



Marketing



What does it mean **MARKET-ING**





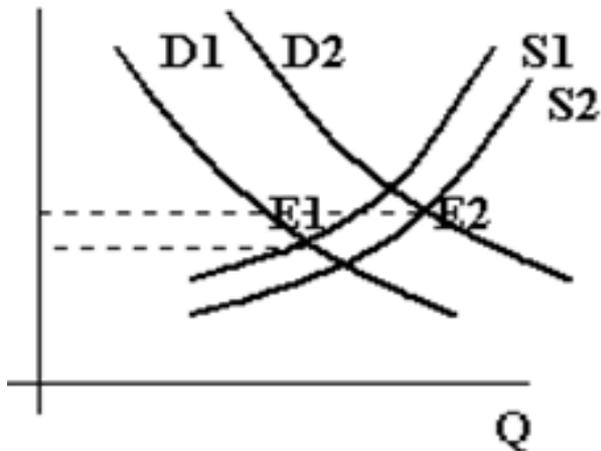
MARKET-ing



■ Basic market functions

SELLER

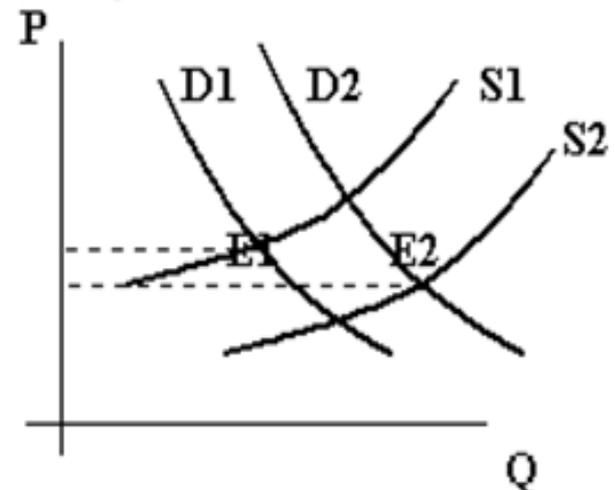
Wants to sell as much as possible
For maximum price



