



Introduction to Marketing

Marketing and Design





Workshop Sessions

- What is Marketing
- What is Marketing Mix
- Market Growth Strategies
- Product Development Strategy
- Product Design and Packaging





Introduction to Marketing

- Define marketing
- Define marketing mix variables.
- Differentiate between the marketing of services and the marketing of goods.
- Use the extra 3 P's for marketing of services.





What is Marketing?

Marketing refers to a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others.





Marketing versus production orientation

■ Production orientation:

If products are better, then customers will buy them

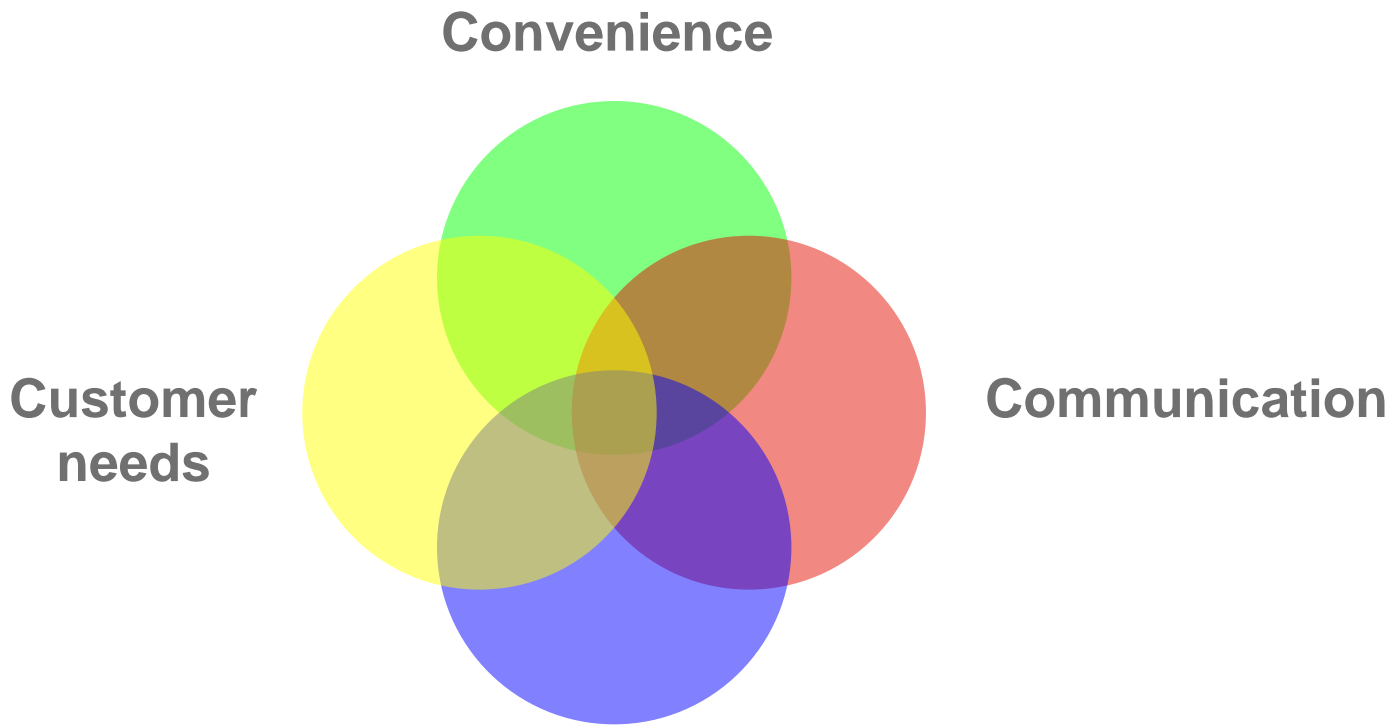
■ Marketing Orientation:

Developing and marketing products and services that are based on satisfying what potential customers *need* and *want*.





What is the marketing mix?





Marketing Mix Variables

Distribution

Channels

- Direct sales force
- Distribution
- Dealers

Market Coverage

Warehouse:

- Locations

Inventory Control:

- Systems

Physical Transport

Promotion

Advertising

Personal Selling

- Incentives
- Sales Aids
- Samples
- Training

Sales Promotion

- Demonstrations
- Contests
- Premiums
- Coupons
- Manuals

Public Relation

Telemarketing

Price

List Price

Discounts

Allowances

Payment period

Credit terms

Product

Quality, Feature

Options, Style

Brand Name

Packaging, Sizes

Services,

Warranties

Returns,

Versatility

Uniqueness,

Utility

Reliability,

Durability

Patent Protection

Guarantees





PRODUCT





Product

■ Goods

1. Industrial
2. Consumer
 - *Convenience goods*
 - *Shopping goods*
 - *Specialty goods*

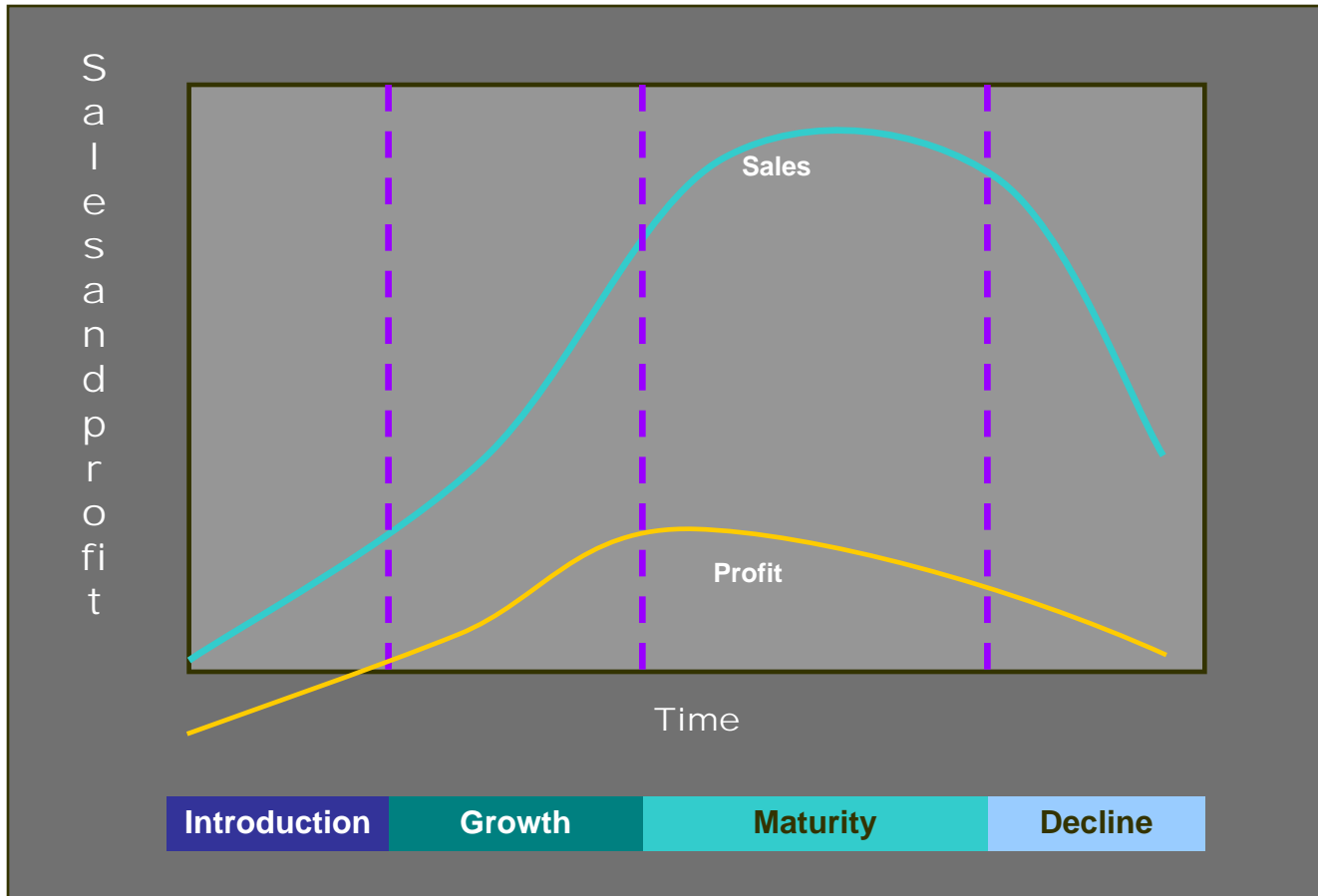
■ Services

1. Pure
2. Hybrid



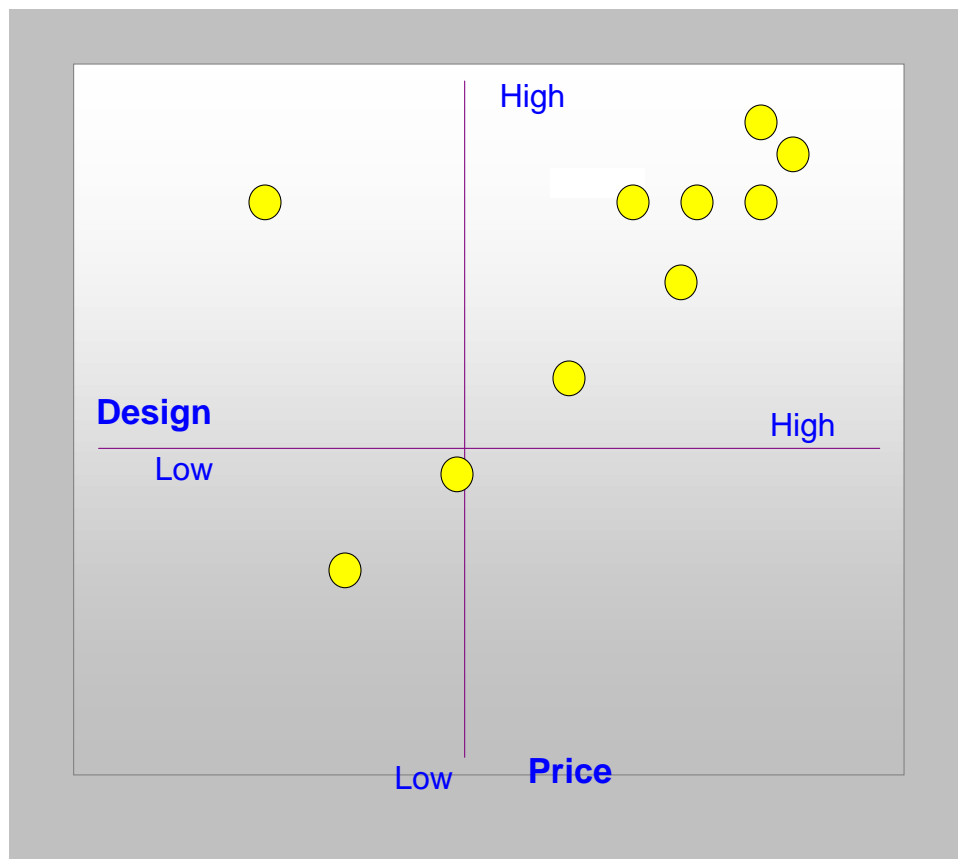


Product life cycle





Product Positioning





Service Definition

Service is any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.





Service Characteristics

■ Intangibility

Cannot be touched, handled, smelt, tasted or owned

■ Inseparability

The customer must be present during the entire production process

