

Marketing Lecture 1

Chapter 4: Social Criticism of Marketing

- why should people pay high prices
- deceptive descriptions to make the product attractive (sales but have to pay other prices; other things saying no fat)
- Planned obsolescence: products that don't last in order to buy more
- \$\$\$ = better service; <\$ = poor service

SOCIETY: materialism

- social goods: people are more interested in products than making better quality for people
- Political Power, tobacco is unhealthy and if it was prohibited it would be sold in the black market so it brings employment and \$\$\$. PP allows employment

Chapter 1: Intro to Marketing

- Transactional: Buying & selling
- Logistical: transport and storing
- Facilitating:
- EXTERNAL: Conversional: better quality, better pricing; switching you to their brand
- Stimulation: more in one
- Developmental: arm and hammer was only for baking and they expanded for fridge, litter, tooth paste, bath etc. new clients
- Remarketing: Bringing back something that was once popular
- Synchromarketing: timing is everything. January and February movies are not able to qualify for Oscars so they don't release many at that time
- Maintenance Marketing:
- Demarketing: Diminish consumption, companies do this to look good
- Counter Marketing: destroy a product, destroy consumption

LEVELS OF MARKETING

- Micro: small, my company
- Macro: society
- Macro-Micro dilemma:
 - the casino - Macro scale the govt says that it brings in tax. on a micro scale it is self entertainment. Macro level it is a slippery slope.
 - Pesticides - macro: helps crops, micro: they end up going into rivers and lakes.
- Purpose of marketing: attract and deliver service
- **PRODUCER — —> CONSUMER = Product & Service**
- **CONSUMER — —> PRODUCER = \$\$**
- Marketing is communicating, delivering & exchanging offerings that have value for the customer.
- Production Concept:
- Product Concept: People want new and improved
- Selling Concept: KITA (kick in the ass), a push to sell a product
- Marketing Concept: make the client the starting point
- Societal Concept: make sure it protects society
- Sustainable Market: current needs

Production: Affordable and made quickly

Product: New & Improved

Selling: aggressive hard sale to buy

Marketing: consumer as a starting point

Societal: both consumer & society

Marketing Lecture 2

Cont. Chapter 4

Differences in outlook ** slide 26 & 27

- Societal: Always focus on what makes the user feel better about themselves.
- Production: focus on tech specs
- Marketing Myopia: keep the target wide

CUSTOMERS

- Value proposition: what makes your product unique
- Customer Equity: having customers and keeping them is better than getting new ones

Chapter 3

Microenvironment

- Relevant publics
- R&D : Research & Development
- 6 types of markets: Consumer; Business; Reseller; Government; International; Institutional
- The Marketing Process
- 3 C's of Marketing: Consumerism- movement against business injustice; Clean up- proper disposal; Conservation- resources that must be conserved, finite and infinite and non renewable, oil & trees

Macroenvironment

- Demographic; Economic; Natural; Technological; Political; Cultural
- Types of economies; changes in income; new economy paradoxes (those who have the money, don't have the time. those who have the time, don't have the money); changing consumer spending patterns
- Engel's Law: As income increases, % amount spent on: food, decreased; housing, stays the same; other items, increases.
- GDP (gross domestic product)

- $PI = \text{gross income or personal income.}$
- $DPI = PI - \text{taxes (disposable personal income) (take home pay)}$
- $DI = PI - \text{taxes - essentials (discretionary income).}$
- Essentials = rent, food, transport, etc.
- Key indicator for market essentials = DPI ...Tim Horton coffee
- Key indicator for market luxuries = DI ...ie 'Civet' coffee
- Elasticity of Demand: Sensitivity of demand.
 - $P \times Q = TR$
 - $P \text{ inc } TR \text{ inc \& } P \text{ dec } TR \text{ dec} = \text{inelastic because there was no sensitivity}$
 - $P \text{ inc } TR \text{ dec \& } P \text{ dec } TR \text{ inc} = \text{elastic because there was sensitivity}$
 - Urgency of need & # of substitutes create elasticity
- Economic Factors: real income has not grown, it has been affected by inflation, unemployment, increasing tax burden (GST&QST).
 - Restructuring: Putting things together, working together, work around, finding use, making the best of what you have by restructuring
 - Outsourcing: obtain a good or service from outside or foreign supplier

Competition:

- Biggest threat to McDonalds= Publix. Threat to Publix = Super Walmart
- Components of Competition:
 - 1. Barriers to entry: \$, promotion expenditure, product identification, distribution access, and switching costs
 - 2. Bargaining power of suppliers & buyers: supplier > retailers
- Levels of Competition:
 - 1. Pure: many buyers & sellers with easy market entry (restaurants, coffee shops, all around)
 - 2. Oligopoly: relatively few sellers, selling homogenous product (gas station)

- 3. Monopolistic: create a differentiated product in the eyes of the consumer (airline, newspaper)
- 4. Monopoly: extreme monopolistic. under govt scrutiny (videotron)
- Leader Strategy, Challenger Strategy (challenge leader), Follower Strategy (follow leader), Nichers Strategy (get by on stuff) slide 24**
- Corporate Ethics
 - Moral Idealism: strict
 - Intuitionism: using your own discretion
 - Utilitarianism: the consequences and results of are more important than the motives or the ethics themselves

Marketing Lecture 3

Chpt 3/18 cont..

