

ELEMENTS OF MARKETING

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UNDERSTANDING MARKETING IN CONTEXT

What is Marketing?

- The American Marketing Association defined Marketing as “the process of planning and executing the conception, pricing promotion and distribution of ideas, goods and services to create exchanges that will satisfy individual and organizational objectives”.
- Kotler et al 1999 defined Marketing as “a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products of value with others.”

DEFINING MARKETING

- The American Marketing Association recently defined Marketing as “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.
(Approved July 2013).

THE NATURE OF MARKETING

- Marketing has to operate as a **system**
- Marketing describes a **function** of business
- Marketing is an umbrella term for a **range of techniques**
- Marketing is an ongoing **process**
- Marketing describes **concept**

- **It describes *concept*:** the belief that the customer is of prime importance in business, that success comes from customer orientation, seeing every aspect of the business through the eyes of the customer, anticipating their needs and supplying what they want in the way in which they want it; not simply trying to sell whatever we happen to produce.

- **Marketing describes a *function of business***; to define it formally: ‘the management function that is responsible for identifying, anticipating and satisfying customer requirements profitably’, or in other words it is the process that implements the concept. Such must clearly be directed from a senior level and take a broad view of the business. More simply put, someone must wear the marketing ‘hat’

- **Marketing is an umbrella term for *a range of techniques***; not just selling and advertising but all those techniques concerned in implementing marketing in all aspects: market research, product development, pricing, and all the ‘presentational’ and promotional techniques, including selling, merchandizing, direct mail, public relations, sales promotion, advertising and so on.



- **Marketing is an ongoing *process***, one that acts to ‘bring in the business’ by utilizing and deploying the various techniques on a continuous basis; and doing so appropriately and creatively, to make success, nor can it be applied ‘by rote’- the skill of those in marketing lies precisely how they act in an area that rightly is sometimes referred to as being as much an art as a science.

- **Marketing has to operate as a *system*** and involves variable factors that operate both inside and outside the marketing organization. The marketing system positions the marketing process within a broader context and links the organization to the outside world. It links the market and the company and attempts to reconcile the conflict between the two.

ASSUMPTIONS ABOUT MARKETING

- **“Marketing is advertising”**

Consumers are always bombarded with advertisements

- **“Marketing is selling”**
- Marketers are rather concerned with questions like
- Whom are we selling to?
- -What do they want to be sold?
- -How do we know what they want?
- -Who else is trying to sell them something similar?
- **“Marketing is getting people to buy products they do not really want”**
- People are made to buy products like electric toothbrush, fridge magnets in the shape of fruits even though they do not need them. However, consumers are forced to associate with products because of the inherent prestige and image that accompany them.

- ## Why Study Marketing

Our practical reason is that marketing offers many career opportunities, including opportunities in advertising, sales, product management, retail store management and other fields.

The study of marketing principle can help you become a more productive, valuable co-worker

- . In addition, many of the skills and tools of marketing can be applied in other functional areas of business.

- . Marketing skills can also help you achieve the goals you have set for your career.

Marketing skills can also help you become a more knowledgeable consumer, as you will better understand the marketing practices that influence your purchases.

FUNCTIONS OF MARKETING

- **Pricing**
- **Financing**
- **Marketing Information Management**
- **Product / service management**
- **Promotion**
- **Selling**
- **Distribution**

- **Distribution** involves deciding where and to whom products need to be sold in order to reach the final user. The logistics of physically moving and storing goods are also part of distribution planning. Primary methods of transportation are by trucks, rail, and ship or by air. Certain large retail shops store products in central warehouses for later. It also involves the systems that monitor products so that they can be located at any time

- **Financing** It is the idea of getting money that is necessary to pay for the operations of the business. Business owners mostly obtain loans from the banks to begin a new business or to augment an ongoing investment. In some cases, corporations are formed and shares of the business are sold. Financing also involves decisions about whether to offer credit to customers or not. Most retailers offer customers payment options such as visa card or master card while some other businesses offer their credit services

- Retrieval of storage of information; Information must be reliable and time bound. Getting the necessary information to make sound business decisions is known as **Marketing Information Management**. Most of this information is obtained through marketing research. Companies conduct marketing research to learn more about their customer preferences and how to better market their product.

