

Session 1: The Marketing Framework: 4 P's and 5 C's

Today's topics

- 1. Skills you will develop. Plan for 15.810.**
- 2. Review of 4 P's and 5 C's – a structure for analysis.**
- 3. Strategic positioning. Why the obvious is not always best.**

Readings

Note on Marketing Strategy
Note on Strategic Positioning



We'll help you to learn ...

- **Marketing ideas and phenomena like delivering benefits to customers**
 - do consumers really want a “black oily pond” look?
- **Marketing analysis: selecting marketing strategy**
 - will we succeed with a “free-mium” strategy (Dropbox, AMA job website)?
- **Marketing analysis: best tactics**
 - what fraction should Apple spend on television?
- **Marketing analytics**
 - what product features give you the most bang for the buck? And how do you price them?
 - how much should you spend to retain a customer?
- **Strategic topics: positioning, segmentation, rule of efficiency, etc.**
 - does it make sense for IKEA to require consumers to build themselves?
 - why are antique stores (outlet stores, automobile dealerships) located together?



Example puzzles you'll solve ...

- **Aqualisa launched a new shower product in Great Britain. Using breakthrough technology that solves a critical consumer need and is easy for plumbers to install, but it is not selling.**
- **Brita “owns” a market, but P&G enters. The new product may be disruptive? Is it? Do you adopt, fight, or do something else?**
- **Snapple was developed by entrepreneurs, bought by Quaker and run into the ground. Why did the entrepreneurs succeed? Why did Quaker stumble? Can you revive the brand?**
- **Timbuk2 wants to make laptop bags. They can choose from many features? Which will be desired by consumers and which will be profitable?**
- **Blindness due to cataracts is a major scourge in the developing world. Government hospitals cannot treat patients fast enough. Can marketing increase efficiency enough so that cures outstrip new cases?**



Theory sessions

- **My role**
 - provide summary from experience and literature
 - provide a few examples
 - use those examples
- **Your role**
 - generalize the concepts
 - provide additional examples
 - learn the boundaries
 - use the theory



Case discussions (e.g., SWA)

- **My role**
 - make sure we are on a common ground
 - make sure we explore key generalizable findings
- **Your role**
 - analyze the case (groups of 3-4)
 - sometimes the analysis is more critical than the recommendation
- **Class participation**
 - helping me: not everyone will know the brand, need to get some background information
 - good comments: new insights, synthesis, building upon other comments, critiquing other comments (if I push you that is good), quality not quantity
 - bad comments: unnecessary repetition, not listening or building upon your teammates, soliloquies



MIT Sloan values

- **Professional atmosphere**
 - respectful comments and humor
 - refrain from distracting activities
 - courtesy toward all guests, hosts, and participants
 - when in doubt, use conservative standards
- **Communication**
 - primary role of TAs
 - ask if you have questions, let us know your “customer needs”
- **Pronunciation**
 - Dr. Spaceman, Jay Waterski



Brand identity

- **Name cards, help us get to know you**
- **Seating chart**
- **Pictures, information survey, let me know about you**
- **Demonstratives**



Action-learning project

- **Choose a firm, division, product, or service by September 29.**
 - Initial ideas discussed in class on September 29, refine up until SIP.
 - Meetings with TA within the next two weeks.
- **Interview two or more customers each by November 17.**
- **Summarize with respect to 4P's and 5C's.**
- **Recommendations**
- **Can be coordinated with Enterprise Management action-learning project**
 - Must do project as specified for 15.810
 - Can do additional work with EM track (overlap is fine)
 - Each 15.810 group to be original, but can be multiple groups with same firm, ...



Other learning mechanisms

- **Two written cases (in groups)**

- Brita
- Snapple
- Aqualisa



- New York Times
- Swatch



Ad images. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <http://ocw.mit.edu/help/faq-fair-use/>.

- **Individual assignment**

- *What are the three most important lessons that you learned about marketing in this course that will help you as a manager?*

Snapple hints

- **Understand the Snapple customer(s).**
- **Product development is important.**
 - how does Snapple identify new products?
 - how does Snapple decide how much to produce?
- **Don't forget to read the ethnographic research in the back of the case.**



Structure provides a template

- **Strategic structure (5 C's)**
 - **Customer** (customer needs, segments, consumer behavior, etc.)
 - **Company skills** (brand name, image, production capability, organization, etc.)
 - **Competition** (actions are interrelated, market environment, etc.)
 - **Collaborators** (downstream wholesalers or retailers, upstream suppliers, etc.)
 - **Context** (culture, politics, regulations, social norms, etc.)
- **Tactic structure (4 P's)**
 - **Product** (features, quality, service, support, product line, etc.)
 - **Place** (channel of distribution, exclusive vs. intensive, power, etc.)
 - **Promotion** (advertising, sales force, brochures, coupons, etc.)
 - **Price** (list price, discount, deals, both end-user and channel, , etc.)



Brand manager job available at Catalina Yachts, but you are not a sailor.

Customer

- **serious sailor**
- **cares about quality**
- **but modest budget**
- **more likely ocean than lake (but some lake)**
- **willing to trailer boat**



Catalina Yachts
The Sailors' Choice
Sport Series

Main Nav // home | news | events | about us | owners | users | dealer locator | links | parts dept | store | mainsheet magazine | contact

Brochure Series Archives	SPORT Series 12-27 ft	CRUISER Series 31-35ft	OCEAN Series 38-45 FT	VIDEO TOURS	PICTURE GALLERY	SAILING STORIES
 Catalina 12.5 Expo	 Catalina 14.2	 Catalina 14.2 Expo	 Catalina 16.5			
 Catalina 18	 Catalina 22 Capri	 Catalina 22 Sport	 Catalina 275 Sport			
 Sabot						

Ad images. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <http://ocw.mit.edu/help/faq-fair-use/>.

