

# Contemporary Marketing



# What is a Market?

A group of people (or an organization or both) who have a **similar need** for a product or service, the **resources** to purchase the product or service, and the **ability** to buy it.

## What is the Goal of Marketing?

To attract, retain, and **maximize the value** of a customer, so that organizational objectives are achieved.

**Typical objectives:** an increase in sales, profit, market share, image and reputation improvement

# The Importance of Marketing

Marketing is the means by which an organization connects with customers.

## Two key areas of Implementation:

- **Attract** customers and **encourage** them to buy a good or service for the first time.
- Encourage **customer satisfaction** and **loyalty** to **maximize the lifetime value** of customers.

# Effective Marketing helps companies grow and prosper

**Figure 1.3** Best Brand Reputations in Canada

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Rank	Company	% Good Opinion	% Bad Opinion	Net Score
1	Google	91.0	2.0	89.0
2	Heinz	84.0	5.0	79.0
3	Shoppers Drug Mart	83.0	5.0	78.0
4	Canadian Tire	85.0	7.0	77.0
5	Kellogg	83.0	7.0	76.0
6	Dollarama	81.0	6.0	75.0
7	Samsung	80.0	5.0	75.0
8	Kraft	83.0	9.0	74.0
9	Campbell	80.0	7.0	73.0
10	Tim Hortons	83.0	11.0	72.0

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Data from "The 10 Most Reputable Brands in Canada Best Reputations in Canada," Marketing, May 10, 2016,  
<http://www.marketingmag.ca/brands/the-10-most-reputable-brands-in-canada-174142>

# What global social responsibility issues do businesses currently face?



Lush Cosmetics North America



30 May 2018 · 🌐

Now and forever, we're against pipeline expansions. Canada's Prime Minister Justin Trudeau announced yesterday that the federal government will spend \$4.5 billion to purchase Kinder Morgan's Trans Mountain Pipeline, a project that'll impact Canada's coastline, wildlife and all the people who call it home. Join us, indigenous groups, and the 700+ businesses across the country who are standing together against this dangerous and unnecessary project. It's time to build a clean and healthy 21st century economy for everyone with renewable energy solutions. Make your voice heard: [www.letsmoveforward.ca](http://www.letsmoveforward.ca) 🙌🙌🙌



## The Nature of Marketing Has Evolved

Marketing is based on a simple idea: identify a need and then satisfy it.



## Concepts Review

- Marketing Definition
- Marketing Process
- Target Market
- Marketing Mix
- Product Strategy
- Price Strategy
- Distribution (Place) Strategy
- Communications (Promotion) Strategy
- Maximizing Customer Value
- Customer Relationship Management
- Evaluating Marketing Activity

## Ethical Considerations

# Marketing Defined

“The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”

