

Chapter one:

1. Definition of Marketing:

- Simplest definition of Marketing is managing profitable customer relationships.
- Today Marketing must be understood not in the old sense of making a sale-“telling and selling”- but in the new sense of satisfying customer needs in a socially responsible and ethical manner.
- Marketing is broadly defined as a social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others.
- **Marketing** is a process by which companies create value for customers and build strong customer relationships to capture value from customers in return.

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2. Marketing process:



Figure 1.1 A Simple Model of the Marketing Process

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3. Five core customer and marketplace concepts:

(1) Needs, wants, and demands

- *Needs: States of deprivation*
 - ✓ *Physical—food, clothing, warmth, safety*
 - ✓ *Social—belonging and affection*
 - ✓ *Individual—knowledge and self-expression*
- *Wants: Form that needs take as they are shaped by culture and individual personality*
- *Demands: Wants backed by buying power*

(2) Market offerings:

- Some combination of products, services, information, or experiences offered to a market to satisfy a need or want.
- *More broadly, market offerings also include other entities, such as persons, places, organizations, information and ideas.*

(3) Value and satisfaction:

- *Relationship Building Blocks: Customer Value and Satisfaction*

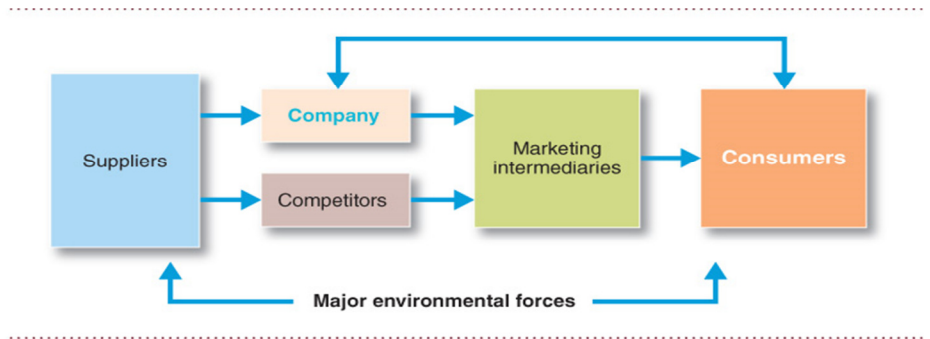
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(4) Exchanges and relationships

- **Exchange** is the act of obtaining a desired object from someone by offering something in return.

(5) Markets: set of actual and potential buyers of a product.

Figure 1.2 A Modern Marketing System



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4. **Marketing myopia** is focusing only on existing wants and losing sight of underlying consumer needs

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5. **Marketing management**

- ✓ The art and science of choosing target markets and building profitable relationships with them.

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- ✓ Wants to design strategies that will build profitable relationships with target consumers

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6. To design a Marketing strategy, marketer must answer two important questions:

- **Selecting Customers to Serve:** What customers will we serve? (market segmentation and target marketing)
- **Choosing a Value Proposition:** How can we best serve these customers? (Differentiating and positioning)

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7. **The value proposition** is the set of benefits or values a company promises to deliver to customers to satisfy their needs.

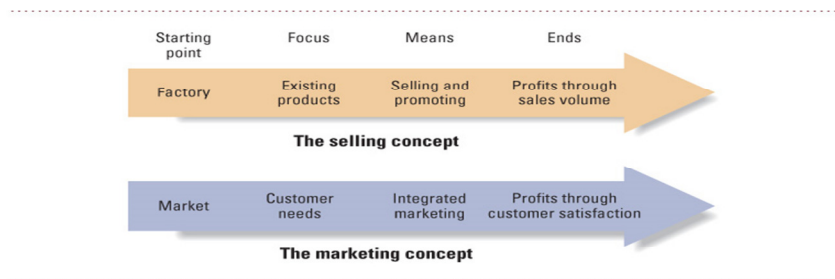
- "Why should I buy your brand rather than a competitor's?" Page-Reference: 9-10

8. Marketing management orientations concepts :

- Production concept:
 - ✓ The idea that consumers will favour products that are available or highly affordable.
- Product concept:
 - ✓ The idea that consumers will favour products that offer the most quality, performance, and features. Organization should therefore devote its energy to making continuous product improvements.
- Selling concept:
 - ✓ The idea that consumers will not buy enough of the firm’s products unless it undertakes a large-scale selling and promotion effort.
- Marketing concept:
 - ✓ The idea that achieving organizational goals depends on knowing the needs and wants of the target markets and delivering the desired satisfactions better than competitors do.
- Societal marketing concept
 - ✓ The idea that a company should make good marketing decisions by considering consumers’ wants, the company’s requirements, consumers’ long-term interests, and society’s long-run interests.

