



**NMIMS GLOBAL ACCESS
SCHOOL FOR
CONTINUING EDUCATION**

Marketing Management

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Brief Contents

1. Marketing: Creating Customer Value and Engagement
2. Analyzing the marketing Environment
3. Consumer Markets and Buyer Behavior
4. Business Markets and Business Buyer Behavior
5. Customer Value-Driven Marketing Strategy: Creating Value for Target Customers
6. Products, Services, and Brands: Building Customer Value
7. Developing New Products and Managing the Product Life Cycle
8. Pricing: Understanding and Capturing Customer Value
9. Pricing Strategies: Additional Considerations
10. Marketing Channels: Delivering Customer Value
11. Communicating Customer Value: Integrated Marketing Communication Strategy
12. Direct, Online, Social Media, and Mobile Marketing

Session Plan

<https://sway.office.com/0wHx4mJa3Bh9UkAX?ref=Link&loc=play>





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Chapter 1

Marketing: Creating Customer Value and Engagement

Learning Objectives

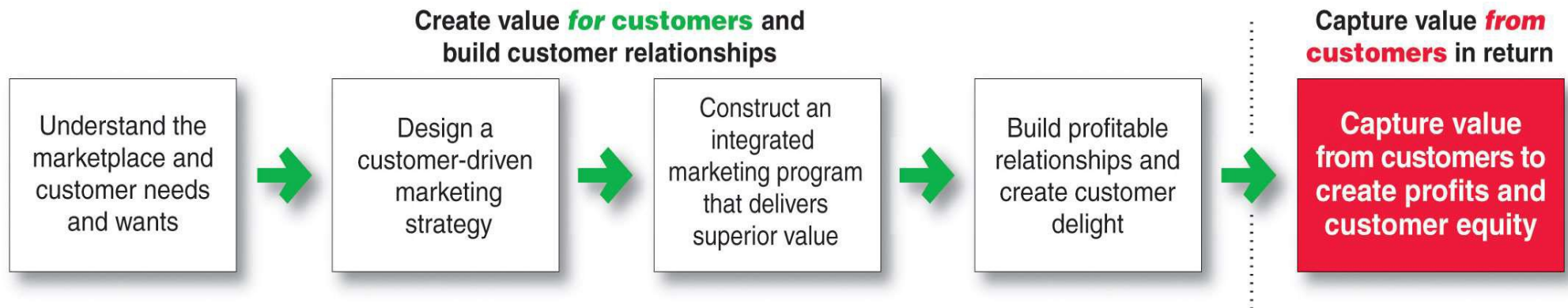
- 1-1 Define marketing and outline the steps in the marketing process.
- 1-2 Explain the importance of understanding the marketplace and customers and identify the five core marketplace concepts.
- 1-3 Identify the key elements of a customer-driven marketing strategy and discuss the marketing management orientations that guide marketing strategy.
- 1-4 Discuss customer relationship management and identify strategies for creating value for customers and capturing value from customers in return.
- 1-5 Describe the major trends and forces that are changing the marketing landscape in this age of relationships.

Learning Objective 1

Define marketing and outline the steps in the marketing process.

What is Marketing?

