HELLO WILLIAM

Friday, 18 September 2020

5:33 PM

MARKETING FUNDAMENTALS- MARK1012 
5 
6 
FLEXIBILITY 
WEEK 
7 
Marketing 
Essentials + 
Environment 
Weeks 1-5, 7-10- 
recorded lectures 
and live Q&A. 
No tutorials weeks 
1, 6 and 10. 
Consumer 
Behaviour 
Segmentation, 
Targeting & 
Positioning 
T discussions 
u Live + 
L Recordings 
7% 
3% 
10% 
Marketing 
Research 
T discussions 
u 
Live Q&A + 
L Recordings 
10% 
Case Leadership (as 
assigned) 
Product, Brand 
u case 
discussions 
T 
Recordings 
L 
8% 
10% 
Services + 
Ethics & CSR 
T discussions 
u Live + 
L Recordings 
3% 
Written tasks x 2 
price 
T discussions 
u Live + 
L Recordings 
3% 
37% 
Supply Chain 
T 
L 
0 
Intro/ Case 
Discussions 
Live + 
Recordings 
Early Stage quiz 
T 
L 
Discussions 
Live + 
Recordings 
xl 
3% 
10 
Promotion 
u Live + 
L Recordings 
30% 
EXAM 
PERIOD 
20% 
FINAL 
STAGE QUIZ 
Case participation 
discussions 
23% 

Case Leadership- allocations 
Group 1= Week 4 (NZTA and Bloody Legend) 
Group Week 5 (Recipe to Riches) 
Group 3 
= Week 5 (The 3R Group) 
Group 4= Week 7 (Tiger Airways) 
Group 5= Week 8 (Kustom Cupcakes) 
Group 62 Week 9 (Virtual Store) 

Assessment Structure

Friday, 18 September 2020

5:37 PM

Assessment Structure 
Assessment Task 
Individual - case participation comprising class 
case study discussion via in class discussions 
(23%) and a written task (70/0Y 
Individual - case leadership. 
Individual progress quizzes (x 2): 
• Early stage quiz (10%) 
• Final stage quiz (20%) 
Individual- Written case study assessment (24 hour 
report) 
Weighting 
Length 
2 hours per week 
(weeks 3-5, 7-9) for 
case participatiom 
Written task 400 
words, (plus end 
reference list). 
(Min.) 3-5 minutes 
(Max.) per presenting 
student, plus class 
discussion 
leadership/facilitation_ 
Quiz 1 (20 minutes) 
Quiz 2 (60 minutes) 
1500 words plus end 
reference list 
Due Date 
Week 3-5, 7-9 case participation in 
tutorial. 
Written task - due Friday 2nd of 
October 2020 by 5pm (Week 3). 
Week 4 onwards (as allocated by 
tutor). 
Early stage quiz - Week 4 (available 
online during a 24-hour window from 
gam Wednesday the 7th of October, 
until gam Thursday 8th of October). 
Final stage quiz - to be held within T2 
exam period (TBC)- (available online 
during a 24-hour window from gam 
one day for students to make their 
attempt by gam next day. 
Week 10 (released online date 
Saturday the 21st of November 2020 
at gam- due by gam on the 22nd of 
November). 

Assignment Submission Procedure 
Submission procedure for assessments will be detailed on Moodle Oral assessments are in-the-moment and cannot be re-rum Other 
assessments have time limits as specified here and on moodle For any written work, assignments must be formatted as per the 
requirements below: 
Use 11 pt or 12pt font 
2.5 cm left margin 
1.5 line spacing 
Leave a line between each paragraph 
Number each page 
Student number(s) and course code (MARK1012) to appear on every page 
Use Harvard method for referencing - more information can be found on the EDU website 
Note: Students are reminded to keep a copy of all work submitted for assessment. 

Orientation Lecture

Tuesday, 22 September 2020

2:31 AM

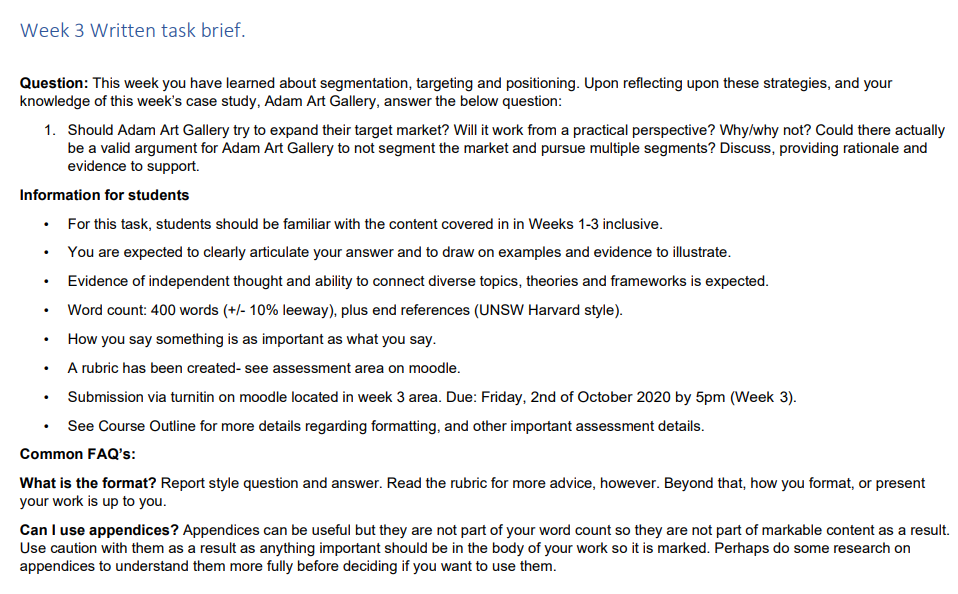
**What is Marketing Fundamentals**

* Marketing is everywhere, yet, most of us think of marketing as being about advertising.
* Whilst advertising is undoubtedly an important component in creating awareness about a products existence and merits, it is a very small component within the overall marketing discipline.
* In today's business world, marketing is viewed as central to an organisations success as it is a function focused on creating customers and finding sources of sustainable growth and competitive advantage.
* It impacts all aspects of a business organisation, shaping and directing corporations through to marketing strategy.
* Many companies acknowledge that their growth and survival depend on putting the customer at the centre of their planning . Thus, an understanding of marketing is essential for any business student.

