

Lecture 3: Marketing Plan, Strategies, Distribution and Channels

Dr Bernard Leong

CTO & Co-founder

Chalkboard

MPS 812 Course Taught in:



Nanyang Technopreneurship Center

What is Marketing?

- Marketing deals with identifying & meeting human and social needs.
- Marketing is “*an organizational function and a set of processes for creating, communicating & delivering value for customers & for managing relationships in ways that benefit the organizations & its stake holders.*” (American Marketing Association)



What is Marketing?

- Marketing Management: the art & science of choosing target markets & getting, keeping & growing customers thru creating, delivering, & communicating superior customer value.
- Marketing is a societal process by which individuals & groups obtain what they need and want thru creating, offering & freely exchanging products/services of value with others.

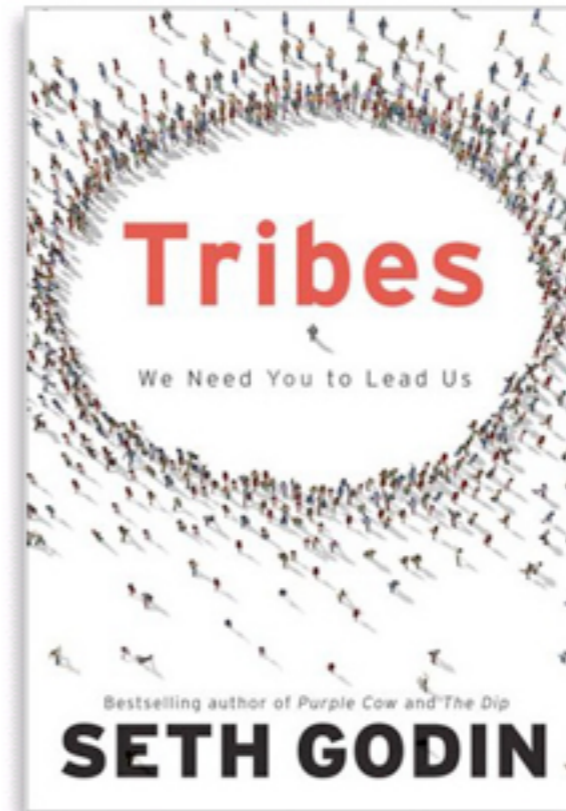


What is Marketed?

- Goods
- Services
- Events
- Experiences
- Persons
- Places
- Properties
- Organizations
- Information
- Ideas



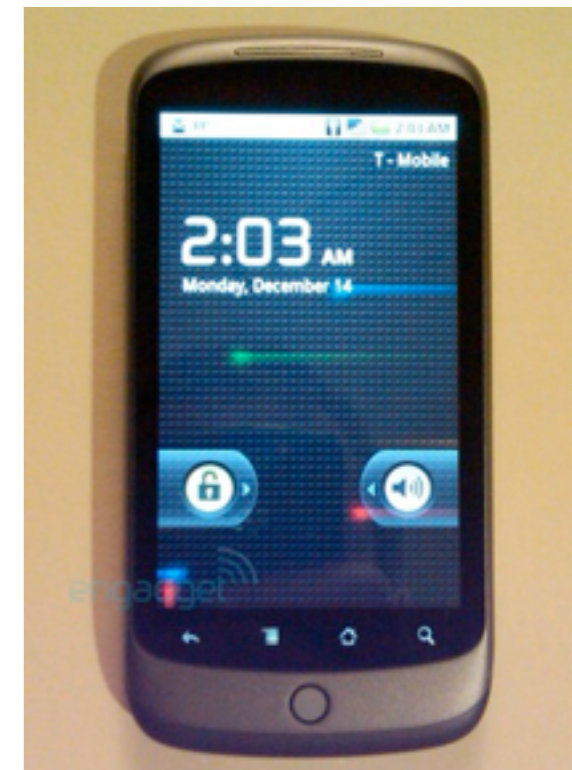
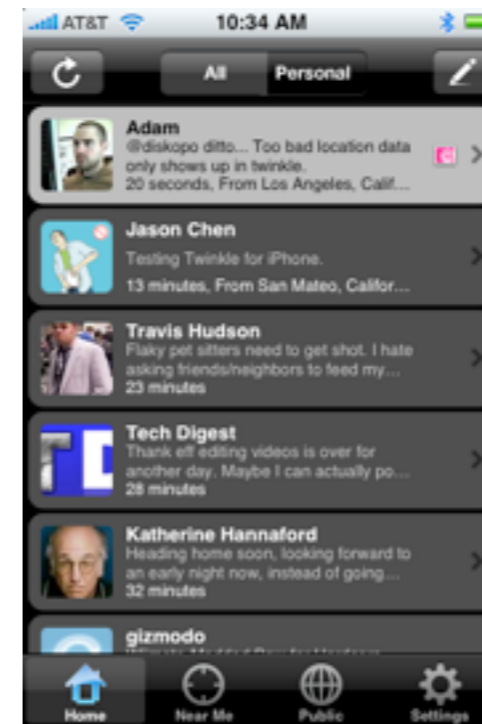
Marketers & Prospects



- A marketer: Someone seeking a response (attention, a purchase, vote, donation) from another party call the prospect.

8 Demand States

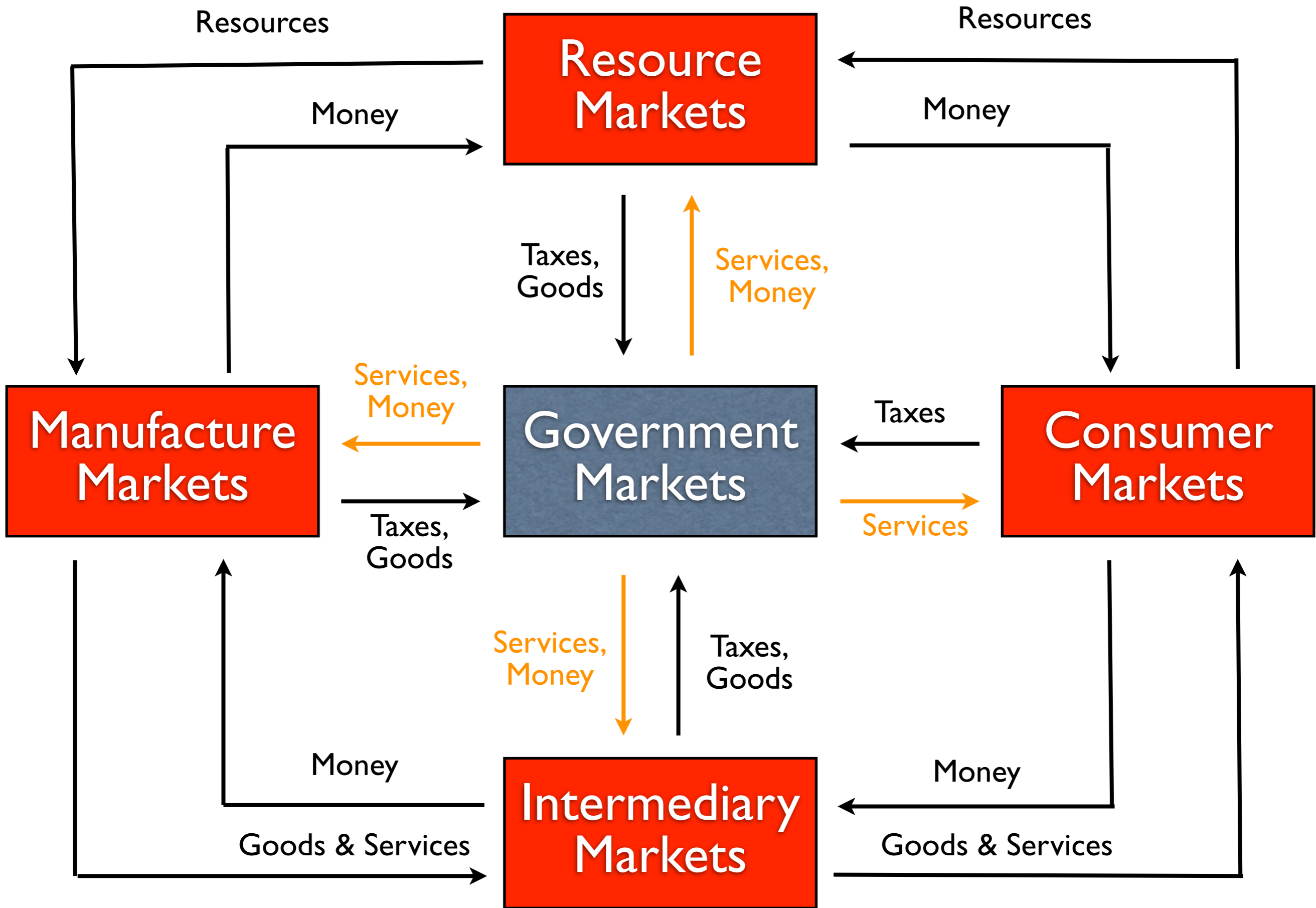
- Negative Demand: Consumers dislike the product & may pay a price to avoid it.
- Non-existent Demand: Consumers are unaware or uninterested in the product.
- Latent Demand: Consumers share a strong need that cannot be satisfied by an existing product.
- Declining Demand: Consumers begin to buy the product less frequently.