Page-Reference: 10 to 12

Figure 1.3 The Selling and Marketing Concepts Contrasted



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9. **The marketing mix** is the set of tools (four Ps) the firm uses to implement its marketing strategy. It includes:

- ✓ *product, price, promotion, and place*

10. **Customer Relationship Management (CRM):**

- ✓ The overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction

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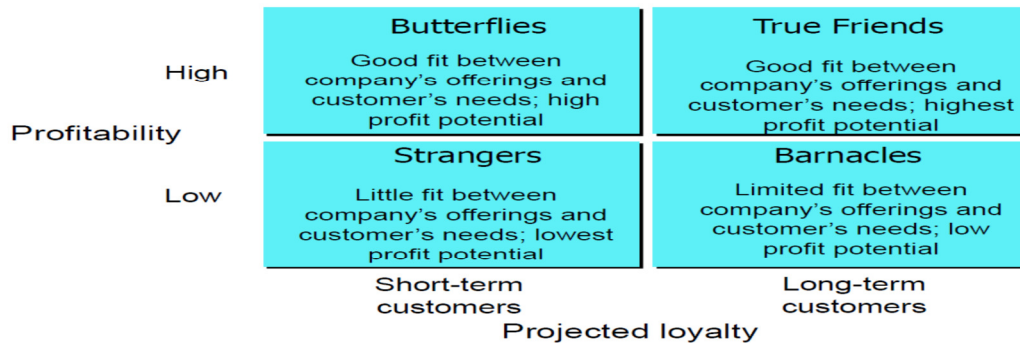
11. **Relationship Building Blocks:**

- ✓ **Customer- perceived value:** the customer’s evaluation of the difference between all benefits and all costs of a market offering relative to those of competing offers
- ✓ **Customer satisfaction:** The extent to which a product’s perceived performance matches a buyer’s expectations Page-Reference: 14

12. **Capturing Value from Customers through:**

- ✓ Creating Customer Loyalty and Retention
- ✓ Growing Share of Customer :
 - The portion of the customer’s purchasing that a company gets in its product categories
- ✓ Building customer equity
 - The total combined customer lifetime values of all of the company’s customers

13. **Building the Right Relationships with the Right Customers:** Customers can be classified into four relationship groups according to their profitability and projected loyalty



Page-Reference: 21 to 24

14. Major trends and forces that are changing the marketing landscape in this age of relationships:

- *The Digital Age*
- *Rapid Globalization*
- *Ethics and Social Responsibility*
- *Not-for-Profit Marketing*

Page-Reference: 24 to 31

Chapter Two:

15. **Strategic planning:**

- The process of developing and maintaining a strategic fit between the organization’s goals and capabilities and its changing marketing opportunities.

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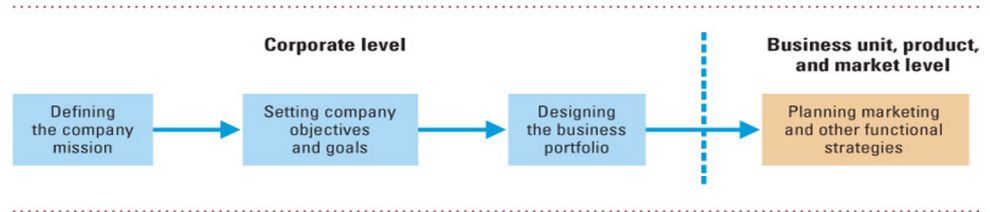
- The purpose of strategic planning is to find ways in which your company can best use its strengths to take advantage of attractive opportunities in its constantly changing environment.
- A living, dynamic document that is FLEXIBLE, takes into account changes and act as a DAYILY guide to running a business
- The task of selecting an overall company strategy for long-run survival and growth

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▪ **Strategic planning Steps:**

*At the outset, beginning at the corporate level, each company must define its overall purpose and mission. What is our business? Who is the customer? What do our customers value?

Figure 2.1 Steps in Strategic Planning



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16. **Mission statements:**

The organization’s purpose, what it wants to accomplish in the larger environment.