Consumerism

Legal Environment

- Price Discrimination: cannot go into a market and plan on killing competition
- RPM: resale price maintenance, a manufacture can only SUGGEST a price they should sell
- Bait & Switch: it is illegal. an ad that is eye catching, madness sale, and once you get there there is no more and people want to buy
- Reciprocity: you scratch my back, i scratch your back, this is illegal, it shuts out business flow
- Pyramid sales: unsustainable business model that involves promising participants payment or services, primarily for enrolling other people into the scheme, rather than supplying any real investment or sale of products or services to the public

Cultural & Social Concerns

- 4 Characteristics of Canada

- 1. Mosaic diversity: try to keep this way of life, with different cultures
 - 2. Bi-cultural:
 - 3. Negative Nationalism:
 - 4. Conservatism:
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Ch3

Demographics

- limitations of demographics:
 - old or unavailable
 - too broad
 - single factors
 - psycho social factors, motives..
- Characteristics of a Market
 - need a population with money and desire to buy
 - A. Population: Six Pocket Syndrome; Fertility, Mortality, Migration
 - The pop. in quebec has been stable, why. Not much fertility, but the migration compensates, and people tend to be living longer .
 - What are the effects of an aging population on society? The markets are going to have to adjust with the aging population.
 - Population is aging, slowing birth rate,
 - CMA, Census Metropolitan Areas, city of 100000 or more.
 - CAA, Census Agglomeration Area, town of 10000-100000
 - B. Purchasing Power:
 - EI Employed Income
 - 2 incomes
 - Inflation
 - geographic

- rural/urban boundaries
- age/sex

Marketing Lecture 4

ch. 3 cont

C. Willingness to buy

- SR: Stimulus Response: drive cue → response → reinforcement
 - Marshallian economic man theory: Maximum satisfaction is sought. Consumer is rational. WRONG.
 - Pavlovian learning model: repetition and enforcement. ie advertising
- Cognitive Models: acquired by insight, thinking, and problem solving technique
 - Veblenian social psychological model: man is a social animal and therefore is influenced by our peer groups
 - Freudian psychoanalytic theory: symbolic & functional features play an important role in purchasing. Motives are studied to determine what causes people to buy the way they do.

Chapter 2

Strategy

Steps in strategic planning

- Mission statement
 - BHAG: big hairy ass goals
 - SWOT Analysis: Strength Weakness Opportunity Threat
 - Planning
- SBU Strategic Business Unit: to be a division, product, in an industry, anything you want it to be

- Star: The industry and consumer are having a share. Apple. they are making good products and people are buying
- Question Mark: Galaxy tablet, high industry but people don't want them as much
- Cash Cow: industry is past, but you're still doing well. you have a chance to still succeed and harvest. Cash cow is business jargon for a business venture that generates a steady return of profits that far exceed the outlay of cash required to acquire or start it. Many businesses attempt to create or acquire such ventures, since they can be used to boost a company's overall income and to support less profitable endeavors. [2] Since the business unit can maintain profits with little maintenance or investment, a cash cow can also be used to describe a profitable but complacent company or business unit.
- Dog: dying business
- What do you do once you classify: 1. Build 2. Hold 3. Harvest 4. Divest (get rid of)

Chapter 18

- Michael Porter's 3 winning strategies:
 - Overall cost leadership (Walmart - lowest price)
 - Differentiation (IBM - solutions)
 - Focus (Amazon - like this product, suggest another)
- Treacy & Wierseman's 3 value disciplines
 - Operational excellence (dell, ikea, westjet)
 - Product leadership (apple, nokia)
 - Customer Intimacy (harry rosen, fed ex, lexus)
- Growth Strategy
- M → W → R → C
- Backwards: away from consumer
- Forwards: buying someone close to the consumer
- Horizontal: one competitor buys another competitor
- Diversification: completely diff. product

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- Chapter 8 Segmentation
 - Value proposition: what makes you different
 - Market Segmentation: collecting into one group
 - Market Target: specific group you want to go after
 - Market Positioning: what the consumer believes of the product
 - Segment size and expected growth : the future
 - Segment structural attractiveness: fits with a current mix. ie apple making a tv
 - Company objectives and resources