A Message from Frank Butler, President of Catalina Yachts

Company strengths

- listen to customer
- customer loyalty
- 40 years to design continuity
- efficient Florida factory

- good support system
- quality hardware, but
- not high-end design



When I founded Catalina Yachts in 1970, my goal was not to become the largest sailboat builder in the United States. My goal was, and still is to build good boats that are a good value for our customers. accomplishing this requires planning, efficient manufacturing (a part of the process I particularly enjoy) and well-designed

boats. I believe Catalinas do well in a very competitive market, because they are the result of listening carefully to our customers and dealers. When

we design a new boat, we don't try to reinvent the wheel each time. We incorporate proven features with new ideas and a lot of boatowners' suggestions. This gives the line continuity, helps us avoid overly trendy styling, and insures good resale value for Catalina

owners. At Catalina we are especially proud of having the biggest percentage of repeat customers in the industry. We are all committed to maintaining the high

level of customer confidence this represents. The Catalina philosophy means listening to our customers and doing our best every day. On that promise the Catalina family will continue to grow.

Forty Years of Catalina

Ad images. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <http://ocw.mit.edu/help/faq-fair-use/>.

Competition

- varies within line
- Example: Catalina 275 sport
- Tattoo Yachts [formerly MacGregor] (motor)
- Hunter Edge (motor)
- Compac 23/IV (passage)
- Seaward 26RK (passage)



Tattoo 26+ Tattoo 22+ News+ Videos+ FAQs+ Dealer Info+ Why Tattoo? Contact Us+ Search the site...

The Tattoo 26 is lighter than competing trailerable cruisers, and can be towed behind many family cars. The 26 is under 8' wide (less than most competitors) and comes with an aluminum L-walk-on launch procedure is simple. One person can raise the mast, launch the boat and sail away in 10 - 15...

Wakeboard behind a Tattoo 26? Of course!

Posted by Laura MacGregor Sharp
Featured
July 14, 2014
Comments Off

They may say it can't be done, but the proof is in the Tattoo 26 video. This Tattoo 26 Power Sailer fitted with an Extralube 60 horsepower outboard motor has plenty of power to get a wake boarder up and having fun. When the wind quits, or you just want to go fast, the Tattoo offers a speedy alternative to sail power.

Read More

Translation
English

Recent Posts

- Wakeboard behind a Tattoo 26 off course!
- 50 boats and counting!
- Winter Boat Shows are coming!
- Happy Holidays from Tattoo

Home | 26RK | Specifications | Exterior | Interior | Detail | Standard Equip | Options | Options Pics | Videos | Contact Us

26RK

THE SEAWARD 26RK is a boat unlike any other. Because her keel and rudder adjust vertically, she has a unique personality, and surprising sailing abilities. The first thing you should know is that her draft varies from fifteen inches to six feet. The keel can be positioned anywhere within its range so you're able to adjust draft to suit the water depth and wind conditions you're sailing in.

Catalina 275 Sport



HOME | OUR FLEET | LATEST NEWS | OWNER INFO | CALENDAR | SALE HUNTER | FIND A DEALER

HUNTER theEDGE

Sail or Power – Get Both with theEDGE

Perfect for motorboaters who want to sail and families who want a little mix of everything, theEDGE will get you out on the water for sailing fun and motoring excitement! Trailerable, beachable and user-friendly, theEDGE is equally at home sailing the high seas or wakeboarding and tubing on your favorite lake or river.

When you're on the water with your family, safety is paramount. theEDGE sports important safety features such as positive flotation, a swing-up centerboard and stabilizing water ballast. With its swing-up centerboard and structural grid reinforcement, this subvot beaches safely and easily, and because of the stability and strength engineered into the design, theEDGE can accept a 75HP outboard!

When you want to take the family out for a fantastic day on the water, you owe it to yourself to get theEDGE!

Get a Brochure

Find a Dealer

theEDGE can take a 75HP kick in the pants.



Ad images. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <http://ocw.mit.edu/help/faq-fair-use/>.

- **Collaborators**

- dealers
- part suppliers
- marine stores
- marinas

- **Context**

- economy
- carbon footprint

West Marine
For your life on the water™

What are you looking for? **Search** [Store Finder](#) [Help](#)

Shop By Department

- Men
- Women
- Shoes
- Maintenance
- Anchor & Docking
- Safety
- Electronics & Navigation
- Sailing
- Fishing
- Water Sports
- Boats, Motors & Parts
- Electrical
- Plumbing & Ventilation
- Galley & Outdoor
- Clearance**

West Advisor | **West Advantage** | **Order Tracking** | **Sign In / Register**

<p>VIEW ALL SAILING</p> <p>Rigging</p> <ul style="list-style-type: none"> Running Rigging Standing Rigging Sail Rigging Lifelines & Terminals One-Design Running Rigging Headsail Furling Rigging Knives Industrial Rigging West Marine Rigging Service <p>Marine Navigation</p> <ul style="list-style-type: none"> Binoculars Plotting Cruising Guides Navigation Charts Compasses VIEW ALL 	<p>Sailboat Hardware</p> <ul style="list-style-type: none"> Blocks Shackles, Snaps & Fittings Sailing Cleats Winches Traveler, Tracks & Vangs Downwind Poles & Cars Sailboat Steering Headsail Furling VIEW ALL <p>Hardware</p> <ul style="list-style-type: none"> Cabinet Hardware Fasteners Rail Fittings Rub Rail Windshield Accessories Wipers VIEW ALL 	<p>Sailing Instruments</p> <ul style="list-style-type: none"> Clinometers Load Cells Tell Tales Wind Instruments VIEW ALL <p>Marine Instruments</p> <ul style="list-style-type: none"> Depth Instruments Knotmeter Instruments Multifunction Instruments Weather Instruments VIEW ALL <p>Sailing Clothing</p> <ul style="list-style-type: none"> Foul Weather Gear Sailing Gloves Sailing Shorts Sailing Boots 	<p>Top Brands</p> <ul style="list-style-type: none"> FORESPAR FSE ROBLINE HARKEN HAYN KARVER LEWMAR NEW ENGLAND ROPES RONSTAN SAMSON ROPE SCHAEFER SPINLOCK SUNCOR WEST MARINE
--	---	---	--

DOCKAGE AVAILABLE!

