**Marketing Class Concepts – Quick Reference with Explanations**

**Unit 1 – Fundamentals of Marketing & MCV**

* **MCV vs. Traditional Marketing** – Traditional marketing pushes products for revenue. MCV (Managing Customer Value) focuses on long-term relationships, balancing effectiveness with efficiency, and embedding value thinking across the organization.
* **VTC (Value to Customer)** – The benefit a product provides to the buyer.
  + *Economic*: quantifiable upfront (e.g., cost savings).
  + *Experiential*: emotional or usability benefits realized after purchase.
* **VOC (Value of Customer)** – The worth of a customer to the firm (e.g., lifetime value, referral power, influence).
* **Differentiation Value** – Positive differences that add value vs. negative ones that create costs relative to alternatives.
* **STP (Segmentation, Targeting, Positioning)** – Segment customers into groups, choose which to target, and craft positioning that appeals to them.
* **Positioning Statement** – A structured articulation of target customer, main benefit, secondary benefit, support, and competitive advantage. Used internally to guide strategy.
* **4Ps of Marketing** – The tactical toolkit: Product, Price, Place (distribution), Promotion.
* **Fair/Unfair Pricing & Framing** – Perceptions of fairness can be managed with framing, cost explanations, or giving choice.
* **Competition Types** –
  + *Superficial*: similar products.
  + *Conceptual*: alternatives that achieve the same goal.
  + *Extensional*: compete for wallet share (e.g., Netflix vs. dining out).
* **Market Attractiveness (TAM/SAM/SOM)** –
  + *TAM*: total possible market.
  + *SAM*: portion you can serve.
  + *SOM*: portion you can realistically capture.
* **Retail Metaphor for VOC** – Customer value comes from traffic × conversion × basket size × loyalty.
* **Case: Calyx & Corolla** – Differentiated by cutting out intermediaries, changing the flower distribution chain.

**Unit 2 – Going to Market & Growing the Market**

* **Tweeter Case** – Electronics retailer, used Automatic Price Protection (APP) and Everyday Fair Pricing to build trust and fight perception of being expensive.
* **RetiSpec Case** – Healthcare startup aiming to detect Alzheimer’s early using AI retinal imaging. Shows challenges of stakeholder adoption, pricing, and positioning.
* **Three Sins of Marketing** –
  1. *Projection Sin*: assuming customers think like you.
  2. *Single-Effect Sin*: ignoring multiple simultaneous effects.
  3. *Portability-of-Success Sin*: assuming past strategies work in new contexts.
* **Empiricism (Test–Learn–Adapt)** – Pilot, measure, iterate rather than relying only on assumptions.
* **Product Levels** – *Core* = basic function; *Augmented* = added services/benefits (warranties, after-sales).
* **Differentiation** –
  1. *Horizontal*: differences in taste (color, design).
  2. *Vertical*: differences in quality (speed, reliability).
* **CAB Framework** – Marketing communication moves consumers through:
  1. *Cognitive*: awareness.
  2. *Affective*: feelings.
  3. *Behavioural*: purchase/action.
* **Appeals** –
  1. *Rational*: logical, factual persuasion.
  2. *Emotional*: feelings, identity, lifestyle association.
* **Pricing Approaches** – per unit, subscription/access, third-party subsidized, value-based, cost-plus, demand curve-based, competition-based.
* **Pricing Thermometer** – Maps the “zone” between costs, customer willingness to pay, and competitor benchmarks.
* **Growth Strategies (Ansoff Matrix)** –
  1. *Market Penetration*: more sales in existing market.
  2. *Market Development*: new markets with current product.
  3. *Product Development*: new products for current market.
  4. *Diversification*: new products + new markets.
* **Opportunity Segmentation** – Identify best customers by basket size, visit frequency, likelihood of purchase.
* **Online Marketplace Effects** –
  1. *Screen effect*: decisions are different online vs. in-store.
  2. *Connectivity effect*: peer influence/social proof is stronger.
  3. *Choice engine effect*: algorithms shape what people see.
* **Digital vs. Social Strategy** – Digital = channel; Social = psychology of engagement, influence, and community.
* **Platform Building** – Digital marketplaces connect buyers and sellers at scale; rely on long-tail economics and recommendation systems.

**Unit 3 – Behaviour Change**

* **Behaviour Change Goals** – Influence purchases, frequency, loyalty, word of mouth, advocacy.
* **Friction Types** –
  + *Product/Firm-related*: solved by marketing tools.
  + *Individual/Social*: solved by behavioural science.
* **Nudge vs. Sludge** – *Nudge* = reducing friction, making desired behaviour easy. *Sludge* = adding unnecessary friction.
* **Behaviour Change Challenge Template** – “I wish [target] switched from X to Y because of [benefit].”
* **How Might We Template** – Designing interventions by changing touchpoints to overcome friction.
* **Humans vs. Econs** – People don’t behave like rational models; biases, heuristics, and social context matter.
* **Behavioural Phenomena** – Procrastination, inertia, status quo bias, defaults, social proof, mental accounting.
* **Segments in Behaviour Change** – Motivated Enthusiasts, Naïve Intenders (say they’ll act but don’t), Diehard Opponents.
* **Overchoice** – Too many options → paralysis, reliance on defaults, or regret (linked to Option Overload reading).
* **Four Levers of Behaviour Change** – Restrictions, Information, Incentives, Choice Architecture.
* **Going to Market with New-to-World Products** – Identify stakeholders, sequence outreach, balance education vs. building infrastructure.

