

Marketing

# The definition of Marketing By AMA

- It defines Marketing as 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. This definition takes into account all parties involved in the marketing effort: members of the producing organization, resellers of goods and services, and customers or clients. (Originally approved 2013 by AMA and revalidated in 2017)
- Marketing is getting the right product or service to the right people (target market), at the right time, at the right place, at the right price, with the right partners, plus right communications and promotion
- Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives (1985, AMA Definition of Marketing).

# Philip Kotler

- Marketing is the **analyzing, organizing, planning, and controlling** of a firm's customer-impinging resources, policies, and activities with a view satisfying the needs and wants of chosen customer groups at a profit (**Kotler, 1967**, pp. 3, 5-6, 12).
- Marketing is **human activity** directed at satisfying needs and wants through exchange processes (**Kotler, 1983**, p. 6).
- **Decade later defines it as** “a social and managerial process by which individuals and groups obtain what they want and need through creating, offering and exchanging products of value with others
- **The science and art** of exploring, creating, and delivering value to satisfy the needs of a target market at a profit.

Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. **Mar (29, 2011)**

- **Marketing:** 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.. (Marketing Management 14e, **Kotler and Keller, 2012**)
- **Marketing** is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return. (Principles of Marketing, 15e, **Kotler and Armstrong, 2014**)
- Marketing Management is the art and science of choosing target markets and building profitable relationships with them. (Principles of Marketing, 15e, Kotler and Armstrong, 2014)

# Peter.F.Drucker

- The Marketing Concept is a philosophy. It makes the customer, and the satisfaction of his or her needs, the focal point of all business activities. It is driven by senior managers who are passionate about delighting their customers.
- Marketing is not only much broader than selling; it is not a specialized activity at all. It encompasses the entire business. It is the whole business seen from the point of view of the final result, that is, from the customer's point of view. Concern and responsibility for marketing must therefore permeate all areas of the enterprise
- He says that “the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy.”

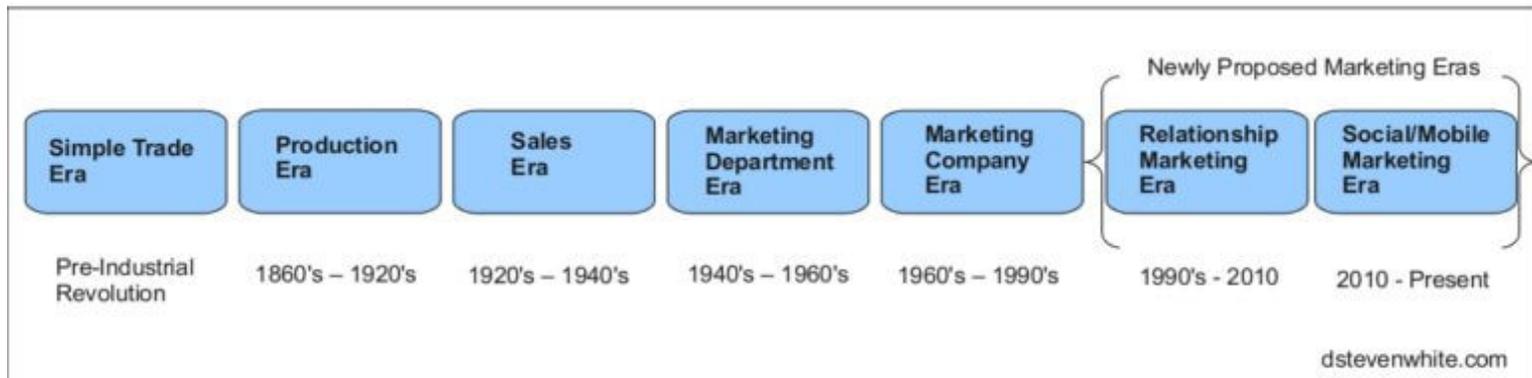
# Julie Barile – Vice President of eCommerce, Fairway

- Marketing is traditionally the means by which an organization communicates to, connects with, and engages its target audience to convey the value of and ultimately sell its products and services. However, since the emergence of digital media, in particular social media and technology innovations, it has increasingly become more about companies building deeper, more meaningful and lasting relationships with the people that they want to buy their products and services. The ever-increasingly fragmented world of media complicates marketers' ability connect and, at the same, time presents incredible opportunity to forge new territory.

