

Understanding Marketing Management

Marketing Management (MKT600)

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MBA



Learning Objectives - I

- *Knowledge and Understanding*
 - concepts, paradigms and processes of marketing
 - strategic marketing theories, models and concepts
 - organisation-wide nature of marketing
 - strategic marketing planning process and techniques in the context of
 - globalisation
 - information technology.
 - trends

Learning Objectives - II

- *Cognitive and Intellectual skills*
 - Think critically
 - Gather, analyse and utilize research and marketing information
- *Practical/Professional Skills*
 - Research, interpret and evaluate current marketing theories and apply in an organisational setting
 - Be aware of the importance of marketing in creating customer and shareholder value
 - Be aware of how exogenous factors influence marketing strategy
- *Key Transferable Skills*
 - Operate effectively when critically evaluating knowledge and applying it to marketing issues
 - Demonstrate the ability to influence key decision-makers
 - Apply marketing theory in an organisational setting

Methods for achieving objectives

individual responsibilities

- study of theory
- examination of business practice
- participation in learning tasks

group processes

- exchange of opinions
- sharing of experiences

necessary attitudes

- creativity
- curiosity
- willingness to communicate

Course perspective: student-centred, self-directed learning

Your role

Adult learner

- ⊕ thorough preparation
- ⊕ applying critical and creative thinking
- ⊕ working consistently

My role

Facilitator

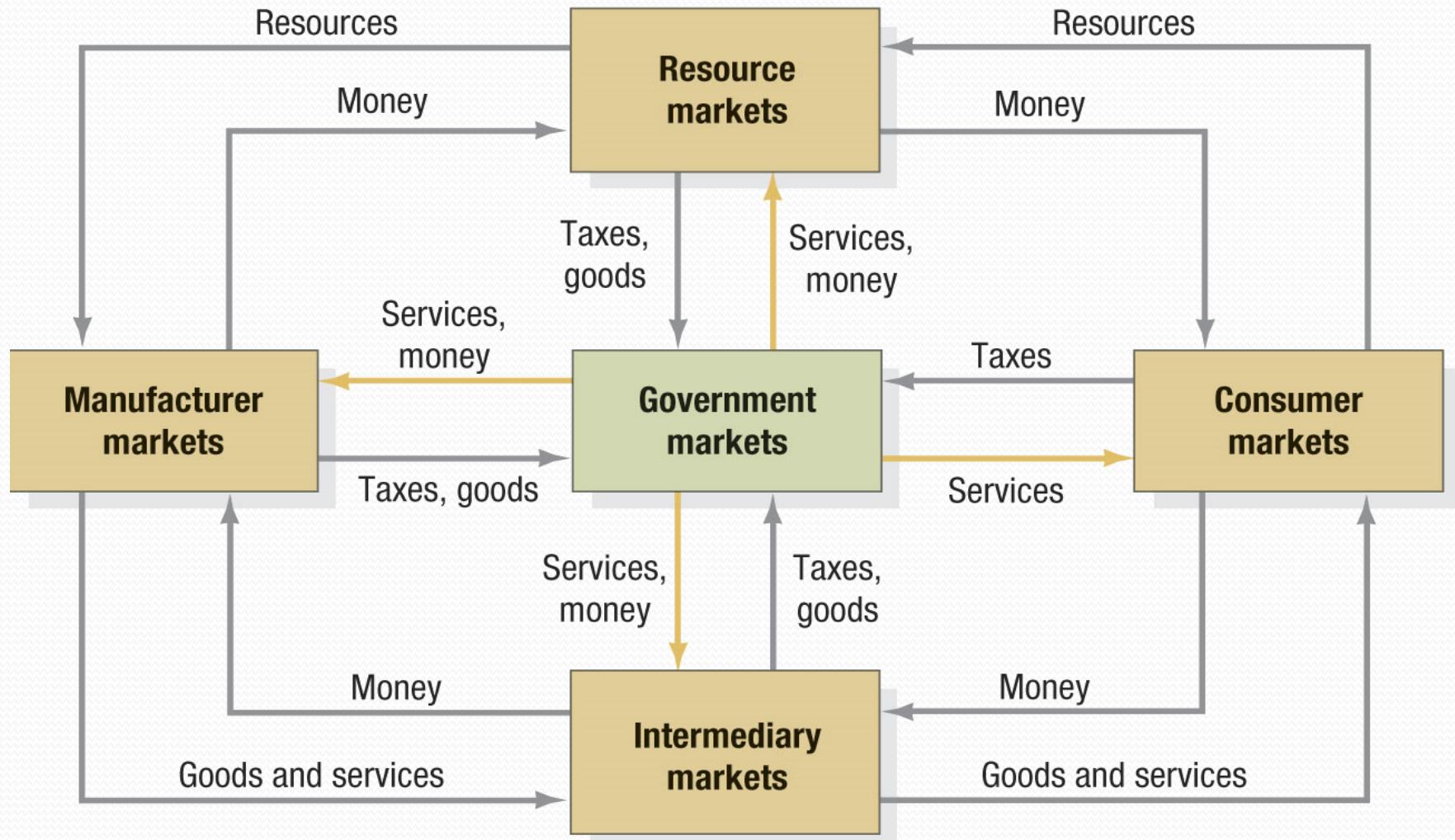
- for meeting
 - personal and
 - career development objectives
- advisor
- basic content provider
- gatekeeper
 - course flexibility
 - the profession

Defining Marketing for the 21st Century

Key Questions

- Why is marketing important?
- What is the scope of marketing?
- What are some fundamental marketing concepts?
- How is marketing management changing?

