

MMA 801

Introduction to Management

Session 4

- a) Finance Fundamentals Revisited
- b) Marketing Fundamentals
- c) Hello Fresh Case



Acknowledgement of Territory

Queen's University is situated on traditional Anishinaabe and Haudenosaunee Territory. To acknowledge this traditional territory is to recognize its longer history, one predating the establishment of the earliest European colonies. It is also to acknowledge this territory's significance for the Indigenous peoples who lived, and continue to live, upon it – people whose practices and spiritualities were tied to the land and continue to develop in relationship to the territory and its other inhabitants today.

The Kingston Indigenous community continues to reflect the area's Anishinaabek and Haudenosaunee roots. There is also a significant Métis community and there are First Peoples from other Nations across Turtle Island present here today.

Session 4 Outline

1. Lecture/discussion	
a) Finance fundamentals revisited	30 minutes
b) Marketing fundamentals	30 minutes
2. Exercise #3: Marketing fundamentals	
a) Breakout room activity	90 minutes
b) Presentations	30 minutes
3. Debrief	25 minutes
4. Preparation for session 3	5 minutes

What is 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.

Source: American Marketing Association

What Do We Know?

- Not all customers want the same **thing**, therefore the same product will not be equally attractive to all customers.
- This means that **"perfect fit"** products with some customers **will possess some level of gaps** (minor or significant) for others.
- This also means that your **sales potential and adoption costs will vary** across various customer segments.

Buyer Expectations

- They want to interact anywhere at any time.
- They are fine with interacting in new ways as long as the technology being employed creates more effective ways to create value for them.
- They expect that any data collected about them will be used to more precisely identify their needs, personalize their experience and improve their value equation.
- They expect all interactions to be seamless and easy.

So...

As solution suppliers, our problem is two-fold...

1. Since different customers want different things, **which customers want what?**
2. How can we **provide value**, which is determined to be **superior to our competitors**, and **preserve profitability** at the same time?

Do you have the "insight" to know the answers to these two questions?

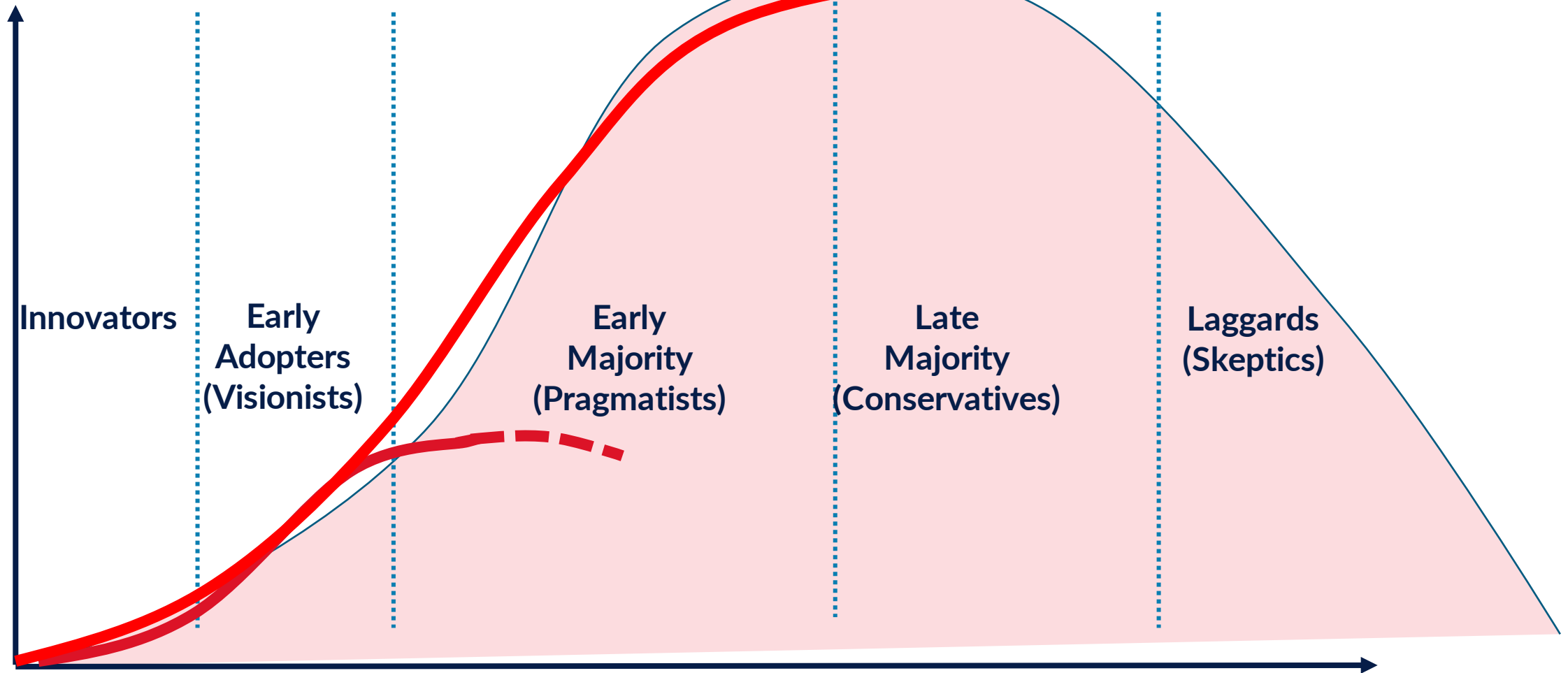
Purchase Criteria Mapping

Customer Profile

- How do purchasers make decisions?
- What situational factors affect their choices?
- What needs are they trying to meet and during what times?
- What is the relative importance of various product benefits and attributes in the purchase decision?
- What drives purchaser "switching" behaviour?

