

MARKETING AND RESEARCH

Lecture Title: Introduction to Marketing



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**Undergraduate Diploma in
Digital Marketing**

Lecture Summary

- **General overview about Marketing today**
- **Main characteristics of Marketing and its processes**
- **To compare different marketing management orientations.**
- **Marketing Research methods**



What is marketing?



Marketing Process

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Promotion

Communicating value to
customers



Customer Needs and Wants

Central focus of marketing



Distribution

Delivering products/services
to market



Conception

Developing ideas and
products



Pricing

Setting value for
products/services



Marketing definition

- **Marketing is the management process responsible for identifying, anticipating, and satisfying customer requirements profitably (*CIM, 2010*)**
- **Marketing is to establish, maintain and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by mutual exchange and fulfilment of promises (*Grönroos 1997*).**
- **Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange and satisfy individual and organisational objectives(*AMA, 1985*).**
- **Marketing is a human activity, directed at satisfying needs and wants through exchange processes (*Kotler*).**



Understanding Marketing: Key Components for Success

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Main facets of marketing



PRODUCT



PROMOTION



CUSTOMER



COMMUNICATION



DISTRIBUTION



PRICING



RESEARCH



BRANDING

Main facets of marketing

PRODUCT

- the process of creating new products or improving existing ones and its characteristics to meet the market needs

PROMOTION

- advertising, sales promotions, public relations, and other tactics to promote a product or service

CUSTOMER

target groups, purchasers of ideas, goods and services that crucial factor in any business.

COMMUNICATION

it helps to increase brand awareness and ensuring that information reaches the right audience



Main facets of marketing

DISTRIBUTION

- a process of making goods and services available and accessible to end users or customers
 - through different channels

PRICING

- the method of determining the value a producer will get in the exchange of goods and services

RESEARCH

- gathering data from different sources to identify market trends and consumer behavior

BRANDING

The technique that involves working on the values you stand for, the experiences you deliver, the feelings you evoke, and more

Understanding Market Offerings



How should goods be classified?

Industrial Market

Goods intended for use in production processes, maybe bought or sold by consumers or by organizations.

Short-lived Goods

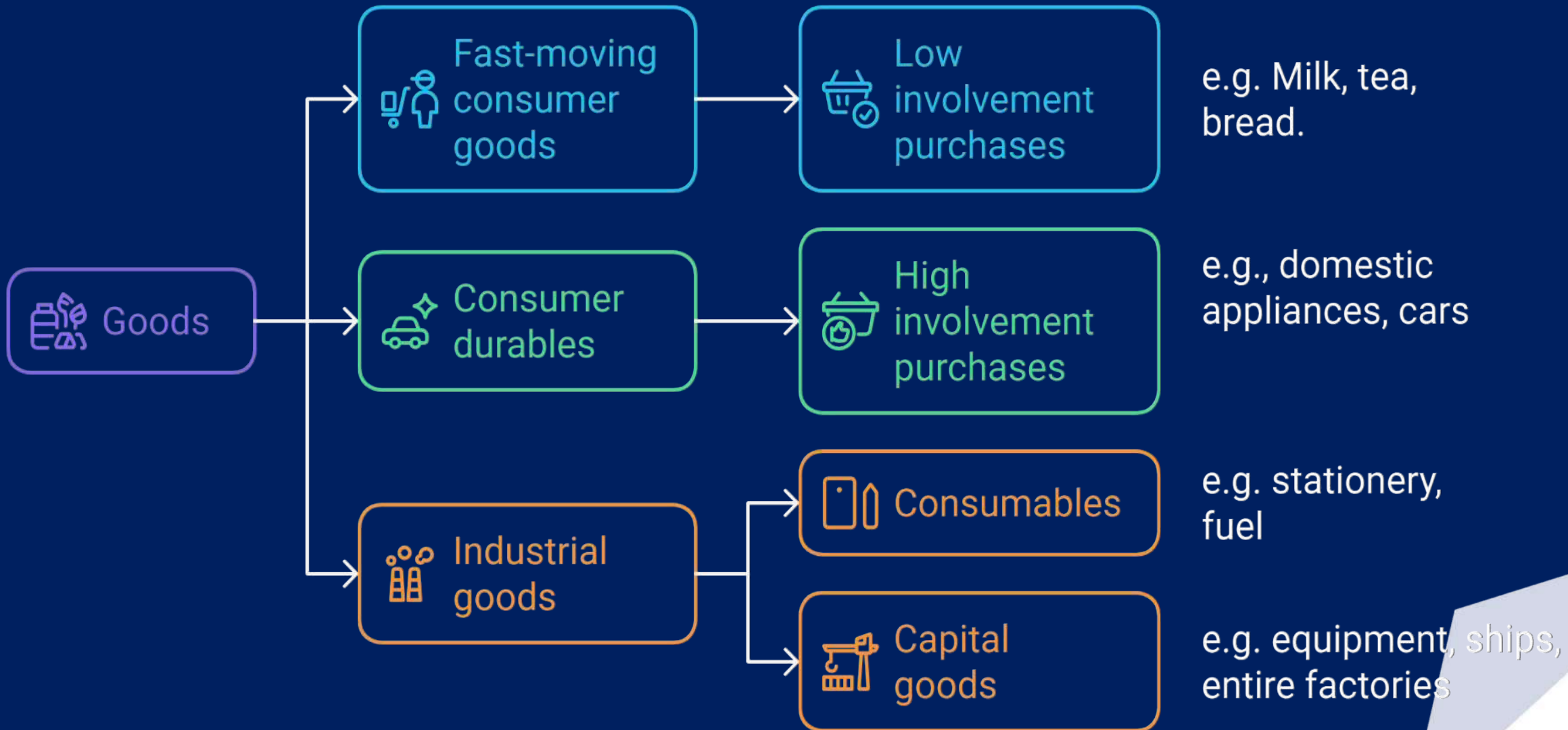
Items with a brief lifespan, often used quickly and replaced frequently.