- **Pricing** decisions dictate how much to charge for goods and services in order to maximize profit. Most pricing decisions are based on competitive pricing and determining how much customers are willing to pay. Other pricing goals include what to do to gain a fair marketing share and achieving a certain return on an investment. Pricing concept and strategies are utilized in determining and adjusting prices to maximize return and meet customer perceptions of value

- **Product / service management**
- This is to obtain, develop, maintain, and improve a product or a product mix in response to marketing opportunities. Product management decisions are invariably on the basis of marketing research which will express the requirements or the needs and wants of the customer.

- **Promotion**

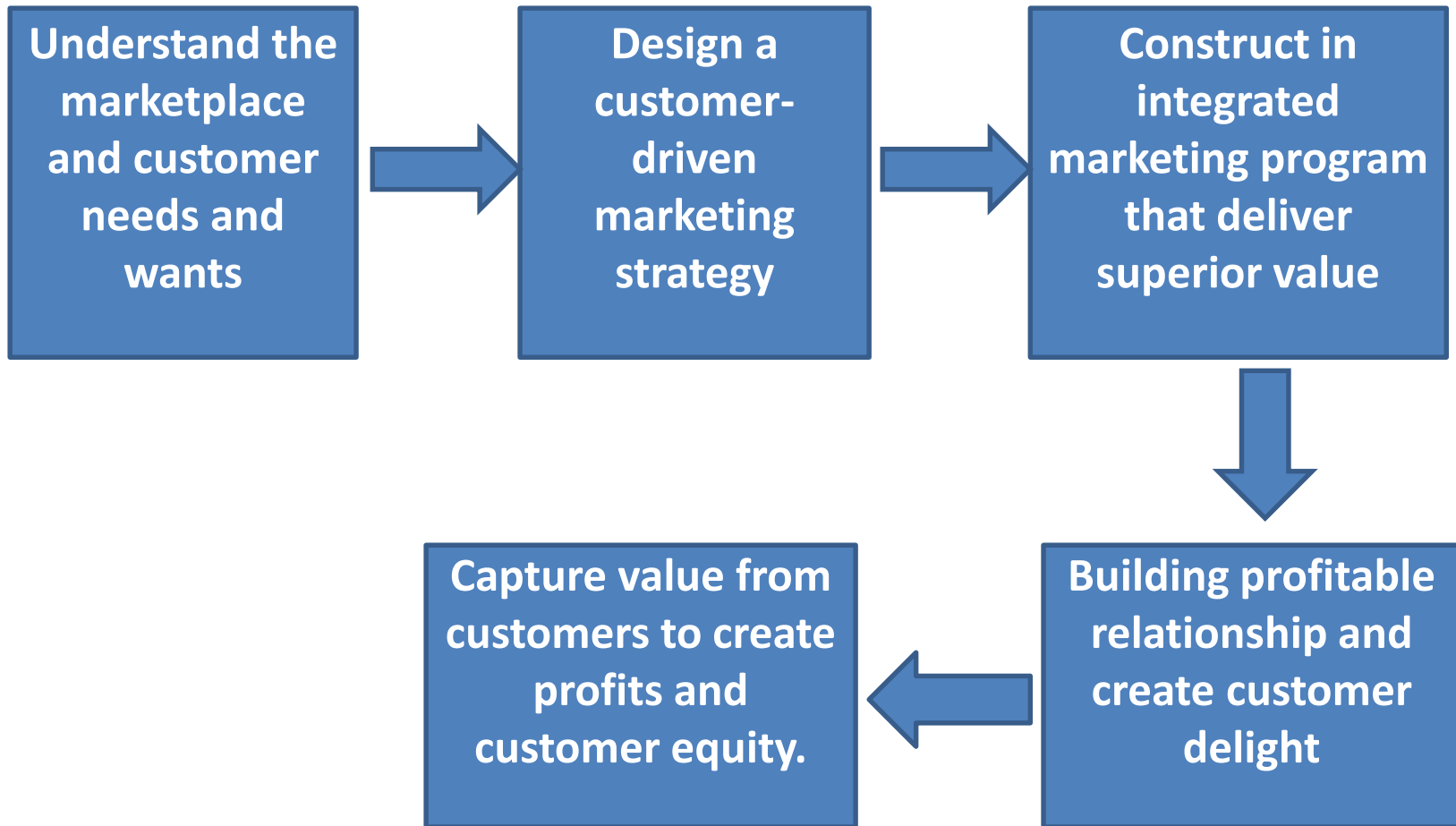
- It is constituted in communicating with potential customers by informing, persuading or reminding them about a business product. Examples of promotions can be found in the TV, or radio commercials known as advertising. In other media, promotion is carried out in the form of print and on line activities.

