Hello and Welcome to another CanIndian Channel Feature. I will be creating videos for the entire MBA course. I will ensure that the presentation of this video is done in a following manner: -

1. *I will try my best to avoid any definition, jargons or esoteric terms. I mean, definition and other complicated terms impedes cognitive learning.*
2. *Our brain thinks in pictures, I will ensure to present topics in the most creative and simplistic way possible.*
3. *Each section of the videos will have applicable real-world example which will assist in fixating your learning experience.*

Now diving straight onto our first topic – Marketing.

Marketing is everything involved in creating, communicating, and delivering value to customers, clients, and even society. Marketing is involved in everything from the market research that goes into determining what products consumers are looking for, to the message that is transmitted to consumers to inform them about a product and even persuade them to purchase it. In between those stages, marketing also plays a prominent role in determining how the product should look, designing the packaging that will enclose the product, deciding whether to sell the product through traditional retailers or entirely online, and establishing a price point that is not only attractive to consumers but allows gives the business the opportunity to be profitable. Now when most people think of marketing they often think of advertising, which is completely understandable given we are are constantly exposed to advertisements at home, at the office, and even during our commutes. Although advertising is a component of marketing it certainly does not explain the entire subject. In fact, advertising is simply one of the four different types of promotion, and promotion is one of the four main elements of marketing. So, you can see that advertising, like the other marketing elements, merely plays a role in helping businesses create, communicate, and deliver a single unified message to potential customers. So how does a business's create, communicate, and deliver value to its customers? Although there are many variables at work, a business can increase the probability of success by creating an effective and consistent marketing mix. Often referred to as the 4 P's, the market mix is a collection of four elements that outline the strategy for how a business intends to reach its customers. These four elements include product, place, promotion, and price. The product includes the tangible product or intangible service that will be used to fulfill a customer need or want. The features of a product, its physical form, packaging, warranties, and even after-sale service are all included under the product strategy. Place includes how a business intends to get products from the location they are produced to where they can ultimately be consumed by consumers. Place is often referred to as distribution since we are dealing with logistics. However, place not only includes the physical distribution of the product but also the channel through which it will be sold. Promotion involves establishing the most effective method for communicating with its customers about the various products that it sells. Promotion is primarily meant to communicate, inform, and persuade. An effective *promotion strategy, like the other marketing mix elements, depends upon a business's knowledge of its target customer. This knowledge allows a business to select the best way to communicate with its core audience and ultimately increase the success of its communications. The last element of the market mix is price. Price is the easiest marketing mix element to alter from a technical sense, however it is the most difficult thing to change. The reason is that altering the price of a product affects what consumers pay for that product, and a business can only charge as much as the market is willing to pay for a product. Technically a business can charge whatever price it wants, but that does not mean that consumers have to pay that price. Like the other marketing mix elements, price can send a message to consumers. For example, many believe that maintaining low prices is the best method to attract consumers. Although this can be an effective pricing strategy for certain items, it can also confuse consumers. For example, Tiffany & Co. sells expensive jewelry and is known for high quality and is one of the most recognizable brands. Because Tiffany & Co is known for quality and maybe even exclusivity, it wouldn't benefit from a low price point. Dealing with the psychological aspect of pricing, consumers tend to view less expensive items as cheap in quality compared to their more expensive counterparts. Although this doesn't always hold to be true, businesses are very aware of the impact that price can have on the perceptions of consumers.*

On the next section we will be looking into Marketing Segmentation.

Market Segmentation is essentially dividing a larger market into smaller sections between its shared characteristics. At its most basic level, the term "market segmentation" refers to subdividing a market along some commonality, similarity, or kinship. That is, the members of a market segment share something in common.

Imagine a company size of Coca-Cola. They spend billions of dollars on advertising. Now imagine a startup company which has a very restricted budget. For example: - I once started a business with my friends called iHappy Novelty and Gifts. The primary products were light up t-shirts and sunglasses. Since I did not have huge advertising budget I segmented my target market to maximize my advertising reach. I knew my target market was ravers and party goers from 17-22 yr. old. I used Facebook marketing capitalized on advertising to 17-22 yr. old with key word such as rave, concerts and club around the Toronto area. I was extremely successful in getting business from my target audience with very limited budget. As our business grew we started targeting other cities in Canada and then started targeting audience in the US. The business was successful, and we are also able to purchase gifts for kids whose parents couldn't afford gifts for Christmas. We were also featured in the newspaper which you can check out on my Instagram feed. A little off topic but I am sure it helps with visualization and understanding of the market segmentation.

Concentration of marketing energy (or force) is the essence of all marketing strategy, and market segmentation is the conceptual tool to help achieve this focus. Also, when *you think about Market segmentation visualize a funnel with entire market on top and segmentation as the funnel and on the bottom the target market. There are 4 different types of market segmentation and all of them vary in their implementation in the real world. Let us discuss each of them in detail.*

Demographic segmentation

Demographic segmentation is one of the simplest and widest type of market segmentation used. Most companies use it to get the right population in using their products. Segmentation generally divides a population based on variables. Thus, demographic segmentation too has its own variables such as Age, gender, family size, income, occupation, religion, race and nationality.

Demographic segmentation can be seen applied in the automobile market. The automobile market has different price brackets in which automobiles are manufactured. For example – Maruti Suzuki has the low-price bracket and therefore manufactures people driven cars. Audi and BMW have the high price bracket so it targets high end buyers. Thus, in this case, the segmentation is being done based on earnings which is a part of demography. Similarly, Age, life cycle stages, gender, income etc. can be used for demographic type of market segmentation.

Behavioral segmentation

This type of market segmentation divides the population on the basis of their behavior, usage and decision making pattern. For example – young people will always prefer Dove as a soap, whereas sports enthusiast will use Lifebuoy. This is an example of behavior-based segmentation. Based on the behavior of an individual, the product is marketed.