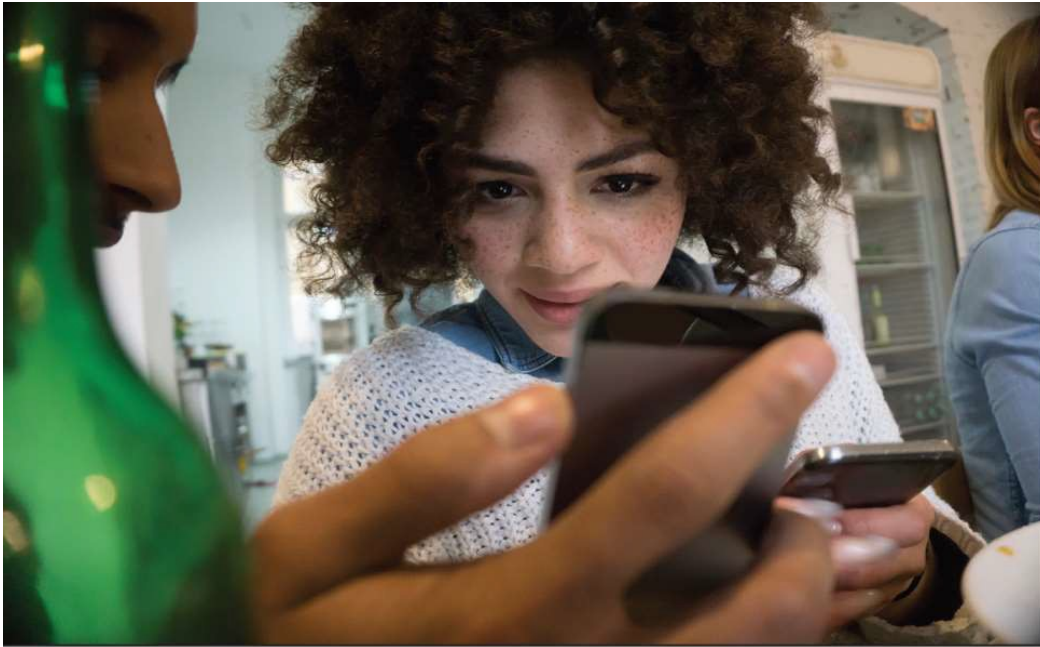
Marketing is a process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.



Case study

- Can marketing change the world ?

What is Marketing?



● **Marketing is all around you, in good old traditional forms and in a host of new forms, from websites and mobile phone apps to videos and online social media.**

Westend61/Getty Images

Learning Objective 2

Explain the importance of understanding the marketplace and customers and identify the five core marketplace concepts.

Understanding the Marketplace and Customer Needs

Needs are states of felt deprivation.

Wants are the form human needs take as they are shaped by culture and individual personality.

Demands are human wants that are backed by buying power.



● Staying close to customers: Energetic Target CEO Brian Cornell makes regular unannounced visits to Target stores, accompanied by local moms and loyal Target shoppers.

Ackerman + Gruber

Understanding the Marketplace and Customer Needs

Market offerings are some combination of products, services, information, or experiences offered to a market to satisfy a need or want.

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



● Marketing experiences: American Girl does more than just make and sell high-end dolls. It creates special experiences between the dolls and the girls who adore them.

Image courtesy of American Girl, Inc. All rights reserved.

Understanding the Marketplace and Customer Needs

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

Marketing actions try to create, maintain, and grow desirable exchange relationships.

Understanding the Marketplace and Customer Needs

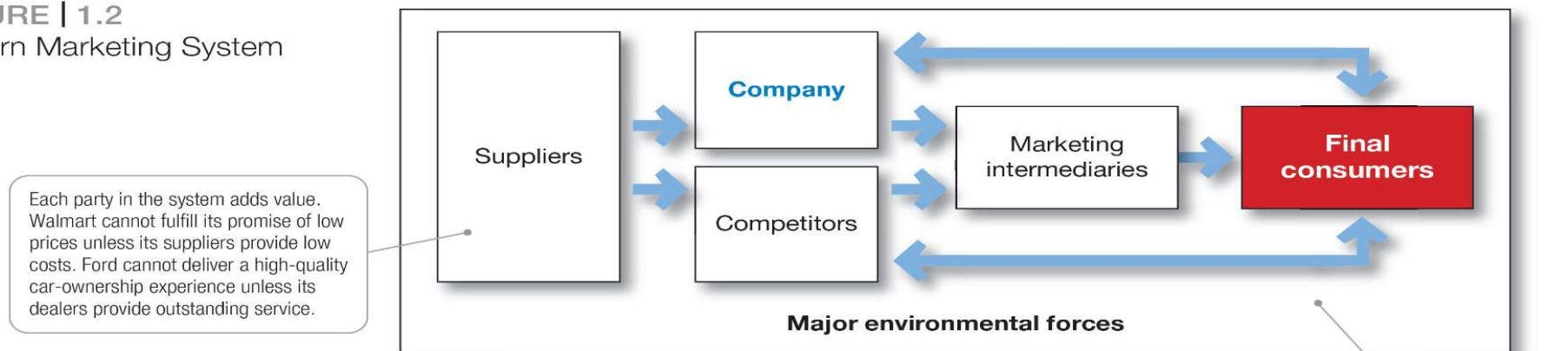
A market is set of actual and potential buyers.

