



# MARKETING STRATEGIES



Blue Academy for Professionals  
of the Seafood Industry

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## 1. IDENTIFICATION OF MARKET OPPORTUNITIES

- ❑ Managers and marketers find continuous changes in what their customers demand or expect and adapt their products and services accordingly. By paying close attention to customer needs and continuously monitoring the business environment in which the company operates, they could find potential market opportunities.
- ❑ Both consumers and companies are influenced by the environment. More precisely, consumers' needs and wants, as well as their ability to purchase depend on factors that change and evolve over time. Therefore, the company should monitor the environment to determine how such factors influence their target consumers.
- ❑ Whether at corporate, business unit, or functional level, the planning process begins with an in-depth analysis of the organization's internal and external environments; namely, the micro-environment and the macro-environment.
- ❑ While the micro-environment consists of the forces close to the company that directly affect its ability to serve its customers, the macro environment consists of the larger external forces that affect the company.



## 2. THE MICROENVIRONMENT

### 2.1. CONCEPT

- ❑ The definition of the marketing environment could be the sum of the total of the factors or variables which potentially influence the marketing of a product or service.

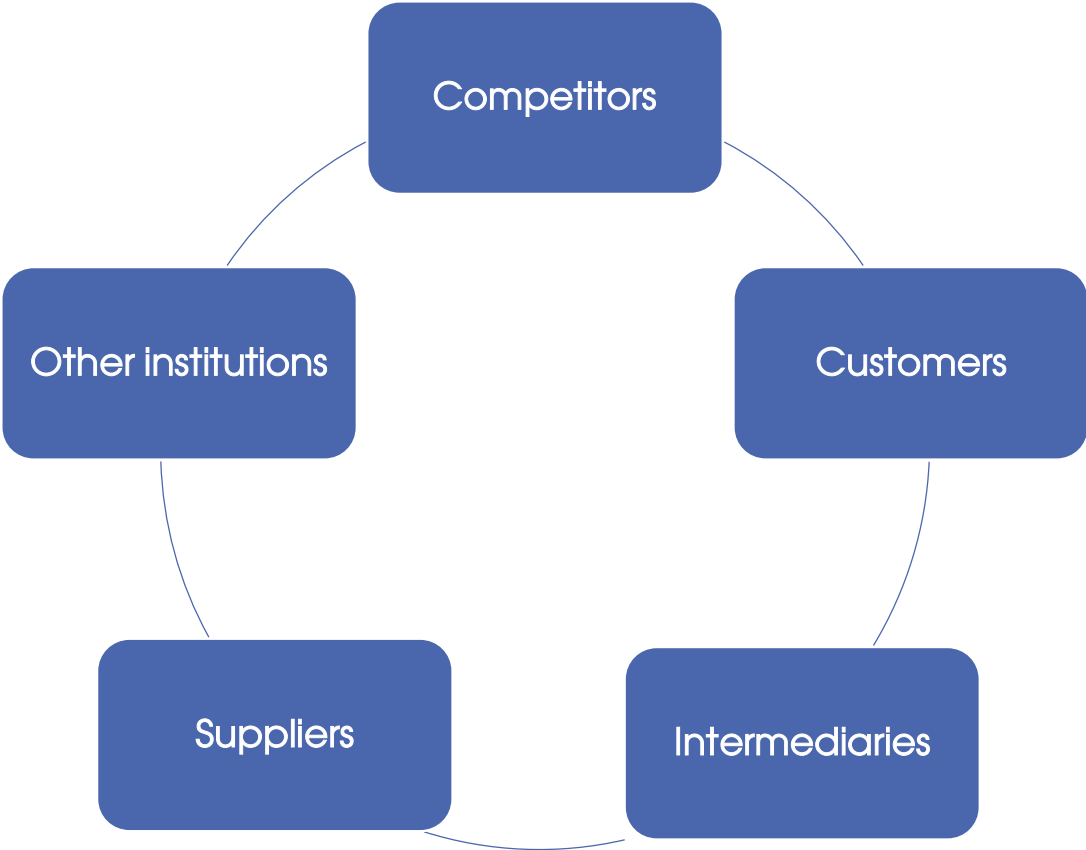
**Marketing environment:** “ *the elements, factors and forces outside marketing that affect marketing management and the company ability to develop and maintain successful relationships with its target market*”  
(Kotler et al., 2008).

- ❑ The micro-environment is the immediate environment. More precisely, refers to the forces that affect companies in a specific industry or sector. Micro-environmental factors are those which the company can relatively control and have a direct impact on the company’s success.

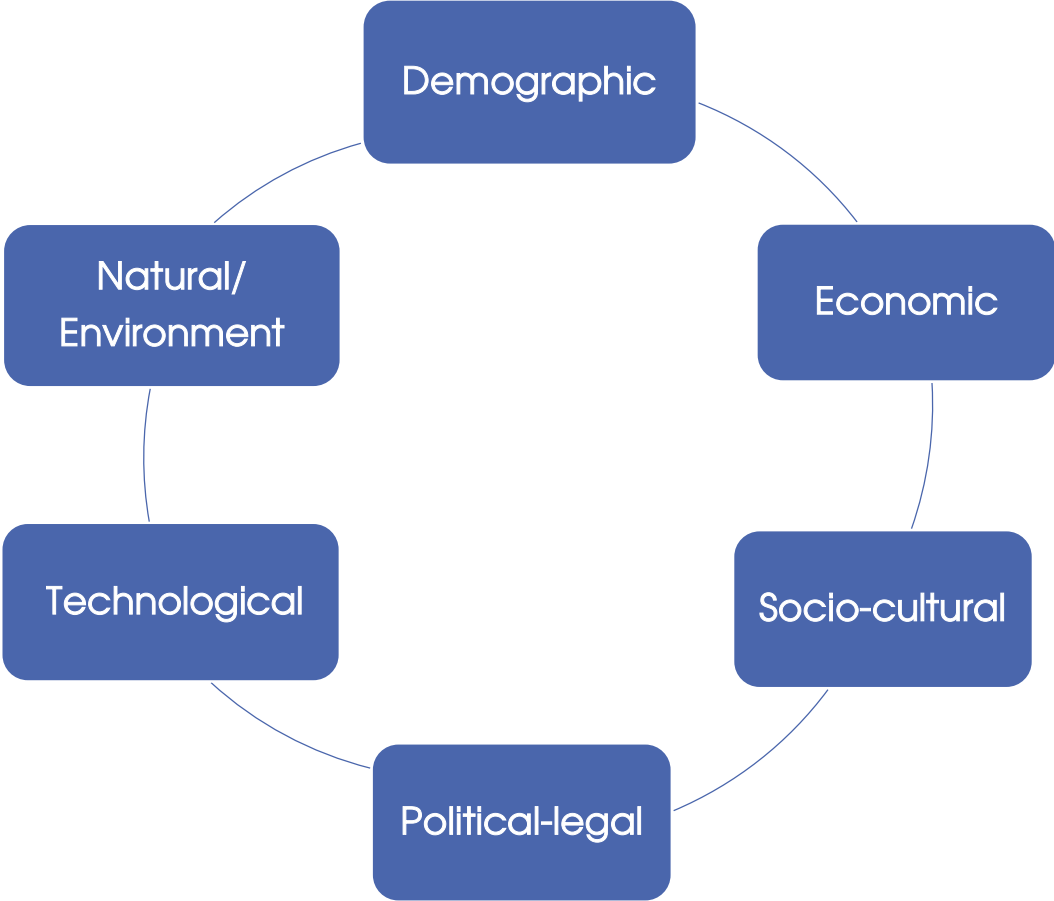


# 2. THE MICROENVIRONMENT

## 2.1. CONCEPT



### 3. THE MACROENVIRONMENT



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## 3. THE MACROENVIRONMENT

### 3.1. CONCEPT

- ❑ Consists of factors of the external environment that affect the company business. These factors and trends shape opportunities and present challenges for companies.
- ❑ Macro environmental forces are uncontrollable, and the company must be prepared and positioned to react and adapt. Furthermore, many of these forces are interrelated and impact the microenvironment.
- ❑ They are all-encompassing global influences and profoundly affect fish and seafood preferences.



## 3. THE MACROENVIRONMENT

### 3.3. DEMOGRAPHIC ENVIROMENT

- ❑ Household patterns: The types vary and can include singles and couples with or without children (dependent or independent), which affects spending and food buying patterns; “non-traditional” households are also becoming more common.
- ❑ Household structure: There is a trend in developed countries of declining of the traditional household and an increase of non-family households and single households. Fish companies should adapt their products offering smaller quantities of product and smaller or individual packages.
- ❑ Migration movements: Most of European countries have experienced migration movements from low-income countries and developing economies. Fish companies could create and develop fish products based on low affordable prices to target these customer segments.
- ❑ Ethnic mix: Most of the European countries have experienced an increase in the ethnic diversity, due to the strong migration movements. These different ethnic groups have specific needs and purchasing habits. Fish companies could offer specific fish products incorporating flavours, tastes and ingredients demanded by these ethnic groups. For example, introducing ceviche fish elaborations.





## 3.2. DEMOGRAPHIC ENVIROMENT

### EXAMPLE

Middle-Eastern  
sauces



British chicken and  
Italian cheese



The menu is inspired by the flavours, variety and natural healthiness of Mediterranean cooking. The mission is to prove that fast food can be good food by serving naturally food that not only tastes good but does you good too.

Korean mayo



Sri Lankan dish



**Leon Netherlands**  
**Leon Ireland**  
**Leon Swiss**  
**Leon UK**

# LEON



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## 3. THE MACROENVIRONMENT

### 3.3. ECONOMIC ENVIROMENT

- ❑ Purchasing power: This is the most direct determining factor to forecast the market purchasing power. Consumers with the highest purchasing power have rising incomes and are less susceptible to economic downturns. The fishing companies should examine the market's purchasing power and adapt the fish products' pricing accordingly.
- ❑ Income distribution: In general terms, a more equal distribution of income drives an increasingly higher purchasing capacity.. Other important trend is the increase of dual-income households, which may increase the total disposable income. Therefore, fish companies should determine how consumer income affects fish purchasing power.
- ❑ Spending patterns: As the family income rises, the percentage spent on food declines; however, the expenditure made by households could vary for the different product categories. Fish companies should examine the household budget for food purchases and adapt fish products' pricing accordingly.



### 3.3. ECONOMIC ENVIRONMENT

#### EXAMPLES



The "dollar stores" and store brands increased their market share during the last economic downturn.



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### 3. THE MACROENVIRONMENT

#### 3.4. SOCIO-CULTURAL ENVIRONMENT

- ❑ Social class structure/ Lifestyle: In the last decades, the lower social segment has been losing weight. However, this variable is losing its explanation power and being replaced by consumers' life-style. Therefore, fish companies could segment the market according to consumers' lifestyle, and thus offering fish products targeting retired people, students or young professionals, for example.
- ❑ New society: There is a delay in the younger generations in their join to the labor market, delaying their independence and the marriage age. Similarly, women have entered the labor market. In addition, there is a recent increase in online grocery shopping that allows customers to do their supermarket shopping online 24/7 and have their groceries delivered to their door. These new trends have emphasized time as a valuable scarce resource today. Consequently, fish companies should offer convenient products that are less time-consuming.
- ❑ Economic/cultural level: Population has higher levels of education, that lead to better jobs and higher incomes. These factors drive a more demanding purchasing and consumption behavior. Fish companies should offer higher quality products with reputed and prestigious brand names that satisfy the needs and desires of the consumers.



### 3. THE MACROENVIRONMENT

#### 3.4. SOCIO-CULTURAL ENVIROMENT

- ❑ Importance of image: There is a general trend in improving ones' image, appearance and look; while at the same time there is increasing concern about health and being healthy. Accordingly, fish companies could offer low fat fish products or emphasize the nutritious value of fish products.
- ❑ Seeking for convenience: Nowadays consumers seek for time-saving food products that are easy to cook, easy to prepare and easy to store, since time is a valuable scarce resource for most consumers. Therefore, fish companies should offer convenient fish products that are "ready to eat".
- ❑ Consumer goes green: In the last decades there has been an increase in the demand for "ecological" and green products, due to the increasing health concern of consumers. In addition, some diets as the "vegan" diet are gaining popularity among young consumers. So, fish companies need to adapt to this trend and offer "vegan" products.



### 3.4. SOCIO-CULTURAL ENVIROMENT

#### EXAMPLES

The consumers seek for convenience has given rise to ready to eat fish products.



The consumers' increased interest for green products has increased the demand for vegan fish products.



There is a big a big importance on the brand image.



Products are oriented to different social classes.