An increase in demand
leads to a higher price

BUYER

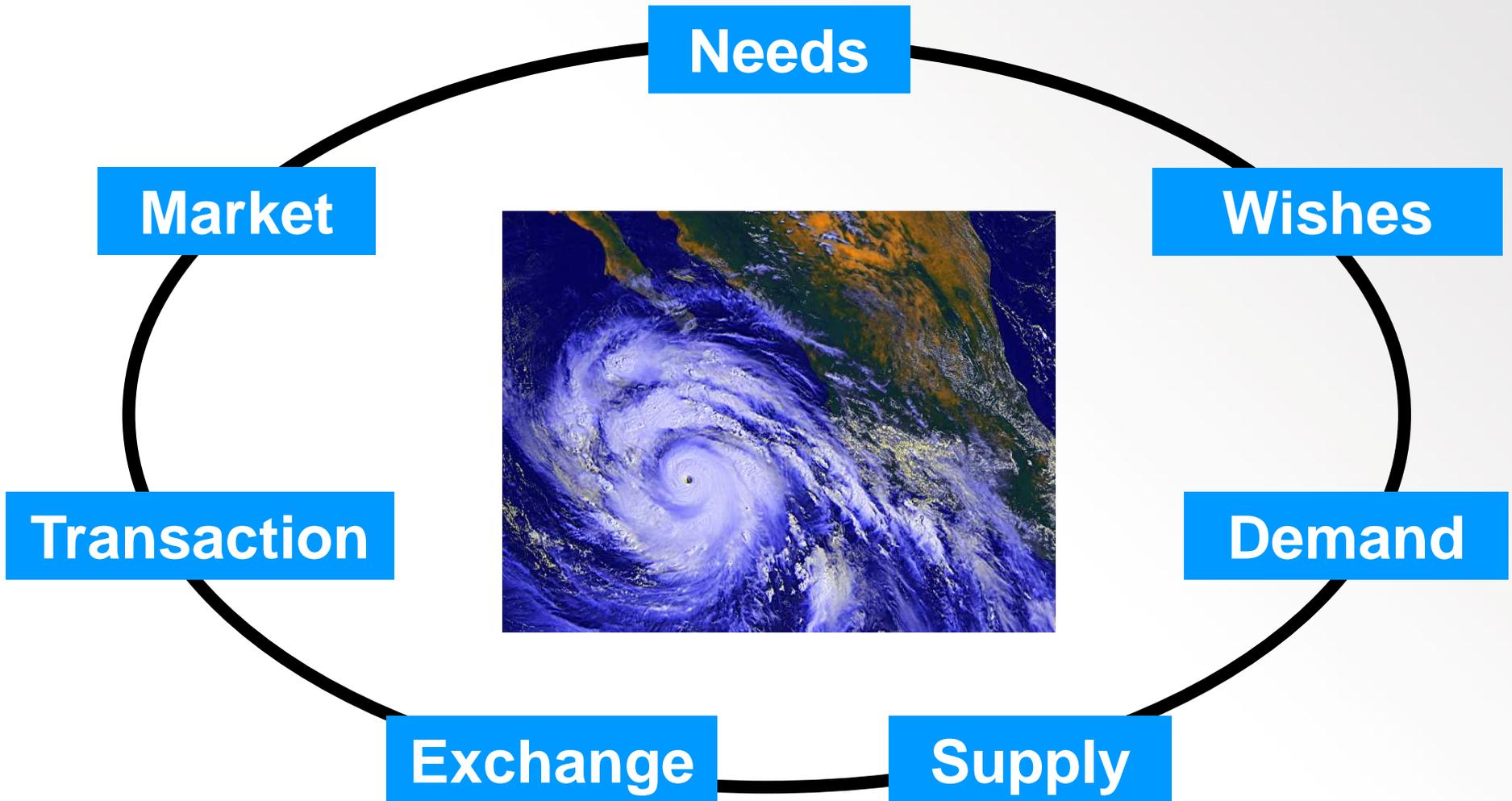
Wants to buy as much as possible
For minimum price



An increase in supply
leads to a lower price



Market-ING



Marketing - definition

- **Marketing is the process used to determine what products or services may be of interest to customers, and the strategy to use in sales, communications and business development**

Kotler

Marketing Management

■ **Is a business discipline which is focused on the practical application of marketing techniques and the management of a firm's marketing resources and activities.**

■ **Management – main tasks:**

Planning

Organizing

Staffing

Leading or Directing (?) and Controlling



Key issues



- Whom and what we sell?
- Will there be a demand for our supply?
- How should we differ from competition?
- What exactly will we provide the market with?
- For what price?
- How can we deliver it to the customer?
- How can the customer hear about us?



Key issues



**Whom and what
we sell?**









Marketing



■ Mass Marketing

Undifferentiated, company offers products for whole market

■ Target Marketing

Differentiated offering for each market segment

Marketing is useful for...

- **Companies on B2C markets**
- **Companies on B2B markets**
- **Non-commercial and non-profit organizations**
- **State institutions**
- **Political parties**
- **Individuals C2C**



Marketing



■ B2B Marketing – corporate markets

- Geographic concentrativeness
- Lower elasticity of demand
- Demand is derived from the consumer's demand

■ B2C Marketing - final customers

- Making decisions is easier
- Geographic dispersion
- Larger representation

Production Orientation

■ Maximizing profits in a short term can be achieved by these three ways:

A) increase in revenue

B) cost reduction

C) wide distribution

Production Orientation

- **Based on the assumption that consumers prefer cheap and widely available products**
- **Entrepreneurs maximize returns over the area of production, especially by better use of technology and better work management – quality and cheaper products for everyone**



