

Chapter 9 : Marketing objective and strategy

1. Marketing objective

• Increase market share

: Higher market share is likely to give a business a competitive edge.

: Higher market share, produce more goods and services and as a consequence can achieve economies of scale. Eg. Lower supplier cost

• Increase in revenue

: Higher revenue and hence higher profit. Company has more budget to invest in marketing activities, being sponsor and international event.

• Build a brand

: Many businesses want to establish the name of their company or their products. Strong brands can generate huge returns for a business.

: Build brands may exploit a unique selling point, invest heavily in television advertising and etc.

2. Product life cycle and extension strategies



2.1 Product development : During development stage the product is being researched and designed. Suitable ideas must be investigated, developed and tasted.

2.2 Introduction : Production will be launched in the market. As the product is new to the market, initial sales are likely to be slow.

- No generate profit
- Research and development cost & Promotion cost might be high

2.3 Growth

- Sales may begin to grow rapidly, new customers buy the product and there are repeat purchases.
- Unit costs may fall as production increases.
- Creates profitable

2.4 Maturity and saturation

: The product has become established with a stable market share at this point. Sales reach to their highest point and competitors will have entered the market to take advantages of profits.

2.5 Decline

: For the majority of products, sales will eventually decline. This is usually due to changing in taste, new technology or introduction of new products

3. Extension Strategies

: ways to prolong the life of a product before it starts to decline, are popular with business.

Eg. Advertising , Launch new design, sell in new areas

4. Boston matrix and the product portfolio

4.1 The product portfolio : the product portfolio will be made up of product lines. Eg.

Nestle produce wide range of products, including Kitkat, Milkybar and Yorkie and constantly look to launch new products.

4.2 Boston matrix : A means of analysing the product portfolio and informing decision making about possible marketing strategies.



- **Stars** : is a product with a high market growth and relatively high market share. Stars are valuable to businesses.
- **Cash cows** : is high market share but the market weak of growth. This position is likely to profitable but little chance of increasing in sales and profits in future.
- **Question mark** : Product with relatively low market share in fast-growing market. It is unclear what should be done with these products
- **Dogs** : These are products with a relatively low market share in market and low growth. Dogs have poor prospects for future sales and profits.

5. Marketing mix (4P) : refers to elements of a firm’s marketing strategy that are designed to meet the needs of its customers.

5.1 Product

5.2 Price

5.3 Promotion

5.4 Place

4P	Strategies for mass market	Strategies for niche market
Product	<ul style="list-style-type: none"> - there will be many products competing for customer attention. - The most successful businesses product in some way.(developing USP) 	<ul style="list-style-type: none"> - Products is likely to significant differences from its rivals. - Products will be designed carefully in order to meet the very specific needs of customer.
Price	<ul style="list-style-type: none"> - The prices charged by businesses in a mass market are likely to be very similar. - Dominant firms can charge lower price since achieve economies of scales. 	<ul style="list-style-type: none"> - Higher price can be charged without losing significant market share to rival
Promotion	<ul style="list-style-type: none"> - In the absence of price competition. Firms look to non-price competition to help gain an edge. Eg. Advertisting 	<ul style="list-style-type: none"> - Promotion and advertising will tend to be more targeted. Since niche market are smaller there is less need to use national media

Place	<ul style="list-style-type: none"> - Business serving mass markets will often use - Multiple channels to distribute their goods. eg. Business selling fast-moving consumers goods will target supermarkets, wholesalers independents and any other outlet that is suited to their particular product. 	<ul style="list-style-type: none"> - Business selling into niche market are often more selective when choosing distribution channels. - They are more likely to use exclusive distributors or to handle distribution privately.
-------	---	---

6. Outbound marketing strategies and Inbound marketing strategies

6.1 Outbound Marketing Strategies:

This involves directing marketing material at potential customers whether they are expecting it or not. eg. Direct email, marketing by telephone, sponsorship and targeted adverts.

6.2 Inbound marketing strategies:

This involves attracting potential customers to websites when they are looking for suppliers or solutions to problems. This methods also have challenges since it requires effort and resources to build up enough useful content on websites to convert visitors into leads.

