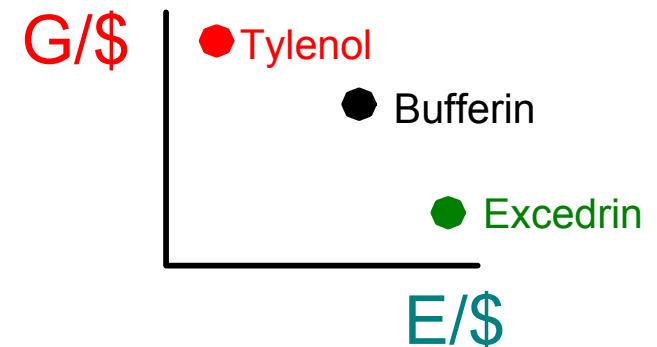


Session 1: Marketing (4P's, 5C's) & Positioning (Company skills)

Topics

1. Structure for Marketing Analysis
2. Plan of the 15.810
2. Positioning



Readings

Note on Marketing Strategy
Perceptual Mapping: A Managers' Guide

Traditional structure – 4 P's

The Marketing Mix

- **Product** (features, quality, service, support, product line etc.)
- **Place** (channel of distribution, exclusive vs. intensive, etc.)
- **Promotion** (advertising, sales force, brochures, coupons, etc.)
- **Price** (list price, discount, deals, both end-user and channel)

- Product

- Promotion

- Place

- Price

Modern structure – 4P's & 5 C's

Marketing Strategy and Marketing Tactics

- **Customer** (customer needs, segments, consumer behavior)
- **Company Skills** (brand name, image, production capability, financial strengths, organization, etc.)
- **Competition** (actions are interrelated, market environment)
- **Collaborators** (downstream wholesalers or retailers, upstream suppliers)
- **Context** (culture, politics, regulations, social norms)

- Competition
- Customers
- Company Skills
- Collaborators
- Context

7 topic discussions

Marketing & Positioning, Product, Customers, Advertising, Pricing, Distribution, Wrap-up & Review

- ❑ Provide a structure for marketing analysis
 - PowerPoint slides
 - SloanSpace

- ❑ Theory that will be explored in cases

- ❑ Readings provide a starting point

- ❑ Your experiences are valuable

10 case discussions plus examples

Projection Systems, Flowers by Fedex, Medical Instruments, Airlines, Water Purification, Financial Software, Entertainment Robots, Juice Drinks, Magazines, Watches, Automobiles, Films, Hospital Services, Supermarkets, Electronics Stores

- ❑ Prepare in groups of 3 (or 4)
- ❑ TAs are a resource, initial meetings
- ❑ Be prepared to open
- ❑ Discussion Questions are key
- ❑ Your brand identity (seating chart, name cards)
- ❑ Close with a discussion of how ideas generalize

2 written cases

- Two of four cases
 - Southwest Airlines
 - Snapple
 - Swatch
 - Tweeter, etc.
- Prepare in groups
- Form groups today

Final group project

A chance to practice what you've learned

- Choose a firm, division, product, or service.
- Interview two or more customers each.
- Summarize with respect to 4P's and 5C's.
- Recommendations

Individual assignment

- Credit just for handing in
- But a chance to move up in borderline cases

- *What are the three most important lessons that you learned about marketing in this course that will help you as a manager?*

SUV positionings

Brand Name	Positioning
Jeep (Liberty, G. C.) Toyota Sequoia Nissan Murano Lexus (GX, RX330) Cadillac SRX Acura MDX GMC Envoy XL Toyota Hydrogen	
Chevy Tahoe Jeep Cherokee	

SUV – other goals of advertising

Brand Name	Goal
Yukon XL Toyota Camry Chrysler Corporate GM Corporate GM Corporate	

Focus group comments

"There is always a tradeoff to be made, I'd love to buy a new color television, but I'll hold off now that I'm buying a car."

"Good product for the dollar spent"

"Value to me is getting the most car for your money"

"Once you make the money commitment to buy a new car, an extra thousand dollars for a superior car is well worth it."

"When you buy a car you shop value."

"One doesn't buy a car, one invests in one."

"The Japanese cars seem to be very good value."

"Is an Accord really worth two Geos?"

