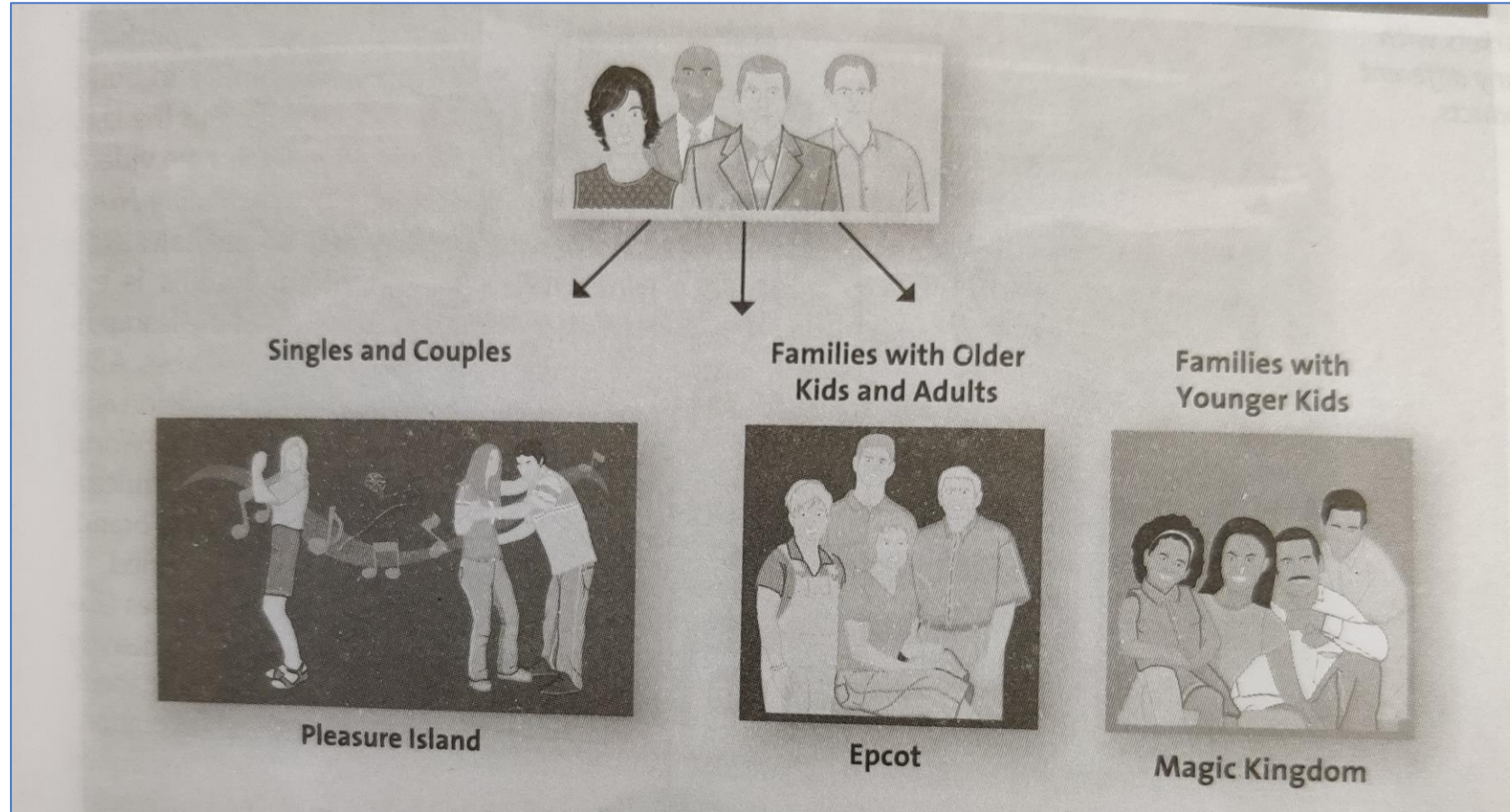


Executive Certificate Program in Strategic Digital Marketing Applied Analytics

Marketing Management

What is repositioning?



Targeting

E.g.,

- *Xiaomi*: The company has selected the *Young, tech-savvy generation* of *urban India* for its *smartphones*.
- *Nivea*: When Nivea entered in Indian Market, it selected the *top 30-35 cities* of India as its target market for its *premium skincare products*.
- *HUL*: HUL treat *entire Indian market* as their target market for *various products*.

What is Positioning?

“Market positioning involves the process of defining the marketing mix variables so that target customers have a clear, distinctive, desirable understanding of what the product does or represents in comparison with competing products.”

E.g., Mountain Dew, Thumps Up, Coca Cola

Marketing Strategy using STP

Firm: Xiaomi

SBU: Mobile Phones

- 1. Target Market: **Young tech-savvy generation** of **urban India***
- 2. Positioning: The **'affordable luxury'**. On par with the leader brand at **half of the price***

Do companies *assign the equal weightage* to all *four Ps* ?

No

Xiaomi give higher weightage to product

It gives *maximum resources* to the *product*; they spend resources on *technology, design, manufacturing* to bring the product that *will match the leading* Samsung model; *spend minimum on distribution* and *promotion* and use resources in fixing the *price as low as possible*. So that they *strongly compete* in market.

What about the *Asian Paints* ?

Asian Paints emphasises over distribution

It placed higher *emphasis on distribution*. While other players in the industry were *relying on wholesale trade*, Asian Paints *bypassed* it and *went retail*. *Invested heavily* in building a *nationwide retail marketing set-up* consisting of *14,000 retailers*. Using this, company went *national* and serving the *semi-urban* and *rural markets*, while other player are concentrating on urban market

Marketing Strategy for Xiaomi

Marketing Mix:

1. *Product*: Smartphones: Xiaomi Redmi Models
2. *Price*: Rs. 6000 – 13,000
3. *Place (Channel)*: Online, first priority, Also available in Airtel Stores
4. *Promotion*: Mainly social media and fan meets

Segmentation, Targeting and Positioning



Segmentation, Targeting and Positioning

<https://www.youtube.com/watch?v=YipOz16CpaI>

<https://www.youtube.com/watch?v=HctFehbv8-E>

Paid, Owned and Earned Media

- *Paid*: For which we *pay* to the *advertiser/advertising* agency.
- *Owned*: Media on which *company/organization* has *full control*.
E.g. *Facebook* and *twitter* handle, *brand brochure* etc.
- *Earned*: *Free media*, which is generated by the *consumers* of your *product or services*
E.g., *blog post*, *e-WOM* etc.