Consumer Market

Goods intended for direct use by consumers to satisfy personal needs and wants.



Classification of Goods



Marketing Characteristics of Goods



What are services?

A pure service is any activity or benefit that one party offers to another that is intangible.

Services can be divided into three:

- ***Private Services*** - which are purely provided by the private sector only
- ***Public services*** - which are provided only by the state
- ***Merit services*** - which can be provided by the state and by private enterprise



Marketing characteristics of services



Intangibility

Services cannot be physically touched or owned



Personal Interaction

Services often require direct interaction.



Dependence on Supplier Qualities

The provider's qualities are crucial. Rely less on their inherent qualities and more on the qualities of the people who supply them



Temporality

Services are often short-lived. Almost always temporary.



Inconsistency

Services may vary in quality and specification.



No Physical Distribution Channel

Does not require physical means for distribution



Regulation

Services are subject to government oversight and regulations



Trust and Valuation

High trust is necessary, with valuation upon completion

Why do differences matter between goods and services?

- **As goods are tangible, they have a certain advantage over intangible soft services, e.g. owning a car.**
- **As services are intangible, getting and keeping of customers is challenging.**
- **Prospective consumers who never experienced the service are buying on promises, e.g., insurance.**



Choose the best approach for customer acquisition and retention



Tangible Goods

Leverage physical presence
for customer assurance

Intangible Services

Build trust through
promises and experiences



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Production Process

- **Mass Production** – In mass production, employees continuously produce the same items. Team members are typically split up into different workstations for everyone to use at once. Each workstation typically represents one material or addition to a product. Once the product gets to the end of the line, it's fully complete and ready to deliver to the customer. As one part of the product is being worked on, another is operating as well, which makes the process more efficient and productive.
- **Craft Production** – This is a non-automated process that's usually used on products that need personal care and attention in order to deliver a quality product to the consumer. Many companies use this type of production when customers order customized products that include certain unique colors, shapes, patterns or words on the design.



Production Process

- **Batch production** – Organizations typically use batch productions when they need to produce several groups of items. When this occurs, employees work in subsections of each group to complete different sections of certain batches.
- **Job production** – When creating lower-demand products, most organizations follow a job production process. This involves building a single item all at once, rather than splitting into groups that work on different parts of the product.



