



Introduction To Marketing

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Misconceptions: What is not Marketing?

- **ADVERTISING**
- **SELLING**
- **EVIL**
- **EXPENSIVE**



What is Marketing?

“Marketing is 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.”

—American Marketing Association

“Marketing refers to the **ACTIVITIES** a company undertakes **TO PROMOTE THE BUYING OR SELLING** of its products or services.”

Let's break it down

- Is a process
- By which companies provide create **VALUE**
- For **CUSTOMERS** and **THEMSELVES**



Let's break it down even further

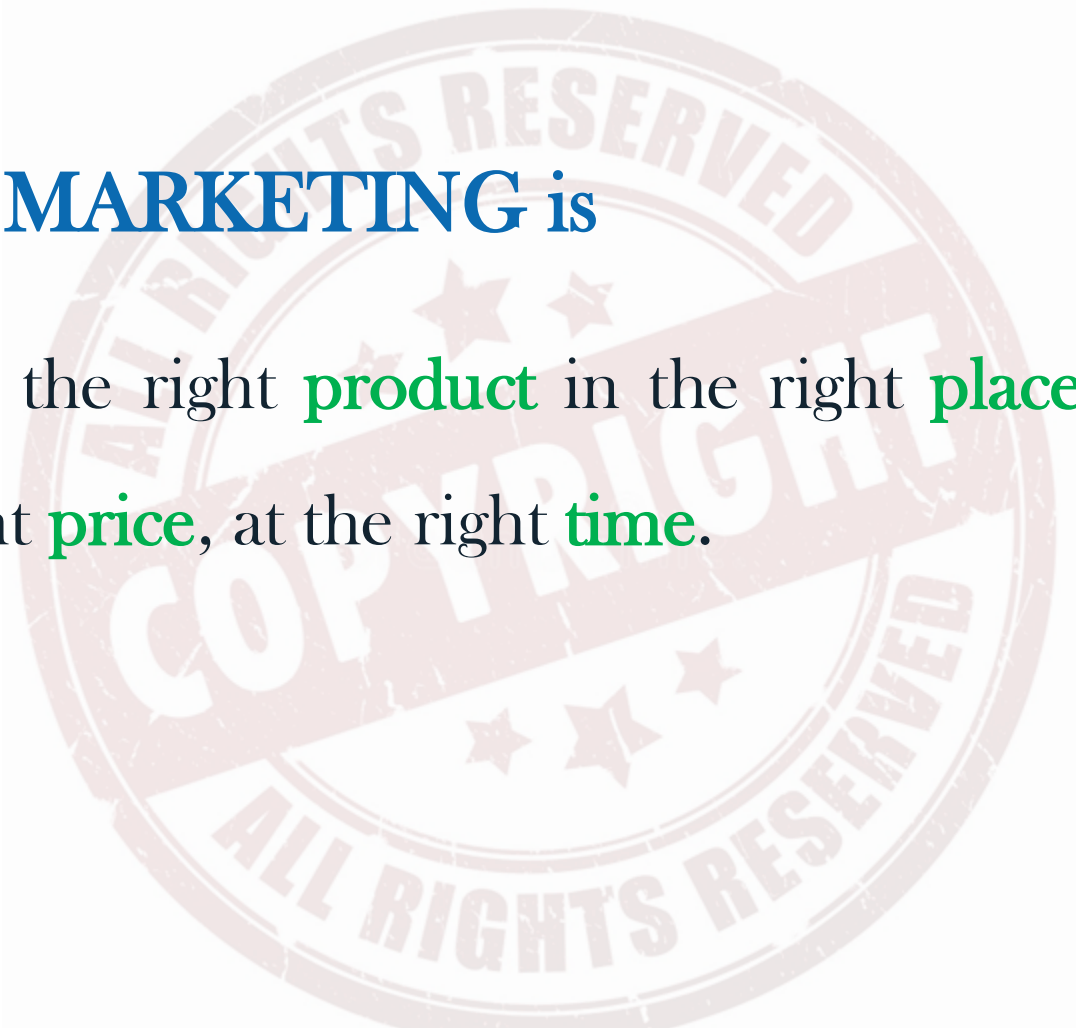
- Is a process
- By which companies provide **SOLUTIONS** (Products, Services, Experiences)
- To customer **PROBLEMS** (Need, Want, Demand)
- For which the customer pays back (Financial Benefits)
- And Relationships are built

What does Marketing tell?