Week 3 Task Brief

Tuesday, 22 September 2020

3:21 AM



What happens if I exceed the word count, and its leeway? Your marker will stop reading at that point so will not be factored into their 
marking. Clear and concise is key 
Do I need a 'UNSW coversheet?' No, however, see Course Outline for other formatting requirements. 
My Tumitin report has a high percentage, is this bad? Not necessarily, it depends what is being highlighted. Read the 'Tips, tricks and 
resources- MUST READ' document on moodle, specifically Chapters 5 and 6 where plagiarism and how to read Turnitin reports are explained. 
Should I submit as a word document or pdf? It doesn't matter- Tumitin accepts both. 
Are other referencing styles acceptable? No, must be UNSW Harvard. The UNSW Harvard guide pdf is best practice. 
What resources are available to help me? There are lots! See 'How to access further free support- writing, assessment preparation and 
more' on moodle 
What happens if I still have questions? Please post your questions to the Q&A forum that has been set up on moodie so other students can 
benefit from the response (unless sensitive in nature- in this case, please email Pauline, or your Tutor directly). 

week 3 written task- MARK1012 Term 3, 2020 Rubric 
PLO' : Identify and 
explain relevant 
disciplinary or 
interdisciplinary 
knowledge (i.e. what 
you say) 
PL03: Combines 
information and 
communication skills to 
effectively address a 
specific audience and 
purpose (i.e. how you 
say it) 
Referencing and range 
of information used to 
develop the task. 
Total marks 17 
Does not meet expectations 
Does not correctly identify or select 
relevant disciplinary or interdisciplinary 
knowledge. 
Overall, demonstration of limited 
understanding of the relevant marketing 
topic/s and minimal insights and analysis. 
0-1 
• Does not adapt communication with 
consideration of audience and purpose. 
• Inappropriate use of language for 
audience and context. 
• Does not clearly articulate central 
message, key points and I or conclusion. 
• A general lack of clarity and logical 
structure. 
Overall, lacks evidence of editing, with 
issues in written expression and quality. 
0-1 
• No-minimal sources of information 
indicated in the report. 
• Missing all-some references in-text 
and in end reference list. 
And/Or not in correct style 
Meets expectations 
Identifies/selects (and explains where 
necessary) some key relevant disciplinary 
or interdisciplinary knowledge. 
Overall, demonstration of good 
understanding of the relevant marketing 
topic/s with some good analysis and 
insights. 
125-2 
• Adopts appropriate conventions for 
audience and purpose. 
• uses language appropriately for 
audience and context. 
• Clearly articulates central message, 
key points and / or conclusion. 
Overall, a reasonable to good level of clarity 
and logical structure although some 
variability in expression. 
125-2 
• uses textbook only or choice of 
sources could be improved. 
• Satisfactory in-text citations, and end 
reference list in correct style, although 
some errors. 
0.5 
Exceeds expectations 
Accurately identifies/selects (and explains 
where necessary) all key relevant 
disciplinary or interdisciplinary knowledge, 
indicating a breadth of understanding. 
Overall, demonstration of excellent 
understanding of the relevant marketing 
topic's with some excellent analysis and 
insights. 
2.25-3 
• Expertly applies appropriate conventions 
for audience and purpose. 
• Actively engages audience through use 
of language. 
• Achieves purpose of communication 
through effectively sharing central 
message, key points and I or conclusion 
with audience. 
Overall, a high level of clarity and logical 
structure, with good written expression. 
2.25-3 
• uses a good range of appropriate, 
well-chosen sources). 
• Good in-text citations, and end 
reference list in correct style and 
correctly applied. 

Chapter 1: Overview of marketing

Wednesday, 23 September 2020

4:15 PM

**What is Marketing**

**Apple Case Study**

* Apple's ability to use technology to create a superior product, craft the right persona, and offer it at the right locations and to the right target customers
* Core of a marketing company

**Marketing**

* "The activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large"
* Marketing is closely connected with organisational functions such as accounting and finance in its role of creating market-based assets

**Brands**

* Multifaceted impact in broader business including consumer sentiment, shareholder activity, customer loyalty and determination of organisational value

**Effective Marketing**

* Thoughtful planning with an emphasis on ethical implications
* Firms assess their market position and decide on their marketing strategy and then develop a **marketing plan**
* **Marketing Plan**
  + Specifies the marketing activities for a specific period of time
  + How the product will be conceived or designed
  + How much it should cost
  + Where and how it will be promoted and how it will get to the consumer

**Core Aspects of Marketing - Figure 1.1**

* Marketing occurs 
  in many settings. 
  Marketing can be 
  performed by both 
  individuals and 
  Organisations. 
  Marketing helps 
  create value. 
  Marketing 
  Marketing 
  requires product, 
  price. place and 
  promotion decisions. 
  Marketing is about 
  satisfying customer 
  needs and wants. 
  Marketing entails 
  an exchange. 

1. **Marketing is about satisfying customer needs and wants**
   * **Understanding the marketplace, and especially consumer needs and wants, is fundamental to marketing success.**
   * **The marketplace can be segmented or divided into groups of people who are pertinent to an organisation for particular reasons**
     + **Men vs women, calorie conscious or not, carbonated vs non-carbonated drinks, flavour preferences**
   * **Marketing seeks out customers who have both an interest in the offering and an ability to buy it**
2. **Marketing entails an exchange**
   * **Exchange**
     + **The trade of things of value between the buyer and seller so that each is better off as a result.**
     + **Sellers provide good or services, then communicate and facilitate the delivery of their offering to consumers.**
     + **Buyers complete the exchange by giving money and information to the seller.**
3. **Marketing requires product, price, place and promotion decisions**
   * Marketing mix (Four Ps)
     + Product, price, place and promotion
     + Controllable set of decisions/activities that the firm uses to respond to the wants of its target markets
   * Promotion 
     Communicating 
     Delivering 
     value 
     Place 
     Figure 1.3 The marketing mix 
     Product 
     Creating 
     value 
     Capturing 
     value 
     Price 
   * **Product: Creating Value**
     + Fundamental purpose is to create value to elicit exchange between two or more parties.
     + Marketers achieve this by developing a variety of offerings, including goods, services and ideas, to satisfy customer needs
     + Value can be conveyed through four types of benefits including functional, hedonic, social and cognitive.
     + Goods
       - Add extra value to their goods to increase their presence in the market (NIKE ID), celebrity collab
     + Services
       - Intangible customer benefits that are produced by people or machines and cannot be separated from the producer
     + Ideas
       - Concepts, opinions and philosophies
   * **Price: Capturing value**
     + Price is everything the buyer gives up in exchange for the product - money, time energy
     + Key to determine prices is figuring out how much customers are willing to pay so they're satisfied with the purchase & the seller receives a reasonable profit
   * **Place: Delivering Value**
     + Place refers to all the activities necessary to making the produce available to the right customer when that customer wants it
     + Commonly deals with retail and marketing channel management
       - Supply chain management is a set of approaches and techniques that firms employ to effectively integrate their suppliers, manufacturers, warehouses, sores and other firms involved in the transaction into a value chain where merch is produced and distributed in the right quantities in the right places
     + An efficient marketing channel is needed, because without it, merchandise isn't available when customers want it
   * **Promotion: Communicating Value**
     + Promotion is communication by a marketer that informs, persuades and reminds potential buyers about a product, service or idea to influence their opinions or elicit a response

