

Executive Certificate Program in Strategic Digital Marketing Applied Analytics

Marketing Management

Google™

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What's your idea about Marketing?

Before we proceed Let's break some myths about Marketing?

- Marketing is all about *selling*
- Good Products *don't need marketing*
- More *I spend* on marketing, the more *I attract*
- Marketing will get results *right away*
- Marketing is a *waste of money*
- More customers I *target* the more I can *sell*

Marketers Vs Prospects?

A *Marketer* is someone who *seeks a response- attention, a purchase, a vote, a donation* – from another party (*Prospect*)

Defining Marketing

Social Process

Organizational
Function

Marketing as Social Process

A societal process by which an *individual* and *groups* obtain what they *need* and *want* through *creating, offering* and *freely* exchanging *products* and *services* of *value* to others. (Kolter *et al.*, 2013)

Exchange of Value



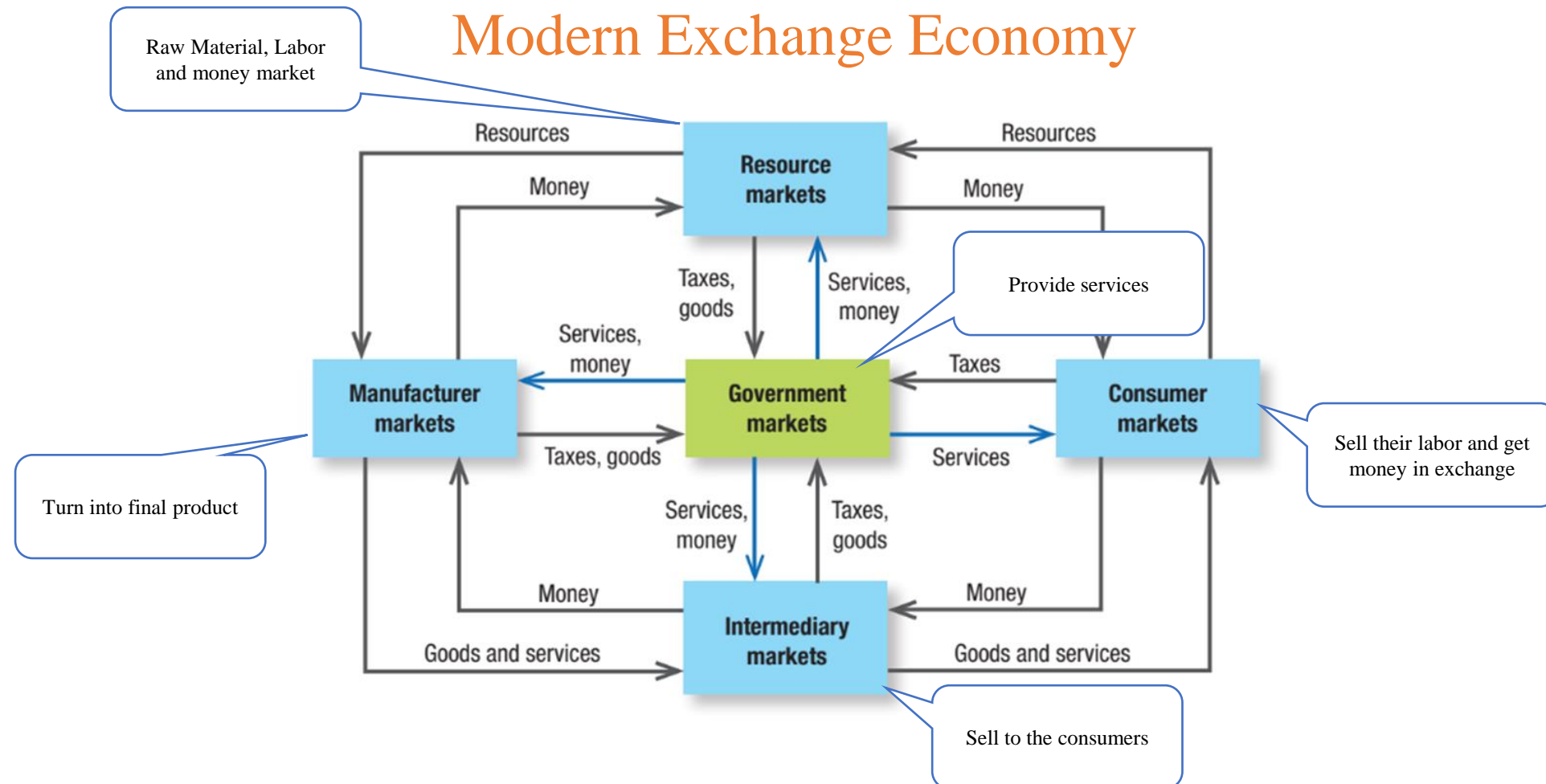
Conditions for Exchange

- There should be *at least two parties*.
- Each party should have *something* which has *value* for other party.
- Each party is capable of *communication* and *delivery*
- Free to *accept* or *reject* the offer.
- Each party believes that it is *appropriate or desirable* to involve in the exchange with the other party.

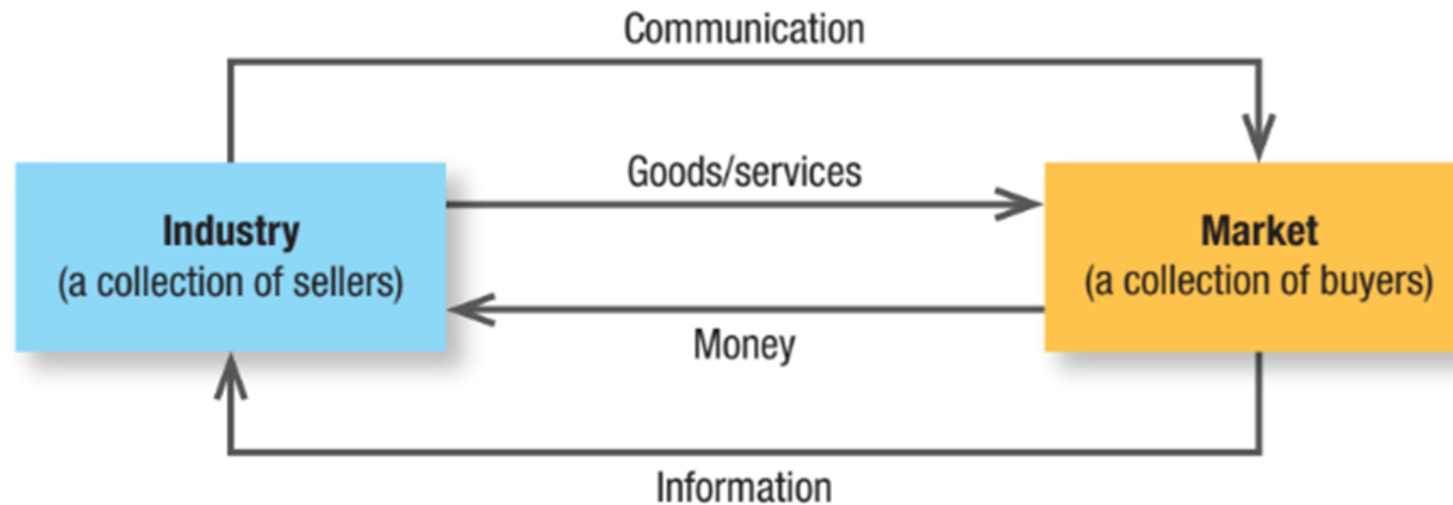
Basic Markets?

- *Resource* Markets
- *Manufacturer* Markets
- *Consumer* Markets
- *Intermediary* Markets
- *Government* Markets

