

Learning Objectives (LOs)

12.1 Define *_marketing* and explain its role in society.

12.2 Identify five trends that help define contemporary marketing.

12.3 Differentiate between consumer buying behavior and organizational buying behavior.

12.4 Describe *_strategic marketing planning*. and identify the four basic options for pursuing new marketing opportunities.

12.5 Identify the four steps in crafting a marketing strategy.

12.6 Describe the four main components of the marketing mix.

12.7 Define *_marketing analytics*. and

Marketing in a Changing World

- **Marketing**
 - The process of creating value for customer and building relationships with those customers in order to capture value back from them

- **Needs**

- Differences between a person's actual state and his or her ideal state; they provide the basic motivation to make a purchase

- **Wants**

- Specific goods, services, experiences, or other entities that are desirable in light of a person's experiences, culture and personality

- **Exchange process**

- The act of obtaining a desired object or service from another party by offering something of value in return

- **Transaction**

- An exchange of value between parties

- **Utility**

- The power of a good or service to satisfy a human need

The Marketing Concept (1 of 2)

- **Marketing concept**

- An approach to business management that stresses customer need and wants. seeks long.term profitability and integrates marketing with other functional units within the organization

- **Relationship marketing**

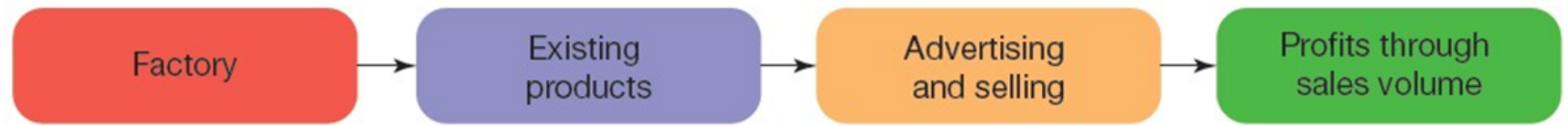
- A focus on developin and maintaining long.term relationships with customers. suppliers and distribution partners for mutual benefit

- **Customer loyalty**

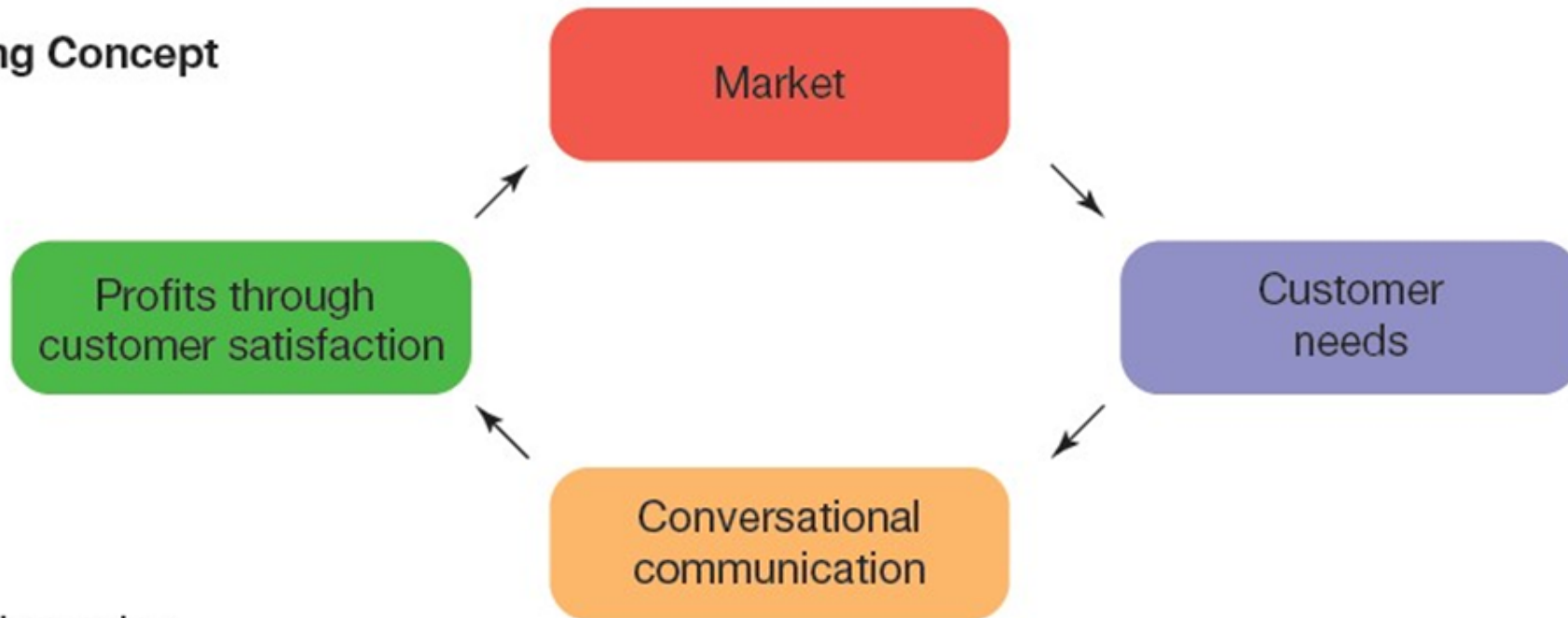
- The degree to which customers continue to buy from a particular retailer or buy the products of a particular manufacturer or service provider

