

Marketing Concept

- Marketing: social/managerial process for exchanging products/values towards their needs and wants
 - Marketing Concept: determining needs/wants of consumer better than competition
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Marketing Strategy/Process of Planning

*Needs: deprivations in market

*Wants: cultural/personality needs

*Demands: wants backed by buying power

*Customer Value: consumer benefits vs. cost

- The Marketing Strategy/Process:
 - Understand the wants/needs of marketplace and consumers
 - Design a customer-driven marketing strategy
 - Construct a marketing plan that delivers superior value
 - Build profitable relationships/customer satisfaction
 - Capture value from customers to create value and customer equity
- Marketing Challenges?: Technology/Consumer “needs changing, new competitors, future
- Measuring Value (benefits - costs):
 - Attributes: objective features of product
 - Benefits: derived from attributes
 - Costs: ^

Marketing Environment

- SWOT Assessment: internal/external factors and opportunities/threats for a company
 - Internal: customers, suppliers, the company, intermediaries, competitors, public
 - External: economy, political/legal forces, cultures, demographics, etc.
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Marketing Research

- Info. Sources: internal databases, marketing intelligence, marketing research (primary data sources)
 - Why Do Research: address problems/opportunities, evaluate marketing actions, monitor performance, etc.
 - Developing Plan:
 - defining type of research (ex. Descriptive, exploratory, casual) and objectives
 - collect/analyze data (ex. Method of survey)
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Consumer Behavior

- Consumer Behavior: “buying behavior” and drives behind purchases of final goods/services

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Segmentation

- Segmentation: process of dividing the total heterogeneous for a product into several segments (ex. Physiological, behavior, etc.)
- Segmentation Categories: geographic, age, gender, race, income, education, occupation

Targeting

- Targeting Broadly vs Narrowly

*course of action depends on company resources, product availability/life cycle, competitor's strategy

- Types:
 - Undifferentiated: "mass marketing", goods for basic needs
 - Segmented: targets several marketing offers to each segment
 - Concentrated: "niche", small-target market
 - Micromarketing: "local/individual" specific tastes of particular individuals/locations

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Differentiating/Positioning

- Positioning: "when consumers hear the brand name, what do they associate?"
 - Identify competitive advantages, choosing "right" comp. advantage, selecting an overall positioning strategy,
 - Tools: perceptual position map

- Possible Competitive Advantages:
 - Product Differentiation
 - Service Differentiation
 - Channel Differentiation
 - People Differentiation
 - Image Differentiation

 - Value Propositions:
 - More for More
 - More for Same Price
 - Better Quality, Lower Prices
 - Same for Less
 - Less for Much Less
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B2B Markets

- B2B Demand?: relative to demand for certain consumer product, price “inelasticity”, increased market fluctuations, “factual-decision makers”

- Business Buying: affects ability to serve customers, outsourcing , under “time-pressure”, smaller concentration of firms

- Business Buying Motives/Decisions:
 - New Task Buying
 - Straight Rebuy
 - Modify

- Factors Before Decision:
 - Amount of People Deciding
 - Users/Influencers

- Business Buying Patterns: Buy directly from producer---Long-term close relationships----negotiations going on for months/years; need for after-sale service, reciprocity, and consistency
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Product/Service Management

*Product: anything that can be offered, acquisitioned, purchased, etc.; items that solve problems

*Service: “no ownership”

*Experience: resultant of product and/or service acquired

- Durable vs. Nondurable (ex. food) Goods
 - Unsought Goods: unknown or undesired
 - Consumer vs Industrial (ex. wheat)
 - Convenience Products vs. Shopping Products
 - Product Decisions For Best Offer/Positioning:
 - Individual Product Decisions
 - Product Line Decisions (group of similar products in comparable price range, etc.): width (# of product lines), length (# of items in PL), Depth (# of versions of each item carried)
 - Product Mix Decisions
 - Extend Products: BCG, Product/Market Expansion Grid
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Branding

*Brand: consumer's perceptions/feelings on a product; company's promise to deliver a specific set of features/benefits

- Not to Brand?: no differentiation, quality inconsistent, lack of financial resources
 - Brand Positioning:
 - Product Attributes
 - Desirable Benefits
 - Beliefs/Value
 - Brand Names: easily pronounced and indicates benefits
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New Product Dev.

