

Strategic Brand Management

Prepared by **Dr. Perihan Salah**

MKT733

Designing Marketing Programs to Build Brand Equity

Lecture 6





مجموعة جامعة
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Strategic Brand Management

Lecture 6

MKT

Designing Marketing Programs to Build Brand Equity

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Chapter

06

LEARNING OBJECTIVES

- Identify some of the new perspectives and developments in marketing
- Describe how marketers enhance product experience
- Explain the rationale for value pricing
- List some of the direct and indirect channel options
- Summarize the reasons for the growth in private labels



New Approaches Embraced by Marketers



TRENDS

1. Rapid technological developments (using tech, AI, VR, QR in everything 'IOT' internet of things)
2. Greater customer empowerment (engage & experience)
3. Fragmentation of traditional media (which fits)
4. Growth of interactive and mobile marketing options (sms, emails, apps)
5. Channel transformation and disintermediation (ex. Radio before & now, PR & CSR create awareness & be part of community)

New Approaches Embraced by Marketers



TRENDS

6. Increased competition and industry convergence (using Guerilla mktg)
7. Globalization and growth of developing markets
8. Heightened (exceeding environmental, community, and social concerns (doing good things so I will recall the brand)
9. Severe economic recession (how to get money)



BlueTooth Technology

1. Experiential Marketing

Promotes a product by communicating a product's features and benefits and connecting it with unique and interesting consumer experiences.

