

Intro to Marketing

UCSD MGTA 451-Marketing

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Agenda

Day 1: Intro to Marketing, Quiz 1, Customer Interview Exercise

Day 2: Causality & Advertising, Quiz 2, MMM Exercise



ChatGPT 5 Pro ▾

↑ Sh

top 5 most common misconceptions about the word marketing? please be concise

Request for GPT-5 Pro

Reasoned for 3m 14s

Top 5 misconceptions about “marketing” (and the fixes)

1. **“Marketing = advertising.”** Advertising is one promotional tool; marketing spans creating, communicating, delivering, and exchanging value across the 4Ps (product, price, place, promotion). American Marketing Association +1
2. **“Marketing = selling/persuasion.”** Modern marketing starts with customer needs and defining the business by the value it creates—Levitt’s “Marketing Myopia” critique.

Harvard Business ReviewAmerican Marketing Association

3. **“Marketing is the marketing department’s job.”** A market orientation is *organization-wide* generation, dissemination, and responsiveness to market intelligence. Duke People JSTOR

4. **“Marketing is mainly about acquisition.”** Retention and CLV are core: loyalty shifts profits materially; valuing customers links retention to firm value. Harvard Business Review

Columbia Business School

5. **“Marketing is only for consumer goods/for-profits.”** The concept applies to nonprofits, governments, B2B, and society at large. JSTOR American Marketing Association



Definition of Marketing

Marketing is 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.

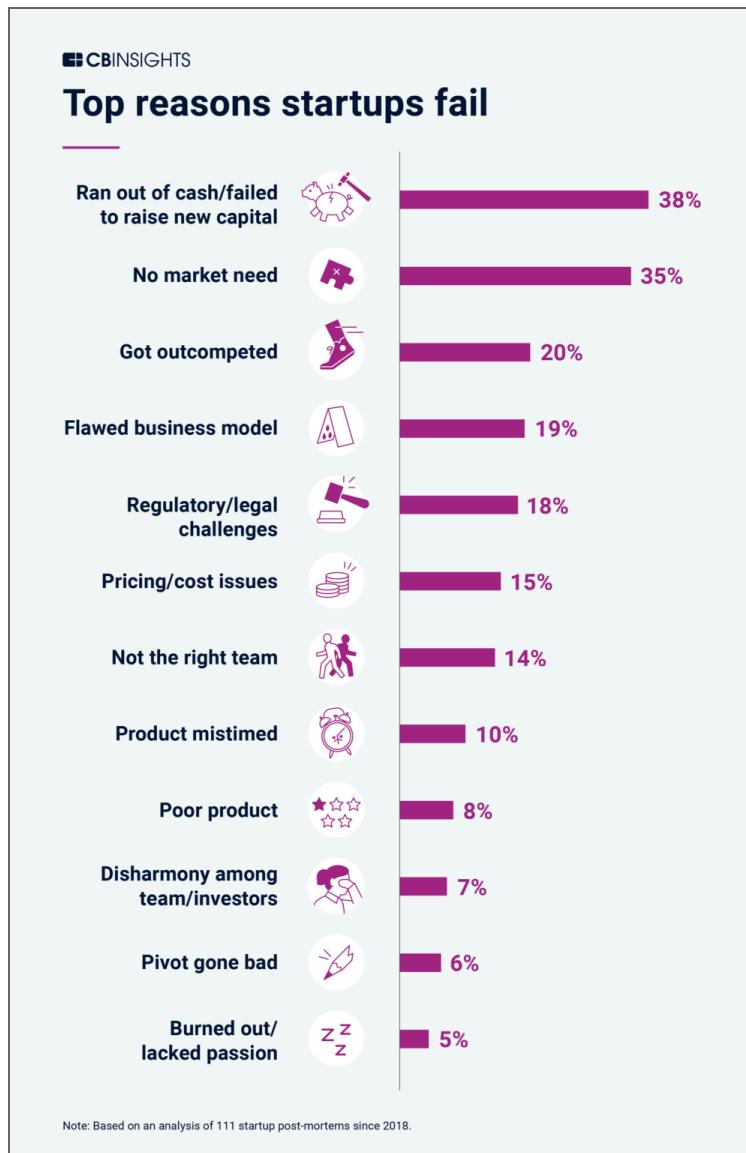


“Make something people want.”



