

Chapter 1: Overview of Marketing

September 6, 2017

2:57 PM

Learning Objectives:

- **LO1** Define the role of marketing and explain its core concepts
- **LO2** Describe how marketers create value for a product or service
- **LO3** Summarize the four orientations of marketing
- **LO4** Understand the importance of marketing both within and outside the firm

Core aspects of Marketing



What is Marketing?

- **Marketing** is the activity, set of institutions, and processes **for creating, communicating, delivering, and exchanging offerings** that have value for customers, clients, partners, and society at large
- **Marketing is satisfying consumer needs and wants profitably**
- The delivery of **Customer Satisfaction** in a way that benefits the organization and its stakeholders!
 - Personal Selling
 - Advertising
 - Making Products available in stores
 - Managing relationships with customers
 - Designing new products

Requirements for Marketing to Occur

- Two or more parties (individuals or organizations) with unsatisfied needs
- A desire and ability on their part to be satisfied
- A way for parties to communicate
- Something to exchange

Marketing entails an exchange

- The exchange can occur between any two parties
- Not simply a buyer and seller exchanging money for a good or service
- Can be an exchange of information for convenience

Key concepts in Marketing -- Exchange and relationship

- **Exchange:** The act of obtaining a desired object from someone by offering something in return
- What is exchanged for the product? -- **PRICE**
- Marketing consists of actions taken to build and maintain desirable **relationships** with target audiences involving a product, a service, and idea, etc...

Needs vs Wants + Demands

- **Need:** Basic necessities. Occur when a person feels physiologically deprived necessities
- **Want:** How to fulfill that need. Are needs shaped by culture and individual personality
- **Demands:** Are needs/Wants combined with buying power

Its a marketers job to discover CONSUMER NEEDS and WANTS

How can marketers discover consumer needs?

- **Create Needs:** Market research / New product development
- **Listen to Needs:** Consumer Behaviour

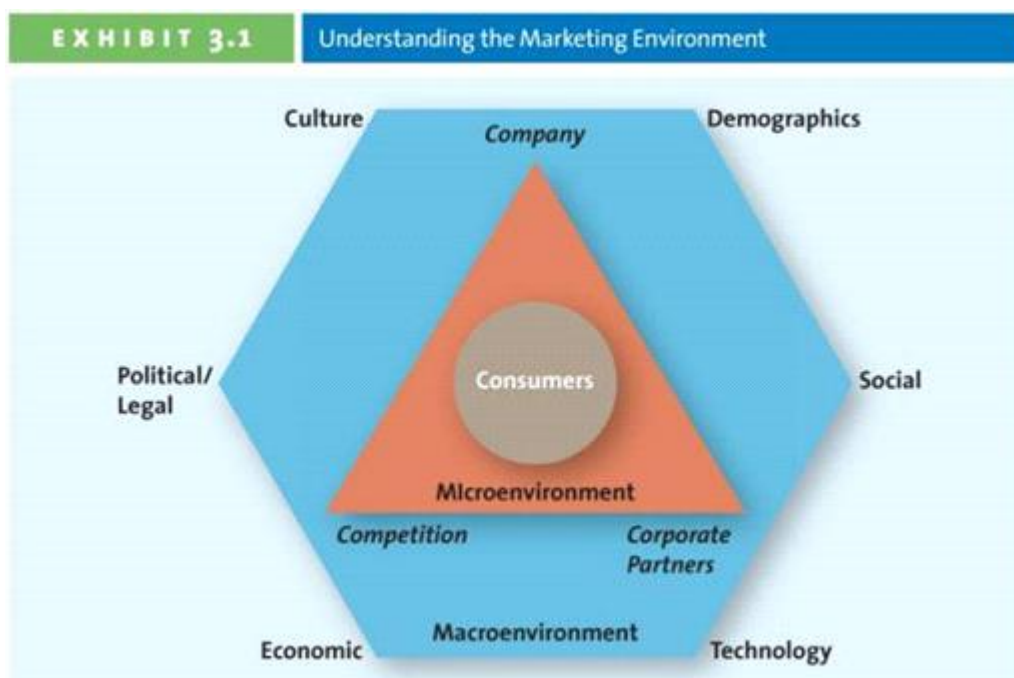
How Marketing Discover and Satisfies Consumers' Needs and Wants?

- With Controllable Factors -- Four Ps
- The Four Ps: Controllable Marketing Decisions
 - **Price -- Promotion -- Place -- Product**

"Marketing Mix": 4P's are the marketing mix

- With 4P's -> Marketers create, communicate, transacting and deliver value
- Details of each 4P's will be covered through the term

Uncontrollable Factors: The Marketing Environment



The Marketing Environment: Uncontrollable events involving social, economic, technological, competitive, and regulatory forces.

*details will be covered in Chap. 3

Marketing requires marketing mix decisions



Key concepts in Marketing: Value Creation

- The fundamental purpose of marketing is to create value for both the firm and customer
- Value is in essence *what you get for what you give up*

Product: Creating Value

- Goods
- Services
- Ideas

Price: Transacting Value

- **Price** is everything the buyer gives up in exchange for the product
 - Money
 - Time
 - Energy

Place: Delivering Value

- All activities necessary to get product to the right customer when that wants it
- Supply chain management is the field that examines these activities
- Where would you find this product in store?

Promotion: Communicating Value

- The communication activities of marketing
- Used to inform, persuade and remind potential buyers
- Used to influence their opinion or elicit a response

What is a Market?

- **Market:** Set of actual and potential buyers of a product
- **Traditional View:** A market is a physical place where buyers and sellers gathered to buy and sell goods

What is Marketed?

→ Everything that can be exchanged!

What is Marketing?

- How to access consumer needs/wants?
 - Understand consumers and the environment
- How to satisfy consumer needs/wants
 - Develop a proper Marketing Mix

Marketer's First Task -- Discover Consumer's Needs



Marketer's Second Task -- Satisfying Consumer Needs

→ Satisfying consumer needs by finding the right combination of *Product, Price, Promotion and*



The 4 Orientations of Marketing

- Product Orientation (Turn of the century - 1920)
- Sales Orientation (1920-1960)
- Market Orientation (1960-1990)
- Value Based Orientation (1990 +)

Product Orientation

- Consumers prefer the best product that offer the most quality, performance, or innovative features.
- Focus on making superior products and improving them over time.
- The Production Orientation until the 1920s
 - Focus on production and economies of scale
 - Profit is from production methods
 - "Focus on the producing of the best product"
 - Profits from Quality of the product
 - "If we build it, they will come"
 - Products will sell themselves
 - Ex: Henry Ford

Sales Orientation

- The Sales Orientation up to the 1960s
- Consumers, if let alone, will not buy enough of our products
- Focus on selling
 - Selling techniques
 - "Sell, Sell, Sell"
 - "Hire more salespeople to find more consumers"

Market Orientation

- Focus on customers wants and needs
- "We're not satisfied until you are"
- Customer is King!
- Focus on 4P's is accentuated
- This is **NOT** easy

Market Orientation -> Value-based Orientation

- Focus on **customer satisfaction**
 - Provide the right 4P's collectively
 - Deliver more effectively and efficiently than competitors
 - Build long-term profitable relations with customers

Value-based Orientation

- To compete successfully, firms focus on the triple bottom line:
 - People (consumer needs & wants)
 - Profits (long-term profitable relationships)
 - Planet (social and environmental responsibility)

Value & Satisfaction

- **Customer Value** = The unique combination of benefits received by the customer that include quality, price, convenience, on-time delivery, and both before sale and after-sale service.

How do firms become more value driven?

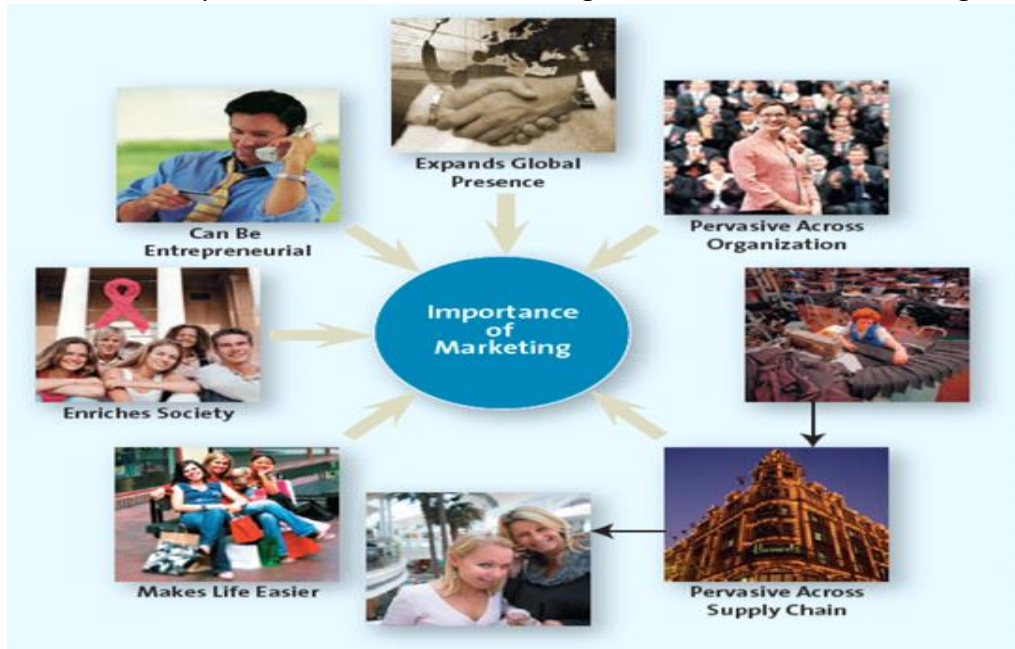
- Firms focus on 4 activities:
 - Sharing information (important due to increasingly connected world)
 - Balance customers benefits & costs
 - **Understand** key benefits
 - **Focus** on key benefits
 - **Eliminate** cost of less strategic benefits
 - Build relationships with customers
 - Take a long term view of customer relationships
 - Use data to assist in maintaining the relationship
 - Use technology to connect with customers
 - Embrace social media to connect better with customers
 - 3/4 of North American companies now use social media for marketing purposes
 - Users are driving the way brands & stores are interacting with social media

Social Media & Marketing

- The use of digital tools to easily & quickly share content to foster dialogue, social personal identities

Why is marketing important?

- Because its all over, its not only about the firm that wants to make money, its about charities, non profits, small businesses, big businesses, health warnings, etc...



Marketing expands firms' global presence

- Goods are available to consumers from many countries from the far reaches of the globe
- Must understand customers needs & wants
- Segment-by-segment, region-by-region

What is Marketing?

- **Marketing** is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have **value for customers, clients, partners and society at large.**

Chapter 2

September 11, 2017
4:55 PM

Developing Marketing Strategies and a Marketing Plan

Learning Objectives

- LO1 Define a marketing strategy
- LO2 Describe the elements of a marketing plan
- LO3 Analyze a marketing situation using a SWOT analysis
- LO4 Outline the implementation of the marketing mix as a means to increase customer value
- LO5 Describe how firms grow their businesses (BCG and Growth strategy/Market - Product

Marketing strategy

Marketing strategy identifies:

- A firm's target market(s)
- A related marketing mix - the four P's and,
- The bases upon which the firm plans to build a sustainable competitive advantage
- Leads to sustainable competitive advantage

Sustainable Competitive Advantage

- Nike - "Just do it!"
 - Strong brand
 - Technology
 - Strong customer base
 - Loyal customers

Developing Customer Value



Customer Excellence

- Retain loyal customers
- Provide excellent customer service

Operational Excellence



Product Excellence

- High perceived value and,
- Effective branding and positioning

Locational Excellence

- The most important things in retailing are location, location, location!

Multiple Sources of Advantage

Multiple approaches:

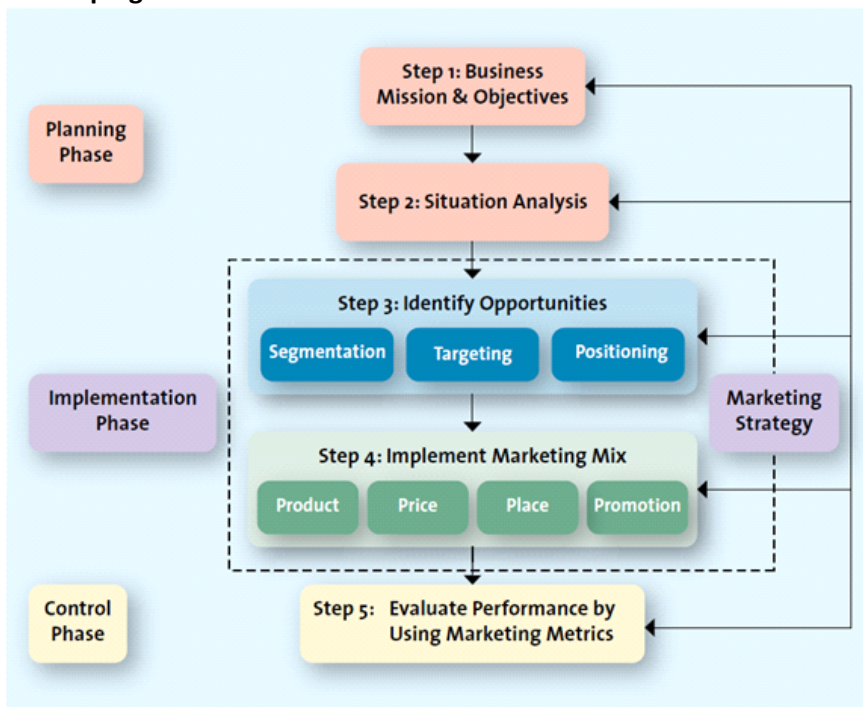
- Customer value
- Customer service
- Customer relations
- Great prices!

