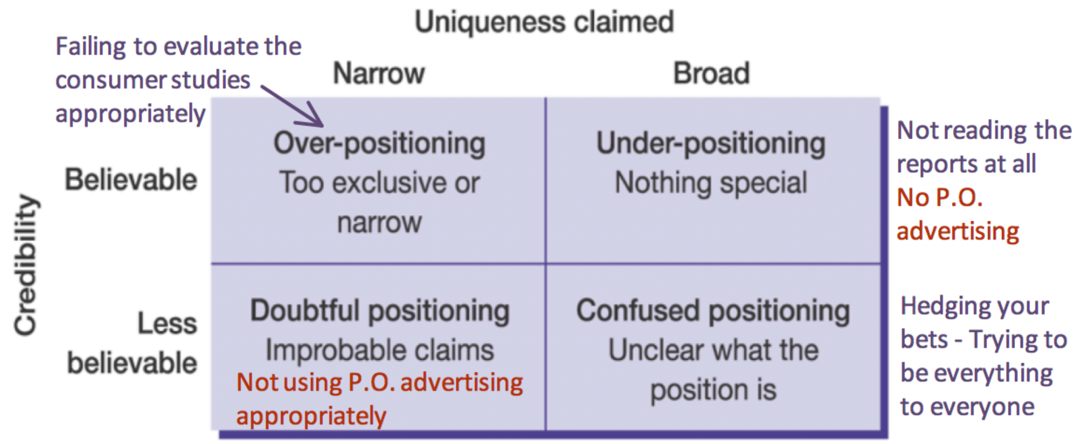
MKF3151 Exam Revision

Topics covered in the this Exam Revision Notes:

1. Marketing alternatives that marketing practitioners might pursue
2. The multi factor that can be used as strategic tools for determining market segment attractiveness and deciding on which markets to enter
3. The main steps in a benchmarking process explanation and example.
4. The activities in a competitor analysis.
5. The range of strategic objectives categories put forward by Dann and Dann (2007)
6. The uses of qualitative and quantitative research in customer analysis?
7. The different research methods identified in Chapter 4
8. The criteria that a firm's competitive positioning strategy should meet.
9. The positioning risks and errors that can occur when planning a competitive position.
10. The three main competitive positions a firm can hold and how they can do this.
11. The key components of cost leadership and differentiation
12. The range of competitive strategies that can be pursued by a company and what type of managers are suitable for each one.
13. The product life cycle models.
14. The issues and strategies involved in an evolving industry.
15. The forecasting methods identified in the model in the chapter
16. Three types of experimentation for forecasting demand that could be used by a company for a product
17. The ladder of customer relationship building.
18. Measuring, monitoring and evaluating customer satisfaction in an organisation
19. Understanding strategic customers management with the help of Customer Portfolio
20. The drivers for developing strategic alliances and networks
21. The four Ps of marketing as the basis for an internal marketing program
22. The possible problems that can be anticipated with an internal marketing program implementation within a firm
23. The three levels of dynamic marketing capabilities.
24. Brands as a power asset
25. The ways to critically evaluate brand portfolio.
26. Types of "new" products.
27. The new product development processes.
28. The meaning of a-priori research.
29. The stages of Maier and Saunders (1990) model for segmentation research.
30. Multi-dimensional positioning analysis.

9. The positioning risks and errors that can occur when planning a competitive position. (Chapter 8, p.186)



The major positioning errors that can be undermine a company's marketing strategy are:

- **Under-positioning**, when customers have only vague ideas about a company or its products, and do not perceive anything special about it, the product becomes an 'also-ran'
- **Over-positioning**, when customers have too narrow an understanding of the company, product or brand
- **Confused positioning**, frequent changes and contradictory messages may simply confuse customers about a company's positioning
- **Doubtful positioning**, the claims made for the company, product or brand may simply not be accepted, whether or not they are true