*American Marketing Association*



**Figure 1.12** Elements of the Marketing Process

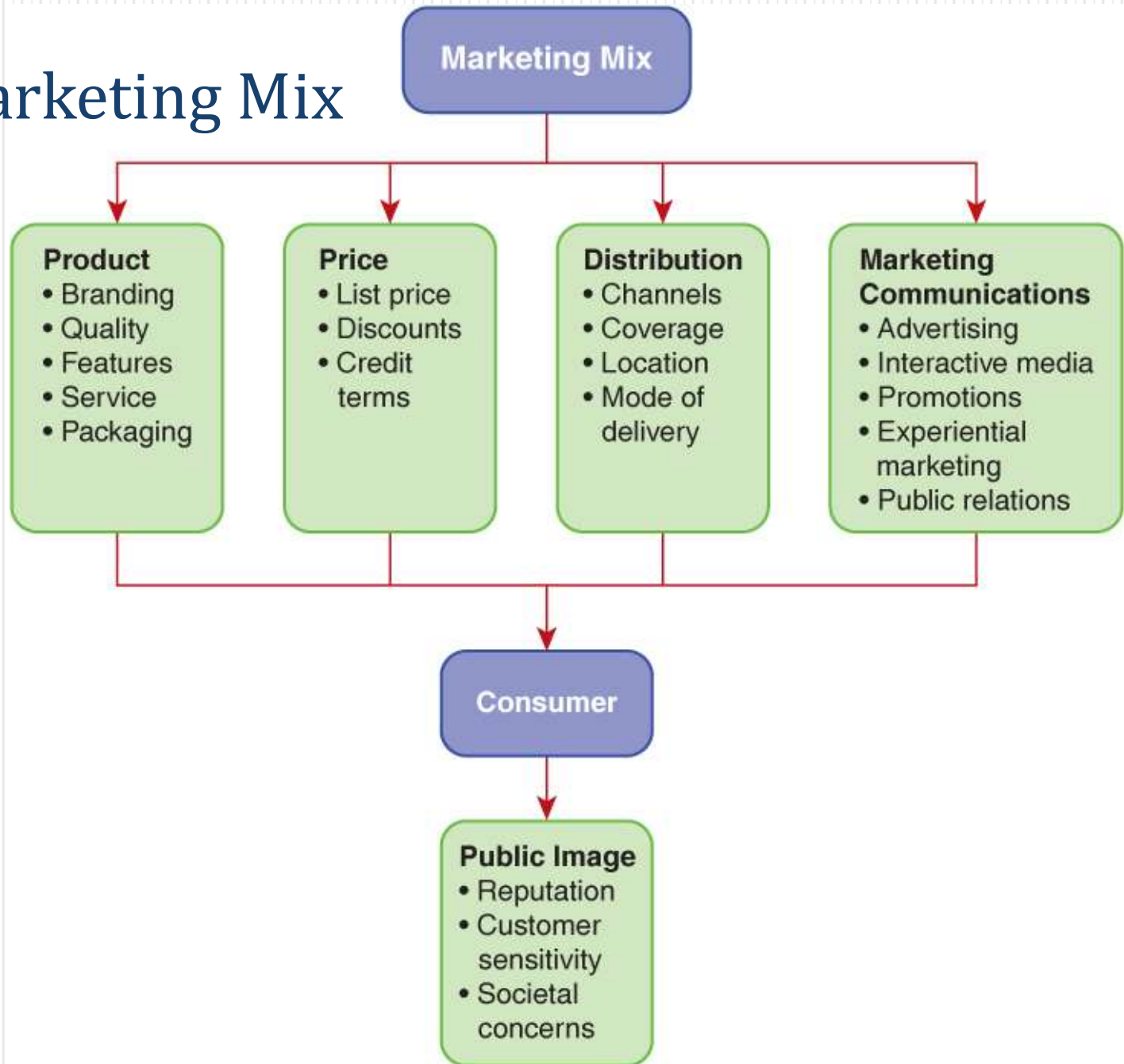
## Target Market Identification and Selection

A **target market** is a group of people to which a company markets its products.

The target has something in common:

- age
- education
- lifestyle
- activity

# The Marketing Mix



# Product Strategy

A product may possess tangible and intangible characteristics.

Product decisions are numerous and embrace:

- *Quality*
- *Features*
- *Brand Name*
- *Image*
- *Size*
- *Format*
- *Service*
- *Package Design*

# Price Strategy

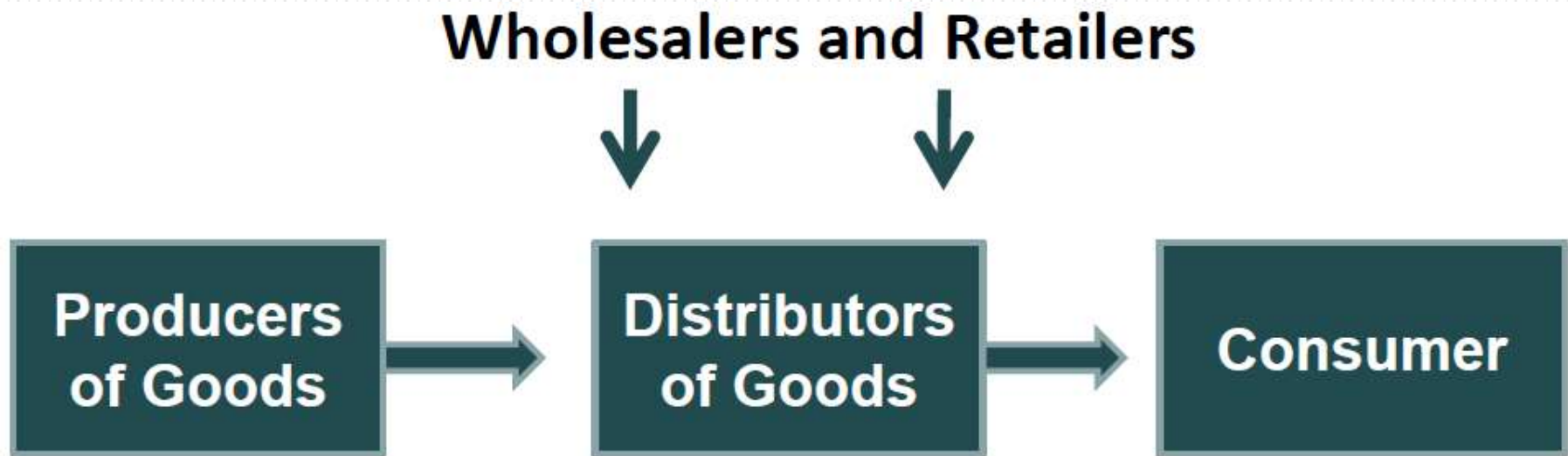
Establishing a **fair** and **equitable** price for customers while being **profitable** for the organization.

