

# Marketing

Introduction to the Topic  
Lecture 1

Gurprit Kindra PhD  
Professor – University of Ottawa

9/8/2012 *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
- 

9/8/2012 2

---

---

---

---


---

---

---

---

Syllabus		Textbook
Course Deliverable	Due Date	Weight on Final Grade
Mid-Term Exam	October 31	30%
Final exam	TBD	40%
Marketing Assignments: (skill development exercises)	Due on Sept. 26, Oct. 10, Nov. 7 and Nov.21: 30 minutes before the start of class.	20%
Participation	On-going	10%



9/8/2012

---

---

---

---

---

---

---

---

## Course Outline: Pages 4-5

- 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.

9/8/2012

4

---

---

---

---

---

---

---

---

---

---

## 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

9/8/2012

5

---

---

---

---

---

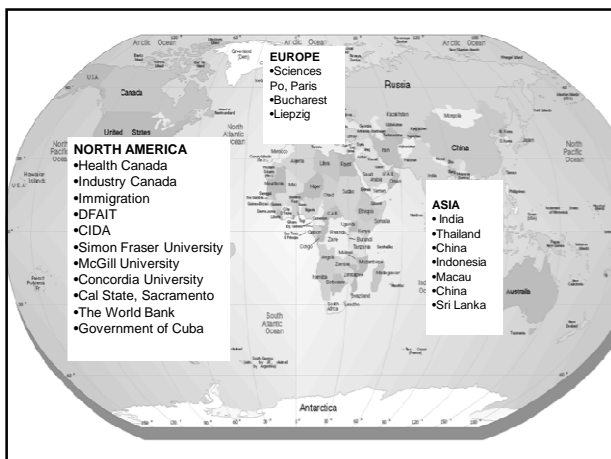
---

---

---

---

---




---

---

---

---

---

---


---

---

---

---

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



9/8/2012 7

---

---

---

---

---

---

---

---

**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. H<sub>2</sub>O movement



9/8/2012 8

---

---

---

---

---

---

---

---

1. So, What is Marketing?



9/8/2012 9

---

---

---

---

---

---

---

---

## Business Functions

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

9/8/2012

10

---

---

---

---

---

---

---

---



“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.”

9/8/2012

11

---

---

---

---

---

---

---

---

## ....Any Two Interested Parties

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



Guinness "Senses"



Covenant House "Give a damn"



XO "Customer Service"

12

12

---

---

---

---

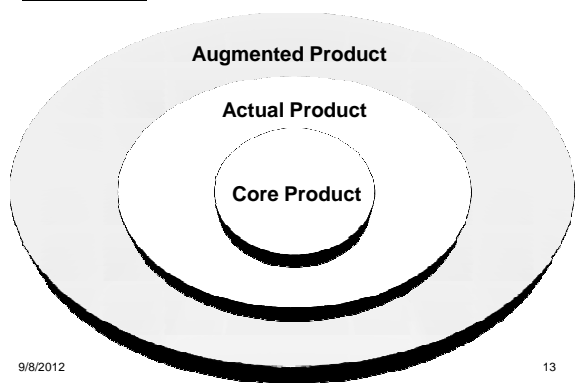
---

---

---

---

### Product Exchange Relationships...



---

---

---

---

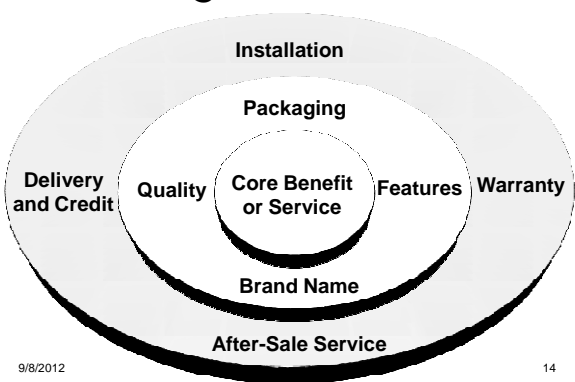
---

---

---

---

### Marketing View of a Product



---

---

---

---

---

---

---

---

### 1. Does Marketing Satisfy Needs?

- Needs: difference between a consumer's actual and some ideal or desired state.
- Wants: desire to satisfy need in ways that are influenced by culture and society.
- Benefits: outcome sought by a consumer that motivates buying behavior.



Mercedes Benz  
"Long Way"

9/8/2012

15

---

---

---

---

---

---

---

---

## 2. Does Marketing Creates Needs?



**DESPITE WHAT SOME PEOPLE THINK, ADVERTISING CAN'T MAKE YOU BUY SOMETHING YOU DON'T NEED.**

9/8/2012

- Who is most likely to be victimized by marketers?
- Have you ever been influenced by a marketer to buy something you didn't need?



