CHAPTER 8

Marketing the Business

INTRODUCTION TO BUSINESS

Learning Objectives

- To define marketing and identify where it takes place

- To describe the elements of a marketing strategy

- To interpret the marketing mix and how it supports strategy

- To explain the Product Market Expansion Grid

- To define advertising objectives

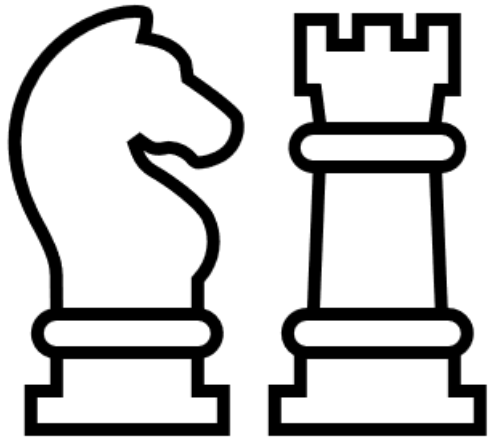- To summarize the concept of lead generation in marketing

Marketing Cycle

1 Market Research
2 Product Development
3 Promotion
4 Sales
5 Distribution
6 Customer Feedback
7 Analysis
8 Adjustment

Marketing is defined as:

"The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large" (American Marketing Association , 2021)

Everyone does marketing, from big and small companies to politicians, religious organizations, countries and cities

Marketing strategy

It's a long-term vision that includes a company's value proposition, target market, competitors, and buyers

It is a plan that outlines how a business will promote its brand to a target market and convince customers to buy its products or services.

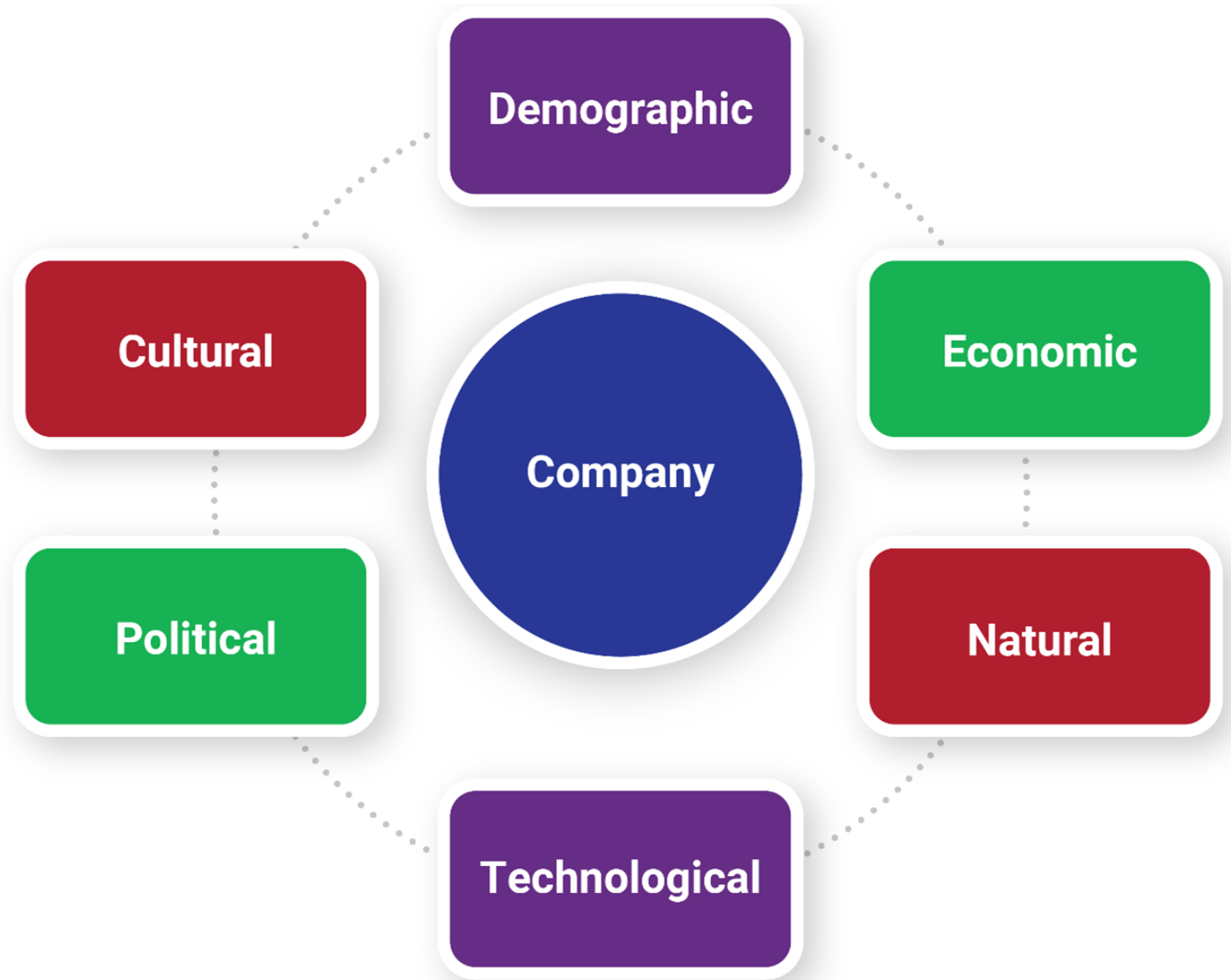The strategy is revised at least yearly, ideally monitored monthly