Good Service = Good Value

What is a Marketing plan?

- A marketing plan is a written document to give marketers a "road-map" for the company to its product.

Developing a Market Plan



Planning Phase -- Step 1: Business mission & objectives
 Defining the mission

- Tim Hortons states: Our guiding mission is to deliver superior quality products and services for customers and communities through leadership, innovation and partnership. Our vision is to be quality leader in everything we do.

Business mission & Mission Statement

- Business mission
 - Provides reason for existence ("Why it exist?") of the organization
 - Foundation of the marketing plan -> The marketing plan focuses on accomplishing the mission
- Business Mission Statement
 - A statement of the organization's scope that often identifies its customers, markets, technology, and values
- Example of a Mission Statement
 - The Heart and Stroke Foundation mission: is to improve the health of Canadians by preventing and reducing disability and death from heart disease and stroke through health promotion, and advocacy.

Mission Statement

- States the organization's purpose.
- Market and customer-oriented.
- Provides direction to internal stakeholders
- A mission statement answers
 - What is our business?
 - Who is the customer?
 - What does the customer value?

Marketing Objectives

- A statement of what is to be accomplished through marketing activities
- Basis of measuring success
- Marketing objective must be:
 - Specific
 - Measurable
 - Actionable
 - Relevant
 - Time specific
 - Ex: "Our objective is to increase market share by 40% and to obtain customer satisfaction ratings of at least 90% in 2018."

Planning Phase -- Step 2: Situation Analysis *SWOT

- **Where** are we now?
 - SWOT Analysis & Environmental scanning
 - Company: Own Company
 - Consumers: Present and Future customers
 - Competitors: Industry Trends, competitions...

SWOT Analysis

- Internal
 - **Strengths**
 - Internal capabilities that help a company reach its goals
 - **Weaknesses**
 - Internal limitations that way hinder a company reach its goals
- External
 - **Opportunities**: Conditions in **the external environment** that favor strengths
 - **Threats**: Conditions in **the external environment** that do not relate to existing strengths or favour areas of current weakness

Environment	Evaluation	
	Positive	Negative
Internal	Strengths <ul style="list-style-type: none"> • Superior resources and capabilities • Superior management, marketing, technical talent • Strong brand • Superior product offerings • Extensive marketing reach • Wide distribution networks (national/global) • Strong financial resources • Excellent geographic location • Proprietary technologies/Intellectual property • Strong base of loyal customers 	Weaknesses <ul style="list-style-type: none"> • Little or no brand recognition • Lack of financial resources • Lack of other resources and capabilities • Lack of marketing, management, and technical talent • Limited market reach or distribution network • No propriety technology • Poor location • Limited customer base or loyalty • Lack of credibility
External	Opportunities <ul style="list-style-type: none"> • CDSTEP changes that offer opportunities for the firm to serve new markets with existing products and/or pursue completely new market opportunities • Existing firms exit the market because of financial or other difficulties (i.e., reduced competition) • Acquiring another firm and gaining market access, new customers, new technology and expertise, and financial resources 	Threats <ul style="list-style-type: none"> • Political or regulatory changes (e.g., new laws affecting business or products) • New entrants into the industry or market • New technology that could render existing technology or business practices obsolete • Natural or human-made disasters • Recession or economic downturn that affects consumers' purchasing power and confidence • Changes in sociocultural or demographic trends

SWOT Analysis - Ben & Jerry's Example

- Growing demand for quality ice cream
- Consumer's concern about fatty desserts; B&J customers are the type to read new nutritional
- Flat sales and profits in recent years
- Can complement Unilever's existing ice cream brands
- Increasing demand for frozen yogurts and other low-fat deserts
- Prestigious brand name
- Need for experienced managers to help them grow
- Success of many firms in extending succesful brand in one product category to others
- Competes with Haagen-Dasz
- Danger that B&J's social responsibility actions may add costs, reduce focus on core business
- Major share of super-premium ice cream market

Location of Factor	TYPE OF FACTOR	
	Favorable	Unfavorable
Internal	Strengths <ul style="list-style-type: none"> • Prestigious brand name • Major share of the super-premium ice cream market • Can complement Unilever's existing ice cream brands 	Weaknesses <ul style="list-style-type: none"> • Danger that B&J's social responsibility actions may add costs, reduce focus on core business • Need for experienced managers to help growth • Flat sales and profits in recent years
External	Opportunities <ul style="list-style-type: none"> • Growing demand for quality ice cream • Increasing demand for frozen yogourt and other low-fat desserts • Success of many firms in extending successful brand in one product category to others 	Threats <ul style="list-style-type: none"> • Consumer concern about fatty desserts; B&J customers are the type who read new nutritional labels • Competes with Haagen-Dazs brand • Downturn in Canadian economy

Developing a Marketing Plan



Implementation Phase - Step 3: Identify Opportunities

Implementation Phase:

- Obtain Resources
- Design Marketing Organization
- Develop Schedules
- Execute Marketing Program

Step 3: Identify opportunities

- Which products will be directed toward which customers?
- (The **What and Who** of the strategic marketing process)
- S: Segment the market: **Who**
- T: Select target market: **Who**
- P: Position Product: **What**
- S.T.P: Effective marketing requires S.T.P
- S.T.P is about who and what

Step 4: Implementing Marketing Mix

- Development of the marketing mix
- (The **How** of the strategic marketing).
- Product strategy
- Price Strategy
- Promotion Strategy
- Place (distribution) strategy
- (All the above encompasses the 4P's)



Price

- Exchange: product = money
- Customer perception of value

Price is only a part of value!

Place



Promotion

- Television
- Radio
- Magazines
- Sales force
- New Media

Developing a Marketing Plan -- Control Phase: Step 5: Evaluation

Control Phase:

- Compare results with marketing plan
- Exploit positive deviations
- Act on negative deviations

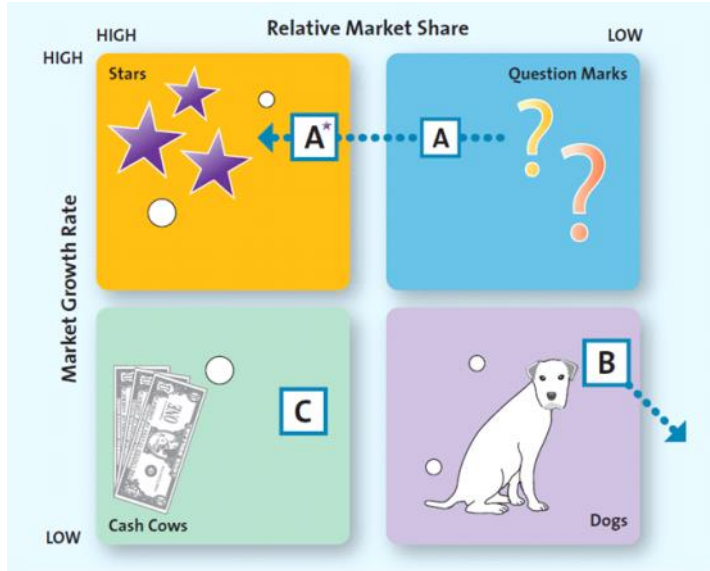
Business Portfolio Analysis (BCG)

Analyzing current portfolio. Where do we want to go?

Portfolio analysis: BCG Analysis

Analyzing current portfolio. Where do we want to go?

Portfolio analysis: BCG Analysis



BCG - Business Portfolio Analysis

Stars

Large profit but need a lot of cash

Question Marks

Need a lot of cash

Have potential to become stars

Cash Cows

Generate strong cash flow

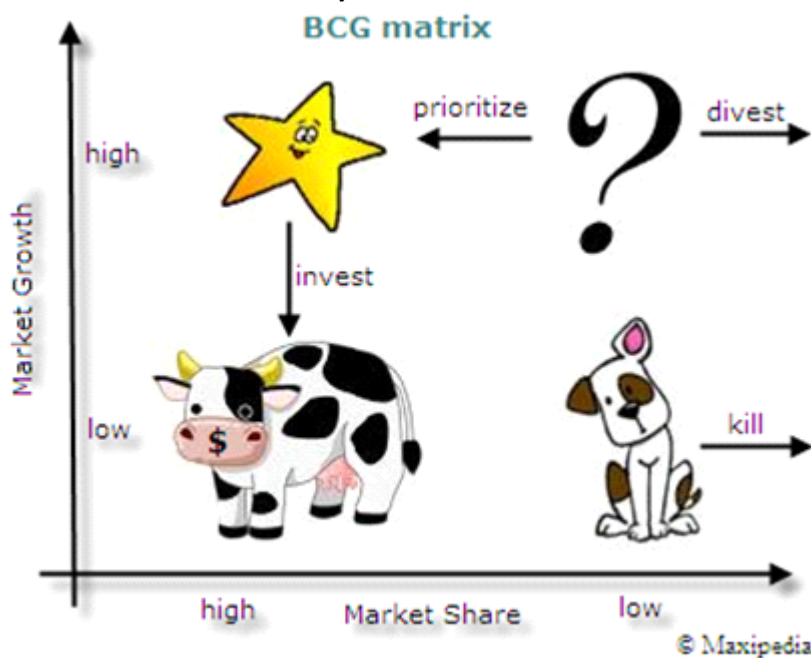
Dogs

Low growth potential and small market share

Where do we want to go? (both Situation and Evaluation Phases)

- Business Portfolio Analysis (BCG)
- Product-Market Growth Analysis

BCG - Business Portfolio Analysis

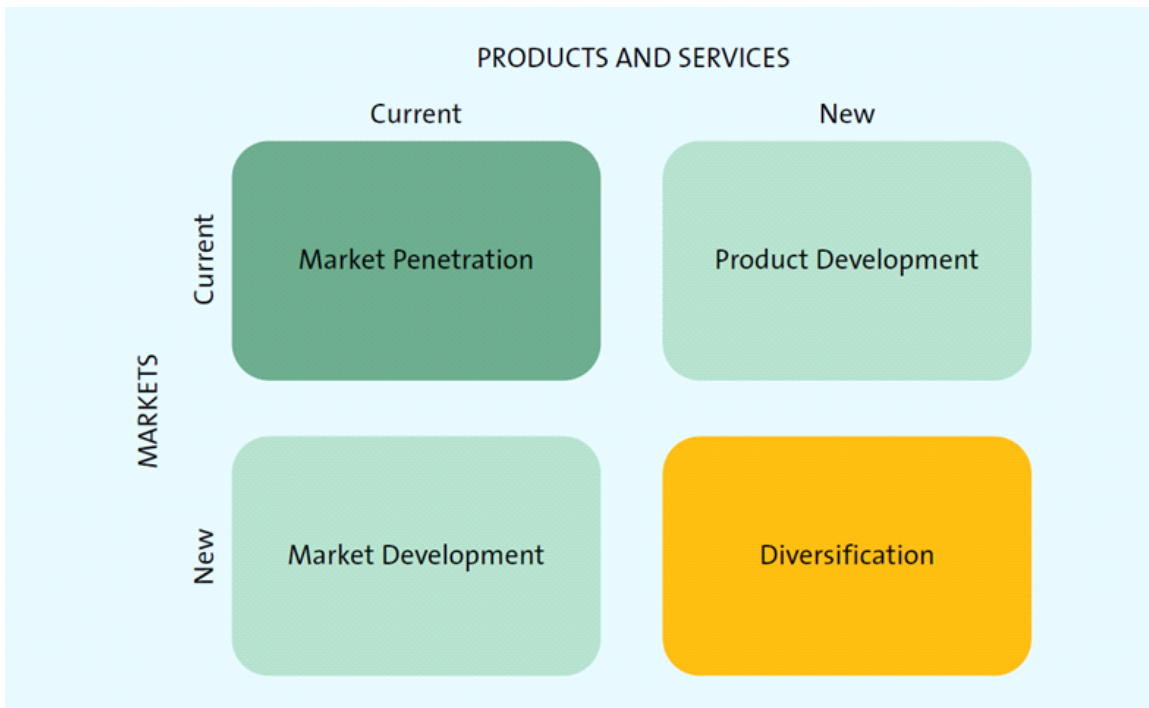


Four basic strategic options for the company's future growth:

- Build
- Hold
- Harvest
- Divest

Growth Strategies (Market Product Analysis)

Developing your portfolio



Market Penetration

- Existing marketing mix
- Existing customers

Market Development Strategies

- Existing marketing offerings
- New market segments (domestic, international) not currently being served