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- **Selling**
- It provides an avenue for customers to acquire goods and services that they require or want. This includes selling in a retail market to a customer or selling in the business to business market to industrial users. The concept is used to determine the need and want of clients that could affect the purchasing decision and also enhance future opportunities of the business. In all these functions of marketing the aim is to satisfy the needs and wants of the customers in order to make profit.
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THE MARKETING PROCESS

A simple Model of the Marketing Process



Understanding the Marketplace and Customer Needs

- **Customer Needs, Wants, and Demands**
- **Market Offerings-Products, Services, and Experiences**
- **Customer value and satisfaction**
- **Exchanges and Relationships**
- **Markets**

Designing A Customer-Driven Strategy

- To design a winning marketing strategy, the marketing manager must answer two important questions:
- What customers will we serve?
- How can we serve these customers best?
- The company must decide who it will serve by first dividing the market into segments of customers since the market out there is large and select which segment to go after (target marketing). The company must also decide how it will serve targeted customers-how it will differentiate and position itself in the marketplace.
- For marketing managers to design strategies that will build profitable relationships with target buyers, it should be guided by some philosophies (production, product, selling, marketing philosophies)

- **Preparing an Integrated Marketing plan and Program**

Next, the marketer develops an Integrated Marketing program that will actually deliver the intended value to target the customers. The marketing program builds customer relationships by transforming the marketing strategy into action. It consists of the firm's marketing mix, the set of marketing tools the firm uses to implement its marketing strategy.

- **Building Customer Relationship**

Customer Relationship Management is perhaps the most important concept of modern marketing.

Customer Relationship (CRM) is the overall process of building and maintaining profitable customer relationship by deliver superior customer value and satisfaction. It deals with all aspects of acquiring, keeping, and growing customers.

- **Capturing Value from Customers**

The final step involves capturing value in return, in the form of current and future sales, market share, and profits. By creating superior customer value, the firm creates highly satisfied customers who stay loyal and buy more. This in turn, means greater long-run returns for the firm.

THE MARKETING MIX

The marketing mix is the specific combination of interrelated and interdependent marketing activities in which an organization engages to meet its objectives.

The marketing mix may have many facets, but its elements can be placed in four basic categories: product, place (distribution), promotion, and price (The Four Ps)

FOUR PS OF MARKETING

- **Product:** The term product refers to what the business or nonprofit organization offers to its prospective customers or clients.
- **Place:** Determining how goods get to the customer, how quickly, and in what condition involves formulating a strategy regarding place, or distribution. Transportation, storage, materials handling, and the like are physical distribution activities.

FOUR PS OF MARKETING (Cont.)

- **Promotion:** Marketers need to communicate with consumers. Promotion is the means by which marketers “talk to” existing customers and potential buyers.
- **Price:** The amount of money, or sometimes goods or services, given in exchange for something is its price.

THE EXTENDED MARKETING MIX

More recently, with the growing importance of service marketing, the original marketing mix of the four P's has been extended to seven P's.

The extra three P's are:

- People
- Physical evidence
- Process

- **People**

The importance of people within the organization has already been touched on (the marketing culture). Here, the concept is viewed to encompass everyone at every stage of marketing activity, inside the company and outside; essentially customers, employees and suppliers. For instance, individual people- a waiter in the hotel or restaurant, for instance- can be a major influence, and can almost be considered part of the product or service. Similarly, chains of people all have to be satisfied and work together if marketing is going to maximize its success.