Marketing and the environment

The **marketing environment** are the forces outside marketing that have an impact on marketing's ability to build and maintain profitable relationships with target customers.
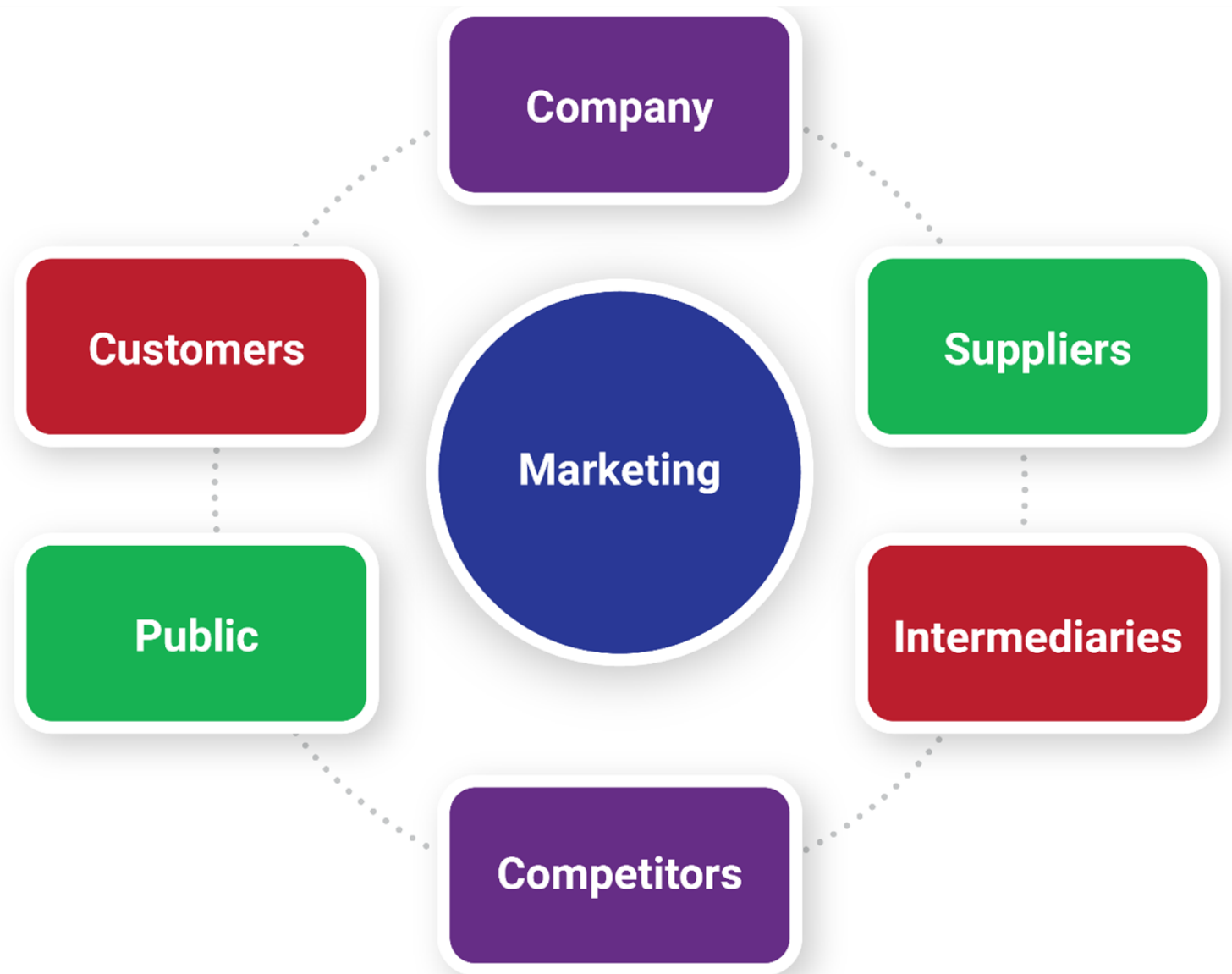
Macro - and microenvironments