**Marketing is performed by individuals and organisations**

* B2B
* B2C
* C2C

**Marketing impacts various stakeholders**

* Manufacturer 
  (makes monitors) 
  Retailer 
  (sells PCs & monitors) 
  Society Customers 
  Supply 
  chain 
  Figure 1.4 Marketing can be performed by both individuals and organisations. 
  + Not just the facilitation of the sale to customers but also impacts supply chain partners, society and stakeholders
* Supply chain partners
  + Wholesalers, retailers, transport, warehouse companies, etc

**Marketing over the years**

* Production oriented era (1900s)
  + A good product will sell itself, concerned with proudct innovation, not satisfying needs of individual consumers
* Sales-oriented era (1920-1950)
  + Productive and distribution techniques became more sophisticated, history conditioned customers to consume less or make items themselves
  + Manufacturers had the capacity to produce more than what consumers wanted or were able to buy thus firms depended on aggressive selling
    - e.g. personal selling and advertising
* Market-oriented era (post WWII)
  + Manufacturers turned war efforts into making consumer products
  + Developed economies entered the buyers' market
  + Consumers began to make purchasing decisions based on quality, convenience and price, marketing was discovered here
    - A growing focus on meeting customer needs and wants
* Value-based marketing era
  + Firms attempt to discover and satisfy their customers' needs and wants
  + Value reflects the relationship of benefits to costs
  + **Value co-creation:** customers act as collaborators in creating the product

**How do firms become more value driven**

1. **Share information**
   * **Marketers share information about customers and competitors and integrate it across the firm's various departments**
2. **Strive to balance their customers' benefits and costs**
   * **Use available data to find opportunities to better satisfy their customers' needs, keep costs down and develop long-term loyalties**
   * **E.g. IKEA's low prices, simple designs -> customer's self-assembly**
3. **Concentrate on customer relations**
   1. Marketers have begun to develop a relational orientation (method of building a relationship with customers based on the philosophy that buyers and sellers should develop long-term relationships)
   2. CRM: a business philosophy and set of strategies, programs and systems that focus on identifying and building loyalty amongthe firm's most valued customers
   3. Firms that employ CRM systematically collect information about customers' needs and use that to target their best customers w/ products
4. **Take advantage of new technologies e.g. connect with customers via social media**
   * **Approx. 3/4 of US companies now use social media tools for marketing purposes and 46% of internet users worldwide interact with social media on a daily basis**

**Importance of marketing, both within and outside the firm**

* Marketing expands firms' global presence
* Marketing is pervasive across marketing channel members
  + **Supply chain:** The group of firms that make and deliver a given set of g&s
  + Everytime materials or products are bought or sold, they are transported toa different location, which someimtes requires that they be stored in a warehouse operated by yet another organisation
    - Such a group of firms -> supply chain (another name for marketing channel)
  + **Marketing Channel**
    - The set of institutions that transfer the ownership of, and move goods from, the point of product to the point of consumptin
    - Consists of all the institutions and marketing activities in the marketing process
    - Impacts the business
    - Impacts the customer
* **Marketing EnrichesSociety**
  + Socially responsible firms recognise that including a strong social orientation ina business is a sound strategy that is in both its own and customers' best intersts
* **Marketing can be entrepreneurial**
  + Entrepeneur: a person who orgnaises, operates and assumes the risk of a new business venture
  + E.g. Oprah Winfrey

**Mini Textbook:**

**Marketing Process**

1. Understand the marketplace, customer needs and wants
   * Research the marketplace, customer needs and wants
   * Manage marketing information and customer data
2. Design a customer driven marketing strategy
   * Select customers to serve: Segmentation and targeting
   * Design a value proposition: Differentiation and positioning
3. Construct an integrated programme
   * Product/Service design and building strong brands
   * Pricing and making attractive
   * Place (distribution): Making available
   * Promotion: Communicate
4. Build profitable relationships and create delight
   * CRM: building strong relations with target customers
   * PRM: building strong relations with marketing partners
5. Capture value from customers to create profit and customer equity
   * Create customer satisfaction and delight
   * Capture customer lifetime value
   * Increase market share and share of customers

**Value = Quality/Price or Benefits expected / Benefits received**

* Customer's overall assessment of the utility of an offering based on perceptions of what is received and what is given
* Includes the organisation's reputation, features of the products, after-sales service, quality, and price
* Competition offers how customer peceives value
* Customers perceive value differently

**Marketing environment**

Culture 
Political/ 
Consumers 
legal 
Irnmediate environment 
Competition 
Economic 
Figure 4.1 understanding tiw marketing env#onrnerq 
partners 
— Technology 

* Products and services must be reviewed modified, or deleted if necessary
  + New products or services must be constantly developed to add or replace old ones
* Environmental analysis
  + An analytical approach that involves breaking the marketing environment into smaller parts to better understand it
  + These parts are known as the immediate and macro environments

**Marketing Planning**

* Concept that combines environmental analysis and organisational objectives to move the organisation from where it currently is to where management wants to be
* An organisation that is able to do this well obtains considerable competitive advantages over its rivals
  + It is based on considerable research and consultation with key stakeholders
* Begins with complete and comprehensive analysis of the marketing organisations situation
* The situation analysis and SWOT
  + Evaluating internal capabitilities
  + Resources
  + Positive and negative situational factors
  + Limitations
  + Trends

