

ANSWERS

Chapter 1: Marketing in the Modern Organisation

Lucozade Hydro active

- The advert suggests that drinkers re-hydrate during exercise– describe some of the other benefits that Hydro active drinks may offer?

Hydro active is a sports drink and aside from quenching thirst, the product may also be associated with an active and healthy lifestyle

- Summarise how the advertising for bottled water has changed in recent years.

This question asks you to reflect on how the advertising for bottled water has changed. The highly competitive market is dominated by global players, and the market for mineral water is at its peak in the UK. You may include discussions about Lucozade's energy drink, originally marketed as a pick me up for busy mothers, before its relaunch as an energy drink and product extension as a sports drink

Toblerone

- The advert suggests you 'lose yourself in the Toblerone Triangle' – how does this advert differ to the way chocolate is often depicted?

This advert is designed to cut through communications clutter by focusing on the theme of self-indulgence and escapism - aspects of chocolate consumption that viewers of this advert will identify with.

- What does the future hold for Toblerone?

As with the above question for the bottled water market, the confectionary market is a highly competitive one with new brands of chocolates being introduced all the time. Toblerone's challenge is to focus on its unusual features e.g. its triangle shape and distinctive packaging in their advertising, as seen by the advert's reference to its shape and taste. Toblerone has been on the market for many years. Its distinctive shape and taste provide a competitive advantage for the brand. The future is likely to continue to be bright for the brand because of this although there will be a constant need to support the brand in terms of marketing spend to protect it from newer brands which enter the market.

Chapter 2: Marketing Planning

Samsung E900 mobile

- How has Samsung positioned its product?

The advert features attractive models to emphasise the 'seamless beauty' of the new Samsung mobile phone. The mobile is targeted at image conscious mobile phone users who are looking for an innovative product that is fashionable and well designed. The glossy and minimalist feel of the advert reflects the characteristics of the phone and appeals to those who see mobile phones as fashionable accessories.

- This advert illustrates which strategic thrust is being pursued by Samsung - market penetration, market development, product development or new market?

Samsung is following a product development strategy as the advert focuses on the improvements made to the styling and performance of the mobile phone e.g. the advert highlights its touch screen key pad, 2 mega pixel camera and external memory.

M&S advert

- Identify some of the strengths of this M&S advert.

The advert emphasises the product attributes; recognition of the increasing sophistication of the British palate for quality wines; music appealing to middle market consumers; seductive / sultry voiceover to draw attention to the message, sales promotion to encourage action from viewers.

- This advert illustrates which strategic thrust is being pursued by M&S? - market penetration, market development, product development or new market?

The company is following a market penetration strategy as the advert seeks to remind existing and potential customers of the quality of its range of products. M&S is trying to make customer more brand loyal and attract new customers at the same time by increasing the desirability of its brands.

Chapter 3: The Marketing Environment

Toyota

- The advert suggests that Formula 1 racing is only a small part of what Toyota does and that the rest of the time they practice because 'practice makes perfect'. Who do you think this advert is targeted at?

Toyota is trying to get the message across to their target audience that the company's competitive advantage lays in product development and testing. The advert is designed to appeal to wide range of stakeholders – existing and potential customers, dealers, shareholders, investors and suppliers, as well as community and competitors.

- In the text, the press advert for the hybrid car Toyota Prius is shown. Which key external environmental factor led to its conception and development?

The ecological/ physical forces as detailed on page 86 are of increasing concern to car buyers, particularly pollution control. Toyota goes one step further by stating that 90% of the car is recyclable.

Weetabix [Oatibix]

- Weetabix have introduced a new brand of oat cereals – which external environment played a key part in the development of this new product?

The key one is cultural force relating to food as detailed on page 92. The company developed its oat based range as awareness of wheat / food intolerance gathers pace, and as oat cereals gain in popularity by providing consumers with a good source of slow-releasing energy, as well as the association of oats with a healthy diet and lifestyle.

- Describe how the company conveyed the new product to target audiences?

The strap line 'New Oatibix – It's Oatily Different' effectively introduces the new product to existing and potential consumers. The key message is that the cereal looks like the well-established brand Weetabix but is actually made from oats as opposed to wheat.