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### 3. THE MACROENVIRONMENT

#### 3.5. POLITICAL-LEGAL ENVIROMENT

- ❑ Legislation regulating business: Regulation can encourage competition and ensure fair markets for goods and services; and for this reason, governments develop public policy to guide commerce with a set of laws and regulations. However, legislation affecting companies has increased steadily over the last decade. Fish companies should examine legislation prior to decide to enter a new market.
- ❑ Deregulation: EU laws foster competition and guarantee fair trade relationships and protection of customers. The strong deregulation developed by the EU confuses both domestic and international companies. In this context, the Spanish fish companies could export their products quite easily to the UE member states, and in turn, broad their market.



### 3. THE MACROENVIRONMENT

#### 3.6. TECHNOLOGICAL ENVIROMENT

- ❑ Fast pace of technological change: The new technologies create markets and opportunities, and every new technology replaces and older one. Due to this changes, the time between the appearance of new products, their implementation has been shortened, as well as the time between their market introduction and their maturity stage. Fish companies need to adapt to the new emerging technologies.
- ❑ Product innovation: Nowadays, most of the product innovations are being developed in telecommunications, biotechnology and new materials. Researches enable companies to create and develop new products, which can attend and address demand more effectively, or to create new markets.
- ❑ Impact of the internet: Regarding the commercialization processes, before the internet, many marketing strategies were based on the separation between the company and the market –the producer and the buyer–, and the internet has finished with this gap or separation. Additionally, Internet has made it possible for people to telecommute; that is, work at home instead of at the office. Fish companies should develop online purchase and food delivery platforms.





### 3.6. TECHNOLOGICAL ENVIROMENT

#### EXAMPLE

New technologies and the penetration of the internet have increased food delivery platforms

New technologies have increased online shopping for all types of product categories.



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### 3.6. TECHNOLOGICAL ENVIROMENT

#### EXAMPLE

- ❑ When buying the seafood, they let you choose if you want to receive it cleaned or as it comes from the sea.
  
- ❑ Some characteristics of the online purchase:
  - Freshly caught, from Cristina Island (Huelva)
  - Free shipping (from 100€)
  - Delivery in 24h (refrigerated transport)
  - Raw or cooked (you decide how to receive it)
  
- ❑ You can prepare a wide variety of typical dishes of our cuisine with a wide range of special fish for frying, roasting, cooking or adding to stews, as well as our special fish for grilling.



¿LO QUIERES LIMPIO?

Elige una opción

Elige una opción

Sí, limpio

No, tal y como sale del Mar

**Mercado del Marisco** | Marisco | Pescado Online | Marisco de Concha | Packs | Salazones | 0,00€ | Mi cuenta

| Product Name                          | Price | Description  |
|---------------------------------------|-------|--|
| Filetes de sardinas ahumadas          | 4,20€ | Filetes de sardinas ahumadas – tarrinas de 110gr. ó 400gr. Filetes de sardinas ahumadas y prensadas conservadas en aceite de oliva y girasol. Piezas seleccionadas y perfectamente limpias, sin espinas y con un ligero toque de sal y aroma a humo. Se trata de una conserva tradicional y de consumo habitual en zonas |
| Solomillo de atún a las finas hierbas | 4,29€ | Solomillo de atún a las finas hierbas – tarrinas de 110 gr. ó 400 gr. Deliciosas piezas de solomillo de atún marinadas con aceite de oliva y girasol y aromatizado a las finas hierbas, lo que le aporta un sabor marcado y refrescante. Una conserva apropiada para tomar   |
| Ventresca de atún a la pimienta       | 4,50€ | Ventresca de atún a la pimienta – tarrinas de 110gr. ó 480gr. Exquisitas piezas de ventresca de atún marinadas en aceite de oliva y aliño de pimienta. Una conserva ideal para tomar en aperitivo o como acompañamiento de otros platos marineros.   |
| Banderillas de Atún y Queso           | 8,10€ | Desde las primeras técnicas de conservación a medio largo plazo de pescados ha llovido mucho... Desde tiempos inmemoriales el sector de la conserva a ido investigando y experimentando con la idea de ir renovandose constantemente, con nuevas técnicas, procesos y, como no, productos. Os presentamos esta           |

[Comprar](#)



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Source: [El Mercado del Marisco](#)

## 3.6. TECHNOLOGICAL ENVIRONMENT

### EXAMPLE

- ❑ "Fresco y del Mar" is an online fishmonger where you can buy seafood and fresh Galician fish from artisanal fishing on the Costa da Morte and Ría de Muros e Noia, where the Os Miñararzos Marine Reserve is located.
- ❑ The commitment: support artisanal, fair and sustainable fishing and guarantee the traceability of the product that arrives at your home.
- ❑ Their catalogue includes Galician fish and seafood and allows to enjoy a quality product with less than 24/48 hours from its capture (24h seafood; 48h fish).



### 3. THE MACROENVIRONMENT

#### 3.7. NATURAL ENVIROMENT

- ❑ Shortages in raw materials: The earth's raw materials could be either infinite, renewable or finite nonrenewable: infinite resources –such as air or water– are becoming a problem due to water shortages or air pollution; finite renewable resources, like food or forests, should be used wisely; and non-renewable resources such as oil, gas or minerals are a great problem due to depletion. In this context, fish companies could change to green energies or renewable sources of energy, for example fish processing facilities could use solar energy.
- ❑ Increased cost of energy: The large industrial economies of the world depend heavily on oil and gas; and in turn, the increase in their costs causes serious problems for the world economy. However, despite the high energy prices, global demand continues to rise, creating a serious problem for future economic growth. Fish companies could move to green energies or try to minimize their energy consumption.
- ❑ Increased pollution: Industry has been largely blamed for damaging the quality of the natural environment. Relevant issues are the disposal of chemical and nuclear wastes, the levels of mercury in the oceans, the littering of non-biodegradable materials such as plastic, or the chemical pollutants in the soil and food supply. Fish companies could commercialize their products in recyclable or biodegradable packaging.



### 3. THE MACROENVIRONMENT

#### 3.7. NATURAL ENVIROMENT

- ❑ Climate change: Increasing concern regarding the greenhouse gases in the atmosphere and the growing shortages of water. The carbon dioxide (CO<sub>2</sub>) induced climate can be attributed to the industrial pumping out of greenhouse gases; and as a result, global temperatures are expected to increase. In this context, fish companies could promote local fish consumption among customers so that transportation of fish products is substantially reduced.
- ❑ Depletion of natural resources: Increasing awareness and social concern on the depletion of natural resources and pollution, which has been strengthened by governments and authorities that have developed campaigns promoting recycling, energy saving and prevention of food waste. Fish companies could implement strategies of sustainable growth.
- ❑ The issue of microplastics in the marine environment: Increasing concern for the presence of micro plastics in the seas and in the marine ecosystems that will end up influencing the safety of fish products aimed for human consumption. Fish companies could remove plastic from their farming and production assets, since these plastic could end up in the oceans in the long term. For example, replacing plastic fishing nets with other material.



## 3.7. NATURAL ENVIROMENT

### EXAMPLE

«Ayúdanos a reducir el consumo de plástico»

Compra esta bolsa y tráela para tus compras a granel



El ahorro está en el precio  
**0,85**  
unidad



### Carrefour Recycling BAGS

Changing people's behaviour by changing the colour of plastic shopping bags.

#### The challenge

In Brazil, the majority of the supermarkets push the customer's purchase in generic plastic bags. Most people use these as garbage bags, but because they are generic, they tend to mix up recyclable rubbish with the non-recyclable. Also, they are unsuitable to the idea of recycling, but many of them do not practice it because of a lack of appropriate bins, lack of space for these bins in their homes or because they can't afford to buy the program. Carrefour, as a supporter of plastic, had generated recyclable rubbish, searched a solution to this problem.

#### The solution

We designed colourful plastic shopping bags with, after our customers had accepted them, they could be used in an environmentally friendly way. They have specific colors to show which kind of materials should be discarded in them: paper, glass, metal or plastic. So people can correctly collect rubbish of some without the need for specific bins, and without relying on collection by the local council. To further reduce the environmental impact, the plastic bags are made from biodegradable material.



The increasing awareness about environment has removed one-use plastic bags in retailing

**BRING YOUR OWN BAG**

We'd really like to see everyone use a reusable bag when they shop. That's why we now charge 5 cents for every IKEA plastic bag – money that we donate entirely to Tree Canada so they can plant more trees.

**MORE ABOUT REUSABLE SHOPPING BAGS AT IKEA** ▶



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### 3.7. NATURAL ENVIROMENT

#### EXAMPLE

Some companies, like "Ecoalf" develop circular business models and manufacture from trash, using garbage and plastic as the main resources.

WE BELIEVE



IN REINCARNATION

**ECOALF**



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### 3. THE MACROENVIRONMENT

#### SUMMARY

| MACROENVIRONMENTAL FACTORS        | INFLUENCE  | POTENTIAL ACTIONS TO BE DEVELOPED BY FISH COMPANIES  |
|-----------------------------------|--|--|
| <b>DEMOGRAPHIC</b>                | Stagnation of population size in Spain<br>Increase in elderly population<br>New types of households<br>Ethnic mix  | <ul style="list-style-type: none"> <li>• Internationalization and export to new markets</li> <li>• Offering of fish products               <ul style="list-style-type: none"> <li>• Targeting older population</li> <li>• Smaller and individual packages</li> <li>• Tailored to the tastes and flavours demanded</li> </ul> </li> </ul>   |
| <b>ECONOMIC</b>                   | Purchasing power and income distribution   | <ul style="list-style-type: none"> <li>• Offer fish products at a low affordable prices</li> </ul>   |
| <b>SOCIO-CULTURAL</b>             | Social-class structure<br>The new society<br>Cultural level<br>Importance of image<br>Seek for convenience<br>Consumer goes “Green”  | <ul style="list-style-type: none"> <li>• Segment the market based on consumers’ lifestyle</li> <li>• Processors and manufacturers should offer products with high quality and create and manage valuable brands.</li> <li>• Promote fish as part of a healthy diet.</li> <li>• Offer convenient time-saving products, “ready to eat” meals and green or vegan fish alternatives</li> </ul> |
| <b>POLITICAL/LEGAL</b>            | Legislation regulating business<br>Deregulation  | <ul style="list-style-type: none"> <li>• Examine legislation prior to decide to enter a new market.</li> </ul>   |
| <b>TECHNOLOGICAL</b>              | Fast pace of technological change<br>Product innovation<br>Impact of the internet  | <ul style="list-style-type: none"> <li>• Adapt to the new emerging technologies</li> <li>• Develop online purchase and food delivery platforms.</li> </ul>   |
| <b>NATURAL/<br/>ENVIRONMENTAL</b> | Shortages in raw materials<br>Increased cost of energy<br>Increased pollution<br>Climate change<br>Depletion of natural resources<br>Microplastics in the marine environment | <ul style="list-style-type: none"> <li>• Commercialize their products in recyclable or biodegradable packaging.</li> <li>• Implement strategies of sustainable growth</li> </ul>   |



## 4. MARKETING STRATEGIES

- ❑ A marketing strategy identifies a company's target markets, the related marketing-mix and the bases on which the company plans to build a sustainable competitive advantage.
- ❑ The objective is to develop sustainable competitive advantages in markets, products, resources or capacities, and to be perceived as such by customers. In order to gain competitive advantages, the company should deliver superior value by performing activities differently from competitors or by performing different activities from competitors altogether.
- ❑ A sustainable competitive advantage is an advantage over the competition that is not easily copied and can be maintained over a long period of time.



## 4. MARKETING STRATEGIES

### 4.1. COMPETITIVE STRATEGIES

**Competitive strategies:** “*how a company decides to face its competitors on the market*”. The competition in the market is made up of all these companies with a real purchasing alternative for consumers (*Porter, 1996*).

- ❑ A company’s relative position within its industry identifies whether its profitability is above or below the industry average, the fundamental basis of above average profitability in the long term is the sustainable competitive advantage (*Porter, 1998*).
- ❑ Value is what consumers are willing to pay, and superior value stems from offering lower prices than competitors for equivalent benefits or providing unique benefits that more than offset a higher price.
- ❑ There are two basic types of competitive advantage a company can possess: low cost or differentiation. These combined with the scope of activities for which the company seeks to achieve them, lead to four generic strategies for achieving above average performance in an industry:
  - 1) Cost leadership
  - 2) Differentiation
  - 3) Cost focus
  - 4) Focus differentiation



## 4. MARKETING STRATEGIES

### 4.1. COMPETITIVE STRATEGIES

Own features or characteristics of the company, its products/services perceived by the market as superior or with higher value than those alternative products/services from competitors.

#### COST STRATEGY

##### LOW COSTS

Reaching the lowest costs through large-scale production + non-differentiated products.

