

CHAPTER 1: REVIEW OF MARKETING

Definition

Marketing is the activity and process of **creating, communicating, giving** and **exchanging offers** that have **value to the clients**. Also, it does this by **anticipating, targeting** and **satisfying** the needs of the consumers with a product or service in **exchange of a profit for the company**.

However, the professor prefers the definition that goes like this: **Marketing is managing profitable customer relationship, through exchanges processes.**

Strategic Plan Process

The **strategic plan** sets the direction that the company should follow to achieve is long term objectives. If you fail to plan, it means that your planning is going to fail as well as the business.

Objective

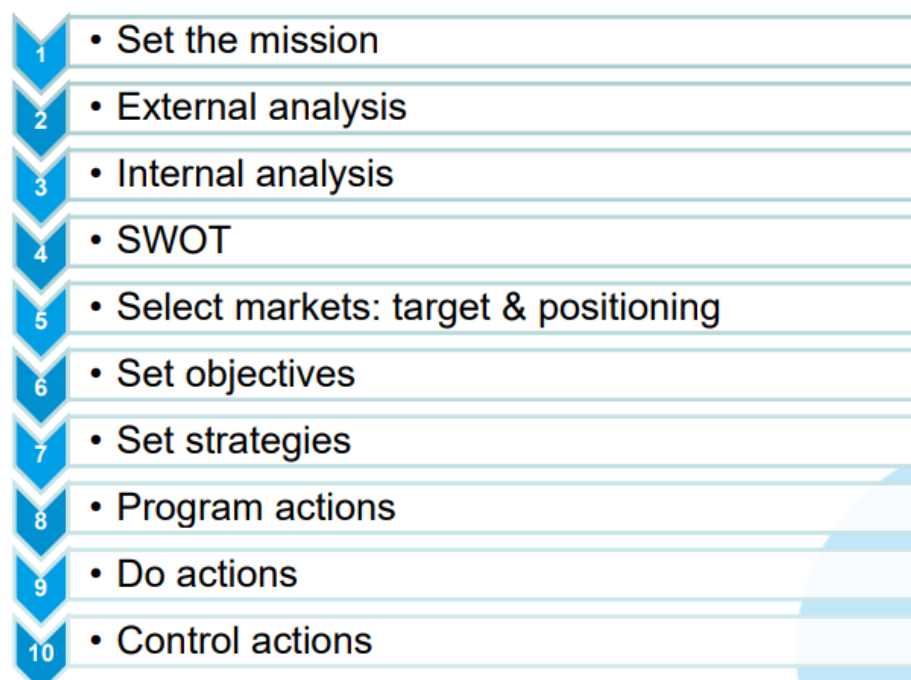
The main objective is to be able to **change the business units** or **products** to cope with the **changing environment**.

Types:

- **Long Term plans:** Strategic Plans
- **Medium Term plans.**
- **Short Term plans:** Annual plans like the Marketing plan...

All of these plans, even if they are focused in different terms, have to be linked.

Steps which need to be followed to accomplish a plan.



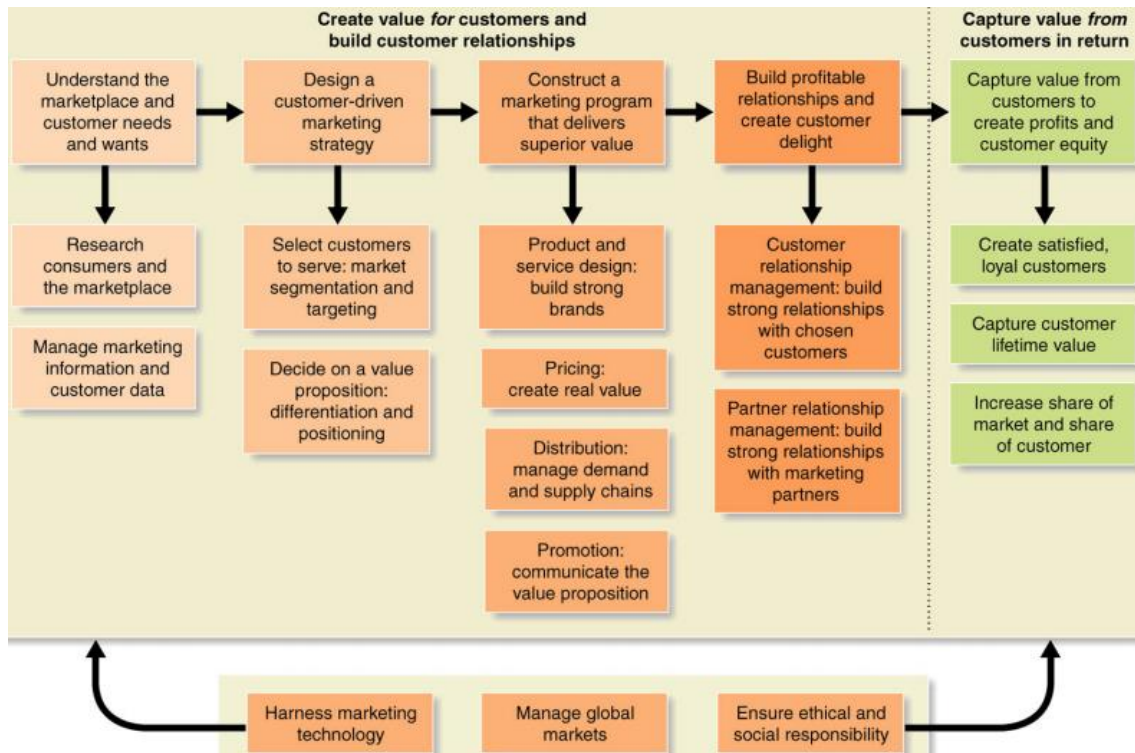
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Mission, Vision, Values

