

University of Global Village (UGV), Barishal
Department of Business Administration
Course Title: Marketing Management

Course Code : 0414-616	Credits : 03
Exam Hours : 03	CIE Marks : 90 SEE Marks : 60

❖ **Course Learning Outcomes (CLOs):** Upon completing this course, students should be able to

CLO1	Understand and Explain key concepts and theories in marketing management, including the marketing mix, consumer behavior, market segmentation, and strategic marketing planning.
CLO2	Summarize Analyze and Interpret how market dynamics influence marketing decision-making within various organizational contexts.
CLO3	Narrate Evaluate and Develop strategic marketing plans that align with organizational goals and address market opportunities and challenges.
CLO4	List Describe and Evaluate marketing strategies and campaigns using relevant metrics and analytics to measure effectiveness and ROI.

❖ **Course plan specifying Topics, Teaching time and CLOs**

Sl no	Topic	Hours	CLOs
1	Defining Marketing for the 21st Century		CLO1 CLO2
2	Developing Marketing Strategies and Plans		CLO2 CLO3
3	Collecting Information and Forecasting Demand		CLO3 CLO4
4	Conducting Marketing Research		CLO1 CLO3
5	Creating Long-term Loyalty Relationships		CLO2 CLO3
6	Analyzing Consumer Markets		CLO2 CLO3 CLO4

❖ **Course plan specifying content, CLOs, co-curricular activities (if any), teaching learning and assessment strategy matching with CLOs.**

Week	Topic	Teaching-Learning Strategy	Assessment Strategy	CLOs
1	Defining Marketing for the 21st Century: The Scope of Marketing What Is Marketing? What Is Marketed? Who Markets? Core Marketing Concepts Needs, Wants, and Demands Target Markets, Positioning, and Segmentation Offerings and Brands Value and Satisfaction Management Orientations,	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion ▪ Assignment 	<ul style="list-style-type: none"> ▪ Question & Answer (Oral) ▪ Written Test 	CLO1 CLO2
2	Defining Marketing for the 21st Century: Marketing Channels Supply Chain Competition Marketing Environment The New Marketing Realities Major Societal Forces New Company Capabilities Marketing in Practice.	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion ▪ Exercise ▪ Group discussion 	<ul style="list-style-type: none"> ▪ Question & Answer (Oral) ▪ Class Test ▪ Written Test 	CLO1 CLO2
3	Defining Marketing for the 21st Century: Marketplace The Production Concept The Product Concept The Selling Concept The Marketing Concept The Holistic Marketing Concept Relationship Marketing Integrated Marketing Internal Marketing Performance Marketing	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion ▪ Exercise 	<ul style="list-style-type: none"> ▪ Question & Answer (Oral) ▪ Written Test 	CLO1 CLO2
4	Defining Marketing for the 21st Century: The New Four Ps Marketing Management Tasks Developing Marketing Strategies and Plans Capturing Marketing Insights Connecting with Customers Building Strong Brands Shaping the Market Offerings Delivering Value Communicating Value Creating Successful Long-Term Growth.	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion ▪ Assignment ▪ Group discussion 	<ul style="list-style-type: none"> ▪ Question & Answer (Oral) ▪ Class Test ▪ Written Test 	CLO1 CLO2
5	Developing Marketing Strategies and Plans: Marketing and Customer Value The Value Delivery Process The Value Chain Core Competencies A Holistic Marketing Orientation and Customer Value The Central Role of Strategic Planning Corporate and Division Strategic Planning Defining the Corporate Mission Establishing Strategic Business Units.	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion ▪ Problem Solving ▪ Group discussion 	<ul style="list-style-type: none"> ▪ Question & Answer (Oral) ▪ Written Test 	CLO2 CLO3
6	Developing Marketing Strategies and Plans: Assigning Resources to Each SBU Assessing Growth Opportunities Organization and Organizational Culture Marketing Innovation Business Unit Strategic Planning The Business Mission SWOT Analysis Goal Formulation Strategic Formulation.	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion ▪ Problem Solving ▪ Exercise 	<ul style="list-style-type: none"> ▪ Question & Answer (Oral) ▪ Written Test ▪ Quiz 	CLO2 CLO3
7	Developing Marketing Strategies and Plans: Strengths/Weaknesses Analysis Program	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion 	<ul style="list-style-type: none"> ▪ Question & Answer 	CLO2 CLO3

	Formulation and Implementation Feedback and Control Product Planning: The Nature and Contents of Marketing Plan The Role of Research The Role of Relationships From Marketing Plan to Marketing Action.	<ul style="list-style-type: none"> ▪ Problem Solving ▪ Group discussion 	<ul style="list-style-type: none"> (Oral) ▪ Class Test 	
8	Collecting Information and Forecasting Demand: Components of a Modern Marketing Information System Internal Records The Order-to-Payment Cycle Sales Information Systems Databases, Data Warehousing, and Data Mining Marketing Intelligence The Marketing Intelligence System Collecting Marketing Intelligence on the Internet Communicating and Acting on Marketing Intelligence Analyzing the Macro environment Needs and Trends Identifying the Major Forces The Demographic Environment.	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion ▪ Problem Solving 	<ul style="list-style-type: none"> ▪ Question & Answer (Oral) ▪ Class Test ▪ Written Test 	CLO3 CLO4
9	Collecting Information and Forecasting Demand: The Economic Environment The Sociocultural Environment The Natural Environment The Technological Environment MARKETING INSIGHT The Green Marketing Revolution The Political-Legal Environment Forecasting and Demand Measurement The Measures of Market Demand A Vocabulary for Demand Measurement Estimating Current Demand Estimating Future Demand	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion ▪ Assignment 	<ul style="list-style-type: none"> ▪ Question & Answer (Oral) ▪ Class Test 	CLO3 CLO4
10	Conducting Marketing Research: The Marketing Research System The Marketing Research Process Step 1: Define the Problem, the Decision Alternatives, and the Research Objectives Step 2: Develop the Research Plan.	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion ▪ Group discussion ▪ Oral presentation 	<ul style="list-style-type: none"> ▪ Question & Answer (Oral) ▪ Written Test 	CLO1 CLO3
11	Conducting Marketing Research: Understanding Brain Science Step 3: Collect the Information Step 4: Analyze the Information Step 5: Present the Findings Step 6: Make the Decision.	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion ▪ Assignment 	<ul style="list-style-type: none"> ▪ Question & Answer (Oral) ▪ Class Test ▪ Written Test 	CLO1 CLO3
12	Conducting Marketing Research: Bringing Marketing Research to Life with Personas Overcoming Barriers to the Use of Marketing Research Measuring Marketing Productivity Marketing Metrics Marketing-Mix Modeling Marketing Dashboards MARKETING INSIGHT Marketing Dashboards to Improve Effectiveness and Efficiency.	<ul style="list-style-type: none"> ▪ Written exam ▪ MCQ test ▪ Presentation 	<ul style="list-style-type: none"> ▪ Written exam ▪ MCQ test ▪ Oral test 	CLO1 CLO3
13	Creating Long-term Loyalty Relationships: Building Customer Value, Satisfaction, and Loyalty Customer Perceived Value Total Customer Satisfaction Monitoring Satisfaction	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion ▪ Exercise ▪ Group 	<ul style="list-style-type: none"> ▪ Question & Answer (Oral) ▪ Class Test 	CLO2 CLO3

	Net Promoter and Customer Satisfaction Product and Service Quality Maximizing Customer Lifetime Value Customer Profitability Measuring Customer Lifetime Value Cultivating Customer Relationships	discussion	▪ Written Test	
14	Creating Long-term Loyalty Relationships: Calculating Customer Lifetime Value Customer Relationship Management Attracting and Retaining Customers Building Loyalty Win-Backs Customer Databases and Database Marketing Customer Databases Data Warehouses and Data Mining The Downside of Database Marketing and CRM.	▪ Lecture ▪ Discussion ▪ Problem Solving	▪ Question & Answer (Oral) ▪ Written Test	CLO2 CLO3
15	Analyzing Consumer Markets: What Influences Consumer Behavior? Cultural Factors Social Factors Consumer Quiz Personal Factors Key Psychological Processes Motivation: Freud, Maslow, Herzberg Perception Learning Emotions Memory.	▪ Lecture ▪ Discussion ▪ Exercise ▪ Assignment	▪ Question & Answer (Oral) ▪ Class Test ▪ Written Test	CLO2 CLO3 CLO4
16	Analyzing Consumer Markets: The Buying Decision Process: The Five-Stage Model Problem Recognition Evaluation of Alternatives Purchase Decision	▪ Lecture ▪ Discussion ▪ Problem Solving ▪ Group discussion	▪ Question & Answer (Oral) ▪ Written Test ▪ Quiz	CLO2 CLO3 CLO4
17	Analyzing Consumer Markets: Post purchase Behavior Moderating Effects on Consumer Decision Making Behavioral Decision Theory and Behavioral Economics Decision Heuristics.	▪ Lecture ▪ Discussion ▪ Assignment ▪ Oral presentation	▪ Question & Answer (Oral) ▪ Written Test	CLO3 CLO4

Assessment and Evaluation

1) **Assessment Strategy:** Group Discussion, Class tests, Case Study, Term Paper, Presentation.

2) **Marks distribution:**

a) **Continuous Assessment:**

- Class attendance is mandatory. Absent of 70% classes; disqualify the student for final examination only authority recommendation will be accepted with highly reasonable causes.
- Late submission of assignments is not allowed. Late submission of assignments will be only taken with highly reasonable causes and 20% mark will be deducted.
- To pass this course student will have to appear mid-term and final examination.

b) **Summative:**

❖ **CIE- Continuous Internal Evaluation (90 Marks)**

Bloom's Category	Test	Assignments	Quiz	External Participation in Curricular/ Co-curricular Activities
Marks (out of 90)	(15)	(15)	(15)	(15)
Remember	05			Bloom's Affective Domain: (Attitude or will) Attendance: 15 Copy or attempt to copy: - 10 Late Assignment: -10
Understand	05	06	07	
Apply	05			
Analyze	10		08	
Evaluate	05	09		
Create	10			
	05			

❖ **SEE- Semester End Examination (60 Marks)**

Bloom's Category	Test
Remember	10
Understand	10
Apply	10
Analyze	10
Evaluate	10
Create	10

3) Make-up Procedures: Dates for exams will be strictly followed. No makeup exam (Normal case), for exceptional case university rules and regulation should be followed.

Learning Materials

1) **Recommended Readings:**

- Marketing Management, 13th Edition by Philip Kotler (South Asian Perspective).

2) **Supplementary Readings:**

- Principle of Marketing, 14th Edition By Philip Kotler (South Asian perspective).

Week:1
Slides 1-6

Phillip

Kotler

Kevin Lane

Keller

Marketing Management • 14e

Week-1-4

Chapter 1



Defining Marketing for the 21st Century

Discussion Questions

1. Why is marketing important?
2. What is the scope of marketing?
3. What are some fundamental marketing concepts?
4. How has marketing management changed in recent years?
5. What are the task necessary for successful marketing management?



Marketing



Demand



Jobs



Revenue



Profits



Giving

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



Week: 2
Slides 7-13

Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.



What is Marketed?

Persons



- Experiences
- Events
- Properties
- Organizations
- Information
- Ideas



Services



Goods



Places

Who markets?



Marketer

Response

- ← Attention
- ← Purchase
- ← Donation
- ← Vote

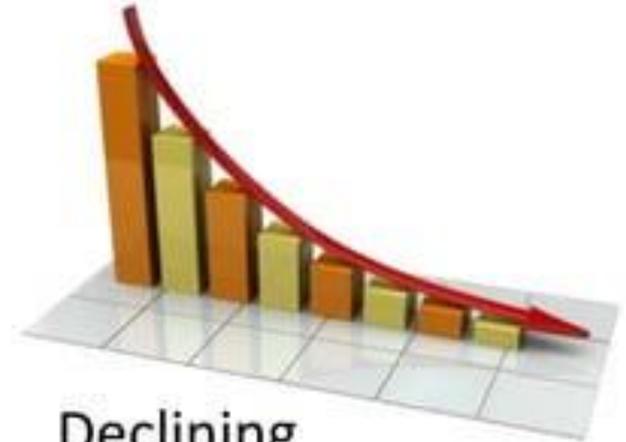


Prospect

Types of Demand



Unwholesome



Declining



Negative



Irregular

- Nonexistent
- Latent
- Full
- Overfull

Figure 1.1

Markets

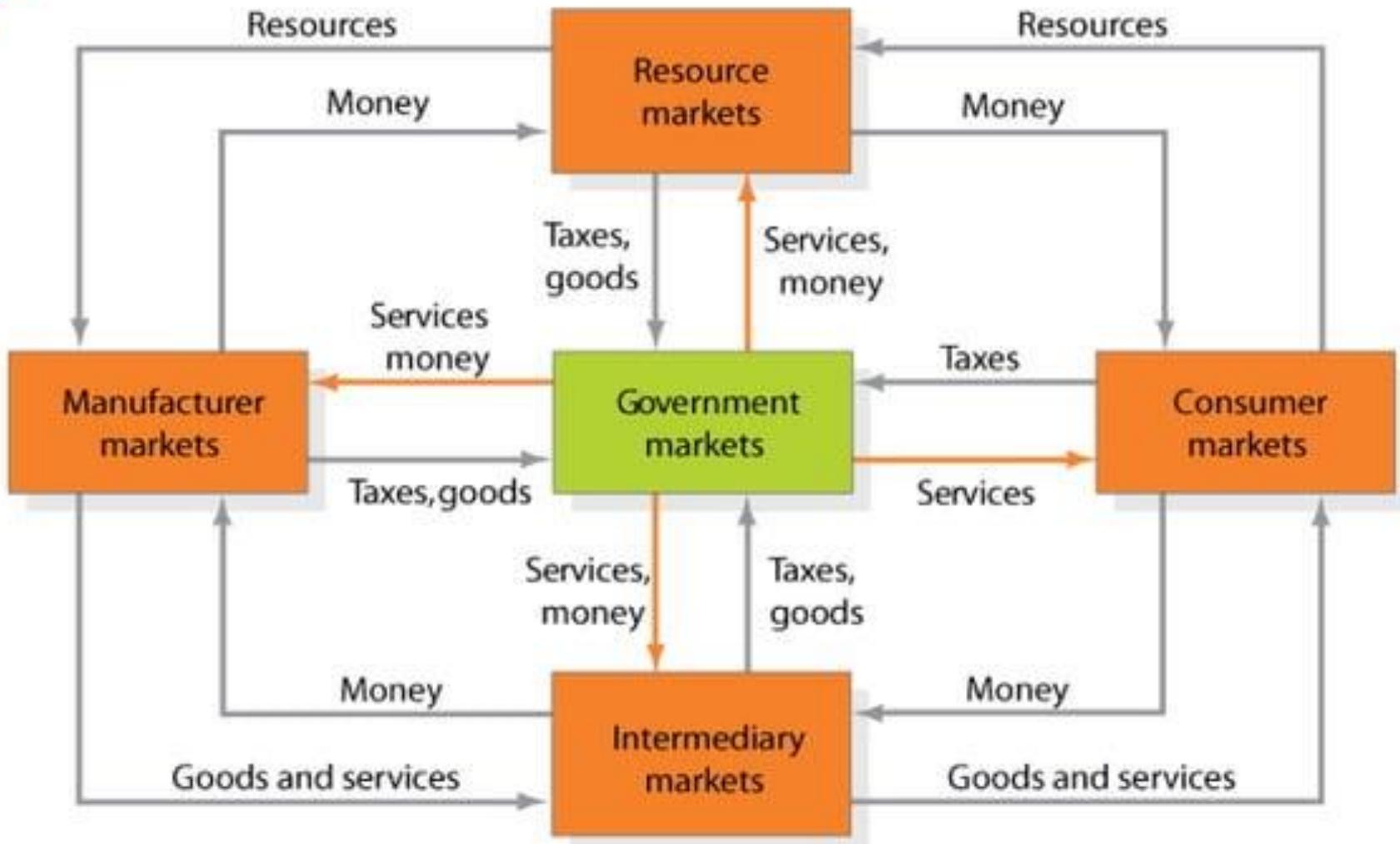


Figure 1.2

Simple Marketing System



Week:3
Slides 15-21

Key Customer Markets

Global Markets



Consumer Market



Business Markets



Government Market

Markets



Marketplaces



Marketspaces



Metamarkets

Core Marketing Concepts

Needs, Wants, and Demands



Target Markets, Positioning, and Segmentation



Offerings and Brands



Value and Satisfaction

Core Marketing Concepts

Marketing Channels



Supply Chain

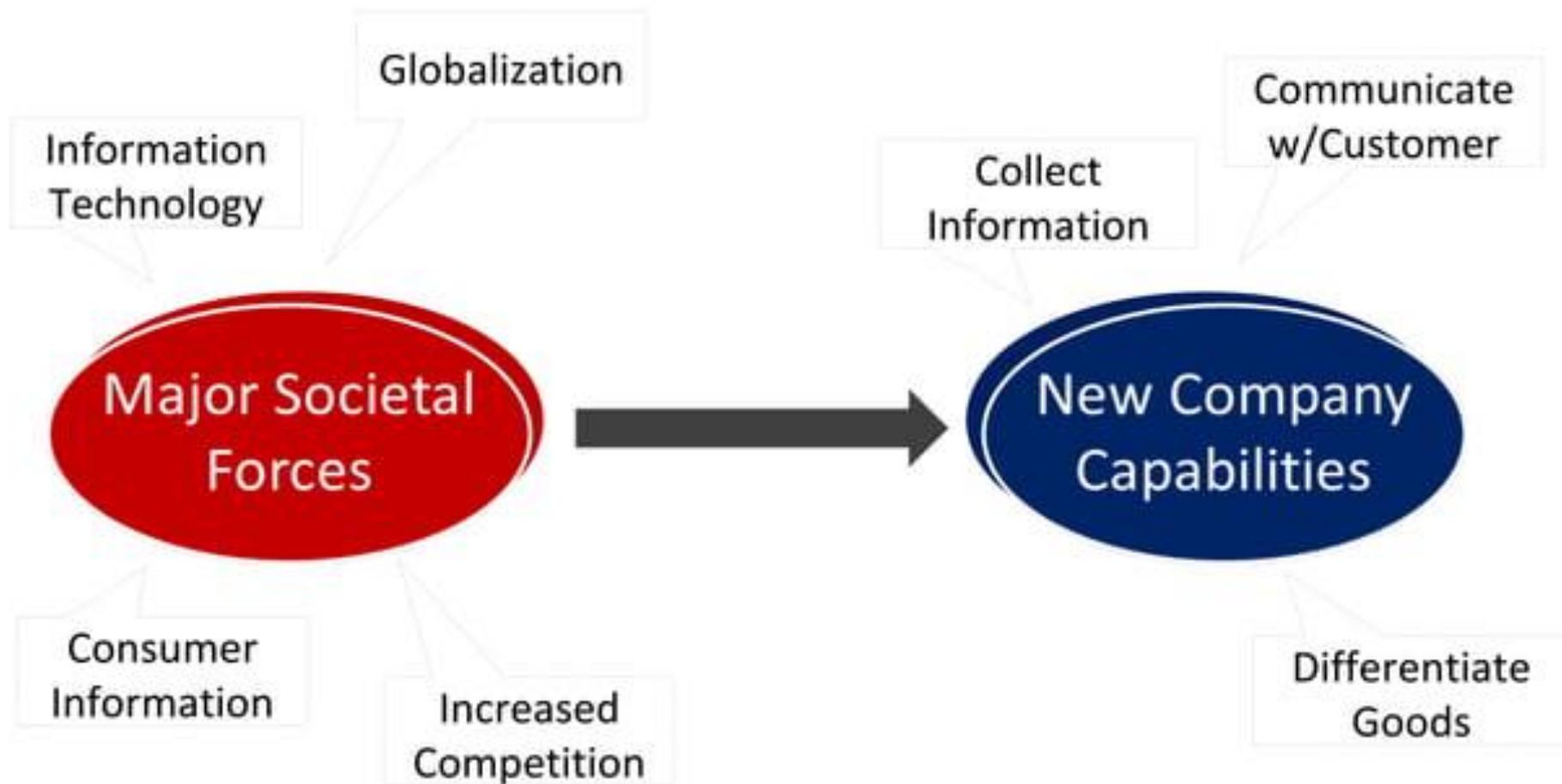


Marketing Environment



Competition

The New Marketing Realities



Who is Responsible for Marketing?