Hyannis Marina
1 Willow Street
Hyannis, MA 02601
508-790-4000

Monitoring VHF
Channels 9 & 72
41°38.30N, 70°16.25W

HYANNIS MARINA

Home | General Info | Boat Sales | Dockage | Service | Boater's Boutique | Web Cam & Weather | Contact Us

MARINA AND BOATING CENTER
Hyannis Harbor... the best kept secret!

NEW AND PRE-OWNED BOAT SALES
Sea Ray

DOCKAGE RESERVATIONS (A secure form will open in a new window)

BUYERS SHORTCUT

Sea Ray | CONTENDER | J/POWER | KEY WEST | Intrepid | CM

New and Preowned Boat Sales: Hyannis Marina is Cape Cod, Massachusetts & New England's largest waterfront full service boat dealer to buy Sea Ray, KeyWest, Jupiter, and Contender Boats. We offer financing, dockage and boat storage.

With three convenient locations: Hyannis, Buzzards Bay & Wareham, MA.

Watch our Video | Photo & Fun! | facebook | YouTube | Sign up for our event flyers

Ad images. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <http://ocw.mit.edu/help/faq-fair-use/>.

Now let's consider the tactics

- **Product**
- **Place**
- **Promotion**
- **Price**



Product

Catalina 275 Sport



CATALINA C275 Sport Preliminary Specifications

Length Overall	8.38 m	27' - 6"
Length of Hull	8.38 m	27' - 6"
Length of Waterline	8.10 m	26' - 7"
Beam	2.59 m	8' - 6"
Draft		
	Fin Keel	1.52 m 5' - 0"
Sail Area Actual	35.30 m ²	380 sq. ft.
Sail Area 100% Foretriangle	29.54 m ²	318 sq. ft.
Mast Height Above Water	11.89 m	39' - 0"
I	10.49 m	34' - 5"
J	2.74 m	8' - 9"
P	9.60 m	31' - 6"
E	3.50 m	11' - 6"
Approx. Basic Weight	2,268 kg	5,000 lbs.
Ballast		
	Fin Keel	925 kg 2,040 lbs.



All Specifications are approximate and subject to change without notice.
Actual equipment also subject to change without notice.



Place

There are over 40 boat dealers in Eastern MA.

Eastern Yacht Sales

About Staff New Boats Brokerage News Owners Blog Contact Search Boats for Sale

Representing

- Catalina Yachts
- JEANNEAU
- EASTERN BOATS
- Harbor Boats
- COM-PAC YACHTS

About Eastern Yacht Sales

Serving all of New England for more than 30 years

Sailboats by Catalina, Jeanneau, Com-Pac and Harbor Boats. Powerboats by Eastern Boats and Mainship. Plus hundreds of good quality brokerage boats are available through our seven convenient New England facilities. We offer the latest in award winning designs, and new technologies to make your boating experience easy, safe and fun.

Let Eastern Yacht Sales help fill your year with family fun and memories. Currently offering great savings on all new and pre-owned boats at our 7 locations from Maine to Connecticut. Eastern Yacht Sales is sure to have the right boat for you. And if that perfect boat is not on our lot, our friendly, experienced sales staff has the tools and knowledge to go find it for you.

News and Updates

Eastern Yacht Sales, Inc. Like 5,042

Eastern Yacht Sales, Inc. shared Newport International Boat Show's photo. August 29 at 10:49am

Sales Offices

- Hingham
- Marblehead
- Vineyard Haven
- Portland
- Portsmouth

Connected to fbcdn-profile-a.akamaihd.net...

Ad images. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <http://ocw.mit.edu/help/faq-fair-use/>.

Promotion

- Need to find customers
- Need to communication benefits to customers
- Need to learn from customers

The screenshot shows the website for the Annapolis Boat Shows. The header includes the title "Annapolis Boat Shows" and a navigation menu with links for Home, Shows, What's New, About, News & Press, Get Eblast, and Contact. A "BUY TICKETS!" button is located in the top right corner. The main banner features a hand holding a smartphone with the text "DOWNLOAD OUR FREE BOAT SHOW APP!" and a large image of the 2014 United States Sailboat Show with the dates "October 9-13, 2014". Below the banner is a search bar and a breadcrumb trail: "Home > Welcome to the United States Sailboat Show".

The page content is divided into two main sections. On the left is a "Sailboat Show" sidebar menu with the following items: HOME, BUY TICKETS, SHOW INFORMATION, SHOW LAYOUT, PREMIERING BOATS 2013, TAKE THE WHEEL WORKSHOP, MANUFACTURER, BOAT LIST, PRODUCT LIST, EXHIBITORS LIST, SEMINARS, SPONSORSHIP OPPORTUNITIES, FOR EXHIBITORS, MEMBERS OF THE TRADE, ACCOMMODATIONS, and CONTACT US. Below the menu is a Facebook icon and a "VISIT THE SHOW" button.

The right section is titled "Welcome to the United States Sailboat Show" and contains a promotional message: "The nation's oldest and largest in-water boat show THE UNITED STATES SAILBOAT SHOW Peruse the largest multi-hull collection in the world, 45 and growing!". This message is accompanied by two images of sailboats on the water. Below the images is the text: "A unique collection of new sailboats and catamarans make their debut this year at City Dock in Annapolis, Maryland."

