

Part - 1: Understanding Marketing Management

The Scope of Marketing:

⇒ What is marketing?

↳ Marketing is about identifying and meeting human and social needs.

↳ Marketing is meeting needs profitably.

↳ formal definition: Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationship in ways that benefit the organization and its stakeholders.

⇒ Marketing Management:

↳ as the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value.

↳ Selling is not important in marketing; only tip of the marketing iceberg.

↳ aim of marketing → make selling superfluous
→ to know and understand the customer so well that the product or service fits him and sells itself.

⇒ What is marketed?

↳ Marketing people market 10 types of entities;

↳ Goods: Physical goods constitute the bulk of most countries production and marketing efforts.

↳ Services: As economies advance, a growing proportion of their activities focuses on the production of services.

- ↳ Events: Marketers promote time-based events, such as major trade shows, artistic performances, and company anniversaries.
- ↳ Experiences: By orchestrating several services and goods, a firm can create, stage and market experiences.
- ↳ Persons: Celebrity marketing is a major business, so that many professionals ~~celebrity~~ get help from celebrity marketers.
- ↳ Places: Place marketers include economic development specialists, real estate agents, commercial banks, local business associations, and advertising and public agencies. ~~as whole~~
- ↳ Properties: Properties are intangible rights of ownership of either real property or financial property (stocks and bonds).
- ↳ Organizations: Organizations actively work to build a strong, favorable and unique image in the minds of their target publics.
- ↳ Information: Information is essentially what books, schools and universities produce, market and distribute at a price to parents, students and communities.
- ↳ Ideas: Every market offering includes a basic idea. ~~we make cosmetics~~ Enthe factory

→ Who Markets?

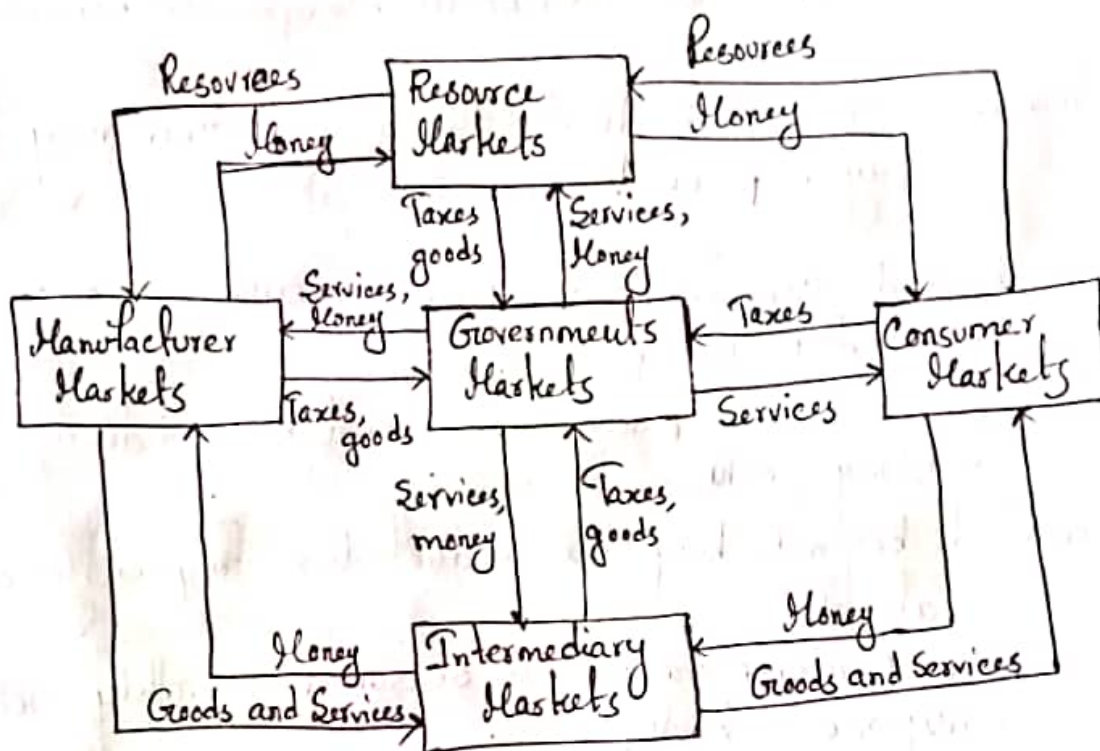
- ↳ A marketer is a someone who seeks a response-attention.
- ↳ A purchase, a vote, a donation - from another party, called the prospect.
- If two parties are seeking to sell something to each other, we call them both marketers.
- Marketing managers seek to influence the level, timing and composition of demand to meet the organization's objectives. Eight demand states →
- ↳ Negative demand: Consumers dislike the product and may even pay a price to avoid it.
- ↳ Nonexistent demand: Consumers may be unaware of or uninterested in the product.
- ↳ Latent demand: share a strong need that cannot be satisfied by an existing product.
- ↳ Declining demand: begin to buy the product less frequently or not at all.
- ↳ Irregular demand: purchase vary on a seasonal, monthly, weekly, daily or even hourly basis.
- ↳ Full demand: are adequately buying all products put into the market place.
- ↳ Overfull demand: More consumers would like to buy the product than can be satisfied.
- ↳ Unwholesome demand: attracted to products that have undesirable social consequences.

