

Intro to Marketing

UCSD MGTA 451-Marketing

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2-day Agenda

- Marketing
- Causality & Advertising
- Marketing Analytics Article Video Assignment
- Marketing Analytics Article Videos & Discussion
- (if time) Online Gambling Research



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top 5 most common misconceptions about the word marketing?



Here are the top 5 most common misconceptions about the word "marketing":

1. **Marketing Equals Advertising:** Many people think marketing is just about advertising. In reality, advertising is just one component of marketing, which also includes market research, product development, pricing, distribution, and customer service.
2. **Marketing is Manipulative:** Some believe marketing is solely about manipulating people into buying things they don't need. While unethical practices do exist, effective marketing aims to meet genuine customer needs and build long-term relationships.
3. **Marketing is Only for Large Companies:** There's a misconception that only big businesses need marketing. In truth, marketing is crucial for businesses of all sizes to reach their target audience and grow.
4. **Marketing is All About Creativity:** Many think marketing is only about creative activities like designing ads and creating content. However, marketing is also highly analytical, involving data analysis, strategy, and understanding consumer behavior.
5. **Marketing Produces Immediate Results:** Some people expect marketing efforts to yield instant results. Effective marketing often requires time to build brand awareness, trust, and customer loyalty, leading to long-term success.

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I have mechanical question. What's the best way to remove a data connector from a pistachio?



To remove a data connector from a pistachio, follow these steps:

1. **Turn off Power:** Ensure that all power sources are disconnected to prevent any electrical hazards.
2. **Identify the Connector:** Locate the data connector on the pistachio. It is usually attached via a plug or socket mechanism.
3. **Check for Locks:** Some connectors have locking mechanisms. Inspect for any clips, levers, or screws that may need to be released.
4. **Use Proper Tools:** Depending on the connector type, you may need a small screwdriver or a pair of tweezers. Avoid using excessive force.
5. **Gently Disconnect:** Carefully wiggle the connector to loosen it and then pull it straight out. Do not twist or bend it as this may damage the connector or the pistachio.
6. **Inspect for Damage:** Once removed, check both the connector and the pistachio for any signs of damage or debris that may need to be cleaned.



“Make something people want.”



"This is probably the thing we see wrong with Y Combinator apps most frequently, is that people have not thought about the market first, and what people want first."

Harvard Business Review

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Entrepreneurial Management

Why Start-ups Fail

It's not always the horse or the jockey. by Tom Eisenmann

From the Magazine (May–June 2021)

Before entrepreneurs begin to build a product, lean start-up guru Steve Blank insists, they must complete a phase called “customer discovery”—a round of interviews with prospective customers. (See “[Why the Lean Start-up Changes Everything](#),” HBR, May 2013.) Those interviews probe for **strong, unmet customer needs—problems worth pursuing**. In Nagaraj’s postmortem analysis of Triangulate’s failure, he acknowledged skipping this crucial step. He and his team failed to conduct up-front research to validate the demand for a matching engine or the appeal of the wingman concept. Nor did they conduct MVP tests akin to Quincy’s trunk shows. Instead they rushed to launch Wings as a fully functional product.

Why do founders like Nagaraj skip up-front customer research? Entrepreneurs have a bias for action; they’re eager to get started. And engineers love to build things. So entrepreneurs who are engineers—like Nagaraj and his teammates—often jump into creating the first version of their product as fast as they can. Furthermore, at the risk of stereotyping, I’d offer that **many engineers are simply too introverted to follow Blank’s advice and get out of the building to learn from prospective customers.**

What do marketers do?

