

- *Continuing from last session...*

Recap NWD

- A **Need** is something necessary to live and function
- A **Want** is something that can improve your quality of life

Buying Power:

- Consumer ability to purchase a **Want** becomes a **Demand**

Unlimited wants

- People's wants are unlimited
- They are different depending on culture
- They are restricted by what you can afford
- People given their basic resources, demand products that most satisfy their (needs) and wants
- Successful companies go to great lengths to learn about and understand customer **Needs Wants and Demands**



Skateboard clothing and accessory company, founded NY 1994

- hip-hop, pop culture, brand takes risks, hype strategy
- Celebrity endorsement and collaboration
- Supreme drops – releases just a few pieces from the current season's collection each week, online and in-store
- short product runs so they "don't want to get stuck with stuff nobody wants"
- Aftermarket value – high priced re-sales



Marketing Myopia

- Over emphasis on the product or the sales and not on the actual customer **needs** and **wants**
 - Eg: Kodak film losing out to digital cameras
 - Eg: Hollywood film industry not tapping into TV market Netflix etc

Marketing Mix

Marketing Mix

Product

Price

Place

Promotion

4 P's breakdown

- **Product** – brands, goods or services on offer
- **Price** - what the consumers pay for the product
- **Place** - where the consumer can buy the product
- **Promotion** - activities that communicate the benefits and merits of the product to the consumer

Marketing Mix Four P's

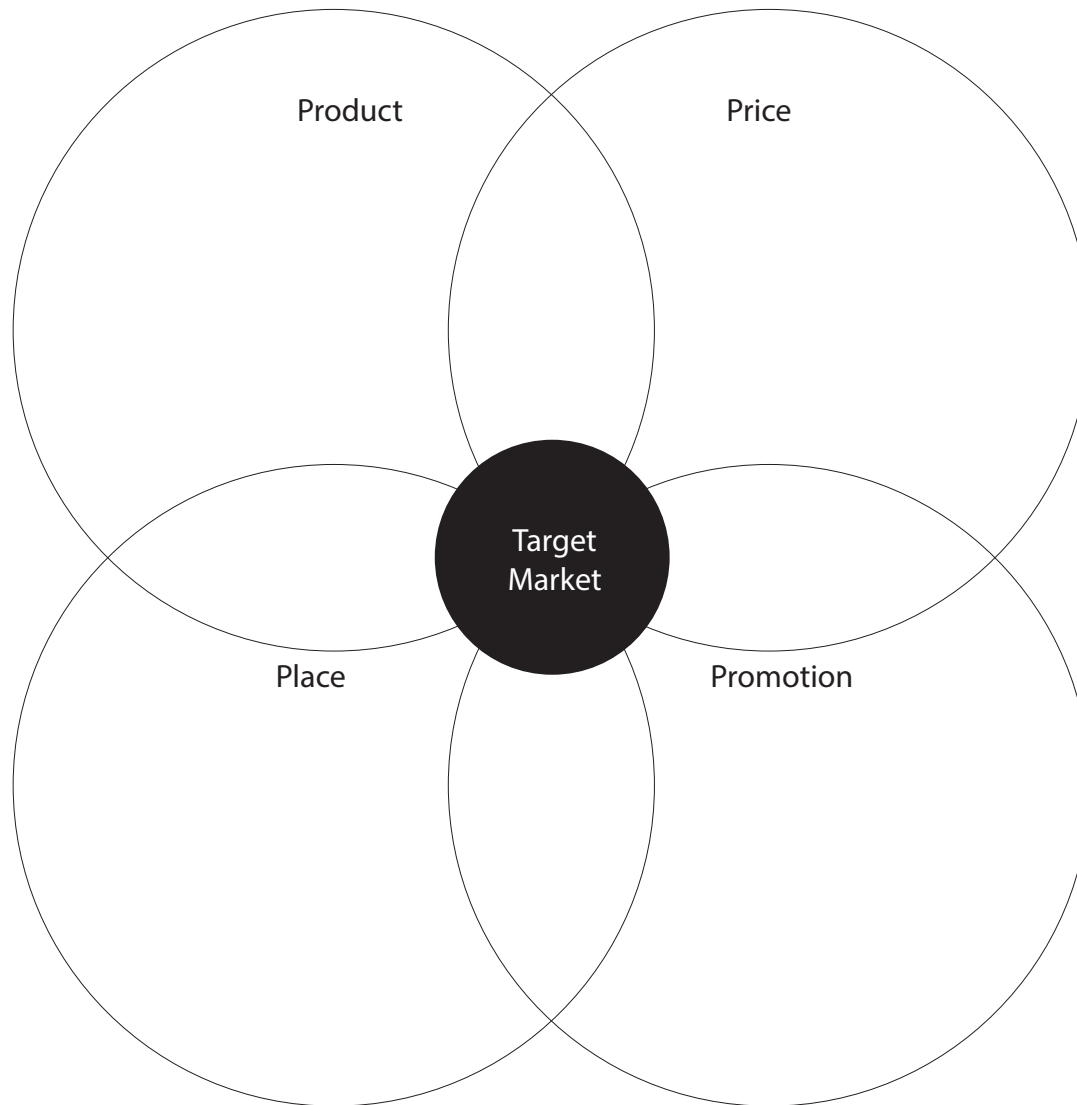
Product	Price	Place	Promotion
Features, benefits	List Price	Supermarket	Traditional Advertising: TV, Radio, Print
Quality	Competition	Retail store	Billboards
Design	Availability	Website/ 3 rd party	Online banner ads
USP	Discounts	Manufacturer direct	Publicity
Branding	Credit Terms	Distribution	Social Media
Packaging			Influencers
Services			Sponsorship
Warranties			Ambient, DM