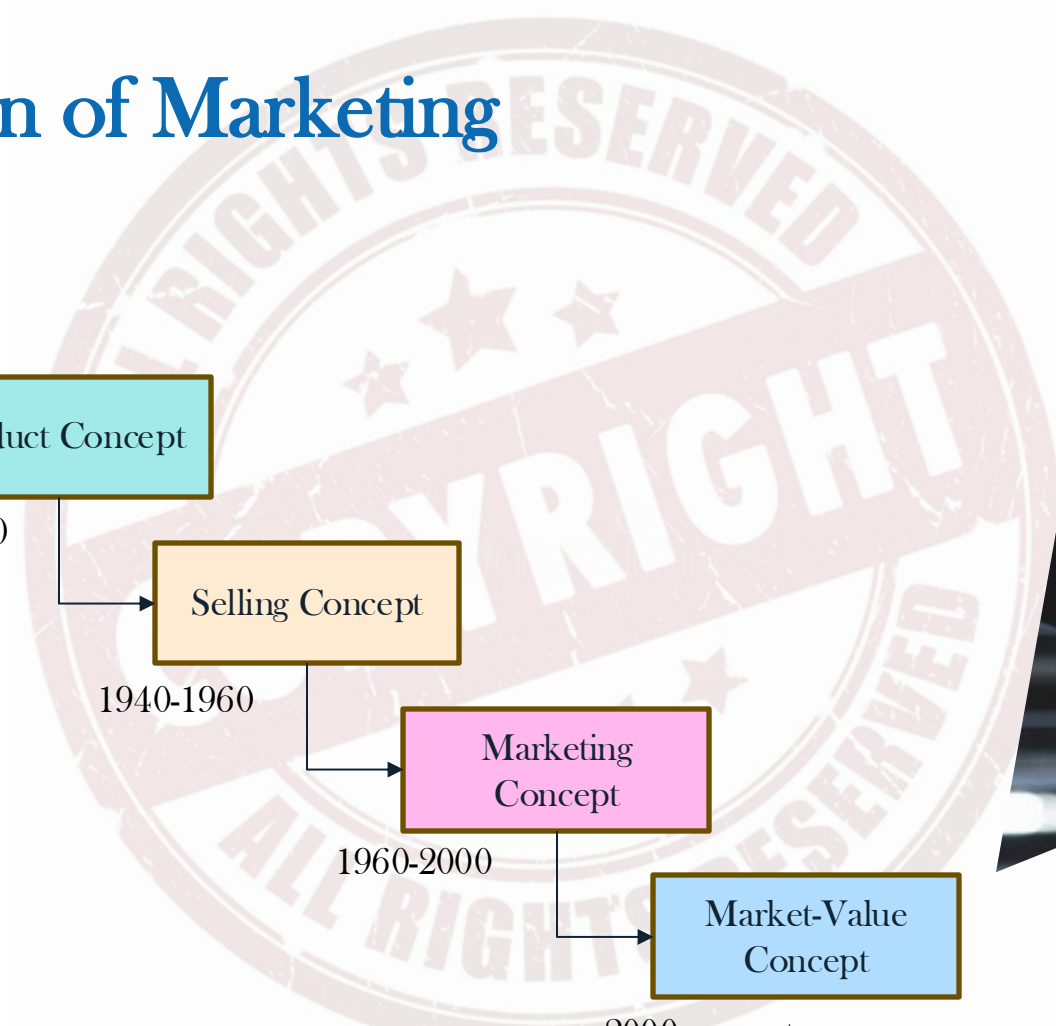
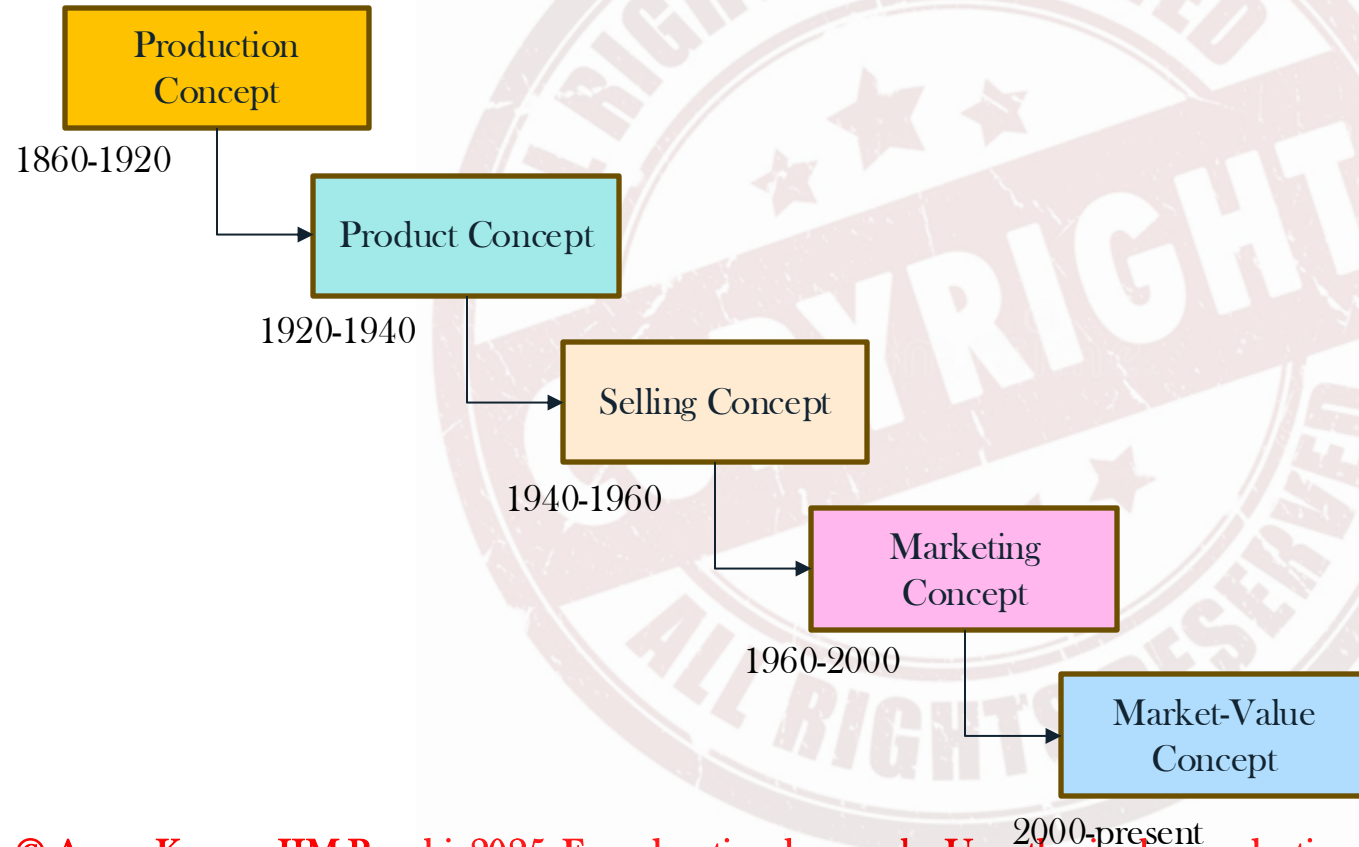
- Marketing tells companies what they should **DEVELOP**
- Then Marketing **Informs customers**, “Hey Look, We have Developed this”.
- What happens next? -> **Sales**

