

MKTG1203: MARKETING MANAGEMENT

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Marketing

The *set of institutions, activity and processes for creating, capturing, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large.*

PART 1. ASSESSING THE MARKETPLACE

01 OVERVIEW OF MARKETING

History of the idea of successful marketing

Production-oriented era - build a good product and it will sell itself

Sales oriented era - lots of advertising and personal selling are the key to success

Market oriented era - growing focus on meeting customer needs and wants

Value-based marketing era - there's more to marketing than just meeting needs and wants; consumers also expect a fair return for the price they pay

LO 1.1 Define the role of marketing in organisations

Marketing = the *set of institutions, activity and processes for creating, capturing, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large.*

The function of marketing = to **create, communicate, capture, and deliver** value (via 4p's)

Product (create value)

- What *offering*
- Often goods are supplemented with service
- e.g. goods, service, ideas

Promotion (communicate value)

- *Informing, persuading, and reminding* buyers in order to *influence opinion* or *elicit a response*
- Consider target audience
- e.g. digital marketing for millennials

Price (capture value)

- Resources given for the offering
- Benefits must outweigh costs

Place (deliver value)

- All *activities* necessary to get the *product* to the customer when they want it
- Involves supply chain management

LO 1.2 Explain the concept of value in marketing

Value = relationship between benefits and costs.

i.e. **value** = benefits:costs

Firms must integrate **value-orientation** into everything they do

Value orientation involves:

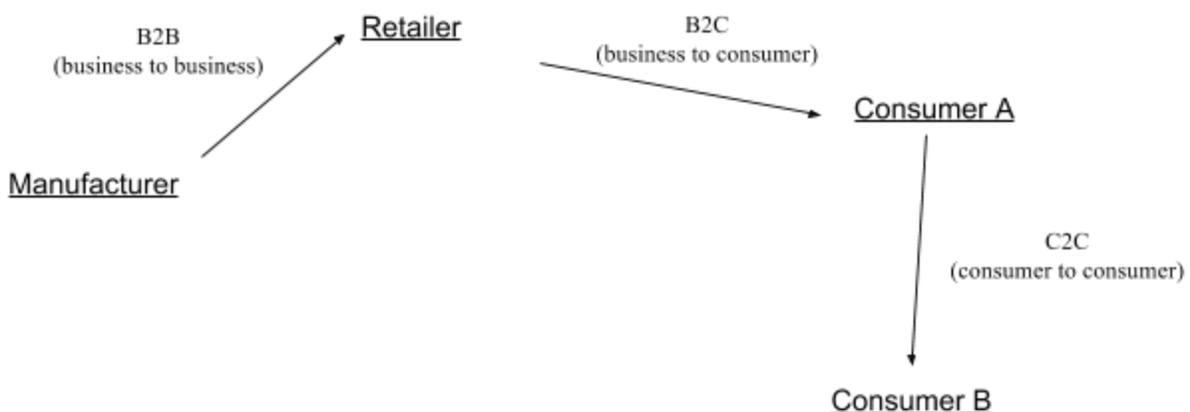
- If an activity doesn't increase value (i.e. costs > benefits) it should not be done.
- Identifying customer needs/wants so that the firm can cater to them.
- Sharing customer needs/wants with partners in the supply chain so they can also make informed decisions.
- **Value-based marketing**
 - i.e. "the ability to design goods and services that achieve precisely the right balance between benefits and costs"
 - Achieved through focus on the relationship with customers so they return

LO 1.3 Understand why marketing is important, both within and outside the firm.

Successful marketing is integrated into all relevant **functional areas** in the **supply chain** to get the product to the customer at **the correct place and time**.

Functional areas = stakeholders, i.e. anyone with a vested interest in the business;

Supply chain = movement of goods as follows:



Glossary

B2C (business-to-consumer) = the process in which businesses sell to consumers

B2B (business-to-business) = the process of selling merchandise or services from one business to another

C2C (consumer-to-consumer) = the process in which consumers sell to other consumers

Consumer relationship management (CRM) = a business philosophy and set of strategies, programs and systems that focus on identifying and building loyalty among the firm's most valued customers.

Entrepreneur = a person who organises, operates and assumes the risk of a new business venture

Exchange = the trade of things of value between the buyer and the seller so that each is better off as a result

Goods = items that can be physically touched, as opposed to services

Ideas = intellectual concepts - thoughts, opinions and philosophies

Marketing = an organisational function and a set of processes for creating, capturing, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organisation and its stakeholders

Marketing channel = the set of institutions that transfers the ownership of and move goods from the point of production to the point of consumption; consists of all the institutions and marketing activities in the marketing process

Marketing mix (four Ps) = product, price, place and promotion - the controllable set of activities that a firm uses to respond to the wants of its target markets

Marketing plan = a written document composed of an analysis of the current marketing situation, opportunities and threats for the firm, marketing objectives and strategy specifies in terms of the four Ps, action programs, and projected or pro forma income (and other financial) statements.