Adoption Curve – Assignment #1

8



Anticipated Demand Curve

Concerning Trajectory

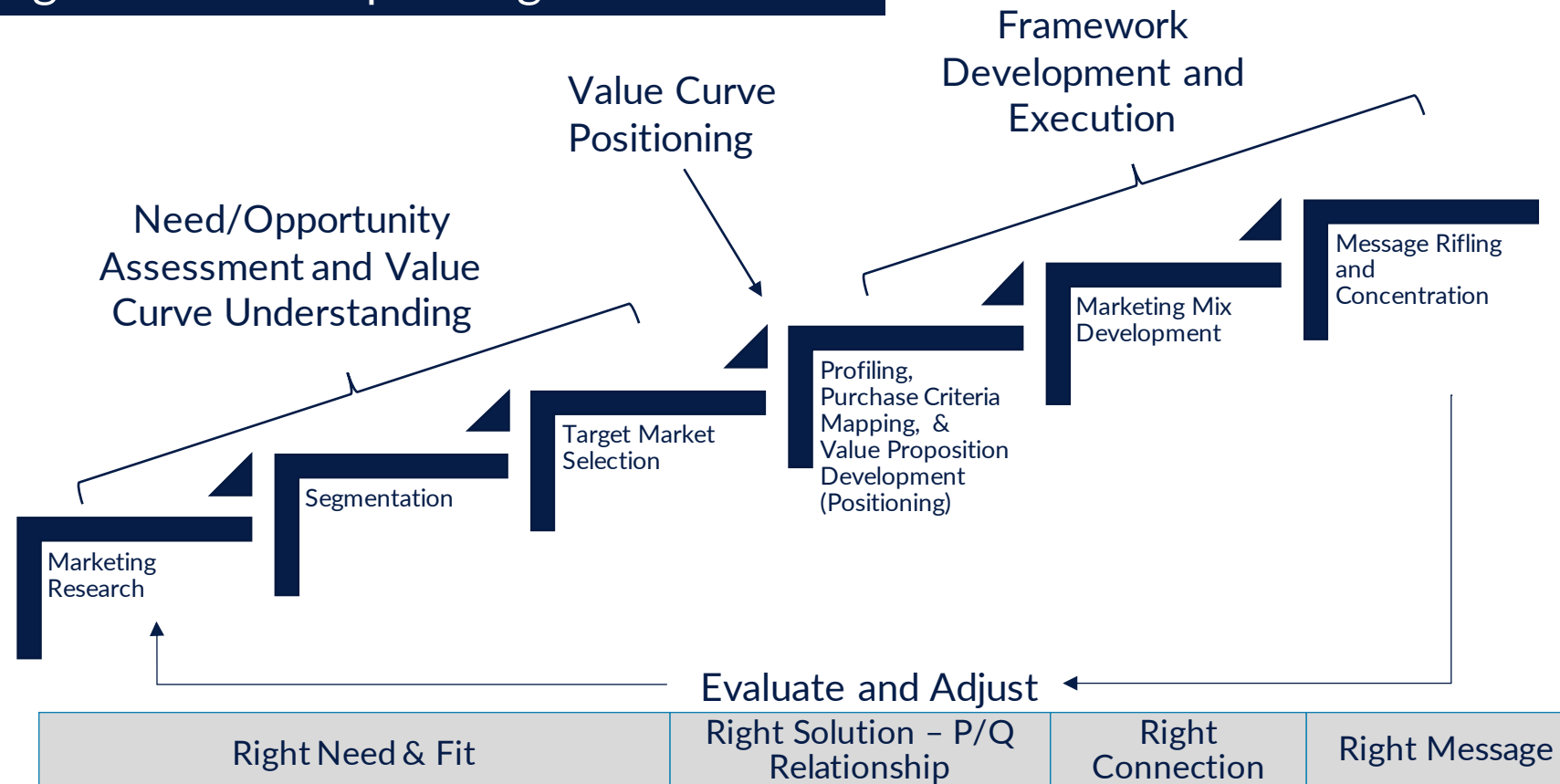
Market Size

Current Demand Curve

Repeat Purchases

Traditional Marketing Process

Marketing Process – Responding to the Problem



Privileged Insight – Analytics "Touch Points"?

Positioning

...perception/conclusion pertaining to your product/service offering as a unique/preferred solution to a customer need. *It is the valued place you want to own in the customer's mind.*

4 Key Questions

1. What purchase criteria do customers use in selecting a product/service supplier (value curve)?
2. What is the prioritization and relative weight of each of these criteria (key value curve component)?
3. How do we perform, relative to rivals, on the key criteria identified and valued?
4. What are the gaps between what targeted customers want and what we offer?

Is there an opportunity to disrupt?

Managing Value (BOS & ERRC)

RAISE

Which factors should be raised well above the industry standard?

ELIMINATE

Which factors that the industry has long competed on should be eliminated?

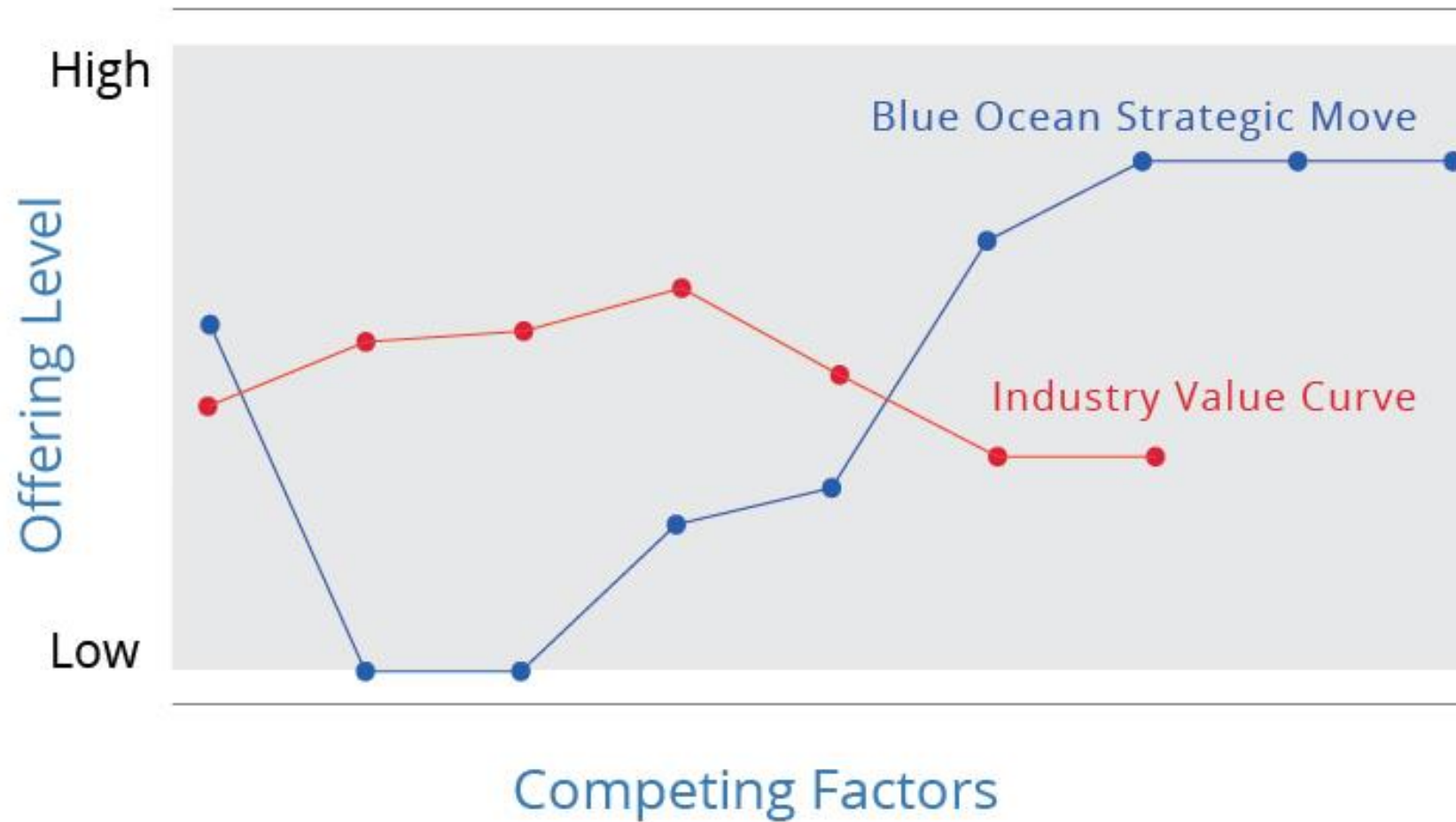
**NEW
VALUE
CURVE****CREATE**

Which factors should be created that the industry has never offered?

