

My notes^a for the "Introduction to Marketing" course by the Wharton School, hosted by Coursera. It teaches 3 core topics in Customer Loyalty: Branding, Customer Centricity, and Practical Strategies. Sections are Weeks, subsections are videos (1.1: Week1 Video1); questions and italics are my thoughts. All product names, logos, and brands are property of their respective owners. - *Jugurtha Hadjar*

^aDocument generated using a L^AT_EXtemplate found on <http://j.mp/texttemplate>. My gratitude goes to OP and members.

1 Week One

1.1 Marketing 101 - Building Strong Brands I

What's marketing?

Marketing is the studies of a market.
A market is an exchange between two partners.

Some examples of Marketing types?

Marketing's meaning differs in fct of market aspect and the type of exchange. Ex: Buyer's/Seller's market.

- Product-focused marketing: Build it and they'll come.
- Customer-focused: Build what they're looking for.

Inside out or outside in.

1.2 Marketing 101 - Building Strong Brands II:

What are the n Principles of Marketing?

3 Principles of Marketing

1. Customer Value
2. Differentiation
3. Segmentation, Targeting, and Positioning

In a Customer-focused market, you can't sell to everyone and still make money. Must segment.

What are the tools used to deliver the n Principles called?

4 P's of Marketing^a

- Product: What the seller puts down
- Place: Where the exchange occurs
- Promotion: How seller tells benefits to buyer
- Price: What the buyer puts

^aN.B. 7P's in Services: Physical Evidence, People, Process

1.3 Strategic Marketing

What are the assumptions we made in this course?

Market-Driven Principles / Assumptions:

- Know Your Markets (customers' needs, competitors)
- Customers Have the Final Say:
 - ★ Too much information to possibly consider all.
 - ★ They chunk them into three bundles:
 - Operations factors (price, delivery, service)
 - Product features/design/tech/innovation.
 - Does it meet MY needs?

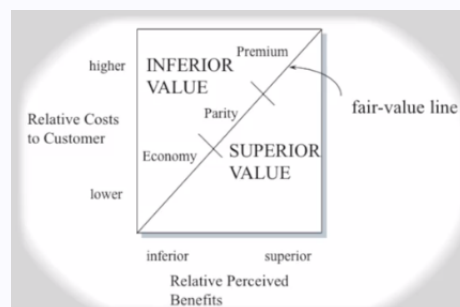
They give each one a score, decide which one is the most important for them, then will go for the product that scores the best on that very dimension and scores good enough on the other two.

- Commit to being first in the markets you serve:

if you believe second assumption and want to be the first/leader in the market you serve, you better be the best at something, and good enough at the other two.

What is the Value Map?
Can you give some examples?

Value Map - Concept of Fair Value



Can you explain the strategies we use to gain leadership? What are the dashes? Static or dynamic?

Strategies for Leadership - Framework



1.4 Segmentation and Targeting

What is Market Segmentation?

Process of dividing a market into distinct subsets to be targeted with the proper marketing mix (4P's).

What is the STP Framework and how does it work?

STP Framework

Critical for Brand Positioning (this course).
Iterative Process.

- Segmentation

Identify variables that allow one to segment the market. (feature selection)

- Targeting

Evaluate the attractiveness of each segment and choose one to target.

- Positioning

Identify positioning concepts for each target segment. Select the best. Communicate it.

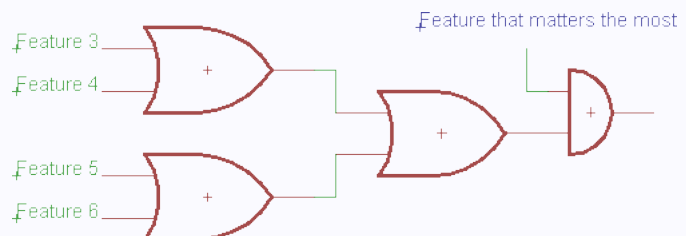
- Averages don't play against you, but don't play for you that much either. Necessary but not sufficient.

- ★ Don't be lukewarm tea, you will be too cold for those who love it hot and too hot for those who love it iced.

- ★ *Average is seldom remarkable, memorable, targetable.*

- ★ *Life's too short to be spot on top of a Gaussian distribution.*

- It takes a customer's *OMG* seeing the feature that matters to them **the most** to trigger a buy.



Why is Segmentation so important?

