the other hand McDonald's don't advertise existing products, they do smaller advertisement through doing special deals on the back of bus tickets and doing loyalty schemes. The pros of McDonald's doing smaller advertising is that it costs less, with the cost less there is more of a chance of them making profits, the disadvantage of the small marketing is that not as many people will see it, as they advertise on the back of the bus tickets, only people that get the bus will be able to see it, this is a lot less than most of the population watching TV.

For Sony still advertising excellent products, this does cost a lot of money as all their advertising is done on TV and none of smaller methods, it does cost a lot of money, with a lot of money they use this will get their profits down but will attract a lot more customers. Market Development: The product is present, but in a new market, companies need to then advertise the product again to gain even more customers than they originally have, this ends up costing a lot of money, but does result in a large amount of sales which will further result in more profit. Sony did the new advertisement for the PS3 before the latest console PS4 came out, they did this to boost sales before the latest product.

The difference between Sony and McDonald's market development is that McDonald's do a lot more deals to advertise their products, unlike Sony which do advertising through TV and radio ads, I believe Sony do this as the customers aren't as much relationship customers, they only buy products once a year and only buy the latest tuff, also as the stuff Sony produce they aren't big and aren't what everyone is interested in. On the other hand McDonald's are what most people like, and they have relationship customers with people coming back every time to repeat buy the product. The pros for that are as McDonald's have relationship marketing, they will always have the same people coming in every time, unlike Sony which has people every year/ two years come in to purchase a product.

McDonald's know even if their latest product isn't as such as a hit they will just rely back on to previous customers eying the previous products, on the other hand Sony have people coming in every year, so if their product isn't a hit then they could go completely bust. Diversification Related and Unrelated: Both companies do related diversification, they do this as they already know the market and have the largest market share in there Industry (Sony with electronics and McDonald's In the fast food market. ) The reason McDonald's and Sony both do it as they need new products to keep the old ones still example the sis went up by 10% in price in the last two months due to the knowing hat after all the Ass's were made and sold there was not going to be any more produced.

The difference in the two are that Sony also does unrelated diversification, unlike McDonald's who have just stuck to fast food as they know and have the largest market share in it. Sony has done unrelated diversification by <https://assignbuster.com/intro-to-marketing-assignment/>

going in to the clothes market. Sony did this as it is less of a risk by putting more money into a number of different markets, I believe the reason McDonald's aren't doing this as if they lose concentration on the main market, they will end up losing control of it all as they have a lot of very strong competitors. Another reason is because McDonald's don't have the best reputation, with their reputation people might not buy the products and then McDonald's end up losing a lot of money.

The pros of Sony going into an another market is that with more money spread out in to different markets there is less chance of it all going wrong, a disadvantage of it is due to them not knowing anything about the market that they went in to (Clothes. ) they could have got it all wrong and resulted in not many sales, also as they are new, they aren't in control of the market, which means any of the top brands could start doing special offers or such to close them down and get them off the market. Branding: The branding between the two were pretty much the same, the two companies have logos, slogans and TV ads, the way of advertising that McDonald's do differently is how they post their latest product/company on to the back of bus tickets and loyalty cards, this is a good way of getting the new product across as its encouraging people to go and purchase it.

Sony do not have shops any where inside the I-J, this does make it difficult for people to go and check out products directly from them, but Sony do sell o stores in the I-J, for example, Curry, Game and Deco's, the individual stores that have got these products do their own advertising for the products, this doesn't cost Sony anything but does still get their company name around. When Sony does advertise they do it all about their latest products, and <https://assignbuster.com/intro-to-marketing-assignment/>

occasionally a 'old' console, they advertise that a few weeks before the new one is released to get a last push to sell as many as they can before the console gets discontinued. McDonald's have hundreds of stores in the I-J and do not sell their product/service to anyone; this means they have to do their own advertising.

The way of advertising they like to use is the back of bus tickets, posters on bus stops and around highly populated areas, they do this as it is a cheaper way of advertising, also with stores pretty much round every corner, a lot of people know about McDonald's and their latest products anyway, with stores being around, and as many people knowing about McDonald's as they do, there is no need to waste a large amount of money on advertising to a large audience. Also, going back to the bus tickets, with their advertisement they are doing deals on the back, these deals pull people in to buying a product from them, which goes result in a large amount of sales.

Relationship Marketing: Both companies do relationship marketing, with the customers being treated well and the product being at a good quality, there isn't any reason for the customer not to come back. McDonald's and Sony both do training with staff to improve the customer service that they give out; this is an advantage for them both as its improving the staff. The quality of both companies are very good, as McDonald's are in more demand, have to be very quick about what they do after, by giving them a refund/ free vouchers for something. Sony on the other hand, gives the customers incentives for hem to stick with them after one of their products isn't at the right quality.

Advantages of relationship marketing is that the customers will most likely come back, also they will become more obvious in what they buy, the companies can look at what have previously brought and offer them something like what they are interested in, with them knowing what they like/ want they can produce it and charge whatever price they want for it. I believe the two companies changed their marketing techniques due to the recession. They had to change the way they did all advertisement and had to change their prices/deals for the business. For example McDonald's now do special loyalty deals, this is influencing the customers to try and save money by buying 10 or so McDonald's over time. On the other hand Sony haven't done any special offers as such, they now do ' bundle' deals, where they offer a game and the new console for a cheaper price than they are to buy individually.

Again with Sony the latest sis was retailed when it first came out at IEEE, when the sis came out it was retailed new at IEEE. 99. With the recession it has made the company reduce the price so now the other people can afford it as well. McDonald's are now doing deals with a ' group' meal s well, for example if you buy six meals for the price of five, back in 2008 before the recession price the price would be for the meals would be the same price as 4 people, this shows McDonald's have had to reduce their price and now catered to the poorer people. Risks companies took The two companies took two different risks as such, Sony put the SIS on sale when the recession was still happening. Sony released the SIS during a period of time where it could have all gone wrong.

The recession had hit and the vast majority of people and a lot of people just spent their money on essentials. On the other hand McDonald's reduced their prices, they did special offers on buying a 'group' meal, where they will offer four meals for the same price as five, back in 2009/2010 the same price that you could buy five meals you could only buy three meals, this shows the price cut they have made because of the recession. However, Sony and McDonald's both did price reductions, but Sony less so, they didn't adapt much to the recession unlike McDonald's. Sony didn't expand into stores during the recession, and still have not expanded into stores, unlike McDonald's who expanded their stores by over fifty five stores during 2009-2012.