

MK 201 Principles of Marketing

Introduction to Marketing

June 12, 2020
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Marketing Planning

The Book



Moodle Key: 5517



The Three E's in Content Marketing:

Engage
Educate
Excite

Marketing

Creating and Capturing Customer Value

Objective Outline

Objective 1:

- What is Marketing?

Objective 2:

- Understanding the Marketplace and Customer Needs

Objective 3:

- Designing a Customer-Driven Marketing Strategy
- Preparing an Integrated Marketing Plan and Planogram

Objective 4:

- Building Customer Relationships
- Capturing Value from Customers

Objective 5:

- The Changing Marketing Landscape

Objective 1: What is Marketing?



What is marketing?

- Simplest Definition: **Marketing is managing profitable** customer relationships
- Marketing is the process by which companies **create value** for customers and build strong customer relationships in order to capture value in return

What Is Marketing?

The Marketing Process



Objective 2: Understanding the Market Place and Customer Needs



Understanding the Market Place and Customer Needs

- Customer Needs, Wants, and Demands
- Market Offerings-Products, Services, and Experiences
- Customer Value and Satisfaction
- Exchanges and Relationships
- Markets

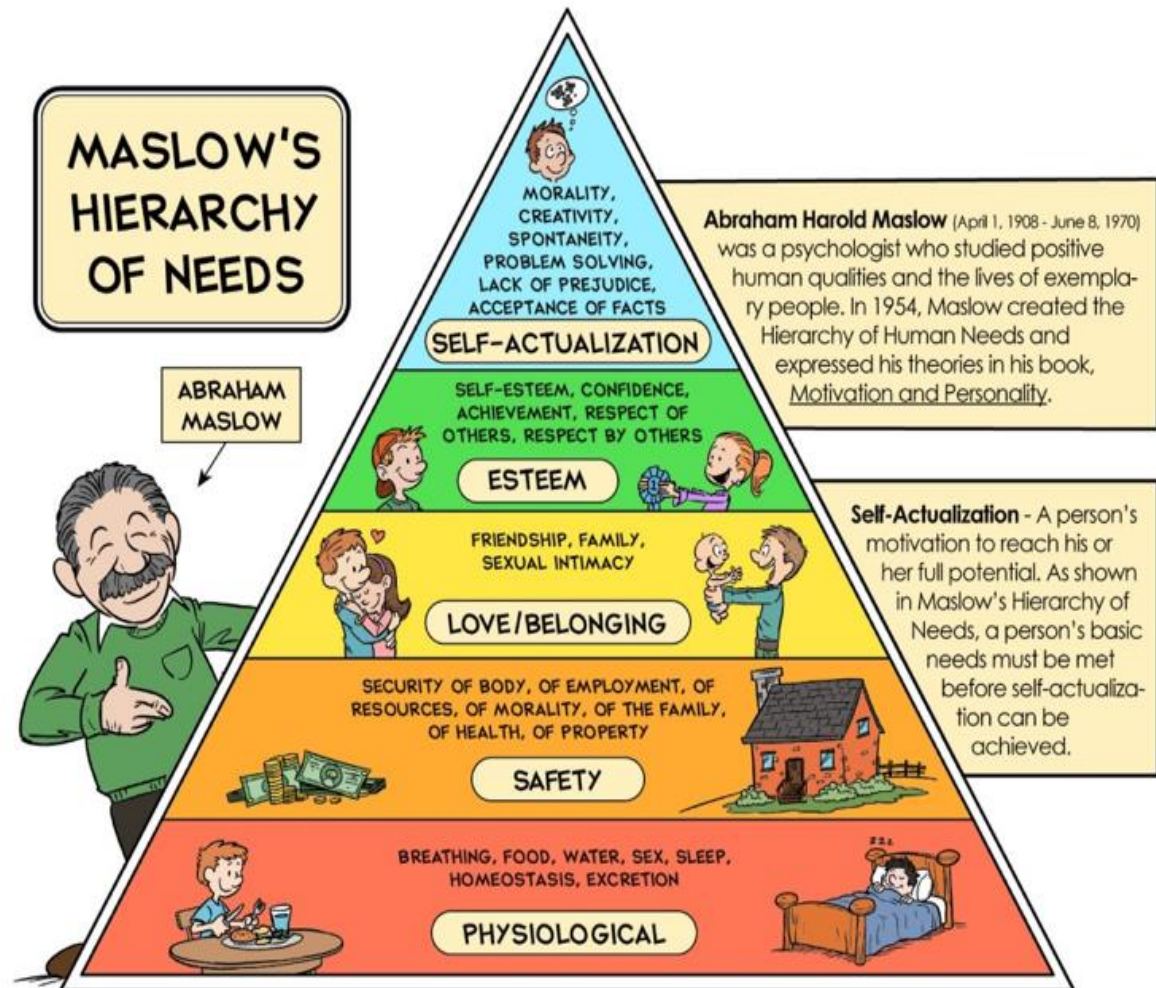
Understanding the Market Place and Customer Needs

Customer Needs, Wants, and Demands

- Needs: States of self deprivation
- Wants: The form of human needs take as they are shaped by culture and individual personality
- Demand: Human wants that are backed by buying power