The **Mission** is the reasons why the company exists. It should start by: We are a business for...

The **Vision** is the dream of the company, what is the company going to do in order to achieve the mission.

The **Values** are the ethical principles to based culture of the company.

Difference between Want and Need

While a **Need** is the state of deprivation, a **Want** is a product or service which is adding some value to the company, **a want is the shape of the need adapted to the PESTLE analysis.**

The **Need** it already exist and is represented on the Maslow pyramid, the Want is not.

The **Demand** is the human wants that are backed by buying power and the **Marketing Offering** are the combination of products, services, information or experiences offered to a market to satisfy a need or want. Marketing **identifies** needs and **creates wants**.



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What makes a customer choose your product instead of others.

1. **Customer Value:** The consumer assessment of the product about its capacity to satisfy his or her needs.
2. **Customer Satisfaction:** The product's perceived performances match a buyer's expectations.

Internal Analysis

Macro

The Macro Analysis in the end is just the **PESTLE** analysis.

- **P:** Political
- **E:** Economic
- **S:** Social
- **T:** Technological
- **L:** Legal
- **E:** Environmental

Also, there is the **demographic**. I am not going to explain each of the fucking variables as you all have done it during these four years. Just, use your memory. 😊

Micro

The Micro Analysis in the end is just the **COSMIC** analysis.

- **C:** Consumer
- **O:** Organization (Internal analysis)
- **S:** Suppliers
- **M:** Market
- **I:** Intermediaries
- **C:** Competitors

Basically, is the **Porter Analysis** adding the organization part. Same about explaining each of the variables.

Internal Analysis

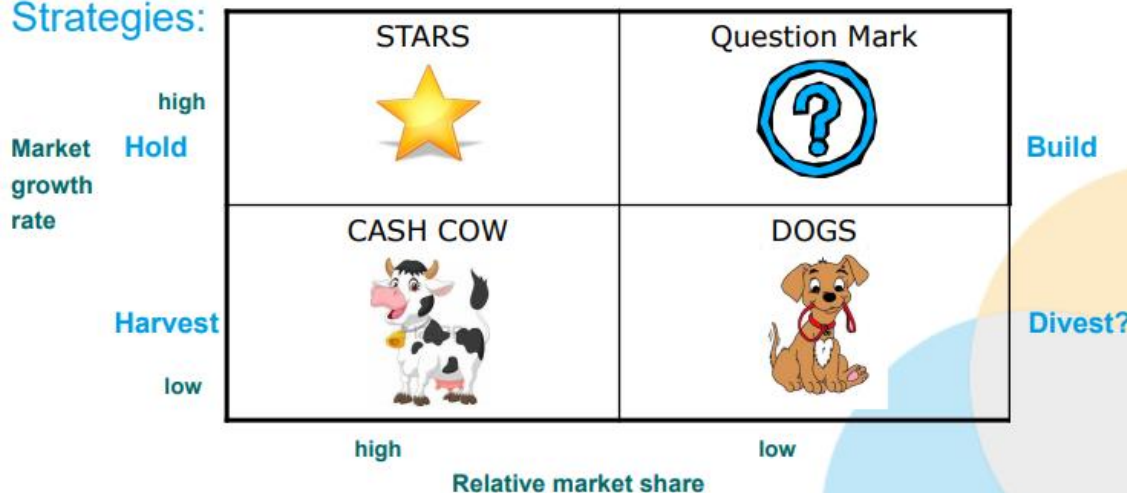
Resources & Capabilities

These can be divided in four different categories, the resources:

- **Human:** The employees, people... that the company has to its disposal.
- **Informational:** The data that the company has. **Ex.:** Data storage.
- **Financial:** Does your company have the money to successfully implement your marketing plan.
- **Supply:** Relationships with suppliers to make the company function. **Ex.:** Inventory management.

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The capabilities are just the skills or competencies that you, as a company, have. **Ex.:** Capability to negotiate with suppliers.

Boston Consulting Matrix (BCM)Strategies:SWOT

This graphic illustrate pretty well what do we need in order to make objectives in our marketing plan.

