

## Lecture One:

- Transparency is valued by customers
- Marketing is the whole business
- Value delivery service; not just making products because we can but because they are products which will be valued by consumers

### “Toolkit”

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| <ol style="list-style-type: none"> <li>1. Product:                             <ol style="list-style-type: none"> <li>a. Product/service development</li> <li>b. Service quality</li> </ol> </li> <li>2. Place: (Distribution)                             <ol style="list-style-type: none"> <li>a. Markets</li> <li>b. Channels – control, planning</li> </ol> </li> </ol> | <ol style="list-style-type: none"> <li>3. Price:                             <ol style="list-style-type: none"> <li>a. Value-based</li> <li>b. Strategy – consumers vs. cost</li> </ol> </li> <li>4. Promotion:                             <ol style="list-style-type: none"> <li>a. Advertising – firm objectives</li> <li>b. Timing</li> </ol> </li> </ol> |
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- Marketing is not a function – businesses must approach it with customers in mind

## Lecture Two: Market-orientated Firm and Value Creation:

- Good profit and bad profit: creating profit from customer value vs. being earned at consumers' expense
- *Customer Value: value =  $\frac{\text{benefits}}{\text{costs}}$* , costs may be tangible (price) and intangible over the life of ownership
- Goal: create superior perceived value for customers
- Framework for creating customer value:
  1. Assurance of brand
  2. Drive benefits up
  3. Push costs down
- Customer definition of benefit:
  1. Confidence/security
  2. Reduced risk
  3. Improved performance, productivity etc.
- Tools for creating value through benefits:
 

<ol style="list-style-type: none"> <li>1. Product:                             <ul style="list-style-type: none"> <li>▪ Features</li> <li>▪ Performance</li> <li>▪ Conformance</li> </ul> </li> <li>2. Support services:                             <ul style="list-style-type: none"> <li>▪ Consulting</li> <li>▪ Training</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>3. Relationship management:                             <ul style="list-style-type: none"> <li>▪ Installation</li> <li>▪ Responsiveness</li> <li>▪ Communication</li> </ul> </li> <li>4. Image                             <ul style="list-style-type: none"> <li>▪ Reputation</li> <li>▪ atmosphere</li> </ul> </li> </ol>
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- Customer definition of costs:
 

<ol style="list-style-type: none"> <li>1. Money</li> <li>2. Time</li> </ol>	<ol style="list-style-type: none"> <li>3. Effort</li> <li>4. Mental thinking time/capacity</li> </ol>
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- Tools for lowering cost:
 

<ol style="list-style-type: none"> <li>1. Search cost</li> </ol>	<ol style="list-style-type: none"> <li>2. Set-up cost</li> </ol>
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