This type of market segmentation is in boom especially in the smart phone market. For example – Blackberry was launched for users who were business people, Samsung was launched for users who like android and like various applications for a free price, and Apple was launched for the premium customers who want to be a part of a unique and popular niche.

Another example of behavioral segmentation is marketing during festivals. Say on Christmas, the buying patterns will be completely different as compared to buying patterns on normal days. Thus, the usage segmentation is also a type of behavioral segmentation.

Psychographic segmentation

Psychographic segmentation is one which uses lifestyle of people, their activities, interests as well as opinions to define a market segment. Psychographic segmentation is quite like behavioral segmentation. But psychographic segmentation also takes the psychological aspects of consumer buying behavior into accounts. These psychological aspects may be consumers lifestyle.

Application of psychographic segmentation can be seen across nowadays. For example – Zara markets itself on the basis of lifestyle, where customers who want the latest and differential clothing can visit the Zara stores. Similarly, Arrow markets itself to the premium office lifestyle where probably your bosses and super bosses shop for the sharp clothing. Thus, this type of segmentation is mainly based on lifestyle or AIO.

Geographic segmentation

This type of market segmentation divides people based on geography. Your potential customers will have different needs based on the geography they are located in. In the article on geographic segmentation, i have explained how people who are located in non-municipal areas might require a RO water purifier whereas those located in municipal areas might need UV based purifiers. Thus, the need can vary based on geography.

Similarly in cold countries, the same company might be marketing for heaters whereas in hot countries, the same company might be targeting air conditioners. Thus, many companies use geographic segmentation as a basis for market segmentation.

This type of segmentation is the easiest, but it was actually used in the last decade where the industries were new, and the reach was less. Today, the reach is high but still geographic segmentation principles are used when you are expanding the business in more local areas as well as international territories.

Now to Recap on this Video:

We learnt about:

What is Marketing

The 4P's of Marketing Mix.

The Market Segmentation

The Target Market.

Hit like if you enjoyed this video, there will be a series of other videos on MBA course starting with Introduction to Marketing. Subscribe for additional videos.

This is CanIndian Channel signing off. Peace!

Hello and Welcome to CanIndian channel feature of Business to Business vs Business to Customers. This video is a part of series of MBA 101 course. If you are studying introduction to marketing course you can be assured that the questions from this topic will show up on your exam and its important you clearly understand the differences of the two segments.

There is a difference between marketing to a business and marketing to a consumer, believe it or not!

Although you are still selling a product to a person, experience shows that the difference between these two types of markets runs deep. We are going to list the key element that differentiate these two segments.

Examples of B2B would be Caterpillar who builds equipment's to serve the needs of construction industry or Boeing making airplanes for airline industry.

Examples of B2C would be coca cola servicing us carbonated drinks or McDonalds providing us the fast food service.

With B2B there is close relationship with the customer. I worked in the engineering department for a large aviation company. We shared our project schedules, targets with other business that we procure parts and material. We also shared things such as part drawing, engineering improvements and best practices. The relationship was very important because any changes in schedules or milestone would have a direct or indirect effect on our company

With B2C the relationship is impersonal, and message is mass communicated. Meaning you buy a can or a bottle of coke you enjoy by drinking the product and the business relationship ends when you purchased the product. Same goes for Mcdonals once you finish purchasing the burger the business relationship ends. It is very short term.

B2B markets are generally small vertical markets, often niche in size, comprised of a few thousand sales prospects to maybe as large as 100,000 prospects

B2C markets that are typically large broad markets of tens to thousands to millions of sales prospects also B2B sales are "higher ticket" purchases usually costing from just a few thousand dollars to tens of millions of dollars. Also, the decision to purchase in B2B sales is generally driven by need and budgets, therefore; it tends to be a very rational decision.

B2C sales can range in cost from a dollar to a few thousand dollars. Except, for cars and homes. B2C purchase decisions tend to be made based on want more than need or a budget and, therefore, are triggered by more emotional decisions.

B2B sales require ***consultative selling****(selling based on understanding a client's needs and developing a relationship of trust) sometimes from a two-step level sales organization including the seller's sales force and distribution sales force.*

B2C sales are usually direct to the consumer or involve a retailer. The sales approach is a traditional product sell of "convincing the consumer" they need the product or service being sold.

We will look at the difference in more details as follows:

1. *Number of buyers for B2C are usually large – think about Mcdonals serving over billions meal and number of buyer for B2B are usually like a location of CATerpillar will usually sell couple 100 large equipment to a construction builder.*
2. *The size of orders are Usually small – example coke bottle or a chocolate bar. For Business to Business the size of order is usually large. An example for the aviation company I worked for used to manufacture pressure vessels weighing over 1 ton and extremely large.*
3. *B2C sales can range in cost from a dollar to a few thousand dollars. Except, for cars and homes. Whereas B2B sales are "higher ticket" purchases usually costing from just a few thousand dollars to tens of millions of dollars.*
4. *B2C purchase decisions tend to be made based on want more than need or a budget and, therefore, are triggered by more emotional decisions whereas the decision to purchase in B2B sales is generally driven by need and budgets, therefore; it tends to be a very rational decision.*
5. *And 6, B2C sales have short purchasing periods of anywhere from a few minutes (the impulse buy), to a few days and is a simple sale consummated immediately. B2B sales typically have a purchasing process that is usually defined in months and the sale is complex, often taking additional months to complete.*
6. *Brand identity in B2C markets is created through advertising and now social media. Brand identity in B2B markets is created through personal relationships and consultative selling.*

These B2B and B2C marketing differences are crucial to your marketing strategy and tactics. Knowing your target audience, developing an appropriate B2B ***marketing message****, and the distribution methods of your communication messages are very different if you are a B2B as opposed to a B2C Company. Using big business consumer marketing tactics are not cost effective and are not likely to produce the new business-to-business clients you seek.*

Your Bottom Line:

B2B sales prospects are very different from B2C. B2B sales prospects are found in small vertical markets require consultative selling and take longer to sell. B2B sales are "higher ticket" sales driven by a rational sales approach that requires developing personal relationships. The payoff for B2B sales prospects is a high lifetime customer value.