Markets:

↳ as a collection of buyers and sellers who transact over a particular product or product class.

↳ Traditionally its a physical place where buyers and sellers gathered to buy and sell goods.

Figure shown below:



⇒ Five basic markets and their connecting flows are shown in the above figure.

- » Manufactures go to resources markets (raw, labour, money), buy resources and turn them into goods and services and then sell finished products to intermediaries, who sell them into goods and se consumers.
- » Consumers sell their labor and receive money with which they pay for goods and services.
- » The governments collects tax revenues to buy goods from resources, manufacture and intermediary markets and use these an goods and services to provide public services.

Marketers - talk about
 → need markets (the diet-seeking market)
 → Product markets (the shoe market)
 → demographic market (the youth market)
 → geographic market (the French market)
 View Sellers as constituting the industry;
 buyers " " " market.

Core Marketing Concepts:

Needs, wants and Demands:

⇒ Needs: the basic human requirements (as air, food, water, clothing, shelter to survive)

↳ Strong needs, recreation, education, entertainment.

⇒ wants: when people are directed to specific objects that might satisfy the need becomes wants.

⇒ Demands: which is wants for specific products backed by an ability to pay.

Depends on customer needs and wants we can distinguish among five type of need:

1. Stated needs → The customer wants an inexpensive car.
2. Real needs → The customer wants a car whose operating cost, not its initial price, is low.
3. Unstated needs (The customer expects good services from the dealer.)
4. Delight needs (The customer would like the dealer to include an onboard navigation system)

5. Secret needs (The customer wants friends to see him as a ¹⁵ consumer.)

Target Marketing, Positioning and Segmentation:

⇒ Market Segmentation:

↳ Identifying similar groups of customer

↳ Example: Wal-mart: male/female business student ages
(in A&T) 18-25, 26-35, 36-45, 46+

⇒ Target Market: Identifying which group of customers to aim for

↳ female business students 26-35

⇒ Positioning:

↳ Creating a concept to appeal to the target market

↳ Positioning HE as internally rewarding and personal development.

Offerings and Brands:

⇒ Companies address needs by putting forth a value proposition, a set of benefits that satisfy these needs. The intangible value proposition is made physical by an offering, which can be combination of products, services, information and experience.

⇒ A brand is an offering from a known source.

→ McDonald's carries many people's minds that make up its image:

hamburgers, cleanliness, convenience, courteous services and golden arches. All companies strive to build a brand image

with as many strong, favourable and unique brand associations as possible.