■ Variability

Cannot ensure consistent standards

■ Perishability

Cannot be stored and sold later





Good vs. Service



Pure Tangible Good



Tangible Good



Hybrid



Major Service



Pure Service





Packaging

Includes the activities of designing and producing the container or wrapper for a product.





PRICE





Pricing Objectives

1. Survival
2. Maximum current profit
3. Maximum current revenue
4. Maximum sales growth
5. Maximum market skimming
6. Product quality leadership.





Pricing Strategies

- Price discounts and allowances
- Geographical Pricing
- Promotional Pricing
- Image pricing
- Product-Mix Pricing
- Product Form Pricing
- Seasonal Pricing





Product-Mix Pricing

- Product-Line Pricing
- Optional-Feature Pricing
- Product-Bundling Pricing
- Multi-Brand Pricing





PLACE





Place (Distribution)

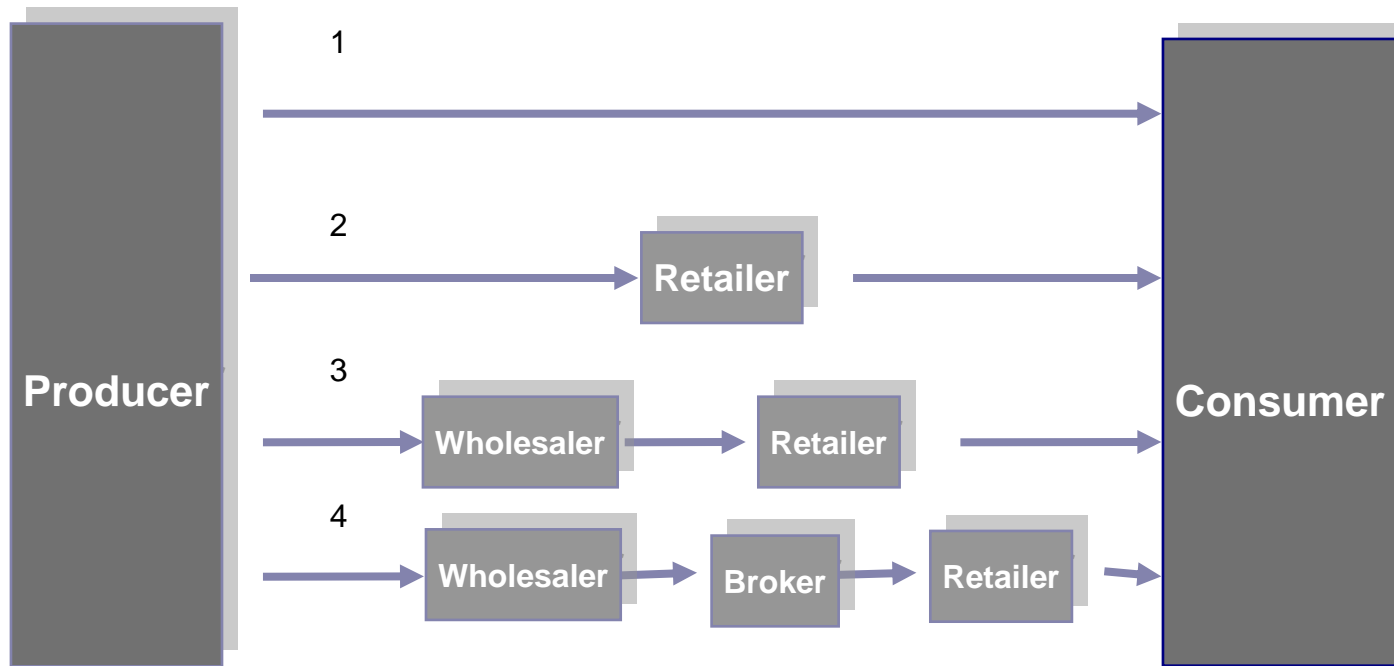
Distribution Channel is all the organizations through which a product must pass between its point of production and consumption.





