

Marketing Exam Revision Notes

Lecture 1

Introduction to Marketing

Definition of Marketing

- Marketing is the activity, set of institutions and processes for creating, communicating. Delivering and exchanging offerings that have value for stakeholders (customers, clients, partners, society)

- **Marketing evolution**

- Trade
- Production orientation
- Sales orientation
- Market orientation
- Societal market orientation

- **Value** - a perception

- A customer's assessment of the utility of an offering based on perceptions of what is received and what is given
- Value = Quality/Price
- Refers to 'total offering'
- Lifetime value of the client – what does the firm offer in exchange for loyalty

- **Markets**

- Geographic markets
- Product markets
- Demographic markets

- Customers purchase g&s for their own or others' use

- **Triple Bottom Line**

- Environmental
- Economic
- Social

- **Marketing mix (4P's)**

- Product (protein powder)
- Price (high price for well-financed consumers)
- Promotion (buy 5 packs get 1 free)
- Place (online distribution)

- **Corporate social responsibility (CSR)**

- Responsible companies implement their own codes of conduct
- Businesses have an obligation to act in interests of societies that sustain them
- E.g. The use of Earth's resources, has emerged as major consideration for businesses trying to meet CSR requirements

- **Sustainable Development**

- Meeting needs of today without compromising tomorrow

- **Sustainable Marketing**

- Combine economic and ecological elements in business practices

- **How marketing improves business performance**

- Firms with market orientation perform better
- Better profits, sales volumes, market share, return on investment
- Stakeholders benefited
- Marketing drives economic growth, stimulate consumer demand

- **The marketing environment**

- Internal environment
 - Organisation
 - People

- Can directly control
- Strengths & weaknesses (ability to compete in market)
 - Micro environment
 - Marketers must understand current & future needs/wants
 - What their customers value now
 - Willing to respond to changes
 - Identify changes in customer pref.
 - Influence customer preferences
 - (Customers, Partners – logistic firms, financiers, advertising agencies, retailers, wholesalers, Competitors)
 - Can not directly control
 - Marketers seek to influence external environment
 - Opportunities & threats
 - Macro environment (PESTEL)
 - Political
 - ❖ Influence of politics on marketing decisions
 - Environmental
 - ❖ Natural disasters, weather & climate change, growing ecological awareness and social changes influence how firms will operate
 - Sociocultural
 - ❖ Factors affect attitudes, beliefs, behaviours, preferences, lifestyles
 - Technological
 - ❖ Better ways of doing things, changes expectations & behaviours of customers & clients, huge effect on how suppliers work
 - Economic
 - ❖ How much people/business can spend and how they choose to spend. Include income, prices, level of savings, level of debt, availability of credit
 - Legal
 - ❖ Rules made under authority, laws & regulations govern what marketing organisations can & cannot legally do
 - ❖ Privacy, fair trading, consumer safety, prices, contract terms, intellectual property
- Situational analysis
 - Identify key factors that will be used as basis for development of marketing strategy
- **Marketing Planning**
 - Process that combines organisational objectives & situational analyses
 - Executive summary -> Intro -> Situation analysis -> Objectives -> Target market -> Marketing mix strategy -> Budget -> Implementation -> Evaluation -> Future recommendations
- **Marketing metrics**
 - Return on investment
 - Sales
 - Marketing investment (costs, share of voice)
 - Bottom line (profit, share of industry profit)
 - Customer satisfaction
 - Churn - % of customers lost
 - # of complaints received/resolved
 - % on-time delivery
 - Retail queue waiting times
 - Market share
 - % market share
 - % market share growth/decline

- Performance relative to competitors
- Brand equity
 - Awareness
 - Preference
 - Loyalty

Lecture 2

Marketing Research

- **Market research**
 - Activity that discovers info of use in making marketing decisions
 - Essential component of understand the market
 - Only of value if info provided can contribute to improve performance
- **Types of market research decisions**
 - Market segmentation
 - Sales performance
 - Product
 - Distribution
 - Promotion
 - Pricing
 - Attitudes & behaviours
- **5 components of market research**
 - Define research problem
 - Design the research methodology
 - Collect data
 - Analyse data & draw conclusions
 - Present results & make recommendations
- **Factors to consider:**
 - Relevance
 - Timing
 - Availability of resources
 - Need for new info
 - Cost-benefit analysis
 - Ethics: market researchers are responsible to clients or employers and those who participate in the research
- **Research problem**
 - A clearly specified research problem ensure that the research will answer the question
 - A poor defined research problem leads to not generating info required -> unable to make marketing decisions
 - As the research proceeds, the original questions asked may be redefined
- **Market research brief**
 - Set of instructions & requirements that states the research problem, info required & timeframe, budget, & other conditions of the project
 - It will not necessarily propose a methodology/approach for the market research
 - The more specific the problem, the more specific the answer
- **A market research brief includes:**
 - Executive summary – overview
 - Intro – explains why research needs to be conducted, who is proposing research
 - Background – details the problem, provide known facts & related projects
 - Problem definition – the question that is to be addressed include set objectives