



Students' version

International Marketing

8th of November, 2019

LIUC
Università

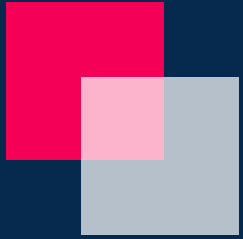
Contents of the session



1. Review of previous session
2. Marketing-mix model overview and approaches
3. Product
4. Brand management
5. Global Alternative Strategies

Learning Objective

Identify, analyse Marketing-Mix and global strategies



0. Intro

A man in a dark suit and tie is seated at a table in a dimly lit room. He is looking slightly to his left with a serious expression. On the table in front of him are two wine glasses, one partially filled with a light-colored liquid. To the left, a red lampshade is visible, and a small vase with red flowers sits on the table. The background is dark and out of focus.

What is Marketing?

0. Marketing, what is it?

What is Marketing?

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individuals and organisational goals

Kotler, 2009

Marketing is the activity, set of institutions, and process for creating, communicating, delivering, and exchanging offerings that have value for the customer, clients, partners and society at large

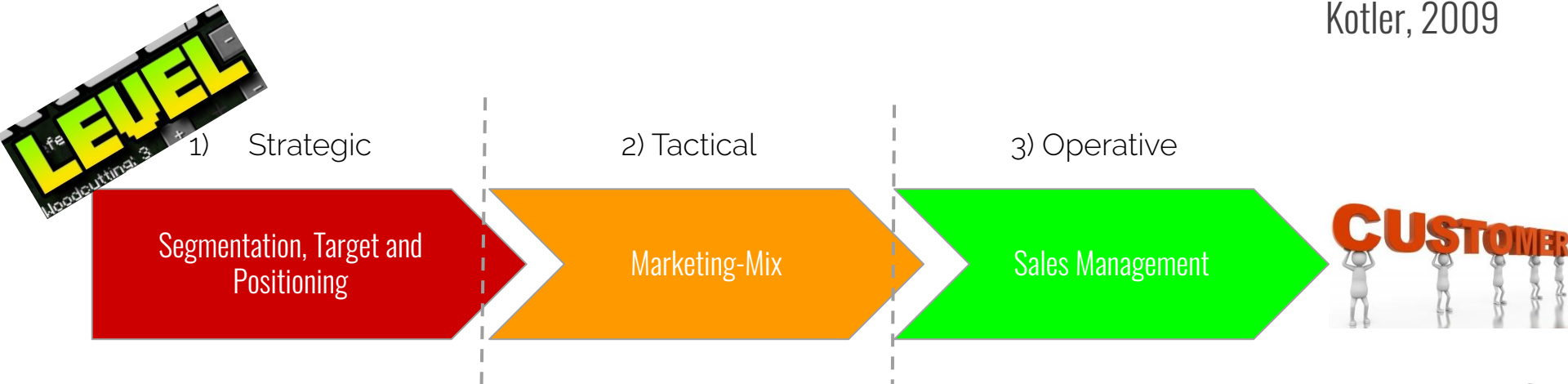
AMA, 2017

0. Marketing-mix model and approaches

What is Marketing-mix?

A set of controllable variables (tactic actions) and their levels that company's marketing managers can use to influence the target market and buyer's response to firm's offers in order to achieve its strategic goals

Kotler, 2009

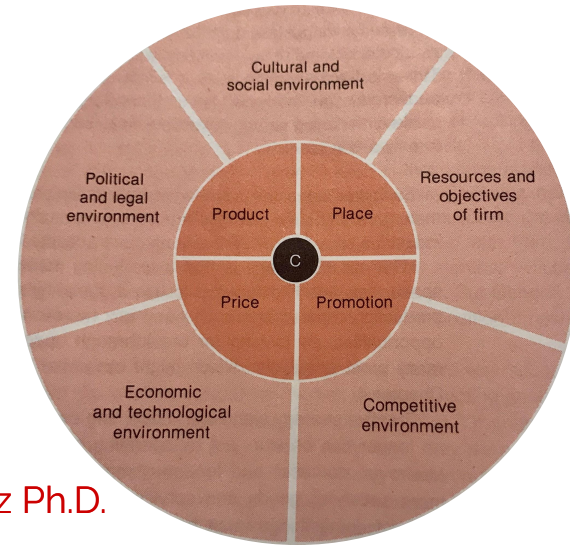
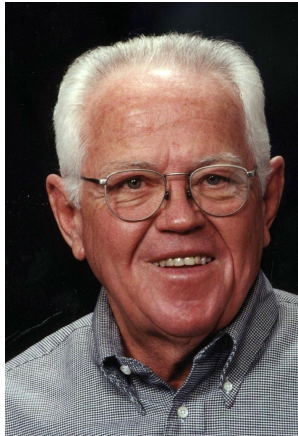


0. Marketing-mix model and approaches

What are the variables of Marketing-mix?