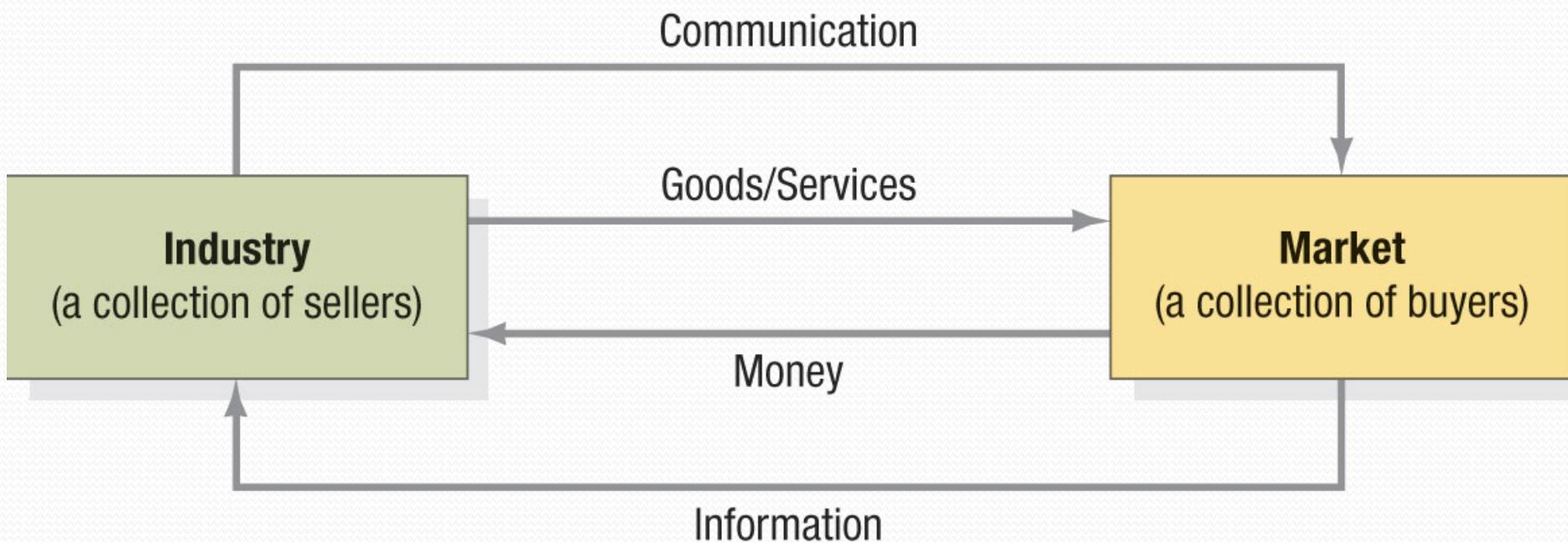
Structure of Flows in a Modern Exchange Economy



Exchange is the focus

- Exchanges are carried out by business firms, and also by non business organisations and even individuals.
- Four conditions must exist for an exchange to be able to occur:
 - Two or more people or organisations must be involved
 - The parties must be involved voluntarily
 - Each party must have something of value to exchange, and the parties must believe they will each benefit from the exchange
 - The parties must communicate with each other

A Simple Marketing System



What is Marketing?

Marketing is an

- organizational function and
- a set of processes for
 - creating,
 - communicating, and
 - delivering value to customers and
 - for managing customer relationships
- in ways that benefit
 - the organization and
 - its stakeholders.

What is Marketing Management?

Marketing management is the
art and science

- of choosing target markets and
 - getting,
 - keeping, and
 - growing
 - customers through
 - creating,
 - delivering, and
 - communicating
- superior customer value.

Key constructs

the PRODUCT concept



A set of basic **real (tangible)** and **symbolic (intangible)** attributes assembled in an

identifiable

form

which can be

- offered
- obtained and
- consumed

in order to satisfy **wants or/and needs**

- size
- price
- appearance
- performance ...

- object
- service
- place
- person
- idea

What is Marketed?

Goods

Services

Events & Experiences

Persons

Places & Properties

Organizations

Information

Ideas



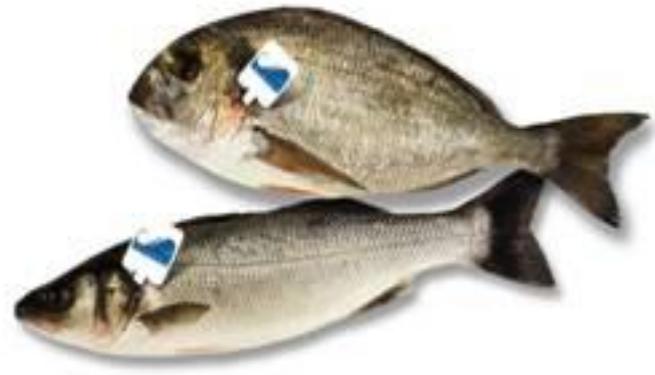
STOP CLIMATE CHANGE
BEFORE IT CHANGES YOU.



the BRAND concept

BusinessWeek

HOME INVESTING COMPANIES TECH LIFESTYLE **INNOVATION** SMALL BIZ B-SCHOOLS MANAGING ASIA



Top 100 Global Brands Scoreboard

Search the interactive rankings of this year's featured brands

[Best Brands Special Report](#)
[Methodology](#)

Click column heading once to reorder from highest to lowest. Click twice to reorder from lowest to highest.