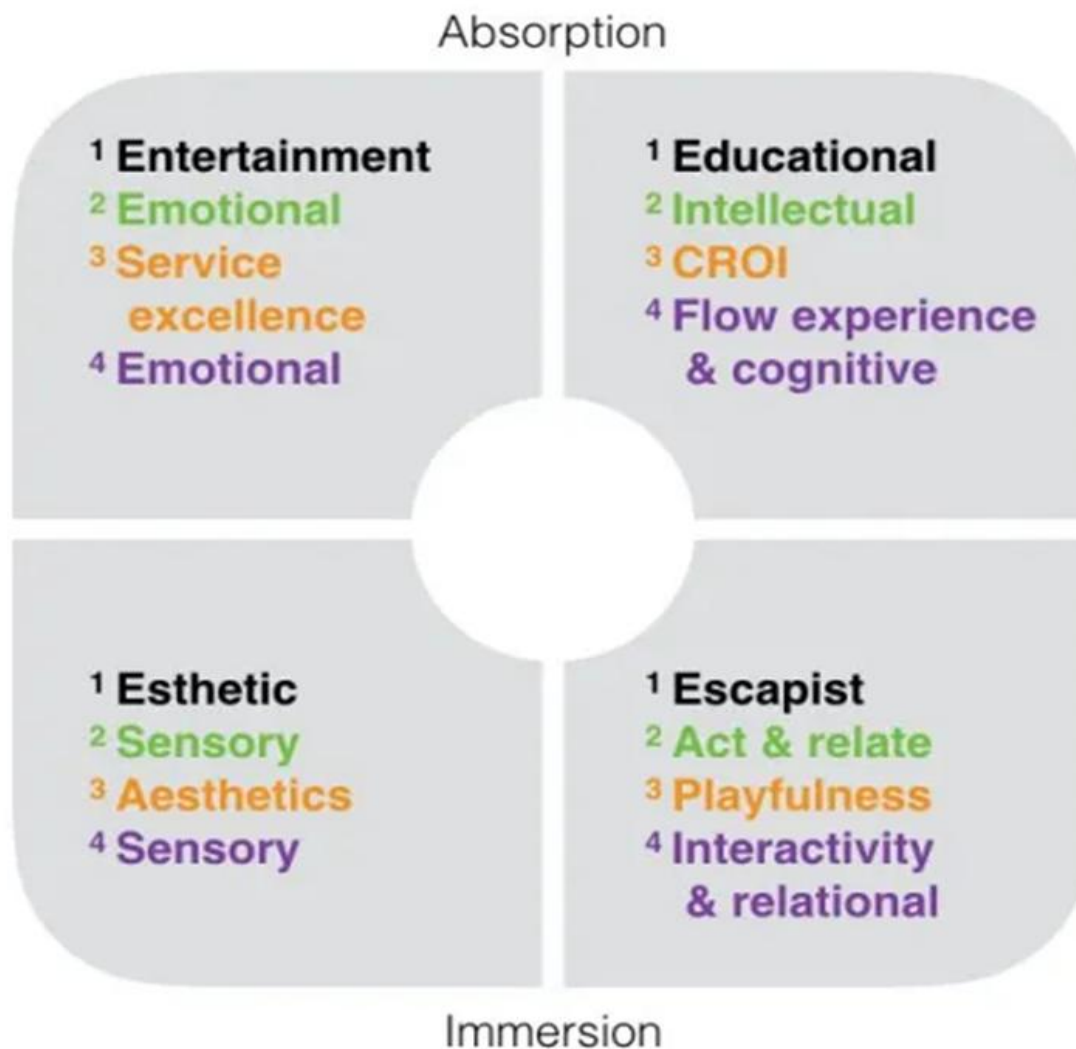


Assertions of Pine and Gilmore: Types of Experiences

Passive absorption,
focus on object,
watching movie
and crying

Passive
participation

Passive immersed,
watching while
staying.

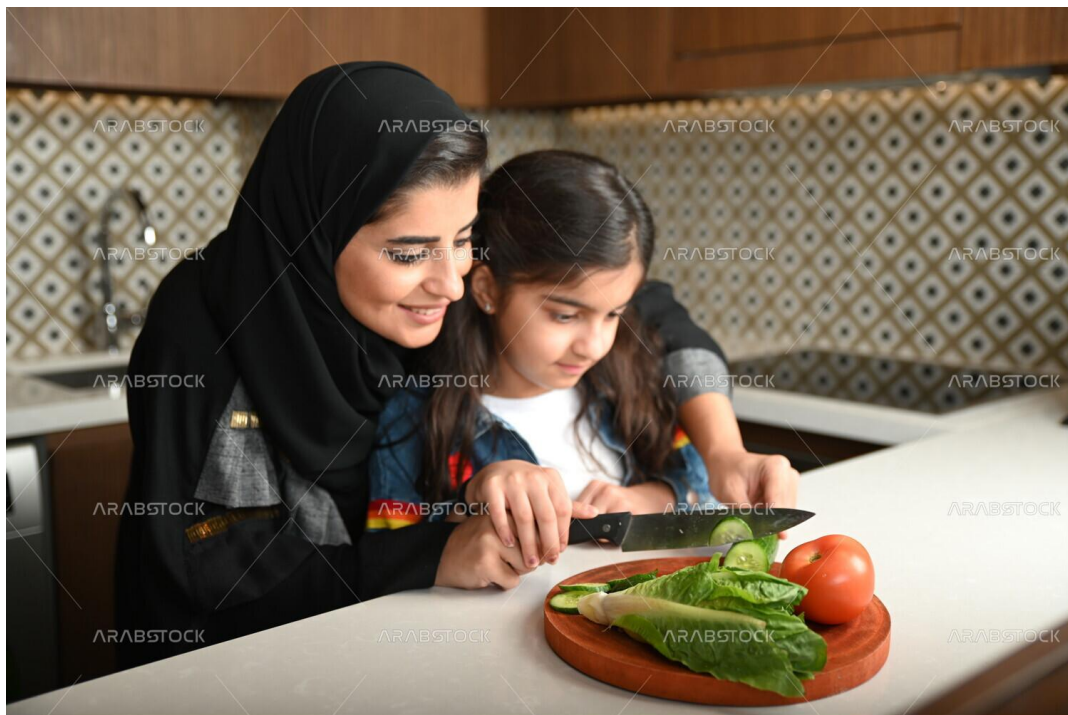


Active absorption,
learn while do
(cooking, music,
drawing, teaching)

