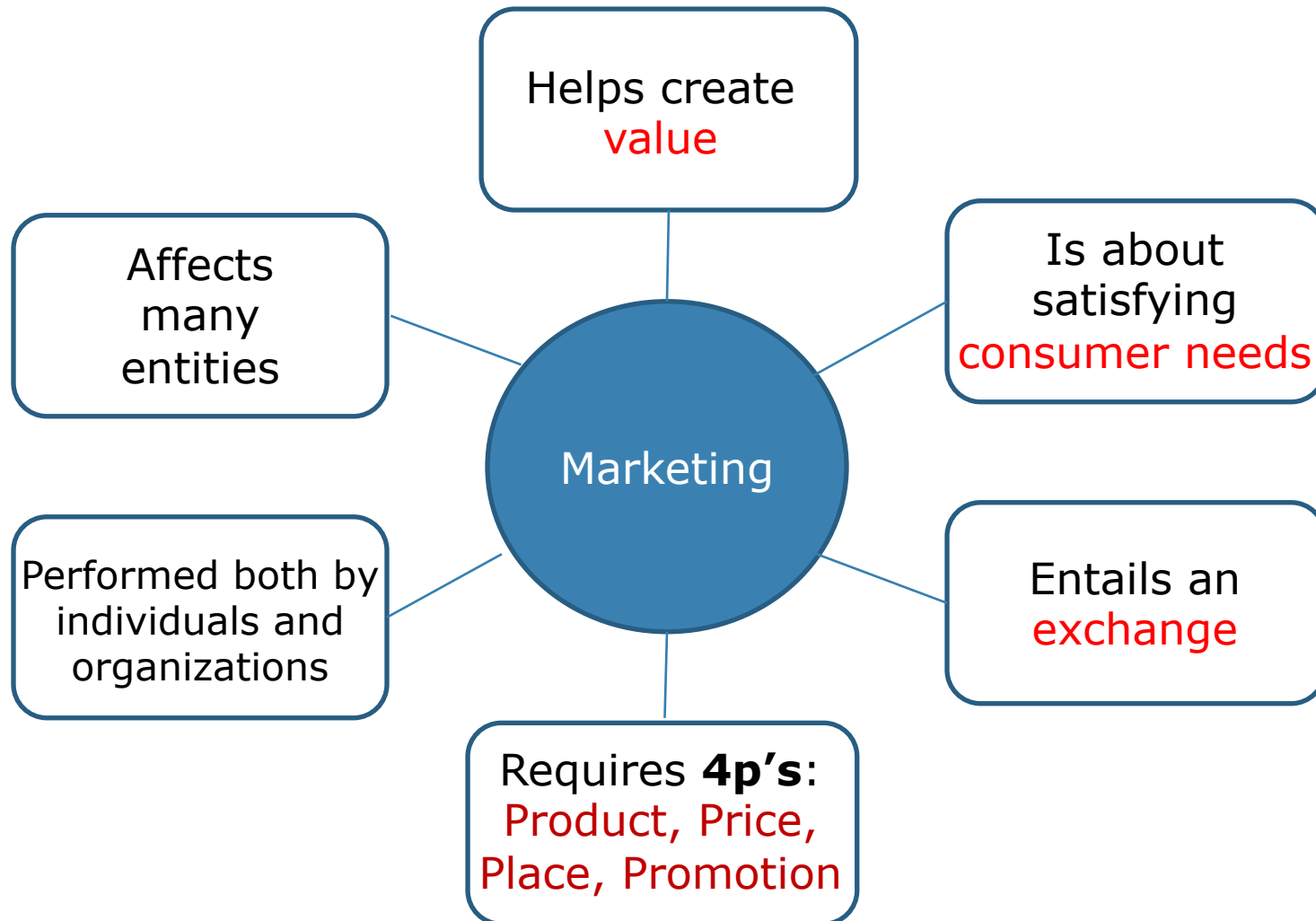


Chapter 1

Overview of marketing

What is Marketing?



- Identify the customer segment potentially interested in the product
- Create a marketing strategy to target such segment



What group of people is Apple targeting with this ad?
What benefits Apple is advertising?



Communication
and
Delivery



Money
and
information

Marketing Mix

PRODUCT

PRICE

PLACE

PROMOTION

The fundamental purpose of Marketing is to **create value** by developing a variety of offerings, including **goods, services, and ideas**, to satisfy customer needs.



Price is everything a buyer gives up (money, time, energy) in exchange for the product.

The key to determining prices is figuring out how much customers are willing to pay and assessing whether a profit can be made at that point.

How does a company create and capture value?



Why Buyers Buy

Why should I buy **this** product or service?

