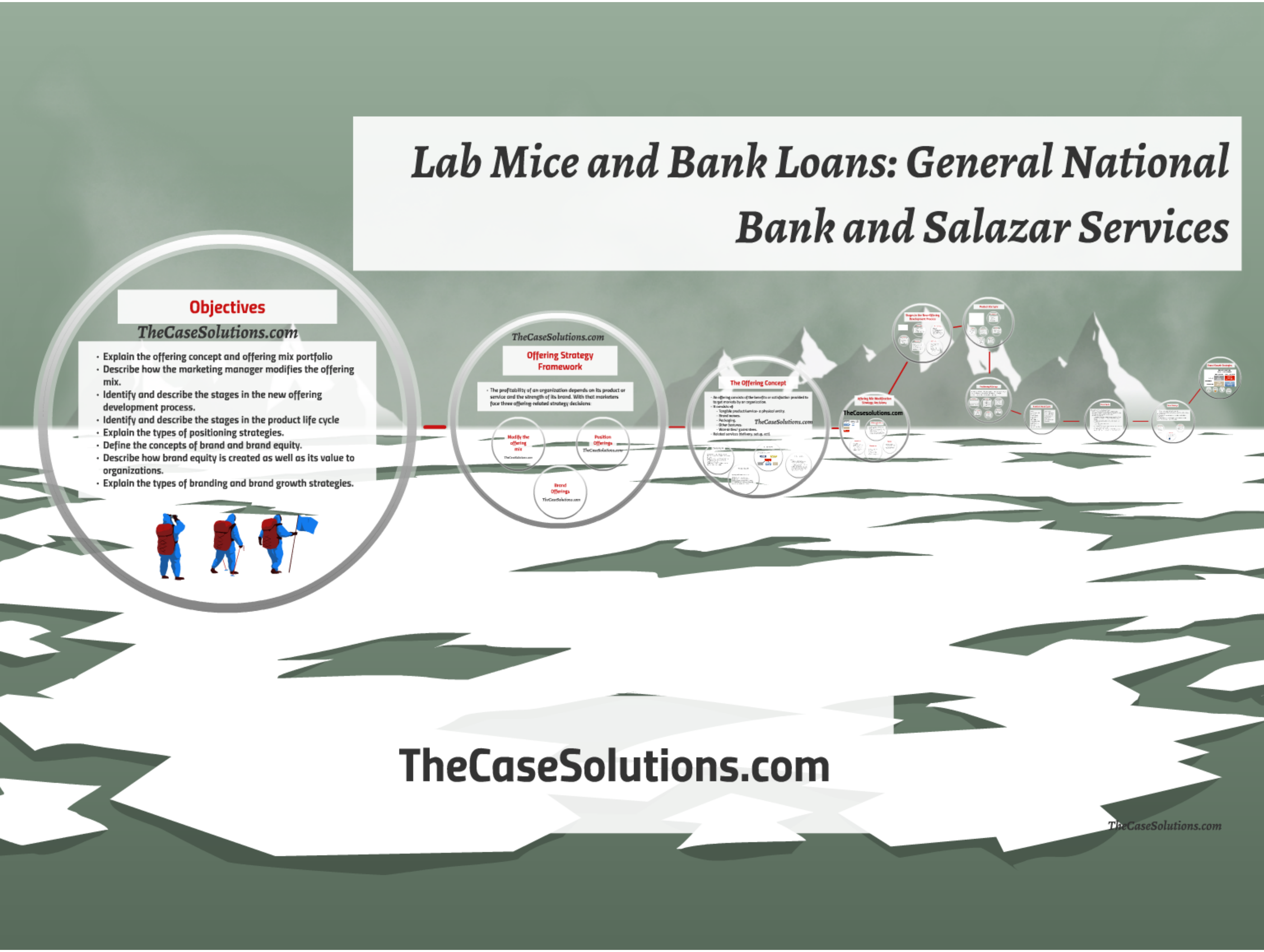
Questions

Lab Mice and Bank Loans: General National Bank and Salazar Services


Lab Mice and Bank Loans: General National Bank and Salazar Services
Objectives
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• Explain the offering concept and offering mix portfolio
• Describe how the marketing manager modifies the offering mix.
• Identify and describe the stages in the new offering development process.
• Identify and describe the stages in the product life cycle
• Explain the types of positioning strategies.
• Define the concepts of brand and brand equity.
• Describe how brand equity is created as well as its value to organizations.
• Explain the types of branding and brand growth strategies.
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Offering Strategy Framework
• The profitability of an organization depends on its product or service and the strength of its brand. With that marketers face three offering-related strategy decisions
Modify the offering mix
Position Offerings
Brand Offerings
The Offering Concept
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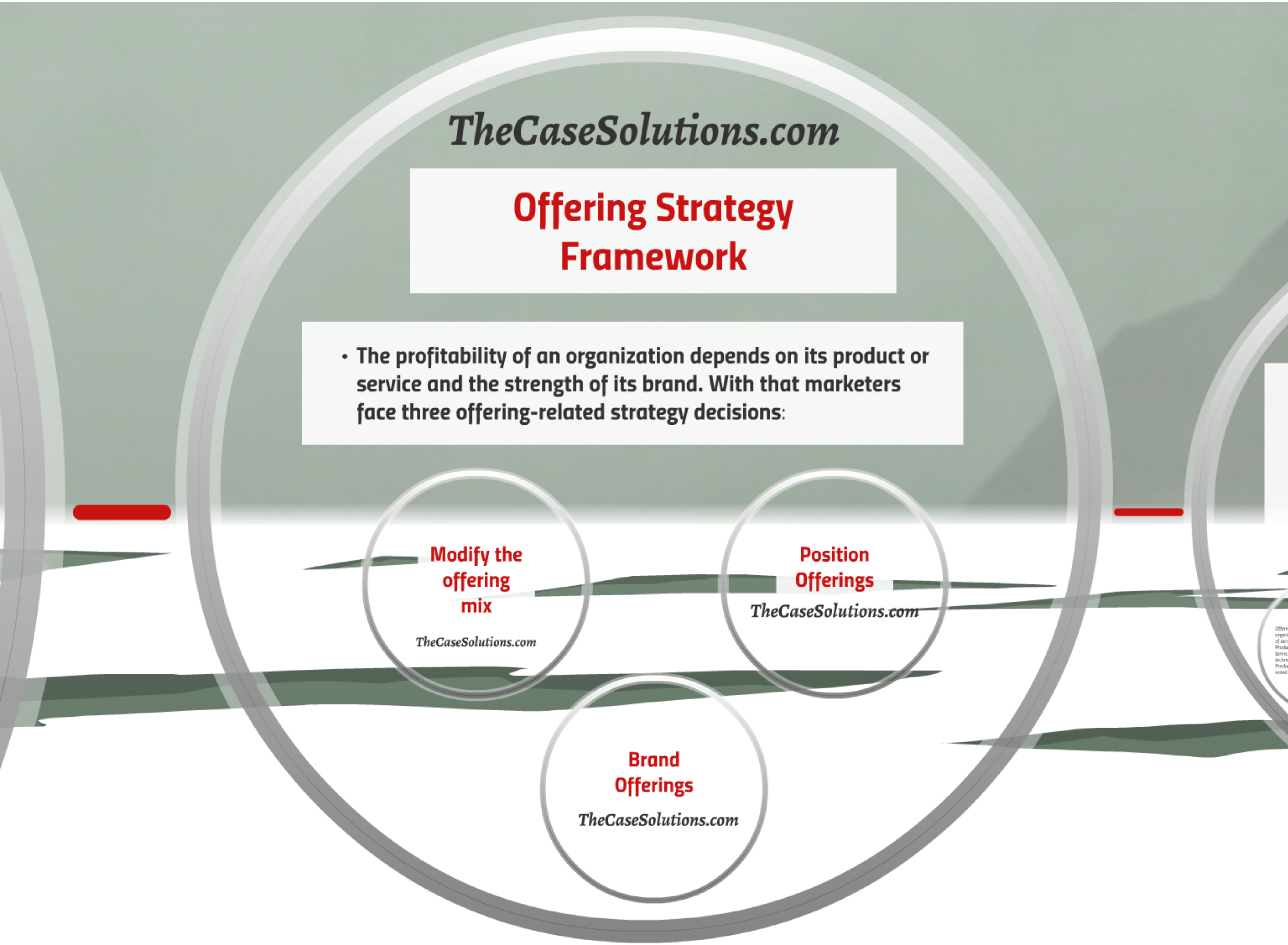
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Modify the offering mix

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Position Offerings

Brand Offerings

The Offering Concept

- An offering consists of the benefits or satisfaction provided to target markets by an organization.
- It consists of:
  - Tangible product/service- a physical entity.
  - Brand names.
  - Packaging.
  - Other features.
  - Warranties/ guarantees.
- Related services (delivery, setup, ect).

The Offering Mix

Offering Mix/ Portfolio- The totality of an organizations offerings is known as its product of service.
Product Lines- Groups of offerings similar in terms of usage, buyers marketed to, or technical characteristics.