Value and Satisfaction:

→ Value: reflects the sum of the perceived tangible and intangible benefits and costs to customers; as buyer chooses between different offerings based on which she perceives to deliver the most value.

→ Combination of quality, service and price (qsp) called "customer value triad."

→ increase with quality and services
decrease with price

→ Central marketing concept

→ identification

→ Creation

→ Communication

→ delivery

→ monitoring of customer value

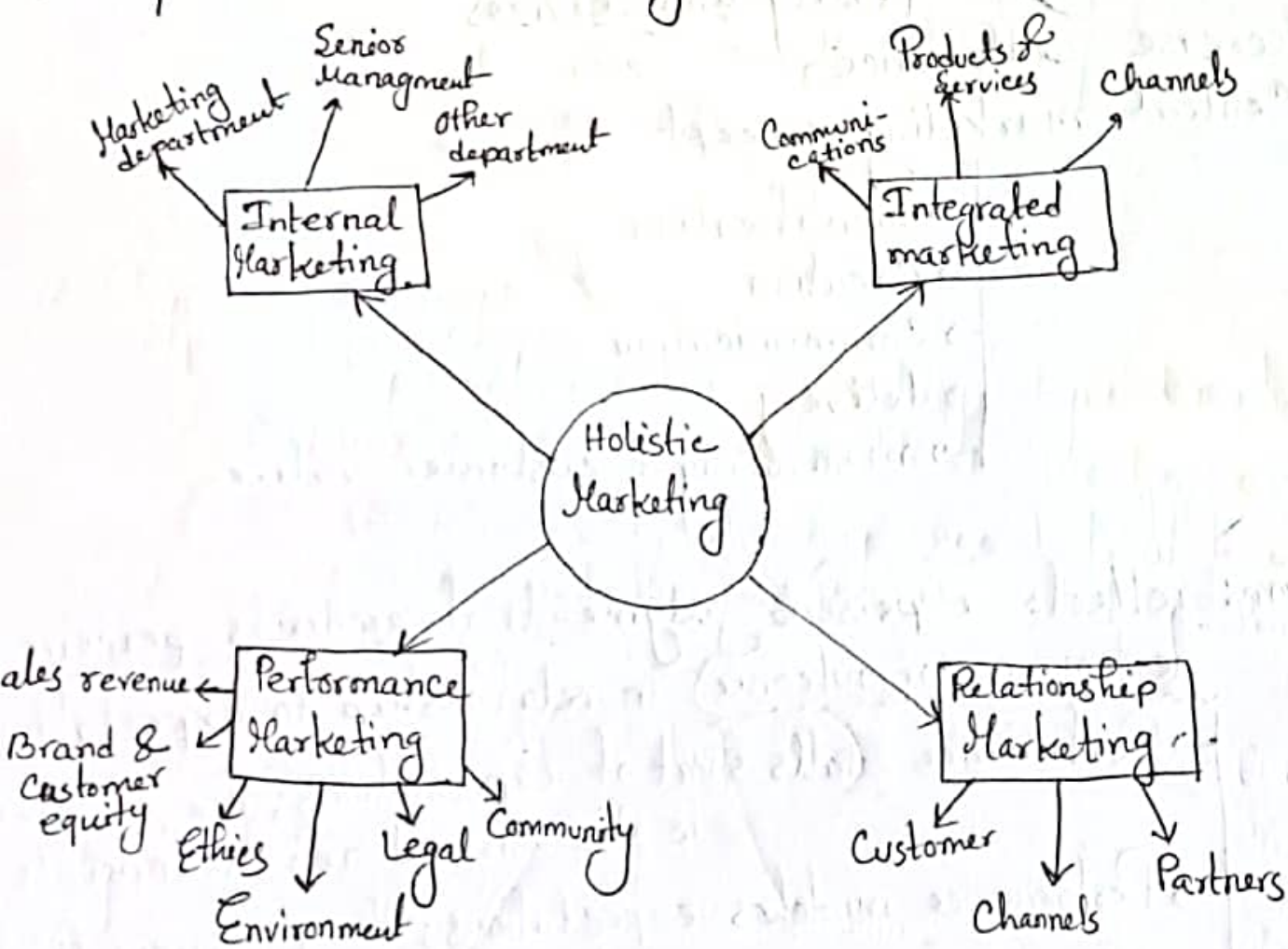
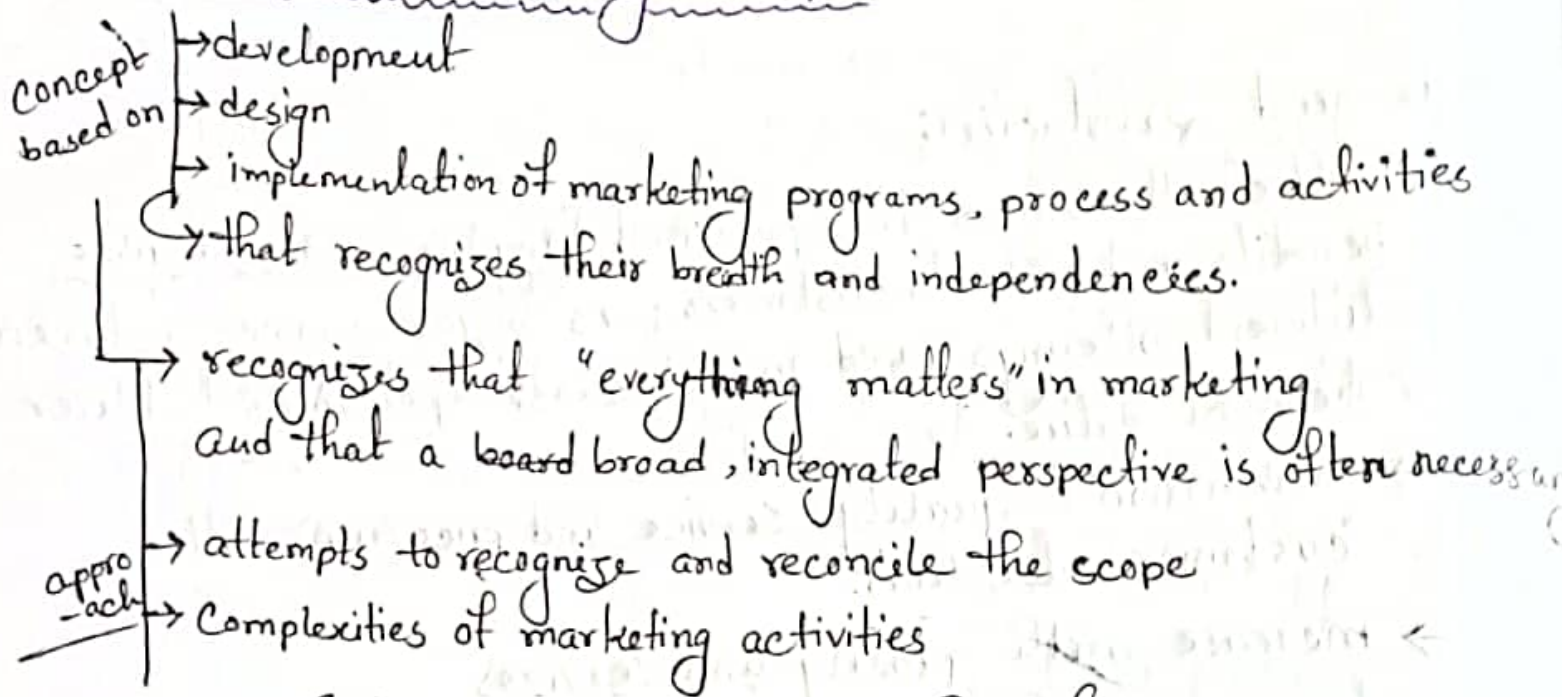
Satisfaction: reflects a person's judgment of products perceived performance (or outcome) in relationship to expectations.

