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**2016 Edition**

**Several Concepts, Terms and Useful Definitions Help Explain and Aid in the Understanding of Marketing and Related Activities, including Marketing Concepts, Marketing Objectives, Strategies and Tactics, Marketing Mix (4P's), and the Nine P's (9P's) of Marketing ©2007**

**In 2016, a number of important strategic philosophies and practices guide Marketing planning, branding concepts and tools, Marketing variables, efforts and/or Marketing relationships/partnerships/ alliances.**

The **Nine P's/9P's** of Marketing can be used successfully by product companies, service firms, for profits entities and nonprofits "selling" directly or indirectly to consumers (B2C), to marketing intermediaries (such as industrial, consumer, retail, wholesale and professional channels of distribution), and to other businesses (B2B).

As Management guru Peter F. Drucker once said:

"The aim of **Marketing** is to know and understand the customer so well that the product or service fits him (her/it) and sells itself. And this is one of the reasons I created the Nine P's. "People" or Targeting was slightly forgotten in the Marketing Mix, and is a major, significant part of the Nine P's of Marketing.

Companies do not get potential users or customers to try a product by convincing them to love their brand. You get them to love a brand by convincing them to try and use the product or service.

Developing a strong brand is a byproduct. It comes by executing and doing the elements/parts/things/variable/components in the Nine P's of Marketing... right. Make sure the **Product or Service** is excellent. Research and **Planning** excellent.

Be sure the company is taking good care of their customers (**People**), and having the right **Planning** and targeting (**People**), the right **Product**, right **Place** or distribution, right **Price**, right **Promotion**, right **Partners**, and the right **Presentation**, with the right amount of **Passion** in the 9P's of Marketing.

Make sure there is differentiation. **Unique Selling Proposition or Point**, shortened to U.S. P., falls here too. Differentiate based on the needs and wants of the potential consumers and businesses.

Customer satisfaction and differentiation are what build brands.

### **Concepts, Terms and Useful Definitions**

*(Please note that the Nine P's/9P's of Marketing ©2007 start on page 5)*

**Marketing** is 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. (Definition approved by the American Marketing Association, Board of Directors, July 2013.<sup>1</sup>)

**Marketing** is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return. (Principles of Marketing, 16e, Kotler and Armstrong, 2016)

**Marketing:** 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. (Marketing Management 15e, Kotler and Keller, 2016)

**Marketing Management** is the art and science of choosing target markets and building profitable relationships with them. (Principles of Marketing, 16e, Kotler and Armstrong, 2016)

The aim of **Marketing** is to know and understand the customer so well that the product or service fits him (her/it) and sells itself. (Peter F. Drucker)

**Marketing is 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.** The previous definition: **Marketing** is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. The American Marketing Association (established in 1937 by visionaries in marketing and academia) unveiled their definition used as the official definition in books, by marketing professionals and taught in universities. The American Marketing Association revisits the definition for marketing every five years in a disciplined effort to reflect on the state of the marketing field. This process, as laid out in the Association's bylaws, is guided by a committee whose members represent a cross-section of the marketing industry; the committee was formed in late 2006, under the leadership of Donald R. Lehmann, the George E. Warren Professor of Business at Columbia Business School in New York. ([www.ama.org](http://www.ama.org); <http://www.marketingpower.com/AboutAMA/Pages/DefinitionofMarketing.aspx>)

The **Marketing Concept** is a philosophy. It makes the customer, and the satisfaction of his or her needs, the focal point of all business activities. It is driven by senior managers who are passionate about delighting their customers. Marketing is not only much broader than selling; it is not a specialized activity at all. It encompasses the entire business. It is the whole business seen from the point of view of the final result, that is, from the customer's point of view. Concern and responsibility for marketing must therefore permeate all areas of the enterprise. (Peter F. Drucker)

**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. (Philip Kotler)

**Marketing** is getting the right product or service to the right people (target market), at the right time, at the right place, at the right price, with the right partners, plus right communication, promotion and presentation.

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<sup>1</sup> American Marketing Association, "About AMA: Definition of Marketing," <http://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx> (cited May 28, 2014)

**Marketing** is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy the perceived needs, wants, and objectives of individuals and organizations. (Contemporary Advertising, 14e, Arens, Weigold, Arens, 2013)

**Marketing** is the process of planning and executing the conception, pricing, promotion and distribution of goods and services to facilitate exchanges that satisfy individual and organizational objectives. (Understanding Business, Nickels, McHugh, McHugh, 2008)

**Marketing** is the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client. (Basic Marketing, A Marketing Planning Approach, 19 Edition, Perreault, Cannon and McCarthy, 2014)

**Marketing** is the process of creating, distributing, promoting and pricing goods, services, and ideas to facilitate satisfying exchange relationships with consumers and to develop and maintain favorable relationships with shareholders in a dynamic environment. (Foundations of Marketing, Third Edition, Pride and Ferrell, 2009)

The AMA (American Marketing Association) defines **Marketing** as 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. This definition takes into account all parties involved in the marketing effort: members of the producing organization, resellers of goods and services, and customers or clients. (A Preface To Marketing Management, 13 edition, J. Paul Peter, James H. Donnelly, Jr. 2012)

**Marketing** is the process of conceiving, pricing, promoting and distributing ideas, goods and services to create exchanges that benefit consumers and organizations. (Advertising & Integrated Brand Promotion, 5e, O'Guinn, Allen, Semenik, 2009)

The purpose of **Marketing** is to sell more stuff to more people more often for more money in order to make more profit. (Sergio Zyman)

**The Mantra of Marketing:** Marketing's job is to create, communicate and deliver value to a target market at a profit. Market Management needs to "Create Value," "Communicate Value," and "Deliver Value." There are three businesses here: Product Management; Brand Management; and Customer Management. (Kotler at London Business Forum)