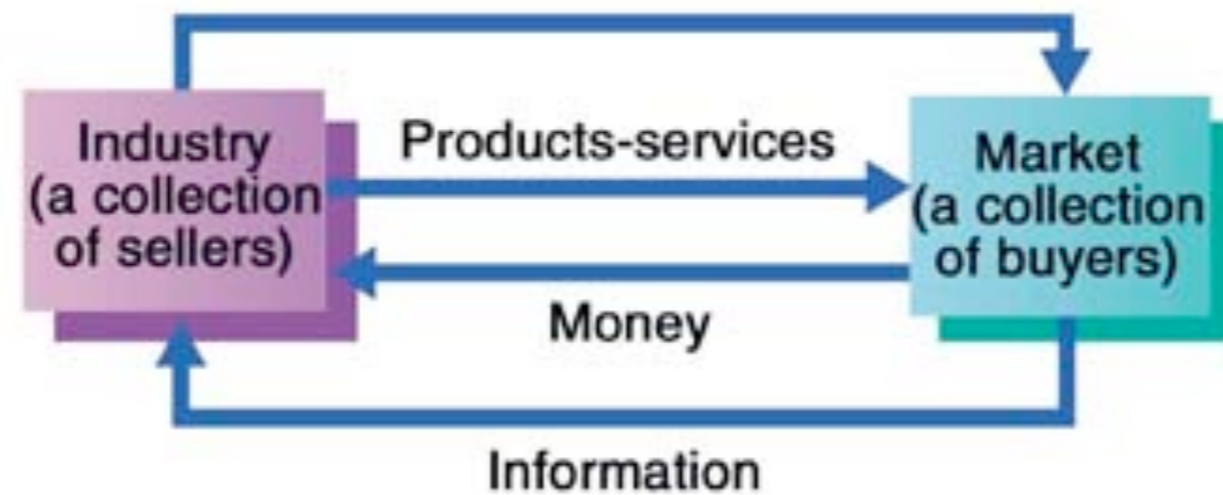
8 Demand States

- Irregular Demand: Consumer purchases vary on a seasonal, monthly, weekly, daily or even hourly basis.
- Full Demand: Consumers are adequately buying all products put in the market place.
- Overfull Demand: More consumers would like to buy the product that can be satisfied.
- Unwholesome demand: Consumers may be attracted to products that have undesirable social consequences.





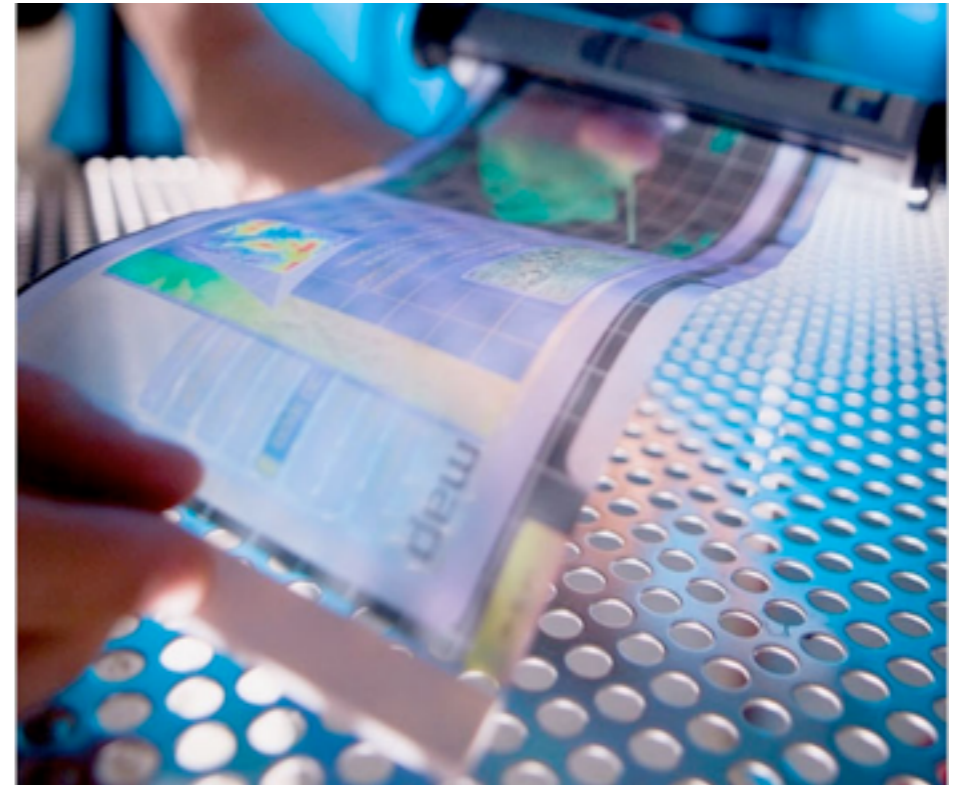
Structure of Flows in a Modern Exchange Economy



Marketers use the term *market* to cover various groupings of customers.

Types of Markets

- Consumer Markets
- Business Markets
- Global Markets
- Non-Profit & Governmental Markets

