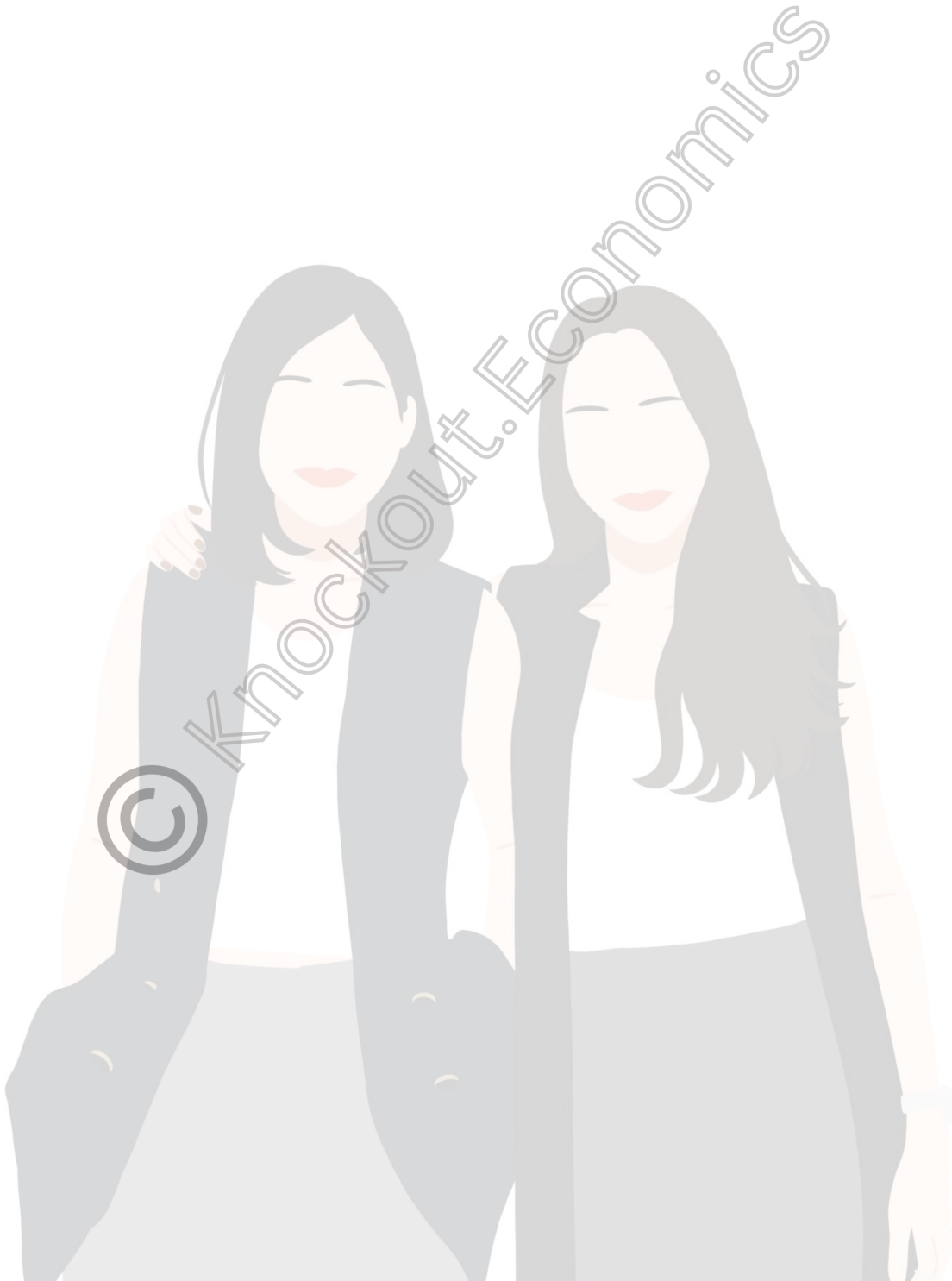


Chapter 16 : Marketing Strategy

Key terms

1. Marketing strategy: a plan to combine the right combination of the four elements of the marketing mix for a product or service to achieve a particular marketing objective.



1. Justify marketing strategies appropriate to a given situation.

Eg. Chanel bag

Product	<ul style="list-style-type: none">• Bags with brand “Chanel”• Luxury handbags
Price	<ul style="list-style-type: none">• Price skimming
Promotion	<ul style="list-style-type: none">• Above - the - line advertising via magazine, billboard
Place	<ul style="list-style-type: none">• Retails• Department stores• E-commerce

2. The nature and impact of legal controls related to marketing:

: Consumers need protection against businesses which could, unfortunately, take advantage of the consumers lack of knowledge and lack of accurate product information.

There are some forms of consumer protection.

- Weights and measures
- Trade descriptions
- Sales of goods
- Supply of goods and services Act
- The distance selling regulation

3. **The opportunities and problems of entering new foreign markets:**

Opportunities	Problems
1.Potential growth of new markets in other countries to gain higher income.	1.Lack of knowledge in new foreign markets.
2.Home markets might be saturated.	2.Cultural differences - Some products will not sell in another market.
3.Businesses can sell and produce in other countries.	3.Exchange rate changes can cause an uncertainty in purchase.
4.Trade barriers have been lower.	4.Increasing risk of non-payment as

Methods to overcome the problems of entering new markets abroad

- **Joint venture** : This helps business to gain local knowledge so culture and customs can be adapted to enable a more successful entry into new markets.
- **Licensing** : this is where the business gives permission for another firm in the new market being entered to produce the branded or “patented” products.
- **International franchising** : foreigner franchises are used to operate a business’s franchise abroad.
- **Localising existing brands**. It means that there is still a common brand image for the business but it has adapted to local tastes and culture therefore increased in sales revenue.