- 1) Cost leadership
- 2) Cost focus

#### DIFFERENTIATION STRATEGY

##### DIFFERENTIATION

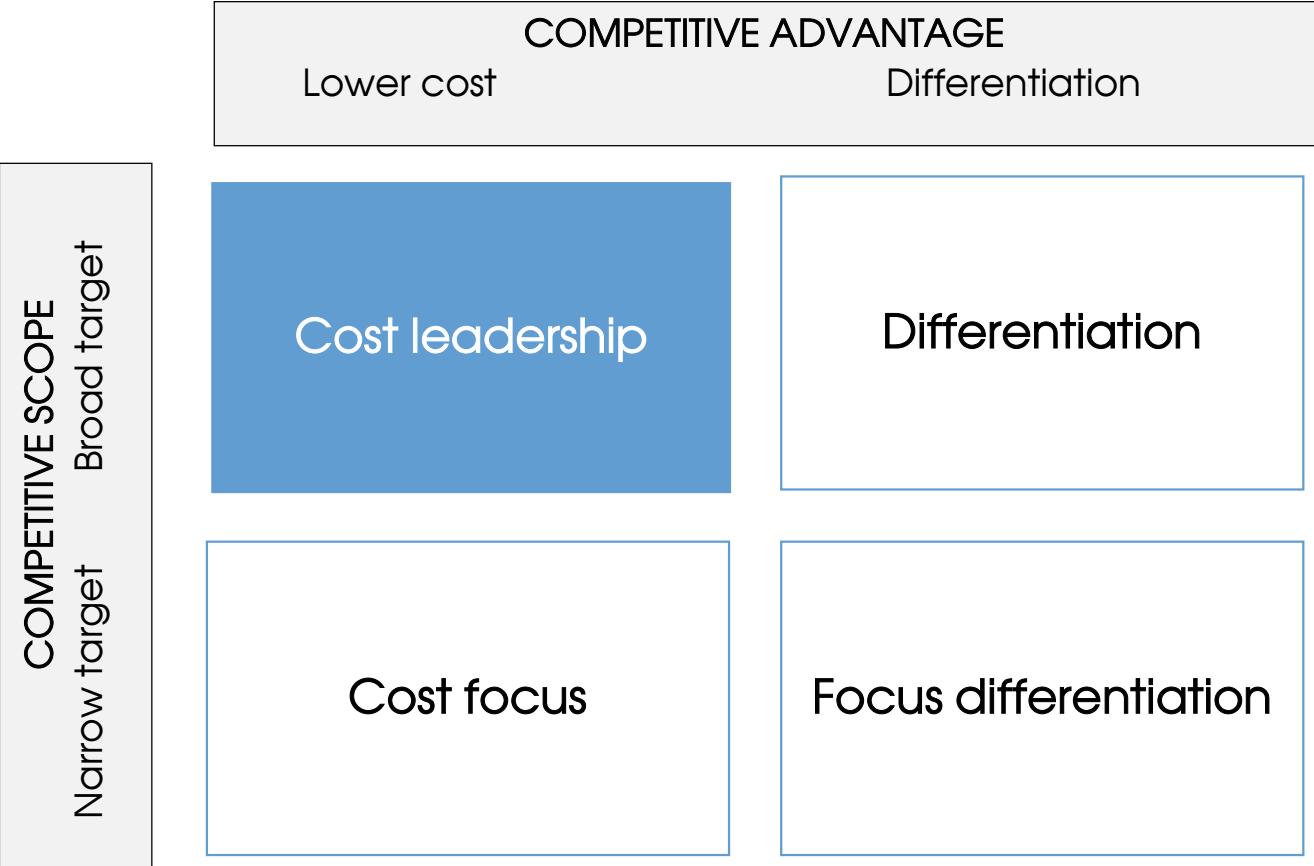
Specialization in a key variable that will provide value to the market.

- 1) Differentiation
- 2) Focus differentiation



# 4. MARKETING STRATEGIES

## 4.1. COMPETITIVE STRATEGIES



## 4.1. COMPETITIVE STRATEGIES

### COST LEADERSHIP

- ❑ Companies following the cost leadership strategy set out to become the low-cost producer in its industry and have the objective of being able to develop its offer at the lowest possible cost. So, the competitive advantage is achieved by performing important value chain activities at a lower cost than competitors.
- ❑ The sources of cost advantage are varied and depend on the structure of the industry. These sources may include the pursuit of “*economies of scale*”, proprietary technology, preferential access to raw materials and other factors.
- ❑ A low-cost producer must find and exploit all sources of cost advantage. If the company can achieve and sustain overall cost leadership, then it will have an above average performance in its industry, provided it can offer prices at or near the industry average.
- ❑ Simply being the lowest-cost producer is not good enough to keep the sustainable advantage in the long term, since the company leaves itself wide open to attack by other low-cost producers who may undercut their prices.



## 4.1. COMPETITIVE STRATEGIES

### COST LEADERSHIP

- ❑ Low-cost leaders must either have or develop some unique capabilities in order to achieve and sustain that position in the marketplace.
- ❑ The capabilities needed to sustain low-cost leadership are :
  - A dominant market share in the industry.
  - Secured supplies of scarce raw materials.
  - Having developed more efficient linkages to suppliers.
- ❑ Companies striving for cost leadership in their industry usually look constantly for cost reductions and efficiency. These companies maximize “*economies of scale*”, reduce overheads and administrative expenses and use volume sales techniques (often including aggressive pricing).



# COST LEADERSHIP

## EXAMPLES



Lidl had savings of 70% in logistics costs, by taking the pallets directly from the supplier to the supermarket. And 50% savings in lighting when using energy-efficient LEDs.



Mercadona reduced the amount of its shopping basket by 2%, with a saving for the consumer of around 96 euros per year without reducing the quality of the products.

Savings obtained by:

- Using boxes of 24 eggs on the pallets.
- Transporting sandwich bread vertically, to store 15 bags instead of 12.
- In 200g format doughnuts, changing the supplier saved 25%.
- In Marseille soap, when using 4L packaging, they saved 32 cents per litre.



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## COST LEADERSHIP

### EXAMPLES

Frozen fish fillets are offered in the market at low and cheap prices, being the most affordable alternative to eat fish. Some food retailers offer fish frozen fillets in their store brands, like "*Great Value*".

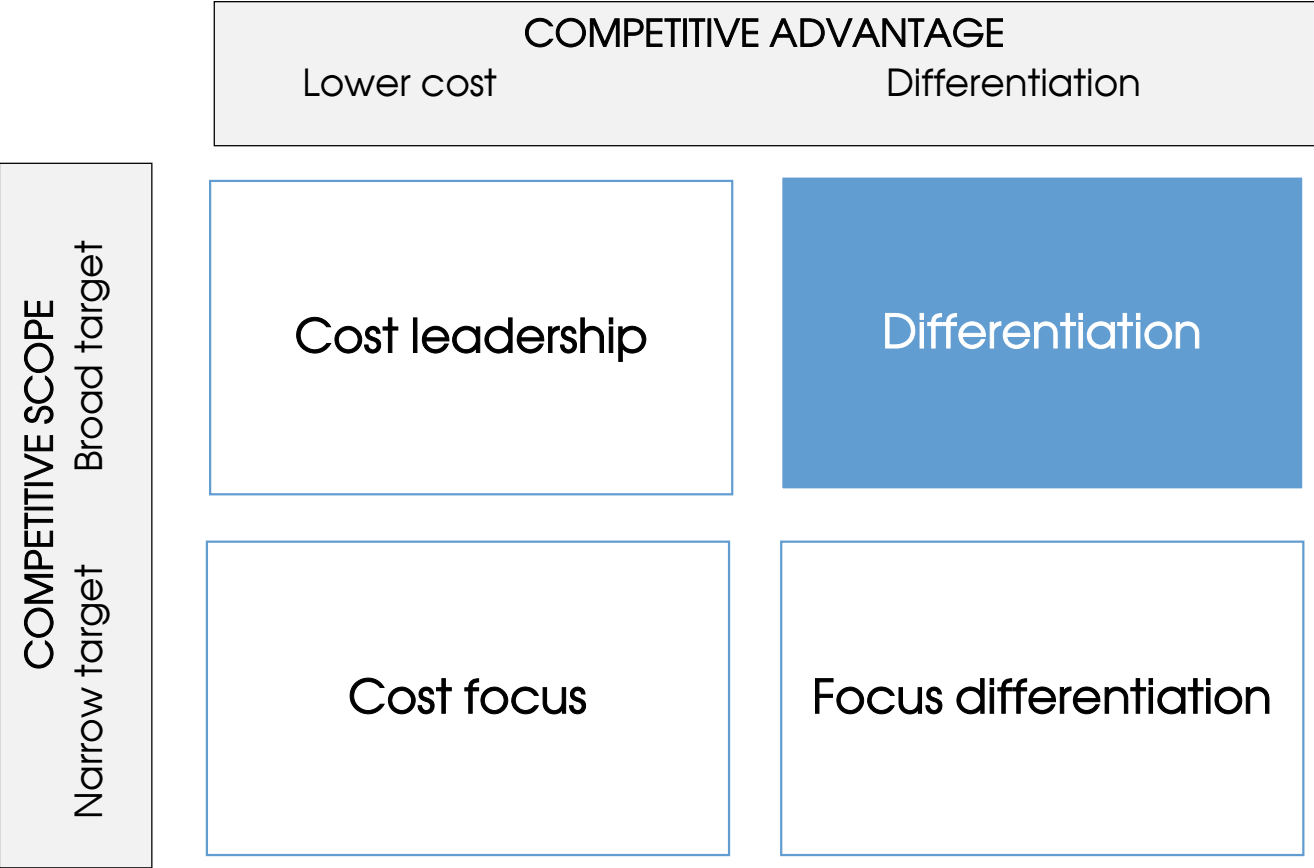


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# 4. MARKETING STRATEGIES

## 4.1. COMPETITIVE STRATEGIES



## 4.1. COMPETITIVE STRATEGIES

### DIFFERENTIATION

- ❑ The competitive strategy of differentiation should be based on one strong competitive advantage of the company. For example, it could be based on the attractive and appealing design of the products, the perceived quality, the innovation of the products, the brand image and reputation or even the product features and performance.
- ❑ With this strategy the company needs to have a unique product perceived by the market with superiority. These companies aim to create a superior fulfilment of customer needs in one or several product attributes in order to develop customer satisfaction and loyalty, which can often be used to charge a premium price for products.
- ❑ So, the company must truly be unique at something or be perceived as unique if it is to expect a premium price. If consumers are willing to pay a premium price for the product/brand, then we can state that the company follows this type of strategy. This reduces the price sensitivity of consumers by offering uniqueness.
- ❑ Products can be differentiated by design, by creating a brand, by customer service, or even by using unique technologies.



## 4.1. COMPETITIVE STRATEGIES

### DIFFERENTIATION

- ❑ This strategy involves making products or services different from and more attractive from those of competitors. How the company develops this strategy depends on the precise nature of industry and of the products and services themselves, but will typically involve features, functionality, durability, support and brand image that customers value (*Porter, 1998*).
- ❑ The logic of the differentiation strategy requires that a company choose attributes in which to differentiate itself that are different from its rivals.
- ❑ To achieve success with this strategy the companies need:
  - Good research, development and innovation activities
  - Ability to deliver high-quality products or services to the marketplace
  - Effective sales and marketing activities, so that consumers understand the benefits offered.