Consumers market when they:

- search for products
- interact with companies to obtain information
- make purchases

Understanding the Marketplace and Customer Needs

● FIGURE | 1.2
A Modern Marketing System



● **Figure 1.2** shows the main elements in a marketing system. Marketing involves serving a market of final consumers in the face of competitors. The company and competitors research the market and interact with consumers to understand their needs. Then they create and exchange market offerings, messages, and other marketing content with consumers, either directly or through marketing intermediaries. Each party in the system is affected by major environmental forces (demographic, economic, natural, technological, political, and social/cultural).

Learning Objective 3

Identify the key elements of a customer-driven marketing strategy and discuss the marketing management orientations that guide marketing strategy.

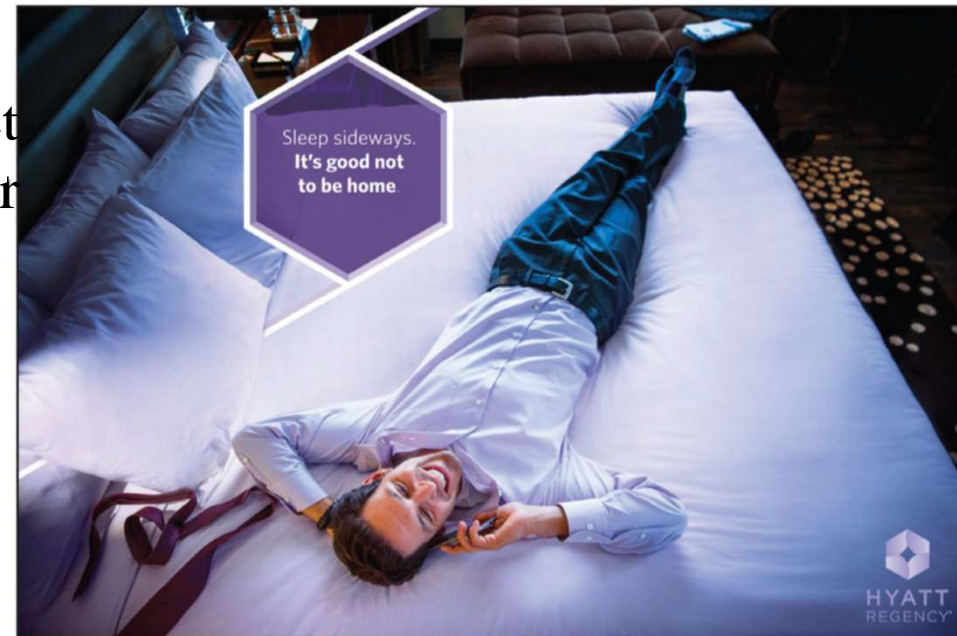
Designing a Customer Value–Driven Marketing Strategy and Plan

Marketing management is the art and science of choosing target markets and building profitable relationships with them.

- What customers will we serve (target market)?
- How can we best serve these customers (value proposition)?

Designing a Customer Value–Driven Marketing Strategy and Plan

A brand's value proposition is the set of benefits or values it promises to deliver to customers to satisfy their needs.



● **Value propositions:** The Hyatt Regency brand declares that sometimes “It’s good not to be home.” Its ads highlight the joys of business travel and staying at a Hyatt Regency hotel.

Courtesy Hyatt Corporation. Photograph ©Richard Schultz-2015. Talent: Dean West.

Designing a Customer Value–Driven Marketing Strategy and Plan

Production concept is the idea that consumers will favor products that are available or highly affordable

Product concept is the idea that consumers will favor products that offer the most quality, performance, and features.

