

BS3741 – Marketing Decision Making

Assignment Coursework

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1. Kirin's Situation, Marketing Challenges and Positioning Strategies

The use of a perceptual mapping schema is essential in helping firms devise positioning strategies. Based on their usefulness in formulating the positioning strategy for a product, these maps are also known as positioning maps (Wedel & Kamakura, 2012). Kirin USA's scenario calls for an assessment and analysis for different brands' positioning strategies using perceptual maps to see their competitive relationships with each other. Based on these findings, the key challenges faced by Kirin's business in combination with the competitive pressures being observed, would be found out.

Kirin's perceptual maps focus on categorizing the consumer perceptions and understandings in a diagrammatic form to assess how each product offers a competitive positing for target customer's attraction and appeal at maximum. A statistical technique called correspondence analysis has been undertaken to measure the positioning of different brands in the set at the same time. According to the perceptual mapping data, much advertised brands such as Molson, Corona and Heineken were far more competitive than Kirin's brands. In such a case while Kirin was catching up to overcome the sales hurdles for Sapporo, it was obvious that it is still having a difficult time competing with a high-profile beer brand such as Molson. Based on a further assessment of Kirin's competitive position with other brands, Becks seems to be a closer one whose product attributes resembles Kirin's. In future there are certain marketing challenges that Kirin needs to focus on, in order to be able to compete with other giants in US brewery industry.

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One of the key challenges in this scenario is overcoming competition for which Kirin needs to promote and project every single attribute of its product on high-scale nation-wide promotional campaigns (Johnson, 2011). As was discussed in Kirin's case, the local US consumer behaviours towards brewery was somewhat more inclined towards the brand imagery rather than on its physical attributes (Adaval, Coupey and Narayanan, 2015); as consumers had no particular way to describe and identify with their own brands on the basis of taste only. Based on some of the product attributes such as being a light drink and being available in a country where brewing is a traditional trade (Olajire, 2012), Kirin scores a higher score on this attribute compared to other brands such as Molson. Another basic factor that eventually puts Kirin brands in a challenging situation is that other brands allocate a higher budgetary amount to their advertising schemes. In this case, Kirin will have to rethink about its strategies and advertising schemes so that it projects a more reinforced brand message across. Using varying promotional tools as well as rigorous market researches is the key to obtaining new market insights (Baker, 2014).

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because if Kirin's brands attain success in carefully putting forward a well-developed brand message to meet or exceed the need of one or two segments in the market, it would perhaps attain a higher market share with ease.

Looking at the segmentation analysis output, some of the market segments prefer differentiated product attributes such as brand prestige and high quality so as to give Kirin a lesson that these segments need to be catered. Furthermore, the beer should serve a host of different purposes such as drinking at home, drinking with friends, have a masculine touch to the bottle to be able to drink alone in the public, to serve as a beverage for guests as well as to dine out. Based on these attributes, Kirin should be promoted and segmented to these market segments while each of its promotional mix must be designed to focus or emphasize upon each usage pattern.

The data obtained from the respondents indicates a general liking for ethnic food that goes well with having a beer to end it with or to start the dinner with the beverage. Travelers, who like to travel around the world, can also form an attractive segment of the market for Kirin since these are the people who would not just prefer any other beer brand that they get on the 'go'. Based on the variables obtained from the discrimination output analysis, the knowledge about the beers with respect to their intricate attributes is increasing amongst the masses. Only those brands will survive in the segmented marketplace which focusses on creating this awareness though a transparent disclosure of all real product attributes that are present before them (Colen & Swinnen, 2010). Moreover, the beer brands promotion must also focus towards energetic, young consumers who would like to take chances in their lives, and loves to make new friends. All these attributes will have to be emphasized as part of the promotions of the beer company so that the customer identifies with the product and consumes it in large numbers.