→ Performance falls short of expectations; the customer is dissatisfied and disappointed.

→ Performance matches expectations; the customer is satisfied.

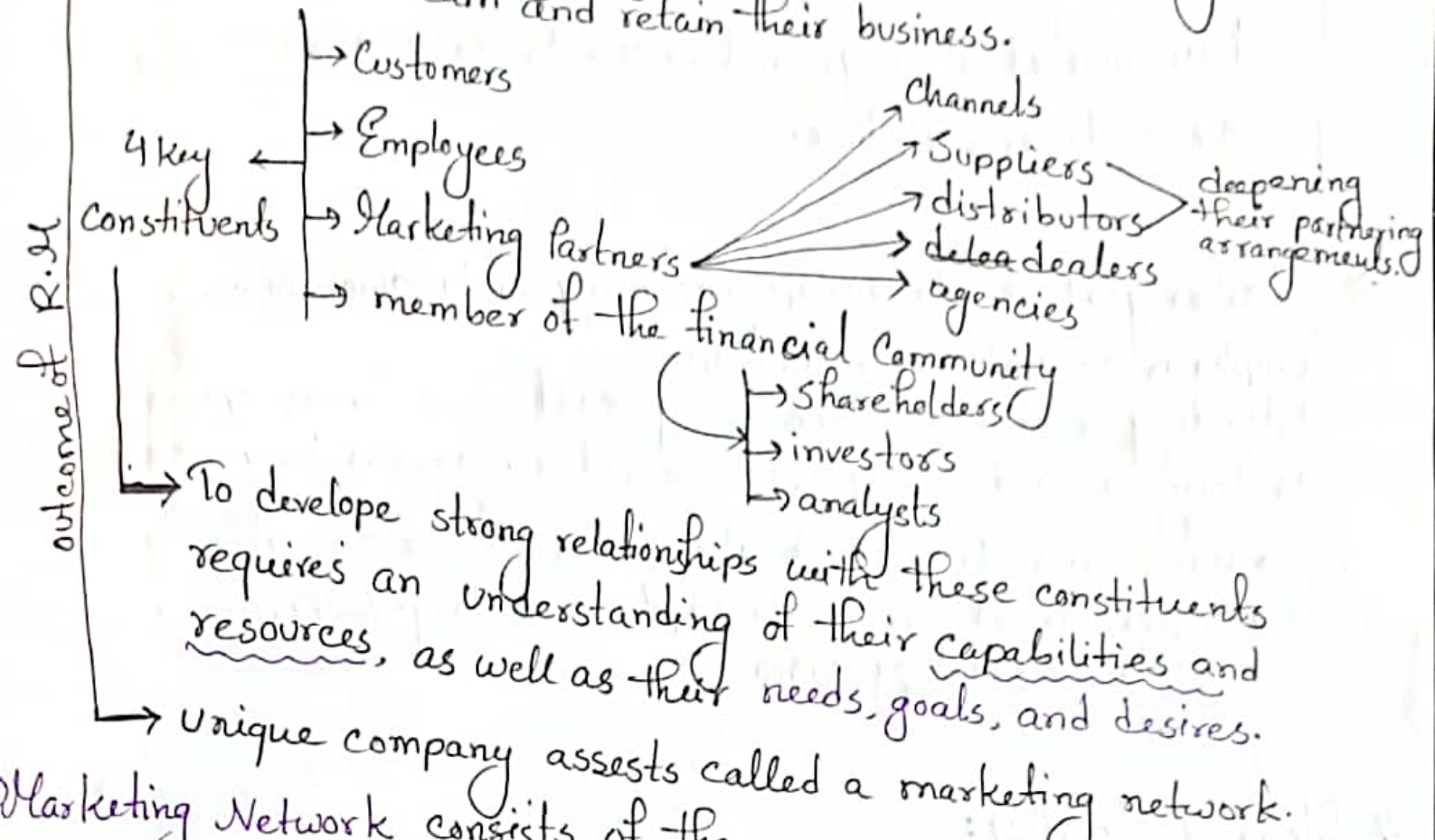
→ If it exceeds them; the customer is delighted.