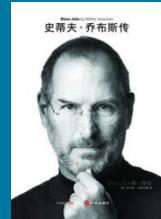
2007 Brand Rank	2006 Brand Rank	Change in Rank	Brand Name	Change in Value From Prev Year (in %)			Parent Company	Country
				2007 Brand Value \$m	2006 Brand Value	(in %)		
1	1	0	Coca-Cola	65,324	67,000	-3	Coca-Cola	U.S.
2	2	0	Microsoft	58,709	56,926	3	Microsoft	U.S.
3	3	0	IBM	57,091	56,201	2	IBM	U.S.
4	4	0	GE	51,569	48,907	5	GE	U.S.
5	6	1	Nokia	33,696	30,131	12	Nokia	FINLAND
6	7	1	Toyota	32,070	27,941	15	Toyota	JAPAN
7	5	-2	Intel	30,954	32,319	-4	Intel	U.S.
8	9	1	McDonald's	29,398	27,501	7	McDonald's	U.S.
9	8	-1	Disney	29,210	27,848	5	Walt Disney	U.S.
10	10	0	Mercedes-Benz	23,568	21,795	8	DaimlerChrysler	GERMANY

Interbrand Top 10 brands 2012

tangible Product – Service continuum *intangible*

1. Coca-Cola

2. Apple (+129%)



6. GE

8. Intel

9. Samsung

10. Toyota

3. IBM

4. Google

5. Microsoft

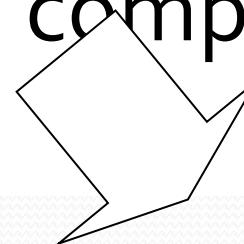
7. McDonald's

Brand



A name and/or a mark intended to identify the product of one seller or group of sellers and differentiate it from competing products

- a brand name
- &/or
- a brandmark
- &/or
- a trademark



A set of tangible and intangible attributes



A means of want satisfaction

I want it, I need it...

Five Types of Needs

1. Stated needs

"I want an inexpensive car"

2. Real needs

'It's not only the price, I want low running costs as well'

3. Unstated needs

he's polite, he listens to me, I trust him

4. Delight needs

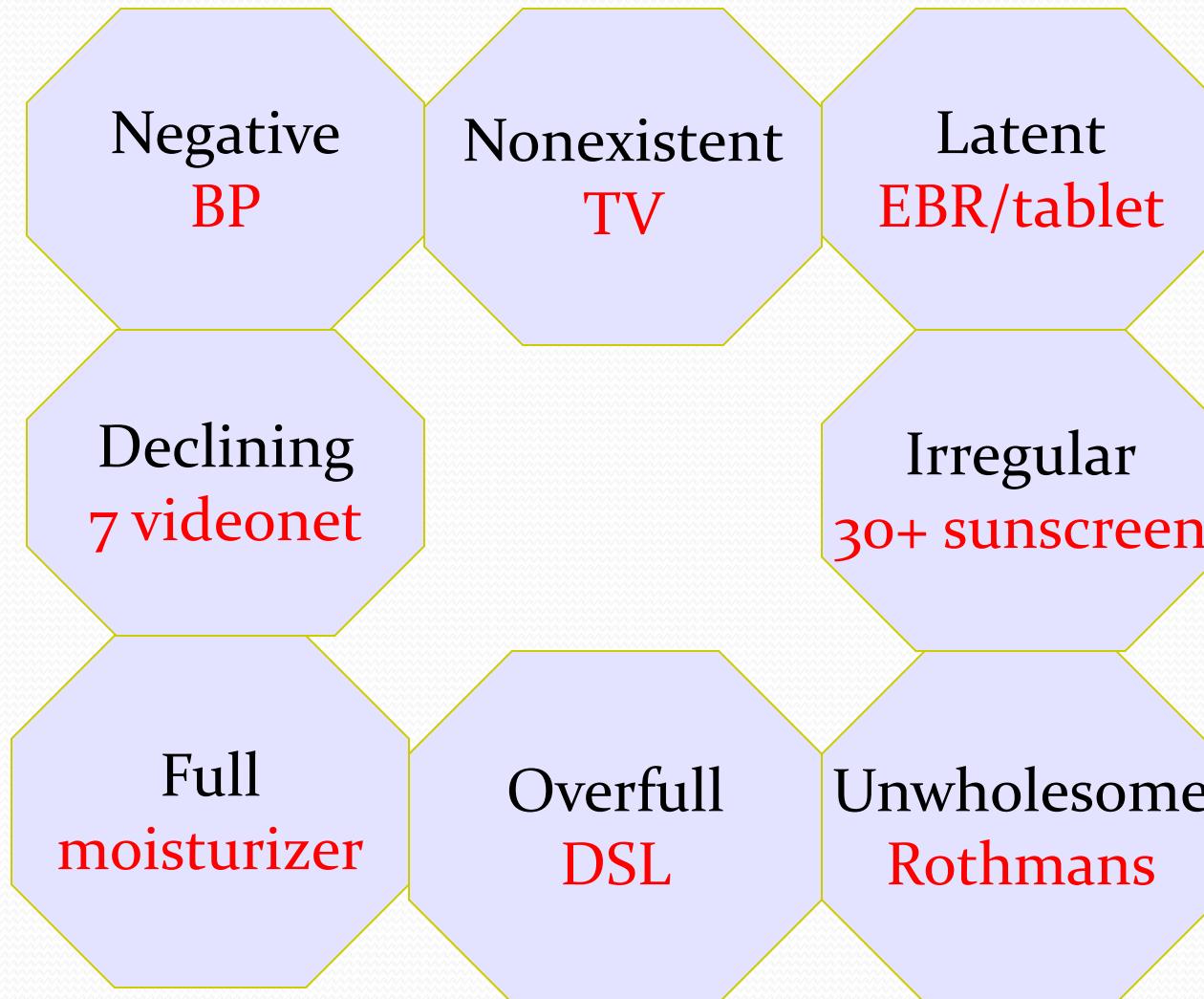
he's giving me the GPS for free!!!!