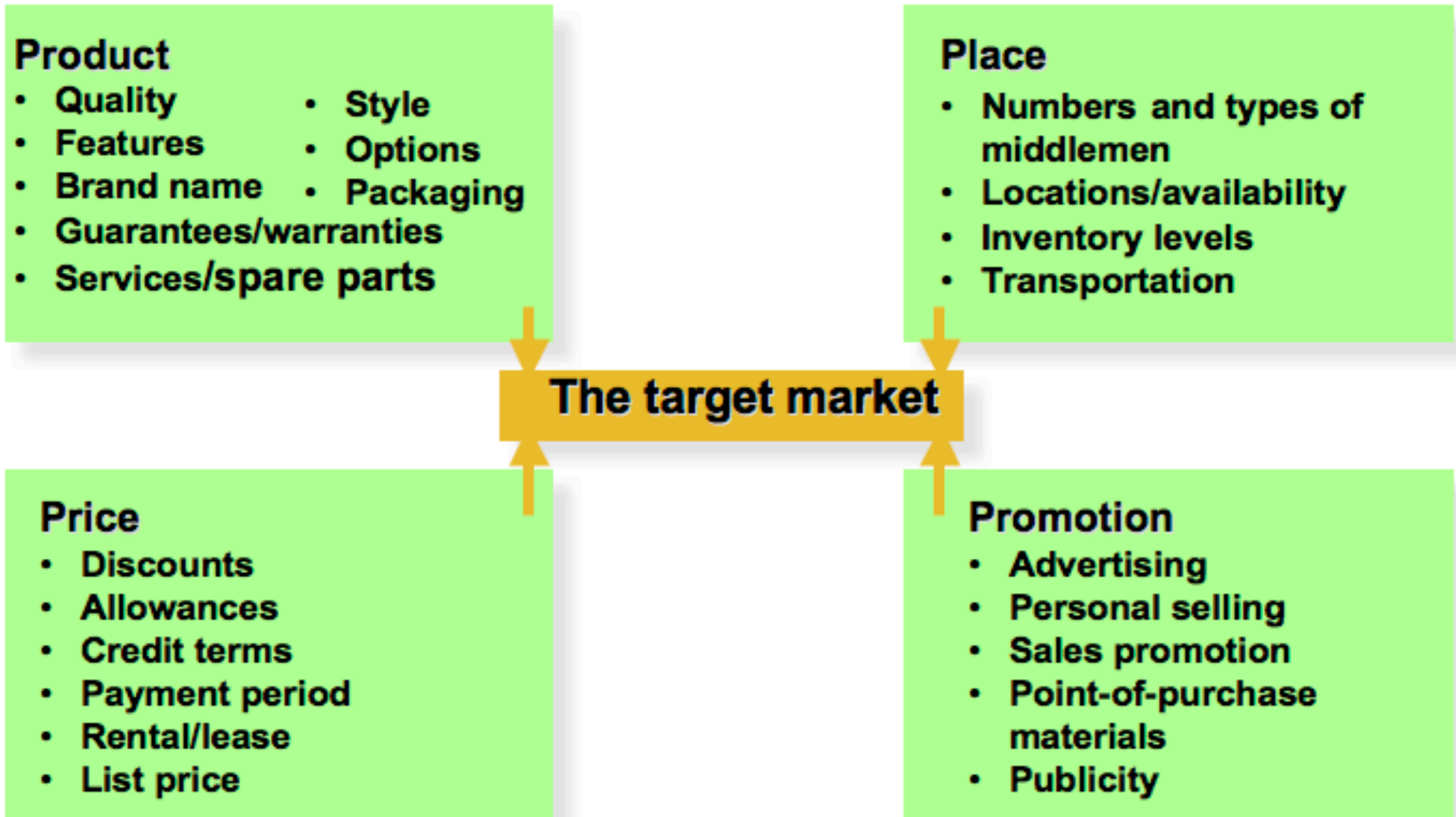


Marketing Practices

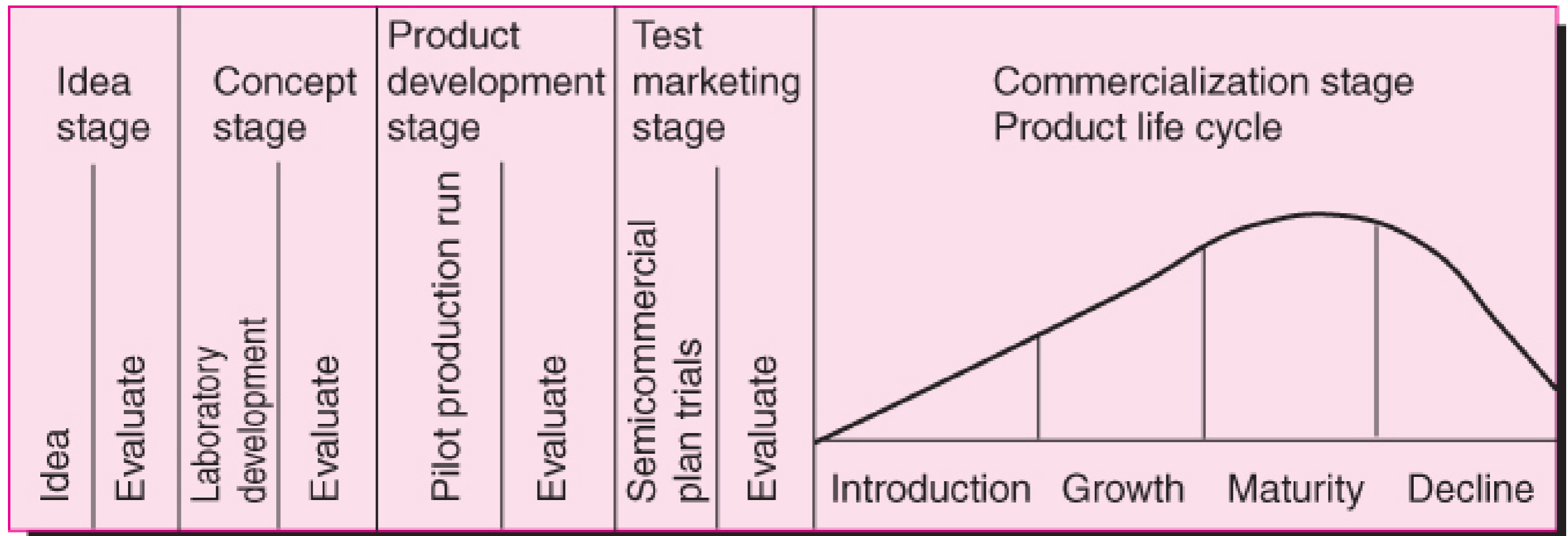
- Marketing planning process involves 5 steps:
 - Analyzing marketing opportunities
 - Selecting target markets
 - Designing marketing strategies
 - Developing market programs.
 - Managing the marketing effort - Execution



Integrated Marketing Approach: 4 Ps of Marketing



Product



Positioning of Product

Market Newness	Technology Newness →			
	Product Objectives	No Technological Change	Improved Technology	New Technology
No market change			Reformation Change in formula or physical product to optimize costs and quality	Replacement Replace existing product with new one based on improved technology
Strengthened market		Remerchandising Increase sales to existing customers	Improved product Improve product's utility to customers	Product life extension Add new similar products to line; serve more customers based on new technology
New market		New use Add new segments that can use present products	Market extension Add new segments modifying present products	Diversification Add new markets with new products developed from new technology

Price

Quality of Product

High

Low

Price

High

Low

Superior Quality	Brand
Value for Money	Economical

Pricing Strategy Matrix

How to Set the Price

- Selecting the Price Objective - Position of market offering due to survival, maximum current profit, maximum market share or maximum market-skimming pricing.
- Determining Demand - Price Sensitivity - methods include surveys, price experiments and statistical analysis.
- Estimating Costs - Charging a price based on cost of producing, distributing and selling of a product.
- Analyzing competitors' costs, prices & offers
- Selecting a price method: for e.g. markup pricing, target return pricing, value pricing.