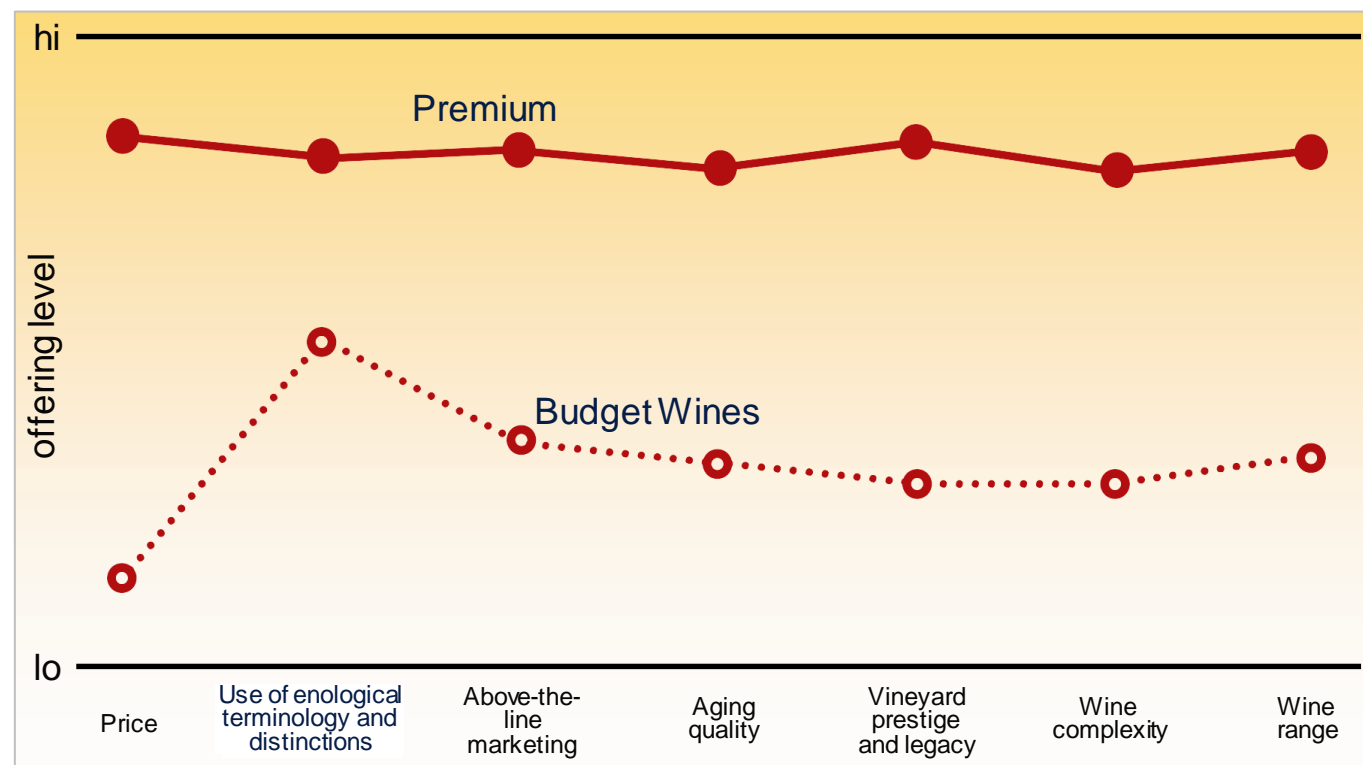
REDUCE

Which factors should be reduced well below the industry standard?

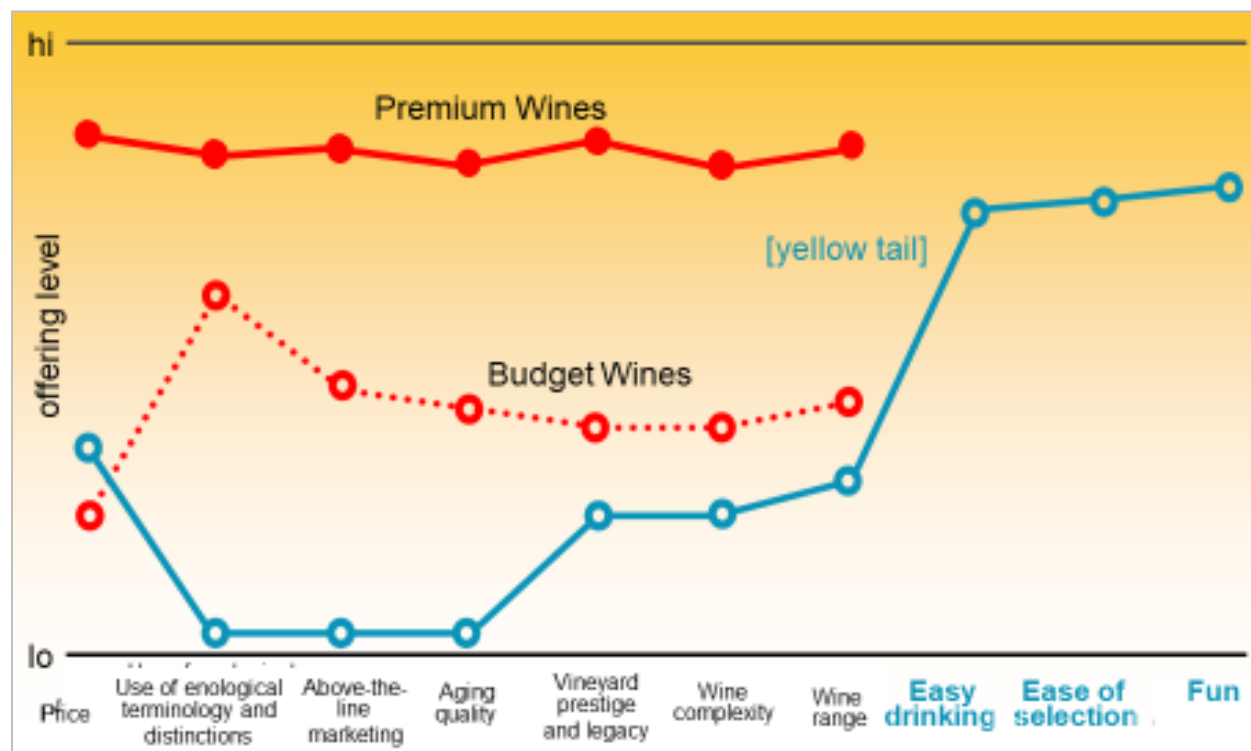
Strategy Canvas (Value Curve)



