

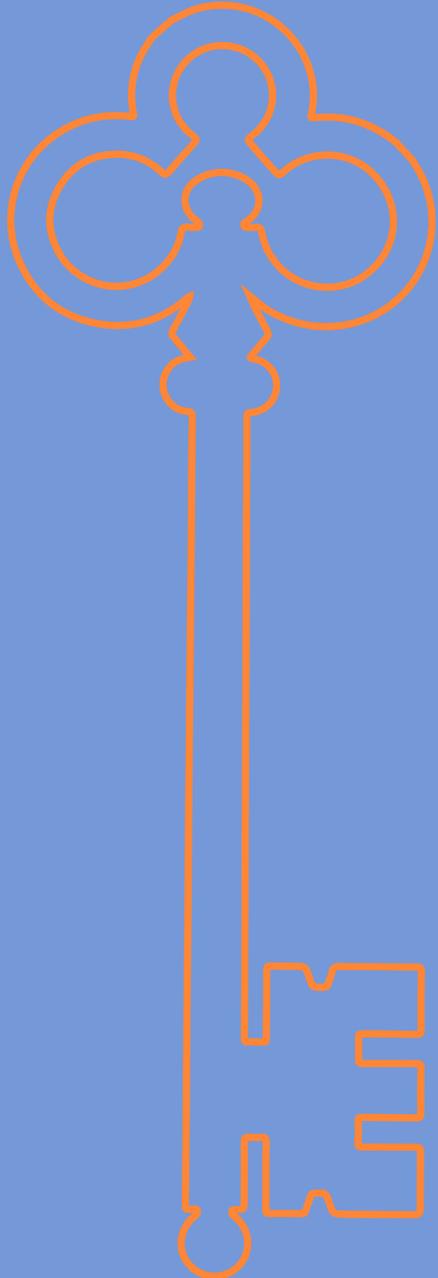
4. Marketing



ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory “Social Forces”

4.9.2: Design and Development of the Training Material





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Concept of Marketing (1)

Marketing: includes all the actions required to reach the products or services from producers to consumers. It links production to consumption, directs the flow of goods and services and influences decision-making. These actions aim to meet the needs of consumers through the design, production and distribution of products or services..



The process of **planning** and **executing** the conception, **pricing**, **promotion** and **distribution** of ideas, goods and services, in order to create exchanges that will satisfy both individual and organizational goals (*American Marketing Association*).

Concept of Marketing (2)

Concept of Marketing: refers to the philosophy, which sets the principle that **satisfying customer needs** is the economic and social justification of its existence. Consequently, all activities must be committed to defining customer needs and to profitably meeting these needs.

It is based in two fundamental principles:

- ❏ Policies, business planning and business operations must be **client-oriented**.
- ❏ The enterprise's objective must be to achieve **profitability**.



Content of Marketing (1)

Marketing includes a set of processes, methods and tools, such as:

- 01 Market research and analysis of consumer buying behavior.
- 02 Market segmentation, target market selection and Product Diversification.
- 03 Management of product portfolio.
- 04 Pricing policy of product.



Content of Marketing (2)

Marketing includes a set of processes, methods and tools, such as:

- 05 Selection and management of intermediaries through which the products will be sold to the final consumer.
- 06 Means of communication and promotion of products.
- 07 Customer relationships management.
- 08 Organization and coordination of all of the above actions and their costs, through a process of planning, monitoring and controlling their actions and their



Marketing mix (1)

All the decisions that are related to **products**, **distribution networks**, **promotion** and **pricing**, called "**Marketing Mix**".

The Marketing Mix has been described by Kotler and Armstrong (1989) as:

"a set of controlled marketing parameters with which an enterprise can meet needs of a target-company".



Marketing mix (2)

1

Product

It is the product or service, which is intended to satisfy a specific customer group - market segment.

2

Price

It is the amount of money the consumer is willing to pay in order to purchase a good or service.

3

Place

It is the place where a product is distributed, i.e. the shop, the neighborhood, the city, the region, etc. Of course, does not refer only to the geographical location, but also to distribution channels, intermediaries, and means of transportation used to reach a product to the final consumer.

Marketing mix (3)

4

Promotion

Promotion is the effort of an enterprise to communicate with the target-market consumers.

5

Physical evidence

This factor covers any element of the physical environment in which a product or service can exist.

6

People

People involved in processes play an important role and can negatively or positively influence the consumer.