*Knowing the marketing differences between B2B and B2C are just the beginning steps to achieving **B2B sales lead prospecting** success.*

Welcome to another video of CanIndian Channel Feature. This video is part of series of the MBA 101: Introduction to Marketing course. Topic for this video is Product Life cycle.

We are going to use Research in Motion's Blackberry as an example to better understand this theory.

Of how Blackberry who was once a leader in smartphone lost its market share to Samsung and Apple.

At the time of making this video Apple just launched Iphone8 and Iphone X and it seems like Apple has launched it touch on innovation and will meet similar fate as Blackberry unless they resurrect Steve Jobs. Without digressing off the topic, lets dive straight onto the video.

A new product progresses through a sequence of stages from introduction to growth, maturity and decline. This sequence is known as the product life cycle and is associated with changes in marketing situation, thus impacting the marketing stratergy and the marketing mix.

The product revenue and profits can be plotted as a function of the life cycle stages as shown in the graph.

The X axis represents the time and the y axis represents money or product sales.

There are four stages in the product life cycle

Stage 1. Introduction

Stage 2. Growth

Stage 3. Maturity

Stage 4. Decline

Let's look at each in detail with the application of Blackberry's example to better understand the process.

Stage 1: Market Introduction

Product branding and quality will be determined.

Any intellectual property protection is obtained.

Pricing may be either be low (to gain market share) or high (to quickly recoup development costs).

Distribution is selective (pending market acceptance of the product). Please watch my video on Pshylogical aspect of price where market penetration is further explained.

Marketing is targeted at innovators and early adopters to try and encourage rapid awareness building for the product.

At the point of market introduction:

1.Costs will be highest. This is because economies of scale are yet to be realized and there are few (if any) sales to drive costs down.

2.Sales volumes will be relatively slow to begin with. Market adoption takes time to achieve.

3.Little or no competition. It is hoped, though not always the case, that there will be little competition for a new product.

4.Demand needs creating. Marketing is particularly important to create demand

5.Customers need to be encouraged and educated to use the product.

6.Profitability, if any, will be low

Remember when a Canadian company based in waterloo called Research in Motion launched Blackberry. They grasped the market share from market leader Nokia by introducing business enterprise email system on cell phones.

Stage 2: Growth

Quality is maintained, and development prioritizes additional features, complementary products and support

Pricing will be maintained as the product is likely to enjoy a competitive advantage

Distribution is increased to accommodate increased demands

Marketing focuses on a wider audience.

At the point of growth:

1.Costs begin to decline as economies of scale kick in.

2.Sales volumes rise appreciably compared to the introduction phase.

3.Profitability will rise

4.Brand/product awareness will rise

5.Competitors are likely to enter the market

Blackberry stock price touched an all-time high of $150 in late 2008. This is before Steve job was about to launch the iPhone and android was inception stage. At the time of making this video blackberry's competitors drove Blackberry's on a brink of bankruptcy.

Stage 3: Maturity

Product features will normally be enhanced to enable strong differentiation of the product from competing products

Prices may have to be cut to ward off competitive threats

Distribution will become more intense and new incentives may be introduced to try and encourage sales vs. competitors' products

Marketing focuses on the differentiation of the product in the market.

At the point of maturity:

1.Costs decrease to reflect rising sales volumes and the experience of the business in producing the product

2.Sales volume reaches a peak and market saturation is attained

3.Further competitors enter the market

4.Prices will drop based on competition

5.Brand differentiation and product diversification becomes a possible strategy to protect market share

6.Profitability begins to decline

As stated on the previous section, Blackberry was unable to innovate or initiate a successful brand differentiation. Hence it lost its market share to competitors.

Stage 4: Decline

Product goes into a maintenance phase

Attempts are made to recreate the product through new uses or by significantly changing the product

The product may become a legacy offering sold to a niche group

Costs are reduced as far as possible

Finally, the product is discontinued when it is no longer economic to sell

At the point of decline:

1.Costs begin to become less than optimal

2.Sales volumes decline significantly

3.Prices fall further

4.Profitability depends less on sales than the efficiencies of production and distribution efforts

It is worth noting that while products are often discontinued at the end of the lifecycle; the business will usually remain and will be involved in other products by this stage.

At this point Blackberry's CEO John Chen tried his best at reviving the company image.

He even tried to give up on the RIM software to get on board with Andriod software but we all know it is too late.

Challenges of Using the Product-Life Cycle

It is important to note that a product life cycle is a complex thing. Some products have life-cycles measured in months or years whereas others may be measured in decades or centuries.

Rising sales do not always indicate growth, falling sales do not always indicate decline. Some products may not experience a decline at all within the lifetime of the business management team (think about Coca-Cola for example which has enjoyed relatively consistent sales for over 100 years).

Because of this, it is important to use the product-life cycle as a guideline to which large quantities of common sense must be applied rather than to use it as a rigid tool for decision making. Maturity and decline, in particular, can be difficult to identify with any form of precision and strategic decisions must be approached with caution to deliver the expected outcomes.

The Take Away

The product-life cycle provides guidance to a business as it progresses a product from introduction, through growth and maturity to decline. It is not designed to be a rigid tool and it is important that common sense and general understanding of the market be used alongside the product-life cycle in order to get the most value from it. Designers are most likely to be involved with the stages of introduction, growth and maturity and be moving on to new projects when a product is in decline.