Chapter 4: Understanding Consumer Behaviour

Center Parcs

- How do families go about making decisions about a holiday purchase? Who are the key decision-makers and influencers?

Blackwell et al's 2001 consumer decision-making process model should be applied to the purchase of holidays. See Figure 4.2: need recognition – information search – evaluation of alternatives – purchase decision – post purchase evaluation]. The buying centre roles should then be discussed e.g. initiators [parents], influencers [children], key decision makers [parents], deciders [parents] and users [family].

- What key message is the advert trying to convey about a Center Parcs holiday and how does it appeal to its target audiences?

Center Parcs' message focuses on the many added benefits its holidays has to offer for young families by highlighting the range of sport and leisure activities that families can enjoy together in a short break holiday. The advert features a couple reminiscing about a Center Parcs holiday and ends with information on how viewers may request a free DVD and brochure. The advert also serves to remind past visitors of the benefits of a Center Parcs holiday.

Special K

- 'Eat Breakfast Stay Slim with Special K' is the message that is being targeted at dieters in this advert. Describe the profile of the typical consumer that this advert is targeting.

The advert is targeted at women concerned with their weight and is designed to overcome the misconception that that skipping breakfast will make you slimmer, supporting Kellogg's claims with independent research. The typical consumer will be diet and image conscious women aged 25-45 as featured in the advert.

- Special K is an established brand in the breakfast cereals market. How loyal do you think consumers are to this brand? What personal, psychological and social factors influence the purchase decisions of dieters/slimmers?

Slimmers are more likely to be loyal to the benefits offered by Special K as it is one of the first diet cereals brands to be established in the 1970s. Kellogg's have been instrumental in generating loyalty from their customers by educating them about healthy eating and encouraging them to participate in activities such as the Special K Challenge. Factors such as peer /reference groups, personal motivation, societal norms for attractiveness, an individual's life cycle and age are some of factors that influence the market for diet / slimming products.

Chapter 5: Understanding Organisational Buying Behaviour

Virgin Trains

- How did Virgin trains encourage business users to travel by train in this advert?

The advert focuses on a fantasy western theme with the strap line 'Man who go on big train have big idea'. It features a businessman travelling first class on a Virgin train who appears to come up with a solution to a problem, before he is set upon by Red Indians trying to steal his idea. It is clear from this advert that Virgin trains are targeting business travellers by focusing on the advantages of first class travel.

- What are the advantages and disadvantages of using TV as a medium to appeal to business travellers?

TV is a mass medium thus its advantages are that it is effective for awareness building as it can reach a large audience quickly, it can aid other sales activities and its repetition can help brand positioning. However, TV ads may be wasteful for organisational markets as it is impersonal and may have limited impacts on closing a sale. Virgin trains would need to be clear who makes up the buying centre or DMU, as well as, organisational buying processes so that appropriate targeting and positioning is possible.

BP

- What sort of individual/organisation would be interested in the question posed by this advert?

This is an example of corporate advert designed to communicate BPs commitment to develop bio fuel technology with the ultimate objective of reducing global greenhouse gas emissions. The company is interested in building goodwill amongst their stakeholders and publics e.g. current and potential employees, investors, shareholders, suppliers, community, government.

- What problems are you likely to encounter when convincing your company to switch supplies to BP?

Some of the barriers may be a result of competing firms having to invest heavily in building long term relationships with their customers. In addition, the complexity of buying means that many people may be involved in the decision making process of highly technical products, making negotiation essential. Internal politics may also be at play.

Chapter 6: Understanding Marketing Ethics and CSR

M&S low salt advert

- What message do you think the company is trying to convey with the slogan 'Your M&S'?

These ads have won wide acclaim for their simplicity. The strap line 'This is not just food – this is M&S food' tries to highlight the quality of M&S food range and reflect the sophistication of the British palate for authentic food. The addition of 'Your' to the M&S logo is designed to give the viewer identity with the M&S brand.

- The recent 'Look behind the label' advertising campaign was found to be the most successful campaign ever run. Why was the campaign a success?

