

1) The primary distinction between an industry and a market is that an industry is a business model governed by the government, but a market is shaped by demography, customer preferences, and the distribution channels that support them. Consumption and demands drive both. An industry is a group of enterprises, companies, or other types of businesses that provide similar or identical products or services to targeted customers while simultaneously competing against one another internally. A market, on the other hand, is a location of commerce where buyers and sellers meet to exchange goods and services seamlessly.

2) Demographic; examples are a rapidly growing middle class in emerging countries, and increased levels of immigration.

Sociocultural; corporate social responsibility by businesses and trends toward fitness and nutrition.

Economic; incomes rise or fall, interest rates rise or fall, fiscal policy of governments results in increased or decreased government spending

Regulatory; restricts entry by new competitors and creates inflationary pressures. In the United States, airlines, trucking, railroads, telecommunications, and banking have been deregulated.

Technological; recorders, compact disks, ever-more-powerful and ever smaller computers, smartphones, new lightweight materials, and genetically engineered drugs.

Natural areas; save energy in heating and lighting, hybrid gas-electric, wind farms and hydroelectric projects

3) Rivalry among Present Competitors; Rivalry occurs among firms that produce products that are close substitutes for each other, especially when one competitor acts to improve its standing or protect its position. Thus, firms are mutually dependent

The threat of New Entrants; New competitors add capacity to the industry and bring with them the need to gain market share, thereby making competition more intense.

Bargaining Power of Suppliers; It is exercised largely through increased prices or more onerous terms and conditions of sale. Its impact can be significant, particularly when there is a limited number of suppliers serving an industry.

Bargaining Power of Buyers; An industry's customers constantly look for reduced prices, improved product quality, and added services and thus can affect competition within an industry. Buyers play individual suppliers against one another in their efforts to obtain these and other concessions.

The threat of Substitute Products; Substitutes are alternative product types (not brands) produced by other industries that perform essentially the same functions, such as plastic bottles versus aluminum cans, digital photography over the silver-halide film, and the faxing or e-mailing of documents versus overnight express delivery.

4) Statistical method; Statistical methods generally assume that the future will look very much like the past. Example: Multiple regression or time series analysis, to forecast the future based on an extrapolation of the past

Surveys or Focus Groups; Surveys and focus groups possess important limitations, however. For one, what people say is not always what people do. Example: various kinds of respondents, and in today's internet age, are increasingly done online.

Market test; experiment conducted before the launch of a new product. Example: done under controlled experimental conditions in research laboratories or in live test markets with real advertising and promotion and distribution in stores

5) Psychological Biases in Forecasting; To a varying degree, the effectiveness of all of the forecasting methods we've just reviewed is often undermined by excessive optimism on the forecaster's part, especially in new products or new venture settings.

A key goal of good forecasting; identify the full range of possibilities about the future, not some illusory set of certainties that are, in fact, not certain at all

6) Customer relationship management (CRM) is a process in which a business or other organization administers its interactions with customers, typically using data analysis to study large amounts of information.

7) Identify a homogeneous segment that differs from other segments; The process should identify one or more relatively homogeneous groups of prospective buyers about their wants and needs and/or their likely responses to differences in the elements of the marketing mix—the 4 Ps (product, price, promotion, and place)

Specify criteria that define the segment; The segmentation criteria should measure or describe the segments clearly enough so that members can be readily identified and accessed, in order for the marketer to know whether a given prospective customer is or is not in the target market and order to reach the prospective customer with advertising or other marketing communication messages.

Determine segment size and potential; The segmentation process should determine the size and market potential of each segment for use in prioritizing which segments to pursue, a topic we address in more detail later in this chapter. In most developed countries, detailed demographic data showing what kind of people live where is readily available.

8) Select Market Attractiveness and Competitive Position Factors

Weight Each Factor

Rate Segments on Each Factor, Plot Results on Matrices

Project Future Position for Each Segment

Choose Segments to Target, Allocate Resources

9) Niche-Market Strategy; This strategy involves serving one or more segments that, while not the largest, consisting of a sufficient number of customers seeking somewhat-specialized benefits from a good or service.

Mass-Market Strategy: The primary object of this strategy is to capture sufficient volume to gain economies of scale and cost advantage. This strategy has substantial resources, including production capacity, and good mass-marketing capabilities.

Growth-Market Strategy; Businesses pursuing a growth-market strategy often target one or more fast-growth segments, even though these segments may not currently be very large. It is a strategy often favored by smaller companies to avoid direct confrontations with larger firms while building volume and share

10) Brand positioning entails designing product offerings and marketing programs that can establish an enduring competitive advantage in the target market by creating a unique brand image, or position, in the customer's mind

11) Physical positioning; Technical orientation, physical characteristics, objective measures, data readily available, physical brand properties, a large number of dimensions, represents the impact of product specs, direct r&d implications

Perceptual positioning; Consumer orientation, perceptual attributes, perceptual measures, need for marketing research, perceptual brand positions and positioning intensities, the limited number of dimensions, represent the impact of product specs and communication, r&d implications need to be interpreted

12) Identify a Relevant Set of Competitive Products

Identify Determinant Attributes

Collect Data about Customers' Perceptions for Brands in the Competitive Set

Analyze the Current Positions of Brands in the Competitive Set

Determine Customers' Most Preferred Combination of Attributes: Determine Customers' Most Preferred Combination of Attributes

Consider Fit of Possible Positions with Customer Needs and Segment Attractiveness

Write Positioning Statement or Value Proposition to Guide Development of Marketing Strategy

13) Building brand equity