**The marketing plan**

* A Marketing Plan is a written document that summarises what the marketer has learned about the market place and indicates how the firm plans to reach its marketing objectives.
* As the marketer you must supply the right product at the right price and make a profit as well.
* Marketing plans are developed on the basis of what has happened, is happening, and will happen
* Table 2.2 Contentsofamarketing plan 
  Section 
  Executive summary 
  Current marketing 
  situation 
  Threats and 
  Opportunities analysis 
  Objectives and issues 
  Marketing ategy 
  Action programs 
  Controls 
  Purpose 
  Presents a briefsummary of the main goals and recommendations of the plan for management review, helping top 
  management to find the plan's major poi-its quickly. A table of contents should follow the executive summar y. 
  Describes the target market and companfs position in it. induding information about the market, product 
  performance, competition and distribution. This section includes: 
  A market destrption, which defines the market and major then reviews custorrrr needs and factors 
  in the marketing environment that may affect customer purchasing. 
  A product revé%', which shows sales, prices and gross matgins of the major products in the product line. 
  A review of ccynpetitøn, which identifies the main competitors and assesses their market positions and 
  suategies for product pricing, distribution and ptomotion. 
  A review of distriutbn, which evaluates recent sales trends and other developments in the major distribution 
  channels. 
  Assesses major threats and opportunities that the product might face, helping management anticipate 
  important positive Or negative developments that might have an impact on the firm and its 
  States the marketing objectives that the company would like to attain during the plan's term and dscusses key 
  issLES that will affect their attainment. 
  Outlines the broad marketing logic by the business unit hopes to create customer value and relationships 
  and the specifics of target mat kets. positioning and marketing expenditure levels. How will the company create 
  value for customers in O'der to capture value from customers in return? This section also outlines specific strategies 
  for each marketing mix element and explains how each responds to the threats, oppor tunities and critical issues 
  spelled out earlier in the plan. 
  Spdls out how marketing strategies wil be turned into specific action programs that answer the following 
  questions: What will be done? h'hen will it be done? Who will do it? Hmv much will it cost? 
  Det*ls a supporting marketing budget that is essentially a projected mofit and loss stat«nent. It shows expected 
  tevenues (forecasted number of units sold the average net price) and expected costs of moduction. disuibution 
  and marketing. The difference is the projected profit. Once awowd by higher management, the budget becomes 
  the basis for materials buying æoduction scheduling personnel planning and marketing operations. 
  Outlines the control that will be used to monitor progress and allow higher management to review implementation 
  results and Spot products that are not meeting their It includes measues Of return on marketing investment 
* It translates the strategic plan into something actionable, it spells out the implementation steps, and it outlines budgets and measurements. It provides a clear and concise reference for the organization, outlining areas of growth and forces the organization to factor in factors outside of the organization that can have an impact within it. Marketing Plans typically cover a time period of 1-5 years.

Chapter 4: Analysing the Market Environment

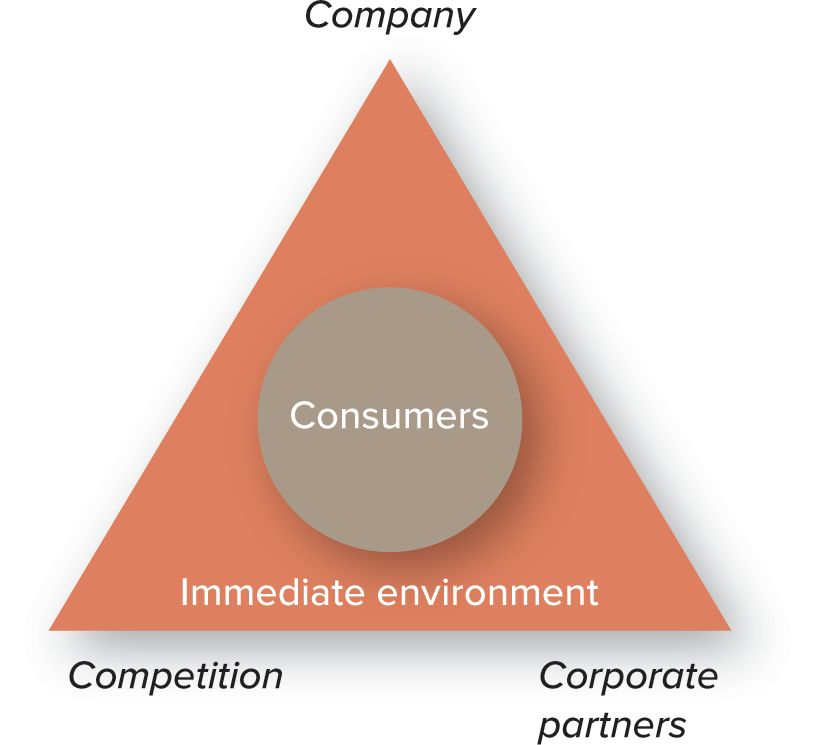
Thursday, 24 September 2020

10:08 AM

**Marketing Environment Analysis Framework**

* Consumers: May be influenced directly by the immediate actions of the focal company, its competitors or corporate partners (immediate environment)
* The firm and hence consumers (indirectly) are influenced by the macroenvironment
* Tools to keep track of competitors’ activities and consumer trends, such as the CIA World Factbook, the Department of Foreign Affairs and Trade, the World Bank, Google Trends, Google Alerts, Google Analytics and Facebook Insights, and they rely on various methods to communicate with their corporate partners.
* Culture 
  Political/ 
  Consumers 
  legal 
  Irnmediate environment 
  Competition 
  Economic 
  Figure 4.1 understanding tiw marketing env#onrnerq 
  partners 
  — Technology 

**Immediate Environment (microenvironment)**



* Company Capabilities
  + The first factor affecting a consumer is the firm itself
  + E.g. Apple specialising in personal computers previously
* Competitors
  + **Marketer needs to understand the strengths and weaknesses of their competitors**
  + SWOT analysis
* Corporate partners
  + Parties who work with the focal firm are the corporate partners and directly impact the consumer (and the operation of the focal company)

**Macroenvironmental (CD-STEP)**

**Culture**

* Culture: the shared meanings, beliefs, morals, values and customs of a group of people
* Country culture: perceptible nuances such as artefacts, behaviour, dress, symbols, physical settings, ceremonies, language differences, tastes and food preferences
* Regional culture: the culture of the particular region in which people live
* Challenge for marketers is to have products identifiable by and relevant to a particular group of people

**Demographics**

* Provides an easy-to-understand snapshot of the typical consumer in a specific target market
  + E.g. age, gender, race, income
* Generational cohort
  + A group of people of the same generation have similar purchase behaviours because they share similar experiences & are in the same stages of life
* Generation Z (digital natives)
  + 1995+
  + Born into a world of electronic gadgets and digital technologies
* Generation Y (millennials)
  + 1980-1994
  + Millennials also use technology efficiently
* Generation X
  + 1965-1979
  + They are unlikely to enjoy greater economic prosperity than their parents
  + Much less interested in shopping, more cynical, astute consumers, demand convenience, tend to be less likely to believe advertising claims or what salespeople tell them
* Income: Increase in wealthy families changing spending patterns
* Education: Increased education
* Gender: Male/female roles have been shifting
  + Modern marketing campaigns are reflecting these shifts and try to appeal to specific gender groups without resorting to stereotyping
* Ethnicity:
  + 23% of Aussies were born overseas and speak another language
  + Asian ethnicities comprising the largest, hence, companies develop ads based on this

