

University of Global Village (UGV), Barishal
Department of Business administration
Course Title: Principles of Marketing

Course Code : 0414-112	Credits : 03
Semester End Exam Hours (SEE) : 03	CIE Marks : 90 SEE Marks : 60

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

CLO1	Understand Summarize and Narrate Marketing Concepts: Students will demonstrate a solid understanding of key marketing concepts, theories, and terminology.
CLO2	Comprehend Develop and Apply Marketing Strategies: Students will be able to apply marketing principles to analyze markets, identify target audiences, and develop effective marketing strategies.
CLO3	Understand Analyze and Evaluate Consumer Behavior: Students will analyze consumer behavior patterns, motivations, and decision-making processes to inform marketing strategies.
CLO4	Distinguish Illustrate and Develop Product and Brand Strategies: Students will be able to develop product positioning, branding strategies, and product lifecycle management plans.

❖ Course plan specifying Topics, Teaching time and CLOs

Sl. no	Topic	Hours	CLOs
1	Marketing: Creating Customer Value and Engagement	06	CLO1 CLO2
2	Company and Marketing Strategy: Partnering to Build Customer Relationships	06	CLO2 CLO3
3	Analyzing the Marketing Environment	04	CLO2 CLO4
4	Managing Marketing Information to Gain Customer Insights	06	CLO1 CLO3
5	Consumer Markets and Consumer Buyer Behavior	05	CLO2 CLO4
6	Business Markets and Business Buyer Behavior	05	CLO3 CLO4
7	Customer-Driven Marketing Strategy: Creating Value for Target Customers	05	CLO1 CLO3
8	Products, Services, and Brands: Building Customer Value	05	CLO3 CLO4

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

Week	Course Content	Teaching-Learning Strategy	Assessment Strategy	CLOs
1	Marketing: Creating Customer Value and Engagement: What Is Marketing? Marketing Defined The Marketing Process Understanding the Marketplace and Customer Needs Customer Needs, Wants, and Demands Market Offerings—Products, Services, and Experiences Customer Value and Satisfaction Exchanges and Relationships Markets Designing a Customer-Driven Marketing Strategy Selecting Customers to Serve Choosing Value Proposition Marketing 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	Marketing: Creating Customer Value and Engagement: Preparing an Integrated Marketing Plan and Program Building Customer Relationships Customer Relationship Management The Changing Nature of Customer Relationships Partner Relationship Management.	<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	Marketing: Creating Customer Value and Engagement: Capturing Value from Customers Creating Customer Loyalty and Retention Growing Share of Customer Building Customer Equity The Changing Marketing Landscape The Uncertain Economic Environment The Digital Age Rapid Globalization Sustainable Marketing—The Call for More Social Responsibility The Growth of Not-for-Profit Marketing	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion ▪ Exercise 	<ul style="list-style-type: none"> ▪ Question & Answer (Oral) ▪ Written Test 	CLO1
4	Company and Marketing Strategy: Partnering to Build Customer Relationships: Company-Wide Strategic Planning: Defining Marketing's Role Defining a	<ul style="list-style-type: none"> ▪ Lecture ▪ Discussion ▪ Assignment 	<ul style="list-style-type: none"> ▪ Question & Answer (Oral) ▪ Class Test 	CLO2 CLO3

	Market-Oriented Mission Setting Company Objectives and Goals Designing the Business Portfolio.	<ul style="list-style-type: none"> Group discussion 	<ul style="list-style-type: none"> Written Test 	
5	Company and Marketing Strategy: Partnering to Build Customer Relationships: Planning Marketing: Partnering to Build Customer Relationships Partnering with Other Company Departments Partnering with Others in the Marketing System Marketing Strategy and the Marketing Mix Customer-Driven Marketing Strategy.	<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	Company and Marketing Strategy: Partnering to Build Customer Relationships: Developing an Integrated Marketing Mix Managing the Marketing Effort Marketing Analysis Marketing Planning Marketing Implementation Marketing Department Organization Marketing Control Measuring and Managing Return on Marketing Investment.	<ul style="list-style-type: none"> Lecture Discussion Problem Solving Exercise 	<ul style="list-style-type: none"> Question & Answer (Oral) Written Test Quiz 	CLO2
7	Analyzing the Marketing Environment: The Microenvironment The Company Suppliers Marketing Intermediaries Competitors Publics Customers The Macro environment.	<ul style="list-style-type: none"> Lecture Discussion Problem Solving Group discussion 	<ul style="list-style-type: none"> Question & Answer (Oral) Class Test 	CLO2 CLO4
8	Analyzing the Marketing Environment: The Demographic Environment The Economic Environment The Natural Environment The Technological Environment The Political and Social Environment The Cultural Environment Responding to the Marketing Environment.	<ul style="list-style-type: none"> Lecture Discussion Problem Solving 	<ul style="list-style-type: none"> Question & Answer (Oral) Class Test Written Test 	CLO2 CLO4
9	Managing Marketing Information to Gain Customer Insights: Marketing Information and Customer Insights Assessing Marketing Information Needs Developing Marketing Information Internal Data Competitive Marketing Intelligence Marketing Research	<ul style="list-style-type: none"> Lecture Discussion Assignment 	<ul style="list-style-type: none"> Question & Answer (Oral) Class Test 	CLO1 CLO3
10	Managing Marketing Information to Gain Customer Insights: Defining the Problem and Research Objectives Developing the Research Plan Gathering Secondary Data Primary Data Collection Implementing the Research Plan Interpreting and Reporting the Findings.	<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	Managing Marketing Information to Gain Customer Insights: Analyzing and Using Marketing Information Customer Relationship Management Distributing and Using Marketing Information Other Marketing Information Considerations Marketing Research in Small Businesses and Nonprofit Organizations International Marketing Research Public Policy and Ethics in Marketing Research.	<ul style="list-style-type: none"> Lecture Discussion Assignment 	<ul style="list-style-type: none"> Question & Answer (Oral) Class Test Written Test 	CLO1
12	Consumer Markets and Consumer Buyer Behavior: Model of Consumer Behavior Characteristics Affecting Consumer Behavior Cultural Factors Social Factors Personal Factors Psychological Factors Types of Buying Decision Behavior Complex Buying Behavior Dissonance- Reducing Buying Behavior Habitual Buying Behavior Variety-Seeking Buying Behavior.	<ul style="list-style-type: none"> Written exam MCQ test Presentation 	<ul style="list-style-type: none"> Written exam MCQ test Oral test 	CLO2 CLO4
13	Consumer Markets and Consumer Buyer Behavior: Recognition Information Search Evaluation of	<ul style="list-style-type: none"> Lecture Discussion 	<ul style="list-style-type: none"> Question & Answer (Oral) 	CLO2 CLO4

	Alternatives Purchase Decision Post purchase Behavior The Buyer Decision Process for New Products Stages in the Adoption Process Individual Differences in Innovativeness Influence of Product Characteristics on Rate of Adoption	<ul style="list-style-type: none"> Exercise Group discussion 	<ul style="list-style-type: none"> Class Test Written Test 	
14	Business Markets and Business Buyer Behavior: Market Structure and Demand Nature of the Buying Unit Types of Decisions and the Decision Process Business Buyer Behavior Major Type of Buying Situations Participants in the Business Buying Process Major Influences on Business Buyers The Business Buying Process E-Procurement: Buying on the Internet Institutional and Government Markets Institutional Markets Government Markets.	<ul style="list-style-type: none"> Lecture Discussion Problem Solving 	<ul style="list-style-type: none"> Question & Answer (Oral) Written Test 	CLO3 CLO4
15	Customer-Driven Marketing Strategy: Creating Value for Target Customers: Market Segmentation Segmenting Consumer Markets Segmenting Business Markets Segmenting International Markets Requirements for Effective Segmentation Market Targeting Evaluating Market Segments Selecting Target Market Segments Differentiation and Positioning Maps Choosing a Differentiation and Positioning Strategy Communicating and Delivering the Chosen Position.	<ul style="list-style-type: none"> Lecture Discussion Exercise Assignment 	<ul style="list-style-type: none"> Question & Answer (Oral) Class Test Written Test 	CLO1 CLO3
16	Products, Services, and Brands: Building Customer Value: What Is a Product? Products, Services, and Experiences Levels of Product and Services Product and Service Classifications Product and Service Decisions Individual Product and Service Decisions Product Line Decisions Product Mix Decisions Services Marketing The Nature and Characteristics of a Service Marketing Strategies for Service Firms Branding Strategy: Building Strong Brands Brand Equity Building Strong Brands Managing Brands.	<ul style="list-style-type: none"> Lecture Discussion Problem Solving Group discussion 	<ul style="list-style-type: none"> Question & Answer (Oral) Written Test Quiz 	CLO3 CLO4
17	Products, Services, and Brands: Building Customer Value: Product Line Decisions Product Mix Decisions Services Marketing The Nature and Characteristics of a Service Marketing Strategies for Service Firms Branding Strategy: Building Strong Brands Brand Equity Building Strong Brands Managing Brands	<ul style="list-style-type: none"> Lecture Discussion Assignment Oral presentation 	<ul style="list-style-type: none"> 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.

Recommended Books:

1) Recommended Readings:

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

- 2) Supplementary Readings:** Marketing Management, 13th Edition by Philip Kotler (South Asian Perspective).

Week: 1
Slides 1-8

Week -1-3

PRINCIPLES OF MARKETING

*MARKETING:
CREATING CUSTOMER VALUE
& ENGAGEMENT*

TOPIC OUTLINE

- ✓ What is marketing?
- ✓ Understand the Marketplace and Customer Needs
- ✓ Designing a Customer-Driven Marketing Strategy
- ✓ Preparing an Integrated Marketing Plan and Program
- ✓ Building Customer Relationships
- ✓ Capturing Value from Customers
- ✓ The Changing Marketing Landscape





What Is Marketing?



Marketing is a process by which companies create value for customers and build strong customer relationships to capture value from customers in return

WHAT IS MARKETING?

The marketing process

Create value *for customers* and
build customer relationships

Understand the
marketplace and
customer needs



Design a
customer-driven
marketing



Construct an
integrated
marketing program
that delivers



Build profitable
relationships and
create customer



Capture value *from*
customers in return

Capture value
from customers to
create profits and



Understanding the Marketplace and Customer Needs

Core Concepts

- Customer needs, wants, and demands
- Market offerings
- Value and satisfaction
- Exchanges and relationships
- Markets

Understanding the Marketplace and Customer Needs

Needs

- States of deprivation
- Physical—food, clothing, warmth, safety
- Social—belonging and affection
- Individual—knowledge and self-expression

Wants

- Form that needs take as they are shaped by culture and individual personality

Demands

- Wants backed by buying power

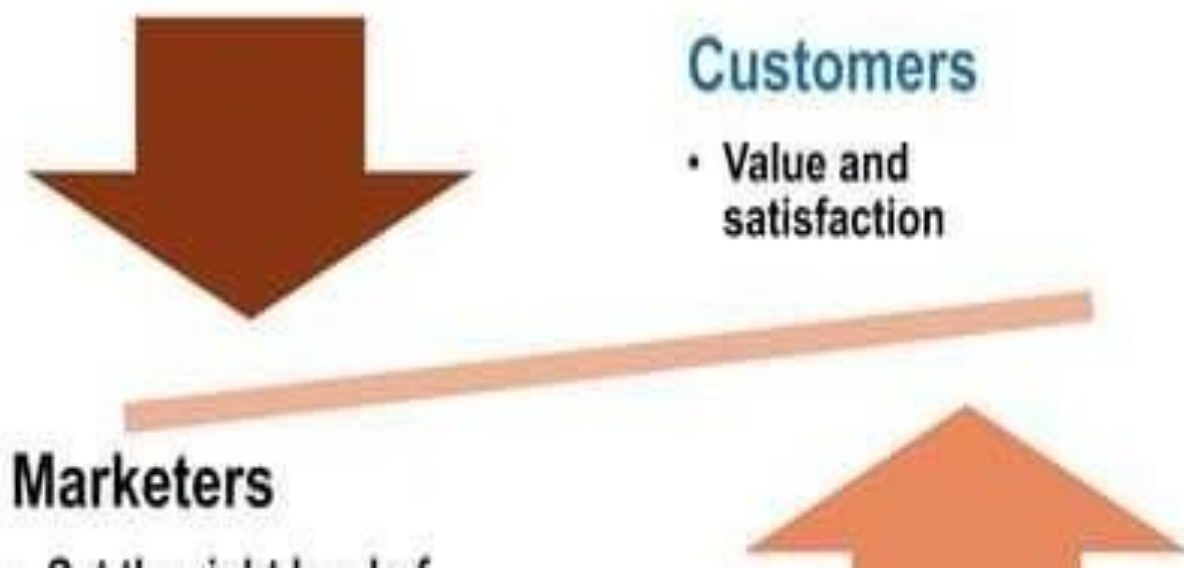
Understanding the Marketplace and Customer Needs