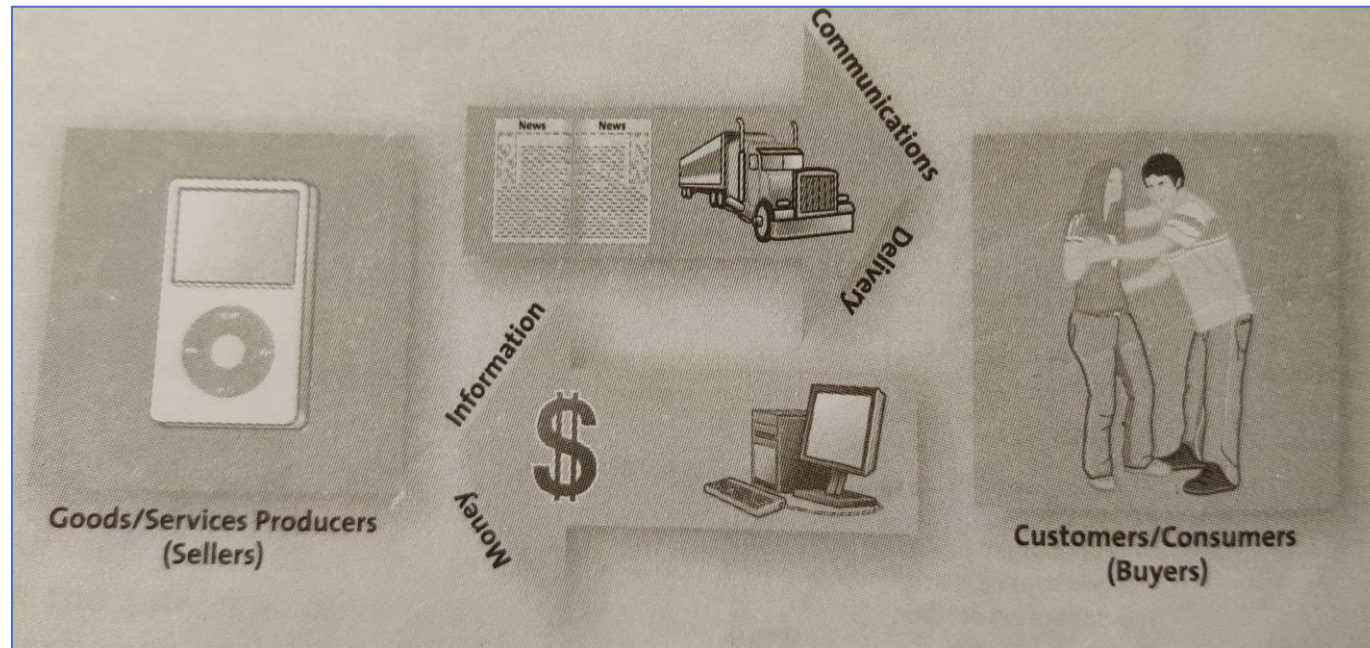
Core Aspects of Marketing

- Marketing is about satisfying customer *needs* and *wants*

E.g., *toothpaste* (salt, white teeth, sensitive)

- *Marketing Entails an Exchange*: About the trade of things of *value* between the buyer and sellers so that each is *better off* as a result.

Core Aspects of Marketing



E.g. Buying audio songs.

Core Aspects of Marketing

- *Marketing Requires Product, Price, Place and Promotion Decisions:*

Also known as *Marketing Mix* or *4 Ps of marketing*

1. *Product*

2. *Price*

3. *Place*

4. *Promotion*

Core Aspects of Marketing

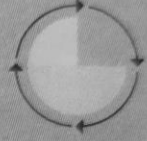




- Robert Lauterborn suggested that the *4Ps* correspond to the customers' *4Cs*:

4 Ps	4 Cs
<i>Product</i>	Customer <i>needs</i> and <i>wants</i>
<i>Price</i>	<i>Cost</i> to the customer
<i>Place</i>	<i>Convenience</i>
<i>Promotion</i>	<i>Communication</i>

Core Aspects of Marketing

1. Product: *Creating Value*
2. Price: *Capturing Value*
3. Place: *Delivering Value*
4. Promotion: *Communicating Value*

Core Aspects of Marketing

Marketing Mix	Value	
Product	Creating	
Price	Capturing	
Place	Delivering	
Promotion	Communicating	

Core Aspects of Marketing

Marketing Mix: The marketing mix is the *set of marketing tools* the firm *uses to pursue its marketing objectives* in the target market.

1. *Product:* Creating Value (*Offering*)

2. *Price:* Capturing Value (*E.g., Flight Prices*)

- Marketer, the key is to determining prices which customers are *willing to pay* so that they are *satisfied with purchase* and seller/company *generate reasonable profit*.

Core Aspects of Marketing

3. *Place*: Delivering Value

- Describes *all the activities necessary* to get the *product to the right customer* when the *customer wants it*.
- Focus is more on *supply chain management*

Core Aspects of Marketing

4. *Promotion*: Communicating Value

- Best products even will go *unsold* if marketers cannot *communicate their value* to the target customers.

Core Aspects of Marketing



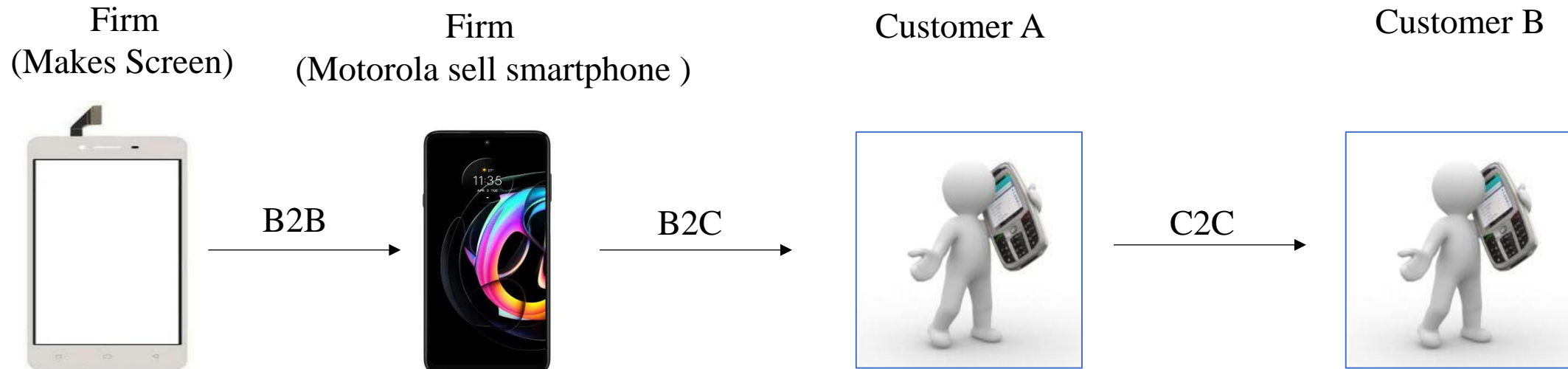
Source: <https://depositphotos.com/stock-photos/service-marketing-mix.html>

