



2

Whatever be the detail with which you cram your student, the chance of his meeting in after-life exactly that detail is almost infinitesimal; and if he does meet it, he will probably have forgotten what you taught him about it. The really useful training yields a comprehension of a few general principles with a thorough grounding in the way they apply to a variety of concrete details. In subsequent practice the (students) will have forgotten your particular details; but they will remember by an unconscious common sense how to apply principles to immediate circumstances.

- Alfred Whitehead
The Aims of Education and Other Essays (1929)

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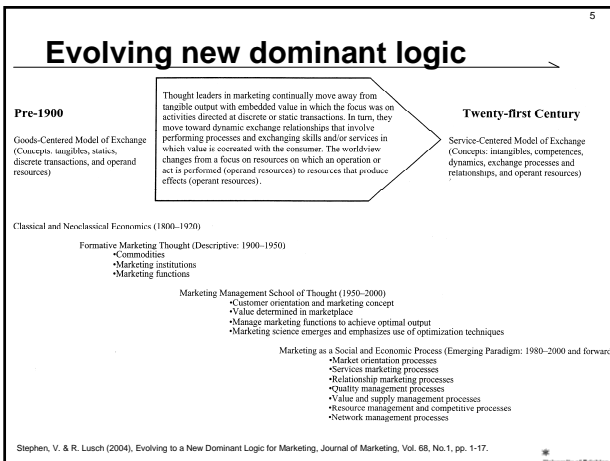


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Objectives

- Evolving new dominant logic
- Common measure of business success
- The alternative approach
- Concept of Marketing and Strategy
- Issue of competence
- New growth perspective

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6

Major schools of thought

- Services marketing
- International marketing
- Relationship marketing
- Strategic marketing

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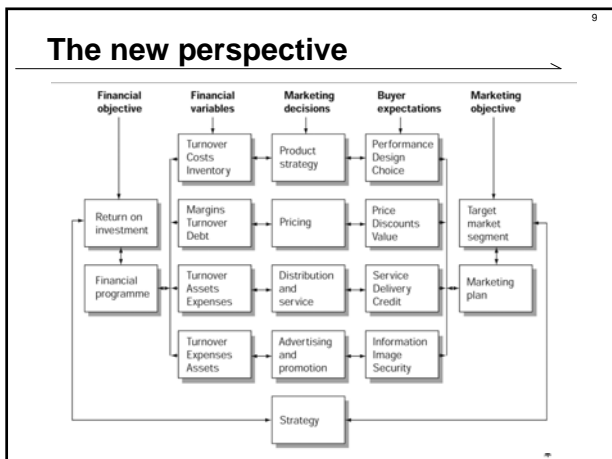
How to measure organization's success?

- Profit
 - Can be played around
 - Past performance not future potential
- Growth
 - Market led
 - Organizations becoming too optimistic about it
- Shareholder value
 - Cash orientation
 - Service orientation than Mfg orientation

How to measure organization's success?

- Customer satisfaction?
- Employee satisfaction?
- Societal satisfaction?

Financially led objectives VS. Market led objectives



Marketing

Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others.

Kotler, Philip (2003), *Marketing Management*, Pearson Education, New Jersey p. 9.

Core concepts of marketing

- Target Markets & Segmentation
- Needs, Wants, and Demands
- Product or Offering
- Value and Satisfaction
- Exchange and Transactions
- Relationships and Networks
- Marketing Channels
- Supply Chain
- Competition
- Marketing Environment

Kotler, Philip (2003), *Marketing Management*, Pearson Education, New Jersey pp. 10-15.

Marketing management process

- Identifying target market
- Marketing research
- Product development
- Marketing mix management
- Monitoring

13

Limitation of marketing concept

- It is an incomplete idea. It says nothing about how a company should go about satisfying customer needs. It ignores the question of company capabilities and limitations.
- It does not specify which customers a firm should focus its attention on.
- It assumes a causative relationship between customer orientation and profitability without an underlying argument or proof.
- It assumes that customer can articulate their needs and wants and does not consider how to anticipate customer needs, especially in the case of rapidly developing technology.
- It has weak strategic content. It does not define a good strategy or how to develop one.

Webster, F. E. Jr. (2002), "The role of marketing and the firm," in Handbook of Marketing, B. Weitz and R. Wensley (eds), Sage Publications, London, pp.66-82

14

The Four Ps

The Four Cs

The diagram illustrates the relationship between the traditional 'Four Ps' and the modern 'Four Cs'. At the top, 'Marketing Mix' is shown in a central circle. Four arrows point downwards from 'Marketing Mix' to four circles: 'Product', 'Price', 'Promotion', and 'Place'. Below each of these circles is a corresponding 'C' concept: 'Customer Solution' under Product, 'Customer Cost' under Price, 'Communication' under Promotion, and 'Convenience' under Place.

15

The 4As of Marketing

The diagram illustrates the '4As of Marketing' framework. At the top, 'Marketing Mix' is shown in a central circle. Four arrows point downwards from 'Marketing Mix' to four circles: 'Product', 'Price', 'Promotion', and 'Place'. Below each of these circles is a corresponding 'A' concept: 'Acceptability' under Product, 'Affordability' under Price, 'Awareness' under Promotion, and 'Accessibility' under Place.

Sheth, J (2004), Marketing Paradigms for Emerging Economies, Proceedings of International conference at IIMA, India

16

Why 4As?