The campaign addresses the concerns in today's consumer for sustainable marketing and the company's ethical stance is clear from the campaign. M&S has successfully tapped into consumer interests in the way it sources & makes it's clothing range, what goes into the food, and how the company is protecting the environment, creating good working conditions and protecting animal

welfare. Their campaign urges consumers to actively look behind the label at M&S and find out for themselves how well the company is doing ethically.

Nestle Brand Power

- What can a company like Nestle do to address environmental concerns of their consumers?

The advert highlights the popularity of wholegrain cereals, as consumers increasingly demand breakfast cereals that offer the added benefits of a healthier lifestyle and low fat diet than simply great taste. The advert draws attention to the fact that all Nestlé's cereals contain wholegrain. Other environmental concerns such as reduced packaging and recycling could be possible avenues for Nestle to pursue.

- Brand Power 'helps consumers buy better'. It is an advertising vehicle used by companies such as Nestle to demonstrate the features and benefits of their products for a fee. Does the fact that Brand Power represents the interests of leading brands raise ethical concerns?

Brand Power and Nestle may, prima facie, be seen as unethical in their claims to help consumers 'buy better' when they are clearly promoting the brands of the fee paying company— however, all claims made in a Brand Power commercial must be legally substantiated to ensure that they are true hence their success with companies such as Nestle. Brand Power seeks to reduce the use of gimmicks in advertising by accurately articulating the key reasons a particular product might be worthy of consumers attention.

Chapter 7: Marketing Research and Information Systems

iPod

- Further information about the iPod is found in case 13. As the world's best-selling digital audio player, its worldwide mainstream adoption has made it one of the most popular consumer brands. However, there are signs that younger consumers are turning their backs on the brand. Aside from questionnaires, what other methods should Apple use to monitor changing consumer perceptions of their brand?

Focus groups would be an alternative way of collecting information about brand perceptions as it allows researchers to understand the 'why' and 'how' of purchasing behaviour. The group dynamics typical of focus groups would allow researchers to uncover in-depth knowledge of peer interactions that are important to younger consumers – these can now be conducted online, increasing its access to younger consumer groups who form the bulk of iPod's target group.

- iPod's advert emphasises its product's benefit of offering music lovers '1,000 songs in your pocket'. Apple chose to focus its development on the iPod's ease of use, rather than on technical capability. Apple has since developed the range to 5th generation iPod; iPod nano; and the iPod shuffle. What information would Apple require before launching new products?

The advert's '1,000 songs in your pocket' strap line addresses the need of iPod buyers for access to quality music and explains Apple's emphasis on the usability. Apple should carry out market research to monitor how past iPods have performed and identify product potentials. Concept testing at an early stage of the product's development is essential and may take the form of group discussions with potential buyers. Market testing of the new generation

of iPods in select geographical locations would also be necessary for Apple to evaluate consumer responses. Chapter 11 provides more information about new product development.

Nestle Cereal Range

- The slogan 'Nestle cereals - wholegrain guaranteed' is based on research findings that 'people with a healthy heart tend to eat more wholegrain foods'. If you wish to verify this claim, how would you conduct research?

Consumers would need to check the source of Nestlé's claims and identify any existing health studies that the company has consulted. An obvious source of information would be to consult the company's web site

<http://www.nestle.co.uk/Nutrition/>. Verifying claims made by any company would be difficult if information is not made available to those who require them and Nestle is proactive in supplying as much information as possible about the benefits of buying the company's products.

- Why do you think this advert features interviews with parents and families?

These are the target groups that the brand is aimed at – the message is aimed at mothers who carry out the bulk of grocery purchases for families and who would be attracted by the benefits of wholegrain cereals. Featuring real people in such an advert gives Nestlé's brand messages credibility.

Chapter 8: Market Segmentation and Positioning

In the text, Tesco's Finest / Value advert illustrates the company's appeal for price conscious and quality conscious consumer segments.

Nestlé's Shreddies

- What evidence of segmentation has occurred in Nestlé's whole grain range?