•••

- Understand consumer needs and perceptions, and how they differ
- Decide whom to target, which needs to address
- Develop a sustainable competitive value proposition
- Offer value ...that the consumer can find
 - ...that the consumer can understand
 - ...that the consumer will choose
 - ...priced appropriately for everybody
(consumer, marketer, retailers, distributors)

Why? Long-term profits



FINANCIAL TIMES

Google and Meta struck secret ads deal to target teenagers

Campaign on YouTube to boost Instagram's appeal to young people skirted search group's rules for marketing to under-18s

According to documents seen by the Financial Times and people familiar with the matter, [Google](#) worked on a marketing project for [Meta](#) that was designed to target 13- to 17-year-old YouTube users with adverts that promoted its rival's photo and video app.

The Instagram campaign deliberately targeted a group of users labelled as "unknown" in its advertising system, which Google knew skewed towards under-18s, these people said. Meanwhile, documents seen by the FT suggest steps were taken to ensure the true intent of the campaign was disguised.

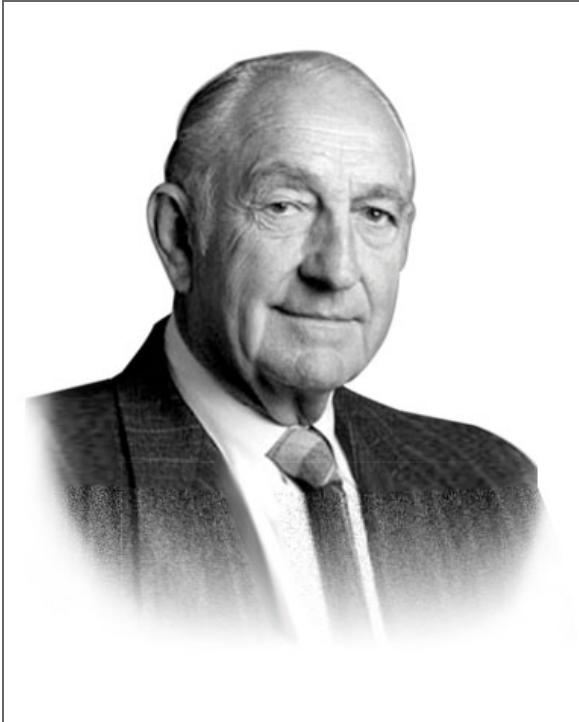
The project disregarded Google's rules that prohibit personalising and targeting ads to under-18s, including serving ads based on demographics. It also has policies against the circumvention of its own guidelines, or "proxy targeting".

When contacted by the FT, Google initiated an investigation into the allegations. The project has now been cancelled, a person familiar with the decision said.

Google said: "We prohibit ads being personalised to people under-18, period. These policies go well beyond what is required and are supported by technical safeguards. We've confirmed that these safeguards worked properly here" because no registered YouTube users known to be under 18 were directly targeted by the company.

However, Google did not deny using the "unknown" loophole, adding: "We'll also be taking additional action to reinforce with sales representatives that they must not help advertisers or agencies run campaigns attempting to work around our policies."

“Marketing is too important to be left to the marketing people.”



The CMO Survey Topline Report – Spring 2024, p. 36

**Topic 7: Marketing Leadership****What is marketing primarily responsible for in your company?**

	Number	Percent	95% CI
Brand	191	87.2 %	± 4.5 %
Digital marketing	191	87.2 %	± 4.5 %
Advertising	182	83.1 %	± 5.0 %
Social media	180	82.2 %	± 5.1 %
Marketing analytics	167	76.3 %	± 5.7 %
Lead generation	155	70.8 %	± 6.1 %
Marketing research	154	70.3 %	± 6.1 %
Promotion	152	69.4 %	± 6.2 %
Positioning	145	66.2 %	± 6.3 %
Marketing technology	144	65.8 %	± 6.3 %
Public relations	132	60.3 %	± 6.5 %
Customer insight	120	54.8 %	± 6.6 %
Competitive intelligence	103	47.0 %	± 6.7 %
Customer experience	96	43.8 %	± 6.6 %
Revenue growth	90	41.1 %	± 6.6 %
Customer relationship management	79	36.1 %	± 6.4 %
Market entry strategies	75	34.2 %	± 6.3 %
e-commerce	70	32.0 %	± 6.2 %
New products or new services	68	31.1 %	± 6.2 %
Innovation	62	28.3 %	± 6.0 %
Pricing	55	25.1 %	± 5.8 %
Sales	53	24.2 %	± 5.7 %
Market selection	52	23.7 %	± 5.7 %
Talent acquisition and retention	42	19.2 %	± 5.3 %
Privacy	25	11.4 %	± 4.2 %
Customer service	21	9.6 %	± 3.9 %
Sustainability	20	9.1 %	± 3.8 %
Distribution	9	4.1 %	± 2.7 %
Stock market performance	3	1.4 %	± 1.6 %
Total	2836		

