

Week 1 Lecture - Introduction to Marketing and Marketing Management



Marketing in a Global Age M003LON

Today's Learning Objectives

- Introduction – Lecturer, module content and Module Learning Outcomes
- Marketing Defined
- Marketing Management Philosophies
- Experiential Marketing



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Learning Objective 1

The units in this module

- 1) Introduction to Marketing and Marketing Management
- 2) Marketing Strategies and Plans
- 3) Digital Marketing: the New Order
- 4) Analysing Consumer and Business Markets
- 5) Segmentation, Targeting, Positioning and the Customer Value Proposition
- 6) Branding Strategies
- 7) Experience Week
- 8) Marketing Channels - Distribution and Delivery
- 9) Product and Pricing Strategies
- 10) Communicating Value
- 11) Marketing Implementation and Control



Assignment Requirements

Mid Term Group Assignment

Final Individual Assignment

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Module learning outcomes

- **Knowledge and understanding learning outcomes**
- L1 To be able to debate module concepts and theories
- L2 To use the theory to conduct competently the analysis of contemporary marketing issues
- **Cognitive and critical learning outcomes**
- L3 To be able to compare and contrast different theoretical frameworks in order to address practical business matters
- L4 To be able to develop independent lines of argument supported by evidence
- L5 To apply critical thinking in using theoretical knowledge and student's own ideas
- **Transferable skills**
- L6 Team-working skills and personal communication
- L7 Utilising modern technologies and electronic resources to obtain and analyse relevant data

Learning Objective 2



MARKETING

A word 'MARKETING' is displayed in large, bold, white letters. The letters are arranged in a slightly curved line and are pinned to a light-colored surface with black pushpins. The background is a plain, light color.

Question - What is Marketing to you?



Marketing

A word 'Marketing' is displayed in large, bold, black letters. The letters are arranged in a slightly curved line and are pinned to a light-colored surface with red pushpins. The background is a plain, light color.

Definitions

‘...the management process responsible for identifying, anticipating and satisfying consumers' requirements profitably.’ (Chartered Institute of Marketing 2001)

‘...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.’ (*American Marketing Association 2007*)

‘...the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.’ (Philip Kotler 2008)

- Marketing is the activity, set of instructions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

OLD view of marketing:

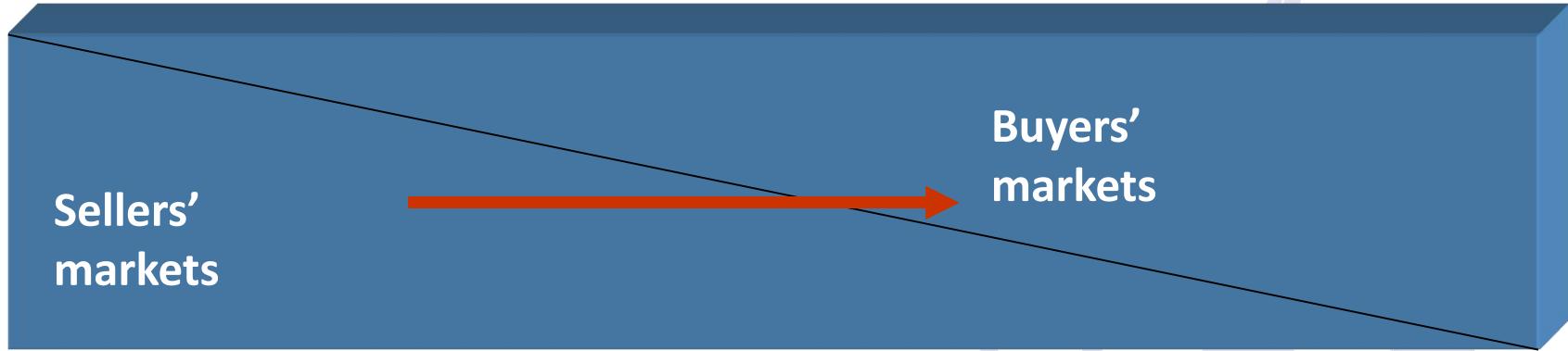
*Making a sale—
“telling and selling”*

NEW view of marketing:

*Satisfying
customer needs*

Why is Marketing Important?

