

Marketing words and concepts drill – by Gerard Andre Imbert

- Utility
- Marketing: understanding how utility exchange process takes place
- Brand Globalness
- Ethnocentrism
- Meaning Transfer
- Global Consumer Culture
- Psychographics
- Revolution of Rising Expectations
- Response-Function Segmentation
- Price Lining
- Benefit Segmentation
- Zone Segmentation
- Price (components)
- Stock-out costs
- Customer Sovereignty
- Customer Equity
- Market Context
- Competitive Barriers
- Connected Knowledge Economy
- Balkanization of the United States
- Janus-Faced
- Psychosocial variables
- Inductive vs. Deductive Reasoning
- Psychic Distance
- Batteries of Questions
- Constructs of Questions
- Convergence vs. Discriminant Validity
- Prestige
- Cosmopolitan
- Infant Industry Argument
- Pioneering Advantage (first mover)
- Lean Manufacturing
- Organizational Learning (of internationalization)
- Self-Actualization
- Self-Construct Perception
- Brand Loyalty
- Disposable vs. Discretionary income
- Culture definition
- Psychological vs. social behaviors
- Stimulus (plural: stimuli)
- Reference Group Influence
- Real vs. Ideal vs. Perceived self
- Cognitive vs. Affective vs. Conative (instinctual)
- Western vs. Eastern Views (Independence vs. Interdependence)
- Identity
- Ownership
- Hierarchy of Effects Model (AIDA) Awareness, Interest, Desire, Action
- Product-Market Portfolio
- Diversification vs. Differentiation
- Brand Territory Mind Map
- Umbrella Campaign: creative concept and executional strategy
- Price Elasticity (low means high market share needs serious drop in price)
- Private vs. Public Self-Consciousness
- Means-Ends Chaining
- Social Anxiety
- societal vs. consumer-related variables
- Positivist vs. Ethnographic research
- Emic vs. Etic viewpoints (in and out)
- Hofstede Dimensions: Individualism, Masculinity, Power Distance, Uncertainty Avoidance, Modernism.
- Transaction-Cost Economics
- Segmentation Bases (state of being, state of mind, product usage, benefits)
- Stages of Economic Growth
- Product vs. Market Life-Cycle
- Market Readiness
- Diffusion of Innovation
- Market Coaching
- Product
- Bundle of Attributes
- Umbrella of Variables
- 4Ps of Marketing Mix: Product, Price, Promotion, Place
- 5Cs of Marketer Skills: Cross-Functional, Cross-Cultural, Cross-Disciplinary, Customer Oriented, Competitive Oriented.
- Marketing Process: Research, STP, Marketing Mix, Implement, Control.

Graphs and Tables

Take-Aways from cases

Umbrella Campaigns

- When they are appropriate
- Implications

Branding Strategy

- Creates Identity
- Makes Brand Global

How Evolution of Brand Identity and Implication of Positioning goes together

Importance of context (environment and culture) in which you execute a strategy.

Designing Global Competition Strategies: Komatsu

Global Expansion Strategy: Bajaj Auto, Mary Kay Cosmetics

Global Marketing Programs: Gallo Rice, Sony Corporation, Planet Reebok

Marketing in Emerging Markets: Koc Holding

Managing International Partners and Alliances: Mastercard

Pricing Decisions

Assess:

- Income
- Costs
- Company-Related Factors
- Product-Related Factors
- Context-Related Factors
- Etc.

Types of pricing:

- Variable Cost Pricing (fixed = 1 segment, other segments = cheaper var. costs)
- Intermediate Pricing (1 product cheap, refills bigger margin)
- Price Bundling (many products at one unique price)
- Demand-Oriented Pricing (seasonal, psychological, ethical)

Means-and-Ends chaining:

Product is a bundle of attributes leading to satisfaction

Attribute → Consequences → Values

Market Matrix (from Gallo Rice)

		Market	
		<i>Old</i>	<i>New</i>
Product	<i>Old</i>	Market Penetration	Market Development
	<i>New</i>	Product Development	Diversification or Differentiation

Marketing Research:

Strategic formulation from values and beliefs, hard to measure so we measure customer perceptions and we infer from them.

Assess:

Self-Concept

- Real Self
- Ideal Self
- Perceived Self

Social Influence

Emotions:

- Cognitive part (“logic”)
- Affective part (“emotional”)
- Conative part (“instincts”)

Identity

Ownership

Analysis of Behaviors

Psychological Behaviors

- Motives, Motivation
- Personality
- Attention
- Attitudes
- Values

Social Behaviors

- Religion
- Status, Education, Social Class
- History
- Reference Group Influence
- Kinship
- Family Life-Cycle
- Ethnicity

Culture definition

- Collective Mental Programming
- Learned
- Shared
- Enduring
- Compelling (hard to change)

Batteries of Questions Measuring one Variable, organized in Constructs with many batteries. Items (each question in a construct) have convergence, but constructs have divergence between them.