**Social Trends**

* **Thrifting**
  + Consumers made more sensitive by the GFC and becoming more money saving aware
* Health & wellness
  + Awareness about smoking, obesity and other diseases
* Greener consumers
  + Energy-saving house appliances, hybrid vehicles, eco-friendly clothing, recycled materials
* Privacy
  + Working with sensitive consumer data, consumers are becoming more cautious
* Time-poor society
  + Fast-paced world we don't have enough time as consumers, e.g. self-checkouts are designed to help save time

**Technological Advances**

* Convenience and personalisation
* RFID new technology
* Technology means for firms:
  + Greener data storage & communication
  + Improved inventory
  + Improved value of goods an services
* Technology means for consumers:
  + Newer channels of access and communication
  + Easy of decision-making
  + Enhanced customer experience

**Economic Situation**

* Inflation is the persistent increase in the price of goods and services, which causes the purchasing power of the dollar to decline
* Fluctuations in the value of foreign currency can influence consumer spending
* Interest rates represent the cost of borrowing money
  + Increase IR = Decreased borrowing
* Shifts in these make marketing easier for some and harder for others
  + E.g. increase in inflation means consumers probably don't buy much but may shift expenditure from expensive steaks to less expensive hamubrgers
    - E.g. inferior goods

**Political/Legal situation**

* Comprises political parties, government organisations, legislations and laws
* It includes such bodies as the ACC, RBA, ATO, APRA, ASIC, ASX, IP Australia
* Many laws around the protection of technology and IP, ecommerce, employment and industrial relations, takeover, property, equipment

**Responding to the Environment**

* Many companies try to market in ways which respond to multiple aspects of the environment
* E.g. Social, economic and political pressures at once

**Summary**

* Everything a firm does should revolve around its customers. The firm must discover their needs and wants and then provide a valuable offering that can satisfy them
* Collaboration with partners and an understanding of their competitors helps to add value
* A firm must also understand cultural issues and demographics to identify specific customer groups
* The economy will influence patterns of consumer spending
* Technological advances help marketers both to provide consumers with more products and to provide services more efficiently
* Generational cohorts are groups of consumers from the same generation
* Social factors such as thrift, health and wellness, green marketing, concerns for privacy and a time-poor society will affect what consumers purchase and consume

**Outline how customers, the company, competitors and corporate partners affect marketing strategy**

* Everything a firm does should revolve around the customer; without the customer, nothing gets sold. Firms must discover their customers' wants and needs and then be able to provide a valuable product that will satisfy those wants or needs.
* If there was only one firm and many customers, a marketer's life would be a piece of cake
  + But firms must monitor their competitors to discover how they might be appealing to their customers
* Without competitive intelligence, a firm's customers might soon belong to its competitors. Though life certainly would be easier without competitors, it would be difficult, if not impossible, without corporate partners.
* Good marketing firms or departments work closely with suppliers, marketing research firms, consultants and transportation firms to coordinate the extensive process of discovering what customers want and finally getting it to them and where they want it
* Each of these activites- discovering customers' needs, studying competitors' actions and working with corporate partners- helps add value to firms' good and services

**Explain why marketers must consider their macroenvironment when they make decisions**

* Marketers must be sensitive to culture to be successful
* They must consider customer demographics-age, income, market size, education, gender and ethnicity - to identify specific customer target groups
* Major social trends influence the way people live, technology moves rapidly
* Technological advances help marketers provide consumers with more goods and services more quickly and efficiently
* General state of the economy influences how people spend their discretionary income
  + Healthy economy -> Marketing success increase
* All firms must abide by the law and many legal and social issues affect marketing directly

**Social Trends that impact marketing**

* Thrift, health and wellness, green marketing, privacy issues, time-poor society

**CASE STUDY**

* MC Internet is a chain of internet cafes since 2000
* Advances in the quality and affordability of home computing, good internet access, mobile gaming means MC business model may no longer be viable in a few years' time
* Established in NZ when computers were expensive and internet speeds were slow
  + Had to haul whole computer and monitor to play LAN
  + MC customers were multiplayer games that required communication
* Recent years -> Rapidly decline PC prices and improved speeds of internet
  + Development in internet based communication programs have reduced a physical need to communicate
* Responses by MC
  + Partnerships with nearby restaurants for meal to seat delivery
  + Made to order beverages
  + Computer and parts retailing
  + Gaming equipment hire

^ All have had minimal impact on the financial performance of the company

* Price drops from $3 to $1.67
* Policy to replace and upgrade computers after 3 years
* Maintains a number of VPN around various parts of the world -> lowest latency rates
* Developed software to allow game sharing
* Regular events and gaming competitions held for social interaction

^ Reasonably successful in stemming decline in customer numbers

**Discussion Questions**

1. Discuss the various macroenvironmental factors that influence MC's strategy. Which seem the most important?
   * Most important macro factors are the intersection of generation Z and Y potentially and their online gaming culture. With shared values created from online multiplayer games. This is also a reflection of the social trend at the time specifically NZ and Aus where gaming PCs were expensive and home internet speeds were slow. It can also be inferred that MC Internet had first mover advantage into the internet café industry within AUS and NZ establishing market share.
   * However, technological advances is one of the most significant macroenvironmental factors posing a risk to the change dynamics of social, cultural and demographic factors. Whereby, newer technology means cheaper personal computer prices, faster home internet speeds, better internet communication technologies, replacing the need for internet cafes.
     + And most importantly mobile gaming and its convenience, and the developent of mobile games into curating at next generation experience (coupled with 5G, NBN experiences).
     + Laptop gaming as well.
     + Fast computers portable mobile computing.
   * However, in terms of economic, internet cafes are quite affordable and as such a lesser macro factor.
2. How has MC responded to major threats influencing internet café industry
   * Responses by MC
     + Partnerships with nearby restaurants for meal to seat delivery
     + Made to order beverages
     + Computer and parts retailing
     + Gaming equipment hire

^ All have had minimal impact on the financial performance of the company

* Price drops from $3 to $1.67
* Policy to replace and upgrade computers after 3 years
* Maintains a number of VPN around various parts of the world -> lowest latency rates
* Developed software to allow game sharing
* Regular events and gaming competitions held for social interaction

^ Reasonably successful in stemming decline in customer numbers

1. The case is focused on threats to MC Internet and to the internet café industry. What opportunities do you see for this company and for the wider industry
   * Embrace newer technologies such as augmented reality and capture market opportunities
   * Offer services such as professional gaming coaching, teach baby boomers how to use internet
   * Group deals memberships, 24 hours, tournaments for popular games