Shifting Business Paradigms



Sellers'
markets

Buyers'
markets

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A simple model of the marketing process:

- Understand the marketplace and customer needs and wants.
- Design a customer-driven marketing strategy.
- Construct an integrated marketing program that delivers superior value.
- Build profitable relationships and create customer delight.
- Capture value from customers to create profits and customer quality.

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Need: State of felt deprivation including physical, social, and individual needs.

- Physical needs: Food, clothing, shelter, safety
- Social needs: Belonging, affection
- Individual needs: Learning, knowledge, self-expression

Want: Form that a human need takes, as shaped by culture and individual personality.

- Wants + Buying Power = **Demand**

Needs & wants are fulfilled through a **Marketing Offering**:

- Products:
 - Persons, places, organizations, information, ideas.
- Services:
 - Activity or benefit offered for sale that is essentially intangible and does not result in ownership.
- Experiences:
 - Consumers live the offering.

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Dependent on the product's perceived performance relative to a buyer's expectations.

Care must be taken when setting expectations:

- If performance is lower than expectations, satisfaction is low.
- If performance is higher than expectations, satisfaction is high.

Customer satisfaction often leads to consumer loyalty.

Some firms seek to **DELIGHT** customers by exceeding expectations.

The art and science of choosing target markets and building profitable relationships with them.

- Requires that consumers and the marketplace be fully understood.
- Aim is to find, attract, keep, and grow customers by creating, delivering, and communicating superior value.

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Marketing managers must consider the following, to ensure a successful marketing strategy:

1. *What customers will we serve?*
 - *What is our target market?*
2. *How can we best serve these customers?*
 - *What is our value proposition?*

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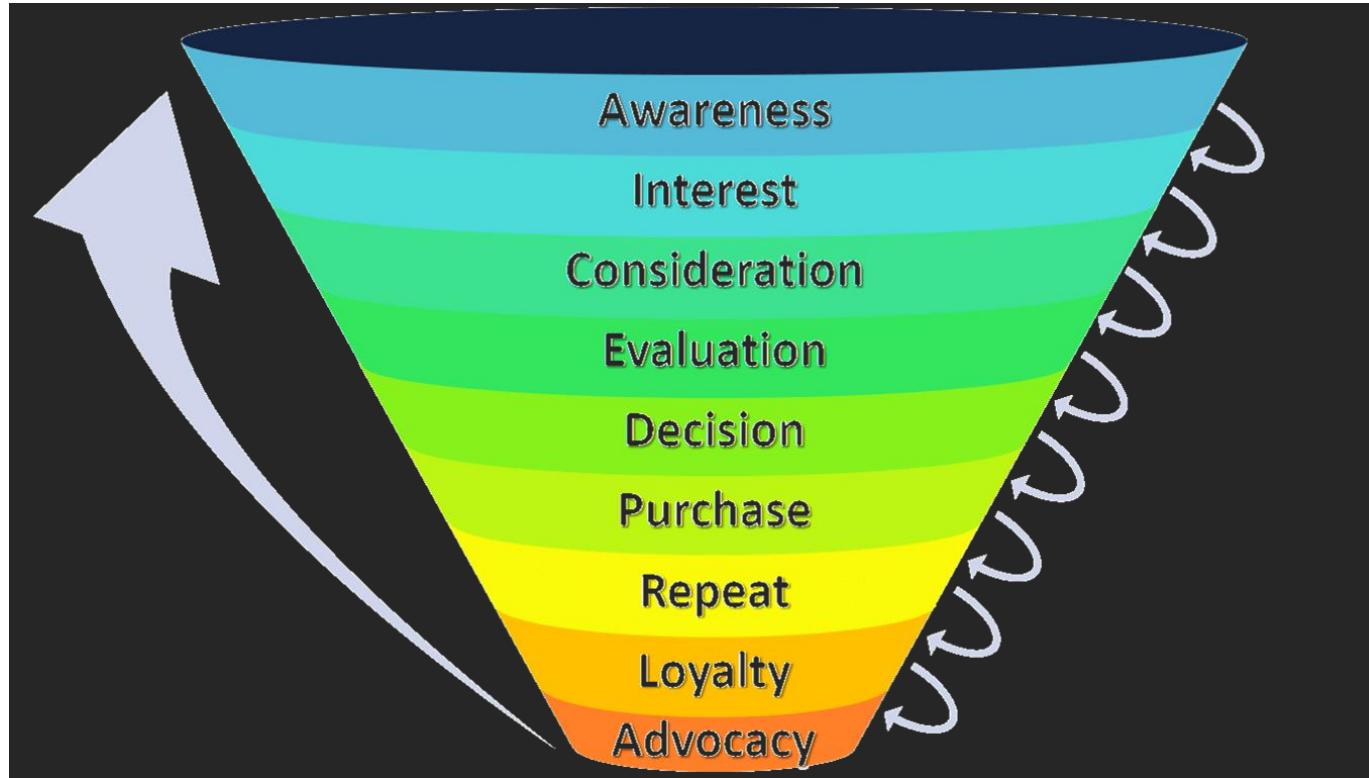
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Marketing Funnel: Visualizing the Customer Journey