# DIFFERENTIATION

## EXAMPLES

PRODUCT DESIGN



BRAND IMAGE/  
REPUTATION



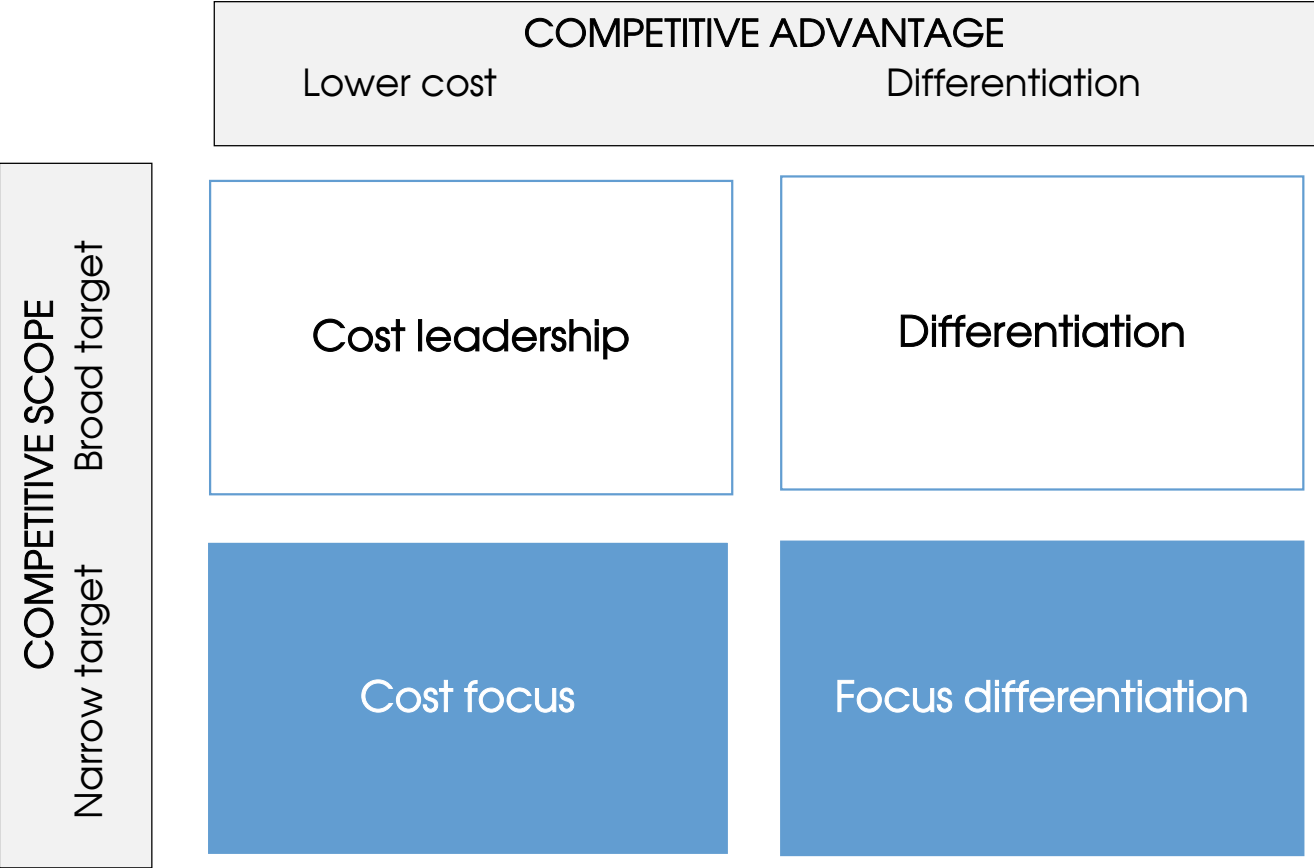
PRODUCT  
PERCEIVED QUALITY



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# 4. MARKETING STRATEGIES

## 4.1. COMPETITIVE STRATEGIES



## 4.1. COMPETITIVE STRATEGIES

### FOCUS STRATEGIES

- ❑ These strategies are quite different from the others because they are based on the choice of a narrow competitive scope within an industry.
- ❑ Companies following this strategies concentrate on a particular niche market and, by understanding the dynamics of that market and the unique needs of customers within it, develop uniquely low-cost or well-specified products for this specific market. However, it is essential that the company decides whether it will pursue cost leadership or differentiation once it has selected a focus strategy as its main approach.
- ❑ Because focus companies serve customers in their market uniquely well, they tend to build strong brand loyalty among their customers, making their particular market segments less attractive to competitors.
- ❑ Whether the company develops cost or differentiation focus, the key to making a success focus strategy is to ensure that the company is adding something extra as a result of serving only that market niche. It is simply not enough to focus on only one market segment because company is too small to serve a broader market.



## 4.1. COMPETITIVE STRATEGIES

### FOCUS STRATEGIES

- 1) Cost focus strategy: if the company seeks a cost advantage in their target segment.
  - ❑ It exploits differences in cost behavior in some segments. These differences imply that some segments are poorly served by broadly-targeted competitors who serve them at the same time as they serve others. So, the cost focuser can achieve competitive advantage by dedicating itself exclusively to specific segments that have high price sensitivity. An opportunity for cost focus may be present in just meeting the needs of such a segment and no more.
  
- 2) Focus differentiation strategy: if they seek differentiation in their target segment.
  - ❑ It is based on the differences between the company's target segments and other segments in the industry. The target segments must either have consumers with unusual needs or the company has a production and delivery system that best serves the target segment and differs from that of other industry segments. There is often room for several sustainable differentiation focus strategies in an industry provided that focusers choose different target segments.



# FOCUS STRATEGIES

## EXAMPLES

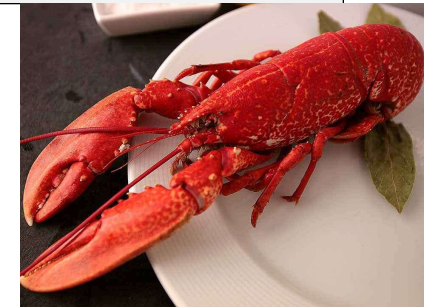
### Cost focus:

Fish products targeting customer segments who search low sodium fish products at low affordable prices.



### Focus differentiation:

Fish products targeting customer segments that seek for differentiated products and product uniqueness



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# FOCUS STRATEGIES

## EXAMPLES



Aponinete, Chef Ángel Leon's restaurant with three Michelin stars and three Repsol Suns



Dani García restaurant, from chef Daniel García, who has three Michelin stars.



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## 4.1. COMPETITIVE STRATEGIES

### SUMMARY

| COST LEADERSHIP STRATEGY                                       | DIFFERENTIATION STRATEGY   | FOCUS STRATEGY  |
|--|--|---|
| Imitation of competing companies                               | Imitation of competing companies   | The focus strategy is imitated                        |
| Changes in technology that influence cost structure            | Bases for differentiation become less important for consumers                      | The target segment becomes structurally unattractive  |
| Other bases for cost leadership erosion                        | Differentiation focusers achieve greater differentiation in market segments/niches | The target segment becomes not profitable to serve    |
| Cost focusers achieve lower costs in market segments or niches |  | Broadly-targeted competitors overwhelm the segment    |
|  |  | The segment's differences from other segments narrows |
|  |  | New focusers entry the industry                       |



## 4. MARKETING STRATEGIES

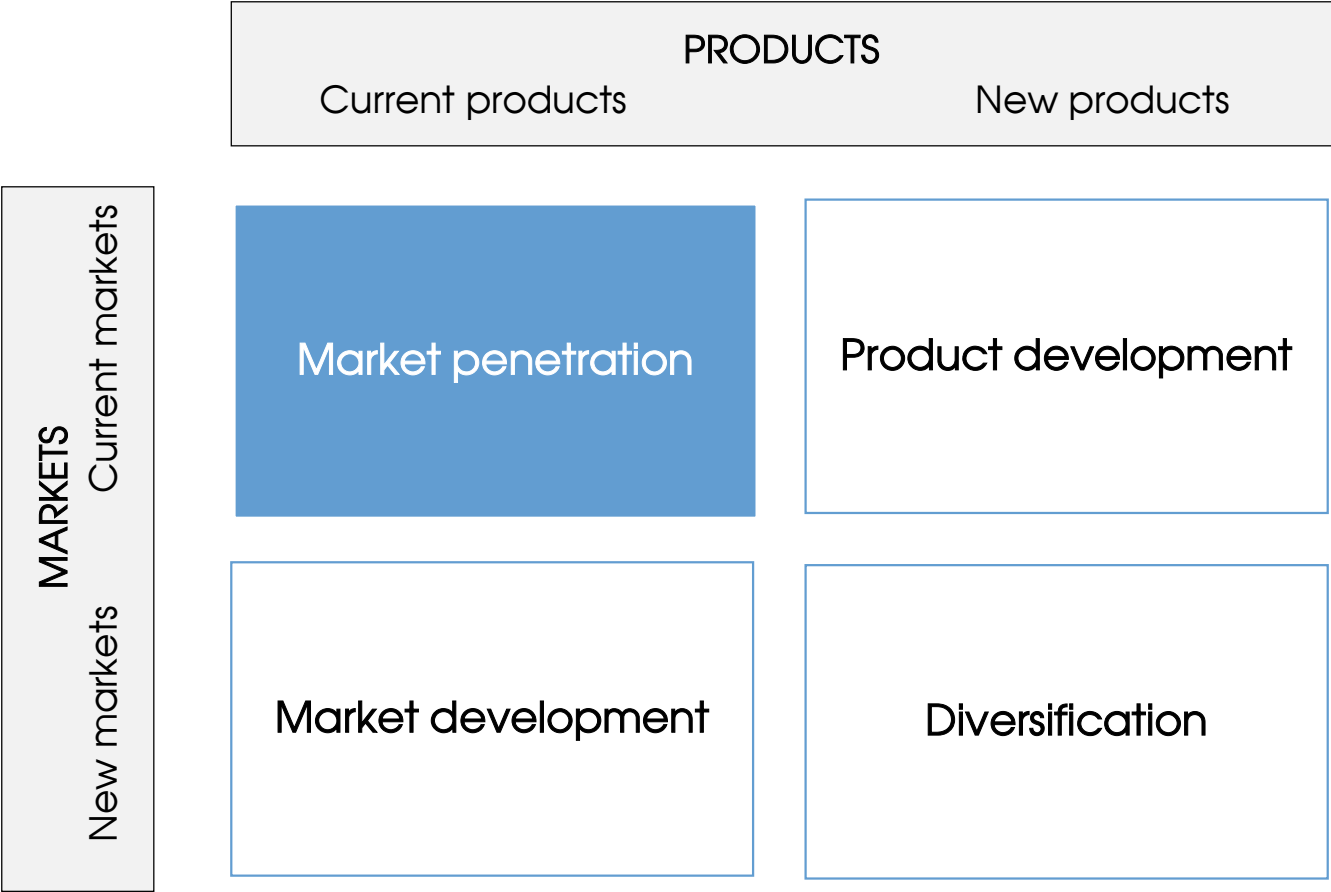
### 4.2. GROWTH STRATEGIES

- ❑ The growth strategies define the different ways a company can grow in a market.
- ❑ The motives that companies must develop these strategies are to achieve the following:
  - A better positioning on the market
  - Large-scale economies in the sector
  - A better acceptance and a higher demand for its products/brands
  - A greater recognition by suppliers, intermediaries and employees



# 4.2. GROWTH STRATEGIES

## THE ANSOFF MATRIX



## 4.2. GROWTH STRATEGIES

### MARKET PENETRATION

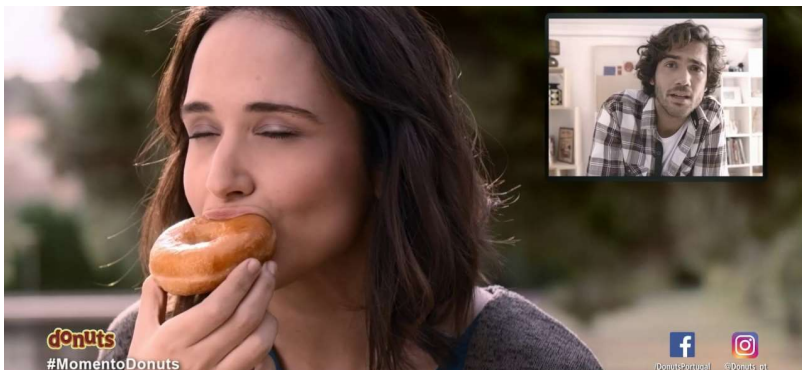
- ❑ It consists in growing in the existing markets with the current products/services. This strategy generally requires greater marketing efforts, such as increased advertising, additional sales promotions, or intensified distribution effort in the geographical areas where the product is commercialized.
- ❑ The market penetration strategy means that the company will aim to sell its existing products within markets that it already serves but in greater numbers. So, it is mostly based on increasing the marketing pressure on the markets where the company already operates.
- ❑ The company can develop the market penetration strategy in the following ways:
  - Increase product consumption, product usage or product consumption frequency.
  - Gain new customers from competing companies
  - Attracting potential customers that are not currently consuming/using the product
  - Encouraging the company's customers to patronize the company more often



# MARKET PENETRATION

## EXAMPLES

Marketing campaign of a food product  
Company promoting that consumers  
should eat two donuts at a time, to  
increase product consumption.