Distribution Channel Levels

Distribution Channels





PROMOTION





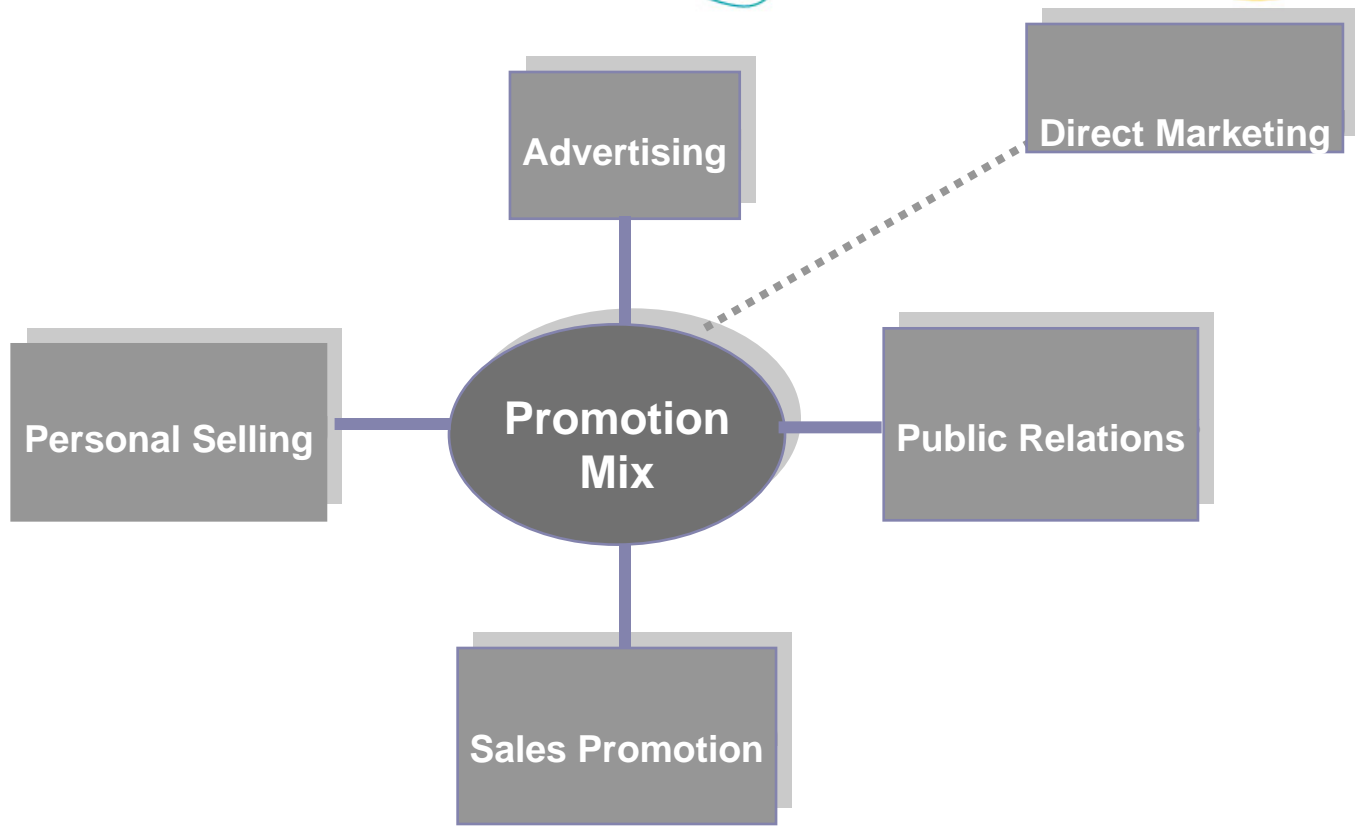
Promotion

All the activities your business undertakes to communicate, and promote in its goods/services to the target market.