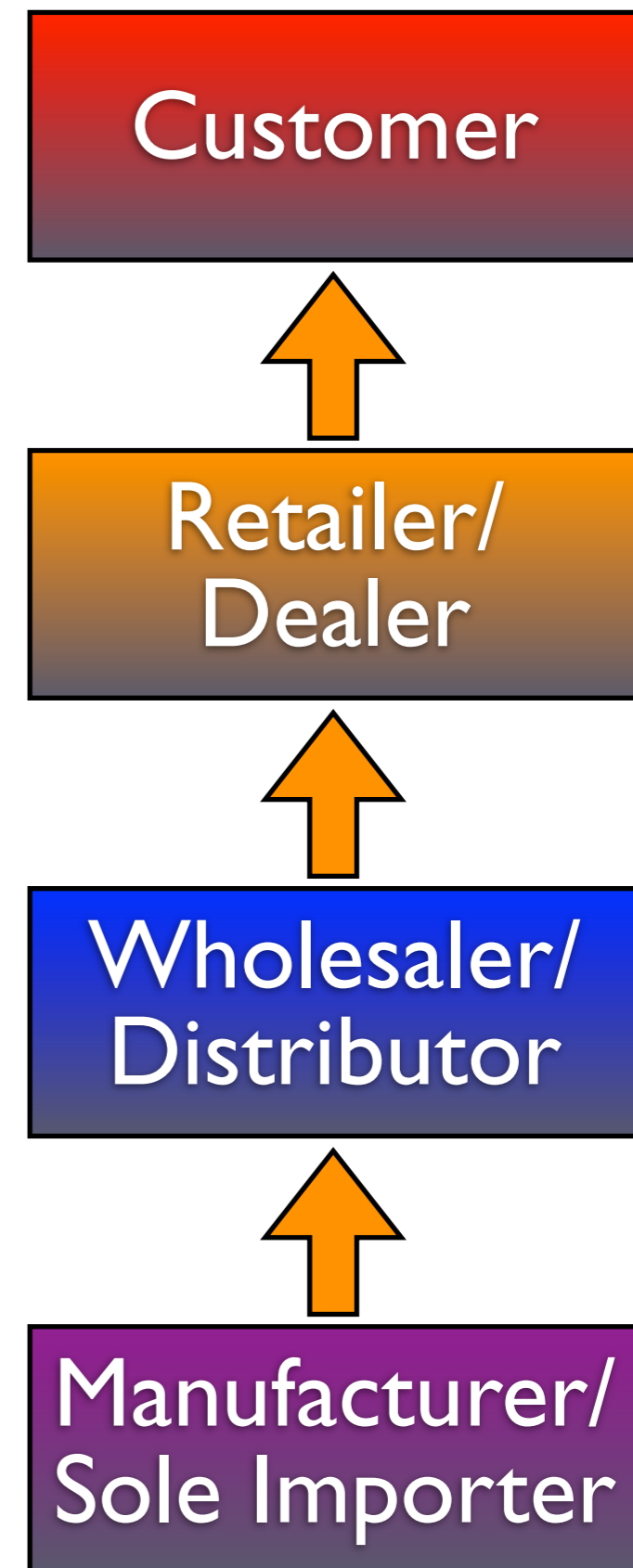


Promotion: Common Platforms

Advertising	Sales Promotion	Events/ Experiences	Public Relations & Publicity	Personal Selling	Direct Marketing
<p>Print & Broadcast Ads, Packaging-outers, Packaging inserts, Motion Pictures, Brochures & Booklets Posters & leaflets, Directories Reprint of Ads, Billboards, Display Signs, Point of purchase displays, Audiovisual materials, Symbols and logos Videotapes, CD, DVDs</p>	<p>Contests, games, sweepstakes, lotteries, Premium & gifts, Samples, Fairs & trade shows, Exhibits, Demonstrations, Coupons, Rebates Low-interest financing, Entertainment, Trade-in allowances, Continuity Programs, Tie-ins</p>	<p>Sports, Entertainment, Festivals, Arts, Courses, Factory Tours, Company Museums, Street Activities</p>	<p>Press Kits, Speeches, Seminars, Annual Reports, Charitable Donations, Sponsorships, Publications, Community Relations, Lobbying, Identity Media Company Magazine or newsletters</p>	<p>Sales presentations, Sales meetings, Incentive programs, Samples, Fairs and Trade Shows</p>	<p>Catalogs, Mailings, Tele-marketing, Electronic Shopping, TV shopping, Fax-mail Email Voice mail</p>

Place

- Distribution Channel
- Integration based on Merger & Acquisition:
 - Manufacturer acquires Wholesaler (Forward Integration)
 - Wholesaler acquires Manufacturer (Backward Integration)
 - Retailer buys over another Retailer (Parallel Integration)



Packaging

- Physical Presentation
- Value Added Qualities
- Bundled Package (Product with Service)
- One Stop Services



SWOT Analysis

- Strength, Weaknesses, Opportunities and Threats (SWOT)
- Involves monitoring the external and internal marketing environment.



Strength/Weaknesses

Functionality	Features to measure performance or importance
Marketing	Company reputation, Market Share, Customer Satisfaction, Customer Retention, Product or Service Quality, Pricing Effectiveness, Distribution Effectiveness, Promotion Effectiveness, Sales Force Effectiveness, Innovation Effectiveness, Geographical Coverage.
Finance	Cost & Availability of Capital, Cash Flow, Financial Stability.
Manufacturing	Facilities, Economics of Scale, Capacity, Able & Dedicated Workforce, Ability to produce on time, Technical manufacturing skill.
Organization	Visionary & capable leadership, Dedicated Employees, Entrepreneurial Orientation, Flexible or Responsive.

Opportunity/Threat

- A marketing opportunity is an area of buyer need & interest in which there is a high probability that a company can profitably satisfy that need.
- Three main sources of market opportunities:
 - Supply something that is in demand.
 - Supplying product or service in a new or superior way.
 - Totally new product that bring about a new consumer behavior or impact.



Opportunities

- A company may benefit from converging industry trends & introduce hybrid products or services that are new to the market.
- A company may make a buying process more convenient or efficient.
- A company can meet the need for more information or advice.
- A company can customize a product or service that was formerly offered in a standard form.
- A company can introduce a new capability.
- A company may be able to deliver a product or service faster.
- A company may be able to offer a product at a much lower price.



Questions for Market Opportunity Analysis

- Can the benefits involved in the opportunity be articulated convincingly to a defined target market?
- Can the target market(s) be located & reached with cost effective media & trade channels?
- Does the company possess or have access to the critical capabilities & resources needed to deliver customer benefits?
- Can the company deliver the benefits better than any actual or potential competitors?
- Will the financial rate of return meet or exceed the company's threshold for investment?

Success Probability

High

Low

Example

Attractiveness
High
Low

Low	1	2
High	3	4

1. Company develops more powerful lighting system.
2. Company develops device to measure energy efficiency.
3. Company develops device to measure illumination level.
4. Company develops software program to teach lighting fundamentals to TV studio personnel.

Opportunity Matrix

Probability of Occurrence

High

Low

Example

Seriousness
Low
High

1	2
3	4

1. Competitor develops superior lighting system.
2. Major prolonged economic depression.
3. Higher Costs.
4. Legislation to reduce number of TV licenses.

Threat Matrix

Marketing Channels

- Marketing Channels are sets of interdependent organizations involved in the process of marketing a product or service available for consumption and use.
- Set of pathways which follows after production, culminating in purchase & use by the final user.



Push/Pull Strategy

- A push strategy involves the manufacturer using its sales force & trade promotion money to induce intermediaries to carry, promote & sell the product to the end-user.
- A pull strategy involves the manufacturer using advertising to induce consumers to ask intermediaries for the product and is appropriate when there is high brand loyalty & involvement in the category when people perceive differences between brands.

Technology push vs. Market pull

Technology push

Research &
Development



Production



Marketing



Need?

Market pull (demand pull)

Research &
Development



Production



Marketing



Expressed
Market
Need



What is branding?

- A brand is the symbolic embodiment of all information encoded with a product or service.
- Branding is the process by which a company, product or image becomes synonymous with a set of values, aspirations or states.



