

MARKETING

Concept

Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, services, organizations, and events to create and maintain relationships that will satisfy individual and organizational objectives." [Boone and Kurtz (1998), Contemporary Marketing Wired, Dryden Press, 1998].

Objectives for Excellence

There are structured procedures to review the corporate commercial areas in order to detect main problems and opportunities.

Research, development and innovation are considered important to improve commercial and marketing operations and results. New technologies are used as a complement to traditional methods, and providers are encouraged to follow this line.

Analysis and market studies are carried using internal resources, as a complement to external specialised research.

There is a corporate strategic commercial planning, where sales, markets, sales circuits, commercial effectiveness, communication, prices, new products, etc., are analysed.

There is a search for cooperation and good practice relationships with other companies, looking to share developments, products or markets, but only if innovation and technological development synergies can be found.

The company's culture is close to benchmarking. Co-operation in shared R&D programs is considered as a critical success strategy in marketing.

The communication strategy considers that the use of information technologies is vital.

Actions for implementation

The sales force is used to determine the customer needs.

There is any kind of market research.

There is an analysis of potentially competitor products and services.

Product prototypes are shown to customers and their opinion is recorded.

There is any type of pilot launching to measure the actual effect in the market.

New technologies (CD-ROM, INTERNET) are used to publicizes products and services.

The sales force is involved in the application of new technologies to the market.



Training Modules Marketing

Best practice¹

Think about

A market-focused, or customer-focused, organization first determines what its potential customers desire, and then builds the product or service. Marketing theory and practice is justified in the belief that customers use a product or service because they have a need, or because it provides a perceived benefit.

Two major factors of marketing are the recruitment of new customers (acquisition) and the retention and expansion of relationships with existing customers (base management). The process for base management shifts the marketer to building a relationship, nurturing the links, enhancing the benefits that sold the buyer in the first place, and improving the product/service continuously to protect the business from competitive encroachments.

For a marketing plan to be successful, the mix of the four "Ps" must reflect the wants and desires of the consumers in the target market. The four Ps are:

- **Product:** The product aspects of marketing deal with the specifications of the actual goods or services, and how it relates to the end-user's needs and wants.
- **Pricing:** This refers to the process of setting a price for a product, including discounts.
- **Promotion:** This includes advertising, sales promotion, publicity, and personal selling, and refers to the various methods of promoting.
- **Placement (or distribution):** refers to how the product gets to the customer. This fourth P has also sometimes been called Place, referring to the channel by which a product or services is sold (e.g. online vs. retail), which geographic region or industry, to which segment (young adults, families, business people), etc.

Services marketing calls upon an extra three:

- **People:** Any person coming into contact with customers can have an impact on overall satisfaction.
- **Process:** This is the process(es) involved in providing a service and the behaviour of people, which can be crucial to customer satisfaction.
- **Physical evidence:** Unlike a product, a service cannot be experienced before it is delivered, which makes it intangible. To reduce the feeling of risk, thus improving the chance for success, it is often vital to offer potential customers the chance to see what a service would be like. This is done by providing physical evidence, such as case studies, testimonials or demonstrations.

¹ Real case coming from the experiences of InnoSME users, to be incorporated in the future.

Web 2.0

With the Internet and the Web 2.0, Idris Mootee devised a “New 4Ps” model in 2001 to supplement the traditional marketing:

- Personalization: customization of products and services through the use of the Internet. Emerging technologies will continue to push this idea forward.
- Participation: to allow customer to participate in what the brand should stand for; what should be the product directions and even which ads to run.
- Peer-to-Peer': customer networks and communities where advocacy happens. P2P is now being referred as Social Computing and will likely to be the most disruptive force in the future of marketing.
- Predictive modeling: predictive algorithms, such as neural network, that are being successfully applied in marketing problems.

Customer focus

A formal approach to the customer-focused marketing is known as SIVA (Solution, Information, Value, Access). This system, proposed by Chekitan Dev and Don Schultz, is basically the four Ps renamed and reworded to provide a customer focus:

- Solution: How appropriate is the solution to the customers problem/need?
- Information: Does the customer know about the solution, and if so how, who from, do they know enough to let them make a buying decision?
- Value: Does the customer know the value of the transaction, what it will cost, what are the benefits, what might they have to sacrifice, what will be their reward?
- Access: Where can the customer find the solution? How easily/locally/remotely can they buy it and take delivery?

The model focuses heavily on the customer and how they view the transaction

Innovation focus

In a product innovation approach, the company pursues product innovation, then tries to develop a market for the product. Product innovation drives the process and marketing research is conducted primarily to ensure that a profitable market segment(s) exists for the innovation. The rationale is that customers may not know what options will be available to them in the future so we should not expect them to tell us what they will buy in the future. However, marketers can aggressively over-pursue product innovation and try to overcapitalize on a niche. When pursuing a product innovation approach, marketers must ensure that they have a varied and multi-tiered approach to product innovation. Many firms, such as research and development focused companies, successfully focus on product innovation (Nintendo who constantly change the way Video games are played).

Resources and Links

[BMA](#) – Business Marketing Association represents a lifetime of expertise in business-to-business marketing and communications.

[Marketing pros](#) – A web site for the professionals of marketing: articles, seminars, resources, jobs, etc.

[All About Marketing](#) – A comprehensive library of materials about Marketing.

[Marketing](#) – Marketing brings its readers news in the industry and delves into the issues behind the stories.

[Know this?.com](#) – knowledge source for marketing: topics, tutorial, cases, etc.

[Inc.com](#) – A guide on marketing for entrepreneurs, with guides and cases from the real business.

[Global Marketing](#) – Guides about international business negotiations, negotiation strategies, and other tools and programs to help your company in its international business.

[Brand Republic](#) – Ideas on advertising, marketing, media and PR.