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Fundamentals of Marketing

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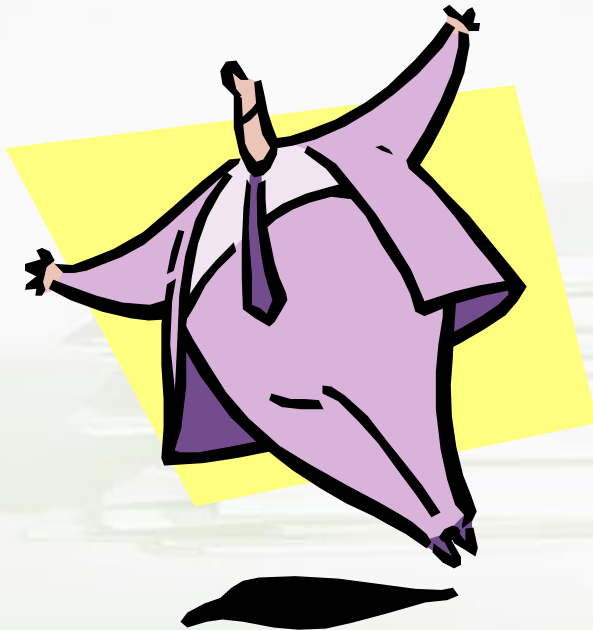


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Objectives

- ❑ **Appreciate the Role of the Marketing Department**



Objectives

- ❑ Introduce New Modern Marketing Theories:
Emphasize case studies



Objectives

- ❑ Identify the two levels of Marketing:
 - Strategic Marketing
 - Operational Marketing



Objectives

□ Discuss the:

❖ 4 Ps

❖ 7 Ps

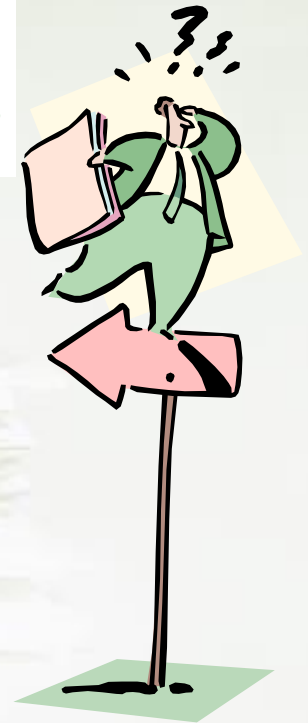
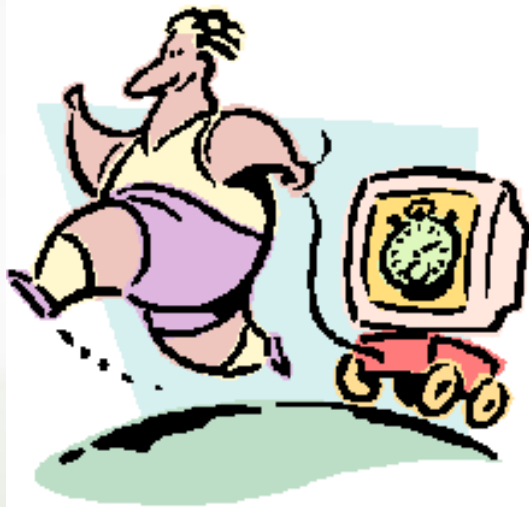
❖ 8 Ps

❖ What is beyond Ps



Objectives

- ❑ Discussion on Business Models



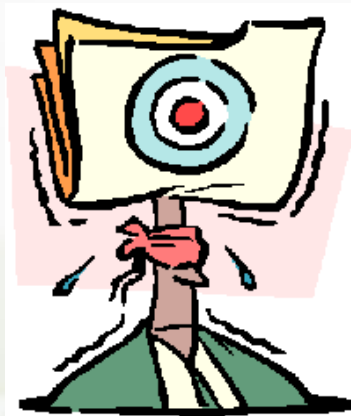
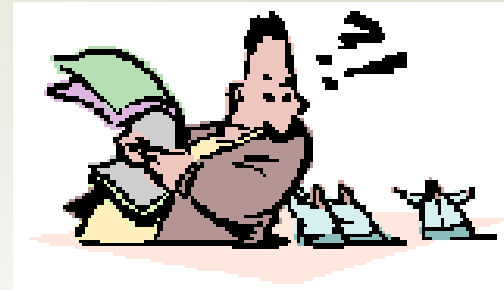
Objectives

- ❑ How to Introduce the process of Process Development



Objectives

- ☐ What is Products Research?
- ☐ What is Test Marketing?



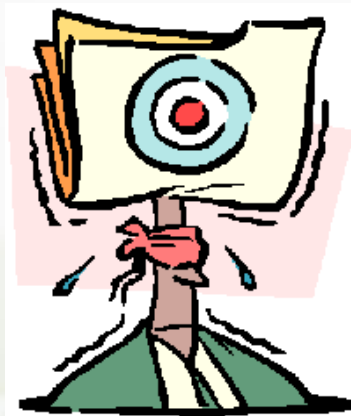
Objectives

- ❑ Tools of Marketing:
Qualitative and
Quantitative Consumer
Research



Objectives

- ❑ Concept Development:
the 6-steps process that
leads to strong concept:
Case Studies



Objectives

- ❑ What is the Products Launch System?
 - o Concept Phase
 - o Development Phase
 - o Evaluation Phase
 - o Execution Phase



Objectives

❑ How to develop a Marketing Plan?