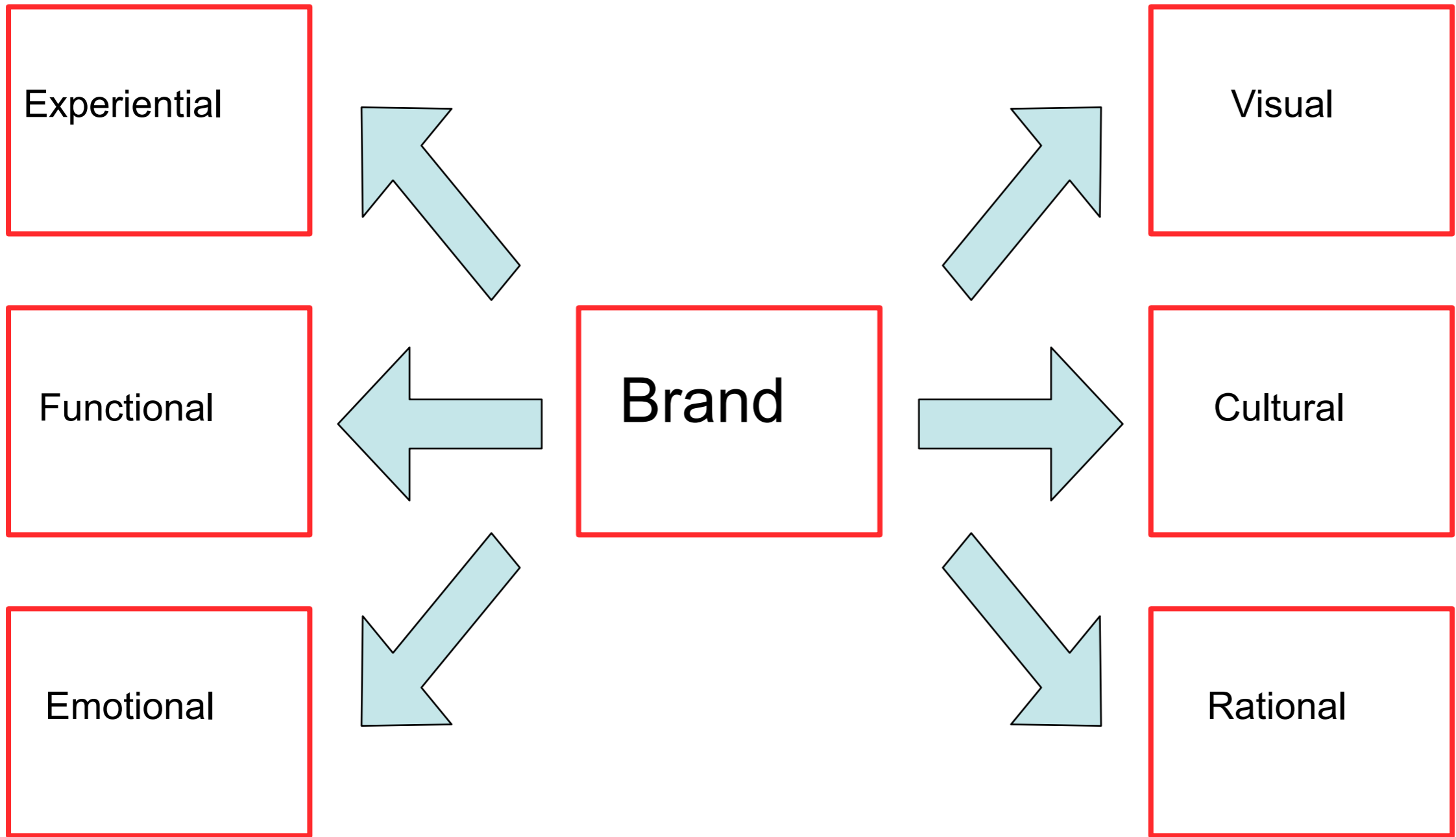
easyJet



Brands in the World

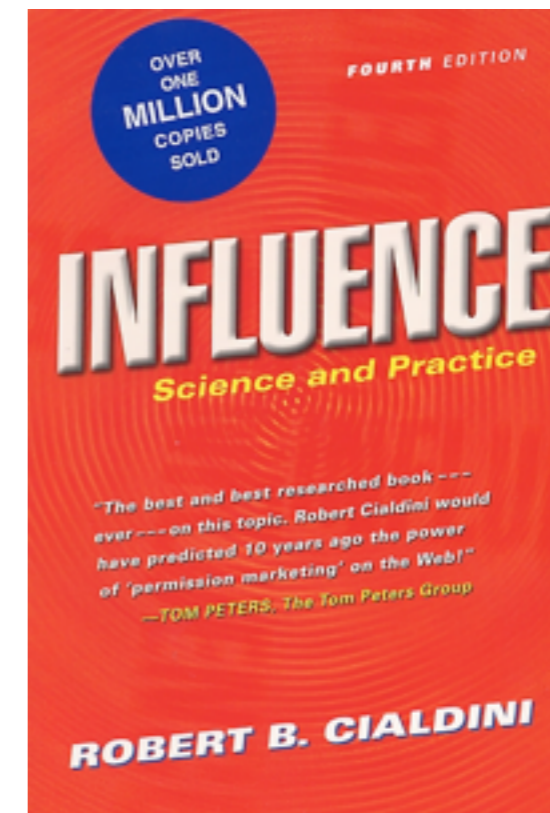
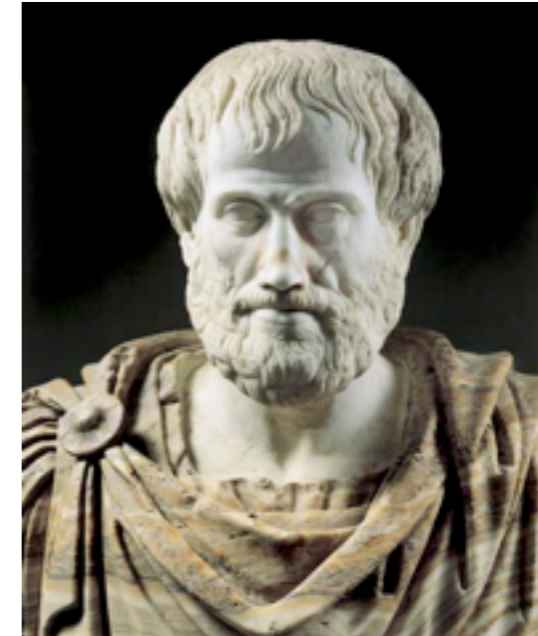


Key Elements in Brands



Principles of Influence for Marketing/Sales

- Aristotle (Rhetoric)
 - Logos (Logic)
 - Pathos (Emotion)
 - Ethos (Ethics)
- R. Cialdini - 6 Rules of Influence
 - Reciprocation, Commitment & Consistency, Authority, Social Proof, Liking & Scarcity



Reciprocation

- People generally feel obliged to return favours to them.



give your phone a brighter future

Commitment & Consistency

- People have a general desire to appear consistent in their behavior.
- Strong desire to commitments by providing reasons to justify them.



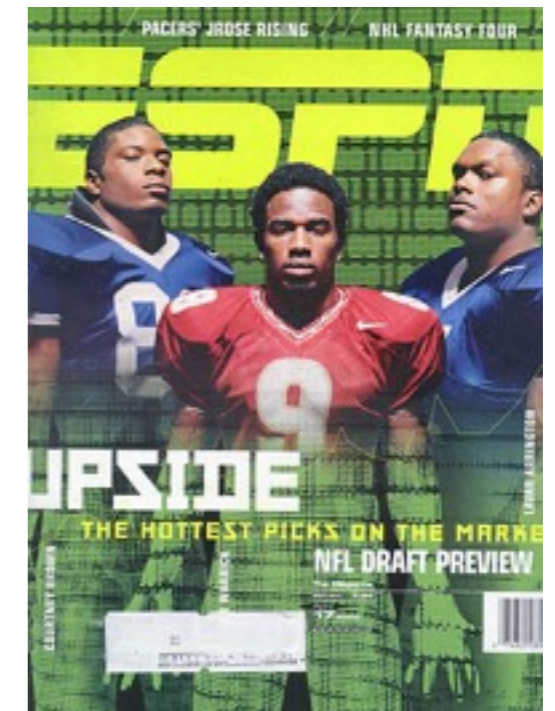
Social Proof

- People generally look to other people similar to themselves in making decisions.



Liking

- People are more likely agree to brands which they like:
 - Physical Attractiveness
 - Common goals



Authority

- People act in an automated fashion to commands from authority, particularly to leading brands.

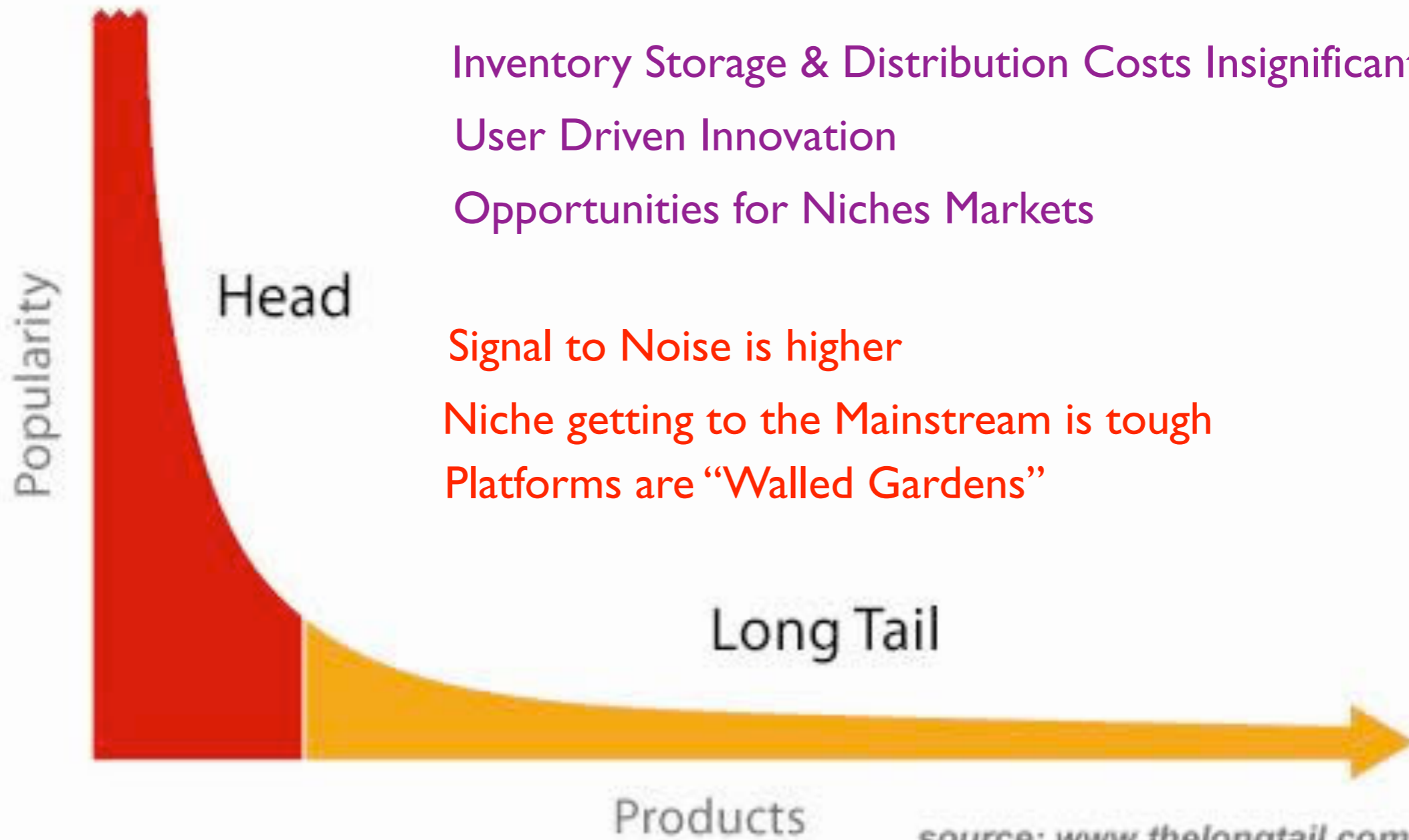


Scarcity

- People tend to want brands as they become less available.