5. Secret needs

wait till my neighbors see this car!



Demand States: AZ case study



The marketing discipline over time

Development of the Marketing Concept



Customer
Relationship
Marketing &
Corporate Social
Responsibility

production

selling

Marketing

the mousetrap

Fridges to the
Eskimos



SERVICE DOMINANT
LOGIC



Wall

Info

Friend activity (1)

Paris Live Pics

YouTube

Photos

Ustream

Videos

Events

MORE -

About

Welcome to my official Facebook page. xoxo Paris

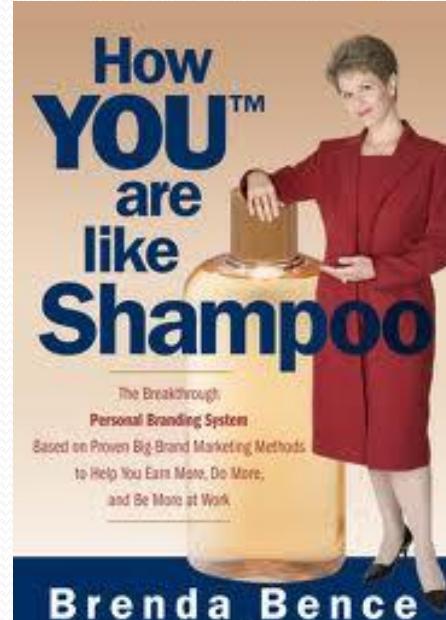
1,000,713

like this

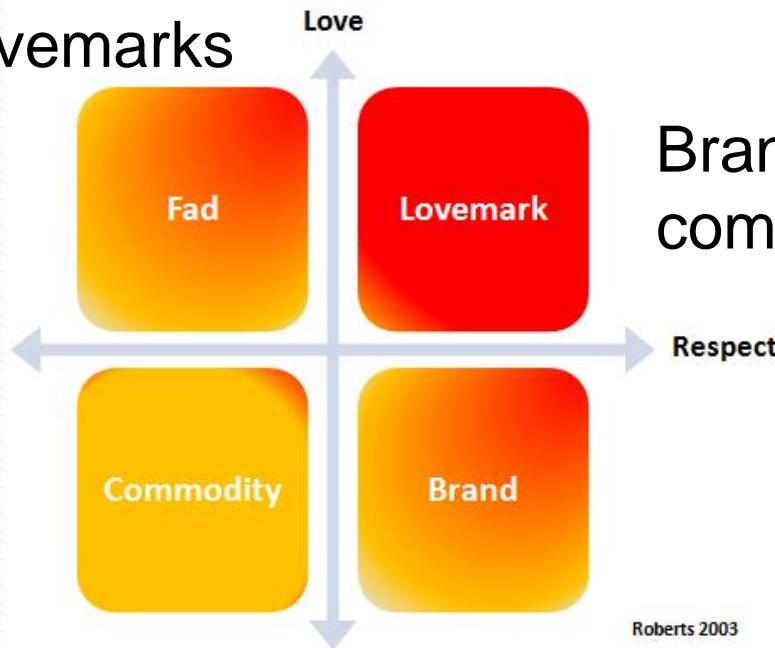
11,912

talking about this

Personal branding



Lovemarks



Hottest trends