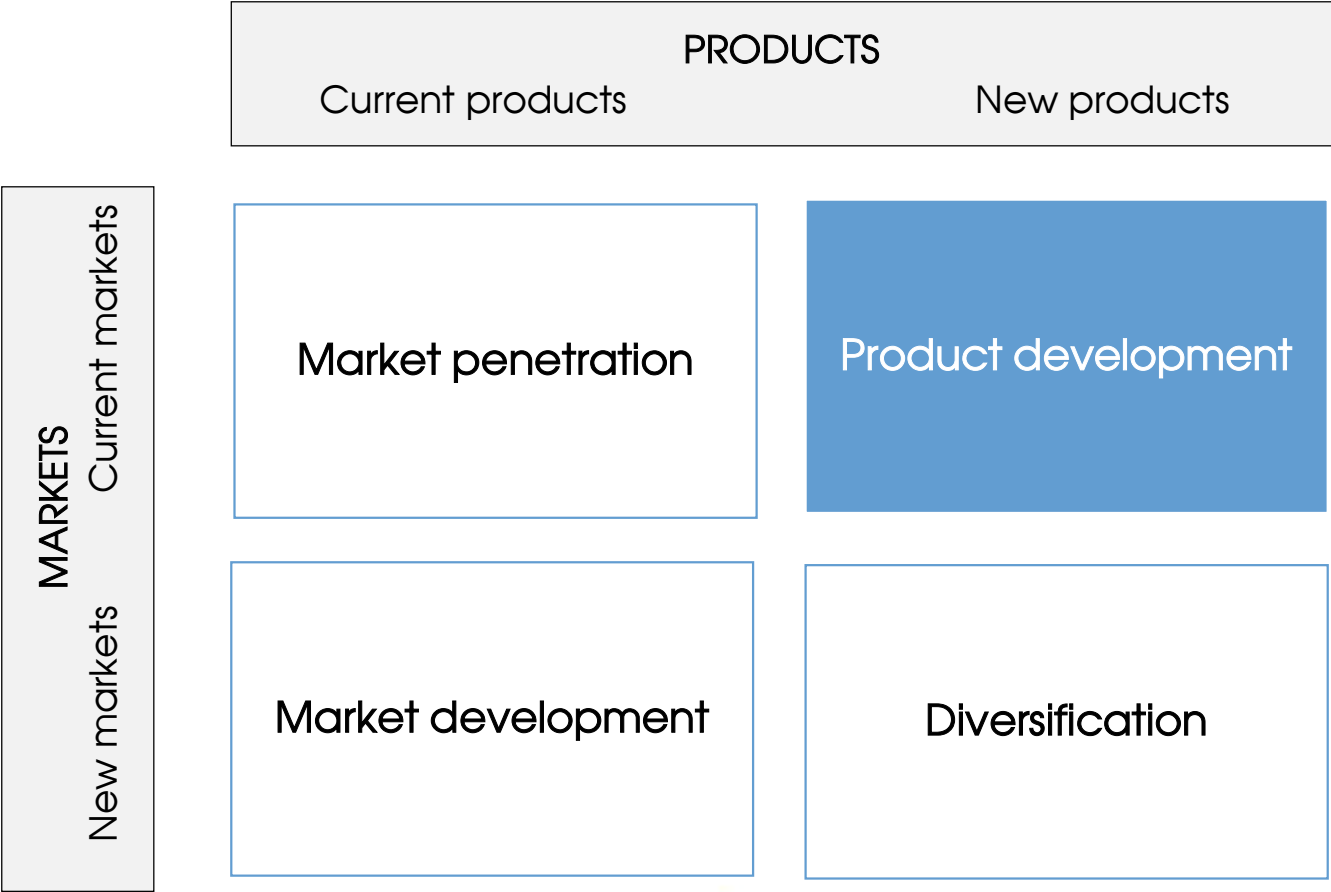
Marketing campaign of fish products'  
company aiming to increase  
consumption frequency



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# 4.2. GROWTH STRATEGIES

## THE ANSOFF MATRIX



## 4.2. GROWTH STRATEGIES

### PRODUCT DEVELOPMENT

- ❑ It consists in the development of new products/services within the current and existing markets of the company. In most companies this is a process that will be ongoing, as no company can last for long selling only its current range of products.
- ❑ Developing this strategy enables the company to utilize its existing knowledge and skills to develop new products for a market that it fully understands. Nevertheless, it entails a significant effort for the company, since there is always some risks in new products' development.
- ❑ The company could develop this strategy through the following actions:
  - Development of new uses for the existing products
  - Offering an improved quality or improved features of the product
  - Use of alternative/innovative technologies in product manufacturing
  - "Brand extension": extending the brand name to new product categories related with the initial product category.





## PRODUCT DEVELOPMENT

### EXAMPLES

Growth strategy is based on improved features of the product and the use of innovative technologies in product manufacturing.



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# PRODUCT DEVELOPMENT

## EXAMPLES

Growth strategy based in improved quality. Apple improves the quality and features of iPhones launching constantly new versions.

Growth strategy in the fish industry based on the use of alternative technologies in product manufacturing.

### iPhone

**ANNOUNCED:**  
January 9, 2007

**RELEASED:**  
June 29, 2007

**KEY FEATURES:**  
3.5-inch diagonal screen; 320 x 480 pixels at 163 ppi; 2-megapixel camera

**PRICING:**  
4GB model, \$499; 8GB version, \$599 (with a two-year contract)



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# PRODUCT DEVELOPMENT

## EXAMPLES

Growth strategy is based on the development of new uses for the product. The shampoo was initially launched for babies, and then the company extended its use to adults.

Growth strategy based in brand extension. The company Carolina Herrera first introduced apparel collections and then extended the brand name into perfumes



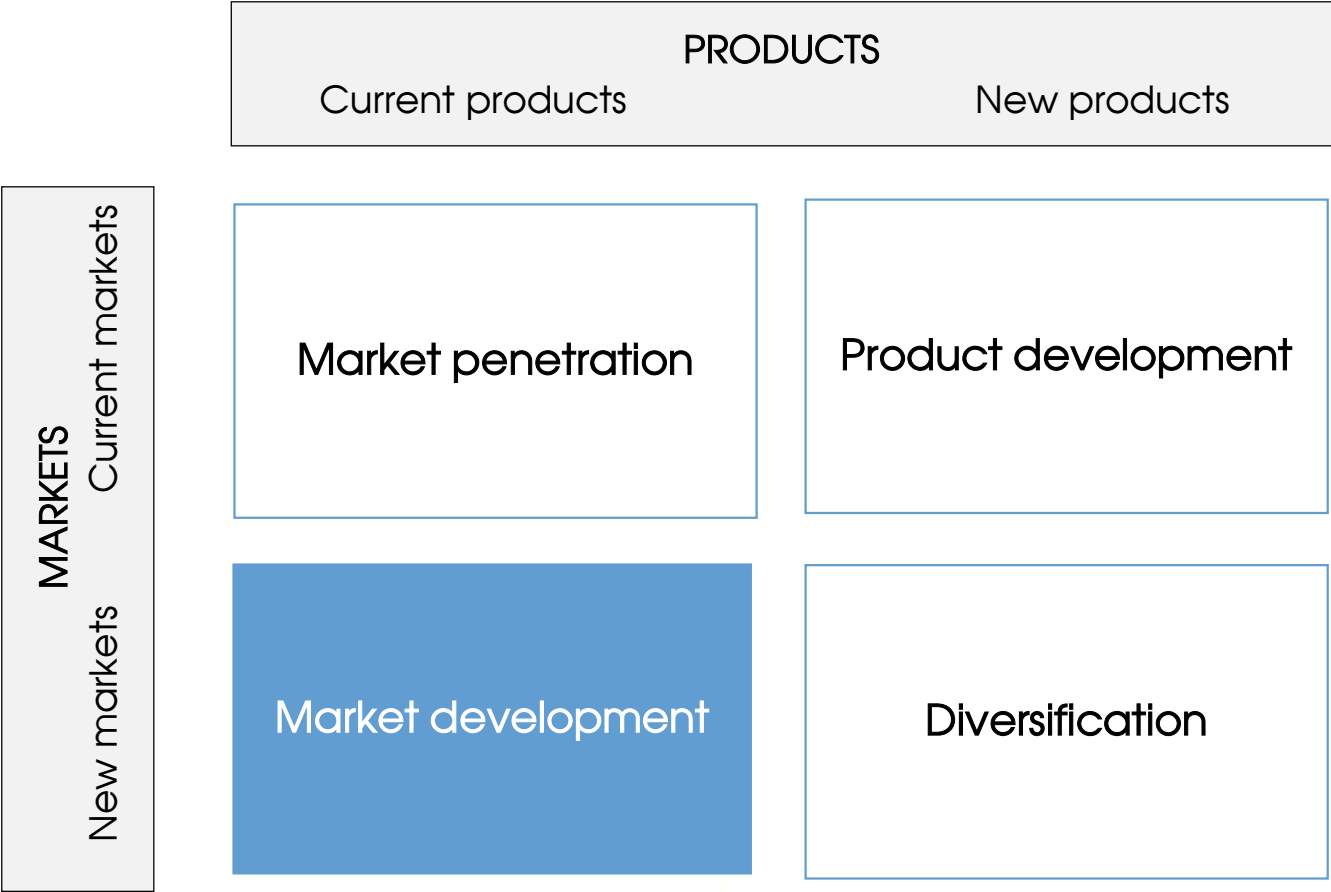
CH  
CAROLINA HERRERA  
NEW YORK



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# 4.2. GROWTH STRATEGIES

## THE ANSOFF MATRIX



## 4.2. GROWTH STRATEGIES

### MARKET DEVELOPMENT

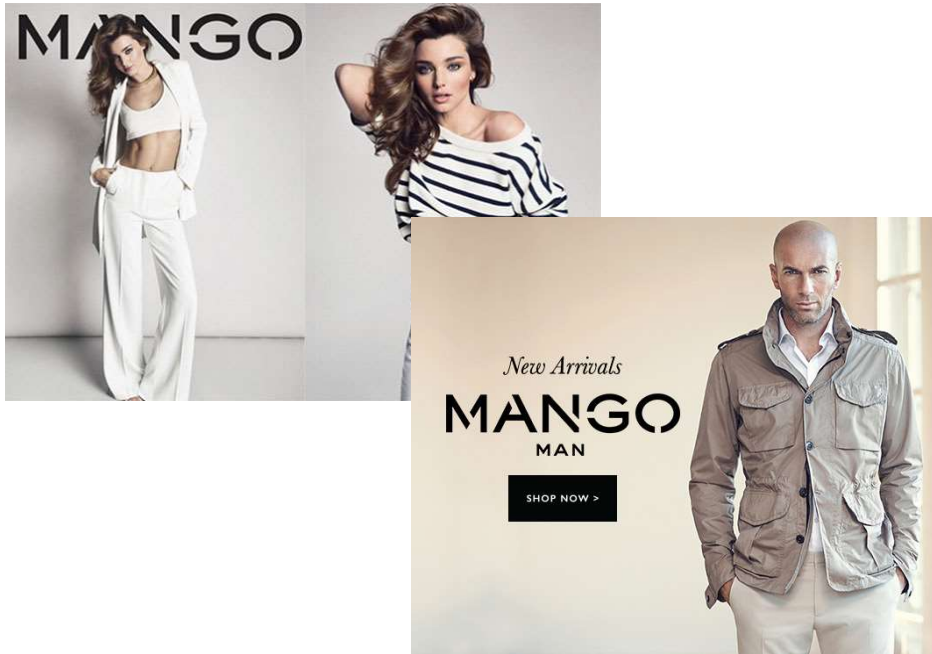
- ❑ It consists in the development of new markets or new segments with the current products, services or brands. The new markets could be geographically based either locally or internationally, or alternatively the new market could be a new market segment.
- ❑ The advantage for the company is that it does not need to invest in new product development, and the main expenditure will be incurred in the area of marketing and sales, reducing the risks associated with new product development.
- ❑ The ways companies could develop this strategy are the following:
  - Identify and target new customer segments
  - Develop new distribution channels in the present locations
  - Geographical expansion or internationalization (entry in new foreign markets)
  - New product possibilities and new packaging



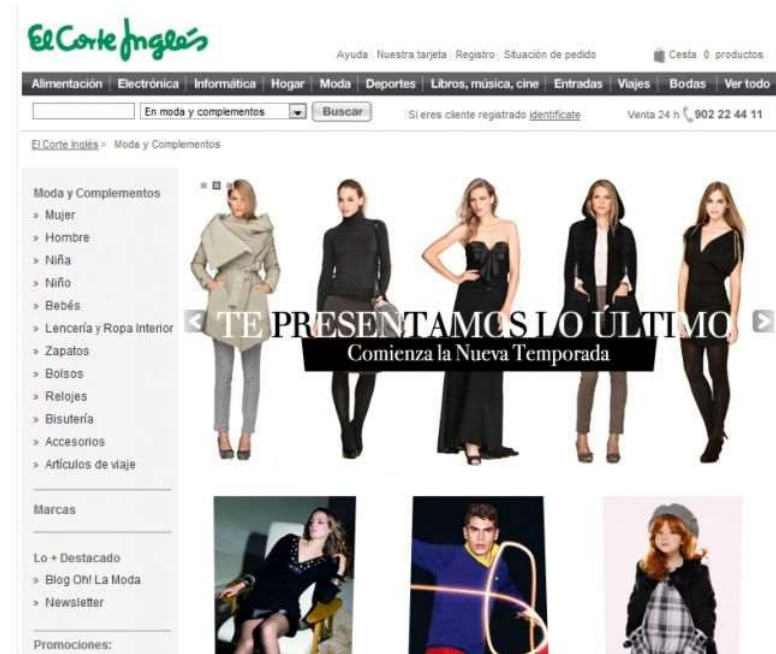
# MARKET DEVELOPMENT

## EXAMPLES

Growth strategy in based on the development of new customer segments. The fashion retailer Mango initially sold women apparel, and then the company extended its apparel collection to men.