"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."

customers



Customer Value: Challenges

- Customers often don't know CV (not their job)
- CV often confounded with attitudes, beliefs, limited information
- CV is always subjective, often malleable & socially influenced
- CV measures are incomplete and biased (e.g., reviews)
- Easy to misinterpret available CV measures
- CV measurement is not always prioritized

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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)

The only respectable marketing objective: 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.

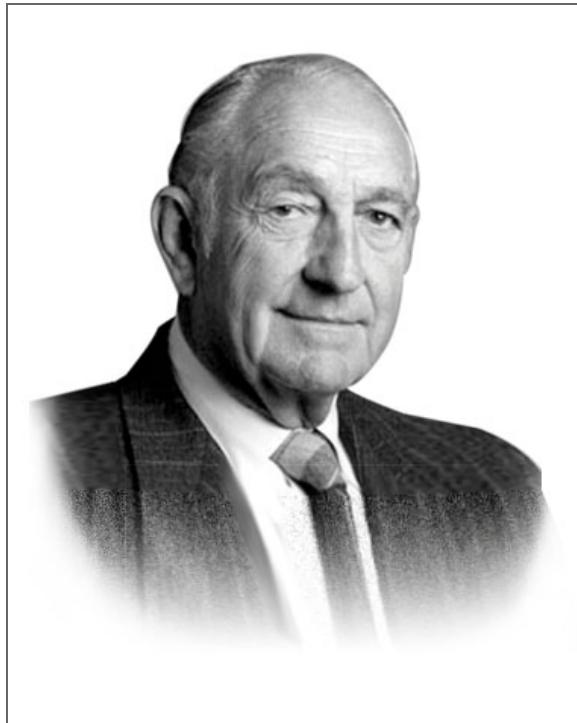
The project disregarded Google's rules that prohibit personalising and targeting ads to under-18s, including serving ads based on demographics. It also has policies against the circumvention of its own guidelines, or "proxy targeting".

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.”
-David Packard, HP



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

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 %

Traditional Marketing Frameworks: Mainly Vibes, but still Important

- 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

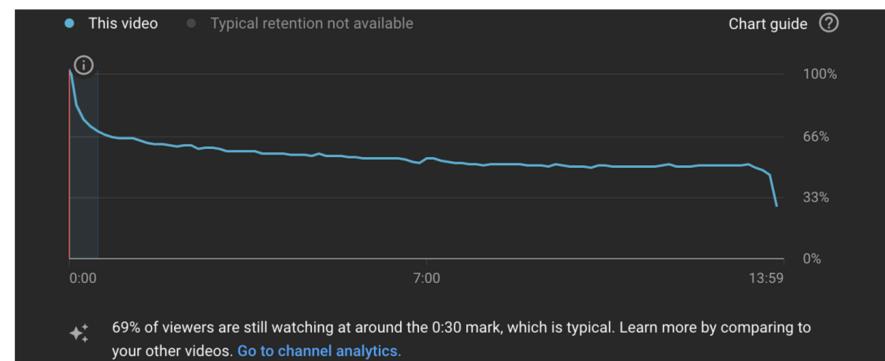
Modern Marketing Frameworks: Mostly Empirical

- Purchase funnel aka AIDA aka Customer journey
 - Attention, Interest, Desire, Conviction, Action, Satisfaction
 - Visit, Consider, Purchase, Retention, Advocacy
- Customer lifetime value
 - Acquisition, Retention, Loyalty, Development, Referrals
- Marketing mix modeling, AKA Media mix modeling
 - Regression analysis to estimate marketing mix effects on sales
 - Owned media, Earned Media, Paid Media
- Heterogeneity, Targeting & Personalization
 - Experience, needs, perceptions, wtp, purchases, recommendations, reviews

HOW TO SUCCEED IN MRBEAST PRODUCTION

I spent basically 5 years of my life locked in a room studying virality on Youtube. Some days me and some other nerds would spend 20 hours straight studying the most minor thing: like is there a correlation between better lighting at the start of the video and less viewer drop off (there is, have good lighting at the

what makes Youtube videos do well. The three metrics you guys need to care about is Click Thru Rate (CTR), Average View Duration (AVD), and Average View Percentage (AVP). Make sure you know those abbreviations because that's how most people will refer to them. Up first we'll talk about CTR. This is important no



See that blue line in the image above? That represents the attention span of the 60 million people that clicked on this video. It's crazy but we can see exactly when every single person who clicked on this video clicks off. As with almost every video on Youtube, the first minute has the most loss (go look). This is why we freak out so much about the first minute and go so above and beyond to

The last of the 3 trackable metrics that matters to virality is AVP and tbh this doesn't matter as much to you. Usually the length of the video will be decided by me or Tyler. I just need you to make people watch as long as possible.

