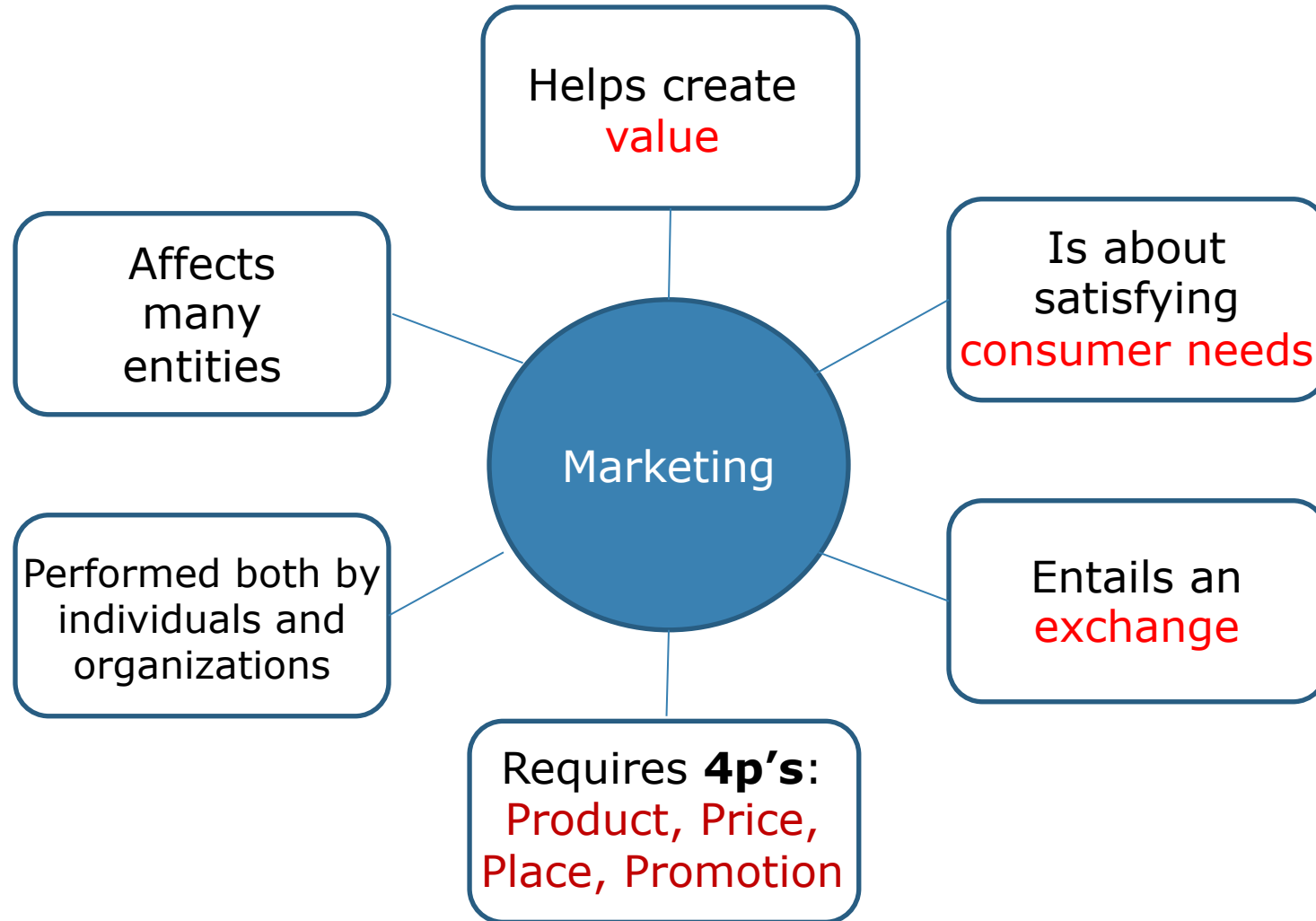


Chapter 1

Overview of marketing

What is Marketing?



Satisfying customers needs

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



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

Marketing entails an exchange



Communication
and
delivery



Money
and
information

Marketing Mix (4P's of Marketing)

PRODUCT

PRICE

PLACE

PROMOTION

Product: Creating value

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



Why Buyers Buy

Why should I buy a particular product or service?

- Relevant (satisfy a need)
- **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.