Production Process

➤ ***Service production*** – This process entails automating a certain service to customers. You can provide personalized services offered on machines that allow customers to press buttons to request and receive assistance.

Another service production method is technical support. If customers experience issues with one of the company's technical products and need additional guidance on how to use them, they can quickly access resources and materials to answer their questions if the support team is currently unavailable.



Production Process

- ***Mass customization*** – This type of process is a mass production line that creates products unique and customized according to consumers' needs. The customer may have the option to select certain customization options from a list of colors, shapes or patterns. When they select certain options, the mass customization process completes a unique and automated process for each individual item.

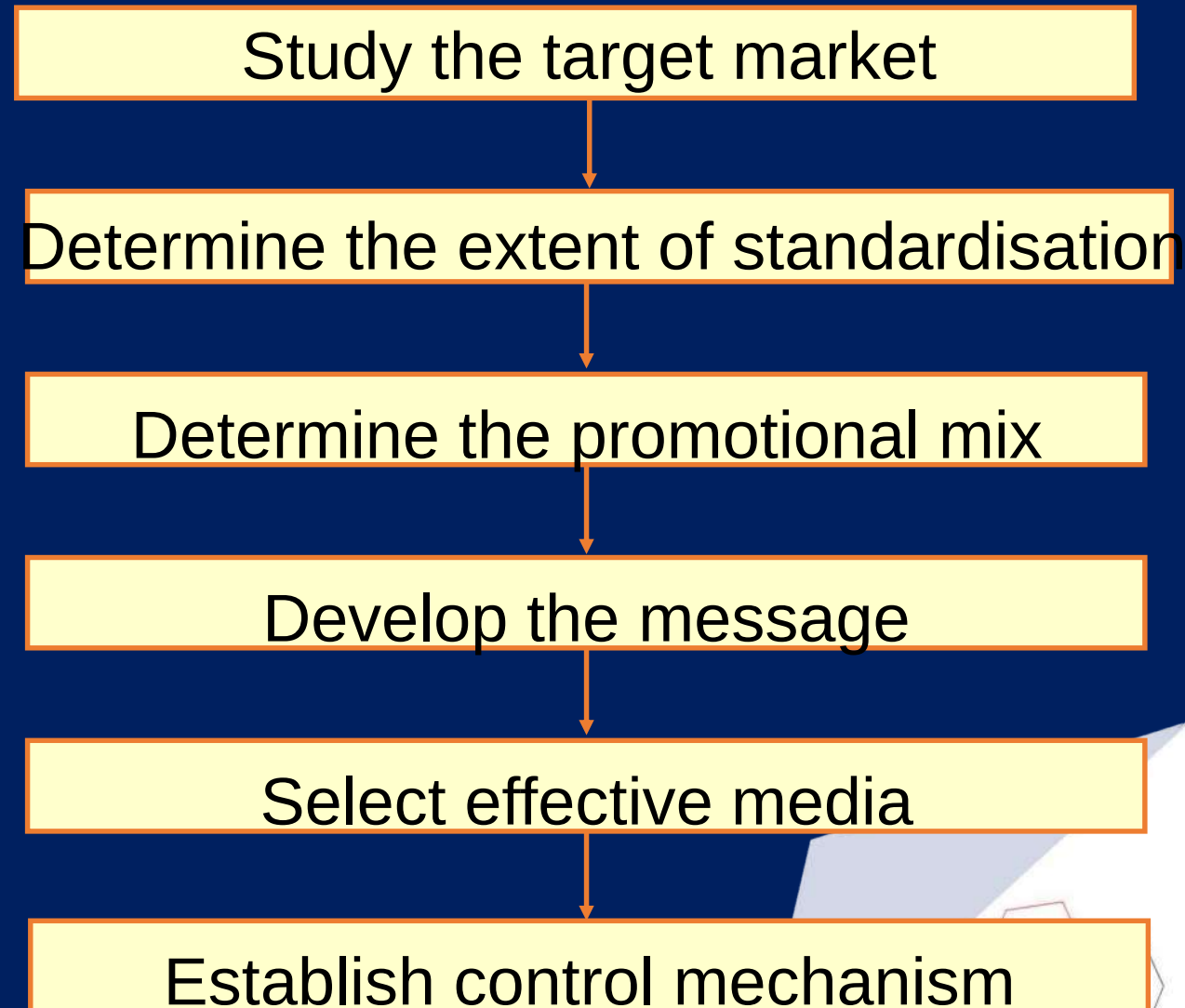


Promotion

A framework for promotion activity.