... stated needs  
... real needs  
... unstated needs  
... delight needs  
... secret needs

16

---

---

---

---

---

---

---

---

## 3. Are All Customers Alike?

\$3.99



\$199



**WAL\*MART®**

*Love Diamonds*

- Everytown, USA
- Smalltown, Canada

- Madison Ave, NYC
- Venice, Italy

9/8/2012

17

---

---

---

---

---

---

---

---

## Kotler on Marketing

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



9/8/2012

18

---

---

---

---

---

---

---

---

### Evolution in Marketing Thought

9/8/1945 Production Concept      Product Concept      Selling Concept      Marketing Concept

19

---

---

---

---

---

---

---

---

---

---

### Evolution of Business

Marketing Missions: Pre-1945 to Today

Time →

1. Production	2. Sales	3. Marketing Orientation	4. Marketing Concept
Pre-1945	1945 to Mid 1960s	Mid 1960s to Early 1970s	1970s to 1990s
Demand > Supply	Supply ≥ Demand	Supply > Demand	

9/8/2012      20

---

---

---

---

---

---

---

---

---

---

### 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?**

9/8/2012      21

---

---

---

---

---

---

---

---

---

---

## Current State of Marketing

9/8/2012 22

---

---

---

---

---

---

---

---

## Marketing Realities of Today

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



9/8/2012 23

---

---

---

---

---

---

---

---

## 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**

9/8/2012 24

---

---

---

---

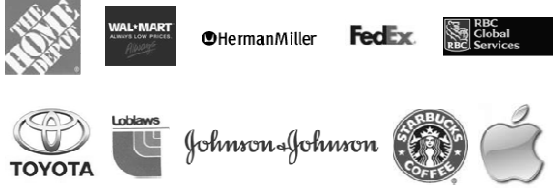
---

---

---

---

## Most Admired Companies



Q- What do they have in common?

9/8/2012

25

Extremely good at relationship building (with dealers, suppliers, customers, etc.) as well as brand loyalty

Build genuine, long lasting and reliable relationships as opposed to sucking up when they need you (ex. rogers)

---

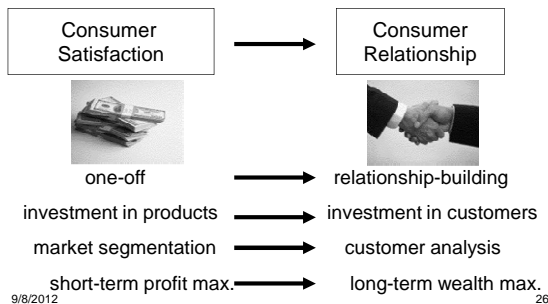


---



---

## Satisfying Needs to Relationship Marketing



9/8/2012

26

---



---



---



---



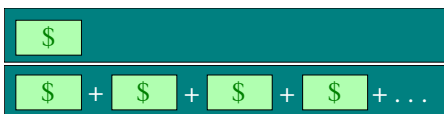
---



---

## 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)



9/8/2012

27

- The cost of acquiring new customers is far more expensive than keeping your existing customers.
- Companies like wal-mart look for patterns in customers through data mining in order to bundle products for a more convenient and profitable shopping experience.

---



---



---

### 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

9/8/2012

28

---

---

---

---

---

---

---

---

### 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

9/8/2012

29

Information technology has made it possible for big corporations to build closer relationships with their customers like a corner store market could more easily and personally do.

Deal with knowledge not information

Relationship building today involves analyzing which customers economically contribute to the company

Dialogue (2 way) instead of communication

### 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>

9/8/2012

30

---

---

---

---

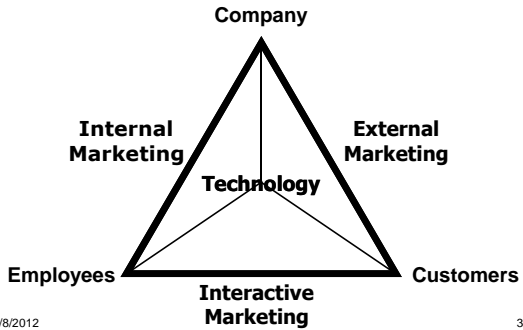
---

---

---

---

.....Made Possible by Technology



---

---

---

---

---

---

---

---

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

9/8/2012

32

---

---

---

---

---

---

---

---