Product Development

- New product/service
- Current target market

Diversification

- New product/service
- New market segment not currently being served

Growth Strategies: Market Product Analysis

Markets	PRODUCTS	
	Current	New
Current	Market Penetration Selling more products in existing markets	Product Development Selling new products in existing markets
New	Market Development Selling existing products in new markets (either geographic or new segments)	Diversification Selling a new product in new markets

Market Penetration:
(increasing promotion, distribution or price)

Diversification:
Related vs unrelated diversification

Opportunities

Chapter 3 -- Analyzing the Marketing Environment

September 11, 2017
4:56 PM

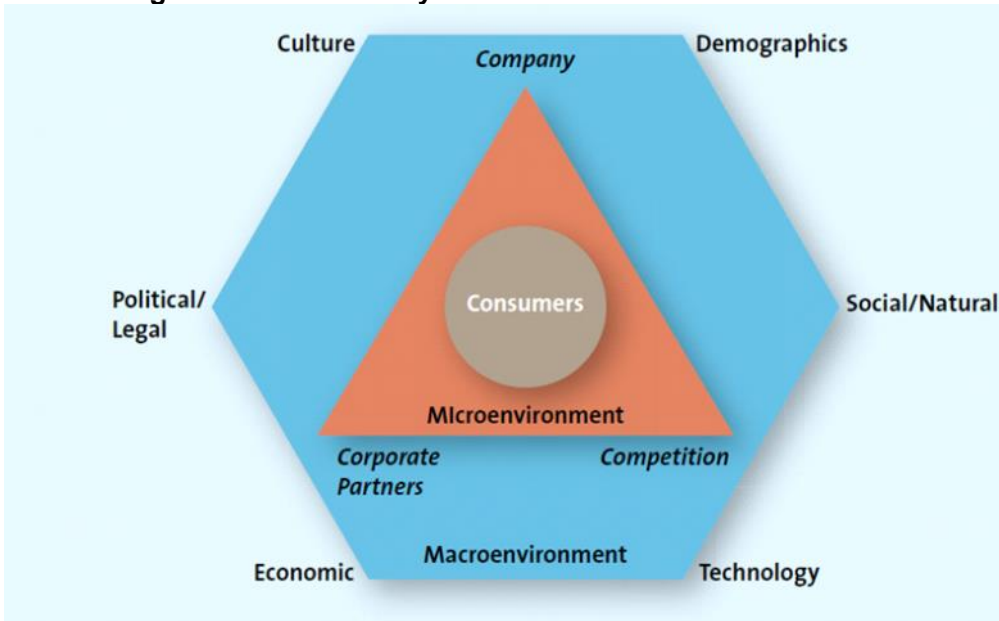
Learning Objectives

- LO1 - Outline how the factors in a firm's microenvironment influence its marketing strategy
- LO2 Identify the factors in a firm's macroenvironment and explain how they influence the overall marketing strategy
- LO3 Identify important social and natural trends that impact marketing decisions

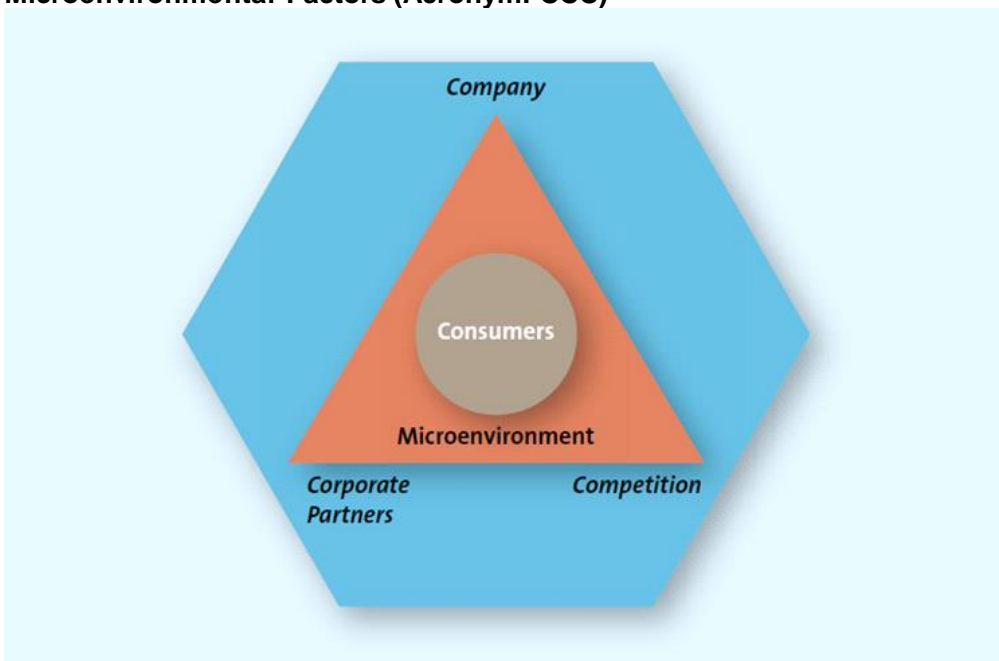
Environmental Scanning

- Tracking environmental trends
- Changes in the environment can affect the organization as its *suppliers* and *customers*. Macroenvironments are sources of opportunities and threats and need to be managed.
- SWOT Analysis Requires Environmental Scanning

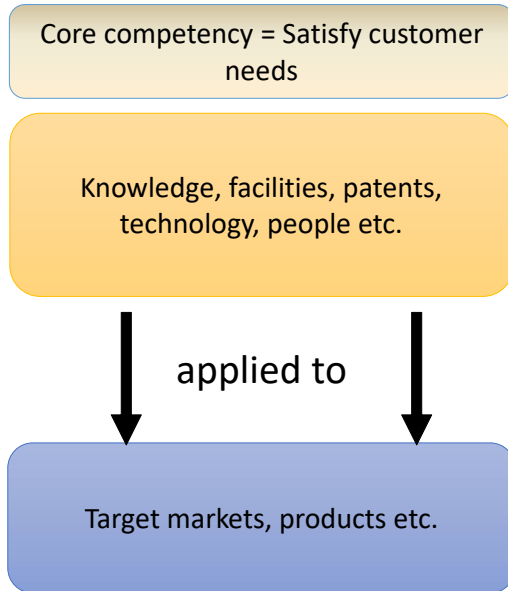
A Marketing Environment Analysis Framework



Microenvironmental Factors (Acronym: CCC)



Company Capabilities



Competition

- Identify and analyze direct and indirect competitors
- Know strengths & weaknesses
- Competitive Intelligence (CI) used to collect and synthesize info

Corporate Partners

- Firms are part of alliances - few work in isolation
- Align with suppliers, corporate partners etc.



From manufacture



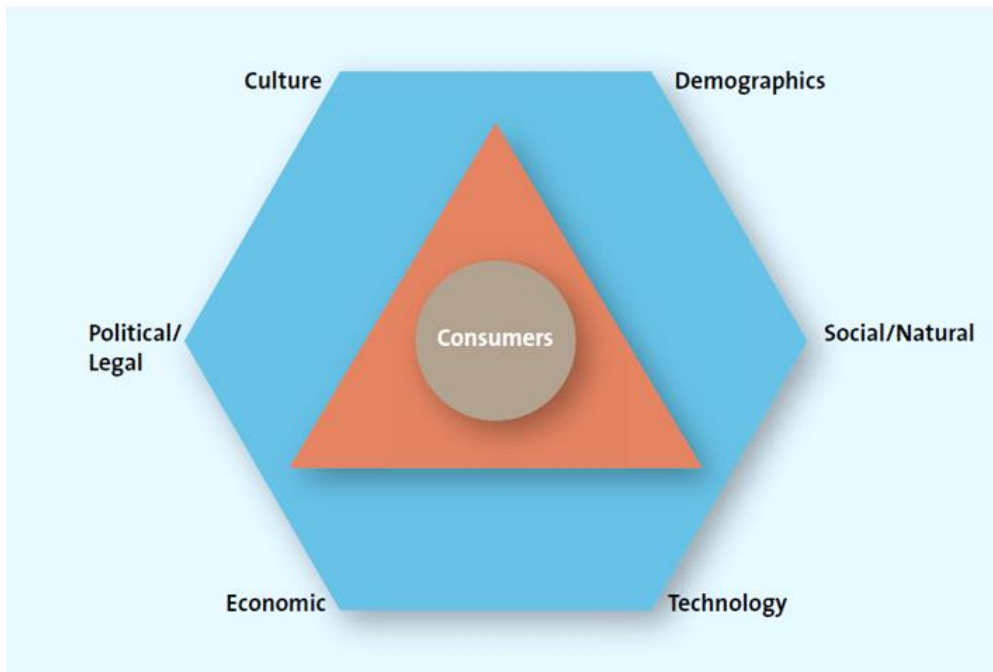
to



Retailer



Macroenvironmental Factors (Acronym: CDSTEP)



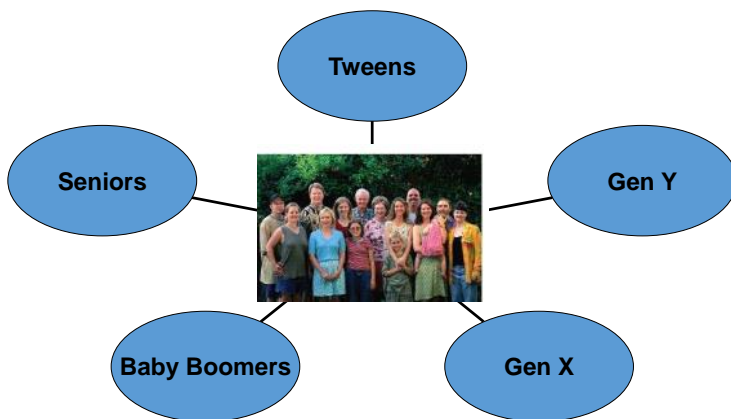
Culture

- Culture
- Country Culture vs. Regional Subcultures
- Culture: Shared meanings, beliefs, morals, values, & customs of a group of people

Demographics

- Characteristics of human populations & segment used to identify consumer markets:
 - Gender
 - Ethnicity
 - Age

Demographics: Generational Cohorts



Tweens	Gen Y	Gen X	Baby Boomers	Senior
<ul style="list-style-type: none"> • Age 9-12 • the breaking point of a "child" becoming a "tween" • Tech-savvy • Easily bored 	<ul style="list-style-type: none"> • 1980s-1995s born • Internet and social media generation • Ads everywhere • Stats for Gen Y • Play station • Freedom and flexibility 	<ul style="list-style-type: none"> • Born between 1965 and 1979 • Work-life balance • PC and TV generation 	<ul style="list-style-type: none"> • 1945-1960 • Family oriented • TV generation • Telephone • They become a key target for retailers • healthier food and high-quality beauty products 	<ul style="list-style-type: none"> • Age over 65, Pre 1945 • Jobs for life • Fastest growing group • Have time and money to shop • Tend to like made in Canada • Care about brand name

<p>"child" becoming a "tween"</p> <ul style="list-style-type: none"> • Tech-savvy • Easily bored 	<p>Internet and social media generation</p> <ul style="list-style-type: none"> • Ads everywhere • Stats for Gen Y • Play station • Freedom and flexibility work/life 	<p>Work-life balance</p> <ul style="list-style-type: none"> • PC and TV generation 	<ul style="list-style-type: none"> • TV generation • Telephone • They become a key target for retailers • healthier food and high-quality beauty products 	<ul style="list-style-type: none"> • Fastest growing group • Have time and money to shop • Tend to like made in Canada • Care about brand name
--	--	---	---	--

Demographics: Income, Gender, Education

- Typical demographics
- Age, Gender, Income, Education
- Demographic segmentation is probably the **most common form** of segmentation because the information is so widely available

Demographics: Income

- Purchasing power is tied to income
- Statistics Canada tracks income
- Many middle class families feel the decline in purchasing power in recent years

Demographic: Gender

- Male/Female roles have been shifting -> Marketing has changed to reflect these shifts

Demographics: Education

- Education is related to income, which determines spending power

Demographics: Ethnicity

- Ethnic composition of Canada is changing
- 1/5 Canadians not born in Canada
- By 2030, population growth will be mainly attributed to immigration

Social & Natural Trends

- Green Consumers
- Privacy Concerns
- Time-Poor Society

Social Trend

- Greener consumers: Hybrid cars, Green bin program, water bottles
- Marketing to children: Be responsible to children
- Privacy Concerns
- The time poor Society

Greener Consumers

- Customers who appreciate the efforts of companies to supply them with environmentally friendly merchandise

Entrepreneurial Marketing 3.1 - Turning trash into cash

- A compost crusader
- Growing City: A service to pick up food scraps from offices in Vancouver
- 67% of waste comes from offices & industry
- In 2015, organic materials will be banned from landfills

Privacy Concerns

- Loss of privacy
- Identity theft
- Do not call
- Do not email

Time-poor Society

- In the majority of families, most parents work
- Consumers have many more choices regarding leisure time
- Many consumers multitask

Social

- Safety belts were perceived as a humiliation to drivers
- Auto companies were not big fans of seat belts
- In 1970, only 10% wore a seat belt when driving
- In 2000, more than 80% wore a seat belt when driving

Environmental Forces	Example
Technological <ul style="list-style-type: none">•Impact on consumers•Impact on marketers	<ul style="list-style-type: none">•75% of Canadians have internet broad-band access and use this to find better deals and prices.•In 2015, because consumers seek lower prices, greater convenience and wider product offerings, value sales of media products (recorded music, films, video games) are expected to increase by 90%.
Economic <ul style="list-style-type: none">•Macroeconomic•Microeconomic	<ul style="list-style-type: none">•Late-2000s recession or Great Recession;•If household debt was spread evenly across all a family with two children would owe an estimated \$176,461 in 2010.•78% of Canadians think they have the capacity to borrow more.•Oil price dropped and the Bank of Canada cut the overnight rate
Political/Legal <ul style="list-style-type: none">–Protection of Consumers and Competition–Self-Regulation	Legislation & regulations at 3 levels of government (federal, provincial & municipal) Consist of provincial and/or federal laws Competition act is designed to protect and to balance the interests of competitors and consumers. Competitive forces

Technological Advances

Technology has impacted every aspect of marketing:

- New products
- New forms of communication
- New retail channels

Paypal

- Technology and Social trend
- Privacy concerns
- <http://vimeo.com/93420559>

Economic Situation

- Foreign currency fluctuations
- Combined with inflation and interest rates affect a firm's ability to market good and services
- <https://www.conference-board.org/data/consumerconfidence.cfm>

Current Exchange Rate

- 1 CAD = 0.8 USD
- If Canadian dollar appreciates?
 - 1 CAD > 0.8 USD
- If Canadian dollar depreciates?
 - 1 CAD < 0.8 USD

Political/Regulatory Environment

- Competition Act
- Consumer Packaging and Labelling Act
- Food and Drugs Act
- Access to information Act
- Patent Act
- North American Free Trade Agreement (NAFTA)

Chapter 4 -- Consumer Behavior

September 20, 2017
2:26 PM

What is Marketing?