The Nestle brands includes Cheerio's and Nesquik for children and Finesse for diet conscious women. Profile [age, gender, lifecycle] segmentation variables have been used. In addition, behavioural [benefits] segmentation variables have also been used for Shreddies where the primary focus is for parents concerned with their children's diet and welfare.

- Who do you think this advert is targeted at?

In this advert Shreddies is advertised as 'school fuel' and is aimed at mums or parents who wish to give their children mental energy for studying in schools.

Dove's Campaign for Real Beauty

- The Campaign for Real Beauty enabled Dove to position itself away from their competitors by featuring 'real' women in their advertising. Which segmentation variables have been used?

Profile segmentation e.g. gender and age is often used but Dove has focused on Behavioural – perceptions and belief. See explanation in 8.1 Marketing in Action 'Beauty is More than Skin Deep'.

- Dove's Self Esteem Fund was set up to re-define society's view of beauty and encourages young girls and women to embrace a more positive body image. Which repositioning strategy has been employed by Dove?

Dove has gone for image repositioning with its advertising campaigns so that the brand is associated with 'real' beauty'. Dove's Self Esteem Fund highlights Unilever's commitment to this repositioning strategy. Figure 8.13 highlights other repositioning strategies.

Chapter 9: Managing Products: Brand and Corporate Identity Management

In the text, Coca Cola is presented as one of the top global brands.

Coca Cola Zero

- A new variant of Coca Cola, the Coca Cola Zero, is introduced under the slogan 'New Great Coke taste – Zero Sugar'. At whom is this drink targeted?

Coca Cola Zero is a low calorie version of Coca Cola and in the UK is marketed as having zero sugar. Coke Zero is Coca-Cola's biggest product launch in 22 years, and primarily targets young adult males with the marketing claim that the taste is almost indistinguishable from normal Coca Cola.

- How does the advertising for this differ to that of Diet Coke [page 351]?

Diet Coke, a sugar free variant of Coca Cola, was originally targeted at diet conscious women but, more recently, campaigns have moved away from the classic 11.30 adverts to the quirky tortoise 'Love Life' adverts, reflecting Diet Coke's repositioning as a low calorie drink for both males and females. Diet Coke's quirky advert differs to the more ladish appeal of the Coke Zero adapted.

Sony Bravia LCD TV range

- Sony's 'Like No Other' campaign is one of its most successful yet. What is this advert trying to convey about the brand's benefits?

This successful campaign made a huge impact with its simple message that 'the colour you'll see on the screen will be like no other', drawing the viewer's attention to the colour and picture quality that the Sony Bravia offers.

- How does this advert help to mould Sony's corporate identity?

Every Sony advert – print and TV – features the slogan 'Like No Other'. Letting 250,000 multi coloured bouncing balls loose on the streets of San Francisco generated hype for the commercial that helped consumers to identify Sony's brands with quality colour. Further details of how Sony's corporate identity is reflected in the advert can be found at www.bravia-advert.com/commercial/braviamakingoflowqt.html

Chapter 10: Managing Products: Product Life Cycle, Portfolio Planning and Product Growth Strategies

IBM

- 'If the whole world was watching, how would you stand out from your playing field?' IBM's 'What Makes You Special' campaign encourages broader perspectives from their customers – what sorts of customers are they talking to?

IBM or International Business Machines is a multinational computer technology company that sells computer hardware, software, infrastructure services, hosting services and consulting services in areas ranging from mainframe

computers to nanotechnology. The advert is trying to communicate to IBM's broad customer base [businesses and individuals].

- How relevant is product life cycle concept to IBM?

As the largest information technology company in the world, IBM holds more patents than any other technology company as it strives to innovate and introduce new products and services. In the high technology sector, product life cycles tends to be shorter and IBM would have a suite of products are different stages of development, as well as extending the life cycle of established products through innovation. However, as Case 19 shows despite having strengths in management consulting, IBM's PC business is behind that of Dell and Hewlett Packard.

Cadbury Dairy Milk with Crème Egg Bar

- This Cadbury product combines the Dairy Milk chocolate bar with its Crème Egg formula. What are the reasons for Cadbury in launching this new product?