In short **MARKETING** is

- Putting the right **product** in the right **place**, at the right **price**, at the right **time**.



Evolution of Marketing



Product-oriented vs Market-value oriented

Company	Product Definition	Market-value Definition
Indian Railways	We run a railroad.	We move people and goods.
Indian Oil	We sell natural gas and petroleum.	We supply energy.
Xerox	?	?
Dharma Production	?	?
Instagram	?	?
Blue Star	?	?

Product-oriented vs Market-value oriented

Company	Product Definition	Market-value Definition
Xerox	We make copying equipment.	We help improve office productivity.
Dharma Production	We make movies.	We market entertainment.
Instagram	We are an online photo and video sharing platform.	We connect users with the things they care about.
Blue Star	We make air conditioners.	We provide climate-control in the home.

Needs, Wants and Demands



What is a **NEED**?

- State of **Felt Deprivation**.
- It is the **basic requirements** of your daily life such as food, shelter, love, etc.
- In developing countries, **NEEDS** are still the focus for marketers. **WHY?**



Maslow's hierarchy of needs

What is a WANT?

- Need that is reshaped by **KNOWLEDGE** and **CULTURE**.
- Now you do not ask for just food, but ask for Burgers, Pizza, Dosa, etc.

What is a DEMAND?

- Where **KNOWLEDGE, CULTURE, and BUYING POWER** come into play.
- Now, you do not ask just about the burger, but you ask for McDonald's burger or Burger King burger.
- **Brands are established at this level.**

What is consumer behaviour?

- ▷ The **process** through which the **ultimate buyer or household consumer makes purchase decisions.**
- ▷ Companies must **understand the core needs and wants** of their customers and the many **factors that influence their purchasing behaviour.**

Factors that influence purchasing behaviour

- ▶ **Social Factors**
 - ▶ Factors that stem from the consumer's interactions with family, friends, social networks, and society as a whole.
 - ▶ Culture
- ▶ **Psychological Factors**
 - ▶ Internal cognitive and emotional processes that influence consumer choices, such as motivation, perception, learning, and attitudes.
- ▶ **Situational Factors**
 - ▶ Factors related to the particular circumstances under which a purchase is made, such as physical environment, purchase purpose, mood and emotional state.

Definitions (1/2)

- ▶ **Motivation:** Internal drive that directs a person toward the goal of satisfying a need.
 - ▶ Without motives, a consumer could have a legitimate need but never seek to satisfy it.
- ▶ **Perception:** The meaning a person attributes to incoming stimuli gathered through the five senses—sight, hearing, touch, taste, and smell.
 - ▶ To get positive responses, marketers will double the size of a box, use certain colours or graphics, or develop unique packaging.

Definitions (2/2)

- ▶ **Attitudes:** A person's enduring favourable or unfavourable evaluations, emotions, or tendencies toward some object or idea.
 - ▶ Formed over time through individual experiences and group contacts
 - ▶ Highly resistant to change
- ▶ **Learning:** Learning is the process of gaining knowledge or skills through experience, education, or practice.
 - ▶ A positive initial experience results in repeat purchases and positive word-of-mouth

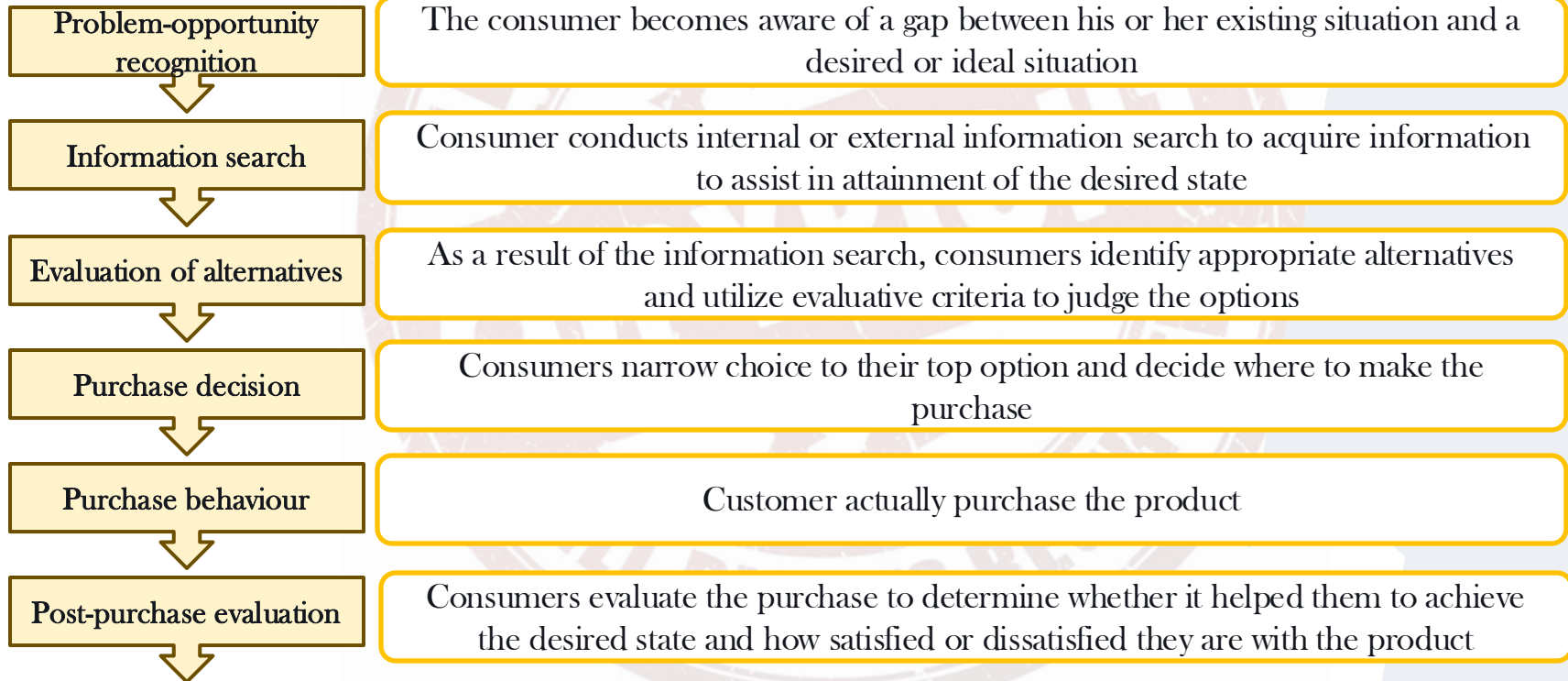
How Involvement Level Affects Consumer Decisions