Core Aspects of Marketing

- Marketing can be performed by both Individual and organizations:
 - *B2C* (Business-to-Consumer) marketing
 - *B2B* (Business-to-Business) marketing
 - *C2C* (Customer-to-Customer) marketing

Core Aspects of Marketing

- Marketing can be performed by both Individual and organizations:



- Activities while Applying for a job:
 - *Resume* and cover letter
 - *Research* about the company
 - The way one *dress* for an interview

Are these activities can be considered as marketing?

Growth Strategies

- Firms consider pursuing various market segments as part of their *overall growth strategies* which may include the four major strategies..

	Current Products	New Products
Current Markets	1. Market-penetration strategy	3. Product-development strategy
New Markets	2. Market-development strategy	(Diversification strategy)

Growth Strategies

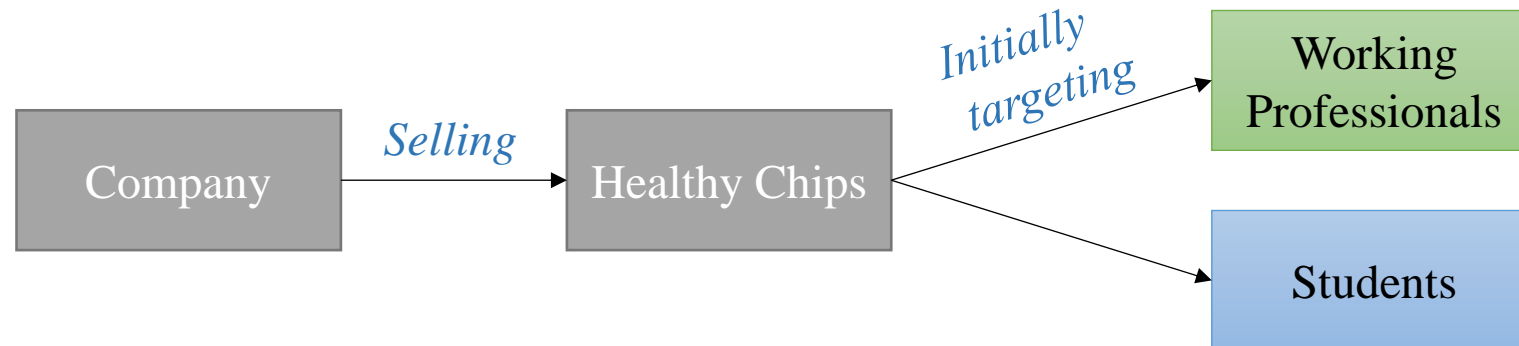
- *Market Penetration:*
 - Focuses on *increasing sales* of *existing products* in an *existing market*.
 - E.g., Nestle adopts an *aggressive marketing* and *promotional strategies* to penetrate a market. (*attract more and more customers* in the *existing market*)

Growth Strategies

- *Market Development:*
 - Targeting with *current products* in a *new market*.
 - E.g., Nestle plans to enter in the *new market*, making sure that the product is available at *lower prices*.
 - Effect of *brand image*.

Growth Strategies

- *Market Development:*



Growth Strategies

- *Market Development:*

How to implement:

- Entertaining a *different customer segment* in the *same geographic area*
- Expanding *markets geographically* i.e., *domestically* and *internationally*

In Market development strategy, do the company develop any product?

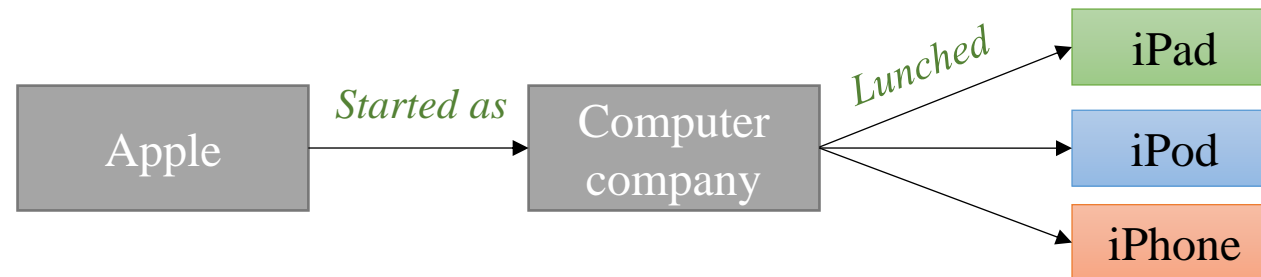
Not introducing a new product, targeting a new market segment

Growth Strategies

- *Product Development:*
 - Introducing *new products* in an *existing market* for expansion.
 - E.g., To succeed internationally, McDonald's creates *several products* to meet *customers demands* in the *local markets*.
 - Also introduced the *Big Mac* to *Maharaja Mac* which contains *no beef*

Growth Strategies

- *Product Development:*



Growth Strategies

- *Product Development:*

When to implement:

- Implemented when the company has an established *large customer base* and the market for its *existing products* is on the *brink of saturation*
- It is *easier to market a new product* to an existing customer base as they are *already aware of the company and its products*.

Growth Strategies

- *Diversification:*
 - Introducing *new products* in a *new market*.
 - Two types: *Related Diversification* and *Unrelated Diversification*
 - E.g., Honda motor company has its core competencies in *cars* and *trucks*, But started producing *motorcycles*.

What about *Reliance* in case of *Jio* ?