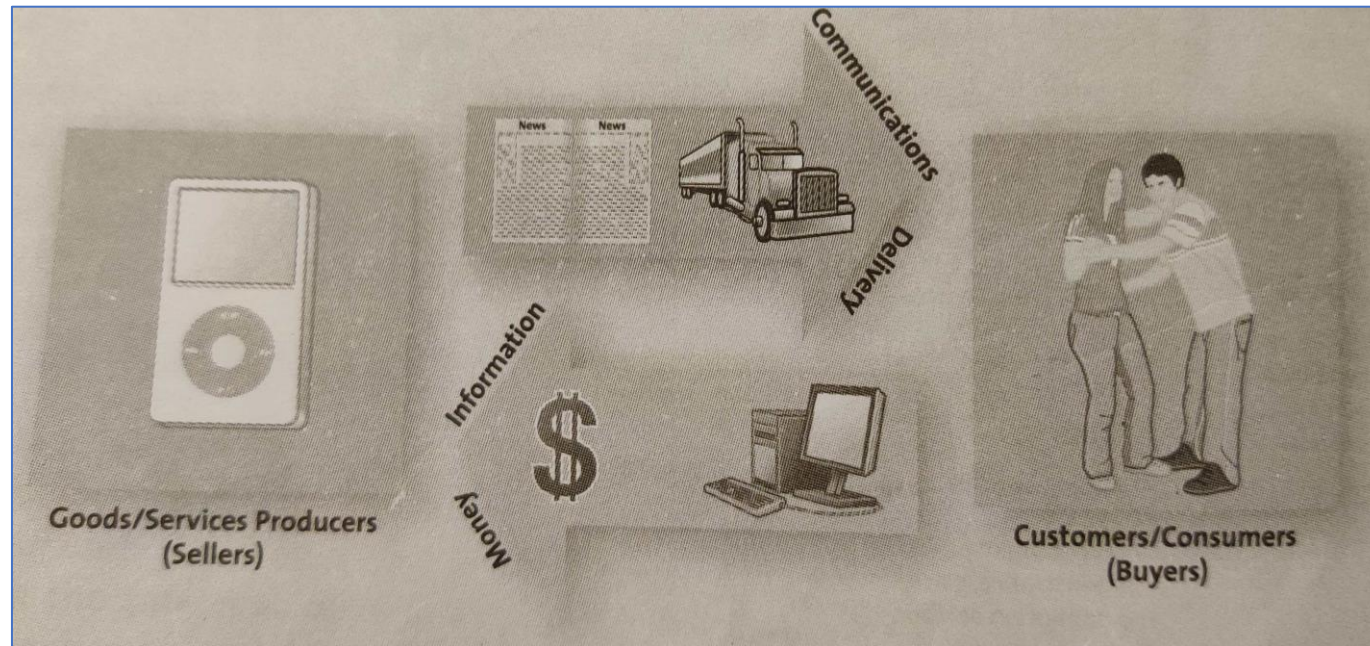
Modern Exchange Economy



Simple Marketing System



Core Aspects of Marketing



E.g. Buying audio songs.

Market Forces

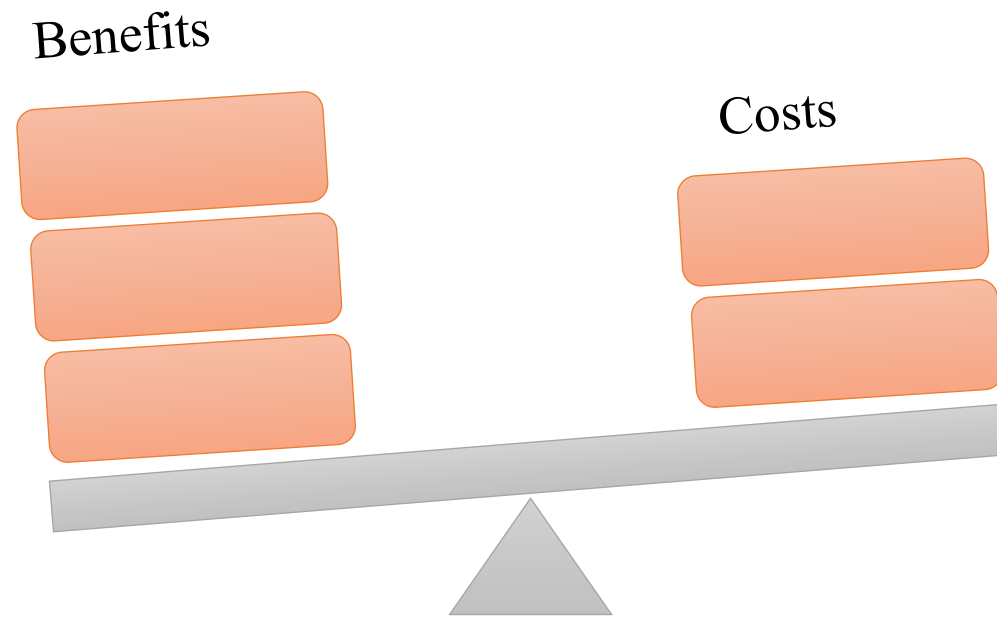
- How the market forces affect companies.

https://www.youtube.com/watch?v=U1GrxA_fdwc

<https://www.youtube.com/watch?v=xU3Yi7nMx7E>

What's your idea of Value?