Understanding the Market Place and Customer Needs

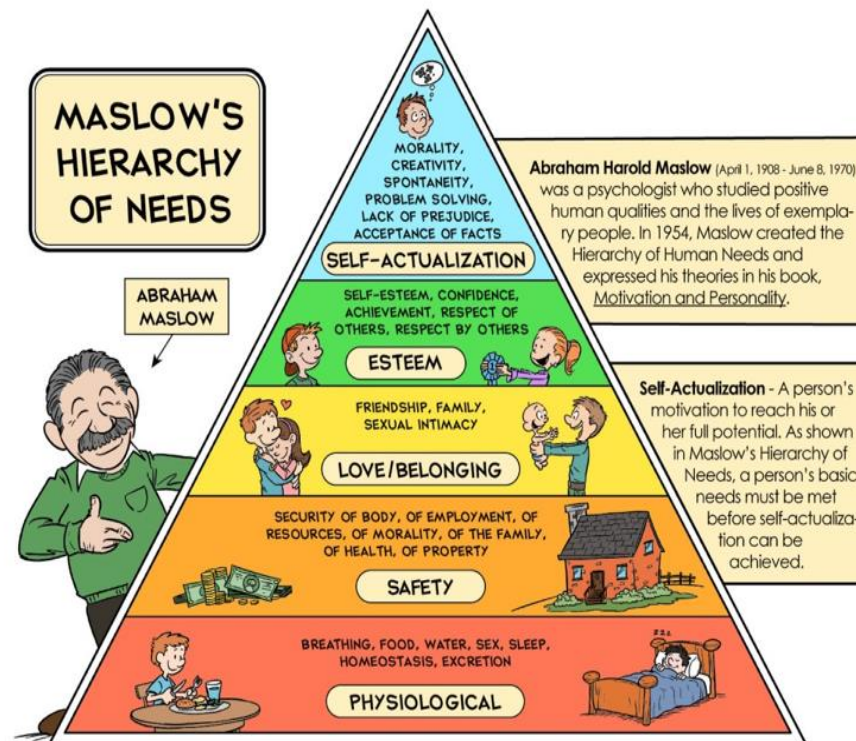
- Needs: States of self deprivation



Lets Practice Maslow's Hierarchy of Needs

CEOs, please discuss with your team for 15 mins

Then have representative for your group to name a “brand” for each level of the hierarchy...



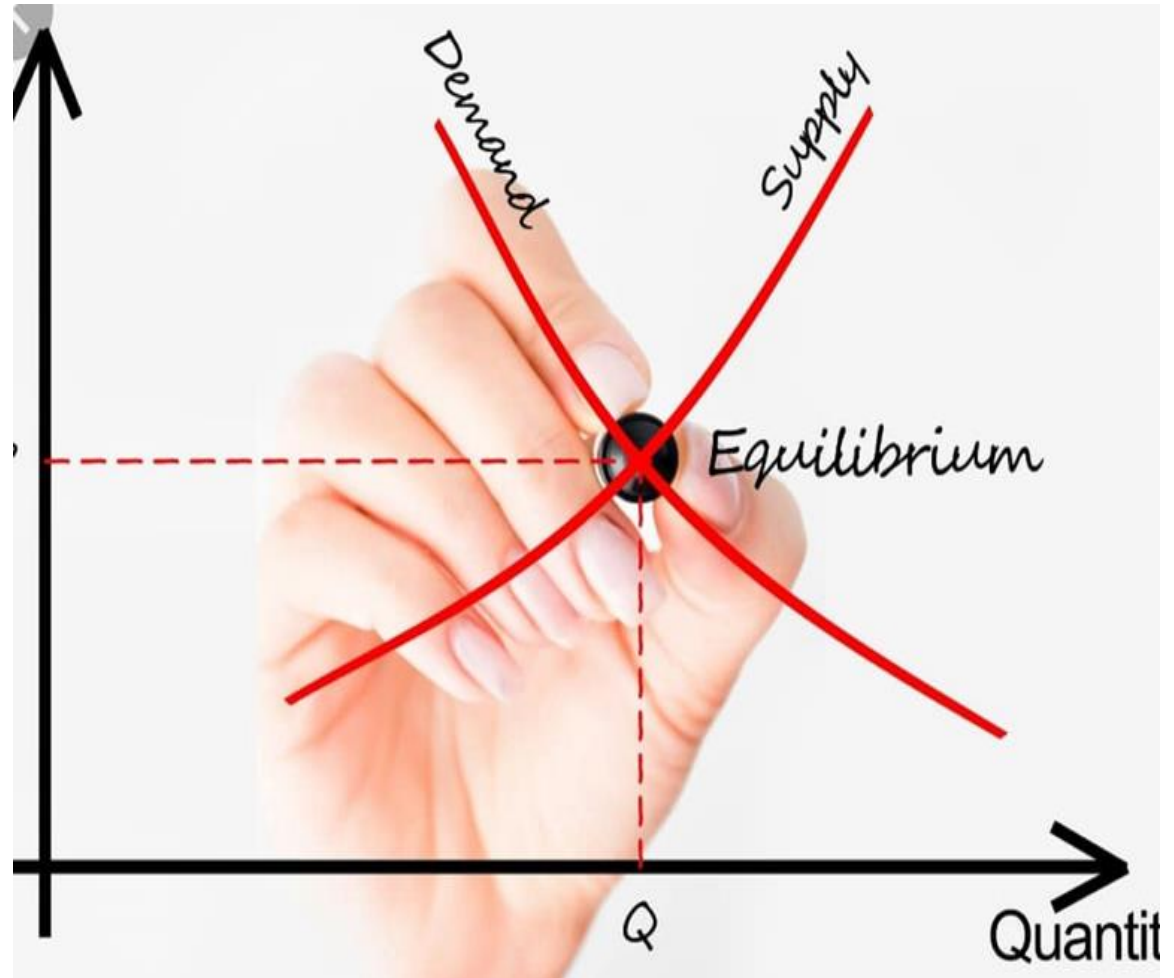
Understanding the Market Place and Customer Needs