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The **macroenvironment** consists of all the larger social forces that impact the microenvironment

The **microenvironment** involves the forces close to the company that impact its ability to profitably serve its customers

Company

Customers

Suppliers

Public

Marketing

Intermediaries

Competitors

The elements of a marketing strategy are the key components that guide how a business plans and executes its marketing efforts to reach its goals :

Segmentation & Targeting → **Differentiation & Positioning** = **Marketing Strategy**

What Customers Will We Serve?

- Segmentation: The process of dividing a market into customer groups that share characteristics between them
- Targeting: The selection of what segment the business will choose to serve.

How will we create value for them?

- Differentiation: The selection of what benefits our target market finds valuable.
- Positioning: The selection of what perception will be created in the customers' minds about our offer.

In marketing strategy, the **Product/Market Expansion Grid** is used to guide business growth

	Current Products	New Products
Current Market	Market Penetration Strategy	Product Development Strategy
New Market	Market Development Strategy	Diversification Strategy

Starbucks uses the Product/Market Expansion Grid to guide business growth:

Market Penetration
—

Selling lattes, macchiatos, espressos; all things coffee. Eventually, it also launches a "secret menu"

Market Development
—

In Mexico, Starbucks offers local flavors such as Cajeta (caramel) for their beverages

Product Development
—

For coffee lovers, Starbucks launched its line of Frappuccinos

Diversification
—

Starbucks has participated in the film industry by producing films

Once we have a marketing strategy, we need to implement it via the marketing mix

It all flows as follows:

MARKETING STRATEGY AND MARKETING MIX

| Segmentation | Targeting |
| Differentiation | Positioning |

The marketing strategy guides our efforts

Marketing Offer

| Product | Price |
| Place | Promotion |

The marketing mix executes the strategy

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The 4 P's of marketing (marketing mix)

Product	Price	Place	Promotions
Products are tangible and manufactured ahead of time. Decisions involving products: quality, features, design, variety, packaging, branding, and services.	The sum of values a customer must give up to receive the sets of benefits promised in the offer. It is also the only element of the marketing mix that generates revenue. The other "Ps" are an investment.	Refers to channels of distribution and outlets, also known as points-of-sale. Marketing channels are the set or partners that companies rely on to make their offer accessible to their target market.	Send a message to persuasively communicate with the target market, while establishing or maintaining relationships with it. We need a message and a medium.

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Other important concepts in marketing:

- Customer Satisfaction: If a customer buys a smartphone and the phone works as expected, lasts long, and offers features they value (e.g., camera quality), they are likely to feel satisfied with their purchase.

- Customer Loyalty: A customer who always buys Nike shoes because they trust the brand's quality, design, and performance—despite other cheaper alternatives—shows loyalty.

- Perceived customer value: A customer might consider buying a luxury watch. Although it's much more expensive than other watches, the customer perceives high value in owning the brand because it offers prestige and high quality.

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To communicate a business message, marketing uses ads and advertising campaigns

First, let's start by defining what ads are

- An ad is an announcement or message done in a public medium.

- The purpose of showing ads is to send messages that influence a target market in terms of the goals set for such ads.

- On average, a person needs to be exposed 7 times, or more, to an ad before the person buys anything.

Magazines remain an effective medium to expose customers to a business's ad. Customers see magazines as a way to learn about new products.

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There are three types of advertising:

Informative Advertising	**Persuasive Advertising**	**Reminder Advertising**
Main Goal:	Main Goal:	Main Goal:
To grow primary demand	To push influence	To sustain demand by staying top of mind

Once we have something to say we need to have somewhere to say it: **media**

- Choosing the right media to send our message becomes key
  - Match target market's media choices
- Media types to choose from:
  - Traditional media: television, newspapers, direct mail, magazines, radio, and outdoor
  - Newer media: digital, social media, and mobile
- Use a mix of traditional and newer outlets

