

MARKETING MANAGEMENT

Lecture 1 - Chapter 1

Winter Semester 2022/2023

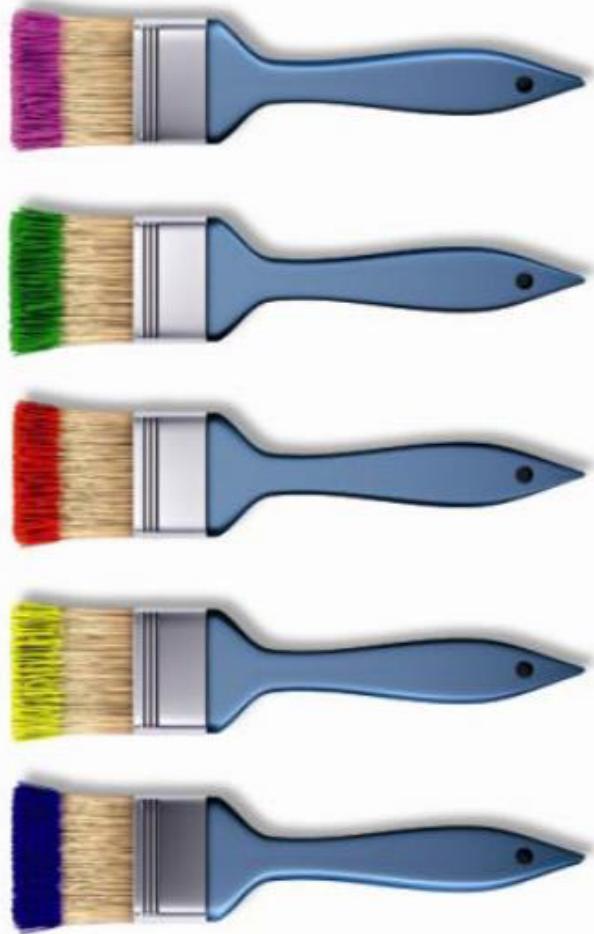
Course Lecturer:
Dr. Shaymaa Tayseer

Arab World
Edition

PRINCIPLES OF MARKETING

Arab World Edition

Philip Kotler
Gary Armstrong
Ahmed Tolba
Anwar Habib



ALWAYS LEARNING

PEARSON

Dr. Shaymaa Tayseer

The course prepares students for working in multinational companies. In specific the common trend is to have technical sales and marketing persons. To be specific the student learns how to be a good sales and how to read, analyze and see opportunities in the local and global market. More important a student is prepared to deal with different customers.

Course Description

- Identify the importance of marketing and outline the marketing process.
- Distinguish between different strategies for growth and downsizing.
- Explain the factors that influence marketing environment.
- Discuss the business analysis strategy along and how-to customer-orient it.

Learning Outcomes of Course (ILOs)

- Design a full marketing plan for an innovative product/service/idea of their choice.
- Prepare a project to link academic concepts with practical experience.
- Collect and gather information from online sources about the relevant marketing environment factors in the Egyptian context.
- Assess and discuss marketing cases and debates surrounding modern marketing.
- Analyze the strategic business units in the firm

Learning Outcomes of Course (ILOs)

- Develop students' data presentation skills through marketing plan presentation.
- Develop students' teamwork and team management capabilities.
- Develop students' ability for time management and group work coordination as reflected in the group project and group presentations

Learning Outcomes of Course (ILOs)

Activity	Grade
Project	20
Assignment	10
Quiz	10

Grade Distribution

Chapter 1: Marketing: Creating and Capturing Customer Value

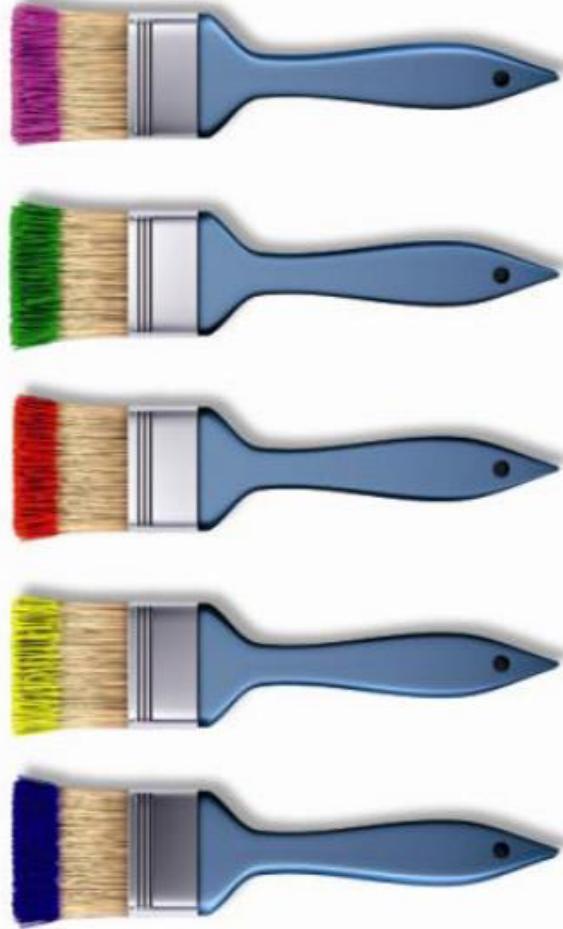
Defining Marketing and the
Marketing Process

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ALWAYS LEARNING

Where do you see MARKETING in your daily life?