Never forget Philip Kotler, the world-famous marketer's, advice though; "Watch the product life cycle; but more important, watch the market lifecycle." It's not just products that come to an end, but markets can too.

PSYCHOLOGICAL ASPECT OF PRICE

Hello and Welcome to another feature of CanIndian Channel. This video will provide insight on Psychological Aspect of Price. One of the four major elements of the marketing mix are price. Pricing is an important strategic issue because it is related to product positioning. Furthermore, pricing affects other marketing mix elements such as product features, channel decisions, and promotion.

While there is no single recipe to determine pricing, the following is a general sequence of steps that might be followed for developing the pricing of a new product.

1. *Develop marketing strategy – Perform Marketing Analysis, segmentation, targeting, and positioning.*
2. *Make marketing mix decisions - define the product, distribution, and promotional tactics.*
3. *Estimate the demand curve – Understand how Quantity demanded varis with price*
4. *Calculate cost – Include fixed and variable cost associated with the product*
5. *Understand environmental factors – Evaluate likely competitor actions, understand legal constraints, etc.*
6. *Set pricing objectives – for example profit maximization, revenue maximization, or price stabilization (status quo).*

Determine pricing- using information collected in the above steps, select

1. *a pricing method*
2. *develop the pricing structure*
3. *define discounts.*

These steps are interrelated and are not necessarily performed in the above order. Nonetheless, the above list serves to present a starting framework.

Marketing Strategy and the Marketing Mix

Before the product is developed, the marketing strategy is formulated, including target market selection and product positioning. There usually is a tradeoff between product quality and price, so price is an important variable in positioning.

Because of inherent tradeoffs between marketing mix elements, pricing will depend on other product, distribution, and promotion decisions.

Estimate the Demand Curve

Because there is a relationship between price and quantity demanded, it is important to understand the impact of pricing on sales by estimating the

For existing products, experiments can be performed at prices above and below the current price to determine price elasticity of demand. Inelastic demand indicates that price increases might be feasible.

If the firm has decided to launch the product, there likely is at least a basic understanding of the costs involved, otherwise, there might be no profit to be made.

The unit cost of the product sets the lower limit of what the firm might charge and determines the profit margin at higher prices.

The total unit cost of a producing a product is composed of the variable cost of producing each additional unit and fixed costs that are incurred regardless of the quantity produced. The pricing policy should consider both types of costs.

Environmental Factors

Pricing must consider the competitive and legal environment in which the company operates. From a competitive standpoint, the firm must consider the implications of its pricing on the pricing decisions of competitors. For example, setting the price too low may risk a price war that may not be in the best interest of either side. Setting the price too high may attract a large number of competitors who want to share in the profits.

From a legal standpoint, a firm is not free to price its products at any level it chooses. For example, there may be price controls that prohibit pricing a product too high. Pricing it too low may be considered predatory pricing or & in the case of international trade. Offering a different price for different consumers may violate laws against price discrimination. Finally, collusion with competitors to fix prices at an agreed level is illegal in many countries.

Pricing Objectives

The firm's pricing objectives must be identified in order to determine the optimal pricing. Common objectives include the following:

Current profit maximization seeks to maximize current profit, considering revenue and costs. Current profit maximization may not be the best objective if it results in lower long-term profits.

Current revenue maximization seeks to maximize current revenue with no regard to profit margins. The underlying objective often is to maximize long-term profits by increasing market share and lowering costs.

Maximize quantity seeks to maximize the number of units sold or the number of customers served to decrease long-term costs as predicted.

Maximize profit margin attempts to maximize the unit profit margin, recognizing that quantities will be low.

Quality leadership use price to signal high quality to position the product as the quality leader.

Partial cost recovery an organization that has other revenue sources may seek only partial cost recovery.

Survival- in situations such as market decline and overcapacity, the goal may be to select a price that will cover costs and permit the firm to remain in the market. In this *case, survival may take a priority over profits, so this objective is considered temporary.*

Status quo - the firm may seek price stabilization in order to avoid price wars and maintain a moderate but stable level of profit.

For new products, the pricing objective often is either to maximize profit margin or to maximize quantity (market share). To meet these objectives, skim pricing and penetration pricing strategies often are employed. Joel Dean discussed these pricing policies in his classic HBR article entitled,

Pricing Policies for New Products

Skim pricing attempts to "skim the cream off the top of the market" by setting a high price and selling to those customers who are less price sensitive. Skimming is a strategy used to pursue the objective of profit margin maximization.

Skimming is most appropriate when:

- *Demand is expected to be relatively inelastic; that is, the customers are not highly price sensitive.*
- *Large cost savings are not expected at high volumes, or it is difficult to predict the cost savings that would be achieved at high volume.*
- *The company does not have the resources to finance the large capital expenditures necessary for high volume production with initially low profit margins.*

Penetration pricing pursues the objective of quantity maximization by means of a low price. It is most appropriate when:

- *Demand is expected to be highly elastic; that is, customers are price sensitive and the quantity demanded will increase significantly as price declines.*
- *Large decreases in cost are expected as cumulative volume increases.*
- *The product is of the nature of something that can gain mass appeal fairly quickly.*
- *There is a threat of impending competition.*

As the product lifecycle progresses, there likely will be changes in the demand curve and costs. As such, the pricing policy should be reevaluated over time.

The pricing objective depends on many factors including production cost, existence of economies of scale, barriers to entry, product differentiation, rate of product diffusion, the firm's resources, and the product's anticipated price elasticity of demand

To set the specific price level that achieves their pricing objectives, managers may make use of several pricing methods. These methods include:</p>

Cost-plus pricing - set the price at the production cost plus a certain profit margin.

