

LATERAL MARKETING AND ITS APPLICATION IN THE FOODS MARKET

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Abstract

The fact that most of the food products in modern market conditions are doomed to failure is amazing. What is the reason for all these changes in the market? Concepts are moving towards bigger creativity which is not conducted solely on a vertical basis directly related to market differentiation.

This process looks at these questions:

1. How can we develop a differentiation of food products in its core application?
2. What should food sellers do in order to change the creative ideas in the creation of various distribution centres?
3. Which idea relates to the application of a product in different market segments and various conditions that initiate human need and its satisfaction?

The development of a marketing idea in the foods market supports the paradigm that differs from the simple definition of the market, the endless process of segmentation and the process of repositioning. The most important process is also the lateral marketing that applies to food products and their process of distribution.

Lateral marketing focuses on creative technique that connects different products and activities in normal operation process. The goal is to get to ideas that differ from standard ideas related to market research. These new ideas directly help companies to face the consequences related to the homogenization of food products and expressed product market competition as well.

Key words: *Lateral, marketing, differentiation, market changes, vertical marketing, homogenization.*

1. Introduction

The fact that most of the food products in modern market conditions are doomed to failure is amazing. The percentage of successful and unsuccessful food products analogously seen in the last 20 years

has significantly increased in favor of unsuccessful products.

What is the reason for all these changes in the market? We live in such conditions in which the media plays a huge role in respect of prior periods, and the same applies to the promotional tools that are available to food retailers. While many companies producing food apply procedures for segmentation of the market, still the segmentation dramatically reduces the profitability of the market. Therefore, what kind of measures we should undertake in order to define and implement effective market supply in the foods market? Concepts are moving towards bigger creativity which is not conducted solely on a vertical basis directly related to market differentiation.

This process looks at these questions:

- *How can we develop a differentiation of food products in its core application?*
- *Which creative process should be undertaken in order to integrate various activities to achieve profitable purpose?*
- *What should food sellers do in order to change the creative ideas in the creation of various distribution centres?*
- *Which idea relates to the application of a product in different market segments and various conditions that initiate human need and its satisfaction?*

The development of a marketing idea in the foods market supports the paradigm that differs from the simple definition of the market, the endless process of segmentation and the process of repositioning. The most important process is also the lateral marketing that applies to food products and their process of distribution. Lateral marketing differs from vertical marketing that is directly focused on the functionality of the product.

Lateral marketing focuses on creative technique that connects different products and activities in normal operation process. The goal is to get to ideas that differ

from standard ideas related to market research. These new ideas directly help companies to face the consequences related to the homogenization of food products and expressed product market competition as well.

This article aims to demonstrate the creativity of marketing lateral thinking as a better idea of selling food products in today's market conditions that implement great uncertainty directly related to the vagueness of the future. Lateral marketing is represented as an instance that exceeds the uncertainty boundaries.

2. Materials and Methods

Given the complexity of the problem, initiated in modern companies, and in reference to marketing of foodstuff products, the article encompasses different methods of scientific research: methods of analysis, comparison methods, methods of planning, methods for making strategy in the basic level of management, especially in marketing areas, methods of construction of marketing information system and methods in data processing and their transformation into information observed in marketing areas.

3. Results and Discussion

3.1 Current marketing situation of the market

Many factors affect the market conditions that mainly depend on the marketing methods that are applied by the companies. Some of them are: demographic factors, extending company life cycles and also increasing of funds available for carrying out marketing activities in the foodstuff markets.

Factors can be grouped as the following: (Kotler and Trias [1])

Changes in the field of distribution - thanks to the concentration of packaged foodstuffs products powers may change from the hands of producers to the hands of the major distributors of foodstuff products that determine the rules.

Increase of goods brands - segmentation strategy leads to the emergence of many goods brands that not only act as a 'guardian of the market' but also do not permit the penetration of the competition that must at the same time handle a large amount of goods brands. Manufacturers of foodstuff products negotiate easier with the distributor because the price is easily offset from more profitable products to less profitable foodstuff products.

Decrease of goods brands lifetime - manufacturers introduce features that differentiate foodstuff products especially if they have large production capacities.

Consumers are willing to use the modified products.

