

# **Why Should Product & Price Precede Promotion & Place in New Product Marketing?**

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## **Abstract**

In this theoretical research, I show that product and price decisions should precede promotion and place decisions in the context of marketing new consumer packaged goods, and durable products and services. There is a significant asymmetry: optimal product and price decisions can be made without knowledge of promotion and place decisions, but to make optimal promotion and place decisions, we need to know the optimal product and price decisions. Furthermore, product and price decisions need to be made simultaneously; and promotion and place decisions need to be made simultaneously. Strategic decisions in terms of the product-market to serve (including high end/low end) and the channel to use are assumed to have been made prior to the new product decisions. The new product introduction could also be in a market in which there is no current product category per se.

## **Speaker Profile**

Professor V. "Seenu" Srinivasan received his Bachelor's degree in Mechanical Engineering from the Indian Institute of Technology, Madras (Chennai), and was the gold medalist in his graduating class. He worked for two years as a production-planning engineer at Larsen and Toubro, Mumbai prior to joining Carnegie-Mellon University where he received his MS and PhD in Industrial Administration. He is currently the Adams Distinguished Professor of Management, Emeritus at the Stanford Business School. He was formerly the director of Stanford Business School's doctoral program, chair of the marketing area, and the faculty director of its Strategic Marketing Management executive program.

Professor Srinivasan's primary research interest is in the measurement of customer preference structures (conjoint analysis) and its role in product and service planning and pricing. The name "Conjoint Analysis" was coined by him and the late Prof. Paul Green in a research paper in 1978. He has also contributed to other market research

areas such as salesforce compensation plans, measurement of brand equity, and market structuring.