**Marketing Mix** is the combination of four elements, called the **4P's** (Product, Price, Promotion and Place), that every company has the option of adding, subtracting, or modifying in order to create a desired marketing strategy. (Philip Kotler)

The **Marketing Mix** is the set of tactical marketing tools that the firm blends to produce the response it wants in the target market. (Principles of Marketing, 16e, Kotler and Armstrong, 2016)

**Marketing Process** consists of:

1. Analyzing opportunities
2. Developing marketing strategies
3. Planning marketing programs
4. Managing the marketing effort

## **Consumer/Business-to-Business (B2B)/Nonprofit/International or Global Marketing/Internal Marketing/ Integrated Marketing (IMC)**

**Consumer Marketing** occurs when organizations sell to individuals or households that buy, consume, and dispose of products.

**Business-to-Business Marketing** occurs when a business purchases goods or services to produce other goods, to support daily operations, or to resell at a profit.

**Nonprofit Marketing** occurs when an organization does not try to make a profit but instead attempts to influence others to support its cause by using its service or by making a contribution.

**Global or International Marketing** consists of the activity, institutions, and processes across national borders that create, communicate, deliver, and exchange offerings that have value for stakeholders and society. International marketing has forms ranging from export–import trade to licensing, joint ventures, wholly owned subsidiaries, turnkey operations, and management contracts. (International Marketing, 9th Edition, Czinkota and Ronkainen, 2010)

**Internal Marketing** occurs when managers of one functional unit market their capabilities to other units within their own organization. (Marketing, Connecting with Customers, Harrell, 8e, 2008)

**Integrated Marketing** is when all departments of a firm work together to serve the needs of the customer.

### **Integrated Marketing Communications (IMC) and Coordinating Media**

As defined by the American Association of Advertising Agencies, Integrated Marketing Communications (IMC): “A planning process designed to assure that all brand contacts received by a customer or prospect for a product, service, or organization are relevant to that person and consistent over time.”

This planning process evaluates the strategic roles of a variety of communications disciplines--for example, general advertising, direct response, sales promotion, online and public relations--and skillfully combines these disciplines to provide clarity, consistency and maximum impact through the seamless integration of messages.

A concept of communications planning that recognizes the added value of a comprehensive plan. Companies must adopt a 360-degree view of consumers to fully understand all the different ways communications can affect behavior

IMC is the process of using promotional tools in a unified way so that a synergistic communications effect is created. Media coordination can occur across and within media types, but marketers should combine personal and nonpersonal communications channels through multiple-vehicle, multiple-stage campaigns to achieve maximum impact and increase message reach and impact. (Marketing Management 15e, Kotler and Keller, 2016; Marketing Management 14e, Kotler and Keller; Naik and Raman, “Understanding the Impact of Synergy in Multimedia Communications,” Journal of Marketing Research, 2003)

**Integrated Marketing Communications (IMC)**: Carefully integrating and coordinating the company’s many communications channels to deliver a clear, consistent, and compelling message about the organization and its products. The concept of marketing communications planning that recognizes the added value of a comprehensive marketing planning that evaluates the strategic roles of a variety of communications disciplines---for example, advertising, direct response, sales promotion, and public relations---and combines these disciplines to provide clarity, consistency, and maximum communications impact. (Belch and Belch; Principles of Marketing, 16e, 2016, Kotler and Armstrong)

- Audiences and specific target audiences are becoming more sophisticated and empowered in their media usage and consumption. With more media outlets and channels offering new ways to promote and communicate, many businesses struggle with fragmented messages across traditional, digital and social media avenues. The brand is what "they" say you are. Communicate the brand "value" or "values," what makes "your" brand special in the marketplace.

**IMC** is the process of using promotional tools in a unified way so that a synergistic communications effect is created. (Advertising & Integrated Brand Promotion, 5e, O'Guinn, Allen, Semenik, 2009)

### **Nine P's (9 P's)** ©2007

**(I own a copyright for this concept, the Nine P's/9 P's ©2007, which augments the Marketing Mix and 4P's by the American Marketing Association, Neil Borden and E. Jerome McCarthy):**

- **Planning, Process or Marketing Process:** To develop and transform marketing objectives to marketing strategies to tactics, marketing management must make basic decisions on marketing targets ("People"), marketing mix, marketing budgets/expenditures and marketing allocations. It's dividing the total marketing budget among the various tools in the marketing mix and for the various products, channels, promotion, media and sales areas.
  - Research and plan.
  - Marketing Research:
    - Marketing research is the function that links the consumer, customer, and public ("People") to the marketer through information—the information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method or methods for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications.<sup>2</sup> Using research applies to each component and part in the nine/9P's of Marketing.
  - It's good to note that Albert Einstein said:
    - "Not everything that counts can be counted, and not everything that can be counted counts."
  - Neil Young, musician on creativity and ideas which can be used for planning:
    - "Whatever I'm doing, if I have an idea. I stop doing what I'm doing and I do that. If I thought of something right now –which I'm not – if something came to me, the guitar is right there. The idea is to do it."
  - Using observation, research and strategies, find a position in your industry where the forces are weakest. Or where you can innovate, using one or more of the 9P's.
  - The essence of strategy or strategies is choosing a valuable position or positioning rooted in marketing objectives, strategies and tactics, plus actions that are much more difficult to match by your competitors.
    - Start with planning, process and an analysis of the Nine P's (9P's).
  - Planning includes observing what to do and what not to do in the marketplace. It includes research and developing a vision for each of the remaining nine P's.
  - In his influential 1965 textbook Business Policy: Text and Cases by Kenneth R. Andrews, he did not set out to detail the concept of "what strategy is," under "Planning." Instead he said that he chose to "sidestep the problem of drawing distinctions between objectives,

<sup>2</sup> <https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx>

policy and programs of action. I would put them in several categories but specifically under “Planning.” And “Execution, in the Nine P’s. According to Andrews , strategy or strategies are the pattern or patterns of decisions in a company or firm that determine and reveal its objectives, purposes or goals, produces the principle policies and plans for achieving those goals, plus defines the range of businesses the company is to pursue, the kind of economic and human organization it intends to be, and the nature of the economic and non-economic contributions it intends to make to its shareholders, employees, customers, and communities. I add “Partners,” in the Nine P’s, along with the other “P’s”. We will be discussing Marketing’s objectives, strategies and tactics under the Nine P’s (9P’s) of Marketing.