- Relevant
- Uniquely differentiated
- Benefits relative to price, **as far as your target market is concerned!**

Value to the
target market

=

Benefits to the
target market

Relative
to

Price to the
target market

Place (or supply chain management) describes all activities necessary to get the product to the right customer when the customer wants it.



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Where would you find this product?

Promotion: Communicating Value

Promotion is *communication* by a marketer that **informs, persuades, and reminds** potential buyers about a product or service to influence their opinions or elicit a response.



AD

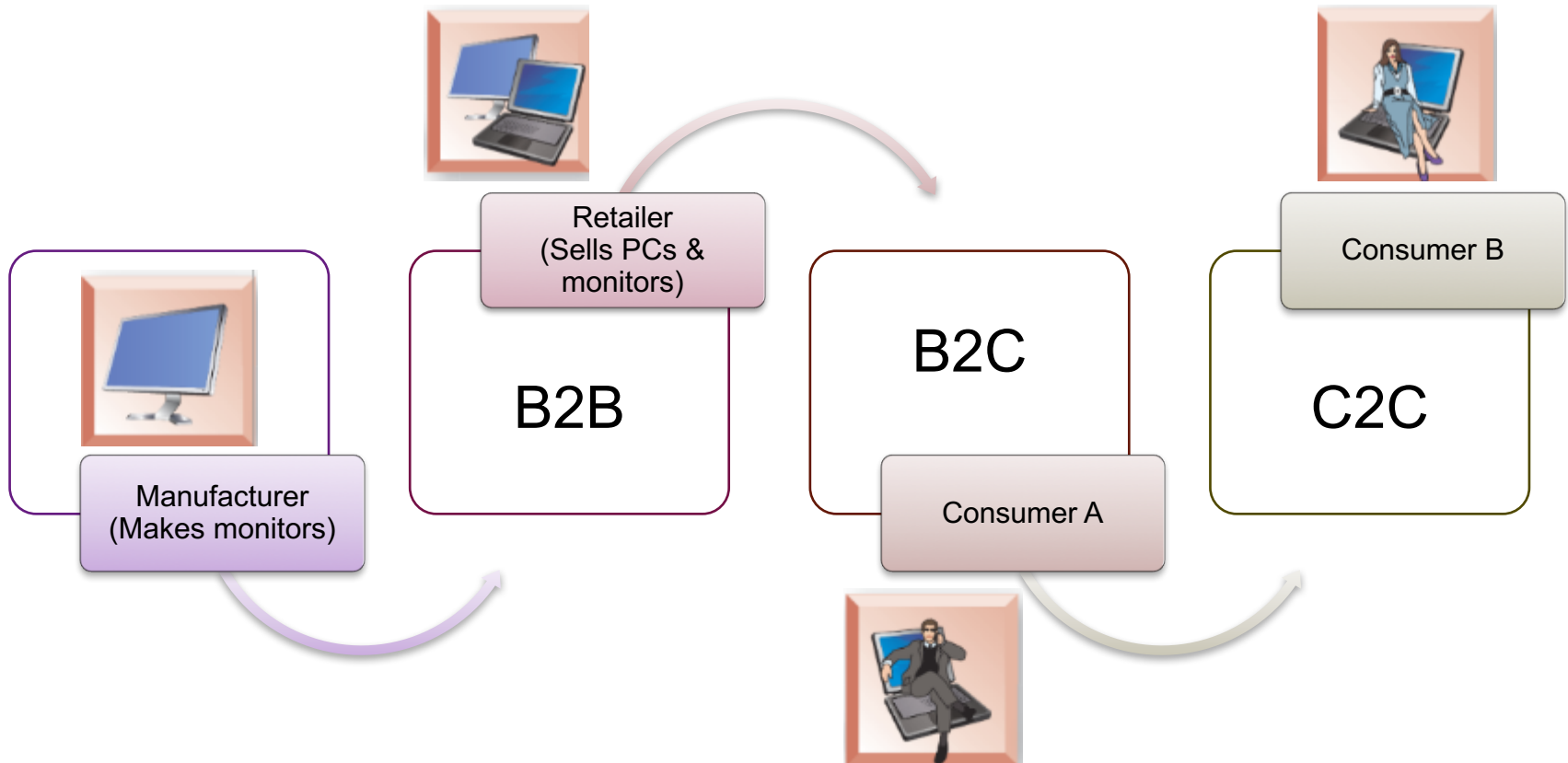


DIGITAL

What Element of Marketing is This?



