

MARKETING CONCEPTS IN THE MARKETING CYCLE

21st May, 2022

SMART Objectives



“I want to be a top student”

“I want to be a no.1 student in Form 5, nationwide science stream with 8 A1(s) in 2013”



Sales & Marketing Metrics

125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
105,450	150,000	99,216	95,000
86,502	35,000	101,090	154,200
	83,000	101,684	110,000
	45,000	101,962	89,000
		102,747	50,000
			68,700
			123,000

Important Sales Metrics

1. Revenue: How much money's coming in and where is that money coming from?
2. Sales growth: How is that revenue changing over time?
3. Average response time: the average time it takes for your salespeople to respond to a prospect reaching out. The faster this is, the better.
4. Win rate: % opportunities that your salespeople are able to close.

Important Sales Metrics

5. Conversion rate.

- A “conversion” happens when a potential customer completes an important action or moves to the next sales phase.



6. Average transaction size.

- When a salesperson closes a deal, what’s the average size of the transaction they close?
- Study average transaction size closely and work on improving it.
 - Add-ons, upgrades, and better negotiations can increase this value.

Important Sales Metrics

7. Profit margin.

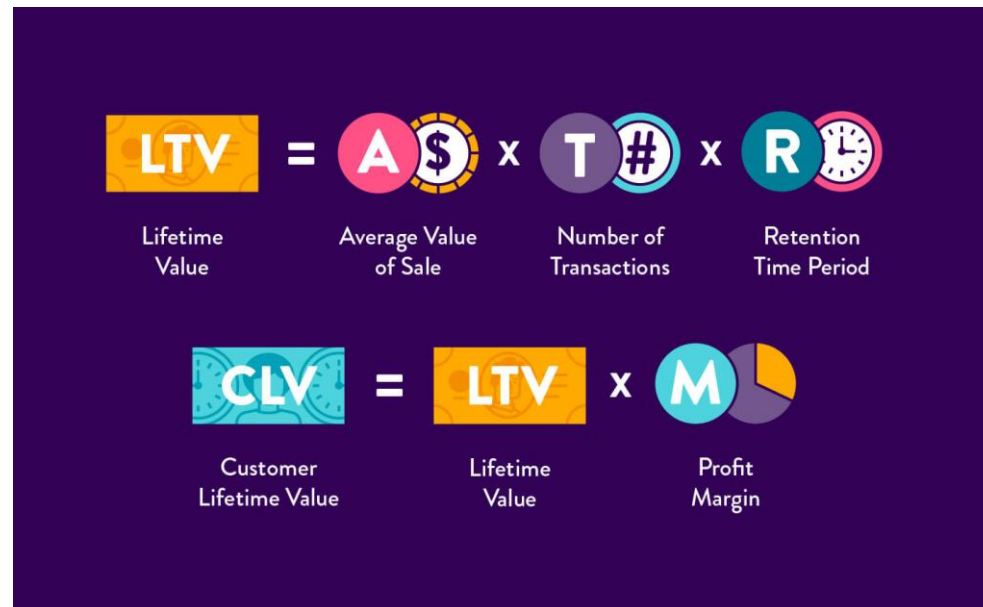
- Your salespeople might have sold \$1 million of merchandise, but if your profit margin is only 2 percent, that only represents \$20,000 of profit for the business.
- Conversely, sales of \$100,000 with a profit margin of 25 percent would represent only 10 percent of the revenue, but you'd end up with \$25,000 of profit.

Important Sales Metrics

8. Customer retention

- Ongoing follow-ups and conversations can ensure they remain customers for as long as possible.

9. Customer lifetime value (CLV).



Important Sales Metrics

10. Customer acquisition cost (CAC).

- Customer acquisition cost (CAC) is the average cost of getting someone to make a purchase with your organization. It includes the money you spend on things like marketing, advertising, salespeople's salaries, and other direct costs.