Active
participation

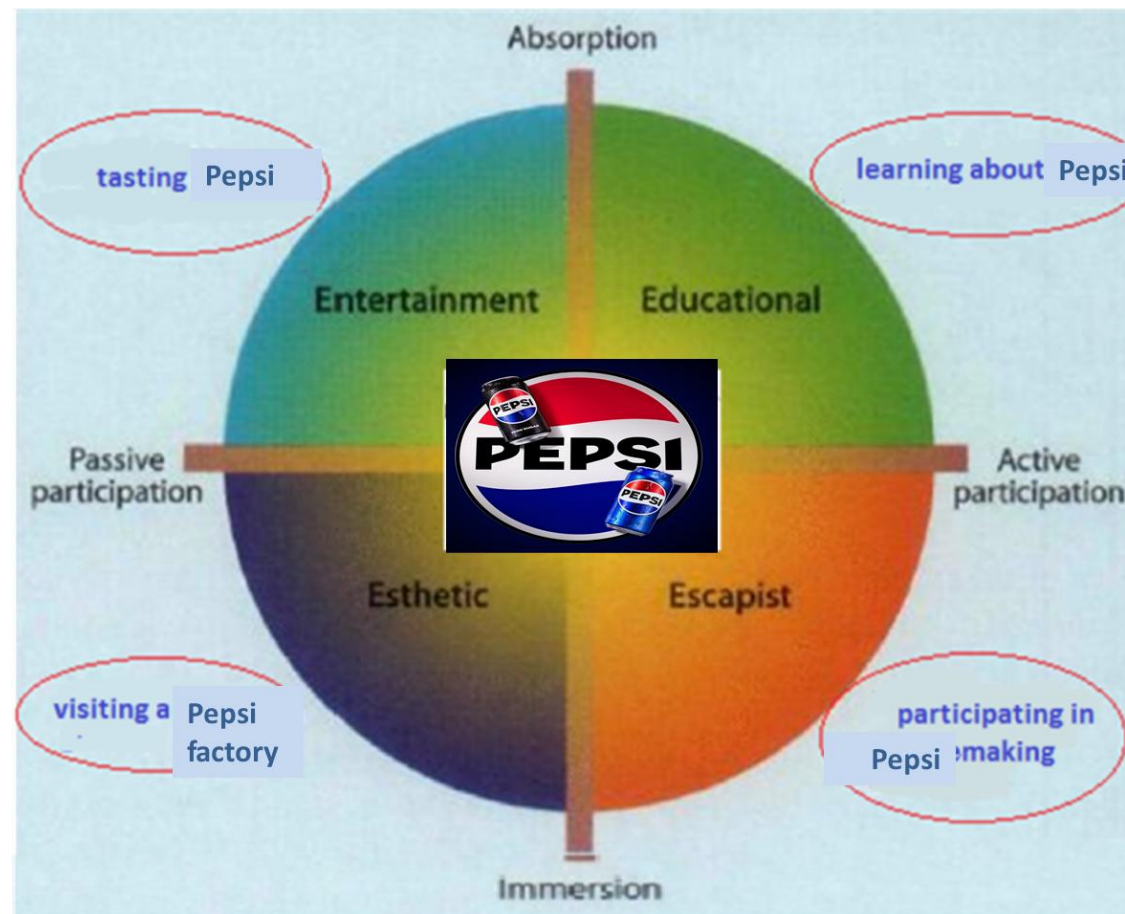
Active immerse,
forget yourself while
participating in