Promotional marketing can take several forms:

- **Personal selling:** one-to-one communication with a potential customer
- **Advertising:** paid promotion of a brand and its products
- **Direct marketing:** direct communication or distribution to customers



Promotion

- ***Sales promotions:*** discounts, cash back, free shipping, or other incentives to stimulate purchases
- ***Public relations:*** improving a brand's image based on consumers' positive and negative associations with it



New Promotional Strategies

- **Prior to the web, organisations had two significant choices to attract attention: buy expensive advertising or get third party ink from the media.**
- **Internet provides organisations with the ability to develop relationships directly with the consumer.**



Customer

Businesses that can understand and anticipate the needs of their customers will be the ones that succeed in the long run.

This means that businesses need to focus on creating a excellent customer experience, developing strong relationships with customers, and using customer data to guide strategic decisions.

By doing so, businesses can create a loyal customer base that will continue to support them for years to come.



THE 13 CUSTOMER TYPES

How To Segment Your Audience By Customer Type

PROSPECTS

Prospects

Suspects

Leads

CUSTOMERS

The Good

New

Novice

Active

Repeat

The Bad

At Risk

Lapsed

Unhappy

The Awesome

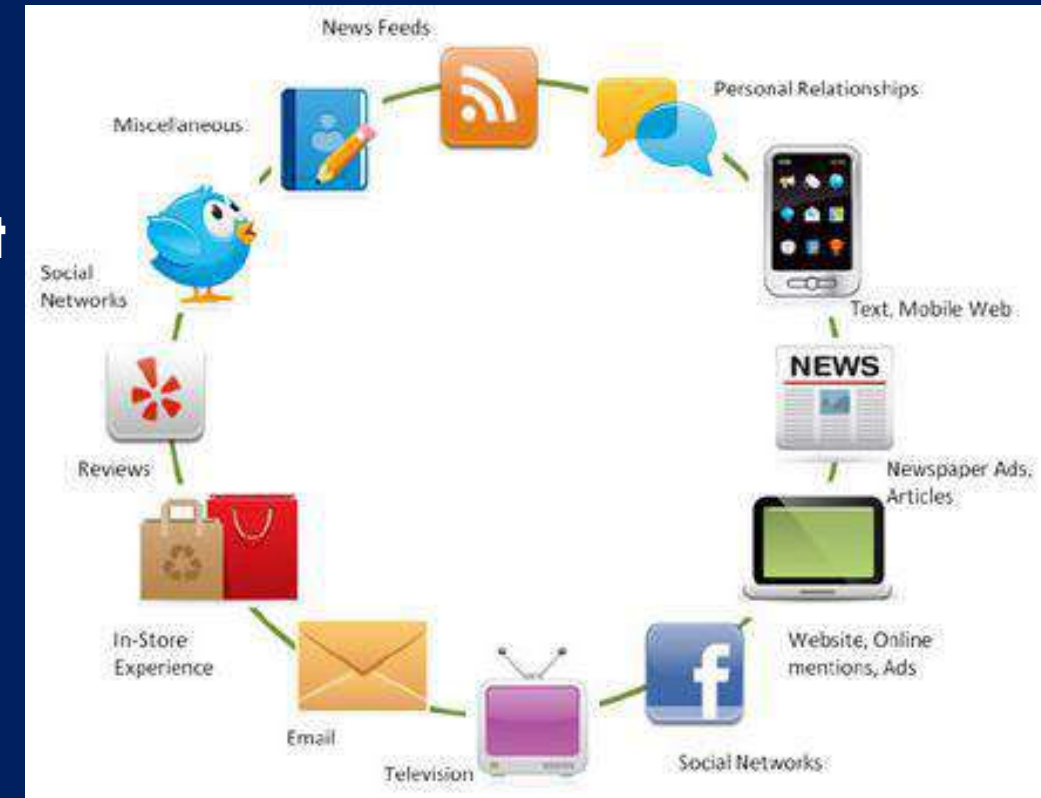
Loyal

Referring

Advocate

Communication

- Inform and make potential customers aware of an organisation's offering.
- Communication may attempt to persuade current and potential customers of the desirability of entering an exchange relationship
- Communication can also be used to reinforce experiences. Reminding people of a need or the benefits of a past transaction.
- Marketing communication can act as a differentiator. This is especially when there is little to separate competing products eg Mineral Water, Fruit.



Distribution

Packaging

- **Packaging** is the science, art and technology of enclosing or protecting products for distribution, storage, sale, and use.
- Packaging also refers to the *process* of design, evaluation, and production of packages.
