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E-Content BBA402- Marketing Management

Lecture 3- Marketing Orientation, STP, Sales Vs Marketing,
Marketing Planning process

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Marketing Orientation

Companies with a marketing orientation focus on identifying and understanding the customer's needs and wants and addressing them more effectively or efficiently than one's competitors

Why Do Customers Matter in Marketing?

- Marketing exists to help organizations understand, reach, and deliver value to their customers
- The customer is considered the cornerstone of marketing





Segmentation and Targeting

- Segmentation is the process of dividing potential customers into groups to better understand them
- Targeting is determining which segments are most likely to become customers and directing marketing efforts to best to satisfy them

Defining a Target Marke⁺

1. Identify the business need you address
2. Segment your total market
3. Profile your target customer segment(s)
4. Research and validate your market opportunity



Value for the Customer

- Value = benefit – cost
- Price is only part of cost
- Customers will consider competitors and substitutes
- Differentiation is how marketers optimize the elements of a product that provide unique value to customers
- When a company can create greater value for customers than its competitors, it has a competitive advantage

Value Proposition

- A value proposition provides a very simple answer to the question: Why should someone buy what you are offering?
- The value proposition should be clear, compelling, and differentiating



THE MARKETING MIX



Evolving Definitions of the Marketing Mix

PRODUCT
PRICE
PROMOTION
PLACE

4 PS
4 Cs

- Consumer solution
- Cost
- Communication
- Convenience



Product vs Customer Solution

A company will only sell what the consumer specifically wants to buy. So, marketers should study consumer wants and needs to attract them.



Price vs Cost

Price is only a part of the total *cost to satisfy* a want or a need. For example, the total cost might be the *cost of time* in acquiring a good or a service, along with the *cost of conscience* in consuming it. It reflects the total cost of ownership. Many factors affect cost, including but not limited to the customer's cost to change or implement the new product or service and the customer's cost for not selecting a competitor's product or service.



Promotion vs Communication

Communications can include advertising, public relations, personal selling, viral advertising, and any form of communication between the organization and the consumer.



Place vs Convenience

Marketers should know how the target market prefers to buy, how to be there and be ubiquitous, in order to provide *convenience of buying*. With the rise of Internet and hybrid models of purchasing, “place” is becoming less relevant. Convenience takes into account the ease of buying the product, finding the product, and finding information about the product.

Product

PRODUCT
What solution
does the customer
want and need?

....

- Features
- Design
- User experience
- Naming
- Branding
- Differentiation

Promotion

PROMOTION

**What is the
dialogue between
customer and
company?**

....

- **Message**
- **Method of delivering message**
- **Timing of delivery**
- **Communications by customers and influencers**
- **Competitor promotions**

PLACE
How does the customer act or buy?
....

- Location of purchase
- Ease of transaction
- Access to distribution channels
- Sales force
- Competitor approaches

PRICE

What is the cost
to the customer?

....

- Value to buyer
- Price sensitivity
- Existing price points
- Discounts
- Competitor pricing



Marketing Plan

The **marketing plan** describes how the company will use the marketing mix—product, promotion, place, and price—to achieve its marketing objectives effectively within the competitive market environment

The Marketing Planning Process



Class Activity: Match the Marketing Mix Below to a Market Segment

MARKETING MIX

- Market Segment

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- Boys 14-17

Quick Review

- Why is the customer the cornerstone of marketing?
- What are segmentation and targeting?
- What is the marketing mix?
- How do organizations use the marketing mix (often called the four Ps) to market to their target customers?
- What is the role of a marketing plan in guiding marketing activities?