Chapter 5: Consumer Behaviour

Thursday, 24 September 2020

12:55 PM

**Consumer Decision Process**

* **Need Recognition -> Information search -> Alternative evaluation -> Purchase -> Post-purchase**
* Represents the steps that consumers go through before, during and after making purchases
  + If marketing has one goal it is to reach consumers at the moments that most influence their decisions
  + Sometimes consumers don't go through all of these steps -> e.g. Replacing a broken product with the same product

**Need Recognition**

* The beginning of the consumer decision process; occurs when consumers recognise they have an unsatisfied need and want to go from their actual needy state to a different desired state
* Triggers can initiate need recognition
  + Factors that affect the desired state (e.g. Reference groups), the actual state (e.g. Arousal of needs) and factors that affect both (e.g. Marketing efforts)
    - Internal stimuli (e.g stomach growling) or external stimuli (e.g. Advertisement on TV making you want to eat)
* **Functional need:** 
  + Needs that pertain to the performance of a product
* **Psychological need:** 
  + Needs that pertain to the personal gratification consumers associate with a product/service
  + Buying $1000 shoes don't perform a functional need, hence are a psychological need
* Successful Marketing:
  + Is determining the correct balance of functional and psychological needs that best appeals to the firm's target markets
  + E.g. A hotel that has a large variety of suites offering rooms for consumers with functional needs & consumers with psychological needs

**Information Search**

* Search for information about various options that exist to satisfy that need
* Internal search for information
  + Consumers use their own memory and knowledge gathered through past experiences
* External search for information
  + Consumer uses family, friends, sale-people & commercial exposure
* Factors affecting consumers' search process
  + The perceived benefits versus perceived costs of search
    - E.g. Hair cut you'll go to well-researched salon if there's an occasion BUT if you're looking for a buzz-cut you'll go to any
  + Locus of control
    - Internal locus of control: Belief of control over outcomes of actions
      * More search activities
    - External locus of control: belief that fate or external factors control all outcomes
      * Less search activites
  + Actual or perceived risk
    - Performance risk: Perceived danger from a poorly performing product
    - Financial risk: Monetary outlaw; initial cost of purchase; cost of using item or service
    - Social risk: Other's might not regard one's purchase postiviely
    - Time risk: Loss of time in finding or receiving suitable products
  + Physiological risk
    - Actual bodily harm should a product not perform properly e.g. Faulty car brakes
  + Psychological risk
    - Associated with the way people will feel if a product doesn't convey the right image

**Evaluation of Alternatives**

* Attribute Sets
  + Universal sets
    - Includes all possible choices for a product category
  + Retrieval sets
    - Which are those brands or stores that can be readily brought forth from memory
  + Evoked sets
    - Comprises the alternative brands or stores that the consumer states they would consider when making a purchase decision
    - A firm aims to get into the evoked set of a consumer as it increases the likelihood of purchasing
* Evaluative criteria
  + Consistent of salient or important attributes about a particular product
  + E.g. Consumers look at selling price, fit, materials, etc
* Determinant Attributes
  + Product features that are important to the buyer and on which completive brands or stores are perceived to differ
* Consumer decision rules
  + CDR are the set of criteria that consumers consciously or subconsciously use to quickly select from among several alternatives
  + Compensatory decision rule
    - Assumes that the consumer, when evaluating alternatives, trades off one characteristic against another, such that good characteristics compensate for bad characteristics
    - E.g. If a cereal tastes good, you might forgive its high price
  + Multi-attribute model
    - A compensatory model of consumer decision making based on the notion that customers see a product as a collection of attributes or characteristics
    - The model uses a weighted average score based on the importance of various attributes and performance on those issues
  + Non-Compensatory decision rule
    - Consumers choose a product on the basis of one characteristic or one subset of characteristic, regardless of the values of its other attributes
    - E.g. If you prefer natural ingredients you might go for a cereal even though there are cheaper, better tasting alternatives because you value that characteristic
  + **Top of mind**
    - The order in which alternatives are generated

**Purchase and Consumption**

* Customers don't always buy from the store they had originally decided
* Conversion rate
  + The percentage of consumers who buy a product after viewing it
  + Retailers monitor this conversion rate and try to improve it
  + Lower conversion rate with the use of the internet

**Postpurchase**

* Marketers are particularly interested in post purchase behaviour because it entails actual rather than potential customers
* Satisfied customers, whom marketers hope to create, become loyal, purchase again and spread positive world of mouth

Customer Satisfaction

* Marketers can take several steps to ensure post purchase satisfaction
  + Demonstrating correct product use
  + Building realistic expectations
  + Providing a money back guarantee
  + Encouraging feedback
  + Periodically making contact with customers

Post purchase cognitive dissonance

* The psychologically uncomfortable state produced by an inconsistency between beliefs and behaviours that evokes a motivation to reduce the dissonance; buyers' remorse
* Especially for products that are expensive, don't work as intended and are associated with high levels of risk
* To reduce dissonance the customer can
  + Return the item
  + Pay attention to positive information
  + Seek positive feedback from friends

Customer loyalty

* Marketers attempt to solidify a loyal relationship with their customers
* Loyal customers will buy only certain brands and shop at certain stores and they include no other firms in their evoked set

Undesirable consumer behaviour

* Passive consumers are those who don't repeat purchase or reccimend the product to others
* Negative word of mouth occurs when consumers spread negative information about a product, service or store to others
  + A happy customer tells less people than an unhappy customer
* Negative WOM is popularising due to the internet

**Factors Influencing the CDR**

* Marketing Mix
  + Product
  + Price
  + Place
  + Promotion
* Psychological factors
  + Motives
    - A want or need that is strong enough to cause the person to seek satsifaction
    - Maslow's hierachy of needs is a paradigm for classifying people's motive
    - Psychological -> safety -> love -> esteem -> self-actualisation
  + Attitudes
    - Person's enduring evaluation of his or her feeling about an object or idea
    - Attitudes are learned, long lasting and develop over time
    - Consist of cognitive, affective and behavioural
      * Cognitive: What we believe to be true
      * Behaviour: What we know and feel
      * Affective: What we feel about the issue at hand
    - Cognitive dissonance
      * When incongruence occurs between components
    - Marketing attempts to change attitudes
  + Perceptions
    - Process by which people select, organise and interpret information to form a meaningful picture of the world
  + Learning
    - Refers to a change in a person's thought process or behaviour that arises from experience
  + Lifestyle
    - The way consumers spend their time and money to live
* Social factors
  + Family
    - Many purchase decisions are made about a good/service that the entire family will consumer or use
    - Child increasingly important role in family buying decisions
  + Reference groups
    - One or more people an individual refers to for comparison regarding beliefs, feelings and behaviours
    - Family, friends, co-workers, celebrities
    - Affect decisions by
      * Offering information
      * Providing rewards for specific pruchasing behaviours
      * Enhancing a consumer's self-image
  + Culture
    - Set of values, guidng beliefs, udnerstandings and ways of doing things shared by members of society
* Situational factors
  + Purchase situation
    - Who you're buying for, what occasion it is for
  + Shopping situation
    - Atmosphere: Fast tempo and high volume increases arousal levels
    - Salespeople
    - Crowding
    - In-store demonstrations
    - Promotions
    - Packaging
  + Temporal state
    - Our state of mind at a particular time can alter our preconceived notion of what we're goin gto purchase