Entire Organization

Marketing Department



Chief Marketing Officer
(CMO)

Marketing Concepts



Quality
Innovation



Create, deliver, and
communicate value

Production

Product

Selling

Marketing

Holistic

Mass production
Mass distribution

Unsought goods
Overcapacity



Week:4
Slides 23-29

Figure 1.3

Holistic Marketing Dimensions



Relationship Marketing



Build long-term relationships



Develop marketing networks

Integrated Marketing



Create, communicate, and deliver customer value

Internal Marketing



Performance Marketing



Social Responsibility



Financial Accountability

Figure 1.4

The Four P's of the Marketing Mix



Marketing Management Tasks

- Developing market strategies and plans
- Capturing marketing insights
- Connecting with customers
- Building strong brands
- Shaping market offerings
- Delivering value
- Communicating value
- Creating long-term growth



Week: 5
Slides 31-50

2

**Developing Marketing
Strategies and Plans**

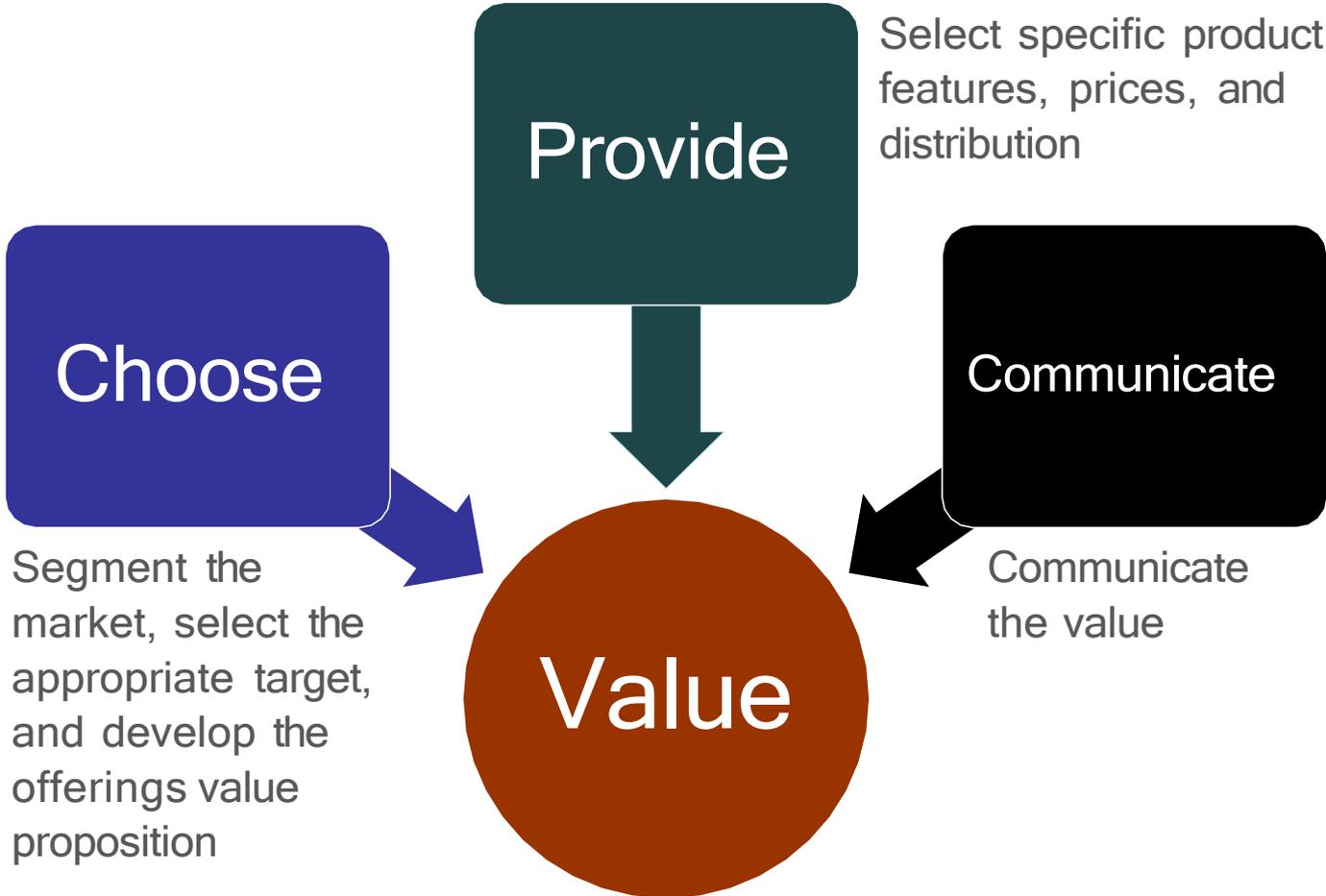
Week-5-7

Discussion Questions

1. How does marketing affect customer value?
2. How is strategic planning carried out at different levels of the organization?
3. What does a marketing plan include?

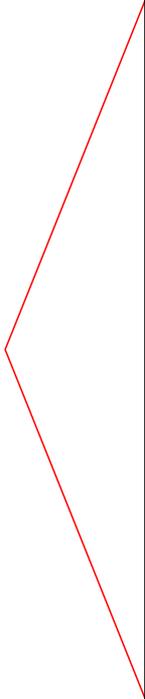


The Value Delivery Approach





Customer Value

- The task of any business is to deliver CV at a profit
 - A company can win only by:
 - » Fine-tuning the value delivery process, and
 - » Choosing, providing, and communicating superior value
- 

Michel Porter's Value Chain

- A tool for identifying ways to create more CV
 - » Every firm is a synthesis of primary and support activities performed to design, produce, market, deliver, and support its product



Benchmarking Costs and Performance

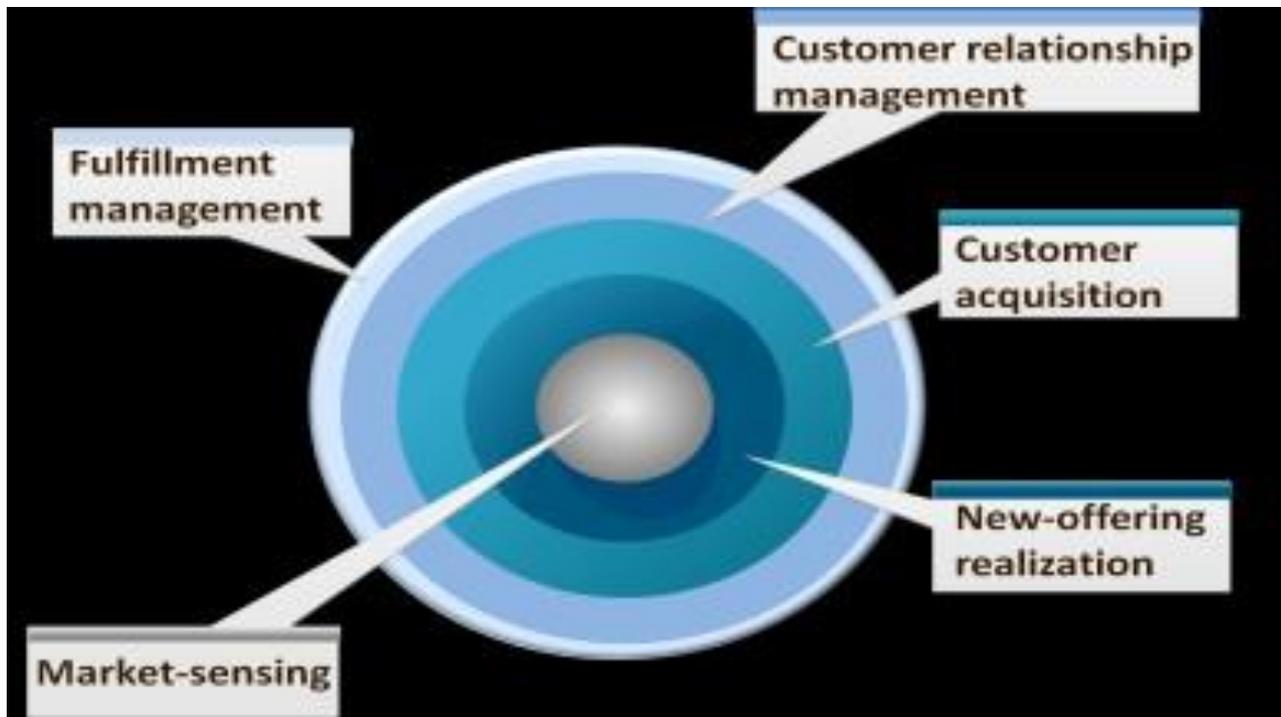
- To create more CV each firm compares its **costs** and **performance** of each value-creating activity with those of competitors and look for ways to improve it

Company's
costs
and
performance
measures

Competitors'
costs
and
performance
measures

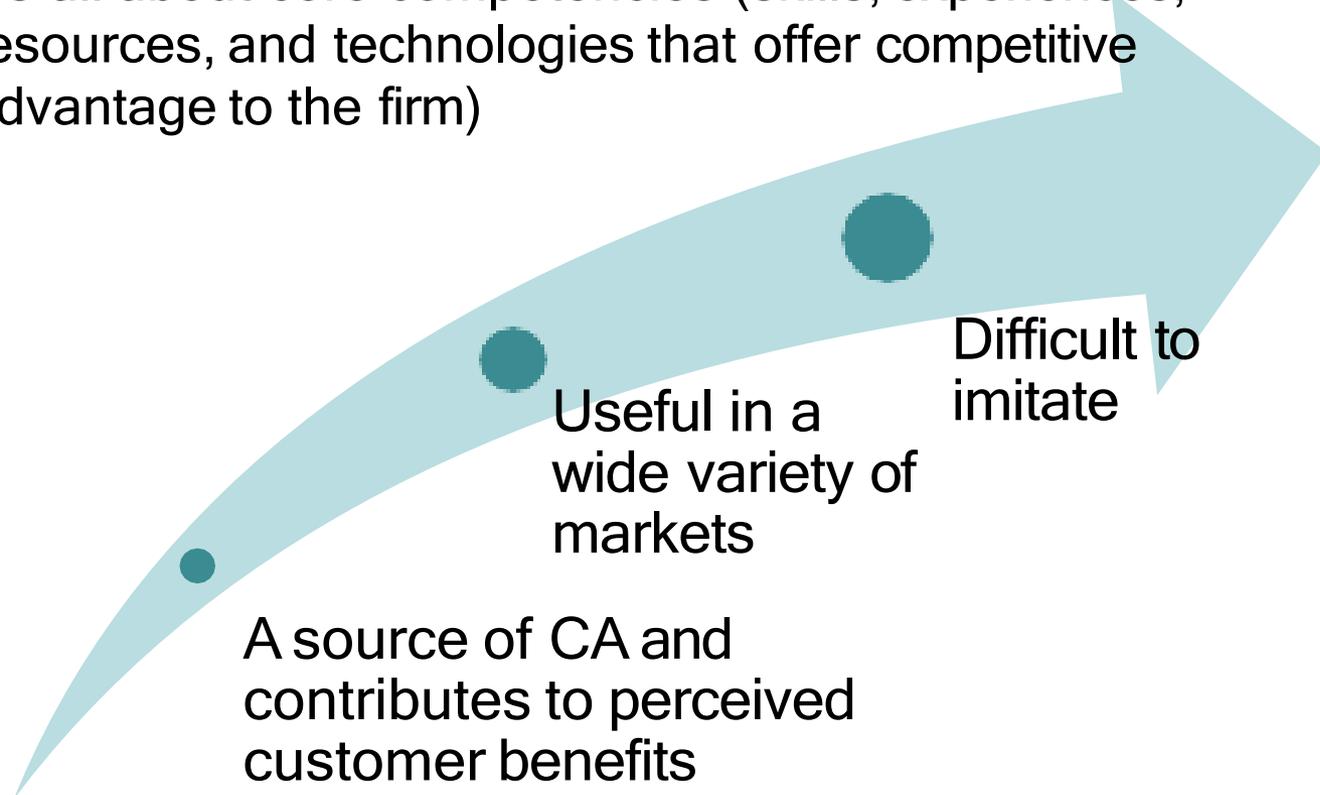
Core Business Processes

- Firm's success depends:
 - » not only on how well each department performs its work
 - » but also on how well the firm coordinates departmental activities to conduct core business processes



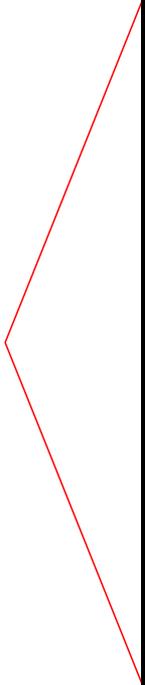
Core Competencies

- Why does a firm produce or import from offshore manufactures?
 - » It's all about core competencies (skills, experiences, resources, and technologies that offer competitive advantage to the firm)





Business Realignment Can Maximize Core Competencies

- Three steps of realignment:
 - » (Re)define the business concept or big idea
 - » (Re)shape the business scope
 - » (Re)position the company's brand identity
- 



Excelling in 3 Distinctive Capabilities

- Wharton's George Day: Market-driven organizations excel in three distinctive capabilities:
 - » Market sensing
 - » Customer linking
 - » Channel bonding
- 



Becoming a Vigilant Marketing Organization in Market Sensing

- Can we learn from the past?
- How should the present be evaluated?
- What do we envisage for the future?

A Holistic Marketing Orientation and Customer Value

- Holistic marketers succeed by managing value chain that delivers superior CV
- They address 3 management questions:

What **value opportunities** are available?

Value
Exploration

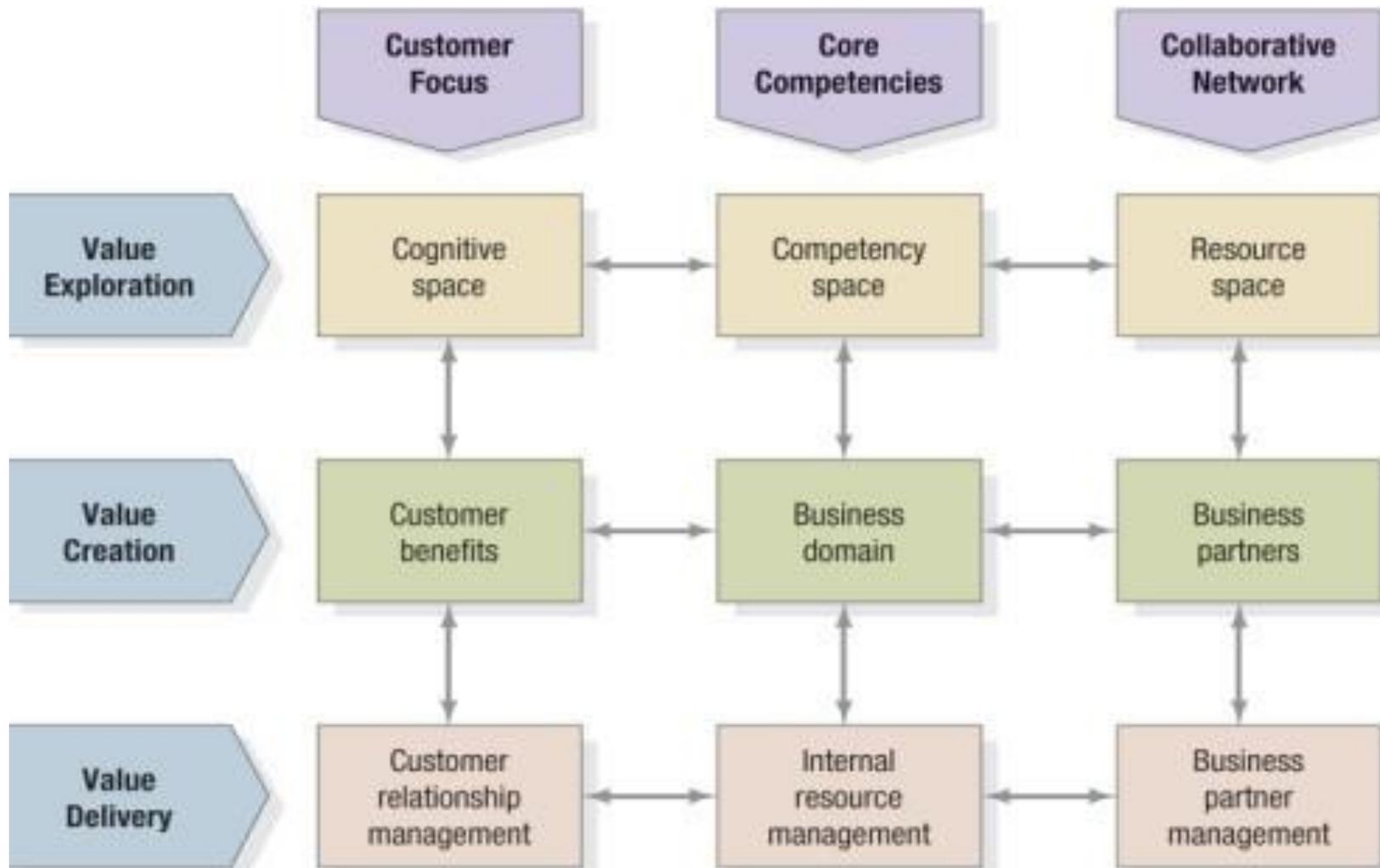
How to **create new value offerings** efficiently?

Value
Creation

How to **deliver the new offerings** efficiently?

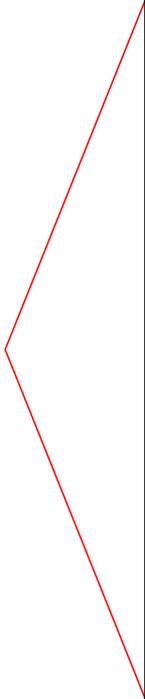
Value
Delivery

A Holistic Marketing Framework and Customer Value





The Central Role of Strategic Planning

- Maintains a **viable fit** between the firm's *objectives, skills and resources*, and its *changing market opportunities*
 - To ensure they select and execute the right activities, marketers must give priority to strategic planning in **three** key areas
- 

Three Key Areas in Strategic Planning

Manage businesses as
investment portfolio

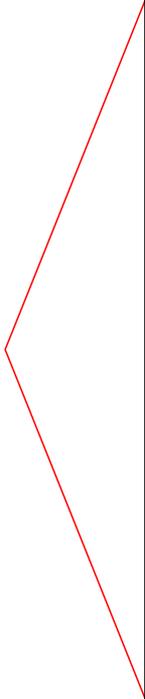
Assess each
business's strength

Establish a strategy





Four organizational levels of most large companies

- Four organizational levels:
 - **Corporate level**– prepares a corporate strategic plan that guides the whole enterprise
 - **Division level**– allocates funds to each division and decides which business to start/drop
 - **Business unit level**– carries each business unit into a profitable future
 - **Product level**– achieves its objectives in its product market
- 

Levels of Marketing Plan

- **Marketing plan** is the central instrument for **directing** and **coordinating** the marketing effort

Strategic Mkt Plan

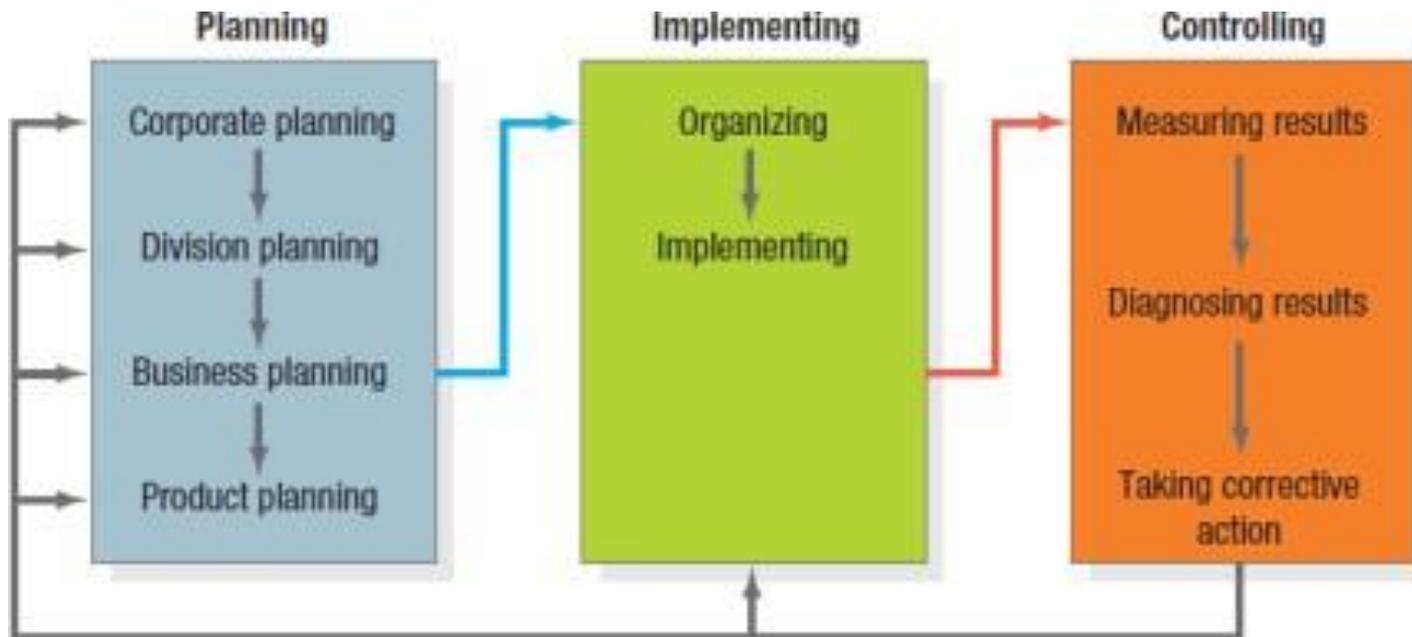
- » Target marketing decisions
- » Value proposition

Based on the analysis of marketing opportunities

Tactical Mkt Plan

- » Product features
- » Promotion
- » Merchandising
- » Pricing
- » Sales channels
- » Service

Figure 2.1 The Strategic Planning, Implementation, and Control Processes



Corporate Strategic Planning



- 1 Define corporate mission
- 2 Establish SBUs
- 3 Assign resources to SBUs
- 4 Assess growth opportunities

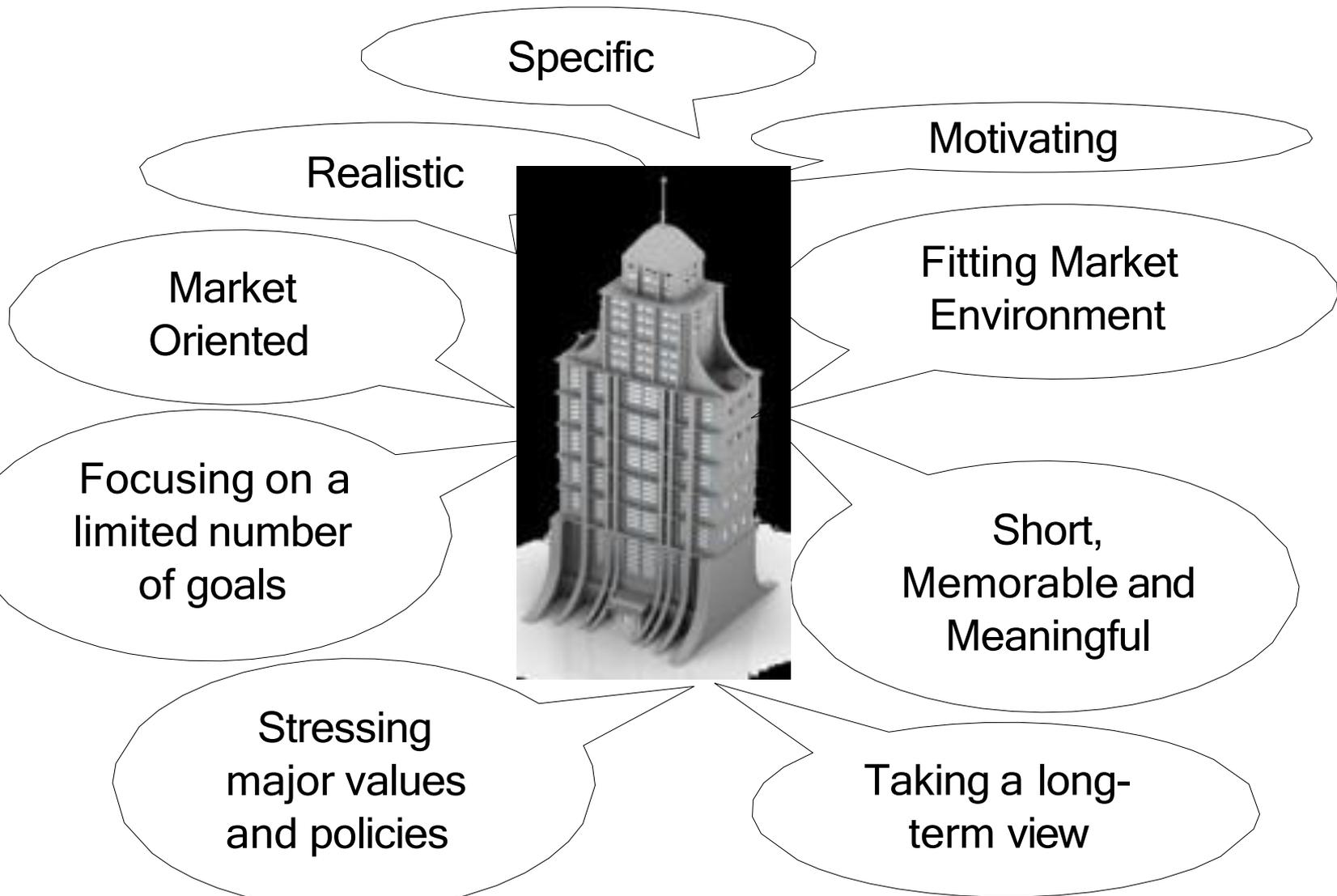
Define the corporate mission

- A statement of the organization's purpose
 - A clear mission statement provides a shared sense of purpose, direction, and opportunity.
 - Acts as an invisible hand to guide employees
 - Can be changed to take advantage of new opportunities
 - Should be short, meaningful, and memorable



Week: 6
Slides 52-72

Characteristics of a Mission Statement



Peter Drucker's Five Classic Questions to Define Mission

Who is the customer?

