An Overview of Marketing Strategy

Chapter 1

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Just What is Marketing?
Marketing is an organizational function and set of processes for creating, communicating and delivering value to customers and for managing customer relations in ways that benefit the organization and its stakeholders.
Based on the premise of exchange

Something of value

BUYER

SELLER

Something of value
Marketing Concept

Identify and satisfy customer needs in order to succeed
Perception is Reality
In the mind of the customer
Marketing Process

- Plan
- Target Market
- Development of Strategy
- Competitive Edge
• How to get the item to the customer efficiently
• How to provide value to the customer and make a profit
• How to communicate with the customer
• How to get the item to the customer efficiently

Product
Promotion
Price
Distribution (Place)

4Ps
A quick way to view the marketing environment
UTILITY

Form

Place

Time

Possession
Michael Porter's value chain

Firm Infrastructure
Human Resource Management
Technology
Procurement
Inbound Logistics
Operations
Outbound Logistics
Marketing & Sales
Service

PRIMARY ACTIVITIES

Support Activities

Margin

How marketing focus has changed

Production  Sales  Customer  Value
Production Era
Sales Era
Marketing Era

- Understanding needs and wants of customer
Customer Focus

Just what is it that the customer needs or wants?

How can you solve his "problem"?
Value

- Just what does that mean???????
• Functional Benefits
  ○ Tangible benefits received from goods and services

• Social Benefits
  ○ Positive responses customers get from others for purchasing and using particular products and services

• Personal Benefits
  ○ Good feelings that customers get from purchasing, owning, and using products, or receiving services

• Experiential Benefits
  ○ The sensory enjoyment customers get from products and services

• Monitory Costs
  ○ The amount of money customers pay to receive products and services

• Temporal Costs
  ○ The time spent purchasing products and services

• Psychological costs
  ○ The mental energy and stress involved in making purchases and accepting product risks

• Behavioral costs
  ○ The physical energy customers expend to buy products and services

Transaction (shopping) costs are the combination of temporal, psychological, and behavior costs.
Being a Responsible Marketer

- Dolphin safe tuna
- Biodegradable products
- Use of renewable resources
Importance of Marketing in the Global Economy

- Marketing is a major segment of the cost of goods and services
- Fuels to global economy
- Provides information to consumers
- Supports non-profit organization activities
- Allows companies to survive and succeed
- Connects people
Technologies Impact

- Proliferation of web pages
  - Provides information
  - Allows for faster transmission of inter company communication
  - Speeds up concept to market activities

- Mobile technologies

- Expansion of media
Career Opportunities

- Retailing
- Wholesale intermediary
- Product development
- Selling
- Advertising
- Promotions
- Packaging design
- Supply chain - product movement
- Storage and Warehousing
- Market research