Experiential Marketing Model



ARABSTOCK

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www.arabstock.com





و إنت صديقتي و إنت أمي و إنتي





2. One-to-one marketing (Relationship Marketing)

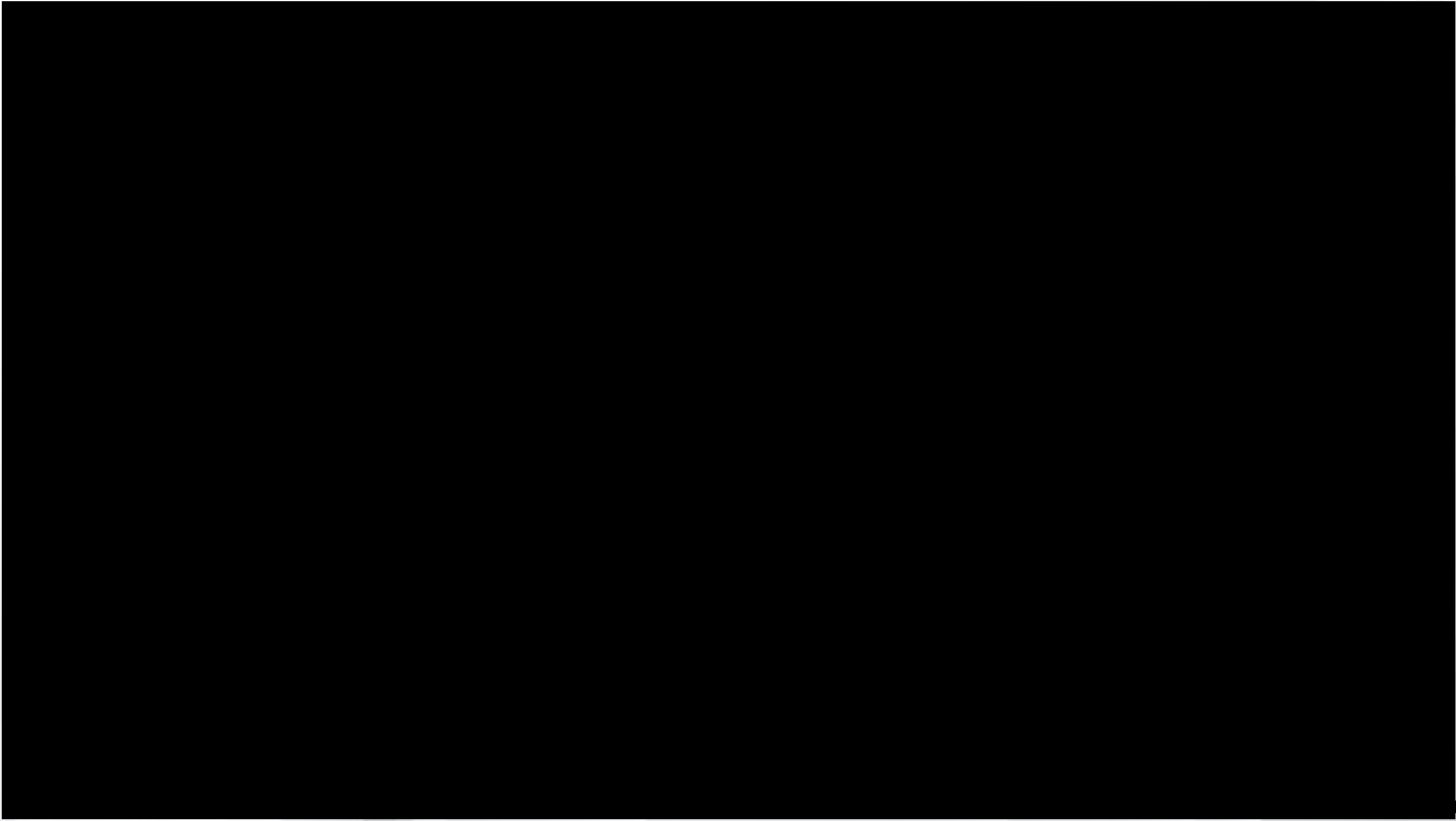
Consumers help add value by **providing** information to marketers.

Marketers add value by **taking** that information and generating rewarding experiences for consumers.

Am Listening to what you are saying







3. Mass customization

- Can involve customers in the purchase process
- Customers are now in a position to co-create their offerings with firms
- Example: NIKEiD program. visitors can make a customized shoe by selecting the size, width, and color scheme and affixing an eight-character personal ID to their creation. Then, they can share their shoes with others to admire.
- Give the customer the option to personalize.



— کوکا کولا —
اچلی مع بعض



4. Permission marketing

- Influential perspective on how companies can break through the clutter and build customer loyalty.
- **Marketers can no longer employ “interruption marketing”** or mass-media campaigns featuring magazines, direct mail, billboards, radio and television commercials, and the like, because consumers have come to expect—but not necessarily **appreciate—these** interruptions.
- Give the customer permissions & don’t push ads. (consents), build loyalty

Try SuperOffice CRM for free

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By signing up to a free trial of SuperOffice CRM, you agree to our Terms and you have read our privacy policy. You may receive email updates from SuperOffice and you can opt out at any time.