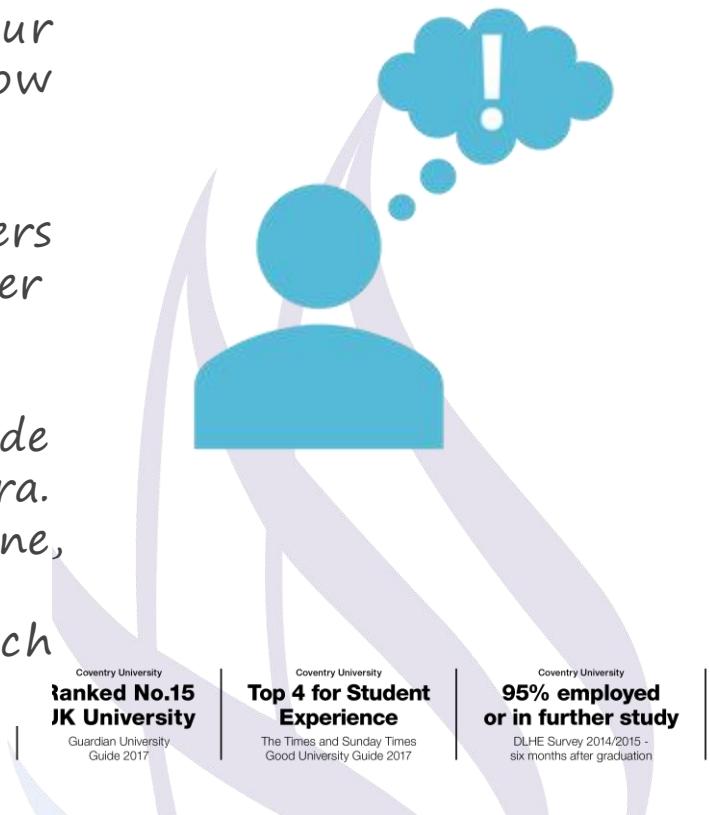
Awareness

The Marketing Funnel starts off with the Awareness stage (sometimes called Attention). The goal of this stage is to gain presence and to introduce your brand to potential customers: they need to know that you exist.

You could either actively reach potential customers through marketing campaigns or help them discover you more easily with their own (online) search.

Awareness can be created through advertising, trade shows, direct mail, social media campaigns et cetera. In order for customers to more easily find you online,

Search Engine Optimization (SEO) and Search Engine Advertising (SEA) are advised.



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Interest

Now that you have the consumers' attention, you want to create some interest. The goal of this stage is to show who you are and what your brand stands for.

You are trying to build a relationship with your potential customers and gain trust.

