

12.68 - PRODUCT DIFFERENTIATION AND ADVERTISING

12.68- Demonstrate an understanding of advertising, differentiation, and marketing strategies.

KICKOFF:

- ❖ Go to Google Classroom and complete the assignment **“KO- 2/28”**
 - Monopolistic Competition Practice
- ❖ Pick up a Nuts and Bolts sheet on your way in
- ❖ **Roll Call:** Do you have a favorite shirt?

ANNOUNCEMENTS:

- ❖ **3/2-** Unit 5 Test (you're going to kill it)
 - Types of Competition
 - USE THE NUTS AND BOLTS SHEET
- ❖ Knight Time tomorrow
- ❖ VOTE

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PRODUCT DIFFERENTIATION



- ❖ Used by both oligopolistic and monopolistic competitors
- ❖ Firms attempt to distinguish their product from that of close substitutes, in the minds of the consumer
 - Attempt to make products more attractive
 - Often to a target audience
- ❖ Done through advertising and physically making products slightly different
 - Increase demand and decrease elasticity

PHYSICAL DIFFERENTIATION- TYPES



❖ Style or Type

- Restaurants- What makes restaurants different from one another?
 - Cultural, current trends, Breakfast v. Lunch v. Dinner
- Fast Food- What makes Bojangles and Popeye different than Chick-fil-a?
- Clothing- How do clothes differ?
 - Men v. Women, casual v. formal, tight v. loose, age
- Shoes- are there different styles of shoes?
 - Casual, running, cleat, basketball, flip-flops, CROCKS!
- Cars- what do you need your car to be able to do?
 - Truck is for hauling, Minivan is for families, sports cars are to look cool

➤ **HOW CAN I BE DIFFERENT**



PHYSICAL DIFFERENTIATION- LOCATION

- ❖ Where is there a need for this product?
 - Where does it make sense to build hotels?
 - Airport, tourist attractions, busy roads
 - How does someone decide where to go to the dentist?
 - Near work or house
 - If gas is 5 cents cheaper, but further away, will you drive there?
 - Probably not
 - What type of people need coffee
 - People with shit to do
 - What type of businesses may take weather, geography into account?
 - Clothing, sporting goods, weather
 - Where can I be different?

PRODUCT DIFFERENTIATION - QUALITY

- ❖ Consumers vary in what they are willing to pay and in their expectations
 - Is selling a higher quality product always better?
 - NO!
 - How important is good toilet paper?
 - Quality v. Quantity
 - Hand stitched socks v. 6-pack
 - Steak from The Capital Grille v. TGI Fridays
 - Customer service?
 - Chick-fil-a v. Bojangles, Target v. Walmart

ADVERTISING



UNC

HUSSMAN SCHOOL
OF JOURNALISM AND MEDIA

- ❖ Non-price competition that attempts to mold consumer perceptions about products
 - Print, TV, Radio, Events, Etc.
- ❖ Not needed in perfect competition or for monopolies.
- ❖ Purpose– To inform consumer about a product and try and convince them to purchase the product
 - Typically has a target audience

PROPAGANDA TECHNIQUES- ALMOST ALL HAVE A TARGETED AUDIENCE

- ❖ Bandwagon
- ❖ Glittering Generalities
- ❖ Just plain-folks
- ❖ Mudslinging & Stacked Cards
- ❖ Symbols
- ❖ Endorsements- Why do they work?
 - Maybe the celebrity does use the product
 - The company clearly has enough money to pay them, so that must mean something!!!



BRAND NAME/ BRAND LOYALTY



i'm lovin' it

- ❖ How companies try and carve out market share over time
- ❖ Why do people prefer brand names?
 - Consistency/Expectations
 - You know what you're going to get at Starbucks vs. Joe's Cup of Joe
- ❖ Logo- why are we attracted to a logo?
 - Nike v. Champion



MC SAMPLE PRACTICE:

- ❖ Mastery and Informal
- ❖ 15 minutes
- ❖ Your business partner
- ❖ None of these questions are directly on your test, but do give a good sample of questions you could be asked
- ❖ Once you and your partner are happy with your score, work on the Nuts and Bolts

25 MINUTES:

- ❖ What is going to help you best prepare for the test Monday?
 - Sample MC Questions → Google Classroom
 - Nuts and Bolts → made with test in mind
- ❖ Work by yourself, with a partner, or small group

NUTS AND BOLTS

CLOSURE

- ❖ Voting!
 - Extra Credit
 - 4 points on Test
- ❖ **Review materials: Progress Check, Google Classroom, Nuts and Bolts, Video Links**
- ❖ Use the Nuts and Bolts