What do customers value?

What is our business?

What should our business be?



What will our business be?

Google

Vague mission

To build total brand value by innovating to deliver customer value and customer leadership faster, better, and more completely than our competition.

We build brands and make the world a little happier by bringing our best to you.

Google Mission

To organize the world's information and make it universally accessible and useful.

Google Philosophy

Never settle for the best.

1. Focus on the user and all else will follow.
2. It's best to do one thing really, really well.
3. Fast is better than slow.
4. Democracy on the Web works.
5. You don't need to be at your desk to need an answer.
6. You can make money without doing evil.
7. There is always more information out there.
8. The need for information crosses all borders.
9. You can be serious without a suit.
10. Great just isn't good enough.¹⁵

Mission of Motorola

— The purpose of Motorola is to honorably serve the needs of the community by providing products and services of superior quality at a fair price to our customers; to do this so as to earn an adequate profit which is required for the total enterprise to grow; and by doing so, provide the opportunity for our employees and shareholders to achieve their personal objectives.||

Mission of eBay

- —We help people trade anything on earth. We will continue to enhance the online trading experiences of all — collectors, dealers, small businesses, unique item seekers, bargain hunters, opportunity sellers, and browsers.||

Establish Strategic Business Units

- A business can define itself in 3 dimensions:



Customer needs



Customer groups



Technology

Establish Strategic Business Units

Three Characteristics of an SBU:



A single business or collection of related businesses



competitors

Leader responsible for planning and profitability



Product Orientation vs. Market Orientation

Company	Product	Market
Missouri-Pacific Railroad	We run a railroad	We are a people-and-goods mover
Xerox	We make copying equipment	We improve office productivity
Standard Oil	We sell gasoline	We supply energy
Columbia Pictures	We make movies	We entertain people

Liz Claiborne's The Kate Spade Brand - A SBU

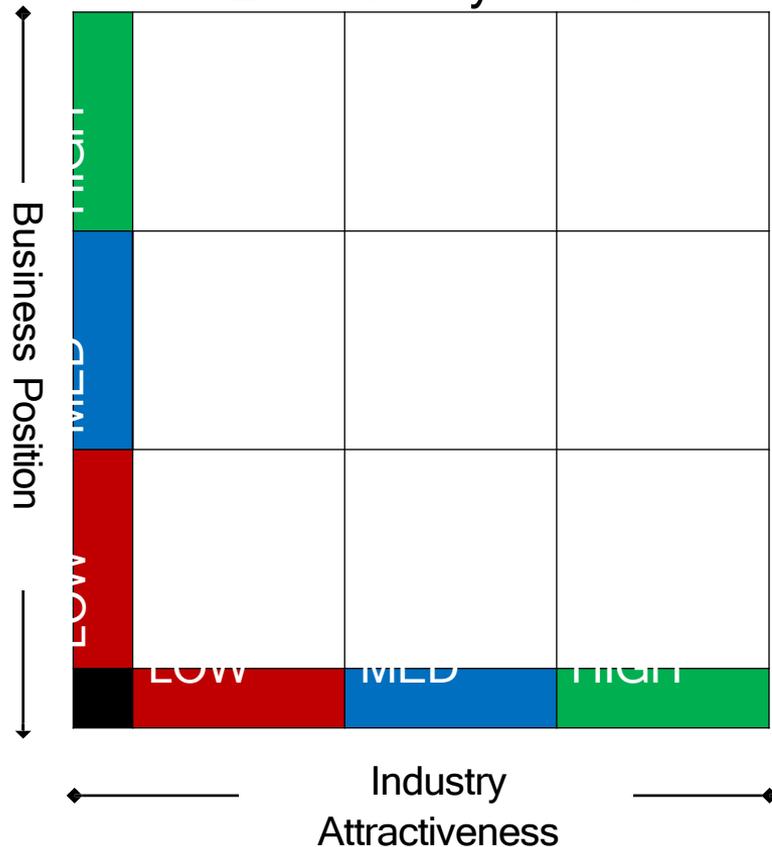


The Kate Spade brand allows Liz Claiborne to attract a more youthful customer

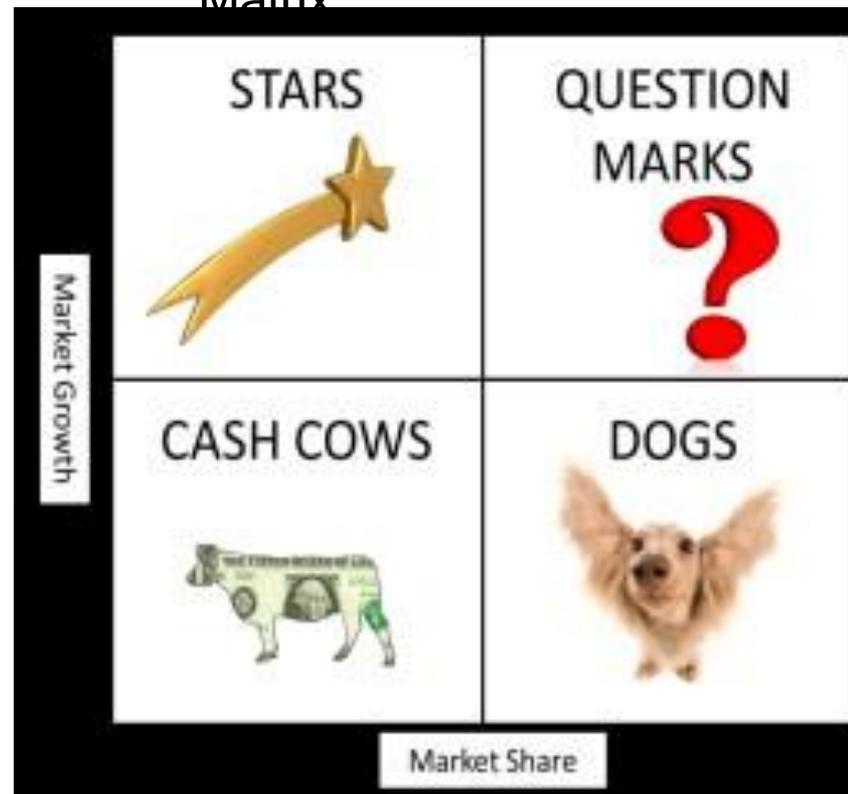
Assign Resources to Strategic Business Units

- Resource allocation strategies: (a) Building, (b) Holding (status quo), (c) Harvesting, (d) Divesting (withdrawal)

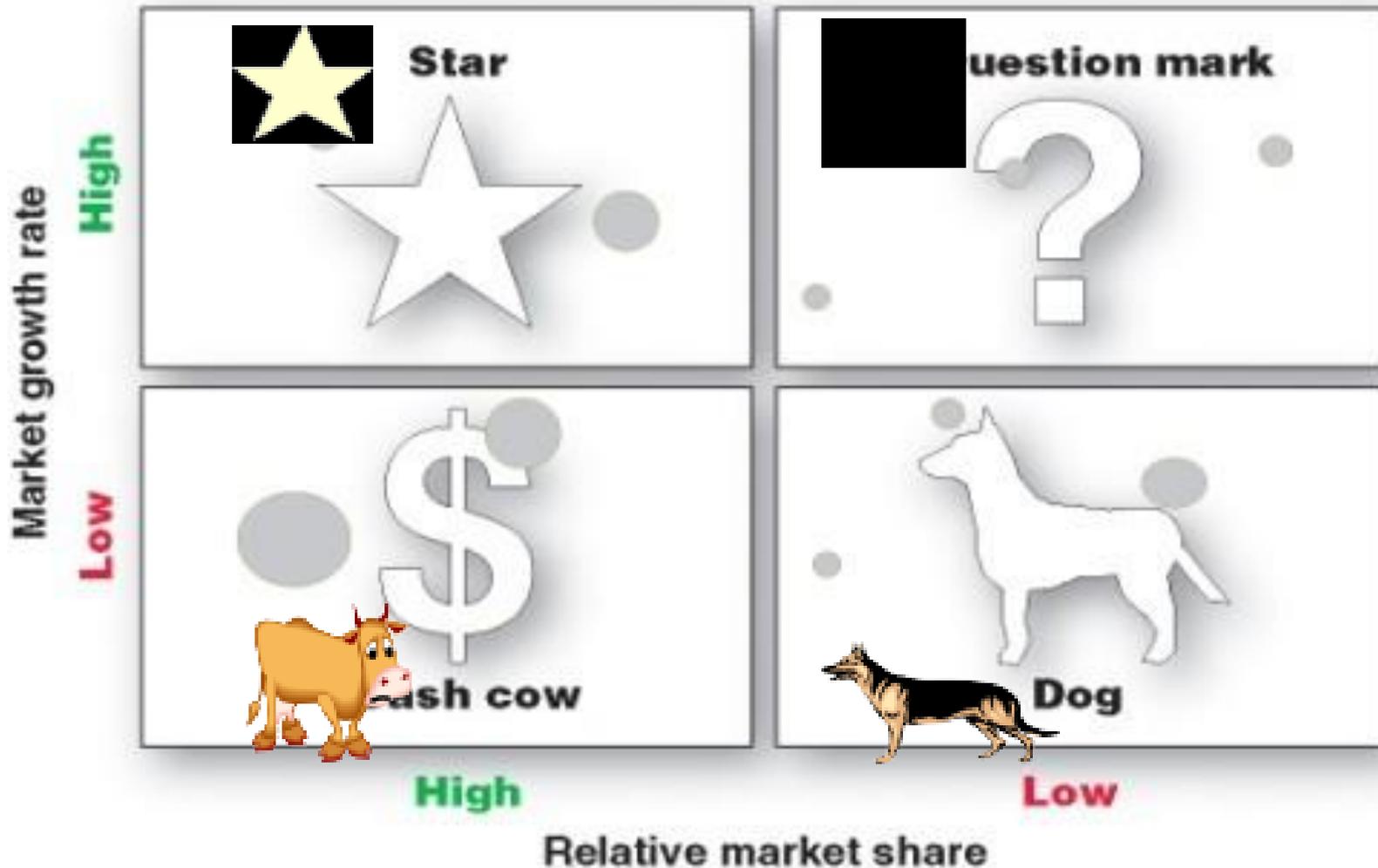
GE/McKinsey Matrix



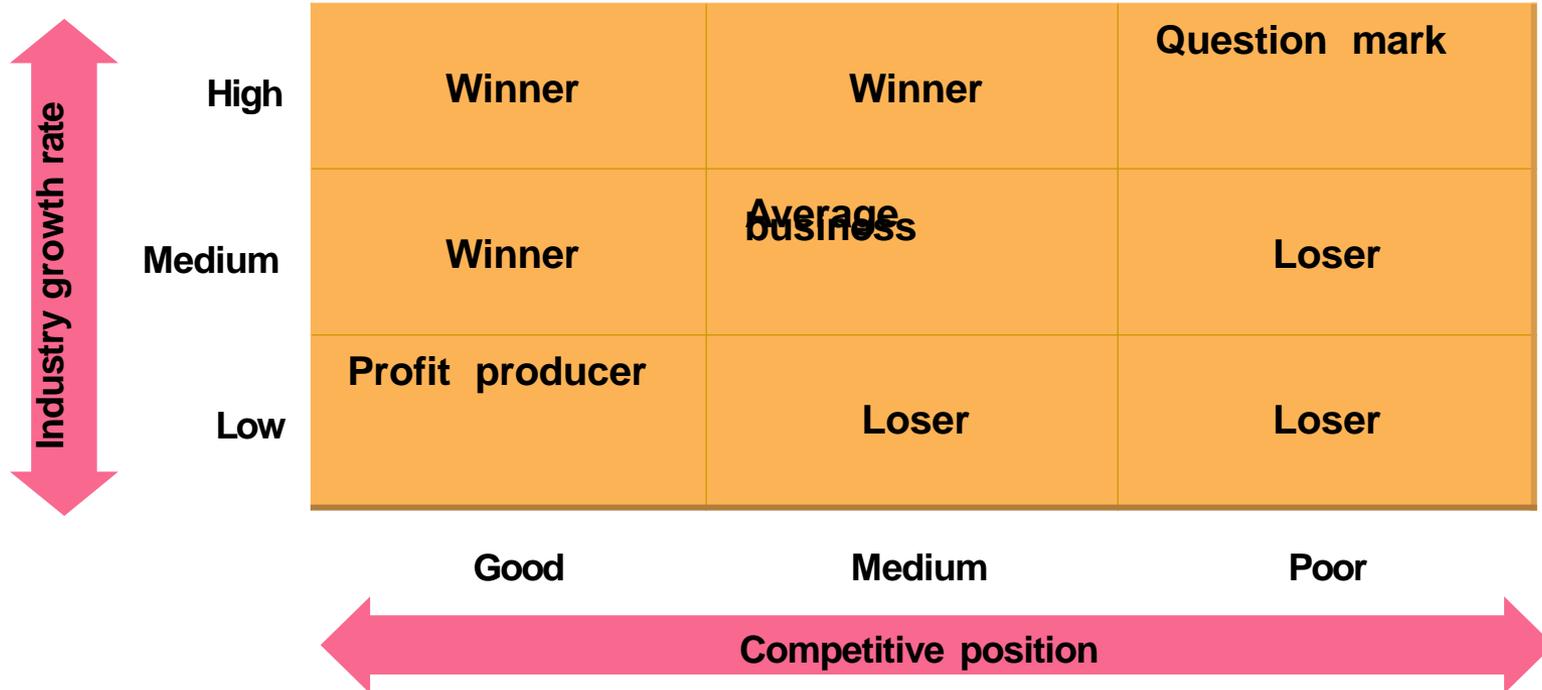
Boston Consulting Group Matrix



Boston Consulting Group Matrix Approach



General Electric/McKinsey Matrix Approach



Competitive position

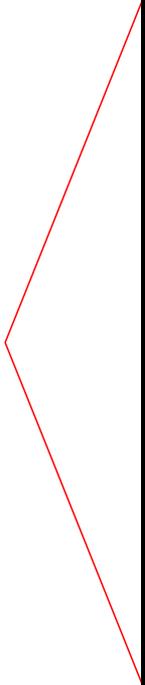
1. Market share
2. Technological know-how
3. Product quality
4. Service network
5. Price competitiveness
6. Operating costs

Industry attractiveness

1. Market growth
2. Market size
3. Capital requirements
4. Competitive intensity



Problems with Matrix Approaches

- Difficult to define SBUs and measure market share and growth
 - Time consuming and expensive
 - Focus on current businesses, not future planning
 - Fail to show the synergies between two/more SBUs
- 



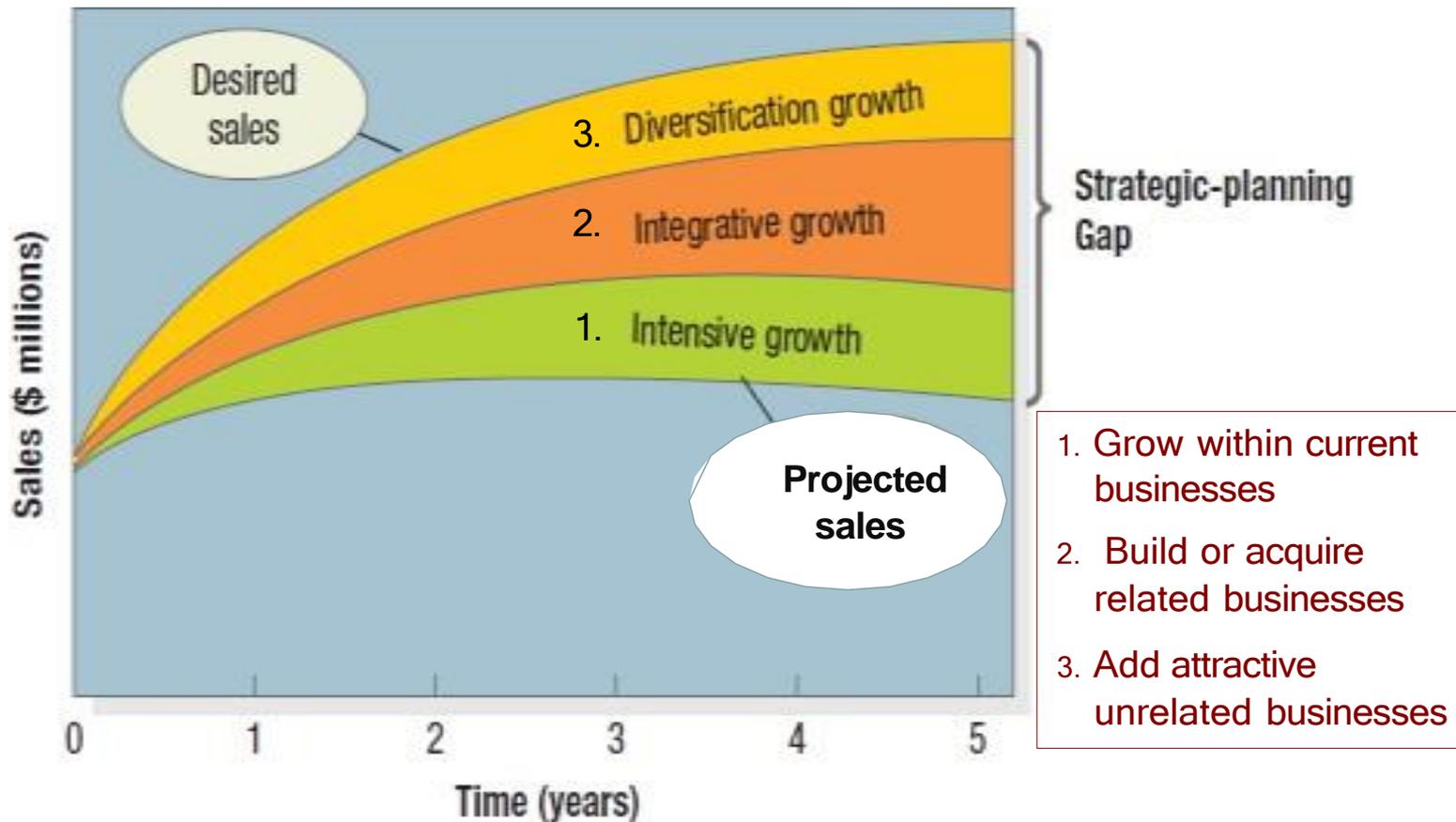
Assign Resources to Each SBU

- After identifying and assessing each SBU, assign appropriate resources
 - Choose any of the following resource allocation strategies:
 - Build (more investment)
 - Hold (status quo)
 - Harvest (less investment)
 - Divest (withdrawal)
- 

Assess Growth Opportunities



Assess Growth Opportunities



Intensive Growth

Ansoff's Product-Market Expansion Grid— A tool for identifying company growth opportunities

Markets	New	2. Market Development	Diversification
	Current	1. Market Penetration	3. Product Development
		Current	New
		Products	

Growth Strategy of Starbucks

- Starbucks has designed an ambitious, multi-pronged growth strategy to maintain its phenomenal growth