Target Market

Exercise 4

- Look at your product in terms of the 4 p's



7 Ps

- **Product**
- **Price**
- **Place**
- **Promotion**
- **People**
- **Process**
- **Physical Evidence**

Four C's

Customer needs and wants
Cost to the customer
Convenience
Communication

SWOT Analysis

- Strengths
- Weaknesses
- Opportunities
- Threats

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STRENGTHS

- Things your company does well
- Qualities that separate you from your competitors
- Internal resources such as skilled, knowledgeable staff
- Tangible assets such as intellectual property, capital, proprietary technologies etc.

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WEAKNESSES

- Things your company lacks
- Things your competitors do better than you
- Resource limitations
- Unclear unique selling proposition

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OPPORTUNITIES

- Underserved markets for specific products
- Few competitors in your area
- Emerging need for your products or services
- Press/media coverage of your company

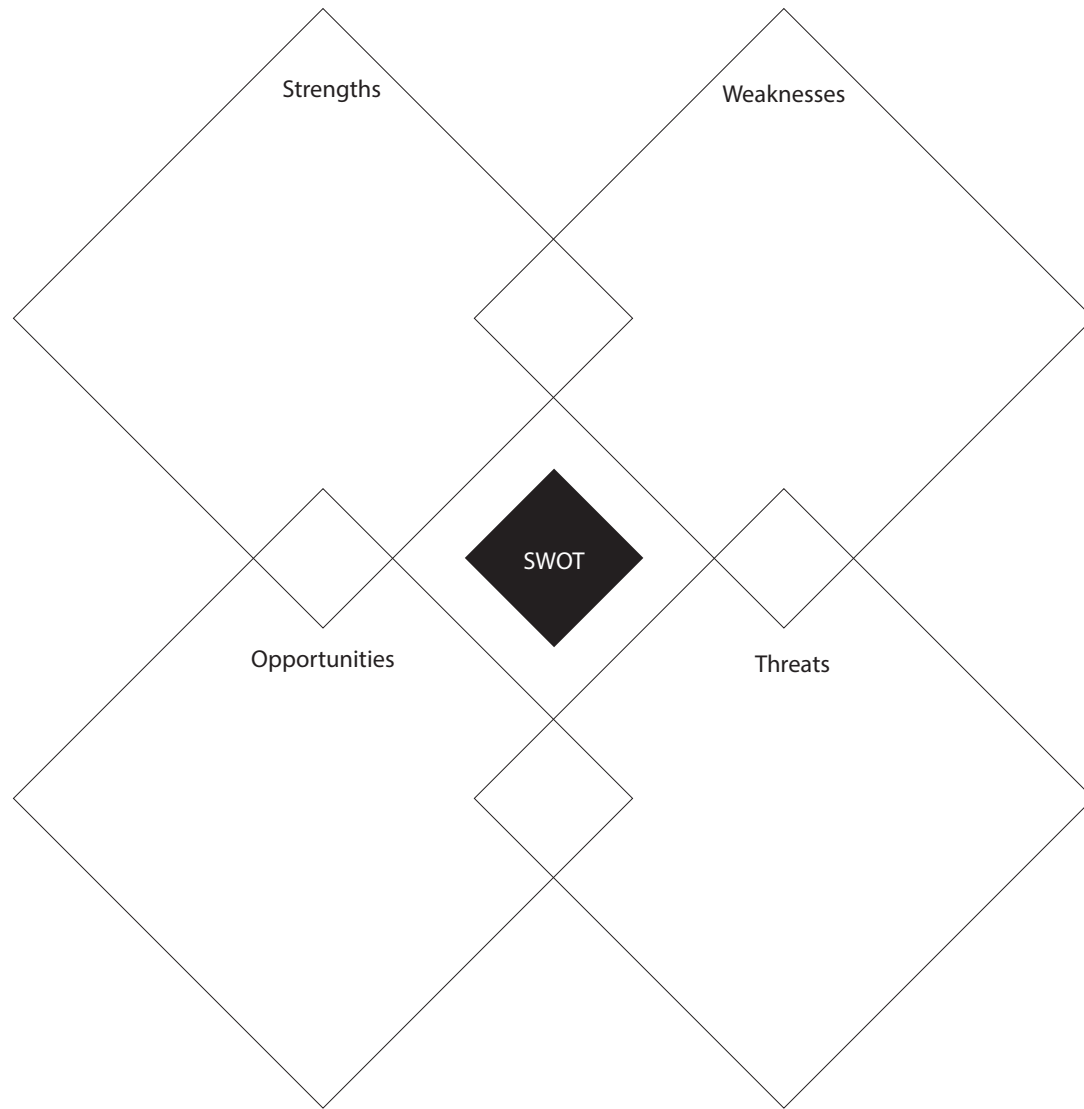
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THREATS

- Emerging competitors
- Changing regulatory environment
- Negative press/media coverage
- Changing customer attitudes toward your company

Exercise 5

- In terms of your product complete a SWOT analysis



SWOT Analysis in creative process

Can also be used to analysis feasibility of:

- creative concepts,
- campaign ideas and
- brand development

SWOT ANALYSIS



The alternative

- SVOR (more mathematical)
 - Strengths
 - Vulnerabilities
 - Opportunities
 - Risks
- PEST analysis:
 - Political, Economical, Social, Technological

Positioning

- Where the brand sits in the mind of the consumer
 - perceptions, impressions and feelings that consumers have
 - in comparison to competing products

The Value Proposition

- The value proposition refers to the full mix of benefits on which the product/brand is positioned.
- Why should I buy this product/brand?

Why should I buy a Volvo?

- Volvo car: its value proposition relies mainly on safety and style, for an above-average price but this is deemed justifiable because of the benefits



Why should I buy a Honda?

- Honda car: Small cars such as Hondas and Nissans are positioned on economy



Why should I buy a Mercedes?