Both the Dairy Milk and Crème Egg brands are at the maturity stage of their respective product life cycles. Combining the 2 existing brands into one as apart pf parallel co-branding can add value and differentiation, increases the appeal of the new product to existing consumers of the respective brands, as well as reduce the costs of product introductions.

- Would the new product cannibalise sales of the existing brands Dairy Milk and Crème Eggs?

Cadbury should monitor the performance of the new brand on existing brands as poor performance could tarnish each or either of the original brand images. See Co-branding in Chapter 9.

Chapter 11: Developing New Products

Whirlpool - Finish

In this advert, Whirlpool recommends the use of Finish dishwashing cleaners in their dishwashers. What are the reasons for this?

This is an example of communications based co-branding where Finish is endorsed by Whirlpool –see page 356. Mutual endorsement allows established brands to support each other, share advertising costs, encourages Whirlpool owners to stick to an established brand to remove bacteria in their dishwashers.

- How quickly do you think the market will adopt a new brand of dishwasher?

This refers to Figure 11.3 the diffusion of innovation process – discussions should centre upon the crucial roles of innovators early adopters who only make up a small percentage of the buying population. Whirlpool needs to understand what influences their respective purchase decisions and target them appropriately.

Nike Air sports shoes

- Nike Air Sports Shoes claims it has 'a little less gravity' in this advert – how do they convey that message?

Companies such as Nike tend to depict their products in use as the emphasis is on the performance of the shoe. In this advert, the shoes are worn by sports

people featured in various stages of movement to illustrate the 'Nike Air' concept.

- How has the way trainers are marketed changed in recent years?

Nike shoes were high tech for their time and became popular with runners. Increasingly, they are worn as casual shoes or fashion shoes. Nike has combined functional aspects of the shoe with up to date designs that has broadened its appeal to fashion conscious wearers. Air Max cushioning is used in all their range of sports shoes for basketball, cross training, golf, casual shoes, sandals, tennis, whilst Nike has retained 'Nike Air Max' as a running shoe.

Chapter 12: Pricing Strategy

Asda

- Asda's competitive stance is that they are the winner of Britain's lowest price supermarket award – what are the dangers in adopting a low price strategy?

People who use price as an indicator of quality may perceive Asda as a low quality retailer. In addition, Asda suppliers may feel that their margins are limited by Asda's low prices.

- Asda's slogan is 'More for you for Less'. Are there any ethical issues associated with this?

Asda's price slogan 'More for you for Less' is part and parcel of the company's competitive strategy but they may be squeezing the margins from their suppliers in doing so. Another issue is the offer of low prices on some of the more unhealthy foods that Asda may be selling, fuelling further debates about obesity as a result.

Vodafone

- Vodafone's new 'Create Your Own Price Plan' slogan suggests that consumers are able to devise a service that allows them to acquire 'more texts, minutes or entertainments'. To what extent do you think consumers get to 'create' their own price plans?

Vodafone would have to set a level of pricing for their range of price plans before offering consumers the choice of 'creating' their own price plans. Successful promotional pricing such as this can encourage trial.

- How elastic is the price of mobile phones?

Mobile phones have reached maturity and prices have stabilised somewhat. However, demand is elastic in that a small change in price could still stimulate a greater demand for mobile phones, as the market is still very much price led.

Chapter 13: Advertising

Milky Bar Kid advert

- This advert features clips from past Milky Bar kid campaigns. What advantages are there for companies like Nestle to embrace retro-advertising?

The Milkybar Kid has been used in television advertising promoting Nestlé's Milky Bar since 1961. The Milkybar Kid is a blonde haired, spectacle-wearing cowboy whose uses the catch phrase 'The Milkybars are on me!'. Such nostalgia themed adverts evoke an emotional response from consumers and can be an effective weapon for winning market share. Nostalgic thoughts may lead to more favorable attitudes toward the brand, particularly for those who have grown up with the advert, thus Nestle may be targeting the parents of children.

- The second half of this commercial advertises that free sessions for children such as swimming, dance, bowling and martial arts are available by collecting wrappers from Milky Bars, Pastilles and Smarties. Are there any ethical issues associated with this advert?

