

THE COMPREHENSIVE ESSAY FOR THE MARKETING LECTURES

Marketing Definitions

Marketing has undergone significant changes and improvements since its beginning during the Industrial Revolution. Adam Smith laid the foundation for the understanding of the contribution of consumer satisfaction to the activity that is economic with the fact that he centered his attention on consumer interest. Definitions of marketing have continued to change with the trends representing increasingly complex relationships of consumers and the market systems over the next decades:

- 1960s: Marketing was seen as a social process in which organizations interact with external environments through the service and exchange of values. It was defined as the alignment of organizational activities to satisfy a chosen group of customers (Kotler, 1967).
- 1970s-1990s: Were directed to developing desirable relationships between producers and consumers against custom-tailored offerings. Marketing saw this shaping of managerial function, identifying consumer needs, and deploying organizational resources effectively in satisfying the needs.
- 2000s: Recent definitions attach increasing importance to emphasizing marketing as performance and a dynamic process that refers to the creation, communication, delivery, and exchange of value between customers, and it manages long-term relationships with society and customers (AMA, 2017).

Classes of Marketing

Marketing is an entire area made up of so many branches that concern particular market needs as well as approaches to operations.

1. Macromarketing versus Micromarketing

Macromarketing is where all marketing actions are studied, whether it be the effects of environmental consequences, consumer well-being, or technological advancements.

Micromarketing is concerned with firms-tailored strategies geared towards maximizing consumer satisfaction and actual profit for the organization.

2. Goods and services marketing

Marketing with tangible goods is marketing goods; services marketing is everything else, like healthcare, education, or hospitality, which is not quite as tangible. Many of these need some personalization, standardization, and consumer involvement during production.

3. E-marketing: Emerging technologies of global reach like social media, emails, and web analytics facilitate marketing. E-marketing creates a scenario of apparent 24/7 marketing that reduces cost, brings about measurable results, and elicits one-to-one marketing relationships.

Marketing Environment

Controllable and Uncontrollable Factors:

A mixture of both controllable and uncontrollable factors helps to influence marketing decisions:

Controllable Factors: Such internal factors include product design, pricing, promotion, and channels of distribution. All of these are managed and are expected to help achieve the organization's objectives.

Uncontrollable Factors: Externals such as the PESTEL Framework:

- o Political, Economic, Social, Technology, Environment and Legal

Segmentation, Targeting, and Positioning (STP)

Segmentation:

Market segmentation is the process of dividing a broad market into smaller, groups of consumers with similar needs, preferences, or behaviors. Segmentation criterias include; Demographics, Psychographics, Geographics and Behavioral Factors.

Targeting

Targeting helps to measure the attractiveness of market segments and selecting the most suitable ones to focus marketing efforts. Factors that influence targeting decisions are growth potential, competitive intensity within segment and alignment of organizational strengths according to the consumer needs.

Positioning

Positioning is how a product or brand is perceived from consumers compared with competitors. Effective positioning strategies are Unique selling proposition, differentiating products (based on quality, price etc.).

Marketing Research and MIS

Research on Marketing

Marketing research is that process which is concerned with the collection, analysis, and interpretation of data for decisions. Major objectives can relate to:

- Trends and preferences in the consumer market.
- Analysis of product features and price.
- Promotion and sale performance measurement.

MIS (Marketing Information System)

MIS is that which combines continuous research and analysis for better decision-making. This includes:

- Primary Data Collection: Using surveys, interviews, and experiments.
- Secondary Data Collection: Through already existing sources like government documents and industry studies.

Steps in Marketing Research:

1. Definition of the research problem.
2. Selected methods of data collection (example, survey, observation).
3. Analyzing and interpreting the collected data.

Basic Quantitative Analysis for Marketing

Quantitative methods are used for financial and market performance analysis:

- Break-Even Analysis: Helps determine the sales volume needed to cover costs.
- $BEV = \text{Fixed Cost} / (\text{Price per Unit} - \text{Variable Cost per Unit})$
- Market Share Analysis: Measures a company's sales performance relative to the total market.

- $\text{Market Share (\%)} = \text{Company Sales} / \text{Total Market Sales} \times 100$

Those tools provide useful insights to pricing strategies, cost management, and competitive positioning.

Strategic Marketing Plan (I)

Planning Process

Strategic marketing planning is nothing but the scientific way by which organizational objectives are coupled with market opportunities. It starts with the analysis of internal and external organizational environments using strategic tools.

Ansoff matrix: A framework for growth strategies wherein opportunities are classified into four types.

Market penetration: Increase existing sales in current markets, through aggressive promotion or pricing related strategy.

