

4 Current Marketing Strategy Analysis

To set a target of the desired situation and planning for the right marketing strategy, the writer needs to understand what the current situation in-depth. In this chapter, the writer will discuss the current STP model and 4Ps that is being deployed by Versuni's Climate Care for their marketing strategy.

4.1. STP Model

- **Segmentation**

Based on third-party research funded by Versuni, the company has segmented their potential consumers in 6 different archetypes. They are divided based on their general attitudes to life, health, technology and environment, air specific attitudes, needs and behaviours/routines, brand awareness and usage behaviours, media usage behaviours, additional profiling (e.g. income, life phases etc.)

- Engaged Trendsetters
- Conscious Achievers
- Concerned Home Protectors
- Techy Aspirers
- Functional Nesters
- Disengaged Pragmatists

These segmentations are made in 2022. However, the segmentations were based on what used to be the Air category when heating and cooling products are not taken into considerations. For the heating and cooling appliances, they have continued to use these segmentations albeit not the perfect fit as the context has changed.

- **Targeting**

The main targets for Versuni are Engaged Trendsetters, Conscious Achievers, and Concerned Home Protectors. These targets are chosen as they have a relatively higher level of payoff and lower level of efforts. Most of the targets have a higher education level as having the need of good air quality requires an understanding of the dangers of low air quality. Moreover, most of them are young families or couples with middle to high income as the devices are not a primary need hence requiring a family with higher buying power. However, what differentiates between the targets are their values they are looking for in a product. Engaged trendsetters are more interested in the current trends and

following with new technology that are popular. Conscious achievers are more interested in the impact to their well-being and the environment. While concerned home protectors are more interested with the family well-being and their children comfort.

- **Positioning**

To answer these three main segments, Versuni created their product using the values that drives them to purchase such as the environmental impact of their products, incorporating technology and set new trends with their products as well as making the communications to be user benefit centric with familial values put first. Moreover, as the targets have middle to high income, their products are also priced in middle to high end range. Versuni's product also has a relatively high level of specifications compared to competitors.

4.2.4P / Marketing Mix Model

- **Product**

Versuni's latest product range in the heating and cooling are AMF870, AMF765, and CX5535. The champion product of heating and cooling is a multifunctional climate care product that combines air purification, heating, and cooling. AMF870 is the 3-in-1 product and AMF765 has 2-in-1 functions. The champion product has a bladeless and sleek design whilst delivering superior performance. Not only that, but the product also has a state-of-the-art technology with Air+ App and AI to create Auto+ mode.

The second product developed is a range of entry level appliances with basic yet elevated functions such as timer, different modes, child lock, and design. A cooling fan with a low price point yet with Philips brand, it would be able to gain market share. Moreover, the fan has an aromatherapy function that is an added benefit. The product called CX5535 has been in the market for a few weeks and their performance will be monitored throughout the summer season to give initial feedback from consumers. Depending on the customer feedback, the product will be staying for a longer period or become a prototype for developing new products.



Figure 1 CX5535 - New entry level fan product



Figure 2 AMF765 - 2-in-1 product



Figure 3 AMF870 3-in-1 product

- **Price**

The pricing of the products is based on the competitors pricing, cost and margin benefit, and benefits given. There are company guidelines about the margin that Versuni products should have to maintain the profitability of the product. Competitors also have a big role in setting the correct price. Creating a competitor's benchmark will allow us to understand what the price should be to compete with others of similar specifications. A lot of factors also comes into the pricing, such as how much research and development the product took to make, the cost of the packaging, approbation cost, etc. Moreover, the price should also have elasticity of applying promotion price during sales promotion dates. In Versuni's case, their pricing has been in a downward trend seen in the chart below. The reason for the drop in price is due to the repositioning of their product. As the managers found that they are losing the bestsellers spot, we started to take a step back to understand why the product is not selling well. One of the key points we wanted the product to have is a high end multifunction and smart all-in-one product that have better functionality than competitors. However, the consumers wanted the middle price point associated with quality product of Philips brand.