Advertising to children is a controversial issue and chapter 13 details what these are. Some will question the appropriateness of such promotions, as the effect is the increased consumption of confectionary and contributing to society's concerns with child obesity. As a result of tighter advertising regulations, recent revivals of the campaign has seen strapline changed to 'the good taste that's in Milky Bar' from 'the goodness that's in Milky Bar'.

Nike's A little less Hurt campaign

- How has Nike differentiated itself from its competitors in their advertising?

Nike's 'A little less Hurt' campaign adopts an emotive appeal of featuring different sports men and women on defeat, including football star Ronaldinho and long distance runner Paula Radcliffe. The norm would be to show how Nike shoes could help you achieve success.

- How should Nike measure the effectiveness of their advertising?

Sales/market share would provide details of advertising effectiveness. Pre-testing of TV campaigns with target audiences using focus groups or unaided recall of print adverts could also be used. Finally, post testing after the campaign has run can also be done using surveys.

Chapter 14: Personal Selling and Sales Management

Nokia

- Nokia's 'See New Hear New Feel New' campaign focuses on the 3000 songs that can be stored in Nokia's N91. The message 'Make It Yours' encourages customers to seek out the phones. In what way is the sale of mobile phones dependent on sales staff?

Adverts such as this build awareness about Nokia's brand benefits in the minds of the consumers. This must be supported with appropriate pricing, distribution and communications strategies. Mobile phones may be purchased in a variety of ways e.g. online, over the phone [telemarketing and direct mail], over the shelf from retailers or from specialist mobile phone outlets. In the telemarketing and the latter, the expertise of the sales staff would be essential to help consumers made decisions.

- A sales person must have a clear understanding of buyer behaviour – at which stage in the purchase decision process would a sales person have the most influence over potential buyers?

The purchase decision process is found in chapter 4. The stages where sales staff will have most input would be information search and evaluation of alternatives.

BMW 3 series coupe advert

- The launch of BMW's new 3 series coupe is announced in this advert – in what way does this advert assist the sales process?
The advert focuses specifically on the brand's features and generates interest in potential buyers to seek further information about the new range. Once awareness and interest have been achieved by the advert, the onus is on BMW to supply further information to create desire and for sales staff to facilitate purchase decisions from consumers.
- Is this advert designed to appeal to repeat buyers or new customers?

The advert does not give out too much information – teaser ads such as this generates a high level of awareness in both repeat buyers and new customers, although the former are more likely to have a vested interest in the brand.

Chapter 15: Direct Marketing

HSBC savings account

- The advert focuses on direct response TV advertising. What are the advantages of direct response TV adverts?

The advantage is that the adverts elicits a direct response from viewers to pick up the phone and initiate an enquiry. DRTV therefore requires telemarketing systems to support it. Page 615 provides further information about direct response advertising.

- How loyal do you think bank account holders are?

Bank account holders tend to be loyal due mainly to the complexity of information that is required to set up an account.

Hitachi 'Inspire the Next'

- How does this advert develop relationship with Hitachi's customers?

Hitachi attempts to create a richer and better society by developing technology that meets the changing needs of its customers. The advert shows how the ownership of their hi tech products in this case, 'DVD cam technology with one second quick start' can enhance consumer lifestyle 'because life's too good to miss'.

- The advert features the web site www.hitachi.co.uk/improve. What purpose does this website serve?

The website serves to remind consumers that Hitachi technology can improve their lives by allowing them to see examples of how leading edge technology has been used to develop new products. This is an example of how the Internet can be used to build relationships with customers.

Chapter 16: Other Promotional Mix Methods

Nestle Golden Nuggets

- Describe the promotional methods used in this advert

The sales promotion method is that of premiums – free in pack gifts. To tie in with the 2006 FIFA world cup licensed free shoelace faces were given away in packs of Nestle cereals – Cookie Crisp, Golden Nuggets and Nesquik.

- Who is the target audience for the web site www.fantasyworldoffun.com?
The target audience is young children attracted by the animation and characters featured in the advert.

Nestle Football Crisp

- This advert informs consumers to look out for the 2006 Official FIFA World Cup Licensed cereal. What are the pitfalls of event based sponsorships such as the one featured in this advert?