- **Market offerings** are some combination of products, services, information, or experiences offered to a market to satisfy a need or want
- **Marketing myopia** is focusing only on existing wants and losing sight of underlying consumer needs

Week: 2
Slides 10-17

Understanding the marketplace and customer needs

Customer value and satisfaction expectations



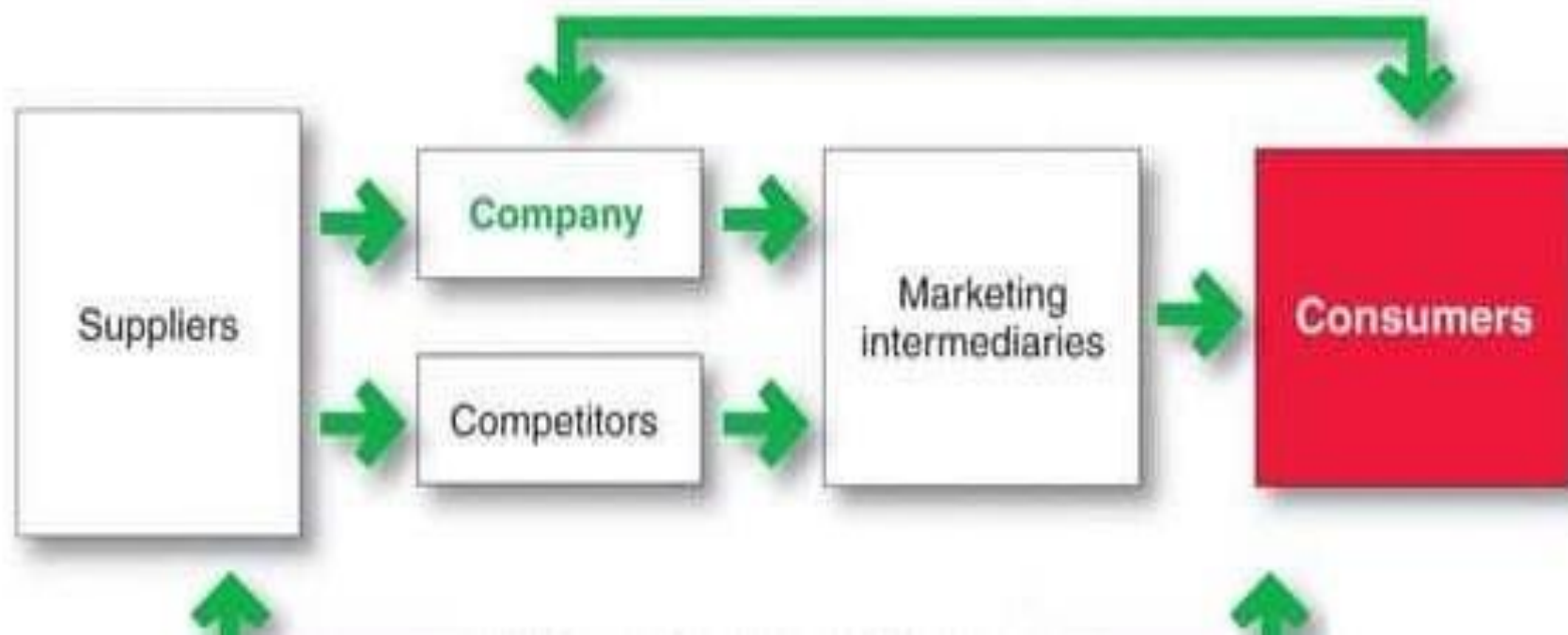
UNDERSTANDING THE MARKETPLACE AND CUSTOMER NEEDS

Exchange is the act of obtaining a desired object from someone by offering something in return.



UNDERSTANDING THE MARKETPLACE & CUSTOMER NEEDS

- **Market** is the set of actual and potential buyers of a product.



DESIGNING A CUSTOMER-DRIVEN MARKETING STRATEGY

Marketing management

- *Marketing management is the art and science of choosing target markets and building profitable relationships with them.*
- *What customers will we serve?*
- *How can we best serve*

Selecting customers to serve

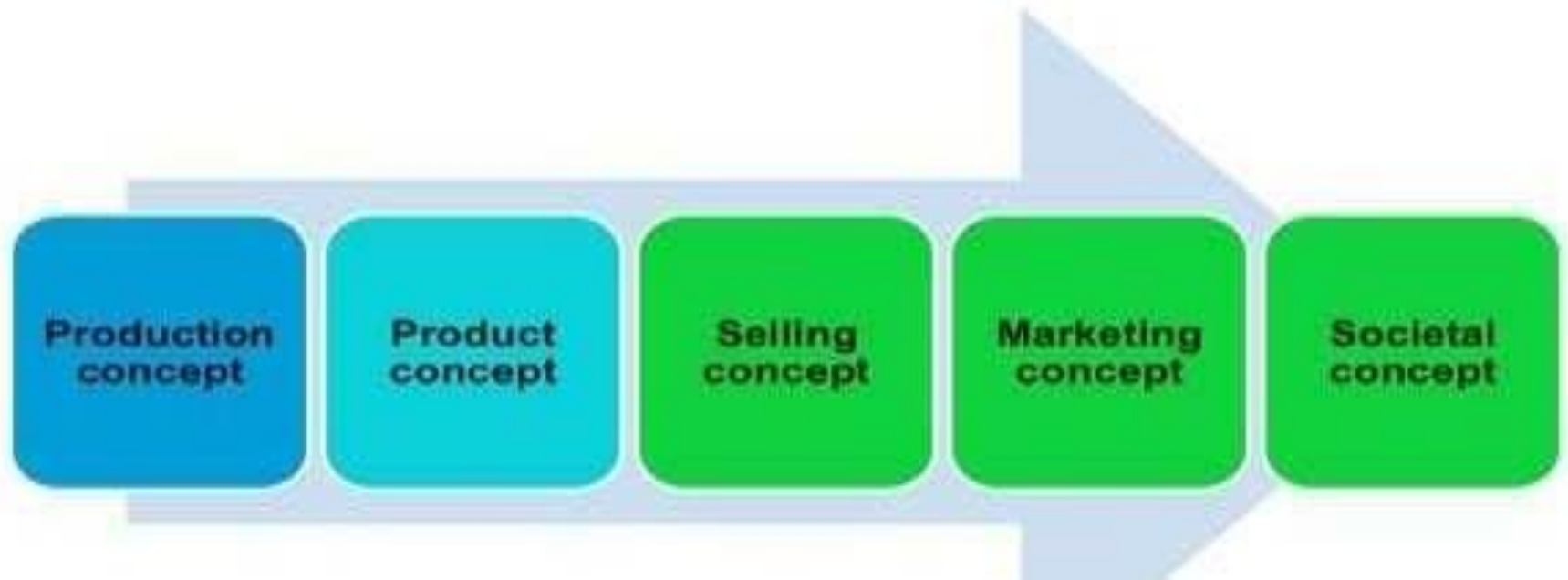
- *Market segmentation refers to dividing the markets into segments of customers.*
- *Target marketing refers to which segments to go after.*

Choosing a value proposition

- **Value proposition** is the set of benefits or values a company promises to deliver to customers to satisfy their needs.

Marketing Strategy

Marketing management orientations



Marketing management orientations



Production concept:

is the idea that consumers will favour products that are available or highly affordable.



Product concept

is the idea that consumers will favour products that offer the most quality, performance and features and that the organization should therefore devote its energy to making continuous product improvements.



Selling concept:

is the idea that consumers will not buy enough of the firm's products unless it

Marketing management orientations



Societal marketing:

concept is the idea that a company's marketing decisions should consider consumers' wants, the company's requirements, consumers' long-term interests and society's long-run interests.



Marketing concept:

is the idea that achieving organizational goals depends on knowing the needs and wants of the target markets and delivering the desired satisfactions

DESIGNING A CUSTOMER-DRIVEN MARKETING STRATEGY

Society
(human welfare)



Societal
marketing
concept

Consumer

Company

Week: 3
Slides 19-23

PREPARING AN INTEGRATED MARKETING PLAN AND PROGRAM

- **The marketing mix:**

set of tools (four Ps) the firm uses to implement its marketing strategy. It includes product, price, promotion and place.

- **Integrated marketing program:**

comprehensive plan that communicates and delivers the intended value to chosen customers.



BUILDING CUSTOMER RELATIONSHIPS

Customer relationship management (CRM)

- The overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.

Relationship building blocks: customer value and satisfaction

Customer- perceived value

- The difference between total customer value and total customer cost

Customer satisfaction

- The extent to which a product's perceived performance matches a

THE CHANGING MARKETING LANDSCAPE

Major Developments

Digital age

Rapid
globalization

Ethics and
social
responsibility

Not-for-profit
marketing

THE CHANGING MARKETING LANDSCAPE

- Rapid globalization
- Sustainable marketing
- Not-for-profit marketing



Week: 4
Slides 25-38

Week-4-6

CHAPTER TWO

Company and Marketing Strategy

Partnering to Build Customer Relationships

Company and Marketing Strategy

Topic Outline

- Companywide Strategic Planning: Defining Marketing's Pole
- Designing the Business Portfolio
- Planning Marketing: Partnering to Build Customer Relationships
- Marketing Strategy and the Marketing Mix
- Managing the Marketing Effort
- Measuring and Managing Return on Marketing Investment

Companywide Strategic Planning

Strategic Planning

Strategic planning is the process of developing and maintaining a strategic fit between the organization's goals and capabilities and its changing marketing opportunities

Company-wide Strategic Planning

Steps in Strategic Planning

Defining
the company



Corporate level

Setting company
objectives
and goals



Organizing
the business
portfolio



Business unit product,
and market level

Planning marketing
and other functional
strategies

Company Wide Strategic Planning

Defining a Market-Oriented Mission

- The mission statement is the organization's purpose, what it wants to accomplish in the larger environment
- Market-oriented mission statement defines the business in terms of satisfying basic customer needs



*We help you organize the world's
information and make it
universally accessible and useable*

Companywide Strategic Planning

Setting Company Objectives and Goals

Business objectives

- Build profitable customer relationships
- Invest in research
- Improve profits
- Increase market share
- Create local partnerships
- Increase promotion

Companywide Strategic Planning

Designing **the** Business Portfolio

The business portfolio is the collection of businesses and products that make up the company

Portfolio analysis is a major activity in strategic planning whereby management evaluates the products and businesses that make up the company