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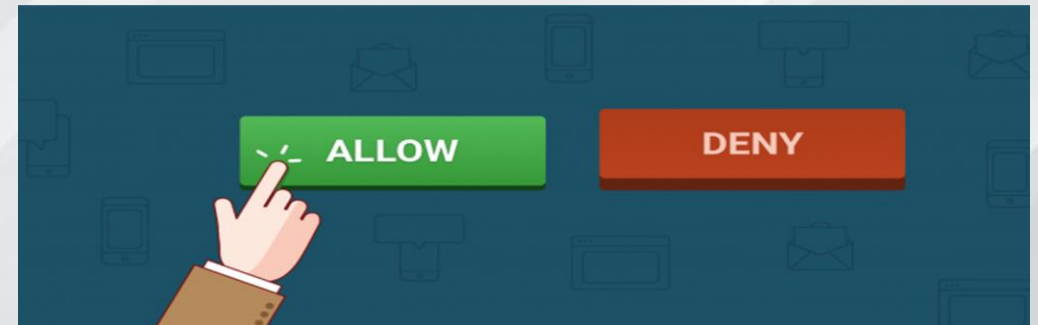
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☐ Yes, please keep me updated on SuperOffice news, events and offers.

Start Free Trial

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- Godin identifies five steps to effective permission marketing:

1.Situational permission: Prospects permit the company to access their personal information.

2.Brand trust: Prospects allow the company to provide for their needs.

3.Personal relationship: Prospects offer information based on a personal relationship with the provider's organization.

- Godin identifies five steps to effective permission marketing:

4. Incentive-based permission: Incentives such as points or free prizes are used to maintain permission to access customer data.

5. Intravenous permission: Customers become dependent on the company, and the supplier controls the supply of certain goods or services.

5 — The Permission Levels

1

Intravenous

The marketer makes the purchasing decision on behalf of the customer (e.g. book clubs, magazine subscriptions).

2

Purchase on Approval

Customer pays in advance but doesn't necessarily use the product/service (e.g. gym club subscription).

3

Loyalty Points

Customer buys more of the product/service in response to incentives (e.g. Air Miles, Loyalty Cards Personal relationships) - individual-to-individual but not transferable

4

Brand Trust

A trustworthy name can take over 50 years to build and can be over-stretched.

5

Situation

Opportunistic (e.g. "Do you want fries with that?") at McDonald's.

Fill in the application. Join the club!