Marketing Metrics

Mental consumer results	Market results
<ul style="list-style-type: none"> Brand awareness¹ Relevance to consumer Perceived differentiation Perceived quality/esteem¹ Relative perceived quality¹ Image/reputation Perceived value Preference Customer satisfaction¹ Customer loyalty/retention (intention)^{1, 2} Likelihood to recommend 	<ul style="list-style-type: none"> Sales (volume and value^{3,1}) Sales to new customers Sales trends² Market share (volume and value)^{1, 2, 3} Market trends^{1, 2} Number of customers¹ Number of new customers Number of new prospects (leads generated/inquiries) Conversion (leads to sales) Penetration Distribution / availability^{1, 2} Price Relative price (SOM value/volume)¹ Price premium Price elasticity
Behavioural customer results	Financial results
<ul style="list-style-type: none"> Customer loyalty / retention^{1, 2} Churn rate Number of customer complaints¹ Number of transactions per customer Share of wallet 	<ul style="list-style-type: none"> Profit/profitability¹³ Gross margin¹³ Customer profitability Customer gross margin Cash flow³ Shareholder value/EVA/ROI³ Customer lifetime value

#Content

Marketing Mix



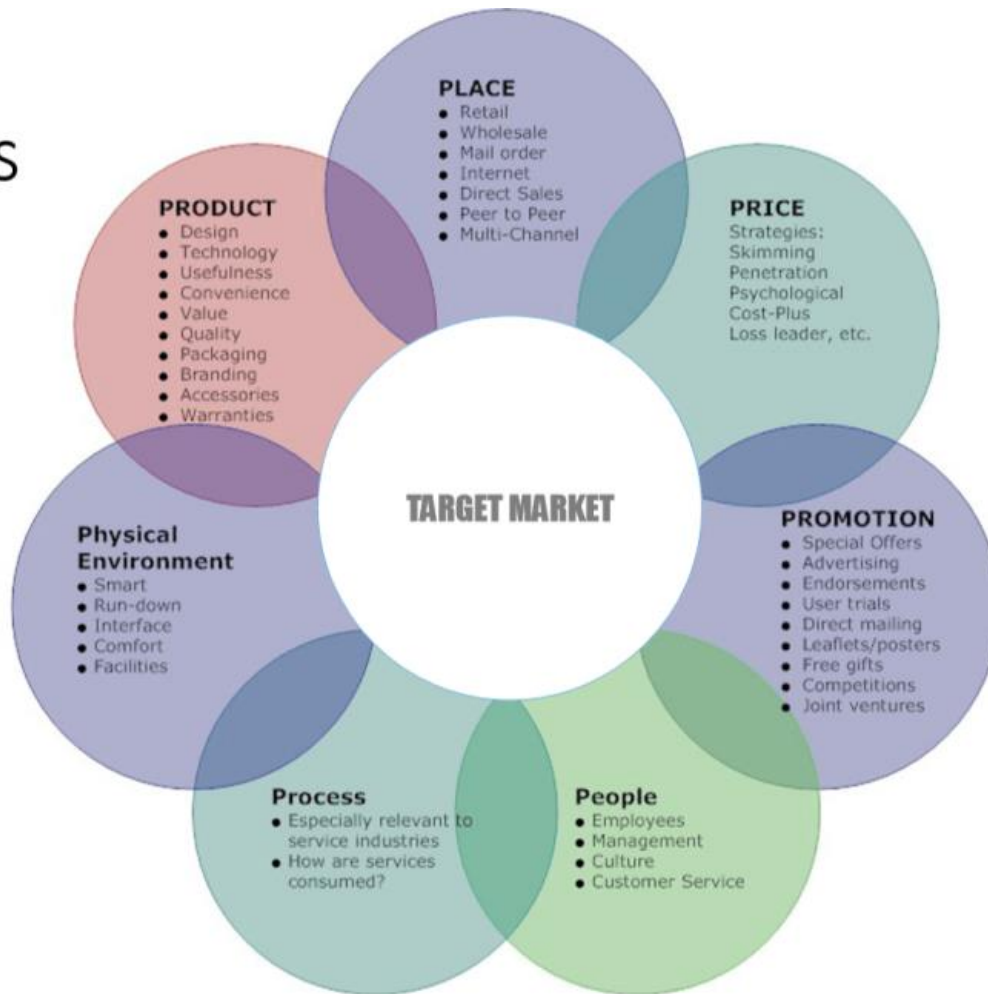
The Marketing Mix



Assignment 3:
Describe the Marketing Mix (7Ps) of a company/brand you are familiar with.

Marketing Mix (7Ps)

The 7 Ps



Marketing Mix Strategies

Product Differentiation

- FORM: size, shape, or physical structure
- FEATURES: supplement basic function
- PERFORMANCE QUALITY
- DURABILITY
- RELIABILITY
- STYLE



Marketing Mix Strategies

Services Differentiation

Main service differentiators:

- ORDERING EASE
- DELIVERY: how well the product delivered