Growth Strategies

- *Diversification:*



Marketing Environment

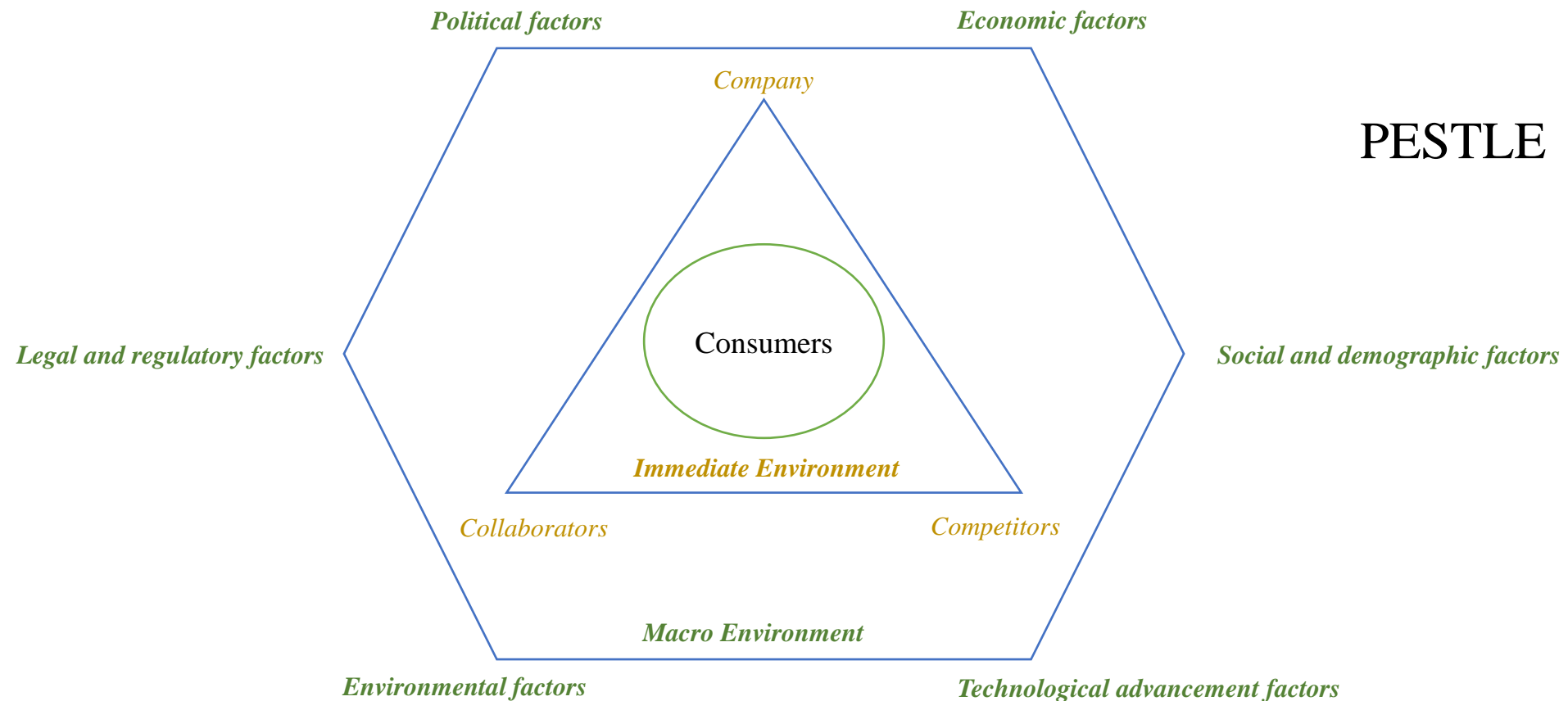
What do you understand by *'Environment'* ?

What do you understand by *'Marketing Environment'* ?

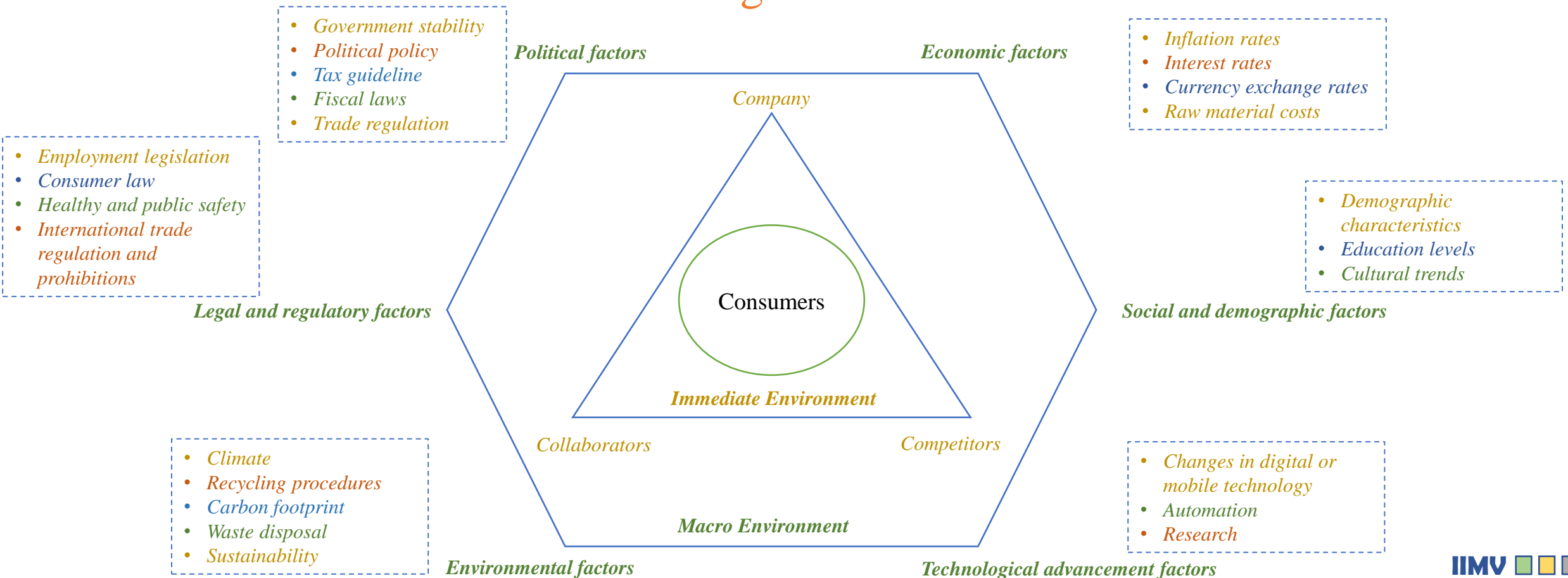
What do you understand by ‘*Marketing Environment*’?