How would someone go about segmenting a market? How would you?

Segmentation Methods

A whole lot of them. Example:

- Customer characteristics (demographics)
- Benefits sought
- Behavioral (channel, cycle, etc.)
- **Cohort Analysis**
 - ★ The feature is your *life experiences*
 - ★ Depression, WWII, Post-War, Boomers I, Boomers II, Gen X, Gen Y.
- **Geographic Segmentation**
 - ★ Regional: Similar people tend to live in the same neighborhoods.
 - ★ ZIP Clustering: Similar neighborhoods across the country. PRIZM
 - ★ Geography might even affect online behavior.

What are the criteria for Segment Selection?

Segment Selection Criteria

- Determine the Segment Attractiveness.
 - ★ Value
 - ★ Growth
 - ★ Size
 - ★ Stability
- What is our capability to deliver to that segment?
 - ★ Current company position within segment?
 - ★ Ease of entry into segment?
- What about the competition?
 - ★ Ease of competitive entry into segment (cf. Michael E. Porter).
 - ★ Number and strength of competitors

How to select a Target Segment and how do we know we hit it?

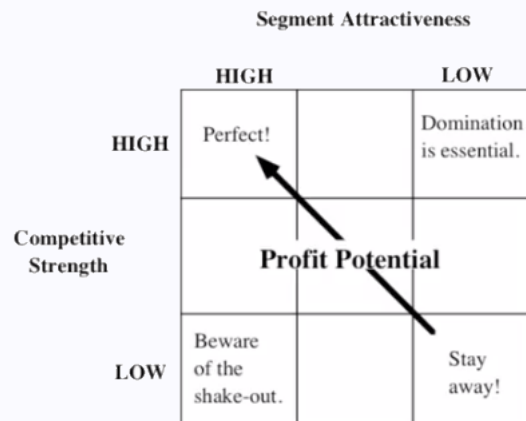
Select a Target Segment

- Balancing Segment Attractiveness & our capability: Can we handle that? Can we deliver?

Once we go through with it, scrutinize: Are the actual buyers the targeted segment or someone else?

Furthermore, are they buying the product for its intended purpose or did our product find another use (Vibrator, Mac Mini, etc.)? For whom? Segment discovery.

What does this Targeting Matrix mean?



Maybe use a Karnaugh map with additional variables

1.5 Brand Positioning

What does a brand mean from different vantage points?

- Formally: A proprietary trademark for something specific.
- Conceptually: A moral contract. A promise to deliver in a certain expected way.
- Today: A different beast
 - ★ "A brand is no longer what we tell consumers it is - it is what consumers tell each other it is." - Scott D. Cook, P&G.
 - ★ "It's not about telling and selling. It's about bring a relationship mind-set to everything we do." [sic] - Jim Stengel, P&G.
 - ★ *Vector sum of what the company and customer think the brand is. If too weak in a plane, push on another one. Still changes the sum. Sailing into the wind.*

What's a Positioning Statement? What parts constitute it?

Example:

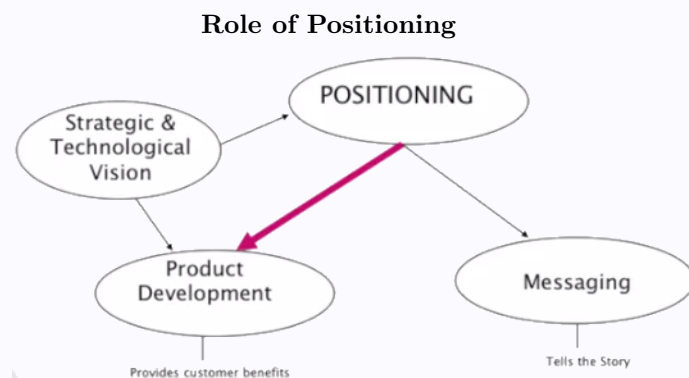
"Apple Computers offers the best personal computing experience[Frame of Reference] to students, educators, creative professionals[Target Segment] and consumers around the world through its innovative[Point of Difference] hardware, software and internet offerings."

- Target Segment: Must be clearly defined even if they're not the only ones using it or you intend to sell it to others (*Marriage vows*).

What are some important things to have in mind when thinking about positioning?