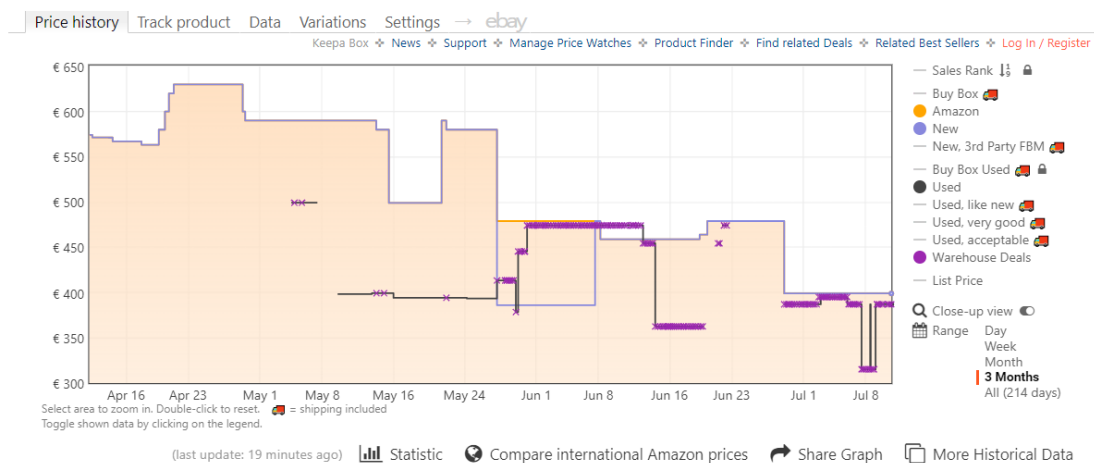


Figure 4 Amazon DE Keepa Box Price History for AMF870

- **Place**

Versuni's heating and cooling products are mostly seen online through retailer's website, company's website, and offline retailers. With offline retailers, the product could be shown and displayed properly in the storefront depending on the investment. Some retailers have invested a lot for display such as Mediamarkt. However, it could be seen that the effort is not parallel to all the stores. As can be seen below, the MediaMarkt Turkey team has invested a lot in the display as compared to the MediaMarkt in Maastricht. This is one of the key improvements to be made for the display of our products in retailers' store.



Figure 5 MediaMarkt Turkey



Figure 6 MediaMarkt Maastricht

Versuni relies heavily on third party retailers to have the offering on their website and designed for them. Hence, the design of the page takes a long time to process and go live. In the case of AMF870 and AMF765, there was a huge delay to get the full page up on the Amazon website. The delays are caused by the backlog in the Amazon team.

Best Sellers

Our most popular products based on sales. Updated frequently.

Best Sellers in Air Purifiers

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| <div style="text-align: center; margin-bottom: 10px;"> <div style="background-color: #00728f; color: white; padding: 2px 5px; font-weight: bold;">#1</div> </div> <p style="font-size: 0.8em; margin: 0;">Philips 3-in-1-Ventilator, Heizlüfter & Luftreiniger, HEPA-Filter, Entfernt 99,97% der Partikel, Ideal für Allergie Saison, Leise & mit...</p> <p style="font-size: 0.8em; margin: 0;">★★★★★ 2,247</p> <p style="font-size: 0.8em; margin: 0; color: #00728f;">€399.00</p> | <div style="text-align: center; margin-bottom: 10px;"> <div style="background-color: #00728f; color: white; padding: 2px 5px; font-weight: bold;">#2</div> </div> <p style="font-size: 0.8em; margin: 0;">LEVOIT Air Purifier Allergy Sufferers with H13 HEPA Air Filter Against 99.97% of Mould Dust Pollen, Air Quality Feedback and Auto Mode,...</p> <p style="font-size: 0.8em; margin: 0;">★★★★★ 101,859</p> <p style="font-size: 0.8em; margin: 0; color: #00728f;">€149.99</p> | <div style="text-align: center; margin-bottom: 10px;"> <div style="background-color: #00728f; color: white; padding: 2px 5px; font-weight: bold;">#5</div> </div> <p style="font-size: 0.8em; margin: 0;">Philips AC2887 / 10 air purifier (for allergy sufferers, up to 79m², CADR 333m³ / h, AeraSense sensor) white</p> <p style="font-size: 0.8em; margin: 0;">★★★★★ 8,461</p> <p style="font-size: 0.8em; margin: 0; color: #00728f;">€149.99</p> |
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Figure 7 Amazon DE Bestseller List