What do you think MARKETING is all about?



What Is Marketing?

Marketing Defined

Marketing is a process by which companies **create value for customers** and build strong customer relationships to **capture value from customers in return.**

What Is Marketing?

The Marketing Process

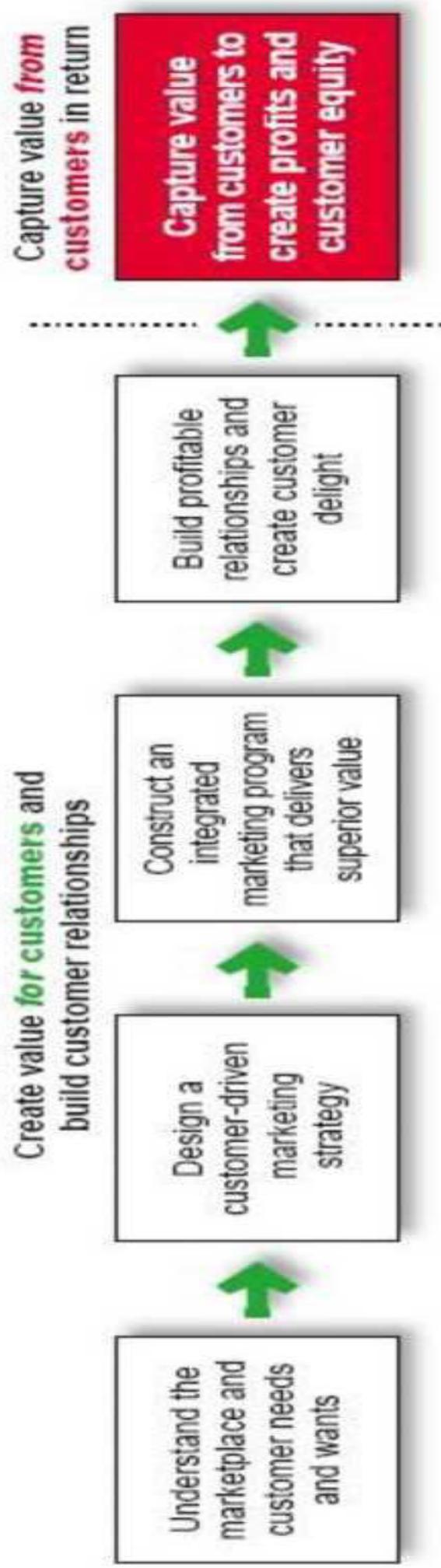


FIGURE | 1.1 A Simple Model of the Marketing Process

What Is Marketing?

The Marketing Process Create value *for customers* and build customer relationships

Understand the marketplace and customer needs and wants

Design a customer-driven marketing strategy

Construct an integrated marketing program



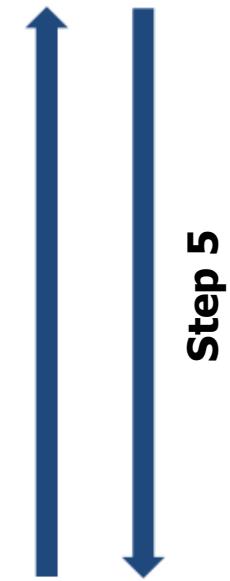
that delivers superior value

Build profitable relationships and create customer delight

Capture value *from customers* in return

Capture value *from customers* to create profits and customer equity

- FIGURE A Simple Model of the Marketing Process



Understanding the Marketplace and Customer Needs

Customer Needs, Wants, and Demands

Needs

- States of deprivation:
 - Physical—food, clothing, warmth, safety
 - Social—belonging and affection
 - Individual—knowledge and self-expression

Wants

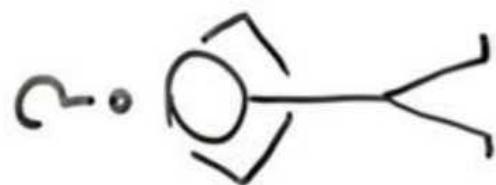
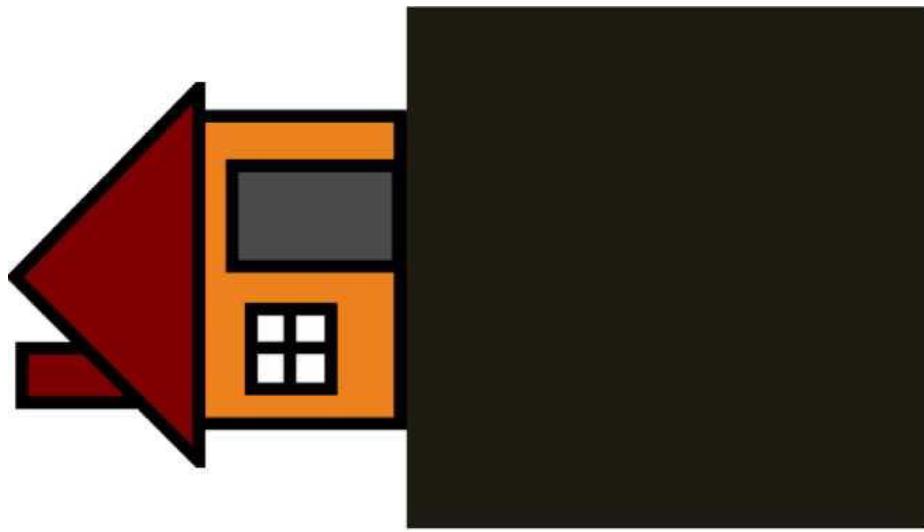
- Form that needs take as they are shaped by culture and individual personality