- A Positioning Statement defines the Value Proposition of the product to the target market.
 - ★ Target Segment (For whom?)
 - ★ Point of Difference (Reason to buy?)
 - ★ Points of Parity (Frame of Reference)
- Implemented through all elements of the marketing mix (P's).
- Unique Selling Proposition (USP): Focus
- Defensible position (difficultly replaceable, copyable).
- *Don't be Prestige Worldwide: Entertainment, Financial Portfolios, Black leather gloves, Computers.*

How are Positioning and Messaging different?



- Positioning dictates products to be developed.
- Strategic, unlike Messaging which is Tactical.

What is a Point of Parity? How are Category PoP & Competitive PoP tied to the Frame of Reference? If adding Fluoride is a PoD and others doing so is a Competitive PoP that makes "contains Fluoride" a Category PoP, does this make the lack of it enough to exclude a toothpaste from the FoR? Is a toothpaste without it still one? Turn it into a PoD? "Rustic mountain cabin w/o gas/elec". Does citing the common make it uncommon? *Contains "Fluorine Anions" vs. Fluoride*

Point of Parity

- Part of Positioning Statement but it's associations not unique to the brand, i.e. shared with others.
- Category PoP: Things necessary for the category to belong in a Frame of Reference.. Necessary to be considered credible (or at all) by consumers.

Ex: Grocery store without milk?

Kiosks that don't sell tobacco/newspapers piss people off. The association is so strong that a kiosk is simply called "Tabacs-Journaux" or "Bureau de tabac". This is similar to Italy's "Sale e Tabacchi".

- Competitive PoP: Designed to negate competitors' Point of Difference. *Setting a new baseline. pH = 7 Like Tetris, adding pieces to make others disappear.*

What is a Point of Difference? Isn't that a USP? What makes them apart? Can we use one as the other, either as is or after transformation?

Point of Difference

- Strong, favorable, unique brand associations.
- Similar to Unique Selling Proposition (*I actually wrote USP before the second point*)
- Sustainable Competitive Advantage (SCA)

You want to last long. (*cf. Peter Thiel's "Competition is for Losers" and "Last Mover Advantage"*)

• PoD Criteria

- ★ Desirability
 - ▷ Relevance (Do they care about that?)
 - ▷ Distinctiveness
- ★ Can you hack it?
 - ▷ Feasibility
 - ▷ Communicability (Evidence to show)
 - ▷ Sustainability (Consistent).

1.6 Brand Mantra - The Elevator Speech

Can you explain the preliminary process of finding a Brand's Mantra?

Can be as few as 3 words but we want the right ones.

- Customers' feelings and thoughts about the brand
 - ★ What is the brand anchored to? What does it evoke? *Rorschach for Branding*
 - ★ *What does Proust make of the madeleine?*
 - ★ *Transfer Function from Impulse Response (δ)*
 - ★ *If Mantra is an object neither we nor the customers can explicitly name, our questions are probing light beams to identify the object from the shadows their answers are.*
- Associations & branches are grouped into categories
 - ★ Mental map (Semantic Associative Network)
 - ★ *Zenmap's Topology tab. Connections, nodes, hops, traceroutes, open ports, services.*
 - ★ Do this with several customers and stages.
- Finding Core Brand Values
 - ★ Mental Map's most important set of concepts
 - ★ Chunk down: Map \rightarrow Core Values \rightarrow Mantra
 - ★ Laser focus. Essence. Key concepts. Brand's DNA. Heart and soul. No one would doubt it.

Designing the Brand Mantra

- Parts of a Mantra
 - ★ Brand Function
Describes the product/service or type of experience and/or benefits the brand delivers.
 - ★ Descriptive Modifier
Further clarifies its nature.
 - ★ Emotional Modifier
How exactly does the brand provide the benefits?
- Used internally to guide decisions
 - ★ What the brand is and what it's not
 - ★ *The Company's Polar Star. Easily visible to everyone to check if the work they're doing is in its direction.*
- Design Considerations
 - ★ Communicate
 - ▷ Define the business and boundaries.
 - ▷ Clarify what is unique about the brand.
 - ▷ Simplify: memorable, short, vivid, crisp.
 - ▷ Inspire: Have higher level meaning from employees/customers.

How's the Brand Mantra designed? What are the requirements?

| | Emotional | Descriptive | Functional |
|------------|------------------|--------------------|-------------------|
| Nike | Authentic | Athletic | Performance |
| Disney | Fun | Family | Entertainment |
| McDonald's | Fun | Family | Food |

1.7 Experiential Branding