- **Physical evidence**

This describes the tangible aspects of the delivery of products to its customers. One example of this is the merchandizing and display that contributes to the convenience and visual impact of products on display in a retail outlet and help to make purchase more likely. Other examples are the premises used by organizations offering services. For example, banks are traditionally housed in premises that reflect security and a solid structure. A person considering which estate agent to instruct for the sale of a house may be influenced by the general appearance and décor of the agent's premises and the displays of houses for sale- the physical evidence of the service they expect to receive.

- **Process**

The actual procedures and mechanisms involved in the delivery of the product or service are also very important. For example, a person deciding to book an eye test will probably go through a number of processes, starting with a telephone call to book a convenient appointment. On arriving at the test centre, they expect to be greeted and made to feel comfortable, particularly if this is their first occasion. Part of the process might involve help and advice in choosing suitable frames, answering questions, dealing with payment and booking a follow-up appointment. There may be several different people involved in the process, and for a marketer the challenge is to make the process work seamlessly and to give the customer what they expect in terms of 'good advise', ease of payment etc.

MICRO MARKETING

It is the practice of tailoring products and marketing programs to suit the tastes of specific individuals and locations.

Micromarketing includes

- **local marketing** and
- **individual marketing**

- **Local marketing**
- Local marketing involves tailoring brands and promotions to the needs and wants of local customer groups- cities, neighborhoods and even specific stores. Thus, IKEA customizes each store merchandize and promotions to match its local clientele.
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- Disadvantages

Local marketing has some drawbacks. It can drive up manufacturing and marketing cost by reducing the economics of scale. It can also create logical problems as companies try to meet the varied requirements of different regional and local markets. And brands overall image may be diluted if the product and message vary in different localities. Still, as companies face increasingly fragmented markets, and as new supporting technologies develop, the advantages of local marketing often outweigh the drawbacks.

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- Advantages

Local marketing helps a company to market more effectively in the face of pronounced regional and local differences in community demographics and lifestyles. It also meets the needs of the company's first-line customers'-retailers- who prefer more fine-tuned product assortments for their neighborhoods. It maintains local variety and color, but at a cost.

- **Individual Marketing**
- In the extreme, micromarketing becomes **individual marketing**- tailoring products and marketing programs to the needs and preferences of individual customers. Individual marketing has also been labeled 'market-of-one marketing', 'customized marketing' and 'one-on-one' marketing

MACRO MARKETING

It is a social process that directs an economy's flow of goods and services from producers to the consumers in a way that effectively matches supply and demand and accomplishes the objectives of the society.

- Like micromarketing, macro marketing is concerned with the flow of need satisfying goods and services from producer to consumer. However, the emphasis with macro marketing is not on the activities of individual. Instead the emphasis is in how the whole system works. This includes looking at how marketing affects society and vice versa.

The role of macro marketing system is to effectively match this heterogeneous supply and demand at the same time accomplishing the society's objectives. Obviously, all nations do not share the same objectives. For example, Swedish citizens receive many free services like health care and retirement benefits. Goods and services are fairly and evenly distributed among Swedish population. By contrast, Iraq places much emphasis on producing goods and services for individual consumers and more on military spending.

TYPES OF PRODUCTS

Marketers normally classify products into specific categories. We focus the categories of, products **goods** and **services**, and **consumer** and **business products**.

Goods and Services

- Goods are physical products such as cars, golf clubs, soft drinks or other concrete entities.
- Services on the other hand are normally defined as nonphysical products such as a hair cut, football game, or a doctor's diagnosis.

Goods and Service Strategy

Although the tangibility, perishability, separability, and variability characteristics differentiate many products and services, new technological development are blurring some of these differences. Some services have characteristics similar to those of goods. For example, on-line databases are services, but the information provided is tangible, it can be stored until a customer needs it, the provider of the services is separated from the user, and there is little service variability.