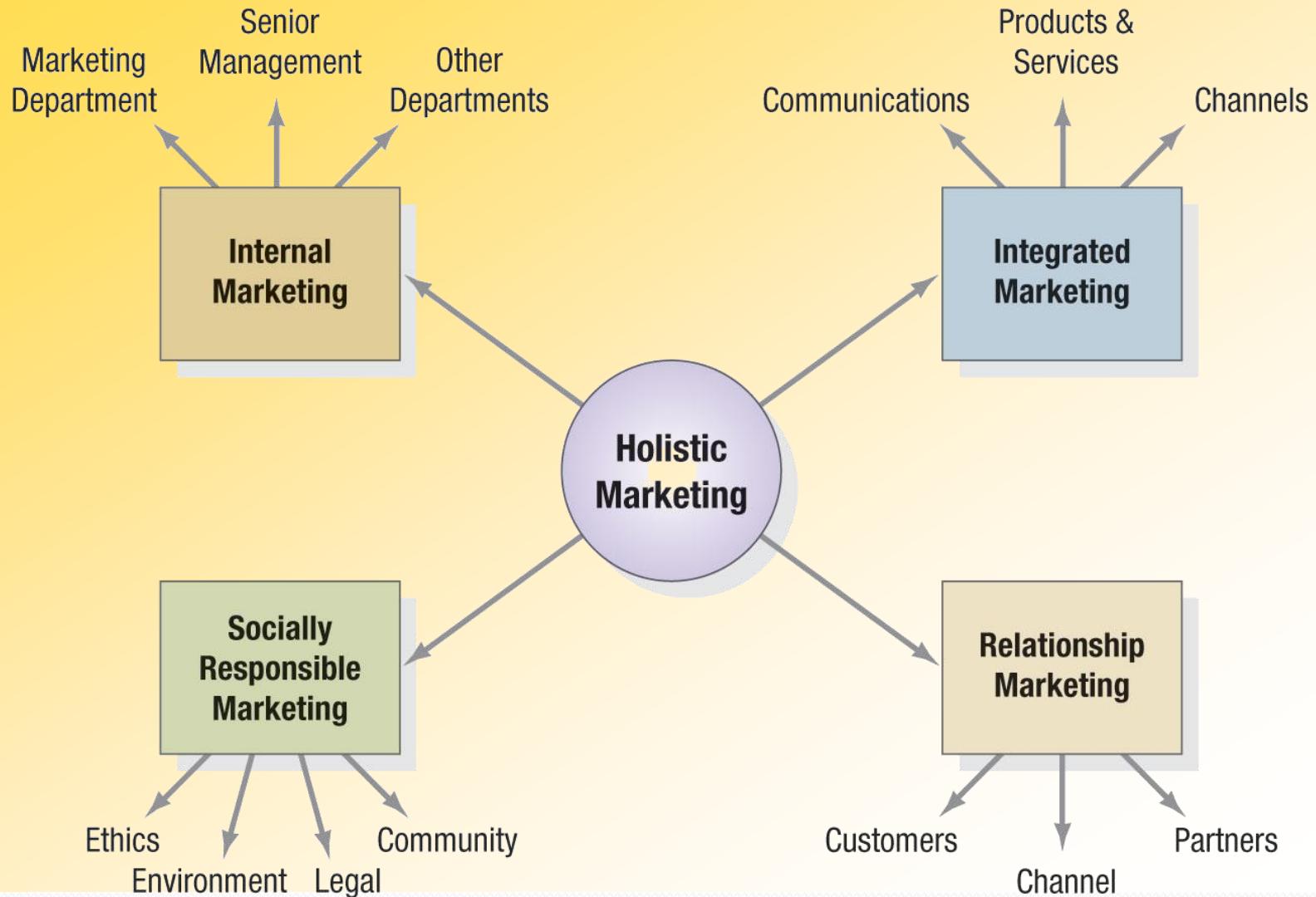
Luxury brands



Brand communities



Holistic Marketing Dimensions



The marketplace isn't what it used to be...



Information technology

Globalization

Deregulation

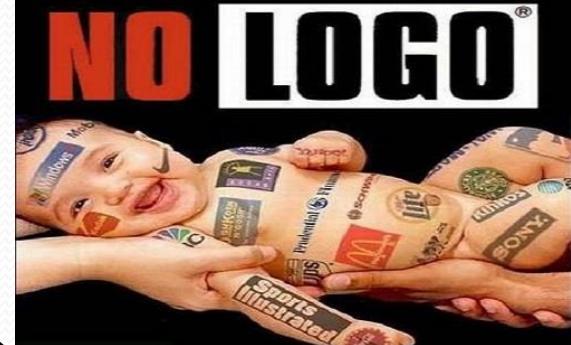
Privatization

Competition

Convergence

Consumer resistance

Retail transformation



FAO/ WHO Food Standards

CODEX alimentarius

based on 2009 Pearson Education, Inc. Publishing as Prentice Hall



21st Century 4Ps



- **Personalization** = [Amazon.com](#)
- **Participation** = [Nike ID](#) / [prosumerism-MLM](#)
- **Peer-to-Peer**
- **Predictive modeling** = [CRM](#) / [big data](#) / [data visualization](#) / qualitative data visualization