- **Wants:**
The form of human needs take as they are shaped by culture and individual personality



Understanding the Market Place and Customer Needs

- Demand: Human wants that are backed by buying power



Understanding the Market Place and Customer Needs

Market Offerings-Products, Services, and Experiences

- **Market offerings:** Some combination of products, services, information, and experiences offered to a market to satisfy a need or want



Understanding the Market Place and Customer Needs

Market Offerings-Products, Services, and Experiences

- **Marketing myopia:** The mistake of paying more attention to specific products a company offers than to the benefits and experiences produced by these products



An Introduction to Theodore Levitt's Marketing Myopia

Understanding the Market Place and Customer Needs

Customer Value and Satisfaction

- Meeting expectations
- Setting too high expectations – Dissapointment
- Customers Delight



Understanding the Market Place and Customer Needs

Exchanges and Relationships

- **Exchange:** The Act of obtaining a desired object from someone by offering something in return



Understanding the Market Place and Customer Needs

Exchanges and Relationships

- Relationships: Marketing consists of actions taken to **create, maintain, and grow desirable exchange relationships** with target audiences involving a product, service, idea, or other object
- ***Companies want to build strong relationships by consistently delivering superior customer value***



Understanding the Market Place and Customer Needs

Markets

- **Market:** The set of all actual and potential buyers of a product or service



Understanding the Market Place and Customer Needs

Markets



Understanding the Market Place and Customer Needs

Markets



Understanding the Market Place and Customer Needs

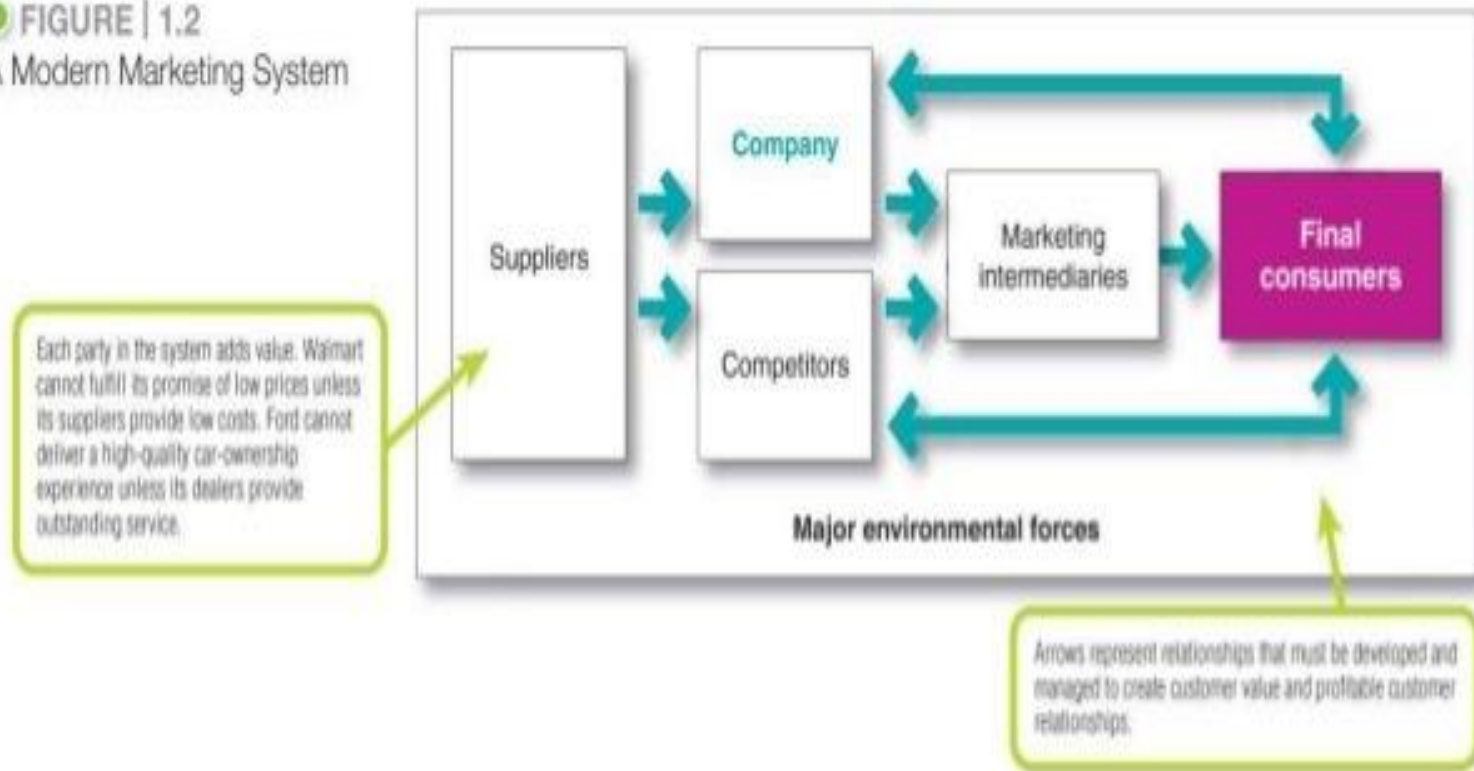
Markets



Understanding the Marketplace and Customer Needs

Markets

● FIGURE | 1.2
A Modern Marketing System