- The purchase of a soft drink such as Coca-Cola in a restaurant can illustrate these differences. The soft drink is a good. It is tangible; it can be touched when it is served from a can. The restaurant can stockpile cases of Coca-Cola to serve when needed. The companies manufacturing and distributing the Coca-Cola are separated from the consumer when the product is consumed. Finally, the quality of the Coke is expected to be the same from can to can, because the manufacturing process is standardized.

- The service provided by the restaurant, however, is different. The activity of serving the coke is not tangible; it cannot be touched. The restaurant cannot store the service provided by the waiter; if there are no customers, the potential services of the waiter is wasted. The waiter's service cannot be separated from the restaurant, and it is performed in the presence of the customer. Customers consider the waiter and the restaurant to be the same. And finally the service provided by the same waiter to different customers, or by different waiters, is likely to vary in quality.

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Service characteristics	Service strategy	Examples
Intangible	Associate the service with something tangible	General Motors' Mr. Goodwrench; models of building prepared by architects
Perishable	Manage demand to utilize supply	Reduced prices for afternoon movies; lower prices for off-seasons accommodations at tourist attractions
Inseparable	Capitalize on advantages of person providing the service	Motivate service providers through compensation and recognition programs; continual training of all customer contact personnel
Variable	Standardize service delivery as much as possible	Use of technologies, such as automated teller machines to provide service; implementation of quality improvement programs

CONSUMER AND BUSINESS PRODUCTS

- Consumer products are those purchased by consumers for their personal use.
- Business products are those purchased by a firm or organization for its own use.

CUSTOMERS VS. CONSUMERS

- When businesses discuss customers, they sometimes make a distinction between customers and consumers.
- Customers buy the product. Consumers are those people who actually use the product.

- **UNIQUE SELLING PROPOSITION (USP)**
- As well as the support of an appropriate marketing mix, the one key factor that is necessary for success in the marketplace is the ability to differentiate one product from all the others that are available. By demonstrating that their product is different from others, producers are providing consumers with a reason to buy from them, instead of from competitors.
- The differentiating factor, often called the **Unique Selling Point** or **Unique Selling Proposition (USP)**, can be real or imagined.

- **1 Real USP**
- A physical difference between one product and the others, perhaps protected by a patent, gives the consumer a real benefit. Unfortunately, for many producers, however, there is little that modern technology is unable to imitate closely, even when direct copying is illegal. Real differences are likely to be short-lived and constant development is likely to be needed before consumers accept that the firm is truly innovative and has a technological edge over its competitors

- **Imagined or Perceived USP**
- This is where the difference is created and held in the minds of consumers. Effective advertising can give a product an image that appeals to a certain market segment, either by using carefully chosen imagery, by association with other items or a well-known personality. The downside to the creation of an imagined USP is the cost of creating the image, often with expensive television advertising over an extended period of time, and the risk of losing consumer confidence if the product, once bought, fails to live up to the image created.

- For a firm, the keys to marketing success in competitive market are;
- To ensure that consumers are able to distinguish its product from all the others
- To ensure that the product is supported by a coherent and consistent marketing mix
- To ensure sufficient flexibility to be able to change the mix as and when external factors change
- To ensure quality in all aspects of the business.
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- However, success also depends on what the competitors are doing and the external environment

LECTURE TWO

EVOLUTION OF MARKETING AND MARKET ORIENTATION

EVOLUTION OF MARKETING AND ORIENTATION

- Marketing management wants to design strategies that will build profitable relationships with target consumers. But what philosophy should guide these marketing strategies? What weight should be given to the interests of customers, the organization, and society? Often these interest conflict.
- There are and alternative concepts under which organization design and carry out their marketing strategies: the production, product, selling, marketing, and societal marketing and the holistic marketing concepts.

The Production Concept

The production concept holds that consumers will favor products that are available and highly affordable. This concept is one of the oldest orientations that guide sellers.

The product concept

The product concept holds that consumers will favor products that offer the most in quality, performance, and innovative features. Under this concept, marketing strategy focuses on making continuous product improvements.