Relational orientation = a method of building a relationship with customers based on the philosophy that buyers and sellers should develop a long-term relationship

Service = an intangible offering

Supply chain = the group of firms that make and deliver a given set of goods and services

Value = reflects the relationship of benefits to costs, or what a consumer gets for what they give

Value co-creation = when customers act as collaborators with a manufacturer or retailer to create the product

02 DIGITAL MARKETING

Digital marketing is vital as we are increasingly disconnected from traditional marketing

LO 2.1 Recognise the distinct digital consumer elements

Three categories of digital consumers

- Dominant digital (uses tech as an integral aspect of their life)
- Reluctant (uses tech only when it is the only way)
- Hybrid (uses tech when appropriate and to solve problems)

Dominants are **digital empowered**, *i.e.*

- Unprecedented *access to information* about *products, prices, and competition*.
hence *active consumers* demand better customer service/value
- eWOM (electronic word of mouth)
 - Outside the firm's control via dialogue
 - Can be positive or negative

LO 2.2 Understand the types of digital channels

Digital channels are used in IMC (integrated marketing communications) strategy.

- ❖ Website (major channel)
 - Good websites are *interactive, engaging*, including *social resources (i.e. likes)*
- ❖ Search engines
 - *Search engine optimisation* via dynamic websites with *keywords* for upfront *hyperlinks*, *e.g. blogs, social media, etc*
- ❖ Email
 - *Receipts/confirmation emails* are best advertising opportunity
- ❖ Mobile (largest growth)
 - Price check, fashion apps, and gamification all occurring
 - Younger, wealthier demographic

LO 2.3 Describe the 4E framework of social media marketing

4E framework (for successful advertising)

1. Excite, e.g. personalised offer; google ads integrating data to inform ads on your feed
2. Educate, e.g. corporate blogs; business instagram profiles
3. Experience, e.g. samples; cafes employing someone to give samples outside

The result of these E's → **ENGAGEMENT**

LO 2.4 Understand the important role of mobile applications

Mobile is the **fastest growing** digital channel.

Advantageous features of mobile:

- **Price checking**, e.g. Amazon
- **Fashion apps**, e.g. ASOS
- **Location tracking**, e.g. Pokemon GO!
- **Gamified apps**, e.g. Dumb Ways to Die

LO 2.5 Understand the components of a digital marketing strategy

Social CRM (customer relationship management)

= social strategy integrating ideal implication of **digital**, **social**, and **mobile** channels.

Comprises of:

- **Engagement** w/customers via
 - Listening & responding
 - Involving
 - Empowering
- **CDM** (customer data management) to understand consumer behaviour.
 - CDM informs 4E and CRM decisions
 - *Big data* and *social media tools* solve the issue of *data overload* in CDM

LO 2.6 Recognise the future directions of digital marketing

Increased opportunities for engagements will come with:

- **Augmented reality**, 3D and virtual personas; e.g. Oculus Rift
- **Cyborg computerism** (wearables), e.g. Google Glass
- **Internet of things**, e.g. smart fridges

Glossary

Apps = mobile applications designed to offer advanced features to consumers similar to standard websites but optimised for their mobile phones

Blog (weblog) = a web page that contains periodic posts; corporate blogs are a new form of marketing communications

Co-creation = the involvement of various parties, particularly consumers and an organisation's employees, in the production of marketing, advertising campaigns, new products ideas or even new product development

Content marketing = the marketing technique of creating and distributing value, relevant and consistent content to attract and acquire a clearly defined audience, with the objective of driving profitable customer action

Creators = those who create user-generated content such as ratings, reviews, posts, comments, pictures, videos or full blogs

Earned media = public-relations-type media that an organisation earns but has not paid for, such as the social sharing of an interesting marketing message

Empowerment = in the context of service delivery, means allowing employees to make decisions about how service is provided to customers

Flow effect = the immersive state that is product when a person zones out the peripheral environment in favour of the current activity/experience

Gamification = the process of building customer loyalty through the offering of free apps

Influence = in social media context, the extent to which a person influences others

Infographic = a pictorial means of presenting information, which is a common piece of content marketing in B2B organisations

Location-based software = any app, website or program that is able to tailor messages to you bases on your location

Microblogging = differs from traditional blog in size. Consists of short sentences, short videos or individual images, e.g. vine, twitter, etc.

Owned media = an organisation's owned media, such as its own website, its own social media channels or email marketing

Personalisation/customisation = promotions, goods or services tailored for individual customers and which offer a competitive advantage. A benefit of internet. Can include heightened service or individualised offerings