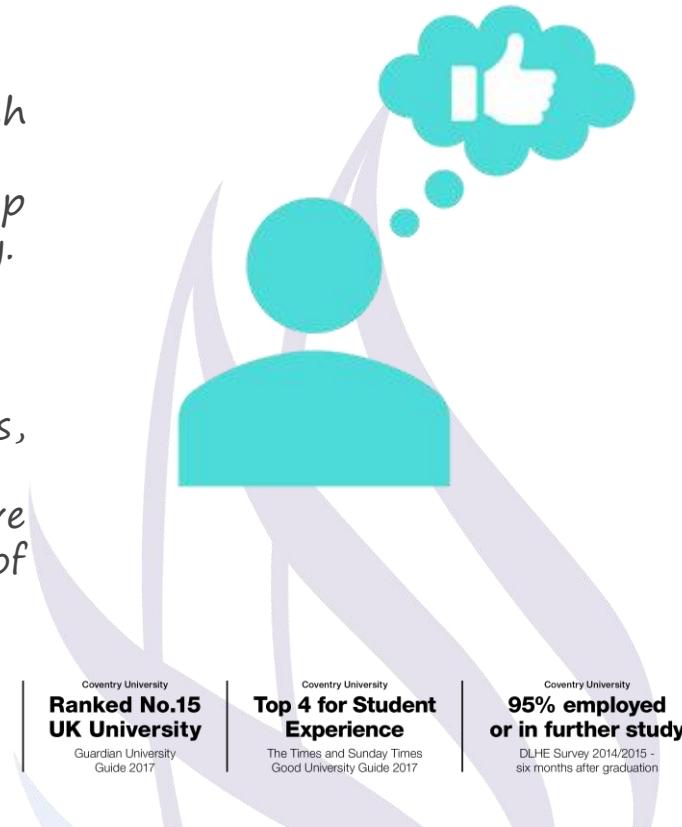
Give people valuable information, but don't focus too much on selling your product yet.

Throughout this stage potential customers begin to develop attitudes, opinions and hopefully interest in your company.

Content creation is often used for this stage.

Think about blogs, webinars, infographics, free e-books, newsletters et cetera.

Keep in mind that customers can also develop negative feelings towards your brand, so be careful with what kind of messages you convey to potential customers.



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Consideration

Once the customers' interest in your company has grown, they might be willing to consider purchasing your products or service as well. In order to establish that, you first have to help them realising that your product is meeting a need or desire that they might have.

You have to explain that YOUR product is the best option for meeting that need.

This stage is therefore all about positioning and showing off your unique selling points (USPs): what extra value do you have to offer to customers compared to competitors?

People usually consider only 3-5 different brands before purchasing one, so you want to make sure your brand is among those.

Persuasion skills and a good sales team can be very helpful during this stage.



Evaluation

Now that your brand has made it to the Consideration set, customers are likely to evaluate the options based on some personal criteria they might have.

Even though selection criteria may vary from person to person, you might be able to find some general patterns by looking at the most often used criteria.

Continuous customer feedback, surveys and focus groups will help you figuring out what customers in general find most important about a certain product.

Once you are aware of these attributes, you could guide your marketing efforts in such a way that you highlight these features when showing off your product.

Often used attributes that customers use to evaluate products are: price, quality, appearance, durability and after-sales service.



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Decision

Finally the customer will make a decision to either buy or not buy from you.

Important to note here is that the one making the decision does not have to be the same person as the one purchasing the product or using the product.

Think for example of a child who wants a Nintendo console from the toy store. Even though the child might become the user, it is the father who might decide whether he will get one, whereas the mother might be the one who will have to go to the store and purchase it.

It is crucial to keep that in mind when targeting your marketing efforts to certain groups of people.

The child for example should be targeted with news about the amazing games you can play on the Nintendo, whereas the father should be informed about the relatively cheap price and the durability of the Nintendo console.



