

Variable of market mix

- Product
 - Three Levels
 - Core Product – benefit associated with the product
 - Actual Product – tangible physical product
 - Augmented Product – added value product – you may pay a premium
- Price
 - Price can be constantly updated; which is not the case of product
 - Consideration in pricing
 - Costing
 - Advertising and marketing expense
 - Price fluctuations
 - Distribution cost
 - Targeting and positioning
 - Sales promotion such as discount
- Place
 - Distribution channel of product
 - Mass consumer product or premium consumer product
 - Place of product depends on the product as well as pricing
 - Impact on profitability
 - Significant impact
 - Supply and logistic decisions become very important
- Promotion
 - Complete integrated marketing communication
 - ATL, BTL advertising and sales promotions
 - ATL advertising
 - Mass media
 - Television, radio, print, internet
 - BTL advertising
 - Pamphlets, handbills, brochures, banners
 - Product demos and sampling
 - Factors affecting promotion
 - Product and pricing
 - Stage of product
 - New product – brand awareness
 - Old product – brand recall promotions
 - Budget
- Promotion impact other three variables marketing mix
 - If promotions of the company are effective
 - Increase distribution points
 - Increase the price
 - Launch new product
- People
- Physical Evidence
- Process

STP – Segmentation, Targeting and Positioning Process

- Helps the company in ensuring that the right product reaches the right customer
- Identify which segments it should target

Segmentation

- Dividing the broader market into clusters, clusters/segments are formed based on certain shared characteristics of consumer
- Criteria for segmentation
 - Viability/profitability of segment
 - Accessibility or easy with which company can sell product to the segment
 - Measurability of segment
- Basis for Segmentation
 - Geography, Demographics, Psychographics, socio-cultural factors

Target

- Second stage of process
- Select one or multiple segments and then target those segment i.e. try to sell their product to these clusters of customers
 - Single Product Single Segment
 - Single Product all segments
 - Multiple product and multiple segment

Positioning

- The perception of consumer about the company's product compared to competitors product
- Positioning MAP
- Framework for successful positioning

Launching a new product or testing existing marketing strategy

- Identify the product or service
- Use the 4P to analyze the product or service
 - Product – what is the product that they r providing or manufacturing?
 - Price – pricing strategy
 - Place – where they r selling
 - Promotions – promote the product
- Question the strategy being adopted or which is being followed
 - Features that customer demand – payoff ; why customer required a particular feature
 - - 5 preferences
 - Price, mileage, maintenance, safety, service network, premium feeling
 - Price drop by certain %age
 - What could be the channels that you can adopt?

- What if you focus on PR rather than advertising

Selling vs marketing

- Focus is on product vs focus is on customer needs
- Manufacturing of product first vs determining customer needs and deciding how to deliver the product
- Sales volume oriented vs profit oriented
- Short term orientations vs long term orientation
- Views business as good producing process vs consumer satisfying process
- Cost determines price vs consumer determines price
- Views customers as last link vs views customer as the very reason for existence of the business

Type of organization based on marketing strategies

- Functional marketing organization
 - Marketing research, new product marketing, advertising, sales promotion, sales management, distribution, administration
- Geographical area based organization
 - Marketing and sales office
- Product based organization (Brand)
 - Each product has a manager, sales staff

Coordination between marketing and other department

- Marketing is the communication link between org and outside world
- Marketing ensures customer satisfaction
 - Thus, Systemic interaction between marketing dept and other departments is important
- R&D team – provide input for new products and changes in existing products
- Production – input regarding demand of products; scheduling can be done accordingly
- Finance – input for investment requirements for new products or other initiatives

Customer Life Time Value

- CLV is an indicator of Net profit a company makes from any given customer
- Worth of a customer to a business after factoring in the value of customer's relationship over time

Advantages of CLV

UP selling and Cross selling – up selling is selling premium products and cross selling is selling other products of company

CLV can help company increase its profit

Segmentation

Complaint management

Brand loyalty

Quantify customer satisfaction

Return on Investment

New Product Development

Company needs to launch new products from time to time

- To replace technologically outdated products
- Target different segments
- Cannibalize existing products

Stages of product development

1. Idea Generation
2. Idea Screening
3. Concept development and testing
4. Marketing strategy development
5. Business Analysis
6. Product Development
7. Test marketing
8. Commercialization

Unethical Issues in Marketing

- Loss of trust
- Destroy reputation
- Legal problems
- Examples
 - False claims
 - Distorts facts or misleads
 - Concealing side effects
 - Bad mouthing rival products
 - Fear tactics
 - Plagiarism of marketing message of competitors
 - Exploitation
 - Demean gender, religion, race
 - Spamming

Data – data are facts, observation that are recorded but do not have any meaningful context

Information – data arranged in a systematic manner to yield meaning

Data to Information – Five Cs

- Contextualised
- Categorised
- Calculated
- Corrected
- Condensed

Knowledge – Interpreted information – information combined with experience, judgment, insights

Wisdom – interpreted knowledge – knowledge applied and results interpreted

DIKW relationship

Knowledge

Explicit, Tacit

Explicit – codified and transmitted in formal language – documents, databases, emails

Tacit Knowledge – intuition, experience, judgment, values

Knowledge Management

Most valuable resource is employee's knowledge

- Collective knowledge of the entire organizational workforce should be used to achieve organisational goals
- Ensuring
 - Right knowledge, in the right place, at the right time

Knowledge Worker

Knowledge Assets

- Organization schematic, employee's knowledge, various artifacts, regulations rules

Major Drivers behind KM

- Globalization of business
- Corporate amnesia
- Technological advances

SECI Model – building knowledge assets, transferring knowledge

- Socialization, Externalization, Combination, Internalization