

LECTURE ONE:

Basics of Marketing Management



WHAT IS MARKETING?

- Marketing is not only selling and advertising
- Marketing is not a specialized activity at all; it encompasses the entire business
- Marketing, more than any other business function, deals with customers
- It is the whole biz seen from the point of view of the final result-the *customer's point of view*
- It is not just your product, price, promotion & distribution ...
- Marketing is the process by which companies *engage customers, build strong customer relationships, create customer value* to *capture value from customer* in return

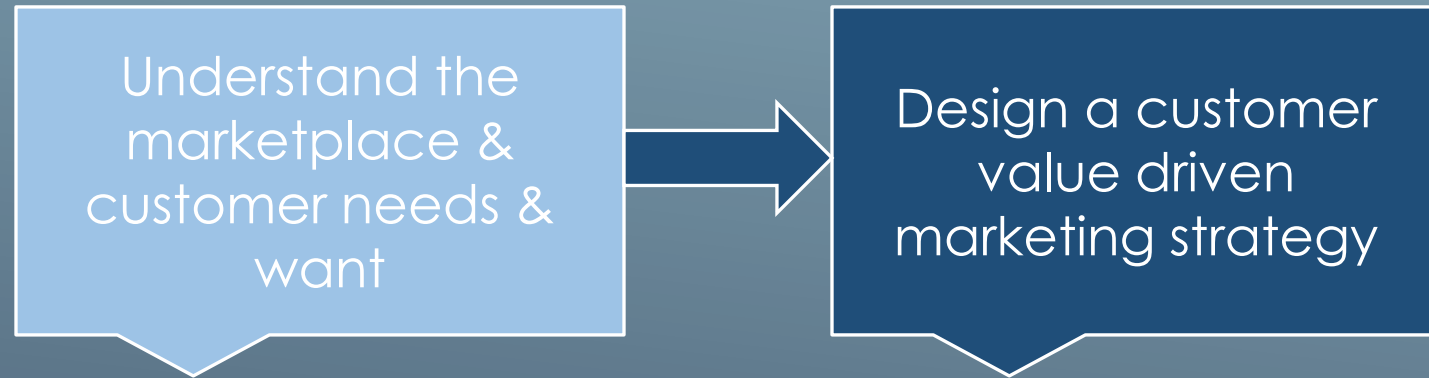
Marketing is too important to be left with the marketing dept. only- David Packard

THE MARKETING PROCESS

Understand the
marketplace &
customer needs &
want



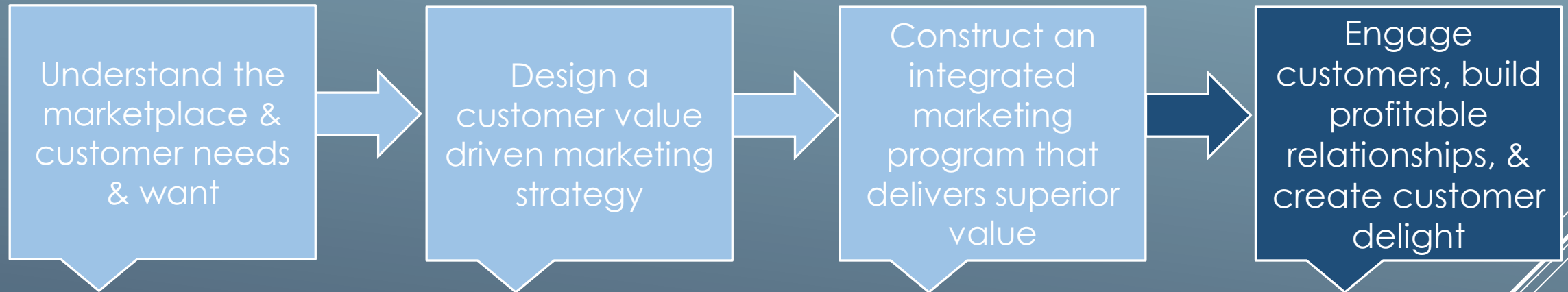
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THE MARKETING PROCESS