There are from 4 to 7 marketing-mix variables regarding the academic approach we adopt:

- McCarthy, 1960: father of marketing-mix model → 4 P's [Product, Price, Place and Promotion]



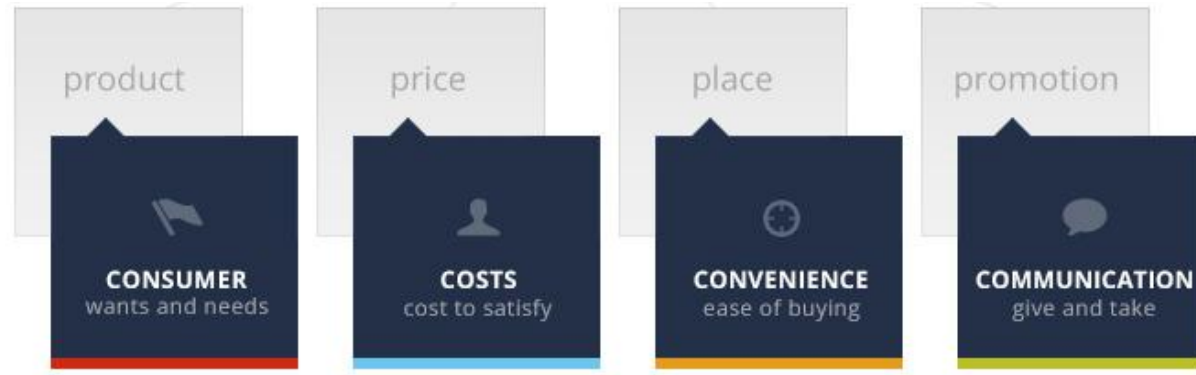
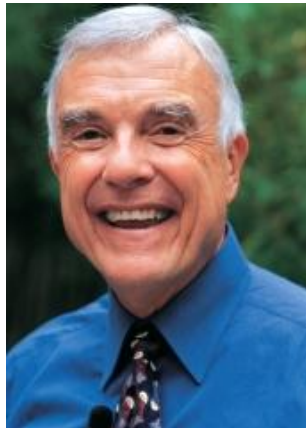
Prof. Antonio González Ph.D.

0. Marketing-mix model and approaches

The antagonist of 4 P's model: 4 C's of Lauterborn

- Lauterborn, 1990: alternative approach to 4P's with 4 C's model:

Consumer, Costs, Convenience and Communication

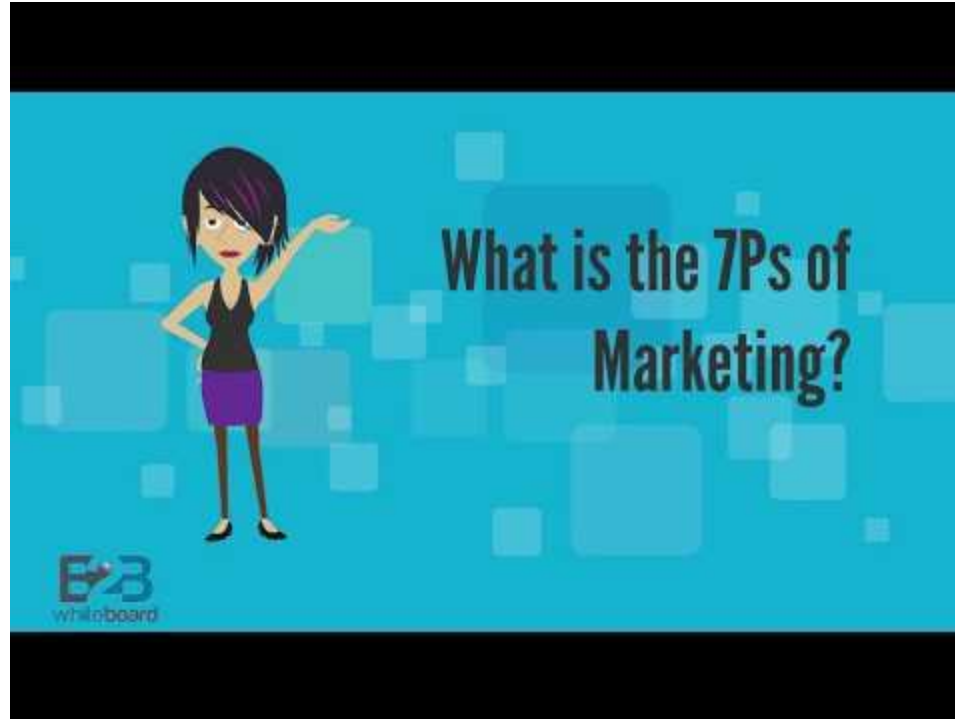


0. Marketing-mix model and approaches

4 P's update by Philip Kotler: Northwestern University - Kellogg (Chicago)

- Kotler, 2009: updated McCarthy model → 4 P's [Product, Price, Place and Promotion] + 3 for services (People, Process and Physical evidence)

