Case Study: Marketing Spotlight

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Course

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**What Factors Contributed to Avon's Initial Market Success?**

Avon's distinctive business model and marketing approach played a significant role in its first market success. The business pioneered the provision of equal labor opportunities when it allowed women to join its workforce. Its "Ding Dong, Avon Calling" television advertising contributed to its cultural legacy. Avon also offered low-cost buy-ins for its representatives, and their compensation ranged from favorable. The company entered the international market early enough, with its largest overseas market being Brazil. These factors, however, became dynamic and evolved.

**How Did These Factors Evolve Over Time?**

Market share for Avon started to decrease as competition increased. The corporation needed to be faster to see how popular social networking and internet marketing had become as face-to-face interactions got more challenging. Avon expressly developed marketing tools for its Hispanic reps. This came as a huge boost to the company’s marketing strategy. The company also needed to sufficiently tap into the growing market at the turn of the millennium. It later relocated its offices and decided to invest more in technology. The company has a value proposition for its stakeholders.

**What Is Avon's Value Proposition for Its Customers, Its Sales Force, And Its Stakeholders?**

Avon's value proposition for its customers is that it offers a wide range of affordable and high-quality cosmetics and beauty products. Avon offers an inexpensive buy-in for its sales force, with commissions starting from very high values, 20% of total sales for beginner sales persons and 30% for experienced sales persons, compared to other brands and increasing with an increase in value. The use of methods like direct selling approach have seen the company raise its annual profits by 30% since the time of their inception. The value proposition of any successful company should consider its workforce carefull (David Rönnberg Sjödin et al., 2020) . For its stakeholders, Avon offers a unique opportunity to invest in a company established for over 130 years and is a leader in direct-sales beauty.

**How Did the Role of Personal Selling Change During The Past Several Decades?**

Over the past few decades, personal selling has seen a significant transformation. Avon initially s relied on its door-to-door sales representatives to sell its products and find new sales representatives to join their team. Face-to-face interaction has grown more challenging as the world has gotten more digital (Sang Yup Lee & Lee, 2020). Therefore, Avon has had to adapt by investing in new technologies and educating its sales team on how to use social media platforms successfully. Avon has been training its staff on how to use Instagram and Facebook for marketing in the recent years. The new technology at Avon also includes use of websites for marketing and giving product reviews. The profit that may be earned from recruiting new members has also been restricted as part of Avon's efforts to emphasize customer sales rather than team development.

**Can Personal Selling Continue to Be a Viable Business Model, Given The Ubiquity of Social Media and Mobile Communications?**

Given the prevalence of social media and mobile communications, personal selling can still be a successful business model. Avon has welcomed these developments by expanding its platform that links direct online purchases with reps and by stepping up ongoing training for reps on utilizing Facebook and Instagram platforms efficiently. Avon has hired its first-ever chief digital officer to create customized beauty apps that connect clients with reps via a phone camera to remove the uncertainty around cosmetics purchases. Avon has maintained its competitiveness and ability to operate as a viable business model by using these new technologies. The selling techniques employed by a company determine its brand loyalty (Meithiana et al., 2019). For example, personal selling enhances interaction between the company’s representatives and the customers which may maintain a loyal customer base if well utilized. Brand loyalty is also seen to be greatly achieved through selling techniques such as online marketing (Juan Antonio García et al., 2019).

References

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