Critical thinking thoughts based on a quote by Leonardo da Vinci:

- “Principles for the development of a complete mind: Study the science of art. Study the art of science. Develop your senses- especially learn how to see. Realize that everything connects to everything else.”
- Critical thinking is finding connections between things that seem disconnected (divergence). And another reason to review and use the Nine P’s of Marketing.

Companies do not get potential users or customers to try a product by convincing them to love their brand. You get them to love a brand by convincing them to try and use the product or service.

Developing a strong brand is a byproduct. It comes from doing the other things in the Nine P’s of Marketing... right. Make sure the product is excellent. Be sure the company is taking good care of their customers, and having the right planning and targeting, the right product, right price, right promotion, right partners, right presentation, with the right amount of Passion in the 9P’s.

Review segmentation and targeting, and look at the strategy of FOMO: (Fear of Missing out).

Make sure there is differentiation. Unique Selling Proposition or Point, shortened to U.S. P. falls here too. Differentiate based on the needs and wants of the potential consumers and businesses. That is what builds brands.

- **People/Prospects/Purchaser (Target Market)**
  - Start by connecting the dots about your potential consumers and actual consumers. Marketing research has come to the fore, as organizations are tapping into customer data and consumer insights not only to better connect with their “People,” target markets/audiences, but also to develop the “right,” winning business strategies.
  - Potential and actual buyers or purchasers start with accurate, comprehensive data that works across all channels to help the company identify audience and buyer attributes to target precisely.
  - It’s your set of buyers/purchasers, which is named a “target market;” a set of buyers who share common needs or characteristics that the company decides to serve. Market targeting can be carried out at several different levels.
  - Activate these insights using all of the characteristics of the different segments to all of your channels.
  - A product focusing on a **specific target market** contrasts sharply with one following the marketing strategy of mass marketing. In my book, a target audience would be a media term; target market is a marketing term.
  - Defining a target market requires market segmentation; the process of segmenting the entire market as a whole and separating it into manageable units based on:
    - Demographics
    - Geographics
    - Psychographics
    - Behavior

- Technographics or technographical characteristics.
  - Segmentation is an important Marketing concept; the market segmentation process includes:
    - Targeting these segments in the market based on those characteristics.
    - Checking to see whether any of these market segments are large enough to support the organization's product.
    - Once a target market is chosen, the organization can develop its marketing strategies to target this market.
  - There are a wide range of consumers. Different segments. There are segments of consumers who “try” brands and products. There are segments who want to be trend setters.
  - Sometimes specific shoppers are called or named “try-sumers.” They like to interact with brands and shopping provides enjoyment. Woman or classes/segments of females like to shop and shopping doesn’t always mean buying. Going to a mall is entertainment. Some call it therapy. While some males don’t like to shop but if they do shop they buy. To them it is a “waste of time” to come back. One study, as an example, that has been used in class: males or younger males shop two or three times a year for 70% of their clothes.
  - What still may be missing in the research and its evaluation is the critical recognition that there may be a link between service quality and profitability. Some customers are more profitable than others.
  - An aspect or aspects of technological segmentation and promotion: Advertisers can target Facebook ads based on how strong a user’s phone signal is when they visit the social network, allowing them to limit data-heavy ads like video to strong connections.
  - Can the segments be accessed? Marketing strategies need to be adapted for the different tiers or segments. Instead of viewing the market as a uniform group of customers with similar potential, the firm needs to view them as distinct groups or segments with differing potential. This means developing different marketing strategies for each tier, especially different strategies for price and product offering.
  - Some examples:
    - Target’s looking at the needs of their shoppers (guests) and using 3D modeling (under Product and new product development): Target can take an idea from a sketch to a prototype in a matter of days, reported in [AdAge](#), August 2015. After receiving a sketch from the designer or engineer, they can create a detailed CAD model of the product then feed it into one of their 3D printers. What results is a physical representation of what the designer envisioned. Target’s head of Product Design and Development (PD&D) team says ...if we develop products that are unique to Target that our guests (shoppers) love and they can only buy them (Place) at a Target it would be a strategic advantage.
    - Jail-booking area TV spots ("captive ads" from Metrodata services, target prisoners and inmates, media paid for by defense attorneys and bail bond companies.)
    - A twist on both “People” and “Presentation,” in the 9P’s. [Harvard Business Review](#) wrote about Southwest Airlines where customer service is strategically important. For the best talent and employees, SWA states that they hire less than two percent of their total job applicants. They want to hire employees or their “people” for the right values. That is how they build one of their segments of “People,” their own employees. They want a respectful, ambitious and passionate workforce. It’s the employees who present the SWA to their “people” or targets/potential customers.
- **Product:** The goods and service combination the firm offers to the target market, including variety of product mix, features, branding, designs, packaging, sizes, services, maintenance contracts, warranties and return policies.
  - A product (service) is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. (Kotler)