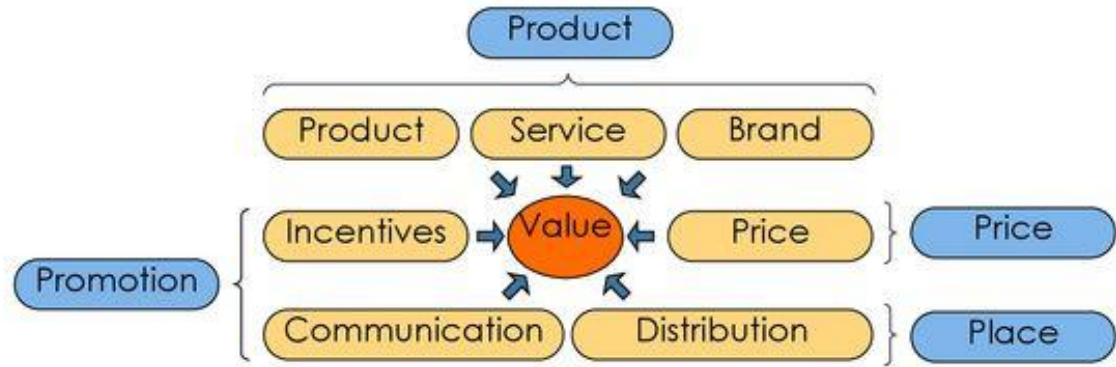


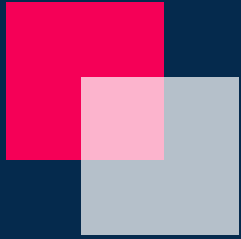


0. Marketing-mix model and approaches

7 P's of Alexander Chernev: Northwestern University - Kellogg (Chicago)

- Chernev, 2014 updated McCarthy model → 7 P's [Product, Service, Brand, Price, Distribution, Incentives and Communication]





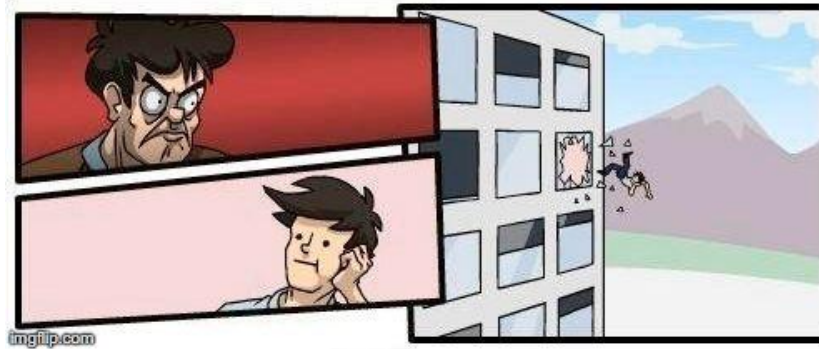
1. Product

*Quality in a product or service is not what the supplier puts in.
It is what the customer gets out and is willing to pay for.*

- Peter Drucker

What is a product?

What is a service?



1. Product

What is a Product?

Product is the total package of benefits that the customer receives when he or she buys



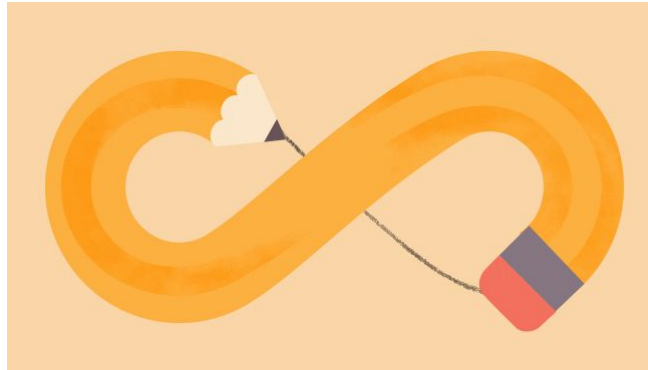
E. Raymond Corey, 1975

1. Product

What is a Product?

Products are always a combination of tangible (physical) and intangible (emotions and feelings) and (...) to the potential buyer it is a complex cluster of value satisfactions

Levitt, 1980



1. Product

What is a Product?

Anything that can be offered to a market to satisfy a want or a need; it consist in a set of attributes, including physical goods, services, experiences, events, persons, places, properties, organisations, information and ideas



Kotler, 2009

1. Product

What is a Service?

Any act or performance that one party can offer to another that is essentially intangible and is a process rather than a unit of output, focusing on dynamic resources such as a skill or knowledge and an understanding of value as a collaborative process between provider and customer

This process of marketing services is also known as “servuction”