Ad images. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <http://ocw.mit.edu/help/faq-fair-use/>.

Price

- **Base boat**
 - \$25,000 to \$75,000
- **from dealer**
 - mark-up or discount
 - end of season
- **As sold**
 - electronics
 - Catalina options
 - dealer options



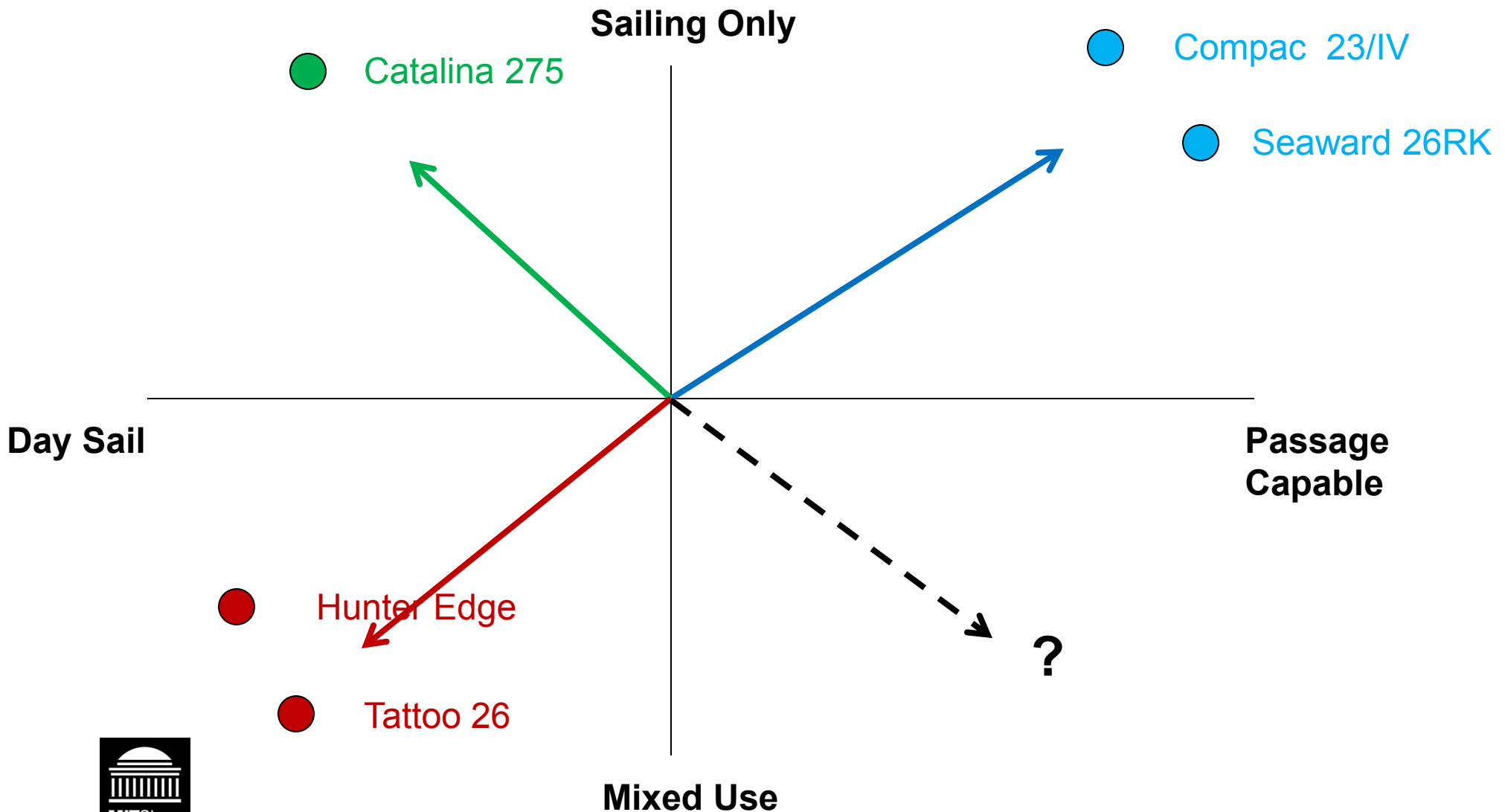
Ad images. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <http://ocw.mit.edu/help/faq-fair-use/>.

Bottom line

- **Tactics (4 P's) depend upon strategic insights (5 C's)**
- **4 P's can be set based on analysis**
 - qualitative insight
 - quantitative analytics
- **Good manager can diagnose the strategy and select the tactics**



Returning now to competitive strategy – strategic positioning

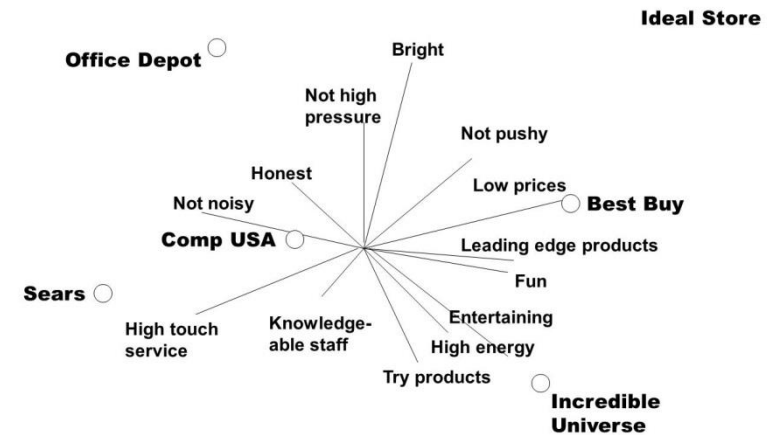
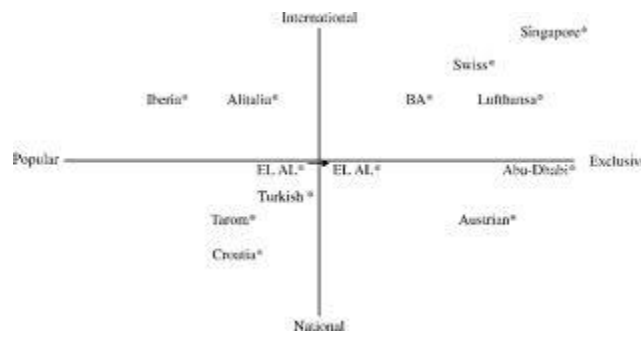