Objective 3: Designing a Customer-Driven Marketing Strategy



Designing a Customer-Driven Marketing Strategy

Selecting Customers to Serve-

- The company must first decide whom it will serve
- By dividing the markets into segments of customers(market segmentation)
- Selecting segments to go after(target marketing)

Designing a Customer-Driven Marketing Strategy

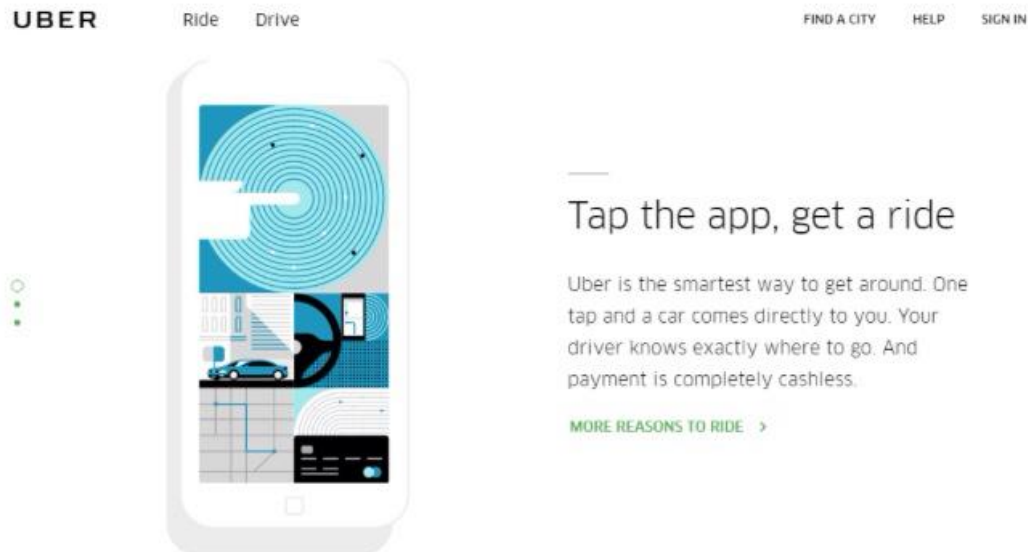
Next step....Decide on how to serve targeted consumers- how it will **differentiate and position** itself in the market placeb- Develop Brand's Value Proposition

- **Value proposition is the set of benefits or values it promises to deliver to consumers to satisfy their needs.**

1. Uber – The Smartest Way to Get Around

Few tech companies are as polarizing or widely criticized as Uber. As one of the most vocal proponents of the empowerment offered by the so-called “gig economy,” Uber has deservedly taken a lot of heat for denying its drivers the basic protections afforded to legal employees, been subject to national and even governmental scrutiny for its decision to incorporate in Bermuda to avoid its corporate tax obligations, and is generally the poster child for why everyone hates Silicon Valley’s unique brand of “disruption.”

One thing Uber most definitely does right, however, is its unique value proposition.



Uber's value proposition, offering uber convenience

2. Apple iPhone – The Experience IS the Product

Even in today's oversaturated consumer electronics marketplace, it's hard to imagine a more iconic product than the Apple iPhone. It's also difficult to imagine a product with as much competition as Apple's flagship mobile device, so what sets the iPhone apart from the (literally) hundreds of competing devices on the market?



Why there's nothing quite like iPhone.

Every iPhone we've made — and we mean every single one — was built on the same belief. That a phone should be more than a collection of features. That, above all, a phone should be absolutely simple, beautiful, and magical to use.