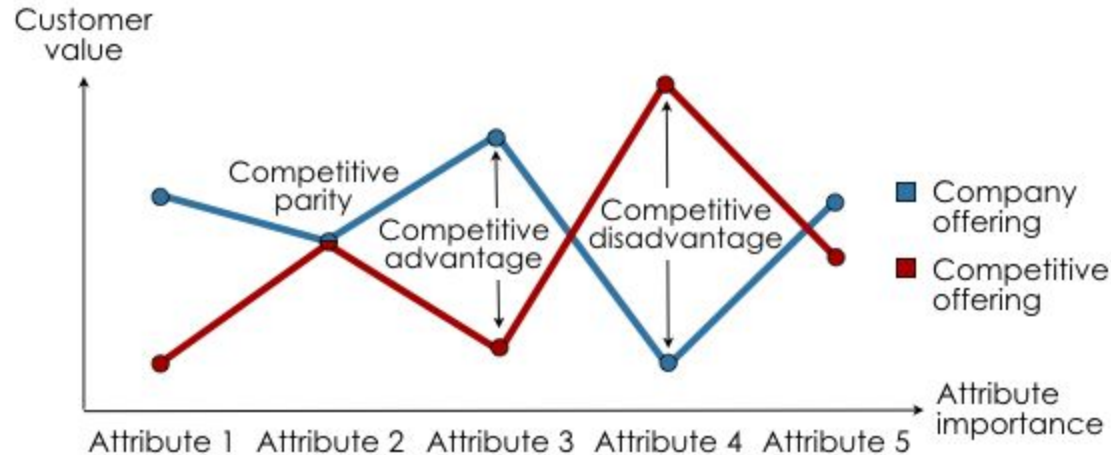
Services are similar to products with two main exceptions: change of ownership and inseparability

Adapted from Chernev, 2014; Kotler, 2009; Eiglier and Langeard, 1987

1. Product vs. Service



1. Product/Service offering vs. competition



1. Product → Total Product (or levels)

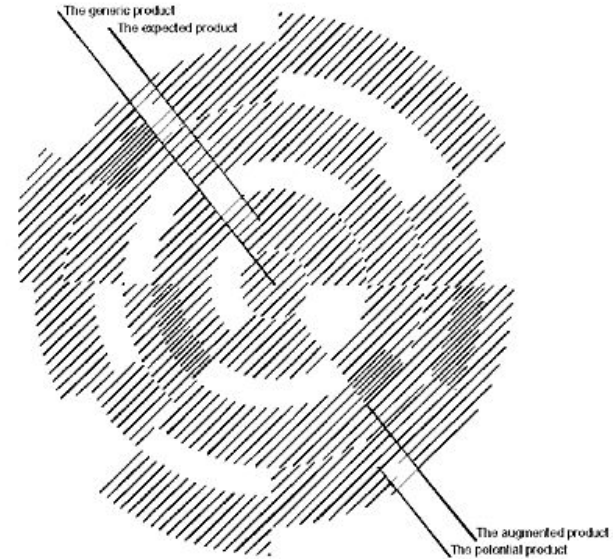
The **Total Product concept** (Levitt, 1980) suggest that a product consists of a range of possibilities

There are different level of product regarding what is in this customer-getting and customer-satisfying entirety can be managed.

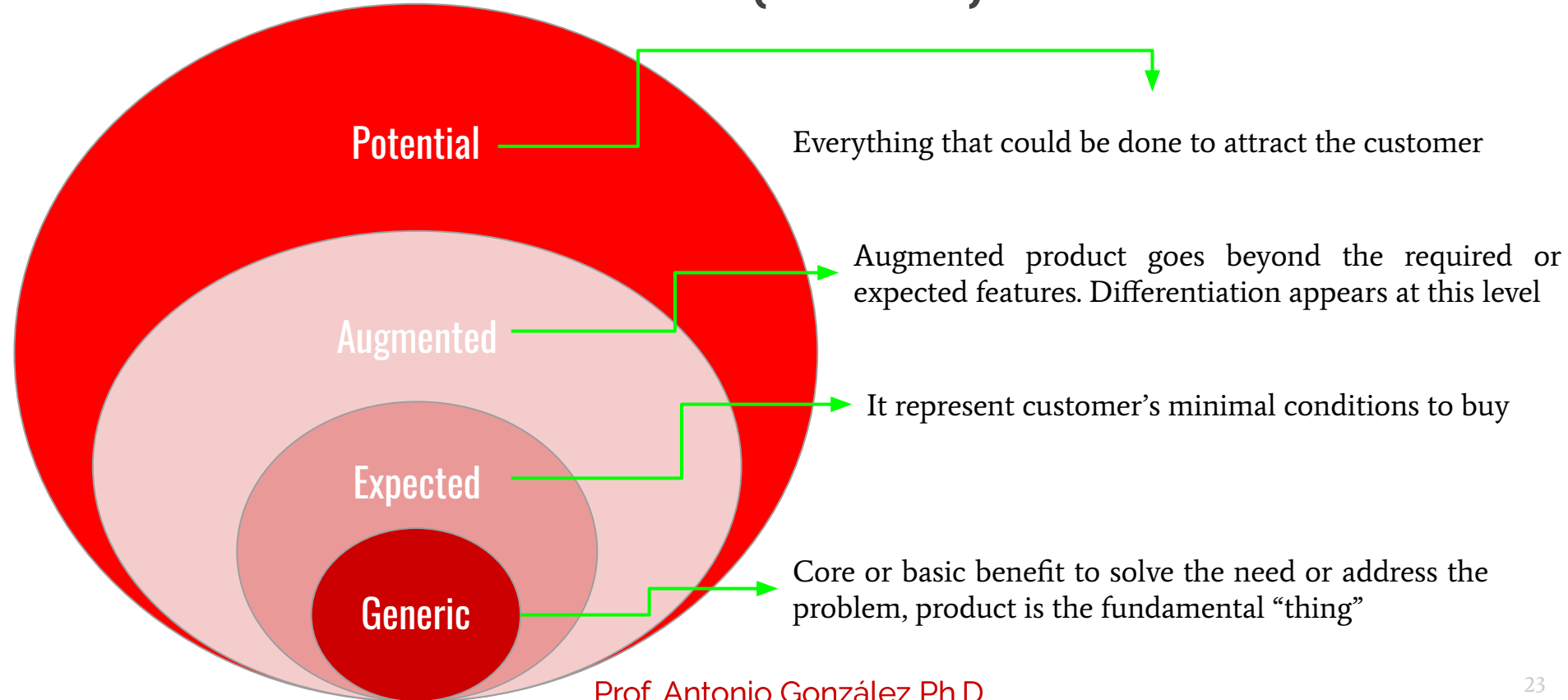
There are 4 levels of product:

1. Generic
2. Expected
3. Augmented
4. Potential

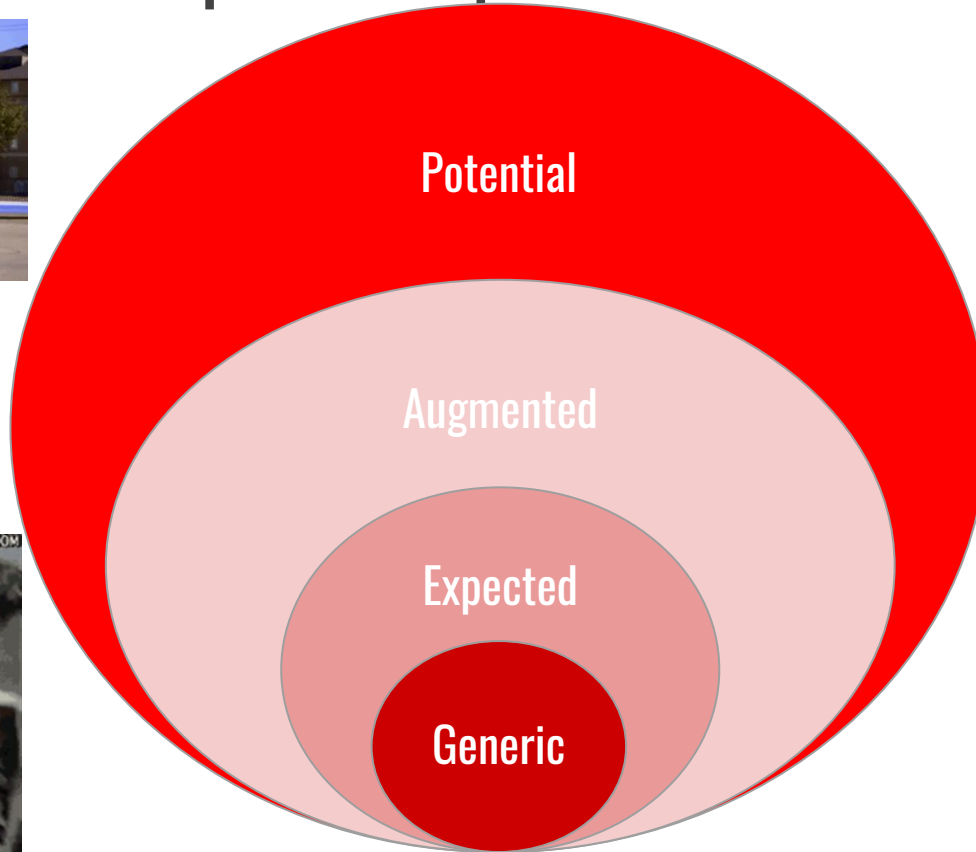
EXHIBIT 1
The Total Product Concept



1. Product → Total Product (or levels)



Total product example: transportation



1. Product → Total Product (or levels) video



1. Product (and service) decisions:

Product and service management implies the following decisions:

1. **Performance**, relaying on different attributes [features→ attributes→ benefits for the customer]
2. **Consistency**, ensuring that all of an offering are identical and consistent with specifications
3. **Reliability**, % that will operate according to its specifications (ie Made in China vs. Made in Germany)
4. **Durability**, product design involves expected length of offering's life cycle



1. Product (and service) decisions:



1. Product (and service) decisions:

5. **Compatibility**, degree of consistency with certain already existing standards and complementary products



1. Product (and service) decisions:

6. **Ergonomy and easy of use.** Common misconception that greater functionality leads to greater satisfaction
7. **Form**, involving physical aspects of the offering design, such as size and shape. Implications for use, logistics, and production costs

[\[Compact video here\]](#)

1. Product (and service) decisions:

8. **Technological design**, novelty of the offering compared to available alternatives


1. Product (and service) decisions:

9. **Degree of customization**, by developing offerings for groups of customers with similar needs, segmented based customization allows companies to develop fewer offerings while fitting customers' needs

CONFIGURATOR

CONFIGURE YOUR NEW

Insert your Fiat Code to recall your configuration

Insert your Fiat Code 


YOUR CHOICE

500


STARTING FROM
£ 12,165


[CUSTOMISE YOUR FINANCE >](#)


< CHANGE




CONFIGURE BY


TRIM 

POP 





STARTING FROM
£ 12,165

LOUNGE 



STARTING FROM
£ 13,895

SPORT 



STARTING FROM
£ 14,065

1. Product (and service) decisions:

10. **Style**, where look and feel are particularly important for products that have a primary hedonic and self-expressive function, such as luxury products



1. Product (and service) decisions:

11. **Packaging**, serving several key functions: *protecting* the product during transportation and storage, physically *containing* liquids and granular goods, *agglomerating* small items into larger packages, *preventing* tampering, ...



