

POM

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1 Introduction to Marketing

What is marketing? Well, one can talk about this in various different way, but let's start with the word itself.

Market + ing

As the word implies, it can be seen as "doing the market", or, trying to be better with dealing markets. Therefore one can say that marketing is just

Any transaction between Producer and Consumer to Promote trading

That makes marketing to be seen as "Trading Obstacles Elimination" Therefore, making 4 possible following tasks

- Make product that consumer wants
- Make it noticeable by people
- Solve the possible causes that make buying difficult.
- Keep the continual trading relationship.

Overall, we want the management system to sustain these tasks

C. SWOT analysis

1. Basic Model

BCG Model

The Purpose of BCG matrix: Set the balance of Cash Flow.

hi. this is test.

yes.

THIS. IS.

- Column 2 content 1
- Column 2 content 2

.

Figure 1: test

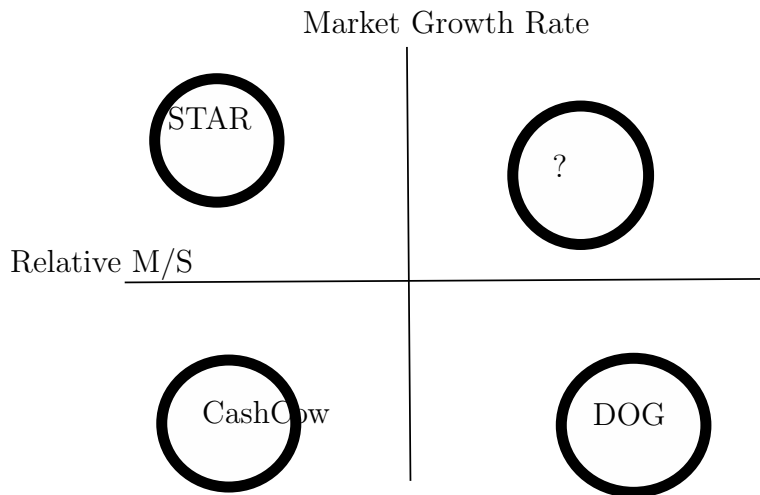


Figure 2: BCG

Problem of BCG Model

- Way too simple x, y cord.
 - Vague definition of market.
 - Vague borderline of MGR, H/L
 - Considers only present state.
 - Can be too drastic.
 - Don't consider any synergic possibilities.
- 1) X as "Position of competition" Y as "Attractiveness of Business"
 - 2) Define market within realm of SUB
 - 3) High - Medium - Low

2 Marketing research

2.1 Topics of Marketing research

1. Analyzing Situation step

- Changes in Inside, outside Environments
- strength, weakness of our, opponent companies
- catching opportunities/analyzing market character
- analyzing consumers

2. Collecting strategies step

- researching consumer's cognition
- market test (concept, elasticity of price, predict demand)
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3. Strategies acquiring step

- add tracking

- new product tracking (recognition, preference ...)
4. Evaluate step market share, mind share, brand equity, satisfaction
How do we get the data?
 1. Search for it (online, researches...)
 2. Make them!
 3. Buy them! (or let other make them)

2.2 Marketing research process

1. Decide whether we need to research
2. Specify why we need to research (What are you trying to get by this research?)
3. type of Constructions of research
4. Data Source (Do we make them? search for it? etc..)
5. How do we collect our data?
6. Extract samples and collect Data (what is our sample group? how? how many?)
7. Analysis of our data
8. Result and organize the product.

2.2.1 Type of research construction

1. Exploratory research
 - "Why do we lack net profit?"
 - "would single family's consuming mind different?"
2. Descriptive research (much more enumerative and analytical, more to correlational study)
 - "Is the reason of lack of net profit differ by different areas?"

- "Is the single family consumer sentiment differ by different age?"

3. Causal research (not much correlational, more causality research)

- "Is price discount better than quantity discount?"
- "Is minimalization better than advancing?"

2.2.2 Data source

1. Secondary Data

- Inside data (Business related data..)

2. Primary data

- survey, test
- observation, ...

3. New raw Data

- Purchase Data
- clickstream Data
- UCC, SNS Data
- Big data (3V's)

2.2.3 Example: Coke or Pepsi?

Pepsi Challenge

"New coke" blunder

Despite all the research, why did so many people hate New coke?

"are you sure that taste only comes with tongue?"

By doing fMRI study of brain, one can find out that while blind testing, VMPFC of brain was triggered, while drinking coke, DLPFC and Hippocampus was triggered.

2.2.4 Method of collecting Data

1. collecting Method
 - face-to-face/or not
 - mail, phone
 - online
 - mobile
2. Sampling
 - sampling frame
 - method of sampling (random sampling/easy sampling)
 - sampling size

3 Consumer Behavior Analysis

3.1 consumer behavior analysis tool

1. Understanding consumer
 - who?
 - what would they want?
 - How would they react?
 - why?
2. Decision making step
 1. facing the problem
 2. searching for information
 3. look for alternative
 4. Buying the product
 5. Action after buying product (usage and feedback)

who would face the problem? not exactly the one who uses. can be parent, related people... etc.. Who would search for alternative? Thus, above order can be done by all separate people. The 2. can be questioned by 1. therefore 20 questions can arise in total. However, the 1. can be much more descriptive.

Personal traits can be influential to Decision steps. This can be,

- Memory
- attitude.
- etc...

3.2 Consumer behavior's general characteristic

However, every consumer is human, therefore behaves in very "generalizable" way. It is natural to think that people behave in calculative, rational way. But this turned out to be very wrong.

1. Decision making method routinized
 - Extensive problem solving (Searching for all possible solution)
 - Limited problem solving
 - Routinized behavior
2. Behaviors within relationships(Between other objective beings)
 - Reference group influence (e.g. by pressure, I'm now fine with alcohol)
 - Trickle down Effect There are differences between social hierarchy within behavior of consumers. So called "lower class" tends to follow "higher class"
 - Social modeling (People tends to follow other people in general. especially who they admire) Why is it that, despite not believing the model is only working for "money", the influence is still there. This works for other examples not bounded by human models.



Figure 3: Wine bottle with image of Picasso sells dramatically

3. Expected Irrationality (We are very irrational indeed, but we are irrational in very rational way. Therefore, pre-calculatable)
 - Heuristics and biases
 - Emotional decisions
 - Non conscious behaviors

How many of us make un-rational decisions? about 80%, says our professor.