- Executive Overview
- Market Review
- Competitive Review
- Product and Business Review
- Strength, Weaknesses, Opportunities, Threats
- Goals and Objectives
- Strategies
- Action Plan and Implementation
- Evaluation



Objectives

- ❑ Train engineers how to write professional business report



Objectives

- ❑ Tips and hints on how to start a business



Methodology



- ☐ Teams
- ☐ Examples from big companies
- ☐ Case studies

What is Marketing??

- Is It
???????



- ☐ The achievement of corporate goals through meeting or exceeding customer needs better than the competition?!!
Or
- ☐ The activity that links the business with customer needs in order to get the right product with the right price to the right place at the right time?!!

What is Marketing??

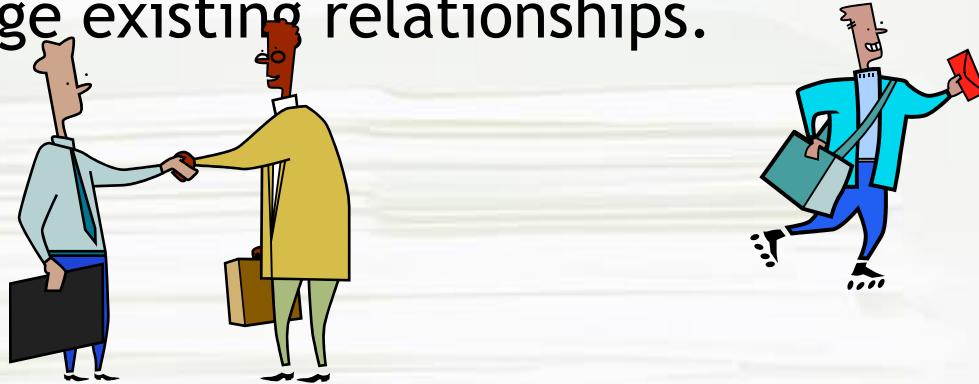
- Is It ???????



- ☐ A war where the enemy is your competitors and the ground to be won is the customer?! Or
- ☐ The management process that identifies, anticipates and supplies customer requirements efficiently and profitably!!

What is Marketing??

- ❑ It is all activities, processes, functions, that create perceived value by satisfying needs of those involved in the “business”. These processes succeed in moving people closer to making a decision to purchase and facilitate a "sale." Afterwards, these processes anticipate, identify and satisfy customer requirements profitably and successfully manage existing relationships.



What is Marketing??

- In customer-focused marketing, 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/service because they have a need, or because a product/service has a perceived benefit.



What is Marketing Targeting??



- Marketing targets at:
 1. the recruitment of new customers, and
 2. the retention and expansion of relationships with existing customers.



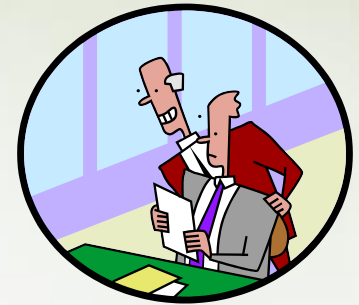
What is Base Management Marketing??

- Once a marketer has converted the prospective buyer, base management marketing takes over. 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 “invasion”.



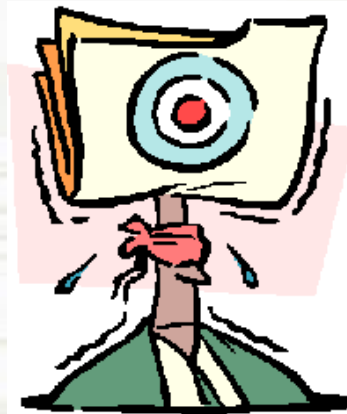
What Does Marketing Need??

- Psychology
- Sociology
- Economy
- Art (in advertising)



New Marketing Points of View

- Positioning Theory: The human mind contains slots or positions which a company attempts to fill. This is easy to do if the position is empty, but difficult to do if the position is owned by a competitor. In the later case a company must “reposition its position” if it wants to get into the mind.



New Marketing Points of View

- Marketing Warfare: Marketing is a war where the enemy is the competitor and the ground to be won is the customer. As with real war, there is no one way to fight a marketing war. Rather there are four: defensive, offensive, flanking, and guerrilla warfare. Knowing which type of warfare to fight is the first and most important decision you can make.