EXHIBIT 12.1 The Selling Concept versus the Marketing Concept

The Selling Concept



The Marketing Concept



- Starting point
- Primary focus
- Means of achieving goals
- Desired ends

Challenges in Contemporary Marketing

Involving the **customer** in the marketing process

Making **data.driven** decisions

Conducting marketing activities with greater concern for *_ethics* and **etiquette**

Involving the Customer

- **Customer Relationship Management .C R M.**
 - A type of information system that captures. organizes and capitalizes on all the interactions that a company has with its customers
- **Social commerce**
 - The creatio and sharing of product.related information among customer and potential customers
- **Voice of the Customer V o C**
 - Everything that curren and potential customers are sayin and writing about a compan and its products; also refers to efforts to capture all this feedback

Making Data-Driven Decisions

- **Attribution**

- The contribution a given marketing activity makes to sale and other marketing goals

- **Marketing research**

- The collection and analysis of information for making marketing decisions
- Observation. surveys. interviews. focus groups

Marketing with Greater Concern for Ethic and Etiquette

- **Permission.based marketing**
 - A marketing approach in which firms first ask permission to deliver messages to an audienc and then promise to restrict their communication efforts to those subject areas in which audience members have expressed interest

Exhibit 12.2 A I-Enhanced Marketing Research

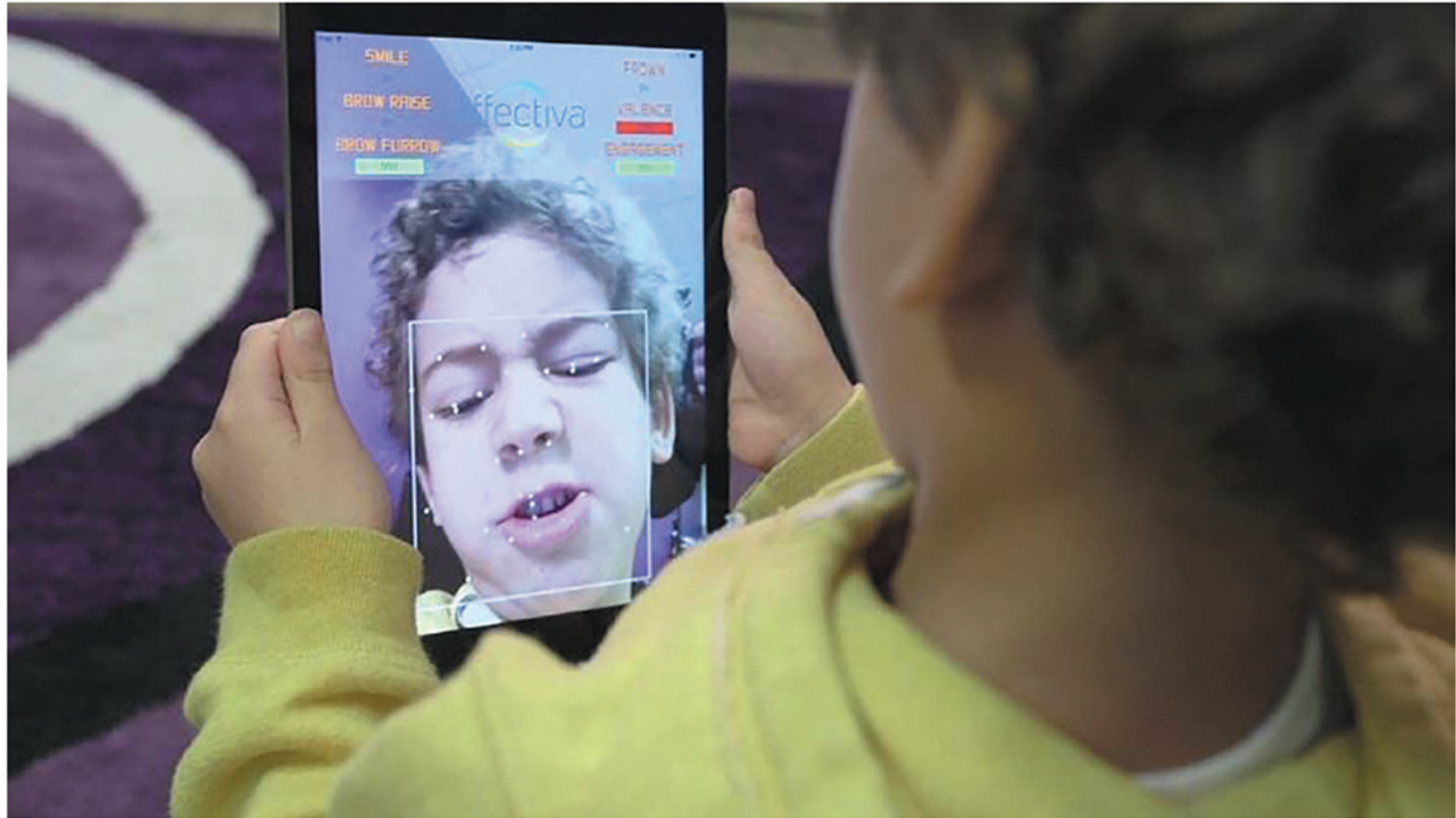
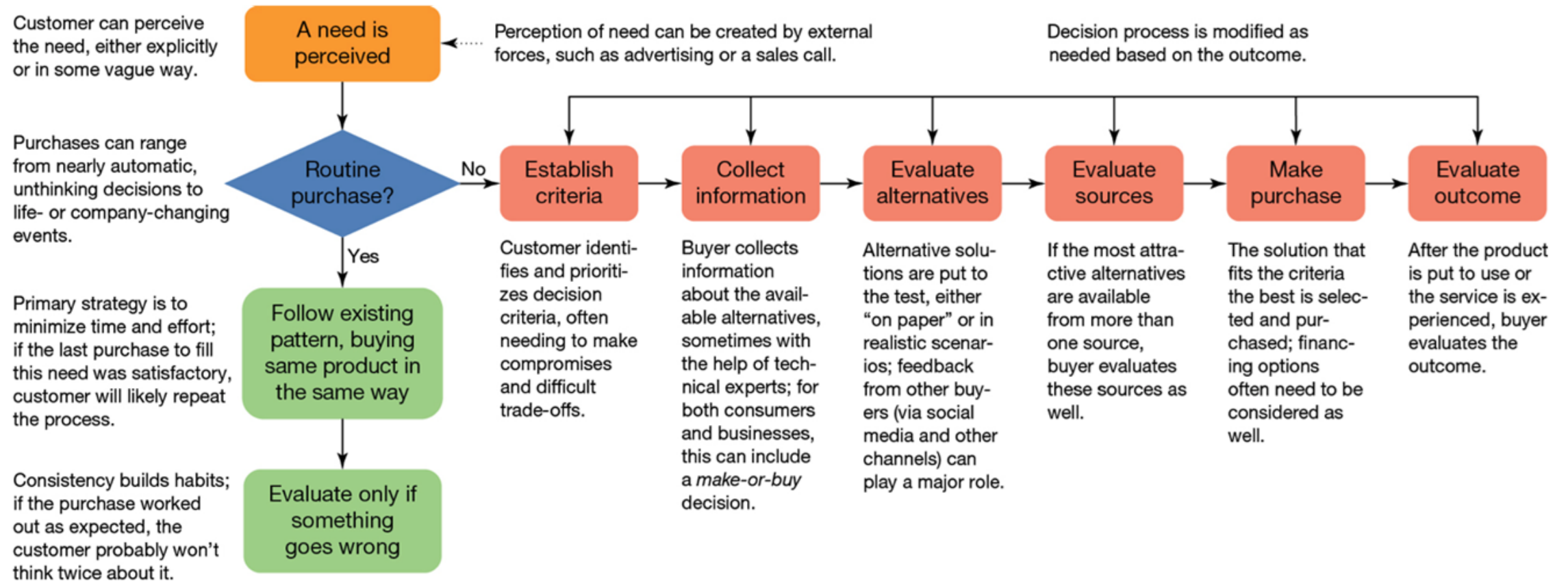