Companywide Strategic Planning

Analyzing the Current Business Portfolio

Strategic business units can be

- Company division
- Product line within a division
- Single product or brand



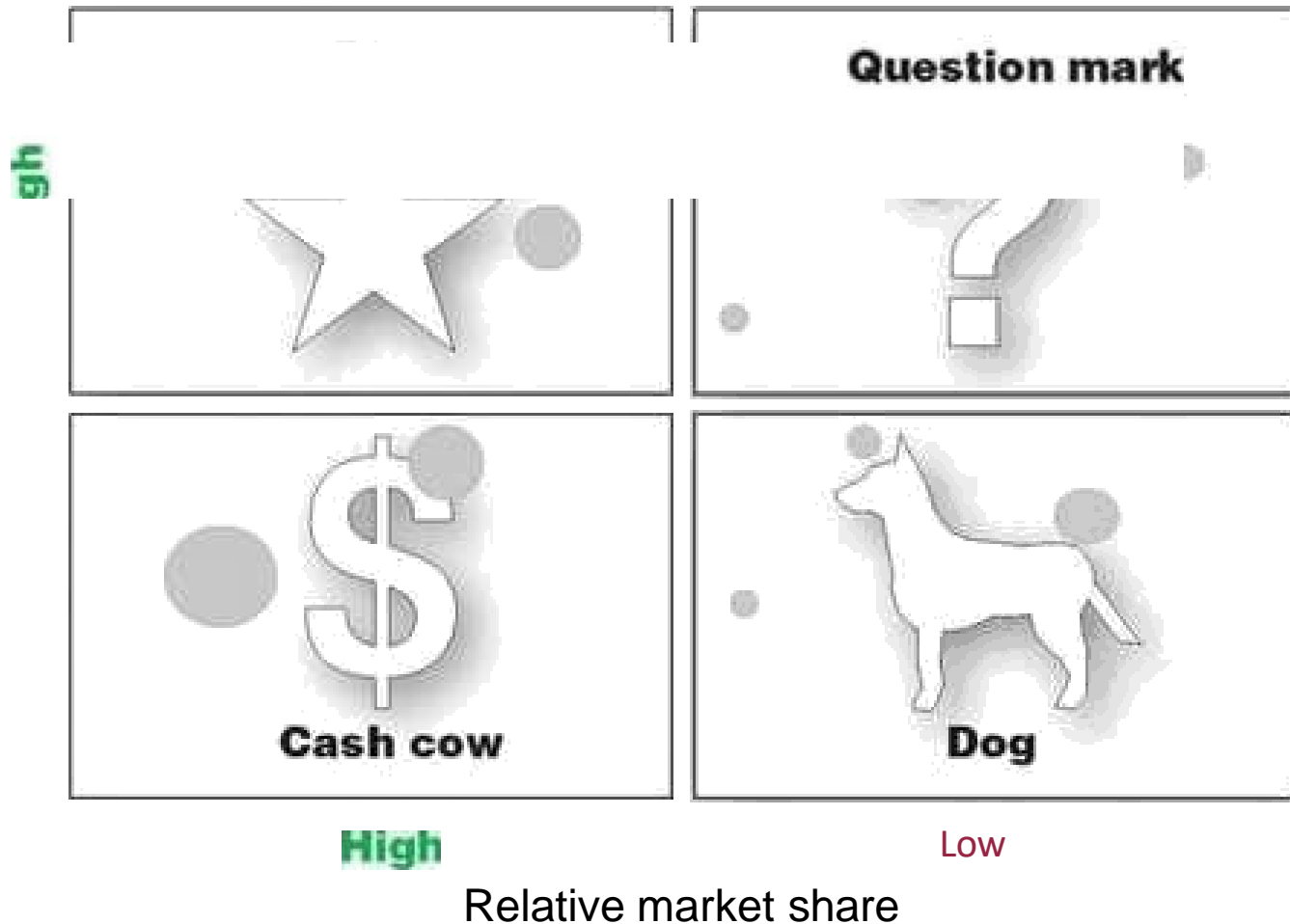
Companywide Strategic Planning

Analyzing the Current Business Portfolio

Identify key businesses (strategic business units, or SBUs) that make up the company

Decide how much support each SBU deserves

Company Strategic Planning:



Company-wide Strategic Planning

Problems with Matrix Approaches

- Difficulty in defining SBUs and measuring market share and growth
- Time consuming
- Expensive
- Focus on current businesses, not future planning

Companywide Strategic Planning

Developing Strategies for Growth and Downsizing

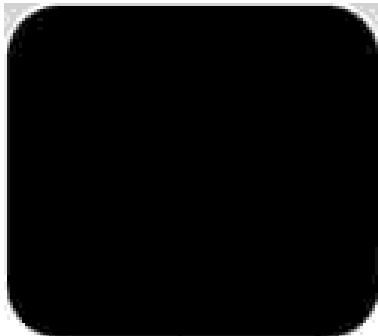
Product/market expansion grid is a tool for identifying company growth opportunities through market penetration, market development, product development, or diversification

Companywide Strategic Planning

Developing Strategies for Growth and Downsizing
Product/Market Expansion Grid Strategies



Market
development



Diversification

Company Strategic Planning

Developing Strategies for Growth and Downsizing

Market penetration is a growth strategy increasing sales to current market segments without changing the product

Market development is a growth strategy that identifies and develops new market segments for current products



HAVE IT YOUR WAY



Week: 5
Slides 40-53

Companywide Strategic Planning

Developing Strategies

for Growth and Downsizing

Product development is a growth strategy that offers new or modified products to eXisting market segments

Diversification is a growth strategy through starting up or acquiring businesses outside the company's current products and markets



Company Wide Strategic Planning

Developing Strategies
for Growth and Downsizing

Downsizing is the reduction of the business portfolio by eliminating products or business units that are not profitable or that no longer fit the company's overall strategy

Planning Marketing

Partnering to Build Customer Relationships

Value chain is a series of departments that carry out value-creating activities to design, produce, market, deliver, and support a firm's products



Planning Marketing

Partnering to Build Customer Relationships

Value delivery network is made up of the company, suppliers, distributors, and ultimately customers who partner with each other to improve performance of the entire system



Marketing Strategy and the Marketing Mix



Marketing Strategy and the Marketing Mix

Customer-Driven Marketing Strategy

Market segmentation is the division of a market into distinct groups of buyers who have different needs, characteristics, or behavior and who might require separate products or marketing mixes

Market segment is a group of consumers who respond in a similar way to a given set of marketing efforts

Marketing Strategy and the Marketing Mix

Customer-Centered Marketing Strategy

Market targeting is the process of evaluating each market segment's attractiveness and selecting one or more segments to enter



Marketing Strategy and the Marketing Mix

Customer-Centered Marketing Strategy

Market positioning is the arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of the target consumer

Marketing Strategy and the Marketing Mix

Developing an Integrated Marketing Mix

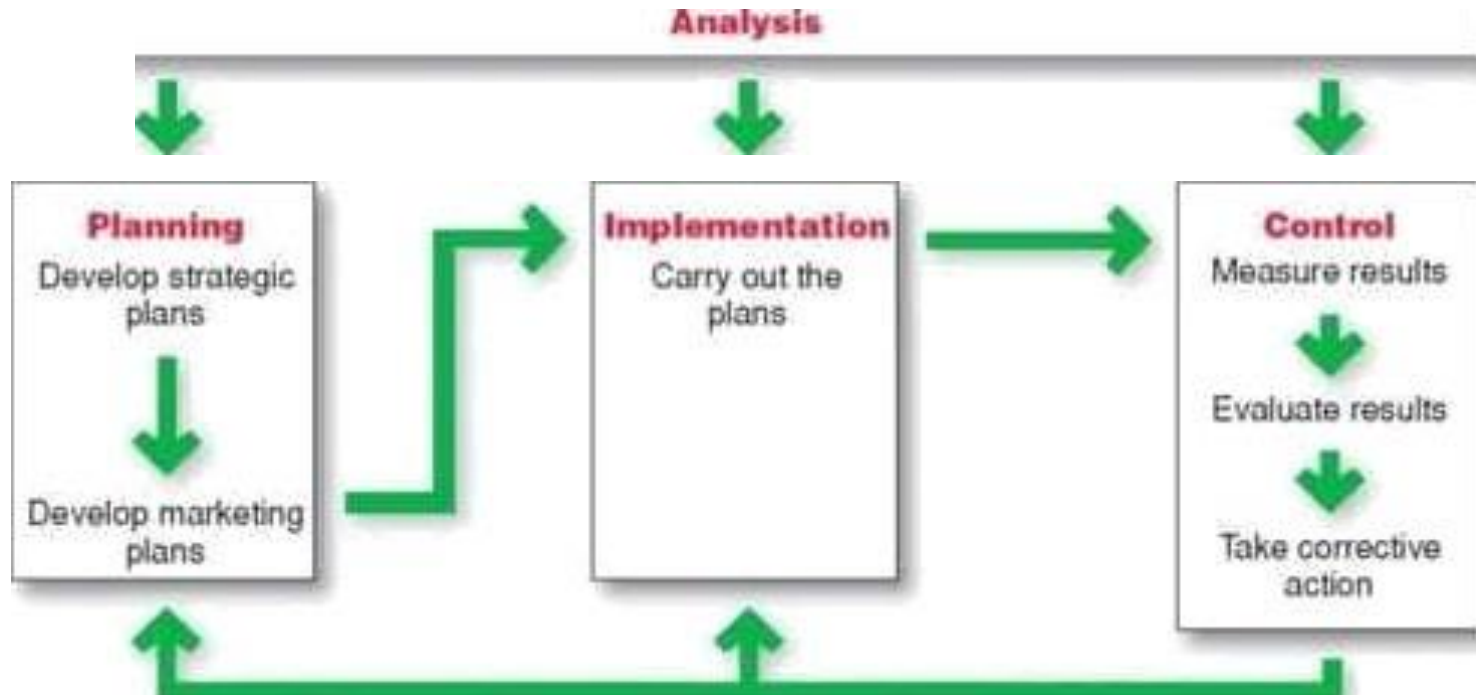
Marketing mix is the set of controllable tactical marketing tools—product, price, place, and promotion—that the firm blends to produce the response it wants in the target market

Marketing Strategy and the Marketing Mix

Developing an Integrated Marketing Mix

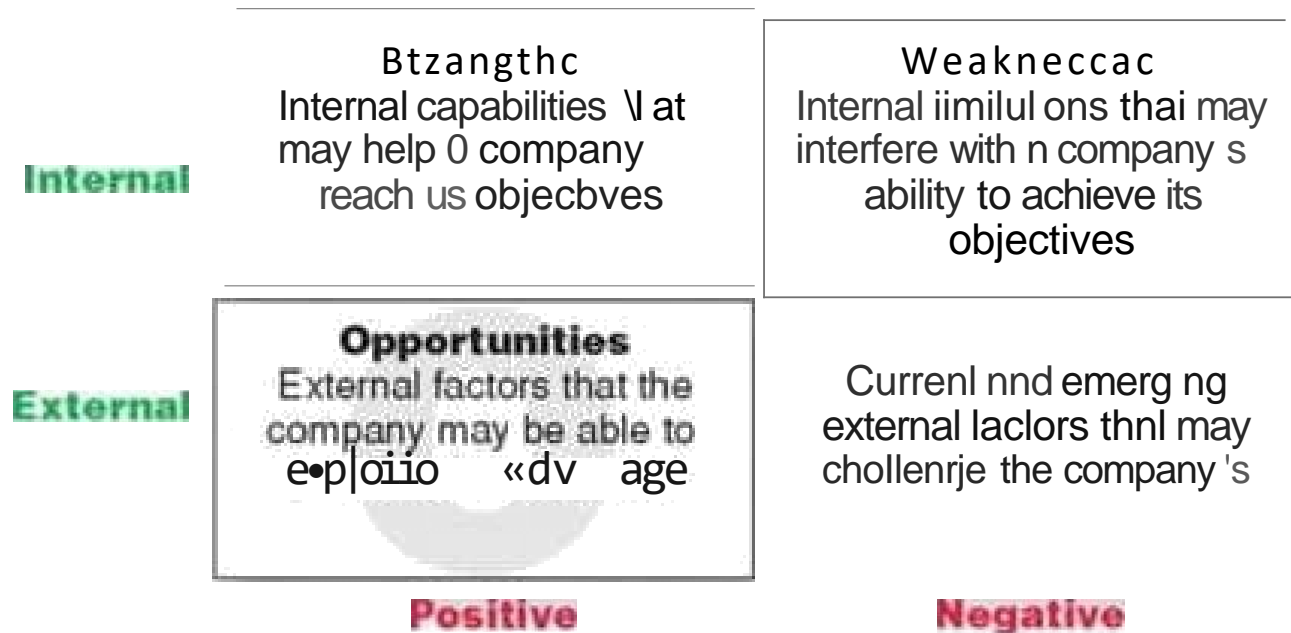


Managing the Marketing Effort



Managing the Marketing Effort

Marketing Analysis —SWOT Analysis



Managing the Marketing Effort

Market Planning —Parts of a Marketing Plan



Managing the Marketing **Effort**

Marketing Implementation

Implementing is the process that turns marketing plans into marketing actions to accomplish strategic marketing objectives

- Successful implementation depends on how well the company blends its people, organizational structure, decision and reward system, and company culture into a cohesive action plan that supports its strategies

Week: 6
Slides 55-63

Managing the Marketing Erou

Marketing Department Organization



Managing the Marketing Ehort

Marketing Control

- Controlling is the measurement and evaluation of results and the taking of corrective action as needed to ensure the objectives are achieved.
- Operating control
- Strategic control

Measuring and Managing Return on Marketing investment

Return on Marketing Investment (Marketing ROI)



Return on marketing investment (Marketing ROI) is the net return from a marketing investment divided by the costs of the marketing investment. Marketing ROI provides a measurement of the profits generated by investments in marketing activities.