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.

Personalization Profit Impact

Alibaba personalizes product recommendations based on demographics, past clicks, past purchases, etc.

AB test: Randomly turned off personalization for 555,800 visitors

- Goal was to predict restrictive privacy policy effects

Click-throughs fell 75%, visits fell 33%, gross spending fell 81%

- Helps explain why many businesses oppose data-privacy rules

Customer Insights

- Market research: Creates customer data
 - Interviews, Focus groups, Surveys, Experiments, Observations
- Conjoint analysis: Empirical decisionmaking framework
 - Generate 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 don’t have a deep sense of empathy.”



Sales

- Sales is the primary marketing channel in B2B

B2B marketing teams are smaller than B2C marketing teams

- Why do great salespeople earn so much money?

- profit impact is directly observable
- educate customers, negotiate, even act as customer agents
- enable customer needs discovery & product customization
- enable customer risk mitigation & service
- build relationships & trust, help generate and develop warm leads

- Marketing dept manages brand, sources and prioritizes leads, then supports & constrains sales
- How do marketing and sales usually interact?
 - What role do analytics play in sales?

Marketing truisms

Advertising & sales cannot fix a broken value proposition, misunderstanding of consumer needs, unsustainable competitive position, or absence of customer trust

Start with customer value first, then monitor and test as market evolves

Marketing strategy == sustainable value proposition vs. competitors based on the market's heterogeneous customer needs, perceptions and behaviors
Advertising & sales can implement a good strategy

- Without strategy, we're shooting in the dark, likely wasting money
- This is why marketing has to be more than just ads & sales

Takeaways

- Customers keep the lights on
 - The only 3 ways to generate revenue are to attract, retain and develop customers
- Great marketing creates customer value in order to maximize long-run profits
 - Ads and sales require a compelling strategy to avoid reducing profits
- Long-term focus aligns most customer and company interests, avoids ethical problems

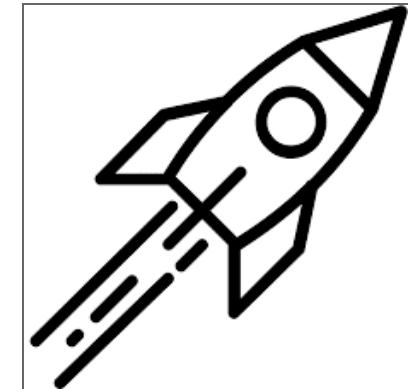


Going deeper

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

- Generally good content, but these classes are part of the ad seller's marketing funnel. Some important topics will be excluded

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



Exercise 1: Customer Interviews

You're going to conduct and write up your first customer interviews.

1. Choose any customer need that most Rady grad students experience. Pick a customer need that interests you, other than caffeinated beverages. [5 min]
2. Write a 4-question interview script to learn customer need, solution, experience and value. Customize the questions for your category. Write down what you expect to learn from each question. Submit on canvas (Ex 1A, 1 per team, 100 words max). [25 min]

*Sample: 1. Tell me about the last time you bought a **caffeinated beverage**.*

Why did you buy it? (Motivation, context) 2. Describe the purchase experience. (Place, consideration set, price) 3. Please describe the consumption experience. (Taste, effectiveness, etc <- CV) 4. Would you recommend it to a friend? Why or why not? (Satisfaction)

3. Each team member interviews a classmate in another group, and be interviewed by same classmate. [30 min]
4. Collate interviews, write up what you learned, and what surprised you. Submit on canvas (Ex 1B, 1 per team, 100 words max). [30 min]

LLM use encouraged. Time limits are strict. Debrief after.

Tips: Open-ended questions only. Listen actively. Ask “why.” Don’t “lead the witness.”

To develop skills, take MGT 470 Digital Disruption, 477R Consumer Behavior,
488R Applied Marketing Research, 495 Gen AI for Business
Keeping a customer is cheaper than finding a new customer

Always, establish meaningful connections with customers, which is profitable