Strategic MarketingSegmentation

Process by which companies **divide** large, heterogeneous markets into smaller segments that can be reached more efficiently and effectively with products and services that **match their unique needs**.

Characteristics

It needs to be Measurable, Accessible, Substantial, Differentiable and Actionable.

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Market Segmentation			
Geographic	Demographics	Psychographic	Behavioural
Grouping customers based on defined geographical boundaries	Grouping customers based on customer personal attributes	Grouping customers according to lifestyles	Grouping customers based on actual customer behaviour toward products and services
For example:	For example:	For example:	For example:
<ul style="list-style-type: none"> ▪ Region ▪ Country ▪ Population ▪ Climate 	<ul style="list-style-type: none"> ▪ Age ▪ Gender ▪ Nationality ▪ Ethnicity ▪ Occupation ▪ Income ▪ Social class ▪ Family size ▪ Religion ▪ Education 	<ul style="list-style-type: none"> ▪ Lifestyle ▪ Personality ▪ Values ▪ Attitudes ▪ Opinions ▪ Interests 	<ul style="list-style-type: none"> ▪ Brand loyalty ▪ Benefits sought ▪ User status ▪ Usage rates ▪ Occasion ▪ Readiness to buy

Targeting

Set of buyers sharing common needs or characteristics that the company decides to serve. Whenever you target, you will create a **product specific for them**.

Type

- ❖ **Undifferentiated Marketing or Mass Marketing:** Coca Cola.
- ❖ **Differentiated Marketing or Segmented Marketing:** Coca Cola 0% sugar.
- ❖ **Concentrated Marketing or Niche Marketing:** Coca Cola with names.
- ❖ **Micromarketing or Local/Individual Marketing:** Ferrari.

Positioning

The place the product occupies in consumers 'minds relative to competing products or brands.

Competitive StrategiesPorter Strategies

- Cost Leadership:** You know what the heck is this.
- Differentiation in:** You know what it is... black and yellow...
- Focus or Niche:** Well, nothing to say.

Kolter Strategies

- Market Leader:** Compared to its competitors.
- Market Challengers:** Little less than leader.
- Market Followers:** Less than the previous ones.
- Market Specialists:** More like a niche.

Marketing 4P's

Product

Is anything that is offered to a market for attention, acquisition, use or consumption that might satisfy a need or a want. It can be divided between:

- Tangible products
- Pure services

Both turn into **experiences**

Life Cycle of a product

1. **Product Development**
2. **Introduction or launch stage**
3. **Growth stage**
4. **Mature stage**
5. **Decline stage**
 - a. **Death of the product**
 - b. **Maturity of the market**
 - c. **Relaunch**

Product Attributes

Also, really important to look, not only about the product, also everything around the product (Services). And identify which are the most unique.

Price

Is the study of how to fix price and its impact on business profits. It is also the value that the consumer gives to the product or service.

Characteristics

The only stage that provides a monetary return, a tangible profit. It is the **most flexible p**, indicates **quality**.

Price Strategies when launching

- ✓ **Penetration:** Low price.
- ✓ **Alignment:** Fair price according to competitors
- ✓ **Skinning:** Price

Price Strategy

- ✓ **Cost Based Pricing:** Raw material companies
- ✓ **Value Based Pricing.**
- ✓ **Competition Based Pricing.**

Place/Distribution

Process of making a product or service available for the consumer or business user who needs it.

CHAPTER 1: REVIEW OF MARKETING**Coverage of the Distribution**

- **Selective:** 50% - 50%
- **Exclusive:** Almost nowhere
- **Intensive:** Everywhere

Types

- ❖ **Direct-marketing channel:** When it goes straight from the producer to the consumer.
- ❖ **Indirect-marketing channel:** When there are intermediaries.

The decision in either one or the other will depend on the strategy:

- ✓ **PULL strategy:** The manufacturer makes the promo and advertising.
- ✓ **PUSH strategy:** The intermediary makes the advertising.

When both, manufacturer and intermediary work together in terms of advertising and convincing the consumer to buy, this, is called **Trade Marketing**.

Promotion/Communication

Specific mix of Marketing tools that the company uses to persuasively communicate customers value and **build customer relationship**.

Marketing tools:

- ❖ **Advertising.**
- ❖ **Sales promotion.**
- ❖ **Public relations:** Publicity, journalist and others talk about your product, without paying
- ❖ **Personal selling:** People which are selling in the point of sales
- ❖ **Direct Marketing.**
- ❖ **Merchandising:** Cold spaces, hot spaces...

Integrated Marketing Communication (IMC)

Concept under which a company carefully **integrates and coordinates its many communications channels** to deliver a clear, consistent and compelling **message about the organization Xand its products**.

Jokes

- What do you call a grandma that you are dating?
- Old Bay

- Why did the bicycle fall over?
- Why?
- Because it was two-tired

- What did the bee say to his wife when they were running late for dinner?
- What?
- Hurry up honey!

<https://youtu.be/MQ9ktL2dKZA> - Sorry for the bad jokes