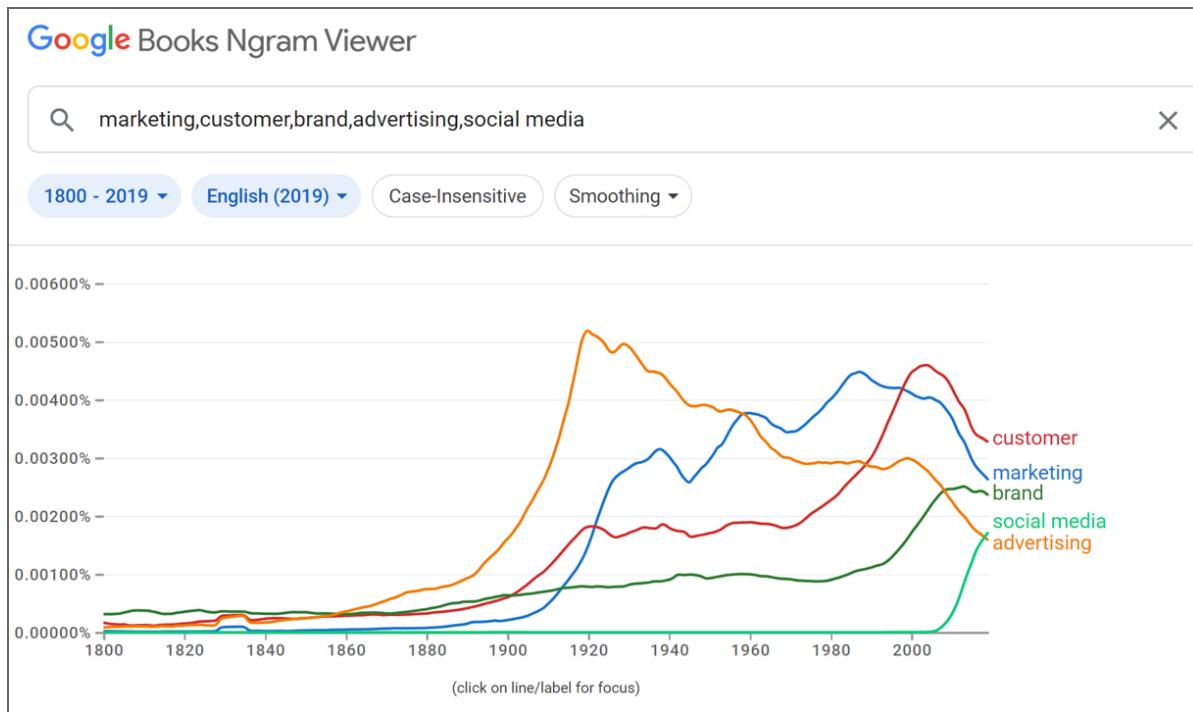
Number of Cases = 219

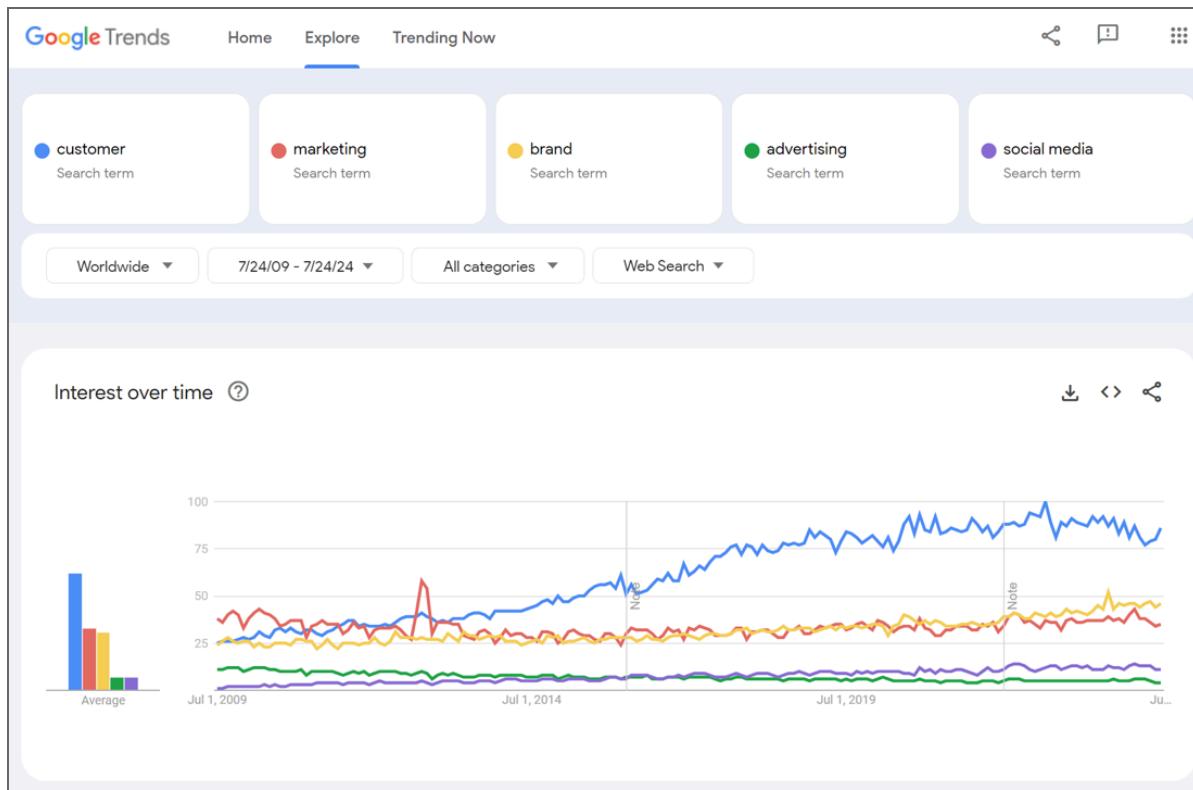
Number of Responses = 2836

Average Number of Responses per Case = 12.9

Number of Cases with at least one Response = 219

Response Percent = 100.0 %





Traditional Marketing Frameworks: Mainly Vibes

- Situation analysis: 3/4/5 C's
 - Customer Competitor Company / Context / Collaborators
- Strategic decisions: STP
 - Segmentation Targeting Positioning
- Tactical decisions: 4/.../10 P's, AKA the “Marketing Mix”
 - Product Price Place Promotion
- Brand equity
 - Brand awareness Brand associations Perceived quality Brand loyalty

Modern Marketing Frameworks: Mostly Empirical

- Purchase funnel AKA Customer journey
 - Attention Interest Desire Conviction Action Satisfaction
 - Visit Consider Purchase Retention Advocacy
- Customer lifetime value
 - Acquisition Retention Monetization Referral Divestiture
- Marketing mix modeling
 - Regression analysis to estimate marketing mix effects on sales
- Heterogeneity, Targeting & Personalization
 - Experience, needs, perceptions, wtp, purchases, recommendations, reviews

DECODER

Netflix's Greg Peters on a new culture memo and where ads, AI, and games fit in

The co-CEO who replaced co-founder Reed Hastings details the company's new culture memo, its ad ambitions, and what's next for Netflix.