The Selling Concept

Many companies follow the selling concept, which holds that consumers will not buy enough of the firm's products unless it undertakes a large-scale selling and promotion effort. The concept is typically practiced with unsought goods-those that buyers do not normally think of buying, such as insurance or blood donations.

The Marketing Concept

The marketing concept holds that achieving organizational goals depends on knowing the needs and wants of target market and delivering the desired satisfaction better than competitors do.

Difference between selling and marketing concepts

Selling Concept	Marketing Concept
1. Emphasis is on product	1. Emphasis is on customers' want
1. Company first makes the product and figures out how to sell it	2. Company first determines customers' wants and then figures out how to make and deliver a product to satisfy those needs.
1. Management is sales- oriented	3. management is profit oriented
1. Planning is short- run in terms of today's product and markets.	4. Planning is long- run in terms of new products, tomorrow's market, and future growth.
1. Stresses needs of sellers	5. stresses needs of buyers

Holistic Marketing Concept

The **holistic marketing** concept is based on the development, design, and implementation of marketing programs, processes, and activities that recognizes their breadth and interdependencies.

There are basically four broad components that characterize this concept and these are;

- **Relationship marketing**
- **Integrated marketing**
- **Internal marketing**
- **Performance marketing**

Relationship Marketing

Relationship marketing aims at building mutually satisfying long-term relationships with key constituents in order to earn and retain business. Four key constituents for relationship marketing are; **customers, employees, marketing partners and members of financial community**

Integrated Marketing

The marketer's task is to devise marketing activities and assemble fully integrated marketing programs to create, communicate, and deliver value for customers.

Internal Marketing

Holistic marketing incorporates internal marketing ensuring that everyone in the organization embraces appropriate marketing principles, especially senior management.

Internal marketing is the task of hiring, training, and motivating able employees who want to serve customers well.

Performance Marketing

Holistic marketing incorporates performance marketing and understanding the returns to business from marketing activities and programs, as well as addressing broader concerns and their legal, ethical, social, and environmental effects.

LECTURE THREE

- **MARKETING IN DIFFERENT ORGANIZATIONS**

INTRODUCTION

- **Private sector/ commercial organizations:** all commercial companies have three basic functions – though in a well-directed company they do not operate in isolation from each , and two major sources, capital labour. The three basic functions are:
 - ❖ **Production**
 - ❖ **Finance.**
 - ❖ **Marketing**

MARKETING IN DIFFERENT ORGANIZATIONS

(Cont.)

- **Industrial markets:** this phrase tends to characterize a very different area of marketing: that of 'heavy' goods sold to industry rather than to the general public. It may include involvement in engineering; the product might be machine tools or products necessary to use them (from spare parts to specialized oil), as well as a whole range of components: items bought to become part of whatever product the purchasing organization makes and sells.

MARKETING IN DIFFERENT ORGANIZATIONS (Cont.)

- **The business – to – business market** : this has much in common with the industrial market. The term business – to – business is self – apparent and came into use as a phrase more recently than industrial marketing. The difference is primarily that this category omits the heavy end of industrial marketing.

- Products here are those bought by offices and factories and by sub-groups such as what recently become known as the SOHO (small office: home office) market. The products include telephones and telephone systems, office furniture, paperclips, computer disks, technical journals, stationery, business books, and cupboards (on the basis that even the business which has everything needs somewhere to keep it!).
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MARKETING IN DIFFERENT ORGANIZATIONS (Cont.)

- **Service organizations:** These organizations sell services, for example, dry cleaning, tax-free savings accounts and firm processing to the consumer market, or industrial design, contract ploughing and staff training to the business market. Some services apply to either market, for example, accountancy, insurance and travel.

MARKETING IN DIFFERENT ORGANIZATIONS

(Cont.)

- **Small businesses:** small businesses by their very nature have less expertise and fewer resources than their bigger competitors. Although some small businesses are very aware of the importance of marketing, often the owner is focused mainly on the product or service he is offering and may see marketing as an unnecessary or 'extra' and has neither time, energy nor money to embrace.
- **Charities:** Their aim is to raise funds for worthwhile causes, rather than to make profits, but they will need to use marketing methods in a number of different ways to achieve this

MARKETING IN DIFFERENT ORGANIZATIONS (Cont.)