Target market strategies:

- Undifferentiated people: mass marketing, similarities, satisfies the markets OK
- Differentiated segmented marketing: different product for a group of individuals, satisfies market good.
- Concentrated niche marketing:

Marketing Lecture 5

Subject

- Values
- Geodemography

Positioning Competitively

- Product Positioning: what the consumers think of the product
- Positioning Statement: Who and what the product does
- Value Proposition: more for more, more for less....
- Repositioning: Changing from one look to another, ie KIA was seen as not a good company and they are now looking luxury

Consumer Behavior Chapter 6

- Intra & Intro Personal
- Psychological
 - Perception
 - Subliminal, Sub Conscious level
 - Message —> Selective exposure —> selective comprehension —> selective retention
 - Physical things actually happened, you have different interpretations
 - Different factors affect perception
 - Situational Influences
 - Opinions, they can change; Attitudes, deeper set; Beliefs
 - Learning, different routine of learning
 - Howard/Seth Model
 - Routinized response behaviour: knowledgeable, no risk
 - Limited problem solving:same classification product, but different
 - Extensive problem solving: new task, risk
 - initiator influencer decider purchaser user gate keeper
 - Decision making, you want to feel good about what you did
 - Motivation
 - Risk
- Personal Factors
 - Occupation, Economic, Lifestyle, Personal and self-concept, Brand personality
 - Personality & Self Concept
 - Self Image: how you see yourself
 - Ideal self: how you would like to be
 - Real self: as you are
 - Apparent self: as you think others see you

- Family Decision Making Process
 - Autonomous: different decisions independently
 - Woman dominant: clothing, kitchen, food
 - Husband dominant: electronics, insurance
 - Syncratic: joint decision making
 - initiator influencer decider purchaser user gate keeper
- Groups
 - Buzz Marketing : opinion leaders sell message
 - Negative of Groups: xenophobia —> fear of strangers. Ethnocentrism —> your ethnic group is the best, and others suck
 - Normative, guide behavior; Comparative, self evaluation; Supportive, build up ego
- Social Class
 - Inter & Intra generation
 - Factors in Class Positioning
 - Income, Occupation, Education, Ethnic/family background, marriage, ambition
- Adoption - a mental process within an individual/ Diffusion - the speed of a new idea from a source to receiver, what am i selling, how good of a seller am i, and what is lacking in your life
 - A.I.D.A : Attention, Interest, Desire, Action

Marketing Lecture 6

chp 6

- Buyer Decision Process for New Products: Relative advantage, Compatibility, Complex, Divisibility, Communicability
- People respond to marketing are people who are looking for answers, low self esteem
- Innovators: Creators that are hesitant to trust
- Early Adopters: are the most important, because they are the most connected and have the most effect to society.

- Early Majority: white collar worker office worker
- Late Majority: Blue collar workers
- Laggards: People who aren't easy to adopt

- Chp5 Marketing Research

- Collect data → process data → analyze data → interpret finding
- Marketing intelligence: “dumpster diving” obtaining competitor information
- Internal Data: collected data within a company
- Exploratory research: quick and simple, found inside companies
- Descriptive research: formal, outside consultant
- Causal research: formal, cause and effect
- Secondary data: cheap, simple, fast, already produced data
- Primary Data: time consuming, finding your own info
- pros & cons of data, list
- Belladonna Effect: poison effect, it's eye drops

- Chapter 9 Product & Services

- The core, what does it do to myself, my self ego
- Describe Costco only using the words WIDTH & LENGTH: the width is very large because they have every kind of product, the length is short and shallow because the brands they have are their brand and X brand. Huge width, narrow length
- Ways to classify consumer goods
 - Durability
 - Market segments
 - Value added
 - Goals
 - Regulations

- Distribution channel
- Customer contact
- The system doesn't classify goods, but more human behaviour
- Convenience goods are all with Place
 - Staple Good is something you need
 - Extensive or Intensive
 - What is most important of the four P for the Staples good? Place - its convenient
 - Impulse Good is something you have an impulse you want
 - What is most important for the four P for the Impulse good? Place where it is located
 - Emergency good, something you need for emergency
 - What is most important for the four P for the Emergency Good? Place, it is an emergency
- Shopping goods
 - Selective
 - Homogeneous: all are the same, the only way to differ it is to market as the best price
 - Heterogeneous: no idea what the product is, so the seller will PROMOTE you, promotion.
- Specialty Goods : Product
 - Exclusive
 - If the product is really good, their power enables you for you to go get it yourself where the others come to you
- Unsought Goods
 - New unsought good: new product just too new
 - Regularly unsought: things people dont think of yet
 - Promotion, Self promotional
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