Market Development: Expand into new markets with existing products, for example, entering foreign markets.

Product Development: New products are offered to present markets to satisfy changing customer demands.

Diversification: Launching new products in new markets, which carries higher risk but offers significant growth potential. Some studies show that for particularly grown companies, It is very rare to continue growing without launching new products.

BCG Matrix (Boston Consulting Group): A portfolio management tool analyzing business units based on market share and growth rate:

Stars: High-growth, high market share products requiring significant investment to maintain their position.

Cash Cows: Low-growth, high market share products generating stable revenue.

Question Marks: High growth, low market share products requiring strategic decisions to invest or divest.

Dogs: Low growth, low market share products often recommended for phasing out.

Strategic Marketing Plan (II)

As we say in our marketing plan, portion two of the strategic marketing plan corresponds our application and control: "Execution and Ongoing Monitoring":

Action's: A coordinated marketing mix (4Ps or 7Ps) is developed and implemented to achieve objectives included in the strategic plan.

Teams are choosed with defined roles, responsibilities, and timelines in order to successful delivery of objectives with regards to all major departmental functions.

Control Mechanisms:

Key performance indicators (KPI's) such as growth in sales, market share, and ROI ((Return on investments/ Invested Capital)*100) ratios are used.

feedback loop and market analysis are available for adjusting the strategies in line with competitive activities or shifts in consumer taste.

The Core Concepts of Product Management:

Product Life Cycle (PLC)

Products are undergoing several stages in the life cycle, and each demands its strategy:

Introduction: Raising awareness and spurring demand will be the main concerns.

High promotional and distribution costs are typical as the product establishes itself in the market.

Growth: Sales growth trajectory is mainly inclined because of consumer adoption and acceptance in the market.

This stage will focus on increasing market share and coping with competition.

Maturity: Sales volume assumes stability, competition becomes stiff, and market becomes saturated.

The focus, now, will be on differentiation (like enhancement of features, branding) and cost optimization for maintaining profitability.

Decline: Demand starts to fall because of changes of consumer preferences or advancements in technology.

Now the firm has to decide whether to improve the product, harvest the last profits, or discontinue it.

New Product Planning

Stages of Development

Idea Generation: Gathering ideas from internal sources (e.g., R&D) as well as customer responses or market trends.

Concept Development: Designing holistic concepts from various ideas which include target market, features, and strategies for positioning.

Market Testing: This includes testing the product in a defined or controlled environment to capture consumer responses and test market interest.

Commercialization: Launching the product on a larger scale with robust marketing and distribution strategies.

Innovation is crucial for retaining competitive and addressing changing consumer needs.

Pricing Strategies and Programs (I)

Pricing strategies significantly influence consumer perception and profitability:

Penetration Pricing: Low initial pricing to attract price-sensitive consumers to penetrate the market.

Psychological Pricing: Presents prices, such as \$ 9.99, making it look cheaper than \$ 10; pricing methods included skimming (high initial price) and dynamic pricing (adjustment based on demand).

Distribution Channels

Channel Functions

Channels stream the goods from the source to the destination, performing significant tasks:

Accumulation: Building up the products from different producers.

Sorting Based on Consumer Need : Sorting of products.

Delivery: It's making the good available at all due time and at a minimum cost. The other variable for considering a channel is the type of product, the target market, and the company resources.

Channel selection depends on factors like product type, target market, and organizational resources.

Logistics Management:

Efficient logistics management guarantees a seamless product flow at lower costs:

Transportation: Ensure cost-effective and secure way of transporting goods.

Inventory Control: Make sure stock levels are supplemented to meet the demand without running into an overstock.

Warehousing: Strategize the storing of the warehouses to optimize the delivery time.

IMC Approach

The IMC (Integrated Marketing Communication) approach different promotional methods to deliver a clear and consistent message to the audience. It brings together advertising, PR, and digital marketing to create a strong brand image. This approach helps improve both consumer engagement and brand image.

Key Components:

Advertising: campaigns designed to reach a wide audience.

Sales Promotion: Short term offers like discounts or coupons to attract the audience.

Personal Selling: One on one interactions to build relationships and close deals.

Public Relations: Managing the brand's reputation through media and public events.

Digital Media: Leveraging social platforms and online tools to reach specific audiences.

CRM (Customer Relationship Management)

CRM systems is most basically building strong relationships with customers and encouraging loyalty. Here's how they help:

Data Integration: They collect and analyze customer data to enable personalized marketing.

Customer Retention: By offering tailored promotions and great service, they help keep customers to retain.

Lifetime Value: CRM focuses on maximizing the long term profitability of each customer relationship.

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