A marketing environment encompasses all the *internal* and *external factors* that *drive* and *influence* an organization's *marketing activities*

Marketing Environment



Marketing Environment



Consider a company that sells *electric cars*.

The *marketing environment* for this company could *include factors*:

Growing concern for the *environment and sustainable energy* (**social forces**)

Government policies and incentives for electric vehicles (**political forces**)

Advancements in *battery technology* (**technological forces**)

Competition from traditional gasoline-powered cars and other electric car companies
(**competitive forces**)

Regulations regarding *emissions and safety* (**legal and regulatory forces**)

Overall, *economic climate and consumer spending habits* (**economic forces**).

E.g., Recent reduction in EV car prices in India

Any Example of Macro Environment

Technology Impacts the Environment of An Industry: TELCOS

Consumer Behavior

Difference between Customer and Consumer

- Product may be *purchased by one person* and *consume by other*
- *Consumer, not the purchaser*, determines the *product satisfaction*
- Purchase of the product depends upon the *consumers expectations* of the degree to which *it satisfy the needs*
- Consumption determines whether these *expectation are confirmed*

What is ‘Consumer Behavior ?

“Consumer behavior is the *study of how individuals, groups and organizations select, buy, use and dispose of goods, services, ideas or experiences to satisfy their needs and wants*”

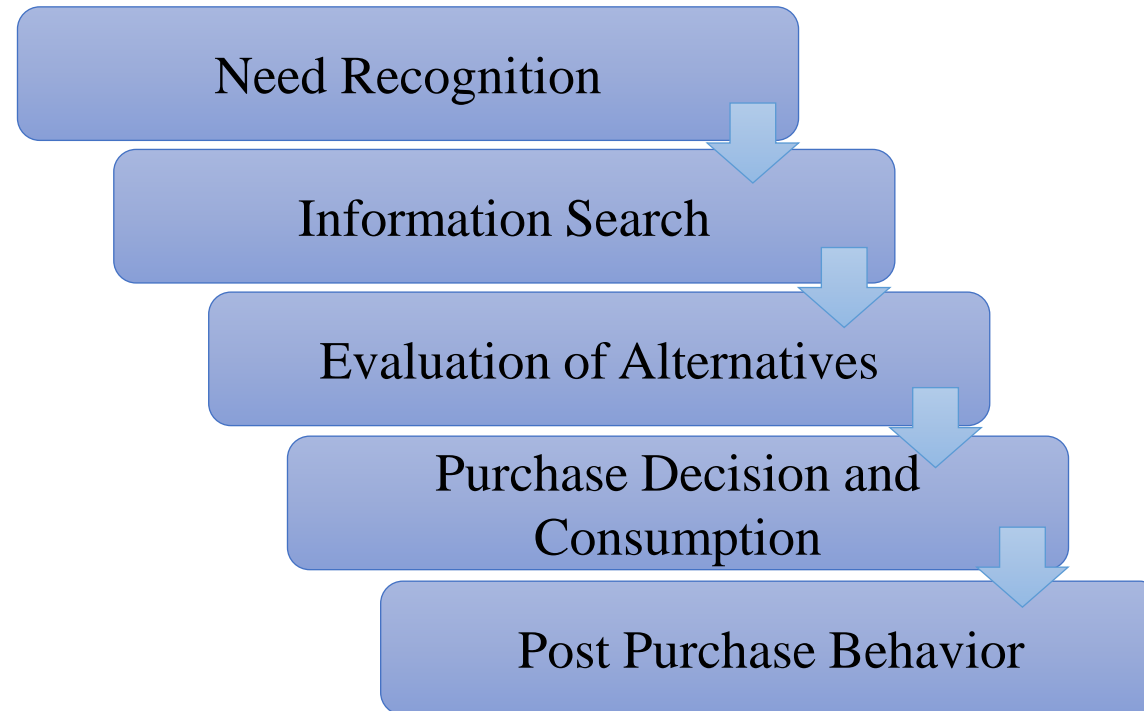
When does '*Buying process*' begin ?

It start when *consumers recognize* that they have an *unsatisfied needs*.

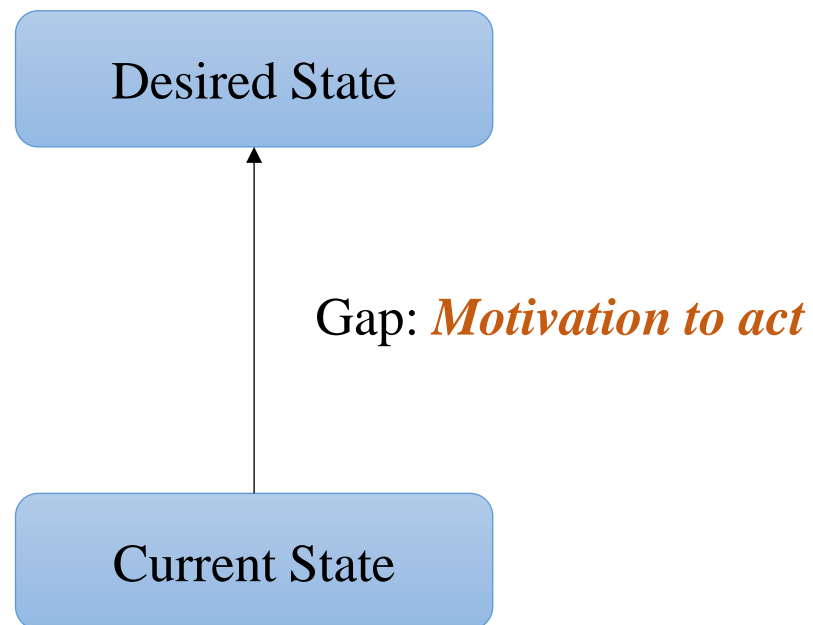
What is ‘Consumer Decision Process’ ?

“The Consumer decision process model *represents the steps* that consumers go through *before, during* and *after* making purchases”

Consumer Decision Process



Need Recognition



Need Classification:

- *Functional Needs:* It pertains to the *performance* of a *product or services*. E.g., *need for transportation* can be fulfilled by *a bicycle, a motorcar* or *a scooter*.
- *Psychological Needs:* It pertains to the *personal gratification* consumers associate with a product/service. E.g., BMW motorcycle.