Target return pricing- set the price to achieve a target return-on-investment.

Value-based pricing - base the price on the effective value to the customer relative to alternative products.

Psychological pricing- base the price on factors such as signals of product quality, popular price points, and what the consumer perceives to be fair

In addition to setting the price level, managers have the opportunity to design innovative pricing models that better meet the needs of both the firm and its customers. For example, software traditionally was purchased as a product in which customers made a one-time payment and then owned a perpetual license to the software. Many software suppliers have changed their pricing to a subscription model in which the customer subscribes for a set period of time, such as one year. Afterwards, the subscription must be renewed or the software no longer will function. This model offers stability to both the supplier and the customer since it reduces the large swings in software investment cycles

Price Discounts

The normally quoted price to end users is known as the list price. This price usually is discounted for distribution channel members and some end users. There are several types of discounts, as outlined below

Quantity discount - offered to customers who purchase in large quantities

Cumulative quantity discount - a discount that increases as the cumulative quantity increases. Cumulative discounts may be offered to resellers who purchase large quantities over time but who do not wish to place large individual orders

Seasonal discount - based on the time that the purchase is made and designed to reduce seasonal variation in sales. For example, the travel industry offers much lower off-season rates. Such discounts do not have to be based on time of the year; they also can be based on day of the week or time of the day, such as pricing offered by long distance and wireless service providers

Cash discount - extended to customers who pay their bill before a specified date

Trade discount - a functional discount offered to channel members for performing their roles. For example, a trade discount may be offered to a small retailer who may not purchase in quantity but nonetheless performs the important retail function

Promotional discount- a short-term discounted price offered to stimulate

Hello and welcome to another video of CanIndian Channel. This video is part of segment for MBA 101: Introduction to Marketing. In this video we will discuss the product adoption lifecycle. In a previous video we discussed about the product lifecycle. If you are studying for a university course or a MBA course it is certain that you will have questions from this topic in your exam. I will also attach notes and other reference material which will help you get more information on this topic.

Now diving straight on to the video, lets pull our graph from last video – The product life cycle. During the product life cycle we discussed about the 4 stages of life cycle. Here we will be looking at stages of adoption category in conjunction to the product life cycle. The adopter group are mainly identified as:

Innovators

Early Adopters

Early Majority

Late Majority

Laggards.

I prefer to relate the topic that I learn to a real-life example. This simplifies understanding and also enhances faster recollection. If you have watched my other videos, the real-world example I like to use is something that I have a firsthand experience. For this video I will be using my business example of iHappy Novelty and Gifts – a business venture that I started with my friends and was very successful.

iHappy Novelty used to sell sound activated light up t shirts at concerts and events. We were doing extremely well in sales and pondered on launching a new product. We brainstormed to manufacture light up sunglasses that can be programmed using a cell phone. We decided to pitch this idea on Kickstarter – a crowd sourcing marketplace. At this stage we were targeting the Innovators. Kickstarter is a website that uses its platform to fund new innovative ideas. Majority of the Kickstarter users are innovators and willing to take the risk in purchasing the product. This adopter group are willing to take risks, have the highest social status, have financial liquidity, are social and have closest contact to scientific sources and interaction with other innovators. This group is relative small market eager and inquisitive to try new products. The group is extremely important to trial the product and give us constructive feedback to revise the product before the next phase of the product cycle. At point since we had to come up with huge R&D cost we decided to mark the product relative high. We were aware that this group is interested in getting exclusive product hence we provided customization to the glasses meaning anyone purchase the glasses would receive custom etched product with their names or company's name on it. Remember our first video about using marketing mix implication, the strategy used for this group :

Product – Customized product where you could get your names etched on the glasses

Price – Skimming pricing strategy – meaning marking product high for high profit margin. I will be detailing skimming on another video.

Next, we look at the Early Adopters. This adopter group is more discreet in adoption choices than innovators. They have the highest degree of opinion leadership among the adopter categories. Once we had the sunglasses launched we targeted the early adopter group. Since we knew we had no competition we continued to keep the price high and targeted the concerts and events where many people are considered to make the impulse buy.

We then move ahead describing the early majority stage which tributes during the growth stage of the product life cycle. Remember this category is intended to constitute roughly 34% of this category making it one of the important focus for sales and growth. This group adopt an innovation after a varying degree of time that is significantly longer than the innovators and early adopters. In terms of explaining this with the iHappy Sunglasses we started targeting consumers on basis of market segmentation. Market segmentation is also explained in another video of this segment. Apart from Kickstarter we started selling the sunglasses on our website and premium DJ stores. We still wanted to maintain exclusivity hence the price skimming strategy of maintaining high prices was sustained. Also take an example of Samsung phones. When its first introduced it comes with an expensive price tag because it comes with features that have no competition and the product are targeted for early adopter and early majority. Then drop the prices as the features becomes a norm with other products.

The marketing mix for sunglasses was modified as follows:

Product – An app feature to download different patterns was added

Price – Maintained at high level if demand was high or reduced to capture additional customers

Distribution – Website and premium DJ stores.

Promotion – Increased ads through google advertising using demographic and psychographic market segmentation.

Within the maturity phase another set of adopters that constitute to 34% of the category would be the late majority. This group adopt an innovation after the average participant. These individuals approach an innovation with a high degree of skepticism and after most of society has adopted the innovation. Using this information our business group targeting audience by using YouTube stalwarts. We used YouTube celebrities to endorse our product to reduce customer skepticism. During this stage we spend a huge amount of our revenues for marketing we used Facebook ads, google algorithm marketing using target segmentation. The goal was to maintain market share and extend the product life cycle. We also got distributors and retailers on board and used marketing penetration with lower pricing to ward off any competitors.