Demands

- Wants backed by buying power

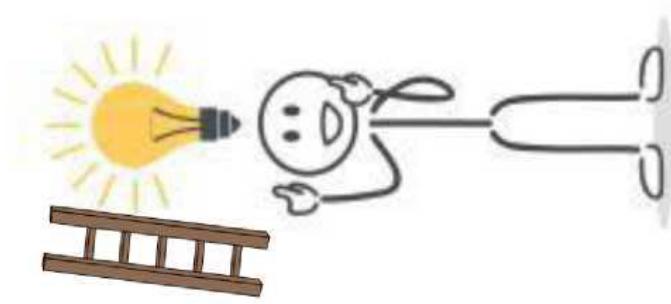
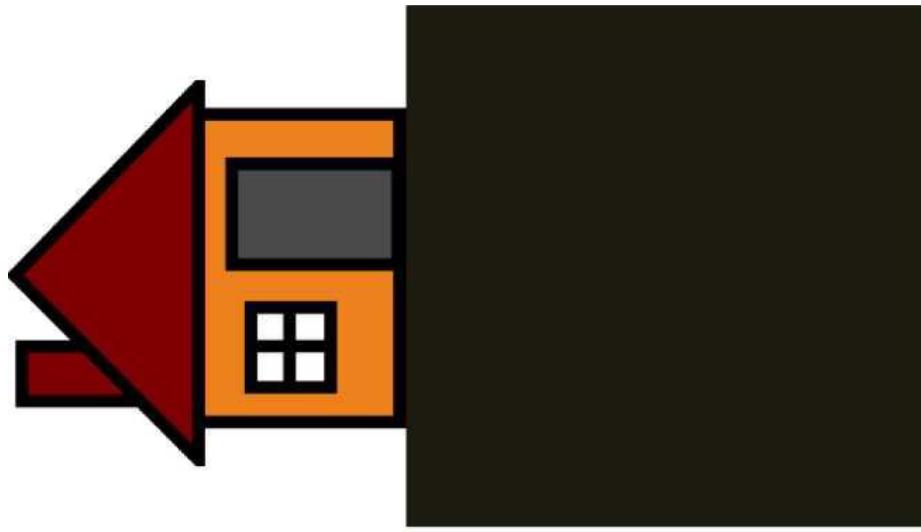
Understanding the Marketplace and Customer Needs

EXAMPLE: Customer Needs, Wants, and Demands



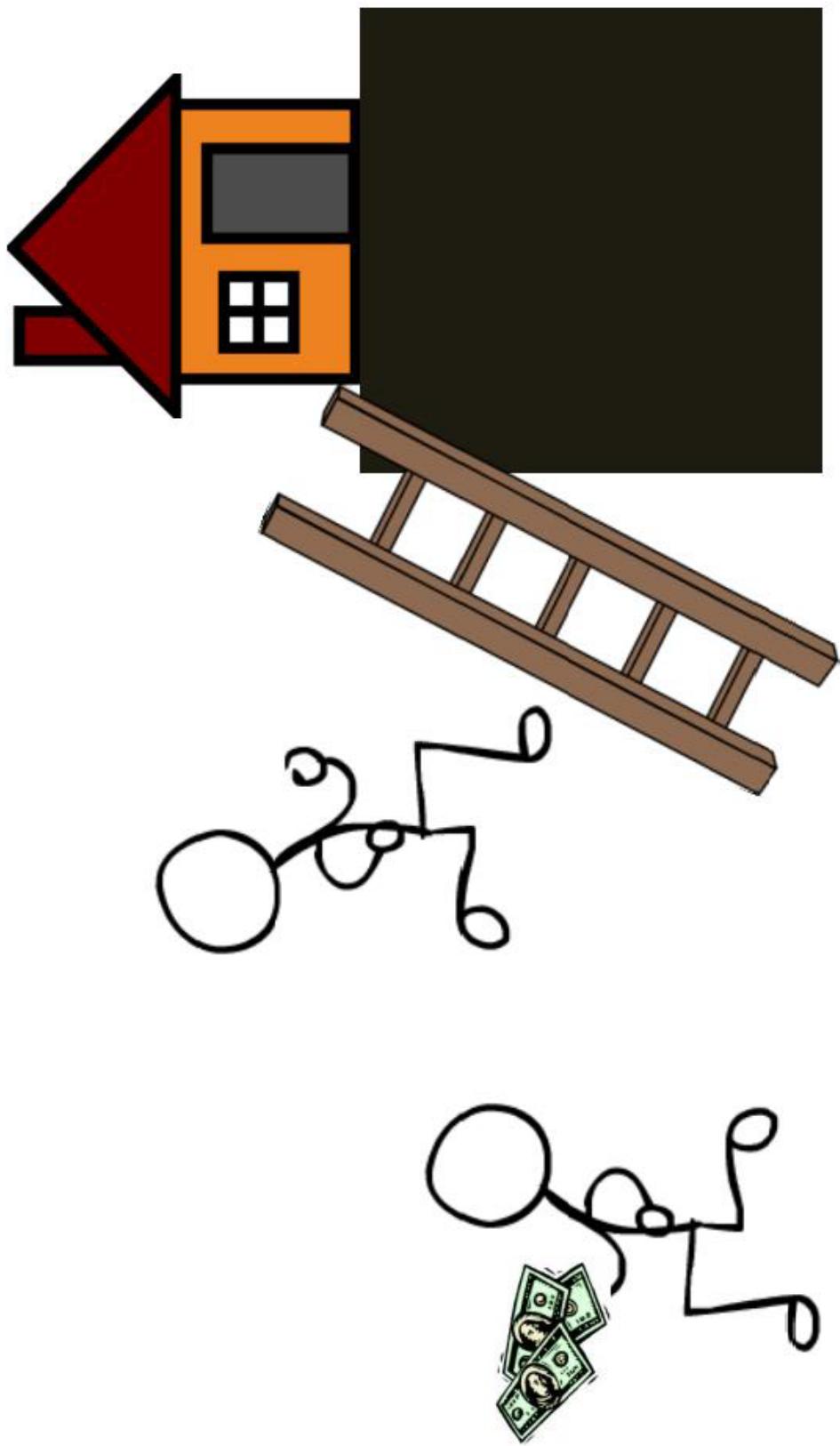
Understanding the Marketplace and Customer Needs