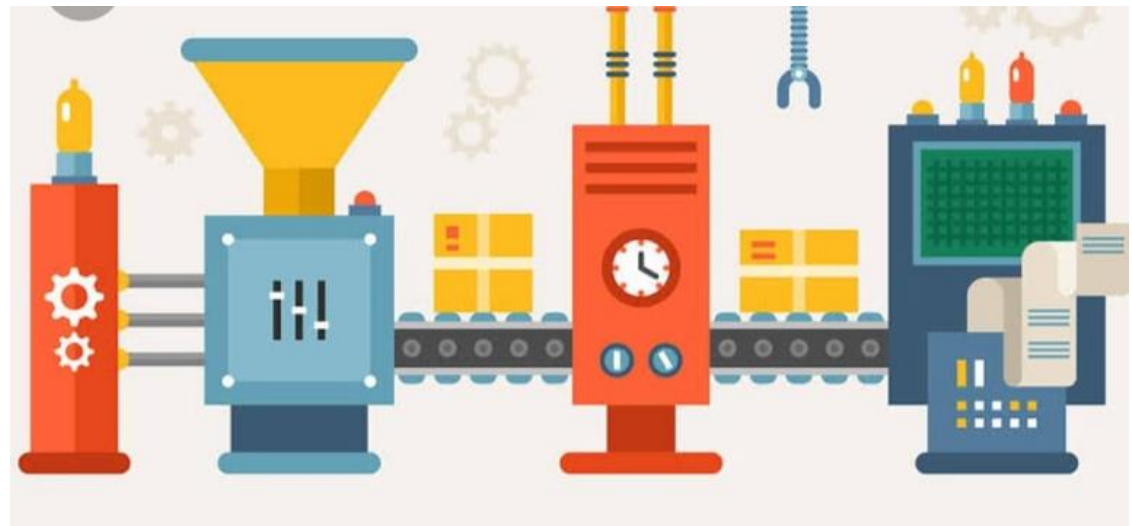
Apple's iPhone value proposition, offering unique experience

The STP Process



Designing a Customer-Driven Marketing Strategy

- **The Production Concept:** the idea that consumers will favor products that are available and highly affordable; therefore the organization should focus on improving production and distribution efficiency



Designing a Customer-Driven Marketing Strategy

- **Product concept:**
The idea that consumers will favor products that offer the most quality, performance and features; therefore, the organization should devote its energy to make continuous product improvements



Designing a Customer-Driven Marketing Strategy

- **Selling Concept:** The idea that consumers will not buy enough of the firm's products unless the firm undertakes a large-scale selling and promotion effort

Designing a Customer-Driven Marketing Strategy

- **Marketing Concept:** A philosophy in which achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions better than competitors do.



Designing a Customer Value-Driven Marketing Strategy

Marketing Management Orientations

● FIGURE | 1.3

Selling and Marketing Concepts Contrasted



Designing a Customer-Driven Marketing Strategy

- **Societal marketing concept:** The idea that a company's marketing decisions should should consider consumers' wants, the company's requirements, consumers' long run interests, and society's long-run interests

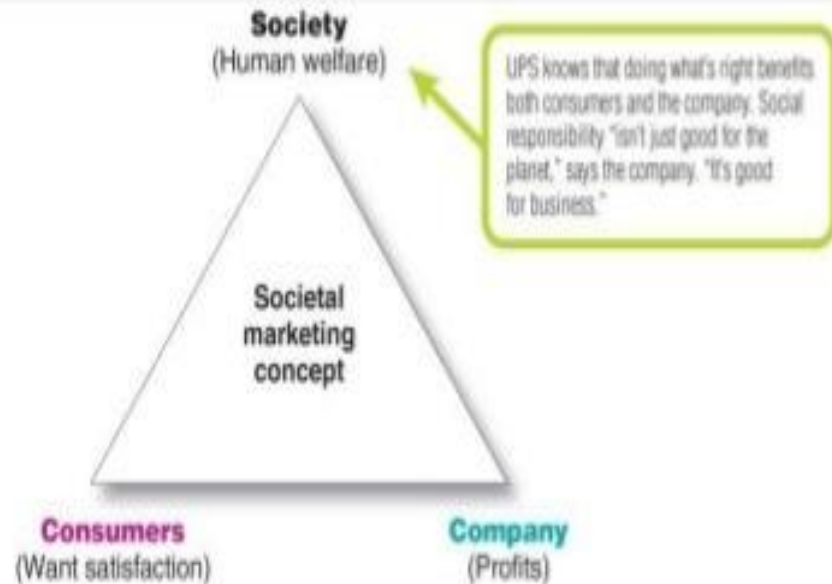


Designing a Customer Value-Driven Marketing Strategy

Marketing Management Orientations

● FIGURE | 1.4

Three Considerations Underlying the Societal Marketing Concepts



Objective 3: Preparing an Integrated Marketing Plan and Program



Preparing and Integrated Marketing Plan and Program

- The marketing program builds customer relationships by transforming the **marketing strategy into action.**
- It consisted of a firm's marketing **mix(4Ps)**, the set of tools the firm uses to implement its marketing strategy
- The firm must blend each marketing mix tool into a comprehensive **integrated marketing program that communicates and delivers** that intended value to chosen customers.