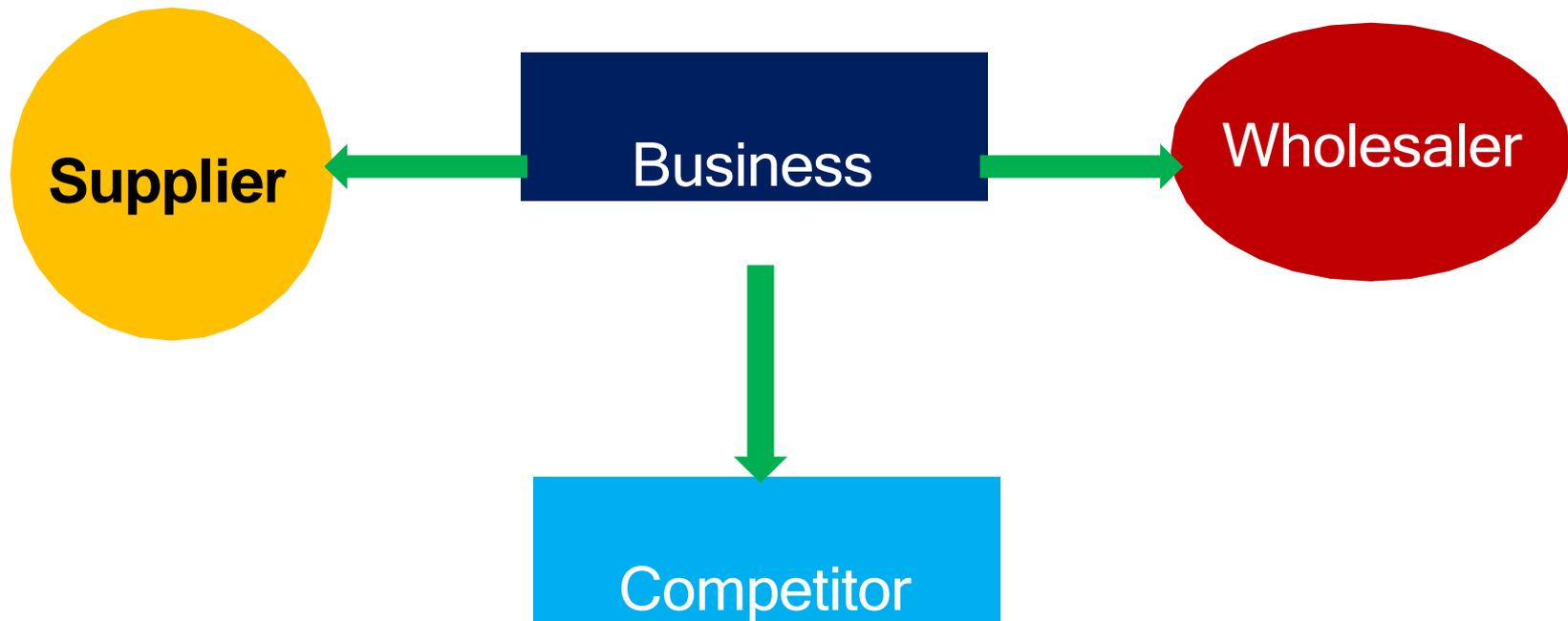
Growth Strategy of Starbucks

- **Market penetration:** Make more sales to current customers without changing products
 - How? Add new stores in current market areas; improve ad, prices, menu, service, attract competitors' customers.
- **Market development:** Identify and develop new markets for current products
 - How? Review new demographic (seniors/ethnic consumers) or geographic (Asian, European, & South American) markets; convert non-users to users in current market.
- **Product development:** Offer modified or new products to current markets
 - How? Add food offerings, sell coffee in supermarkets, co-brand products in current markets.
- **Diversification:** Start up or buy businesses outside current products and markets
 - How? Make and sell CDs, testing restaurant concepts, or branding casual clothing

Integrative Growth

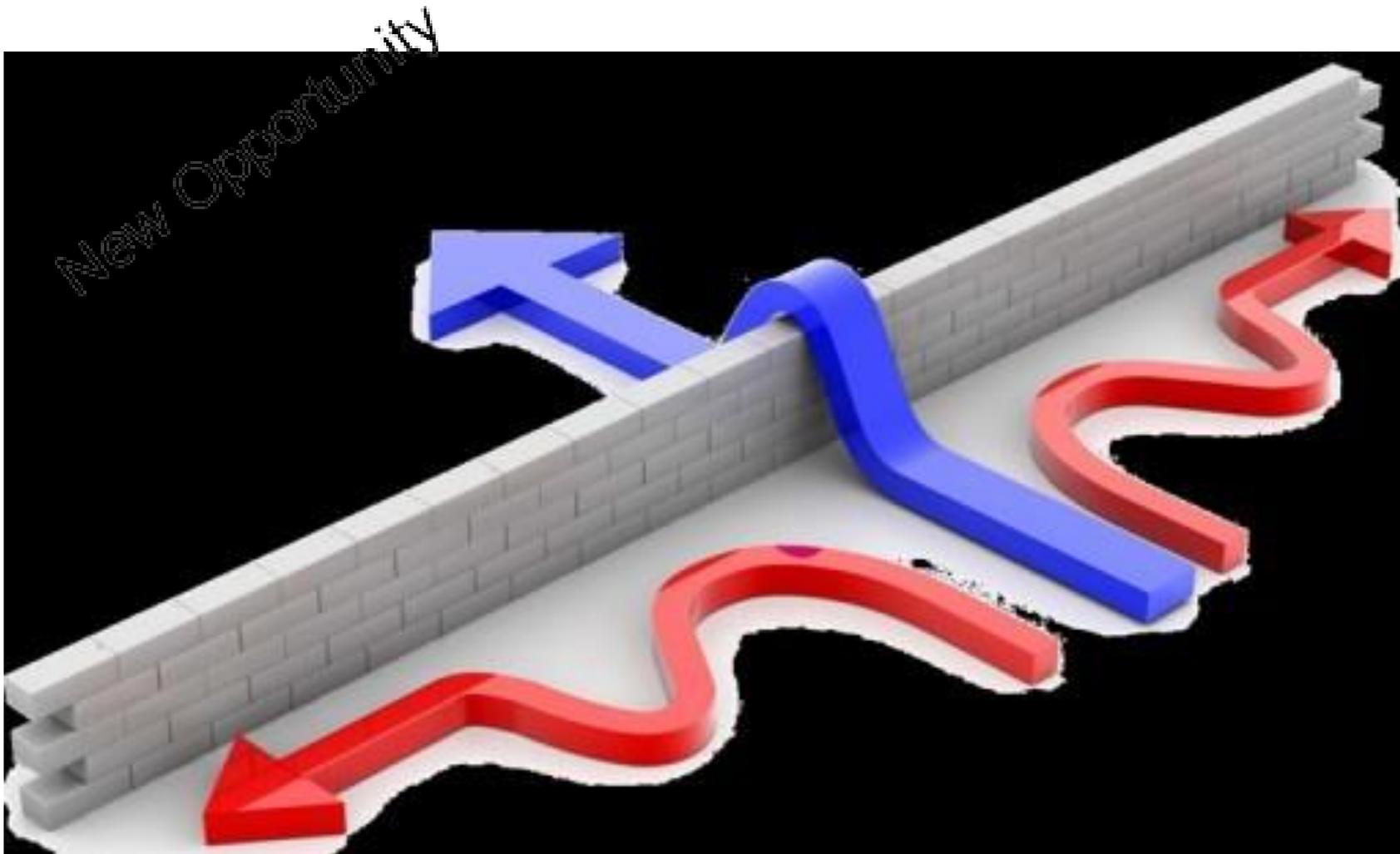
Backward Integration

Forward Integration



Horizontal Integration

Diversification Growth



Week: 7
Slides 74-90

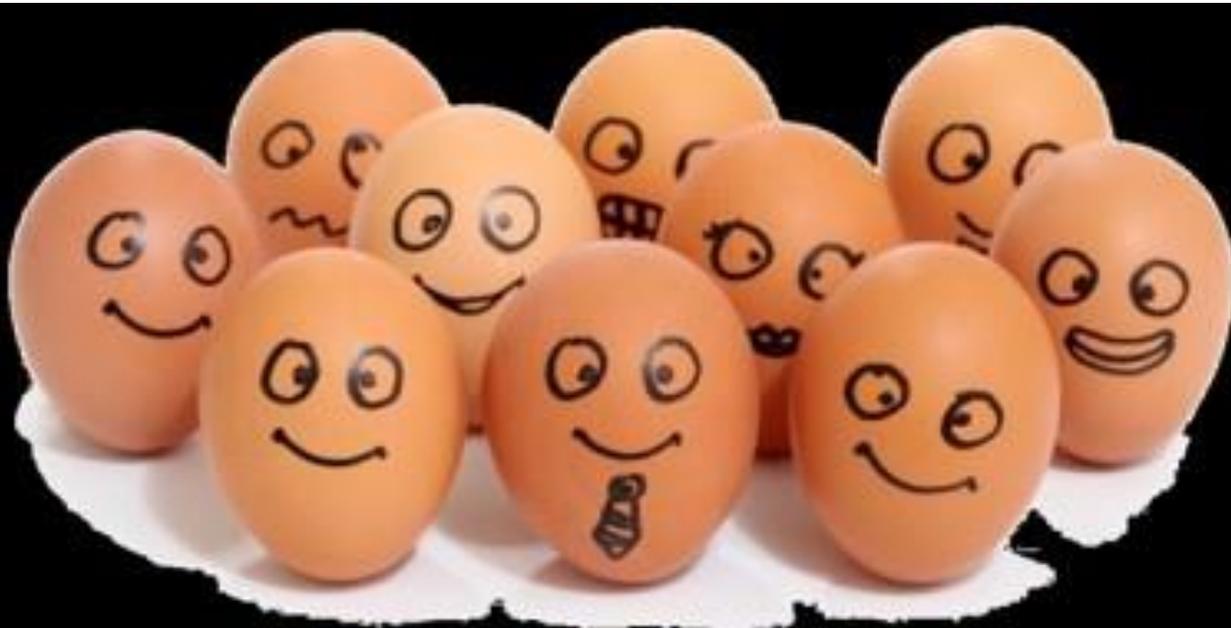


Diversification Growth

- **Concentric:** Seek new products that have technological or marketing synergies with existing product lines
- **Horizontal:** Search for new products unrelated to technological or marketing synergies
- **Conglomerate:** Seek new businesses that have no relationship with its current technology, products, or markets

Corporate Culture

... is the shared experiences, stories, beliefs, and norms that characterize an organization.



Strategic planning is done within the context of a company's structures, policies, and corporate culture

Marketing Innovation



3 underrepresented
employee groups

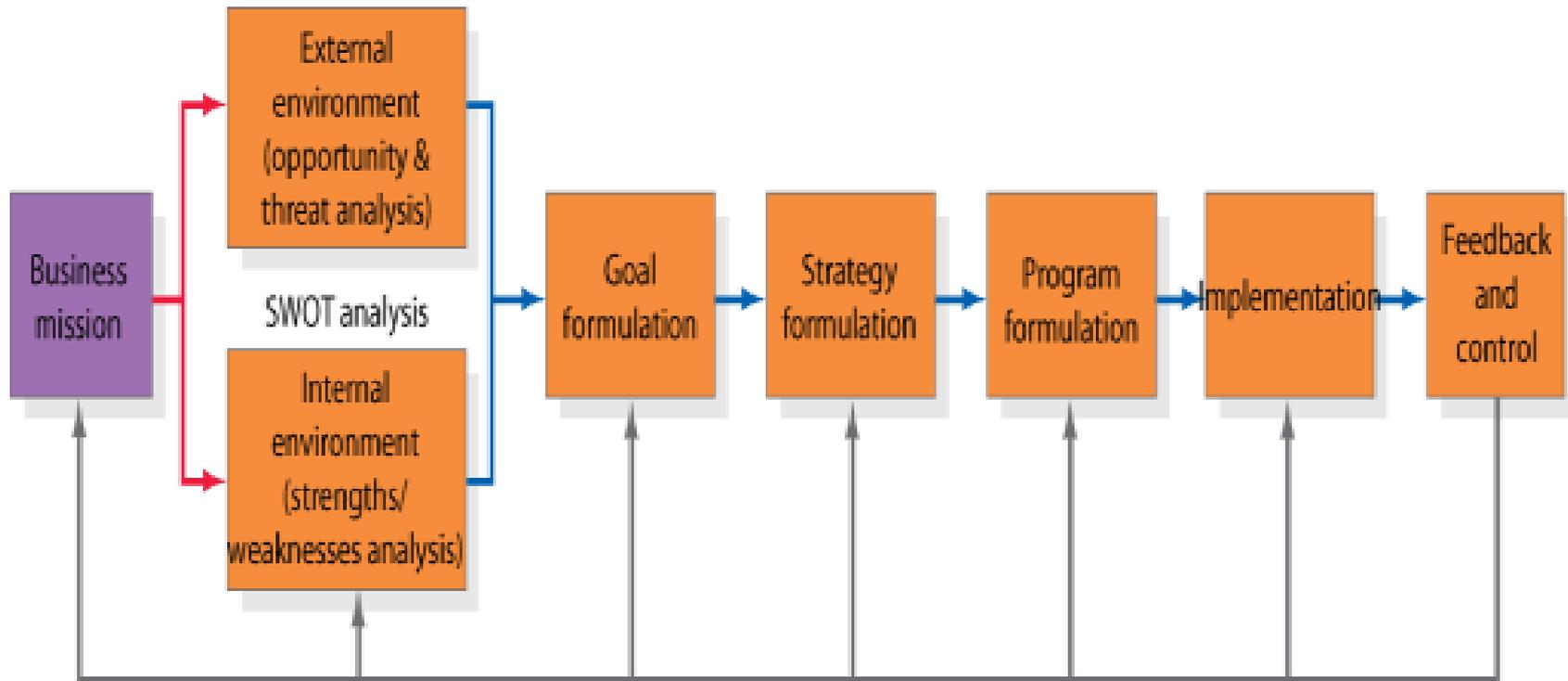
Identify and encourage new ideas

Scenario Analysis

Looks at future possibilities by asking "What if..." questions about customers, competitors, markets



Business Unit Strategic Planning Process





The Business Mission

- Each business unit needs to define its specific mission within broader company mission
- 

SWOT Analysis

(a) Opportunity Matrix

		Success Probability	
		High	Low
Attractiveness	High	1	2
	Low	3	4

1. Company develops more powerful lighting system
2. Company develops device to measure energy efficiency of any lighting system
3. Company develops device to measure illumination level
4. Company develops software program to teach lighting fundamentals to TV studio personnel

(b) Threat Matrix

		Probability of Occurrence	
		High	Low
Seriousness	High	1	2
	Low	3	4

1. Competitor develops superior lighting system
2. Major prolonged economic depression
3. Higher costs
4. Legislation to reduce number of TV studio licenses

Opportunity and Threat Matrices

SWOT Analysis

A formal framework for identifying and framing organizational growth opportunities.

Internal	S trength	W eakness
External	O ppor tunity	T hreat

SWOT Analysis

- Type of Factor -		
Organization	Favorable	Unfavorable
Capabilities	<u>S</u> trengths	<u>W</u> eaknesses
Environment	<u>O</u> pportunities	<u>T</u> hreats

A Sample SWOT Analysis Framework

Internal Factors	Strengths	Weaknesses	External Factors	Opportunities	Threats
Management			Economic		
Marketing			Competition		
Manufacturing			Consumer		
R&D			Technology		
Finance			Legal/Regulatory		
Offerings			Industry/Market Structure		

Goal Formulation

- Goals are objectives that are specified with respect to magnitude and time

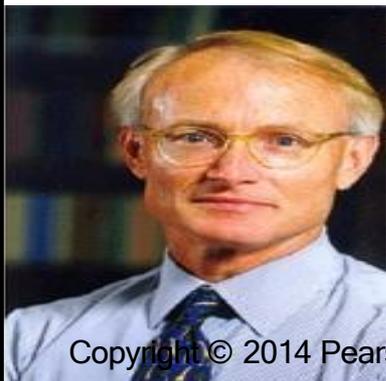


Strategy Formulation

Porter's Generic Strategies

	Lower Cost	Differentiation
Broad Target	Cost Leadership	Differentiation
Narrow Target	Focus	

Strategic Alliances



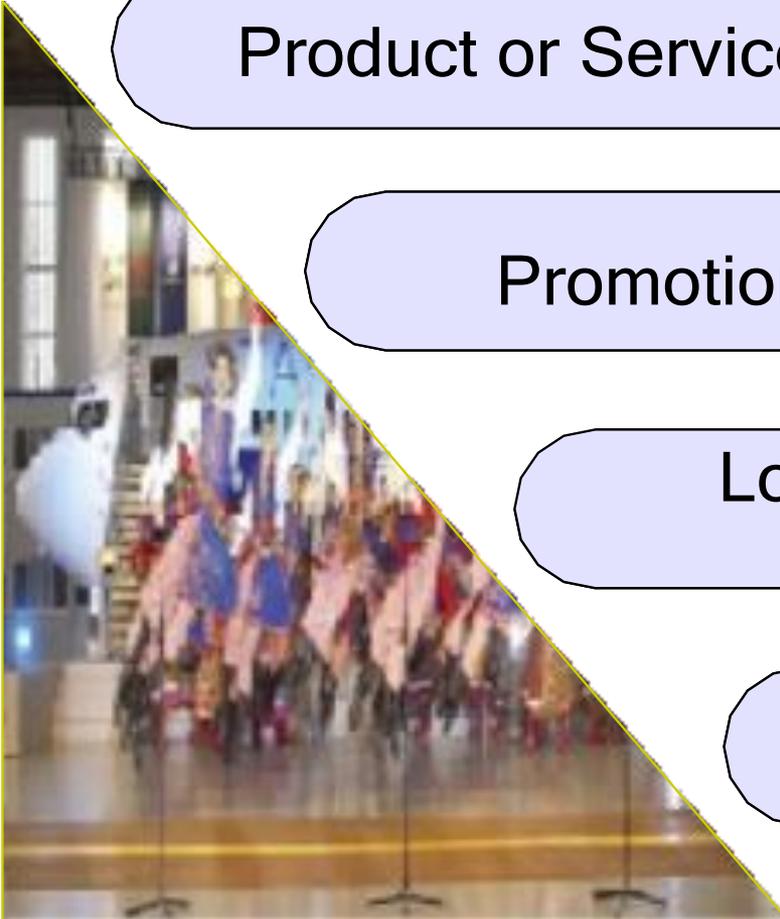
Categories of Marketing Alliances

Product or Service Alliances

Promotional Alliances

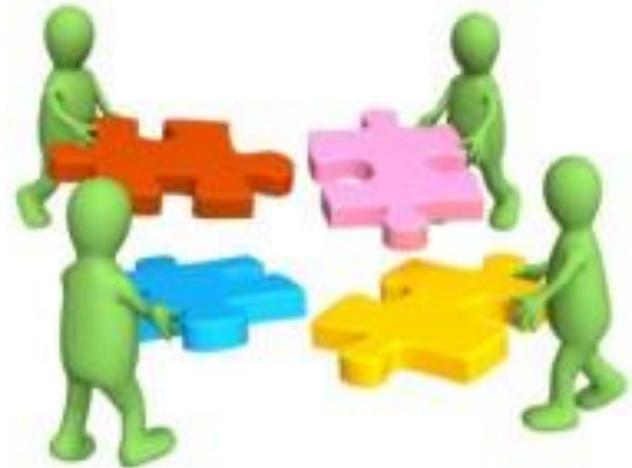
Logistics Alliances

Pricing Collaborations



Program Formulation and Implementation

- Work out detailed support programs
- Estimate their costs
- Consider the impact on the interests of all stakeholders
- Ensure flawless execution



Feedback and Control

- Track the results and monitor new developments
- Some environments are stable; some are not
- Strategic fit erodes due to these changes
- Respond to the changes and adopt new goals and behaviors





Product Planning

Marketing Plans



Executive Summary and table of contents



Situation analysis



Marketing strategy



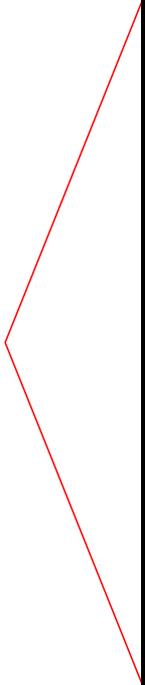
Financial projections



Implementation controls

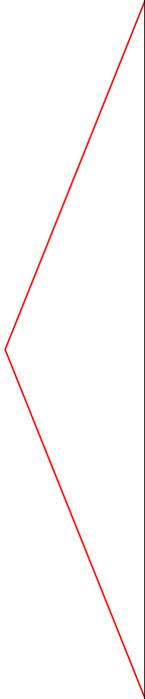


Evaluating a Marketing Plan

- ✓ Is the plan simple?
 - ✓ Is the plan specific?
 - ✓ Is the plan realistic?
 - ✓ Is the plan complete?
- 



Marketing Debate

1. What good is a mission statement?
 2. What implications do Porter's value chain and the holistic marketing orientation model have for marketing planning?
 3. Take a position:
 - (a) Mission statements are critical to a successful marketing organization.
 - (b) Mission statements rarely provide useful marketing value.
- 