Marketer - How to assess consumer needs/wants
Understand consumers and the environment
+
Marketer - How to satisfy consumer needs/wants
Develop a proper Marketing Mix

Why Consumer Behavior?

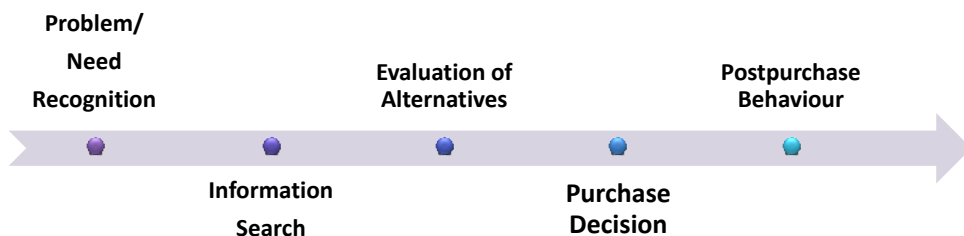
- Importance of understanding consumer behaviour
 - Understanding **what** consumers do, and **why** they do it, is a vital first step towards being able to **predict** and ultimately influence the behaviour.
 - This helps marketers provide a more relevant marketing mix to the consumer

Consumer Behaviour

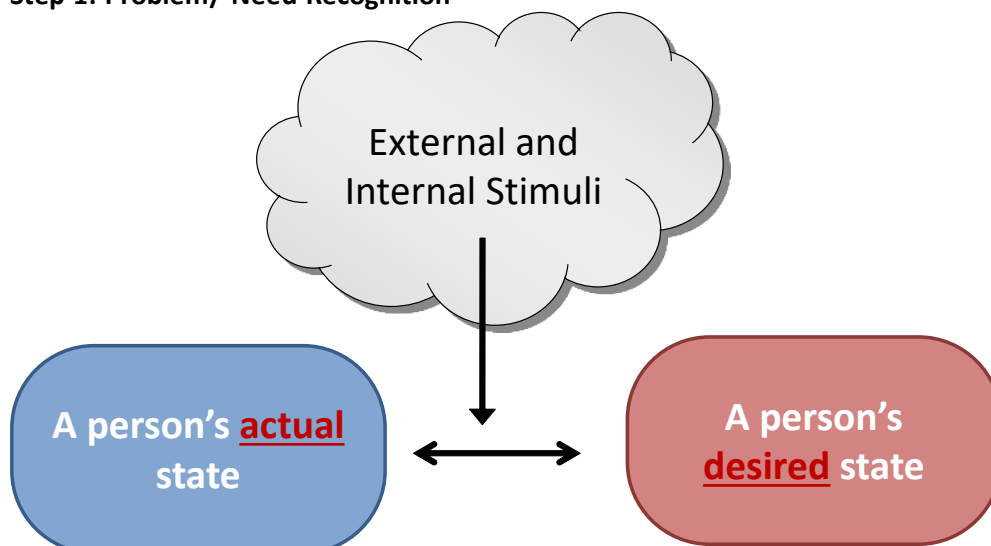
- **LO1** Describe the steps in the consumer buying decision process
- **LO2** Summarize how psychological, social, and situational factors influence consumers' buying behaviour
- **LO3** Explain how involvement influences the consumer buying decision process

1. Consumer Purchase Decision Process

→ A five-step process used by consumers when buying goods or services



Step 1: Problem/ Need Recognition



Two Types of Need


- **Functional needs**
 - Pertain to the performance of a product or service
- **Psychological needs**
 - Pertain to the personal gratification consumers associate with a product or service

Step 2: Information Search

→ I recognized my need, but how do I satisfy it? -> Information search

Internal
Information Search

- Recall information from memory



External
Information Search

1. Personal Sources (relatives, friends, colleagues, etc.)
2. Public Sources (consumer reports, government agencies, etc.)
3. Marketing Controlled Sources (advertising, store displays, company websites, etc.)
4. Experiential Sources (handling, examining, using the product)

Factors Affecting Consumers Search Process

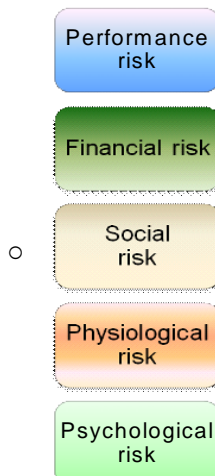
Perceived Benefits



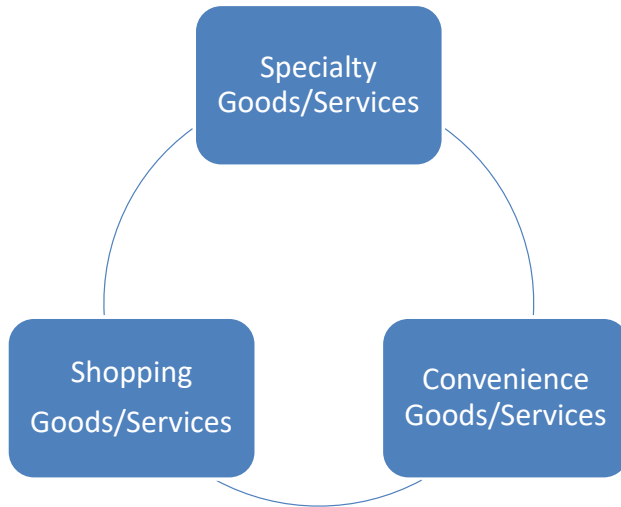
Perceived Costs

Factors Affecting Consumers' Search Process

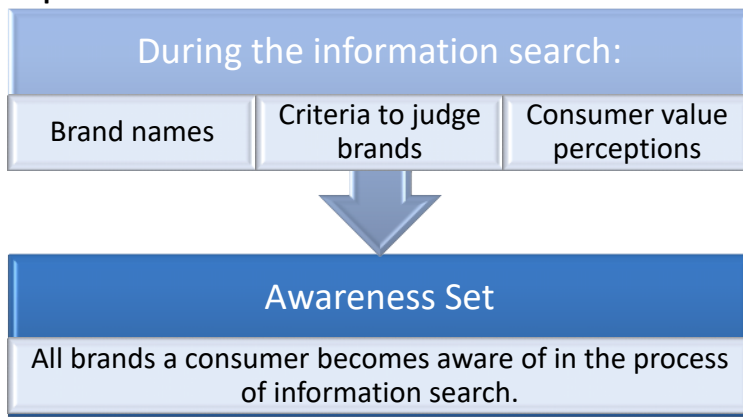
- Internal Locus of Control
 - Control = More search activities
- External Locus of Control
 - Fate, external factors = why bother
- Actual versus Perceived Risk



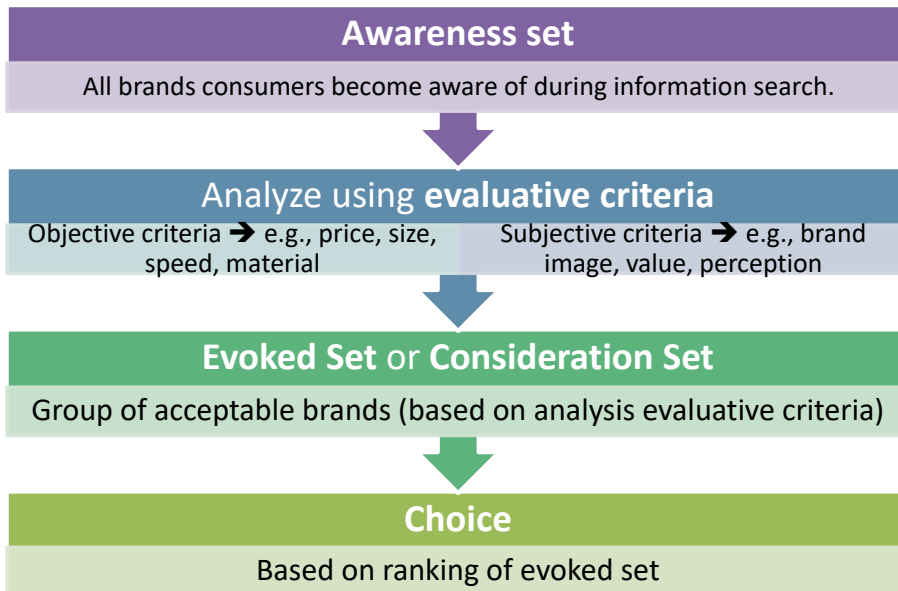
→ Type of Product or Service (Ch.9)



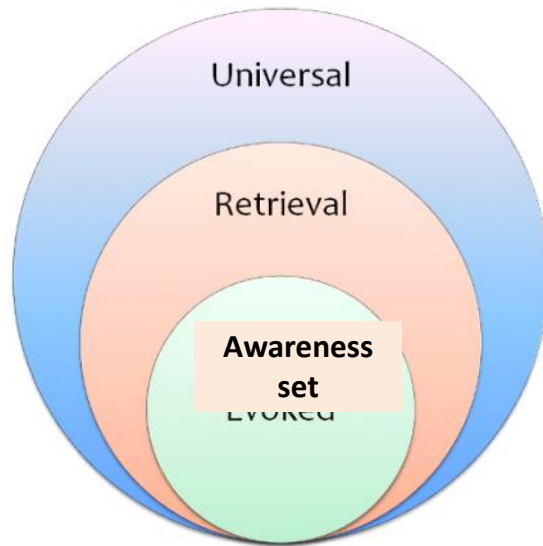
Step 2: Information Search



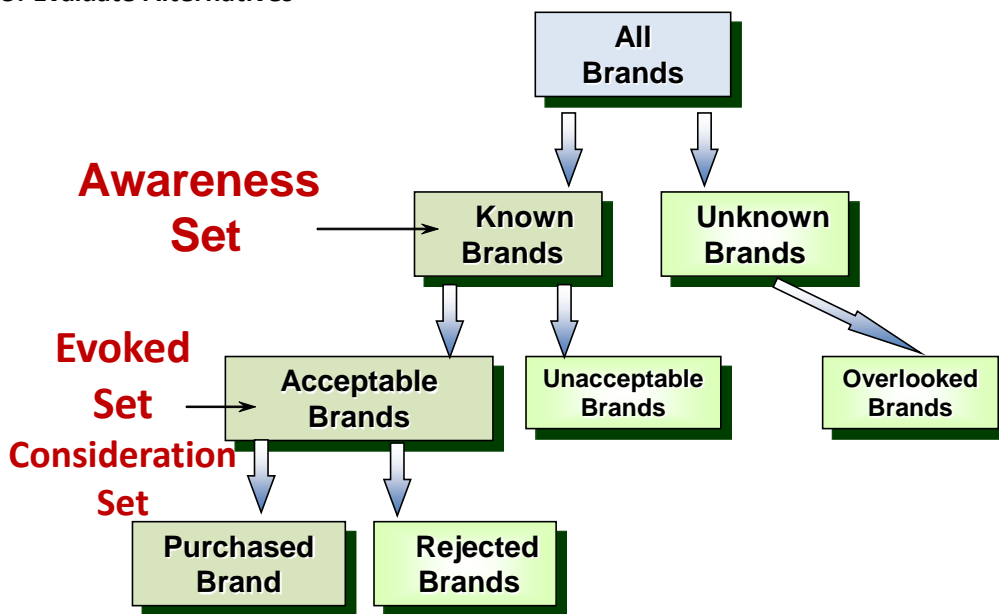
Step 3: Evaluate Alternatives



Attribute Sets



Step 3: Evaluate Alternatives



Consumer Decision Rules

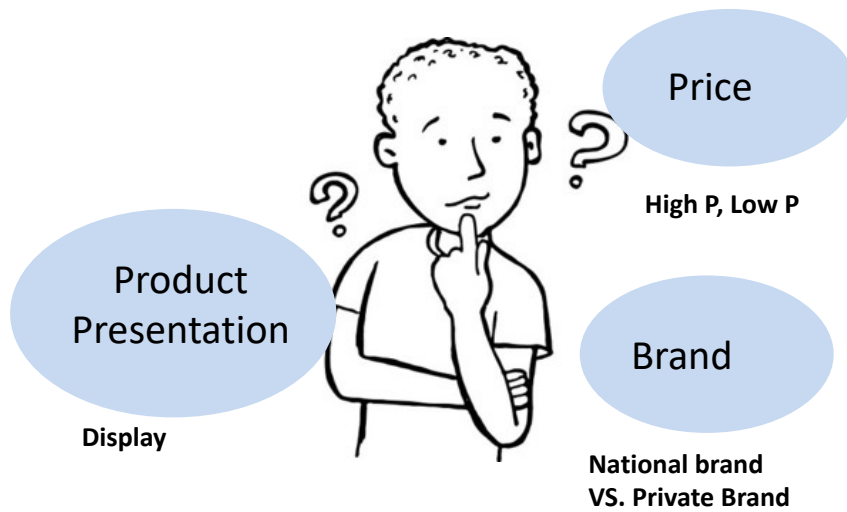
→ **Compensatory decision rules**

- When consumers are evaluating alternatives, trades off one characteristic against another, such that good characteristics compensate for bad characteristics.