“Positioning maps”

- Called a “joint-space” map
 - product features
 - products
 - preferences (optional)



Example perceptual maps (illustrative web search)



Now let's simplify to understand the theory



- The one more pediatricians give their own children.
- The pain reliever hospitals use most.
- Tough on pain, easy on your stomach



- The headache medicine.
- I've got a headache THIS big – and it's got Excedrin written all over it.



- The wonder drug.
- Bayer works wonders.



- Tough on pain, gentler to your stomach.
- Bufferin, it's worth it.



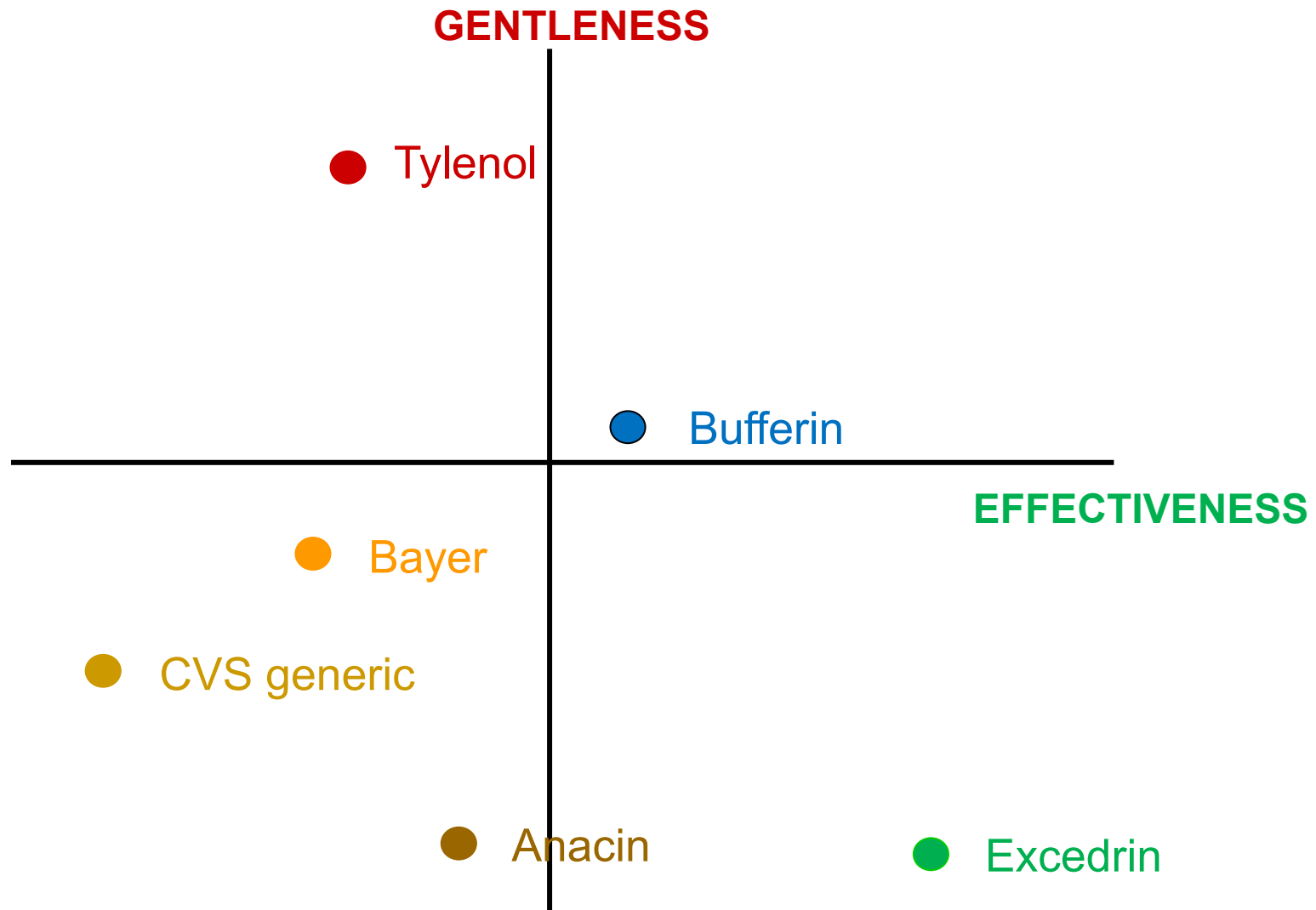
- Fast, fast, fast relief.
- When only fast will do.



- Example of various “store brands.”



