

# Overview and Prospect of Marketing Strategies Categories

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## ABSTRACT

With the development of the commodity economy, behavioral economy becomes more and more important. In this condition, using marketing strategies well is really significant because it can increase customer demand and purchasing power effectively. To get more profits, sellers use many kinds of marketing strategies in their every single selling process. Some managers use these strategies to make their companies become more and more flourishing. There are also some managers whose strategies do not help. In fact, these strategies are interlinked in some ways. This article divides marketing strategies into three categories based on retrieving, comparing, and concluding a large amount of literature and theories and combining them with modern times. These categories are product prices, store environment, and product promotion. Also, in each range, there are several specific strategies related to their range. These strategies collate the sides of online and offline, publicity and sales site as well as price and environment. It is considered that only classify the strategies exactly in this way, the strategies can be well combined with the market.

**Keywords:** Marketing strategy, strategies category, customer psychology

## 1. INTRODUCTION

Many companies use different strategies to attract their target customers and these customers can fall into their traps easily. Sometimes sellers transform the products themselves and sometimes they transform the external environment. In 1960, an American marketing expert named E.J. McCarthy based on people's marketing practice to study the marketing strategies. He put forward the famous 4P Marketing Strategy Combination Theory, including Product, Pricing channel, Place and Promotion. Since the 1980s, the world economy has been developing slowly. Professor Philip Kotler, a famous American marketing expert found that business activities could also affect the external environment. Thus, he proposed the Big Marketing strategy. He added Power and Public Relations on the basis of the original 4ps combination, referred to as 6Ps. Compared with 4Ps, 6Ps pay more attention to adjusting the relationship between enterprises and external aspects in order to eliminate artificial obstacle. Also, Big Marketing strategy breaks through that the marketing environment is an uncontrollable factor and reconsiders the marketing environment and its function. In June, 1986, Kotler presented 11Ps, adding Probe, Partition, Priorition, Position and People on the

basis of 6Ps. He considered that using this theory can remove any obstacles to the target market. There are also many articles that talk about marketing strategies nowadays. However, most of them are too abstract or only describe several specific field, instead of combining with the context of contemporary times. This article combines marketing strategies with modern social background. The methods this article used the bibliographic reference and comparative analysis. Through finding and comparing a large amount of literature and doing a conclusion, this article enriches the existing research deficiencies and lets readers understand more clearly about the marketing strategies. These three ranges are sorted from micro to macro which has good logic. Through reading this article, people can grasp some main ways about selling effectively.

## 2. MARKETING STRATEGIES ON PRODUCT PRICES

### 2.1 Bundle price

Stremersch and Tellis defined bundle price as selling two or more individual items together[1]. Bundle price is widely used in many shops. The experiment made by Kahneman and Tversky[1] is a famous experiment about

the bundle price and it indicates that people are more willing to care about the local differences. In the first experiment, people are told that they need to buy a jacket and a calculator. In shop A, the jacket is 125 dollars and the calculator is 15 dollars. The seller tells you that the calculator in shop B is 10 dollars but it would take you 20 minutes to get there. People are asked that if they would go store B. As a result, 68 percent of people is likely to go there. In the second experiment, the jacket in shop A is 15 dollars and the calculator is 120 dollars. Shop B sells the calculator with 120 dollars and it would also take you 20 minutes to get there, In this experiment, only 29 percent of people would like to go to shop B. As a whole, both of the whole price of jacket and calculator in these two experiment reduce 5 dollars ( $125+10=120+15=140-5=135$ ) but the first one is more popular. This is because when the price is reduced from 15 dollars to 10 dollars, the discount is 33%. However, when the price is reduced from 125 to 120, the discount is 4%. People are attracted by the greater discount by the light of nature.

## **2.2 Compromise effect**

The compromise effect is when the customers are buying items, they are likely to choose the mid-range products from many similar items. This is because mid-range products can not only satisfy customers' vanity but also provide the sense of material benefit. The compromise effect is often reflected in the placement of items[2]. Sellers always put some items which are more expensive and cheap around the target items. The difference between the cheaper and target items should be larger than that between the more expensive items and target items. Hence, customers would think that the qualities of the expensive items and target items are similar and the quality gaps between cheaper and target items are too large.

## **3. MARKETING STRATEGIES ON STORE ENVIRONMENT**

### **3.1 Signal bait effect**

The signal bait effect is that the sellers use some signal items to attract customers to come to their stores[3]. Sellers always place some symbolic mascots to attract pass-by or a billboard in front of stores to attract consumers' attention. This can make consumers come into the store on a whim. The signal bait must have a connection with the store and can promote customers' nice association. For example, a large milky tea toy with cute characteristics can be put in front of the milky tea stores. When the customers see it, they would want to find the milky tea which is the same as the mascot, so they come into the stores. The mascots can also take place on the street which is close to the store. When they see the store, the memories which are about the mascots

would come out and induce the customers to come to the stores.

### **3.2 Placement of items in counter**

Set expensive items in the counter is a good way to attract customers to buy the target items[1]. The expensive items should have the similar function to the target items to let them have comparability. When the customers see the expensive items, they would have high quality expectations for the products in the store. The price bearing capacity of customers can also increase through the items on the counter, so they can have the sense of materials benefit after buying the target items. This feeling increases in direct proportion to the price difference within a certain range. Although the target items' price is cheaper than that on the counter, the absolute value of prices also remains high, so the sellers can also get big benefits.

