

**Strategic
Marketing**

Introduction to the Topic
Lecture 1

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4/23/2015 I wish to thank my colleague - professor Mike Mulvey - who has so generously shared his teaching materials, as well as numerous pedagogical ideas with me. 1

Agenda

- Introductions
 - Who am I?
 - Why are you taking this class?
- Course Outline Discussion
- Present day overview of the marketing function
 - What is marketing?
 - From a marketing perspective, what is a "product"?
 - To understand the evolution of marketing?
 - Does marketing create needs?
 - Are all consumers alike?
- Relationship Marketing and its various manifestations
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Course Outline

- Account: Always use your university account. E-mail from other domains (hotmail, yahoo...) may be automatically treated as spam.
- Subject: Always identify the course number and section, followed by a brief description of the issue or concern (e.g.: ADM3321X team project issue)
- The Text Body Field: Try to keep things simple, clean and to the point. Address me in the email, and remember to not address me as "hey pro" "Whats up" or "Hey Kendra." Be specific and detailed about what the difficulty or challenge is regarding. Ask an actual question, rather than leaving it up to me to infer what you don't understand.
- It is your responsibility to ensure that your official email address is correct and incorporated in the university's registration file. I will use ONLY the university's official email list for all correspondence. "I did not receive your email" will absolutely not be accepted as an excuse unless the university's server system is "broken" or shut down for any reason.
- No make-up activity or assignment can be undertaken in order to improve your midterm, project, final exam, or course marks.
- Class attendance is mandatory as described in the University's calendar. It is your responsibility to familiarize yourself with the appropriate sections of the calendar
- Failure to submit or participate in required activities will seriously affect your grade.
- Cheating or dishonest behavior will not be tolerated under any circumstances. The consequences for such behavior include suspension or expulsion and serious damage to your reputation.

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CHECKLIST FOR SUCCESS

- Read assigned chapters before class
- Attend all classes
- Participate in class discussions
- Be a reliable, liked, valued, indispensable member of your group
- Produce professional-quality assignments and presentations

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I Was Thirsty. I Went to Buy a Bottle of Water



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The New York Times

BREAKING NEWS...



- September 14, 2005
- 110 year-old brand of sparkling mineral water
 - Now being imported from Italy to the U.S.
 - "The calcium water" fights osteoporosis and other health problems

- August 12, 2007
- Reusable = Urban Status Symbol
 - Bottles = Guilt + Regret + Shame
 - B.Y.O. H₂O movement



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1. So, What is Marketing?



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Business Functions

Discipline	Prime Responsibility
Accounting	Reporting financial state
Finance	Raising / managing capital
Management	Human resources
Information Systems	Organizing information
Marketing	??????

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"Marketing is the organizational function and a set of processes that subject to constraints, attempts to establish mutually satisfying product exchange relationships between any two interested parties."

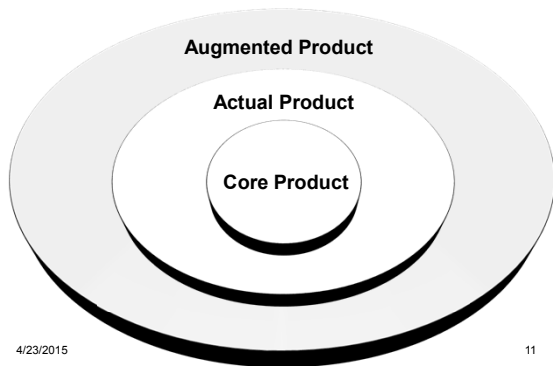
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...Any Two Interested Parties

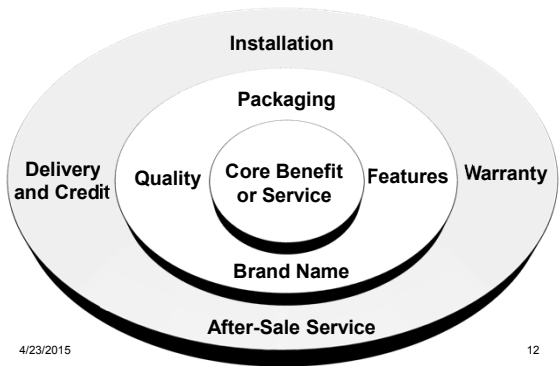
- Places
- Properties
- Organizations
- Information
- Ideas
- Goods
- Services
- Experiences
- Events
- Persons



Product Exchange Relationships...