Positioning map (also called a “perceptual map”)



Value map

(rescale, divide by price, complementary viewpoint)

GENTLENESS/\$

● Tylenol

● Bufferin

● Bayer

● CVS generic

● Anacin

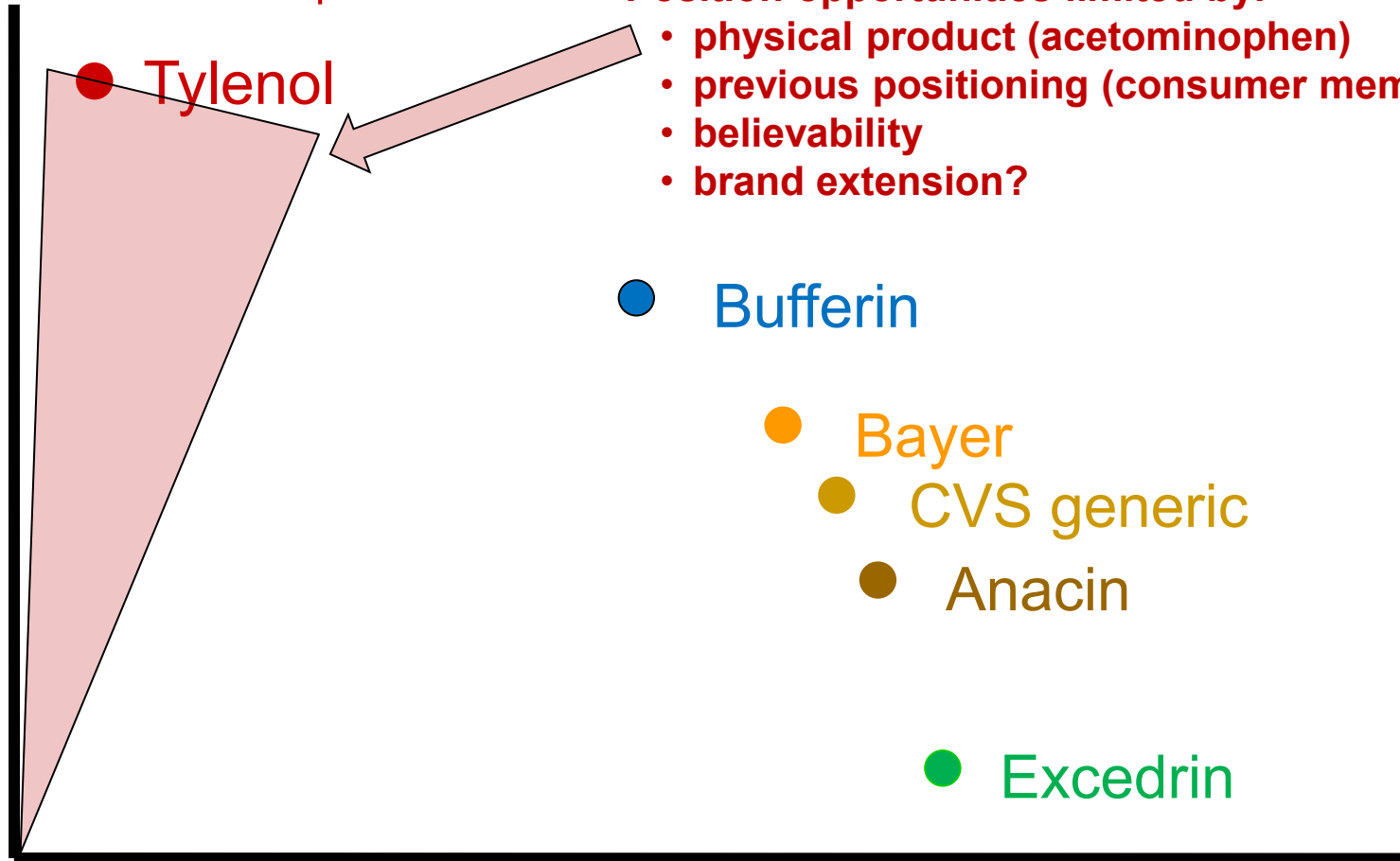