So if you are interested, like & share

Give free session or free trial

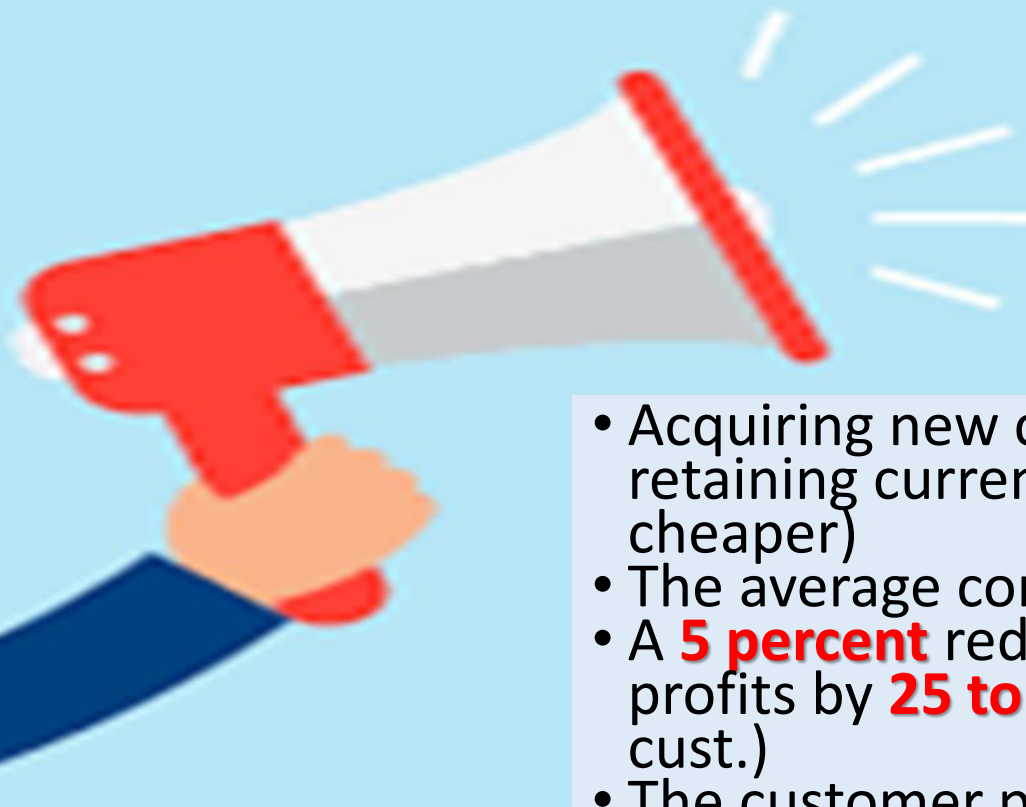
Loyalty cards & points redemption

'Stretched'

I came, tried and liked the product and became loyal. So if you did new product I'll give it a try.

If you buy 2 donuts you will have free coffee. If you pay 3 months you will take 1 free

Relationship Marketing Benefits:



**GREAT
BENEFITS!**

- Acquiring new customers can **cost 5X** as much as satisfying and retaining current customers. (maintain, delight & retain cust. is cheaper)
- The average company **loses 10 percent** of its customers each year.
- A **5 percent** reduction in the customer defection rate can increase profits by **25 to 85 percent**, depending on the industry. (problem cust.)
- The customer profit rate tends to increase over the life of the retained customer. (Profit rate inc. as long as the cust. Exists)

Perceived Quality

The product itself is the primary determinant of what consumers experience with a brand, what they hear about a brand from others, and what the firm can tell customers about the brand.

At the heart of a great brand is invariably a great product.

Perceived quality

—

ARIMETRICS



Perceived Quality

- Achieving a satisfactory level of **perceived quality** has become more difficult for companies as continual product improvements over the years have led to heightened (exceeds) consumer expectations. (how cust. sees quality from his own perception)

Perceived quality

ARIMETRICS



Perceived Quality

- Customers' perceptions of overall quality or superiority of a product or service
 - Compared with alternative
 - With respect to its intended purpose

Perceived quality

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ARIMETRICS



PERCEIVED QUALITY

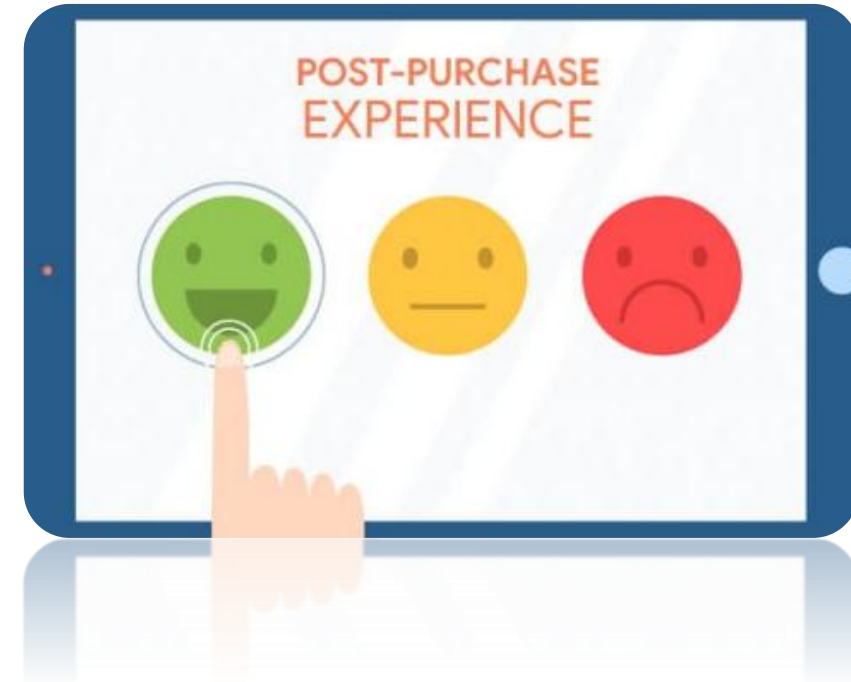
What influences
perceived
quality of
services:



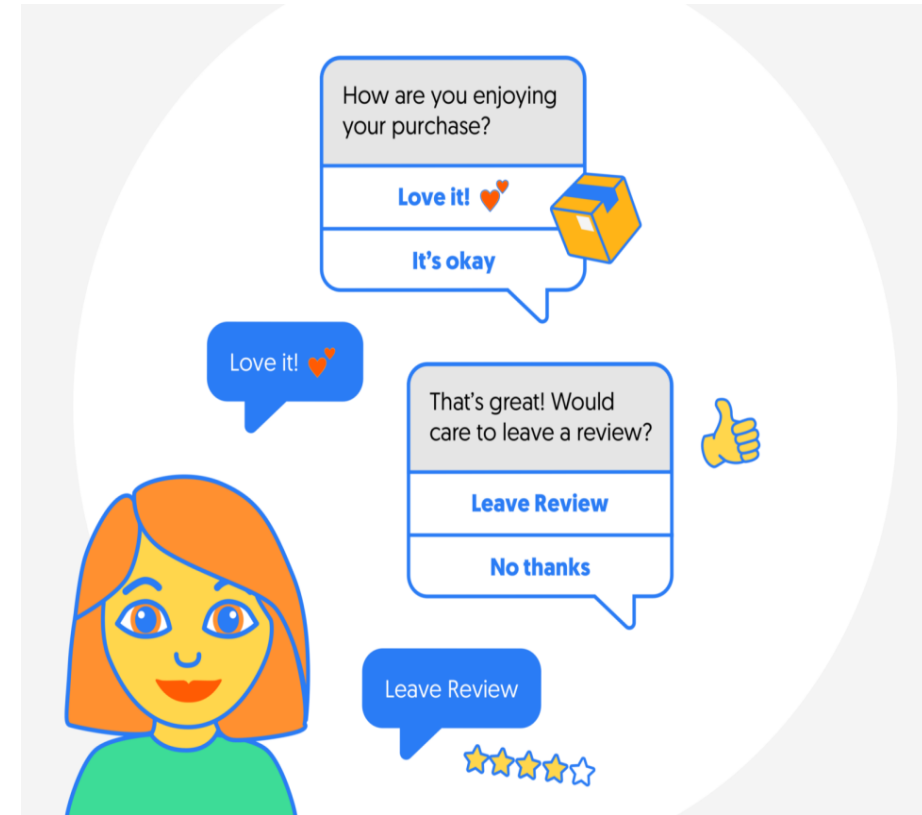
A woman with glasses and a white Uber driver shirt is sitting in a red car seat, holding a smartphone. The Uber logo is visible in the bottom left corner.

Uber

- Product strategies should focus on both purchase **and** consumption (my target is to buy & consume)
- Particularly important in the context of e-commerce (trust & reviews)



- Processes or programs that can help with managing customers post-purchase
 - User manuals (provide instructions manual)
 - Customer service programs (refund or exchange)
 - Loyalty programs (points for repeated purchase)



In order to perform successful pricing strategy, we have to perform 6 things.

The Fundamentals of Creating a Successful Pricing Strategy



Carrefour discounts.
Loss leader strategy

Black box

Adjustments to suit
situations. Events such
as mother's day, online
during covid

Watch &
observe your
competitors

Always do
market
research

How you position
yourself
(differentiation,
niche, penetration
cost leadership)

Marketing channels refer to “sets of interdependent organizations involved in the process of making a product or service available for use or consumption.”

1. Channel Design
 - Indirect Channels
 - Direct Channels
2. Online Strategies



1. Channel design

1. Direct channels

- Selling through personal contacts from the company to prospective customers
 - Mail, phone, electronic means, or in-person visits
- Brand equity issues of selling through direct channels include:
 - Company-owned stores
 - Store-within-a-store



1. Channel design

2. Indirect channels

- Selling through third-party intermediaries
 - Agents, broker representatives, wholesalers or distributors, or retailers or dealers



2. Online strategies

Multichannel retailers were able to acquire customers at half the cost of Internet-only retailers, citing a number of advantages :

- They have market clout with suppliers.
- They have established distribution and fulfilment systems.
- They can cross-sell between Web sites and stores.



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To Sum Up...



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Thank You