The marketing mix was modified as follows:

Product – Upscale packaging with YouTube celebrity endorsements

Price – Price reduction in response to competition while avoiding a price war.

Distribution – New retailers, distributors

Promotion – Celebrity endorsements.

Next we move on the last and final stage with the decline stage and the adopter category would be the Laggards. Laggard – what a weird name. The meaning of this term is tending to lag. The adopter category was publizsed by Everett Rogers a professor of communication studies in 1962. Some time I like to associate the learning material with times and era as it creates a memorial foundation and really helps in shifting focus within your subconscious. During this stage we saw our sales began to fall. We knew that the products create were a "Fad" and we had competition from china and other countries. This adopter group will only buy products when it's absolutely required, and it is the norm. To target this group, we initiated rave events where you need these glasses to attend the events. We had to lower our prices to liquidate existing products. We also started selling the product on eBay and amazon at a discounted price.

During this stage the marketing mix was modifies as follows:

Product – Rejuvenate the product packaging to make it look new again

Price – Price is lowered to liquidate inventory

Distribution – Sell product on all platform – eBay, amazon, retail etc.

Promotion – Reinforce brand image for continued product by stating some discounts for additional product on the website.

I really hope you enjoyed this video, if you need additional information or script for your notes please don't hesitate to drop me a comment or contact me on my email. There are other videos on the MBA 101 course. Please feel to watch them. Subscribe to view the entire library.

This is CanIndian Channel signing off. Peace!!

Hello and welcome to another CanIndian channel feature. In this video we will be discussing Maslow's hierarchy of needs. Maslow's theory helps marketers understand how various products fi into the plans, goals and lives of consumers. If you are undertaking a MBA course, it's important to understand the consumer buying process from B2B (which is business to business) and B2C which is business to consumers. I have 2 other videos explain the physiological effects of price and B2B vs B2C, please feel free to watch them at this will give you a better perspective on this video. Also, be sure to expect questions on this for your exam or tests.

I have used references from Marketing Management: An Asian perspective six edition by Philip Kotler and Wikipedia website pictures. Please ensure that you comprehend that this video applies to B2C segment. Abraham Maslow sought to explain why people are driven by needs at times. Why does one person spend considerable time and energy on personal safety and another on pursuing the high opinion of others. Maslow's answer is that human needs are arranged in a hierarchy, from the most pressing to the least pressing. In order of importance, they are physiological needs, safety needs, social needs, esteem needs and self-actualization needs. People will try to satisfy their most important needs first. When a person succeeds in satisfying an important need he or she will then try to satisfy the next most important need. For example, a starving man will not take interest in the latest happening in the art world nor in how he is viewed by others or even in whether he is breathing clean air, but when he has enough food and water, the next most important need will become salient.

We will look at Maslow's model in detail:

Physiological needs

Physiological needs are the physical requirements for human survival. If these requirements are not met, the human body cannot function properly and will ultimately fail. Physiological needs are thought to be the most important, they should be met first.

Air, water, and food are metabolic requirements for survival in all animals, including humans. Clothing and shelter provide necessary protection from the elements

Safety needs

Once a person's physiological needs are relatively satisfied, their safety needs take precedence and dominate behavior.

Safety and Security needs include:

- *Personal security*
- *Financial security*
- *Health and well-being*
- *Safety needs against accidents/illness and their adverse impacts*

Social belonging

After physiological and safety needs are fulfilled, the third level of human needs is interpersonal and involves feelings of belongingness.

Social belonging needs include:

- *Friendships*
- *Intimacy*
- *Family*

Esteem

All humans have a need to feel respected; this includes the need to have self-esteem and self-respect. Esteem presents the typical human desire to be accepted and valued by others. People often engage in a profession or hobby to gain recognition. These activities give the person a sense of contribution or value. This is the reason you see premium auto dealer such as Mercedes or BMW target professionals such as lawyers and doctors. Another example is Louis Vuitton which in my opinion looks so dull and ugly but makes my head spin with the price they charge. People purchase LV as it satisfies their esteem needs.

Self-actualization

Individuals may perceive or focus on this need very specifically. For example, one individual may have the strong desire to become an ideal parent. In another, the desire may be expressed athletically. For others, it may be expressed in paintings, pictures, or inventions. As previously mentioned, Maslow believed that to understand this level of need, the person must not only achieve the previous needs, but master them.

I hope this video has been informative. Please feel free to watch other segments of this channel. You can subscribe and watch the entire folder for MBA 101 course. With the help of other students, teachers and the online community I intend to create an entire MBA library course. This is CanIndian channel signing off. Peace!

Hello and welcome to another CanIndian channel feature. In this video we will look at conducting Marketing Research. This is video is a part of series of MBA 101 course: Intro. to Marketing. Please feel free to watch other section on Intro to Marketing course. During the make of the video the referenced textbook is Marketing Management: An Asian Perspective – Philip Kothler, sixth edition.

Marketing research is the systematic design, collection, analysis and reporting of data and finding relevant information to a specific marketing situation facing the company.

If you have watched my other videos, I always use a real-world example to explain a topic in this way as your mind grasps the topic in much better way. The example I would like to use is my company iHappy Novelty and Gifts. I have talked about this company in the product life cycle video. When our company iHappy Novelty was basking in success we decided to launch new product lines. For this we needed to conduct market research. There are different ways of conducting marketing research such as:

Using the internet – Accessing publication data. Word of advice, don't rely too much on google. Ensure that the information is from a credible source.

Tapping into marketing partner expertise – Marketing research firms, as agencies, distributors and other marketing partners may be able to share relevant market knowledge that they have accumulated.

Checking out competitors – Researching information about your competitors in the same category or closely related category.