● Excedrin

EFFECTIVENESS/\$



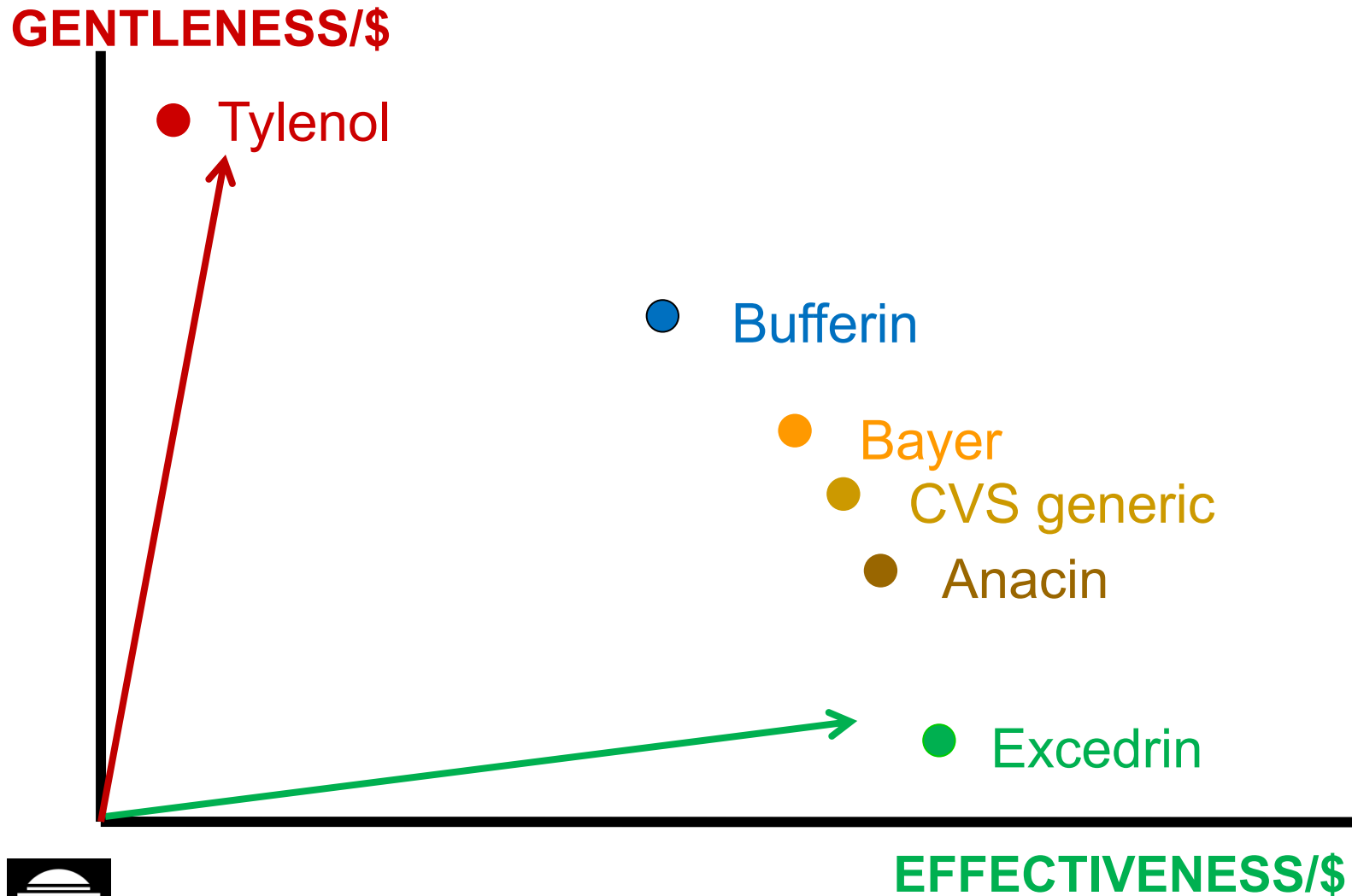
Company Strengths

GENTLENESS/\$

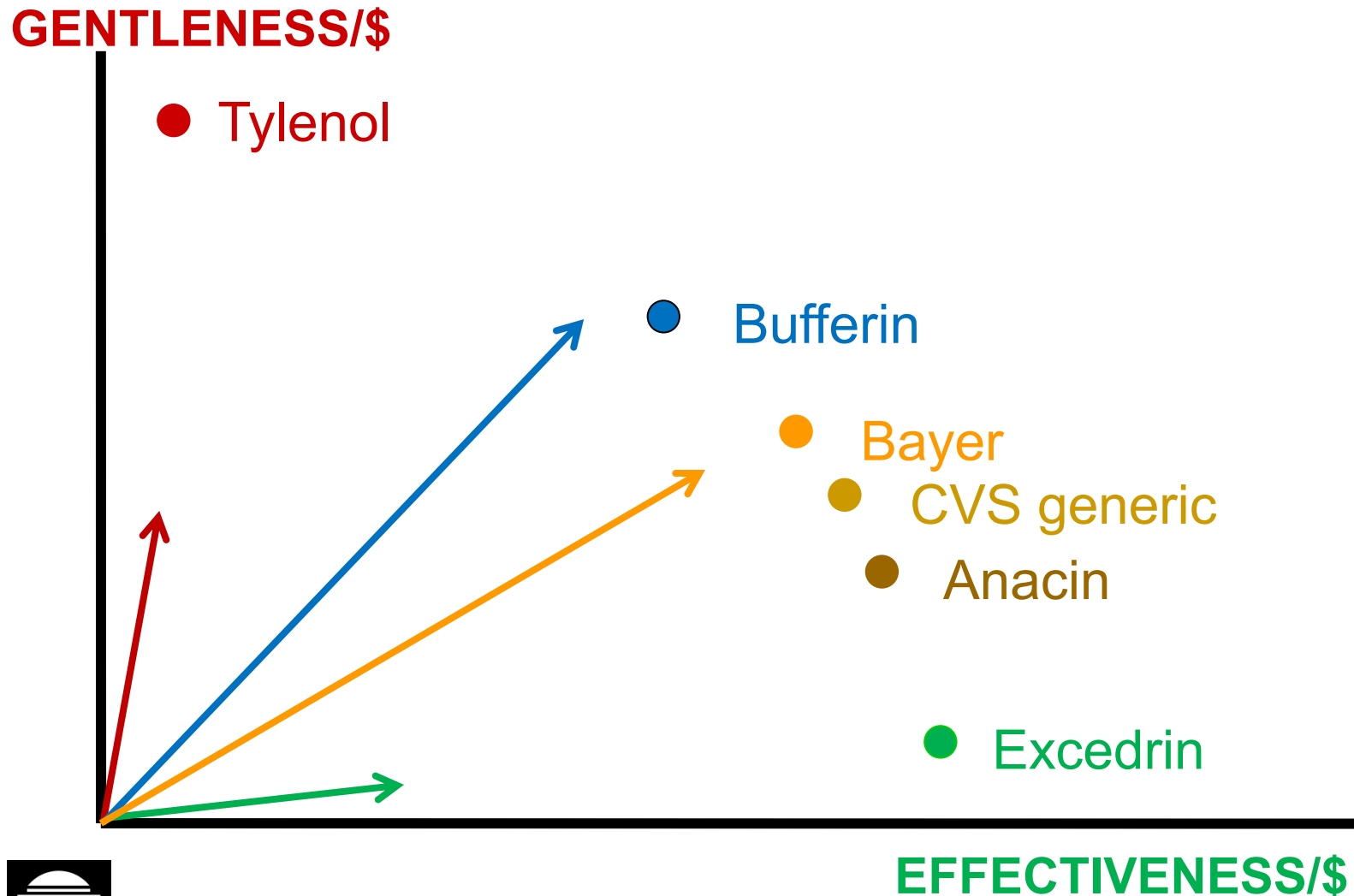


EFFECTIVENESS/\$

Customers (highly segmented)