Companies make usage of the situation called 'battle of the brands' in order to cover the segmented parts of the food market.

Digital technology as an integral part of electronic and mobile business exceeds conventional barriers in the area of promotion of food products.

Exponential growth in the categories of food products – because of the segmentation there is an abundance of food products on the market, which have the same function but differential characteristics as well, in order to meet the consumers needs and tastes.

Hyper-Fragmentation it makes the process of launching new food products difficult - *Promotion* today is difficult because there is huge number of information on various types of products. People do not longer pay attention to new products, although companies invest a lot of money promoting them. Investing in the media of any kind is becoming more expensive since they use a larger quantity and a different kind of media. Market segments that bear the interest for the product are becoming smaller.

A paradigm in a marketing strategy for food products - marketing managers are not fighting against the competition but are struggling to attract the attention of consumers and attract their interest in food products.

3.2 Application of lateral marketing

In order to realize the advantages of lateral marketing, first we must differentiate the two types of marketing concepts that are applicable in the sale of food products: lateral and vertical marketing (Kotler and Waldemar [4]).

Vertical marketing is moving toward something concrete. Its action is related to a specific product that adapts according consumers' needs and demands to a particular differentiated market with methods of segmentation and positioning through various subcategories and variations.

Lateral marketing makes recombination through the process that is moving toward something global, through provocative, selective and creative thinking, creating new directions and new platforms in the market conditions for food placement.

In this distinctive process we note that each of these two types of marketing activities has positive and negative features in the context of market conditions and therefore lateral marketing is complementary to the vertical marketing.

In the following text of the article we will focus on basic features contained in lateral marketing in the area of food products.

3.3 Fundamentals of lateral marketing

Lateral marketing is based on consistent research of new needs, methods of usage that differ from the conservative ones and research of new target groups that are not included in the initial planning of the market for particular food product (Kotler [3]). There are many examples of the food industry but we would mention only the following:

Kinder eggs – a chocolate egg that adds a new content to the product, a toy, joining sweet pleasure and kids' play,

Actimel yoghurt – a yoghurt adding the need to protect the body from bacteria,

Cereal bars - used only for breakfast, adding new opportunities for usage.

3.4 Effect of lateral marketing in the foodstuff market

Lateral marketing in global foodstuff markets operates under certain concept by which the need for changes of the product by the consumer it is perceived, and the introduction of new processes by defining ways to transform the basic model through which food products exist.

De Bono [6] in his book, 'Lateral thinking' explicitly mentions the concept of lateral marketing of food products: the ways of lateral marketing are inappropriate and unusual for the sole purpose to attract the attention of the consumer. A special concept in marketing is provocative lateral aspect, lateral marketing does not follow the usual rules but entangles in the process of usage and connects many products that then were simply incompatible, and finally do not reject any opportunities that can initiate a new concept in sales of food products. One of the basic characteristics of lateral marketing is the characteristic of probability.

3.5 Basic positive features arising from the introduction of lateral marketing in the foodstuff markets

Features arising from the application of lateral marketing in the foodstuff markets generally can be classified as follows: (Stevanovski [2])

The product which is result of lateral marketing can produce a range of categories and subcategories in which food products are emerging as dimensions of provocative and untypical usage,

The usage of such products reduces the need of using other products on the market (the sale of a kinder egg at the expense of its own sale, do not only reduces the sale of chocolate products but reduces the sale of other products that customers do not show interest to). Products derived from lateral marketing in certain conditions do not affect the sale of other similar products but their sale volume increases in the market

of demand and usability.

If the food products that are result of lateral marketing cause drastic changes in sales in terms of its growth, then these food product will take up the sale of other products that have similar features or usability.

Overcoming the barrier of fragmentation in the market is one of the basic characteristics of lateral marketing (Hanic [5]).

4. Conclusions

- *A food product marketing in modern terms is much more complicated than ever. The challenges and factors that have been appearing in the past differ from today. The basic need in modern conditions which marketing has to deal with is overcoming the fragmentation. Fragmentation can be overcome by application of two concepts: innovation and change in the way of launching a new product.*
- *Lateral marketing of food products acts in areas where vertical marketing fails to succeed. It works on recombination of the product by adding a new dimension that is causing a new usage and successful marketing.*

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