The Holistic Marketing Concept:



Relationship Marketing:

↳ ^{built to} Mutually satisfying long-term relationships with key constituents in order to earn and retain their business.



Marketing Network consists of the company and its supporting stakeholders - Customers, employees, suppliers, distributors, retailers, ad agencies, university scientists and other - with whom it has built mutually profitable business relationships.

Operating principle

- build of an affective network of relationships with key stakeholders;
- profits will follow.

→ Following this reasoning;

- more companies are choosing to own brands rather than physical assests.
- increasingly subcontracting activities to outstanding firms that can do them better and more cheaply, while retaining core activities.
- Shapping separate offers, services and messages to individual customers, based on information about past transactions.

demographics, psychographics and media and distribution preferences.

→ estimate individual customer lifetime value and design their market offerings and prices to make a profit over the customer's lifetime.

⇒ Another goal of relationship marketing is to place much more emphasis on customer retention.

Attracting a new customer may cost five times as much as doing a good enough job to retain an existing one.

→ bank aims to increase its shares of the customer wallet.
→ supermarket aims to capture a larger variety of goods to existing customers.

Integrated Marketing:

Marketing activities and assemble fully integrated marketing programs create, communicate, deliver value for consumer.

→ These activities as marketing-mix tools of four broad types which are called the four P's of marketing: Product, Price, Promotion and Place.



→ these group of P's

- marketers make or customize an offering or solution,
- Set a price that offers real value
- choose places where the offering will be accessible

⇒ The four P's represent the seller's view of the marketing tools available for influencing buyers. From a buyer's point of view each marketing tool is designed to deliver a customer benefit. A complementary breakdown of marketing activities has been proposed ~~has been~~ that centers on customers. It's four dimensions (SIVA) and the corresponding customer question these designed to answer are:

1. Solution: How can I solve my problem?
2. Information: Where can I learn more about it?
3. Value: What is my total sacrifice to get this solution?
4. Access: Where can I find it?

⇒ Two key themes of integrated marketing;

- ① many different marketing activities communicate and deliver value
- ② when coordinated, marketing activities maximize their joint effects.

Internal Marketing:

↳ task of hiring, training and motivating able employees who want to serve customers well.

↳ take place on two levels:

→ At one level,

→ the various marketing functions — Sales force, advertising, customer service, product management, marketing research must work together;

→ the sales force thinks product managers set prices or sales quotas "too high"; or

→ advertising director and a brand manager can't agree on an advertising campaign.

→ At the second level:

→ other departments must embrace marketing -

→ they must also think customer

↳ internal marketing requires vertical alignment with senior management and horizontal alignment with other departments

Performance Marketing:

↳ Holistic marketing incorporates performance marketing and understanding the returns to the business from marketing activities and programs; as well as addressing broader concerns and their legal, ethical, social and environmental effects.

Top management is beyond sales revenue to examine the marketing scoreboard and interpret what is happening to market share; customer loss; customer satisfaction; product quality and other measures.

Developing and Managing an Advertising program:

Advertising → is any paid form of nonpersonal presentation and promotion of ideas, goods or services by an identified sponsor.

→ it can be cost-effective way to disseminate message whether to build a brand preference or to educate people

In developing an advertising program:

- Marketing managers must always start by identifying the target market and buyers motives.
- Five major decisions they can make known as "The Five Hs"
 - what are advertising objectives? (Mission)
 - How much can we spend? (Money)
 - what message should we send? (Message)
 - what media should we use? (Media)
 - How should we evaluate the results? (Measurement)