Event sponsorship allows Nestle to gain publicity, create promotional opportunities as well as foster community relationships but may backfire particularly if the events do not go according to plan. Chapter 13 provides more information about sponsorship.

- How should Nestle monitor the effectiveness of this form of sponsorship?

These are carried out via media coverage and name sightings. Exposure can be measured by firstly determining pre-sponsorship image with target audience, tracking consumer awareness levels towards the brand, and then following up with post sponsorship studies.

Chapter 17: Distribution

M&S

- Describe the distribution channels that M&S would utilise to ensure that products advertised on TV are available to consumers in-store.

Producer/supplier to M&S retailer to end consumer. M&S also has an administered vertical marketing system where suppliers and retailers cooperate closely.

- How intensive do you think M&S' distribution channel is?

M&S' dominant market position allows it to exert considerable power over its suppliers and the company tries to negotiate exclusive distribution from their suppliers of any products that they sell in their retail stores.

Pilkington's Glass

- Who are Pilkington's customers?

Businesses and households

- What is the best form of distribution for Pilkington's Glass?

Currently Pilkington has adopted a selective distribution strategy where they have their own stockists in all the major cities in the UK. They also supply to independent stockists such as double-glazing contractors and manufacturers, home improvement companies, who may then sell the products on to retail, trade or building firms.

Chapter 18: Digital Marketing

AOL debate campaign

- Why is AOL sponsoring a debate about the merits of the internet?

The AOL/discuss forum was set up by AOL in January 2006 to discuss issues surrounding the internet as the company believes it is its responsibility as a provider of Internet services.

- Some think the internet is a good thing... the most powerful educational tool... preserving history and freedom of speech... – what is your view?
- **Some will see the Internet as the world's greatest democracy and others will use the Internet to access obscene information. See 18.3 and <http://discuss.aol.co.uk>**

Ryanair – cheap fares

- Ryanair advertises 4 million zero offer seats in its autumn sale – why have they specified a time limit on the offer?

Money off promotions such as provides consumers with unambiguous incentives to purchase – time limits are common to encourage trial and to ensure the brand is not devalued.

- How would consumers reduce the risks of purchasing such low priced fares?

Ryanair needs to be wary that lowering its prices too often may devalue the brand despite its claims as Britain's biggest passenger airline. Directing viewers to the company website www.ryanair.com would ensure prospective travellers are able to seek out additional information to assist their purchase decisions.

Chapter 19: Analysing Competitors and Creating a Competitive Advantage

Asda

- Asda's 'More For You For Less' slogan suggests customers can now design their own homes using new products from the 'George' range – in what way does Asda take a competitive stance verses their competitors?

Case 38 details Asda's background. Asda is extending its established George clothing line to home furnishing in efforts to compete. However, its rivals e.g. Tesco's Cherokee and Florence and Fred and Sainsbury's Tu clothing lines are already pursuing this strategy. Asda's advantage is that the George range was the first of its kind and is now supported with celebrity endorsement campaigns featuring Colleen McCoughlin.

- By entering the lucrative home furnishing market, who do you think Asda is now competing against?

Asda could face competition from other established low price furnishing companies such as IKEA and MFI.

Pilkington's Glass

- What is Pilkington's differential advantage?

Pilkington encourages the world to keep up with changing technology – they have designed a self cleaning glass that is activated by daylight and rain.

- Do you think the humorous approach in this advert works?

It draws attention to the company and its product benefits without being overly technical about how the self-cleaning process works.

Chapter 20: Competitive Marketing Strategy

Nuts

- As highlighted in Case 40, the market for men's glossies is a highly competitive one. What are the strengths of the Nuts magazine?

Its careful targeting at young male readers and emphasis on price.

- Evaluate the advert – why do you think this advert appeals to its target audience?

The advert draws on a no nonsense rational appeal designed to appeal to young men with its 'nuts about women, motor, sports' slogan.

Sony DVD Handycam

- Describe Sony's competitive behaviour

Sony embraces the competition form of competitive behaviour – see page 815 - as it tries to perform better than its rivals e.g. Hitachi. Firms here would also avoid a price war as this may reduce industry profitability in the long term.