“As Is” Canvas for US Wine Industry

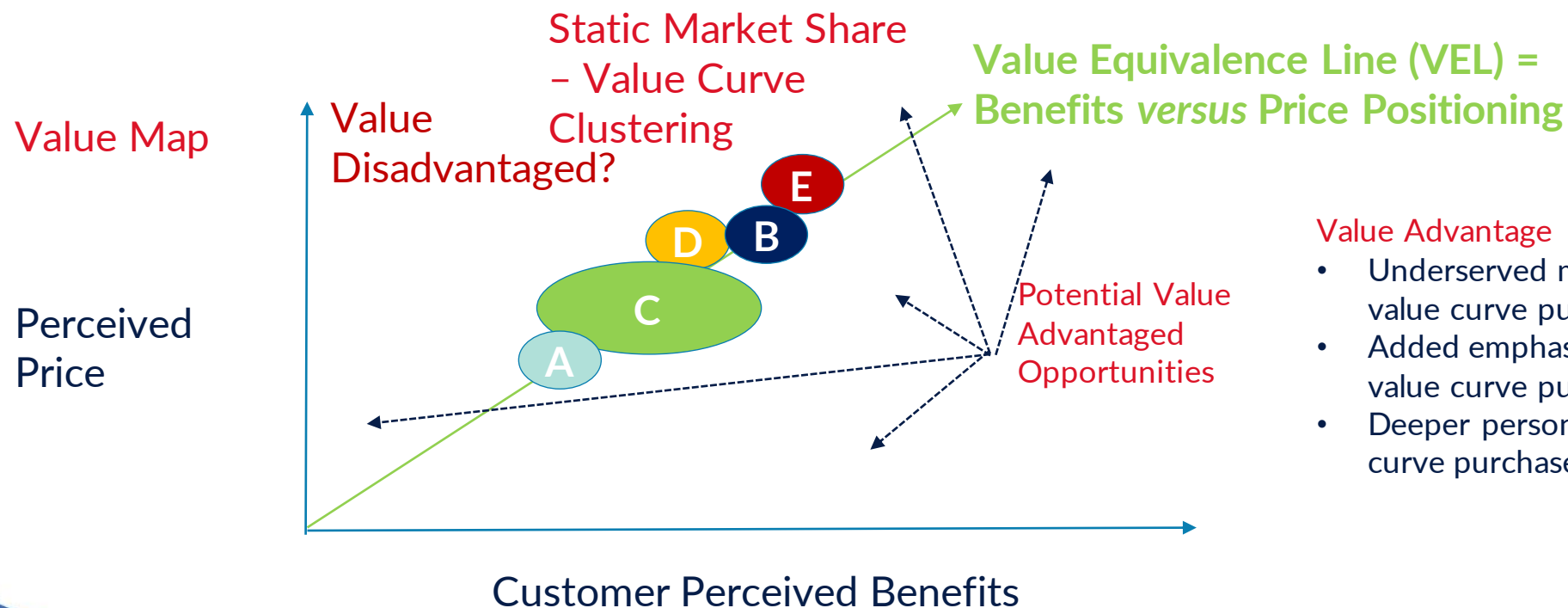


“To Be” Strategy Canvas for Yellow Tail



Managing Value

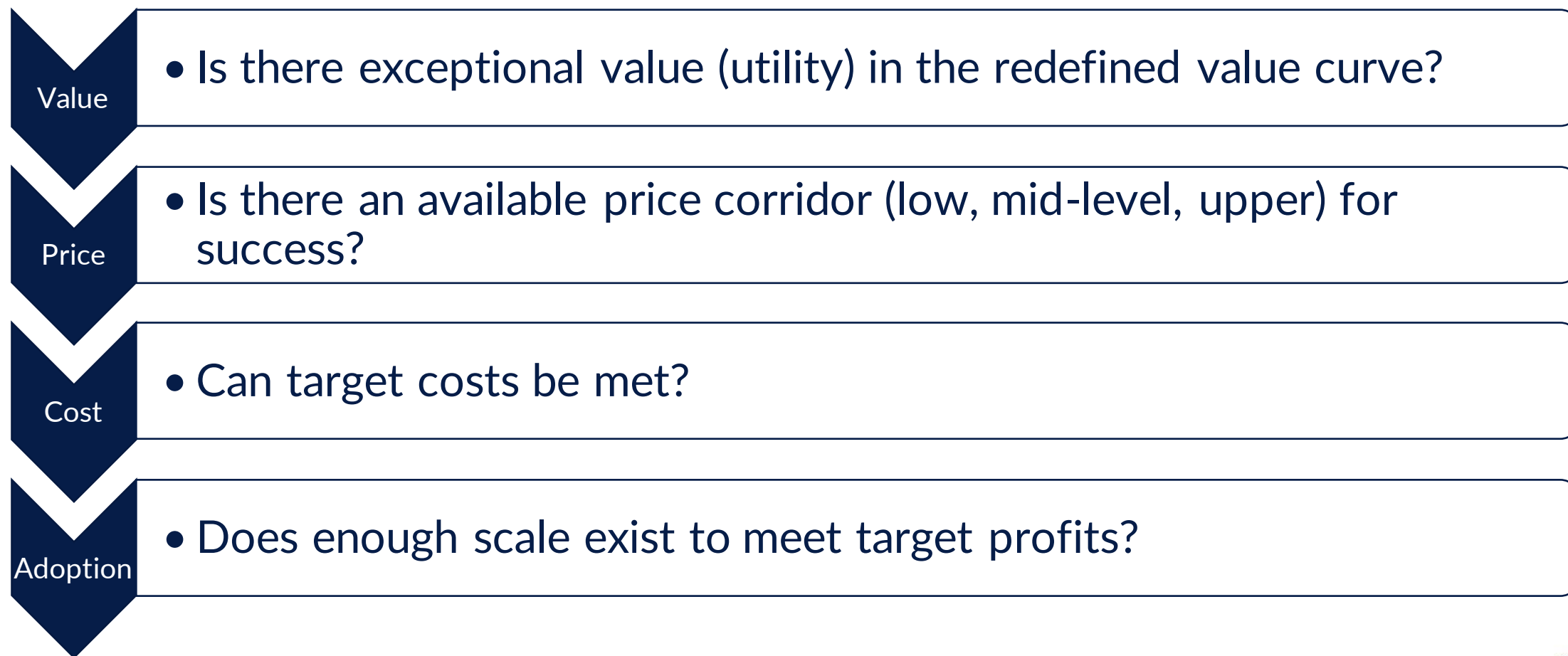
Value: Perceived Benefits – Perceived Price
 (The higher the perceived benefit, and/or the lower the price charged, the higher the value)



Value Advantage

- Underserved markets relating to untapped value curve purchase criteria alignment
- Added emphasis on segmentation & existing value curve purchase criteria alignment
- Deeper personalization of existing value curve purchase criteria