The New Marketplace



What is social media?



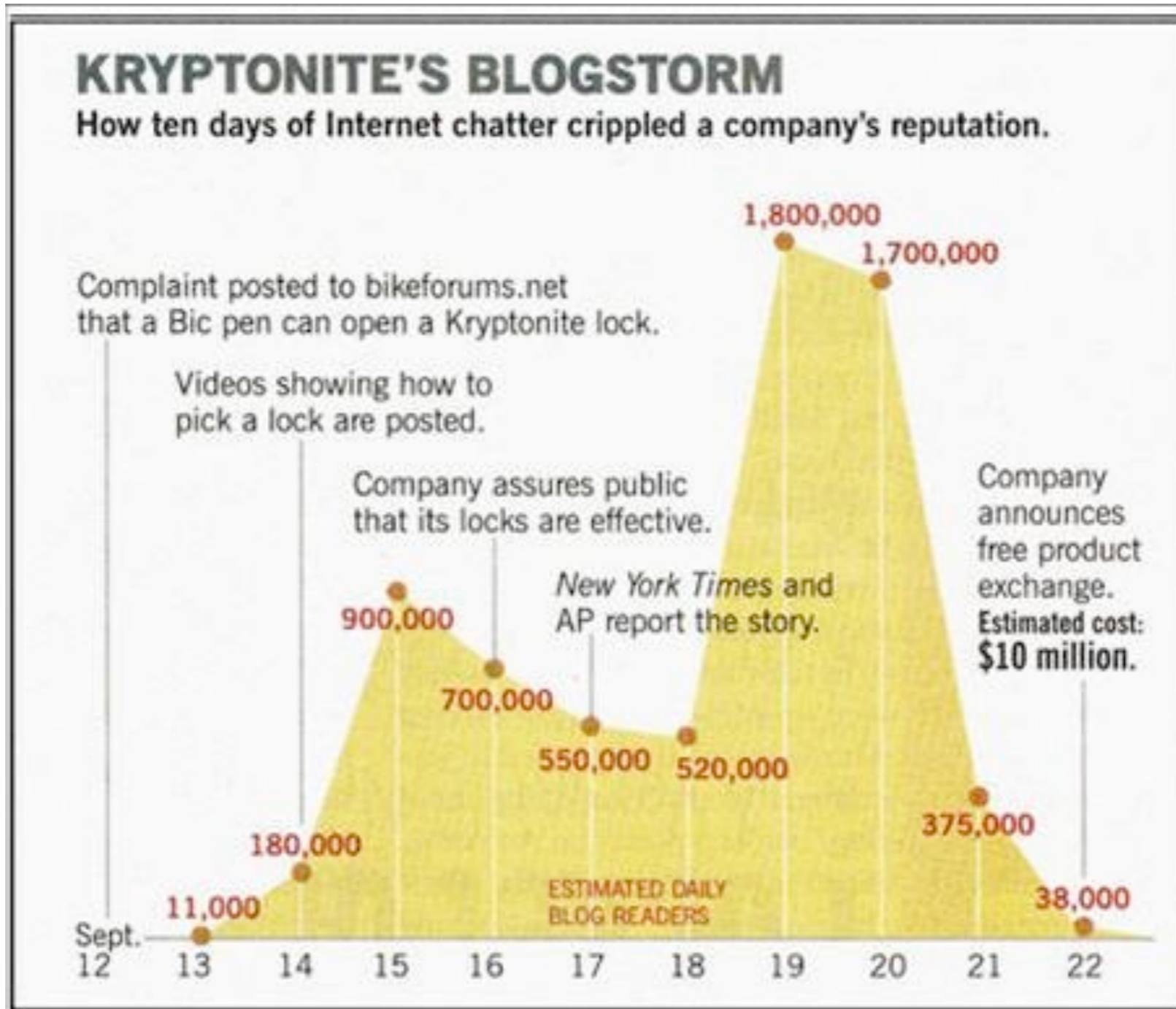
FredCavazza.net

Why Startups need Social Media

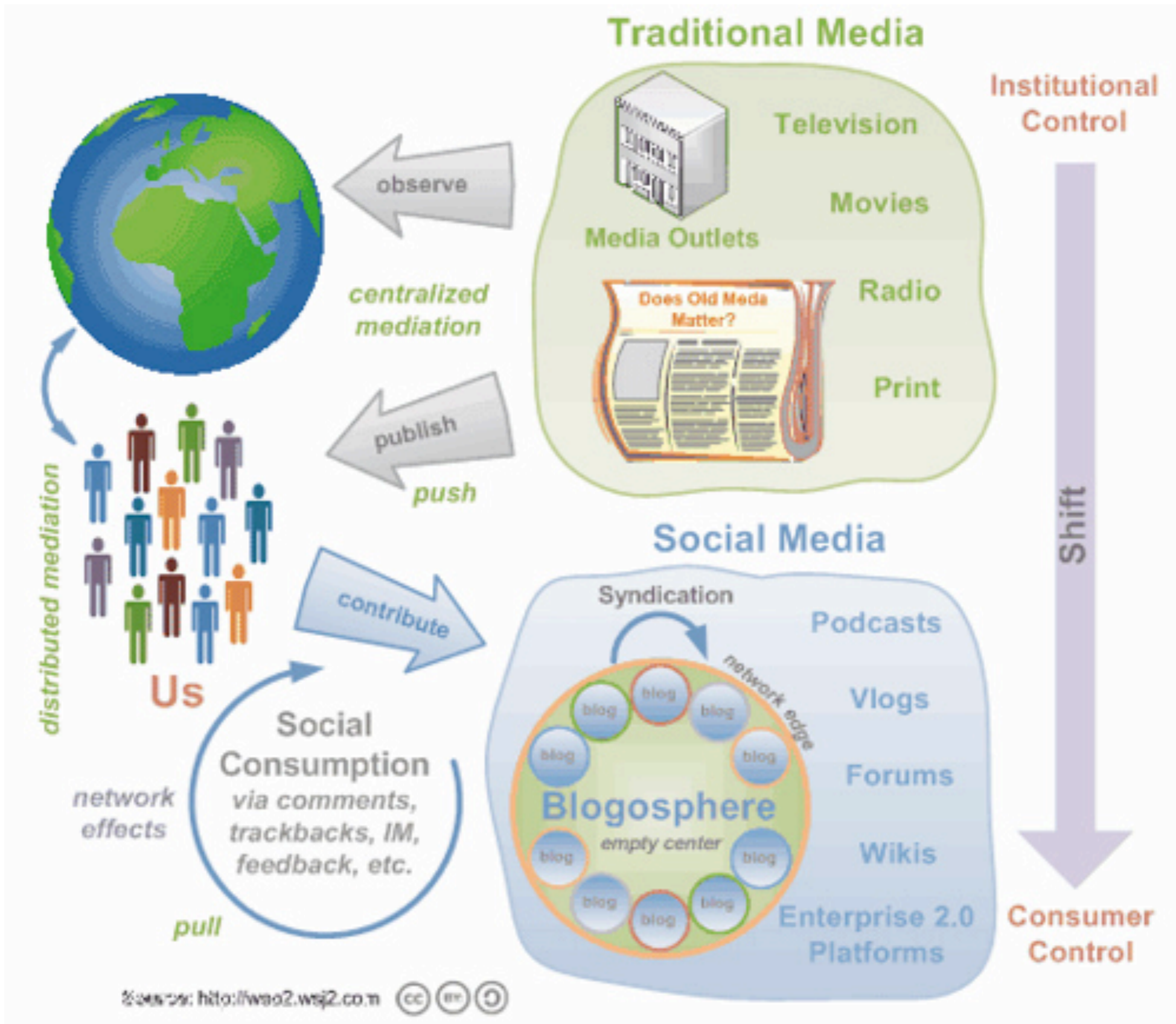
- Getting the attention of the mainstream media.
- Budget constraints and not able to afford big marketing budgets.
- Advertising and Marketing purposes.
- Crisis management given no PR channels



Crisis Management - Kryptonite



(Source: Fortune, 2005)