Place (or supply chain management)

Describes all activities necessary to get the product to the right customer when the customer wants it.



Where would you find this product?

Promotion

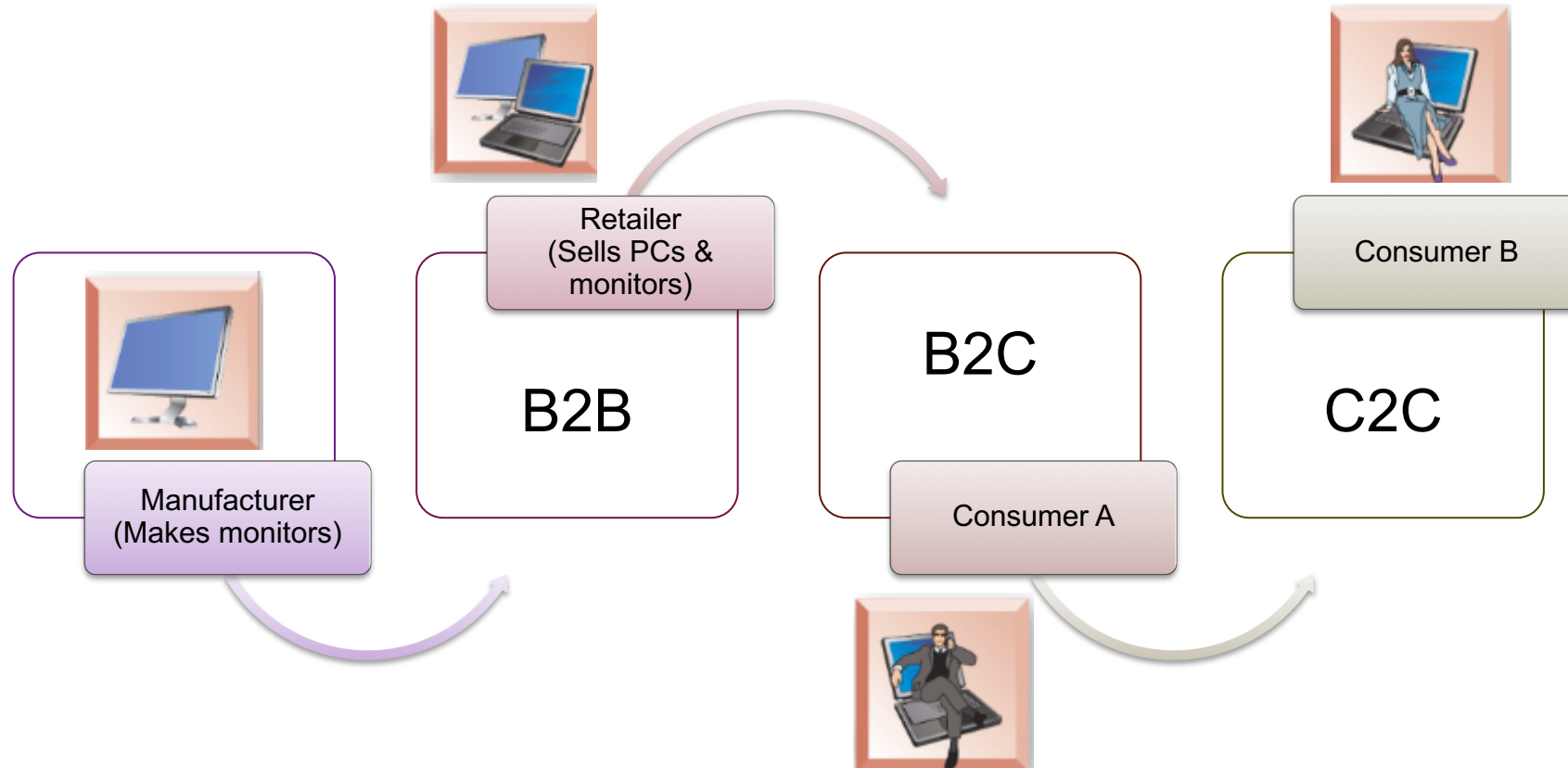
A form of **communication** by a marketer that **informs, persuades, and reminds** potential buyers about a product or service to influence their opinions or elicit a response.



What element of Marketing is this?



Marketing is performed both by individuals and organizations



Marketing affects many entities



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

How to create value

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:



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