Measuring and Managing Return on Marketing investment

Return on Marketing Investment (Marketing ROI)



Measuring and Managing Return on Marketing investment

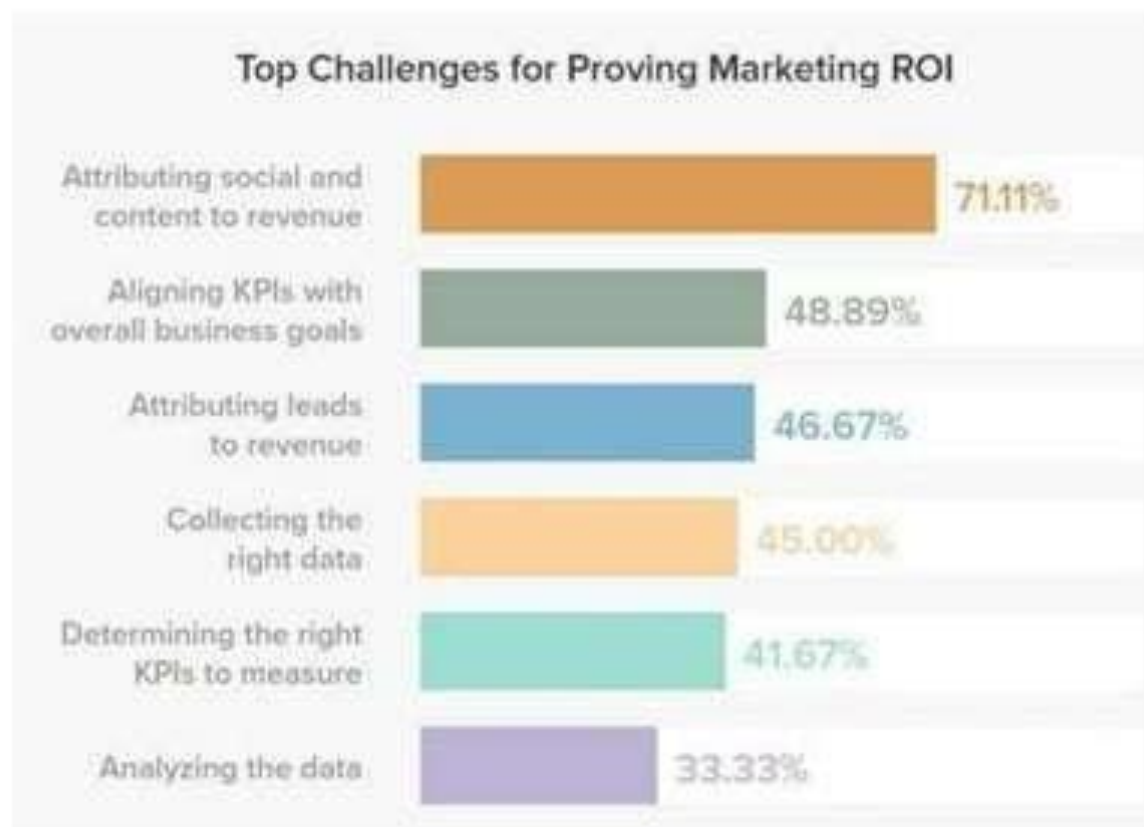
Return on Marketing Investment (Marketing ROI)

Digital Return on marketing investment (Marketing ROI) is the measure of the profit or loss that you generate on your campaigns.

If you do not measure the success of your campaigns over time, then you won't know what's working and what isn't.

Measuring and Managing Return on Marketing Investment

Challenges



Measuring and Managing Return on Marketing investment

Marketing Funnel

- Some meant to build awareness. While others try to get customers into the marketing funnel



A marketing funnel aids in connecting the dots between your marketing strategy and lead generation. It's the process each of your leads go through before fully becoming a conversion.

Measuring and Managing Return on Marketing investment

Marketing Funnel

There are 4 steps in the Marketing Funnel.
Awareness, Engagement, Conversion, and
Advocacy.





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Week: 7
Slides 65-82

PRINCIPLES OF Marketing

Week-7 & 8

Chapter Three

Analyzing the Marketing
Environment

Analyzing the Marketing Environment

Topic Outline

- The Company's Microenvironment
- The Company's Macroenvironment
- Responding to the Marketing Environment

The Marketing Environment

The marketing environment includes the actors and forces outside marketing that affect marketing management's ability to build and maintain successful relationships with customers

The Marketing Environment

Microenvironment consists of the actors close to the company that affect its ability to serve its customers, the company, suppliers, marketing intermediaries, customer markets, competitors and publics

The Company's Microenvironment

Actors in the Microenvironment



The Company's Microenvironment

The Company

- Top management
- Finance
- R&D
- Purchasing
- Operations
- Accounting

The Company's Microenvironment

Suppliers

- Provide the resources to produce goods and services
- Treated as partners to provide customer value

The Company's Microenvironment

Marketing Intermediaries

Help the company
to promote, sell and
distribute its
products to final
buyers

The Company's Microenvironment

Types of Marketing Intermediaries

Resellers

Physical
distribution
firms

Marketing
services
agencies

Financial
intermediaries

The Company's Microenvironment

Competitors

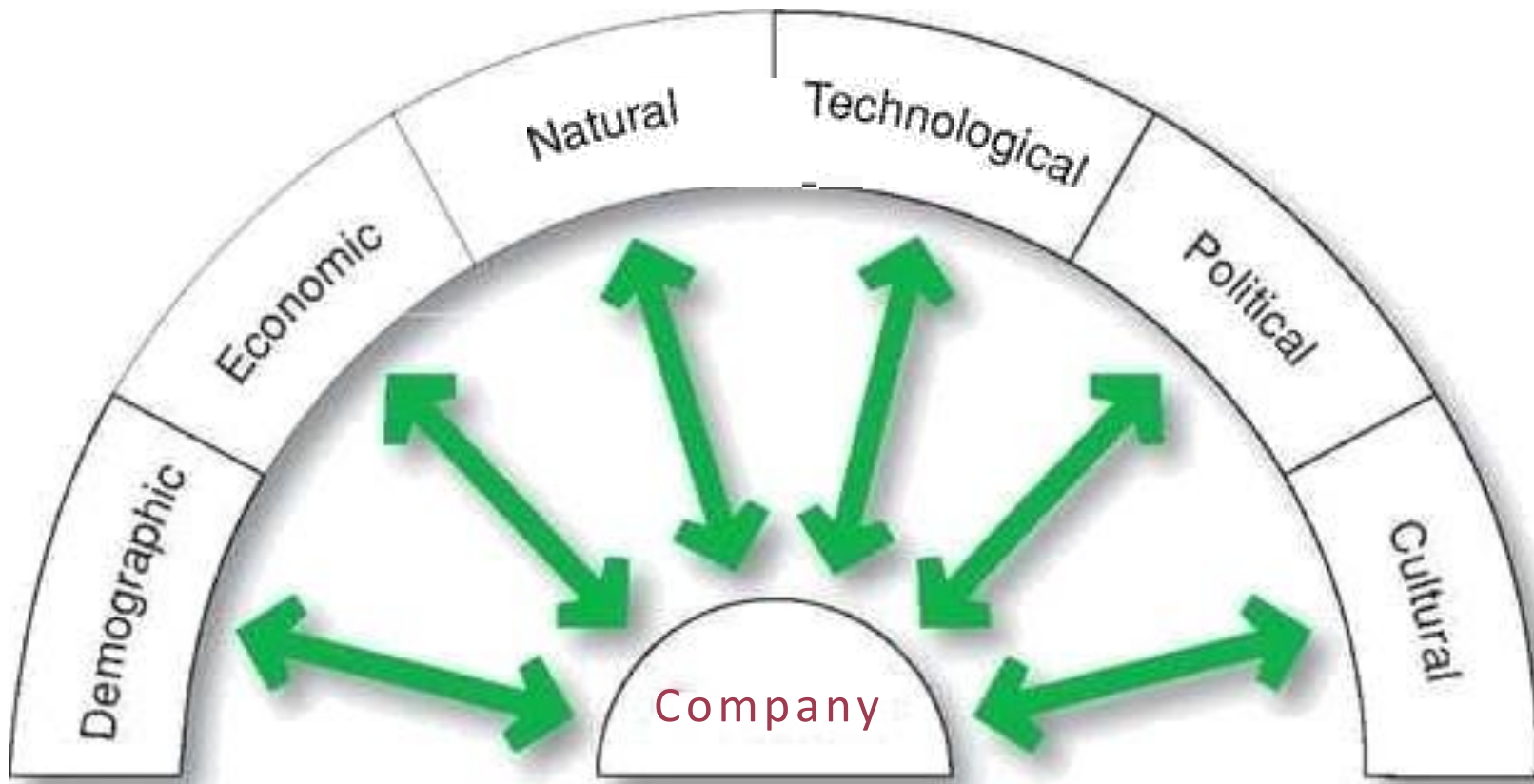
- Firms must gain strategic advantage by positioning their offerings against competitors' offerings

The Company's Microenvironment

Publics

- Any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives
 - Financial publica
 - Media publics
 - Government publica
 - Citizen-action publics
 - LDEal publics
 - General public
 - Internal publica

The Company's Macroenvironment



The Company's Macroenvironment

Demographic Environment

Demography is the study of human populations in terms of size, density, location, age, gender, race, occupation, and other statistics

- Demographic environment is important because it involves people, and people make up markets
- Demographic trends include age, family structure, geographic population shifts, educational characteristics, and population diversity

The Company's Macroenvironment

Demographic Environment

- Increasing population
 - Rapid growth in urban population in Asia
 - In India, urban population to rise to 523 million by 2025

The Company's Macroenvironment

Demographic Environment

- A growing middle class
 - MGI has divided the Indian population into 5 economic classes
 - Division based on real annual disposable income

The Company's Macroenvironment

Demographic Environment

- Deprived households have an annual disposable income of less than Rs 90,000
 - The poorest economic class
- Mostly unskilled or semi-skilled workers on daily wages

The Company's Macroenvironment

Demographic Environment

- Aspirers have an annual disposable income in the range of Rs 90,000 to Rs 200,000
 - Spend most of their income on basic necessities
 - Small-time retailers, small farmers, etc.