Qualitative data visualization

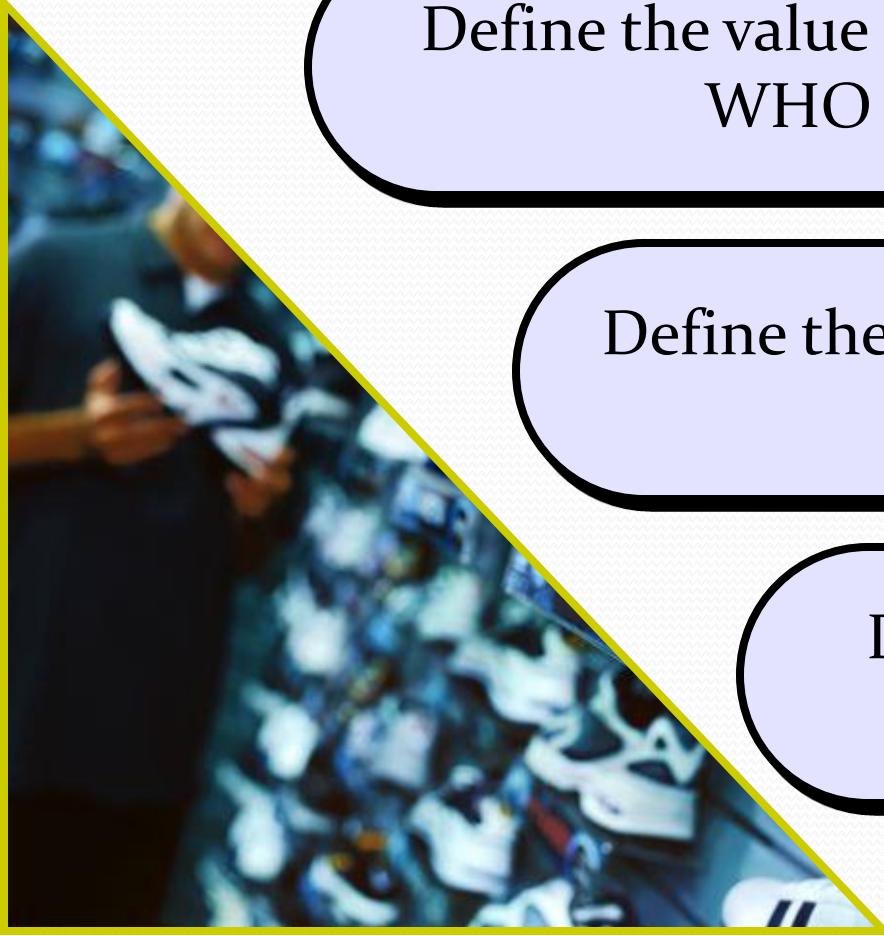
Showing top 35 of 503 possible words

balls (8) batch (3) beef (5) bloody (3) bought (3) buy (3) care (9) contain (6) cows (3) delicious (4) differ (3) dont (3)
eating (15) fair (3) food (6) freezer (3) furniture (4) going (6) hope (5) horse (25) ikea (27)
kill (3) love (18) meatballs (21) meet (3) mobile (57) people (5) please (4)
problem (4) really (3) sale (4) sell (6) stable (3) stop (5) taste (3)