Promotion Mix





Common Promotional Platforms

Direct Marketing

- Catalogs
- Mailings
- Telemarketing
- Electronic Shopping
- TV Shopping
- Fax mail
- Email
- Voice mail
- SMS

Personal Selling

- Sales Presentations
- Sales meetings
- Incentive programs
- Samples
- Fairs & Trade shows

Public Relation

- Press Kits
- Speeches
- Seminars
- Annual reports
- Charitable donations
- Sponsorships
- Publications
- Community Relations
- Lobbying
- Identity Media
- Company Magazine
- Events

Sales Promotion

- Contests, games, lotteries
- Gifts sampling
- Fairs & Tradeshow
- Exhibits
- Demonstrations
- Coupons
- Rebates
- Low-interest financing
- Entertainment
- Trade-in Allowances

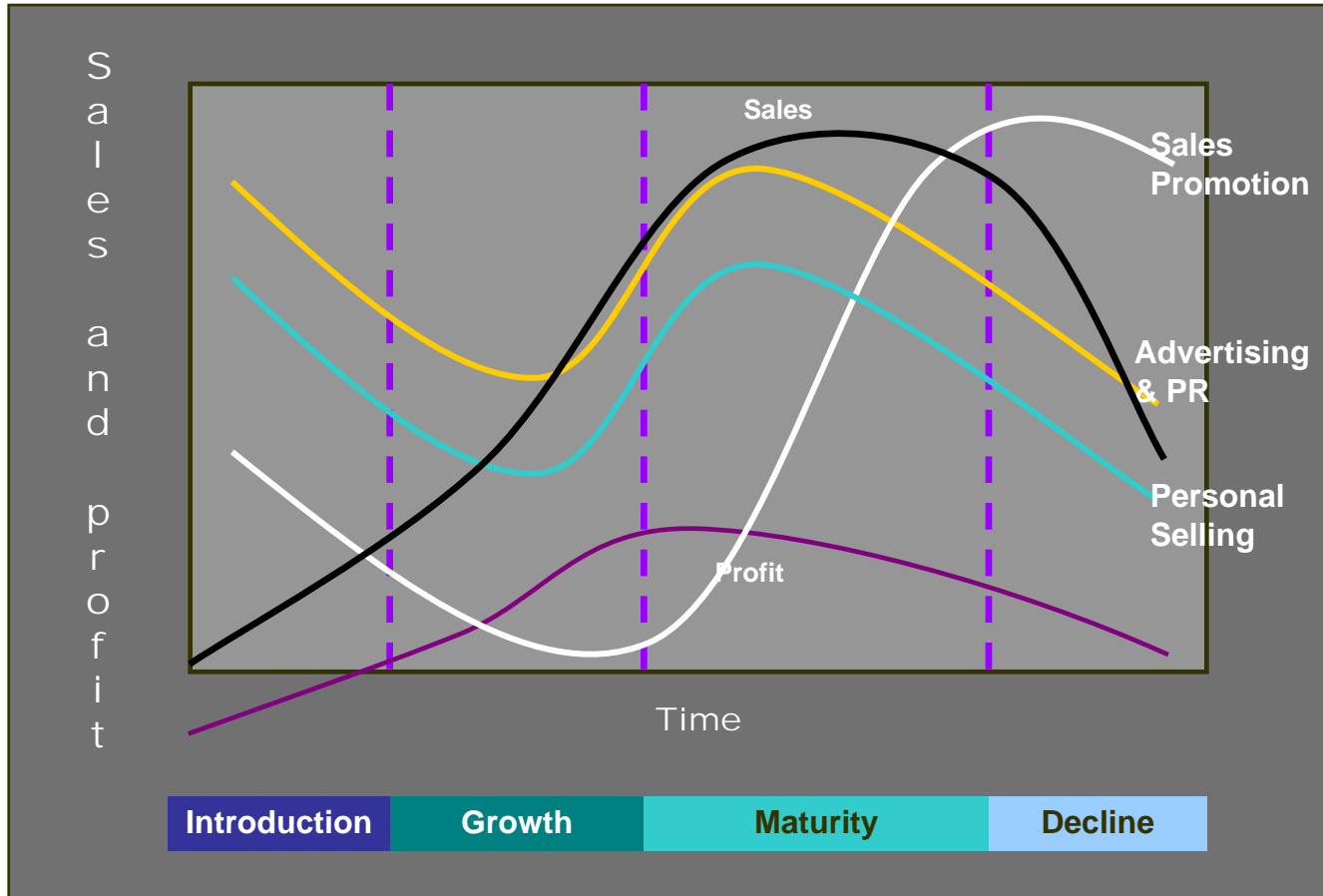
Advertising

- Print Ads
- Packaging inserts
- Motion Pictures
- Brochures & Booklets
- Posters and Leaflets
- Directories
- Bill boards
- Display signs
- Audio
- Symbols & Logos
- Videotapes