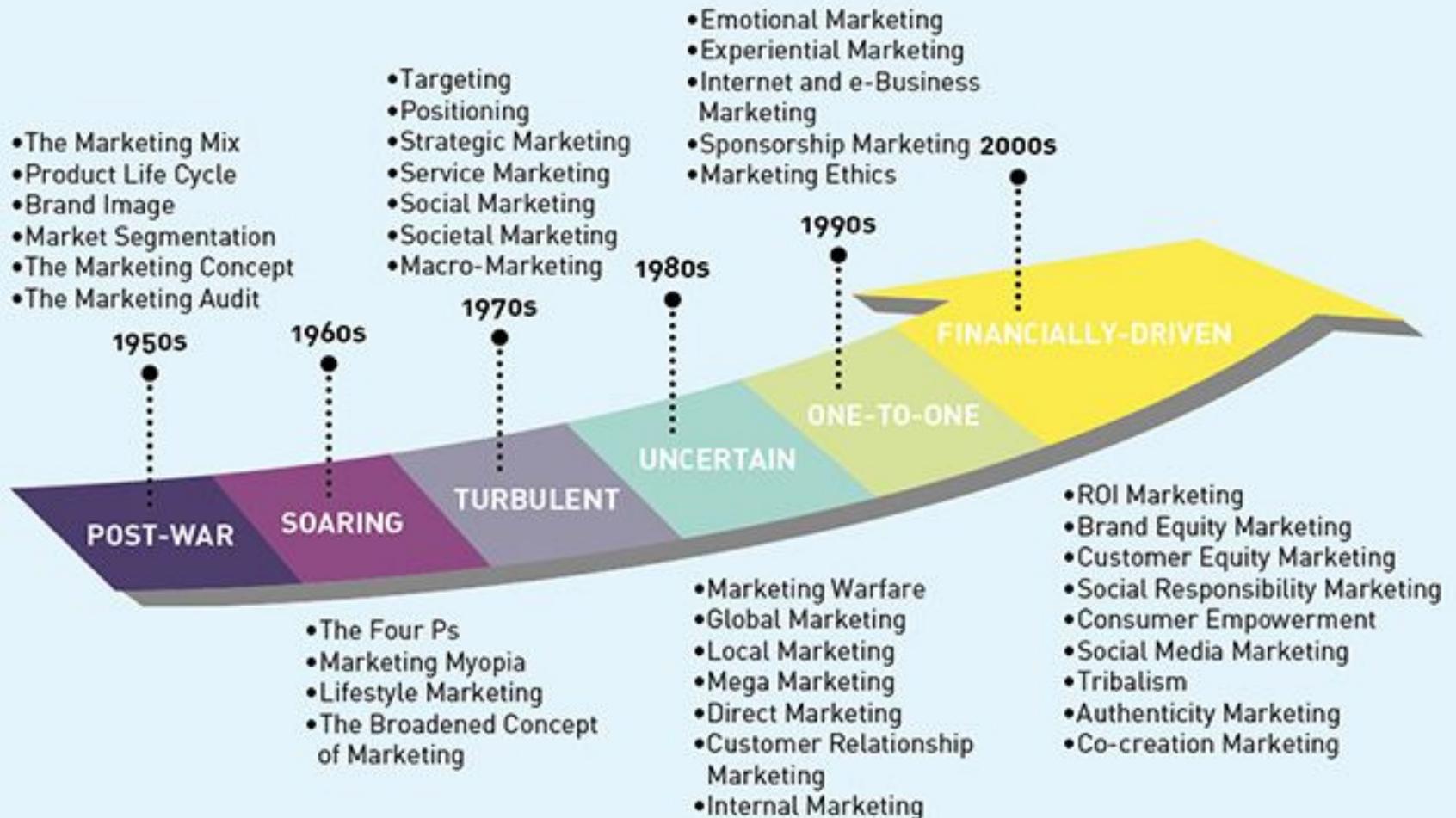
# The evolution of Marketing



Evolution of Marketing Theory	
1	Production Orientation
2	Product Orientation
3	Sales Orientation
4	Marketing Orientation
5	Societal Marketing



