

Case Analysis: An Overview

I. Where are we? (Marketing Review)

Customer Analysis

- What are the key customer needs? Are there any relevant trends?
- How well are these needs satisfied by existing products? (look for unmet needs, differentiation potential)
- Do customer needs and/or behavior differ amongst different segments? (look for segmentation potential using basis variables and descriptors).
- What are current customer perceptions on existing products? (look for consistency with company's positioning strategy; evaluate differentiation potential)
- What influences customer decision-making? Where should promotional efforts be directed? Does it call for a push strategy or a pull strategy?

Company Analysis

- What are the company's key resources/competencies? How do these competencies link to the needs/benefits desired by customer segments? How valuable are these resources?
- Are these resources owned and controlled by the firm (*appropriability*)? (e.g., a strong distribution network may be a key resource, but might imply high bargaining power of distributors.) How durable are these resources in future?
- How unique are these resources? Do competitors also have them, or can they be copied easily, or can other resources be substituted to achieve same value to customers?
- Are the internal organization structures and management processes set up to take advantage of core competencies for the customer segments?

Competitor Analysis

- How many competitors are there? How differentiated are they? Who are your closest competitors?
- What are competitors' resources & their strategic objectives? (May need to infer these based on their 4P-strategy).
- Are there barriers to entry? Should the firm establish or strengthen entry barriers through its marketing strategy? How much bargaining power do suppliers and customers have in this market? (Bargaining power is a function of number of alternative sources, unique value that is offered, importance of product, switching costs, etc.).
- How much bargaining power does the channel have?
- How much value is offered by substitute products? Are there emerging technologies here that would be threatening to the industry?

II. Where Would We Like To Be? (Strategy Evaluation/Formulation)

- What are (or should be) the firm's objectives? How appropriate are these objectives given their resources? Are these objectives consistent with one another?
- How well is the current strategy working? Are choices of 4Ps appropriate for selected positioning strategy? Will it continue to work well in future? (**S**trength-**W**eakness-**O**pportunity-**T**hreat analysis)
- How well-balanced is the current portfolio? Can the objectives be achieved with current products/strategy? (BCG /GE Multi-factor Portfolio Analysis)
- Do we need to introduce new products or product-line extensions or expand to new markets in order to achieve strategic objectives?
- What customer segments and customer needs should the firm target? Define choice of target segment & positioning strategy based on inputs from Situation Analysis. If possible, estimate demand and break-even potential in various segments. Ensure that inputs for BE-analysis (4Ps) match target segment characteristics.
- Clearly define short-term and long-term objectives for your strategy.
- Will competitors react to your strategy? If so, anticipate competitor responses and build defensive/offensive strategies.

III. How Should We Get There? (Selection of 4Ps)

Product/Brand

- What stage of the product life cycle is the product? What tactics are applicable in this stage?
- Is the breadth of the product mix optimal? For new introductions (new brand, sub-brand, new category) assess synergy and cannibalization potential with respect to current products/brands.
- Branding issues: How important is brand name to customers, to the channel, to the collaborators? What is the extent of brand equity and how should it be protected? How would you evaluate generic alternatives (new brand, sub-brand)?

Promotion

- Define objectives - create awareness of benefits/ induce trials/induce brand switching/provide reminders.
- Decide on budget, message, media and measurement (against objective).
- What kinds of promotion are appropriate: advertising, consumer promotions, trade promotions. For promotions, try and estimate costs and benefits (break-even analysis).

Pricing

- What is the value of the product to consumers - economic value, emotional value?
- Are their systematic biases (framing effects, reference price, context effects)?
- Is there potential to price discriminate - variations in value, price-sensitivity, bundling, quantity discounts?
- How are competitors priced? Can price be an effective barrier to entry?
- Channel margins - do they have an incentive to sell your product?
- Is the pricing appropriate given company's costs & profit goals?
- Is the pricing strategy appropriate given strategic objectives/ product positioning?

Distribution

- Is direct selling necessary? Is it possible given customer characteristics, and company resources?
- What is the level of exposure that is called for (distribution intensity)?
- Is there potential for channel conflict (horizontal, vertical or multi-channel conflict)?
- What mechanisms can the firm use to elicit channel cooperation and manage conflict?