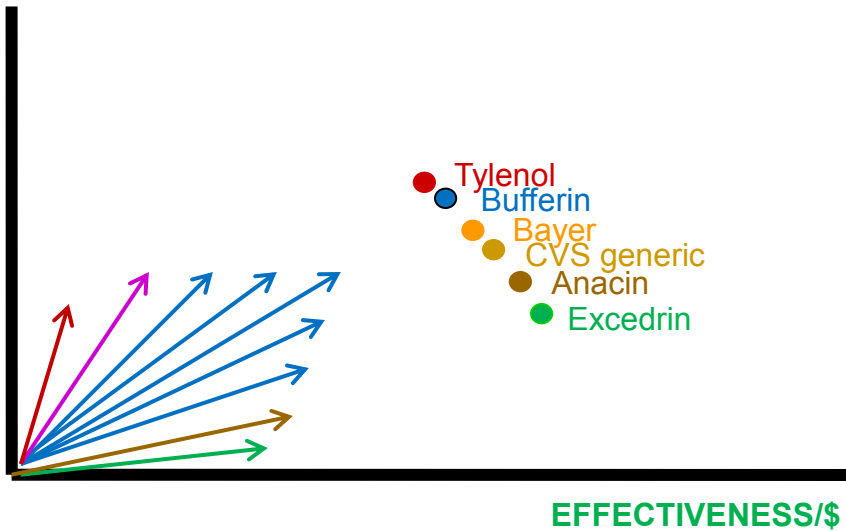


Customers (strength in center)

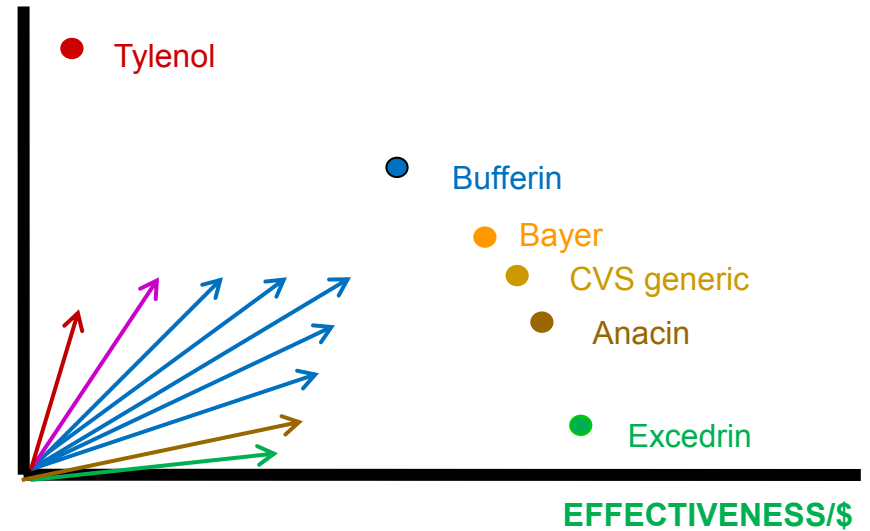


Competition

GENTLENESS/\$



GENTLENESS/\$



How does Tylenol fare in each market?

Which market is more stable?

Examples of positioning

- MacSpoofs. “[Apple – Get a Mac – Surgery.](#)” January 9, 2007. YouTube.
- ILikeThisAD. “[Samsung Galaxy S3 Ad.](#)” September 20, 2012. YouTube.



Strategic positioning examples

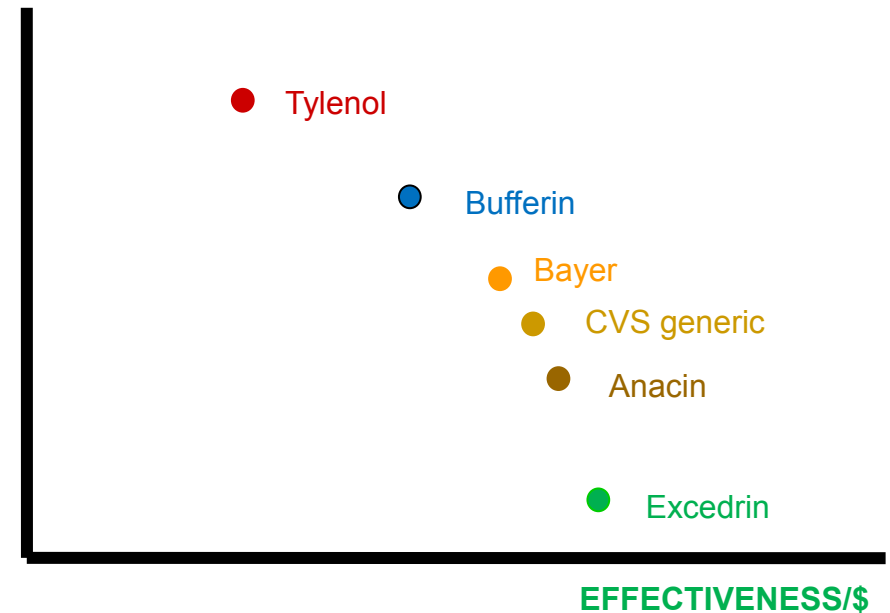
- **Neiman Marcus vs. Wal-Mart**
- **Apple v. Samsung**
- **Toyota vs. General Motors**
- **Verizon vs. Virgin Mobile**



Positioning and the 4P's

- **Product** – acetaminophen (gentle vs. effective, but product line), capsules, package, etc.
- **Promotion** – slogan, advertising, online forums, etc.
- **Place** – hospital image, otherwise extensive distribution (drug, supermarket, convenience, Walmart, vending, ...)
- **Price** – unique positioning enables premium pricing

GENTLENESS/\$



MIT OpenCourseWare
<http://ocw.mit.edu>

15.810 Marketing Management: Analytics, Frameworks, and Applications
Fall 2015

For information about citing these materials or our Terms of Use, visit: <http://ocw.mit.edu/terms>.