Create value for customers and build customer relationships

Capture value from customers in return

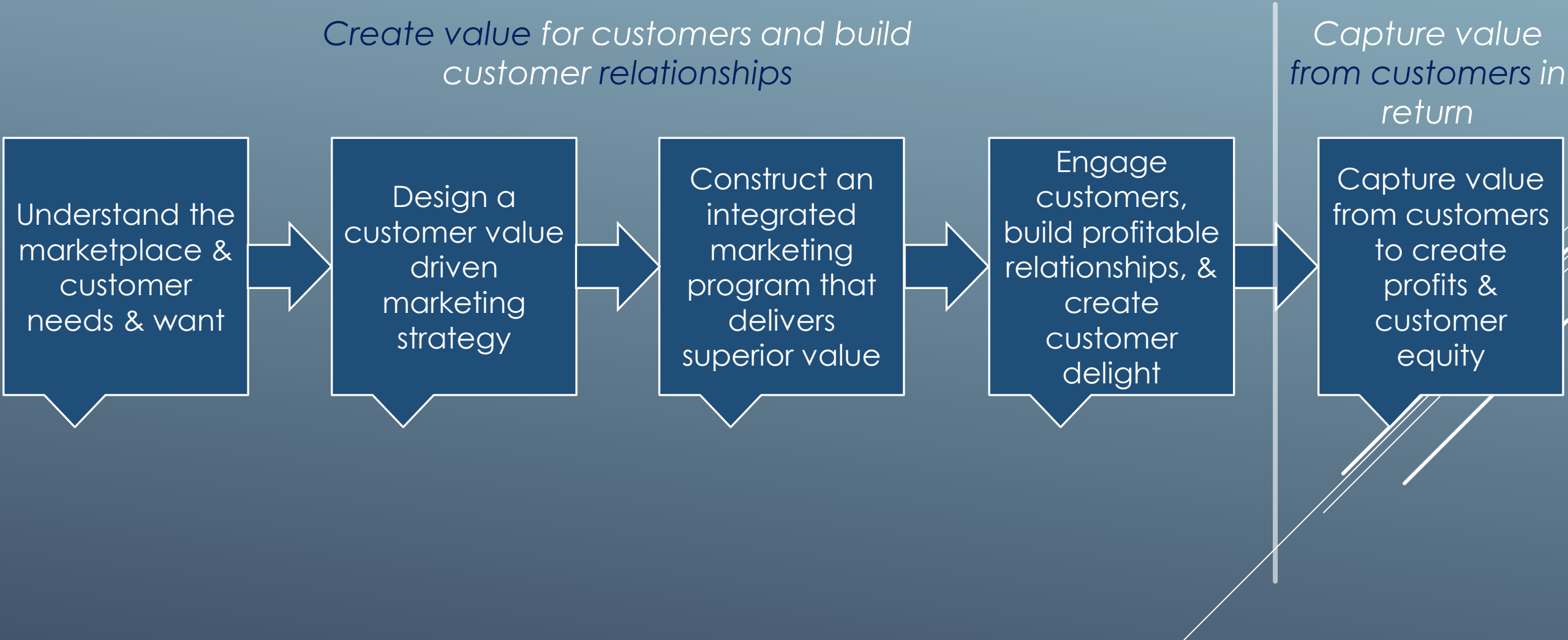
Understand the marketplace & customer needs & want

Design a customer value driven marketing strategy

Construct an integrated marketing program that delivers superior value

Engage customers, build profitable relationships, & create customer delight

Capture value from customers to create profits & customer equity



Step 1: Understand The Marketplace & Customer Needs & Want

Customer Needs, Wants, and Demands

- ✓ Needs
- ✓ Wants
- ✓ Demands

Discussion 1:
Do marketers
create needs?


Market offerings- Products, Services, and Experiences

- ✓ Products
- ✓ Services
- ✓ Experiences

*Some sellers suffer from **Marketing Myopia***

*The one thing that every company should ask themselves is **What business are we really in?***

Step 1: Understand The Marketplace & Customer Needs & Want

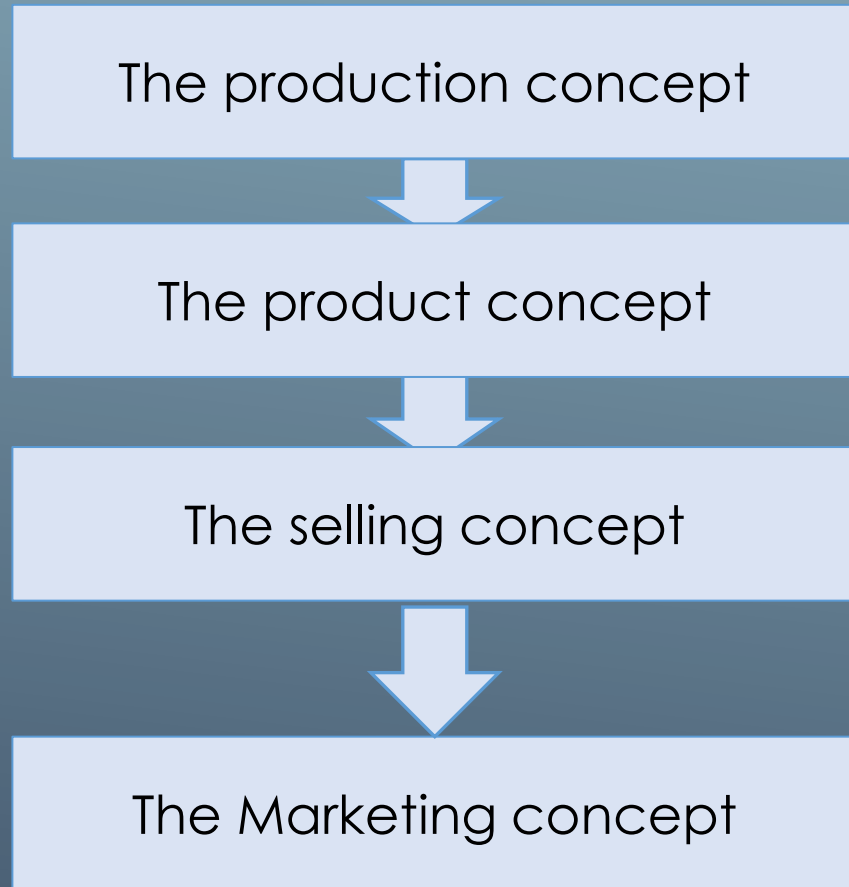
- Customer Value: a central marketing concept, primarily a combination of *quality, service* and *price* (*qsp*), the *customer value triad*.
 - Segmentation, Target markets, and Positioning
 - Markets: Consumer, Business, Global, Nonprofit and Government
 - Competition
 - Marketing environment
 - Supply chain
- 