What is Value?



How do you buy a *product or service* ?

Do you think that cost is always *monetary*?

Value

Benefits

1. Functional Benefits
2. Emotional Benefits

Costs

1. Monetary Costs
2. Non-monetary Costs

People do not buy product; they buy “*Value*”

In Marketing, what is *offered* to the *customers* ought to be *value*, *not just some product and its features*.

It is known as **customer value**.



Customer Value

1. Initial Perceived Value:

- In *consideration stage of purchase*, customer makes *an assessment* of the *value and the cost* he may incur from the transaction. Analyzing both, he sizes up the *ultimate value* he may gain from the transaction (*Initial Customer Value*)

Only if the initial perceived value is attractive, the buyer will proceed further with his purchase

Customer Value

2. Final Perceived Value:

- The *customer's actual experience* with the product starts only after it has *reached his hands*.
- By then, he has *already incurred the costs*, which perhaps *more than* what he had *initially plan* for.
- Some benefits he had *expected* from the product many *not have been found* in the product.

Customer Value

2. Final Perceived Value:

- Now, the customer makes an *assessment* of the *final situation*.
- **Knows:** *total cost* he has incurred and the *total value* he has received

$$\text{Final Perceived Value} = \text{Total Benefits (Value)} - \text{Total Costs}$$

When will a person perceive *higher value*?

What should a company do to *enhance value*?

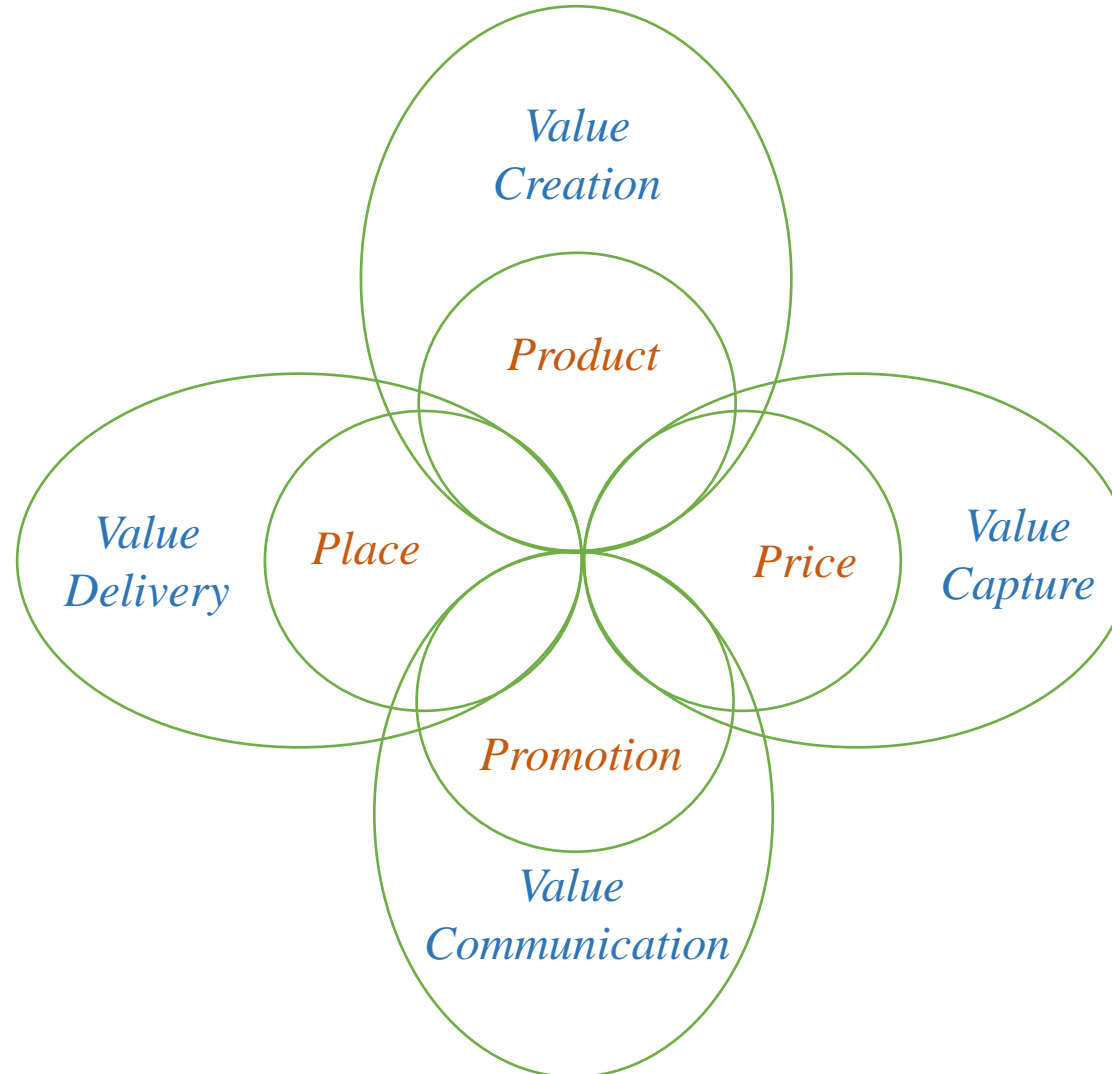
Do you think that the *cheapest/low price* product will always be
accepted as value by the customers?