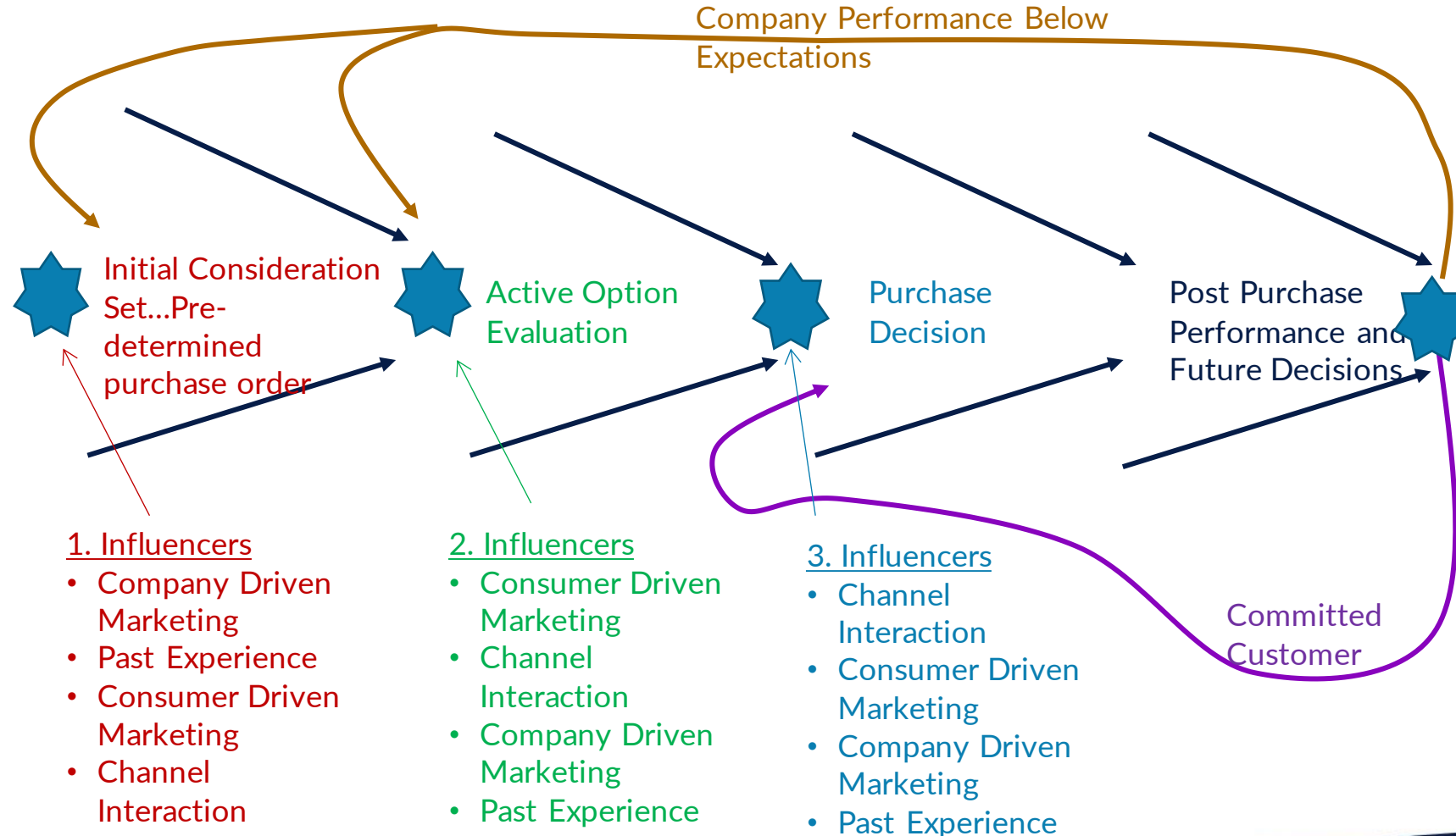
Managing Value – Key Questions



Execution and Marketing Mix



Execution and CDJ



Modern Marketing

“Modern marketing is the ability to harness the full capabilities of the business to provide the best experience for the customer and thereby drive growth...Delivering on this promise requires a whole new way of operating. *Marketing departments need to be rewired for speed, collaboration, and customer focus.*”

It's less about changing *what* marketing does and more about transforming *how* the work is done.

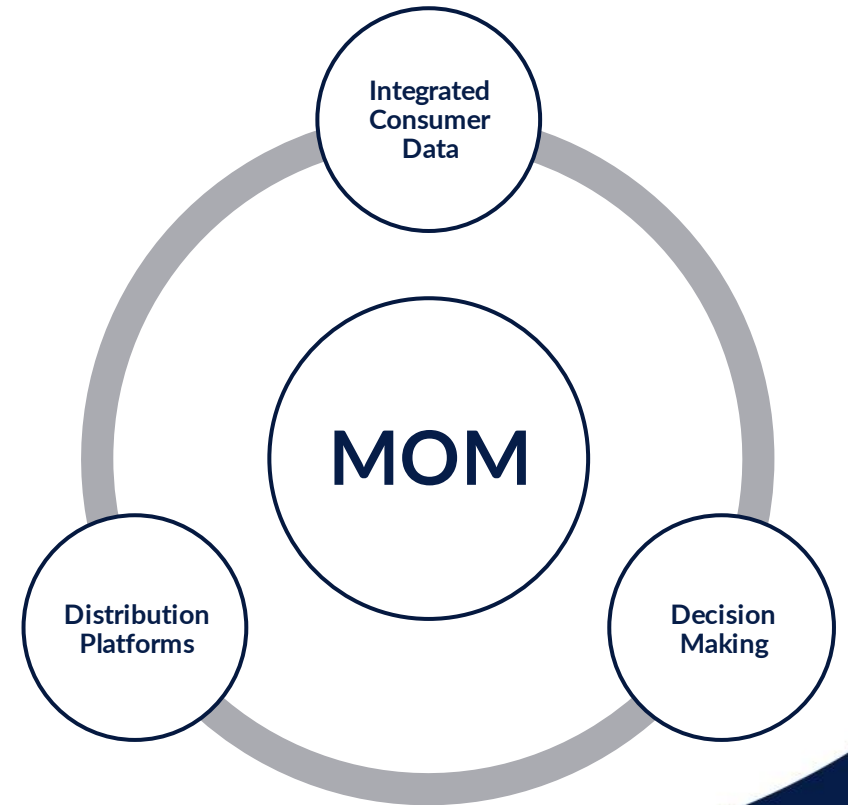
New Marketing Operating Model

“To drive revenue growth and improve customer experience, technology has to enable more efficient data collection, foster cross-functional collaboration, and support test-and-learn agility. It needs, in short, to underpin a new Marketing Operating Model (MOM).”

1/ Collecting data isn't the issue—companies have plenty of it. *The challenge is weaving all the available data into an accurate and complete profile of the individual consumer.*

2/ With a complete customer profile in hand, *companies can “score” customers based on specific criteria of value-creation potential, allowing marketers to prioritize which messages, offers, and experiences to deliver at which points in the decision journey.*

3/ *Marketing-technology platforms are the last mile of the process.* They integrate the customer scores and use them as triggers to deliver the right message to the right person across all addressable channels. Equally important, the platforms track the responses, conversion, and value created so that the MOM can learn and adjust.