The Company's Macroenvironment

Demographic Environment

- Seekers have an annual disposable income between Rs 200,000 and Rs 500,000.
Mostly white-collar employees, mid-level government officials, newly employed postgraduates, medium-scale traders

Week: 8
Slides 84-99

The Company's Macroenvironment

Demographic Environment

- Strivers have an annual income ranging from Rs 500,000 to Rs 1,000,000
 - Have a stable income source and access to amenities
 - Mostly professionals such as lawyers, CAs, senior government officials, rich farmers

The Company's Macroenvironment

Demographic Environment

- Global Indians have an annual disposable income in excess of Rs 1,000,000
 - Creamy layer in society
 - Globe-trotters with a high standard of living

The Company's Macroenvironment

Demographic Environment

- Growth in the rural population
- A changing family system
- The changing role of women
- Increasing diversity

The Company's Macroenvironment

Economic Environment

Economic environment consists of factors that affect consumer purchasing power and spending patterns

- Industrial economies are richer markets
- Subsistence economies consume most of their own agriculture and industrial output

The Company's Macroenvironment

Economic Environment

- The global financial crisis of 2007—2009 has affected the consumption and production of many products
- Value marketing involves ways to offer financially cautious buyers greater value — the right combination of quality and service at a fair price

The Company's Macroenvironment

Economic Environment

Changes in Consumer Spending Patterns

- Ernst Engel—Engel's Law
- As income rises:
 - The percentage spent on food declines
 - The percentage spent on housing remains constant
 - The percentage spent on savings increases

The Company's Macroenvironment

Natural Environment

Natural environment involves the natural resources that are needed as inputs by marketers or that are affected by marketing activities

- Trends
 - Shortages of raw materials
 - Increased pollution
 - Increase government intervention
 - Environmentally sustainable strategies

The Company's Macroenvironment

Technological Environment

- Most dramatic force in changing the marketplace
- Creates new products and opportunities
- Safety of new product always a concern

The **Company's** Macroenvironment

Political Environment

Political environment consists of laws, government agencies, and pressure groups that influence or limit various organizations and individuals in a given society

The Company's Macroenvironment

Political Environment

- Legislation regulating business
 - Increased legislation
 - Changing government agency enforcement
 - New forms of nontariff barriers in trade
- Increased emphasis on ethics
 - Socially responsible behavior
 - Cause-related marketing

The Company's Macroenvironment

Cultural Environment

Cultural environment consists of institutions and other forces that affect a society's basic values, perceptions, and behaviors

The Company's Macroenvironment

Cultural Environment

Persistence of Cultural Values

Core beliefs and values are persistent and are passed on from parents to children and are reinforced by schools, religious institutions, businesses, and government

Secondary beliefs and values are more open to change and include people's views of themselves, others, organization, society, nature, and the universe

The Company's Macroenvironment

Cultural Environment

Shifts in Secondary Cultural Values

- People's view of themselves
 - Yankelovich Monitor's consumer segments:
 - Do-it-yourselfers—recent movers
 - Adventurers
- People's view of others
 - More “cocooning”

The Company's Macroenvironment

Cultural Environment

Shifts in Secondary Cultural Values

- People's view of organizations
- People's view of society
 - Patriots defend it
 - Reformers want to change it
 - Malcontents want to leave it

The Company's Macroenvironment

Cultural Environment

Shifts in Secondary Cultural Values

- People's view of nature
 - Some feel ruled by it
 - Some feel in harmony with It
 - Some seek to master it
- People's view of the universe
 - Renewed interest in spirituality

Responding to the Marketing Environment

Views on Responding

Uncontrollable

- React and adapt to forces in the environment

- Aggressive actions to affect forces in the environment

Reactive

- Watching and reacting to forces in the environment

Week: 9
Slides 101-110

Week-9-11

Principles of Marketing

Managing Marketing Information

Learning Objectives

After studying this chapter, you should be able to:

Explain the importance of information to the company

Define the marketing information system and discuss its parts

Outline the steps in the marketing research process

◁ Explain how companies analyze and distribute marketing information

Chapter Outline

Assessing Marketing Information Needs

›. Developing Marketing Information

Marketing Research

4 Analyzing Marketing Information

Distributing and Using Marketing Information

Other Marketing Information Considerations

Assessing Marketing Information Needs



Marketing information system (ITIS) consists of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers:

- Assess the information needs

- Develop needed information

- Analyze information

- Distribute information



Developing Marketing Information

Marketers can obtain information from:

- Internal data
- Marketing intelligence
- Marketing research



Developing Marketing Information

Internal Data

Internal databases are electronic collections of consumer and market information obtained from data sources within the company network, including accounting, marketing, customer service, and sales departments

Developing Marketing Information

litter iinl Duttiba.see

Advantages:

- Can be accessed more quickly
- Less expensive

Disadvantages:

- Incomplete information
- Wrong form for decision making

Developing Marketing Information

Marketing Intelligence

Marketing intelligence is the systematic collection and analysis of publicly available information about competitors and developments in the marketplace

The goal of marketing intelligence is to improve strategic decision making, assess and track competitors' actions, and provide early warning of opportunities and threats



Marketing Research

Marketing research is the systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing an organization

Week: 10
Slides 111-121

Marketing Research

Steps in the marketing research process

- i. Defining the problem and research objectives
2. Developing the research plan
Implementing the plan
4. Interpreting and reporting the findings

Marketing Research

Defining the Problem and Research Objectives

Types of objectives

- Exploratory research
- Descriptive research
- Causal research

Marketing Research

Defining the Problem and Research Objectives

Exploratory research is the gathering of preliminary information that will help to define the problem and suggest hypotheses

Descriptive research is to describe things such as market potential for a product or the demographics and attitudes of consumers who buy the product

Causal research is to test hypotheses about cause-and-effect relationships

Marketing Research

Developing the Research Plan

Research plan outlines sources of existing data and spells out the specific research approaches, contact methods, sampling plans, and instruments that researchers will use to gather data

Marketing Research

Developing the Research Plan

Research plan is a written proposal that includes:

- Management problem
- Research objectives
- Information needed
- How the results will help management decisions
- Budget



Marketing Research

Developing the Research Plan

Secondary data consists of information that already exists somewhere, having been collected for another purpose

Primary data consists of information gathered for the special research plan

Marketing Research

Marketing Research

Advantages:

Speed
cost

Provides data
that a company
cannot collect on
its own

Disadvantages:

Availability

Relevance

Accuracy

- Impartial



Marketing Research

Priitai y Data Culletiun

Research approaches

Contact methods

- Sampling plan

Research instruments



Marketing Research

Research Approaches

Observational research involves gathering primary data by observing relevant people, actions, and situations

Ethnographic research involves sending trained observers to watch and interact with consumers in their natural environment

Marketing Research

Primary Approaches

Survey research is the most widely used method and is best for descriptive information—knowledge, attitudes, preferences, and buying behavior
Flexible

People can be unable or unwilling to answer
Gives misleading or pleasing answers
Privacy concerns

Marketing Research

Research Approaches

Experimental research is best for gathering causal information—cause-and-effect relationships

Week: 11
Slides 123-131

Marketing Research

Contact Methods

Mail questionnaires

- Collect large amounts of information

- Low cost

- Less bias with no interviewer present

- Lack of flexibility

- Low response rate

- Lack of control of sample

Marketing Research

Contact Method

Telephone interviewing

- Collects information quickly

- More flexible than mail questionnaires

- Interviewers can explain difficult questions

- Higher response rates than mail questionnaires

- Interviewers communicate directly with respondents

- Higher cost than mail questionnaires

- Potential interviewer bias



Marketing Research

Contact Method

Personal interviewing

Individual interviewing

Involves talking with people at home or the office, on the street, or in shopping malls

Flexible

more expensive than telephone interviews

Group interviewing or focus group interviewing

Involves inviting six to 10 people to talk with a trained moderator

Marketing Research

Contact Methods

online marketing research

- Low cost
- Speed to administer
- Fast results
- Good for hard to-reach groups
- Hard to control who's in the sample
- Lack of interaction
- Privacy concerns

Marketing Research

Sampling Plus

Sample is a segment of the population selected for marketing research to represent the population as a whole

Who is to be surveyed*

How many people should be surveyed*

How should the people be chosen?

Marketing Research

Research Instruments

Questionnaires

Most common

- Administered in person, by phone, or online
- Flexible

Marketing Research

•

Closed-end questions include all possible answers, and subjects make choices among them
Provide answers that are easier to interpret and tabulate

Open-end questions allow respondents to answer in their own words
Useful in exploratory research

Marketing Research

Implementing the Research Plan

- Collecting the information
- Processing the information
- Analyzing the information

Distributing and Using Marketing Information



Information distribution involves entering information into databases and making it available in a time- useable manner

Intranet provides information to employees and other stakeholders

Extranet provides Information to key customers and suppliers

Week: 12
Slides 133-148

Week- 12 & 13

Principles of Marketing

Consumer Markets and Consumer Buyer Behavior

Chapter Outline

- Model of Consumer Behavior
- Characteristics Affecting Consumer Behavior
- Types of Buying Decision Behavior
- The Buyer Decision Process
- s. The Buyer Decision Process for New Products
- <. Consumer Behavior Across International Borders

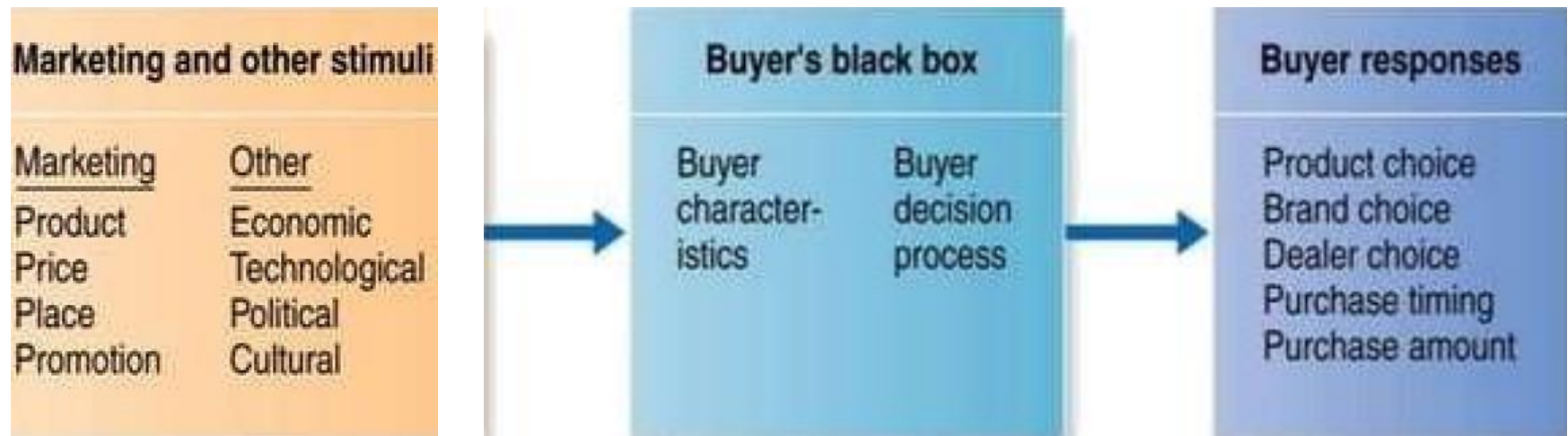


Model of Consumer Behavior

Consumer buyer behavior refers to the buying behavior of final consumers—individuals and households who buy goods and services for personal consumption

Consumer market refers to all of the personal consumption of final consumers

Model of Consumer Behaviour



Model of Consumer Behavior

Marketing stimuli
consists of the 4 Ps

- **P**roduct
- Price
- Place
- Promotion



Model of Consumer Behavior

Other stimuli include:

- Economic forces
- Technological forces
- Political forces
- Cultural forces

Characteristics Affecting Consumer Behavior



Culture is the learned values,
perceptions, wants, and behavior from
family and other important institutions

Characteristics Affecting Consumer Behavior

Subculture are groups of people within a culture with shared value systems based on common life experiences and situations

Hispanic

African American

Asian

Mature consumers

Characteristics Affecting Consumer Behavior



Social classes are society's relatively permanent and ordered divisions whose members share similar values, interests, and behaviors

Social class is measured by a combination of occupation, income, education, wealth, and other variables

Characteristics Affecting Consumer Behavior



The major social classes

Upper class

Niddle class

Working class

Lower class

Characteristics Affecting Consumer Behavior



Social Factors

Family is the most important consumer-buying organization in society

Social roles and status are the groups, family, clubs, and organizations to which a person belongs that can determine role and social status

Characteristics Affecting Consumer Behavior

Personal Factors

- Personal characteristics
- Age and life-cycle stage
- Occupation
- Economic situation
- Lifestyle
- Personality and self-concept

Characteristics Affecting Consumer Behavior

Personal Factors

Age and life-cycle stage

- RBC Royal Band stages:
 - Youth—younger than 18
 - Getting started—18-35
 - Builders—35-50
 - Accumulators—50-60
 - Preservers—over 60

Characteristics Affecting Consumer Behavior

Personal Factors

Occupation affects the goods and services bought by consumers

Economic situation includes trends in:

- . Personal income
- Savings
- Interest rates

Characteristics Affecting Consumer Behavior



Personal Factors

Lifestyle is a person's pattern of living as expressed in his or her psychographics

Characteristics Affecting Consumer Behavior

Psychological Factors

- Motivation
- Perception
- Learning
- Beliefs and attitudes

Week: 13
Slides 150-163

Characteristics Affecting Consumer Behavior

Psychological Factors

Abraham Maslow's Hierarchy of Needs

People are driven by particular needs at particular times

Human needs are arranged in a hierarchy from most pressing to least pressing

Psychological

- . Safety
- . Social
- . Esteem
- . Self-actualization

Characteristics Affecting Consumer Behavior

Psychological Factors

Perception is the process by which people select, organize, and interpret information to form a meaningful picture of the world from three perceptual processes

- Selective attention
- Selective distortion
- Selective retention

Characteristics Affecting Consumer Behavior

Psychological Factors

Selective attention is the tendency for people to screen out most of the information to which they are exposed

Selective distortion is the tendency for people to interpret information in a way that will support what they already believe

Selective retention is the tendency to remember good points made about a brand they favor and to forget good points about competing brands

The Buyer Decision Process

Five stages in the buyer decision process

Need recognition

Information search

Evaluation of alternatives

Purchase decision

Post-purchase behavior



The Buyer Decision Process

Need Recognition

Need recognition occurs when the buyer recognizes a problem or need triggered by:

- Internal stimuli
- External stimuli



The Buyer Decision Process

Information Search

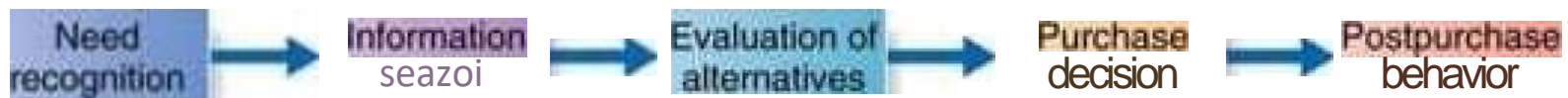
Sources of information:

Personal source family and friends

Commercial sources—advertising, Internet

Public source mass media, consumer organizations

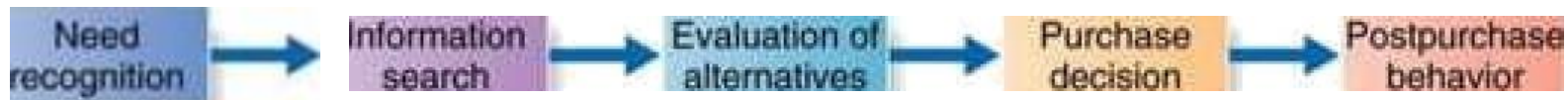
Experiential sources—handling, examining, using the product



The Buyer Decision Process

Evaluation of Alternatives

Evaluation of alternatives is how the consumer processes information to arrive at brand choices



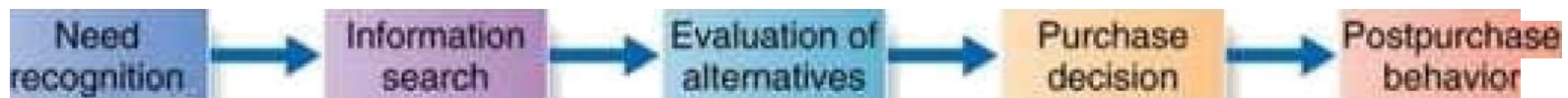
The Buyer Decision Process

Purchase Decision

The purchase decision is the act by the consumer to buy the most preferred brand

The purchase decision can be affected by:

- Attitudes of others
- Unexpected situational factors



The Buyer Decision Process

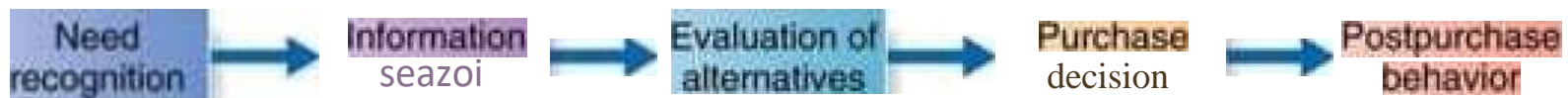
Post-Purchase Decision

The post-purchase decision is the satisfaction or dissatisfaction the consumer feels about the purchase

Relationship between:

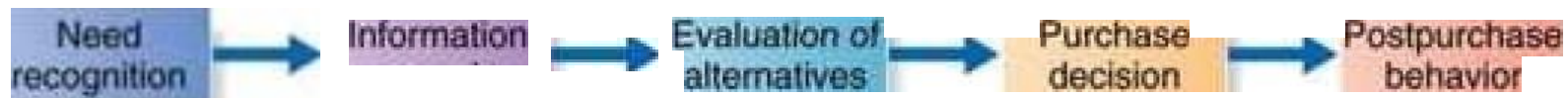
Consumer's expectations

Product's perceived performance



The Buyer Decision Process

The larger the gap between expectation and performance, the greater the consumer's dissatisfaction



The Buyer Decision Process for New Products



New product is a good, service, or idea that is perceived by some potential customers as new

Adoption process is the mental process an individual goes through from first learning about an innovation to final regular use

The Buyer Decision Process for New Products

Stages iii the Adoption Process

Awareness is when the consumer becomes aware of the new product but lacks information

Interest is when the consumer seeks information about the new product

The Buyer Decision Process for New Products

Stages in the Adoption Process

Evaluation is when the consumer considers whether trying the new product makes sense

Trial is when the consumer tries the new product to improve his or her estimate of value

The Buyer Decision Process for New Products



Stages iii the Adoption Process

Adoption is when the consumer decides to make full and regular use of the product

Week: 14
Slides 165-176


Week-14

Business Markets and
Business Buyer Behavior

Philip Kotler & Gary Armstrong
Chapter 6



Business buyer behavior & buying process



➤ Business buyer behavior

The buying behavior of organizations that buy goods and services for use in the production of other products and services that are sold, rented, or supplied to others.

➤ Business buying process

The decision process by which business buyers determine which products and services their organizations need to purchase and then find, evaluate, and choose among alternative suppliers and brands.

Business Markets



✓ Business Market

The business market is defined as the selling of products and services to other businesses to be resold or used to make other items or services for sale. Business markets are generally made up of businesses which buy products and raw materials for their own operation.

✓ Market Structure and Demand

The business marketer normally deals with far fewer but far larger buyers than the consumer marketer does. Even in large business markets, a few buyers often account for most of the purchasing. many business markets have inelastic and more fluctuating demand. The total demand for many business products is not much affected by price changes, especially in the short run. the demand for many business goods and services tends to change more— and more quickly—than does the demand for consumer goods and services. A small percentage increase in consumer demand can cause large increases in business demand.

Derived demand Business demand that ultimately comes from (derives from) the demand for consumer

Business Markets (cont'd)



✓ Nature of the Buying Unit

Compared with consumer purchases, a business purchase usually involves more decision participants and a more professional purchasing effort. Often, business buying is done by trained purchasing agents who spend their working lives learning how to buy better. The more complex the purchase, the more likely it is that several people will participate in the decision-making process. Buying committees composed of technical experts and top management are common in the buying of major goods.

✓ Types of Decisions and the Decision Process

Business buyers usually face more complex buying decisions than do consumer buyers. Business purchases often involve large sums of money, complex technical and economic considerations, and interactions among people at many levels of the buyer's organization. The business buying process also tends to be longer and more formalized. Large business purchases usually call for detailed product specifications, written purchase orders, careful supplier searches, and formal approval.

Business Buyer Behavior



Major Types of Buying Situations



Straight rebuy



A business buying situation in which the buyer routinely reorders something without modifications.

Modified rebuy



A business buying situation in which the buyer wants to modify product specifications, prices, terms, or suppliers.

New task



A business buying situation in which the buyer purchases a product or service for the first time.

Participants in the Business Buying Process

Users

Members of the buying organization who will actually use the purchased product or service.

Influencers

People in an organization's buying center who affect the buying decision; they often help define specifications and also

Buyers

People in an organization's buying center who make an actual purchase

Deciders

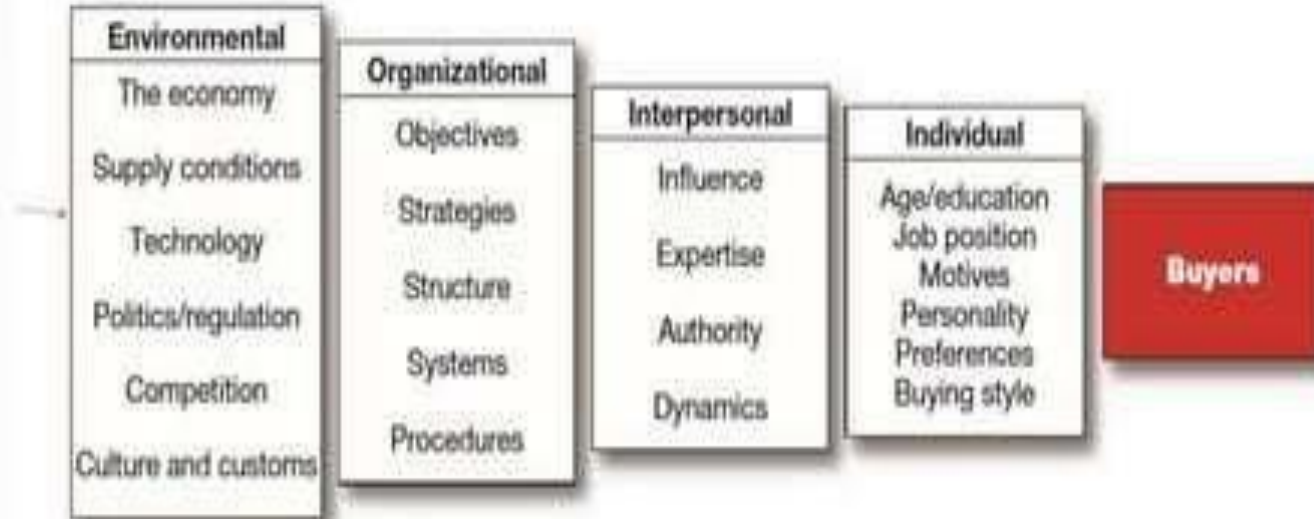
People in an organization's buying center who have formal or informal power

Gatekeepers

People in an organization's buying center who control the flow of information to

Major Influences on Business Buyers

A Model of Business Buyer Behavior:

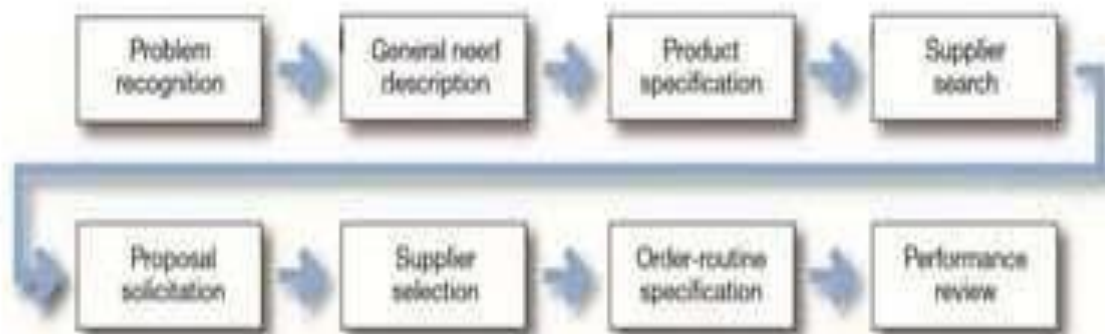


Buying Center

The decision-making unit of a buying organization is called its buying center. It consists of all the individuals and units that play a role in the business purchase decision-making process. This group includes the actual users of the product or service, those who make the buying decision, those who influence the buying decision those who do the actual buying, and those who control buying information.

The Business Buyer Decision Process

Stages of the Business Buyer Decision Process:



❑ Problem recognition

The first stage of the business buying process in which someone in the company recognizes a problem or need that can be met by acquiring a good or a service.

