

Consumer Product Classification: Marketing Challenges

In this activity, you will first review an excerpt from a marketing industry conference where several marketing managers from different industries are discussing who has the hardest task. You should note that each manager markets a product from a different class of the consumer products classification system – namely, convenience products, shopping products, specialty products and unsought products.

Marketing Manager's Discussion

David (marketing manager for a charity):

My marketing task is clearly the toughest challenge of anyone else here at the conference. Consumers do not want to give money to charities without being asked directly – there's nothing in it for them.

Julie (marketing manager for a candy bar):

I don't agree, many consumers get a feeling of goodwill by supporting their chosen charities. If you present the offer in the right way it should be an easy sell.

Jordan (marketing manager for a high fashion brand):

And besides, charities can also market to businesses, which is probably a great market for large-scale fund-raising events.

David:

Sure businesses can be an attractive market, but it's very competitive, and businesses are often set in their ways and difficult to influence. Individual consumers can be persuaded, but it takes expensive and usually quite direct promotional efforts.

Sam (marketing manager for sports shoes):

You want to hear about expensive promotions? We have to spend a lot of money with image advertising, often with celebrity endorsements to build a brand. And then we need to spend another pile of money on trade promotions to get in the retailer's door and then obtain a good in-store position.

Julie:

Yes but once you've built the brand and established the retailer relationships, your job is pretty easy. You don't have all the logistics challenges that we face marketing candy bars. Not only do we have a perishable product, but we have 1,000's of retail locations to supply and support with point-of-purchase materials.

Jordan:

But you also sell a lot of product. Most of your customers are habitual repeat buyers; your sales are so predictable and stable. And everything you bring out a product line extension, it's guaranteed to bring in reasonable sales. In the fashion business, you can be so successful one year and not sell much the following year if you don't get the fashion trends right.

Sam:

But once you've got a strong fashion brand, consumers will beat a path to your door and buy your products because of the brand alone. You've got exclusive retailers, which means no competition in-store, whereas our products are compared to competitors side-by-side.

Jordan:

But your retailers provide most of the customers because of your name, we need to work with our retailers to jointly build the brand and the sales – so you have more control over your marketing activities.

Student Discussion Questions

1. For each of the marketing managers above, identify which class of consumer product they market: convenience products, shopping products, specialty products or unsought products.
2. Prepare a list of advantages and disadvantages involved in marketing each class of product. Use the points from the above conversation, plus your own ideas.
3. In your view, which marketing manager (class of consumer product) has the biggest marketing challenge? Why?