PLC and Promotion





Advertising

“Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor”





Advertising Program: 5 M's

1. Mission: Setting the Adv objectives

2. Money: Deciding the Adv Budget

3. Message: Choosing the Adv Message

3. Media: Choosing the Adv Media

3. Measurement: How should the results be evaluated?



Profile of Major Media Types

Limitations	Advantages	%	Medium
Short life; poor reproduction quality; small audience	Flexibility; timelines; good local market coverage; broad acceptance; high believability	23.2	Newspapers
High absolute cost; high clutter	Combines sight, sound, and motion; appealing to the senses; high attention; high reach	22.2	Television
Relatively high cost; "junk mail" image	Audience selectivity; flexibility; no ad competition within same medium; personalization	19.8	Direct mail
Audio presentation only; lower attention; than TV	Mass use; high geographic and demographic selectivity; low cost	6.9	Radio
Long ad Purchase lead time; some waste circulation; no guarantee of position	high geographic and demographic selectivity; Credibility and Prestige; High quality reproduction; long life; good pass-along readership	5.3	Magazines
No audience selectivity; creative limitations	Flexibility; High repeat exposure; low cost; low competition	0.8	Outdoor
		21.8	Other



Source: Marketing management, Philip Kotler



Sales Promotion

*Diverse collection of incentive tools,
designed to stimulate quicker and/or
greater purchase products/services
by consumer or the trade*





Sales Promotion Tools

Samples : Coupons : Cash Refund: Price Packs:
Gifts: Prizes: Awards: Free Trials: Product
Warranties: *Tie-in Promotions: Cross
Promotions: Point-of-Purchase:*





Public Relations

- Press relations
- Sponsoring
- Corporate communication
- Lobbying with Legislators and Govt. Officials
- Counseling management about public issues and business positions and image
- Corporate Social Responsibility



Personal Selling

- Oral communication with potential buyers of a product/service with intention of making a sale
- Focus on developing a relationship with potential buyer, but will always end with an attempt to close a sale





Marketing of Services

In order to be able to deal with differences and characteristics of the Service we can add three extra P's:

1. *People*
2. *Process*
3. *Physical evidence*





People

- People who deliver the service
- The Internal Customers
- People should be:
 1. *Recruited properly*
 2. *Trained Properly*
 3. *Managed properly*
 4. *Delegate Authority*
 5. *Monitored closely*
 6. *Kept Motivated and satisfied*





Process

- Systems used in Service delivery
- When design the systems should consider the followings:
 1. Clear, Easy Procedures
 2. Cover the busy periods
 3. Flexibility
 4. Handling objections
 5. Consistency



Physical Evidence

- The environment in which the service is delivered this includes:
 1. Décor
 2. Color Schemes
 3. Furnishings
 4. Uniforms for Staff
 5. Layout of Premises
 6. Paper Work
 7. Equipment (Computers, Cash Reg.)