- ▶ **Involvement** is the **degree of interest** an individual has in the product, as well as **how important that product** is to them
 - ▶ May be high or low depending on the **financial or social risk**
 - Financial risk relates to the **price of the product**
 - Social risk relates to **how consumers might be judged or perceived** when wearing or using the product

Consumer Decision Making Styles

- ▶ **Routinized response behaviour:** Behaviour that occurs for low-involvement products that consumers purchase on a frequent basis
- ▶ **Limited problem solving:** Behaviour that occurs for purchases that consumers make less frequently and when their knowledge or experience is limited
 - ▶ Lack of knowledge leads consumers to spend more time gathering information before making a purchasing decision
- ▶ **Extended problem solving:** The most complex decision style and occurs for high-involvement products where financial and/or social risk is high

Consumer Decision Making Process



The Marketing Mix

The 4Ps



PRODUCT

Quality	Packaging
Design	Brand

PRICE

Retail Price	Discounts
Payment Plans	Credit Terms

PROMOTION

Advertising	Public Relations
Personal Selling	Emails

PLACE

Retail Locations	Distribution
Delivery	Downloads

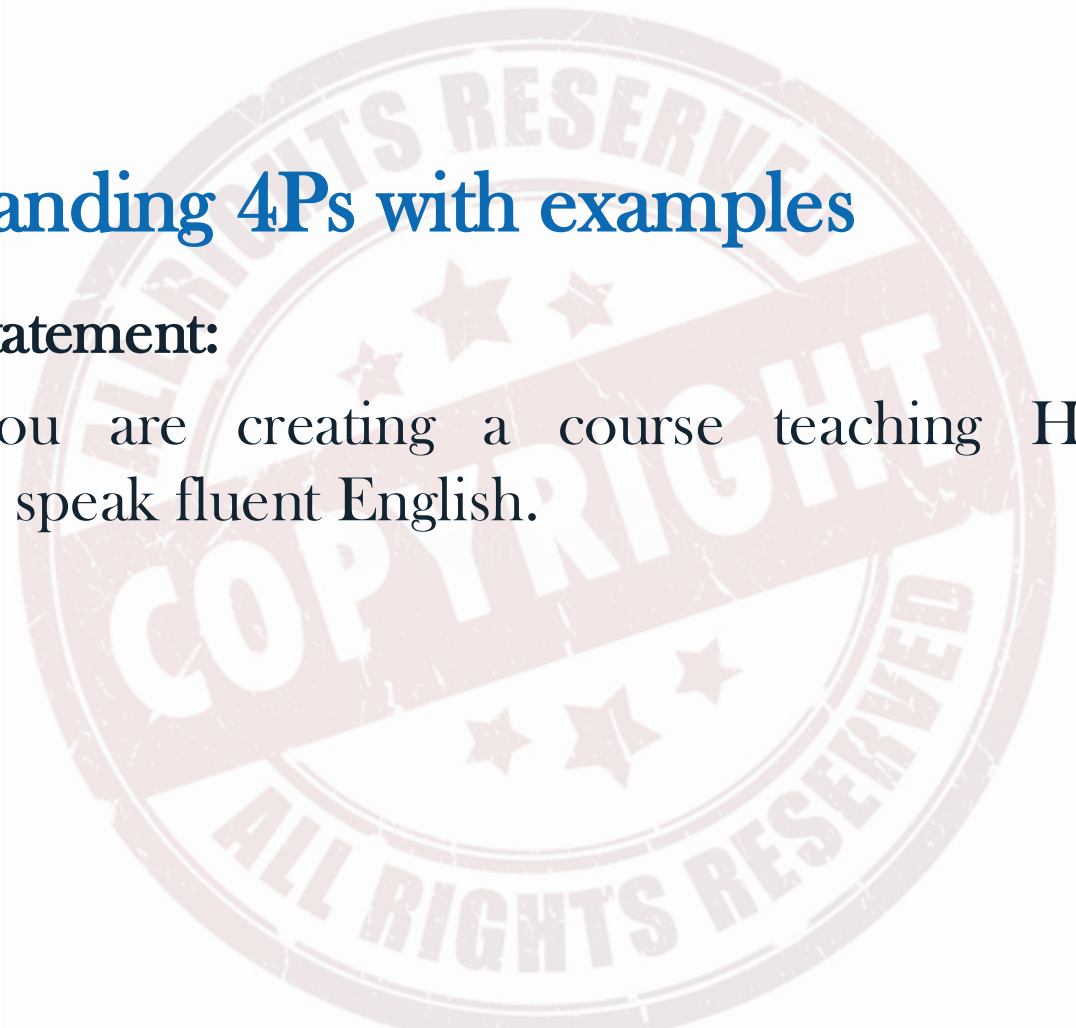
How to use the 4Ps of marketing

1. Align your product/service to serve specific customer needs.
2. Find out where your target audience shops.
3. Determine a price for your product.
4. Determine your messaging and channel.
5. Check all the pieces fit together.
6. Revisit over time.

Understanding 4Ps with examples

Problem Statement:

Imagine you are creating a course teaching Hindi speakers to speak fluent English.



Step 1: Align your product to serve specific customer needs



Can't speak English



Fluent in English

There are many bridges to go from unhappy to happy island.

Your **USP** gives customers a reason to choose your bridge over your competitor's bridge.