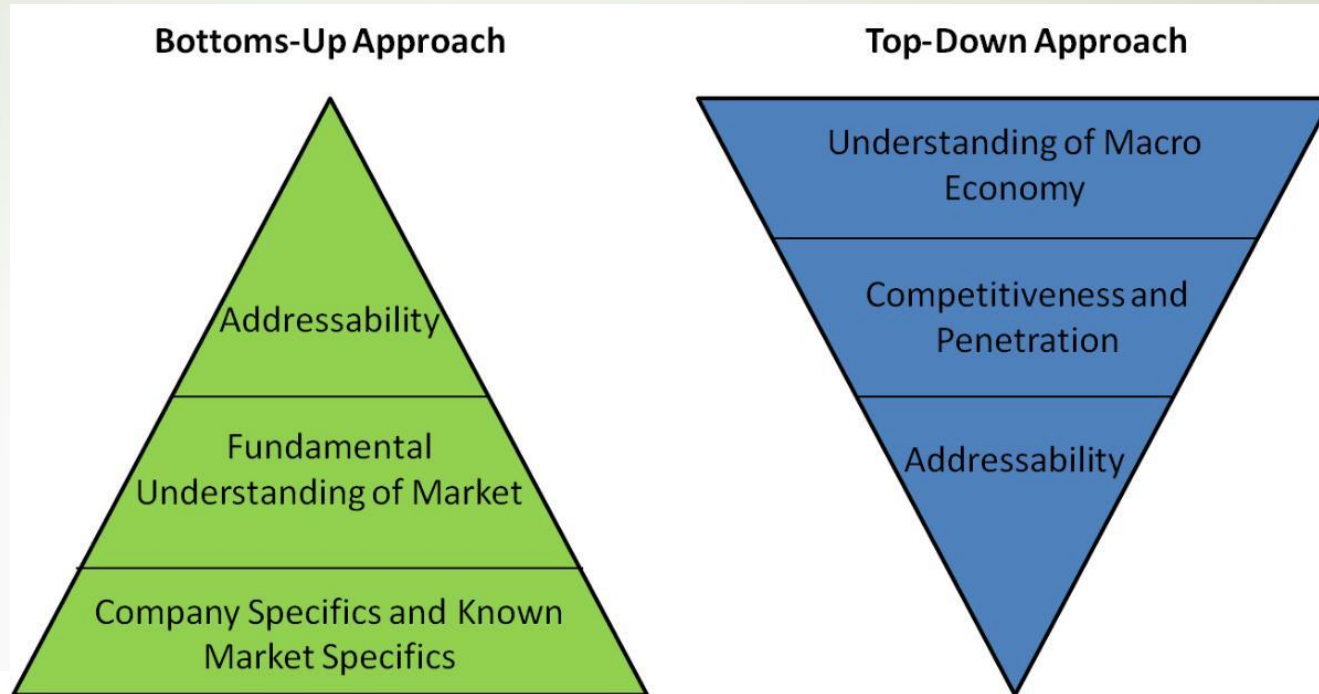
New Marketing Points of View

- Bottom-Up Marketing: Strategy should be developed from the bottom up, not from the top down. In other words, strategy should be developed from a deep knowledge and involvement in the actual tactics of the business itself. Unlike traditional marketing, where executives create a marketing plan and a strategy to promote the company's products and services, bottom-up marketing is mainly driven by the employees of a company. Employees recognize one specific customer need the company can meet and create a marketing strategy around that single idea



New Marketing Points of View

➤ Bottom-Up Marketing:



New Marketing Points of View

- Bottom-Up Marketing: Examples
 - Domino's Pizza as a classic example of successful bottom-up marketing. The company took one marketing tactic, to guarantee that pizza will be delivered in 30 minutes, and built a very successful marketing strategy around it.



New Marketing Points of View

➤ Bottom-Up Marketing: Examples

- Fedex: In the early days of the company, it used a top-down approach of heavily promoting all of its shipping services to consumers. After listening to what customers really wanted, Fedex marketers learned that people were most interested in overnight shipping, so they created a company slogan that focused only on promoting this service.



What Does Marketing Involve?



Marketing Orientation



Marketing Audit:
**ANALYSE CURRENT
POSITION &
OPPORTUNITIES**

Market Analysis

Market
Segmentation

Marketing
Strategy



Market Research:
**GAIN INFORMATION
ON MARKETING**

Quantitative
Analysis

Qualitative
Analysis

Consumer
Test



Marketing Mix:
**PERSUADE
CUSTOMERS TO BUY :**

Product

Price

Place

Promotion

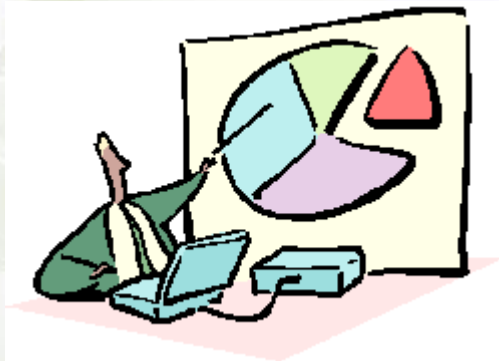
Market Analysis

- A market analysis studies the attractiveness and the dynamics of a special market within a special industry. It is part of the industry analysis and thus in turn of the global environmental analysis.
- A market analysis is a quantitative and qualitative assessment of a market. It looks into the size of the market both in volume and in value, the various customer segments and buying patterns, the competition, and the economic environment in terms of barriers to entry and regulation.