Growth strategy in based on the development of new distribution channels. The company initially sells in physical stores, and then the company launchend an online platform



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# MARKET DEVELOPMENT

## EXAMPLES



# AudensFood



Croquetas de Cocido

Croquetas de Jamón Ibérico

Croquetas de Merluza y Gambas

Croquetas de Setas

Priéla - Recetas del Mesón

Priéla - Recetas del Mesón

Priéla - Recetas del Mesón

Priéla - Recetas del Mesón

# PLANT BASED



A base de proteína de trigo



Croquetas sin pollo

Nuggets sin pollo

Empanadillas sin pollo

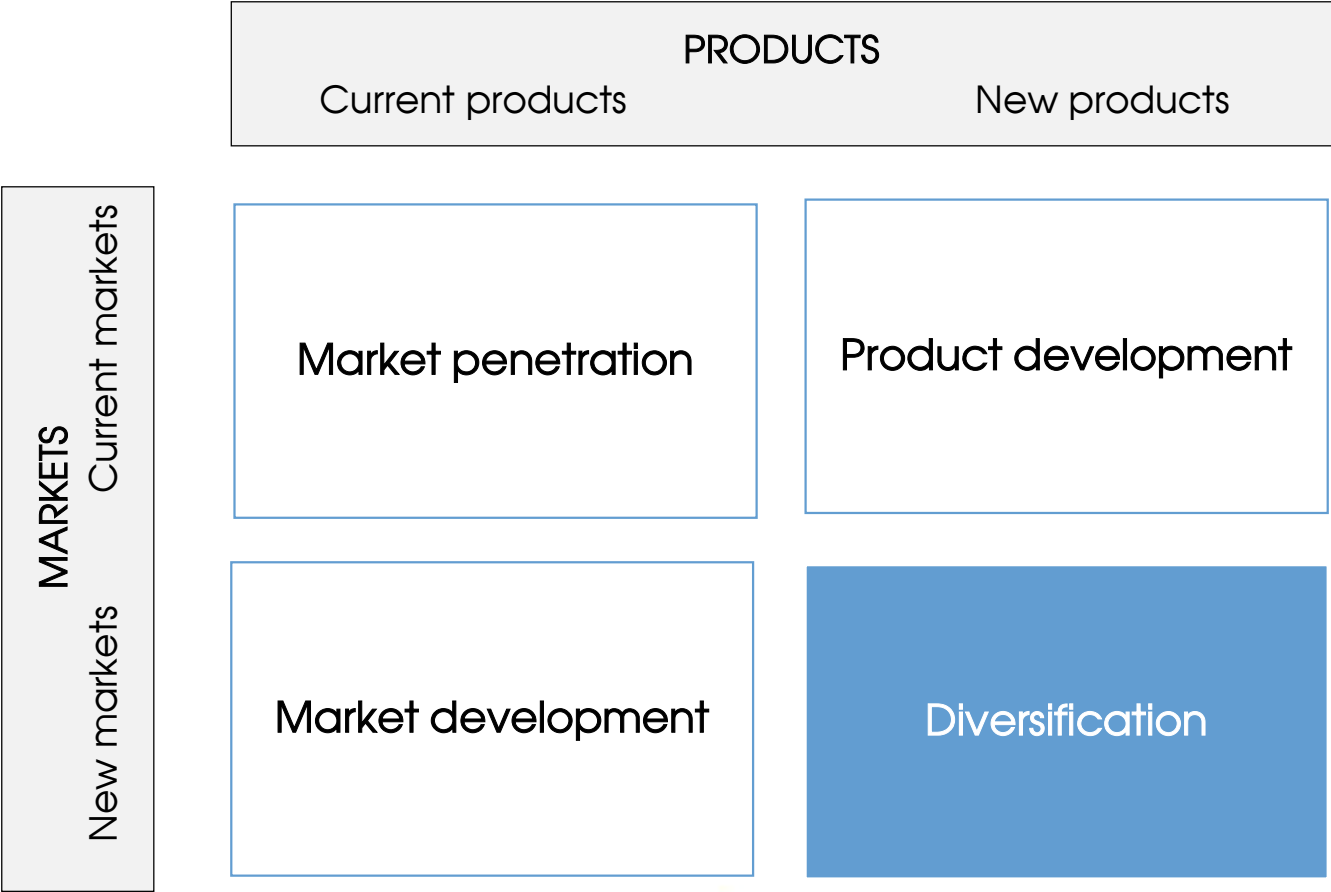
Growth strategy in based on the development of new markets, adapted to the increased demand of vegan products.



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# 4.2. GROWTH STRATEGIES

## THE ANSOFF MATRIX





## 4.2. GROWTH STRATEGIES

### DIVERSIFICATION

- ❑ The **diversification** consists in developing new products/services for new markets or new market segments; thus, being the riskiest strategy. So, this is a strategy whereby the company introduces a new product or service to a market segment that the company does not currently serve. It makes sense when there are good opportunities outside the current businesses, a dramatic decline in the company sales or the advent of new technologies opening new markets, providing great business opportunities.
- ❑ The motives that companies must develop this strategy are:
  - To avoid market saturation or stagnation
  - To achieve global risk reduction
  - To get access to new technologies and innovations
  - To reinforce the company's market positioning strategy
  - To invest financial surplus
  - To take advantage of idle or underused resources or production capacity
- ❑ There are three types: Concentric/related; pure/horizontal and conglomerate.



## 4.2. GROWTH STRATEGIES

### DIVERSIFICATION

- ❑ The **concentric/related diversification strategy** consists in the development of a new product/service which is closely related to the products being offered by the company. The company seeks new products that have technological or marketing synergies with the existing product lines, even though the new products may target to different groups of customers.
- ❑ Therefore, the new products/service should be similar in nature to the existing ones, use the same technology, have similar pricing or use similar distribution channels.
- ❑ In this strategy, the current target market or the marketing mix developed by the company shares something in common with the new product or service to be offered.
- ❑ The company following this strategy should be able to purchase from existing suppliers, use the same distribution channel, or communicate and advertise through the same media to target markets similar to their current customers.



# DIVERSIFICATION

## EXAMPLES – CONCENTRIC/RELATED

The company Coca-Cola develops concentric related diversification strategy introducing the brands Fanta and Aquarius, since these brand are in the same category.



The company Nestlé develops concentric related diversification strategy introducing the Nespresso coffee capsules into the market.



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## 4.2. GROWTH STRATEGIES

### DIVERSIFICATION

- ❑ The **pure/horizontal diversification strategy** consists in the development of new products/services that are not related with the products/services that are currently being commercialized by the company.
- ❑ The new products to be introduced in the market are manufactured through a different technology or manufacturing process. So, the company offers new products that could appeal to current customers, even though they are technologically unrelated to the current product lines.
- ❑ In this strategy the new products/services lack any common elements with the existing products/services being offered. So, the company does not capitalize on either core strengths associated with markets or with products. Therefore, it could be perceived as very risky.



# DIVERSIFICATION

## EXAMPLES – PURE/HORIZONTAL

The company Pepsi Co. develops a pure/horizontal diversification strategy when the company purchased Frito Lay Co., since these products are related but are not in the same product category.

The company Tous develops a pure/horizontal diversification strategy when the company introduced parfumes into the market, since these products are related but are not in the same product category.



**TOUS**  
jewellers since 1920



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## 4.2. GROWTH STRATEGIES

### DIVERSIFICATION

- ❑ The **conglomerate diversification strategy** consists in the development of a new product/service that is not related with the existing products/services of the company; but in addition, the new products have no relationship with the current markets covered by the company and are produced and manufactured through different manufacturing technologies.
- ❑ In this strategy all the aspects of the new products are different to the existing products of the company.
- ❑ The company develops a new product/service that attends **different markets**, different sectors and different businesses.



# DIVERSIFICATION

## EXAMPLES – CONGLOMERATE

The company Ikea develops a conglomerate diversification strategy when the company enters the real state business in Northern Europe and sells apartments and condominiums, since this activity is not related with selling furniture or decoration products.



Inter IKEA Group



The Indian company Tata develops a conglomerate diversification strategy when the company sells vehicles and tea into the market, since these products are not related, nor in the same industry.



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## 4.2. GROWTH STRATEGIES

### INTEGRATED GROWTH

- There are two types of **integrated growth strategies**:
  - 1) Vertical integrated growth strategy consists in the incorporation of new stages of the value chain of the product manufacturing. Therefore, it depends on the company's ownership of vertically related activities. This strategy could have two ways of integration:
    - **Backward integration**: The company may acquire one or more of its suppliers to gain more control on the production chain. So, it takes place when the company incorporates, owns and controls the production and manufacturing of its products, components, supplies and inputs.
    - **Forward integration**: The company may acquire some wholesalers or retailers, especially those highly profitable. Therefore, it occurs when one company owns and controls activities that were previously done by its customers, such as distribution and retailing. So, the company incorporates stages that are later stages that follow its current product offering.
  - 2) Horizontal integrated growth strategy occurs when the company obtains internal development by mergers and acquisitions of its competitors. That is, the company takes ownership of another competing companies. In addition, this strategy could be developed through strategic alliances with other companies in the industry.





## 4.2. GROWTH STRATEGIES

### INTEGRATED GROWTH

Graphic explanation of vertical integrated growth:

- 1) Forward integration: distribution or manufacturing companies engage in retail, sales and after sales services.
- 2) Backward integration: manufacturing or distribution companies engage in their own supplies and raw materials.



# INTEGRATED GROWTH

## EXAMPLE



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## 4.2. GROWTH STRATEGIES

### SUMMARY

| GROWTH STRATEGIES   | Alternatives to develop growth strategies  |
|---------------------|--|
| Market penetration  | Increase product consumption<br>Gain new customers<br>Attract potential customers<br>Patronize the company |
| Product development | Develop new uses<br>Offer an improved quality<br>Use alternative technologies<br>Brand extension           |
| Market development  | Target new customer segments<br>Develop new distribution channels<br>Internationalization<br>New packaging |
| Diversification     | Concentric/related<br>Pure/horizontal<br>Conglomerate  |
| Integrated growth   | Vertical integration (backward/forward)<br>Horizontal integration  |



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## 4. MARKETING STRATEGIES

### 4.3. BASED ON MARKET POSITION

The examination of the company's market position, objectives and resources, managerial attitudes to risk, the structure of the market, and the competitors' strategies allows the classification of companies along a spectrum from market leaders to market nichers (*Kotler et al., 2008*).

Leader

Challenger

Follower

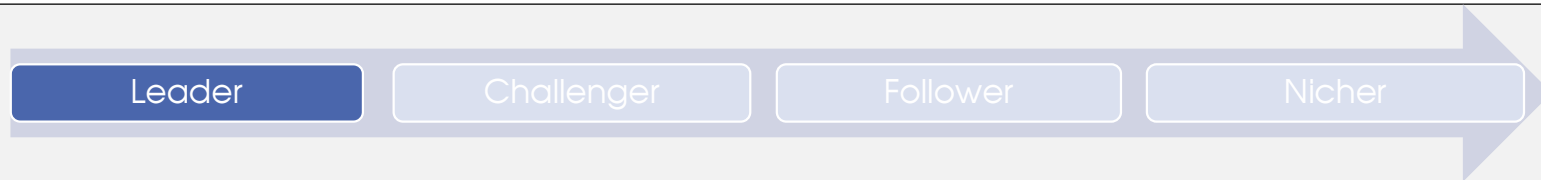
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## 4.3. BASED ON MARKET POSITION

### 4.3. BASED ON MARKET POSITION



- ❑ In the majority of sectors and industries there is one company that is generally recognized to be the leader, that typically has the largest market share. And due to its pricing policy, advertising intensity, distribution coverage, technological advance and rate of new product introductions, it determines the nature, pace and bases of competition in the sector.
- ❑ It is this dominance that typically provides the benchmark for other companies in the industry. However, this market leadership, although often associated with company size, is a more complex concept and should instead be seen in terms of an organization's ability to determine the nature and bases of competition within the market.
- ❑ Leaders have proved to be vulnerable from attacks from challengers or when faced with the need for a major technological change. Therefore, if a market leader is to remain as the dominant company, it needs to defend its position constantly.



