

BUSINESS KNOWLEDGE INC.

MARKETING

“Customer and business value”



Better Knowledge, Better Business, Better Future
BUSINESS KNOWLEDGE INC.

Marketing
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MARKETING

Marketing definition and concepts

- Marketing is about identifying and satisfying people needs through the exchange of products or services.
- The marketing process should create value and build strong relationships with customers such that in turn captures value for the business, generates profits, retains existing customers and expands market share.
- Business success is a reality when marketing is integrated with strategy, accounting, finance, operations and general management principles.



MARKETING

- Successful marketing is about value delivery and capture

Deliver value to customer

- Define the market
- Understand customer needs
- Develop a marketing strategy based on identified customers and markets
- Deliver value through integrated marketing in the business general strategy
- Create customer experience and develop customer relationships

Capture value from customer

- Deliver on proposed value
- Build relationships
- Generate profits



MARKETING

Marketing process steps are:

- Understand the marketplace, and the customer needs and wants.
- Design a customer driven marketing strategy with the goal of getting, keeping and growing target customers.
- Construct a marketing plan that will deliver superior value
- Build profitable customer relationships
- Capture value through strong customer relationships



MARKETING

Marketing framework

- Market definition
- Strategic Marketing
- Marketing Mix
 - Product
 - Price
 - Promotion
 - Place



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Marketing framework

- Market definition:

- Should be centered around the problem solved through business offering
- Present and future customers focused
- Understand what are the forces / factors driving the market



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Marketing framework

- **Strategic Marketing**

- **Business context**

- **Health of general business environment**
 - **Identify macro and microeconomic financial factors**

- **Strategic planning**

- **Identifies business vision and mission**
 - **Establishes business goals and objectives**
 - **Identifies business portfolio of products or services**
 - **Gives general direction on specific functional plans according with the business organizational structure**



MARKETING

Marketing Mix

Marketing should connect the seller with the buyer.

The fundamental 4Ps and 4Cs of Marketing and their relationships:

4Ps (seller's perspective)

- Product
- Price
- Promotion
- Place

4Cs (buyer's perspective)

What customers need and want
How much will the customer pay
How, when and what to communicate
How to enhance customer experience



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Marketing Mix

•Product

- Both consumer and industrial products are segregated in core, actual and improved products
- The core product is addressing the specific customer need
- The actual product includes the core one and additional features specific to quality, branding and packaging
- The improved product is the actual one together with the services associated with: warranty, maintenance, service and up-grades



MARKETING

Marketing Mix

- Price

- Technically it is the amount of money exchanged between the seller and the buyer for a product or service
- Should represent the value that customers and suppliers exchange for a product or service
- This is the only one item in the marketing mix that generates revenue
- Driven by extremely competitive environment
- Should be continuously adjusted to the market supply and demand, and to the product life cycle stage



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Marketing Mix

- Promotion

- Effective communication of customer value through customized messages to a target audience
- Advertisement, sales promotions and public relations are basic tools for product or service promotion
- Direct marketing is a specific promotion activity meant to engage and get an immediate response from customers carefully selected



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Marketing Mix

•Place

- A product or service has to be made available to customers through the use of one or more marketing channels
- Marketing channels fulfill specific purposes, such as gathering customer information, communications regarding the product or service, initiating contacts or actual distribution of respective product or service
- Marketing channels design should be adjusted to market environment
- Marketing channels growth structure, amount of intermediaries and responsibilities allocation should reflect business objectives and goals



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Marketing professionals should:

- Listen to the voice of the customer
- Understand customer needs, and quantify them into requirements
- Convert requirements into product or service through product development
- Promote the product through advertising and communication strategies
- Place the product or service through convenient distribution channels
- Price and sell the product or service, at a determined price, reflecting the appropriate perceived value
- Understand that the offered product or service value should be higher than the next best available offer to the customer



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- Philip Kotler, Kevin Lane Keller, Fourth Edition, *A Framework for Marketing Management*, Pearson Prentice Hall, Upper Saddle River, New Jersey, 2009



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Q&A



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