Marketing Strategy

- An organization's strategy combines all of its marketing goals into one comprehensive plan. A good marketing strategy should be drawn from market research and focus on the product mix in order to achieve the maximum profit and sustain the business. The marketing strategy is the foundation of a marketing plan.

[“https://en.wikipedia.org/wiki/Marketing_strategy”](https://en.wikipedia.org/wiki/Marketing_strategy)



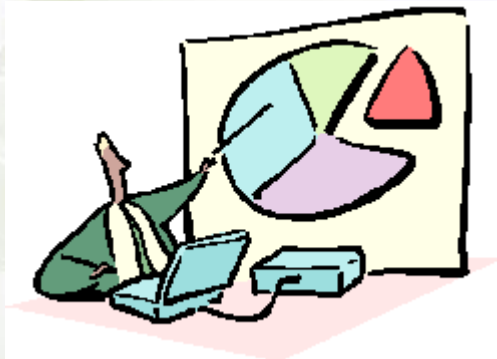
Bases of Segmentation

Geographic:
Customer location,
region,
Urban/Rural
Example:
customers within Ibid City area

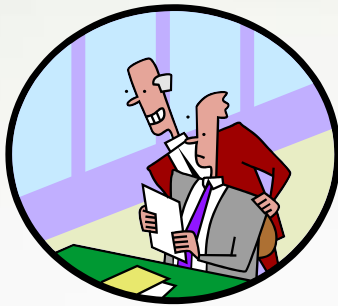
Demographic:
Age, gender,
occupation,
socio-economic group
Examples:
University students

Behavioral:
Rate of usage
Benefits sought
Loyalty status
Readiness to purchase
Example:
Customers wanting a value money

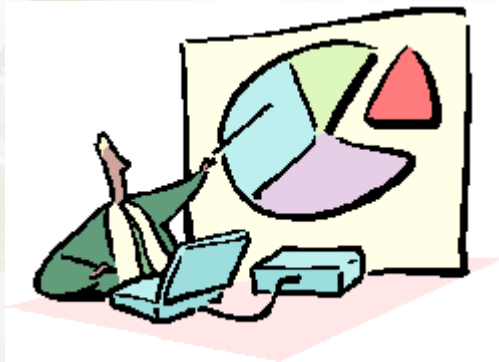
Psychographic:
Personality
Lifestyles
Attitudes
Class
Example:
Customers who prefer to buy organic food



What is the Marketing Department's Role???



- The marketing department guides and leads the company's other departments in developing, producing, fulfilling, and servicing products or services for their customers.

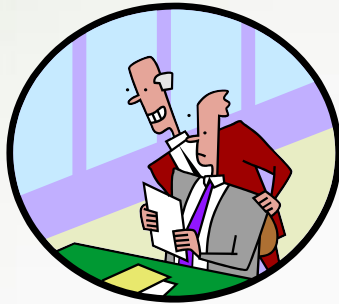


What is the Marketing Department's Role???



- Communication is vital. The marketing department typically has a better understanding of the market and customer needs, but should not act independently of product/packaging development or customer service.

What is the Marketing Department's Role???



- Marketing should be involved, and there should be a meeting of the minds, whenever discussions are held regarding new product development or any customer-related function of the company.

Developing Good Consumer Understanding

Step I	<u>Plan</u> Basic consumer understanding	<u>Do</u> Develop consumer models	<u>Check</u> Test Model	<u>Act</u> Proceed to strategy development and idea generation



Developing Good Consumer Understanding

	<u>Plan</u>	<u>Do</u>	<u>Check</u>	<u>Act</u>
Step II	<p>Develop strategy by incorporating consumer model with:</p> <ul style="list-style-type: none">• Technical availability• Competitive strength/weaknesses• Financial needs	<p>Develop consumer models</p>	<p>Test Model</p>	<p>Proceed to strategy development and idea generation</p>

Developing Good Consumer Understanding

	<u>Plan</u>	<u>Do</u>	<u>Check</u>	<u>Act</u>
Step III	Set concept/ product success criteria for each project	Develop concepts and prototypes. Define consumer accepted beliefs.	Consumer test concept and prototypes. (Personal contact with consumer is key). Then do quantitative concept and use testing	This is an iterative process. Proceed to BFI (Basis for Interest)

Developing Good Consumer Understanding

	<u>Plan</u>	<u>Do</u>	<u>Check</u>	<u>Act</u>
Step IV	Define overall development and qualification plan	<p>Determine how to get benefits simply and cheaply (i.e., convert the prototype into a market-ready product).</p> <p>Determine what is good vs. poor quality.</p> <p>Develop copy that effectively communicates the concept.</p> <p>Develop packaged graphics that reinforce the</p>	<p>Consumer test to confirm line-made product delivers objectives.</p> <p>Test copy to confirm communication and trial potential.</p>	<p>This is an iterative process. Proceed to BFM (Basis for Market)</p>