Technology is Just the First Step

“There is no question that technology is critical to business success for virtually all organizations today...

At the same time, mastering technology is not the only criterion for success in the modern marketing era. *The right people and processes must also be put into place....”*

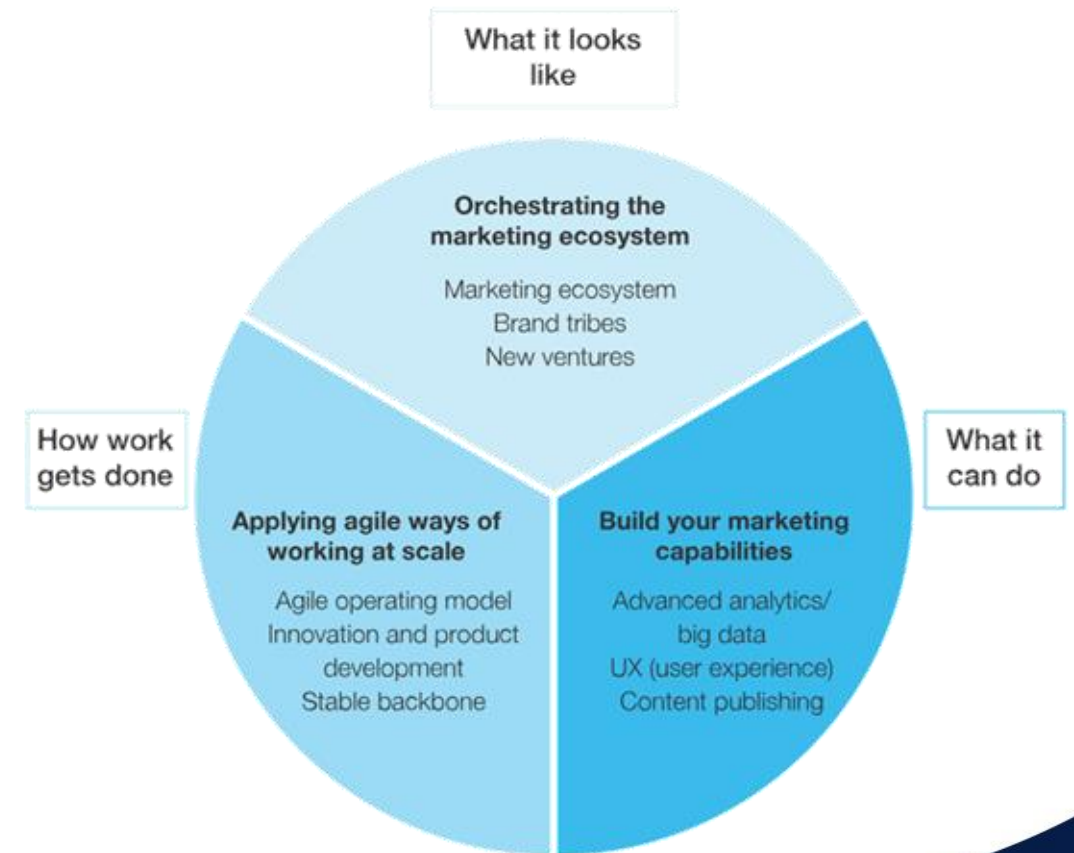
Building the Organization

Five shifts in the marketing landscape

1. From targeted campaigns to personalized consumer interactions, leveraging advanced analytics
2. From sales primarily through bricks-and-mortar stores to a mix of online, offline, multichannel, and owned channels
3. From mass advertising campaigns to always-on content publishing
4. From a long-term innovation funnel to rapid test-and-learn, with an emphasis on speed to market
5. From marketing as a cost to marketing as an investment, with measurable ROI

Adapted from McKinsey, Building a marketing organization that drives growth today, August 2017 available at <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/building-a-marketing-organization-that-drives-growth-today>

Building a marketing organization that can respond



New Type of Relationship

“The reality of customer-brand relationships today is that they have evolved from single, interspersed interactions to *always-on, symbiotic and immersive relationships*.”

Data and Testing

“...to successfully activate different insights to improve the customer experience, it is imperative to also work across the organization to *integrate data and build real-time data models and decision-driving dashboards*.”

Agile Marketing

“Agile, in the marketing context, means using data and analytics to continuously source promising opportunities or solutions to problems in real time, deploying tests quickly, evaluating the results, and rapidly iterating.”