Objective 4: Building Customer Relationships





Acquiring new customers is 5-7 x more expensive



Building Customer Relationships

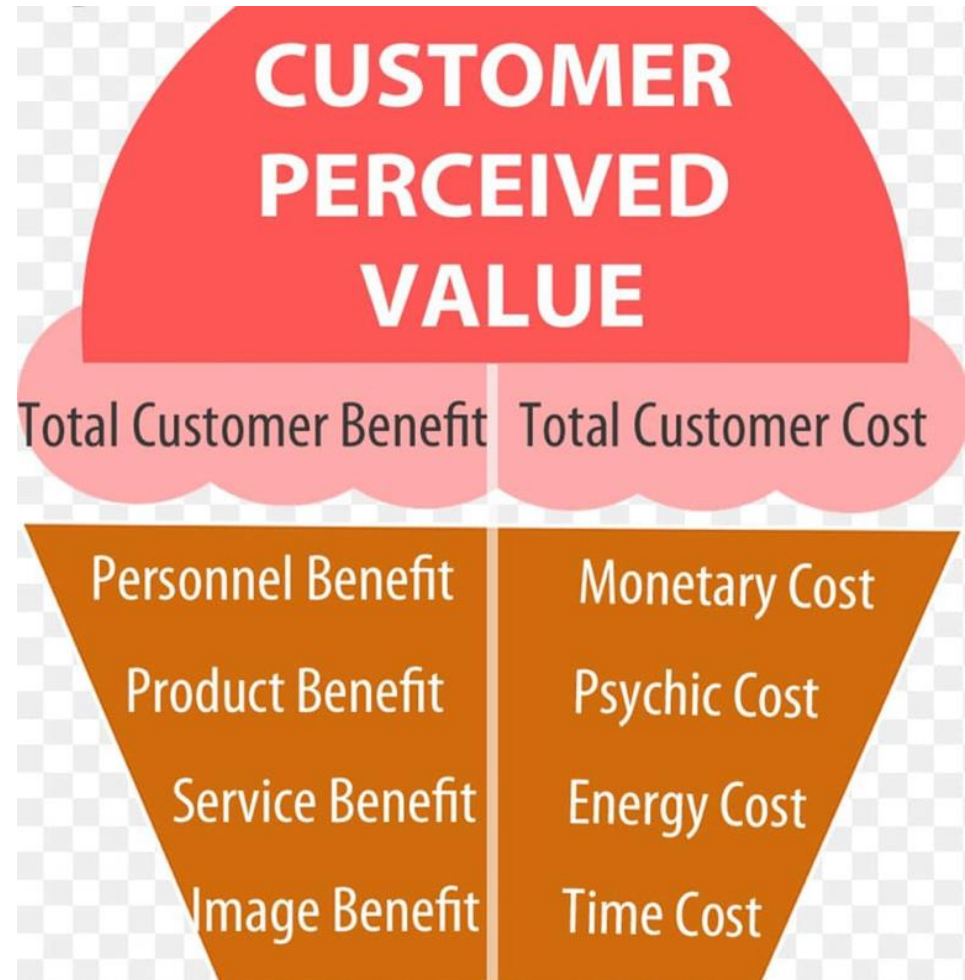
- **Customer Relationship Management:** The overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.



Building Customer Relationships

Relationship Building Blocks:

- **Customer –perceived value:** The customer's evaluation of the difference between the benefits and all the costs of a marketing offer relative to those of competing offers



Building Customer Relationships

Relationship Building Blocks:

- **Customer satisfaction:** The extent to which a product's perceived performance matches a buyer's expectatations.



Building Customer Relationships

Customer Relationship Levels and Tools

Frequency Marketing Programs –loyalty programs

Exclusive *Movie Benefit for*
Royal Orchid Plus
Members at



Free 1 couple seat
and 50% off for a movie ticket



50% off movie ticket



40% off movie ticket

Now – 3



GET FREE!
1 TICKET

Monday - Friday
at 10.00 am - 2.00 pm

For Royal Orchid Plus Platinum members
1- 30 April 2017



*280 Screen/Week at Embassy Diplomat Screens | Central Embassy Level 4

The Changing Nature of Customer Relationships

Relating with More Carefully Selected Customers

Applying the 80/20 Rule to Your Business

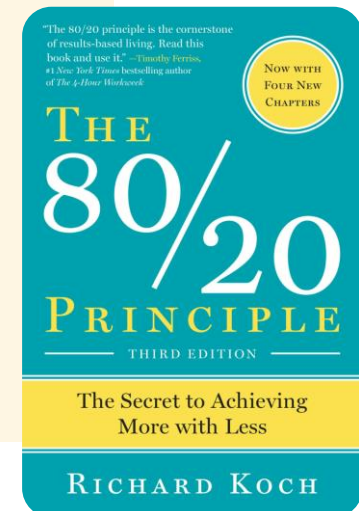
Focus on the **20%** of your customers that make up the bulk of your revenues.

In assessing risks for an upcoming project, select the risks that pose the highest potential for damage.

Identify opportunities to shed the **80%** that drive **20%** revenue for customers that drive better results.

When evaluating mid-year progress on goals, focus on the few that are most critical to your success.