10. The three main competitive positions a firm can hold and how they can do this. (Chapter 8, p.208)

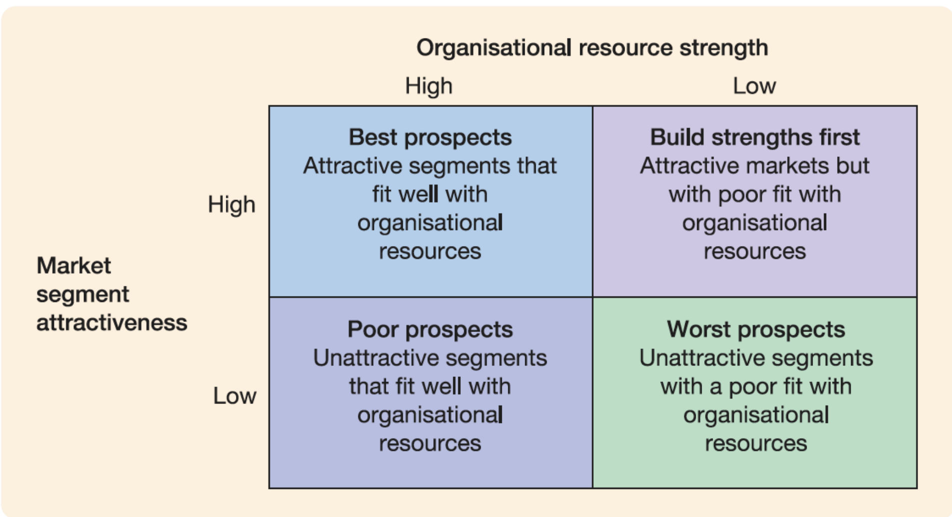


Figure 8.6
Market segment attractiveness and organisational resource strength

14. The issues and strategies involved in an evolving industry. (Chapter 3)

Stage	Issues	Strategies
Emergence	Technological uncertainty Commercial uncertainty Customer uncertainty Channel uncertainty	Locate innovators and early adopters Establish standard Reduce switching cost risk Encourage trial
Transition to maturity	Slow growth, falling profits Excess capacity, intense competition Increased customer power Extended product line	Marketing mix marketing Customer retention, segmentation Efficiency focus Coordination
Decline	Substitution by newer technologies Demographic change	Focus or divest

Figure 3.12 Industry evolution
Source: Adapted from O'Shaughnessy (1995).

15. The forecasting methods identified in the model in the chapter (chapter 7, p.158)

Forecasting based on current demand which includes

- The market build-up methods identifying all the potential buyers in each market and estimates their potential purchases;
- The chain ratios method multiplying a base number by a chain of adjusting percentages
- The market-factor index method estimating the market potential for consumer goods.

Forecasting based on past demand is the time-series analysis consists of breaking down sales into four components – trend, cycle, season and random components – then recombining these components to produce the sales forecast

- **Trend** is the long-term, underlying pattern of growth/decline in sales resulting from basic changes in population, capital formation and technology. It is found by fitting a straight or curved line through past sales.
- **Cycle** captures the medium-term, wave-like movement of sales resulting from changes in general economic and competitive activity. The cyclical component can be useful for medium-range forecasting. Cyclical swings, however, are difficult to predict because they do not occur on a regular basis.
- **Seasonality** refers to a consistent pattern of sales movements within the year. The term season describes any recurrent hourly, weekly, monthly or quarterly sales pattern. The seasonal component may relate to weather factors, holidays and trade customs. The seasonal pattern provides a norm for forecasting short-range sales.
- **Random events** include fads, strikes, earthquakes, riots, fires and other disturbances. These components, by definition, are unpredictable and should be removed from past data to see the more normal behaviour of sales. One UK retailer found that the best predictor of daily sales was the depth of snow falling. A true but not useful result

Forecasting through consumer intentions and expert opinion

- Buyer intentions which is using surveys to test the likelihood that a consumer will purchase a product in the future
- Salesforce opinions which the company asks its salespeople to estimate sales by product for their individual territories (estimating quota)
- Dealer opinions, which the company survey their dealers periodically for their forecasts of short-term demand.
- Expert opinions, which companies can also obtain forecasts by turning to experts: distributors. suppliers, marketing consultants and trade associations who can provide good insights but can be wildly wrong.
- Delphi methods which companies will invite a special group of experts to prepare a forecast, they exchange views and come up with a group estimate

Forecasting through experiment

(as below)

16. Three types of experimentation for forecasting demand that could be used by a company for a product (chapter 7, p.170)

There are three types of experimentation that a company could use for forecasting demand for a product.

Concept testing calls for testing new-product concepts with a group of target consumers. The concepts may be presented to consumers symbolically or physically. After being exposed to the concept consumers may be asked their likelihood of buying the product. The answers will help the company decide which concept has the strongest appeal. Feedback might suggest ways to refine the concept, thereby increasing its appeal to customers/

Pre-test markets, which companies can also test new products in a simulated shopping environment. The company or research firm shows, to a sample of consumers, ads and promotions for a variety of products, including the new product being tested. The researcher note how many consumers buy the new product and competing brands. This simulation provides a measure of trial of the commercial's effectiveness against competing commercials. The researchers then ask consumers tha reasons for their purchase or non-purchase. Some weeks later they interview the consumers by phone to determine product attitudes, usage, satisfaction and repurchase intentions. Using sophisticated computer models the researchers then project national sales from results of the simulated test market.
Simulated test markets overcome some of the disadvantages of standard and controlled test markets. They usually cost much less, can be run in eight weeks, and keep the new product out of competitors' view. However, some marketers think that the small samples and simulated shopping environment are not as accurate or reliable as larger, real-world tests.

Mini-test markets, in which products offered through limited number of shops in particular areas, track systems are used to monitor consumer behaviour from product to checkout.