Week: 8
Slides 92-105

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Kevin Lane

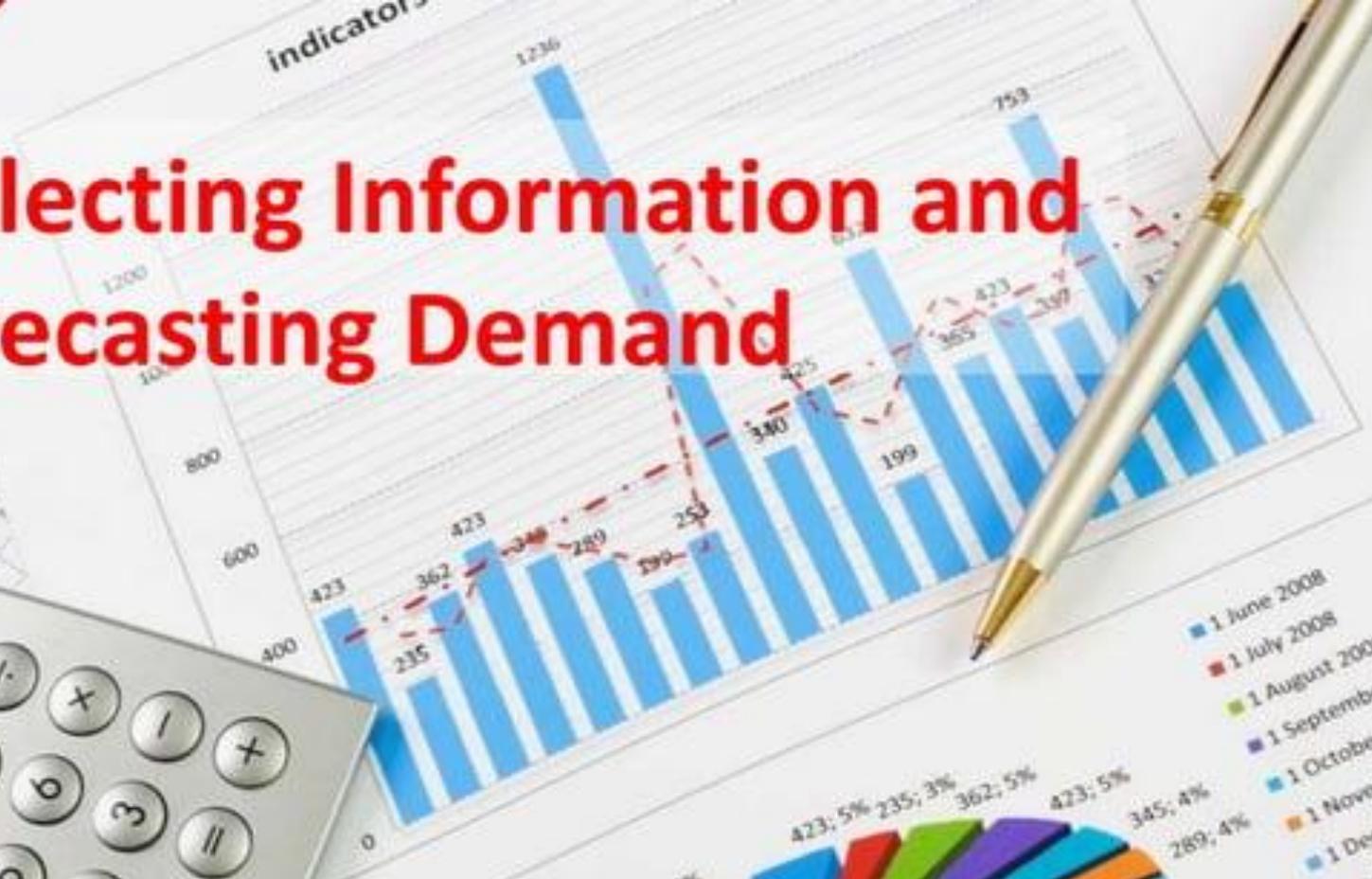
Keller

Marketing Management • 14e

Week-8 & 9

Chapter 3

Collecting Information and Forecasting Demand



Discussion Questions

1. What are the components of a modern marketing information system?
2. What are useful internal records for such a system?
3. What makes up a marketing intelligence system?
4. What are some influential macroeconomic developments?
5. How can companies accurately measure and forecast demand?

Collecting Information



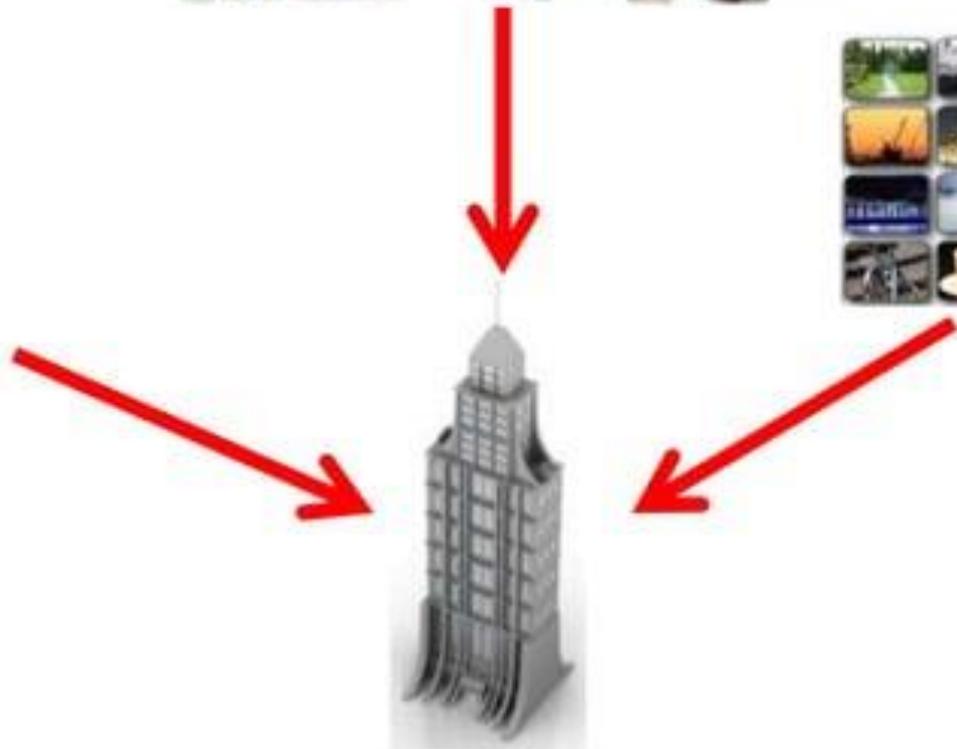
Customers



Competitors

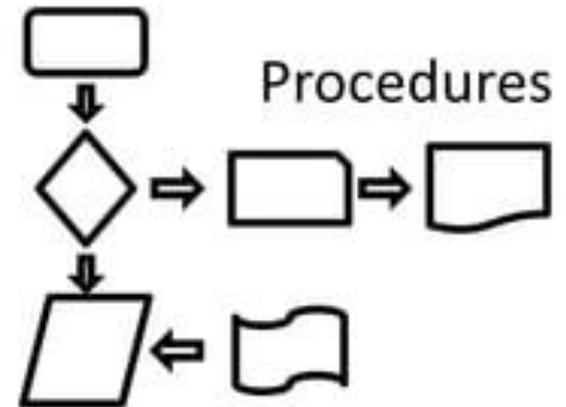


External Factors



Marketing Information System

People



Equipment

- Gather
- Sort
- Analyze
- Evaluate
- Disseminate

Marketing Information System



Internal Records



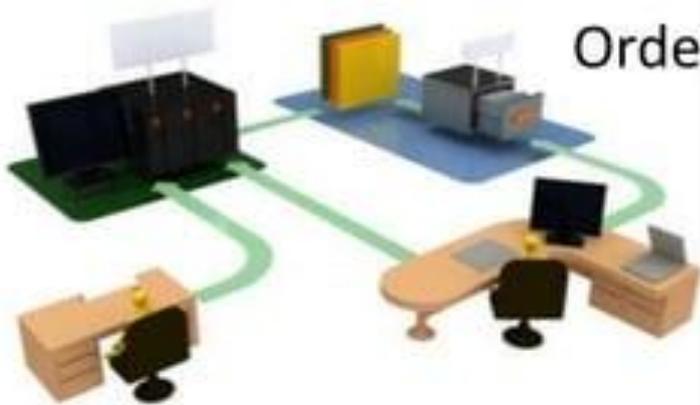
Marketing Intelligence

Marketing Research



Internal Records

Order-to-Payment Cycle



Databases / Data Mining



Sales Information Systems



Marketing Intelligence

News and Trade Publications



Meet with customers,
suppliers, distributors,
and other managers



Monitor social
media sites

Improving Marketing Intelligence

Sales Force



Establish industry network



External Experts



Customer Advisory Panel

Marketing Intelligence & the Internet

Independent Online Forums

Distributor or sales agents feedback sites

Customer review and expert opinion sites

Customer complaint sites



Using Marketing Intelligence



Needs and Trends



Fad



Megatrend



Trend

Analyzing the Macroenvironment



Major Environmental Forces



Demographics



Technological



Economic



Natural



Sociocultural



Political-Legal

Week: 9
Slides 107-119

Demographic Environment

Worldwide population growth

Population age mix

Ethnic and other markets

Educational Groups

Household patterns



The World as a Village

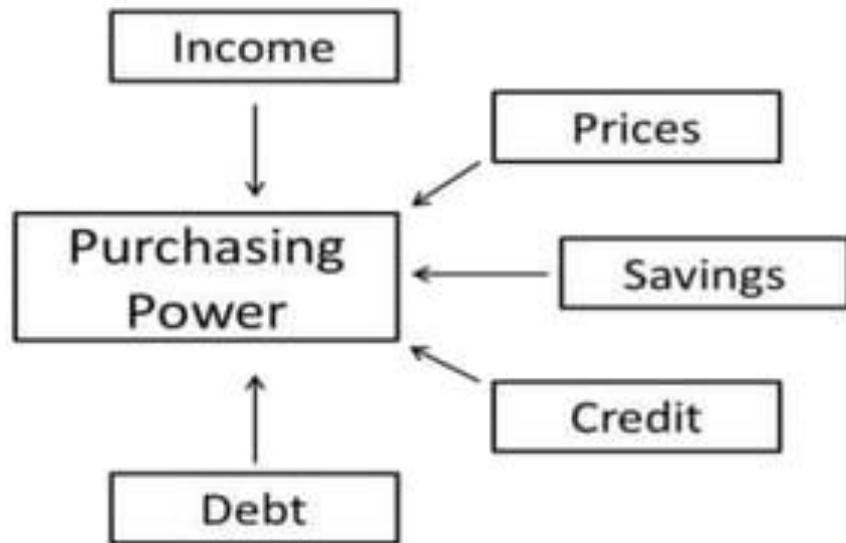
If the world were a village of 100 people:

- 61 – Asian (20 Chinese, 17 Indian)
- 18 – Unable to read (33 have cell phones)
- 18 – Under 10 years of age (11 over 60 years old)
- 18 – Cars in the village
- 63 – Inadequate sanitation
- 67 – Non-Christian
- 30 – Unemployed or underemployed
- 53 – Live on less than \$2 a day
- 26 – Smoke
- 14 – Obese
- 01 – Have AIDS



Source: David J. Smith and Shelagh Armstrong, *If the World Were a Village: A Book About the World's People*, 2nd ed. (Tonawanda, NY: Kids Can Press, 2002)

Economic Environment



Consumer Psychology



Income Distribution





Natural Environment



Environmental Regulations



Technological Environment

Accelerated pace of change

Unlimited opportunities

R&D Spending



Political-Legal Environment



Laws



Special Interest Groups

Government Agencies



Forecasting and Demand Measurement

Market

- Size
- Growth
- Profit potential

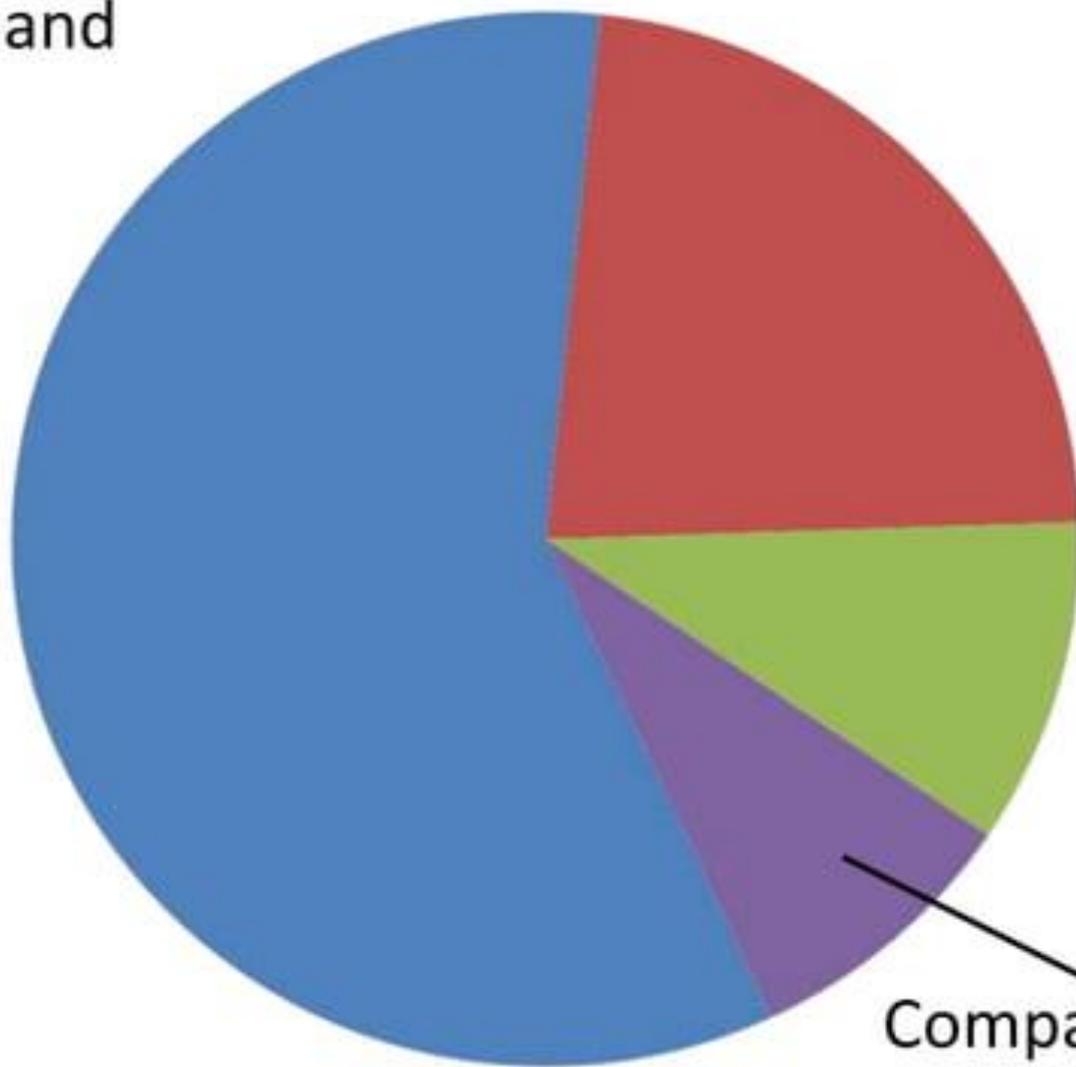


Market Types



Demand Measurement

Market Demand



Company Demand

Estimating Current Demand

Total market potential

$$\text{Potential Buyers} \times \text{Average purchase quantity} \times \text{Average price}$$

Area market potential



Market-Buildup Method

looks to identify all potential buyers in a market and estimating their potential purchases.

Estimating Future Demand



Sales Force Opinions



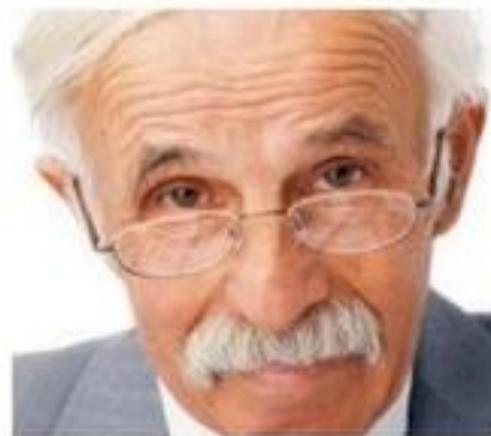
Buyer's Intentions



Forecasting



Past Sales Analysis



Expert Opinions

Thanks

Week: 10
Slides 121-128

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Kevin Lane

Keller

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Week-10-12

Chapter 4



Conducting Marketing Research

Discussion Questions



1. What constitutes good marketing research?
2. What are the best metrics for measuring marketing productivity?
3. How can marketers access their return on investment of marketing expenditures?

Marketing Research System

Market Research



Insight

Defined

Marketing Research

The systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company.

Creative Research Means

Check out rivals



Internet sources



Marketing partners



Student projects

Figure 4.1

Marketing Research Process



Step 1: Define the Problem

Focused inquiry



Week: 11
Slides 130-137

Step 2: Develop the Research Plan



Data Sources

- Secondary data
- Primary data

Sampling plan
Contact method

Research Approaches

- Observation
- Focus groups
- Surveys
- Behavioral data
- Experiments



Research instrument

- Questionnaires
- Qualitative measures
- Technological devices

Step 3: Collect the Information

Online surveys



Telephone surveys



Interviews

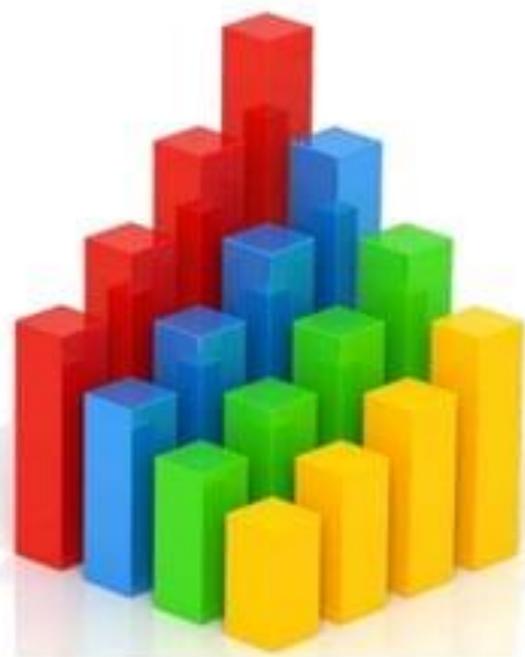


In-home surveys

Step 4: Analyze the Information



- Develop summary measures
- Compute averages
- Statistical analysis / decision models



Step 5: Present the Findings



Step 6: Make the Decision

Research → Decisions



7

Characteristics of Good Marketing Research

1. Scientific method
2. Research creativity
3. Multiple methods
4. Interdependence of models and data
5. Value and cost of information
6. Healthy skepticism
7. Ethical marketing

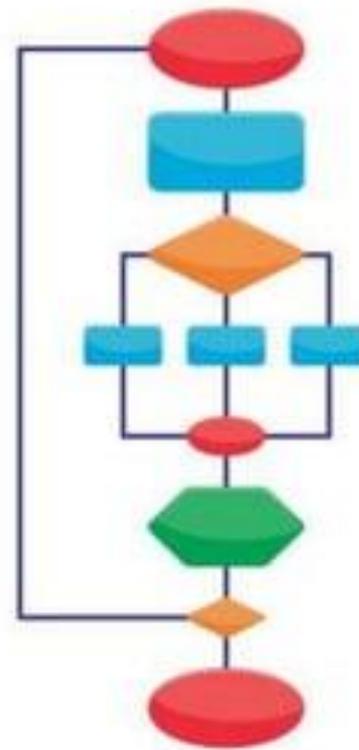


Former marketing research executive for General Foods concluded that Star Wars would fail at the box office. The film grossed \$4.3 billion in box office receipts.