Product Items- a specific product or service noted by a brand, size, or price.

The Offering Mix

Offering mix decisions concern the:

Width- Number of offering lines.
Depth- Number of items in each line.
Consistency- The extent to which offerings satisfy similar needs, appeal to similar buyer groups, or use similar technologies.

The Offering Mix

Offering mix depends on the:

The Offering Mix

Bundling
- Involves the marketing of two or more product or service items in a single "package" that creates new offerings.
  - EX- McDonalds Value Meals, or Vacation packages by Groupon.
- Bundling means that the consumer values the package more than the individual items.
- Provides a lower total cost to buyers and lower marketing costs to sellers.

Offering Mix Modification Strategy Decisions

Additions to the offering Mix

- Additions to the offering mix take form in: Single Offering and Entire Line.
- Questions to ask when considering new offerings:
  - **Consistency**: How consistent is the new offering with existing offerings?
  - **Resources**: Does the organization have the resources to introduce and sustain the offerings.
  - **Market**: Is there a viable market for the offering?

Consistency

- Consider demand interrelationships (offering substitutes or complements)- The cannibalization effect.
- Consider the degree to which the new offering fits the organizations existing selling and distribution strategies.

Resources

- Consider the organizations financial strengths.
- Consider the speed and magnitude of the competitive response.
- Consider the market growth rate.

Market

- Consider whether a market exists.
- Consider whether the new offerings has a relative advantage over competitive offerings at a price consumers are willing and able to pay.
- Consider if there is a distinct buyer group or segment for which no present offering is satisfactory.