- **Government:** both local and national government have marketing operations. These may be on a grand scale.
- **Quasi-government and others:** this category overlaps into a whole range of other bodies: government agencies, trade organizations (like the Wool Marketing Board), educational establishment and professional bodies

LECTURE FOUR

- **MARKETING ENVIRONMENT**

BRANDING

A brand is a name, sign, symbol, or design, or a combination of these, that identifies the maker or seller of the product or service.

- There are three concepts of brands that we need to note: ***Brand Name, Brand Mark and Trademark***

Importance of Branding

- Products identification is eased. A customer can order a product by name instead of description.
- Customers are assured that a good or service has a certain level of quality if the same brand is recorded.
- The firm responsible for the product is known. The producer of the items can be as directly identified.
- Price comparisons are reduced when customers perceive distinct brands. This is most likely if special attributes are linked to different brands.

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- A firm can advertise (position) its products and associate each brand and its characteristics in the buyer's mind. This aids the customers in forming brand images, which are the perceptions a person has of particular brands.
- As social visibility becomes more meaningful, a product's prestige is enhanced via a strong brand name.
- People feel less risk when buying a brand with which they are familiar and for which they have a favorable attitude. This is why brand loyalty occurs.
- Branding helps segment markets by creating tailored images. By using two or more brands, multiple segments can be attracted.
- A brand may help enter a new product category

- **Advantages of branding**
- The advantages of branding for an organization are as follows:
- It helps to differentiate its product(s) from competitors.
- It helps to create loyalty.
- It allows for premium pricing.
- It can create a certain image and help in targeting/positioning.
- The advantages of branding to customers are:
- It can act as a guarantee of a certain level of quality.
- It makes identifying products easier (for example in crowded supermarkets).
- Haagen Dazs ice-cream is a good example of clever branding. It was developed in the USA and was based on real dairy cream. It was given a made-up name that sounded foreign and conveyed the impression of quality

Approaches to Branding

- There are two main branding strategies for an organization with a number of products.
- Umbrella branding
- Portfolio of brands

- **‘Umbrella’ Branding**
- This branding makes maximum use of a well-established brand name by using it on all the organisation’s productions. It has two main variations:
- Use of the company name on all products, often with more descriptive, individual product names e.g. Kellogg’s Cornflakes, Kellogg’s Frosties, Kellogg’s Rice Crispies, Kellogg’s Fruit ‘n’ Fibre, etc.
- Use of one brand name for all products or a group of products which is different to the company name e.g. Marks & Spencer’s use of the St Michael label for their own products.

- The main advantage of this branding approach for a company is that marketing costs are lower both for established products and when introducing new products, as the umbrella brand name is already well known. The main disadvantage is that if the company name suffers it will have a bad effect on all the products

- **‘Portfolio’ of Brands**
- This approach means using different brand names for different products, not associated with the organization’s name. It has two main variations:
- Different brands for products in different markets; for example, Reckitt & Coleman markets both Veuve de Vernay sparkling wine and Harpic toilet cleaner. Clearly consumers could be alarmed to see the same name (Reckitt & Coleman) associated with both sparkling wine and toilet cleaners and so it is only sensible for the organization to market such different types of product under completely different names.

- Different brands in competition in the same market, for example Procter and Gamble owns Ariel, Daz and Bold washing liquids. The advantage of this approach is that consumers are usually unaware of the ownership of brands and will appear to have more choice. The organization can also aim different products at slightly different markets and if one product is not doing well or receiving bad publicity, it will not affect the image or reputation of the other brands.

- The major disadvantage of this approach is that it will be very costly in terms of marketing (particularly promotion) and there is a danger of unnecessary overlap or cannibalization – this means that one of the brands might take customers from another brand owned by the same company

Choosing a Brand Name

There are several potential sources when a firm chooses brand names. These may include:

- Under brand extension, an existing name is applied to a new product. (Hewlett Packard Laserjet Printer)
- For a private brand, the middle man specifies the name. E.g. sankofa rice.
- If a new name is sought, these alternatives are available.
 - Initials (e.g. HBO, BMW)
 - Invented name (e.g. Exxon)
 - Numbers (e.g. Boeing 777, DC 10)
 - Personal name (e.g. Ford)
 - Foreign word (e.g. Nestle)
- Combination of words, initials, numbers etc (e.g. Head and shoulders shampoo).
- With a licensing agreement, a company pays a fee to use a name whose trademark rights are held by another firm.