EXAMPLE: Customer Needs, Wants, and Demands



Understanding the Marketplace and Customer Needs

EXAMPLE: Customer Needs, Wants, and Demands

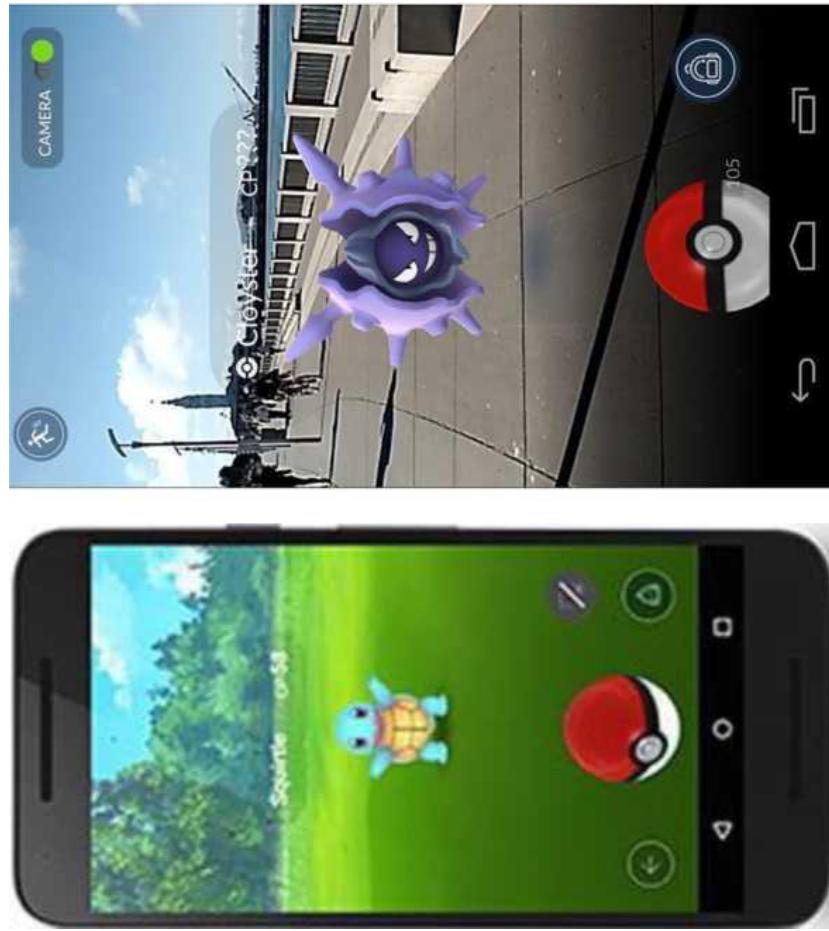


Understanding the Marketplace and Customer Needs

Market Offerings: Products, Services and Experiences

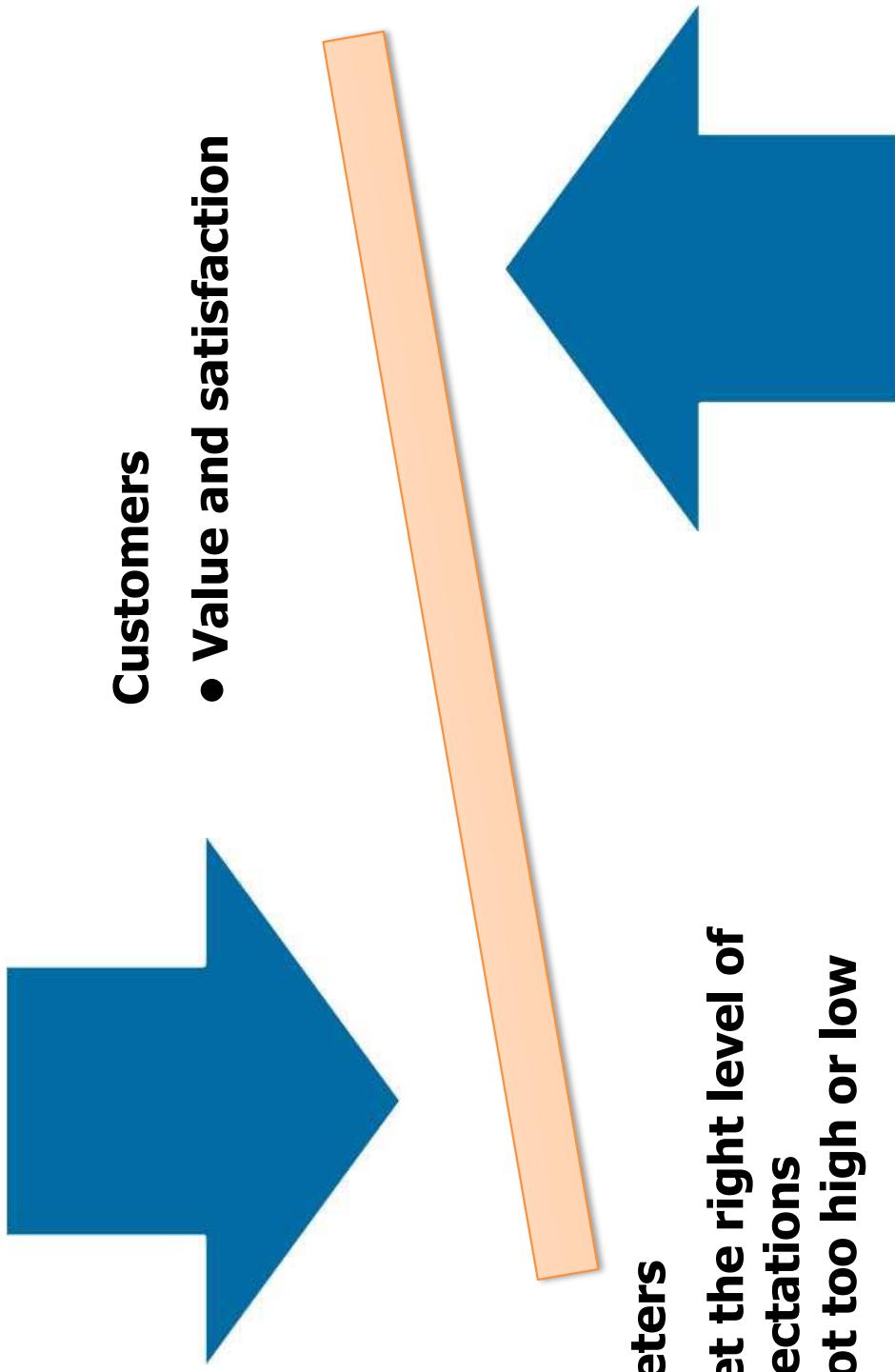
Market offerings are some combination of products, services, information, or experiences offered to a market to satisfy its needs or wants.