An important component of what makes the user experience is all the things that then populate those pixels. How do we think about title recommendations? How do we present titles and use assets in different ways that make it more compelling for different users around the world? Because you and I might both be interested in season 3 of *Bridgerton* and be super excited about watching it, but we might be interested in it for different reasons, and our ability to communicate those differences effectively is super important to unlocking the value of that incredible storytelling. That's harder to copy. I'd say no one's done as good a job as we've done with it. Some folks are not even personalizing, which is remarkable to me at this point in time.

Who's not personalizing?

Well, I'll let you do your research.

I've heard some rumors. I'm wondering if you want to say it out loud.

No, it's what you'd expect, which is the more traditional media folks are slower to that process. That's a strength that we can bring that they don't necessarily have the same fluency of accessing. But then, on the flip side, you've got incredible tech companies that live, eat, breathe personalization, but then the quality of their content offering is not the same and their ability to produce amazing shows at scale around the world is something that they just don't have. We see both sides, and really, the magic for us is bringing those two things together in a way that magnifies them.

Customer Insights

- Market research

- Interviews Focus groups Surveys Experiments Observations

- Conjoint analysis

- Stated-preference data trading off attributes, price
- Quantifies how potential attributes affect demand and profits
- Can predict competitor response and proactive strategy
- Multiple limitations, but powerful and popular

- Net Promoter Score, Reviews

- NPS: "How likely are you to recommend this product to a friend?"
- Simplistic but powerful indicator of customer satisfaction
- Helps to identify most & least important aspects of value proposition, pain points, misunderstandings, segmentation, opportunities to improve
 - Reviews are super important, but also : truncated distribution, non-representative, fake-able

“Our core business is connected with the customers’ needs and we will not be able to satisfy them if we won’t have a deep sense of empathy.”



Sales

- Sales is widespread in B2B industries
- Salespeople offer customer needs discovery, relationships & trust, product customization, risk mitigation & service, education, negotiation, even customer agency
- Marketing dept usually generates leads, then constrains & supports sales
- How do marketing and sales usually interact?
- What role do analytics play in sales?

No advertising or sales can fix a broken value proposition, misunderstanding of consumer needs, unsustainable competitive position, absence of customer trust

- That's why start with the customer first, then monitor and test our understanding as things evolve

Advertising & sales can help to achieve a marketing strategy

- Without a strategy, we're shooting in the dark, likely wasting money

A “marketing strategy” is an understanding of the market’s heterogeneous customer needs, perceptions and behaviors; and a sustainable value proposition vs. competitors

Takeaways

- Customers keep the lights on
 - Customers only buy if they understand how the product will reliably meet their needs
- Marketing is about understanding and profitably meeting customer needs to maximize long-run profits
 - Ads and sales require a compelling value proposition to be profitable
- Long-term focus aligns customer and company interests, sidesteps most ethical problems
 - We have to genuinely serve our target customers

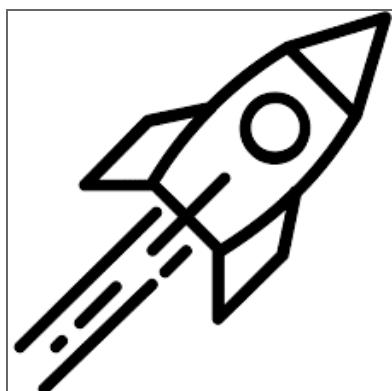


Going deeper

- Decoupling by Teixeira is great
- Kotler & Keller is the comprehensive repository (doorstop)
- Google, Meta, Shopify offer free courses

- Generally good content, but always remember these are motivated actors. The classes are free for a reason & some important topics will be excluded

- Seth Godin is breezy, motivational and directionally right
- How to be good at marketing by yours truly



SOURCE can be unprofitable if you account for legal costs