Characteristics of Effective Brand Names

- Be easy to pronounce, recognize and remember. Short names such as Raid, Bic meet these requirements.
- Suggest something about a producer's use of attributes. Visa suggests a credit card with global use.
- Be applied to a whole line of products (Calvin Klein clothing).
- Have a pleasant or at least neutral meaning internationally (Kodak).
- Convey a different advantage (Savings plus).

PRODUCT LIFE CYCLE STRATEGIES

The product life cycle has five distinct shapes which are listed below:

- Product development begins when the company finds and develops a new product idea.
- Introduction is a period of slow sales growth as the product is introduced in the market.
- Growth is a period of rapid market acceptance and increasing profits.
- Maturity is a period of slowdown in a sales growth because the product has achieved acceptance by most potential buyers.
- Decline is the period when sales fall off and profit drops.

STRATEGIES FOR COMPETITIVE MARKETING

SWOT-Analysis: the overall evaluation of a company's strengths, weaknesses, opportunities, and threats is called SWOT analysis. External Environment Analysis [Opportunity and Threat Analysis]

- Market Leader Strategies
- Market-Challenger Strategies
- Market Follower Strategies
- Market-Nicher Strategies

STRATEGIES FOR COMPETITIVE MARKETING

The Ansoff Matrix

- Marketing penetration
- Market development
- Diversification
- Product development

Selecting a strategy

Before determining its marketing strategy, then, the firm ought to consider the three general factors:

- The business strategy
- The firm's strengths
- The market situation

Marketing Ethics

Because not all managers have fine moral sensitivity, companies need to develop corporate marketing ethics politics – broad guidelines that everyone in the organization must follow. These policies should cover distributor's relations, advertising standards, customer's service, pricing, product development, and general ethical standards.

MARKET SEGMENTATION, TARGETING, AND POSITIONING

The process of dividing a market into distinct group of buyers who have different needs, characteristics, or behaviors, who might require separate products or marketing programs is called market segmentation.

Bases for Organizational Market

Segmentation

- Programmed buyers
- Relationship buyers
- Transaction buyers
- Bargain hunters

Bases for International Market Segmentation

Just as companies do in their domestic markets, international firms would need to group their world markets into segments with distinct buying needs and behaviours.

Bases for International Market Segmentation (Cont.)

The following are how the segmentation can be done:

- They can segment by geographic location, grouping countries
- Some world markets segment on economic factors
- Political and legal factors
- Cultural factors
- Many companies also use what is known as inter-market segmentation

TARGETING THE SEGMENT

Market segmentation lets a firm tailor or develop products and strategies to appeal to the preferences and unique needs of specific groups of customers. These groups are typically referred to as target markets: groups of customers or organisations with whom a firm wants to create marketing exchanges.

Criteria for Effective Segmentation

- **Measurable**
- **Accessible**
- **Substantial**
- **Differentiable**
- **Actionable**

Segmentation Strategies

- **Undifferentiated Marketing**
- **Differentiated Marketing**
- **Concentrated Marketing**

THE MARKETING ENVIROMENT AND THE MARKETING SYSTEM

- **Microenvironment** : Marketing management's job is to build relationships with customers by creating customers value and satisfaction. Marketing success will require building relationships with other company departments, suppliers, marketing intermediaries, customers, competitors, and various publics, which combine to make up the company's value delivery network.

THE MARKETING ENVIRONMENT AND THE MARKETING SYSTEM (Cont.)

- **Macro-environment** : broad societal forces shape the activities of every business and nonprofit marketer. The physical environment, socio-cultural forces, demographic factors, economic factors, scientific and technical knowledge, and political knowledge, and political and legal factors are components of the macroenvironment.