Information Search



E.g., Examines *own memory* and *knowledge* about product/service

E.g., Gathering information from *friends*, *salesperson*, *internet* etc.

Information Search

- **Personal:** Family, Friends, Neighbours
- **Commercial:** Advertisements, Web sites, Sales-persons, Dealers, Displays
- **Public:** Mass Media (Newspapers, magazines, radio, television, and the Internet),
Consumer organizations
- **Experiential:** Handling, Examining, Using the Product

Evaluation of Alternatives

- By now, *we have products*.
- We need to *choose the best one* based on *our criteria*

How?

Expectancy Value Model

Consumers *evaluate products* by a *set of attributes*

Weights attached to *each attribute*

Total *perceived value* = *sum* (*weights* x *value of each attribute*)

Suppose Person X has narrowed her choice set to four laptop computers (A, B, C, D). Assume that he is interested in four attributes: *memory capacity, graphics capability, size and weight, and price*. Table below shows his beliefs about how each brand rates on the four attributes.

If one computer dominated the others on all the criteria, we could predict that persons X would choose it. But, as is often the case, his choice set consists of brands that vary in their appeal. If Person X wants the best memory capacity, he should buy C; if he wants the best graphics capability, he should buy A; and so on.

Laptop Computer	Attribute			
	Memory Capacity	Graphics Capability	Size and Weight	Price
A	8	9	6	9
B	7	7	7	7
C	10	4	3	2
D	5	3	8	5

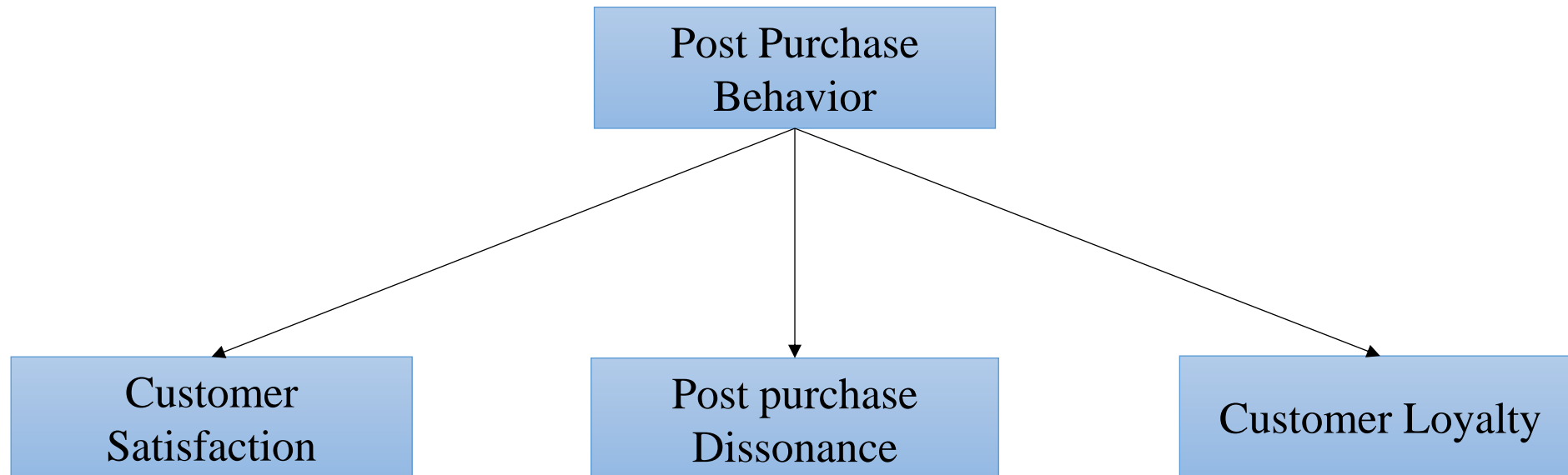
How can marketers use it to increase the probability of product selection ?

- They can *change/redesign the product attributes* (functional, improving services etc.)
- Marketers can *alter the consumers' belief* about the product (*without modifying it*), *communicating its benefits in a better way*.
- Can *alter the consumers' belief* about competitors' offering by *communicating the drawbacks of that product*.

Purchase Decision

- After *evaluating alternatives*, consumer is *ready to buy*.
- It may possible that the selected *option is not available*.
- *Value* is a *strong driver* of consumers' *purchase decisions*
- Consumers *only purchase those products* which *provide them best value*

