American Marketing Association:

“marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, products, and services to create exchanges that satisfy individual and organizational goals”

Phillip Kotler:

“marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering and communicating superior customer value”
The Importance of a Marketing Orientation

Production-oriented Firms

We make cameras and film

We make blue jeans

We operate a long-distance telephone company

Marketing-oriented Firms

We help preserve beautiful memories

We offer comfort, fashion and durability in apparel

We provide multiple forms of reliable, efficient and inexpensive communication services
The 3 C’s: Customer Analysis

Customer Buying Behavior

- Customer characteristics, marketing factors (4P’s), economic, technological and political environment

Customer Buying Process (5 stages)

- Need/problem identification, search for information, alternatives’ evaluation, purchase and post-purchase analysis
  - Decision Making Unit (DMU)
  - Decision Making Process (DMP)
The 3 C’s: Company Analysis

Identify Strengths & Weaknesses to Satisfy Target Customer’s Needs and Expectations

- Core competencies (e.g. technical know-how, product development, firm’s culture, etc.)
- Firm’s resources (e.g., assets, capabilities, organizational processes, etc.)

**SWOT Analysis:**

Strength & Weaknesses (Internal Factors),
Opportunities & Threats (External Factors)

**Internal Factors:** personnel, finance, manufacturing capabilities, product, price, promotion, placement/distribution, manufacturing, etc.

**External Factors:** macro-economic environment, socio-cultural changes, technological changes, etc.
The 3 C’s: Competitor Analysis

Strengths & Weaknesses of Current and Potential Competitors

SWOT Analysis → Detailed Competitor’s Profiles

Competitor’s Profiles: Background, finances, products, markets, facilities, personnel and strategies

- Most common sources of potential competitors
- Conditions favoring entrance of new competitors
What is Marketing Strategy?

To develop their Marketing Strategy firms have to make 3 major decisions:

• Select a Target Market
  — Identify which potential markets to serve and the resources needed
  — Market Segmentation

• Determine the Product/Service Positioning
  — How it wants its customers to view its product/service

• Define the Marketing Mix
  — Product, Price, Placement/Distribution and Promotion
  Goal: to consistently deliver a compelling value proposition that reinforces the positioning statement, builds customer loyalty and brand equity and results in the accomplishment of the firm’s marketing and financial objectives
The Marketing Mix

**Product**
- Physical characteristics (size, color, design, ingredients, etc.)
- Non-physical/Benefits (convenience, comfort, prestige, etc.)
  Should be a function of customer’s needs, wants and expectations!

**Price**
- Only element of the Marketing Mix that generates revenue, with significant impact over a firm’s profitability
- Key factors in deciding prices: firm’s objectives and where it wants to position its product/service
- Must take into consideration: demand, price elasticity of demand, competition, costs, etc.
The Marketing Mix

Placement/Distribution
• Making a firm’s product/service available for consumption
• Should be a function of the product/service, the firm’s business plan, the price and the needs of the target market
• Marketing channel design: Length (direct or indirect) and Breadth (intense or selective)
• Marketing channel management (policies & procedures)

Promotion
• Making customers aware of the firm’s product/service and its features, enticing trial and motivating purchase and re-purchase
• “Push” or “Pull” strategy
• Communication elements: Non-personal (advertising, sales promotions, etc.) and Personal (personal selling, direct marketing)