Step 1: Align your product to serve specific customer needs

To determine the USP, talk to the target customers and get feedback (Market Research).

USP:

- Learn the 1000 most common English words in 7 days.
- Watch your way to English fluency (Video-based course).
- Learn English by spending 10 minutes a day.

Step 2: Find out where your audience shops

Options:

- Directly from the website.
- Work with bloggers/YouTubers.
- Downloadable application.



Step 3: Determine a price for your product

Deciding based on cost, price, and value.

Options:

- Rs. 25/month.
- Certain features are free but need to pay for premium features.

Step 4: Determine messaging and channel

Messaging:

- Why read a book when you can watch yourself to English fluency?
- Sit back, relax, and get fluent in English.
- It sounds like a local without opening an English book.

Channel:

- Facebook and YouTube
- EdTech Platforms

Step 5: Check all the pieces fit together

Just check if all 4Ps complement each other and there is no conflict between the chosen product, price, place and promotion.

Go for a Pilot Test before launching to the market.

For e.g., Run test ads with Facebook and YouTube.

What is a Value Proposition?

- ◎ **SET OF PROMISES** that a brand makes to a **DEFINED TARGET AUDIENCE** that is differentiated from **OTHER ALTERNATIVES** customers might consider and are backed up by the **REASONS TO BELIEVE.**

Things to keep in mind!

- ◎ Understand what your **customer truly values**.
- ◎ Ask Questions like
 - ◎ What are the **pain points** of my target customers?
 - ◎ How can we **convert** customer **PAIN** into **GAIN**?
- ▶ All great brands/products reduce pain and increase gain for their customers.

Let us take
an example!

The Uber logo is a black circle with the word "Uber" in white, centered within a dashed white circle. It is positioned to the right of the main text.