- Look at branding; brand equity; brand name; quality; unique selling proposition (USP) and unique value proposition (USP); newness; complexity; physical appearance; packaging; labeling; ingredients; maintenance and service contracts; and others.
- A product line is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed or sold through the same types of outlets, or fall within given price ranges. The major product line decision involves product line length (the number of items in the product line. A company's product mix has four important dimensions: width (number of different product lines), length (number of items a company carries within the product lines), depth (number of versions offered for each product in the line), and consistency (how closely related the various product lines are in end use, production requirements, distribution channels, or in any other way).
- A service is any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. (Kotler)
- Have you ever thought how you asked a question to a consumer who has purchased your product? The right words, questions and/or phrasing can make a big difference, especially for new products. The question should be about getting valuable product feedback. There is the marketing concept of a PLC or Product Life Cycle. Products improve. For example, rather than asking customers if they enjoy or liked your product, ask what they would do to improve it. Much more strategic.
- A Product or service also should have Purpose, which is discovering the product's real value, use, difference, reason, or function for the consumer and user.
- In comparing the quality of a service consumers can relate it to their expectations and the experience with other services.
- Some examples:
  - Target's using 3D modeling: They can take an idea from a sketch to a prototype in a matter of days, reported in AdAge in August 2015. After receiving a sketch from the designer or engineer, they can create a detailed CAD model of the product then feed it into one of their 3D printers. What results is a physical representation of what the designer envisioned. Target claims that they currently are the only retailer with rapid-prototyping capabilities.
  - "Product" includes packaging, as a subset of the total offering. Brand managers use packaging as a badge, enhancing the product's value. In fall 2008, McDonald's scrapped and changed its package design across 118 countries, 56 languages. Packaging can increase the perceptions about the quality of the product.
- **Price/Pricing:** All aspects regarding pricing. The amount of money a consumer is willing to pay to obtain the product. Pricing includes wholesale/retail/promotional prices, discounts, trade-in allowances, quantity discounts, credit terms, sales and payment periods and credit terms. Pricing decision making also involves adjusting prices concerning the competitive environment, economic situations and involve buyer perceptions.
  - "Pricing" is the sum of the values that customers exchange for the benefits of having or using the product or service.
  - Deceptive and misleading pricing practices may lead potential buyers and consumers to believe they will get more value and a better price than they will actually receive.
  - Consider, develop and review store and non-store, e-commerce and "brick and mortar" targeting, marketing mix pricing factors, considerations, objectives, strategies and tactics, including "Partners."
  - Consider and review "Value-pricing and "Perceived-pricing." "Value," the worth in monetary terms of the technical, economic service and social benefits a customer

- receives in exchange for the price he or she pays for a market offering. Look at good, better, best pricing and values.
- The “value” that the customer perceives in relation to the price paid must be greater than alternatives in order for a selected product to be purchased. (Anderson and Narus, Business Market Management, Understanding, Creating, and Delivering Value, 1999)
  - Prices are a key positioning factor and must be decided in relation to the target market, the product and service assortment mix, and the competition. All retailers would like *high turns x earns* (high volumes and high gross margins), but the two don’t usually go together. Most retailers fall into the high-markup, lower volume group (fine specialty stores) or the low-markup, higher-volume group (mass merchandisers and discount stores). (Kotler and Keller)
  - Retail price simply means the price at which goods or services are sold by a retailer to a consumer. This is the purchase price that you pay whenever you buy a product from a retail store. Retail sales are designed for consumption and not for resale of goods or services rendered.
  - Pricing strategies include: cost-, profit-, competition-, demand-, value-, customer led-based pricing.
  - The manufacturer's suggested retail price (MSRP), list price or recommended retail price (RRP) of a product is the price which the manufacturer recommends that the retailers sell the product. The intention was to help to standardize prices among locations. While many or some stores always sell at, or below, the suggested retail price, others do so only when items are on sale or closeout/clearance.
  - Be sure to adequately estimate raw materials, labor, and all sources of costs.
  - Develop, consider and review: target rate of investment; pricing as a “promotional” variable; penetration pricing; stabilization of pricing strategies; target market share; meeting or prevention of competitive actions. In addition to the “monetary” price, customers may also consider non-monetary prices such as time, effort, convenience, or psychological costs.
  - Example:
    - The surge of prices on New Year's Eve by Uber: It's a transport company. Uber says it "seamlessly connecting riders to drivers through our apps. We make cities more accessible, opening up more possibilities for riders and more business for drivers." The Washington Post said it is "more predictability than cabs..." I read that users had posted their bills on social media after some of them reported that prices surged as high as almost nine times their regular fare. It was on New Year's Eve and New Year's Day, by the way. That's not a typical day of business. Prices could or should be higher. I ask you "Are they not providing a better service? Than cabs?" On high demand days with high demanding riders?
- **Place/Distribution:** The company’s activities that make the product available, using distribution and trade channels, roles, coverage, assortments, locations, inventory and transportation characteristics and alternatives. Offering the right Product at the right Price, with the right Partners and Presentation, at the right time, at the right Place. Consider, develop and review store and non-store, e-commerce and “brick and mortar” factors, considerations, objectives, strategies and tactics, including “Partners.”
    - Develop steps in an effective and efficient distribution plan, objectives, strategies, and tactics, plus execution.
    - Channels of distribution.
    - Considerations in and for an effective distribution network and partners.
    - Channel partners. Identify and specify the roles of distribution partners and members, within the integrated strategic distribution strategies.
    - Develop geographic strategies.
    - Develop and review financial conditions of partners, perishability, installation, maintenance and use of technology.

