MEMORANDUM

To: Professor Hal Koenig  
From: M.E.  
Date: 5/07/01  
Subject: Levi Strauss does not want their products placed in supermarkets

Levi Strauss has gone head to head against a British supermarket chain because Levi is against selling their product next to groceries. They believe that putting their product in supermarkets will demean the image that Levi is attempting to obtain. They want their jeans placed in stores "where shoppers get personal attention in choosing styles, sizes and colors" in hopes of creating a fresher image. The company must prove the placement of designer jeans in supermarkets is detrimental to their sales to win in the European court.

This dispute involves the marketing mix element of place. My definition of place is the distribution of products or services that a company offers to target consumers. The strategy the company is using is market penetration. My definition of market penetration is when a company attempts to increase sales of a current product to an existing market. The segment targeted is a consumer who values personal attention in choosing a pair of jeans and who values an image of success and high class. This would probably be any middle to upper class consumer from the ages of 20-50. They are also targeting teens who are "cool and young." In this article in particular, Levi's is targeting a European market.
Memorandum

To: Hal Koenig

From: A.A.

Subject: Home Depot

Date: ? ? ? ? ?

One of the largest home improvement stores, Home Depot, has begun to introduce the roll out of Internet sales capability. Customers will be able to order from 20,000 products over the Internet and have them delivered by UPS. Home Depot is one of the last of the home improvement sector stores to join in the development of Internet sales, this in part to the need for a slow controlled entrance free of service issues of those stores before them. **The use of Internet sales is an example of the marketing mix aspect of place (distribution).** My definition of place is all of the ways a company can make a product readily available to a target segment of consumers. The Internet is fast becoming one of the easiest distribution channels for marketing all types of products. **The strategy the firm is using is called market development.** My definition of market development is using the existing products you sell and finding new markets to sell to. This is an easy thing to do with e-commerce, because it reaches so many markets and you don’t have the cost of opening up a store in the area in order to reach these people. **The segment they have targeted is the computer savvy customer in need of home improvement items.** This age group tends to be 20-50 year olds, both men and women, and the target segment for the time being at least is US consumers only.
The article, 'Sesame Street' Creator Aims to Reach Older Kids With TV Series, Products, dated November 15, 2000, from the Wall Street Journal clearly illustrates the **product element of the marketing mix**. My definition of product is anything that can be offered to the public including **tangible physical products, services, persons, places, organizations, ideas, or mixes of these entities, which might satisfy a potential buyer's needs or wants by acquisition, attention, use, or consumption.**

'Sesame Street' is a forerunner in educational T.V. Since 1960 it has focused on a very young audience. According to this article, "In 1999 'Sesame Street' had a loss of $19 million prompting a new team of executives at Sesame Workshop to rethink the company's direction. To grab its own piece of the pie, Sesame Workshop, a not-for-profit company, is developing educational programming for older kids, branching out beyond its traditional relationship with the Public Broadcasting Service and forging Commercial alliances." Sesame Workshop is also going global. They have created new Muppet characters in Russia, South Africa and Egypt. **The market segment 'Sesame Street is targeting is older educational T.V. viewers and a new international market. The market strategy the firm is using is diversification** because at the same time that 'Sesame Street' is offering new and diverse shows it is developing a new market targeting older children and expanding globally.
This article illustrates the marketing mix element of product. My definition of product is anything that is capable of satisfying a need or want which is offered to the target market. Products may also be services, ideas, places, etc.; instead of just goods.

This article talks about Taro Pharmaceutical Industries Ltd., which is a small company that is acting very aggressive. Taro acts globally and relies mostly on generic drugs. Their profits are on the rise, which is leading to investment in heavy R&D. Taro's products help to treat heart disease, epilepsy and arthritis, but it specializes in skin condition treatments. For Taro's near future they are waiting on FDA approval on 11 new generic products. If the 11 pending applications were approved they would give Taro access to markets worth around $1 billion dollars. In the long term there are two major proprietary products underway. One is called T2000, with potential as an epilepsy treatment, muscle relaxant and anxiety reducer. The other is NonSpil, which helps medicine stick to spoons so it doesn't spill. The small company has big plans for growth.

The strategy the company is using is diversification. Taro, with its 11 applications approved, would be expanding their market in other countries in some of these cases. These are new products that would help the company to enter new markets and thus attract new customers. The segment they have targeted are women, and mostly, older people or people who are sick. Taro's best known for skin remedies using creams so this is more targeted towards women. Other products are more directed towards heart problems, seizures, anxiety, etc., so these are more segmented towards older people. Due to the large array of products there are more than one segment being exploited here.
In this article, there is a great discussion on how the advertising market is transforming from its traditional television base to other forms of mass-media. This article demonstrates the marketing mix element of promotion. My definition of promotion is how different companies work to communicate that their specific product is better than the next. Usually promotion is done through advertising, personal selling, different types of sales promotions, or through general public relations. This article explains how television executives think that the airtime on TV is more popular than ever and is a necessity for any major business. However, advertising executives have become increasingly worried about advertising on television because of the different technologies such as the Internet and videogames that threaten to take potential viewers.

Companies such as American Express are utilizing the strategy of market penetration. John Hayes, American Express chief marketing officer, said “we just don’t feel we are going to get the impact and sustainability by just doing a TV ad.” He added, “We are trying to look for better ways to reach customers.” For example, American Express just recently began a series of online mini-movies which reached nearly 2 million Internet users. The company began targeting a different market segment in 1999 with the development of their new credit card “Blue.” It aimed its new target market at the “dot-com generation” and also used sales pitches at the “lifestyle-driven” community with advertisements on water bottles at health clubs. “Blue” has become the most successful new product in company history, affirming AmEx’s current strategy.