Marketing Strategy





Marketing Strategies for Growth

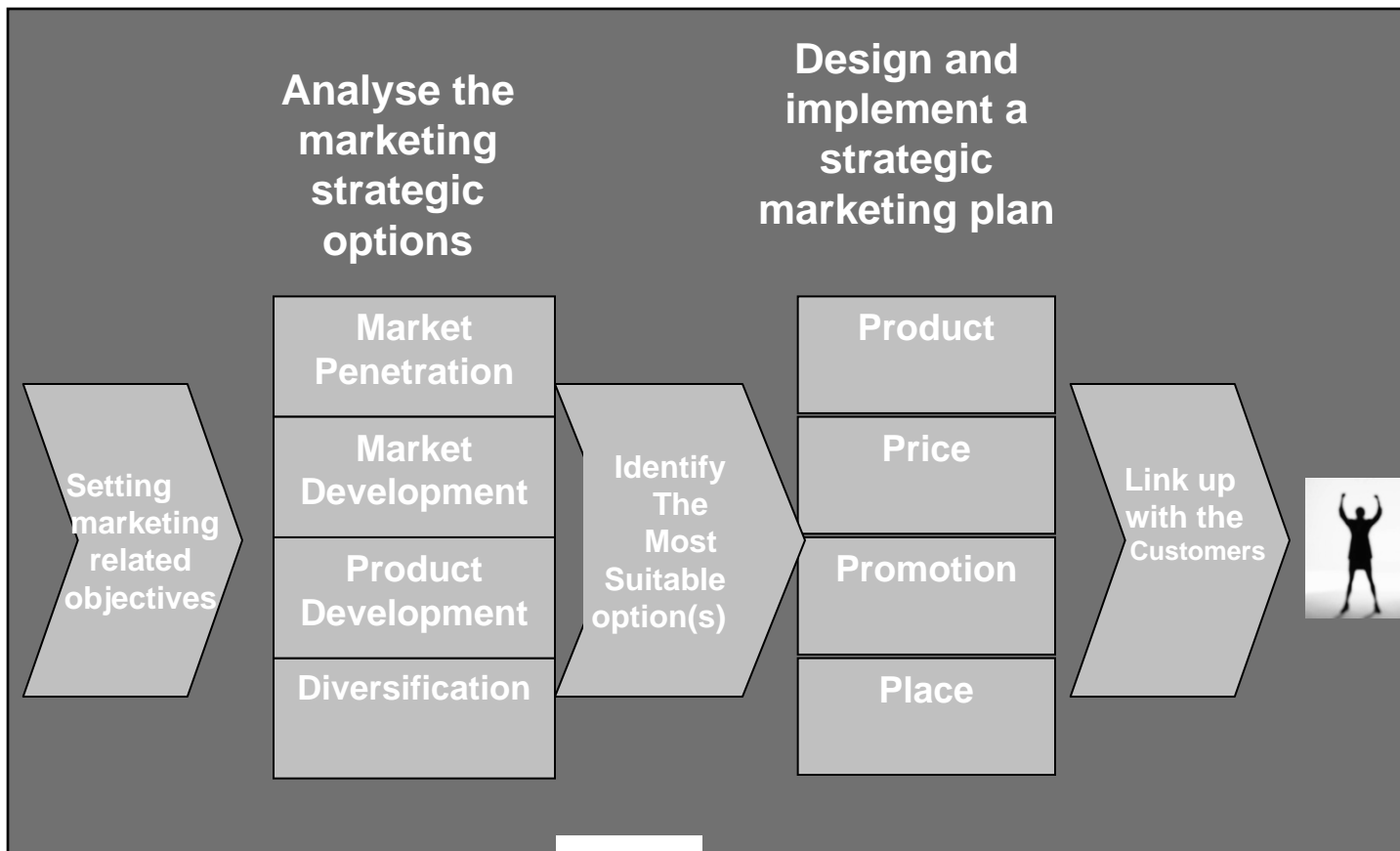
Market

Product

	Current	New
Current	Market Penetration	Market Development
New	Product Development	Diversification



Marketing Strategies Design





Product Development Strategy





What is product development?

- Product development is a growth strategy that involves the development of new products to serve existing markets
- New Product Development (NPD) is needed to ensure repeat purchase and to keep a steady business portfolio





What is product development?

- Product development expands the number of products a business can offer to a secure established customer base
- Product development is needed in an ever changing environment, especially where the product life cycle is relatively short





Why product development?

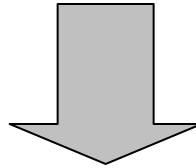
- When markets are mature, businesses develop new products as one way of initiating growth
- If you do not keep improving your products, your competitors will do!!
- Provided your **NPD** effort is successful, this growth strategy offers you **promising returns on your investment**





How to develop new products?

