

What's Marketing?

- Meeting customers' needs profitably
- The act of satisfying and retaining customers
- The activity, set of institutions, and processes for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (*American Marketing Association*)

Does Marketing Happen by Accident?

- No; it is a process involving planning, research, and execution to reach a target audience.

Core Aspects of Marketing

1. Satisfies customer needs and wants
 - Marketers generate ideas for new products by discovering unmet consumer needs.
 - Example: Tile solves the problem of losing personal belongings by providing a small, Bluetooth-enabled tracker that can be attached to items and locate them through a mobile app.
 - Example: Thule solves the problem of keeping dogs safe in rides by providing high-quality carriers for travels.
2. Exchange between buyer and seller
 - This exchange should be mutually beneficial.
 - Do buyers always exchange money?
 - Exchange of money is common practice but not always the case; exchange of branding, time, and data can be another form of transaction.
3. Creates value through price, product, place, and promotion decisions
 - The Marketing Mix: sets of decisions that the firm uses to respond to the wants of its customers
 - Product: creating value; marketers create value by developing a variety of offerings, including goods, services, and ideas, to satisfy customer needs
 - Example: goods, services, and ideas
 - Price: capturing value; price is everything a buyer gives up, including money, in exchange for the product or service
 - Example: money, time & effort, and comfort
 - Place: delivering value; marketing processes necessary to get the product to the right customer at the right time
 - Example: grocery stores, vending machines, and kiosks
 - Promotion: communicating value; communication that informs, persuades, and reminds potential buyers about a product or service to influence their buying
 - Example: mobile app with rewards program, slogans, and TV
 - How does marketing create value?

- Builds relationships with partners and customers
 - Gathers, analyze, and shares information about customers and competitors
 - Balances the benefits and costs of their offerings for themselves, their customers, and their communities
 - Leverages technology to deepen customer relationships
4. Affects multiple stakeholder groups
- Consumer is just one group
 - Marketing also impacts supply chain partners include manufacturers, agents, wholesalers, and retailers
 - Companies market to employees internally to recruit and retain the best employees
5. Performed by individuals & organizations
- Beyond B2B and B2C.
 - Marketing activities exist beyond the firm level, consumers also market to other consumers
 - Is social media a form of C2C marketing?
 - Yes; it facilitates direct transactions between individuals, allowing them to buy and sell goods and services from each other.

What is a Marketing Strategy?

- A marketing strategy identifies and defines:
 1. A firm's target market
 2. The appropriate marketing mix (4Ps)
 3. How the firm plans to build a sustainable competitive advantage

Sustainable Competitive Advantage

- A sustainable competitive advantage (SCA) is an advantage over the competition that is:
 - o Not easily copied
 - o Can be maintained over a long period of time
- Think of a SCA like a wall that the firm builds through marketing efforts that protects its position in a market

Strategies To Create and Maintain SCA

- Customer Excellence
- Operational Excellence
- Product Excellence
- Locational Excellence
- These four excellences build value in the mind of the consumer.

Customer Excellence

- Achieved when a firm develops strategies for retaining loyal customers and provides outstanding customer service
- Example: Disney is a brand known for providing the highest level of customer service.
 - o The MagicBand system wristbands acts as wallets, room keys, and ride check-ins.
 - o Employees are extensively trained to find ways to provide better service.
- Example: Airlines Customer Satisfaction Ratings
 - o Highest: Delta, Southwest, JetBlue, Alaska
 - o Lowest: American Airlines, United, Spirit, Frontier

Operational Excellence

- Achieved through efficient operations, excellent supply chain management, and strong relationships with suppliers
- Example: Walmart has achieved competitive operational advantage that allows for lower consumer prices
 - o Optimizing how products are delivered to their stores reduces costs and out-of-stocks
 - o Leveraging their scale and relationships with suppliers is advantageous for negotiations

Product Excellence

- Achieved by developing products with high perceived value through effective branding and positioning
- Example: Interbrand's 2023 ranking of top global brands includes Apple, Google, Microsoft, Coca-Cola, Amazon, Samsung, Toyota, and Mercedes.

Locational Excellence

- Achieved by having a strong physical location and/or Internet presence, especially important for retailers and service providers
- Locational advantage is not easily duplicated, why?
 - o It is inherently tied to a specific geographic location, including access to raw materials and market proximity, that cannot be readily replicated elsewhere.
- "The three most important things in retailing are location, location, location."
 - o Starbucks has developed a strong competitive advantage with its location selection.
 - o The high density of stores it has established in some markets makes it very difficult for a competitor to find good locations.
 - o Starbucks is also known to lease space but leave it empty to prevent competitive chain from entering.