

Revolution Foods: Expansion into the CPG Market



Nod y wers/Lesson Aims

Define different marketing techniques, define core business drivers, identify aims and goals, understand the importance of branding for business.

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Marketing

There are many definitions of marketing. The basic definition is: the process of creating, communicating, and delivering value to customers.

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TheCaseSolutions.com Business concepts

Marketing concept - philosophy practiced by producers of goods and services that focus on satisfying the needs of consumers.

Production concept - this is where a business focuses on creating economies of scale in production and distribution of a product or service. This assumes that customers will purchase lower priced items, as demand is driven by availability.

Sales concept - this is commonly known as 'The hard sell', where a product or service is produced and promoted using other high-pressure selling techniques are used to convince customers to part with their money.

TheCaseSolutions.com Business Concepts Examples

1. A business produces a low priced, low quality consumer which people will buy based purely on price (value).
2. A firm that manufactures replacement windows send its sales force out to cold-call and sell the product to residential households.
3. A firm manufactures extensive market research to see how it can improve its product, which is an electric can opener.

Marketing techniques available

There are many marketing techniques available to businesses. The most common are:

1. **Market penetration** - a strategy to increase sales of existing products in existing markets.
2. **Product development** - a strategy to develop new products for existing markets.
3. **Market development** - a strategy to develop new markets for existing products.
4. **Diversification** - a strategy to develop new products for new markets.

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Marketing Objectives

Marketing objectives are specific, measurable, achievable, relevant, and time-bound (SMART) goals that a business aims to achieve through its marketing efforts.

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Public sector organisations are usually not for profit organisations and are funded by the taxpayer. They are responsible for providing services to the public.

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Aims and Objectives

Private Sector Aims
There are four broad business objectives of an organisation in the private sector.

Public and Voluntary Sector Aims
Organisations in the public and voluntary sector are not run for profit. They therefore have a different range of objectives, based on efficiency, quality and philosophical targets.

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Ansoff's Matrix

| | | |
|-------------------|--------------------|---------------------|
| Existing Products | Market Penetration | Product Development |
| | Market Development | Diversification |
| New Products | | |

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Survival strategies

Many businesses are often faced with having to develop strategies just to survive. This could include downsizing the business to reduce costs, liquidating assets, or even selling the business.

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Branding

Branding is the process of creating a unique name and image for a product or service. It involves creating a brand identity that is consistent across all marketing materials.

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Components of a Brand

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Transactional marketing

Transactional marketing is a short-term approach to marketing that focuses on the immediate exchange of goods and services for money.

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Relationship Marketing

Relationship marketing is a long-term approach to marketing that focuses on building strong, lasting relationships with customers.

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Brand extension

Brand extension is a strategy to leverage the success of an existing brand by introducing new products or services under the same brand name.

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Branding - Continued

Branding is a critical part of a business's marketing strategy. It helps to create a strong, consistent identity for the business and its products.

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Notes/Lessons/Aims

Before different marketing techniques
Differentiation between different customer segments
or a customer segmentation strategy
Analyse the importance of branding for
business

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Marketing

There are many definitions of marketing. The better definition
discussed about customer orientation and satisfaction of
customer needs.

- Marketing is the social process by which individuals and groups
obtain what they need or want through creating and exchanging
products and services with others (Kotler)
- Marketing is the management process that identifies, anticipates
and satisfies customer needs and wants profitably (Philip Kotler)
- Marketing is the art of selling (Kotler)
- The right product, in the right place, at the right time, at the
right price (Kotler)

From these definitions, marketing is about meeting the needs and
wants of customers. It is a business-wide function. It is not
something that operates above other business activities. It is
about understanding customers and being ready to deliver
products or services which customers demand.

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Business concepts

Marketing concept - philosophy practiced by
producers of goods and services that focus on
satisfying the needs of consumers.

Production concept - this is where a
business focuses on creating economies of scale
in production and distribution of a product or
service. This assumes that customers will purchase
mass-produced items, as demand is driven by
availability.

Sales concept - this is commonly known as the
hard sell, where a product or service is produced
and personal selling and other high-pressure selling
techniques are used to convince customers to part
with their money.

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**Business Concepts
Examples**

1. A business produces a low-priced, low-quality
confection which people will buy
based purely on price and need.
2. A firm that manufactures replacement
windows used to sales drive out its
old stock and sell the product to
residential households.
3. A firm undertakes extensive market
research to see how it can improve its
product, which is an electric can opener.

**Marketing techniques
available**

Marketing strategies
can be divided into two main categories: the strategic
and tactical. The strategic marketing strategy is the
overall plan for the business, while the tactical marketing
strategy is the specific plan for the business.

1. **Market penetration** - involves increasing the market share of
existing products in existing markets. This can be done by
lowering prices, increasing promotion, or improving the
product.
2. **Market development** - involves increasing the market share of
existing products in new markets. This can be done by
entering new geographical areas, targeting new customer
segments, or finding new uses for the product.
3. **Product development** - involves increasing the market share of
new products in existing markets. This can be done by
improving the product, adding new features, or creating
new product lines.
4. **Diversification** - involves increasing the market share of
new products in new markets. This can be done by
entering new industries, creating new products, or
acquiring other businesses.

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Marketing Objectives

Marketing objectives are specific, measurable, achievable,
relevant, and time-bound goals that a business aims to
achieve through its marketing efforts. They provide a
clear direction for the marketing team and help to
measure the success of the marketing campaign.

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Public sector organisations are owned by the national government
and are funded by the taxpayer. They are responsible for
providing public services and are subject to public
scrutiny.

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Aims and Objectives

Private Sector Aims
There are four broad business objectives of an
organisation in the private sector.