# The Evolution of Marketing





**Product Centric**

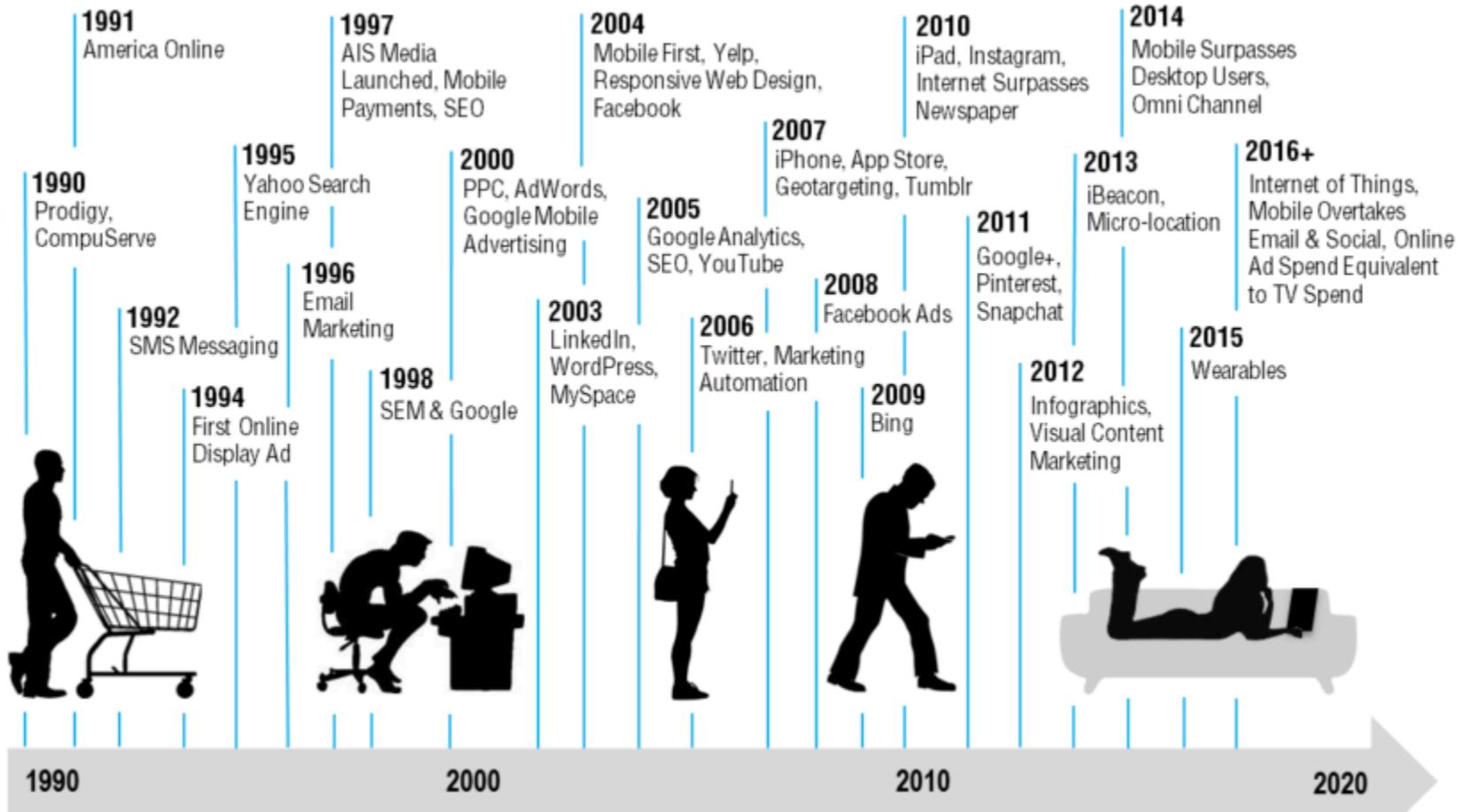


**Customer Centric**



	<b>Wave I</b>	<b>Wave II</b>	<b>Wave III</b>
	<i>Brand and category management</i>	<i>Customer relationship management</i>	<i>Customer experience management</i>
<b>Enabling technologies</b>	UPC barcode scanning	Customer loyalty cards, credit/debit cards	Real-time customer tracking (RFID, GPS, video, clickstream, portable shopping devices)
<b>Causal variables</b>	Product assortment Shelf space Price Promotions Displays Feature advertising	<i>Wave I, plus:</i> Customer attributes (geodemographics) Purchase history Targeted promotion	<i>Wave II, plus:</i> Store layout Store atmosphere Navigational aids Product adjacencies Service levels Queues/crowding In-store events
<b>Performance measures</b>	Sales Market share Gross margin Sales/square foot Turn rate GMROI	Customer retention Customer loyalty Share of customer Lifetime value OC curves	Store traffic Shopping path Aisle penetration Dwell time Product interaction Conversion rate