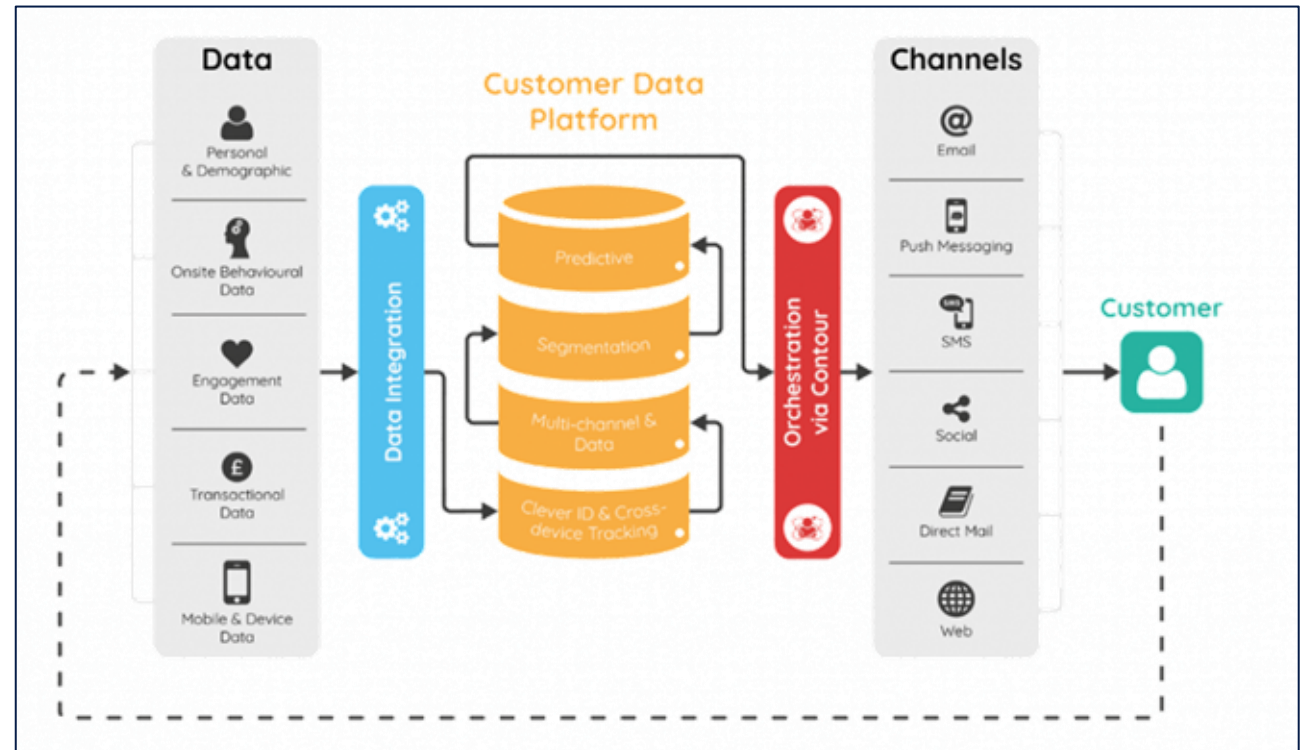


<https://www.mckinsey.com/Videos/video?vid=5201898077001&plyrid=IzQoIWCsY>

Data & Personalization

We've come a long way from “people who bought this also bought

1. **Data Foundation:** Build a rich view of the customer
2. **Decisioning:** Mine the data to act on the signals
3. **Design:** Craft the offers, messages and experiences at speed
4. **Distribution:** Deliver experiences across platforms



The Martech Stack

A stack is a metaphor: a way of visualizing a collection of software systems used together to get work done.

A marketing technology (or martech) stack is the collection of technology and software tools a company uses to manage and execute its marketing activities.



MARTECH STACK FOR CONNECTED COMMERCE

CUSTOMER JOURNEY

SARGENTO ROLE

PRODUCT INFO & SYNDICATION

WIDEN BRANDBANK SALSIFY SAP
ALIGNTRAC Syndigo WORLD SYNC Profitero

RETAIL MEDIA NETWORKS

ROUNDEL Walmart Connect amazon advertising
Quotient
criteoL CitrusAd

WEBSITE

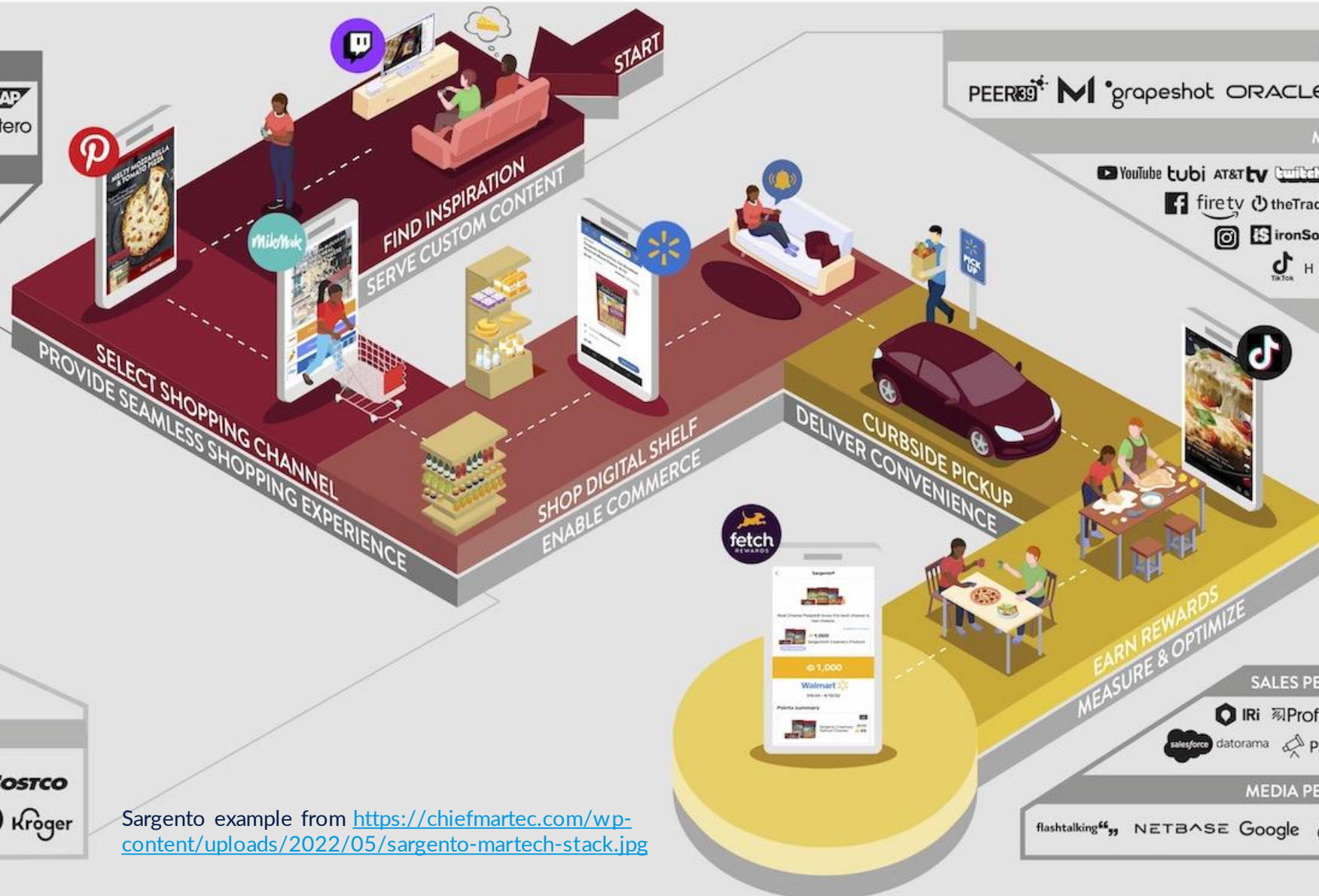
destini nielsen
Silverstripe

ECOMMERCE PURE PLAY

Shipt goPuff
amazon instacart

CLICK & COLLECT AND DELIVERY

meijer B's sam's club COSTCO
Ahold Delhaize Walmart Albertsons Kroger
SAFEWAY



Sargento example from <https://chiefmartec.com/wp-content/uploads/2022/05/sargento-martech-stack.jpg>

MEDIA PLANNING

PEER39 M'grapeshot ORACLE flashtalking

MEDIA PLATFORMS

YouTube tubi AT&T tv twitch hulu sproutsocial
firetv theTradeDesk Google
ironSource Roku sling
TikTok H | CODE Pinterest Teads