 - INSTALLATION
 - CUSTOMER TRAINING
- CUSTOMER CONSULTING
- MAINTENANCE & REPAIR



Marketing Mix Strategies

Pricing Strategies

1. SURVIVAL

- ❖ Overcapacity
- ❖ Intense competition
- ❖ Changing consumer wants

2. MAXIMISE MARKET SHARE: Higher sales with lower price

- ❖ Market highly price-sensitive
- ❖ Costs fall with more production
- ❖ Low price to discourage competition

Marketing Mix Strategies

Pricing Strategies

3. **MAXIMUM MARKET SKIMMING:** favored by firms with a new technology
 - ❖ Price start high & lowered in time
 - ❖ Conditions:
 - ❖ Sufficient buyers / high demand
 - ❖ Unit costs not too high
 - ❖ High price is equalized with perceived superior quality

4. **PRODUCT-QUALITY LEADERSHIP**
 - ❖ High quality, taste, status with the price that is 'affordable'

Marketing Mix Strategies

Distribution Strategies

Channel Differentiation

Competitive advantage through distribution channels' *coverage, expertise & performance*



Marketing Mix Strategies

Distribution Strategies

- [Coke](#) approached Chinese neighborhood committees to sell products - pensioners serve as socialist guardians: useful vehicles to build brand awareness



Marketing Mix Strategies

PEOPLE Differentiation Strategies

Personnel

[Singapore Airlines](#) – a
*worldwide reputation
for excellent service*

Built largely on the
*customer relations
skills* of its flight
attendants



Marketing Mix Strategies

Promotional Strategies

Communication

- ***Informative***: brand awareness & knowledge
- ***Persuasive***: create liking, preference
- ***Reminder*** - stimulate repeat purchase
- ***Reinforcement*** - convince current purchasers they made the right choice