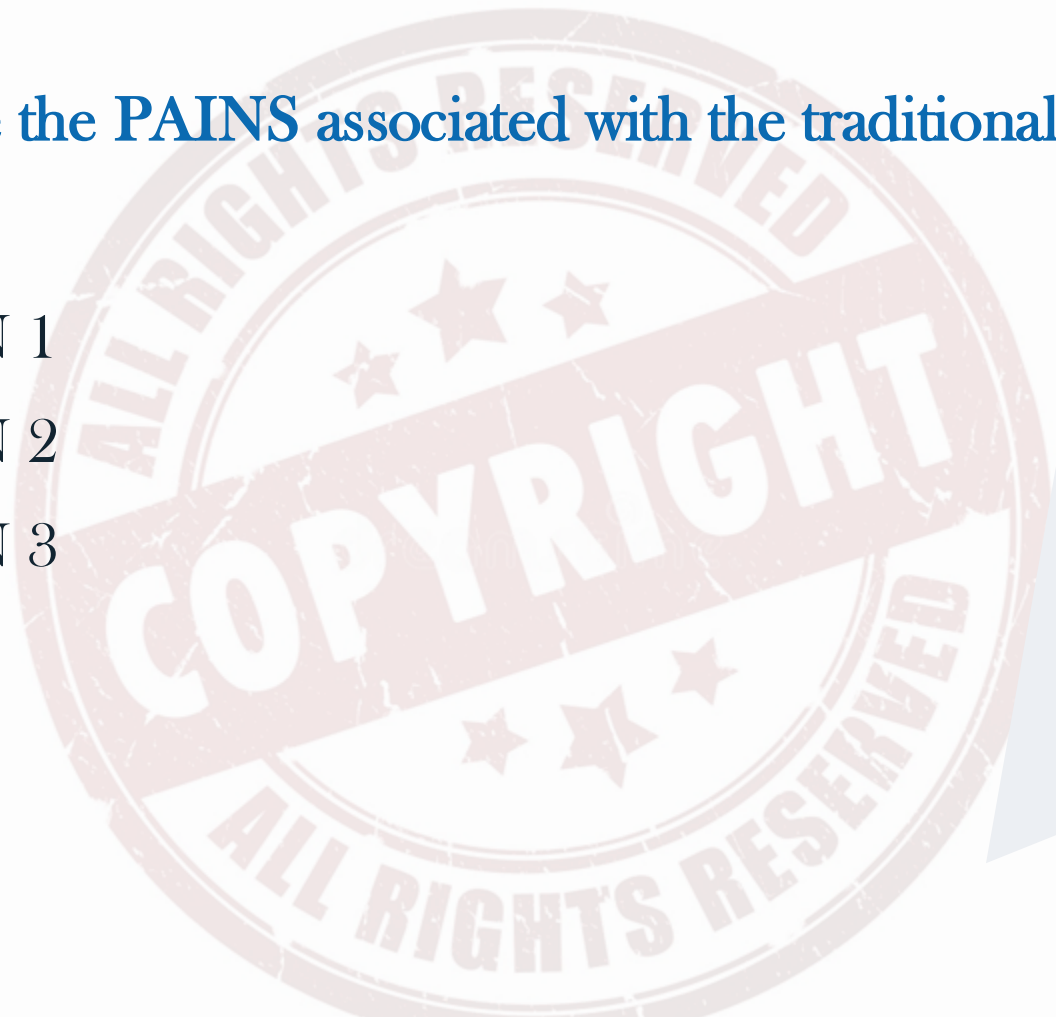
Uber

EVERYONE'S PRIVATE DRIVER

THE SMART WAY TO GET AROUND

What are the PAINS associated with the traditional tax service?

- ◎ PAIN 1
- ◎ PAIN 2
- ◎ PAIN 3



How did UBER solve these pain points?

- ◎ Uber App
- ◎ Know the taxi driver
- ◎ Driver ratings
- ◎ Quality of the car (Which car)
- ◎ The driver knows the location and where to go.
- ◎ Know exactly what you are going to pay in advance.
- ◎ Sure of safety

How should my value proposition look like?

- ▶ Four elements of the value proposition:
 - ▶ **FOR** (a short description of the customer)
 - ▶ **WHO** (a brief description of the problem)
 - ▶ **OUR** (a brief description of the solution)
 - ▶ **SO THAT** (a brief description of the benefit derived)

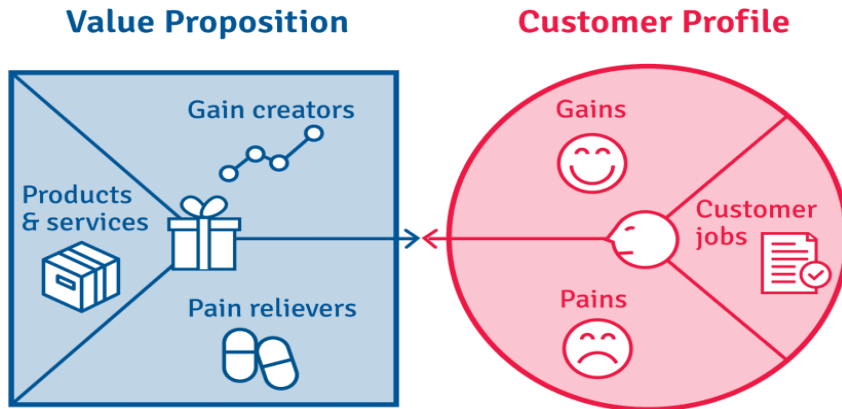
Example

- ▶ **FOR** busy professionals **WHO** struggle with managing their expenses, **OUR** intuitive expense tracking app simplifies expense monitoring and reporting **SO THAT** you can easily save time and make informed financial decisions.