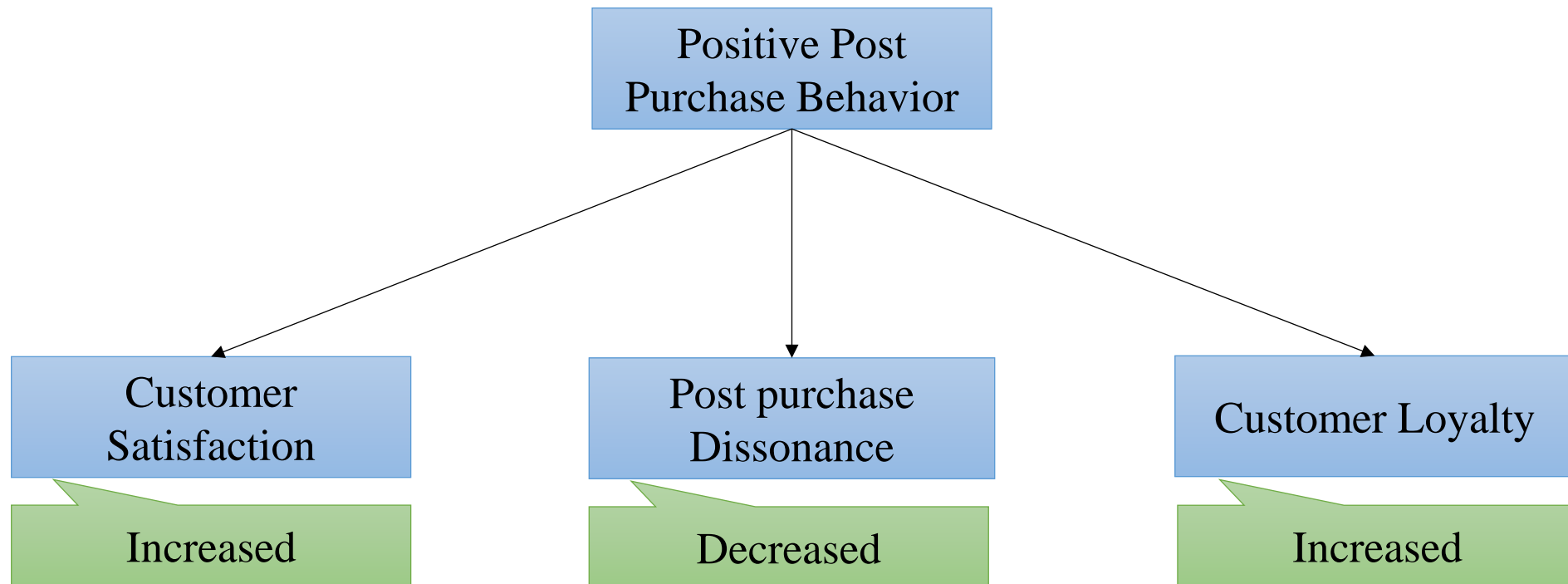
Post Purchase Behavior



What is 'Post Purchase Dissonance' ?

- It occurs when a *consumer questions* the *appropriateness* of a purchase after *his or her decision has been made*.
- It is *likely* for the product that are *expensive*, *infrequently purchased* and are associated with *higher levels of risk*

Post Purchase Behavior



Undesirable Consumer Behavior

Firm want *satisfied, loyal customer*

Do you think that it is always happen?

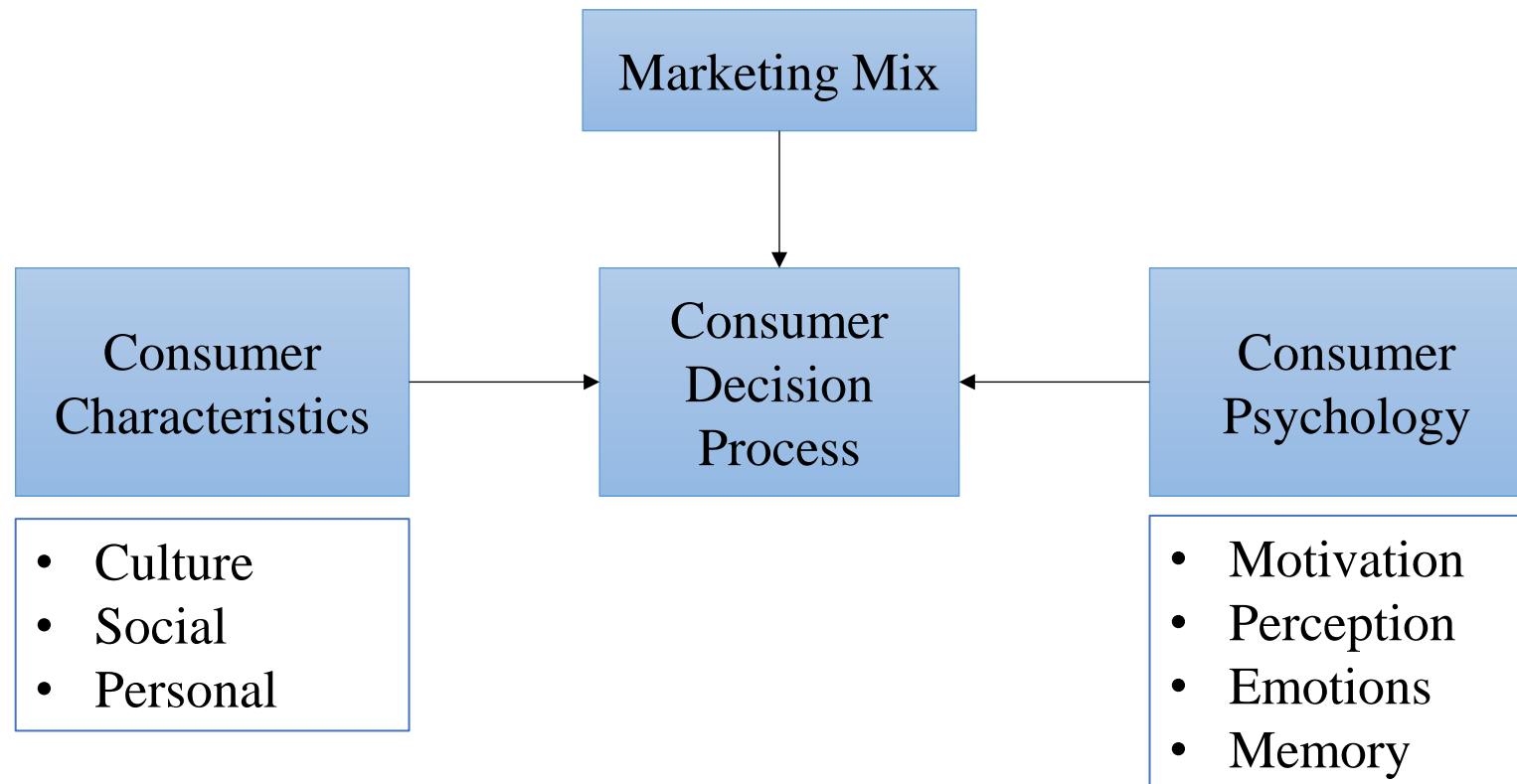
Passive consumers: do not repeat purchase and *not recommend* to it to others.

What do such kind of consumers do?

Spread the *negative word of mouth* and rumors

What is negative word of mouth?

Factors Affecting the Consumer Decision Process



Consumer Characteristics

Culture:

*“the **customs**, **ideas**, **beliefs**, etc. of a particular **society**, **country**, etc.”*

- McDonalds has different type of Burgers in USA, UK and India

Do you think that culture can affect consumers' buying behavior?

Consumer Characteristics

Subcultures:

- Each culture consists of *small sub-cultures* that provides more specific *identification* and *socialization* for its members.
- Sub-cultures include religions, racial groups, and geographic regions (regional).

E.g. *One Plus*

Why did OnePlus launch the 5, not the 4?

Consumer Behavior

Any example?

