

Marketing assignment

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One of the major marketing concept implemented by Beats Electronics is the positioning of the company's products. This essay will outline the concept of positioning deployed by Beats Electronics in terms of the company and its strategy, the reasons behind the application of positioning and the impact of positioning on business. A major marketing concept derived from the success and sophistication of Beats Electronics in the market for personal audio electronics is the company's apprehension of product positioning in the market. Solomon et al. (2014, p. 25) defines positioning as the "[development of] a marketing strategy aimed at influencing how a particular market segment perceives a good or service in comparison to the competition. " This concept encompasses the company's ability to tailor and manipulate marketing variables to successfully influence the target market of the product's advantages over competitors and overall benefits (Soloman et al. 2014, p. 225). According to Gerrit (2014, p. 1), Beats Electronics is a company in the market of high-end audio systems which focuses on the three moieties; personal audio, audio software and online music streaming services.

In conjunction with soaring product sales, it can be annotated that Beats Electronics monopolises the audio equipment industry targeted at today's youth. With regard to positioning, Beats by Dr. Dre was positioned in the remunerative industry of premium priced headphones targeted the youth. Brown (2014) states that this positioning eliminated the threat of competition from established audio companies because these companies were not contemporary. Beats by Dr. Dre is a bass boosted, tangle-free and fashion forward audio gear that has achieved a cachet that faces no

adversary (Fields 2014, p. 7). The company identified the influence of celebrities on impressionable youths and the significance of fashion culture; hence, the product was then positioned to accommodate these factors. The majority of promotion strategies utilised the industry connections of the founders of the company, Jimmy Iovine, founder of hip-hop label Interscope Records, and Dr. Dre, hip-hop icon (Brown 2014). The headphones were featured across Interscope Record's music video roster and worn by Dr. Dre's contacts in the sporting and music industry to successfully position the headphones as a product used to "... hear what the artists 2012). Beats Electronics is a young, new company not renowned for its products, however for the marketing strategy the company has executed to propel sales and sustain customer loyalty. It is maintained by Fields (2014, p. 10) that Beats Electronics heavily implemented the notion of positioning of companies or products with artists and hip-hop combined because it incorporates cultural and societal norms whilst affixing non-correlated communities around the world.

Fields also interjects that individuals who identify with hip-hop music adopt brands affiliated or placed in music videos or lyrics of their favourite artists. For instance, Beats headphones were advertised by product placement in music videos and celebrity endorsed commercials instead of traditionally advertised because platforms such as Youtube and MTV are avidly frequented by the youth (Fields 2014, p. 12). Research done by Time Magazine (2014) ranked Beats by Dr.

Dre 17th on a list of 18 headphones brands and was heavily criticised by Kleinman (2014) of The Huffington Post, by implying that the headphones
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gained popularity because of the status it offers the customer, not for the actual audio quality it provides. Although faced with external market forces offering greater technological advancement, Beats Electronics continues to sell the value behind its products, not the product itself. According to Phillips (2014), positioning of the products with celebrities allowed customers to envision their purchase as paying for class and footing in an aristocratic group of other users of the brand.

Sanburn (2013, as cited in Fields 2014. p. 37) states that brand loyalty amongst the targeted hip-hop associated youth was established by Beats headphones in its high quality audio tuned for the hip-hop genre and efficacious visual branding through design and colour usage. The target market was clearly ingrained from initial stages as the sound engineering for the headphones was adjusted in line with hip-hop classic, 'In Da Club' by 50 cent (Phillips 2014). The high cost of celebrity endorsements as a primary source of promotion is outweighed by the impact of their marketing strategies on business performance.

According to Phillips (2014), customer value was appraised to have been communicated by the large quantity of sales of the headphones which disregarded the fact that Beats Electronics did not highlight the technology or design of products; instead, the company simply highlighted the suffix 'by Dr. Dre' on the brand which ascended the headphones. This depicted that their customers' desired and perceived value had been satisfied as customers had the benefits of bass-boosted, studio sound and a fashion accessory that spoke volumes of their identity.

This increased satisfaction and loyalty has caused the rise of referrals and purchases; hence, revenue has increased for Beats Electronics. According to the NPD (2014, as cited in Fields 2014, p. 24), in 2012, the year Beats by Dr. Dre was first released, sales of premium headphones escalated by 73% and 63% of the high-end headphone market was dominated by Beats by Dr. Dre. Sanburn (2013, cited in Fields 2014, p. 24) adds that this earned Dr. Dre a revenue of \$110 million. Besides that, the success of the deployment of this concept can be seen in the recent takeover of Beats Electronics at \$3. billion by Apple (Campbell 2014). Moreover, the recent #SoloSelfie campaign ties the S0102 Wireless headphones and the iPhone 6 in a celebrity endorsed advertisement; evidently, Apple has recognised and adopted the power of positioning that Beats Electronics holds. In conclusion, the importance of the notion of positioning to Beats Electronics as been depicted by highlighting the current financial success of the company, the acumen behind the implementation of product positioning to the company and the strategy of the company.