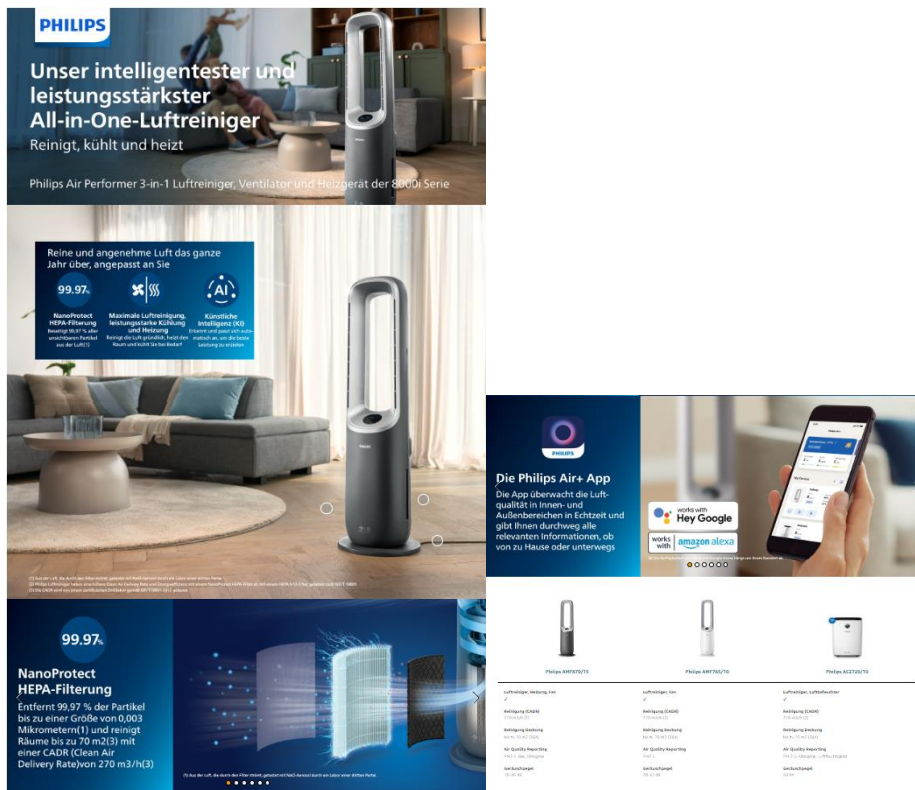


Figure 8 Designed page in Amazon DE

- **Promotion**

Cooling and heating appliances promotions are mainly based on seasonal promotions. Heater in the winter, Air purification in spring, and cooling in summer. Most of all, the advertising of the products is mostly done online through popular retailers such as during Prime Day for Amazon. The promotion relies on the lifecycle of the product or when Versuni wants to stop selling the product and how much stock they have in the warehouse. Although, the maximum discount has already been decided during the pricing monthly update or biannual update. Other than that, Versuni also creates supporting marketing materials for campaign such as videos and images. However, depending on the product type (core, upsell, volume, or champion) there are different budget allocated. In this case for heating and cooling products, they are now all classified as core products. Hence, all the promotions are restricted as well as the amount of content being made are small.

4.3. Conclusion

In this chapter, we have discussed about the marketing mix of Versuni in Germany. There are points in the marketing mix and STP implemented such as misfit in the Segmentations and mismatch in promotion efforts from retailers. However, Versuni also have some strong points in their marketing strategy such as having a proper guideline about pricing and good products in the market.