- Packaging can be described as a *coordinated system* of preparing goods for transport, warehousing, logistics, sale, and end use.
- Packaging contains, protects, preserves, transports, informs, and sells.
- In many countries it is fully integrated into government, business, institutional, industrial, and personal use.



Pricing

Demographic Considerations

- 1. Number of potential buyers; their age, gender and education**
- 2. Location of potential buyers**
- 3. Position of potential buyers**
- 4. Expected consumption of potential buyers**
- 5. Economic strength of potential buyers**



Pricing

Psychological Considerations

- 1. Will potential buyers use price as an indicator of quality?**
- 2. Will potential buyers be favorably attracted by odd pricing?**
- 3. Would potential buyers perceive price as too high relative to the service product gives?**
- 4. Are potential buyers' prestige oriented and willing to pay a premium to fill this need?**
- 5. How much will potential buyers be willing to pay for the product?**



Pricing

Competitive Considerations

- 1. Number of competitors**
- 2. Size of competitors**
- 3. Location of competitors**
- 4. Conditions of entry into the industry**
- 5. Number of products sold by competitors**
- 6. Cost structure of competitors**
- 7. Historical reaction of competitors to price changes**



Pricing Strategies

- The 5 most common pricing strategies:
- **Cost-plus pricing.** Calculate your costs and add a mark-up.
- **Competitive pricing.** Set a price based on what the competition charges.
- **Price skimming.** Set a high price and lower it as the market evolves.
- **Penetration pricing.** Set a low price to enter a competitive market and raise it later.
- **Value-based pricing.** Base your product or service's price on what the customer believes it's worth.



Research



What is Marketing Research?

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Research Methods

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Primary Market Research



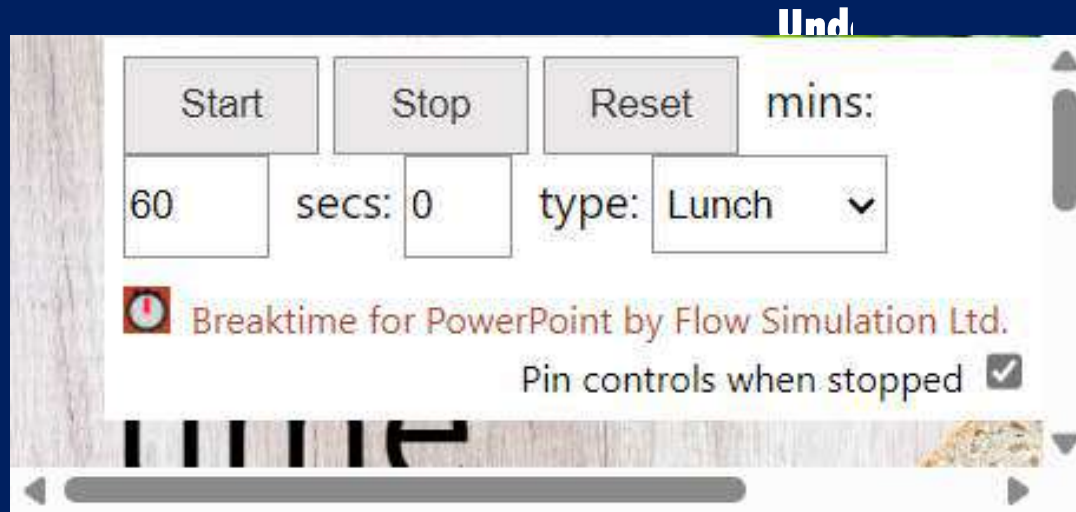
Focus groups
Interviews
Observation based research (in-person observation, videos, case studies)
Buyer persona research
Market segmentation research