❑ General need description

The stage in the business buying process in which a buyer describes the general characteristics and quantity of a needed item.

❑ Product specification

The stage of the business buying process in which the buying organization decides on and specifies

The Business Buyer Decision Process (cont'd)



☐ Supplier search

The stage of the business buying process in which the buyer tries to find the best vendors.

☐ Proposal solicitation

The stage of the business buying process in which the buyer invites qualified suppliers to submit proposals.

☐ Supplier selection

The stage of the business buying process in which the buyer reviews proposals and selects a supplier or suppliers.

☐ Order-routine specification

The stage of the business buying process in which the buyer writes the final order with the chosen supplier(s), listing the technical specifications, quantity needed, expected time of delivery, return policies, and warranties.

Engaging Business Buyers with Digital and Social Marketing

➤ E-procurement and Online Purchasing

Advances in information technology have dramatically affected the face of the B-to-B buying process. Online purchasing, often called e-procurement, has grown rapidly in recent years. Virtually unknown two decades ago, online purchasing is standard procedure for most companies today. In turn, business marketers can connect with customers online to share marketing information, sell products and services, provide customer support services, and maintain ongoing customer relationships. Companies can do e-procurement in any of several ways. They can conduct reverse auctions, in which they put their purchasing requests online and invite suppliers to bid for the business. Or they can engage in online trading exchanges, through which companies work collectively to facilitate the trading process. Companies also can conduct e-procurement by setting up their own company buying sites.

Business-to-business e-procurement yields many benefits. First, it shaves transaction costs and results in more efficient purchasing for both buyers and suppliers. E-procurement reduces the time between order and delivery. And an online-powered purchasing program eliminates the paperwork associated with traditional requisition and ordering procedures and helps an organization keep better track of all purchases. Finally, beyond the cost and time savings, e-procurement frees purchasing people from a lot of drudgery and paperwork. Instead, they

Engaging Business Buyers with Digital and Social Marketing

➤ Business-to-Business Digital and Social Media Marketing

Using digital and social media marketing approaches to engage business customers and manage customer relationships anywhere, anytime. Compared with traditional media and sales approaches, digital and social media can create greater customer engagement and interaction. B-to-B marketers know that they aren't really targeting businesses, they are targeting individuals in those businesses who affect buying decisions. And today's business buyers are always connected via their digital devices—whether it's PCs, tablets, or smartphones.

Digital and social media play an important role in engaging these always-connected business buyers in a way that personal selling alone cannot. Instead of the old model of sales reps calling on business customers at work or maybe meeting up with them at trade shows, the new digital approaches facilitate anytime, anywhere connections between a wide range of people in the selling and customer organizations. It gives both sellers and buyers more control of and access to important information. B-to-B marketing has always been social network marketing, but today's digital environment offers an exciting array of new networking tools and applications.

Some B-to-B companies mistakenly assume that today's digital and social media are useful primarily to consumer products and services companies. But no matter what the industry, digital platforms can be powerful tools for

Institutional and Government Markets



Institutional market

Schools, hospitals, nursing homes, prisons, and other institutions that provide goods and services to people in their care.

Government market

Governmental units—federal, state, and local—that purchase or rent goods and services for carrying out the main functions of government.

Week: 15
Slides 178-211

PRINCIPLES OF Marketing

Week-15

Chapter Seven

**Customer-Driven Marketing Strategy:
Creating Value for Target Customers**

Customer-Driven Marketing Strategy: Creating Value for Target Customers

Topic Outline

- Market Segmentation
- Market Targeting
- Differentiation and Positioning

Market Segmentation

Market segmentation is the process that companies use to divide large heterogeneous markets into small markets that can be reached more efficiently and effectively with products and services that match their unique needs

Market Segmentation



Market Segmentation

- Segmenting consumer markets
- Segmenting business markets
- Segmenting international markets
- Requirements for effective segmentation

Market Segmentation

Segmenting Consumer Markets

**Geographic
segmentation**

**Demographic
segmentation**

**Psychographic
segmentation**

**Behavioral
segmentation**

Market Segmentation

Segmenting Consumer Markets

- Geographic segmentation divides the market into different geographical units such as nations, regions, states, counties, or cities

Market Segmentation

Segmenting Consumer Markets

Demographic segmentation divides the market into groups based on variables such as age, gender, family size, family life cycle, income, occupation, education, religion, race, generation, and nationality

Market Segmentation

Age and life-cycle stage segmentation is the process of offering different products or using different marketing approaches for different age and life-cycle groups

Gender segmentation divides the market based on sex (male or female)

Market Segmentation

Segmenting Consumer Markets

Income segmentation divides the market into affluent or low-income consumers

Psychographic segmentation divides buyers into different groups based on social class, lifestyle, or personality traits

Market Segmentation

Segmenting Consumer Markets

Behavioral segmentation divides buyers into groups based on their knowledge, attitudes, uses, or responses to a product

- Occasions
- Benefits sought
- User status
- Usage rate
- Loyalty status

Market Segmentation

Using Multiple Segmentation Bases

Multiple segmentation is used to identify smaller, better defined target groups

Geodemographic segmentation is an example of multivariable segmentation that divides groups into consumer lifestyle patterns

Market Segmentation

Using Multiple Segmentation Bases

PRISM NE classifies every American household into 66 unique segments organized into 14 different social groups.

- These groups segment people and locations into marketable groups of like-minded consumers that exhibit unique characteristics and buying behavior based on a host of demographic factors

Market Segmentation

Segmenting International markets

Geographic
location

Political-
legal factors

C l u a
a c o s

Market Segmentation

Segmenting Business Markets

Intermarket segmentation divides consumers into groups with similar needs and buying behaviors even though they are located in different countries

Market Segmentation

Requirements for Effective Segmentation

- To be useful, market segments must be:

Measurable

Accessible

Substantial

Differentiable

Actionable

Market Targeting

Selecting Target Market Segments

- Target market consists of a set of buyers who share common needs or characteristics that the company decides to serve

Market Targeting

Evaluating Market Segments

- Segment size and growth
- Segment structural attractiveness
- Company objectives and resources

Market Targeting

Target Marketing Strategies

Targeting

Targeting

Market Targeting

Target Marketing Strategies

Undifferentiated marketing targets the whole market with one offer

- Mass marketing
- Focuses on common needs rather than what's different

Market Targeting

Target Marketing Strategies

Differentiated marketing targets several different market segments and designs separate offers for each

- Goal is to achieve higher sales and stronger position
- More expensive than undifferentiated marketing



Market Targeting

Target Market Strategies

- Concentrated marketing targets a small share of a large market
- Limited company resources
- Knowledge of the market
- More effective and efficient

Market Targeting

Target Market Strategies

Micromarketing is the practice of tailoring products and marketing programs to suit the tastes of specific individuals and locations

- Local marketing
- Individual marketing

Market Targeting

Target Market Strategies

Local marketing involves tailoring brands and promotion to the needs and wants of local customer groups

- Cities
- Neighborhoods
- Stores

Market Targeting

Target Market Strategies

Individual marketing involves tailoring products and marketing programs to the needs and preferences of individual customers

- Also known as:
 - One-to-one marketing
 - Mass customization
 - Markets-of-one marketing

Market Targeting

Choosing a Target Market

Depends on:

- Company resources
- Product variability
- Product life-cycle stage
- Market variability
- Competitor's marketing strategies

Market Targeting

Socially Responsible Target Marketing

- Benefits customers with specific needs
- Concern for vulnerable segments
- children
 - Alcohol
 - Cigarettes
 - Internet abuses

Differentiation and Positioning

Product position is the way the product is defined by consumers on important attributes—the place the product occupies in consumers' minds relative to competing products

- Perceptions
- Impressions
- Feelings

Differentiation and Positioning

Choosing a Differentiation and Positioning Strategy

- Identifying a set of possible competitive advantages to build a position
- Choosing the right competitive advantages
- Selecting an overall positioning strategy
- Developing a positioning statement

Differentiation and Positioning

Identifying Possible Value Differences and Competitive Advantages

Competitive advantage is an advantage over competitors gained by offering consumers greater value, either through lower prices or by providing more benefits that justify higher prices

Differentiation and Positioning

Choosing a Differentiation and Positioning Strategy

Identifying a set of possible competitive advantages to build a position by providing superior value from:

Product differentiation

Service differentiation

Channel differentiation

People differentiation

Image differentiation

Differentiation and Positioning

Choosing the Right Competitive Advantage

Difference to promote should be:

Important

Superior

Communicable

Preemptive

Affordable

Differentiation and Positioning

Selecting an Overall Positioning Strategy

Value proposition is the full mix of benefits upon which a brand is positioned

		More	The same	Less
Cost	More	More for more	More for the same	More for less
	The same			The same for less
	Less			Less for much less

Communication and Delivering the Chosen Position

Choosing the positioning is often easier than implementing the position.

Week: 16
Slides 213-235



Principles of Marketing by Philip Kotler and Gary Armstrong

Week- 17 & 18

Chapter 8



Products, Services, and Brands

Building Customer Value

Objective Outline

1

What is a Product?
Define product and the major classifications of products and services.

2

Product and Service Decisions
Describe the decisions companies make regarding their individual products and services. product lines, and product mixes.

Objective Outline

3

Services Marketing
Identify the four characteristics that affect the marketing of services and the additional marketing considerations that services require.

4

Branding: Building Strong Brands
Discuss branding strategy — the decisions companies make in building and managing their brands.

Product?

- K** We define a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need.
- Services are a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything.



Products, Services, and Experiences



Levels of Product and Services



Product and Service Classifications

Two
classes




Consumption
products



Industrial
products

Consumer Products

 **Table 8.1** Marketing Considerations for Consumer Products

Type of Consumer Product				
Consideration	Convenience	Shopping	Specialty	Unsought

Materials and Parts

They include raw materials as well as manufactured materials and parts.

Capital Items

They are industrial products that aid in the buyer's production or operations, including installations and accessory equipment.

They include operating supplies (lubricants, coal, paper, pencils) and repair and maintenance items (paint, nails, brooms).

Organizations, Persons, Places, and Ideas

- It also can be in
- In one sense, all whether it is the specific idea that smiles for life.”
- Here, however, ideas (called soc
- Social marketing concepts and too individuals' behavior society.



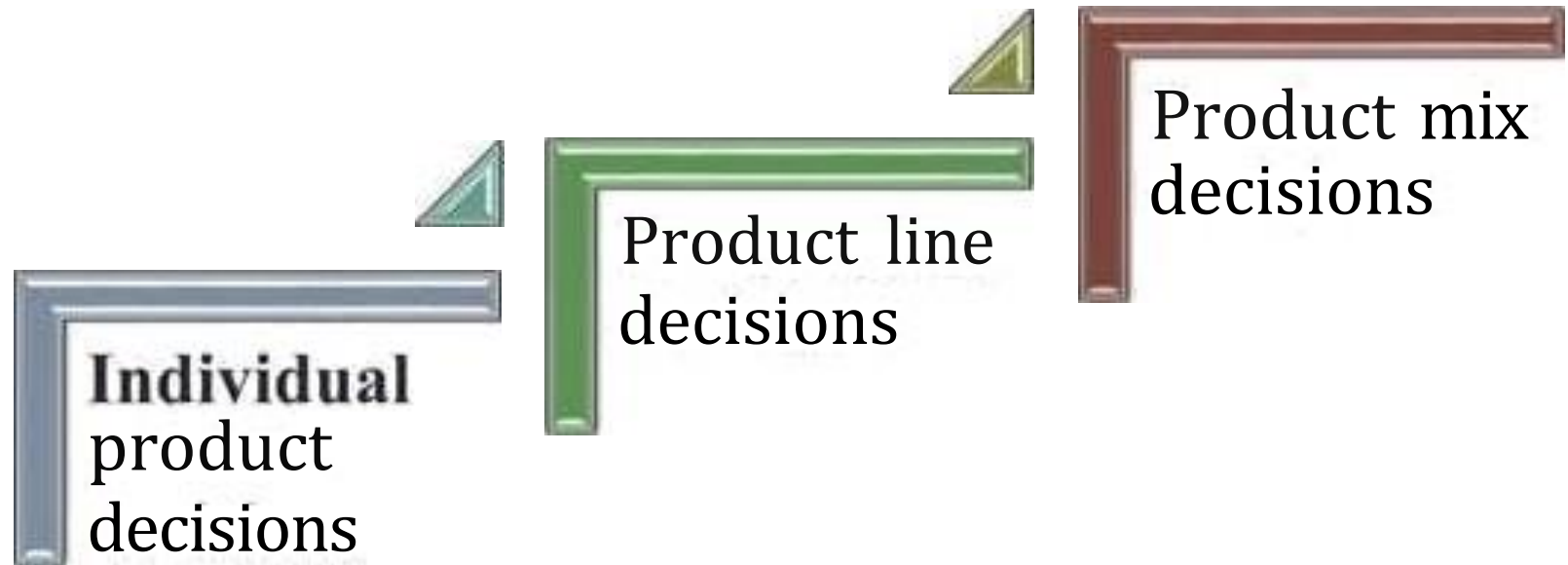
of an idea,
our teeth or the
healthy, beautiful

marketing of social

marketing
influence
irrig and thai of

Product and Service Decisions

- 0 Marketers make product and service decisions at three levels:



Individual Product and Service Decisions



Don't forget Figure 8.1.
The focus of all of these
decisions is to create
some customer value.