# EVOLUTION OF DIGITAL MARKETING



# The Three Stages of Marketing Practice

- **Entrepreneurial marketing:** Most companies are started by individuals who visualize an opportunity and knock on every door to gain attention. Entrepreneurial marketing includes innovation, risk taking, and being proactive. Entrepreneurial marketing campaigns try to highlight the company's greatest strengths while emphasizing their value to the customer. Focusing on innovative products or exemplary customer service is a way to stand out from competitors.
- **Formulated marketing:** As small companies achieve success, they inevitably move toward more formulated marketing . involves the creation of a customized marketing strategy that matches the needs of the small business precisely. Formulated marketing is developed the over years of learning the market and your place in it. It relies on research, self-analysis and consumer monitoring to find the right formula.
- **Intrepreneurial marketing:** Many large companies get stuck in formulated marketing, These companies lack the creativity and passion of the guerrilla marketers in the entrepreneurial
- Large and mature companies. Going back to the basics. Embracing customers and their lifestyles. **Intrapreneurship** is the act of behaving like an [entrepreneur](#) while working within a large organization. Intrapreneurship is known as the practice of a corporate management style that integrates risk-taking and innovation approaches, as well as the reward and motivational techniques, that are more traditionally thought of as being the province of [entrepreneurship](#).
- The bottom line is that effective marketing can take many forms. Although it is easier to learn the formulated side (which will occupy most of our attention in this book), we will also see how creativity and passion can be used by today's and tomorrow's marketing managers.

# The Scope of Marketing

- Marketing people are involved in marketing 10 types of entities:
- **Goods.** Physical goods constitute the bulk of most countries' production and marketing effort
- **Services.** As economies advance, a growing proportion of their activities are focused on the production of services. Services include airlines, hotels, and maintenance and repair people, as well as professionals such as accountants, lawyers, engineers, and doctors. Many market offerings consist of a variable mix of goods and services.
- **Experiences.** By orchestrating several services and goods, one can create, stage, and market experiences. Experience shopping Malls, Cine Complex

# The Scope of Marketing

- **Events.** Marketers promote time-based events, such as the Olympics, trade shows, sports events, and artistic performances.
- **Persons.** Celebrity marketing has become a major business. Artists, musicians, Politicians CEOs, physicians, high-profile lawyers and financiers, and other professionals draw help from celebrity marketers
- **Places.** Cities, states, regions, and nations compete to attract tourists, factories, company headquarters, and new residents. Place marketers include economic development specialists, real estate agents, commercial banks, local business associations, and advertising and public relations agencies

# Scope of Marketing

- **Properties.** Properties are intangible rights of ownership of either real property (real estate) or financial property (stocks and bonds). Properties are bought and sold, and this occasions a marketing effort by real estate agents (for real estate) and investment companies and banks (for securities).
- **Organizations.** Organizations actively work to build a strong, favorable image in the mind of their public attention by promoting social causes. Universities, museums, and performing arts organizations, NGOs boost their public images to compete more successfully for audiences and funds
- **Information and Entertainment Marketing .** Competitive marketing for TRP for TV programmes including News channels and others , movies etc
- **Online Services** : SEM , SEO , CONTENT Marketing ,Email Marketing ,E Commerce all digital formats

# A Broadened View of Marketing Tasks

- Demand management
  - negative demand
  - no demand
  - latent demand
  - declining demand
  - irregular demand
  - demand Creation
  - Full demand
  - overfull demand
  - unwholesome demand
- To meet the organization's objectives, marketing managers seek to influence the level, timing, and composition of these various demand states.