Orientation - Product



- **Based on the assumption that consumers prefer products of higher quality**

- **Focus on product improvement and innovation**



Orientation - Product



- **Care of production, innovation**
- **Companies focus more on product parameters than on market needs**
- **Marketing "myopia"**



Orientation - Selling



- Based on the assumption that the consumer must be pushed to buy the product
- Focus on aggressive sales and promotional activities
- The aim of the manufacturer to sell what he produced, not produce what he could sell



Orientation - Selling



- **This approach is Effective When the market is a "very saturated,**
- **There are many variants of the Same Products**
"Helplessness,, of the consumer
- **The manufacturer must quickly "lure"**
- **Strong advertising**

Orientation - Marketing

- **Based on the philosophy that marketing is more than selling**
- **The principle is: the best possible knowledge of the market - customer's needs - to satisfy them, and if possible, better than competitors can**
- **Customer decides what the company will produce**

Selling vs. Marketing

- Focus on product x focus on customer
- Non-differentiation of customers x Target market
- The company first produced x company first asked the customer to determine the production
- Short-term planning x Long-term planning



Orientation – Social / Ethic

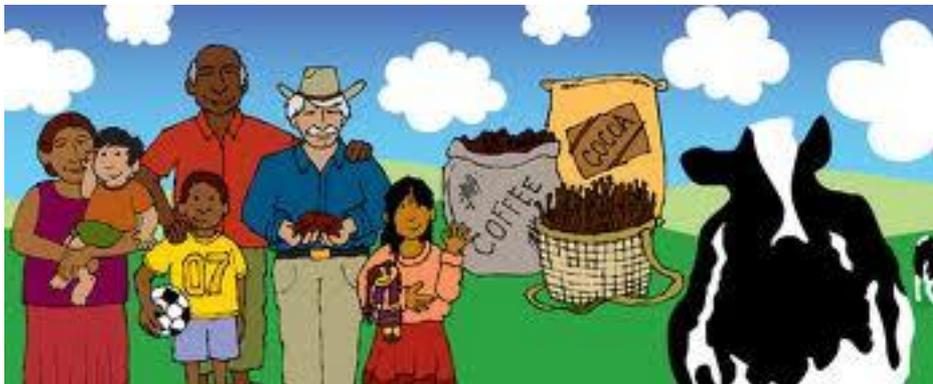


- **Companies take into account the balance of three important factors:**
 - The company's profit
 - Customer satisfaction
 - Public interest

- **Ethics must concern the whole production and sales process**



Guarantees
a **better deal**
for Third World
Producers





Orientation - Holistic



- **Global Marketing**
- **A holistic view of the company**
- **Globalization, digitization, internet networks, electronic communications, virtual markets**
- **Function: legal, ethical and social**
- **Relationship Marketing - CRM, PRM**
- **Corporate Social Responsibility - CSR**



Marketing



■ Relationship Marketing

CRM - Customer Relationship Management

PRM - Partner Relationship Management

■ Social Marketing

CSR - Corporate Social Responsibility

SRM - Social Responsibility Marketing

■ ■ What are the possible target groups

Segmentation

■ ■ What is the Best target audience

Targeting

■ ■ What is the position of our brand in the minds of the target group

Positioning



Segmentation



- **Determining who the actual and potential customers are**
- **Identifying segments**
- **Analyzing the intensity of competitors in the market**
- **Selecting the attractive customer segments.**



Targeting



- **Defining the abilities of the company and resources needed to enter a market**
- **Analyzing competitors on their resources and skills**
- **Considering the company's abilities compared to the competitors' abilities**
- **Deciding on the actual target markets.**



Positioning



- Identifies the differential advantages in each segment
- Decides on a different positioning concept for each of these segments. This process is described at the topic positioning, here different concepts of positioning are given.



Marketing Tactic - tools



Marketing Mix



"Good" and "bad" product



"Good" and "bad" price

6 Kč

120 Kč





"Good" and "bad" distribution



◀ "Good" and "bad" communication ▶