Measuring Marketing Productivity



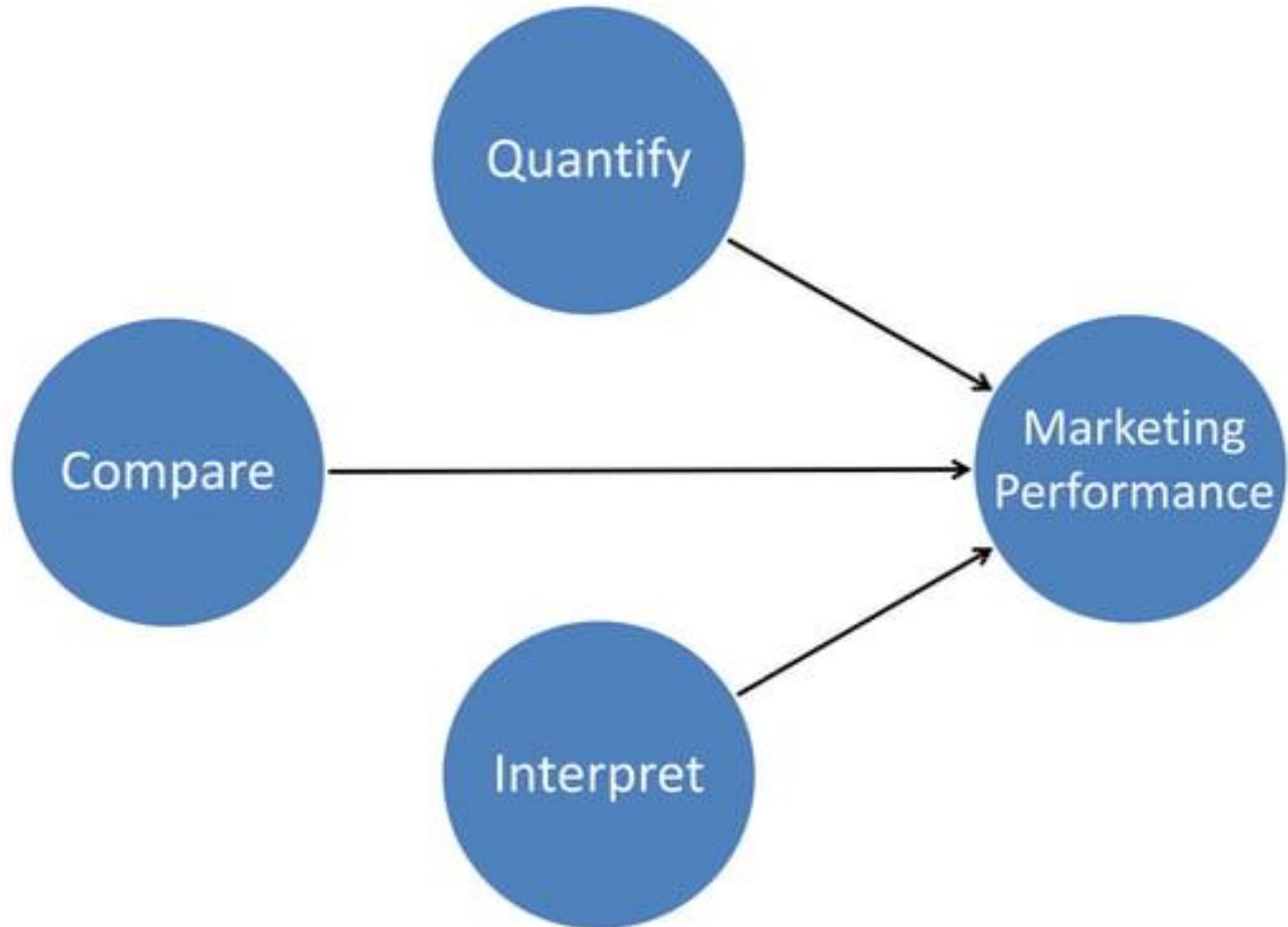
Marketing-mix modeling



Marketing metrics

Week: 12
Slides 139-144

Marketing Metrics



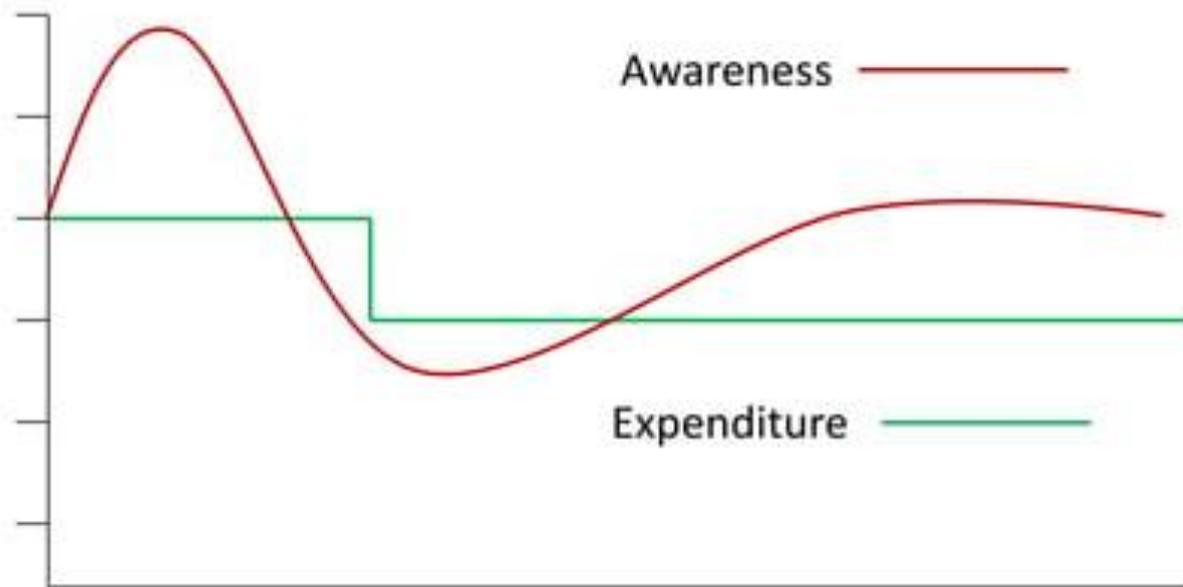
Marketing Metrics



External

- Awareness
- Market share
- Relative price
- Number of complaints
- Consumer satisfaction
- Total number of customers
- Perceived quality/esteem
- Loyalty/retention
- Relative perceived quality

Marketing-Mix Modeling



Marketing mix modeling has three shortcomings, as outlined by Dave Reibstein:

1. Focus on incremental growth rather than on long-term sales
2. Integrating multiple metrics (such as satisfaction, awareness, and brand equity) is limited
3. These models fail to incorporate metrics related to competitors, the trade, or the sales force.

Marketing Dashboards

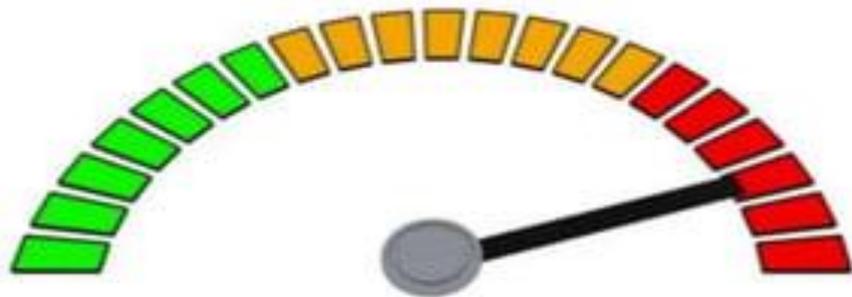


Figure 4.2

Marketing Measurement Pathway

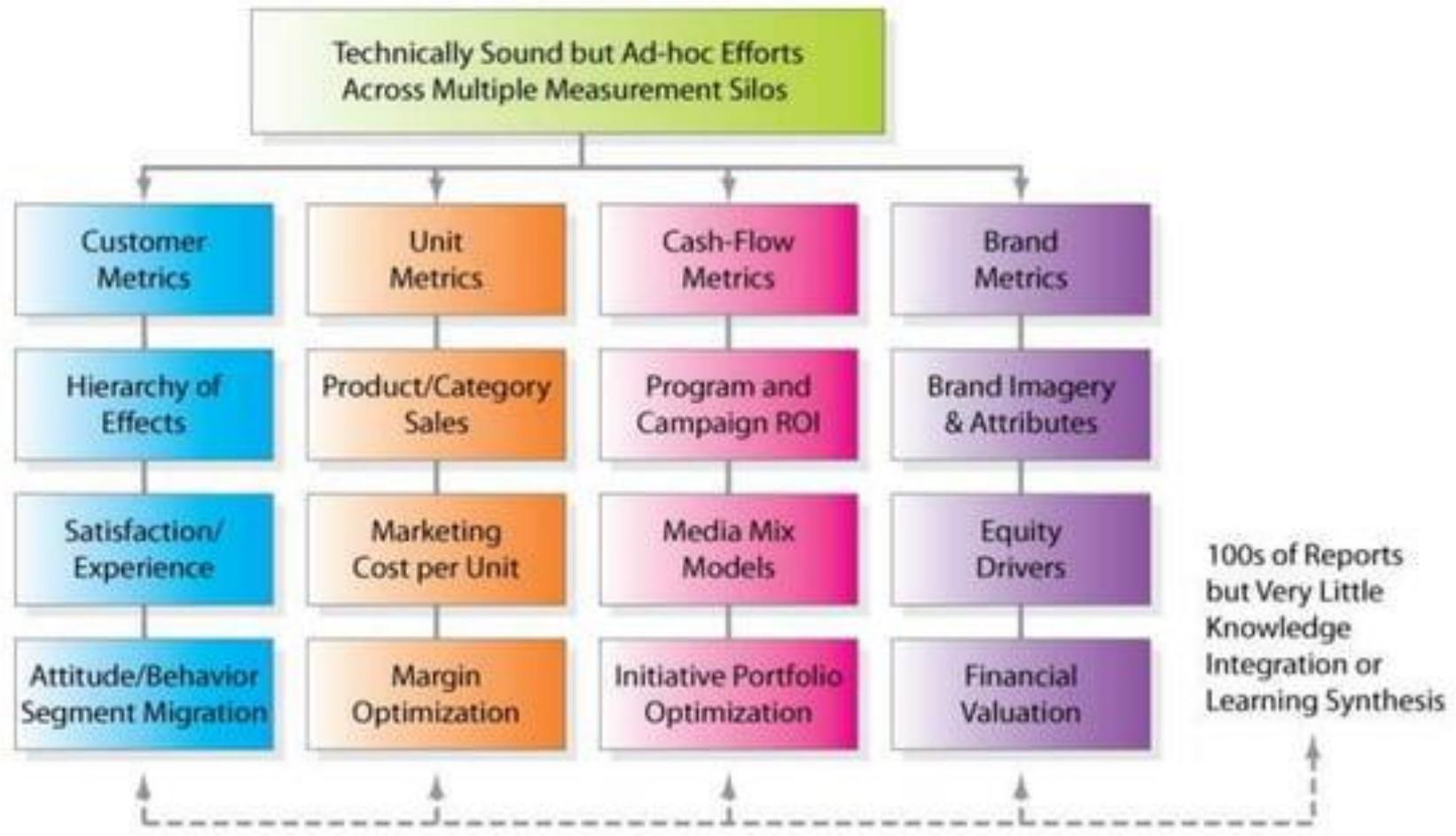


Figure 4.3

Marketing Dashboard Example



Week: 13
Slides 146-169

5

**Creating Long-Term
Loyalty Relationships**

Week-13 &14

Discussion Questions

1. What are customer value, satisfaction, and loyalty, and how can companies deliver them?
2. What is the lifetime value of customers, and how can marketers maximize it?
3. How can companies attract and retain the right customers and cultivate strong customer relationships?
4. What are the pros and cons of database marketing?



CUSTOMER VALUE, SATISFACTION, AND LOYALTY



Holistic Marketing

- The cornerstone is stronger customer relationship
- Connect with customers to:
 - » Inform
 - » Engage
 - » Energize



Harrah's Builds Relationships



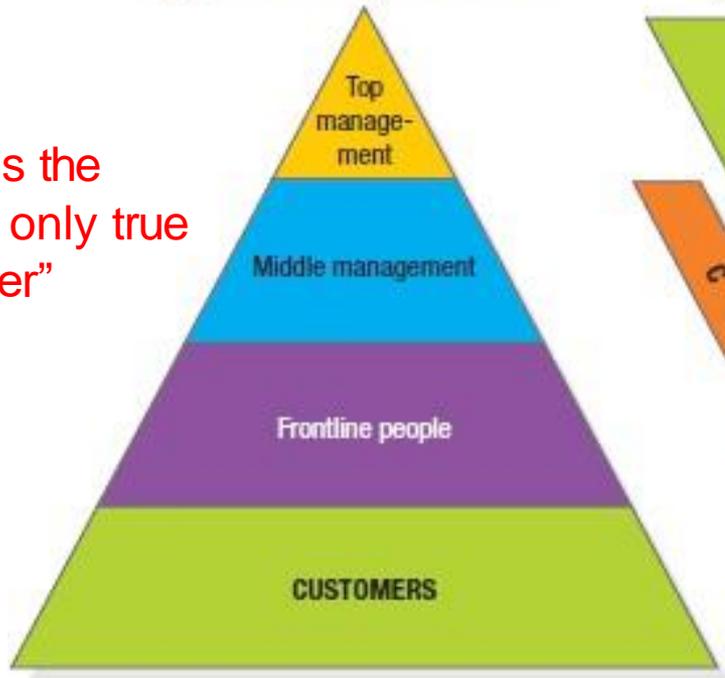
- How to manage customer base?
- How to go about winning customers and beating competitors

Creating Long-term Loyalty Relationships

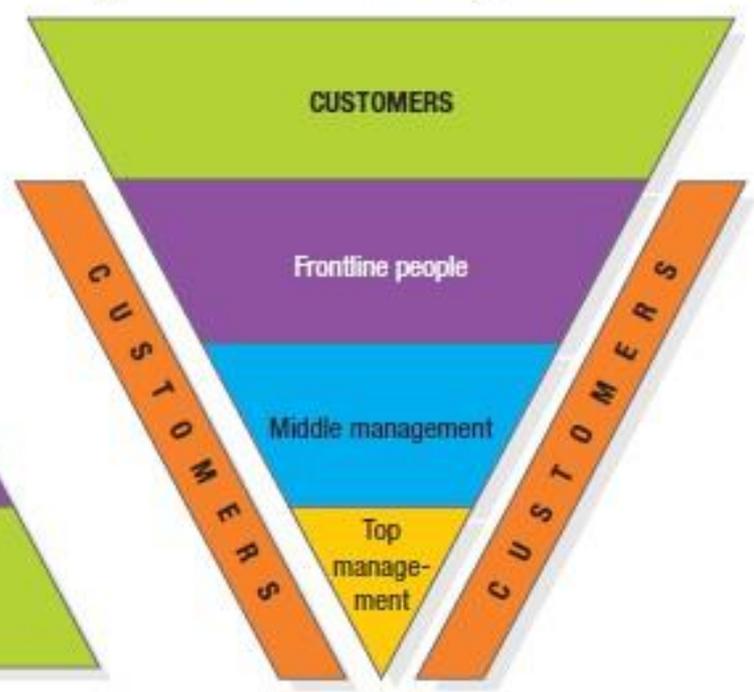
Figure 5.7

Traditional Organization vs. Customer-Oriented Organization

(a) Traditional Organization Chart



(b) Modern Customer-oriented Organization Chart



Customer is the company's only true "profit center"

Managers at every level must be personally involved in knowing, meeting, and serving customers

Dell Reestablished Its Commitment to Value



Customer Perceived Value

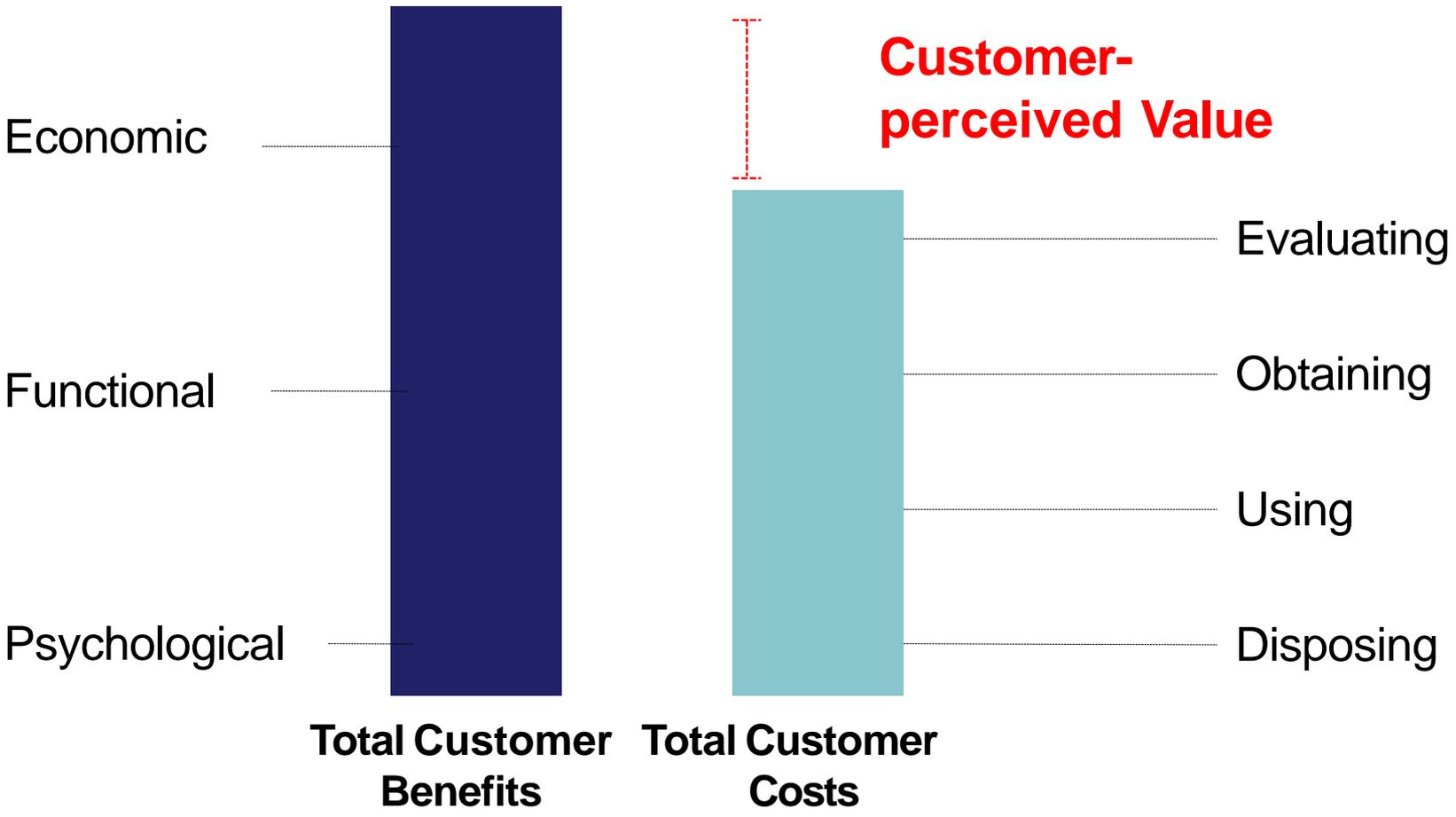
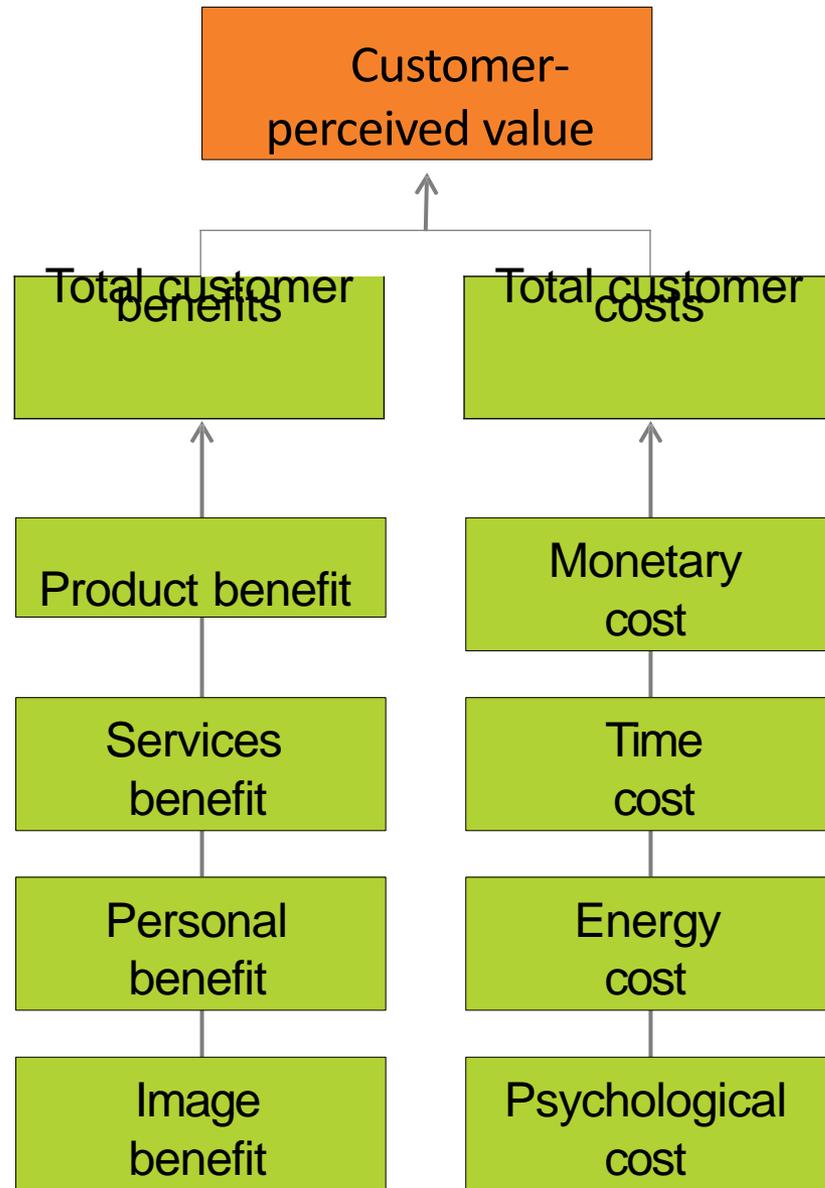


Figure 5.2

Determinants of Customer Perceived Value



Value Concepts - Caterpillar



Worth to farmer:
\$20,000

Profit	Price	Customer Value
\$6,000	\$20,000	-0-
5,000	19,000	\$1,000
4,000	18,000	2,000
3,000	17,000	3,000
2,000	16,000	4,000
1,000	15,000	5,000
0	14,000	6,000



Cost to produce:
\$14,000



Steps in a Customer Value Analysis

- Identify major **attributes and benefits** that customers value
 - Assess the qualitative **importance** of different attributes and benefits
 - Assess the company's and competitor's **performances** on the different customer values against rated importance
 - Examine **ratings** of specific segments
 - Monitor **customer values** over time
- 

Choice Processes and



Friends with salesperson

Lowest purchase price wins.



No realization that Komatsu tractor is more expensive to operate



Delivering Higher Customer Value

LOYALTY



**VALUE
PROPOSITION**

**VALUE
DELIVERY
SYSTEM**



Loyalty

- “A deeply held commitment to rebuy or repatronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behavior.”
 - -- Oliver
- 



Top Brands in Customer Loyalty

- Apple iPhone
 - Clairol
 - Samsung
 - Mary Kay
 - Grey Goose
 - Clinique
 - Avis
 - Wal-Mart
 - Google
 - Amazon
 - Bing
 - J.Crew
 - AT&T Wireless
 - Discover Card
 - Verizon Wireless
 - Cheerios
- 

Value Proposition

Volvo

The whole cluster of benefits the company promises to deliver; it is more than the core positioning of the offering.