# The Decisions That Marketers Make

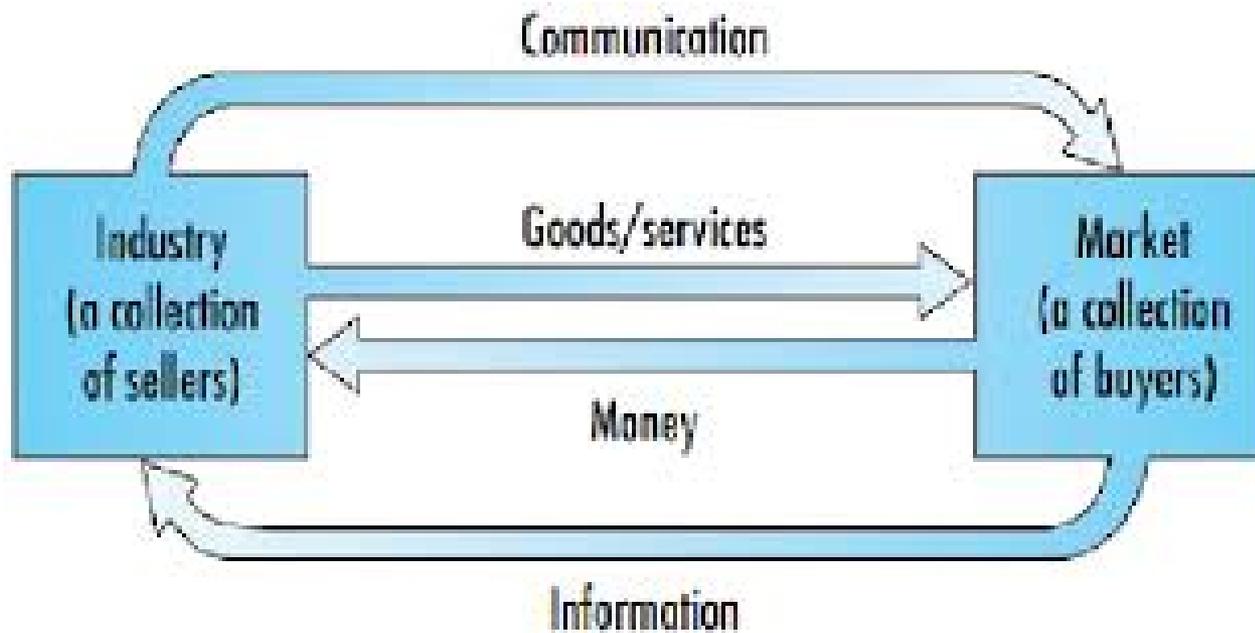
- Interpreting the findings of Market research
- decision on Segmentation ,defining target audience
- product features to design into a new product
- Transforming Features to Benefit Languages
- Quantitative and qualitative decision on Sales force
- Decision on Brand / Portfolio priorities
- Channel Decision
- Pricing decision
- Promotional decisions / ATL – BTL – Digital Marketing
- Allocation of resources on campaigns
- Decision on Positioning and integrated communication

# Core Marketing Concepts

## Target Markets and Segmentation

- A marketer can rarely satisfy everyone in a market
- The market segmentation identifies and profiles distinct groups of buyers who might prefer or require varying products and marketing mixes.
- Market segments can be identified by examining demographic, psychographic, and behavioral differences among buyers.
- The firm then decides which segments present the greatest
- For each chosen target market, the firm develops a market offering.
- The offering is positioned in the minds of the target buyers as delivering some central benefit(s).

# Simple Marketing System



## Marketplace and a Market space.

- The marketplace is physical, as when one goes shopping in a store;
- market space is digital, as when one goes shopping on the Internet. E-commerce—business transactions conducted on-line—has many advantages for both consumers and businesses, including convenience, savings, selection, personalization, and information.

# Core Marketing Concepts

- **Marketers and Prospects**

A marketer is someone who is seeking a response (attention, a purchase, a vote, a donation) from another party, called the prospect. If two parties are seeking to sell something to each other, both are marketers.

The distinction between Consumer – Customer – Clients - Prospects

# Customers

- **a customer is a person or an organization that buys something from a shop, store, or business.**
- Right away, we can see that customer is a word that we mostly refer to in regards to casual purchases.
- And that should be no surprise as the word comes from the Latin 'custom' which simply means 'practice'.
- Therefore, we can understand a customer as a person who buys goods frequently or has a habit of doing so.

# Clients

- **A client is a person who uses the services or advice of a professional person or organization.**
- Straightforward, we see that a client is more of a 'formal' form of a customer.
- That's because a client is involved in more specific types of purchases, namely services.
- This means a guy who goes to buy a few apples and pears is not the store's client but a customer.
- Yet, if you go to the lawyer to help you get out of that deadlock situation then you're his client.

