

## Table of Contents

### Marketing Principles and Processes

#### Module 1: What is Marketing?

*Marketing is about customers, processes, and profits*

1. What is Marketing?
2. The History of Trading and Wealth Creation
  - How world trade got started
3. Master Traders
4. Global Trading System Dynamics
5. A Theory of Market Dynamics
  - Product innovation life-cycle
6. Process Improvement
  - Business Process Thinking Scale

#### Cases

- Case 1: Cyrus McCormick: Understanding the Importance of Marketing Processes and Product Innovation  
Case 2: Southwest Airlines: Superb Processes Invented and Implemented by Superb Process Thinkers  
Case 3: The Future of the “We-Market-They-Make” Business Model  
Case 4: The Chinese Gooseberry Story: The Inevitability of the Global Innovation-Imitation Process  
Case 5: Excellence in the Wrong Direction

#### Slideshow

The Big Picture · Marketing and Humanity · Prosperity and Wealth Creation · The Schumpeter Wealth Creation Principle · The Smith Wealth Creation Principle · Marketing and Wealth Creation · The Wealth Creation Dynamic · The Wealth Creation Feedback Effect · The Wealth of Nations · Trading and Wealth Creation · A Short Story of Civilization · Global Trading System Dynamics · Global Trading Implications · Understanding Supply and Demand · A Theory of Market Dynamics · The Product Innovation Life-Cycle · Creative Destruction · Thinking about Competitive Processes · The Big Picture

#### Module 2: Analysis and Planning:

*Chance favors the prepared mind*

1. Analyzing Competition
  - Auditing current competitors
2. Analyzing Channels
  - Researching individual trade customers
3. Market Scanning and Analysis
4. Market Law and Regulation
5. Marketing Planning
  - Market analysis and intelligence generation and dissemination
  - Sources of analysis, expertise and intelligence
  - Calling intelligence experts
6. SWOT Analysis and Strategic Planning
7. Implementation and Budgeting
  - Entrepreneurial business development teams
  - The budget documents
  - Market Orientation Appendix

## Cases

- Case 1: Trading Relationship Competitive Analysis and Metrics
- Case 2: The World Electric Car Vehicle (WeV) Situation Analysis
- Case 3: The All in 1 Net-tablet Situation Analysis
- Case 4: Campaign Process Mapping Exercise
- Case 5: Understanding and Managing Costs
- Case 6: Gap Analysis
- Case 7: Capital Creation Analysis
- Case 8: National Family Archives™ Planning and Budgeting

## Worksheets

- Competitive Analysis
- Planning Gap Analysis
- Capital Creation Analysis
- NFA Case Budget

## Slideshow

Analyzing Competition · Analyzing Channels · Environment Scanning and Analysis · Market Law and Regulation · Planning Documents and Processes · SWOT Analysis and Strategic Planning · How to Implement Plans · Budgeting Documents and Processes

## Module 3: Ethics and Social Responsibility:

### *Good marketing and marketing good*

1. Codes of Ethics
  - Company codes of ethics in practice
2. A Personal Ethics Checklist
3. Understanding Marketing Ethics
  - The most good for the most people: the utility principle
  - The categorical imperative
  - The source of our ethics
  - Global cross-cultural ethics
  - A global business ethics index
4. Marketing's Social Contract
  - Wasteful marketing of too many products that fail
  - Wasteful marketing of too many unneeded products
  - Wasteful spending on advertising
  - The subliminal advertising fraud
  - Unintended effects of advertising on third parties
  - The high cost of distribution: unfair distributor profits
5. Giving Back
  - Social marketing

## Cases

- Case 1: Contrasting Different Codes of Ethics
- Case 2: Desire, Fulfillment & Happiness: A Different Cultural Perspective
- Case 3: The Relationship Between Business Bribery Practices and Government Corruption
- Case 4: Five Contemporary Ethical Cases

## Worksheet

Corruption-Bribery

## Slideshow

The CMA Code of Ethics · Company Ethics in Practice · What Drives our Ethical Behavior · A Personal Ethics Checklist · Understanding Marketing Ethics · The Source of Our Ethics in Practice · Cross-Cultural Ethical Problems · Global Cross-Cultural Ethics · The Global Business Ethics Index · Marketing's Social Contract · Too Many Products Fail in the Market · Too Many Unneeded Products · Planned Obsolescence · Products are Too Shoddy (Low Quality) · Products are Too Durable · Wasteful Advertising · Advertising is Too Powerful · Unintended Advertising Effects · Inefficient Gouging Distribution Systems · Giving Back