Step 2: Design a customer value driven marketing strategy

- What customers will we serve?
- How can we serve them best?



Marketing management orientations



Starting
point

Focus

Means

Ends

Factory

Existing
Prod.

Selling &
promotion

Profits thru
sales vol.

Market

Customer
needs

Integrated
marketing

Thru customer
satisfaction

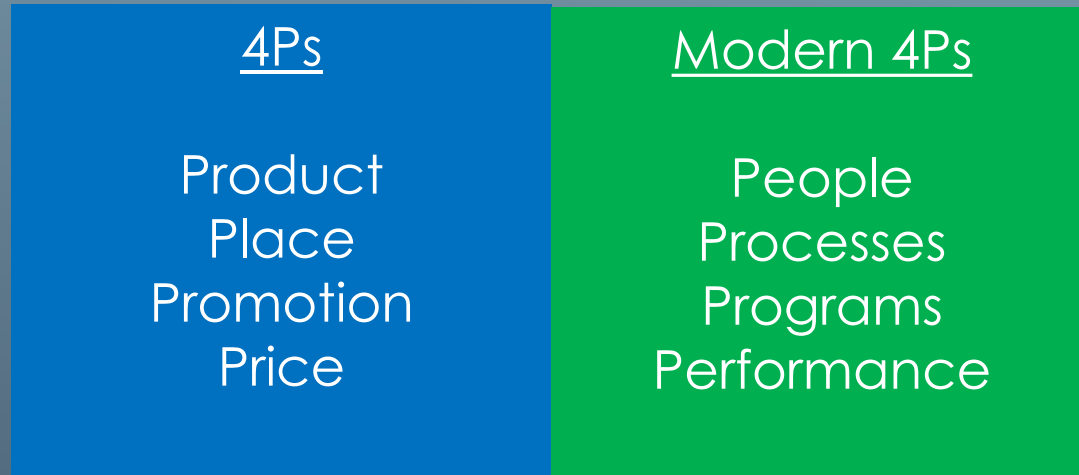
Marketing management orientations

The **Holistic Marketing** concept

- **Relationship marketing**: customers, employees, partners, financial community
- **Integrated marketing**: communications, product & services, channels, price
- **Internal marketing**: Marketing department, Senior Management, Other departments
- **Performance marketing**: revenue, brand & customer equity, ethics, environment, social

Step 3: Preparing an Integrated Marketing Plan & Program


- Transforming the marketing strategy into action
- Blend each marketing mix tools (*4P's*) into a integrated marketing program



Step 4: Managing customer relationship & Capturing Customer Value

- Customer Relationship Management (CRM)
 - Customer Value
 - Customer Satisfaction
 - Customer Relationship levels & tools
 - Customer Engagement in today's digital & social media
 - Customer engagement marketing
 - Partner Relationship Management
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Step 5: Capturing value from customers

- Creating Customer Loyalty & Retention
 - Growing share of Customer
 - Building customer equity
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The Changing Marketing Landscape

- The Digital Age:

-  Online marketing

-  Mobile marketing

-  Social media marketing

- Rapid globalization

- Sustainable marketing: The call for more environmental & social responsibility




Collecting information and forecasting demand

- ▶ **Marketing intelligence:** procedures and sources used by managers to obtain everyday information about developments in the marketing environment
 - ▶ Reading books, newspapers, trade publications
 - ▶ Talking to customers, suppliers, distributors, and other company managers
 - ▶ Monitoring online social media
 - ▶ **Analyzing the Macroenvironment**
 - ▶ Needs and trends
 - ▶ Identifying major forces
 - ▶ **Environment:** Demographic, Economic, Sociocultural, Natural, Technological, Political
Legal
- 

Collecting information and forecasting demand

▶ Demand measurement

- ▶ Estimating current demand: total market potential, area market potential, total industry sales and market share
 - ▶ Estimating future demand: Buyers' intention survey, composite of sales force opinion, expert opinion, past-sales analysis, market-test method
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Assignment of Chapter 1

Presentation 1: Visit DSE website & check the company listing by Industry. Take one industry, study about the marketing activities of some companies in that industry & discuss the marketing orientation they are currently following & which one they should follow (in group)

Submission guideline: *MS Word file – hard copy (2-3 pages)*

Deadline of submission: Next class

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Thank you