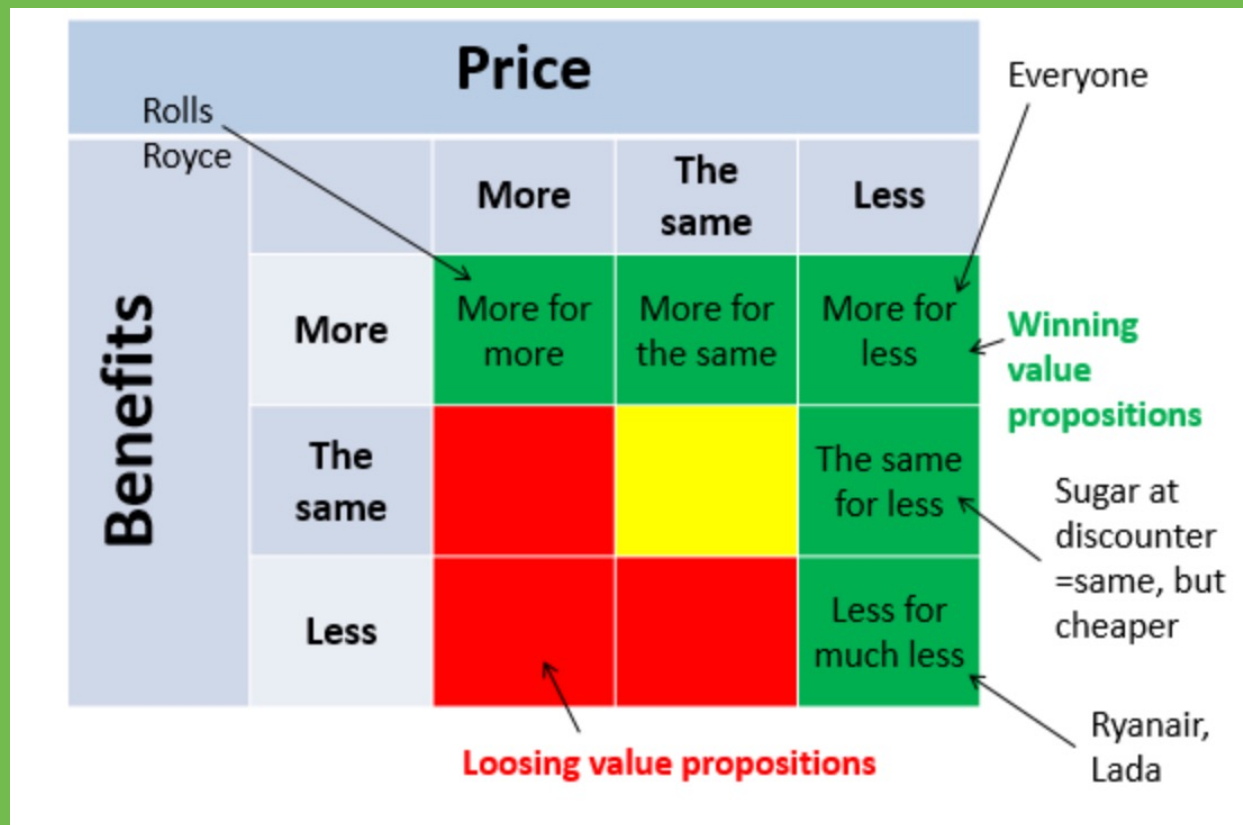
- Mercedes car: brands such as Mercedes and Lexus aim at the position of luxury.
- BMW and Porsche go for a performance position



Mercedes-Benz

The Value Proposition

- The full positioning of a brand or a product is called the value proposition



Homework for next week

Choose at least 2 or 3 consumer products

Research the products paying particular attention to:

- **Tangibles and Intangibles**
- **Needs Wants and Demands of Marketing**
- The Marketing Mix 4ps