## Module 4: Understanding Consumer Behavior:

### *Knowledge is power*

1. Researching Customers
  - Types of research
2. Qualitative Consumer Research
  - Customer visits
  - Focus group research
3. Survey Consumer Research
  - Probability sampling
  - Sampling problems
  - Online research
4. Cultural and Social Influence
  - Drivers of cultural change
  - The effect of income and time pressure on consumer behavior
  - Word of mouth and social networking
  - Social networking in business-to-business markets
5. Customer Shopping Behavior
  - Habitual behavior
  - Recreational shopping
  - Complex search and shopping behavior
  - Professional purchasing behavior
  - Joint venture buying
6. Consumer Beliefs
7. Customer Satisfaction
  - Measuring satisfaction
  - Hyundai's miracle performance
8. The Consumption Behavior of Businesses
  - Supply-chain partnering and management
  - Social networking in business to business marketing

### Cases

- Case 1: Measuring and Managing Customer Satisfaction  
Case 2: Questionnaire Design

### Slideshow

Researching Customers · Qualitative Research · Consumer Surveys · Customer Shopping Behavior · Cultural and Social Influence · Consumer Beliefs · Types of Survey Questions

## Module 5: Segmentation, Targeting and Positioning (STP):

### *Profitability, desired features, desired channel*

1. Customer Focus and Positioning
  - Focusing on customer profitability
2. Benefit-Feature Segmentation
3. Fitting Features to Benefits Desired
4. Channel/Contact Segmentation
5. 3D Customer Focus
6. 3D Segmentation Process
  - Step 1: Capture customer purchase histories and measure profitability
  - Step 2: Profile customer benefit segments
  - Step 3: Understand how customers use the product or service
  - Step 4: Sub-Segment by contact channel
7. Organizing Around Customer Segments
  - Accepting political realities
  - Geographical segmentation and organization

## Cases

- Case 1: Segmenting and Targeting the Electric Car Market
- Case 2: Best Practice Benefit Segmentation
- Case 3: Profitable Segmentation in Retail Banking
- Case 4: National Family Archives™ Target Segments
- Case 5: The Perils of Presenting a New Segmentation Framework

## Worksheet

Customer Profitability Analysis

## Slideshow

Segmentation Principles · Segment Variables for Consumer Markets · 3D Customer Focus and Segmentation · Step by Step Customer Segmentation · Fitting Features to Benefits · The Quality Function Deployment Matrix for the Pencil · General Product Quality Dimensions · What Happens when you Short Change on Quality · Understanding Customer Usage · Sub-segment by Contact Segment · A B2B Segmentation Process · Customer Alchemy · The Competitive Dynamics of Growth Segments · Managing Market Segments · Global Market Segments

## Module 6: Brand Management and Product Development:

### *Branding by design*

1. Brand Management
  - Brand loyalty
  - Leveraging brand reputation
  - Brand mismanagement
  - Brand name, logo and trademark tactics
2. Product Development Best Practice
  - Product development as a filtering process
3. Faster and Better Development Processes
  - Concurrent engineering: a parallel rather than sequential process
  - Fast prototyping processes
4. Changing Product Development Processes
5. Warranties and Quality Assurance
  - Following through on claims
6. Dressing the Product: Packaging and Labeling
  - Point of purchase packaging: the first moment of truth
  - Packaging to enhance usage utility: the second moment of truth
  - Better instructions, better performance, higher perceived quality

## Cases

- Case 1: Cirque du Soleil: “We Reinvent the Circus”
- Case 2: Samsung: Building a Great Brand
- Case 3: Bank of America: “Keep the Change” Service Design
- Case 4: Designing Customer/User Interfaces
- Case 5: Key Best Practice Features in the Product Development Process
- Case 6: Product Line Analysis: Product Line Extensions
- Case 7: Is a Blue Ocean Product Differentiation Strategy Profitable?