FB comments on IKEA UK page - horse meat scandal

Developing Marketing Strategies and Plans

Three V's Approach to Marketing

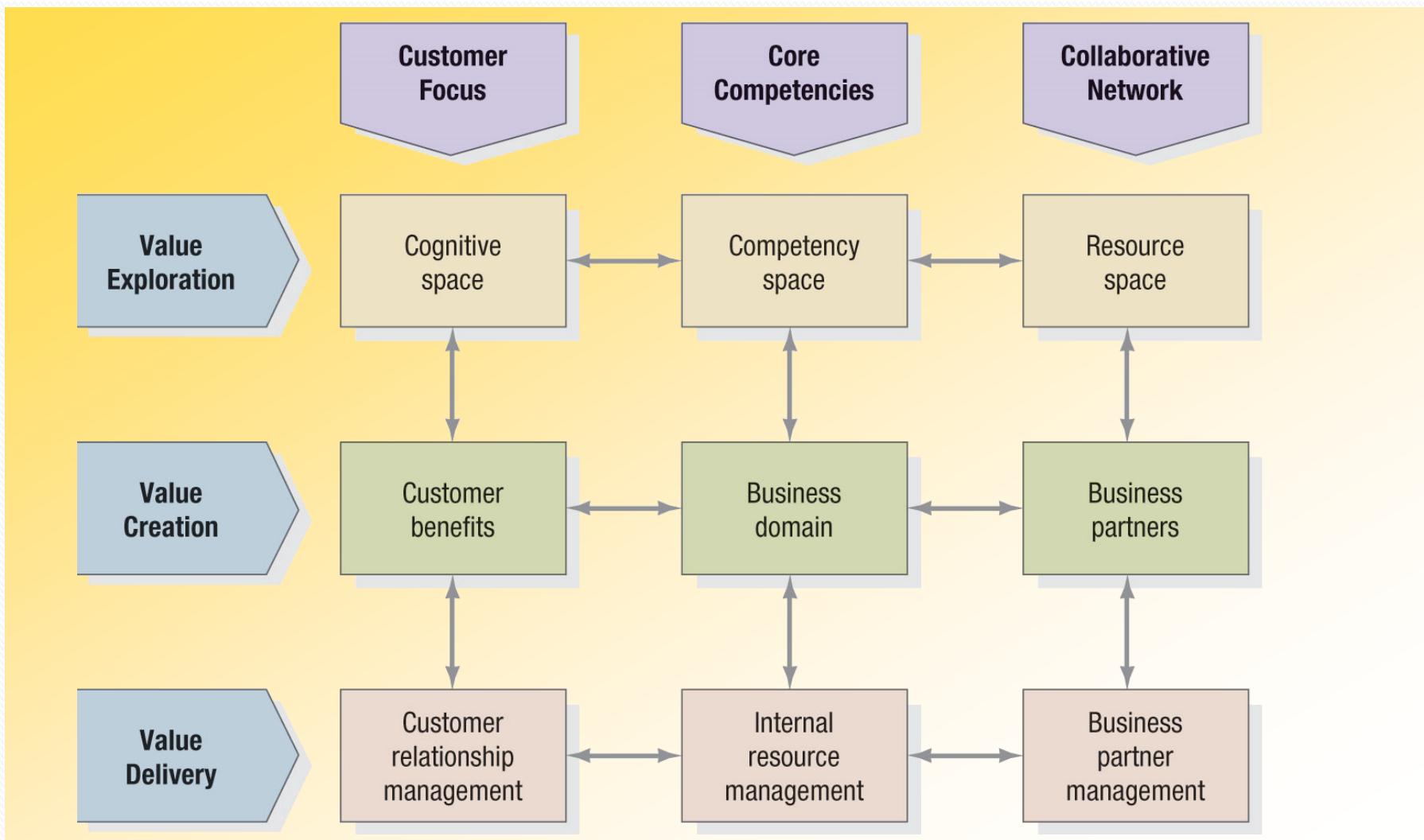


Define the value segment -
WHO

Define the value proposition -
WHAT

Define the value network -
WHERE, HOW

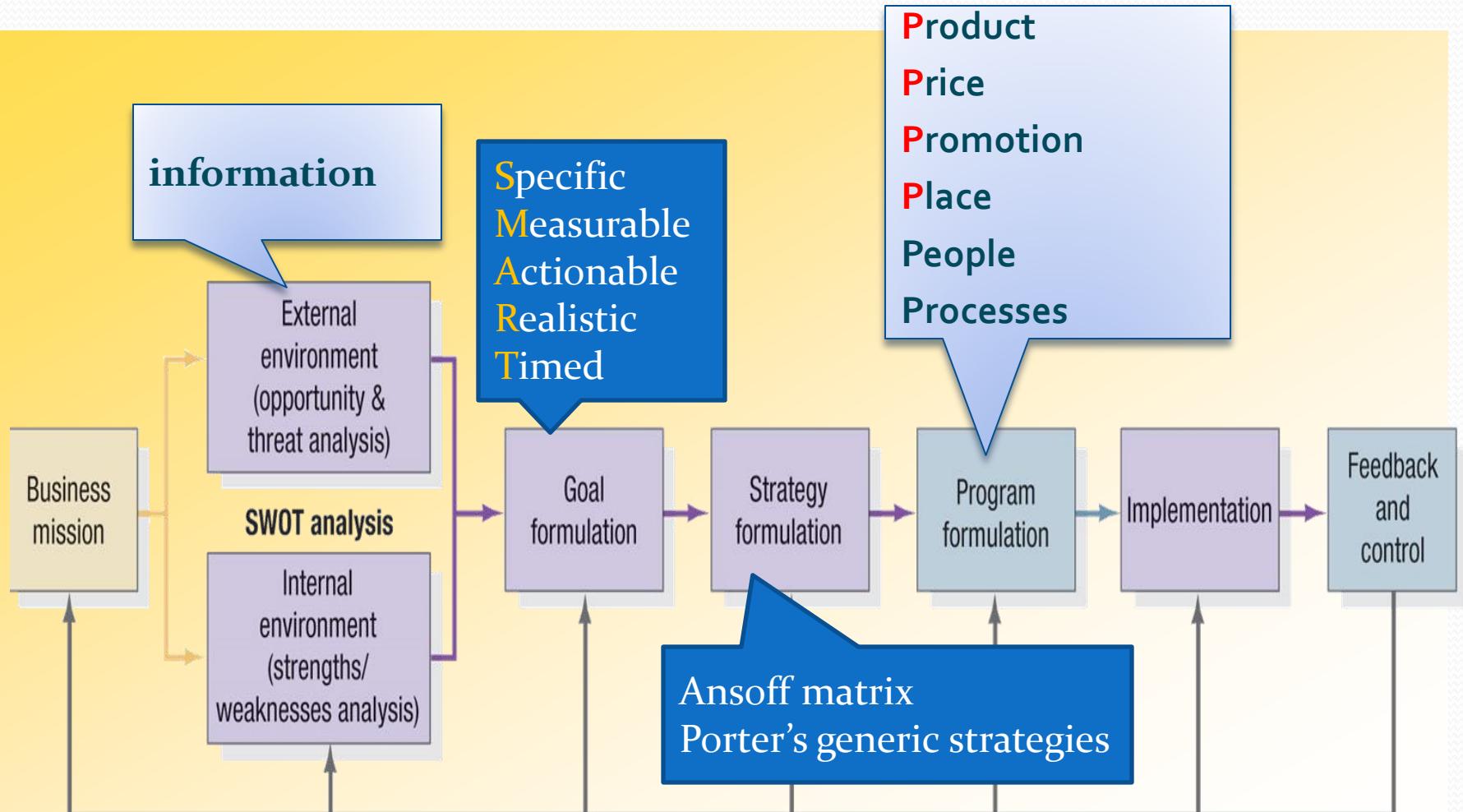
A Holistic Marketing Framework



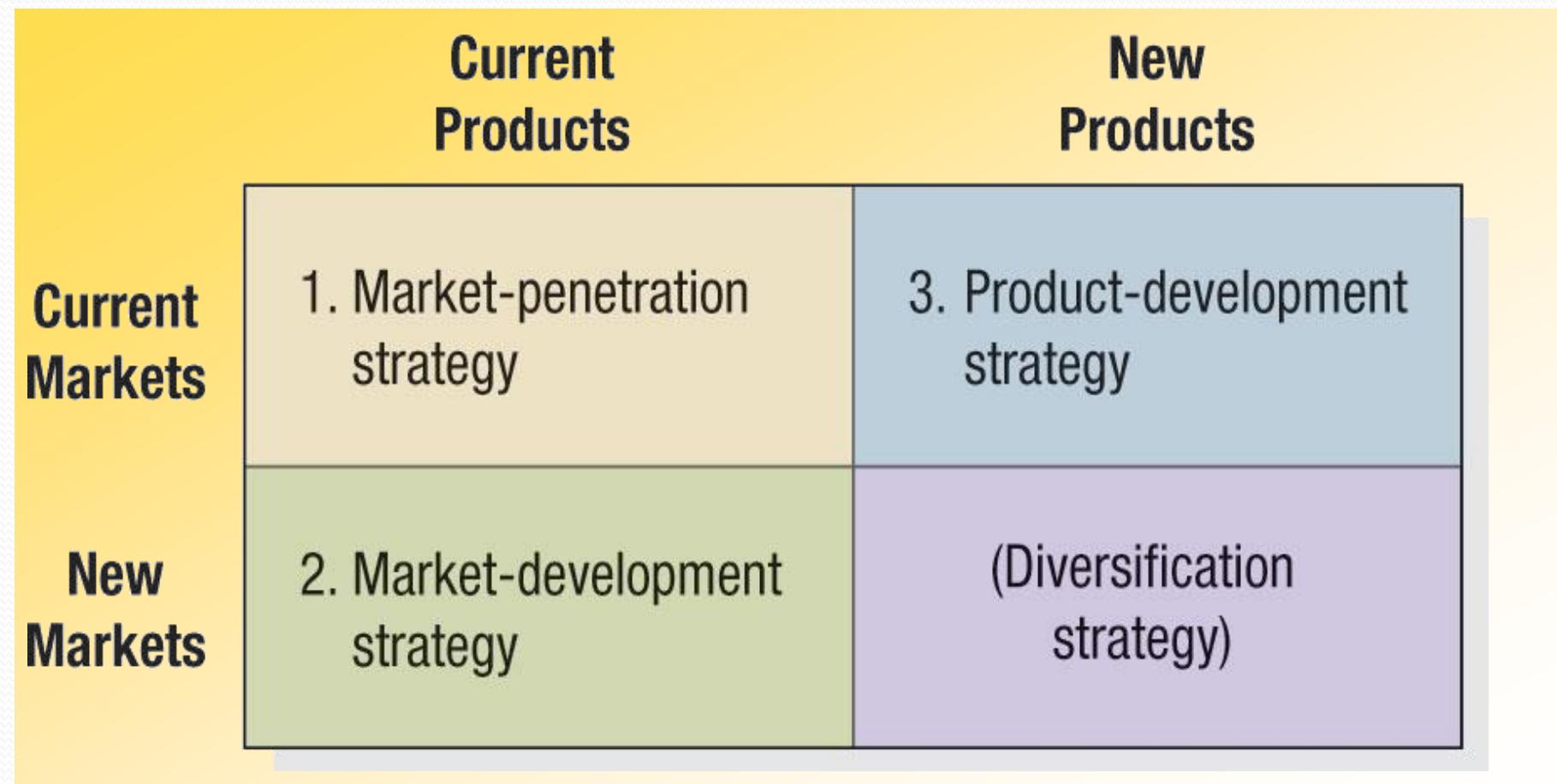
Levels of a Marketing Plan

- Strategic
 - Target marketing decisions
 - Value proposition
 - Analysis of marketing opportunities
- Tactical
 - Product features
 - Promotion
 - Merchandising
 - Pricing
 - Sales channels
 - Service

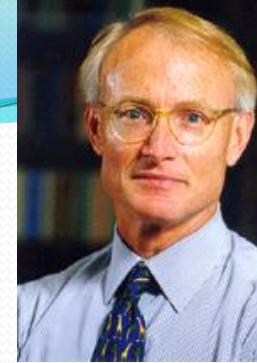
The Business Unit Strategic Planning Process



Ansoff's Product-Market Expansion Grid



Porter's Generic Strategies



The Five Forces That Shape Industry Competition



from "The Five Competitive Forces That Shape Strategy" by
Michael E. Porter, *Harvard Business Review*, January 2008

Overall Cost Leadership

Differentiation

Focus

Examples of organizational strategies

- Based on competitive advantage
 - Cost leadership
 - Differentiation
 - Based on value disciplines – *you cannot be all things to all people, hence you must find the unique value that you alone can deliver to a given market*
 - operational excellence – *low price and/or hassle free service*
 - product leadership
 - customer intimacy
- 
- 
- 
- 
- 
- 

Exercises

to be discussed in class next time we meet

internet exercise

- visit the corporate web-sites
- look for the mission statement
- look for claims of
 - strengths (investors section) and
 - distinctive competencies (customer sections)
- link them to
 - product lines
 - business units