3. Critical Discussion on Conjoint Analysis Outputs and Product Design Considerations

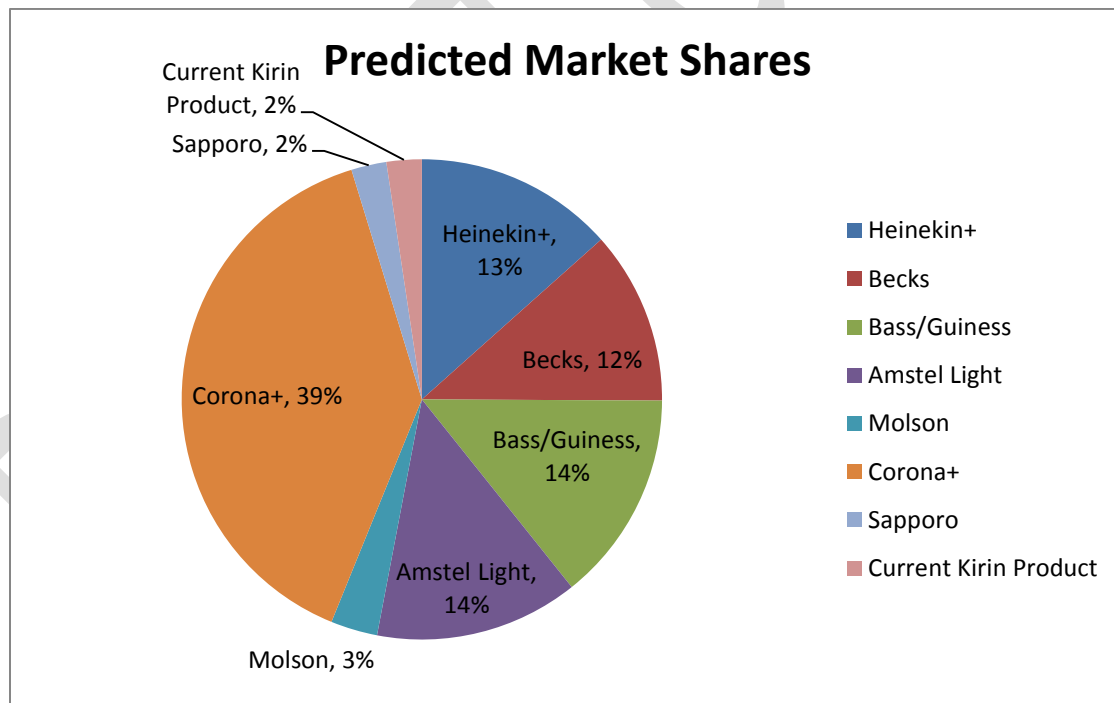
Using a conjoint analysis, I need to choose a specific product which, in my opinion would perform successfully in the given scenario. While discussing the process that I followed in choosing the product, different product designs considered in the output also needs to be elaborated upon. Based on this information, I need to opine whether or not the chosen product should be promoted as a brand extension or as a totally new product. Keeping in mind the analysis obtained from segmentation and perceptual mapping tools (Gelici-Zeko et.al, 2013), there are strong evidences regarding some products that fare very well as compared to the others. Based on the attributes and attribute level of the conjoint study presented as Kirin’s analysis output, and in line with the market share simulations and existing product profiles, I choose the development of a new product that should be a modified Japanese origination beer. I chose this product because it is relatively more worthwhile to come with a whole new set of activities and promotions for branding a totally new product instead of trying new things on an old and rejected one. This product needs to originate with the Japanese traditional brewery however; it must cater to the segments discussed in the previous sections.