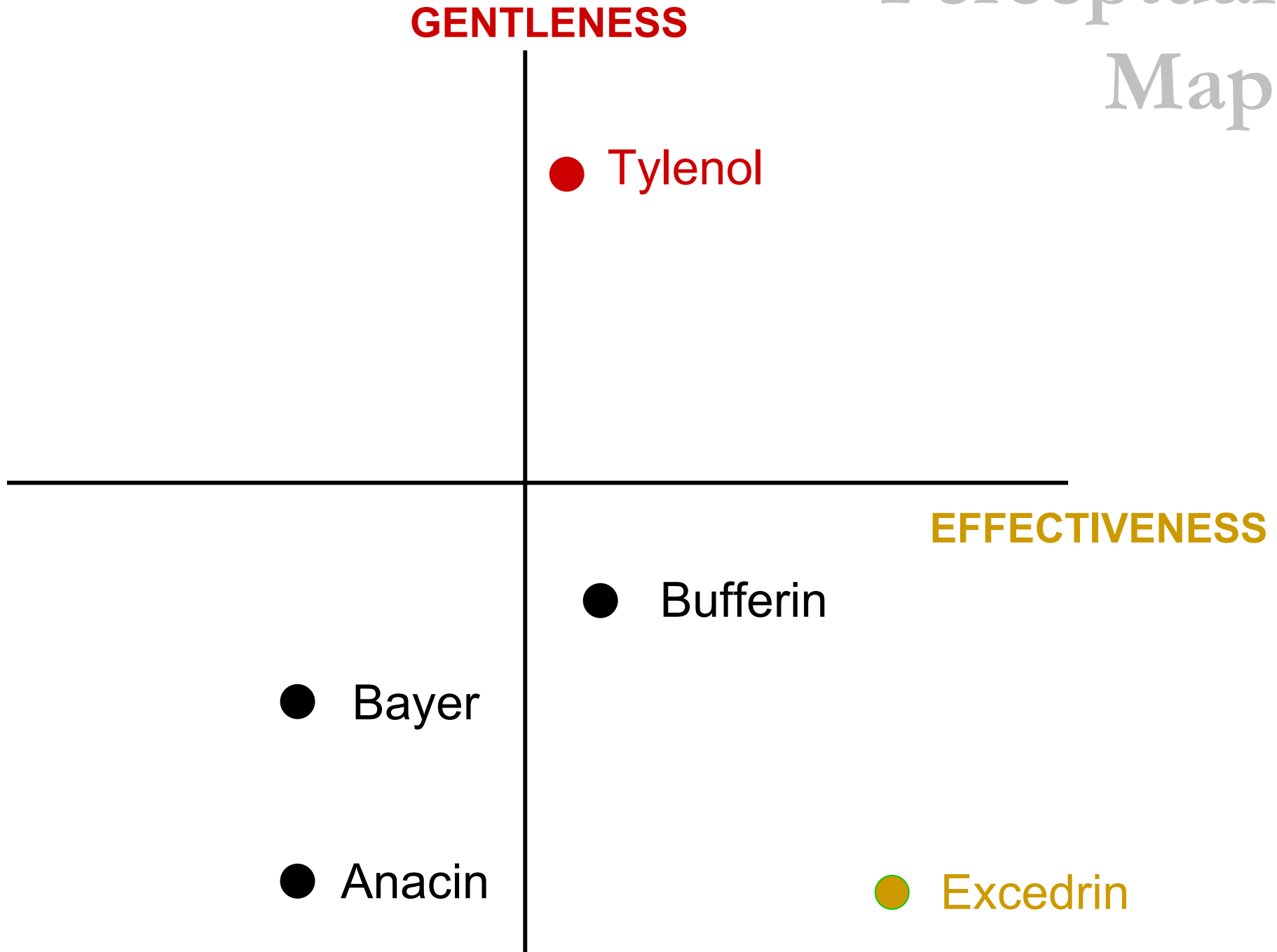
"Buick is less prestigious than a Cadillac, but you get more value for the money."