In case of *electric vehicle*, how you will proceed in *reference to value*.

Put Simply, Marketing is all about *'meeting human needs profitably'*

American Marketing Association

“Marketing is an *organizational function* and *a set of processes* for *creating, capturing, communicating, delivering* and exchanging offerings that have *value* for *customers, clients, partners* and *society at large*”



Do you think *Marketing* and *Selling* are different?

Key Differences

Selling	Marketing
It start with the <i>seller</i> and focused on the <i>needs of the seller</i> and <i>their existing products</i>	It starts with the <i>buyers</i> and <i>focuses constantly on their needs.</i>
Seller is the <i>centre of the business</i> universe.	<i>Buyer is at the centre</i> ; activities follow the buyer and his needs
Emphasis is on <i>saleable surplus</i> available with company.	Focuses on <i>identification of customer need/market opportunity</i> . Aim to covert “ <i>need</i> ” into “ <i>product</i> ”

Million Dollar Question: Will other functions matter if there is no sufficient demand for products and services?

That's why they say, Marketing Matters.

Decoding the concept of **Market**, **Marketplace** and **Marketspace**

- Market: A place where the *sellers* and *buyers* meets to buy and sell goods and services.
- Marketplace and Marketspace: physical (*Place*) Vs virtual (*Space*)

Marketplace Vs Marketspace

- Marketspace and Marketplace are the *marketing platforms* through which the products and services are *bought and sold*.
- *Marketspace* offers products and services through a *digital platform (online)*, the *marketplace* allows the buying and selling of goods and services through a *physical platform or real existing market*.
- *Marketplace*: Retail outlets, supermarkets; *Marketspace*: eBay

What is Marketed?

- Goods (*Physical, tangible*)
- Services
- Events (*E.g., IPL*)
- Experiences (*E.g., Theme Park*)
- Persons
- Places
- Properties
- Organization
- Information (*E.g., Coursera, Edx*)
- Ideas

What is Marketed?

https://www.youtube.com/watch?v=sGBr_6tjavU

https://www.youtube.com/watch?v=_weVwAhe9jI

Core Concepts of Marketing

Need, Wants and Demand:

- *Need*: Basic human need
- *Want*: Need becomes a want when it is directed to a specific product that might satisfy the need. (*Our wants are shaped by our society*)
- *Demand*: are the *want* for *specific products* backed by *an ability to pay*

Need : Food

Want: *Chicago Style Pizza (USA), Rice with lamb and carrot (Afghanistan)*

Demand: If you have money, going and asking the shopkeeper for it

E.g., Mercedes

Do Marketers *Create Needs*?

At best, *Marketers* can *validate and understand needs*. Marketers *can't create needs*.