- The measures of economic strength: GDP Purchasing power parity (2006) in USD mn

	List by IMF	List by World Bank
US	12,277,583	12,409,465
China	9,412,361	8,572,666
Japan	3,910,728	3,943,754
India	3,633,441	3,815,553
Germany	2,521,699	2,417,537
France	1,832,792	1,926,809
U.K.	1,830,110	1,829,559
Italy	1,668,151	1,667,753
Brazil	1,576,728	1,627,262
Russia	1,575,561	1,559,934

17

Strategy

- Resource optimization
- Timing

18

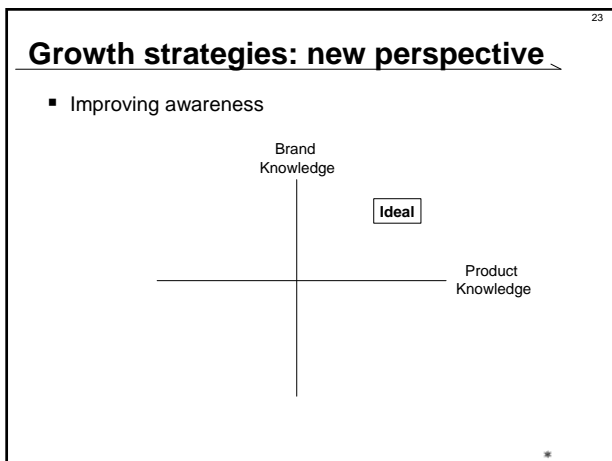
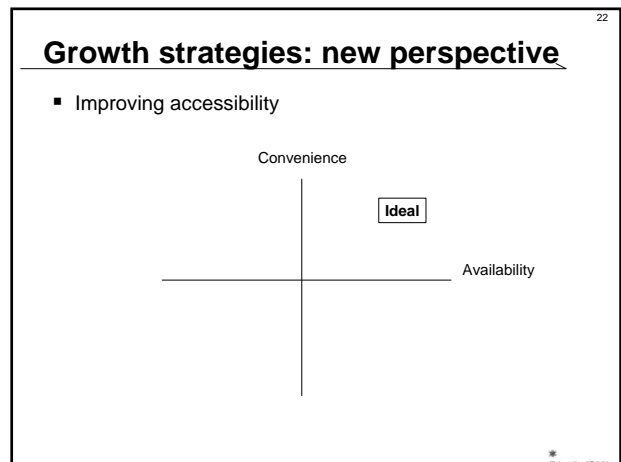
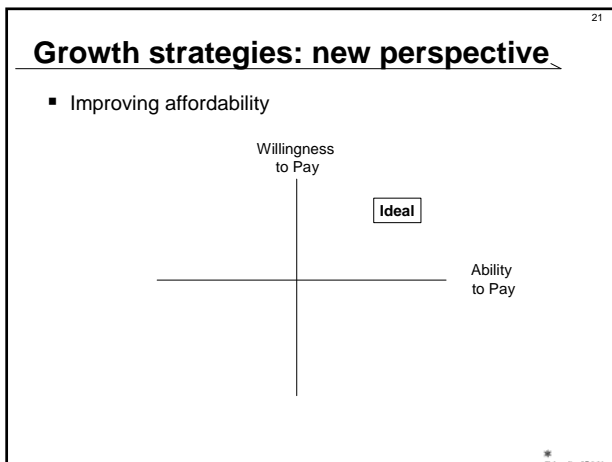
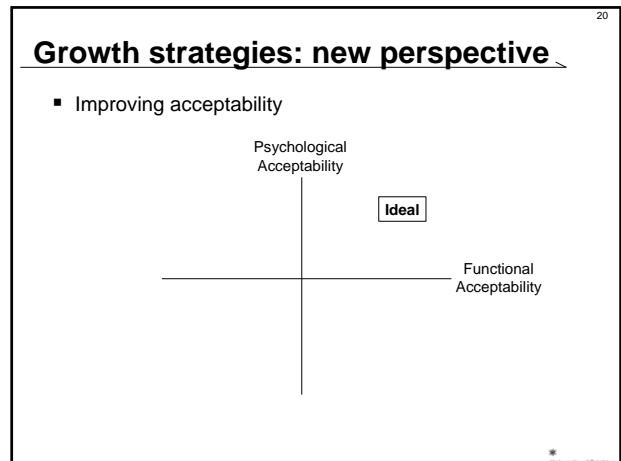
Operational vs. strategic marketing

<ul style="list-style-type: none"> Operational Marketing <ul style="list-style-type: none"> Action-oriented Existing opportunities Non-product variables Stable environment Reactive behaviour Day-to-day management Marketing department 	<ul style="list-style-type: none"> Strategic Marketing <ul style="list-style-type: none"> Analysis-oriented New opportunities Product market variables Dynamic environment Proactive behaviour Longer range management Cross-functional organisation
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19

Growth strategies

	Current products	New products
Current markets	<p><i>Market penetration strategies</i></p> <ul style="list-style-type: none"> Increase customer loyalty Increase market share Increase product usage: <ul style="list-style-type: none"> increase frequency of use increase quantity used new application 	<p><i>Product development strategies</i></p> <ul style="list-style-type: none"> Product improvement Product line extensions New products for same markets
New markets	<p><i>Market development strategies</i></p> <ul style="list-style-type: none"> Expand markets for existing products: <ul style="list-style-type: none"> geographic expansion target new segments 	<p><i>Diversification strategies</i></p> <ul style="list-style-type: none"> Vertical integration: <ul style="list-style-type: none"> forward integration backward integration Diversification into related businesses (concentric diversification) Diversification into unrelated businesses (conglomerate diversification)



- 24
- ### Marketing as organizational culture
- The only valid definition of business purpose is to create (serve) a customer
 - What the business thinks it is producing is not important as what the customers think they are buying; what they consider to be 'value' is decisive
 - Any business has only two functions: marketing and innovation
 - It is not enough to entrust marketing to the sales department
 - Marketing is the whole business seen from the point of view of its final result, that is, from the customer's point of view.