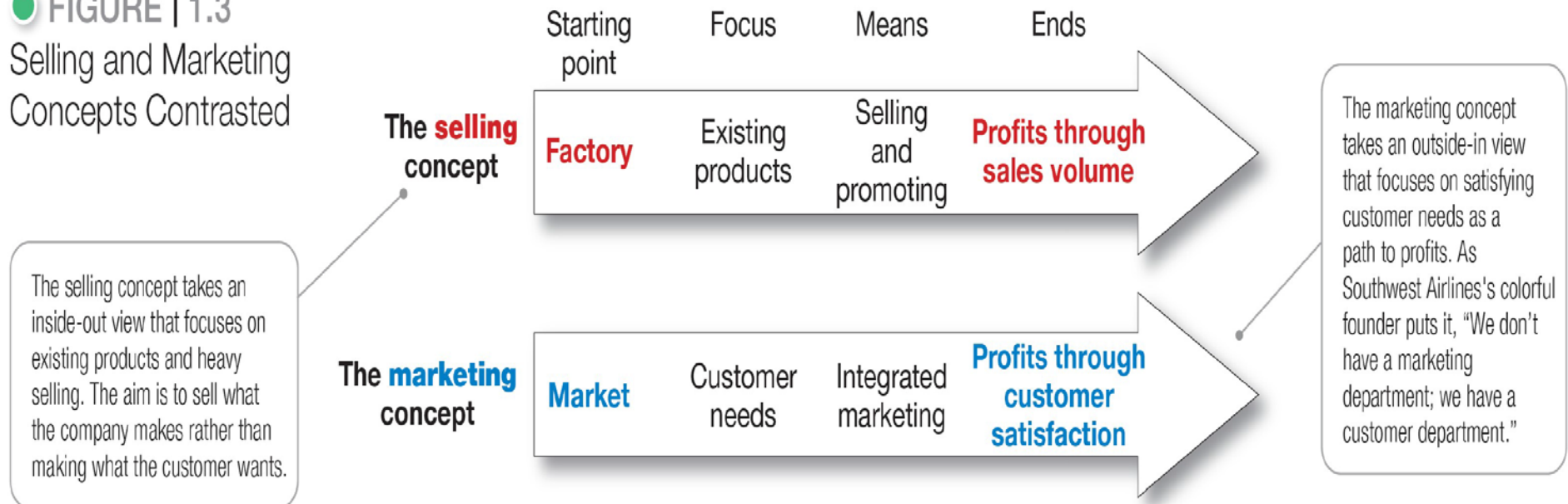
Selling concept consumers will not buy enough of the firm's products unless it undertakes a large scale selling and promotion effort

Marketing Concept is the idea that achieving organizational goals depends on knowing the needs and wants of the target markets

Societal Marketing is the idea that a company should make good marketing decisions and society's long-run interests

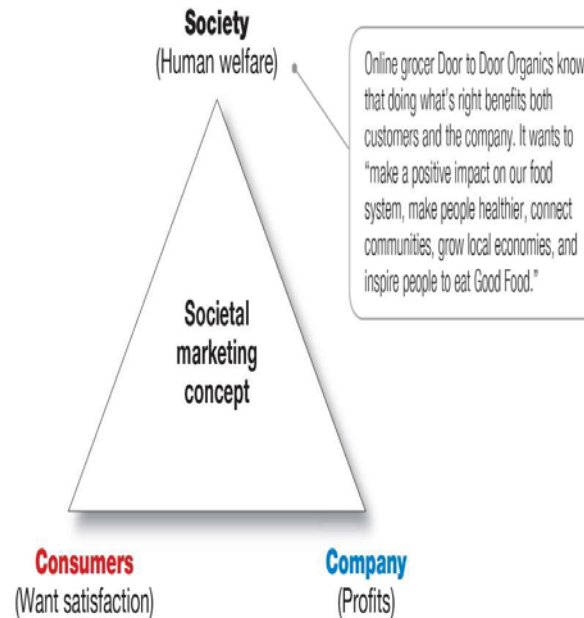
Designing a Customer Value–Driven Marketing Strategy and Plan

● FIGURE | 1.3
Selling and Marketing
Concepts Contrasted



Designing a Customer Value–Driven Marketing Strategy and Plan

● FIGURE | 1.4
Three Considerations Underlying
the Societal Marketing Concept



Societal marketing:

The company's marketing decisions should consider consumers' wants, the company's requirements, consumers' long-run interests, and society's long-run interests.

