Web Marketing & Digital Advertising

Marketing fundamentals quick review
IF YOU WANT TO WORK IN THE MARKETING FIELD … BE PREPARED!!!!!!

MARKETERS ARE “BAD PEOPLE”
I'm an Advertiser, that is, I pollute the universe. The guy who sells you shit; who makes you dream about those things you will never have... In my profession no one wants your happiness, because happy people do not consume
WHAT DO PEOPLE SAY ABOUT MARKETING?

- Buy, Buy, Buy
- Vance Packard: The Naked Society and The Status Seekers
- Juliet B. Schor: Natì per Comprare
- Born To Buy
IS MARKETING ETHIC???
LET’S SEE A DEFINITION OF “MARKETING“
is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives.

(American Marketing Association – 1985)
MARKETING SATISFIES OBJECTIVES/NEEDS

**NEED**: state of felt deprivation at the physical and/or at the psychological level (real state/desired state)

**WANT**: form that a human need takes, as shaped by culture and individual personality

**BENEFIT**: Actual factor (cost effectiveness, design, performance, etc.) or perceived factor (image, popularity, reputation, etc.) that satisfies what a customer needs or wants.

PRODUCTS SATISFY NEEDS/PROVIDE BENEFITS
Maslow’s Hierarchy of Needs

Self-actualization
desire to become the most that one can be

Esteem
respect, self-esteem, status, recognition, strength, freedom

Love and belonging
friendship, intimacy, family, sense of connection

Safety needs
personal security, employment, resources, health, property

Physiological needs
air, water, food, shelter, sleep, clothing, reproduction
NOW THIS ...

Self actualization
Esteem
Belonging
Safety
Physiological

Self Expression

Content

Sociability

Mobility

Connectivity

Source: Mediacom elaboration

- Personalization, visibility, attention.
- Authenticity, storytelling, being heard.
- Social networking, interaction, sharing.
- Everywhere – always on (fear of missing out)
- Internet connection – wi-fi – 4G
NEED / WANT FULFILLMENT

- Needs and Wants are fulfilled through a Marketing Offer
  - Some combination of products, services, information, or experiences offered to a market to satisfy a need or want.
MARKETING IS ABOUT EXCHANGING VALUE

**EXCHANGE**: process by which value is transferred from a party to another (buyer-seller)

**VALUE PROPOSITION**: value proposition is the sum total of benefits a customer is promised to receive in return for the associated payment (or other value transfer).
A Simple Marketing System

Industry (a collection of sellers) \[\xrightarrow{\text{Goods/Services}}\] Market (a collection of buyers)

Communication

Money

Information
OBJECTS OF EXCHANGE

CONSUMER GOODS: Merchandise or other item of common or daily use, ordinarily bought by individuals or households for private consumption.

INDUSTRIAL GOODS: Machinery, manufacturing plants, materials, and other goods or component parts for use or consumption by other industries or firms.

WHAT CAN BE EXCHANGED?
SCOPE OF MARKETING

- Places
- Properties
- Organizations
- Information
- Ideas
- Goods
- Services
- Events
- Persons
Marketing: “The (1) activity, (2) set of institutions, and (3) processes for (4) creating, (5) communicating, (6) delivering, (7) and exchanging (8) offerings that have (9) value for (10) customers, (11) clients, (12) partners, and (13) society at large.”

(Numbering added)
MARKETING

- ACTIVITY
- INSTITUTIONS
- PROCESSES
- CREATION
- COMMUNICATION
- DELIVERY
- EXCHANGE
- OFFERINGS
- VALUE

- CUSTOMERS
- CLIENTS
- PARTNERS
- SOCIETY
MARKETING MIX

- **Product:** Product variety, quality, design, features, brand name, packaging, sizes, services, warranties, returns

- **Price:** Price list, discounts, payment period, credit terms

- **Place:** Channels, coverage, assortments, locations, inventory, transport

- **Promotion:** Sales promotion, advertising, sales force, public relations, direct marketing
PHASES OF THE MARKETING MANAGEMENT

- **ANALYTICAL PHASE:** marketing researches, extremely important, very time consuming, traditionally very expensive, analytical capabilities

- **STRATEGIC PHASE:** targeting and positioning, define where your product stands in relation to competitors in the marketplace as well as the mind of the consumer, strategic thinking

- **OPERATIONS:** 4Ps, creative phase, especially product and promotion
THE PLANNING PROCESS

AUDIT

20

Strategic options
Strategy crafting
Strategy execution
Performance evaluation

EXTERNAL

INTERNAL

Opportunities
Threats
Streghts
Weaknesses

AUDIT

THE PLANNING PROCESS
SWOT analysis

STRENGTHS

WEAKNESSES

OPPORTUNITIES

THREATS

Inside

Investigate the opportunities and threats of the reference environment

Evaluate our strengths and weaknesses

The objective is:

• Reduce or eliminate the impact of the threats

• Exploit the opportunities

• Leveraging on our strengths and reducing our weaknesses
This is the result of ...
1. SEGMENTATION
Identify and describe market segments (homogeneous groups of individuals)

2. TARGETING
Evaluate the segments and decide which ones to try to reach

3. POSIZIONING
Develop a marketing strategy that influences the way the market perceives the company's good or service in relation to those of competitors
Mappa di Posizionamento (Settore Automotive)

EVOLUTION OF MARKETING

Competitive pressure

Product orientation
Beginning XX century
Immediately after World War II

Selling orientation
1950s

Customer orientation
1960 till half 1970s
- Saturated market
- Technological progress

Market orientation

Market maturity
Orientation to Market I phase
Since half 1970s
- Oil crisis (austerity)
- People still want to dream
- CRM
- Goods as status symbols

Orientation to Market II phase
Since 1990s
- Fall Berlin Wall
- Globalization
- Birth of European Community
- Euro
- Hyper-competition
- ConsumActor (co-creation)
- Green
- CSR
- H2H

Competitive pressure

Market maturity
FROM MARKETING 1.0 TO MARKETING 3.0

MARKETING 1.0 vs MARKETING 2.0 vs MARKETING 3.0

<table>
<thead>
<tr>
<th>Objective</th>
<th>Sell products</th>
<th>Satisfy and retain the consumers</th>
<th>Make the world a better place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enabling Forces</td>
<td>Industrial Revolution</td>
<td>Information Technology</td>
<td>New Wave Technology</td>
</tr>
<tr>
<td>How companies see the market</td>
<td>Mass Buyers with Physical Needs</td>
<td>Smarter Consumer with Mind and Heart</td>
<td>Whole Human with Mind, Heart, and Spirit</td>
</tr>
<tr>
<td>Key marketing concept</td>
<td>Product development</td>
<td>Differentiation</td>
<td>Values</td>
</tr>
<tr>
<td>Company marketing guidelines</td>
<td>Product specification</td>
<td>Corporate and Product Positioning</td>
<td>Corporate, Vision, Values</td>
</tr>
<tr>
<td>Value propositions</td>
<td>Functional</td>
<td>Functional and Emotional</td>
<td>Functional, Emotional, and Spiritual</td>
</tr>
<tr>
<td>Interaction with consumers</td>
<td>One-to-Many Transaction</td>
<td>One-to-One Relationship</td>
<td>Many-to-Many Collaboration</td>
</tr>
</tbody>
</table>
MARKETING 4.0

- **CONVERGENCE**: convergence of the offline and online worlds of businesses and customers

- **AUTHENTICITY**: brands need to come across as true to their identity and authentic in their messages

- **IoT and AI**: balancing machine-to-machine (M2M) with human-to-human (H2H), they need to go hand-in-hand with human-to-human connectivity in order to strengthen customer engagement
SEGMENTATION: linear nature of a brand’s relationship with its customers – how brands make their decisions unilaterally, with little or no help from customers whatsoever.

COMMUNITIES: In this era of increased connectivity, socially-connected customers form horizontal webs of communities which represent the new-age segments.

BRANDS: to be able to penetrate these communities and get their messages across effectively, they need to fit in naturally – acting as friends, showing care and genuine concern to address customers’ needs and wants.
From ‘Brand Positioning and Differentiation’ to ‘Brand Characters and Codes’

- **BRAND POSITIONING**: encompasses all the activities targeted at making a brand occupy a *unique position* in customers’ minds (based on mktg mix)

- **CONSUMERS**: are armed with abundant information, which empowers them to be the best judge of how well a brand fulfills its positioning promise (community-driven consensus)

- **BRAND CHARACTER**: The brand’s character – its raison d’être- is what defines its personality, it is what makes the brand stand true to its core, even if the outer imagery is flexible
From ‘Selling the 4P’s’ to ‘Commercializing the 4C’s’

- **CO-CREATION**: represents the already existing and even increasing customer participation in the process of new product development.

- **CURRENCY**: fluctuating prices with respect to market demand. In the digital era, many businesses have already adopted dynamic pricing based on market demand and capacity utilization.

- **COMMUNAL ACTIVATION**: Sharing economy. This rising preference for instant delivery of products and services calls for a greater need of communal activation, wherein peers in close proximity can serve customers’ needs and demands.

- **CONVERSATION**: no longer a monologue from brands delivering messages to their customers.