Exhibit 12.3 Marketing Research Techniques (1 of 2)

Understanding Today's Customers

- **Consumer market**
 - Individuals or households that buy good and services for personal use
- **Organizational market**
 - Companies, government agencies and other organizations that buy good and services either to resell or to use in the creation of their own good and services

Exhibit 12.4 Buyer Decision-Making



The Consumer Decision Process

- **Cognitive dissonance**
 - Tension that exists when a person's beliefs don't match his or her behaviors
 - Common example is **buyer ' s remorse** . when someone regrets a purchase immediately after making it

Purchase Influences

Culture

Socioeconomic level

Reference groups

Situational factors

Self.image

The Organizational Customer Decision Process

An emphasis on *_economic payback* and other rational factors

A formal buying process

Greater **complexity** in product usage

The participatio and influence of multiple people

Close relationships between buyer and sellers

Identifying Market Opportunities

- **Strategic marketing planning**
 - The process of examining an organization's current marketing situation. assessing opportunitie and setting objectives and then developing a marketing strategy to reach those objectives

1. Examine current marketing situation

- Review past performance
- Evaluate competition
- Examine strengths and weaknesses
- Analyze the business environment



2. Assess opportunities and set objectives

- Explore product and market opportunities
- Set sales targets that are invigorating while being realistic