Decide the level of product newness



Manage the product development process



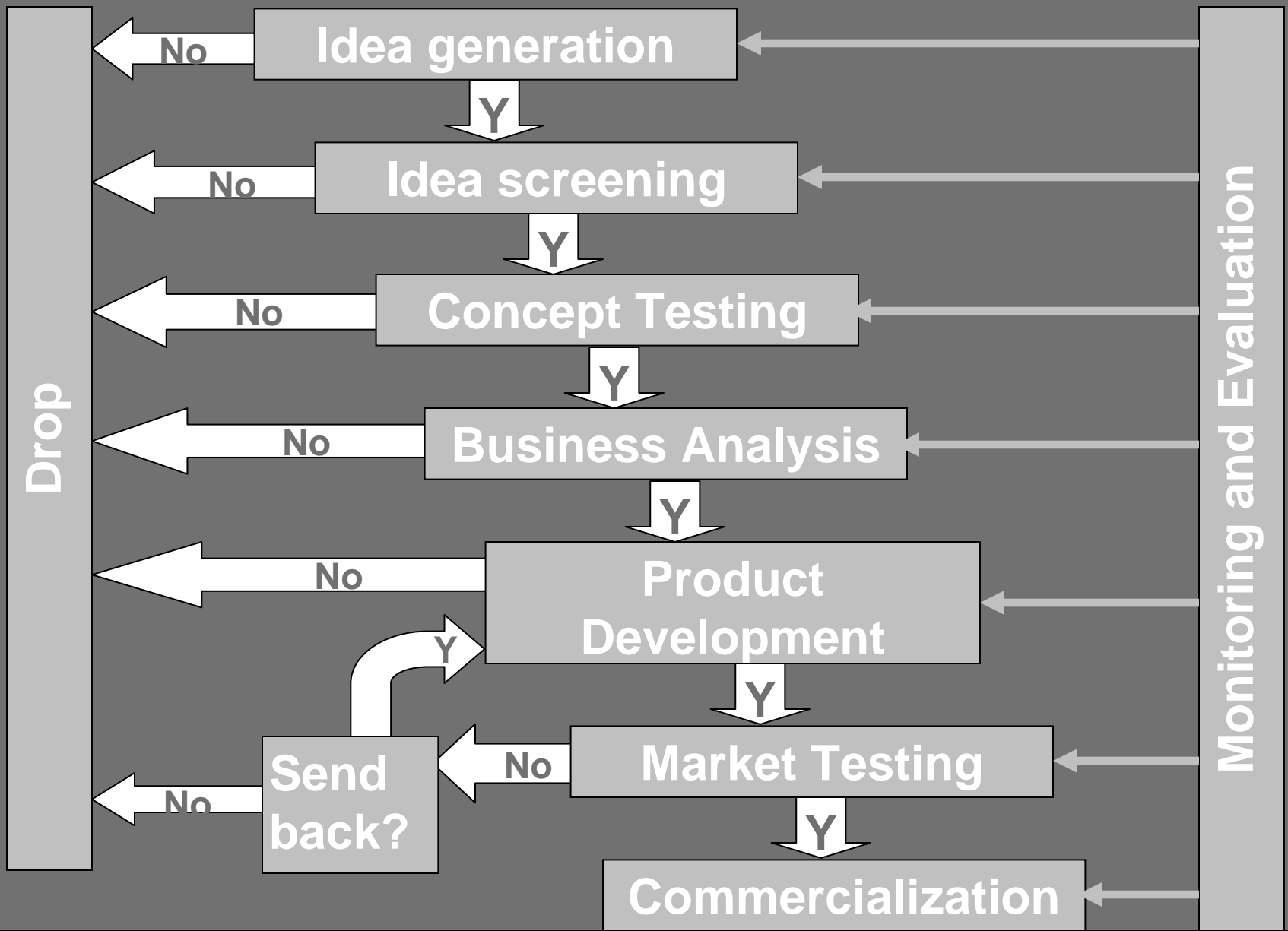


Decide the level of product newness:

- New to both your business and the market
- Entirely new to your business, but not to the world
- An improvement of a product that is familiar to your business and to the market
- A modification of a product that is familiar to your business and to the market



Manage the product development process:





Reasons why new products fail:

- Poor marketing research and **NPD** process research
- Technical problems in the new product design or in its production
- Production capacity inadequate to meet the demand
- Lack of raw material
- Poor quality and performance





Reasons why new products fail:

- Insufficient differentiation from existing products
- Higher costs than anticipated, resulting in higher prices and lower sales volume
- Poor timing in product introduction in relation to competitors
- Inadequate market analysis
- Lack of effective marketing effort





Need for Packaging

- Thousands of new products are introduced every year How can your product compete?
- The answer could be **THE PACKAGING.**
- The right packaging with the right message will rise above the competitive landscape.





Product Design and Packaging



Product Design

Is totality of features that affect how a product looks and functions in terms of customer requirements





Product Differentiation

- Feature
- Performance Quality
- Durability
- Reliability
- Reparability
- Usability (Ease of use)
- Form (Size, Shape)
- Style (Look and Feel)





Importance of Product Design

- Differentiation
- Strong Positioning among competitors
- Pricing, Distribution and Promotion is not enough
- Customers appreciate product with value





Well-Designed product

■ Manufacturer:

1. Easy to manufacture
2. Not costly to manufacture
3. Easy to distribute

■ Customer

1. Pleasant to look at
2. Easy to open, install and use
3. Value for money
4. Easy to Repair and dispose of

Designer has to take all above into consideration





Packaging





Packaging Levels

- Primary Package
- Secondary Package
- Shipping Package





Purpose and Importance of Packaging

- Protect the product on its way to the consumer
- Protect the product after purchasing
- Help in gaining acceptance of distribution channels
- Help Persuade consumers to buy the product
- Create convenience and promotional Value
- Communication tool





Packing Strategies

- Packaging the Product Line (Family)
- Multiple Packaging
- Upgrade Packaging





Packaging as a marketing tool

- Self-service
- Higher the value
- Company and brand image
- Innovation opportunity





Packaging Attributes

- Innovation
- Visibility
- Content
- Appeal





Check list - Packaging

- Is it new and innovative?
- Is it fulfilling a need?
- Is it easy to use and convenient?
- Is it a good value?
- Does it make the consumer happy?
- Does it inspire consumer trust and loyalty?
- Is it safe and secure?
- Does it compel you to want to know more?
- So how does your product stack up in solving a consumer want or need?
- Would your package make someone desire to take a closer look?





Thank You!