1. Product (and service) decisions:

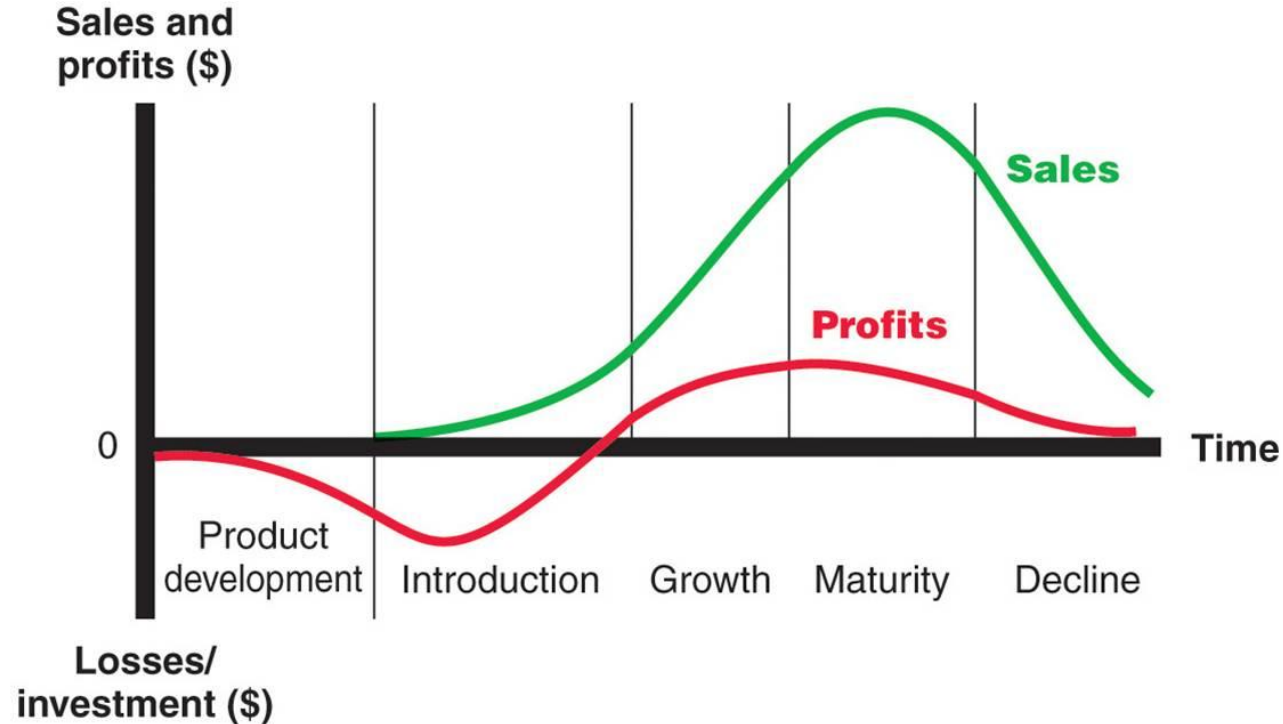
11. Packaging



1. Product life cycle

Generally speaking -across industries- there are 4 product life stages after launching:

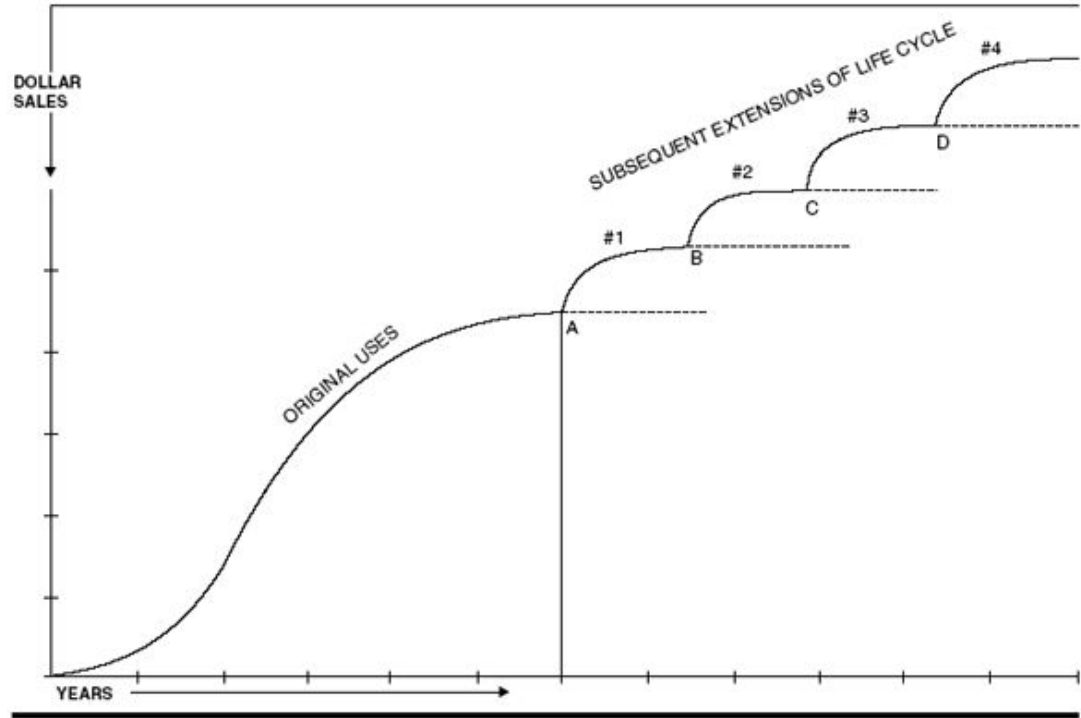
- Introduction
- Growth
- Maturity
- Decline