- Develop and review distributor and broker services and their compensation, plus pricing issues, and slotting allowances.
  - A typical supply chain may consist of four links in the chain: Producer/Factory/Manufacturer, Distributor, Wholesaler, Retailer supplying the consumer and ultimate users.
  - Look at convenience due to better and wider distribution.
  - Develop better strategic partners in types and qualities of suppliers, manufacturers, brokers, distributors, wholesalers, intermediaries, traders, merchants, retailers, and others.
  - Review selection and possible exclusivity of distribution partners, intermediaries and retailers.
  - Retailers or retailing includes all of the activities involved in selling products or services directly to final consumers for their personal, nonbusiness use.
  - Does the product, communication, promotion, pricing including distribution costs plus the other Nine P's need to be adapted/changed/modified in each region, distributor, and/or country?
  - Develop retailing strategies; Store and non-store retailing.
  - Develop and review e-commerce services, strategies, tactics and activities.
  - Types of distribution channels, intensive, selective, exclusive
  - Developing global, national, regional and local partners and alliances.
  - Example:
    - Subway is selling 80% of its new franchise locations to existing franchisees. More than half of the locations are non-traditional including schools, zoos, military bases, plus hospitals. Where there are "captive audiences," or under "People." (Bloomberg.com and subway.com)
- **Promotion:** Eight (8) major, strategic components): The communication element includes personal and non-personal communication activities. Activities that communicate the merits of the overall product, which include:
    - Should we promote? What should we promote? To whom should we promote? What economic and discount levels should we offer? What form of promotion should we offer? What features? How frequent?
    - Look at consistency of message and messaging, especially with and within the different targets/elements/components/parts.
    - Personal Selling/ Sales Force
    - Advertising--Mass or nonpersonal selling: TV, radio, magazines, newspaper, outdoor/out-of-home (OOH), online, mobile
      - Advertising is structured and composed of nonpersonal communication of information, usually paid for and usually persuasive in nature, about products (goods, services) and ideas by identified sponsors through various media. (Contemporary Advertising, 14<sup>th</sup>e, Arens, Weigold, Arens, 2013)
      - Advertising is any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor. (Principles of Marketing, 16e, Kotler and Armstrong, 2016). Ads can be a cost-effective way to disseminate messages, whether to build a brand preference or to educate people.
      - The definition of advertising is changing; the lines between what is advertising and what is marketing are blurring and the traditional sponsorship model of advertising isn't as "cut and dry" as it used to be. Advertising today seems to be taking on more of a distribution model whereby the channels of communication include owned (website, social pages), earned (WOM - Word of Mouth, social sharing) and paid media.
      - Advertisers can target Facebook ads based on how strong a user's phone signal is when they visit the social network, allowing advertisers to limit data-heavy ads like video to stronger connections.
      - Some examples:

- With mobile marketing and advertising, as cell phones/mobile devices keep changing and turn into multi use devices including payment activators. The mobile device and/or cell phone is a very personal medium. Can be on 24/7, people and potential shoppers run their lives off of mobile. It's business, it's personal, and it's information generating/gathering/forwarding. It's been referred to as "a brand in the hand" or "brands in the hands."
- The component of Advertising, under "Promotion" includes product placement, integrating the product or service into the TV program. In the 2014 Academy Awards, Ellen DeGeneres with Bradley Cooper, Meryl Strep, Jennifer Lawrence and others took a "selfie" with a Samsung's Galaxy Note 3. The product placement was negotiated as part of a \$20 million broadcast buy, for this major sponsor of the telecast. .
- Sales Promotion—Promotional tools, both a tool to speed up sales or value for the company; or an extra incentive to buy, a value to the customer. Includes trade deals, trade incentives, rebates, money-back offers, frequency programs, slotting allowances for in store promotion, samples, loyalty programs, coupons, premiums, tie-ins, p-o-p, displays, sweepstakes, allowances, trade shows, sales rep/trade contests, events/experiences and more.
- Collateral Materials--Booklets, catalogs, brochures, films, sales kits, promotional products and annual reports.
- Direct Marketing (also referred to as Action or Direct Response Advertising)--online, direct mail, mobile, database management, catalogs, telemarketing, and direct-response ads, including TV.
- Interactive/Internet/Web, Digital Media, Social Media – Interactive/online is a form that uses the Internet and Web to deliver promotional messages to attract customers. Social media is an interactive platform in which individuals and communities create and share user-generated content. Social media is ubiquitously accessible, includes Facebook, YouTube, LinkedIn, Twitter, as examples.
- Events and Experiences--Interacting with the brand. An experience can be much more impactful than an exposure or an impression. Events, promotions, one on one, and/or face-to-face engagements are delivering consumers to encounter, "experience," and interact with the product or the service, usually prior to buying.
  - Example: Samsung has used pop-up stores and customers can leave with a device, smartphones, tablets and wrist devices, free of charge. An "event and experience" initiative to convince smartphone and tablet owners to switch to Samsung. They also cover the wireless data costs.
- Public Relations--press releases, publicity. Securing editorial space, as opposed to paid space--usually in print, electronic or Internet media. Promote or "hype" a product, service, idea, place, person or organization, internal communication, lobbying. PR involves a variety of programs designed to promote or protect a company's image/reputation or individual products.
- **Partners/Strategic Alliances:** Most times Marketers can't create customer value and build customer relationships only by themselves. They work closely with partners and alliances outside the firm, and with other company departments (inside partners).
  - Great work can be the result of great partnerships!
  - Roles and responsibilities must be clearly communicated, understood and agreed upon.
  - Partnership and cooperative agreements are formed that enable parties to bring their major strengths to the table and emerge with better planning, products, services, promotion, presentation, distribution and ideas than they could produce on their own.
  - Changes are occurring in how marketers connect with their suppliers, channel partners and others.