Marketing is performed both by individuals and organizations





Value-based marketing means implementing a marketing strategy according to what **customers value**

- Relationship of benefits to costs

A firm goal is to give greater value than the competition

Marketing analytics

- Analyze consumer information to balance product/service benefit with costs
 - Ikea
- Building relationships with customers
 - **Lifetime profitability** (e.g., Apple)
 - **CRM**: Customer Relationship Management
 - Set of strategies to build loyalty among a firm's most valuable customers
- Connecting with customers using Social and Mobile Media

Here's how marketers can create value for users

- <http://greenbuzzagency.com/how-to-reach-customers-in-an-age-of-value-based-marketing/>
- <https://www.ispot.tv/ad/wppp/ancestrydna-testimonial-kyle>

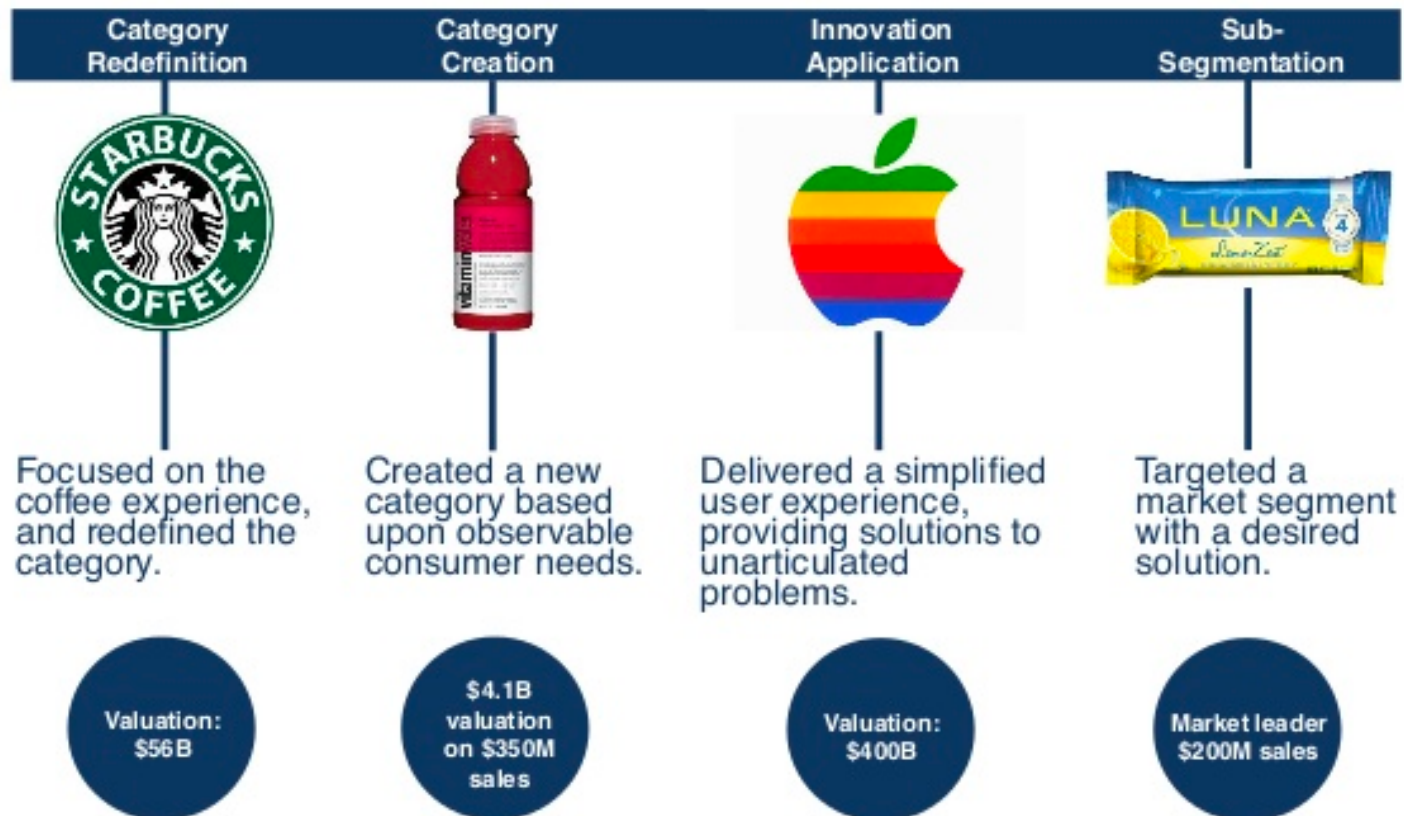
Zappos

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

Some examples of how market-makers drive growth & value:



Some examples of how market-makers drive growth & value:



- What is the definition of marketing?
- Marketing is about satisfying consumer _____.
- What are the four components of the marketing mix?
- Who can perform marketing?