Other benefits:

- Good performance
- Design
- Environmentally friendly

Core positioning:
Safety



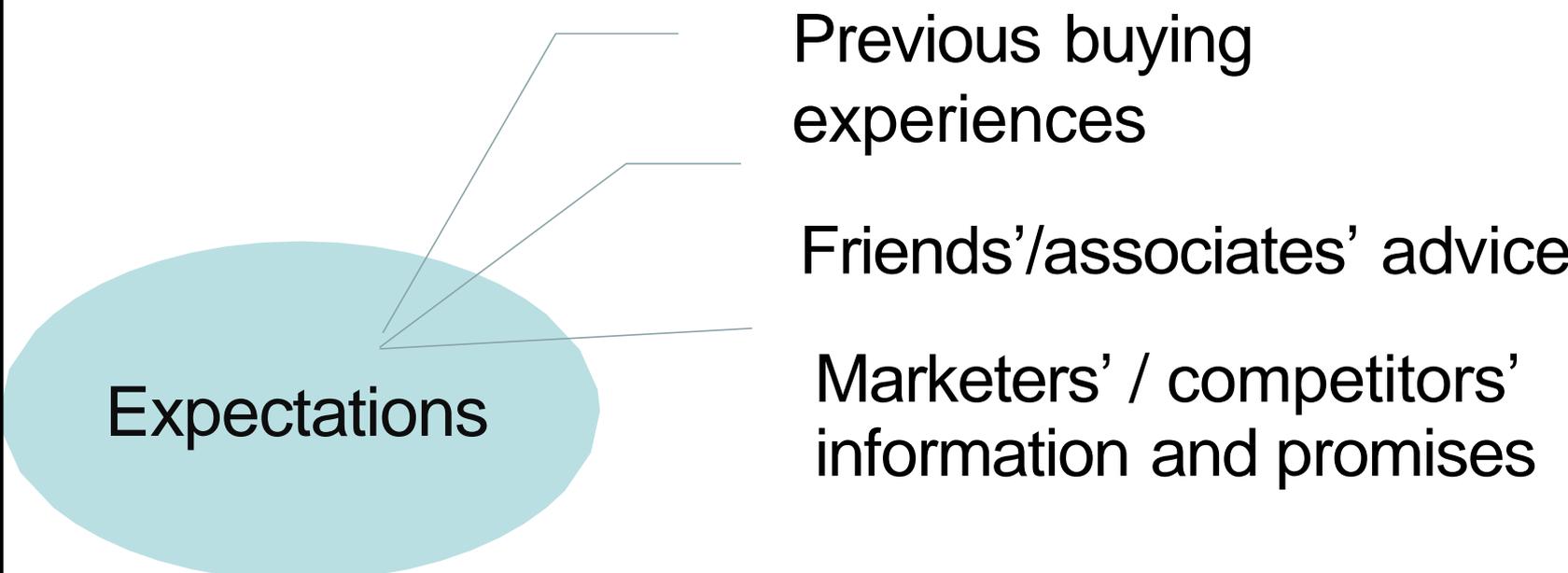
Value Delivery System

- All the experiences the customer will have on the way to obtaining and using the offering
- 

Customer Satisfaction

- A person's feelings of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to expectations.

Customer Expectations



Expectations

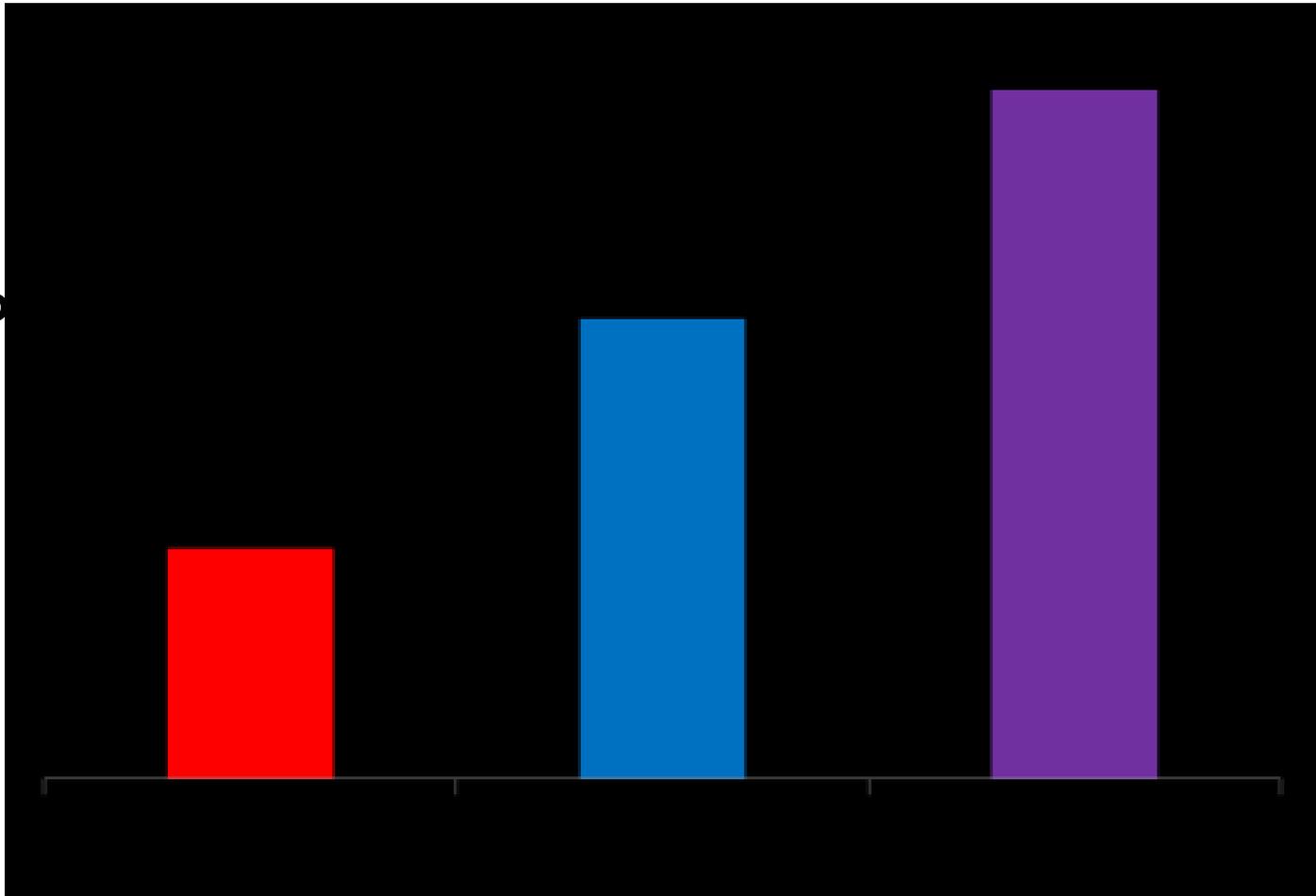
Previous buying experiences

Friends'/associates' advice

Marketers' / competitors' information and promises

Types of Customer Satisfaction

Expectation



Monitoring Satisfaction

Influence of Customer Satisfaction



Measurement Techniques



Greater customer satisfaction has also been linked to higher returns and lower risk in the stock market



Customer Complaints

Measuring Satisfaction

Periodic Surveys



Mystery Shopper

**Monitor
Competitive
Performance
and
Customer
Loss Rate
and contact
them**



Influence of Customer Satisfaction



Customer satisfaction



MARKETING TOOL



Speed of communication

Some customers set up their own Web sites to air grievances and galvanize protest, targeting high-profile brands

Customer Complaints



Feel complaining is not worth the effort or don't know how or to whom to complain

Managing Customer Complaints



1. Set up a 7-day, 24-hour toll-free hotline to receive and act on customer complaints.
2. Contact the complaining customer as quickly as possible.
3. Accept responsibility for the customer's disappointment; don't blame the customer.
4. Use customer service people who are empathic.
5. Resolve the complaint swiftly and to the customer's satisfaction.

Week: 14
Slides 171-192

Product and Service Quality

Performance

Conformance



The totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs.



MAXIMIZING CUSTOMER LIFETIME VALUE



Customers

Customer Profitability

Customer Profitability Analysis



Customer Lifetime Value



Customer Profitability

A **profitable customer** is a person, household, or company that over time yields a revenue stream exceeding by an acceptable amount the company's cost stream for attracting, selling, and serving that customer

- » Lifetime stream of revenue and cost Vs. profit from a particular transaction



Customer Profitability Analysis

- CPA is best conducted with ABC tools
 - ABC tries to identify the real costs associated with serving each customer
 - » The company estimates all revenue coming from the customer, less all costs
 - » ABC also allocates indirect costs like clerical costs, office expenses, supplies, and so on, to the activities that use them
- 

Customer-Product Profitability Analysis

		Customers			
		C ₁	C ₂	C ₃	
Products	P ₁	+	+	+	Highly profitable product
	P ₂	+			Profitable product
	P ₃		-	-	Unprofitable product
	P ₄			-	Highly unprofitable product
		High-profit customer	Mixed-bag customer	Losing customer	



Measuring Customer Lifetime Value

- CLV is the NPV of the stream of future profits expected over the customer's lifetime purchases
 - » **CLV**= Expected Revenue – Expected Costs (of attracting, selling, and servicing the account of that customer) applying the appropriate discount rate

CULTIVATING CUSTOMER RELATIONSHIPS

Customer information

is used to enact precision marketing designed to build strong long-term relationships



Customer Information

is easy to:

- *Differentiate*
- *Customize*
- *Personalize*
- *Share*

over networks at incredible speed

Customer Relationship Management



Personalizing Marketing

Customer Empowerment

Customer Reviews & Recommendations

CRM is the process of carefully managing detailed information about individual customers and all customer “touch points” to maximize loyalty

Personalizing Marketing



Making sure the brand and its marketing are as relevant as possible to as many customers as possible

One-to-One Marketing

**Identify prospects
and customers**



**Differentiate customers
in terms of needs and
values**



**Interact with
each customer**



**Customize
offerings &
messages to
each customer**

Customer Empowerment



Brand Evangelists

Customer Reviews/Recommendations

**Create brand
buzz/WoM**



**Customer ratings
and reviews**



Negative reviews

Attracting and Retaining Customers

Reduce Defections



Retention Dynamics



Manage customer base



Reducing Defection

1. Define and measure its retention rate
 2. Determine causes of customer attrition and identify those that can be managed better
 3. Compare CLV to the costs of reducing the defection rate
- 



Customer Retention

Acquiring new customers costs

5x more

than retaining current customers

The average company loses

10%

of its customers yearly

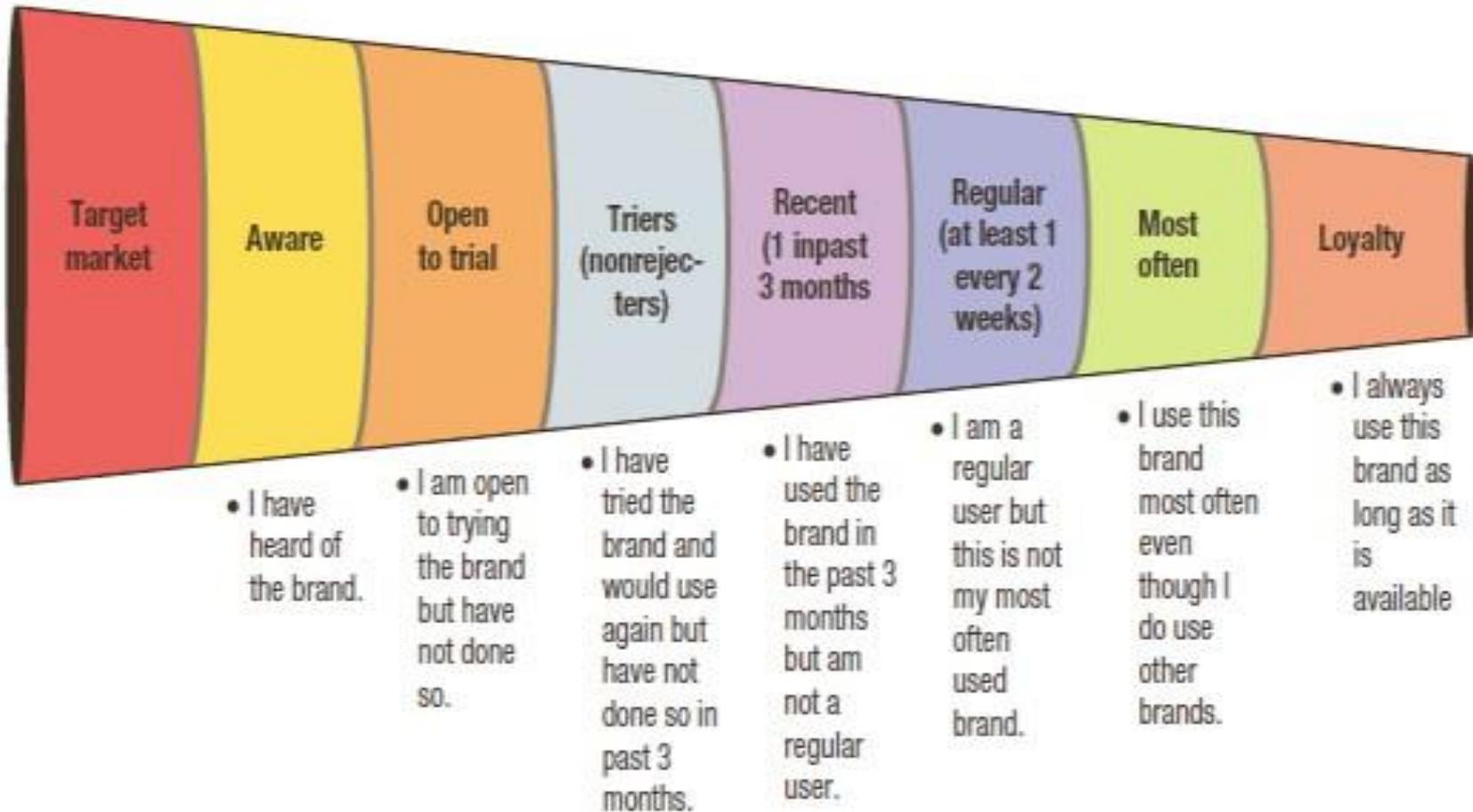
Reducing customer defections by

5% can increase profits from

25% to 85%

Figure 5.4

Customer Retention



The Marketing Funnel



Managing the Customers Base

- Reduce the rate of defection
 - Increase longevity
 - Enhance share of wallet
 - Terminate low-profit customers
 - Focus more effort on high-profit customers
- 

Building Loyalty

Interact with customers



Create institutional ties



Develop loyalty programs

Databases & Database Marketing

Customer databases

- Name, address, telephone #
- Purchase history
- Demographics
- Psychographics
- Mediagraphics

Data mining



Data Warehouses



Databases & Database Marketing

- A **customer mailing list** is simply a set of names, addresses, and telephone numbers
 - A **customer database** is an organized collection of comprehensive information about individual customers or prospects that is current, accessible, and actionable for lead generation, lead qualification, sale of a product or service, or maintenance of customer relationships.
 - **Database marketing** is the process of building, maintaining, and using customer databases and other databases (products, suppliers, resellers) to contact, transact, and build customer relationships.
 - **Data Warehouses** capture information every time a customer comes into contact with any of their departments, whether it is a customer purchase, a customer-requested service call, an online query, or a mail-in rebate card.
 - **Data mining** is a tool marketing statisticians use to extract useful information about individuals, trends, and segments from the mass of data.
- 



Don't Build a Database When

- The product is a once-in-a-lifetime purchase
 - Customers do not show loyalty
 - The unit sale is very small
 - The cost of gathering information is too high
- 

Week: 15
Slides 194-202

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Kevin Lane

Keller

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Week-15-17



Analyzing Consumer Markets

Discussion Questions

1. How do consumer characteristics influence buying behavior?
2. What major psychological processes influence consumer responses to the marketing program?
3. How do consumers make purchasing decisions?
4. In what ways do consumers stray from a deliberative, rational decision process?



Consumer Behavior

The study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs or wants.