Two examples of perceptual maps

- Electronic/appliance superstores

- Analgesics

Perceptual Map



Value Map

GENTLENESS/\$

● Tylenol

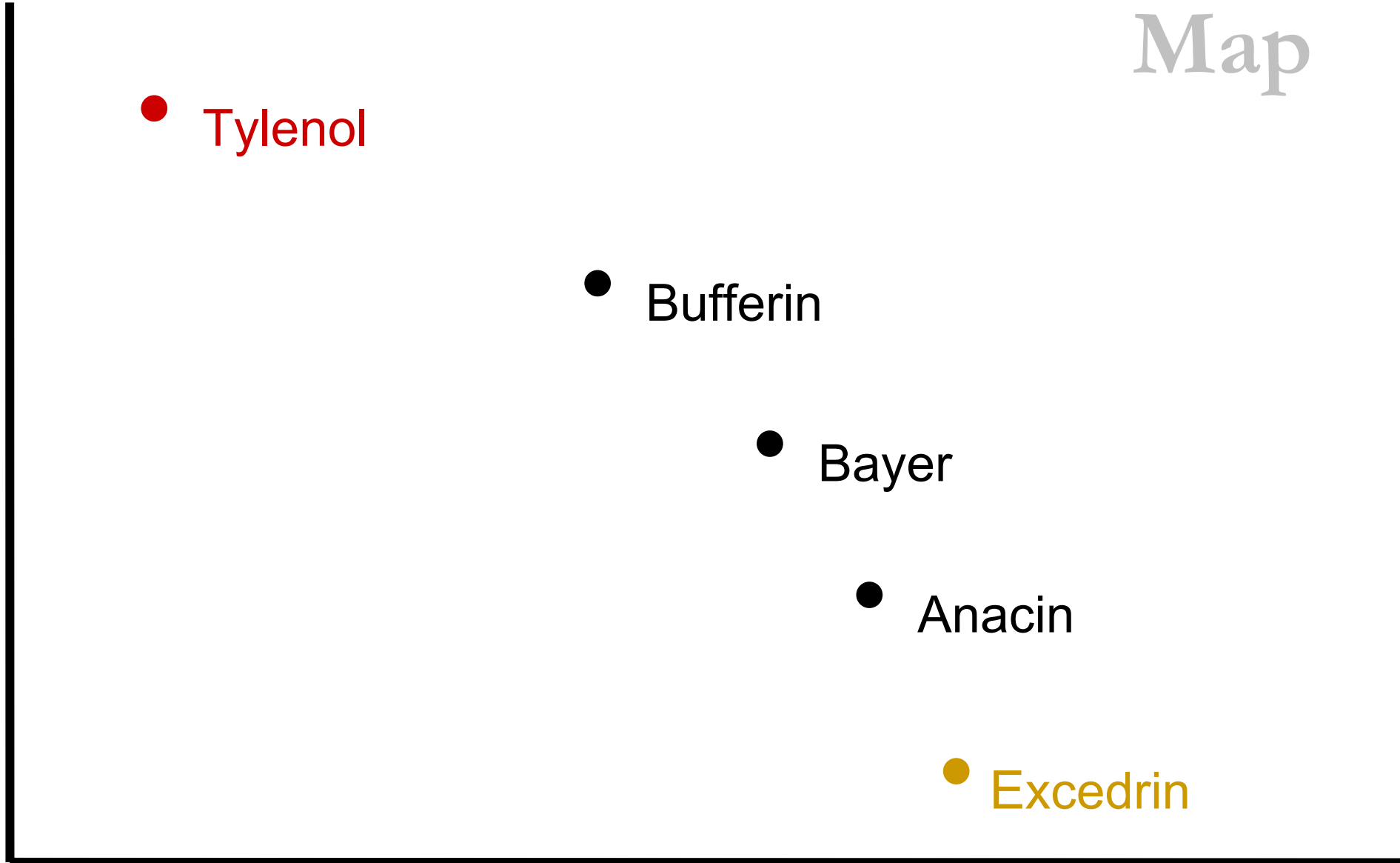
● Bufferin

● Bayer

● Anacin

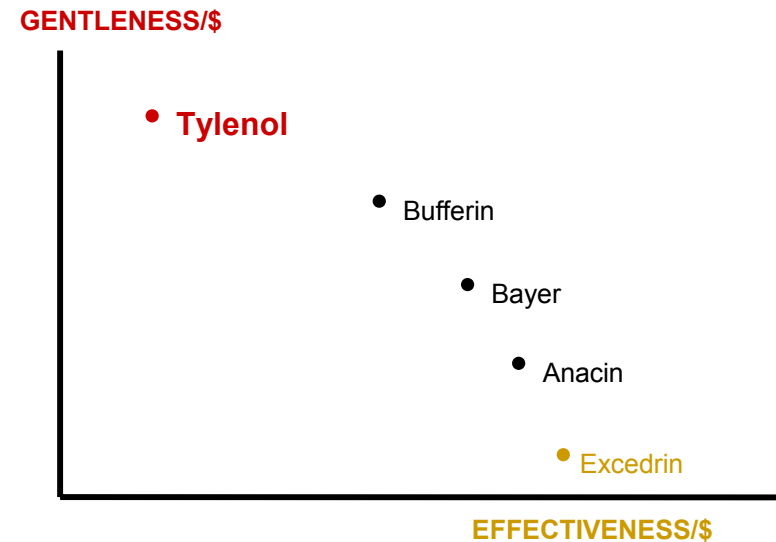
● Excedrin

EFFECTIVENESS/\$



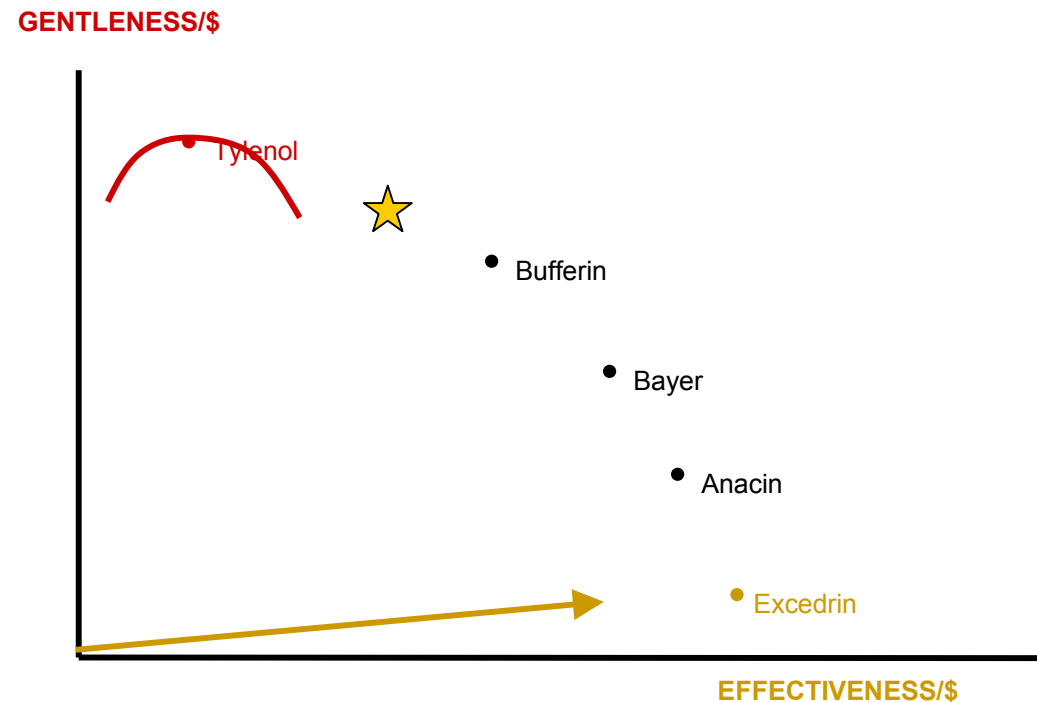
Considerations in selecting a target positioning

- Product – perceptions vs. reality
- Promotion – what you say should match target
- Place – positioning needs to match the channel
- Price – positioning to match the price point
- Consistency – gentle and effective?
- Cost structure – some positionings are less expensive than others

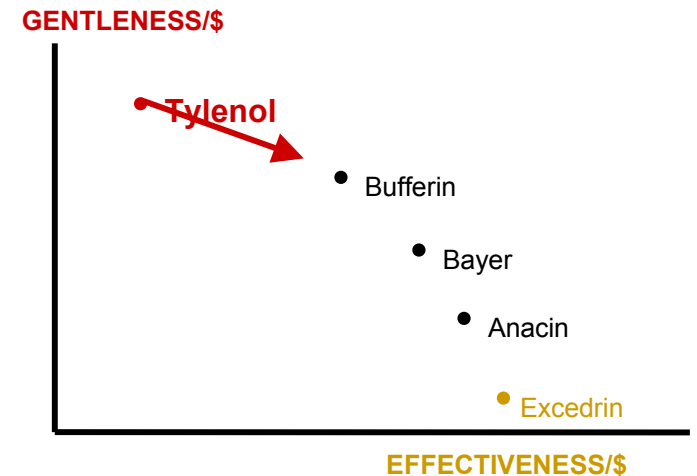


Considerations in selecting a target positioning II

- Competition – better to be where competition isn't
- Company skills – some positionings are better matches to company image, competitive strengths, etc.
- Customers – better to position on dimensions that are important to customers



Positioning strategy



- **Temptation to think tactically**
 - Position toward the average customer
 - Serve the most common customer needs
- **More effective to think strategically**
 - Find your strength in terms of benefits – own an image (Brand DNA)
 - Avoid price competition by owning a set of customers, a “local monopoly”
 - Differentiate – benefits offered, customers served

Examples

- MIT Sloan
- Neiman Marcus vs. Wal-Mart
- Apple