Marketing myopia is focusing only on existing wants and losing sight of underlying consumer needs.



Understanding the Marketplace and Customer Needs

Customer Value and Satisfaction



Understanding the Marketplace and Customer Needs

Exchanges and Relationships

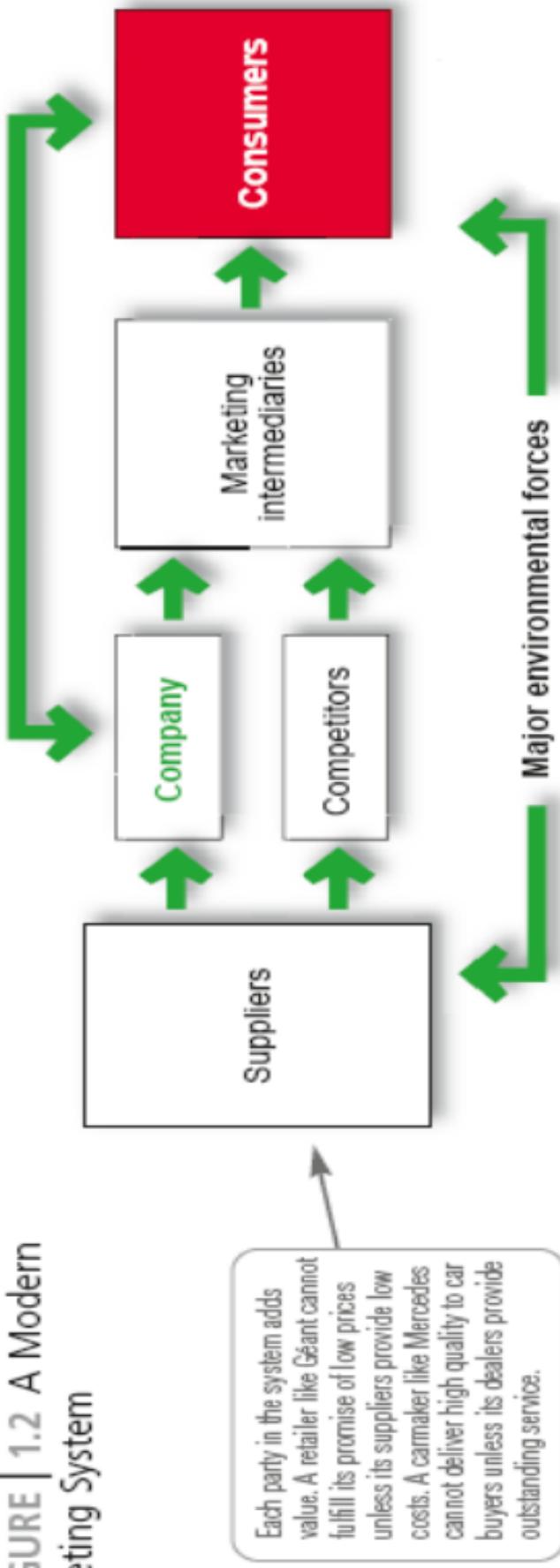
Exchange is the act of obtaining a desired object from someone by offering something in return.