Most companies use a combination of marketing research resources to study their industries, competitors, customers and channel strategies. Marketing research firms fall into three categories:

1. *Syndicated-service research firms – These firms gather consumer and trade information which they sell for a fee. Example Nielson company, Millward Brown and TNS global*
2. *Custom marketing research firms – These firms are hired to carry out specific projects. They design the study and report the findings.*
3. *Specialty-line marketing research firms- These firms provide specialized research services. The best example is the field-service firm, which sells field interviewing services to other firms.*

When my business partners embarked on addition of new products to iHappy Novelty, we did not have a huge marketing budget to conduct the above search. We ended up using a small marketing research company overseas who were specialized in google analytics and could provide us marketing insights on effectively placing our company on the path we envisioned.

Steps to Marketing Research Process:

1. *Define the problem and research objective: Ihappy example would be to add an additional product line. These are decision alternatives and research objectives – decisions about the existing business problem and outcomes of research(objectives)*
2. *Develop the research plan decisions on data sources (primary and/or secondary data), research approaches, research instruments, sampling plan (who should take part in research; how big should the sample size be?) and contact methods (how should the data be collected)*
3. *Collect the information – This phase is the most expensive and most prone to error, but this is the only process to ensure data is generated for the company.*
4. *Analyze the information – Extract pertinent findings from the collected data using suitable data analysis techniques*
5. *Present the finding – in a way pertinent to the major marketing decision facing management – deliver meaningful insights to the specified research objectives.*
6. *Make the Decision – What is the next step for the company given insights. It is here that the research implications are weighed, and decisions are made to incorporate the preferences and attitudes of buyers unto the product development, price setting, distribution decision, advertising programs, service requirements and other key areas of the marketing plan.*

The researcher can gather secondary data, primary data or both.

Typically, researchers and managers start their investigation by analyzing secondary data – data that have already been collected internally or have been made available by the government as this approach will be the most cost effective. When secondary data do not adequately address business problems or provide answers to only one aspect of the business problem, primary data are generated through marketing research to assist the management. I have also listed the comparison of primary and secondary data source, this always shows up on quizzes or exams if you are undertaking a MBA course. For the primary data source, the mailed surveys have wide reach, relatively inexpensive, yields low response and unable to obtain detailed info questions are short and direct.

For telephone surveys, it is targeted for a much more complex survey if needed, allows for clarification, relatively inexpensive.

For personal interview, detailed information can be obtained, its small reach, expensive, there could be possible interviewer errors.

For email polling there is Quick response, its inexpensive, its limiting respondents, it has low response rates, quick results.

To Recap this video, we looked at Marketing Research, steps in conducting marketing research and different research sources

Thank you for watching this video, if you have any questions or queries please do not hesitate to contact me. If you need the script to this video for your exam, please drop me a comment and I will email it to you. This is CanIndian channel signing off – Peace!

Hello and Welcome to another CanIndian Channel Feature. This video is part of series lecture for Intro to Marketing course:

In this video we will be discussing the following:

1. *The consumer buying process*
2. *How Marketers create value*

The consumer buying process:

Far too often, retailers think that consumer buying is randomized. That certain products appeal to certain customers and that a purchase either happens or it doesn't. They approach product and service marketing in the same way, based on trial and error. What if there were a distinctive set of steps that most consumers went through before deciding whether to make a purchase or not? What if there was a scientific method for determining what goes into the buying process that could make marketing to a target audience more than a shot in the dark?

The good news? It does exist. The actual purchase is just one step. In fact, there are six stages to the consumer buying process, and as a marketer, you can market to them effectively.

1.Problem Recognition

Put simply, before a purchase can ever take place, the customer must have a reason to believe that what they want, where they want to be or how they perceive themselves or a situation is different from where they actually are. The desire is different from the reality – this presents a problem for the customer.

However, for the marketer, this creates an opportunity. By taking the time to "create a problem" for the customer, whether they recognize that it exists already or not, you're starting the buying process. To do this, start with content marketing. Share facts and testimonials of what your product or service can provide. Ask questions to pull the potential customer into the buying process. Doing this helps a potential customer realize that they have a need that should be solved.

2. Information Search

Once a problem is recognized, the customer search process begins. They know there is an issue and they're looking for a solution. If it's a new makeup foundation, they look for foundation; if it's a new refrigerator with all the newest technology thrown in, they start looking at refrigerators – it's fairly straight forward.

As a marketer, the best way to market to this need is to establish your brand or the brand of your clients as an industry leader or expert in a specific field. Methods to consider include becoming a Google Trusted Store or by advertising partnerships and sponsors prominently on all web materials and collaterals.

Becoming a Google Trusted Store, like my previous company iHappy Novelty – a leading dealer of party products – allows you to increase search rankings and to provide a sense of customer security by displaying your status on your website.

Increasing your credibility markets to the information search process by keeps you in front of the customer and ahead of the competition.

3. Evaluation of Alternatives

Just because you stand out among the competition doesn't mean a customer will absolutely purchase your product or service. In fact, now more than ever, customers want to be sure they've done thorough research prior to making a purchase. Because of this, even though they may be sure of what they want, they'll still want to compare other options to ensure their decision is the right one.

Marketing to this couldn't be easier. Keep them on your site for the evaluation of alternatives stage. Leading insurance provider Kaenetix in Canada allows customers to compare rates with other insurance providers all under their own website – even if the *competition can offer a cheaper price. This not only simplifies the process, it establishes a trusting customer relationship, especially during the evaluation of alternatives stage.*

4. Purchase Decision

Somewhat surprisingly, the purchase decision falls near the middle of the six stages of the consumer buying process. At this point, the customer has explored multiple options, they understand pricing and payment options and they are deciding whether to move forward with the purchase or not. That's right, at this point they could still decide to walk away.