1. Product life cycle

In *maturity phase*, a product can be updated to *relaunch* growth and make it last longer, making more profits and putting away “commoditization” and “decline” phases

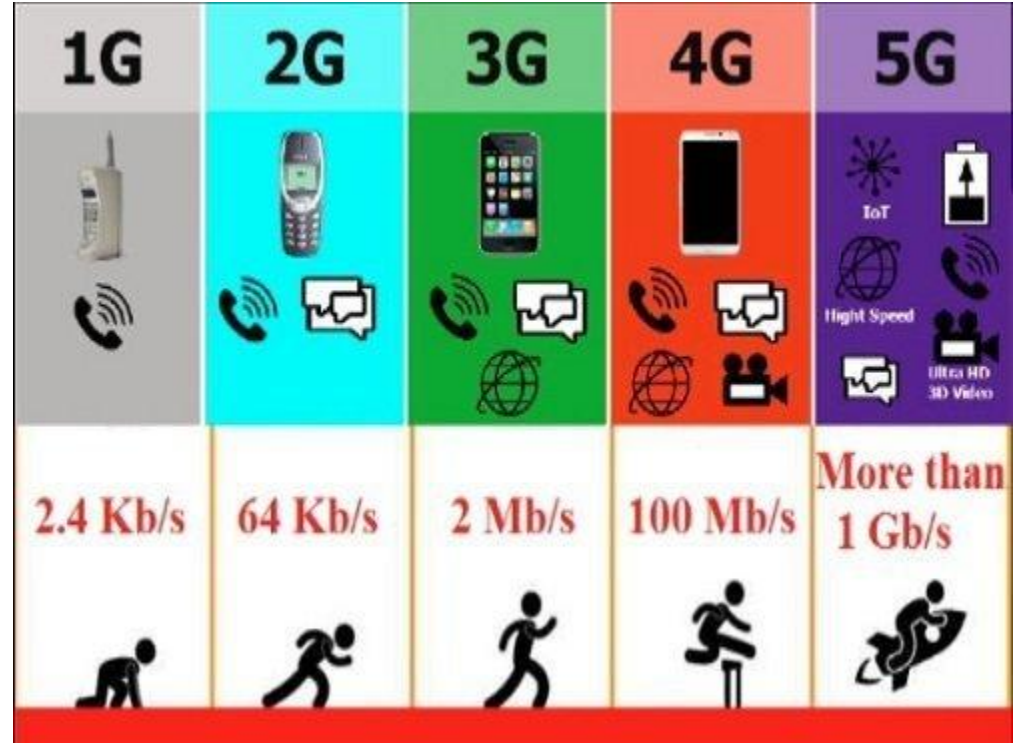
Commoditization is the phase that may come after growth within the maturity because all competitors “copy” the product

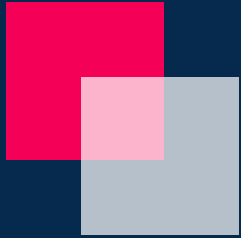


1. Product life cycle - example

Moving 3G or 4G devices from Europe, USA, Japan or Korea to other countries (not necessarily developing countries)

Devices can be sold to countries where network is not ready for 5G, making the product life cycle longer and still making money for companies (remember: dogs vs cash cows)





2. Brand

Any fool can put on a deal, but it takes genius, faith, and perseverance to create a brand.

- David Ogilvy

What is a brand?