- A joint partnership; the joint relationships, partnerships and strategic alliances: The relationship existing between two parties; a relationship resembling a legal partnership and usually involving close cooperation between parties having specific and joint rights and responsibilities as a common enterprise. Usually plural or “Partners,” not Partner.
- It is important to partner with firms that have similar corporate philosophies.
- Have agreed upon objectives and strategies.
- Review and have clear, comprehensive, time-bound contracts and agreements.
- Look for team management, relationship-building and team-building focus.
- From Philip Kotler: Value chains, of suppliers, distributors and customers. Partnering with specific suppliers or distributors create a value-delivery network; also called a supply chain. Partnership Marketing; Partner Relationship Management.
- Peaceful coexistence of in-house, internal and external partnerships/alliances/agencies paves the way for greater success.
- Mutual support and sharing: The employees and individuals of the internal and external agencies should share ideas, insights and resources to boost performance.
- Ensure that there is excellent planned and natural alignment of internal and external agencies/partnerships/alliances around common goals and purposes. They should be moving toward shared goals or goals.
- Continuous support and cooperation with consultation is usually needed.
- **Presentation:** Look at “real” product and service experiences. I place “events and experiences” also under Promotion.
  - While traditional marketing is based on target audience impressions/ views/ clicks/ exposure, experimental marketing involves engaging with consumers. Enabling consumers and “allowing” them to feel the brand.
  - The “P” or “Presentation” is the act of presenting any of the different 9P’s© and/or components to your customers, suppliers, wholesalers, retailers, sales force, marketing intermediaries, clients, employees, partners, and/or others.
    - They may be symbols or images that represent something; a descriptive or persuasive account (as a sales person of the product or service). Something set forth for the attention of mind.
  - Wal-Mart and retailers have looked for a better integration or “presentation” of its retailing, in store and online.
  - In the promotion and advertising of 4K Ultra HD Smart TVs in 2015, no lush landscapes and dramatic scenes, Vizio and ad agency David & Goliath took a clever approach to promoting the quality of the Vizio’s 4K Ultra HD Smart TVS -- by using copy or words and getting rid of the pictures altogether. Their three ads recount dramatic scenarios that could look breathtaking on film -- a boxing match, a brave knight’s quest and a Parisian love story -- but they’re only relayed via “colorful” copy, word by word, and read by a voiceover actor. The tag or slogan is “See more than you can imagine.”
  - In cyberspace there are no fitting rooms. There are tech limitations of computer monitors. Even if you can scroll over a garment and its product characteristics, its fit, texture, colors are different than obviously in person, in a store with the different sizes. Plus colors are represented differently, from one computer monitor or screen to another.
  - Think about positive and negative emotions in a presentation by a salesperson or sales force. Negative emotions narrow a person’s vision and propel selling behavior toward survival in the moment, especially new sales people --- “I’m frightened, so I’ll flee.”
  - Positive emotions do the opposite: They broaden people’s ideas and we sell longer and can be more perceptive, more creative. For the seller, positive emotions can widen our view of the potential buyer and the specific situation. Where negative emotions help us

see trees, positive ones reveal forests. They can aid in devising unexpected solutions to the buyer's problem. The effects of positivity during a sales experience can infect the buyer, making him or her less adversarial, more open to the possibility and more willing to make a purchase.

- Companies look and review issues of global sustainability, not interfering in the internal politics of the different countries and the governments of local markets, respecting natural resources, conducting research and development activities in developing countries, respecting local laws and regulations, environmental concerns, creating jobs in the served markets, respecting human rights, and more.
- Well-planned, well-presented, well-written, strategic creative plays a big role in creating AIDA (Awareness, Interest, Desire and Action) in the overall presentation to your "People," your potential customers, suppliers, wholesalers, retailers, sales force, marketing intermediaries, clients, employees, and/or partners.
- Some examples:
  - There have been five designs of the Grammy over the years; started with the first one used from 1958 to 1962. From 1991 to present, the latest is 30% larger than its predecessor in part to be more visible for TV. It is made out of grammium, a patented zinc alloy, if you were thinking of what it is made from.
  - Some products from Apple are "perceived" to have a better user experience, better designed, a better presentation, which are also talked about by both users and non-users. But Fast Company reported in July/August 2014 that it's the engineering culture of the company and the way the whole organization is structured which help support product design. Everyone in the organization is striving and thinking about better designed products for the marketplace...making a better presentation of products and services to users and potential users.
  - There is a standard for viewability which would combine both "Promotion" with "Presentation, in the 9P's. The Media Rating Council's official viewability standard counts only those ads that are 50% in-view for at least one continuous second. There is debate if one second is long enough. Online ads need screen time; they need to make an impact to increase any awareness.
  - An employee example: Companies can define and refine their "employment" brand or branding. An organization's "employment brand" should represent a promise to candidates and potential employees that reflects the organization's mission. Why do you want to work here...or why we want you to work here. From ERE.net, finding and "winning over," better candidates may include boldness and unusualness, plus an emphasis on their candidate's aspirations rather than pay of compensation.
  - Selling and purchasing wine with in store music playing: In 1999, psychologists from the University of Leicester found that the type of music playing in a store could influence which wines were purchased: when French music was playing, people bought French wines; when German music was turned on, German wines outsold the rest. The customers remained oblivious, and unaware of the business test.
  - Samsung has used pop-up stores and customers can explore/experience/leave with a device, smartphones, tablets and wrist devices, free of charge, plus wireless data costs. An "event and experience" promotional initiative to convince smartphone and tablet owners to switch to Samsung.
  - The Internet changed everything especially in the "presentation" of the different P's. Another part of "presenting" is the big picture perspective of corporate social responsibility (CSR) which refers to consideration of, and the firm's responses to issues, beyond narrow economic, technical and legal requirements. These objectives and firm strategies of accomplishing social

benefits along with the traditional economic gains which the firm is seeking is vitally important to the “presentation” to the constituents, different publics and to the world.