→ **Non-compensatory decision rules**

- Consumers choose a product or service on the basis of a subset of its characteristics, regardless of the values of its other attributes.

Decision Heuristics



Step 4: Purchase Decision

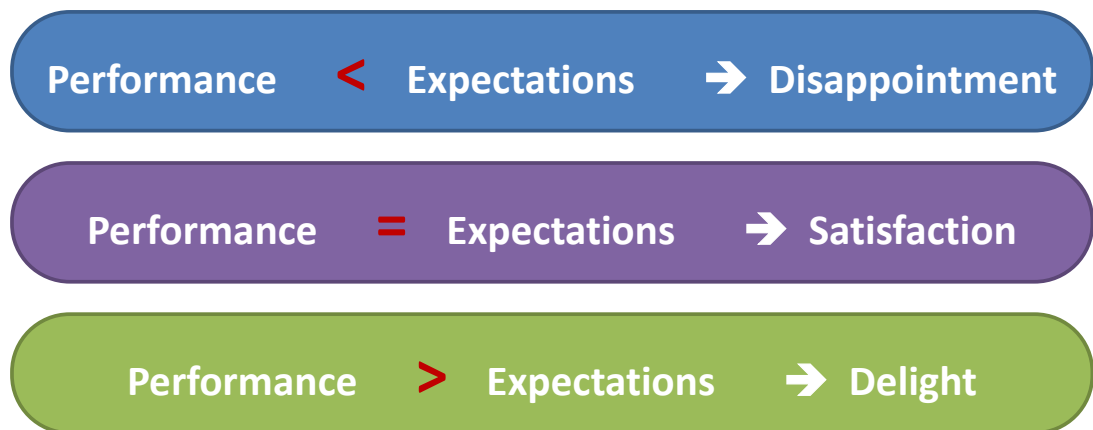
1. Where to buy ?
2. When to buy ?

Step 5: Post purchase Behaviour

- Consumer satisfaction
- Cognitive Dissonance
- Consumer Loyalty

Consumer satisfaction

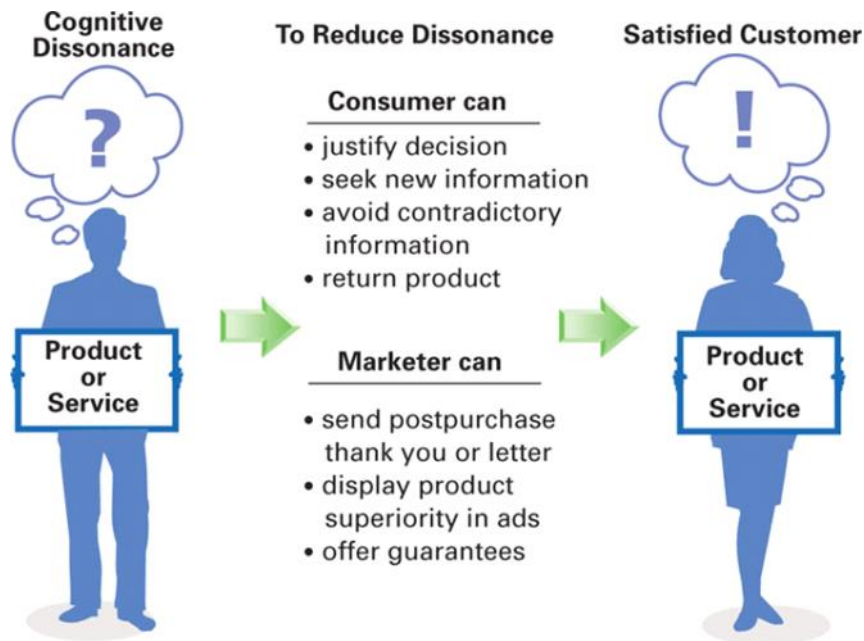
- A function of consumer expectations and perceived product performance



- Level of satisfaction will influence repeat purchase

Cognitive Dissonance

- Buyer discomfort caused by post-purchase conflict.
- Affects major purchases; anxiety of not knowing if the right choice was made.
- Customer follow-up programs help to reduce this problem



Consumer Loyalty

Consumer loyalty

- Develops over time with multiple repeat purchase from the same brand.
- Firm's most profitable segment is loyalty segment.
- Consumer relationship management (CRM) to retain consumer loyalty.

Undesirable consumer behavior

- Negative word of mouth
- <https://www.youtube.com/watch?v=5YGc4zOgozo>
- Dave Carroll couldn't get compensation for damage to his guitar – until he named and shamed the airline in a YouTube video.
- United offered to pay the cost of repairing his guitar and flight vouchers worth \$1,200

2. Consumer Involvement

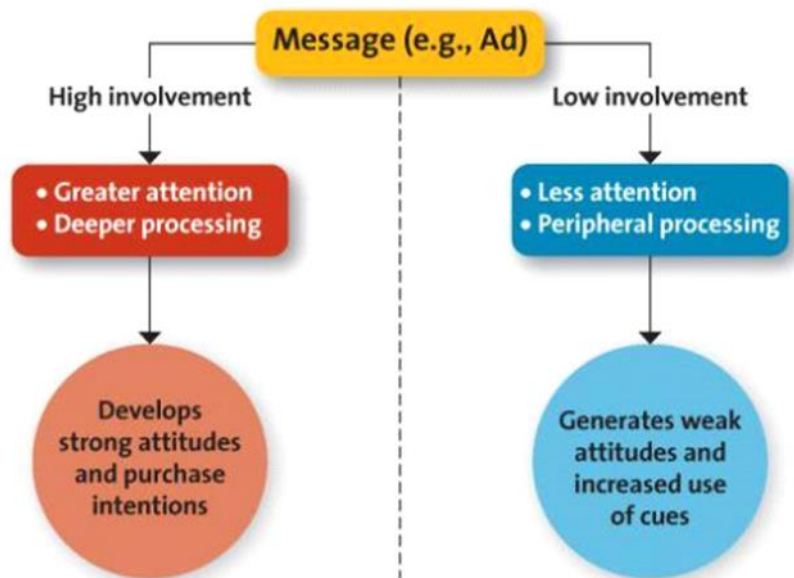
→ **Involvement** is the personal, social, and economic significance of the purchase on the consumer.

→ Degree of involvement depends on:

- How **personally relevant** the decision is
- The consumer's **ability to process information**

Characteristics of the purchase Decision process	Low	<---->	High
Type of Problem solving	Routine		Extended
Number of product attributes	Few		Many
Number of information sources used	None		Many
Time spent searching	Short		Long

Involvement and Consumer Buying Decisions



Types of Buying Decisions

- Extended Problem Solving
 - High Involvement
- Limited Problem Solving
 - Low Involvement
 - Impulse Buying
 - Habitual Decision Making

Purchase and Consumption

- Impulse Buying
 - A buying decision made by consumers on the spot when they see the merchandise
- Habitual Buying
 - A purchase by consumers with little conscious effort
 - Usually consumers do not consider alternative brands or products
 - Related to strong brand loyalty and store loyalty

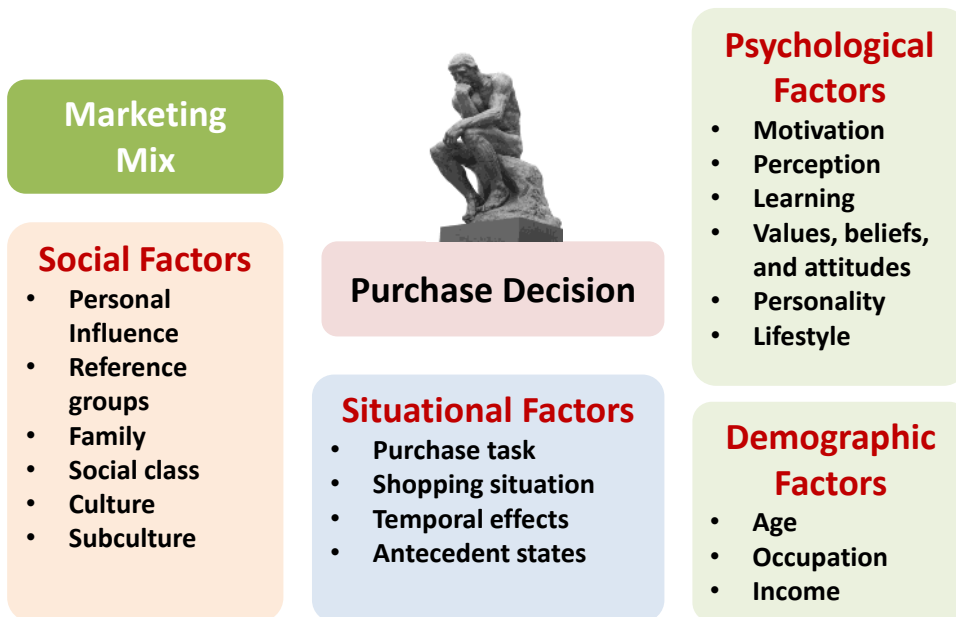
Purchase and Consumption: Ritual Consumption

- A pattern of consumption behavior tied to life events that affect what and how people consume

3. Influences On The Consumer Purchase Decision

Influencing Factors

- Pick one thing you brought to the class and think about the following questions.
 - When and where did you buy it
 - Who and what influenced your purchase decision? And why?



Demographic Factor

- Age
- Occupation
- Income

Psychological Influences

Hierarchy of needs



Psychological Factors

- Motivation
- Perception
- Learning
- Values, beliefs, and attitudes
- Personality
- Lifestyle

Motivation

- A driving force that causes a person to take action to satisfy specific needs
- Needs can range from physiological to self-fulfillment and marketers try to arouse them

Influencing Factors

- All these are about how we perceive, learn and think regarding (product) information

Psychological Factors

- Motivation
- Perception
- Learning
- Values, beliefs, and attitudes
- Personality
- Lifestyle

Psychological Influences

- Personality
 - Often revealed in a person's self concept, which influences what customers are buying
- Perception
 - Selective perception -> filtering process of all perceptions
 - Perceived risk -> anxiety felt during purchasing process
- Learning
 - Experience
 - Thinking
- Values, beliefs, and attitudes
 - Attitudes are shaped by values and personal beliefs
- Lifestyle
 - How do people spend time and money?

Psychological Influences: Perceived Risk

Performance risk

What if the product does not work?

Financial risk

How much does it cost to purchase or use?

Social risk

How people will perceive about my purchase?

Physiological risk

What happen to me if the product does not work well?

Psychological risk

How people will perceive me with this product/ when I use the product?