### **3.3 The details of target items placement**

The placement of target items plays an important role in the rate of buying. Some sellers leave some empty space that is close to the consumer deliberately when they are placing the items to give the consumer the impression that the product is hot. This can really arouse customers' strong desire to buy it because customers would think the items have good quality or feel inquisitive about them. Sellers also often use automatic reactions in product placement. The automatic reaction is people taking an action without being aware of it[1]. In stores, customers pick product up unconsciously and this is a typical kind of automatic reaction. In order to achieve it, a good way is spreading things out on the stand. The reason for this is that customers would want to pick up the product if the products are spread out, instead of standing on the shelf. Once the customers take the product in hands, the possibility of buying it would increase.

### **3.4 The quality of sales staffs**

During the selling, communication between sellers and customers is really important. Sellers need to let customers know what they sell and grasp customer's need accurately in a short time[4]. This necessitates that the sellers understand the market situation and trend, as well as possess excellent communication skills. Also, because of the vignetting effect, if a customer really like one kind of item, he would have good impression with the other similar items. Therefore, sellers can also introduce the similar products of target items suitably. Nowadays, people are more care about spiritual needs, so sellers should provide good service quality to customers to make good relationships and create bigger benefits.

### **3.5 The roles of music**

Music can affect people's emotions and emotions can also affect people's behaviors. Thus, suitable music can promote people to spend money. American market economist Minneman indicated that slow music can calm consumers down and slow down their speed of walk. Conversely, quick music can speed up the behavior. Because of that, slow music should be played in malls to let the customers spend more time buying more products. Besides, fast music should be played in restaurants to increase the efficiency of eating to create more benefits [3]. At the same time, the human body feels that the most comfortable rhythm of music is similar to the rhythm of the heart beat. Hence, no matter fast rhythm or slow rhythm music, the sellers should consider the most appropriate rhythm of the human body and cannot go to extremes.

### **3.6 Spatial effect**

Space effect refers to that people generally prefer open space and bright environment and they are willing to enter such environment and stay for a longer time. Therefore, stores should be open and bright to promote customers to spend money. As for a big store, it is easy to achieve it. However, small stores should take some actions such as using many mirrors to increase illumination and make the stores look wide. Also, sellers can make the entrance be narrow to increase the contrast between entrance and insides. Additionally, the color of the stores should be light and the space should be used effectively[3]. Compared with that, cluttered stores are not attractive at all.

## **4. MARKETING STRATEGIES ON PRODUCT PROMOTION**

### **4.1. Production promotion**

Proximate cause principle is a good way to increase customers. The proximate cause principle refers to the psychological impact that a newly formed thing has on the formation of impressions[4]. Thus, when sellers are selling their products, they can choose a particular time and continuously propagandize one product to increase the product's familiarity. When the customers see the products again, they would feel familiar with it and come into the store to have a look. Also, customers would have a different understanding of the same meaning which is expressed in different ways[2]. For example, if a seller claims that an item has already been sold with 80%, customers will believe that the item is popular and will want to purchase one. Conversely, if the seller says that the item has 20% been left, the customers would think rationally if they need to buy them.

### **4.2 Use network platform**

As the development of network databases, sellers can also open online shopping, so that selling and shopping break the limit of space[5]. Through researching the browsing records of consumers, sellers can easily classify consumers into different groups and markets. This action helps sellers to develop different personalized needs and push personalized services. It is important that the price should be within an affordable range. When customers see products that match them, they will automatically open it and buy it.

### **4.3 March customers' values**

Brand value is a significant identification to different the band from other enterprises which produce similar goods [6]. People are willing to choose the store which has a similar value them. Therefore, the value of enterprises should be suitable for a large number of people to enhance purchasing power. The concept of green and low carbon is now respected by all over the world. Sellers must focus on green and low-carbon development and embody it in all aspects such as producing, packing, using and publishing[7]. This can not only attract customers' attention from a large number of advantages but also reduce the cost of marketing. In addition, high sense of social responsibility[8] can also attract customers. For instance, sellers can donate \$0.10 from each order to underprivileged children and let the consumers know it. People would feel a sense of achievement when they know that they contribute to society, so they are more likely to buy the products again.

## **5. CONCLUSION**

This article concludes with strategies for appropriate pricing, shop environment, and product promotion that are combined with a modern social background. However, this article has some disadvantages. Firstly, this article does not consider the influences of different spending power to the strategies. For instance, the price tolerance of rich people can be higher than that of normal people and much higher than that of poor people. Therefore, some strategies which are about the price are not really suitable for the rich and the poor. Also, the rich people are more care about the environment and the promotion and poor people do the opposite, so different strategies should have a different emphasis to different people. Secondly, because of the limited time and resources and all of the works to write this article are done by one person, all of the theories are found in the literature and many marketing strategies have not been thoroughly studied. Also, in the process of summarizing and sorting out the sales strategy, the writer does not have rich experience and there will be some deviations or omissions. Additionally, the writer does not do many experiments and interviews during the writing and some

strategies might have some limitations. Therefore, they needs to be checked in the real world. In the future, writer will do survey in the mall to observe the affects of different spending power on the strategies. Check test needs to be down to check the rate of buying target products by the rich and poor people in the same store. Also, the rate of buying cheaper products and more expensive products needs to be checked. Besides, the writer will observe the influences of different environments to the customers in two stores which sell the same products. For example, research can be down in two similar bakeries. One has big space and the other has narrow space. In addition, writer will check the role of promotion. This test also can be down in two similar bakeries. One bakery publishes the green value and the other does not.

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