- Aromas sell products and services. Some retail stores, especially in malls use actual smells and scents. More shops are adding odors and aromas. Stores have added discreet misters to diffuse the essence of baking and coffee as in Cinnabon, Starbucks and Panera Bread; Lush tries to remove their fresh homemade cosmetic scents using an exhaust system, and American Apparel has found that scents are distracting and annoying to shoppers. In corporate PR AA has said it decided not to use scents for in store shoppers.
- **Passion:** Those intense, driving or overmastering feelings, emotions in the planning, developing, pricing, promoting, partnering, selling and overall marketing of products or services.
  - Emotional, as distinguished from reason and rational decision-making;
  - A strong liking for or devotion to some activity; deep interest in your partnership/presentation of any of the 9P's© to any target or partner.
  - As a brand manager or marketing manager it starts with “believing” in the product and services you market and sell. And from research, it needs to show, in the “presentation,” your passion for the product.
  - Many sales persons dispute the concept that many sales people can sell anything, whether they believe in the product or not.
  - That may have been true in the past, before the web, when manufacturers, producers and sellers held distinct information and specific product advantages, with buyers having limited choices. Not now.
  - Today, buyers can find tons of information about products, product lines, product variables, product attributes, distribution options, strategic partnerships, pricing, sales promotions, new product development, and more.
  - According to psychologists, with “passion,” management, brand managers, marketing managers and other employees need another component or two. Needing to extend commitment over a period of time, add inspiration, longevity with perseverance to heighten passion. When you combine inspiration, passion with perseverance, the team may have “grit,” in delivering short and long term sales.
  - Some examples:
    - Salespeople have told me that believing leads to a deeper understanding of your product offerings, which allows sellers to better match what they have with what others need and buyers want.
    - Apple is one of the masters at creating huge excitement around an idea; new product category or product intervention and introduction.

**Advertising** is structured and composed nonpersonal communication of information, usually paid for and usually persuasive in nature, about products (goods, services) and ideas by identified sponsors through various media. (Contemporary Advertising, 14<sup>th</sup>e, Arens, Weigold, Arens, 2013)

**Advertising** consists of paid notices from identified sponsors normally delivered through communication media. (Kleppner's Advertising Procedure, Lane, King, Reichert, 18<sup>th</sup> Edition, 2011)

**Advertising** is a paid-mass-mediated attempt to persuade. (Advertising & Integrated Brand Promotion, 5e, O'Guinn, Allen, Semenik, 2009)

**Advertising** is nonpersonal communication from an identified sponsor that intends to inform, persuade, and/or remind. Now let's break that down a bit so we understand what advertising is—and how it differs from other forms of marketing communication:

- Advertising is nonpersonal communication: The message gets delivered through one or more forms of paid mass media such as television or billboards.
- Advertising comes from an identified sponsor: Whether or not we pay attention to the message, we know who sent it.
- Advertising informs: Some messages try to make consumers aware of a product, service, or specific brand. You won't choose a specific MP3 player until you know what it is and believe it's better than listening to music on a CD player.
- Advertising persuades: Some messages try to change our opinion or motivate us to take action. You might decide to buy a Toyota Scion after you see a cool ad for it while you're watching American Idol.
- Advertising reminds: Some messages try to encourage us to keep buying what we already like and use. "Got Milk?" (Launch! Advertising and Promotion in Real Time, Michael Solomon, Lisa Duke Cornell, Amit Nizan, version 1.0 2009)

**Brand** is a name, term, sign, symbol, design, or a combination of these that identifies the products or services of one seller or group of sellers and differentiates them from those of competitors. (Principles of Marketing, 16e, Kotler and Armstrong, 2016)

**Brand** is that combination of name, words, symbols, or design that identifies the product and its source and distinguishes it from competing products – the fundamental differentiating device for all products. . (Contemporary Advertising, 14<sup>th</sup>e, Arens, Weigold, Arens, 2013)

**Branding** is a marketing function that identifies products (goods and services) and their source, and differentiates them from all other products. (Contemporary Advertising, 14<sup>th</sup>e, Arens, Weigold, Arens, 2013)

Demarketing is any Marketing effort, strategy and tactic aimed at discouraging and/or decreasing demand for a product which a company or entity cannot supply in large-enough quantities, or it does not want to supply in a certain region where the high costs of distribution or promotion allow only a too little profit margin. Common "demarketing" strategies include higher prices, scaled-down Promotion, promotional message changes and product redesign. Some owners, brand managers and marketing managers seek fewer customers and decrease demand for their product or service. National parks such as Yosemite want fewer visitors during their summer months. Power companies have trouble meeting energy demands during peak periods.

Companies can plan and implement **demarketing** practices to shift demand or to reduce the number of customers.

**Experiential Marketing** allows customers to engage and interact with brands, products, and services in sensory ways that provide additional information. Personal experiences help people connect to a brand and make intelligent and informed purchasing decisions. The term "Experiential Marketing" refers to actual customer experiences with the brand/product/service that drive sales and increase brand image and awareness. It's the difference between telling people about features of a product or service and letting them experience the benefits for themselves. Examples include: live events, mobile tours, product sampling, trade shows, youth and college-based programs, plus auto manufacturers setting up test drives of new models in unusual places/high traffic areas.