Influencing Factors: Situational Influences

- Purchase task
 - E.g., is the purchase for you or somebody else?
- Social surroundings
 - Who else is present when the purchase is made?
- Physical surroundings
 - E.g., noisy and smelly atmosphere versus pleasant atmosphere
- Temporal effects
 - E.g., when do customers usually purchase at a Convenience store

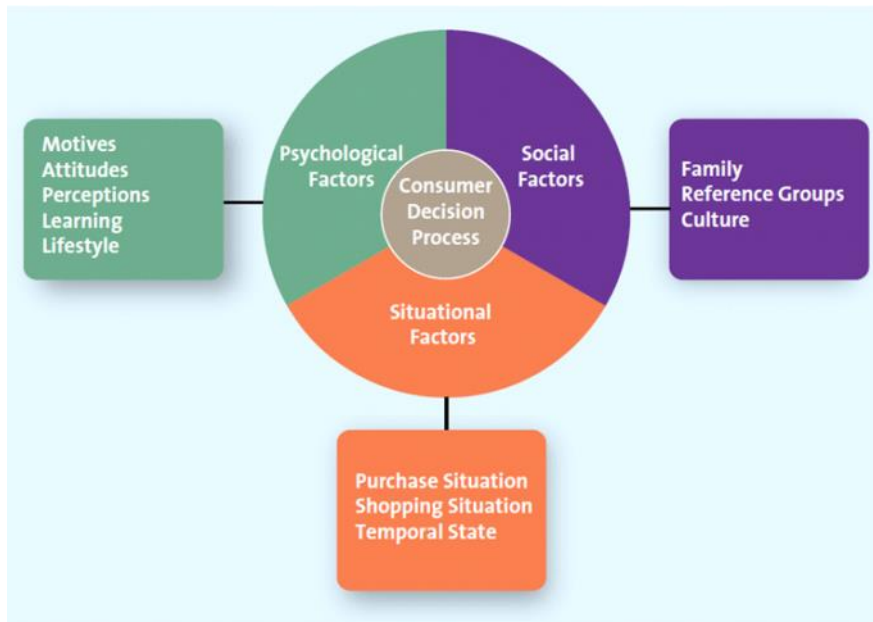
Influencing Factors: Social Influences

- Personal Influence
 - Opinion leadership -> individuals who influence others directly or indirectly
 - Word of Mouth
- Reference groups
 - People, consumers use a basis for self-appraisal
- Family
 - Consumer socialization
 - Family Life Cycle
 - Family Decision Making
- Social class/reference group
 - Consumers in similar social classes often have similar attitudes, lifestyles and buying behavior
- Culture/Subculture
 - Cultural is the most basic influence a person's values, perception, wants and behaviour
 - Subcultures are often identified by age, geography, and ethnicity

Factors influencing consumer buying decisions



Factors Influencing Consumer Buying Decisions



Chapter 5 -- Business-to-Business (B2B) Marketing

September 20, 2017
2:41 PM

Chapter 5: Business-to-Business (B2B) Marketing

- LO1 Describe the nature and composition of B2B markets
- LO2 Explain the key differences between B2B buying and B2C buying
- LO3 Explain the ways B2B firms classify and segment their markets
- LO4 Describe the B2B buying process
- LO5 Identify the roles within the buying centre
- LO6 Detail different buying situations

What is B2B Marketing?

- The process of buying and selling goods and services to be used in the production of other goods services, for consumption by buying organization, or for resale by wholesalers and retailers.

B2B Marketing

- Buying & selling goods or services to be used:
 - in the production of other goods & services,
 - for consumption by the buying firm, or
 - for resale by wholesalers & retailers
- Distinction between B2B & Business to Consumer (B2C):
 - Who is the ultimate purchaser & user of the product or service?

Key distinction between B2B and B2C?

- Similarities?
 - Both involve people who assume buying roles.
 - Both make purchases to satisfy needs.
- Differences? Think about what is different.
 - Market structures and demand characteristics.
 - The nature of the buying unit- buying center VS consumers.
 - Types of decisions and the decision process.
 - End users!

2. B2B and B2C Markets Characteristics of Business Markets

- **Marketing Characteristics**
 - Business markets
 - have fewer customers
 - but larger orders
 - Business customers
 - are more geographically concentrated
 - Demand is different
 - Demand is derived
 - Demand is price inelastic that can fluctuate quickly
- **Product Characteristics**
 - Products are technical in nature, purchased based on specifications
 - Mainly raw and semi-finished goods
 - Heavy emphasis on delivery time, technical assistance, after sale service, financing
- **Buying Process Characteristics**
 - Compared to consumer purchases

- More complex buying decisions
- The buying process is more formalized
- Buyers and sellers work more closely together and build long-term relationships

- **Marketing Mix Characteristics**

- Direct selling and physical distribution often essential
- Advertising more technical, promotions emphasize personal selling
- Price often negotiated, inelastic, affected by trade/quantity discounts

3. B2B Buying Process

Consumer Purchase Decision Process

1. Problem/Need Recognition
2. Information Search
3. Evaluation of Alternatives
4. Purchase Decision
5. Post-purchase Behaviour

Business-to-Business Buying Process

1. Need Recognition
2. Product Specification (Information search)
3. RFP Process (Information search)
4. Proposal Analysis and Supplier Selection
5. Order Specification
6. Vendor/Performance Assessment

Stage 1: Need Recognition

- Can be generated internally or externally
- Sources for recognizing new needs:
 - Suppliers
 - Salespeople
 - Competitors

Stage 2: Product Specifications

- Suppliers use to develop proposals
- Can be done collaboratively with suppliers

Step 3: RFP Process

(Request Process)

TOYOTA SUPPLIER.COM

A service of **Toyota Motor**
Engineering & Manufacturing
North America

LOGIN

MEMBER LOGIN **GO**

Interested in becoming a Toyota Supplier? [Click here](#)

RECENT UPDATES

[Visit the North American pressroom for recent Toyota News](#)

What is ToyotaSupplier.com?

ToyotaSupplier.com is an extension of our commitment to long-term, mutually beneficial relationships with our North American suppliers. Toyota Motor Engineering & Manufacturing North America (TEMA) works side-by-side with hundreds of North American suppliers to build our top quality vehicles. Now current and potential suppliers can get information on our purchasing policies, newsworthy articles, and bio information through this home page. The login section takes existing suppliers to applications and documents they need to conduct business with Toyota online.

Step 4: Proposal Analysis, Supplier Selection

- Often several suppliers are negotiating against each other
- Considerations other than price play a role in final selection

Step 5: Order Specification (Purchase)

- Firm places the order
- The exact details of the purchase are specified
- All terms are detailed including payment

Step 6: Vendor Analysis

- Performance review: Post purchase rating of the supplier to decide if satisfactory value has been received and if the relationship should be continued

4. Key Participants in B2B Marketing

Participants in B2B market

- Resellers
- Manufacturers
- Institutions (Schools, Museums, Religious Organizations)
- Government

Government

- Canadian Government spends \$240B annually buying goods & services
- Provincial and local governments also make significant purchases
- Firms specialize in selling to government
- Canadian government contracts are posted on the [Business Access Canada](#) website

5. Factors Influencing the B2B Buying Process

Factors Affecting the Buying Process

- The Buying Centre
- Organizational Culture
- Buying Situations

The Buying Center

- Influencer
- Decider

- Buyer
- User
- Gatekeeper
- Initiator

Participants in the Business Buying Process (Page 154)

- Buying Centre
 - The decision-making unit of a buying organization
 - Includes all individuals and units that participate in decision making
 - Initiator: first suggests buying the particular product or service.
 - Influencers: help define specifications and provide information for evaluating alternatives.
 - Buyers: who handles the paperwork of the actual purchase
 - Deciders: who ultimately determines buying decision? What when how where
 - Gatekeepers: controller for the information.
 - Users: who consumers or uses the product by buying center.

Organizational Culture

- Reflect the set of values, traditions, and customs that guides a form's employees'
- Organizational Culture includes
 - Democratic
 - Consultative
 - Autocratic
 - Consensus

Buying Situation (Buy Class)

- New buy
- Straight rebuy
- Modified rebuy
 - Involvement level:
 - New buy > Modified > Straight

New Buy

- Purchasing for the first time
- Likely to be quite involved
- The buying centre will probably use all six steps in the buying process

Straight Rebuy

- Buying additional units or products that have been previously purchased
- Most B2B purchases fall into this category

Modified Rebuy

- Purchasing a similar product but changing specifications
- Current vendors have an advantage

Business Buying on the Internet

- E-procurement is growing rapidly.
- Online auctions and online trading exchanges (e-marketplaces) account for much of the purchasing activity.
- E-procurement offers many benefits:
 - Access to new suppliers
 - Lower purchasing costs
 - Quicker order processing and delivery

Chapter 6 --Segmentation, Targeting and, Positioning

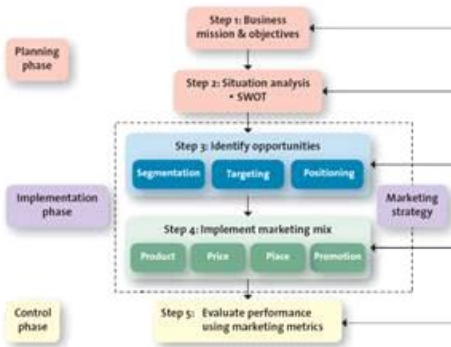
September 27, 2017

Chapter 6: Segmentation, Targeting and, Positioning

Learning Objectives

- LO1 Describe the bases marketers use to segment a market
- LO2 Identify the criteria for determining the attractiveness of a segment & whether it is worth pursuing (targeting)
- LO3 Explain the differences among targeting strategies: undifferentiated, differentiated, concentrated, or micromarketing
- LO4 Describe positioning & how firms do it

Developing a Marketing Plan



Implementation Phase – Step 3: Identify Opportunities



What is a Market?

- **Market:** Set of actual and potential buyers of a product (or/and service)

What is Segmentation?

- **Dividing** the market into distinct groups of buyers with different **needs, characteristics, or behavior**, who might require separate products or marketing mixes
- The process of dividing a market into meaningful and identifiable segments
 - Homogeneous (Similar)
 - Heterogeneous (Dissimilar)

Why Segmentation?

- Why would a company choose to focus on one group of customers versus another?
- Why don't companies just try to sell to whomever they can?
- **Main Idea: Consumers are heterogeneous**
 - **Segmentation** -> Marketers can identify customer needs and wants better

Why Segment Markets?

- Market Segmentation
 - More precise definition of customers' needs and wants
 - More accurate marketing objectives
 - Improved resource allocation
 - Better marketing results

Four segment variables/bases (Ways to segment consumer markets)

- Geographic
- Demographic
- Behavioural
- Psychographic

Segment Variables

Variables		
Age	50 - 64	Under 2
Birth Era	Baby boomer	Generation alpha
Life stage	Senior	Infant
Occupation	Retired	Unemployed

Variables		
Region	Ontario/Ottawa	Prairies
Density	Urban	Rural

Demographic Segmentation

Variables	Examples
Age	Under 6, 7-12, teenagers, 18-35 etc.
Gender	Male /Female
Family Size	Small / Large
Race	Asian/ Caucasian/ Black / Native/ Other
Birth Era	Baby boomer, Generation X, Gen. Y ,Gen. Z ,Gen. alpha
Marital Status	Never Married / Married/ Divorced/ Widowed
Income	<\$20,000 yr / 20-50,000 yr / \$50,000 year +
Education	Less than Gr. 12/ Some University / University Degree
Occupation	Executive / Office worker/Student / Unemployed
Home Ownership	Rent / Own

Geographic Segmentation

Variables	Examples
Region	Atlantic Canada/ Quebec/ Ontario/ Prairies / BC/ North
City	New York, Sao Paulo, Moscow, Cape Town, Toronto, Paris
Census	>1,000,000 population / <1,000,000 population
Density	Rural / Urban / Suburban
Climate	East / West

Segmentation Variables

- Benefits sought
- Loyalty status
- Lifestyle

Behavioral Segmentation

Variables	Examples
Benefits Sought	Low Price; safety; dandruff protection; low calorie
Usage Rate	Light user / Heavy user; Seasonal usage
Usage Status	Ex-user/first-time user; regular user
Loyalty status	Variety-seeking; strong loyalty

Psychographic Segmentation

Variables	Examples
Personality	Sophisticated; Down-to-Earth; Risk-Taking; Extroversion
Values and Lifestyle	VALS http://www.strategicbusinessinsights.com/vals/surveynew.shtml PRIZM C2 http://www.environicsanalytics.ca/data/segmentation/prizmc2

Psychographic Segmentation (lifestyle)

- How time is spent
- Importance of things around them
- Beliefs (Attitudes, Interests and Opinions)
- Heavily used by advertising agencies
- Socioeconomic characteristics

VALS Framework

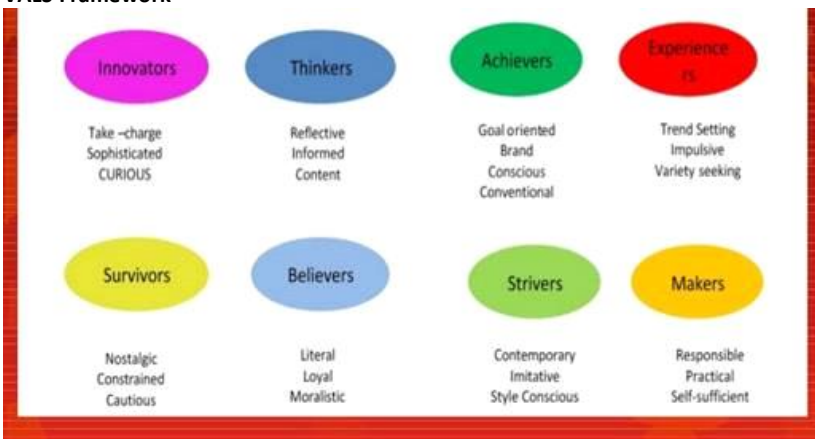


<http://www.strategicbusinessinsights.com/vals/presurvey.shtml>

Consumer Characteristics

- Innovators=> Skeptical of advertising, Light TV viewers
- Thinkers=>Read widely and often , Look for value & durability
- Achievers=> Attracted to premium products
- Experiencers=> Buy on impulse, Attend to advertising, Follow fashion and fads
- Believers=>Look for bargains, Watch TV more than average
- Strivers=> Prefer TV to reading
- Makers=> Listen to radio, Shop for comfort, durability, value
- Unimpressed by luxuries
- Survivors=>Brand loyal, Trust advertising