Purchase

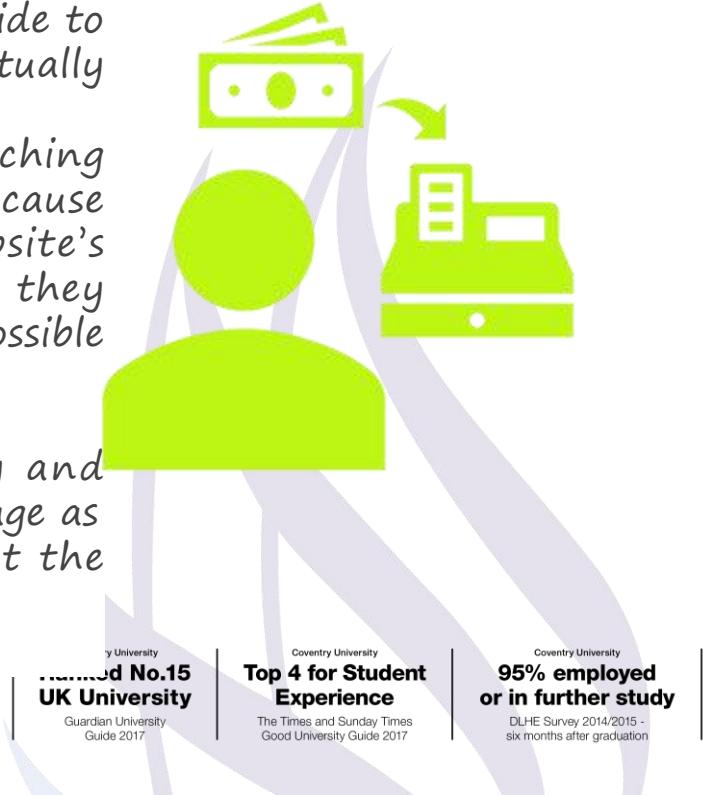
The actual purchase phase has been kept separate from the decision making phase because of two reasons.

The first one has to do with the difference between the buyer and decision maker as explained above.

The other one is because potential customers might still decide to NOT purchase your product even after they decided to actually purchase your product.

This could for example happen when a customer is searching online for your webstore and has trouble finding it. Or because they have issues with the payment options on your website's check-out page. Once your prospects have decided that they want your product, it is up to you to make it as easy as possible for them to make the purchase.

In case of a webstore, try to get rid of unnecessary and distracting features and make the path to the check-out page as clear and simple as possible. This will help you to boost the conversion rate.



Repeat

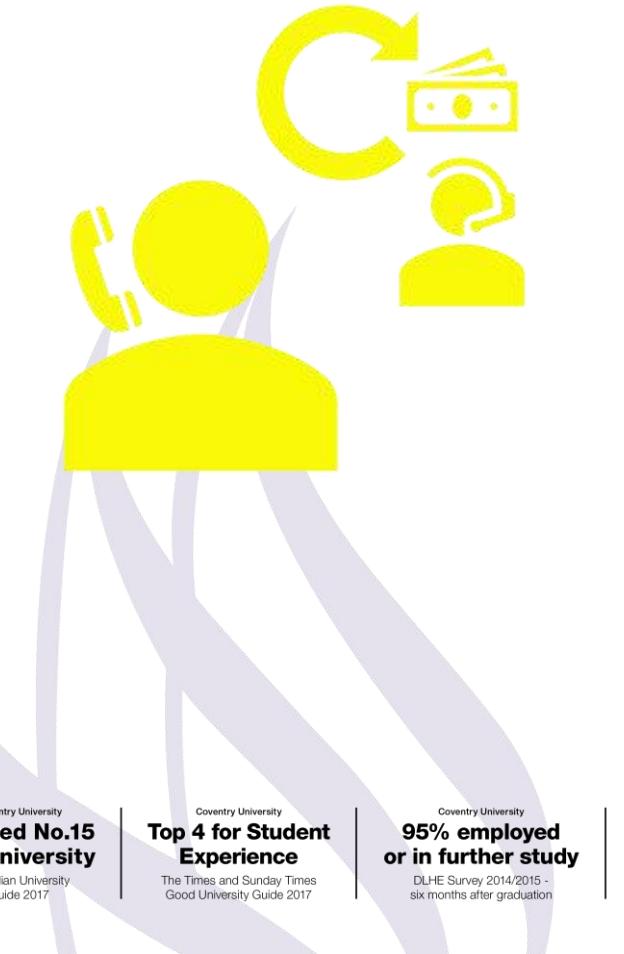
Many marketing funnels stop after the purchase has been made. However, in the hypercompetitive and dynamic environment of today, it is key to keep customers with you for as long as possible.

Repeat purchases and the retention of customers are therefore just as important as the initial purchase.