**Option Overload (Soman, 2010)**

* **Overchoice** – More options overwhelm decision-makers, often reducing purchases.
* **Cognitive Overload** – Can’t process all alternatives.
* **Non-Alignable Tradeoffs** – Apples vs. oranges tradeoffs increase regret.
* **Preference Uncertainty** – Consumers unsure of what they like.
* **Information Overload** – Too much data complicates choices (finance, healthcare).
* **Consequences** –
  + Deferral or abandonment of choice.
  + Conservative “safe” picks.
  + Reliance on defaults.
  + Herding.
  + Extremeness seeking (gravitating to basic or fully-loaded options).
* **Alignable vs. Non-Alignable Assortments** – Alignable = simple tradeoffs along one dimension; Non-alignable = multiple dimensions, harder to decide.
* **Navigating Complexity** –
  + Streamline choices.
  + Help consumers understand preferences (shopping bots, recommendation engines).
  + Organize/eliminate options (filtering, grouping).
  + Encourage attribute-based decision-making (Chinese menu example).
  + Outsource choice (defaults, experts).

**Extra Behavioural Economics / Market Research Concepts**

* **Self-Fulfilling Prophecy** – Predictions can alter behaviour so that the prediction comes true.
* **Expectations Theory** – Future expectations influence current choices.
* **Consumer Sentiment Index (CSI)** – Measures public confidence in the economy; predictive of spending.
* **Animal Spirits** – Economic behaviour shaped by emotions and psychological factors.
* **Framing Effects** – Outcomes depend on how information is presented; media and context shape decisions.

**Unit 4&5 – Market Research & Retailing**

* **Market Research Across Pipeline** – Research reduces uncertainty at every stage: idea generation → concept → launch → updates → evaluation.
* **Breadth vs. Depth** – Early-stage research (interviews, focus groups) = broad discovery; Later-stage (A/B trials, experiments) = precise measurement.
* **Market Research Techniques** – Interviews, focus groups, trials, hypothesis testing, experiments, surveys, econometrics, ethnography, observation.
* **Market Research Approaches** –
  1. Surveys
  2. Ethnography (observe in natural context)
  3. Observation (e.g., in-store decision making)
  4. In-lab tracking (eye-tracking, storefront labs)
  5. Non-text experiences (audio, video, sensory methods)
  6. Laboratory experiments
  7. Conjoint analysis (trade-off based preference research)
  8. Field experiments / trials (A/B tests).
* **Survey Challenges** –
  1. Say-do gap (what people say ≠ what they do).
  2. Ignorance/fatigue → poor responses.
  3. Biases: sampling, demand effects.
  4. Framing effects → answers change depending on wording.
* **Survey Remedies** – Ask fact-based questions, use multiple framings, triangulate across methods.
* **Misinformation & Healthy Skepticism** –
  1. *Statement ≠ Fact*: not always data-backed.
  2. *Fact ≠ Data*: may be cherry-picked.
  3. *Data ≠ Evidence*: correlation ≠ causation.
  4. *Evidence ≠ Proof*: context-dependent, not universal.
* **Healthy Skepticism Rules** – read original research, question process, test alternative explanations, assess generalizability.
* **In-situ Evidence** – Collect data in the actual context of decision-making (e.g., testing at point-of-purchase).
* **Research Considerations** – timing, sampling (outbound vs. inbound), instrument choice (surveys vs. rich media), precision of questions.
* **Decomposition Framework** – Break down metrics to diagnose performance (e.g., Revenue = Traffic × Conversion × Basket Size).
* **Customer Journeys / Pipelines** – Map actual vs. ideal customer behaviour to spot friction and design nudges.

**Questionnaire Design Concepts**

* **Purposeful Design** – Only ask questions if the data will be useful. Eliminate “nice-to-know” items.
* **Types of Information** –
  + *Knowledge*: factual awareness.
  + *Beliefs/Attitudes/Opinions*: perceptions, judgments.
  + *Behaviours*: past, present, or intended actions.
  + *Attributes*: demographics (age, income, education).
* **Question Wording Best Practices** –
  + Use simple, clear, specific language.
  + Avoid jargon, double meanings, bias, or assumptions.
  + Provide ranges instead of asking for precise recall.
  + Phrase sensitive questions carefully (income, drug use).
  + Use mutually exclusive and exhaustive categories.
  + Avoid double-barreled questions (two issues in one).
* **Question Types** –
  + *Open-ended*: free responses; harder to analyze but richer.
  + *Close-ended*: structured (yes/no, multiple-choice, scales).
  + *Rating Scales*: Likert (agree–disagree), satisfaction, importance.
  + *Ranking*: order items by preference.
  + *Paired Comparisons*: choose between two options.
  + *Check-all-that-apply*: multiple yes/no responses.
  + *Matching*: pair items to categories.
* **Formatting Guidelines** –
  + Start with easy, engaging questions.
  + Group related questions; general before specific.
  + Demographics at the end.
  + Clear numbering, consistent answer order.
  + Vertical flow of answers for readability.
* **Pretesting** – Essential step; test with a small sample before launch to check clarity, reliability, and usefulness of data.