VALS Framework



Description of VALS Categories

Innovators	Thinkers	Believers	Achievers
<ul style="list-style-type: none"> • Successful, sophisticated, take-charge people • High self-esteem • Change leaders • Established and emerging business leaders • Very active consumers • Purchases reflect cultivated taste for finer things 	<ul style="list-style-type: none"> • Mature, satisfied, comfortable • Value responsibility • Well-educated, knowledge seekers • Respect for authority • Conservative, practical consumers • Like durability and clear value 	<ul style="list-style-type: none"> • Conservative conventionalists • Concrete beliefs around family, religion, community • Deep-rooted moral codes • Established routines • Predictable, loyal consumers • Choose familiar products and established brands 	<ul style="list-style-type: none"> • Goal-oriented lifestyles • Deep commitment to career and family • Respect for authority • Value stability, self-discovery • Active consumers • Favour prestige products that demonstrate their success, time-saving products
Strivers	Experiencers	Makers	Survivors
<ul style="list-style-type: none"> • Trendy and fun-loving • Money defines success • Favour stylish products • Active yet impulsive consumers • Shopping is a social activity and a display of status • Spend as much as they can 	<ul style="list-style-type: none"> • Seek variety and excitement • Active in sports and social activities • Enthusiastic, impulsive consumers • Spend high proportion of income on fashion and entertainment • Want to look good and have cool stuff 	<ul style="list-style-type: none"> • Practical people with constructive skills • Value self-sufficiency • Traditional views of family and work • Suspicious of new ideas • Unimpressed by material possessions • Prefer value over luxury 	<ul style="list-style-type: none"> • Believe the world is changing too quickly • Comfortable with familiarity • Concerned with safety and security • Always focused on meeting needs not fulfilling wants • Cautious consumers • Loyal to favourite brands • Love a good deal

Source: The VALS™ Types, <http://www.strategicbusinessinsights.com/vals/usatypes.shtml> (accessed August 12, 2014).

Segments Base/Variable

Segmentation Base/Variable	Sample Segments
Geographic	Country, province, city, urban, rural, climate Continent: North America, Asia, Europe, Africa Region: Atlantic, Central, Western Canada
Demographic	Age, gender, income, education, occupation, ethnic background, religion, family life cycle, etc.
Psychographic	Lifestyles, Values, Personality, Self Concept
Behavioural	Benefits sought, Usage rates, User status, Loyalty

Segmentation Variables

- Low cost, easy to apply
 - Demographic
 - Geographic
- More closed to consumer needs and wants
 - Behavioral
 - Psychographic

Do all products require segmentation?

Criteria for Successful Segmentation

Substantial	Segment must be large enough to warrant a special marketing mix
Identifiable	Segments must be identifiable and their size measurable.
Reachable	Members of targeted segments must be reachable with marketing mix.
Responsive	Unless segment responds to a marketing mix differently, no separate treatment is needed.

Substantial & profitable

- Size matters
- Too small & the segment is insignificant, & will not be profitable
- Growth potential equally important

Identifiable

- Who is in their market?
- Are the segments unique?
- Does each segment require a unique marketing mix?

Reachable

- Know the product exists
 - Understand what it can do
 - Recognize how to buy

Responsive

- Customer must:
 - React positively to firm's offering
 - Move toward the firm's products/services
 - Accept the firm's value proposition

Targeting

- The process of evaluating the attractiveness of each market segment and *selecting* one or more segments to serve.

Targeting Strategies



- **Undifferentiated targeting**
 - Target a mass market. No segments and single marketing mix
- **Concentrated Targeting/niche marketing**
 - Target a single segment or market niche (subgroup)
- **Differentiated marketing. Multi-segment Targeting**
 - Target two or more segments with a distinct marketing mix for each
- **Micromarketing (One-To-One Marketing)**
 - Target each consumer

Undifferentiated Targeting Strategy (Mass Marketing)

- Market as one big market with no individual segments and thus requires a single marketing mix.
- Advantages:
 - Potential savings on production and marketing costs
- Disadvantages:
 - Not marketing oriented
 - More susceptible to competition

Differentiated Targeting strategy Multi-segment Targeting Strategy



Multi-segment Targeting Strategy

- A strategy that chooses two or more well-defined market segments and develops a distinct marketing mix for each.
- Advantages:
 - Greater financial success
 - Economies of scale
- Disadvantages:
 - High marketing costs
 - Cannibalization concerns

Micromarketing/Mass Customization

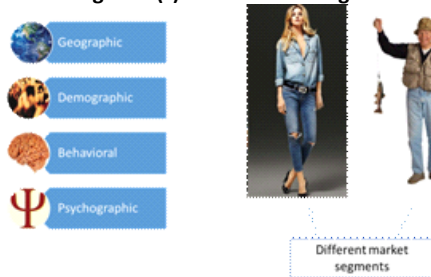
- Internet ordering
- Flexible manufacturing processes have made possible mass customization
- Tailoring goods or services to the tastes of individual customers on a high-volume scale.
- Advantages:
 - Strong positioning
 - Consumers are happy
- Disadvantages:
 - Costs too much

Concentrated Targeting Strategy

- A strategy used to select one segment of a market for targeting marketing efforts.
- Advantages:

- Concentration of resources
- Small firms can compete
- Strong positioning
- Disadvantages:
 - Segments too small, or could decline
 - Large competitors may enter if segments grow
- Example: Organic baby food

Evaluate segment(s) and Select a Target Market Segment



Criteria to use in choosing the target segment(s)

- In evaluating different market segments, a firm must look at those factors
 1. Segment size and expected growth
 2. Segment structural attractiveness
 3. Company Resources
- How?
 - Collect and analyze data on current segment sales, growth rate, and expected profits
 - Strong aggressive competitors in the segments
 - Existence of actual or potential substitutable goods

Marketing segmentation reveals the firm's market segment opportunities.

What makes a desirable target market?

Ultimately, a company should only enter segments where it can offer and over superior value and gain advantages over competitors

Positioning

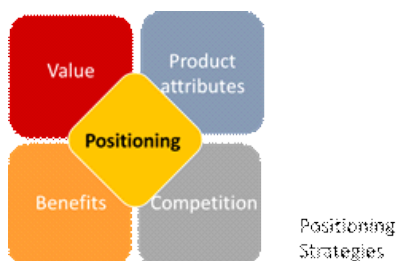
- What is positioning?
 - Developing a specific marketing mix to influence potential customers' **overall perception** of a **brand, product line, or organization** in general

Why positioning?

- To distinguish its offerings from those of competitors.
- To achieve a clear, distinctive, and consistent image.
- Positioning is what determines consumers' preference for a company's products or brands.
- Usually conducted via marketing communications.
 - Closely related to branding and advertising.
- Adapt to trends and changes (re-positioning).

Positioning

- Positioning refers to how the marketing organization wants its brand to be known in the minds of its target consumers



Positioning Methods: Value

- Meet Grandpa Tony, now retired:
 - He knows the price of everything he has ever bought.
 - He clips the newspaper coupons.
 - He goes to multiple stores to get the best price.

- He is willing to pay more for quality.
- He trusts brand names.
- The relationship of price to quality
- Different consumers = different value

Positioning methods: Product Attributes

- Meet Selia, first year student.
- Reasons for her college choice:
 - Close to home.
 - Good academic reputation.
 - Good financial aid package.
 - Did we mention cute guys?
- Focus on the attributes that are most important
- Vary by target market

Positioning methods: Benefits and symbolism

<https://www.youtube.com/watch?v=iNDMm06ZuYs>

Positioning methods: Competition

- Position against a specific competitor
- Position against an entire product classification

Differentiation

- How the offering is different from (and better than) the competitive offerings.
- What we do to make our offering different.
- Marketers need to say exactly what is being offered. For example, 25 minute hot pizza delivery guarantee.

Differentiation vs. head-to-head

- **Differentiation:**
 - What you do **to the product or service** to make it different from competitor offerings?
 - Involves the actual tangible differences.
- **Head-to-head positioning :**
 - What you do **to the mind of the customer.**
 - You create, using marketing strategy, a unique, definite image of the product and brand name in the customer’s mind.

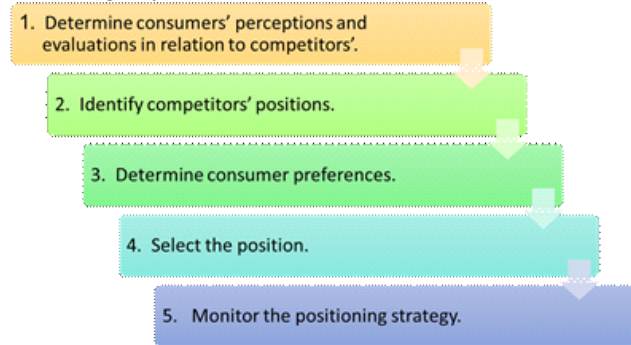
Effective Positioning

- Assess the positions of competing products
- Determine the dimensions of these positions
- Choose an effective market position
- Differentiate the company’s marketing offer

A Perceptual Map

- **A perceptual map** is a graphical representation of the consumer’s perceptions of our brand versus our competitors.
- Marketers like to collect information from consumers on the perceptions of the brand (i.e., Perceived value, perceived price, perceived refreshing, perceived sophistication etc). The marketer can then look at the market from different perspectives. Ultimately, he (she) has to decide what is the best way to look at the market.

Positioning Steps



Hotel Star Rating

FACILITIES & SERVICES	CLEANLINESS	QUALITY \$ CONDITION	STAR RATING
Excellent	Excellent	Excellent	★★★★★
Superior	Very Good	Superior	★★★★☆
Very Good		Very Good	★★★☆☆
Good		Good	★★★☆☆
		Reasonable	★★★☆☆



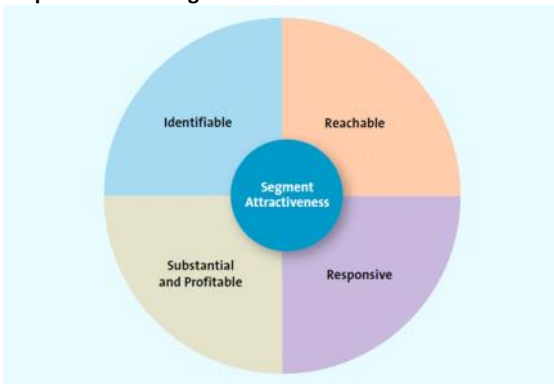
Step 1: Establish overall strategy or objectives

- Consistent with mission statement
- Derived from mission & current state

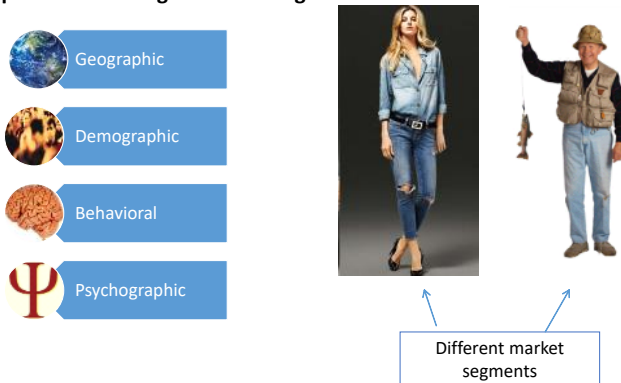
Step 2: Segmentation bases

Segmentation Base	Sample Segments
Geographic	Continent (North America, Asia, Europe, Africa), country, region (West Coast, Prairies, Central, Maritimes), province, city, urban, suburban, rural, climate
Demographic	Age, gender, income, education, occupation, race, marital status, family size, family life cycle, religion, ethnic background (white, black, Asian, Indian, German, Irish, Arab), generational cohort (baby boomer, Generation X, Generation Y), home ownership
Psychographic	Lifestyle (innovators, thinkers, achievers, experiencers, believers, strivers, makers, survivors), personality/self-concept (conservative, liberal, adventuresome, outgoing, health- and fitness-conscious), social class (upper class, middle class, working class)
Behavioural	Benefits sought (convenience, economy, prestige, quality, speed, service, environmental impact), usage (heavy, moderate, light, nonuser, ex-user, potential user, first-time user), loyalty (not loyal, somewhat loyal, completely loyal)

Step 3: Evaluate segment attractiveness



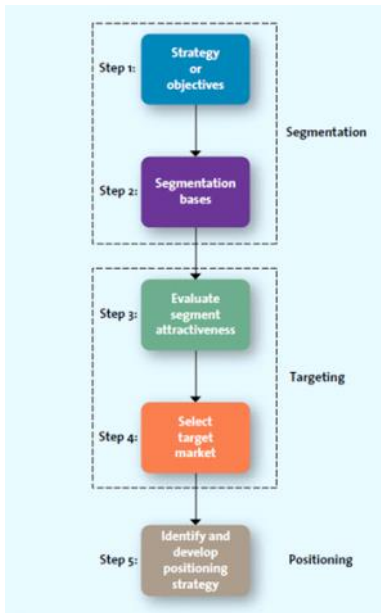
Step 4: Select a Target Market Segment



Step 5: Identify & develop Positioning Strategy

- Positioning Methods:
 - Value
 - Product attributes
 - Benefits & symbolism
 - Competition
 - Market leadership

