Introduction to Marketing and Marketing Management

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What is marketing?

Marketing is: “meeting needs profitably”

Focus on the customer but also on the company and its objectives
Things a Firm Should Do in Producing and Marketing a product or service

Customer experience

- Analyze Needs
- Estimate Demand
- Estimate Competition
- Determine What (product)
- Determine Where (distribution)
- Estimate Price
- Decide Promotion
- Provide Service
Who performs marketing functions?

- Producers
- Wholesalers
- Retailers
- ISP's
- Ad Agencies
- Other Specialists
- Product Testing Firms
- Research Firms
- Transport Firms
- Consumers
- Other Specialists
Contents of a marketing plan

- Executive summary
  - External and internal analysis
  - SWOT analysis
  - Objectives
  - Marketing strategy (targeting and positioning)
  - Marketing mix decisions and action programs
  - Budget
  - Control

Brief summary of the main goals and recommendation of the plan for management review.

Table of contents
**MARKETING PLAN – PRODUCT / MARKET / YEARS**

### EXTERNAL ANALYSIS
- Demand
- Segmentation
- Buying Behavior
- Market System
- Competitors
- Macro environment

### INTERNAL ANALYSIS
- Strengths
- Weaknesses
- Opportunities
- Threats
- Marketing
- Economics
- Operational Processes

### MARKETING STRATEGY
- OBJECTIVES
- TARGETING
- COMPETITIVE STRATEGY
- POSITIONING

### MARKETING MIX
- PRODUCT / SERVICE
- PLACE
- PROMOTION
- PRICE
- CONTROL
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Describes the market and its characteristics, the segments of consumers and the company’s position in it, including information about product performance, competition, distribution and the macro-environment. In synthesis, this section includes:

- the external analysis of the market
- the internal analysis of the company
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**SWOT Analysis!**
- Strengths
- Weaknesses
- Opportunities
- Threats
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States the marketing objectives that the company would like to attain during the plan’s term.

- **Quantitative objectives**
- **Qualitative objectives**
<table>
<thead>
<tr>
<th>Common objectives, their performance criteria and main measures</th>
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</thead>
<tbody>
<tr>
<td><strong>Profit and financial objectives</strong></td>
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<tr>
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</tr>
<tr>
<td>Profit</td>
</tr>
<tr>
<td>% Profit / sales</td>
</tr>
<tr>
<td>Contribution margin</td>
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<tr>
<td>ROI</td>
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<tr>
<td>Contribution to owners</td>
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<tr>
<td>Earnings per share</td>
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<td>Utilization of fixed assets</td>
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<tr>
<td>Capacity utilization</td>
</tr>
<tr>
<td>Growth objectives / marketing objectives</td>
</tr>
<tr>
<td>% yearly growth</td>
</tr>
<tr>
<td>Sales ($ and volume)</td>
</tr>
<tr>
<td>Profits</td>
</tr>
<tr>
<td>Competitive strengths</td>
</tr>
<tr>
<td>Market share</td>
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<tr>
<td>Brand awareness &amp; preference</td>
</tr>
<tr>
<td>Contribution to customers</td>
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<tr>
<td>Price/quality ratio</td>
</tr>
<tr>
<td>Customer satisfaction</td>
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<tr>
<td>Customer Loyalty</td>
</tr>
<tr>
<td>Social responsibilities objectives</td>
</tr>
<tr>
<td>Contribution to employees</td>
</tr>
<tr>
<td>Contribution to society</td>
</tr>
</tbody>
</table>
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Targeting
- How many targets? Concentrated, Differentiated, Indifferentiated strategy
- Product / market matrix
- Positioning (taking into consideration the competitive strategy)
How many targets?
The Ansoff product / Market matrix
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**Marketing mix decisions and action programs**

- Budget
- Control

It outlines specific strategies and operative decisions for each marketing mix element and explains how each responds to the threats / opportunities previously pointed out in the marketing plan.
From the 4Ps to the 7Ps of the marketing mix

**Product/service**
- Service/product variety
- Quality
- Design
- Features
- Brand name
- Packaging
- Sizes
- Services
- Warranties
- Returns

**Price**
- List price
- Discounts
- Allowances
- Payment period
- Credit terms

**Promotion**
- Sales promotion
- Advertising
- Sales force
- Public relations
- Direct marketing

**Place**
- Global Channels
- Coverage
- Assortments
- Locations
- Inventory
- Transport

**People**
- Participants
- Staff
- Customers to customers
- Co-creation

**Process**
- Service blueprint
- Process design
- Self-service technologies
- Online service provision

**Physical evidence**
- Service environment
- Sound
- Sight
- Smell
- Taste
- Touch
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**Budget**

- Control

Define a profit & loss statement, with a projected profit:

- **Expected revenues** (quantity - price)
- **Expected costs** (production, distribution and promotion cost)

Once the budget is approved by higher management, it becomes the basis for material buying, production scheduling, personnel planning and marketing operations.
The marketing budget

Gross sales value: \( p \times q \)
- Trade Allowances
- Direct delivered costs (DDC) (production, distribution, etc.)
= Net product sales
= Gross Profit

- Marketing appropriations (MA)
  - Marketing research costs
  - Communication costs
= Profit Before Indirects (PBI)

Top line objectives (efficacy)
Bottom line objectives (efficiency)
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Control of results and define actions related to products that do not meet the company’s goals
Thank You!