**Involvement and Consumer Buying Decisions**

* Involvement is the consumer's degree of interest in the product
* Eaboration likelihood model proposes that high and low involvement consumers process different aspects of a message or advertisment
  + E.g. High invovement (job interview): looks at quality, material, style
  + E.g. low involvement (every-day wear) looks at brand Lorna Jane and purchases
* Extended Problem-Solving
  + A purchase decision process during which the consumer devotes considerable time and effort to analysing alternatives
  + It often occurs when the consumer perceives that the purchase decision entails a lot of risk
    - E.g. product is for a job interview, product is extremely pricey, etc.
* Limited Problem-Solving
  + Occurs during a purchase decision that calls for, at most, a moderate amount of effort and time
  + Impulse decision making: a buying decision made by consumers on the spot when they see the merchandise
  + Habitual decision making: a purchase decision process in which consumers engage in little conscious effort
    - Marketers strive to attract and maintain these consumers because they don't consider alternative brands or stores

**Textbook Supplement**

**Consumer Behaviour**

* Consumer
  + The buying unit, and maybe an individual or group, household, or business
* Consumer behaviour
  + The dynamic interaction of cognition, behaviour, and environmental events by which human beings conduct the exchange aspects of their lives
  + How and why consumers purchase (or do not purchase) products and services
  + How consumers will respond to different product features, prices and advertising appeals

**Consumer Influences**

* External influences
  + Culture and values
  + Demographics, income and social class
  + Reference groups and households
  + Marketing activities
* Internal Influences
  + Needs, motives and emotions
  + Perceptions and memory
  + Personality and lifestyle
  + Attitudes
* Situational influences
  + Physical, time, social, task and antecedent
* Decision-process influences
  + Problem recognition
  + Information search
  + Alternative evaluation
  + Outlet selection
  + Purchase
  + Post purchase process

**Marketing decisions**

* Market segmentation
  + Target segment(s)
  + Single or multiple target segments
* Product positioning
  + Key product-differentiation variables
  + Position relative to competition
* Marketing mix
  + Product features
  + Price levels
  + Promotional appeal
  + Place (distribution)

**How consumer behaviour affects marketing strategies**

* Consumer
  + The centre of business activity
  + 1 purpose of business - create a customer
* Profitability
  + Better organisations meet need of target consumers more effectively and efficiently
* Interdisciplinary
  + Want to know causes of behaviour, how people receive, store, and use product and purchase related info so we can design marketing strategies to influence consuer decisions
  + Draws upon psychology (motivation, perceptions, attitudes, personality, learning)
  + Sociology (group influences and dynamics, often individual actions differ in groups than as individuals
  + Social psychology (How people operate in a group and how individuals are influenced in their personal consumption behaviour by those whose opinions they respect
  + Cultural anthropology (core beliefs, customs, values and how influence consumption behaviour)
  + Economics (How people spend their funds, how they evaluate alternatives, how they make decisions to maximise satisfaction)
* Consumer insights can
  + Identify consumer needs, wants and preferences
  + Identify market segments and target markets
  + Increase consumer consumption of current products
  + Provide a competitive advantage
  + Reduce your marketing spend (greater ROI)
  + Assist in the identification & development of new products & new business opportunities
  + Design and implement a more effective marketing mix
  + Increases top line growth and assists profitability
  + Help us monitor and respond to changes
  + **Development of public policy**

**Overall model of consumer behaviour looks like**

* personality 
  ATTITUDES/NEEDS 
  lifestyle 
  EXPERIENCES 
  SITUATION 
  Problem recognition 
  Information search 
  Evaluation and selection 
  Store choice and 
  purchase 
  postpurchase processes 

**Hofstede cultural dimensions**

* Power distance
  + Distribution of power and hierarchy
* Individualism
  + Degrees to which individuals are integrated into society/groups
  + Personal achievements/ personal identity
* Masculinity
  + Performance, success, material possession, self-assertion, career, ambition
* Uncertainty avoidance
  + Extent to which society will go to avoid dubious, unfamiliar situations
  + Rules, regulations, risk, knowledgeable
* Long term orientation
  + Value of future, savings, investment

**Consumer Decision Process**

* Consumer decision process model represents the steps that consumers go through before, during, and after making purchases
* If marketing has one goal: it's to reach consumers at the moments that most influence their decisions
* Sometimes consumers don't go through all of these steps -> e.g. Replacing a broken product with the same product

**Consumer Decision Process Model**

* Need Recognition -> Information search -> Alternative evaluation -> Purchase -> Post-purchase

**Need recognition**

* The beginning of the consumer decision process
  + Occurs when consumers recognise they have an unsatisfied need and want to go from their actual, needy state to a different, desired state
  + The greater the discrepancy between these two states, the greater the need recognition will be
  + Numerous triggers can initiate problem recognition including factors that affect the desired state (e.g. Reference groups), the actual state (e.g. Arousal of needs) and factors that affect both (e.g. Marketing efforts).
* A need can be viewed as an innate, organismic necessity rather than an acquired motive, whereas wants are goods or services that are not necessarily needed but are desired
  + Consumer needs can be classified as functional, psychological or both
* **Functional Needs**
  + Functional needs pertain to the performance of a product
* **Psychological Needs**
  + Psychological needs pertain to the personal gratification consumers associate with a product/service

Fivee types of risk

* Performance, financial, social, time, physiological and psychological

Chapter 6: Segmentation, Targeting and Positioning

Thursday, 1 October 2020

11:16 AM

I Step 1: 
Step 2: 
I Step 3: 
Step 4: 
Step 5: 
Strategy 
or 
objectives 
Segmentation 
methods 
Evaluate 
segment 
attractiveness 
Select 
target 
market 
Identify and 
develop 
positioning 
strategy 
Segmentation 
Targeting 
Positioning 