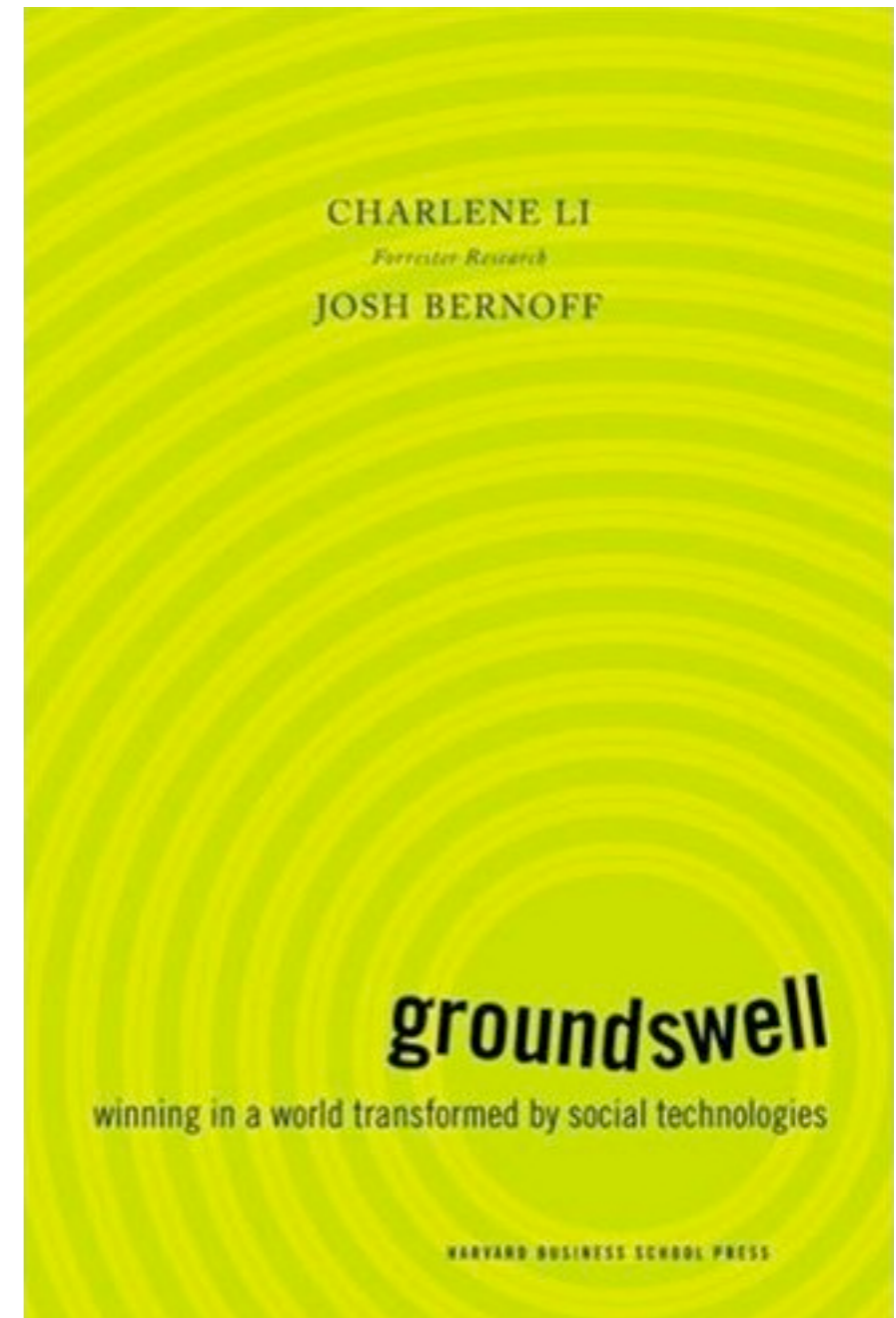
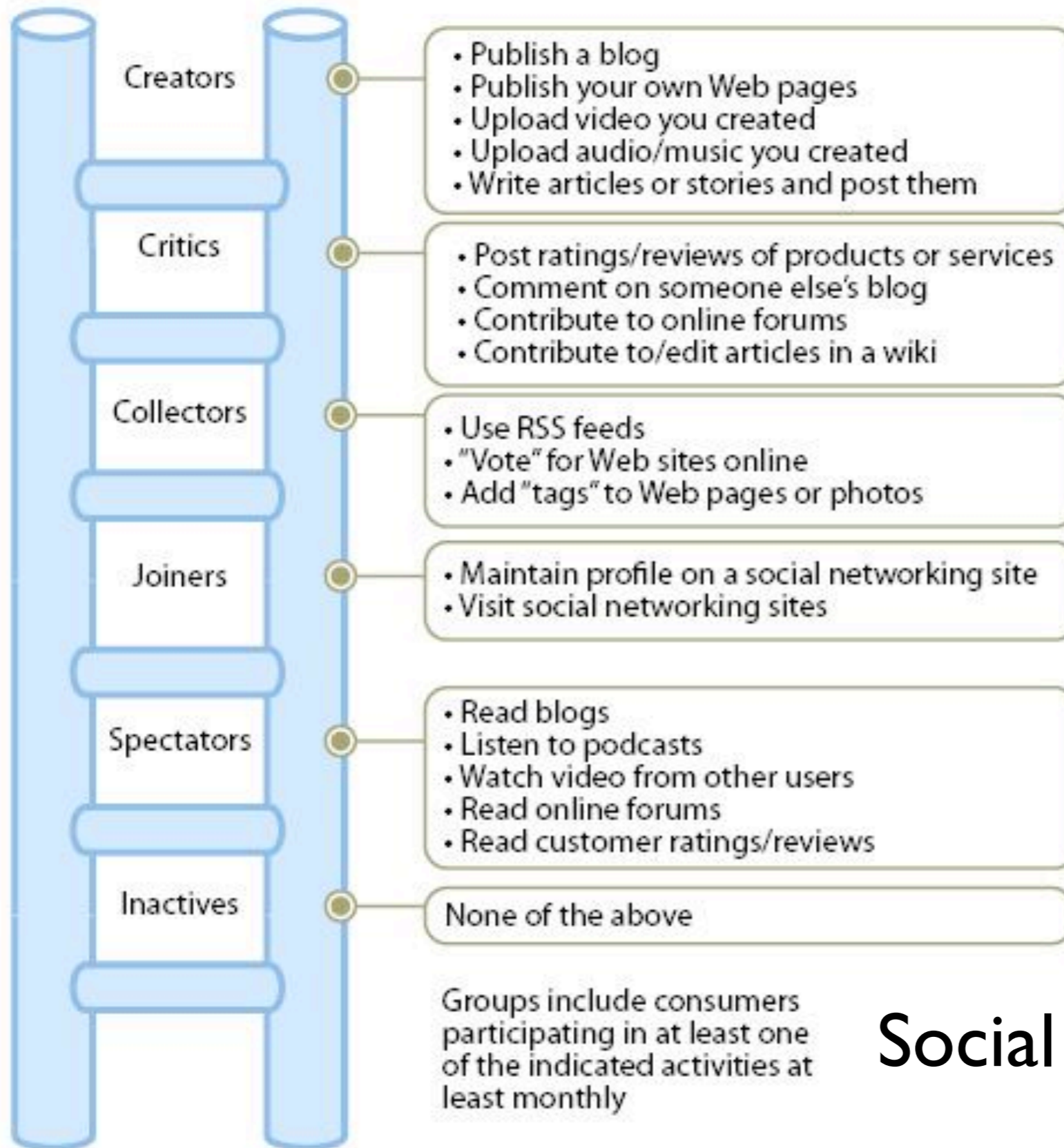


	Mainstream Media	Social Media
Principle behind Channel Distribution	80-20 Rule	Long Tail
Users	Consumers	Prosumers
Channel Examples	Cable TV, Radio, Printed Media - Newspaper	YouTube, Blogs, Social Networks (Facebook, Ning), Flickr, Twitter UStream, Qik, Wikis
Approach	Top to Bottom	Bottom Up (Niche) to Top
Feedback/Engagement	Very little	A lot

Social Media Tools

- Blogs - Blogger/Wordpress/Tumblr/Posterous
- Rich Media Sharing - Flickr, YouTube, Vimeo, PhotoBucket, Picasa, Phlook, Todou.
- Social Networks - Facebook, LinkedIn, Ning, CyWorld
- MicroBlogging - Twitter, Plurk, Yammer
- Aggregators - Digg, StumbleUpon
- Online Forums - HardwareZone (HWZ), Comsenz
- Mobile: FourSquare, Gowalla





Social Technographics Ladder

Case Study I: Corporate Blog Page for Start-Ups

zopim_{beta}

HOME

LEARN MORE

FEATURES

PRICING

BLOG

recent blog entries

You asked, we delivered!

by qingru @ December 1st, 2009

We take great satisfaction (and concrete steps) in meeting our users' expectations! That's why we are excited to announce that some of the popular feature requests have been rolled out as part of our recent launch release. Here's a list of some of those features. Do keep your feedback and requests rolling in via the feedback forum (accessible via the "feedback" button on the left).