# Core Concepts of Marketing

- **Needs, Wants, and Demands**
- **Needs** describe basic human requirements such as food, air, water, clothing, and shelter. People also have strong needs for recreation, education, and entertainment. These needs become wants when they are directed to **specific objects** that might satisfy the need. **Meslow's Hierarchy needs Physical – security – social /belongings – Self Esteem – Self actualization**
- **Demands** are wants for specific products backed by an ability to pay. Many people want a Mercedes; only a few are able and willing to buy one. Companies must measure not only how many people want their product, but also how many would actually be willing and able to buy it.
- Marketers do not create needs, Needs preexist marketers. Either overtly or inertly
- Marketers, along with other societal factors, influences wants. Marketers might promote the idea that a Mercedes would satisfy a person's need for social status. They do not, however, create the need for social status

# Marketing Core Concepts

## **Product - Offering /brand**

- People satisfy their needs and wants with products.
- A product is any offering that can satisfy a need or want, such as one of the 10 basic offerings of goods, services, experiences, events, persons, places, properties, organizations, information, and ideas.
- A brand is an offering from a known source. A brand name such as McDonald's carries many associations in the minds of people: hamburgers, fun, children, fast food, golden arches.
- These associations make up the brand image. All companies strive to build a strong, favorable brand image.

# Marketing core concepts

## Value and Satisfaction

- In terms of marketing, the product or offering will be successful if it delivers value and satisfaction to the target buyer.
- The buyer chooses between different offerings on the basis of which is perceived to deliver the most value.
- We define value as a ratio between what the customer gets and what he gives.
- The customer gets benefits and assumes costs

## Customer looks for Value

Value = Benefit / Cost

Benefit = *Functional* Benefit + *Emotional* Benefit

Cost = Monetary Cost + Time Cost + Energy Cost + Psychic Cost

$$\text{BCR} = \frac{\text{PV}_{\text{benefits}}}{\text{PV}_{\text{costs}}}$$

where:

**PV<sub>benefits</sub>** = present value of benefits

**PV<sub>costs</sub>** = present value of costs

# Core Marketing Concepts

## Relationships and Networks

- Transaction marketing is part of a larger idea called relationship marketing
- Relationship marketing aims to build long-term mutually satisfying relations with key parties—customers, suppliers, distributors—in order to earn and retain their long-term preference and business
- Effective marketers accomplish this by promising and delivering high-quality products and services at fair prices to the other parties over time.
- .The ultimate outcome of relationship marketing is the building of a unique company asset called a marketing network.
- A marketing network consists of the company and its supporting stakeholders (customers, employees, suppliers, distributors, university scientists, and others) with whom it has built mutually profitable business relationships.
- Increasingly, competition is not between companies but rather between marketing networks, with the profits going to the company that has the better network

# Marketing Core Concepts

## Marketing Channels

- To reach a target market, the marketer uses three kinds of marketing channels
- . Communication channels deliver messages to and receive messages from target buyers. They include newspapers, magazines, radio, television, mail, telephone, billboards, posters, fliers, CDs, audiotapes, and the Internet social media , websites paid online advertise .
- Beyond these, communications are conveyed by facial expressions and clothing, the look of retail stores, and many other media.
- Marketers are increasingly adding dialogue channels (e-mail and toll-free numbers) to counterbalance the more normal monologue channels (such as ads).
- The marketer uses distribution channels to display or deliver the physical product or service(s) to the buyer or user.
- There are physical distribution channels and service distribution channels, which include warehouses, transportation vehicles, and various trade channels such as distributors, wholesalers, and retailers.
- The marketer also uses selling channels to effect transactions with potential buyers. Selling channels include not only the distributors and retailers but also the banks and insurance companies that facilitate transactions.
- Online Channels and E Commerce

# Marketing Core Concepts

## Supply Chain

- Whereas marketing channels connect the marketer to the target buyers, the supply chain describes a longer channel stretching from raw materials to components to final products that are carried to final buyers.
- For example, the supply chain for women's purses starts with hides, tanning operations, cutting operations, manufacturing, and the marketing channels that bring products to customers.
- This supply chain represents a value delivery system.
- Each company captures only a certain percentage of the total value generated by the supply chain. When a company acquires competitors or moves upstream or downstream, its aim is to capture a higher percentage of supply chain value.