Marketers aim at building strong **relationships** by consistently delivering **superior customer value**.

Understanding the Marketplace and Customer Needs

A **market** is the set of actual and potential buyers of a product.

FIGURE | 1.2 A Modern Marketing System



Designing a Customer-Driven Marketing Strategy

Marketing Management

- Marketing management** is the art and science of choosing target markets and building profitable relationships with them.
- What customers will we serve?
 - How can we best serve these customers?

Designing a Customer-Driven Marketing Strategy

Selecting Customers to Serve

Market Segmentation refers to dividing the markets into segments of customers.

Target marketing refers to which segments to go after.

Demarketing is marketing to reduce demand temporarily or permanently; the aim is not to destroy demand but to reduce or shift it.

Designing a Customer-Driven Marketing Strategy

Choosing a Value Proposition

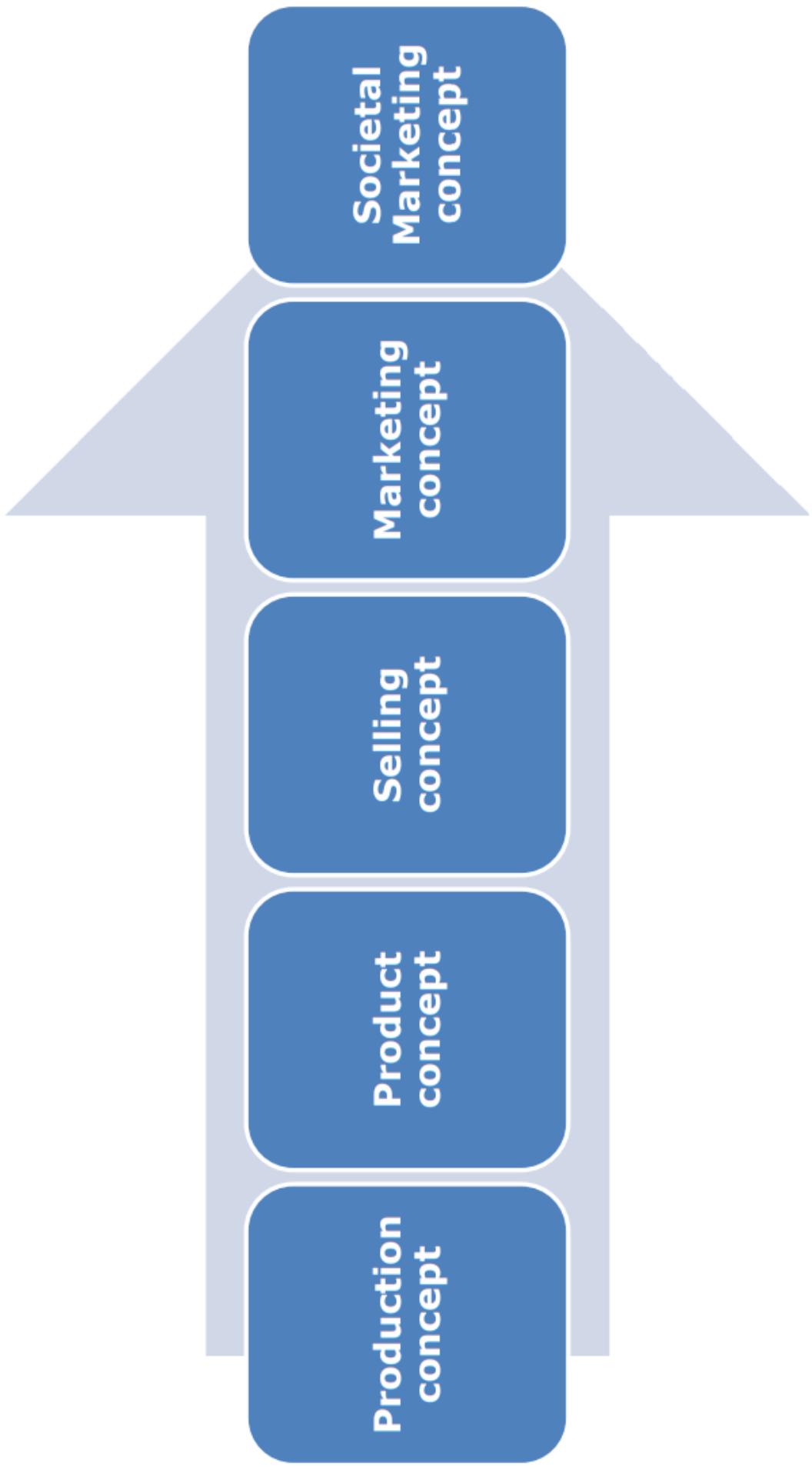
The value proposition is the set of benefits or values a company promises to deliver to customers to satisfy their needs.