Good after-sales service and customer relationship management (CRM) enlarge the chance that customers will become repeat customers.

You could for example start by sending out an email a week after the purchase has been made asking for customer feedback. People generally love to give their opinion on subjects.

From there on you can get to know the customer better and see if he or she might be interested in a repeat purchase. Depending on the nature of your business, calling or even meeting up face-to-face with customers are considered more personal and more effective. This latter is for example more appropriate in the auto or consulting industry where larger transactions are being made.



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Loyalty

In the loyalty stage, customers start to develop a preference for your brand or company.

They do not make repeat purchases anymore because you remind them of it, but because they genuinely like your product.

Customer loyalty is therefore far more favorable than repeat purchasing.

Loyalty means customers are hanging in there even when there may be some problems or negative rumours about your company.

In order to create loyalty, your customers need to see the relationship between you and them as more than just a transactional relationship: connecting with your customers on a personal level is therefore crucial.

Strong engagement, personalization, loyalty programs, community development, social identity and the sharing of values can help with that.



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Advocacy

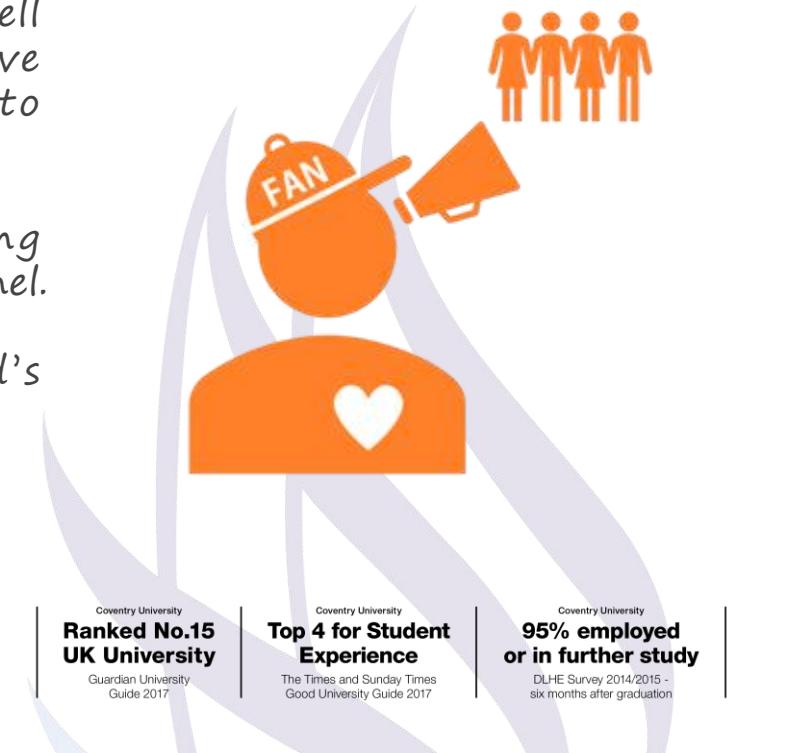
The final and optimal stage to reach with customers is the Advocacy stage.

Advocacy happens when your customers become something more than just customers: they become fans.

Fans are usually so excited about something that they tell their friends and family all about it, they share positive reviews on social media, and they might even try to convince others to become fans as well.

In other words, they are now helping you creating awareness just like at the beginning of this marketing funnel.