Developing Good Consumer Understanding

Step V	<u>Plan</u>	<u>Do</u>	<u>Check</u>	<u>Act</u>
	Develop a comprehensive Test market plan and success criteria	Open test market	Test Market results. Conduct and analyze test market learning. <ul style="list-style-type: none">•Getting what we expected?•Talk with consumers•Interview complainants Find any product/concept weaknesses	Revise expansion plans to incorporate Test Market Learning and prepare for expansion

Developing Good Consumer Understanding

	<u>Plan</u>	<u>Do</u>	<u>Check</u>	<u>Act</u>
Step VI	<ul style="list-style-type: none">•Set National success criteria•Expand nationally	Conduct and analyze expansion learning plan: getting what we expect?	National results	Update consumer understanding and consumer models

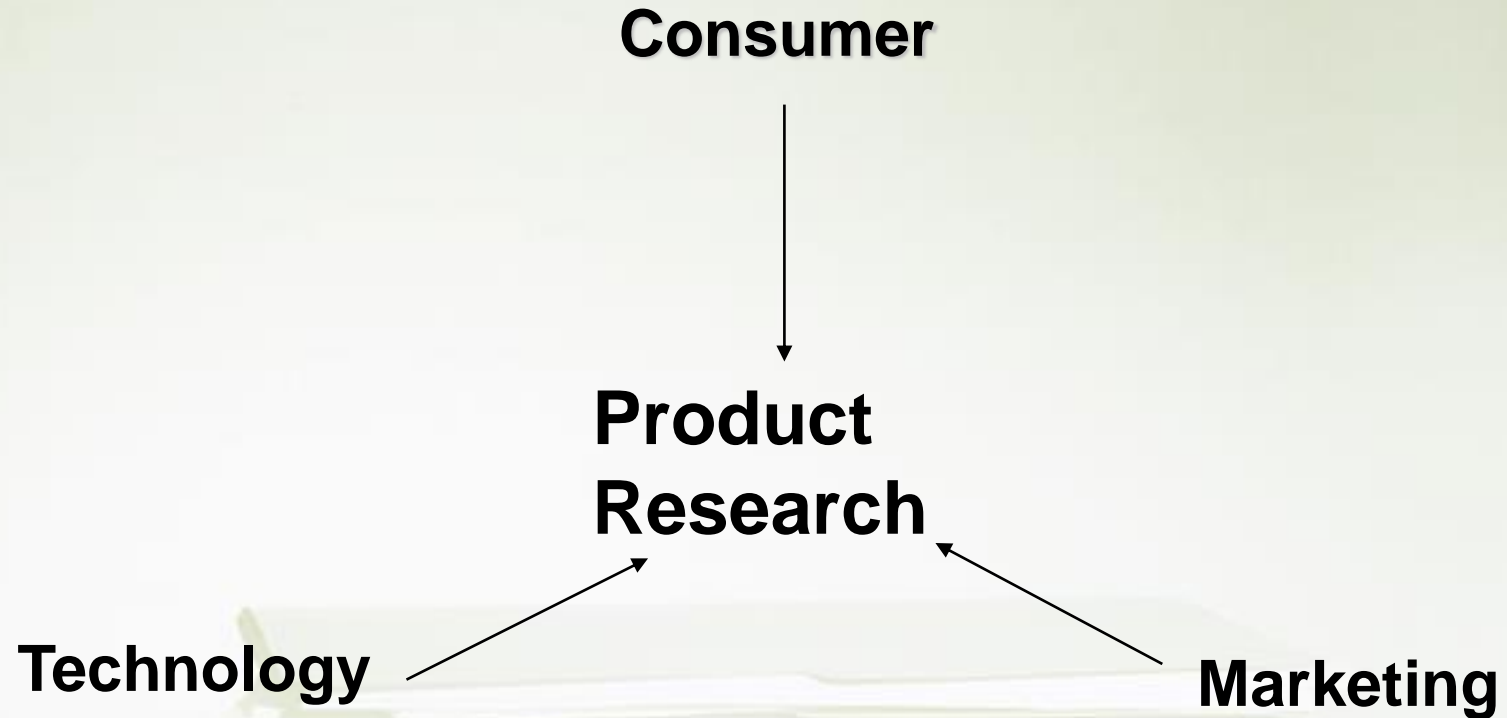
Importance of Production Research

*To provide products of superior quality and value
that best fill the needs of consumers*

