

Questions



Riverside Hospital's Pharmacy 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 product that an organization chooses to produce and market (e.g., a book, a CD, a computer, a car, a house, a cell phone)

Brand

Positioning

Brand Equity

Brand Growth

The Offering Concept

The offering concept is the organization's statement of the benefits that the offering will provide to the target market

Product

Price

Promotion

Place

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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

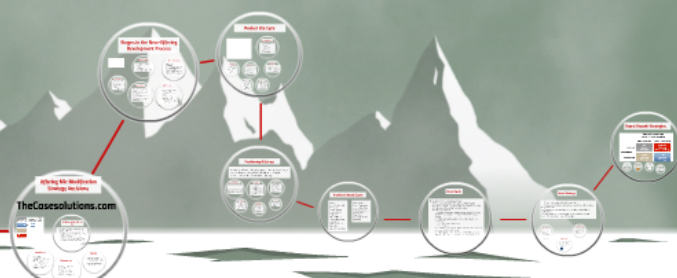
Position Offerings

Brand Offerings

The Offering Concept

An offering consists of the benefits or satisfaction provided to its get extracts by an organization. It consists of:

- tangible product features - e.g. physical entity
- Brand names
- Packaging
- Other services
- Various direct guarantees
- Retailer services (delivery, setup, etc).



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Position Offerings

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Brand Offerings

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Modify the offering mix

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Position Offerings

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Brand Offerings

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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).

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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 Expedia.
- 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.

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Consistency

- Consider demand interrelated needs, substitutes or complements (often +)
- Consider the degree of consistency of a new offering (is it an organization's core distribution strategy)

Offering Mix Modification Strategy Decisions

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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.