# Core Marketing Concepts

## Competition

- A critical factor in marketing management, includes all of the actual and potential rival offerings and substitutes that a buyer might consider.
- We can broaden the picture by distinguishing four levels of competition, based on degree of product substitutability:
  1. **Brand competition:** A company sees its competitors as other companies that offer similar products and services to the same customers at similar prices.
  2. **Industry competition:** A company sees its competitors as all companies that make the same product or class of products.
  3. **Form competition:** A company sees its competitors as all companies that manufacture products that supply the same service
  4. **Generic competition:** A company sees its competitors as all companies that compete for the same consumer dollars. Volkswagen would see itself competing with companies that sell major consumer durables, foreign vacations, and new homes.

# Marketing Core Concepts

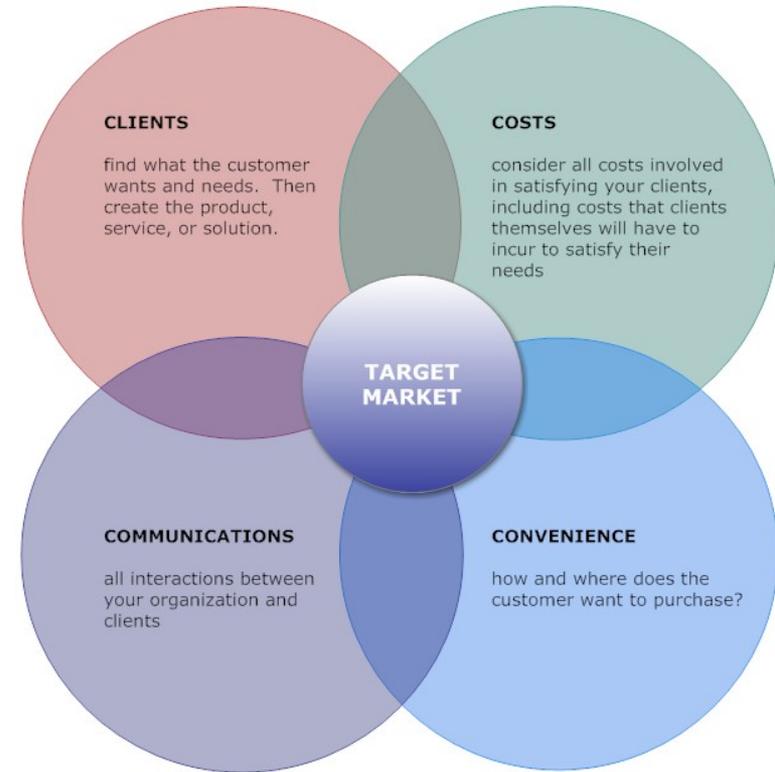
## Marketing Environment

- Competition represents only one force in the environment in which all marketers operate.
- The overall marketing environment consists of the task environment and the broad environment.
- **The task environment** includes the immediate actors involved in producing, distributing, and promoting the offering, including the company, suppliers, distributors, dealers, and the target customers. Material suppliers and service suppliers such as marketing research agencies, advertising agencies, Web site designers, banking and insurance companies, and transportation and telecommunications companies are included in the supplier group. Agents, brokers, manufacturer representatives, and others who facilitate finding and selling to customers are included with distributors and dealers.
- **The broad environment** consists of six components: demographic environment, economic environment, natural environment, technological environment, political-legal environment, and social-cultural environment. These environments contain forces that can have a major impact on the actors in the task environment, which is why smart marketers track environmental trends and changes closely.

# Marketing Core Concepts

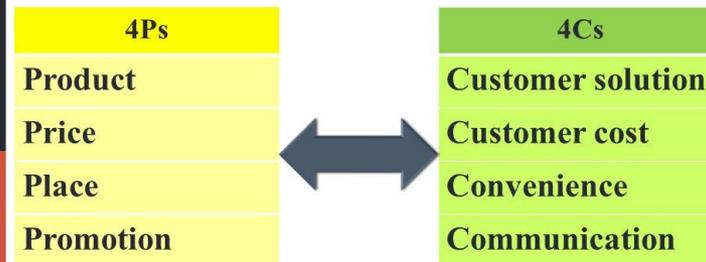
## Marketing Mix

- Marketers use numerous tools to elicit the desired responses from their target markets. These tools constitute a marketing mix
- Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market
- McCarthy classified these tools into four broad groups that he called the four Ps of marketing: product, price, place, and promotion.
- Marketing-mix decisions must be made to influence the trade channels as well as the final consumers.
- Typically, the firm can change its price, sales-force size, and advertising expenditures in the short run.
- . Thus, the firm typically makes fewer period-to-period marketing-mix changes in the short run than the number of marketing-mix decision variables might suggest
- Robert Lauterborn suggested that the sellers' four Ps correspond to the customers' four Cs.
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## Developing an Integrated Marketing Mix