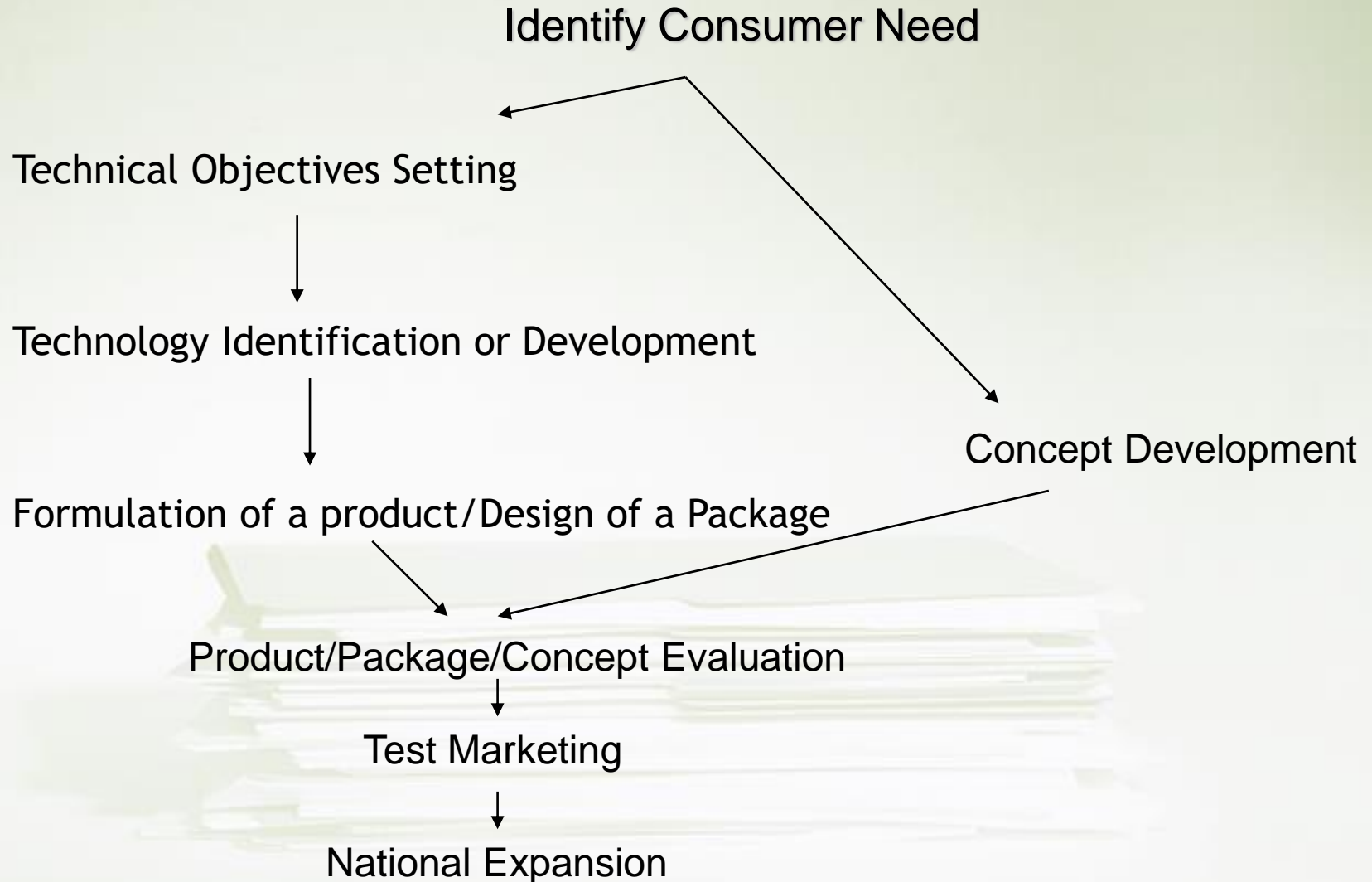
To achieve this, three things are needed:

1. Developing a superior understanding of consumers and their needs.
2. Creating compelling product and packaging advantages on brands which best performance to consumers.
3. Developing concepts and advertising that effectively communicate superior performance to consumers.

Products Research Is The Focal Point



Key Products Research Activities



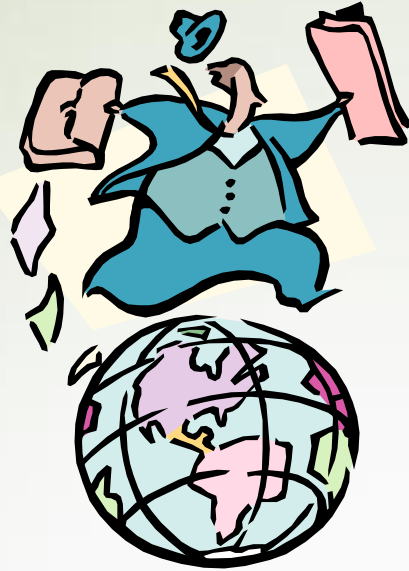
Products Research Interactions

- **Within Research and Product Development (R&PD):**

- Process Development
- Package Development
- Professional and Regulatory Services (P&RS)
- International Technology Coordination
- Technology
- Perfume
- Analytical Services



Products Research Interactions



- **Outside Of R&PD**

- The Consumer
- Advertising
- Advertising Agencies
- Market Research
- Legal and Patents
- Public Relations
- Manufacturing/Product Supply
- Sales

Key Skills Needed To be A Good Products Researcher



- Verbal Communications Skills.
- Listening Skills.
- Empathy
- Interpersonal Skills
- Modeling Skills/Theory
- Experiment Design Skills
- Data Interpretation and Analysis Skills
- Good Chemical Understanding of Cause and Effects

Identifying Consumer Needs

What

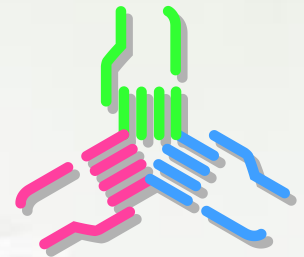
- Critical Needs .
- Secondary Needs .
- Unmet Needs.
- Partially Met Needs.
- Emotional/Psychological Needs.