- Females staying in *West Bengal or Assam* would prefer buying *sarees* as compared to Westerns.
- Wear *traditional attire on marriages*
- People in North India *prefer breads over rice*

Marriage attire across religion

- A *Hindu bride* wears *red, maroon* or a *bright colour* lehanga or saree
- *Christian bride* wears a *white gown* on her wedding day.
- It is against Hindu culture to wear white on auspicious occasions.
- *Muslims* on the other hand prefer to *wear green on important occasions.*

Social Factors

Reference Groups: All groups that have a direct (face-to-face) or indirect influence on one's attitude and behaviors.

Do you think that it has an influence on buying decision making?

Opinion Leaders:

- Is a person who *offers informal advice* or *information* about *a specific product or product category*.
- E.g., Technical Guruji

Social Factors

What about family?

- *Family of orientation:* Parents and siblings
- *Family of procreation:* Spouse and children

Personal Factors

- *Age and Stage in family life cycle*: Think of the buying needs of a 24-year-old vs. a 50-year-old, E.g.,. **Recent married couple** vs. *a Student studying in college*
(Accommodation)
- *Personality*: Personality is a *set of distinguishing characteristics* that **differentiate one person from another**. THUMS-UP: TASTE THE THUNDER

Consumer Psychology

- A marketer's task is to understand what happens in consumer's consciousness between the arrival of the outside marketing stimuli and ultimate purchase decisions.
- Four key psychological process:
 - *Motivation*
 - *Perception*
 - *Learning*
 - *Memory*

Consumer Psychology

Motivation: The *zeal* that drives us to act [Needs, Wants, Demands]

- Marketing is about satisfying needs and wants of the customers.
- When thirst (a need), or Diet coke (want) is not satisfied, then it motivates us to get satisfaction.
- So, a motive is a need or want that is strong enough to cause the person to seek satisfaction.

Consumer Psychology

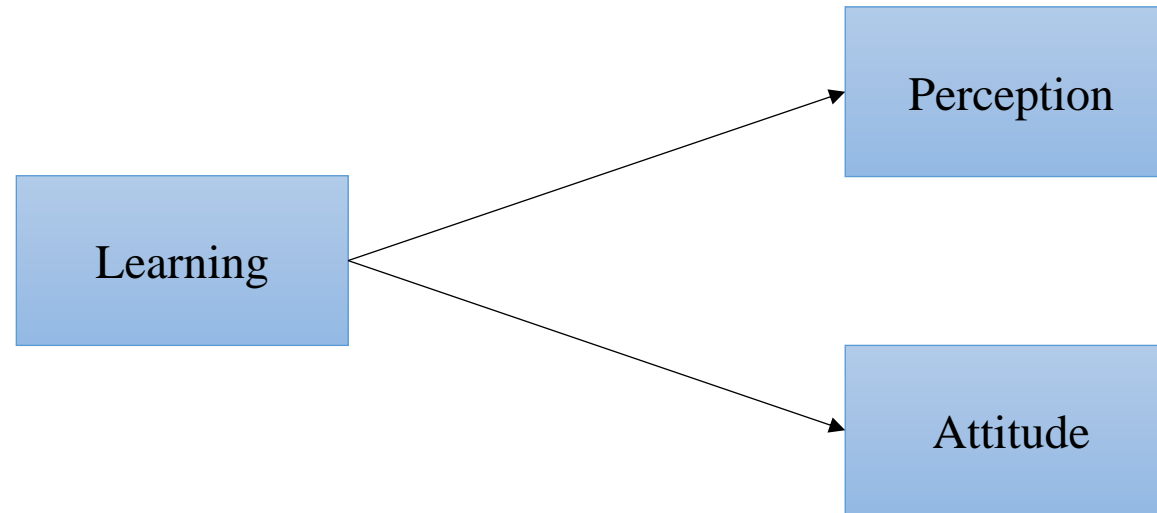
- *Perception*: Process by which we select, organize and interpret information inputs to create meaningful picture.
- E.g., Person 'A' want a Volvo car as his friend has one and they had a good time. However, based on his experience, person B has a different perception. B think that Volvo are slow, unfashionable and usually driven by old people: though cars are safe. Hence, Volvo worked hard and to change this negative perceptual bias person B and other people hold by creating faster cars with more stylish design

Consumer Psychology

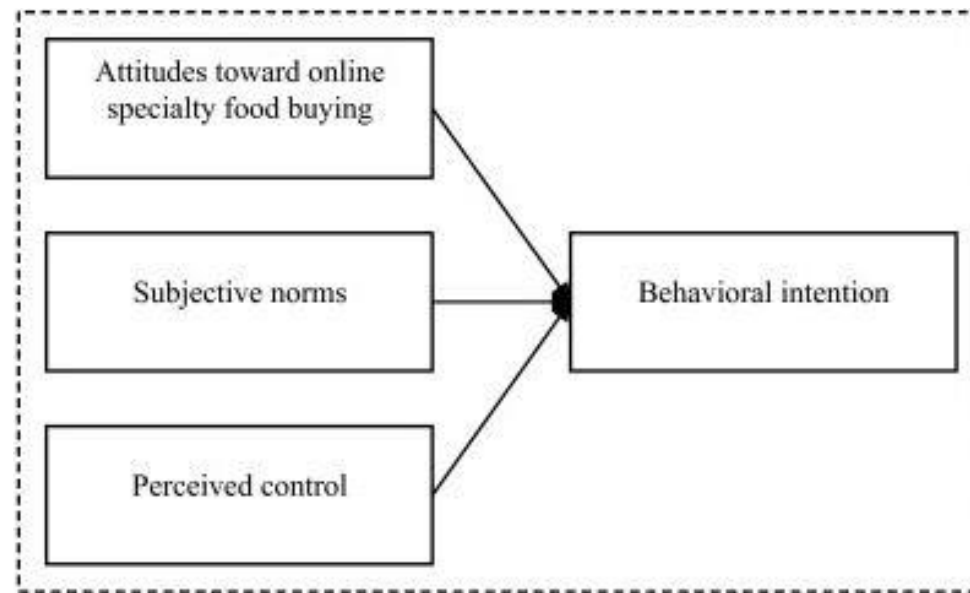
Learning: A relatively permanent change in our behavior *arising from experience*

- E.g., Person A need a movie rental services, he started looking
 - *for the ads,*
 - *searching for review*
 - *article on internet*
- Learnt a lot about *services* and became a part of *his memory*, to be used in future.
- He can *recommend* the services to his friends

Consumer Psychology



Consumer Psychology



Ajzen (2001) argued that attitude represented an individual's positive or negative perception and evaluation of behavior.