**MARKETING**

***The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large***

* *Two facets:* Philosophy, attitude & perspective or management orientation stresses customer satisfaction & organizational function/set of processes used to implement this philosophy
* <inst><objective id="ch01os01obj02" label="2"><para> *Exchange*: people giving up something in order to receive something else they would rather have
* <inst>*Marketing Management Orientations*: Production (focus on internal capabilities of firm), Sales (buy more if aggressive sales techniques used) Marketing (satisfaction of customer wants and needs) Societal (preserve and enhance society long term interest)
* <inst>*Customer Satisfaction* – customers’ evaluation of a good or service in terms of whether it has met their needs and expectations
* rela*Relationship marketing* focuses on keeping and improving relations with current customers

**Strategic Planning**

**Ansoff’s Opportunity Matrix**

* + Translates raw stimuli into meaningMarket penetration
	+ Market development
	+ Product development
	+ Diversification

**The Marketing Plan**

* Introduction: Define product/service
* Mission Statement – “what business are we in?”
* SWOT analysis: Strengths, Weaknesses (internal), Opportunities, Threats (external)
* Competitive Advantage: Unique features a company and its products that are perceived by the target as significant and superior to competition
* Cost: low cost competitor
* Product/Service Differentiation: something unique & valuable to buyers
* Niche: target and serve small segment of market
* Marketing plan objectives: what is to be accomplished through marketing activities
	+ - Realistic
		- Measurable
		- time specific
		- compared to a benchmark

**Segmenting & Target Market**

* Market segmentation: subgroup of people sharing one or more characteristics causing them to have similar product needs. Characteristics:
	+ Substantiality
	+ Identifiability & measurability
	+ Accessibility
	+ Responsiveness

**Segmentation bases**

* + Geographic
	+ Demographic (age, gender, income, ethnic, family life cycle (FLC)
	+ Psychographic (personality, motives, lifestyle)
	+ Benefits
	+ Usage (80/20)

**Consumer Decision Making Process**

**Consumer Behavior**

* Process a consumer uses to make purchase decisions, as well as to use and dispose of purchased goods or services

**Decision Making Process**

* Five step process used by consumer when buying goods or services
* Need recognition
* Information search
* Internal
* External
* Evaluation of alternatives
* Purchase
* Postpurchase behavior

**Continuum of Buying Decisions**

* Routine
* Limited
* Extensive

**Consumer Involvement**

* Level of consumer involvement
* Length of time to make a decision
* Cost of good or service
* Degree of information search
* Number of alternatives considered

**Factors Consumer Involvement**

* Previous experience
* Interest
* Perceived risk of negative consequences
* Social visibility

**Cultural Influences**

* Social factors
	+ Reference groups
	+ Opinion leaders
	+ Family
* Individual factors
	+ Gender
	+ Age & family
	+ Personality, self-concept, lifestyle
* Cultural factors
	+ Culture & values
	+ Subculture
	+ Social class
* Psychological factors
	+ Perception
	+ Motivation
	+ Learning
	+ Beliefs & attitudes

**Marketing Environment**

Environmental management: implementing strategies that attempt to shape the external environment within which it operates

* Social factors
	+ American values
	+ Component lifestyles
	+ Social media
* Demographic factors
	+ tweens, teens, millennials, gen X, boomers
* Growing ethnic markets
	+ Hispanic
	+ African American
	+ Asian
* Economic factors
	+ Purchasing power
	+ Inflation
	+ Recession
* Political and legal factors
* Competitive factors

**Market Research Process**

1. Identify & formulate the problem/opportunity
2. Plan the research design & gather secondary information
	* survey research
	* In-home
	* mall intercept
	* telephone
	* mail surveys
	* executive
	* focus groups
3. Specify sampling procedures
4. Collect primary data
5. Analyze the data
6. Prepare and present the report
7. Follow-up

**4 P’s**

**Ethics**

The moral principles and values that generally govern the conduct of an individual or group.

**Ethical decision making**

* Extent of problems within organization
* Top management’s actions on ethics
* Potential magnitude of the consequences
* Social consensus
* Probability of harmful outcome
* Length of time between the decision and the onset of consequences
* Number of people to be affected

**Corporate Social Responsibility**

A business’s concern for society’s welfare

* Economic responsibilities
* Legal responsibilities
* Ethical responsibilities
* Philanthropic responsibilities

**Sustainability**

The idea that socially responsible companies will outperform their peers by focusing on the world’s social problems and viewing them as opportunities to build profits and help the world at the same time.

* green marketing
* cause related marketing
* B

**Price**

That which is given up in exchange to acquire a good or service

**Pricing objectives**

* Profit Oriented Objectives
	+ Profit maximization
	+ Satisfactory profits
	+ Target return on investment (ROI)
* Sales Oriented Pricing Objectives
	+ Market Share
	+ Sales Maximization
* Status Quo Pricing Objectives
	+ Status quo
* Demand, supply and elasticity of demand
* Other determinants of price
	+ stage in PLC, competition, distribution strategy, internet, promotion, price to quality, prestige pricing

**Placement**

**Retail classification**

* Ownership
* Level of service
* Product assortment
* Price

**Non-Store**

* Automatic venting
* Direct retailing
* Direct marketing
* Telemarketing
* Shop at home networks
* Online retailing

**Product**

Everything both favorable/unfavorable that a person receives in an exchange

**Product Categories**

* Convenience, shopping, specialty, unsought
* Product item, lines, mixes
* Adjustments: product modification, repositioning, extensions, contraction
* Branding: target market’s ability to distinguish one product from another
	+ packaging
	+ labeling

**New Product Development Process**

* + New product strategy
	+ Idea generation
	+ idea screening
	+ Business analysis
	+ Development
	+ Test marketing
	+ Commercialization

**Diffusion Curve**

* Innovators, early adopters, early majority, late majority, laggards

**Product Life Cycle (PLC)**

* Introduction, growth, maturity, decline

**Promotion**

Communication by marketers that informs, persuades, and reminds potential buyers of a product in order to influence an opinion or elicit a response.

* Advertising
* Public Relations
* Sales Promotion
* Personal Selling
* Social Media
* **Factors affecting Promotion Mix**
* Nature of Product
* Stages in Product Life Cycle
* Target market characteristics
* Type of buying decision
* Available funds
* Push Pull strategies