Identifying Consumer Needs

Why

- Successful products match their benefits to the fundamental needs and wants of consumers.
- Give focus to the product Development Program.
- Give direction to technology development and technical objectives.
- Is a starting point of Concept Development.



Identifying Consumer Needs

How to get started

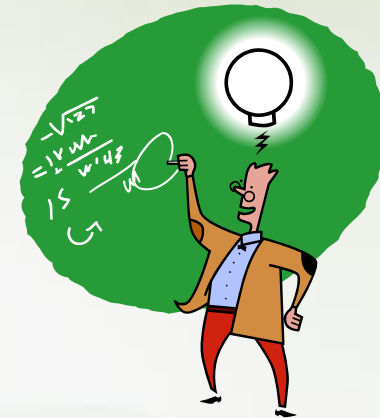
- **Talk With Consumers:**
 - Focus Groups
 - One-on-ones
 - Home Visits
 - In-Store Interviews
- Emerging Trends/Habits/Legislation.
- Consumer Comments Analysis.
- Satisfaction/Dissatisfaction Consumer Research.



Technical Objective Setting/Lab Test Method Development

What

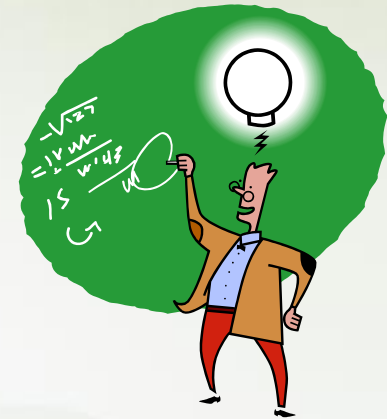
- Technical performance objectives that, if achieved, will meet the consumer need.



Technical Objective Setting/Lab Test Method Development

- Attribute that can be measured in the laboratory and correlate to consumer acceptance.
 - How clean/on what soils?
 - How soft/How mild?
 - How many suds/how many lather?
 - What color?
 - What smell?
 - How moist?
 - How fast?
 - How long
 - How dry?
 - How strong?
 - etc., etc.

What



Technical Objective Setting/Lab Test Method Development

Why

- To help identify relevant technologies.
- To measure interim progress to the goals via laboratory techniques.



Technical Objective Setting/Lab Test Method Development

How to get started

- Study existing test methods.
- Invent new test methods.
- Study how current products (ours and competition)

Measure up to what the consumer wants.

- Check with the consumer



Technology Identification or Development

- Existing technology, modified technology, or new technology that will meet the technical objectives and satisfy the consumer need.

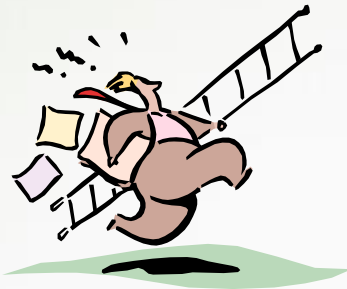
What

- Many of our best brands are based upon technology that is proprietary to our company and superior to our competition.
- The development process can be more efficient if you “Search and Reapply” appropriate technology.

Why

Technology Identification or Development

How to get started



- Communicate your technical performance objectives to the Technology community and your International Technology Coordination contact.
- Experiment with current technology to see if it could be modified to meet the need.

Technology Identification or Development

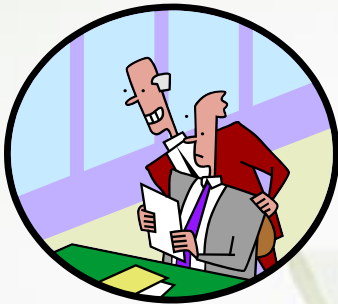
- Fully understand competition's technology to see if it can be improved upon for your product.
- Keep up to date with emerging technology in related fields for possible reapplication in your field.
- Reapply known technology from one geography into another geography.

How to get started



Product Formulation/Package Design

What



- Development of a complete product based on the technology identified.
- Products Research finalizes the basic formula/design.

Product Formulation/Package Design

What

- Need to work closely with Process Development, who is responsible for developing a quality product and a manufacturing process to produce it.



- Need to work closely with Packaging Development, who is responsible for creating the appropriate container for the product.

Product Formulation/Package Design

Why



- The new technology, by itself, may not be enough to meet all of the consumers' needs. Also you need to be sure that no negatives are introduced in the product, such as odor, flavor, dissolving, side effects, etc. This may require adding other ingredients to the product.

Product Formulation/Package Design

Why

- Thoroughness is critical in this phase of a project to assure the product and package meet the high standards of quality required for our products.