Designing a Customer Value–Driven Marketing Strategy and Plan

The marketing mix is comprised of a set of tools known as the four Ps:

- product
- price
- promotion
- place

Integrated marketing program—a comprehensive plan that communicates and delivers intended value

Learning Objective 4

Discuss customer relationship management and identify strategies for creating value for customers and capturing value from customers in return.

Managing Customer Relationships and Capturing Customer Value

Customer relationship management—the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.

Managing Customer Relationships and Capturing Customer Value

Relationship Building Blocks

Customer-perceived value

- The difference between total customer perceived benefits and customer cost

Customer satisfaction

- The extent to which perceived performance matches a buyer's expectations

NOTICE

I do not consider a sale complete until goods are worn out and customer still satisfied.

We will thank anyone to return goods that are not perfectly satisfactory.

Should the person reading this notice know of anyone who is not satisfied with our goods, I will consider it a favor to be notified.

Above all things we wish to avoid having a dissatisfied customer.

L.L.Bean

● Customer satisfaction: Customer service champion L.L.Bean was founded on a philosophy of complete customer satisfaction. As founder Leon Leonwood Bean put it, "I do not consider a sale complete until [the] goods are worn out and the customer [is] still satisfied."

L.L.Bean

Managing Customer Relationships and Capturing Customer Value

Customer-Engagement Marketing

fosters direct and continuous customer involvement in shaping brand conversations, experiences, and community.



● Engaging customers: Life is good starts with a deeply felt, engagement-worthy sense of purpose: spreading the power of optimism. Then it creates online and social media tools that let people engage and help co-author the brand's story.

© WWPhotography/Alamy Stock Photo

Managing Customer Relationships and Capturing Customer Value

Consumer-Generated Marketing

Brand exchanges created by consumers themselves.

Consumers are playing an increasing role in shaping brand experiences.



Managing Customer Relationships and Capturing Customer Value

Partner relationship management involves working closely with partners in other company departments and outside the company to jointly bring greater value to customers.

Managing Customer Relationships and Capturing Customer Value

Customer lifetime value is the value of the entire stream of purchases that the customer would make over a lifetime of patronage.



● Customer lifetime value: To keep customers coming back, Stew Leonard's has created the "Disneyland of dairy stores." Rule #1—The customer is always right. Rule #2—If the customer is ever wrong, reread Rule #1.

Courtesy of Stew Leonard's

Managing Customer Relationships and Capturing Customer Value

Share of customer is the portion of the customer's purchasing that a company gets in its product categories.

Managing Customer Relationships and Capturing Customer Value

Customer equity is the total combined customer lifetime values of all of the company's customers.