CRM

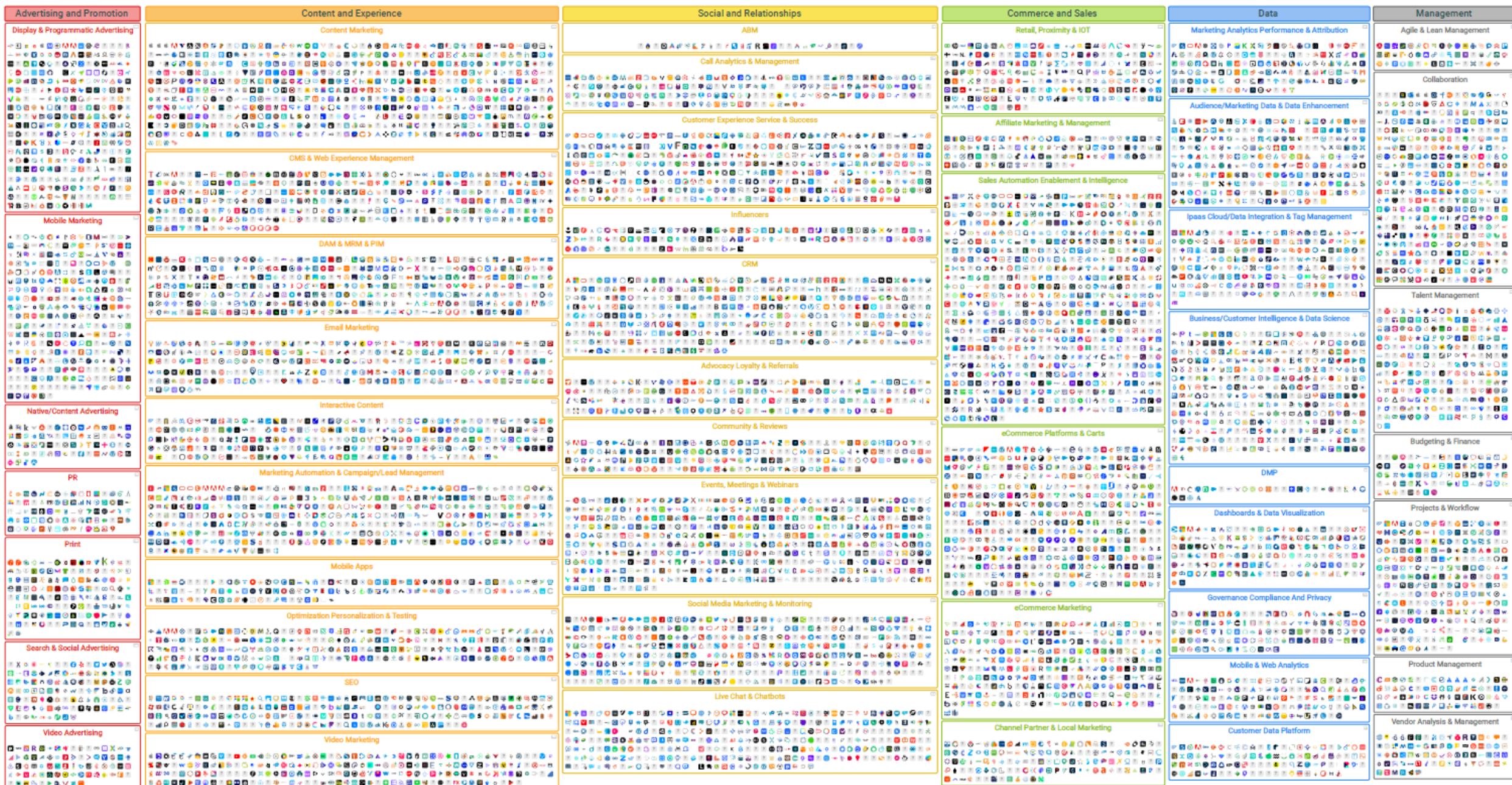


SALES PERFORMANCE DATA

IRI Profitero ib nielsen
salesforce datorama PACVUE fetch

MEDIA PERFORMANCE DATA

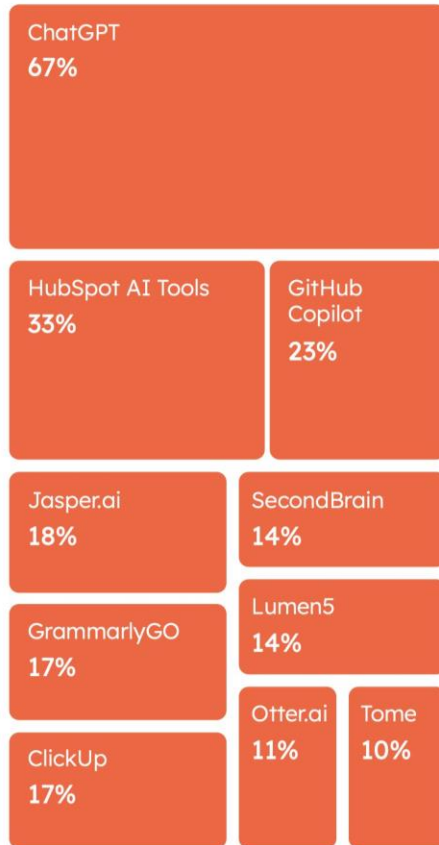
flashtalking NETBASE Google salesforce datorama MilkMilk



Most Popular AI Tools

AI & GTM

Sales



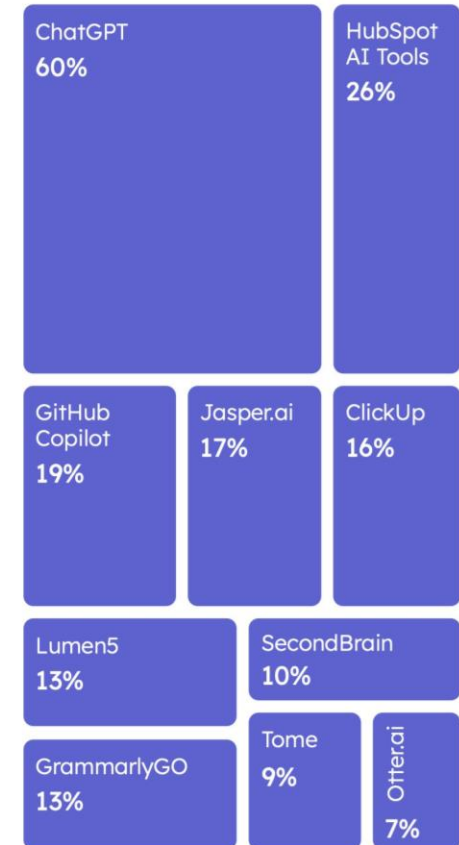
Marketing



Data Analytics & Operations



Customer Experience/Success



Where Are We Now?

We are now at the point where competitive advantage will derive from the ability to capture, analyze, and utilize personalized customer data at scale and from the use of AI to *understand, shape, customize, and optimize the customer journey.*

Edelman, D & Abraham, M. (2022). Customer experience in the age of AI. Harvard Business Review, March-April, 116-

4 Steps to Digital Personalization

Understand the customer journey for each segment

Develop small team to develop, launch, iterate



Secure Martech support to accelerate & scale

Find and refine customer triggers & responses

Great Creative Still Matters

“Despite all the transformational technological change that has created such a data-rich world for marketers, there still also needs to be great creative in marketing. *The emotional hook that marketing has always been able to create with customers absolutely remains necessary.*”

https://www.youtube.com/watch?v=p_TB3VI3elo

Purpose Still Matters



“Brand purpose can provide the fuel for employee engagement internally as well as the glue for marketing programs externally to help emotionally connect with customers.”