Brand, company, product	Target customers	Benefits	Value proposition
Mahindra Scorpio(SUV)	Consumers interested in lifestyle products	Ruggedness, luxury and comfort	A vehicle that provides the luxury and comfort of a car and the adventure and thrill of an SUV
Hidesign(Leather nags and other fashion accessories)	Fashion-conscious consumers	Durability, style and aesthetic appeal	Fashion accessories that communicate luxury and style
Domino's (pizza)	Convenience-minded pizza lovers	Delivery speed and good quality	A good hot pizza delivered to your door within 30 minutes of ordering



Designing a Customer-Driven Marketing Strategy

Marketing Management Orientations



Designing a Customer-Driven Marketing Strategy

Marketing Management Orientations

Production concept is the idea that consumers will favor products that are **available** and **highly affordable**.

- Mass production
- Risk: Marketing Myopia!



AVAILABLE NOW

Designing a Customer-Driven Marketing Strategy

Marketing Management Orientations

Product concept is the idea that consumers will favor products that offer the **most quality, performance, and features**. An organization should therefore devote its energy to making continuous product improvements.

- High Quality + High Price = Possibly Upsetting Customer
- Risk: Marketing Myopia!



Designing a Customer-Driven Marketing Strategy

Marketing Management Orientations

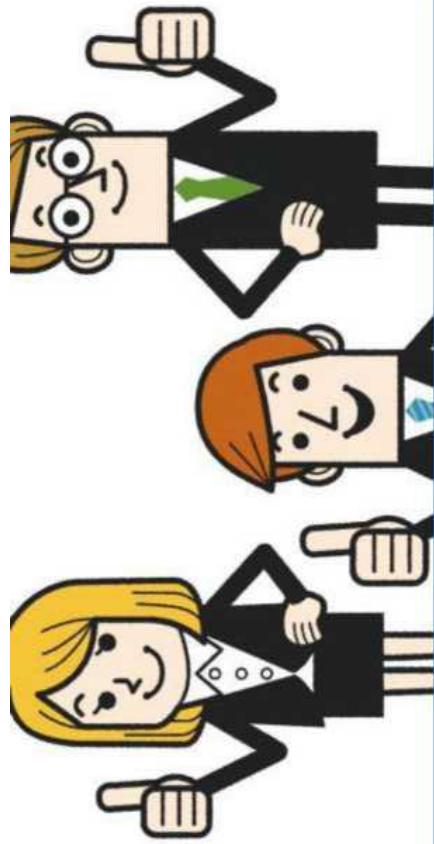
Selling concept is the idea that consumers will not buy enough of the firm's products unless it undertakes a large scale **selling** and **promotion** effort.



Designing a Customer-Driven Marketing Strategy

Marketing Management Orientations

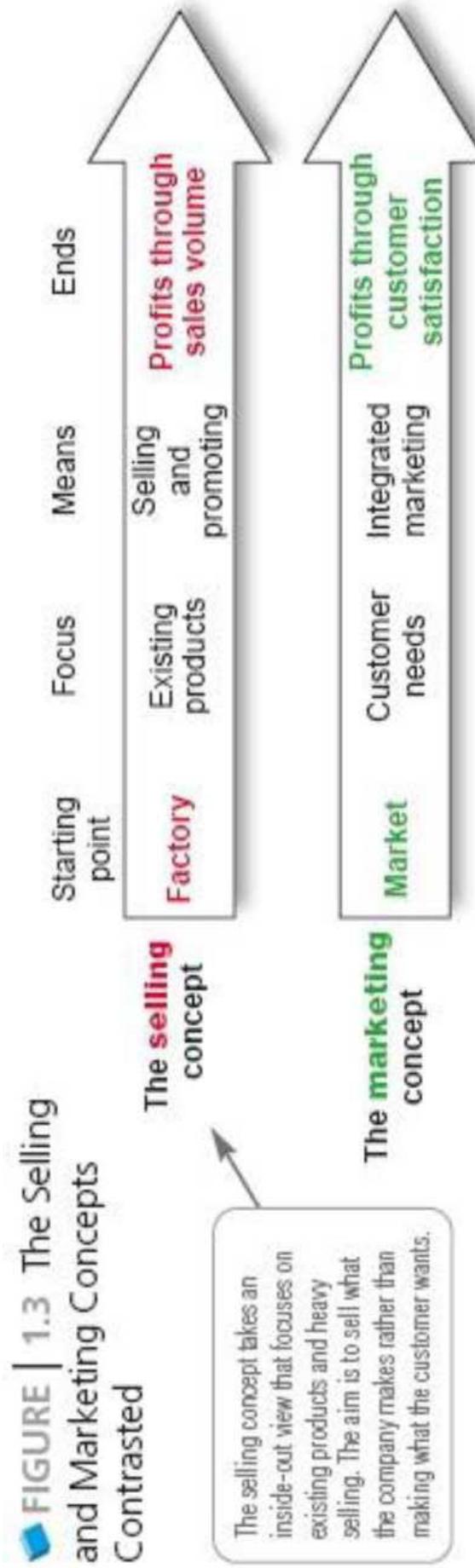
Marketing concept is the idea that achieving organizational goals depends on **knowing the needs and wants** of the target markets and delivering the desired satisfactions **better than competitors** do.