Price decisions consider the following:

- Cost of manufacturing a good
- Location of customers
- Desired profit level
- Degree of competition

# Distribution Strategy

The selection and management of marketing channels and the physical distribution of products.



**Marketing channel:** firms that participate in the flow of goods and services from producers to final users.

A change in consumer behaviour is fuelling **direct distribution** strategies to consumers.

# Marketing Communications Strategy

“The **blending of** advertising, sales promotion, event marketing and sponsorship, personal selling, and public relations **to present a consistent and persuasive message** about a product or service.”

## **Integrated Marketing Communications (IMC)**

strategy defined as:

“The **coordination of relevant forms** of marketing communications **in a unified program** that maximizes the impact on consumers”.

# Maximizing Customer Value: Building Customer Relationships

Marketing today is about building relationships with channel members and consumers.

**Customer Relationship Management:** strategies that optimize profitability, revenue, customer retention, and customer satisfaction.

# CRM Programs

Successful CRM programs rely on a strong internal data management system.

## **Three distinct organizational functions:**

1. To collect and analyze information.
2. Develop new marketing offers that should be of interest to its customers based on its analysis of the information.
3. A communications plan that delivers the details of the new offer to the market.

# Evaluating Marketing Activity

Marketing strategies must be periodically reviewed for **effectiveness**. A typical review may include an assessment of:

- *Market conditions (external influences)*
- *Competitor activity (their success or failure)*
- *Brand performance to date (are objectives being achieved?)*

Potential **changes in marketing strategy** are addressed in the review process.

# Ethical Considerations for Marketing

- **Business ethics** is defined as the study and

## Ethical Behavior in Marketing: What are Marketing Ethics?

- **Businesses today strive for sustainability...** the ability to sustain or the capacity to endure.

## DEFINITION OF FAIR TRADE\_

*"Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South.*

*Fair Trade organisations have a clear commitment to Fair Trade as the principal core of their mission. They, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade."*

Fair Trade Organisations (also known as Fair Trade Enterprises) can be recognised by the WFTO Mark.

Fair Trade is more than just trading:

- It proves that greater justice in world trade is possible.
- It highlights the need for change in the rules and practice of conventional trade and shows how a successful business can also put people first.
- It is a tangible contribution to the fight against poverty, climate change and economic crisis.

# World Fair Trade Organization

<p><b>1</b> OPPORTUNITIES FOR DISADVANTAGED PRODUCERS</p> 	<p><b>2</b> TRANSPARENCY &amp; ACCOUNTABILITY</p> 	<p><b>3</b> FAIR TRADE PRACTICES</p> 	<p><b>4</b> FAIR PAYMENT</p> 
<p><b>5</b> NO CHILD LABOUR, NO FORCED LABOUR</p> 	<p><b>6</b> NO DISCRIMINATION, GENDER EQUITY, FREEDOM OF ASSOCIATION</p> 	<p><b>7</b> GOOD WORKING CONDITIONS</p> 	<p><b>8</b> CAPACITY BUILDING</p> 
<p><b>9</b> PROMOTE FAIR TRADE</p> 	<p><b>10</b> RESPECT FOR THE ENVIRONMENT</p> 	<p>TEN PRINCIPLES OF FAIR TRADE</p>	

## Chapter Review. Can you...

- Define the term *marketing*?
- Describe the importance of marketing in organizations?
- Describe how marketing has evolved to become the driving force of business growth?
- Explain the fundamental process of marketing practiced by organizations today?
- Explain the concept of the *marketing mix*?
- Explain how an organization maximizes the value of its customers?
- Identify fundamental methods for measuring the effectiveness of marketing activities?
- Explain how ethical considerations impact marketing strategies?