The segmentation-targeting-position process



Chapter 7 -- Market Research

October 10, 2017

4:41 PM

Learning Objectives:

- Identify the five steps in the marketing research process
- Describe the various secondary data sources
- Describe primary data collection techniques and summarize the differences between secondary data and primary data
- Outline ethical issues firms encounter when conducting marketing research

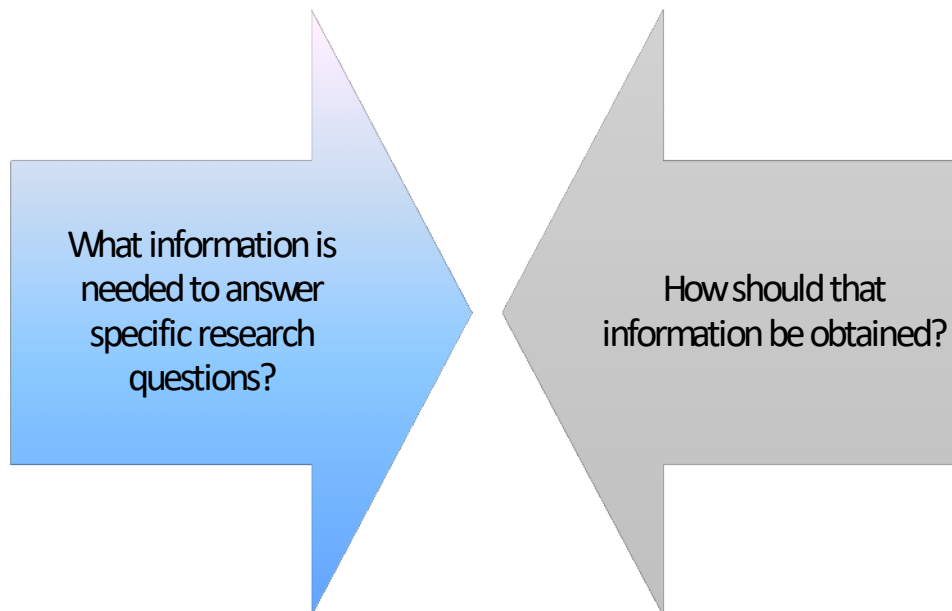
Marketing Research

- Consists of a set of techniques and principles for systematically collecting, recording, analyzing and interpreting data that can aid decision makers involved marketing goods, services or ideas.

The Marketing Research Process



Step 1: Define the Research Problem & Objectives



Step 2: Design the Research Plan

- Identify the type of data needed
- Determine the type of research necessary to collect the data
- Project objectives drive the type of data needed

Step 3: Collect data

- Secondary Data
 - Pieces of information that have been collected prior to the start of the focal project
 - Can be internal or external data

→ Primary Data

- Data collected to address specific research needs
- Focus groups, interviews, surveys

Secondary Data

→ Can be free or very inexpensive to obtain

→ External sources:

- Census data, trade journals, books, articles, reports
- Can also be purchased from specialized research firms
- Downside: may not be specific or timely enough to solve the research needs

→ Internal sources:

- From the company/firm itself
- Invoices, customer lists, other reports created by the firm
- Firms use data mining techniques to decipher large amounts of data
- Downside: may not be the data you need or the right data

External Secondary Data Sources

Guides, Indexes, and Directories <i>Business Periodicals Index</i> <i>Canadian Almanac and Directory</i> <i>Canadian News Index</i> <i>Canadian Periodical Index</i> <i>Canadian Small Business Index and Directory</i> <i>Canadian Trade Index</i> <i>Directory of Canadian Associations</i> <i>Fraser's Canadian Trade Directory</i> <i>Predicasts F&S Index</i> <i>Scott's Directories</i> <i>Standard Periodical Directory</i>	Statistics Canada and Other Government Publications <i>Annual Retail Trade</i> <i>Canadian Economic Observer</i> <i>Canada Yearbook</i> <i>Family Expenditure Guide</i> <i>Market Research Handbook</i> <i>Statistics Canada Catalogue</i> <i>Western Economic Diversification Canada</i> <i>Ontario Ministry for Economic Development and Trade</i> <i>Department of Foreign Affairs and Trade</i> <i>U.S. Census</i> <i>Stat-USA</i>
Periodicals and Newspapers <i>Advertising Age</i> <i>Adweek</i> <i>American Demographics</i> <i>Business Horizons</i> <i>Canadian Business</i> <i>Canadian Consumer</i> <i>Canadian Grocer</i> <i>Forbes</i> <i>Fortune</i> <i>Harvard Business Review</i> <i>Journal of Advertising</i> <i>Journal of Marketing Management</i> <i>Journal of Personal Selling and Sales Management</i> <i>Journal of Small Business Management</i>	Trade Sources <i>Aberdeen Research</i> <i>Nielsen</i> <i>Conference Board of Canada</i> <i>Dun & Bradstreet Canada</i> <i>Financial Post Publishing</i> <i>Find/SVP</i> <i>Gale Research</i> <i>Interactive Advertising Bureau</i> <i>Jupiter Research</i> <i>Forrester Research</i> <i>MacLean Hunter Research Bureau</i> <i>MapInfo Canada</i> <i>Predicasts International</i>

External Secondary Data Sources -- Syndicated Data

Bureau of Broadcasting Measurement (http://bbm.ca)	Provides broadcast measurement and consumer behaviour data, as well as intelligence to broadcasters, advertisers, and agencies on audience behaviours during and after broadcasts.
GfK Mediamark Research Inc. (http://www.gfkmri.com)	Supplies multimedia audience research pertaining to media and marketing planning for advertised brands.
GfK NOP (http://www.gfknop.com)	The mKids US research study tracks mobile telephone ownership and usage, brand affinities, and entertainment habits of American youth between 12 and 19 years of age.
Ipsos Canada, Harris/Decima, Leger Marketing, Angus Reid, SES Research, EKOS Research Associates, The Strategic Counsel, Pollara, and COMPAS	Provides polling services and marketing research on all aspects of marketing, including loyalty, branding, media analysis, pricing, position, image enhancement, customer satisfaction, focus groups, online panels, and surveys across many industries.
J.D. Power and Associates (http://www.jdpower.com)	Widely known for its automotive ratings, the company produces quality and customer satisfaction research for a variety of industries.
National Purchase Diary Group (http://www.npd.com)	Tracking services provide information about product movement and consumer behaviour in a variety of industries.
Nielsen (http://www.nielsen.com)	With its market measurement services, the company tracks the sales of consumer packaged goods, gathered at the point of sale in retail stores of all types and sizes.
Print Measurement Bureau (http://www.pmb.ca)	Provides single-source data on print readership, nonprint media exposure, product usage, and lifestyles of Canadians. It uses an annual sample of 24,000 to measure the readership of more than 115 publications and consumer usage of more than 2,500 products and brands.

External Secondary Data Sources -- Scanner Data

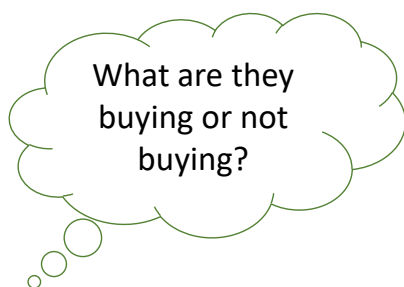
→ A type of quantitative research that uses data obtained from scanner readings of UPC codes at checkout counters.

External Secondary Data Sources - Panel Data

Group of consumers



Survey or sales receipts



Primary Data Collection Techniques



Qualitative research

Qualitative Research - Exploratory -



Reliability



Validity



Sampling

Quantitative Research

- Information confirms early insights
- Uses surveys, formal studies, scanner & panel data
- Test the prediction or hypothesis

Advantages & Disadvantages of Secondary & Primary Data

Research Project Components	Qualitative Research	Quantitative Research
Research purpose	General: to generate preliminary insights about people, relationships, feelings, perceptions, a situation, or even the discovery of new ideas	Specific: to verify insights and aid in selecting a course of action
Data needs	Fuzzy	Clear
Data sources	Ill defined	Well defined
Data collection form	Open-ended, rough	Usually structured
Sample	Relatively small, often not randomly drawn; subjectively selected to maximize generalization of insights	Relatively large and randomly drawn; objectively selected to permit generalization of findings
Data collection	Often flexible; no set procedure	Generally rigid; well laid out procedure
Data analysis	Typically nonquantitative—mainly interpretive and subjective based on content analysis	Formal; typically quantitative—descriptive or predictive based on statistical analysis
Inferences/Recommendations	More tentative than final	More final than tentative
Researcher skills	Need strong interpersonal communication, observational, interpretation of text or visual data skills	Need strong statistical analysis and interpretation of numbers skills

Sources: A. Parasuraman, D. Grewal, and R. Krishnan, *Marketing Research*, 2nd ed. Copyright © 2007 by Houghton Mifflin Company; J. Hair Jr., R. Bush, and D. Ortinau, *Marketing Research in the Digital Information Environment*, 4th ed. McGraw-Hill Irwin, 2009. Adapted with permission.

Qualitative Research Methods -- Observation

- Examines purchase & consumption behaviour through personal or video camera observance
- Ethnography – study people in their daily life setting

Qualitative Research Methods- Social Media

Pros	Result	Cons	Result
Large accessible sample	Greater objectivity	Not a statistically representative sample	Could skew findings
People of all ages use social media	Wider sample, greater representation	Feedback may not be well thought out	Not useful to research problem
Large amount of information posted on social media sites	Easier to find data related to your brand	Anonymity	Could encourage extreme opinions and comments
Very current feedback	High relevance	No depth of information about consumer	Cannot distinguish differences among consumers
Consumers freely offer opinions and insights	No interviewer bias	Conversations are observed only	No opportunity to probe for more detail
Can search for and filter data	More timely	No consent to study data	Potential ethical issues

Qualitative Research Methods -- In Depth Interview

- Trained researchers ask questions, listen to & record answers
- They then pose additional questions to clarify

Qualitative Research Methods -- Focus Groups

- A small group of people come together for an in-depth discussion
- Guided by a trained moderator
- An unstructured method of inquiry is used

Do's & Don'ts of Designing a Questionnaire

Issue	Good Question	Bad Question
Avoid questions the respondent cannot easily or accurately answer.	When was the last time you went to the grocery store?	How much money did you spend on groceries last month?
Avoid sensitive questions unless they are absolutely necessary.	Do you take vitamins?	Do you dye your hair?
Avoid double-barrelled questions, which refer to more than one issue with only one set of responses.	1. Do you think Justin Trudeau would make a good prime minister? 2. Do you think Elizabeth May would make a good prime minister?	Do you think that Elizabeth May or Justin Trudeau would make a good prime minister?
Avoid leading questions, which steer respondents to a particular response, irrespective of their true beliefs.	Please rate how safe you believe a Volvo is on a scale of 1 to 10, with 1 being not safe and 10 being very safe.	Volvo is the safest car on the road, right?
Avoid one-sided questions that present only one side of the issue.	To what extent do you feel fast food contributes to adult obesity? 1: Does not contribute, 5: Main cause	Fast food is responsible for adult obesity: Agree/Disagree
Avoid questions with implicit assumptions, which presume the same point of reference for all respondents.	Should children be allowed to drink Coca-Cola in school?	Since caffeine is a stimulant, should children be allowed to drink Coca-Cola in school?
Avoid complex questions and those that may seem unfamiliar to respondents.	What brand of wristwatch do you typically wear?	Do you believe that mechanical watches are better than quartz watches?

Quantitative Research Methods

SHAMPOO STUDY

We are working for a consumer packaged-good company and are interested in understanding more about your shampoo usage.

1. What are the most important characteristics for choosing a brand of shampoo?

Unstructured

2. Please rate the importance of the following shampoo attributes.

Structured

	Very Unimportant			Very Important	
Price	1	2	3	4	5
Fragrance	1	2	3	4	5
Ability to clean	1	2	3	4	5
Dandruff control	1	2	3	4	5

Web Surveys

- An important component of all quantitative surveys
- Ability to quickly design, launch, download & analyze data
- SurveyMonkey & Qualtrics are two popular online surveys
- Response rates are relatively high vs. other methods

Experimental Research



Step 4: Analyze Data & Develop Insights

- Converting data into information to explain, predict and/or evaluate a particular situation.

Step 5: Present Action Plan

- PREPARE the results
 - Executive summary
 - Body of the report (objectives, methodology, findings)
 - Conclusions
 - Supplemental tables/appendices
- PRESENT the results
 - Short & to the point
 - Interesting & appropriate to style of audience
 - No technical jargon!

- Recommendations

Midterm (60 marks)

October 11, 2017

3:21 PM

Chapter 1-7

Chap 7 only multiple choice

3 parts

- Part 1 (Two theoretical questions)
- Part 2 (Multiple choice 10 questions)
- Part 3 (Case analysis, 2 cases)

Next Monday office hours