## Worksheets

Blue Ocean Strategy  
Product-line Extension

## Slideshow

Introduction · Blue Ocean Strategy · Red Ocean Strategy · Product Development Strategy · Projects in the Development Stage · Superior Product Development · Blue Ocean Product Development · Product Development Best Practice · Expose Designers to Best Design Ideas · Downtown Seoul Product Usability Lab · 24/7 Engineering Problem Solving · Management Get out of the Way! · So Yesterday! Bureaucratic Muddling · So Today! Relentless Fast Cycling · Ideas from Everywhere · The Lafley P&G New Way · Concurrent Engineering · Dressing Up the Product · Redesign this User Interface for your Grandma · What is a Brand? · How is Brand Reputation Created? · Types of Brand Loyalty · Brand Extension: Leveraging Reputation · The Keys to Successful Brand Extension · Brand Name Logo and Trademark · Changing Brand Name Logo · The Color Awareness Test

## Module 7: Pricing:

### *Profitable price setting*

1. Understanding Price
2. Price sensitivity
3. Setting the Price of Quality
4. Price Skimming and Price Penetration
  - When penetration becomes predatory
5. Pricing Tactics
  - Price shading
  - Payment terms
  - Volume discounting
  - Off-peak demand pricing
  - Tied pricing
  - Perceptual pricing
6. Price Promotion Tactics
  - Promoting a new brand
  - Promoting a mature brand
  - The timing of promotions
  - Getting off price promotions
7. Transfer Pricing

## Cases

- Case 1: When Does an Increase in Price Increase the Quantity Demanded?
- Case 2: Quality Pricing Drug Therapies
- Case 3: Price Bundling
- Case 4: Responding to a Price Change
- Case 5: Defensive Retail Pricing
- Case 6: Electric Car Pricing
- Case 7: National Family Archives<sup>tm</sup> Pricing
- Case 8: AT&T's Added-Value Pricing of iPhone Services

## Worksheets

- Price Setting Analysis
- Changing Price Analysis
- Island Lady Case
- NFA Case Budget

## Slideshow

The Big Picture · The Laws of Market Forces · Yield Management Pricing · Price Sensitivity is High When · Sensitive Price Points · Quality Pricing · Price Skimming · Prestige Pricing · Penetration Pricing · Target Return Pricing · Changing Price · How Pricing Tactics Create a Price Range · Price Shading · Price Bundling · Payment Terms · Off Peak Usage Discounting · Coupons and Rebates · Defensive Pricing · Transfer Pricing · Transfer Pricing to Reduce Taxes

## Module 8: Selling:

### *Sales is all about process*

1. Sales Objectives
  - Typical functions of a field salesforce
  - Relationship selling processes
  - Four approaches to relationship selling
  - Fitting the sales function to customer buying behavior
2. Salesforce Structure
  - EDI and cross-functional team selling
  - High growth stresses on salesforce structure
  - Field salesforce organization
  - The politics of multiple salesforces
  - Applying TQM to selling
3. Salesforce Size
  - How to determine salesforce size based on profit maximization
  - Assigning salespeople to territories
  - Field staff support
4. Managing a Sales Rep Force
  - The fit of the rep's existing customer base
  - Reps and customer service problems
5. Managing Salespeople
  - Recruiting
  - Selecting salespeople
  - Training salespeople
  - Basic behavioral sales training
  - Specific content training
  - Mentoring
6. Rewarding the Salesforce
  - Sales compensation
  - Quotas
7. Salesforce Leadership Skills
  - Annual sales conferences
8. Personal Selling Skills
  - Sales prospecting and trade shows
  - Qualifying the customer
  - Qualifying the selling situation
  - The sales presentation
  - Adapting presentation to salesperson personality
  - Handling objections and closing the sale

### Cases

- Case 1: IBM and its World Class Salesforce
- Case 2: The Future of Drug Salespeople
- Case 3: Rewarding Salespeople Based on Profitability
- Case 4: The New Age of CRM Capability
- Case 5: Negotiating With Customers
- Case 6: Outsourcing Sales
- Case 7: Optimizing Salesforce Size

### Worksheets

- Optimizing SF Size
- Sales Strategy

## Slideshow

Selling is Push Marketing · Marketing is a Lot of selling · Sales Objectives · Four Approaches to Relationship Selling · Fitting Function to Buyer Behavior · Customer Relationship Management · National Account Management · Salesforce Territories · How to Determine Salesforce Size · Independent Manufacturer Sales Reps · Managing Salespeople · Personal Selling Skills · Successful Sales Presentations · Consumer and Trade Shows.