Public and Voluntary Sector Aims
Organisations in the public and voluntary
sector are not run for profit. They therefore
have a different range of objectives, based
on efficiency, quality and philosophical
targets.

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Ansoff's Matrix

| | | |
|------------------|--------------------|---------------------|
| | Existing Products | New Products |
| Existing Markets | Market Penetration | Product Development |
| New Markets | Market Development | Diversification |

Ansoff's Matrix is a strategic planning tool that helps businesses to identify growth opportunities. It is based on the relationship between products and markets.

Survival strategies

Many businesses are often faced with having to
develop strategies just to survive. This could
include downsizing the business to reduce costs.
It could mean cutting out of less profitable
markets, discontinuing less profitable lines and
making some employees redundant in order to
balance the books. Businesses may also need to
reduce their marketing budgets in order to
lower their costs.

Branding

Branding is the process of creating a name for a product or
service, which is used to distinguish it from other
products or services. It is a key part of a business's
marketing strategy and helps to build a strong
brand identity.

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Components of a Brand

The components of a brand are the elements that make up a brand's identity. They include the brand name, brand mark, brand promise, brand personality, brand values, and brand experience.

Transactional marketing

Transactional marketing is a short-term approach to
marketing where the focus is on the immediate sale of
a product or service. It is based on the exchange of
value between the business and the customer.

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Relationship Marketing

Relationship marketing is a long-term approach to
marketing where the focus is on building a strong
relationship with the customer. It is based on the
exchange of value between the business and the
customer over time.

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Brand extension

Brand extension is the process of using an existing
brand name to launch a new product or service. It is a
common marketing strategy that helps to leverage
the brand's equity and reduce the risk of failure.

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Branding - Continued

Branding is the process of creating a name for a product or
service, which is used to distinguish it from other
products or services. It is a key part of a business's
marketing strategy and helps to build a strong
brand identity.

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Students/Lesson Aims

Define different Marketing techniques
Differentiate between private sector objectives
and public sector/voluntary objectives
Analyse the importance of branding for
businesses

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Marketing

There are many definitions of marketing. The better definitions are focused upon customer orientation and satisfaction of customer needs.

- Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others (Kotler).
- Marketing is the management process that identifies, anticipates and satisfies customer requirements profitably (the Chartered Institute of Marketing, CIM).
- The right product, in the right place, at the right time, at the right price (Adcock).

From these definitions, marketing is about meeting the needs and wants of customers. It is a business-wide function – it is not something that operates alone from other business activities. It is about understanding customers and finding ways to provide products or services which customers demand.

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Business concepts

Marketing concept – philosophy practiced by producers of goods and services that focus on satisfying the needs of consumers

Production concept - this is where a business focuses on creating economies of scale in production and distribution of a product or service. This assumes that customers will purchase lower-priced items, so demand is driven by availability.

Sales concept - this is commonly known as 'the hard sell', where a product or service is produced and personal selling and other high-pressure selling techniques are used to convince customers to part with their money.

Aims and Objectives

Private Sector Aims

There are four broad business objectives of an organisation in the private sector.

Objectives should be SMART

Public and Voluntary Sector Aims

Organisations in the public and voluntary sector are not run for profit. They therefore have a different range of objectives, based on efficiency, quality and philosophical targets

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Business Concepts

Examples

1. A business produces a low-priced, low quality corkscrew which people will buy based purely on price and need.
2. A firm that manufactures replacement windows send its sales force out to cold-call and sell the product to residential households.
3. A firm undertakes extensive market research to see how it can improve its product, which is an electric can opener.

Public sector organisations are owned by local or national government and are funded by the taxpayer. It would be inappropriate and unpopular for these organisations to aim to make a profit, so they often set objectives based on:

- providing a service or range of services in the first instance, with some expanding the range of services they offer (for example, a local council may consider expanding the range of waste they recycle)
- limiting costs and improving efficiency of service – it is important for public sector organisations to represent good value for money
- meeting quality standards to demonstrate the quality of the service provided – this also relates to the need to represent good value for money.

The **voluntary sector** consists of charities, which may represent local, national or international causes. Ultimately, a charity may set itself a range of objectives, such as to:

- raise money to purchase equipment or services for a given cause (for example, providing protection against malaria in Africa or carers for disabled people in the local community)
- raise awareness of a given cause, which may in turn result in more money raised to support the cause
- create a surplus – for example, to generate more money than it takes to operate its fund-raising activities, which can be spent on the supported cause.

Marketing Objectives

Marketing objectives are different from a business's objectives. While both will be SMART, marketing objectives may be based on factors other than survival and growth.

Market leadership

Market leadership is the position of a business with the largest market share in a given market for goods and services. Market share may be measured by either the volume of goods sold or the value of those goods. For example, Tesco is the market leader in the UK supermarket marketplace. It is the largest in terms of value of goods sold. Being a market leader can be a significant advantage for a business – suppliers will want to stock your product and it is likely that your customers will think about your products first.

Brand awareness

A common marketing objective is to raise customers' brand awareness. This might relate to a business's overall brand (for example, BMW) or to a product brand within the company (for example, Mini). Successful raising of brand awareness can raise sales because customers will subconsciously or consciously seek out a brand when purchasing an item or service. A high level of brand awareness exists where consumers start to use the brand name in place of the product type.

Perceptions of customers or users

A customer's perception of a business or brand often affects their purchasing decisions. For example, your business may have very high brand awareness, but if your customers perceive your business as offering low-quality products, they may decide to purchase a competitor's product. If a company develops a bad name, it can take a lot of time, effort and money to change customers' perceptions. For example, Škoda had a reputation for producing cheap but unreliable vehicles before it was bought by Volkswagen in 1991. Since then, it has benefited from Volkswagen's reputation for reliable vehicles, combined with low prices.

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