

Macro Environment

Larger, societal forces that affect the organization's microenvironment

Demographic environment: the study of the human **population** in terms of size, density, location, race, sex, occupation)

- Changing of age structure of the Canadian population
- Canadians working full-time have an average income of \$24.81/hour
- Growing diversity of the Canadian population

Economic Environment: factors that affect consumers buying power and spending patterns

- Current economic recession (changes in consumer spending)
- Optimistic prediction of an economic turnaround
- Gross income, income distribution

Technological Environment: the creation of new technologies and creating new product and market opportunities (developments)

- Rapidly changing technology
- Increase use of digital technology, investment in R&D required

Political Environment: laws, government agencies, pressure groups

- Security, privacy and identity theft
- Laws affecting marketing mix actions

Cultural Environment: influences on society's basic values, perceptions, preferences, and behaviours

- Tech Savvy population
- Technological Trends
- Population always on the go

Natural Environment: natural resources that are needed as inputs by marketers or that are affected by marketing activities

- Shortage of raw materials
- Increased pollution & government intervention
- Green movement and environmental sustainability (use renewable sources)

Competitive Environment: alternative forms of competition

- How competitive is the environment in which the product evolves?

Segmentation, Targeting & Positioning

1. Explain each target category
2. Decide on one to target
3. Explain how you will position and differentiate your product

Segmentation

Geographic: country, region (province) city, density (urban (city, nyc/Boston), suburban (town or small city) and rural (need car to get anywhere)), climate (northern, western, west coast), city size (under 5,000 to over 4,000,000)

Demographic: age, gender, family size, family life cycle (young, single; young, married; older, married) income, occupation (professional, retired, student), education, religion, race, generation (baby boomer, generation x, millennial)

Psychographic: social class (lower to upper), lifestyle (achiever, striver, survivors, health and money conscious), personality (compulsive, outgoing, ambitious)

Behavioural: occasions (holiday, regular), user status (nonuser, ex-user, potential regular), usage rate (light, medium, heavy), loyalty status, readiness stage (unaware to indenting to buy) and benefits (quality, service, economy)

- Hard core gym goer

Title	Target name 1. Ex: Real Spender/ Student	Target Name 2. Ex: Best Value Seeker/ health conscious	Target Name 3. Convenience Seeker/ on the go families
Seg Var 1 demographic	x	- 18-35 - Millennial	- \$15,000-55,000 - Married: children - Middle class
Seg Var 2 psychographic	x	- Healthy lifestyle - Attend gym - Time sensitive	- Time sensitive - Balance between work and family
Seg Var 3 behavioural	x	- Drink a lot of fluids - Active is essential part of their day - Market for everyday instead of seasonal use	- Everyday use by promoting it to be used in schools - Enjoy traveling, camping

Targeting

- Determine the market attractiveness by evaluating the segment size, growth potential and profitability of the market
- Analyze the structural attractiveness by focusing on consumers' buying power (spending power in Canada growing)
- Examine which segment fits in better with our overall objectives and which market we can reach more effectively (digitally connected than any other group)

Other group: segment is not highly differentiable because it targets a very broad group of Canadian families that are harder to reach and the demand is not as high as our first market.

Targeting levels:

Undifferentiated (mass, toothpaste) = product variability

Differentiated (segmented, working women)

Concentrated (niche, working women who are business owners in Canada) = limited resources

Micromarketing (1 person, coke)

Differentiation & Positioning

Differentiation: what you do to the product, what gives your product competitive advantage

- this product is the first sleeve to incorporate the kind of technology of exiting the sleeves cooling properties by a shaking motion, making it distinct from normal reusable ice packs or existing sleeves.

Positioning: the minds of the customer, how you expect people to perceive your product (apple = innovating)

1. Value proposition (full mix of benefits upon which a brand is positioned)
2. Positioning statement "To (target segment and need), (brand) is the (concept) that (point of difference)"
3. Perceptual map

Marketing Mix

Product

Core benefit: allowing customers to fully enjoy their drinks conveniently

Product features: contains non-toxic chemical compounds that activate when shaken

Product strategy: packaging, labelling, brand name/logo, warranty, instructions

Trademarked (Canada and USA for potential market expansion)

Building a strong brand:



Brand Sponsorship:

- Trademarked (Canada and USA for potential market expansion)

Brand Development:

- A product line with a single product type but large product depth, containing products with a variety of designs and colours.

		Product category	
		Existing	New
Brand name	Existing	Line extension	Brand extension
	New	Multibrands	Mixed branding

Price

Pricing strategy to use (2):

Value-based pricing: focus on what our consumers' values are towards the product. Must use the price of water bottles as reference point, as they are useless without a water bottle. As many of our customers will consist of students, we can use the Concordia's bookstore's selection of bottles, which all seem to retail for about \$20

Cost-based pricing: costs for producing, distributing, and marketing costs

Internal factors:

Marketing objectives (survival, product-quality leadership, entry barrier, help other product lines, market share leadership)

New product pricing:

Market skimming (high initial prices, high product quality) and market penetration (low initial

price, price sensitive market)

Product mix pricing:

Product line (different prices), captive product (products must be used along with main product, keurig), optional product (accessory products, car navigation) and product bundle (combine at reduced price)

Price Adjustment:

Segmented (sells a product at two or more prices even though the difference is not based on cost), dynamic (airline ticket price changing), psychological, geographical, international, promotional

Place

Channels:

Direct channel: no intermediary levels, company sells directly to consumers

indirect channel: contains one or more intermediary levels (the bay)

Marketing intermediaries:

Intensive distribution: stocks the product in as many outlets as possible (convenience, gum)

Exclusive distribution: limited number of dealers' exclusive rights to distribute (specialty)

Selective distribution: willing to carry the company's products (shopping)

Promotion

Promotion mix tools and IMC:

Advertising: persuasive (build selective demand), informative (PLC, introduction), comparative, compares the brand (PLC, Growth) and reminder, help maintain customer relationships (PLC stage Maturity), personal selling (sales presentations, apple), sales promotion (coupons) and public relations (press release)

Promotion mix strategies:

Push strategy (channel members promote to final consumers) or pull strategy (spending a lot on advertising to induce customers to buy)

Selecting advertising media:

Reach (% of people who are exposed during a given period, 70% during the first 3 months),

frequency (how many times target is exposed to the message, 3), impact (value of message exposure through a given medium, different magazines can be different messages)

Media type: tv, the internet (low cost, high selectivity) newspaper, direct mail, magazines, radio

Timing: continuity (scheduling evenly within a given period, can be within a 1 year frame)