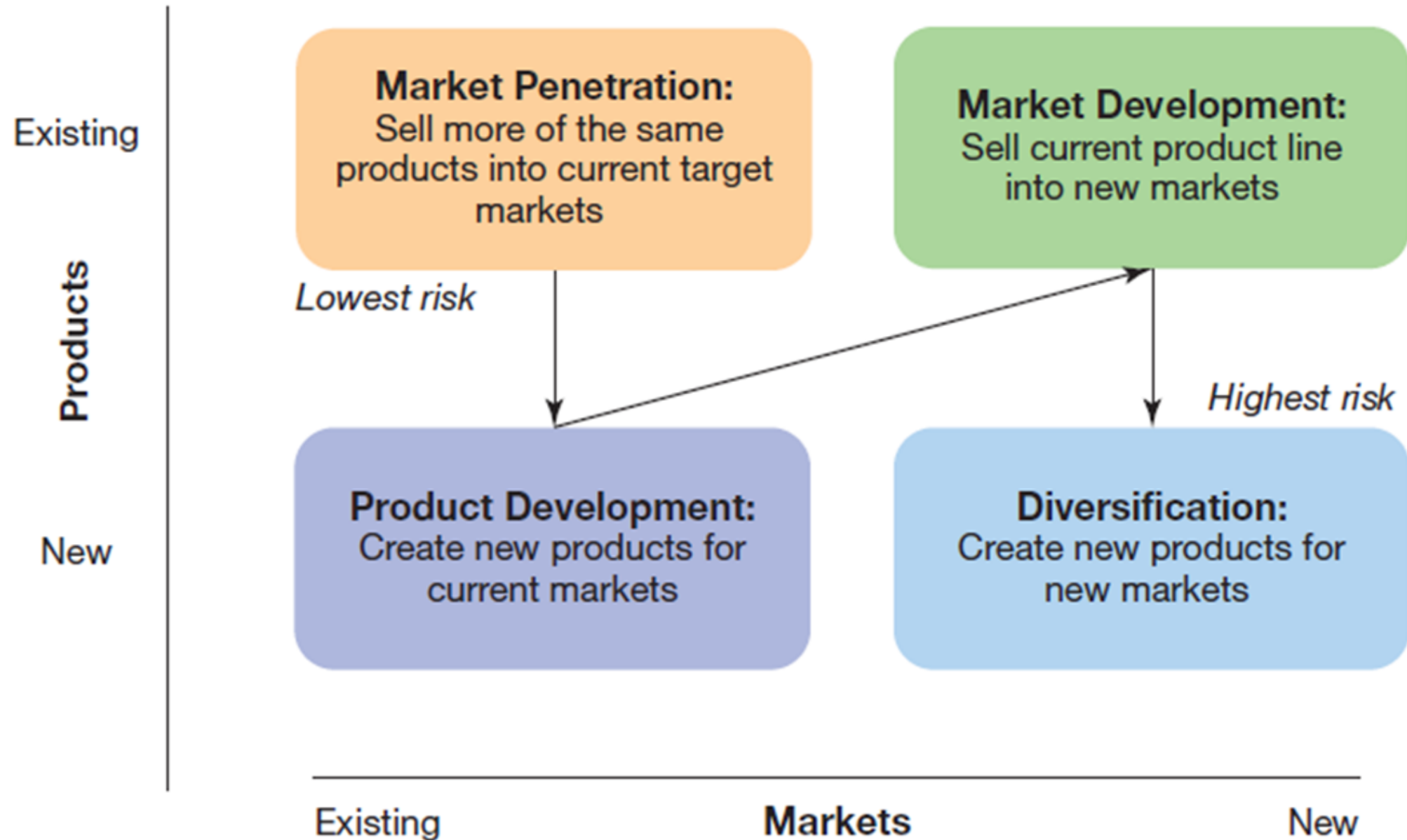
3. Develop marketing strategy

- Divide market into strategically productive segments
- Choose best-fit segments
- Identify ideal position in minds of target customers
- Develop marketing mix

Assessing Opportunities and Setting Objectives (1 of 2)

- **Market penetration**
 - Selling more of a firm's existing products in the markets it already serves
- **Product development**
 - Creating new products for a firm's current markets
- **Market development**
 - Selling existing products to new markets
- **Diversification**
 - Creating new products for new markets
- **Market share**
 - A firm's portion of the total sales in a market

Exhibit 12.6 Pursuing Market Opportunities



market segments. a positioning strategy and a marketing mix

- **Market**

- A group of customers who need or want a particular product and have the money to buy it

- **Market segmentation**

- The division of a diverse market into smaller, relatively homogeneous groups with similar needs, wants and purchase behaviors

- **Demographics**

- The study of statistical characteristics of a population

- **Psychographics**

- Classification of customers on the basis of their psychological makeup, interests and lifestyles

- **Geographic segmentation**

Choosing Your Target Markets

- **Target markets**
 - Specific customer groups or segments to whom a company wants to sell a particular product
 - Undifferentiated. differentiated. concentrated and individualized