- Be meaningful and specific yet motivating and emphasize the company's strengths in the marketplace.
- not be myopic in product terms.
- emphasize the company’s strengths.
- contain specific workable guidelines.
- not be stated as making sales or profits
- ✓ A market-oriented mission statement defines the business in terms of satisfying basic customer needs.
- ✓ A clear mission statement acts as an “invisible hand” that guides people in the organization.

Page-Reference: 43-44

17. **The business portfolio** is the collection of businesses and products that make up the company.

- ✓ *The best business portfolio is the one that best fits the company’s strengths and weaknesses to opportunities in the environment.*

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18. **Portfolio analysis** is a major activity in strategic planning whereby management evaluates the products and businesses that make up the company.

- Identify key businesses (strategic business units, or SBUs) that make up the company
- Assess the attractiveness of its various SBUs
- Decide how much support each SBU deserves

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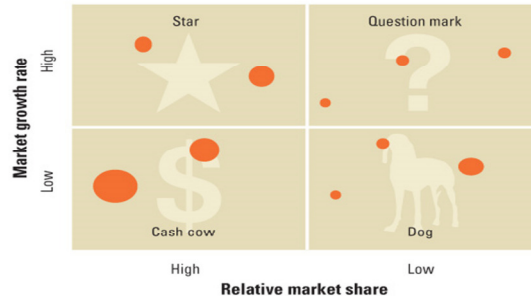
19. **Strategic business unit (SBU)** is a unit of the company that has a separate mission and objectives that can be planned separately from other company businesses. **Page-Reference: 47**

- Company division
- Product line within a division
- Single product or brand

20. Four types of SBUs are defined by the BCG growth-share matrix

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Figure 2.2 The BCG Growth-Share Matrix



21. Problems with Matrix Approaches:

- Difficulty in defining SBUs and measuring market share and growth
- Time consuming
- Expensive
- Focus on current businesses, not future planning

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22. **Product/Market Expansion Grid Strategies- Developing Strategies for Growth and Downsizing:** is a tool for identifying company growth opportunities through market penetration, market development, product development, or diversification.

Figure 2.3 The Product/Market Expansion Grid

	Existing products	New products
Existing markets	Market penetration	Product development
New markets	Market development	Diversification

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23. **Value chain** is a series of departments that carry out value-creating activities to design, produce, market, deliver, and support a firm's products.

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24. **Value delivery network** is made up of the company, suppliers, distributors, and ultimately customers who partner with each other to improve performance of the entire system.

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25. **Marketing strategy**—the marketing logic by which the company hopes to create this customer value and achieve these profitable relationships

26. **Customer-Driven Marketing Strategy:**

- **Market segmentation** is the division of a market into distinct groups of buyers who have distinct needs, characteristics, or behaviour and who might require separate products or marketing mixes.
- **Market targeting** is the process of evaluating each market segment's attractiveness and selecting one or more segments to enter.
- **Differentiation** is the market offering to create superior customer value
- **Market positioning** is the arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of the target consumer.

Page-Reference: 54-55

27. **Marketing mix** is the set of controllable tactical marketing tools—product, price, place, and promotion—that the firm blends to produce the response it wants in the target market

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28. **Managing the Marketing Effort process:**

1. *Analysis (SWOT) : evaluates the company's overall strengths, weaknesses, opportunities, and threats.*
2. *Marketing Planning includes:*
 - ✓ *Executive summary*
 - ✓ *Analysis of current situation*
 - ✓ *Objectives*
 - ✓ *Targets and positioning*
 - ✓ *Marketing mix*
 - ✓ *Budget*
 - ✓ *Controls*
3. *Implementation*
4. *Control*

Page-Reference: 59 to 61

29. **Return on marketing investment (Marketing ROI)** is the net return from a marketing investment divided by the costs of the marketing investment. Marketing ROI provides a measurement of the profits generated by investments in marketing activities.

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Chapter Three:

30. **The marketing environment** consists of the actors and forces outside marketing that affect marketing management's ability to build and maintain successful relationships with target customers.