- It holds that the four Ps concept takes the seller's view of the market, not the buyer's view. From the buyer's viewpoint, in this age of customer value and relationships, the four Ps might be better described as the four Cs:



# Promotions –Marketing Activities

- Marketing activities can be divided into three segments – Above the Line (**ATL**), Below the Line (BTL), & Through the Line (TTL) Marketing.
- Now Digital Marketing is new yet growing surpassing others
- The line was originally used to separate marketing and surpassing activities which had mass penetration (above the line) to those which had specific penetration (below the line). But then, because of the increased competition and development in technology, emerged through the line marketing activities which blurs the line and include the use of both ATL & BTL advertising activities.
- **TTL Marketing** stands for 'Through The Line Marketing'. This kind of marketing is really an integrated approach, where a company would use both BTL and ATL marketing methods to reach their customer base and generate conversions.
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### Brand Promotional Activities



**Brand Activation**



**Merchandising**

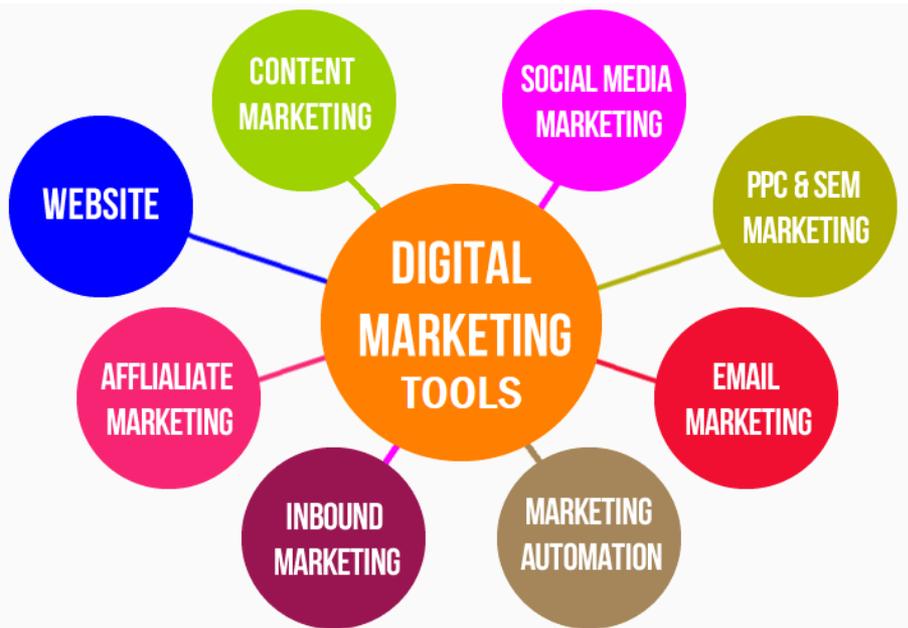
### Telemarketing



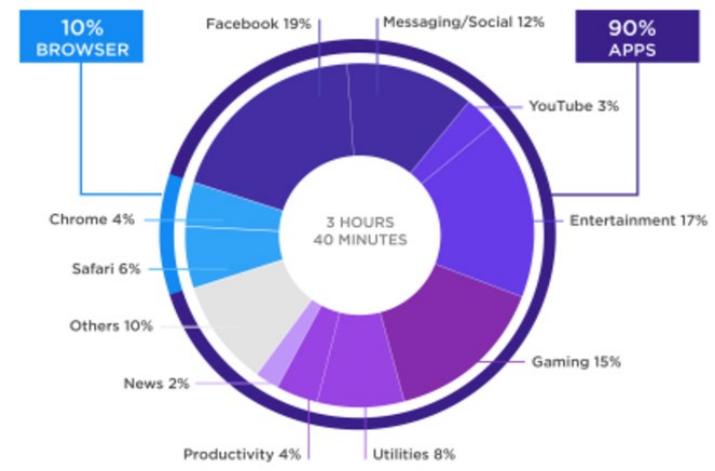
**Free Sampling and  
trial generation**

### Exhibitions





## 90% of Time on Mobile is Spent in Apps



Source: Flurry Analytics, comScore, Pandora, Facebook, NetMarketShare. Note: US Jun 2015