PREPARE YOUR VALUE PROPOSITION!

Value Proposition Canvas

- ▶ **VALUE PROPOSITION CANVAS** is a framework that allows businesses to establish a **product-market fit**.



Customer Profile

- ▶ **CUSTOMER JOBS:** The functional, social and emotional tasks customers are trying to perform, problems they are trying to solve and needs they wish to satisfy.
- ▶ **GAINS:** The benefits which the customer expects and needs.
- ▶ **PAINS:** The negative experiences, emotions and risks that the customer experiences in the process of getting the job done.

Value Map

- ▶ **PRODUCTS AND SERVICES:** The products and services which create gain and relieve pain, and which underpin the creation of value for the customer.
- ▶ **PAIN RELIEVERS:** A description of exactly how the product or service alleviates customer pains.
- ▶ **GAIN CREATORS:** The extra value of the product or service, the expected benefits, and how the product would make your customer happier.

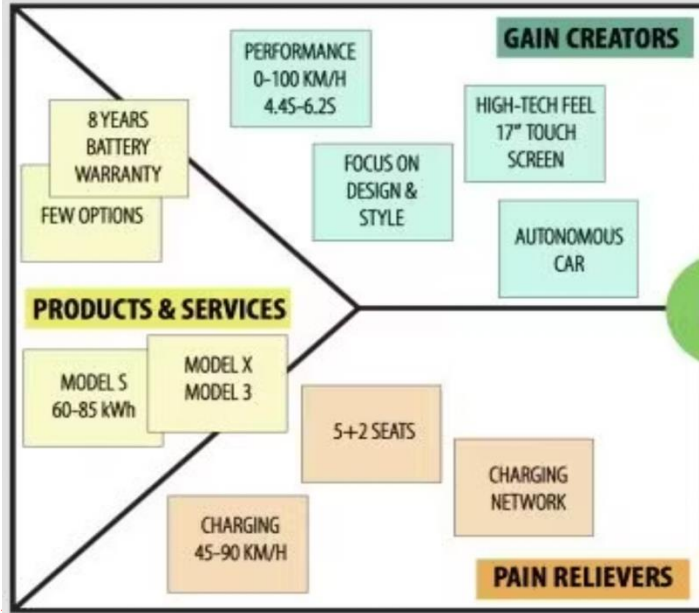
Examples of Value Proposition Canvas

VALUE PROPOSITION CANVAS

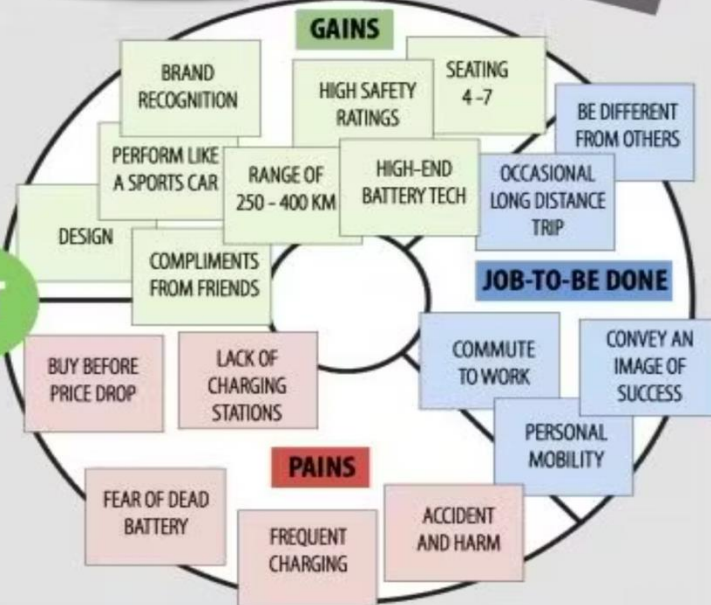
TESLA



UPPER MIDDLE CLASS MALE \$100k+ INCOME



FIT





Thank You!

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