- Acquisition: buying of a whole company, license, patent, or production rights
- New Product Development: original products, product improvements, product modifications, and new brands derived from R&D
- New Product Dev. Process:
 - Idea Generation: systematic search for new-product ideas; create large amount of ideas
 - Idea Screening: Reduce ^
 - Concept Development/Testing

- Marketing Strategy Development: description of target market, product positioning, price, distribution, marketing-mix strategy, etc.
 - Business Analysis: review of sales, costs, profit projections, etc.
 - Product Development: requires increase in investment
 - Test Marketing
 - *may have no use of test marketing?: line extension, low costs, management confidence, etc.
 - Commercialization: “planned market rollout”
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- Product Life-Cycle: course of products sales/profit over its lifetime
 - Market Modifying Strategy: company tries to increase consumption of product
 - Marketing Mix Modifying Strategy: company changes one or more of marketing mix elements (ex. price, distribution channels, promotion)
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Price-Strategies/Customer Value

- The Mean of Pricing: vehicle to communicate value to customers; marketing strategy tool
- Value-Based Pricing: setting price based upon buyer’s perception of value rather on seller’s cost; “customer-driven”
- Cost-Based Pricing: “product-driven”

- Types of Costs:
 - Fixed Costs: do not vary
 - Variable Costs: productions that vary with production materials, etc.
 - Total Costs: sum of Fixed/Variable Costs

 - Inelastic Demand (demand hardly changes with small change in price) vs. Elastic Demand (demand changes greatly for a small change in price)

 - Market Penetration: entry at lower price for rapid-trial

 - Product Line Pricing: takes into account price differences between products in line competitor's price, etc.
 - Optional-Product Pricing: accessory products alongside main good
 - *Captive-Product Pricing: two products always used together
 - *Two-Part Pricing: fixed fee and variable usage fee
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Distribution Channels/Logistics

- Supply Chain & Logistics: sequence of firms whose activities allow creation/delivery of final good

- Distribution Channel: decides where product/brand is available; what locations are appropriate, etc.; “transferring title”
 - Choosing Distributor?: positioning, target segments, marketing objectives

- Product/Market Considerations: Unit value, perishability, etc.; geographic location, demographics, potential customers, order size, etc.
 - Intermediary/Company Considerations: services offered, availability, etc.; channel control, money and services seller can provide, etc.
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- Channel Design: intensive, selective, exclusive
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- Intermediary: business firm that renders services related directly to sale/purchase of product
 - Retailing: personal non-business usage; link between producer and consumer
 - Choosing Retailer?: location, design, layout
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Integrated Marketing Communications/Promotion

- Communication/Promotion Mix: advertising, product placement, PR, personal selling, sales promotion, etc.
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- Advertising: any paid form of non-personal presentation/promotion of idea, products, etc.
 - Sales Promotion: “want consumer to make direct purchase at the end of message”
 - PR: “involves building good relations between company/public market for brand image”

- Personal Selling: personal representative of sales force for purpose of both sales/networking
- Direct Marketing: “obtain immediate response [purchase]”; “direct connection” to targeted individuals
- Steps in Developing Effective Marketing Communication: identifying target audience
- Determining Communication Objectives: recognizing a need, information search, evaluating alternatives
- Types of Appeal: “rational vs. emotional”; problem-solution, demonstration, product comparison, testimonial, “Slice of life”/ humor, sex, image, mood, fear, etc.
- Informative vs. Comparative Advertising
- Reminder vs. Persuasive Advertising
- Push Strategy: directs promotional efforts at channel members
- Pull Strategy: directs promotion at end consumer

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Marketing Application in E-Commerce

- Three Types of Media:
 - Traditional Media: “one-way communication” to mass-targeted audience

- Tradigital Media: “one-way” but online
 - Social Media: online means of communicating; “communities, organizations aided by online communication... interacting, collaboration, etc.”
 - 4 Zones of Social Media: Social community, publishing, commerce, and entertainment
- IMC: “on the same page”; uniform message in marketing campaign
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Ethics

- Evaluating Marketing: customer satisfaction alongside effects on overall society
 - Criticisms of Marketing: pervasive, unwholesome demand, exploitation, inefficiency, etc.
 - Responses: boycotts, complaints, organized movements, etc.
 - Government Regulations: to protect consumers and/or environment
 - Business Responses: “transparent as possible”; genuine efforts
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Non-Profit Marketing

- Characteristics: lack of “bottom line”; resource contributor may interfere with the marketing program; customer wields less control, etc.