Secondary Market Research



Company reports
Industry statistics
White papers
Government Agency Data
Market segmentation research





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What are you researching?

Recommended research methods

Customer needs, wants, & pain points

- Interviews
- Focus groups
- Surveys
- Observational research
- Market segmentation & demographics

Market trends & opportunities

- Competitive analysis
- Secondary market research data
- Focus groups
- Market segmentation & demographics

Business performance
& marketing efforts

- Competitive analysis
- Interviews
- Focus groups
- Surveys

Branding

The **brand of a product/service** is the corporate logo that helps to identify it, communicate its image and values and differentiate it from other goods/services

It is clearly identified by a name, sign, symbol or a combination of the three.

Branding involves creating, maintaining, protecting and enhancing the brands of products/services It is therefore very important and strategic which requires a strategic plan and tactics.



Branding

The importance of branding lies in the process of:

- **Creating brand awareness**
- **Developing a brand image**
- **Securing brand loyalty ensuring repeat purchases of the product**



Different Marketing Management concepts

- Production oriented – focuses on effectiveness of the production and distribution
 - Product concept- focuses on the quality and innovation
 - Selling oriented – on sales and promotions
 - Marketing concept – getting to know buyers' expectations and focuses on needs
 - Social Responsibility/Sustainability – customers' needs as well as customers' welfare
 - Service –dominant approach - creating, communicating, delivering, and exchanging value. (offering instead of product)
- Customers' need not considered**
- Customers' social well-being not considered**
- Value driven**



Marketing Management concepts

The marketing concept is a process by which a company plans and implements to maximize profit by increasing sales, satisfying customers' needs and beating competitors.

The purpose is to create a situation that benefits both parties: the customer and the company.



Societal Marketing Concept

The societal marketing concept goes one step beyond the marketing concept. It questions whether giving customers what they want is always good for society. What customers want does not always mean it would be good for them in the long term. What you want, and what is good for you and society as a whole, are two completely different things.



Holistic Marketing Concept

Relationship marketing shifts the focus away from quick, one-time sales. Instead, you build long-term loyalty, so customers keep coming back for years.

Integrated marketing ensures your ads, emails, and social media posts all say the same thing. The customer gets a matching experience everywhere.