Attributes / New Product Profiles	Optimal Product 4 Modified
Origin	Japanese
Price	5.49
Body	Crisp and clear
Aftertaste	Mild
Calories	Low

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Packaging	Six 12Oz Large
Glass	Brown Painted

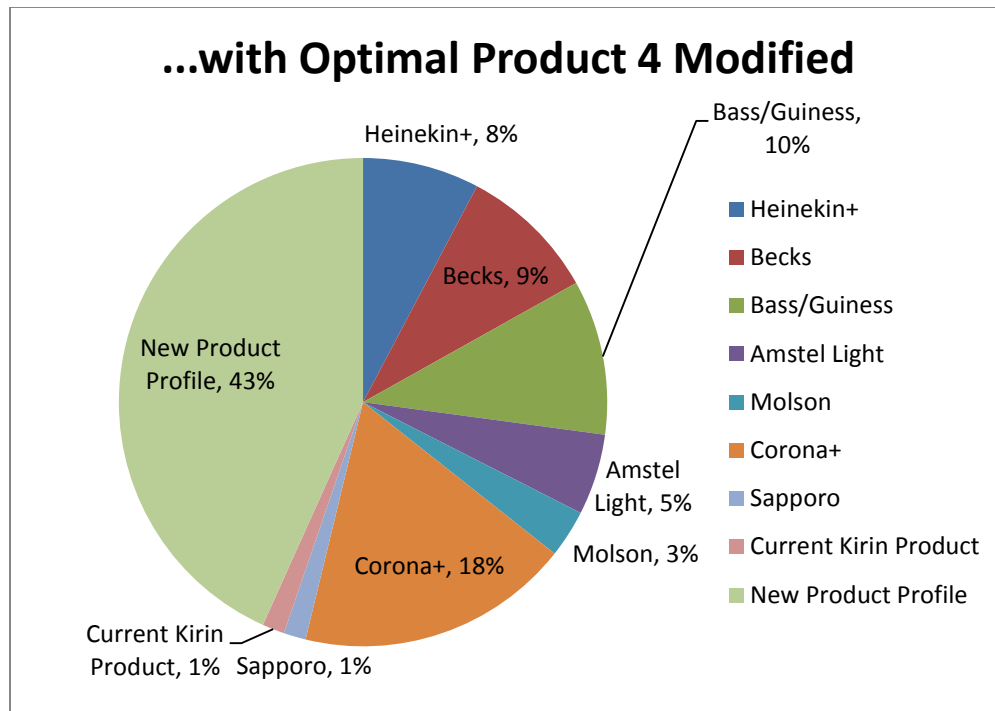
With respect to the given market shares for Kirin as compared with other beer brands, there is a long way to go for a new product based on the extent to which it adapts to market needs and producing something in line with the best beer brands' offering to the segmented marketplace (Johnson, 2011). In consideration of a market share of only 2%, Kirin needs to revise its promotional schemes and campaigns in line with the new product chosen based on a strong brand strategy for positioning and targeting. There is a need for a stronger competitive examination as to see what makes brands like Corona bigger.



Based on the conjoint analysis including the new product profile, a bigger market share is predicted for the new product since it will contain the features of all beer brands and will adapt to

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the market requirements accordingly. Keeping these in mind, Kirin needs to work upon this as a target with a sound segmentation strategy well in place.



4. Overall recommendations be to Kirin's management

Based on the analysis of the case using perceptual mapping, segmentation analysis and conjoint analysis as our key tools, there can be a number of recommendations to be put forth in Kirin's case. Kirin's management needs to study the market dynamics for beer industry that are ever-changing in the case of US import beer market. In this discussion, it is pertinent to look into the viability of a customer loyalty program so that their lifetime value and relationship with the company enhances. Using different combinations of media such as the print media, digital media, and in-store media combined with active social media marketing campaigns, the company

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can find suitable strategies to target individual consumers in the segment (Wedel & Kamakura, 2012).

With respect to some overall general recommendations to Kirin's brand, it is worthwhile to see that the competitive landscape is challenging for a struggling brand; to the extent that new competitive rivalries might arise (Johnson, 2011). In this case, a strong proactive approach towards the key moves of industry players need to be undertaken. Moreover, continuous competitive market examination and environmental scanning is a good idea to remain updated with the customer preferences and changes in the consumption patterns. In this case, the analysis of all micro-level and macro-level forces is essential using proven marketing tools whereby Kirin can exploit the underlying market opportunities, and can stay ahead of competition, as well.