Designing a Customer-Driven Marketing Strategy

The Selling and Marketing Concepts Contrasted

FIGURE | 1.3 The Selling and Marketing Concepts Contrasted



Designing a Customer-Driven Marketing Strategy

Marketing Management Orientations

The **societal marketing concept** is the idea that a company's marketing decisions should consider **consumers' wants**, the **company's requirements**, **consumers' long-term interests**, and **society's longterm interests**.



Designing a Customer-Driven Marketing Strategy

Marketing Management Orientations

FIGURE | 1.4

The Considerations Underlying
the Societal Marketing Concept

Society
(Human welfare)

Societal
marketing
concept

Consumers
(Want satisfaction)

Company
(Profits)

Preparing an Integrated Marketing Plan and Program

Marketing Mix and IMC

The marketing mix:

the set of tools (**four Ps**) the firm uses to implement its marketing strategy.

Place

Product

Price

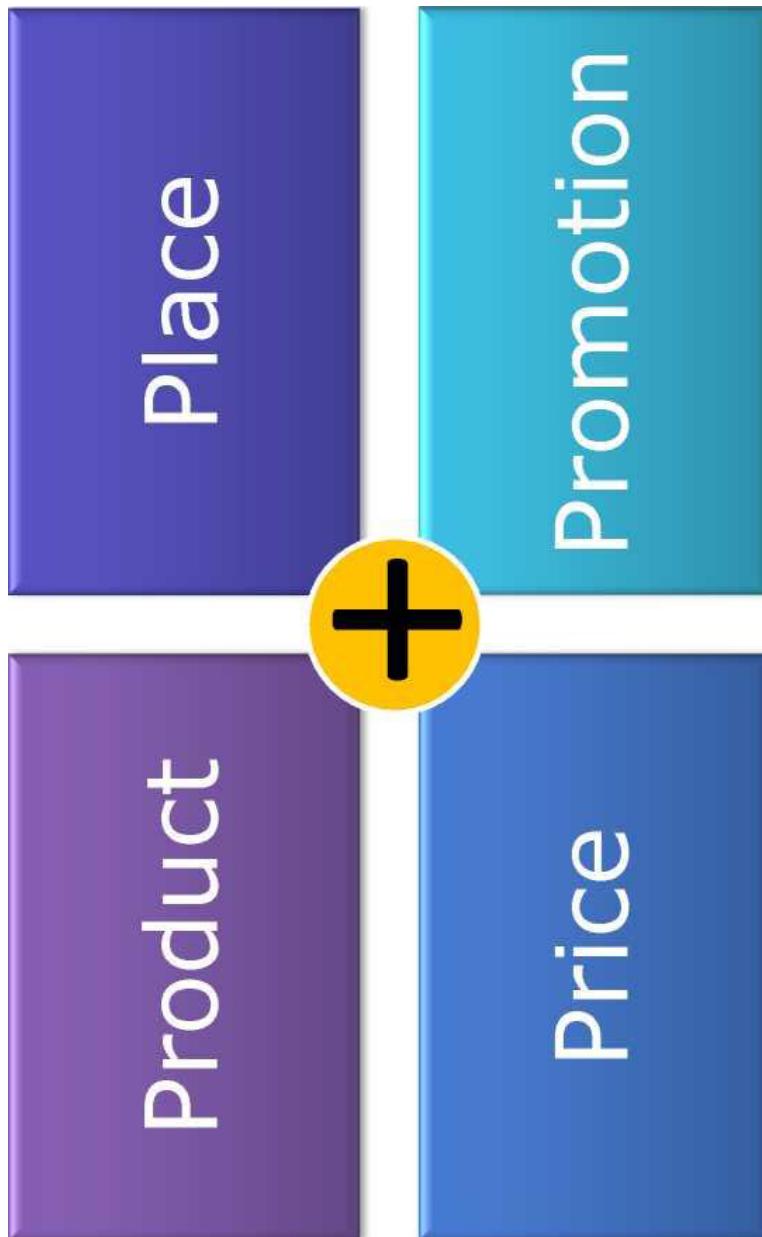
Promotion

Preparing an Integrated Marketing Plan and Program

Marketing Mix and IMC

Integrated marketing program:

a comprehensive plan that communicates and delivers the intended value to chosen customers.



Building Customer Relationships

Customer Relationship Marketing

Customer relationship management (CRM):

The overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.