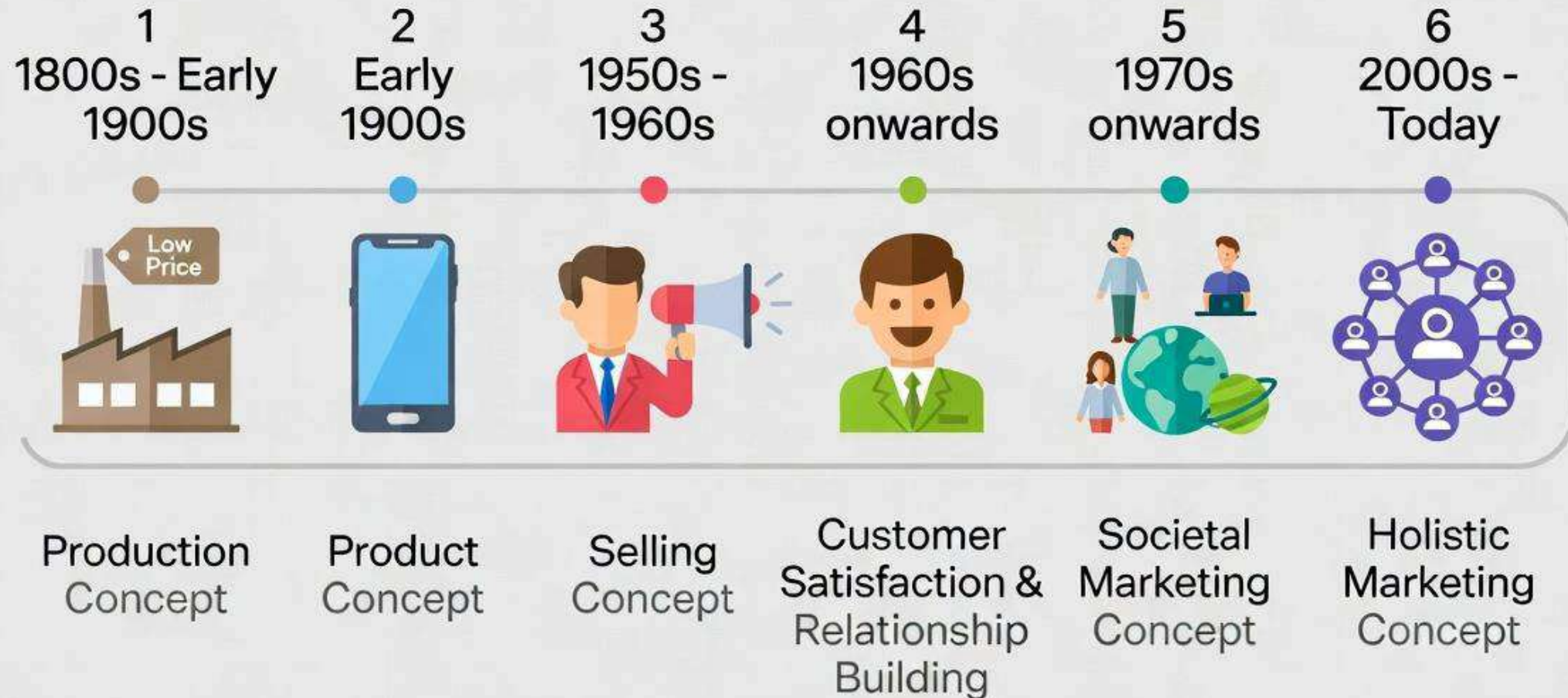
Internal marketing focuses on your own workers. You train employees so they understand company values and represent the brand well.

Performance marketing measures more than just revenue. It tracks customer trust, brand reputation, and your impact on society.



Philip Kotler

Evolution of Marketing Concepts



1st Group Task

- 1 - Think of a product and possible characteristics, functionality of this product**
- 2- Select and apply pricing strategy mentioned during the session and present planning for each facet of marketing.**
- 3 - Explain what facets of marketing was priority to focus on in this process ?**
- 4 - what could you have done better? – constructive criticism /group discussion**



Guide and timing

Brainstorming & Planning – 30 minutes

(Group Work)

- **What you will be doing:**
- **Choose or invent a product.**
- **Discuss and define features and functionality.**
- **Select a pricing strategy (e.g., penetration, skimming, competitive etc.).**
- **Plan each facet of marketing (or applicable to product).**

💡 Tip: Provide a worksheet or slide template with guided prompts for each section.



Presentation / Sharing – 15–20 minutes

- **Each group presents a 2-minute summary of their product and marketing plan.**
- **Focus on product, pricing strategy, and most important marketing facet.**



Prioritization Discussion – 10 minutes

Prompt:

- Which marketing facet was most important or challenging to focus on (e.g., was pricing key? Or promotion more relevant for your product)?
 - Why?
- ✓ *Discuss in your groups and note down 1–2 key points to share with everyone.*



Reflection & Group Critique – 10–15 minutes

Prompt:

- **What could your group have done better?**
- **Did you overlook anything in the marketing research process?**
- **Would you change your pricing strategy now?**

✓ **Groups either discuss internally or do a roundtable with other teams giving light, constructive feedback.**



Any Questions ?



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Thank You!



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