Consumer Behavior

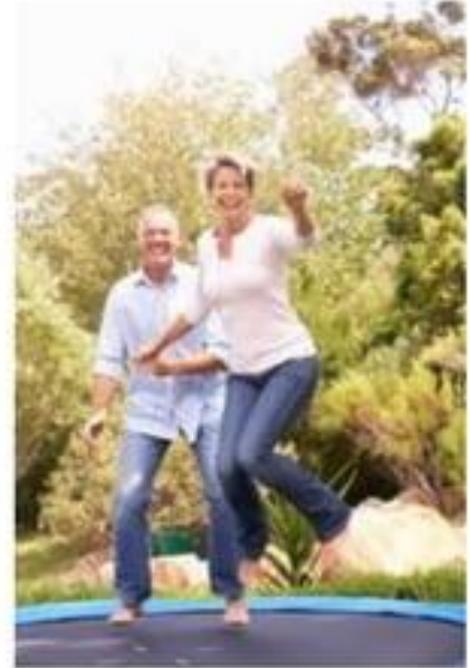


Cultural Factors



Social Factors

Personal Factors



Cultural Factors



Culture



Subculture

Social Class



Average U.S. Outlays IN 2007



38.5%



15.5%



11.4%



8.5%



6.1%

4.8%



4.2%



3.3%



2.1%



Social Factors

Reference Groups



Family



Role and Status

Personal Factors



Age

Personality



Life Cycle Stage



Week: 16
Slides 204-215

Personal Factors

Occupation



Values



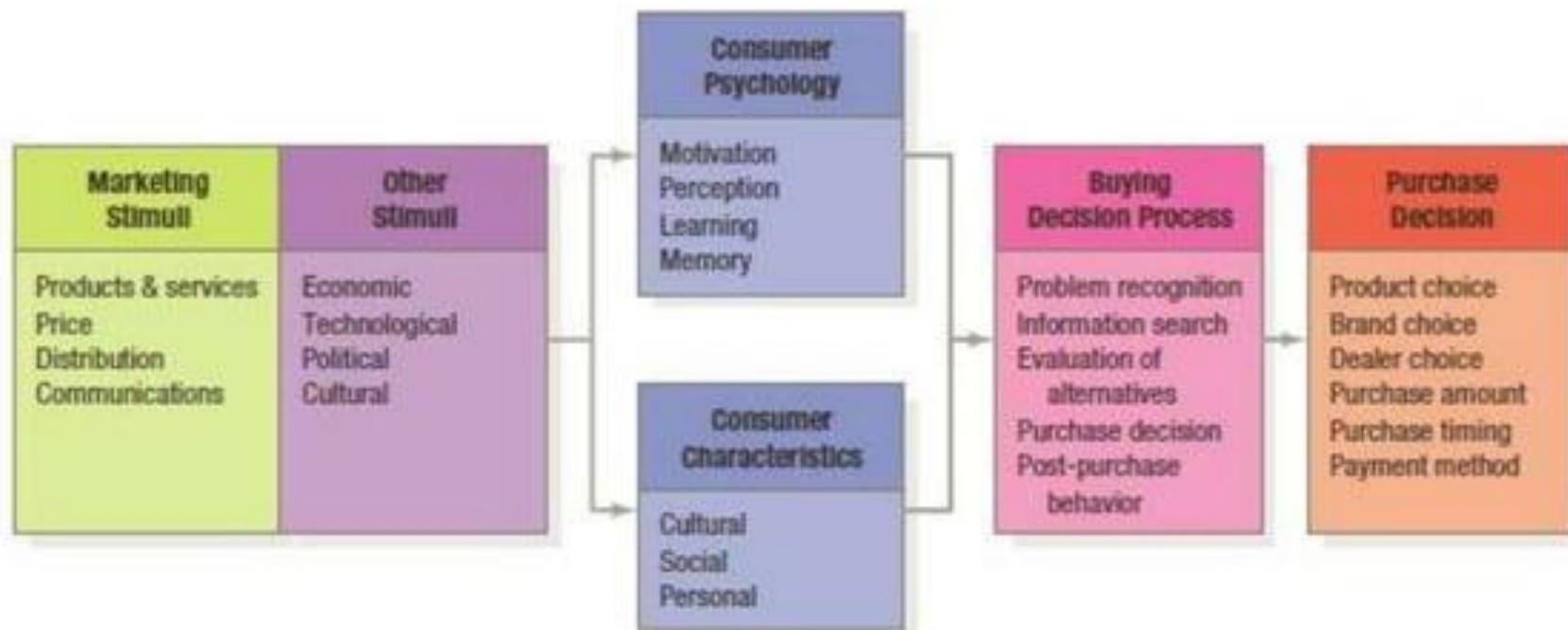
Lifestyle



Economic situation

Figure 6.1

Psychological Factors



Motivation



Freud



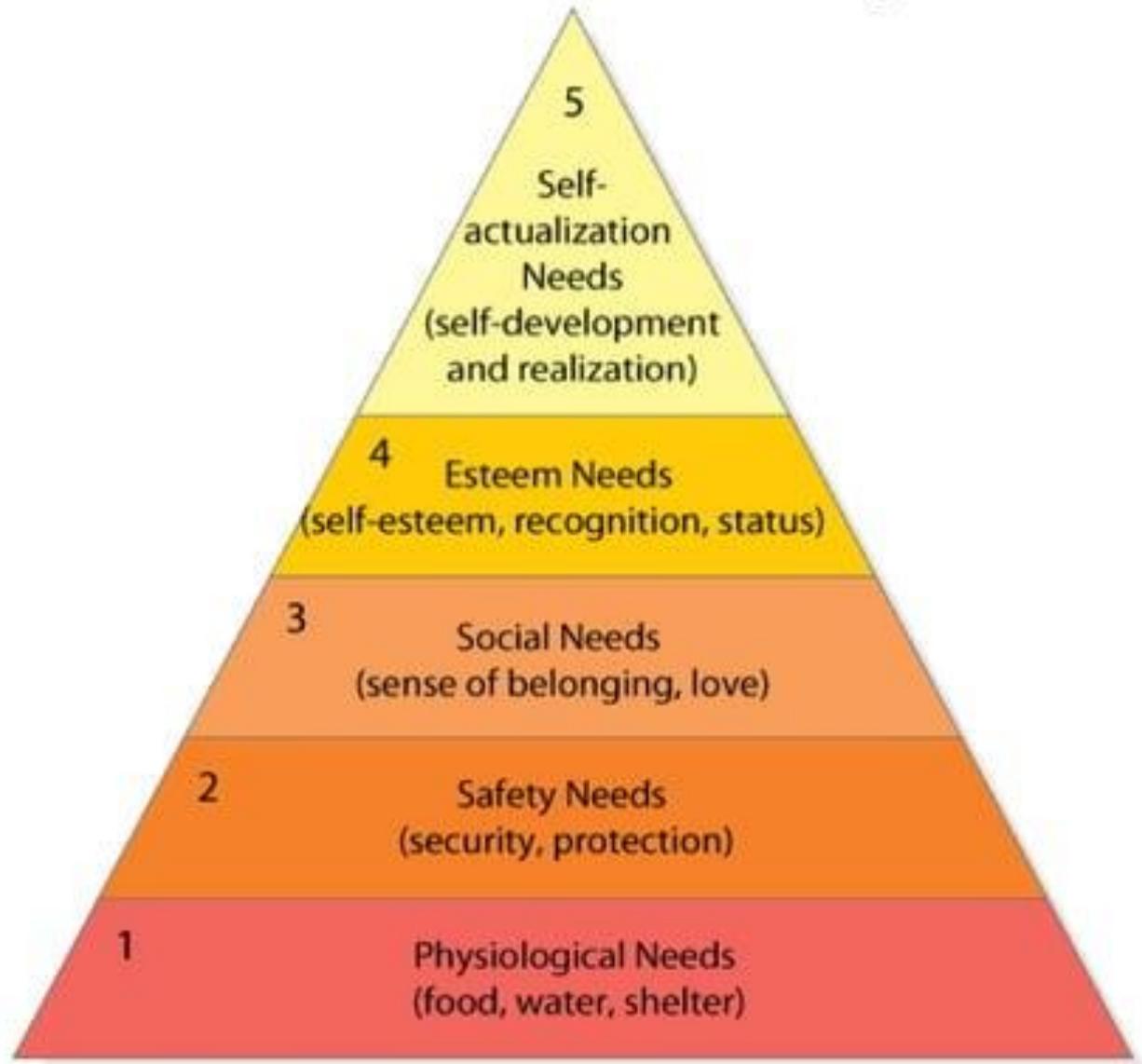
Maslow



Herzberg

Figure 6.2

Maslow's Hierarchy of Needs

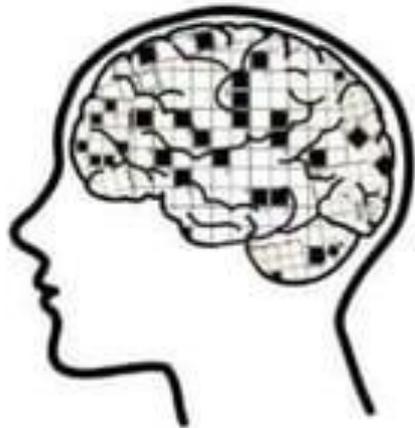


Perception

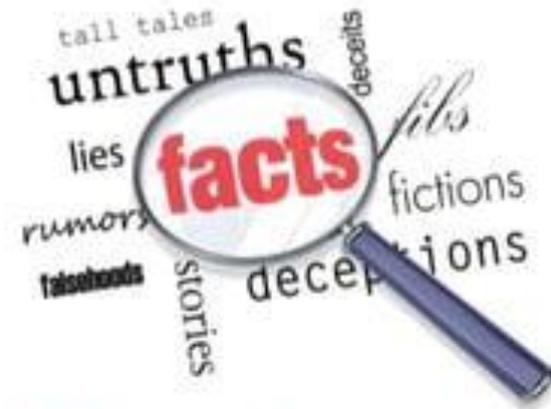
Selective Attention



Selective Retention



Subliminal Perception



Selective Distortion

Learning

Driver



Cues



Discrimination



Emotions



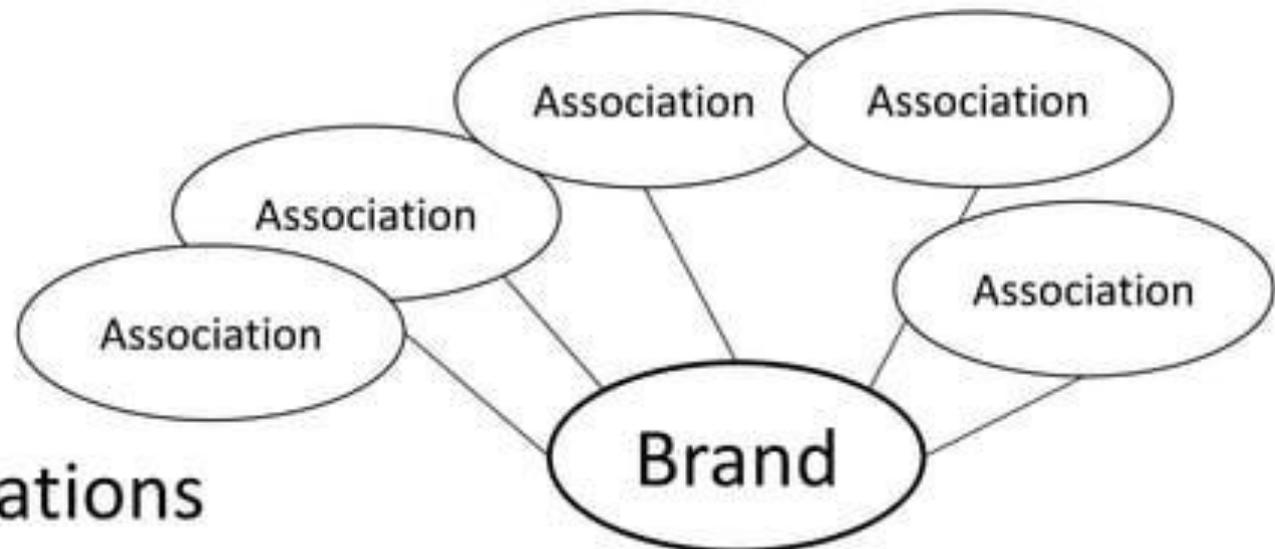
Memory

Memory Processes



Mental Maps

Encoding Retrieval



Brand Associations

Figure 6.3

Hypothetical State Farm Mental Map

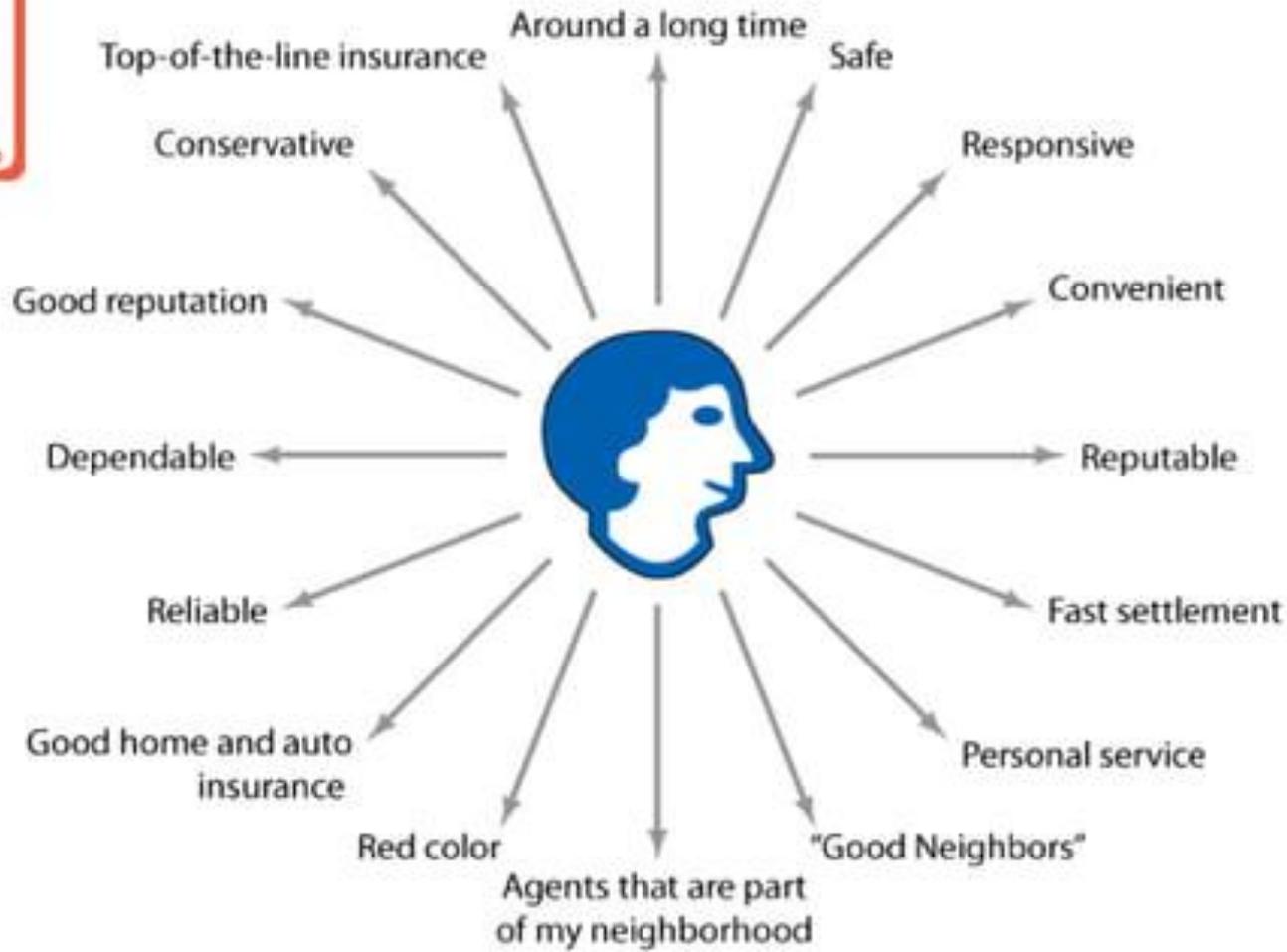


Figure 6.4

The Buying Decision Process



Buying Decision Process



Problem Recognition



Stimulus

- Internal
- External

Week: 17
Slides 204-226

Information Search

Commercial



Public



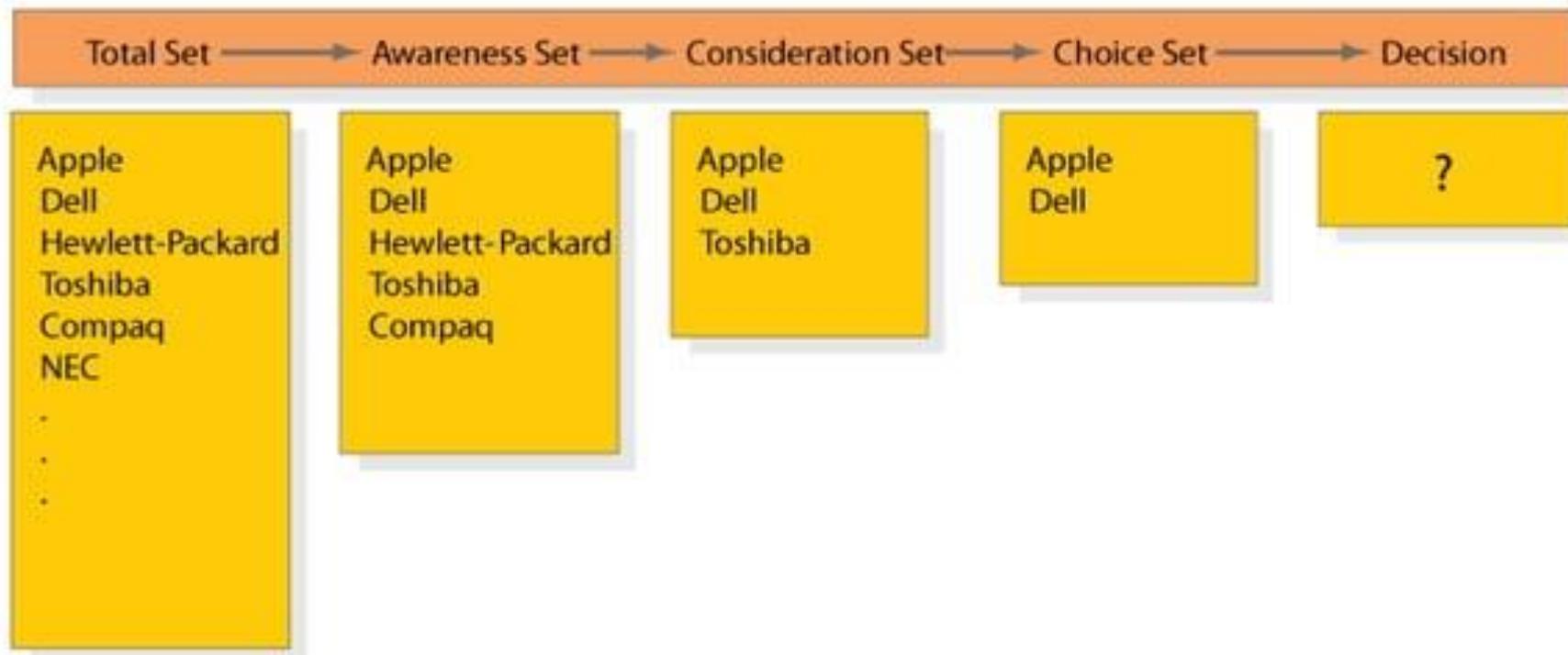
Personal



Experiential

Figure 6.5

Successive Sets Involved in Consumer Decision Making



Evaluation of Alternatives



Beliefs



Attitudes

Expectancy-Value Model

Attribute

Model	Memory Capacity Weight: 40%	Graphics Capacity Weight: 31%	Size and Weight Weight: 20%	Price Weight: 10%
A	8	9	6	9
B	7	7	7	7
C	10	4	3	2
D	5	3	8	5

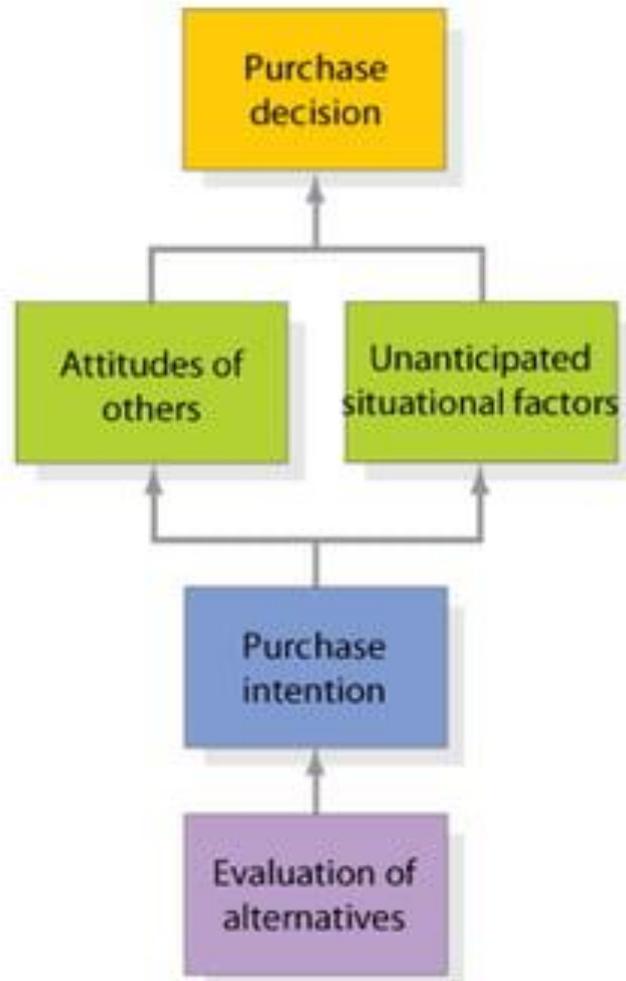
$$\text{Model A} = 0.4 (8) + 0.3(9) + 0.2(6) + 0.1(9) = 8.0$$

$$\text{Model B} = 0.4 (7) + 0.3(7) + 0.2(7) + 0.1(7) = 7.0$$

$$\text{Model C} = 0.4(10) + 0.3(4) + 0.2(3) + 0.1(2) = 6.0$$

$$\text{Model D} = 0.4 (5) + 0.3(3) + 0.2(8) + 0.1(5) = 8.0$$

Steps between Evaluation of Alternatives and Purchase Decision



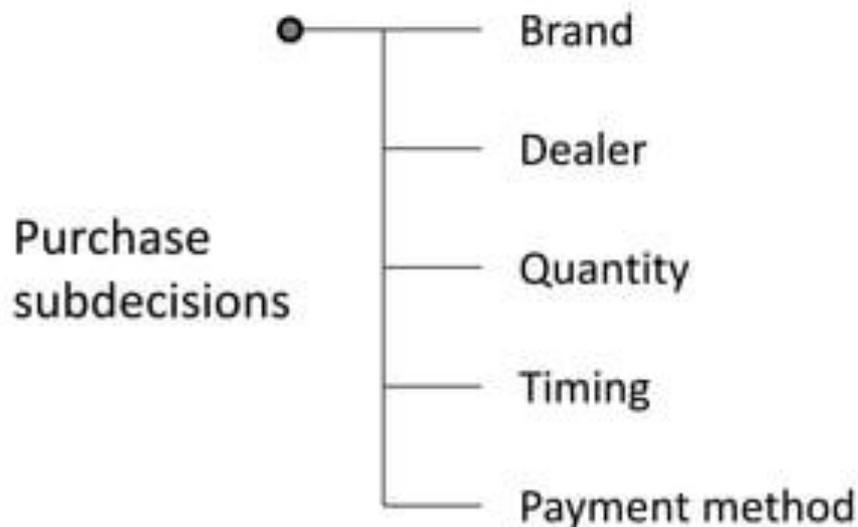
Purchase Decision



Noncompensatory Models

Choice Heuristics:

- Conjective
- Lexicographic
- Elimination-by-aspect



Postpurchase Behavior

Postpurchase Satisfaction

Delighted



Loyal

Satisfied



Stay or Go

Dissatisfied

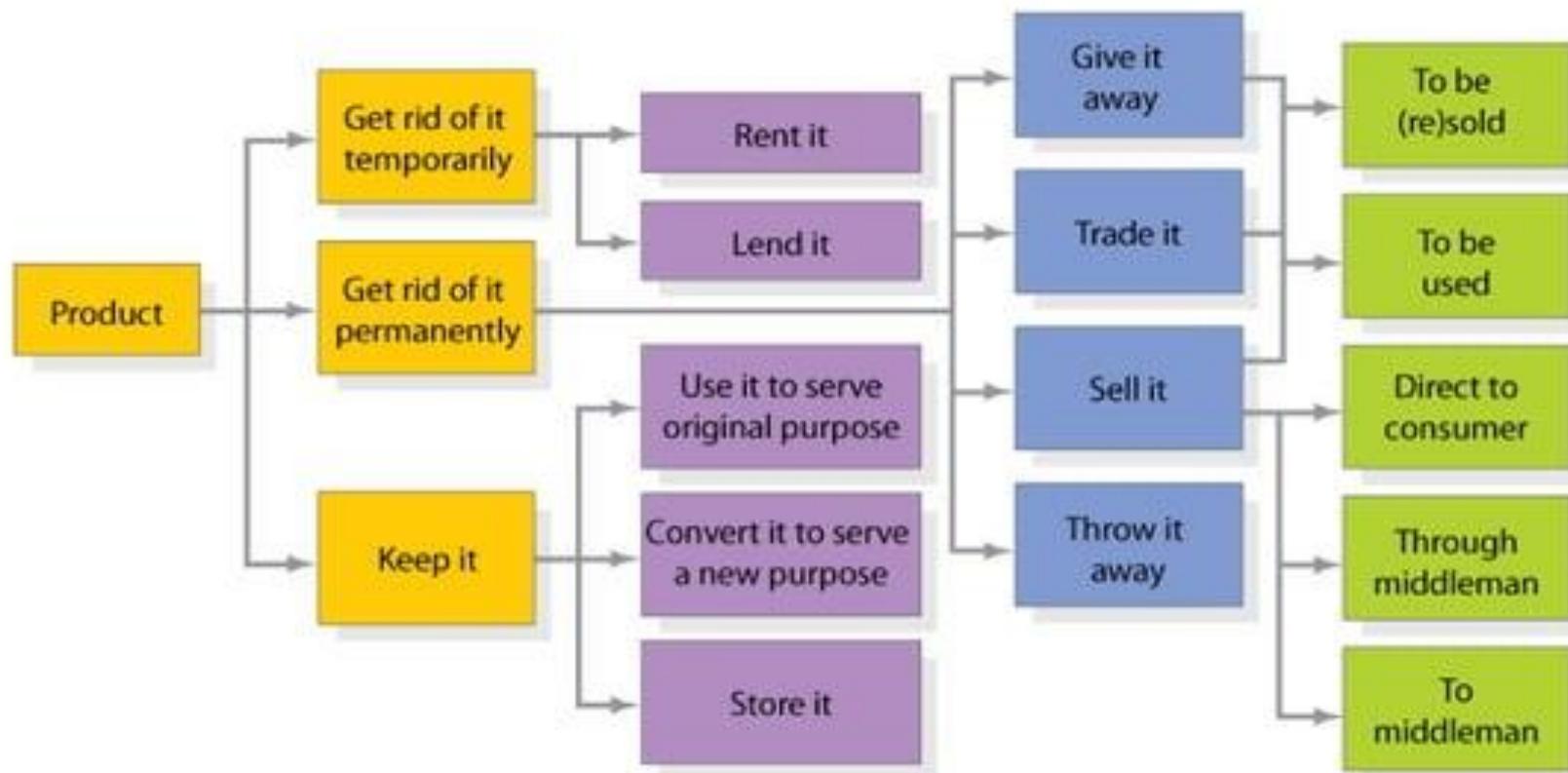


Defect

Postpurchase Actions

Figure 6.7

How Customers Use or Dispose of Products



Moderating Effects

Low-involvement



Variety seeking



Behavioral Decision Theory



Decision Heuristics



Decision Framing