Measures product attributes: general country product attributes and specific product attributes.

Product Strategies

	Product	Promotion	When?
1	Standard	Standard	Homogenous Need (soft drink)
2	Adapted	Standard	Different Needs, Same Product (bicycles)
3	Standard	Adapted	Same needs, Different Product (white goods)
4	Adapted	Adapted	Status Symbol
5	New	New	Niche Strategy (underserved market)

3 is similar to “differentiation”, 4 to “segmentation”, and 4+5 are “positioning” strategies.

Advantages of standardization:

- Cost savings, economies of scale and scope in R&D, mfg and mkt.
- Global product consistency, similar rev of rising expectations
- More planning and control
- Exploits good ideas worldwide
- No cross-border pricing and distribution issues, less time-to-market

Obstacles:

- Market characteristics (physical, cultural, economical development)
- Industry condition (product life-cycle, competition, economics)
- Marketing Institutions (distribution channels, ad agencies, etc)
- Marketing and Management practices (locally and internationally)
- Legal restrictions

Question is not “adapt or not” but rather “how much to adapt” (minor changes always needed for practical reasons). Trade-off between standardization and adaptation mostly depends on psychic distance.

Example of standardization: Gallo Rice

Steps of Market Expansion

1. Preliminary Screening
2. General Country Indicators
3. Product Market Indicators
4. Infrastructure
5. Behavioral Study
6. Idiosyncratic Variables to choose final market

Context: company's structure, culture and strategy drive performance.

Creating and Maintaining Competitive Advantage

- Adaptation, innovation, monitoring, build customer equity, partnerships (value chain and competition), Shape the marketing context (market coaching, etc), competitive barriers.

Creating value:

1. Customer equity: get right customer (high future value) and develop relationship
2. Superior perceived value (customer view of benefits/costs, deliver the value)
3. Define value proposition (STP)
4. Orient company functions towards the STP defined.

Some example strategies: cost leadership, differentiation, mix "play the spread".

Lower costs require tight controls, possible in mature markets, but strategy is beaten by product obsolescence.

Detailed Marketing Process

1. Segment your market (S)
2. Select your segments (T)
3. Position your product (P)
4. Product definition (P1)
5. Distribution definition (P2)
6. Promotion definition (P3)
7. Price definition (P4)
8. Assess competition (MM1)
9. Define Marketing metrics (MM2)
10. Take corrective action (MM3)

STP → 4Ps → Market Monitoring

Marketing concept:

1. Determine needs and wants (KNOW/WHO?)
2. Determine target segments and value to be offered (WHERE/HOW?)
3. Deliver superior satisfaction at lower cost (PLEASE)
4. Achieve organizational goals (PROFIT)

Cases

Komatsu

They obtain superior performance by redefining the context of the organization.

Culture change: stop trying to catch-up, and have a vision.

Structure: change reconfiguration of the global value chain by having a centralized hub.

Strategic vision change: focus on product and geographic diversification.

Conclusion: environment changes, you need to adapt by modifying these 3 variables.

Bajaj Auto

They need to develop a strategy to enter emerging markets.

(S) Sequential approach, “similar” countries first to maximize organizational learning.

(T) Target yuppies as they have more money

(P) invest for product differentiation

(4P) Increase product margins, and become “lean and mean”.

Mary Kay

Major problem is how their corporate culture and product export to other markets.

If R&D, needs to increase margin, but price cannot change (risky), so reduce costs.

One market is saturated, other ongoing a revolution of rising expectations. Latter may be easier to coach. Many pros, but a few cons.

Gallo Rice

Major case for Adaptation vs. Standardization.

Umbrella campaign feasible because product is same and has established brand identity.

Product strategy: differentiation, but beware of “pac-man” strategy that cannibalizes your existing products.

Furutre growth: choose by market and product to sell (see matrix).

Sony

Differences in market life-cycle (diff in development). Foreign markets lack awareness and infrastructure. However Sony can build these by partnerships (e.g. placing system in car rental fleets). Creates a diffusion cycle, “coached” by the company.

Mastercard

Branding globally, how to get into the mind of the consumer. Issues of impact (reach + frequency). Risk of tainting image of brand, so get sponsorships and famous people.

“Prototype standardization”: prototype base, adapted in part. Most important: needs to minimize **expectation disharmony** between consumers and promotion strategy.

Reebok

Branding in Europe vs. US. Needs to match self-identity of product to self-identity of consumer. Define tangible and intangible attributes of brand, and communicate the concept package brand to consumers. Manage brand life-cycle in promotion. Then you can create an Umbrella campaign. Adv: standardization, consistency, cost saving.

Disadvantages: diff images for diff product, if failure all fail, no separate product identity.