7

Processes

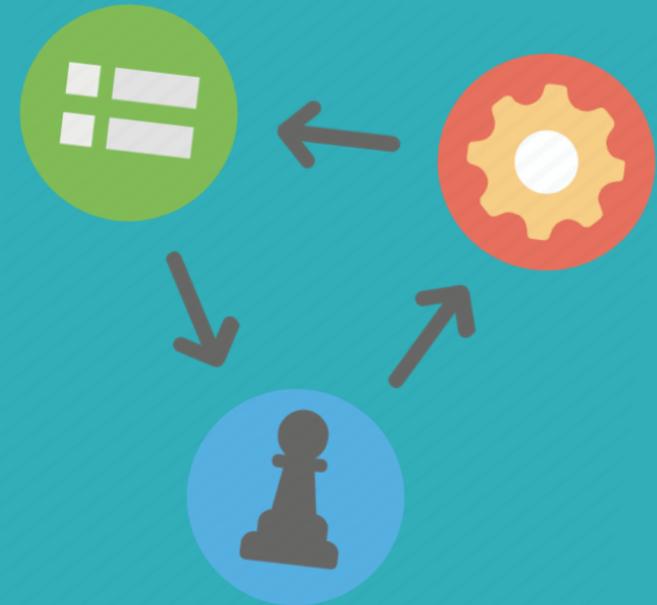
This factor refers to all processes governing an organization operation.

Marketing Strategy

Marketing Strategy: the choice of those marketing activities which will help a company to identify the consumers that will approach and will help to achieve to satisfy those consumers.

Strategic marketing planning consists of **four key concepts**:

- ❑ Strategic analysis.
- ❑ Strategic choice.
- ❑ Strategic implementation.
- ❑ Monitoring and control.



Marketing Plan



Marketing Plan contributes to :

- 1) proper new executives' occupational integration,
- 2) business operations evaluation,
- 3) provision of information to better understand the market's mechanisms and development of appropriate strategies for fulfilling the marketing objectives.

Marketing Plan plays an important role in selecting the appropriate marketing strategy, which contributes to the business success.

Structure of the marketing plan (1)

- 01 Executive Summary:** Brief overview of the proposed marketing plan.
- 02 Table of contents:** Keeping reader engaged to the most interesting points of the marketing plan.
- 03 Introduction:** Explanation of the marketing plan objectives.
- 04 Current Marketing Situation:** Analysis of market, product, competition, distribution and other information of the macro environment.
- 05 Analysis of opportunities & threats:** Identification of major opportunities/ threats, strengths and weaknesses and other product-related issues (SWOT).



Structure of the marketing plan (2)

- 06 Objective goals:** Determination of economic and marketing objectives in the form of sales volume, market share and profits.
- 07 Marketing Strategy:** Broad approach of Marketing that will be used to achieve the objectives of the marketing plan.
- 08 Action Plan:** Analysis of Marketing activities that designed to achieve the company's objectives.
- 09 Profit and loss determination:** Determination of the expected results of the project.
- 10 Monitoring:** Determination of monitoring indicators of the project.



Consumer behavior (1)



Consumer behavior refers to all those decisions and related actions of people that lead the purchase and use of various products or services, as well as to their rejection.

Marketing focuses on satisfying the buyer's needs to generate profit.



Consumer behavior (2)

The following factors have to be taken into consideration during human behavior study:

01

Purchasing needs and wishes of individuals by collecting data through discussions with consumers.

02

The place and time of the purchase of various products, the quantity purchased and their selling price.

03

The purchase outcome and satisfaction of this purchase that consumers got

Marketing, based on the information it gathers, can help to **plan the volume of production and supply** of economic goods or services to consumers.

General model of purchasing behavior

It consists of three main parts:

1. *Decision-making process*

Includes **need recognition** for a product, information search and collection, evaluation of alternatives and final selection of the product.

2. *Post decision behavior process*

When a consumer decides which brand is closest to his needs, **purchases the product**. After the purchase and use of the product the consumer **evaluates his choice**.

3. *External influences*

Marketing stimuli: the product offered by the company, the price offered, the distribution strategy and points of sale and the strategy of promoting the product in the target market.

Social environment: unofficial sources of information, the influence of family and friends, other non-commercial sources, and the wider culture of society and the groups to which the individual belongs.

Market segmentation

During the market segmentation, a large heterogeneous market is **divided** into smaller segments (or sub-markets) with **homogeneous** characteristics

- ✓ As a result, many market segments can be easily identified, and the company will choose those with the **best prospects**, i.e the so-called **target markets**, where marketing activities and resources are concentrated on.
- ✓ It is important to take into account both **the potential of each segment** to purchase a consumer product and the **competition**.



Stages of market segmentation

1

Market Segmentation

The enterprise divides the market, based on certain criteria, e.g. categorization of the market in buyer segments with various common features.

2

Target market selection

The selection of one or more departments, which are considered to serve enterprises' objectives, and as a result they focus their interest and efforts on them (targets them).

3

Product positioning

The segmentation process ends with the product "placement" on the market. 'Placement' means the procedure with which the enterprise seeks to differentiate itself from competitive enterprises, trying to put in the buyer's mind a specific message that differentiates its product from that of its competitors.

Criteria of market segmentation

01

Geographic (e.g., Climate, Area, City Size, Population Density, etc.).

02

Demographic (e.g., Age, Gender, Income level, Profession, Education level, Nationality, Religion, etc.).

03

Psychographic (e.g., Personality, Lifestyle).

04

Product related (e.g. Product use, Expected Benefits of Product Use, Product Price, Product Source, etc.).