# LEADER

## STRATEGIES

- ❑ Expand the overall market share:
  - Search and target consumers groups that currently are non-users; thus, achieving new users
  - Identifying new and different uses for the product/service
  - Increasing usage rates
  
- ❑ Protect/defend the current share:
  - Maintain the strong market positioning
  - The development and refinement of meaningful competitive advantages
  - Continuous product and process innovation, leading the industry in new product ideas.
  - A generally proactive stance, constantly increasing customer value
  - Keeping costs down and ensuring that prices reflect the value customers perceive in the brand
  - Develop heavy advertising and strong customer relationships
  - Create and build strong distributor relationships



# LEADER

## STRATEGIES

- ❑ Expand the current market share:
  - Develop heavy advertising
  - Improved distribution
  - Price incentives
  - New product development
  - Mergers and acquisitions
  - Geographic expansion
  - Distributor expansion



LEADER

EXAMPLE

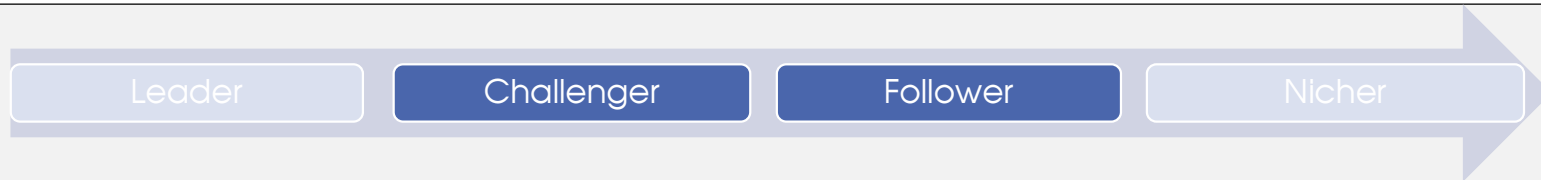


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## 4.3. BASED ON MARKET POSITION

### CHALLENGERS AND FOLLOWERS

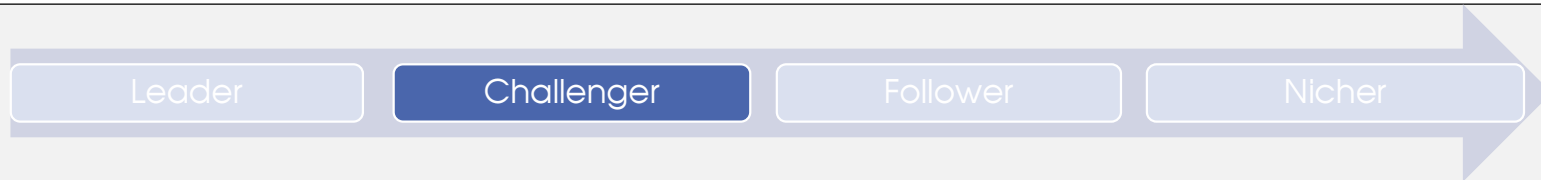


- ❑ Market challengers and followers are companies with a slightly smaller market share than leader companies.
- ❑ These companies can adopt one of two strategies:
  - Market challengers: They may choose to adopt an aggressive stance and attack other companies, including the market leader, in an attempt to gain share and market dominance.
  - Market followers: They may adopt a less aggressive stance in order to maintain their own market share and keep the industry status quo.
- ❑ In deciding between the two strategies, several factors need to be considered: the costs of attacking other companies, the likelihood of success, the potential probable returns, and the willingness of management to engage in a costly fight.



# CHALLENGERS

## STRATEGIES



- ❑ Challenger companies should never attack head-on with a strategy that simply imitates the leader. Their strategies focus on attacking the market leader, companies of similar size or smaller regional companies.
- ❑ The three most common ways of attacking are the following
  - Reconfiguration: the challenger finds a new and innovative way of performing some of the business's essential activities, such as design, manufacturing, marketing or delivery.
  - Redefining the market, either geographically and/or through the product
  - High spending: even though this is potentially the most costly and risky of the three approaches, it could be used to establish technological infrastructure and high levels of brand awareness.



# CHALLENGERS

## STRATEGIES

- ❑ Challengers can follow these strategies:
  - Frontal attack: the pure frontal attack means matching the leader product, price and distribution; while a more limited frontal attack means attracting the leader selected customers.
  - Flank attack: focuses on those areas where the leader is geographically weak and in market segments or areas of technology that have been neglected by the leader.
  - Encirclement attack: it involves launching an attack on as many fronts as possible in order to overwhelm the competitor's defenses.
  - Bypass attack: it avoids any aggressive move against the leader's existing products or markets. Instead, the company concentrates on unrelated products, new geographical markets for existing products and technological leap-frogging.
  - Guerrilla attack: is made up of a series of hit-and-run moves designed to demoralize the challenger as a prelude to destabilizing the competitor. In practice, it typically involves drastic short-term price cuts, sudden and intensive bursts of advertising, strong public relations activity, and geographically concentrated communication campaigns.



# FOLLOWERS

## STRATEGIES



- ❑ Followers are companies that are content to adopt a far less proactive posture in the market, simply by copying what other companies do.
- ❑ The attractiveness of being a market follower can be considerable, specially when the full costs and risks of challenging an entrenched leader are high and mean a major breakthrough in terms of innovation, price or distribution.
- ❑ The majority of market followers accept the status quo and pursue a course of action that avoids the risk of confrontation and retaliation. In strategic terms, this often translates into copying the market leaders by offering broadly similar products, prices and levels of service.
- ❑ The follower strategies depend on how closely the company follows the leader:
  - Following closely: it has a similar a marketing mix and market segmentation as possible
  - Following at a distance: although there are obvious similarities, there are also areas of differentiation
  - Following selectively: imitation of the leader only in product and market terms, so that the likelihood of direct competition is minimized



## FOLLOWERS

### STRATEGIES

- ❑ The strategies of successful low-share followers exhibit a number of common characteristics:
  - Careful market segmentation, competing only in areas where their particular strengths were highly valued.
  - Efficient use of limited R&D budgets and distribution of their R&D spending into areas that were most likely to generate the greatest financial pay-off, in terms of return on R&D expenditure. Where R&D capabilities were available, they concentrated on truly innovative products.
  - They thought small and stayed small. They tended to emphasize profitability rather than sales growth and market share, concentrating on specialization rather than diversification, high value added rather than mass products, quality rather than quantity.
  - The companies are willing to challenge conventional wisdom and their leaders are often strong willed, committed and involved in almost all aspects of their companies' operations.



# CHALLENGERS AND FOLLOWERS

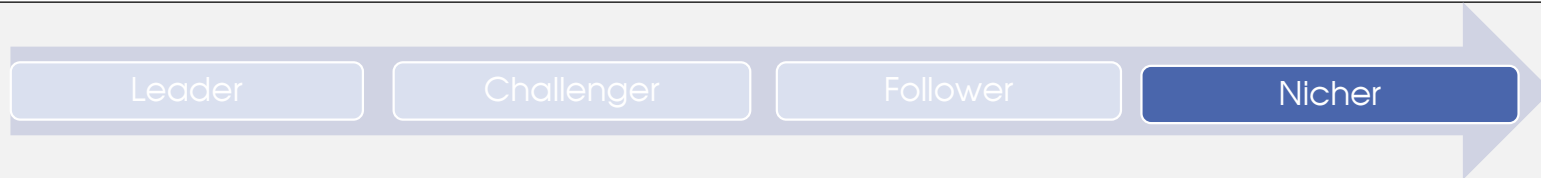
## EXAMPLES



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## 4.3. BASED ON MARKET POSITION

### NICHERS



- ❑ Every industry has a series of small companies that survive, and they often prosper and grow by choosing to specialize in segments of the market that are too limited in size and potential to be of real interest to larger companies. These companies focused on small market segments are called market nichers.
- ❑ By concentrating their efforts in small market segments, they are able to build up specialist market knowledge and avoid expensive head-on fights with larger companies.



# NICHERS

## STRATEGIES

- ❑ Although niching is typically associated with small companies, it is a strategy also adopted by divisions of larger companies in industries in which competition is intense and the costs of achieving a prominent position are disproportionately high. The advantages of niching are considerable since, if properly done, it is not only profitable but also avoids confrontation and competition.
- ❑ The attractiveness of a market niche is typically influenced by:
  - The market niche needs to be of sufficient size and purchasing power to be profitable
  - The allowance of market growth
  - The little immediate interest to the major competitors
  - The company has the abilities and resources to be able to serve the niche effectively
- ❑ Specialization can be a risky strategy if the market changes in a fundamental way, as the result of greater competition or an economic downturn, and the nicher is left exposed. For this reason, there is often a strong argument for multiple niching rather than single-sector niching.





## NICHERS

### EXAMPLES

The fashion company Pronovias focuses on bride fashion, and the dairy company Kaiku offers lactose-free products

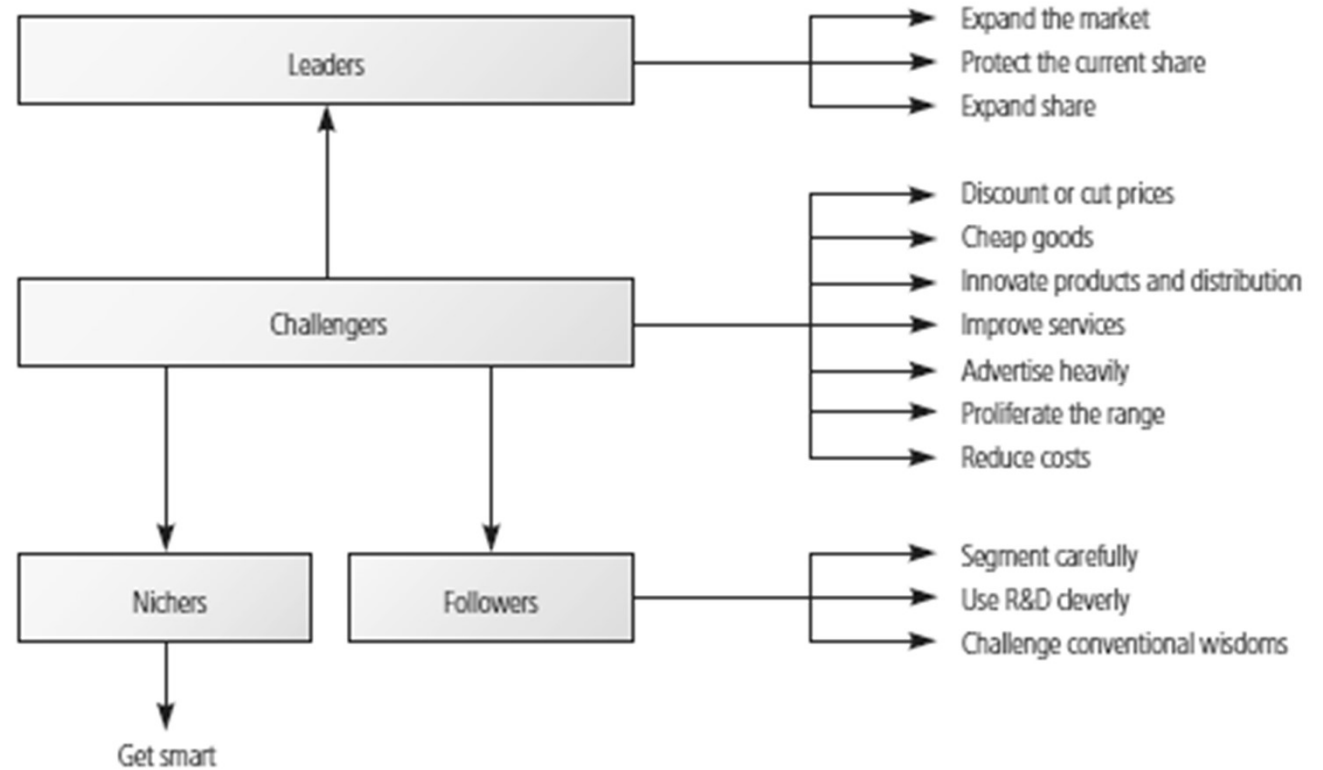


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## 4. MARKETING STRATEGIES

### 4.3. BASED ON MARKET POSITION

Potential actions to be developed by companies based on their market position



Source: Kotler et al.  
(2008)



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## 4.3. BASED ON MARKET POSITION