Product Formulation/Package Design

How to get started:

- Talk with your Process

Development/International

Technology Coordination contact as

early as you can about what

technology you would like to use.



Product Formulation/Package Design

How to get started:



- Find out the history of other new/improved products that are similar to yours so that you learn from their discoveries/mistakes.
- Learns as much as you can about chemistry of your products so that you can design in what is needed to meet the objectives. Understanding the chemical “cause and effect” can also help you quickly “troubleshoot” if problem occur.

Product Formulation/Package Design

How to get started:

- Talk with your Packaging Development contact about what your packaging needs will be.



Product/Package/Concept Evaluation

What



- Evaluating all aspects of initiative to make sure it meets the original.
- Product and package can be tested via laboratory tests and consumer tests. (Laboratory tests have been developed by Products Research to predict consumer perception and acceptance).
- Concepts can be tested via consumer tests.

Product/Package/Concept Evaluation

Why



- Product and package advantages can be confirmed.
- Problems can be identified and eliminated before going into market place.
- Concepts can be proven to be appealing so that advertising copy development can begin.

Product/Package/Concept Evaluation

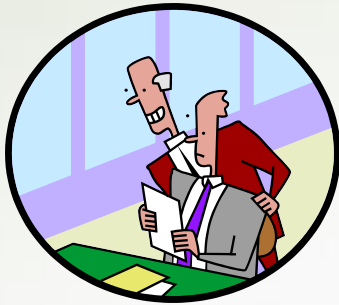
How to get Started:



- Make sure you have relevant laboratory test methods that can detect problems and predict the consumer response.
- Select a control product that you will use to reference results.
- Work with your MRD contact to design relevant consumer research.
- Make a prediction and set success criteria before you place any consumer research.

Test Marketing

What



- Qualifying plant produced product to ship into test market.
- Evaluating how successful the total initiative is in the marketplace. (The total initiative includes product, package, advertising message, price, promotions, etc.)
- Monitor the Competitive response to your initiative

Test Marketing

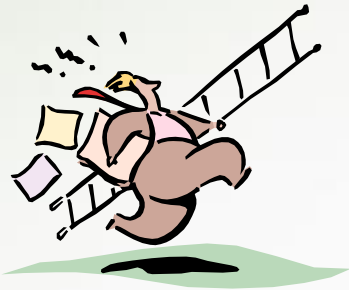
Why

- To collect the data necessary to make a national expansion decision.



Test Marketing

How to get started



- Study a previous test market initiative to understand what qualifications program look like . This would include:
 - Qualifications of the plant produced product.
 - Writing a “Product Readiness Report”.
 - Defining how you will measure “success” in the test market.
 - Picking a test market location and size.
 - Predicting the level of consumers comments expected from test market area.
 - Designing consumer research to better understand the consumer response in the test market area.
- Support advertising performances claims and create convincing demonstrations of how your product works.

National Expansion

What:



- After test market is analyzed and a decision is made to expand, national expansion plans are made and executed.
- Any deficiencies in the test market are corrected.

Why:

- Plans are needed to assure a smooth transition.



National Expansion

How to get started:

- Fully Understand your test market data.
- Work as a team to create the expansion plans.
- Use a previous product expansion as a model.



Concept Development

What:

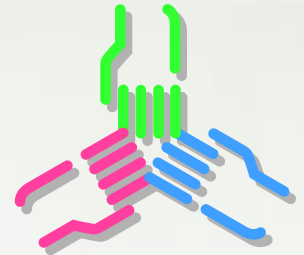
- A concept is a promise to the consumer.
- It tells the consumer what benefits your product will deliver and a “reason why” your product will work.
- Strong concepts are based on good consumer understanding.



Concept Development

Why:

- Concept development and evaluation can help prioritize opportunities that have been defined. It can find out how important the need really is to the consumer and how many people would be interested in a product that delivered on the concept promise.
- Concepts also form the foundation of our advertising message to the consumer.
- Advertising strategy and copy can be developed from winning concepts.



Concept Development

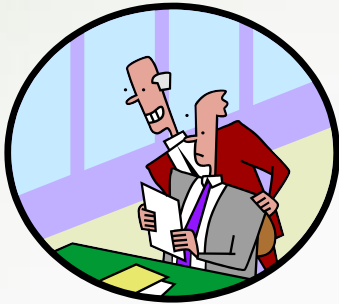
How to get started:

- Contact a Concept Development expert in your area or attend a training seminar.
- The Current Best Approach to Concept Development involves four steps:



Concept Development

How to get started:



1. **Plan**: Form a team, develop specific concept objectives and get Management's agreement to your plan.
2. **Build Consumer Understandings**: Review existing learning, talk with consumers, and share learning with the team and Management, resulting in an in-depth understanding of consumers.

Concept Development

How to get started:



3. Create/Build Concepts: Using the consumer understanding, create single-minded, distinct concepts. Share there with the team and Management.
4. Evaluate Concepts: Develop test objectives and success criteria, use appropriate methodology to run the test, analyze the results, and develop an action plan.