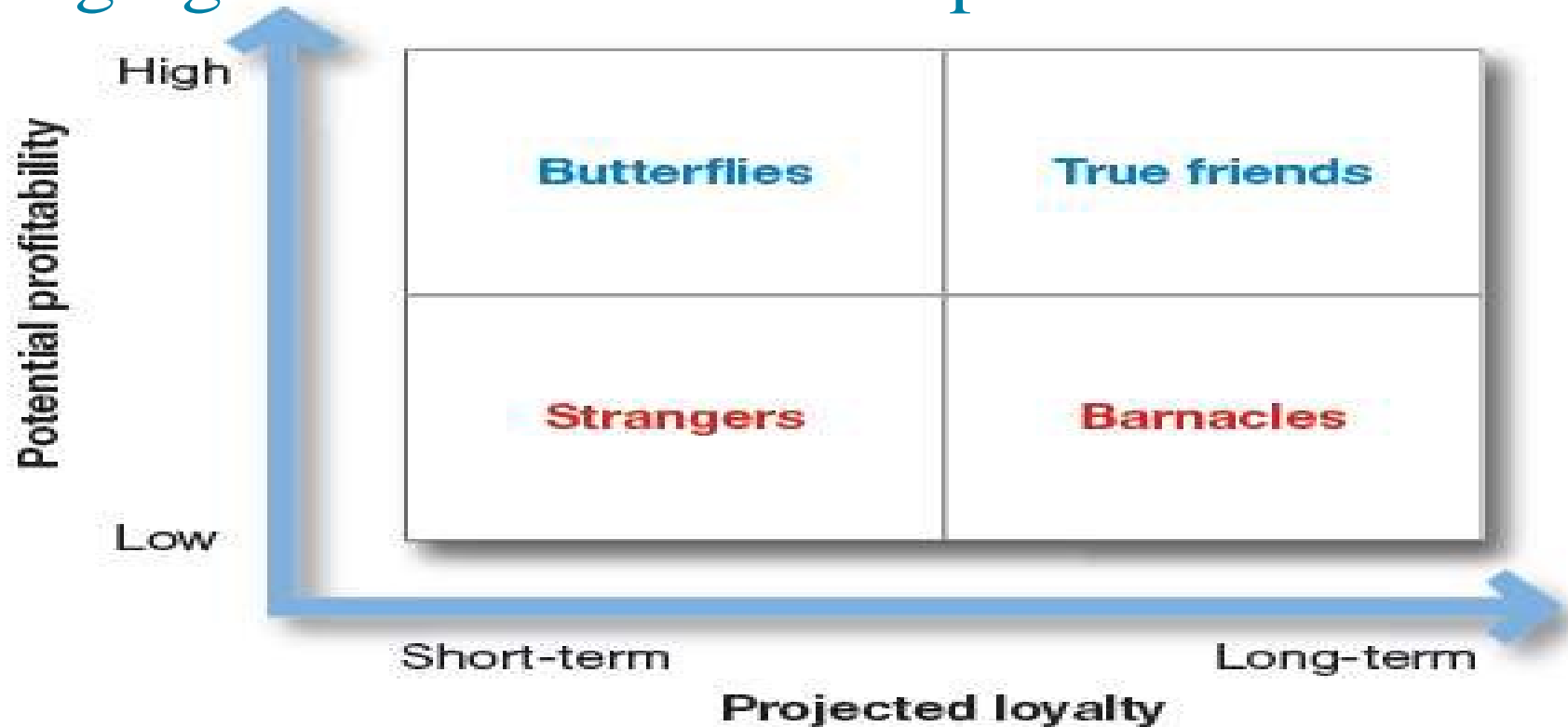


● Managing customer equity: To increase customer equity, Cadillac is making the classic car cool again among younger buyers, encouraging consumers to “Dare Greatly.”

General Motors

Managing Customer Relationships

a



● FIGURE | 1.5
Customer Relationship Groups

Learning Objective 5

Describe the major trends and forces that are changing the marketing landscape in this age of relationships.

The Changing Marketing Landscape

Digital and social media marketing involves using digital marketing tools such as web sites, social media, mobile ads and apps, online videos, e-mail, and blogs that engage consumers anywhere, at any time, via their digital devices.

The Changing Marketing Landscape

- Not-for-profit marketing growth
- Rapid globalization
- Sustainable marketing



● Sustainable marketing: Ben & Jerry's three-part "linked prosperity" mission drives it to make fantastic ice cream (product mission), manage the company for sustainable financial growth (economic mission), and use the company "in innovative ways to make the world a better place" (social mission). Both Ben & Jerry's and its products are "Made of Something Better."

Clark Brennan / Alamy Stock Photo

So, What Is Marketing? Pulling It All Together

● FIGURE | 1.6

An Expanded Model of the Marketing Process