the balance

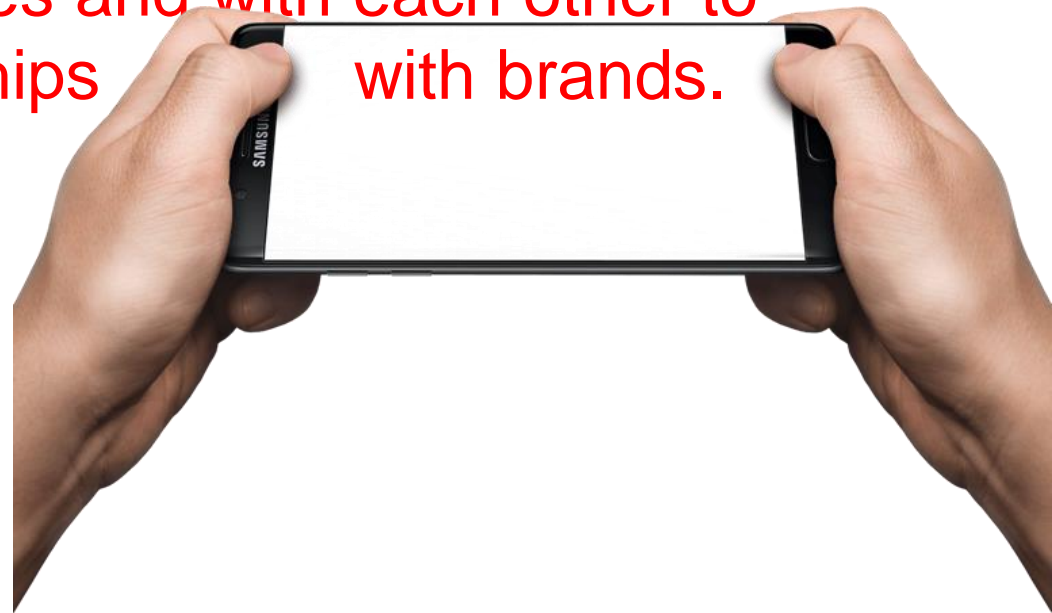


The Changing Nature of Customer Relationships

Relating More Deeply and Interactively

Customer-managed relationships:

Marketing relationships in which customers, empowered by today's new digital technologies interact with companies and with each other to shape their relationships with brands.



The Changing Nature of Customer Relationships

Relating More Deeply and Interactively

Customer-generated marketing: Brand exchanges created by consumers themselves – both invited and uninvited by which consumers are playing an increasing role in shaping their own brand experiences and those of other consumers

Partner Relationship Management

- Partner relationship management: Working closely with partners in other company departments and outside the company to jointly bring greater value to customers

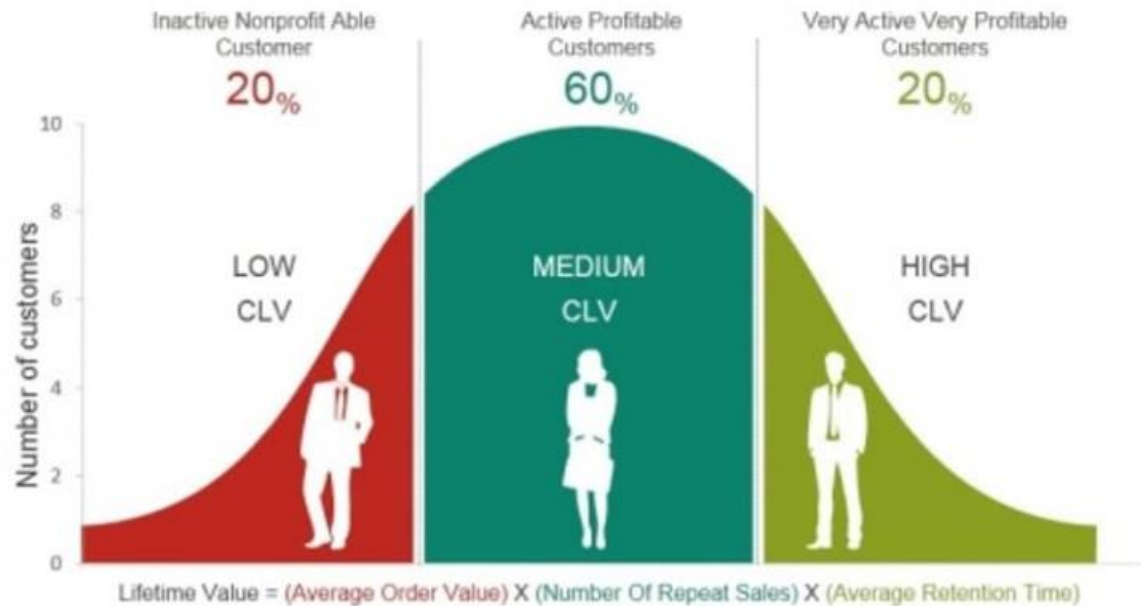


Objective 5: Capturing Value from Customers



Creating Customer Loyalty and Retention

- **Customer Lifetime Value (CLV):** The value of the entire stream of purchases a customer makes over a lifetime of patronage.



Growing Share of Customer

- **Share of Customer:** The portion of the customer's purchasing that a company gets in its product categories



Building Customer Equity

- **Customer Equity:** The total combined customer lifetime values if all the company's customers