2. Brand

A brand is a set of expectations, memories, stories, feelings and relationships (...) that all together, accounts for a customer's decision to choose one product or service over another offering

David A. Aaker, 2014

Father of Branding - Haas Business School



2. Brand

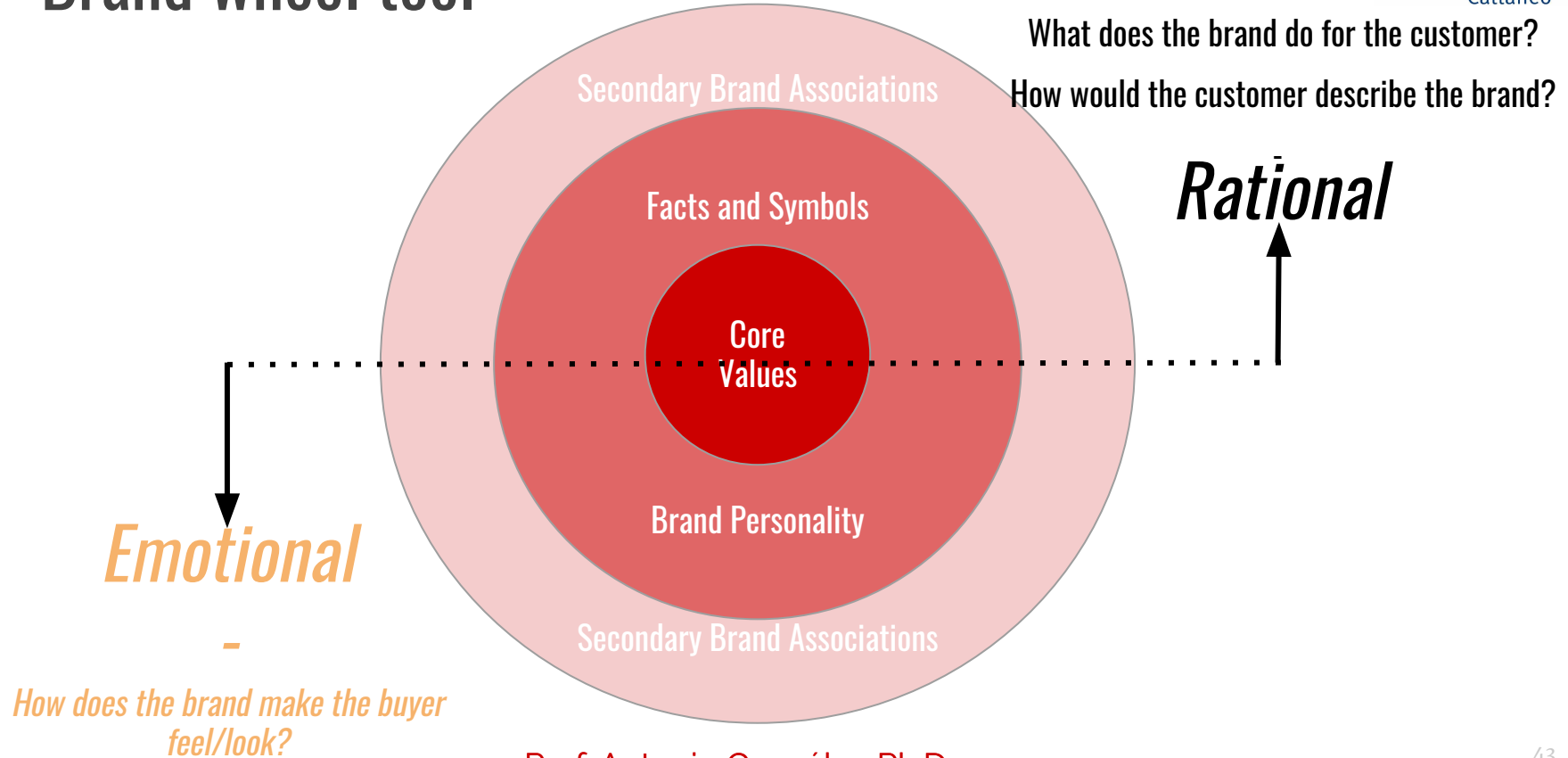
Brand positioning provides customers with a key answer to the question: *why should I buy?*

It also provides guidance for defending a market position through illumination of competitive dynamics of brand positioning (Avery, 2014)

Brands differentiate offerings in 2 ways, by **creating brand identity** and by **associating the brand** with a meaning that resonates with its potential buyers:

- **Brand identity** includes the identifying characteristics of the brand (name, logo, symbol, character, slogan, product design, jingle). They need to be unique, memorable, likable and consistent with other brand elements
- **Brand meaning** reflects the brand related perceptions and beliefs held by the buyers and their value proposition association with a particular brand

2. Brand wheel tool



2. Brand wheel - team exercise coming soon

Next teamwork will be on branding, addressing brand wheel tool

More details on My Liuc

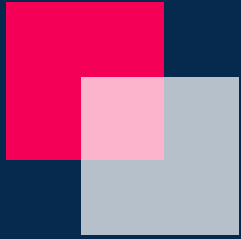
2. Brand

After brand wheel exercise we will address further details on branding in order to better grasp the insights

2. Global Brands

[Link to top 100 brands](#)

[Link to top 15 brands](#)



3. Global Products and alternative product strategies

We will address alternative product strategies after grasping

- Product
- Brand
- Pricing

Because Alternative strategies affect these 3 variables significantly, meaning that alternative and international strategies have a huge transversal component

Remember:
We r selling
24/7!

Thanks for
your attention