Marketing Mix Strategies

Physical Evidence



Marketing Mix Strategies

Physical Evidence

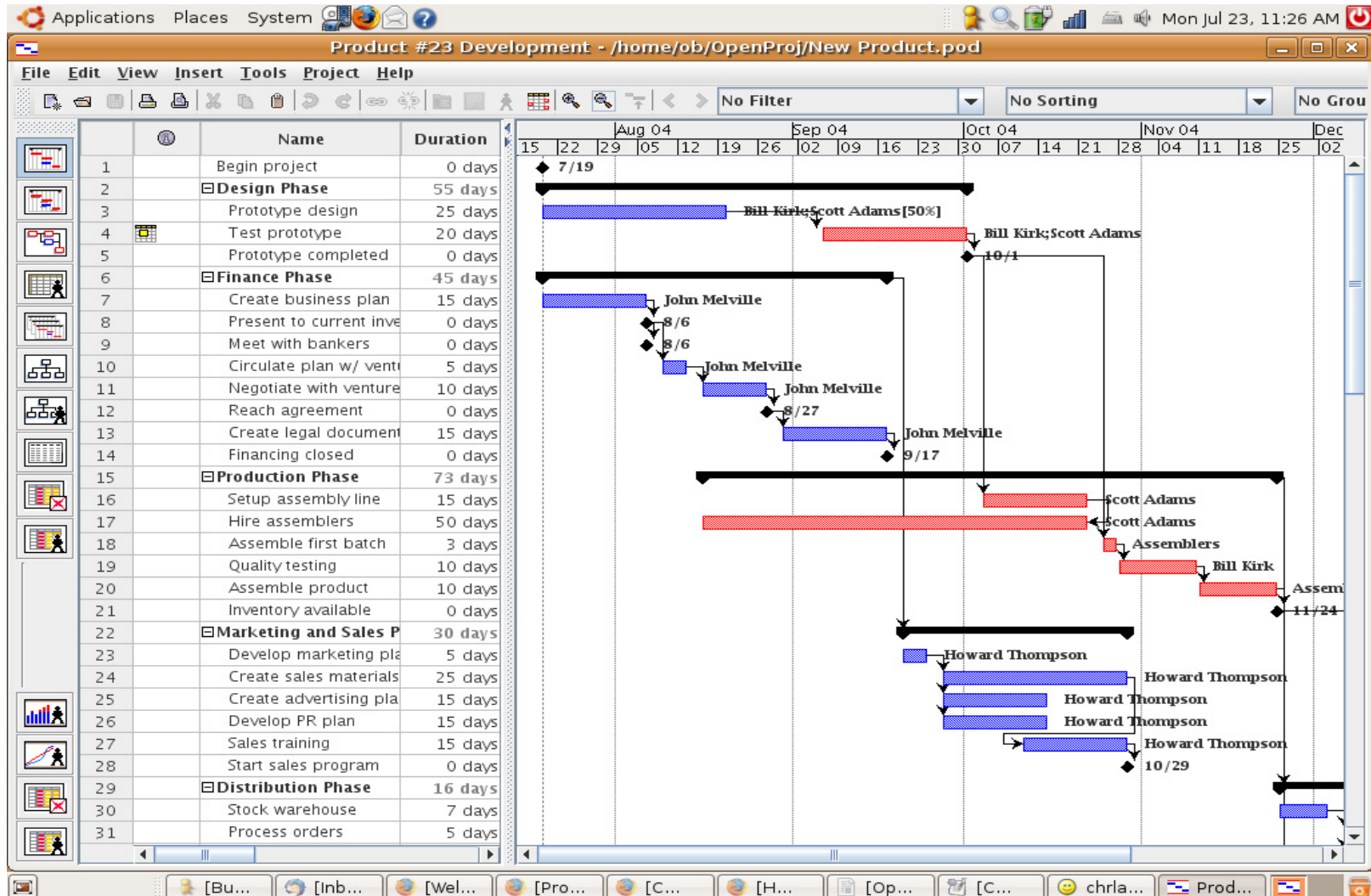


Implementation Plan



11.0 Implementation & Control...

Tools for Managing the Marketing Effort



Establishing the Marketing Budget

How to decide on the A&P budget?

- ❖ **AFFORDABLE METHOD:** Budget what they think they can afford
- ❖ **PERCENTAGE-OF-SALES METHOD:** Specified % of sales or sales price
- ❖ **COMPETITIVE-PARITY METHOD**
- ❖ **OBJECTIVE-AND-TASK METHOD:** Defines the relationship between money spent, exposure levels, trial rates & regular usage



Evaluation Plan



EVALUATION PLAN

Evaluation Plan

Marketing Control Process

Goal Setting

What do we want to achieve?

Performance measurement

What is happening?

Performance diagnosis

Why is it happening?

Corrective action

What should we do about it?

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Congratulations