## Module 9: Advertising:

### *Form follows function*

1. Advertising Principles
  - The “learning affects feelings that affect behavior” explanation
  - The simple “for sale, try me” explanation
  - The “changing feelings changes behavior” explanation
  - The creative brief
2. Where to Place Your Ads
  - Point of purchase advertising
  - Newspaper advertising
  - Magazine advertising
  - Radio advertising
  - Television advertising
  - Internet and digital advertising
3. Media Buying
  - Minimizing cost-per-thousand of the target audience
  - Achieving effective reach and frequency
  - Campaign timing
  - Counting exposures and clicks
4. Generating Publicity
  - Buzz marketing
  - Sponsorship advertising
5. Public Relations Management
6. Direct Advertising

## Cases

- Case 1: Message Function
- Case 2: Cross-Culture Humors and Functionality
- Case 3: Comparing Campaign Effectiveness
- Case 4: Regional Ad Campaign Analysis
- Case 5: What Do You Call this Type of Creative Tactic?
- Case 6: Search Engine Optimization

## Worksheets

- Regional Campaign Analysis
- Comparing Campaign GRPs
- TV Advertising Effectiveness
- Social Site Ad Potential

## Slideshow

Advertising as Pull Marketing · Basic Advertising Principles · Without Attention You are Dead · Novelty Gets Your Attention · Gets Your Attention! What is the Message? · Point of Purchase Motion Display · Attention Grabbing but Appropriate? · Attention Grabbing and Appropriate · Handsome Face Gets Whose Attention? · Learning-Feeling-Behavior Process · LFB: We are, We Have · LFB: This is how I Work · LFB: Do you have this Problem? · LFB: This is More of a Problem than you Think · LFB: We work Better in this Situation · BFL: Behavior-Feelings-Learning Process · FBL: Feelings-Behavior-Learning Process · FBL: Think Love, Think Diamonds · FBL: Smile, Like Me · FBL: The Feeling of Speed · FBL: What is he Dreaming of? · Managing the Advertising Agency · What is Wrong with this Creative Brief? · Advertising

Innovation and Evolution · POP (Point of Purchase) Advertising · Television Advertising · TV Ads are the Funniest by Far · Radio Advertising · Newspaper Advertising · Magazine Advertising · Outdoor Billboards and Vehicles · Outdoor 3D Advertising · Attention Grabbing but Who are You? · Weenie Advertising but Cost Effective! · Direct Mail Advertising · Internet Advertising – Internet Search Advertising · Media Buying and Placement · Campaign Timing · Publicity · Public Relations · Sponsorship Advertising · Reinforcing the Association! · Direct Database Marketing · Direct Marketing Hook · Problems with Direct Marketing · Direct Marketing of Services · What is the Persuasion Strategy?

## Module 10: Distribution:

### *Go with fit, flow and trust*

1. Basic Channel Functions
2. Distribution Systems
  - Franchising
  - Mass Distribution
  - Selective Distribution
3. Channel Fit
4. Distribution Quality Function Deployment
  - Distribution unreliability management
  - Order frequency and average inventory carried
  - Inventory pools
  - Warehousing tactics
  - Order taking processes
  - Transportation processes
  - Full service freight forwarders
  - Servicing customer inbound logistics
5. Managing Multiple Channels
6. Retailing

### Cases

- Case 1: Moving Music
- Case 2: Trading Partnership Success and its Bitter Fruits
- Case 3: Retail Atmospheric
- Case 4: Trading Relationship Analysis
- Case 5: Designing Customer Delivery Systems
- Case 6: Retail Dashboard Management
- Case 7: Trusting Trading Partners: How Trusting Are You?

### Worksheets

- Margin Analysis
- Trading Relationship Analysis
- Customer Delivery Logistics
- Trading Trust Analysis
- Retailing Dashboard

### Slideshow

Introduction · Distribution Innovation · Distribution Innovation: Railways · Railways still Dominate · Communication Innovation · Transaction Cost and Quality Innovation · Transaction Costs in Trading Are · Remember Global Trading Theory · Increased Competition Consequences · Fundamental Trading Channel Activities · Superior Distribution Channels · Partnership Fit: Two Entities · Evaluate the Partnership Fit · To Become One Competitive Partnership · Partnership Fit · Integrated Distribution Logistics · Order-Delivery Cycle Reliability · Order Delivery Frequency · Delivery Service Differentiation · Managing Multiple Channels · Partnership Trust and Profitability · Retailing is About · E-Retailing is About · Retail Atmospheric