Exhibit 12.7 Market-Coverage Strategies

Undifferentiated Marketing



Concentrated Marketing



Differentiated Marketing



Micromarketing/Individualized Marketing



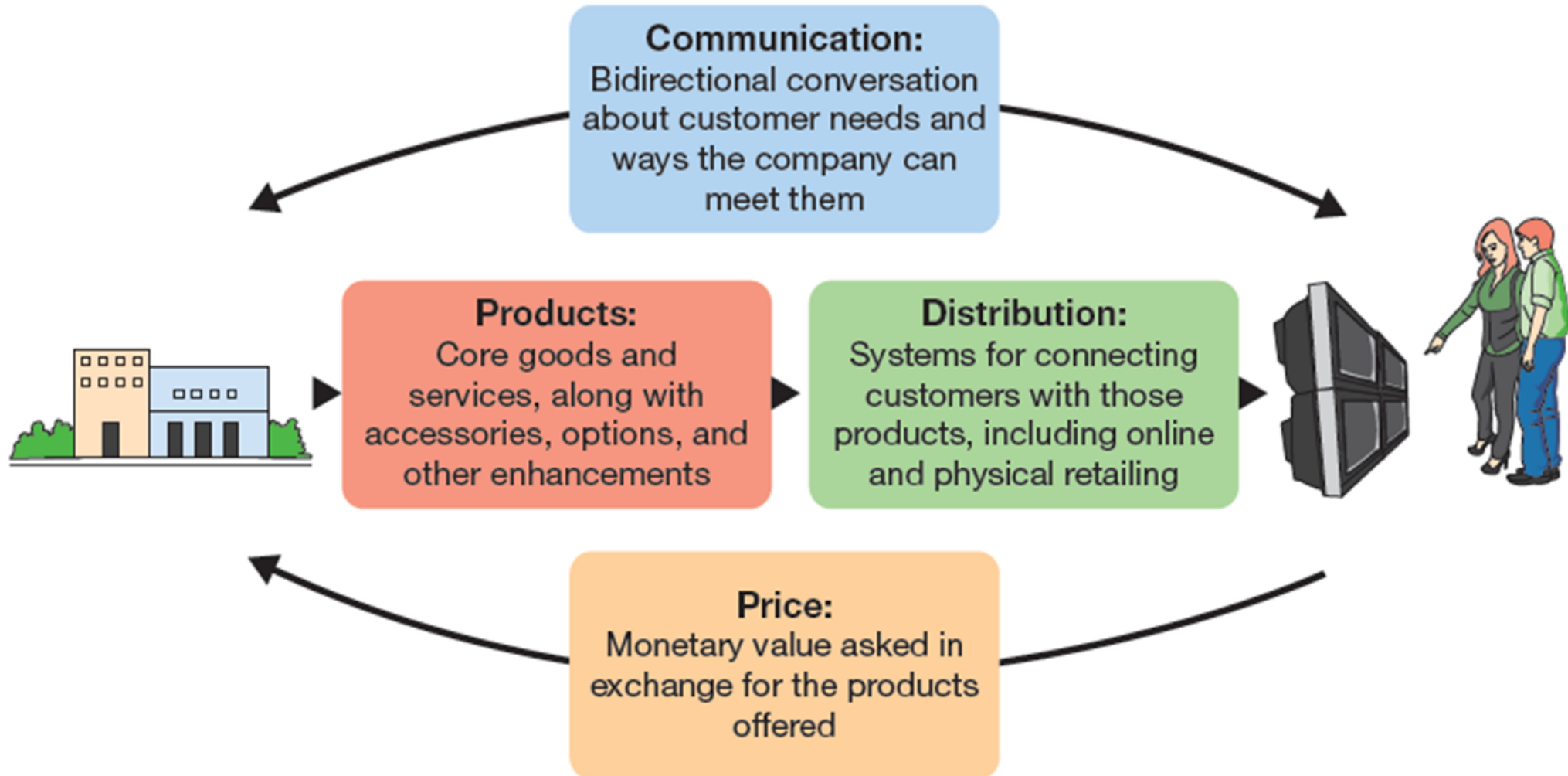
Staking out a Position in Your Target Markets

- **Positioning**
 - Managing a business in a way designed to occupy a particular place in the minds of target customers

The Marketing Mix (1 of 4)

- **Marketing mix**
 - The four key elements of marketing strategy: product. price. distribution and customer communication

Exhibit 12.8 The Marketing Mix



The Marketing Mix (2 of 4)

- **Product**

- A bundle of value that satisfies a customer need or want

- **Price**

- The amount of money charged for a product or service

- **Distribution channels**

- Systems for moving good and services from producers to customers
- Also known as **marketing channels**

- **Promotion**

- A wide variety of persuasive techniques used by companies to communicate with their target market and the general public

Thriving in the Digital Enterprise: Marketing Analytics

- **Marketing analytics**
 - A range of analytical tool and techniques that help marketers plan and evaluate marketing activities

Exhibit 12.9 Marketing Metrics (1 of 2)

Applying What You've Learned (1 of 2)

Define *_marketing* and explain its role in society.

Identify three trends that help define contemporary marketing.

Differentiate between consumer buying behavior and organizational buying behavior.

Define *_strategic marketing planning* and identify the four basic options for pursuing new marketing opportunities.

Identify the four steps in crafting a marketing strategy.

Describe the four main components of the marketing mix.

Define marketing analytic and characterize its use in contemporary marketing.