- ✓ 一站式技術支援
- ✓ Apple 硬體保養
- ✓ 包括軟體支援

Product and Seven Attributes

Total quality management

- In developing a product, the marketer must first choose a *quality level* that will support the product's positioning.
- Here, product quality means *performance quality* — the product's ability to perform its functions.

- Beyond quality level, high quality also can mean high levels of quality consistency.
- Here, product quality means *conformance quality* — freedom from defects and *consistency* in delivering a targeted level of performance.

Product and Service Attributes

- *Products Features.*
 - The company can then create higher-level models by adding more features.
 - Features are a competitive tool for differentiating the company's product from competitors' products.
 - Being the first producer to introduce a valued new feature is one of the most effective ways to compete.



Product

● Product

- Another distinct
- Design of a product
- Good design as well as

We're reimagined the most important parts of your kitchen.



OXO GOOD GRIPS

The Revolution of OXO GOOD GRIPS



heart

AS



Branding

' ;-- —



NAMED AFTER STARBUCK, A CHARACTER IN HERMAN MELVILLE'S NOVEL MOBY-DICK.

-n, syinbôl, or design, or a

antifies the products or



Packaging



*MM

A

G

M

PACT



Labeling



Product Support Services



Product Line Decisions

- 0 A product line is a group of products that are related because they function in the same way, serve the same customer groups, are sold through the same types of outlets, or are marketed with the same promotional program.

The major product line decision is whether to add, delete, or modify products in the line.

- Managers need to analyze their product line to assess each item's sales and profit. They should also determine how each item contributes to the overall profitability of the company.

Reasons for using product line filling

- Reaching for extra profits
- Satisfying dealers
- Using excess capacity
- Being the leading full-line company
- Plugging holes to keep out competitors



Product Line Decisions

● *Product Line Stretching.*

- The company can stretch its *line downward, upward, or*

BotE Directions

- To broaden its market appeal and boost growth, BMW has in recent years stretched its line in both directions while at the same time filling the gaps in between.



Product Mix Decisions

Campbell's

A Winning Combination

At Campbell, we are focused on three large and growing categories: Healthy Beverages, Baked Snacks and Simple Meals. Our brands are market leaders in their principal geographies. We have world-class product technologies, an experienced, talented team and the financial strength to invest in growth. It all adds up to a focused food company with a winning portfolio for nourishing people's lives everywhere, every day.

Healthy Beverages

Increasing vegetable consumption — it's an easy step for our 1.3 billion vegetable juice and juice OJ drink consumers. We continue to deliver innovative and great-tasting beverage options for every taste with a wide selection of packaging so consumers can drink on their mobile. Wherever they are and whenever they're thirsty, they're enjoying delicious, healthy beverages. V8® juice, among our top 10 U.S. brands, is a great beverage.



Baked Snacks

We're baking up winning snacks across the globe. In the U.S. and Canada, our Pepperidge Farm® premium baked goods are led by Goldfish® snack crackers. In Australia, megabrand Arnott's is beloved for its biscuits, including Shapes® flavored snacks and Tim Tam® chocolate biscuits. Pepperidge Farm and Arnott's continue to collaborate and innovate to meet consumer expectations for great taste, nutrition and fun.



Simple Meals

To satisfy the increasing demand for simple meals that are affordable, delicious, nourishing and hassle-free, Campbell offers convenient choices in the Meals and Meal Makers arena. Our soup portfolio includes leading brands in North America — Campbell's, Campbell's Chunky and Campbell's Soup Harvest — and in Europe — Campbell's Light and Tinned. Our leading soups — Peas and Rice — and our global soups and stocks help home cooks whip up great-tasting, easy-to-prepare dishes.



Product Mix Decisions

Product mix width .. Refers to the number of different products the company carries.

- The company can increase its business in four ways.
 - It can add new product lines, widening its product mix
 - It can lengthen its existing product lines to become a mom-and-pop company.
 - It can add more versions of each product and thus deepen its product mix.
 - It can pursue more product line consistency —or less —depending on whether it wants to have a strong reputation in a single field or in several fields.

Consistency or
product mix

product lines are in line with, production requirements, distribution channels, or some other way.

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Services Marketing

- Services have grown dramatically in recent years.
 - Services now account for close to 65 percent of the U.S. gross domestic product (GDP).
- K** Services are growing even faster in the world economy, making up 64 percent of the gross world product.



The N



Walking in Rhythm

by Newsletter Editor

You often hear the old adage that nurses are caring and compassionate. It's true, but what does it mean? How do you show it, how do you express it, and what defines compassion and caring? Transplant Services on Mayo 3 South on the Florida campus has a clear understanding of this terminology.



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Marketing Strategies for Service Firms

- Just like manufacturing businesses, the consumer and the front-line service employee interact to co-create the service.
- These and other service firms establish their positions through traditional marketing mix activities.
- R However, because services differ from tangible products, they often require additional marketing approaches.



The Service Profit Chain

- The service profit chain is the clarifi that links service firm profits with employee and customer satisfaction.
- ¥ This chain consists of five links:



The Service Chain

- Maternal marketing means that the service firm must orient and motivate its customer-contact employees and supporting service people to work as a team to provide

Company

Service firms must sell the importance of delighting customers to customer-contact employees. At Zappos.com, the No.1 core value is "Deliver WOW through service."

Employees

Then service firms must help employees master the art of interacting with customers. Every employee at Zappos.com from the CEO down, goes through four weeks of customer-loyalty training.

Customers

marketing



Annebe Lamb at a m b l e d u s c a p e s . c o m

! h p e d u s c a p e s . c o m t a k e n g

Managing Service Differentiation

- The solution to price competition is to develop a



physical environment in which the service product is delivered, or designing a superior delivery process.

Managing Service Quality



- O** A service firm can differentiate itself by delivering consistently higher quality than its competitors provide.
- R** Top service companies set high service-quality standards. They watch service performance closely, both their own and that of competitors.
- K** Good *service* recovery can turn angry customers into loyal ones.
- O** In fact, good recovery can win more customer purchasing and loyalty than if things had gone well in the first place.



Managing Service Productivity



Bmn4ng Strategy: Buüdiøg Strong

- Some analysts see brands as *the* major enduring asset of a company, outlasting the company's specific products and facilities.



Brand Equity



Brand Equity

- 0 Ad agency Young & Rubicam and Assn Valuator measures brand equity by three dimensions:

Brand Differentiation

- A powerful brand also offers the company some defense against fierce price competition
- The fundamental asset underlying brand equity is the value of customer relationships. The brand is the business's most valuable asset.

Knowledge
(how much
consumers
know about
the brand)

Building Strong Brands



Brand positioning

Attributes
Benefits
Beliefs and values



Selection



Manufacturer's brand
Private brand



Line extensions
Brand extensions



Brand

- Marketers can position brands at any of three levels.

At lowest level, they can position the brand on *product attributes*.

- A brand can be better positioned by associating its name with a desirable *benefit*.



丰田Scion子品牌重新定位
瞄准高端市场



Brand Name Selection



If a trademark is misused it could come undone.

If you didn't know zipper was a trademark, don't worry, it's not. But it used to be. It was lost because people misused the name. And the same could happen to ours, Xerox. Please help us ensure it doesn't. Use Xerox only as an adjective to identify our products and services, such as Xerox copiers, not a verb, "to Xerox," or a noun, "Xeroxing." Something to keep in mind that will help us keep it together.

xerox.com

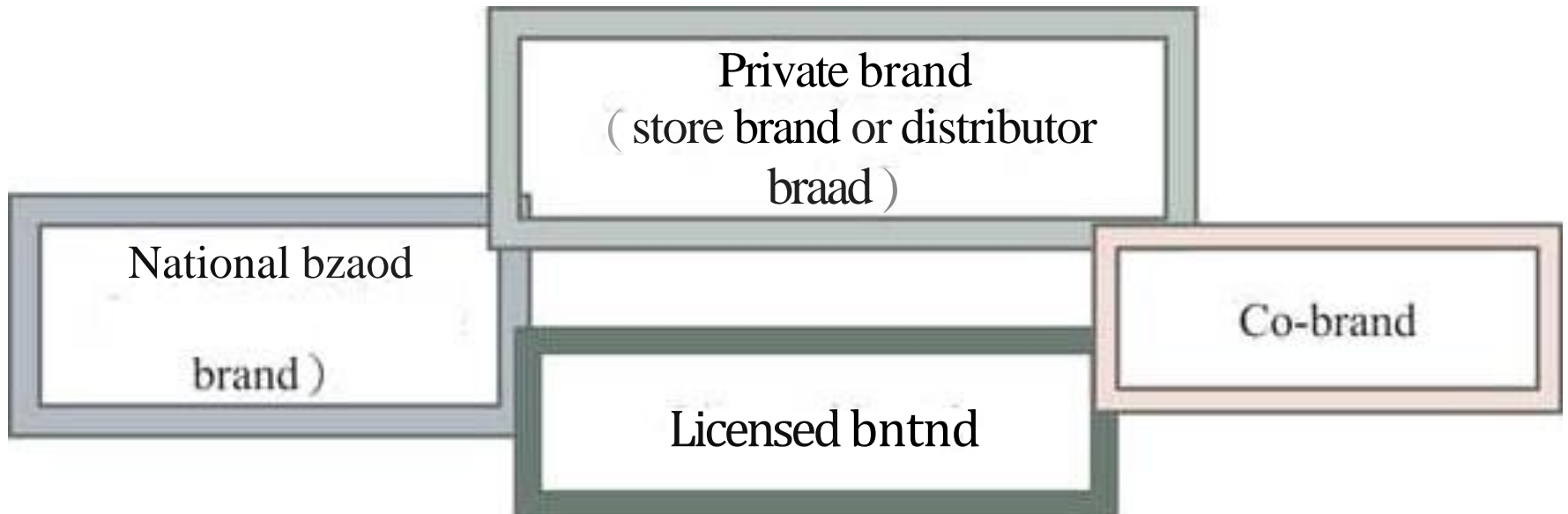
Ready For Real Business

xerox



Brand Sponsorship

0 A manufacturer has four sponsorship options.



Brand Sponsorship



Brand Sponsomhip

- *Licensing.*
 - However. Some companies license names or Symbols previously created by other manufacmrers, names of well-known celebrities, or characters from popular movies and books.
 - For a fee, any of these can provide an instant and proven brand names.
 - Name and character licensing has grown rapidly in recent years.
 - It can be a highly profitable businRss for many companies.



Brand

● Co-br

- It occurs
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- Co-l
- Such
- and
- Co-l
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- othe
- If so
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Brand Derelopment



Mu

- It offers establis features differen segmen reseller capture share.

New Brands

- A cdmpany might believe thai the power of its existing brand name is waning, so new brand name is needed.
- Or it may create a new brand name when ii enters a new product categnry for which none of its current brand names are appropriate.

- A maior drawback of

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Difference

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Managing Brands