- Can Sony rely on its reputation alone to sell the new Handycam?

Sony needs to monitor competition closely rather than rely on its reputation alone. The company must also decide whether attack or defensive strategies should be employed when dealing with competitors.

Chapter 21: Managing Marketing Implementation, Organisation and Control

Halifax

- The advert introduces Halifax's new current account. In what way do Halifax differentiate themselves from other banks and who are they appealing to?

Halifax are targeting current and potential customers with the message that the bank offers 50x more interest than their rivals Natwest, Barclays & HSBC.

- Howard Brown fronts their high profile campaigns – why has Halifax adopted this approach in their advertising?

Halifax wanted an innovative approach to advertising and, in 2000, it allowed its staff to appear in the adverts, singing popular songs with the words changed to reflect financial services products. Viewers felt they could identify with the staff featured in the adverts and staff felt valued to be included in the company's adverts.

Sony Walkman

- The advert refers to the new Sony Walkman. Why do you think Sony is so good at reinventing its brand?

The Walkman is a popular Sony brand used by the company to market its portable audio players, and is synonymously used to refer to the original Walkman portable personal stereo player and as a generic term for similar devices from other manufacturers. The original Walkman brought about a change in music listening habits, allowing people to carry their own choice of music with them. Sony's ability to rejuvenate its brands are due to the company's ability to embrace change and its ability to develop an internal marketing programme that works.

- How does the advert address the Walkman's past problems?

The advert refers to what life was like before the new Walkman was introduced and plays on its established brand name. It also relies on its corporate slogan that owning a Sony product is 'Like No Other'.

Chapter 22: Services Marketing

IKEA – customer service

- Ikea announces its half price sale in this advert – why do you think the advert makes fun of its after sales service?

The popularity of an Ikea's sale is well documented. See <http://news.bbc.co.uk/1/hi/england/london/4252421.stm>. The company encourages customers to transport their own purchases home and this advert is a light hearted approach using humour appeals to build awareness of Ikea's sales. Ikea's adverts regularly feature humour appeals.

- Despite Ikea's reputation for poor service, why do customers continue to visit their stores?

Ikea have a well designed marketing mix in that it offers well designed products at affordable prices that is accessible to homeowners, supported with regular advertising and promotional activities. In terms of service – the store layout [physical evidence], staff [people] and shopping experience [process] may be variables that contribute to customer dissatisfaction and fall short of consumer expectations. However, the benefits outweigh some of the negative experiences.

HSBC Home Insurance

- The intangibility of insurance services means that the job of advertisers is to get the service benefits across – how has HSBC made their service tangible?

Tangible cues should be provided as far as possible – in this advert, HSBC promises at least £60 off home insurance by indicating the minimum premium that customers would have to pay after the offer discount has been applied. The HSBC logo and free phone number are clearly shown, providing additional cues for consumers. Once a customer has taken out a policy with HSBC, policy documents also provide evidence of tangibility.

- How does HSBC address the concerns of insurance buyers in the advert?

HSBC recognises that household contents and possessions differ from individual to individual. Rather than focus of fear appeals, the emphasis is on 'diversity' and the provision of an insurance policy that is tailored for consumers' specific needs.

Clio – French car, British designer advert

- Could this advert be shown in France?
This tongue in cheek advert could be shown in France but may come across some resistance if the medium of English was kept. In addition, further research would be necessary to identify how French consumers view 'British' design as this can affect the quality perceptions of the Clio range.
- Why should Renault continue to highlight its country of origin in their adverts?

Renault's global strategy is to link its brand's image with France as part of its foreign consumer culture positioning as it believes associations here will create a favourable image for their cars abroad.

HSBC – Trendy/Traditional advert

- What is the core message of this advert?

HSBC's core message is that of a bank that is not afraid to adapt to local markets. 'It's people's differences that inspire us to be different'.

- Can banking services be truly global?

HSBC claims to be 'the world's local bank' and their successful 'glocal' positioning suggests that banking services should be adaptable to local business and individual consumers. The complexity of external environmental factors that affect the financial services market worldwide would imply some degree of adaptation being necessary.