### SUMMARY

| BASED ON MARKET POSITION |  |
|--------------------------|--|
| Leader                   | Due to its pricing policy, advertising intensity, distribution coverage, technological advance and rate of new product introductions, it determines the nature, pace and bases of competition in the sector. |
| Challenger               | They may choose to adopt an aggressive stance and attack other companies trying to gain share and market dominance.  |
| Follower                 | They may adopt a less aggressive stance in order to maintain their own market share and keep the industry status quo.  |
| Nicher                   | They prosper and grow by choosing to specialize in segments of the market that are too limited in size and potential to be of real interest to larger companies.   |



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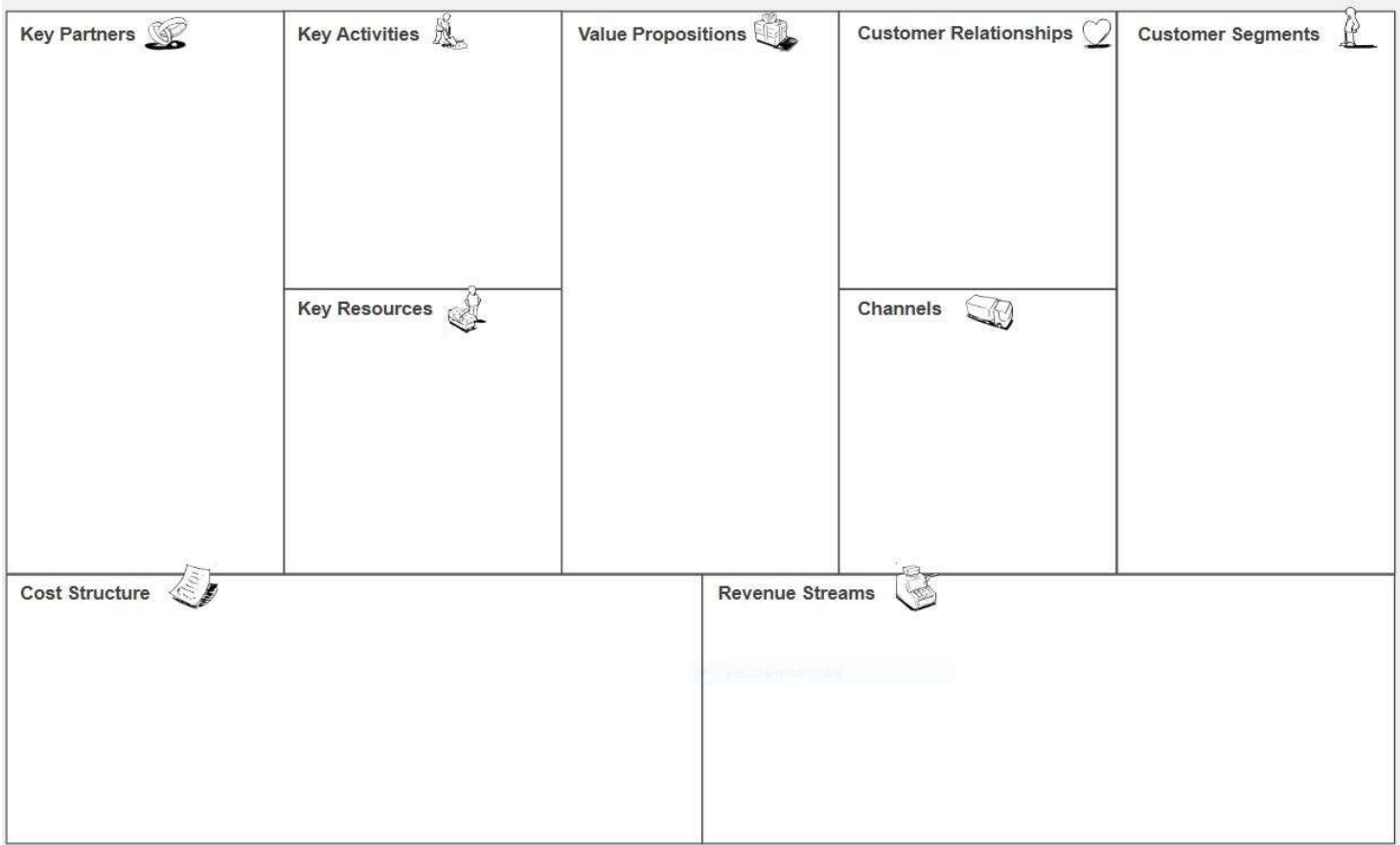
## 5. CANVAS BUSINESS MODEL

**Canvas business model:** *“the source of competitive advantage possessed by an organization that distinguishes the company from product positioning in the same industry” (Christensen, 2001).*

- ❑ Osterwalder and Pigneur (2010), create a framework that shapes business model, labelled as “canvas business model” and consists of nine boxes containing elements that are interrelated. According to these authors the canvas business model is a tool that describes the rationale of how a company creates, delivers and captures value.
- ❑ It has some benefits for a company, making it easier for managers in companies to see the logical connection between the components of the business to produce a value for consumers.
- ❑ This model uses nine basic elements, which are: customer segment, value proposition, channels, customer relationship, revenue streams, key resources, key activities, key partnerships and cost structures.



# 5. CANVAS BUSINESS MODEL



## 5. CANVAS BUSINESS MODEL

- ❑ Key partners: Questions asked by the company: Who are our key partners? Which key resources is the company buying from partners? Which key activities do our key partners perform?

In addition, the main motivations for partnerships are the optimization of resources, the reduction of risk and uncertainty or the acquisition of particular resources and activities.

- ❑ Key activities: Questions asked by the company: What key activities are required by the value proposition of the company? What key activities are required by the company distribution channels? And by customer relationships?

- ❑ Key resources: Questions asked by the company: What key resources does the value propositions require? And the distribution channels? And the customer relationships? The types of key resources are physical, intellectual (brand patents, copyrights, data), human and financial.

- ❑ Value proposition: Questions asked by the company: What value does the company deliver to the customer? Which one of the customer's problems is the company helping to solve? What bundles of products and services is the company offering to each customer segment? Which customer needs are the company satisfying?

Some of the value propositions could be newness or innovation, performance, customization, "*getting the job done*", design, brand/status, price, cost reduction, risk reduction, accessibility, convenience or usability.



## 5. CANVAS BUSINESS MODEL

- ❑ Customer relationships: Questions asked by the company: What type of relationship does each one of the customer segments expect to establish and maintain with the company? Which relationships has the company established with its customers? How are these relationships integrated with the rest of the company business model? How costly are customer relationships for the company?
- ❑ Channels: Questions asked by the company: Through which channels do our customer segments want to be reached? How are we reaching them now? How are our channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?
- ❑ Cost structure: Questions asked by the company: What are the most important costs inherent in the business model? Which key resources are most expensive for the company? Which key activities are most expensive?.

In addition, the company needs to analyse whether the company is more cost driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing), or value driven (focused on value creation, premium value proposition).

Finally, the company should examine its fixed costs (salaries, rents, utilities), variable costs, economies of scale, and economies of scope.



## 5. CANVAS BUSINESS MODEL

- ❑ Revenue streams: Questions asked by the company: For what value are customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each revenue stream contribute to overall revenues?.

There are different types of streams such as for example asset sale, usage fee, subscription fees, lending, renting, leasing, licensing, brokerage fees or advertising.

In addition, the company could apply fixed pricing (list price, product feature dependent, customer segment dependent, volume dependent) or dynamic pricing based on negotiation (bargaining), yield management, or real-time-market.

- ❑ Customer segments: Questions asked by the company: For whom is the company creating value? Who are the most important customers? Is the company customer base a mass market, niche market, segmented, diversified market,...?





## 5. CANVAS BUSINESS MODEL

### EXAMPLE

The canvas business model applied to Netflix

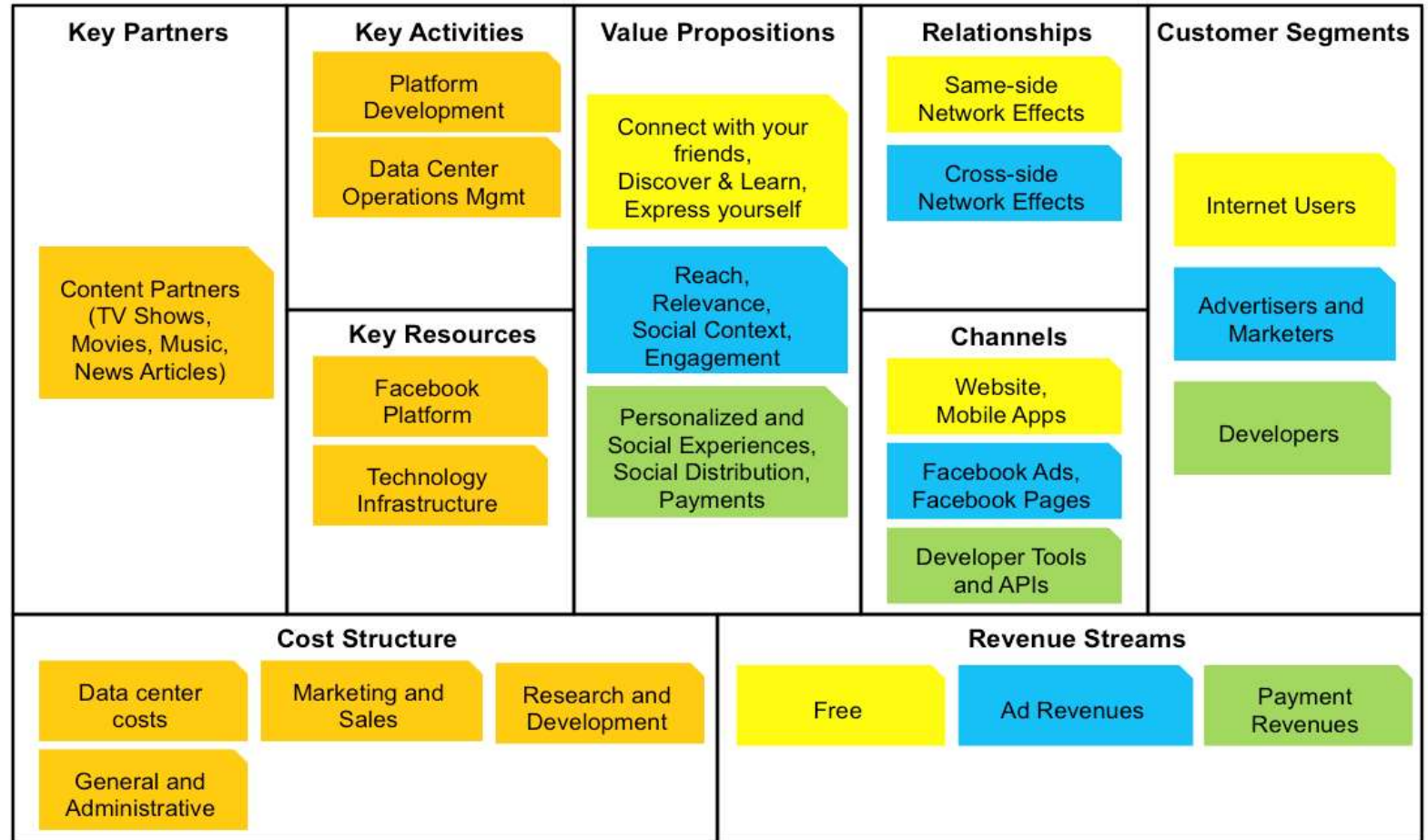
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|--|---|--|--|---|
| <p>● <b>KEY PARTNERS</b></p> <p>Internet service providers (ISP)</p> <p>3rd party studios</p> <p>8</p>   | <p>● <b>KEY ACTIVITIES</b></p> <p>Content procurement</p> <p>Application development</p> <p>3rd party licensing</p> | <p>● <b>VALUE PROPOSITIONS</b></p> <p>On-demand video</p> <p>Huge selection of content</p> <p>Original content</p> <p>Competitive price point</p> <p>2</p> | <p>● <b>CUSTOMER RELATIONSHIPS</b></p> <p>Self-service platform</p> <p>4</p> | <p>● <b>CUSTOMER SEGMENTS</b></p> <p>Mass market</p> <p>1</p> |
| <p>● <b>COST</b></p> <p>In-house content production</p> <p>3rd party licensing</p> <p>Streaming application (staff, maintenance, etc.,)</p> <p>9</p> |   | <p>● <b>REVENUE STREAMS</b></p> <p>Subscriptions</p> <p>5</p>  |  |   |
|  |   | <p>● <b>CHANNELS</b></p> <p>Website</p> <p>App store</p> <p>Affiliate partners</p> <p>3</p>  |  |   |



## 5. CANVAS BUSINESS MODEL

### EXAMPLE

The canvas business model applied to Facebook



[www.businessmodelgeneration.com](http://www.businessmodelgeneration.com)



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