Assignment 3: Promotion and Pricing Strategies

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Identification of customers' needs and wants is a necessary process for an enterprise to attain success in a competitive market environment. To achieve this, a company needs to employ various methods of identifying these needs and wants. They include; mapping customer journey, conducting interviews and surveys, and analysis of your competition (Clarke, 2004). Mapping customers' journey refers to the study of the various phases that a prospective customer goes through to become a loyal client. For customers to consistently enjoy specific products, an organization must meet their needs and wants. There must be some particular aspects that a customer will appreciate while also recommending improvements in the quality of some specific products. Mapping this journey provides transparent information about the clients' needs and wants.

On the other hand, carrying out interviews and surveys identifies the customers' goals, challenges, and attitudes towards a specific product or service offered and recommendations for improvement. Interviews are face to face interaction, which can be done physically or through social media platforms and get specific responses from a sample population of the customers. In contrast, customer surveys are carried out to a large number of clients, through observing their behaviors and noticing their response to specific products and services. It also allows them to present their views on what they need to improve. Both information from the interviews and surveys are analyzed to determine the needs and wants of the customers.

Furthermore, a company can employ the method of analyzing its competitors to determine what the customers need. This method identifies the competitors' strengths, weaknesses, opportunities, and threats (SWOT), which either attracts or pushes away the customers. It is referred to as SWOT analysis and determines customers' preference for specific products or services of a particular company more than another. For example, two companies may be marketing the same product, but one sells more than the other. The company that sells more may be offering better customer care services and has better branding than others; hence customers will tend to prefer its services. Through such analysis, a company that sells less will understand the needs and wants of its customers and improve its services.

After identifying customers' needs and wants, the company should employ techniques that promote its brand and products. For instance, it identifies the specific product to put in the market, the pricing strategy, methods of promotion, and devise the tactics of distribution and placement. Combining these approaches to market a product is referred to as the marketing mix (Clarke, 2004). At first, the organization must settle on a specific product to put in the market. The choice of the product is determined by market demand, availability, and accessibility—a wrong choice of commodity results in the inability to compete successfully in a market environment.

The supply and demand, the market's ability to pay, and production and distribution cost determine the cumulative value of a product; thus, the company decides on the pricing strategy to employ. The approaches vary from competitive pricing, which depends on what the competition charges, cost-plus pricing, which is derived from calculating the production costs and value-based, determined by how the customers justify the market worth of the product. Furthermore, the pricing strategy can employ the prime skimming where the initial prices are set high and reduces as the market changes, or use the penetration strategy where prices are set low and increases as the market evolves.

Conversely, implementing efficient and effective ways of product promotion is an essential technique of marketing mix. Promotion refers to how the values of the products are explained to targeted customers. Advertising has been the most successful way of reaching out to the customers, either by word of mouth, social media platforms, or public advertisement. Despite using this method to enhance the marketing of the products, placement is a vital element in the marketing mix that will determine the number of customers to access the products and services. The proper location of an enterprise catches the eyes of the customers and enables ease in accessing the products. Furthermore, the company's ability to distribute its products to different locations gives it a marketing advantage over others.

Marketing strategies should be prepared hand in hand with an advertising budget and plan to the company to stick to its plan, avoid unforeseen expenditures, and reduce the likelihood of overspending (Bigné, 1995). An advertising budget comprises of a campaigning type or the media used to promote the product, its quantity, projected cost per unit, and projected subtotal value and a section for comments. It may also contain the analysis of each mode of advertisement's costs, ranking the highest to the lowest. Furthermore, it indicates the most effective means of product promotion and determines the projected accrued cost of the advertisement within a specific period.

For a company to prepare its annual advertisement budget, it will identify the mode of campaigning. Such approaches will include the use of banners, ads, newspapers, in-store marketing, public relations, content marketing, social media, online platforms, and other media such as the radio and television. For each campaigning type, the quantity cost per unit, and the subtotal project cost, is attached. For instance, a company will require five banners ads for one year. Each will cost $400 per year, which brings a total cost of $2000 to use banners ads annually. The organization will also make five newspaper advertisements at the expense of $500 each, bringing the total cost to $2500 per year. Furthermore, in-store marketing strategies can be employed at a local level, three times a year, at $200 each, to ensure more customers are attracted to the company. The total annual cost of this process is projected to add up to $600.

The content marketing will consist of the landing page and the eBooks, which are ten in total with each costing $1000; thus, the cumulative annual cost for this marketing mode adds to $10000. For public relations, the company can employ various methods, including public and clients’ events, conferences, press releases, and sponsorship. Carrying out a total of six public relations exercise, at a projected cost of $150 each, will cost the company an annual expenditure of $3000. Besides, social media use has become a familiar and most efficient mode of marketing products because of increased internet use. The use of twitter, Instagram, Facebook, and LinkedIn will require a total projected fifty posts, each at the cost of $100. It means that the accrued annual cost will sum to $5000.

Furthermore, an online platform such as blogs, websites, mobile apps, and alerts could be useful in advertising a product. In this case, the four online platforms are designed and put in function at an annual cost of $600 each, bringing the subtotal price to $2400. Also, the advertisement can reach a large number of customers when done on radio and television due to its expansive coverage. A company pays for eight publications at an annual cost of $800 each, bringing it to a yearly subtotal fee of $6400. After completing the process of calculating the value of each mode of advertisement, the company then determines the total projected expenditure.

References

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