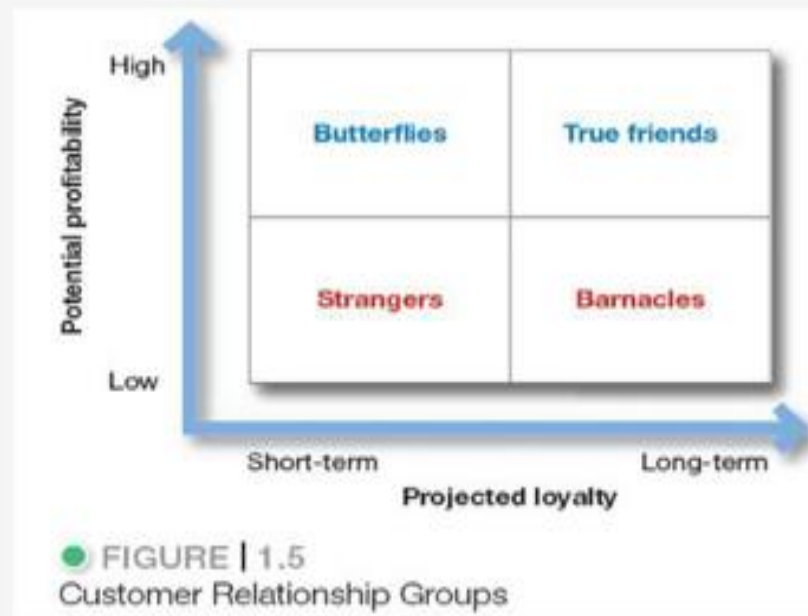


Building Customer Equity

- Building the Right Relationships with the Right Customers



Managing Customer Relationships and Capturing Customer Value



Objective 5: The Changing Marketing Landscape

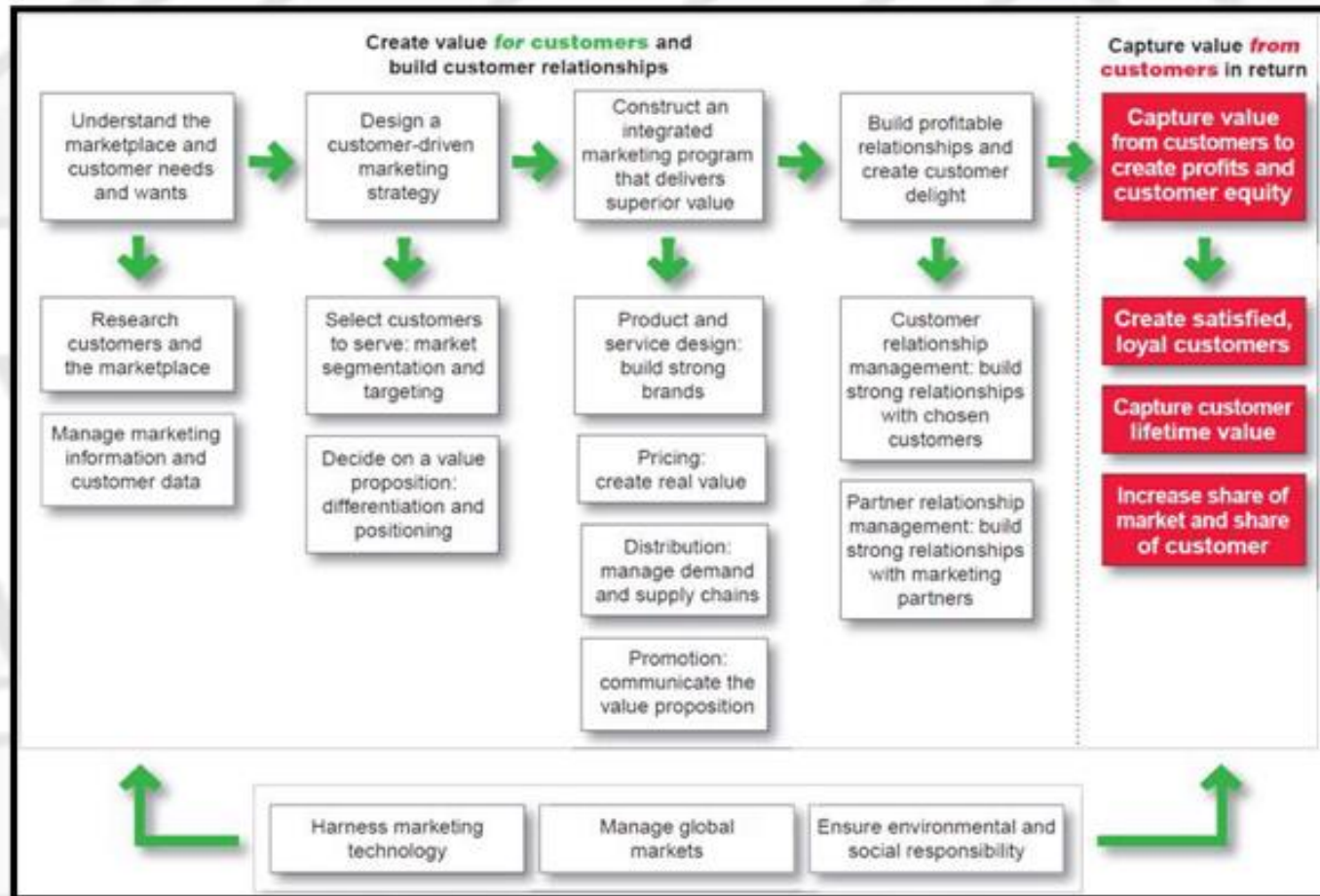


The Changing Marketing Landscape

- **The Changing Economic Environment**
- **The Digital Age**
- **The Growth for Not-for-Profit Marketing**
- **Rapid Globalization**
- **Sustainable Marketing- The Call for More Social Responsibility**

So, What is Marketing, Pulling It All Together

Figure 1.6 - An Expanded Model of the Marketing Process





LOONEY TUNES



"That's all Folks!"