**Step 1: Establish Overall Strategy or Objectives**

* Articulate vision or objectives of the company's marketing strategy clearly
* The segmentation strategy is derived from the firm's mission and objectives
* SWOT - strengths, weaknesses, opportunities and threats

**Step 2: Segmentation Methods**

* Use a particular method or combination of methods to segment the market
* Develops descriptions of the different segments
  + Building the customer profile of each segment
* E.g. geogrpahic (Based on where they live), demographic (age, income gender), psychographic (lifestyle, self-values, self-concept), benefits (Convenience, economy), behavioural (occasion, loyalty)
* They can use more than one segmentation method at a time (e.g. geodemographic -> e.g. geoSmart)
* Value and Lifestyle Framework:
  + 3 primary motivations: Ideals, achievement and self-expression
  + VALS enables firms to identify target segments and their underlying motivations

Innovators 
Primary motivation 
Ideals 
Thinkers 
Believers 
Achievement 
Achievers 
Strivers 
Survivors 
High resources 
High innovation 
Self-expression 
Experiencers 
Makers 
Low resources 
Low innovation 

**Step 3: Evaluate Segment Attractiveness**

* Identifiable: Firms must be able to identify who is within their market and to be able to design goods or services to meet their needs
  + Segments need to be distinct from each other to allow for different marketing strategies
* Substantiable: Market size needs to be considered
  + If the market is too small it won't generate sufficient profits
* Reachable
  + The market needs to be reached through persuasive communications and product distributions
* Responsive
  + Consumers in the segment must react similarly and positively to the firm's offering
  + If a firm cannot provide goods or services toa certain segment, it shouldn't target it
  + E.g. Toyota doesn’t' target the lucrative luxury car segment
* Profitability: Potential profitability of each segment, both current and future
  + Future market growth, market competitiveness and market access

Identifiable 
Profitable 
Substantial 
SEGMENT 
TTRACTIVENESS 
Reachable 
Responsive 

**Step 4: Select Target Market**

* A firm assesses both the attractiveness of the target market (profitability, oporutnties, SOWT) and its own competencies
* Undifferntiated Targeting Strategy or Mass marketing
* Differntatied Targeting Strategy
* Concetrated targeting strategy
* Micromarketing

Differentiated 
Micromarketing 
or 
one-to-one 

**Stage 5: Develop Positioning Strategy**

* Markets positioning involves a process of defining the marketing mix variable so that target customers have a clear understanding of what the product does or represents in comparison with competing products
* Helps communicate the firm's or the product's value proposition, which communicates the customer benefits to be received from a product and thereby provides reasons for wanting to purchase it

Machine generated alternative text:
#5 
Customer needs 
#2 
Competitor 
benefits 
#7 
Firm benefits 
#3 
#1 

**Positioning using Mapping**

1. Determine consumers' perceptions and evaluations of the product in relation to competitors' products
   * Marketers determine their brand's position by asking consumers a series of questions about their competitors' products
2. Identify the market's ideal points and size
   * On a perceptual map, marketers can represent the size of current and potential markets
   * E.g. different sized ovals corresponding to market size -> showing marketers how to respond
3. Identify competitors positions
   * Brand must study how those same competitors position themselves
4. Determine consumer preferences
   * Now it must find out what the consumer really wants, that is, detertmine the "idea" product that appeals to each market
   * For example, a huge market exists for traditional Gatorade and that market is shared by Powerade
5. Select the position
6. Monitor the positioning strategy
   * Markets are not stagnant. Consumers' tastes shift and competitors react tot hose shfits

**Week 3 Supplement to textbook**

* Target marketing
  + Process of deciding which segments of the market to concentrate the marketing effort towards
  + Decision to service all segments, select few, or only one segment
  + Factors to consider
    - Compatibility of target market to company's goal and image
    - Company's resources
      * Production facilities, advertising expenditure, sales force
    - Profit
    - Size of each segment and rate of growth
    - Competitive structure of the segment
  + Other factors
    - Power of buyers and suppliers
    - Intensity of competition within segment
    - Threat of new entrants
* Positioning
  + Create a perception of the product in the mind of its customers relative to competing brands and products
  + The way the product or brand is defined by consumers on important attributes and characteristics
* Selecting positioning
  + What is positioning of competitors
  + Target in market
  + Product attributes importance to customers
  + Company image
  + Marketing mix
* Positioning Steps
  + Identify the competitors
  + Assess perceptions of them
  + Determine their positions
  + Analyse consumer preferences
  + Make the positioning decision
  + Monitor and control the position

**Case Study**

**Adam art gallery Victoria University of Wellington**

1. **Different methods in segmenting its market**

* First establish overall strategy and objective: Attract more foot traffic but maintain cultural integrity
* Outlined in case study staff, student local community, people interested invisual arts
* Advice:
  + Geographic
    - Local people, uni students
    - Art people from across the country
  + Demographic
    - Age young people/students interested in art
    - Older people interested in art
    - Other students in related areas such as media studies, film, environment
    - Social event for students with friends slightly interested in art
  + Psychographic
    - Lifestyle people who are adventurous, and looking to visit new places, could possibly online blogs, news post, city attractions
    - Self-values, potentially an artistic person with social media, takes photos of themselves within the gallery, create a social media account to exhibit and market the gallery
    - Self-concept ^^
  + Benefits
    - Environment, that is of a peaceful art mental reset, could be a stress relief place with more informative information about art
    - Convenience to all students on campus
  + Behavioural
    - Loyalty students
    - Occasion



* Demographic - Non art students in similar fields, media, film, environment, develop an appriecation for art
* Psychographic - Lifestyle people who are adventorous, and looking to visit new places, could possibly online blogs, news post, city attractions
  + Influencers with social media
  + Free marketing to bring even more influencers
  + Within demographic of millenials and instagram, facebook, snapchat, even tik tok influencers
* Targeting Strategies
  + Utilising potentially micromarketing with online targetting directly to these influencers within New Zealand or even globally (tourist influencers in New Zealand)
  + Concentrated targeting marketing but partnering with the media,film school and relevant societies to create art events or programs.
  + Concentrated targeting marketing: Blog posts, newsletters, community news, city attraction boards for psychographic lifestyle individuals/influencers looking for a city attraction spot



* Most likely influencers that create a flow on effect of attracting other influencers and other explorative individuals which generates appreciation for art. Will also further extend into other demographics due to nature of social media.
* To position itself in the target segment, Adam Art Gallery can use micromarketing and Concentrated targeting marketing: Blog posts, newsletters, community news, city attraction boards for psychographic lifestyle individuals/influencers looking for a city attraction spot