1. **Microenvironment:** consists of the actors close to the company that affect its ability to serve its customers, the company, suppliers, marketing intermediaries, customer markets, competitors, and publics.
 - ✓ **Suppliers:** Provide the resources to produce goods and services
Treated as partners to provide customer value
 - ✓ **Marketing Intermediaries:** Help the company to promote, sell, and distribute its products to final buyers
 - ✓ **Competitors:** Firms must gain strategic advantage by positioning their offerings against competitors' offerings.
 - ✓ **Publics:** Any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives (Financial publics, Media publics, Government publics, Citizen-action publics, Local publics, General public, Internal publics)

Page-Reference: 72 to 76

2. **Macroenvironment:** forces that shape opportunities and pose threats to the company. Consists of the demographic, economic, natural, technological, political, and cultural factors that are affecting your company

31. Age structure of the population:

- Baby boomers
- Generation X
- Millennials (Gen Y or echo boomers)

Page-Reference: 78- 79

32. Cultural environment:

- ✓ **Core beliefs and values** are persistent and are passed on from parents to children and are reinforced by schools, churches, businesses, and government.
- ✓ **Secondary beliefs and values** are more open to change and include people's views of themselves, others, organization, society, nature, and the universe.

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Chapter Five:

33. **Customer Insights:** Fresh understanding of customers and the marketplace derived from marketing information that become the basis for creating customer value and relationships.

- ✓ Marketers don't need more information; they need better information

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34. **Marketing information system (MIS)** consists of people and procedures for the following:

Assessing the information needs

Developing needed information

Helping decision makers use the information for customers to generate and validate actionable customer and market insights

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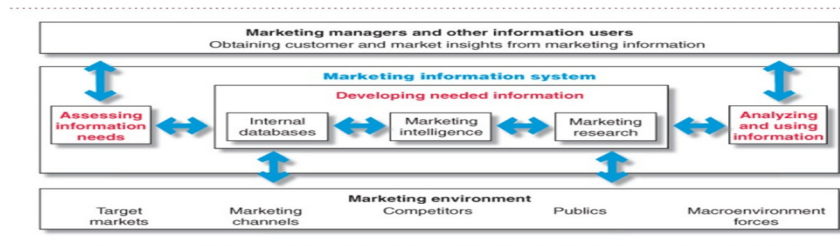


Figure 5.1 The Marketing Information System

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- ✓ **Good MIS** Balances the information users would like to have against what they need and what is feasible to offer

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35. Marketers can obtain needed information from: Page-Reference: 147 to 149

- ✓ Internal data: electronic collections of consumer and market information obtained from data sources **within the company network**.
- ✓ Marketing intelligence: systematic collection and analysis of publicly available information about consumers, competitors, and developments in the marketplace.
 - ❖ **Good Marketing intelligence** can help marketers gain insights into how consumers talk about and connect with their brands.
 - ❖ Competitors often reveal intelligence information through their annual reports, business publications, trade show exhibits, press releases, advertisements, and webpages.
- ✓ Marketing research : systematic design, collection, analysis, and reporting of data relevant to a **specific marketing situation facing an organization**

36. Marketing research process steps:

- Defining the problem and research objectives; hardest step in the marketing research process.
 - ❖ Three types of objectives:
 1. **Exploratory research**: to gather preliminary information that will help define the problem and suggest hypotheses.
 2. **Descriptive research**: to describe things, such as the market potential for a product.
 3. **Causal research**: to test hypotheses about cause-and-effect relationships
- Developing the plan (See Table 5-2, page 154):
 - *research approaches*,
 - *contact methods* (See Table 5-3, page 158),
 - *sampling plans* (See Table 5-4, page 162)
 - *instruments* to gather data
- ❖ **Secondary data** consists of information that already exists somewhere, having been collected for another purpose (See Table 5-1, page 153)
- ❖ **Primary data** consists of information gathered for the special research plan.
- Implementing the plan, and
- Interpreting and reporting the findings.
- ❖ Managers must know what is wrong in defining the problem. Research objectives may be reached through exploratory, descriptive, or causal research. Next, the information needed and a plan for gathering and presenting is made. Then, secondary and primary data must be collected to compile and analyze. Finally, the important information must be presented to management for decision making.

Page-Reference: 150 to 167

37. Sample is a segment of the population selected for marketing research to represent the population as a whole.

- *Who is to be surveyed (sampling unit)?*
- *How many people should be surveyed (sampling size)?*
- *How should the people be chosen (sampling procedure)?*

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38. **Customer relationship management (CRM):**

- ✓ to manage detailed information about individual customers and carefully manage customer touch points in order to maximize customer loyalty.
- ✓ consists of sophisticated software and analytical tools that integrate customer information from all sources, analyze it in depth, and apply the results to build stronger customer relationships

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