Pre Chat form

This is useful for businesses who want to know the customer's name, email and enquiry prior to chatting, and was the feature request with the most number of votes on our feedback forum.

112 votes

IP & User Blocking

Gives a peace of mind for support staff who frequently encounter spammers and abusive users

36 votes

Listen into chat

Administrators can monitor ongoing conversations and 'listen in' on the chat, simply by clicking on the conversation.

24 votes

Invisible Chat Bar

Hide Chat bar when all agents are offline. Another relatively popular feature amongst our users.

19 votes

Email Chat Transcript

Customers can now email the chat transcript to themselves!

<< Bring me back to the best web chat software | live customer help chatbar | chat support software

Latest Posts

- » You asked, we delivered!
- » Spread the love, spread the word!
- » Why are there so little visitors in my visitor list?
- » Dress up your website the way you want!
- » Letting you in on a little surprise...

Categories

- » Announcement (13)
- » Improvements (10)
- » Interface (3)
- » Junk (1)
- » QA (1)
- » Sentosa Trips (1)
- » Stuff about ZopIM (2)
- » Technology (2)
- » Uncategorized (7)
- » Updates (4)

Archives

- » December 2009
- » November 2009
- » October 2009
- » July 2009
- » May 2009
- » March 2009
- » January 2009
- » October 2008
- » September 2008
- » August 2008

Singapore based
Case Study:
blog.zopim.com
To engage users and
let them know the
latest features of the
web application.

Case Study 2: Facebook Pages for Non-Profit Organizations



A screenshot of the Oxfam GB Facebook page. The page header includes the Oxfam logo and navigation tabs for Wall, Info, Climate Change, Take Action, Oxfam Shop, and Calendar. The main content area shows a post by Charlotte Smithson about a fashion show, a post by Bert Tan about a swish party, and a post by Raimi David about stock. There is also a post by Tan Malaka about a climate quiz. The left sidebar shows the Oxfam logo, a link to www.oxfam.org.uk, a list of fans, and a section titled "Actions" with three items: "Invite your friends to become fans too", "Climate change costs live", and "Do more".

Measuring Success



- *Number of fans for brandpages*
- *Number of brand mentions on walls*
- *Number of news updates x fans*
- *Ad impressions*



- *Number of discussion topics*
- *Number of wall posts on brandpage*
- *Number of wallposts (measured by Lexicon)*
- *Number and tone of reviews posted*
- *Amount of content or offers shared*
- *Video views*



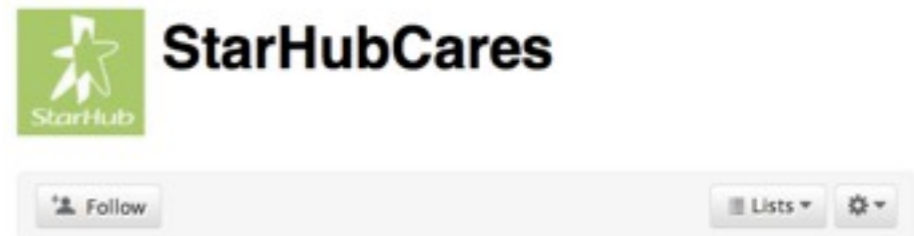
- *Click through rates for advertisements*
- *Number of contest entries*
- *Number of applications downloaded*
- *Offline actions driven by coupons or special offers*
- *Web traffic generated*

How to measure ROI for marketing for Facebook

Source: Ogilvy 360 "Facebook For Businesses"

Case Study 3: Twitter for Start-Ups

- Start by identifying your start-ups or communications objective using Twitter:
 - Customer Service - e.g. @starhubcares
 - Product Promotion & Sales - e.g. @vodafoneau
 - Crisis Management - e.g. @flusingapore
 - Events activation
 - Issue Advocacy
 - Corporate Reputation Management



from 9 am to 12.30 service was progressively returned. We deeply apologise to those affected customers for the inconvenience caused.

1:57 PM Dec 26th from web



LEGO_Singapore

Name LEGO Singapore
Location Singapore
Bio Official Twitter Page of LEGO Singapore

0 following 126 followers 1 listed

Tweets 19

Favorites

"We Are One": Donations of \$2 per brick urgently needed to complete the LEGO Singapore Island @ Ion Orchard B4. Please help

11:19 PM Oct 31st from Twitterrific

"We Are One": Join Phua C 30 (8pm) @ ION Orchard LEGO Singapore Island!

6:35 AM Oct 29th from Twitterrific

Part 5: A little act of kindness info on how to donate or www.weareone.sg.

5:29 AM Oct 14th from web

Part 4: Message - "The 1st with blood, sweat and tears and compassion?"

5:28 AM Oct 14th from web

LEGO (SG): twitter.com/LEGO_Singapore

Lego tries to position themselves as a customer oriented toy brand by using twitter to educate consumers on new and better ways to use products. Wrapped around one "social" idea, Lego's Twitter strategy goes hand in hand with the Lego Ambassador's program as well as the brand's fan communities on other online platforms. "Super Users" from Lego's Ambassador's Program has been hired to drive Lego's twitter voice. Lego's Twitter strategy is a good example of what a brand should be doing to encourage passionate fans to create and share content, in this case being how to use Legos creatively. Technologically adept Lego fans had been connecting to each other for years; how could Lego extend this to less-technical adults and children? Through Twitter, Lego harnessed the power of using power of super users to help others connect and share ideas. Follower's feedback are also captured to improve innovation and new product developments.

Twitter to track major events: Singapore Idol 2009

[Advanced Search](#)

Realtime results for #sgidol

0.03 seconds



Priscias: [@moby74](#) Anyway, the sg market so small, even if they win [#sgidol](#) also won't get them very far...

4 minutes ago from *TweetDeck* · [Reply](#) · [View Tweet](#) · Thread [Show Conversation](#)



kkkhai: [#sgidol](#) stop it with the gender/race thing already. he won. he did his best. she did her best. e power lied with e voters.

6 minutes ago from *Tweetie* · [Reply](#) · [View Tweet](#)



saufisalleh: [#sgidol](#) GOOD GOD WIKIPEDIA HAS BEEN UPDATED!

6 minutes ago from *TweetDeck* · [Reply](#) · [View Tweet](#)



jasminelims: SPOT ON!! [@ivanchia](#): [#sgidol](#) this is what happen when malays play guitar from young at void decks, they win the singapore idol.

7 minutes ago from *web* · [Reply](#) · [View Tweet](#)



sihuiiii: RT [@velourialush](#): RT [@ivanchia](#): [#sgidol](#) this is what happen when malays play guitar from young at void decks, they win the singapore idol.

9 minutes ago from *Echofon* · [Reply](#) · [View Tweet](#)



saufisalleh: Motion passed. RT [@lilvalkrie](#): Motion Carried. RT [@danielgoh](#) Seconded. RT [@sm7catscan](#): Can we vote Gurmit off? [#sgidol](#)

10 minutes ago from *TweetDeck* · [Reply](#) · [View Tweet](#)



Priscias: [@GenkiGenki](#) Yes! [@moby74](#) wants some booooooobs from [#sgidol](#)!

10 minutes ago from *TweetDeck* · [Reply](#) · [View Tweet](#)

[Feed for this query](#)

[Tweet these results](#)

Show tweets written in:

Any Language

Trending topics:

- [#HappyBdayHayley](#)
- [#nowplaying](#)
- [#IranElection](#)
- [#iloveitwhen](#)
- [#Gaza](#)
- [#Sezairi](#)
- [Singapore Idol](#)
- [#TLS](#)
- [#CN4Iran](#)
- [Justin Bieber](#)

Nifty queries:

- [cool filter:links](#)
- ["is down"](#)
- [movie :\)](#)
- ["happy hour" near:SF](#)
- [#haiku](#)
- ["listening to"](#)
- [love OR hate](#)
- [flight :\(](#)