Lead Generation

Lead generation is the process of attracting and identifying potential customers for your product or service.
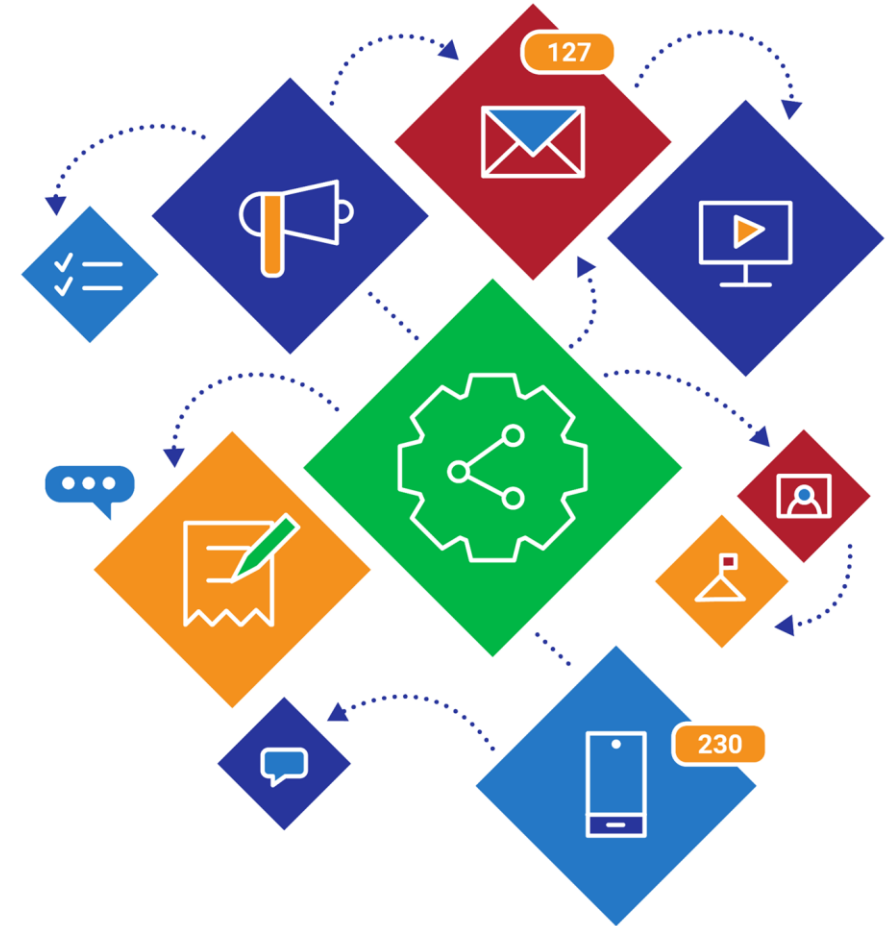
Types of Leads

- **Cold leads**: Individuals or companies who have shown little to no interest in your product or service.

- **Warm leads**: Potential customers who have shown some interest or engagement, like downloading a white paper, signing up for a newsletter, or visiting your website multiple times.

- **Hot leads**: Highly qualified leads who have shown a clear intent to buy, such as requesting a demo or filling out a contact form with specific purchase inquiries.

Lead generation is often done by using what is called a "**cross-channel**" approach

- This means a business might use one channel, or medium, to offer the incentive, and another medium to follow up and pursue the sale.

- How do businesses do it? Usually by combining the marketing and sales functions

Example of a cross-channel approach:

The approach:

- *A local remodeling company has a stand at the Summer Wine Fest in your city. In that way, people can stroll around and see their work.*

- *The stand is taken care of by the business's employees who are walking around with a clipboard offering people a free at-home consultation (the incentive).*

- *People are excited for this free consultation and willingly give their contact information to the company; thus, becoming a lead.*

Here is the cross-channel approach:

1) The summer festival is a face-to-face event where our leads will be,

2) The business employees walking around are acting as salespeople "selling" the incentive,

3) The data will be entered in a database, and now they are leads,

4) An employee will follow up to schedule the home consultation and salespeople will then sell the services.

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1. Identifying the Marketing Mix Elements

Instructions

- In your teams, identify the marketing elements of Product, Price, Place, and Promotion for your chosen company.

- Describe all elements in detail by filling out the table below.

- Prepare a report as a PowerPoint presentation and present your results (2-3 slides) during the next class.

 - Please submit your assignment through the WhatsApp group by November 25, 2025, at 5:00 PM.

Brand:			
Product	**Price**	**Place**	**Promotion**
Product Mix Branding Packaging Product Quality	Current prices Discounts	Distribution Channels Customer Access and Convenience	Target Audience Advertising type Channels of Communication