Marketing View of a Product



Kotler on Marketing

It is no longer enough to satisfy customers. You must delight them.



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Evolution in Marketing Thought



"Big Night"



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Production Concept

Product Concept

Selling Concept

Marketing Concept

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Evolution of Business

Marketing Missions: Pre-1945 to Today

Time

1. Production

Pre-1945
Demand > Supply

2. Sales

1945 to Mid 1960s
Supply ≥ Demand

3. Marketing Orientation

Mid 1960s to Early 1970s
Supply > Demand

4. Marketing Concept

1970s to 1990s

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The Marketing Concept

Identify and satisfy customer needs while making a profit.

- Satisfaction of consumer wants and needs..super-ordinate goal
- Coordinated with other business functions
- Profit maximization

Where is marketing today?

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Current State of Marketing

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Marketing Realities of Today

- Information Clutter
- Declining Brand Loyalty
- Consumer Cynicism
- Need for Knowledge
- Internet based customization
- Globalization



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Business Today

- Super-Fast Marketing
 - Motorola
 - TD Bank
 - Levi-Strauss
- Super-Value Marketing
- Guarantee Marketing
 - Warranty Marketing
 - Service Contracts
 - Extraordinary Guarantees
- Network Marketing
- Synergistic Marketing
- Marketing Engineering
- Upside down/crowd Marketing

→ **Relationship Building**

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Most Admired Companies















Q- What do they have in common?

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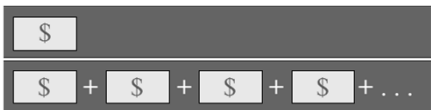
Satisfying Needs to Relationship Marketing

<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Consumer Satisfaction</div>  <p style="font-size: small;">one-off</p>	→	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Consumer Relationship</div>  <p style="font-size: small;">relationship-building</p>
investment in products	→	investment in customers
market segmentation	→	customer analysis
short-term profit max.	→	long-term wealth max.

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A Change in Focus...

- A 5% increase in customer retention can significantly increase profitability, ranging from:
 - 25% on bank deposits
 - 85% on car servicing
- A 2% rise in customer retention has the same effect on profitability as a 10% reduction in overheads. (PWC)



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Attracting and Retaining Customers

- Forming strong customer bonds
 - Listen to the Voice of the Customer
 - Create superior offering
 - Reward outstanding employees
- Adding financial benefits
 - Frequency programs
- Adding structural ties
 - Create long-term contracts
 - Lower price for high volume
 - Turn product into long-term service

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Relationship Marketing

- What is Relationship Marketing?
- What is Driving Relationship Marketing?
 - Technology
 - Need for real time MR
 - Need for integrating design and manufacturing
 - Need for knowledge
 - Need for Dialogue and integrated communications

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Relationship Marketing

- What is Relationship Marketing?
- What is driving Relationship Marketing?
 - Technology
 - Need for real-time marketing research
 - Need for real-time dialogue with clients
 - Need for integrating marketing with design and manufacturing
 - Need for integrated Communications
 - Need for **knowledge**

Too much “knowledge”?

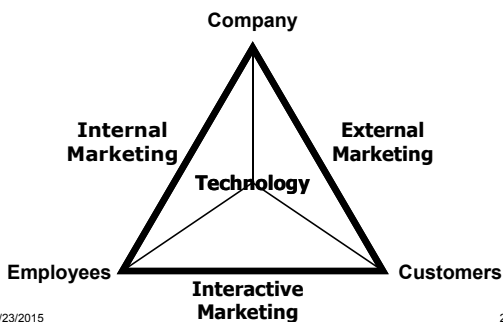
<http://aclu.org/pizza/images/screen.swf>

<http://www.youtube.com/watch?v=RZDXfB0Rd4Q>

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.....Made Possible by Technology



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The 4Ps are Changing

- **Product?**
 - Content, Context, Infrastructure, Branding
- **Price?**
 - Perceived Value, Dynamic, Auctions
- **Promotion?**
 - Dialogue, Buzz Marketing, Viral Marketing, Placements, PR, Co-Promotion
- **Place?**
 - Networks, Alliances, Organic Structures

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