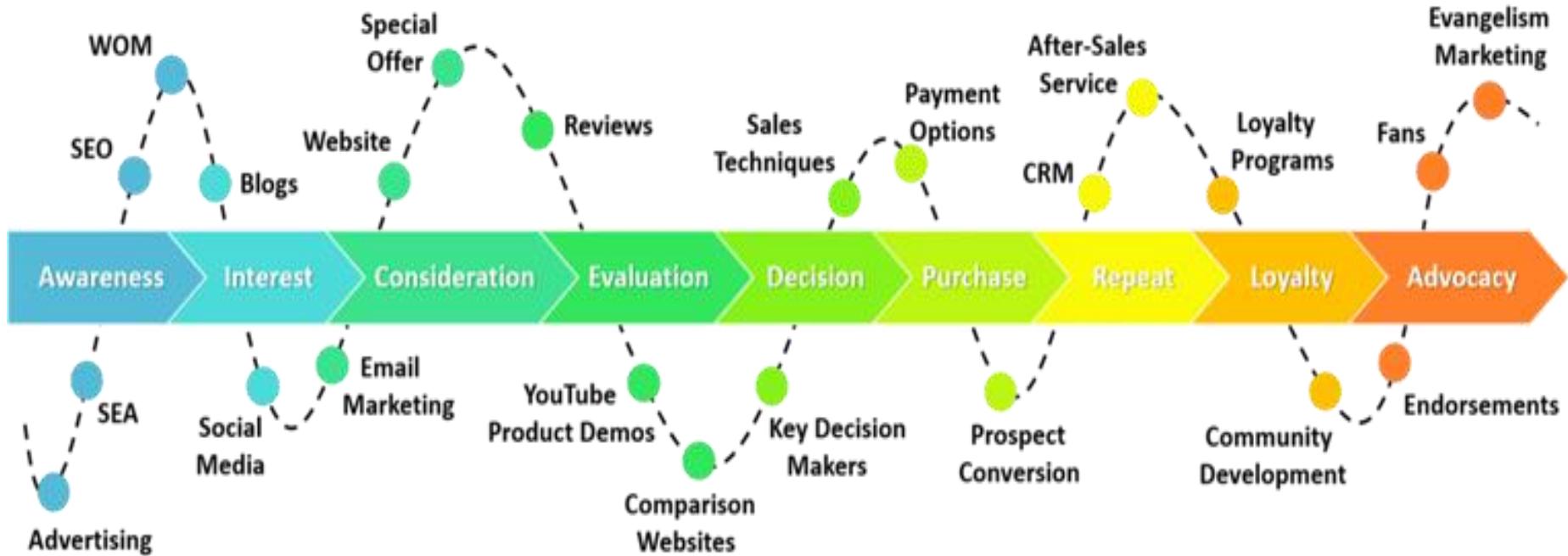
When customers decide to become your own brand's ambassadors, you know you are doing something right!



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Choosing a **Value** Proposition

The set of benefits or values a company promises to deliver to consumers to satisfy their needs.

- Value propositions dictate how firms will differentiate and position their brands in the marketplace.

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Biblical Narrative



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Learning Objective 3

Marketing Management Philosophies

1. **Production:** consumers will favor products that are available and highly affordable
2. **Product:** consumers favor products that offer the most in quality, performance, and innovative features
3. **Selling:** consumers will not buy unless an organization undertakes a large-scale selling and promotional effort
4. **Marketing:** determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than the competitors
5. **Societal marketing:** generating customer satisfaction and long-run societal well-being are the keys to both achieving the company's goals and fulfilling its responsibilities

- **Relationship marketing:** the process of creating, maintaining, and enhancing strong, value-laden relationships with customers and other stakeholders.

Learning Objective 4

The evolution of marketing management philosophies has advanced from *production concept*, *product concept*, *selling concept*, *marketing concept*, *societal marketing concept* and *relationship marketing concept* to **experiential marketing** concept nowadays.

Experiential marketing

- Experiential marketing was derived from the concept of experience economy which was proposed by Pine and Gilmore (1998).
- Schmitt (1999a) argues that traditional marketing views consumers as rational decision-makers who care about functional features and benefits.

Experiential marketing

- In contrast, experiential marketers view consumers as rational and emotional human beings who are concerned with achieving pleasurable experiences.
- In summary, experiential marketing is distinct in four key ways: focusing on consumer experiences, treating consumption as a holistic experience, recognizing both the rational and emotional drivers of consumption and using eclectic methodologies. Schmitt (1999a, 1999b)

Experiential marketing - Abercrombie and Fitch



Experiential marketing - Has Anyone Paid up to £15 for a cup of coffee?



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Experiential marketing - Heart Attack Grill



https://www.youtube.com/watch?time_continue=15&v=CkBwyBZNuzc

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Preparation for Seminar - Marketing Mix – 7Ps (4+3)





Any Questions ??