**Market** is the set of actual and potential buyers of a product or service. These buyers share a particular need or want that can be satisfied through exchange relationships. (Principles of Marketing, 16e, Kotler and Armstrong, 2016)

**Media Planning** is the series of decisions involved in the delivery of an advertising message to prospective purchasers and/or users of a product or service. (Belch and Belch)

**Promotion** is the coordination of all seller-initiated efforts to set-up channels of information and persuasion to sell goods and services or to promote an idea. (Belch and Belch)

**Promotional Mix** includes advertising, sales promotion, public relations/publicity, personal selling, plus direct marketing and Internet/interactive media. Direct marketing is direct mail, mail order catalogs, database marketing, direct selling, telemarketing, and direct response ads through direct mail, the Internet, and various media. (Belch and Belch)

**Product:** Anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. (Principles of Marketing, 16e, Kotler and Armstrong, 2016)

**Product Placement** advertisements are promotional ads placed by marketers or their agencies using real commercial products and services in media, where the presence of a particular brand is the result of an economic exchange. When featuring a product is not part of an economic exchange, it is called a product plug. Product Placement appears in plays, film, television shows and series, music videos, video games and books. Product placement occurs with the inclusion of a brand's logo in the show or shot, or a favorable mention or appearance of a product. This is done without disclosure, and under the premise that it is a natural part of the work. Most major movie releases today contain product placements. The most common form is in movie and television placements and more recently computer and video games.

**Push Strategy** involves the manufacturer using the sales force and trade promotional tools and money to induce intermediaries to carry, promote and sell the product to end users. A tool to speed up sales or product/service value for the company.

**Pull Strategy** involves the manufacturer using advertising and sales promotion tools to persuade consumers to ask intermediaries for the product, thus inducing the intermediaries to order and stock the product or products. An extra incentive to buy, a value to the customer.

**U.S.P. or USP (Unique Selling Proposition or Unique Selling Point):** Many marketers feel that companies should aggressively promote specific product or service benefits, and, in the use and strategy of U.S.P. one benefit which is a strong, competitive advantage. Using that benefit or benefits to build their positioning strategy, the company decides how many differences or differentials to promote and to whom. The Unique Selling Proposition (also Unique Selling Point) is a marketing concept that was first proposed as a theory to explain a pattern among successful advertising campaigns of the early 1940s. It stated that such campaigns made unique propositions to the customer and that this convinced them to switch brands. The term was invented by Rosser Reeves of Ted Bates & Company. Reeves wrote his first book in 1961 Reality in Advertising.

Today the term is used in other fields or just casually to refer to any aspect of an object that differentiates it from similar objects. Businesses and corporations use the USP concept as a basis for their marketing sales programs and advertising campaigns.

**Key Marketing Strategy Decision Making:** How to divide up markets into meaningful customer groups (market segmentation); choose which customer groups to serve (target marketing); and create marketing offers that best serve targeted customers (positioning).

### **Segmentation:**

Breaking a market of varied potential purchasers into subgroups of specific purchasers with similar needs, desired product benefits and purchase behaviors.

### **Demographic Segmentation:**

Age, sex, family size, family life cycle, gender, income, occupation, education, religion, race, generation, nationality, social class (is also sometimes put under psychographics.)

### **Geographic Segmentation:**

By region, city, metro size, density, climate; plus by countries and territories.

### **Psychological Segmentation:**

Social class--Lower lowers to Upper uppers. Social class is also under demographics.

Lifestyle-- achievers, strivers, and strugglers

Personality-- Compulsive, gregarious, authoritarian, and ambitious

Lifestyles/Attitudes/Interests and Opinions

### **Behavioral Segmentation:**

Occasions (regular occasions, special occasions, holidays, vacations). Orange juice for breakfast, Mother's Day, Father's Day.

Benefits (quality, service, economy, convenience, speed---Quality, Time, Money),

User status (nonuser, ex-user, potential user, first-time user, regular user),

Usage rate (light, medium, heavy user),

Loyalty status (none, medium, strong, absolute),

Readiness attitude toward product (aware, interest, desire, intending to buy),

Attitude toward product (enthusiastic, positive, indifferent, negative, hostile<sup>3</sup>).

### **Technographical Segmentation**

Another way to segment has been added to marketing's segmentation, targeting and positioning called "**Technographics.**" In the emerging study of what technologies different segments or groups of people use and how they use them. Are they using email, Facebook, or Twitter? Do they like to create content, read or review another person's content, or are they sitting on the technology sidelines?

### **Strategic Planning**

The process of developing and maintaining a strategic fit between the organization's goals and capabilities and its changing organization, human resources, marketing, financial and operational opportunities.

### **Strategic Management**

Analyzing major and sometimes other initiatives taken by a company's management on resources and performance, both internal and external environments. In management theory and practice, a distinction is often made between operational and strategic management. Operational management is concerned with responses to internal issues, such as improving efficiency and controlling costs. Strategic management is concerned with objectives, strategies to tactics concerning external issues. These may include understanding customers' needs and responding to competitive forces.

### **Targeting:**

The market segment or segments toward all marketing activities will be directed.

### **Positioning:**

The art of designing the company's offering and image so that they occupy a meaningful and distinct competitive position in the target customers' minds. A product's position is the way the product is defined by purchasers or consumers on important attributes---the place the product occupies in consumers' minds relative to competing products.

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<sup>3</sup> Think about poor product reviews written on social media. Poor in store service. Long wait times on phone after experiencing poor product or service performance. My best and most memorable examples for teaching Marketing have been observations at the airport or hotel counters after cancellation of room or flight(s) or both.

*Remember that there are a number of important strategic philosophies and practices which guide Marketing planning, efforts and/or Marketing relationships/partnerships/alliances.*

*The Nine P's/9P's of Marketing© 2007 can be used successfully by product companies, service firms and others selling directly or indirectly to consumers, to intermediaries (such as industrial, consumer, retail, wholesale and professional channels of distribution), and to other businesses.*

*Here to help, with any questions, please contact us.*

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