This means it's time to step up the game in the marketing process by providing a sense of security while reminding customers of why they wanted to make the purchase in the first time. At this stage, giving as much information relating to the need that was created in step one along with why your brand, is the best provider to fulfill this need is essential.

If a customer walks away from the purchase, this is the time to bring them back. Retargeting or simple email reminders that speak to the need for the product in question can enforce the purchase decision, even if the opportunity seems lost. Step four is by far the most important one in the consumer buying process. This is where profits are either made or lost.

5. Purchase

A need has been created, research has been completed and the customer has decided to make a purchase. All the stages that lead to a conversion have been finished. However, this doesn't mean it's a sure thing. A consumer could still be lost. Marketing is just as important during this stage as during the previous.

Marketing to this stage is straightforward: keep it simple. Test your brand's purchase process online. Is it complicated? Are there too many steps? Is the load time too slow? Can a purchase be completed just as simply on a mobile device as on a desktop computer? Ask these critical questions and make adjustments. If the purchase process is too difficult, customers, and therefore revenue, can be easily lost.

6. Post-Purchase Evaluation

Just because a purchase has been made, the process has not ended. In fact, revenues and customer loyalty can be easily lost. After a purchase is made, it's inevitable that the customer must decide whether they are satisfied with the decision that was made or not. They evaluate.

If a customer feels as though an incorrect decision was made, a return could take place. This can be mitigated by identifying the source of dissonance and offering an exchange that is simple and straightforward. However, even if the customer is satisfied with his or her decision to make the purchase, whether a future purchase is made from your brand is still in question. Because of this, sending follow-up surveys and emails that thank the customer for making a purchase are critical.

This customer behavior can also be called as cognitive dissonance. I bought a premium coffee maker. I registered it online for receiving online orders and discounts for the pods. After a couple days I received a post card from this company thanking me and congratulating me for the purchase.

I felt really good about receiving the card and especially making the purchase. This step ensures that the consumer wouldn't be returning the item due to cognitive dissonance.

Take the time to understand the six stages of the consumer buying process. Doing this ensures that your marketing strategy addresses each stage and leads to higher conversions and long-term customer loyalty.

Next, we will look at how marketers can create value:

Value is results of an evaluation as to cost or benefits of products or service

The assessment of the value is derived from needs and wants.

Needs are something that a consumer requires. For example, food, water, clothing

Wants are goods or services that are not necessary but that we desire or wish for. For example, ne needs clothes, but one may not need designer clothes.

Let's take an example of say if Samsung sends your box of complete assembly of the newest phone parts. It may not add a value to you as a consumer until its assembled and the android software package has been loaded on the phone. When Samsung uses the raw material, assembles it – it as created a form utility value hence even if the phone may cost approx. $125 to manufacture they will then sell it to the consumer for $700-$800.

Let's look at an example of the time utility. McDonald's has restaurant across the world and as per the demographics they stay open 24 hrs. In this way the customer can patronize McDonalds business at any time of the day. Another example would be extended hours during Christmas. Most retailer will stay open an hour late or open an hour early to cash in on holiday shoppers.

The next way that marketers can add value through utility is Place utility

Walmart as a retailer has tried to incorporate one stop shop for its consumers. You can get your oil changed in a car, get a haircut, get pictures taken and do your grocery shopping all at one place. Their strategy is to increase convenience for the consumer. Next example is business at the airport. It provides utility for the consumer for last *minute shopping needs. The price may be a little more but its built as a convenience for the consumer.*

If you remember the old apple advertisement about "think different". If you haven't watched this advertisement – I highly suggest pause this video and check that ad out. Steve jobs always cleverly positioned apple as "cool product" – it tried to change the customers perception to sway away from IBM or Windows product to purchasing the apple product even though it was on an expensive platform. This is prime example of how a clever marketer – Steve jobs capitalized on Ownership Utility. Another example would be if you ever decided to purchase a new car. You will look at the advertisement in the newspaper and then visit the car dealership. After you have decided to narrow down on the car, the sales person would state about all the extra features that you can add. They will then offer you a 0% interest and add the cost of the extra features. Although it might seem small on a monthly payment it will add up to a substantial amount at the end of finance. The sales may state it's only an additional 50$ over your monthly payment and make it seem very affordable.

Thank you for watching this video. Hit like if you enjoyed this video, there will be a series of other videos on MBA course starting with Introduction to Marketing. Subscribe for additional videos.

This is CanIndian Channel signing off. Peace!

Adopter category	Definition
Innovators	Innovators are willing to take risks, have the highest social status, have financial liquidity, are social and have closest contact to scientific sources and interaction with other innovators. Their risk tolerance allows them to adopt technologies that may ultimately fail. Financial resources help absorb these failures.[40]
Early adopters	These individuals have the highest degree of opinion leadership among the adopter categories. Early adopters have a higher social status, financial liquidity, advanced education and are more socially forward than late adopters. They are more discreet in adoption choices than innovators. They use judicious choice of adoption to help them maintain a central communication position.[41]
Early Majority	They adopt an innovation after a varying degree of time that is significantly longer than the innovators and early adopters. Early Majority have above average social status, contact with early adopters and seldom hold positions of opinion leadership in a system (Rogers 1962, p. 283)
Late Majority	They adopt an innovation after the average participant. These individuals approach an innovation with a high degree of skepticism and after the majority of society has adopted the innovation. Late Majority are typically skeptical about an innovation, have below average social status, little financial liquidity, in contact with others in late majority and early majority and little opinion leadership.
Laggards	They are the last to adopt an innovation. Unlike some of the previous categories, individuals in this category show little to no opinion leadership. These individuals typically have an aversion to change-agents. Laggards typically tend to be focused on "traditions", lowest social status, lowest financial liquidity, oldest among adopters, and in contact with only family and close friends.