Loyalty initiatives reward the loyal customers, and have the potential to direct impact sales success. As competition becomes more and more intense, with consumer preferences changing every single minute, there is a need to devise loyalty schemes and programs that are aimed at rewarding the consumers for their relationship with the company in combination with enhancing their period for remaining true customers (Wedel & Kamakura, 2012). I choose to suggest that a loyalty program offered by Kirin will be a good way to strategize against increasing competitors by enhancing the relationship with regular consumers. Moreover, it is also recommended that Kirin makes a significant use of business intelligence and customer data which can be collected through those loyalty programs. There is a smart way to use loyalty schemes in the interest of the customers; in this global era, as consumers become more aware and educated, the loyalty schemes should not only be utilized to garner subsequent visits of a regular customer but should be taken as a source of key business data by studying consumption patterns and taking feedbacks from the regular consumers who are in a better position to notify

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the organization about its strengths and weaknesses (Colen & Swinnen, 2010). This, in turn, can not only help in identifying the most and the least profitable consumer, but will also assist the company in preparing future strategies for segmentation and positioning.

Another key reason why there is a need to keep the loyal customers is because in a dynamic brewing industry, changing preferences and consumption patterns of customers can seriously erode the brand preferences of even some of the most established brewers, such as Heineken. Thus, there is a need to work upon the ways and means through which the consumer can make a connection with the company on a long-term basis rather than struggling to find new ones, every now and then. Another key challenge that has risen in front of the brewing industry has been a ban on traditional advertisements for beers. In this scenario, new technology-based marketing campaigns have necessitated the need for Kirin to devise new media avenues for promoting itself.

The segment of the consumer market that Kirin has positioned for, offers new dynamics for its own positioning. An example can be the rise in numbers of tech-savvy consumers who drink beers in large numbers, too (Blakeman, 2014). This gives an opportunity for the company to discard the need for traditional media, and instead, go for social media marketing or other forms of internet and mobile technology media for its promotion and positioning. A strong presence on the social media can help potential customers to learn about Kirin, their products as well as the historic events in the life of the brewing company. This will not only help in enhancing a more flourishing image about the company in the minds of the customers but will also be a source of promoting relationship-based marketing rather than only a transactional one.

Another recommendation to Kirin in lieu of the given case scenario regards the development of a website with sports and entertainment sponsorships so that more customers are

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attracted towards it. The company can also sponsor events such as gaming events and sports tournaments for greater consumer recognition and association. The development of an e-commerce website will enhance the outreach of new-age consumers towards the market, and will help conduct business in a rather cost-effective manner while dealing across multiple geographies. Keeping with the demands of changing consumer marketplace, an integrated marketing strategy is recommended for Kirin. I recommend this because it will combine all the benefits of both traditional and new media for advertising the products without having to face challenges from bans and outlaws of trade prohibitions.

In recent decades, the beer industry in the world has witnessed severe challenges that have thoroughly reshaped and reemphasized the need to promote products in a rather innovative manner. In these times, there is a need to see that brands can easily go less differentiated from competing products; hence, there is a need to project the attributes of Kirin that are far more difficult to find in others on a store-shelf. Furthermore, in order to revitalize the brand name, and help consumers remember it for a longer time, there is a need to use new media, new platforms and new channels for promotion and marketing. In combination with developing an innovative in-store presence showcasing the products as well as technology behind these, the need for creating a presence on the Web has only recently become essential.

In the face of challenges such as advertising restrictions and social responsibilities, the company should develop a responsible drinking culture in regions where the products are easily found. Raising public awareness about restricted alcohol consumption patterns is one of the ways in which the firm can portray itself as responsible for the public welfare and well-being. Taking it one step ahead, the loyalty programs offered by Kirin should also be aimed at creating a

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culture of responsible drinking rather than violating the government-prescribed consumption regulations.

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