

# **Introduction to marketing: Fundamental**

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# Agenda

- What is marketing?
- What is product and service value?
- Simplify model of marketing management process to deliver value to customers
  - Understand marketplace and customer needs, wants and demand
  - Customer-driven marketing strategy
  - Develop a marketing program
  - Build relationship with customer and partner for value delivery



# Marketing perception and customer-driven strategy

Production concept

Consumers will favor products that are available and highly affordable. The firm focus on lower cost, improving production and distribution efficiency.

product concept

Consumers favor products that offer the most quality, performance, and features.

Selling concept

Some goods or services consumers typically do not consider buying. Such products or services need large-scale selling efforts to capture customers' attention.

Marketing concept

It is a customer-centric concept that focuses on finding, manufacturing, delivering the right product for customers

Societal marketing concept

The societal concept argues that marketers should formulate marketing strategies to benefit both the consumer's and society's well-being.



# What is marketing?

**Marketing** is a process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.



**Marketing management** is the process that helps a business successfully perform its various functions to achieve its goals.

There are five basic goals of marketing management: profitability, satisfying customer demands, attracting new customers, building a positive reputation, market share maximisation.



# Simplify model of marketing management process

1

Understand the marketplace and customer needs and wants

Environment analysis, business direction, customer research

2

Design a customer driven marketing strategy

Segmentation, targeting, positioning (“STP”)

3

Develop a marketing program that deliver superior value

Product, price, place, promotion (“4Ps”)

4

Build valuable relationship with customer/ create reputation

Advocate and customer relationship management

5

Capture profit from customer

Return on Marketing Investment



# Understand marketplace and customer needs

Marketers must understand five core customer and marketplace concepts:

Needs, wants and demands

Offering (product, service,  
destination, promises and  
experiences)

Value and satisfactions

Exchange and relationship

Market



# Needs, wants and demands

**Needs:** is the basic human requirements like shelter, clothes, food, water, etc. which are essential for human beings to survive (e.g., basic needs, safety needs, social needs, esteem needs and self-actualization).

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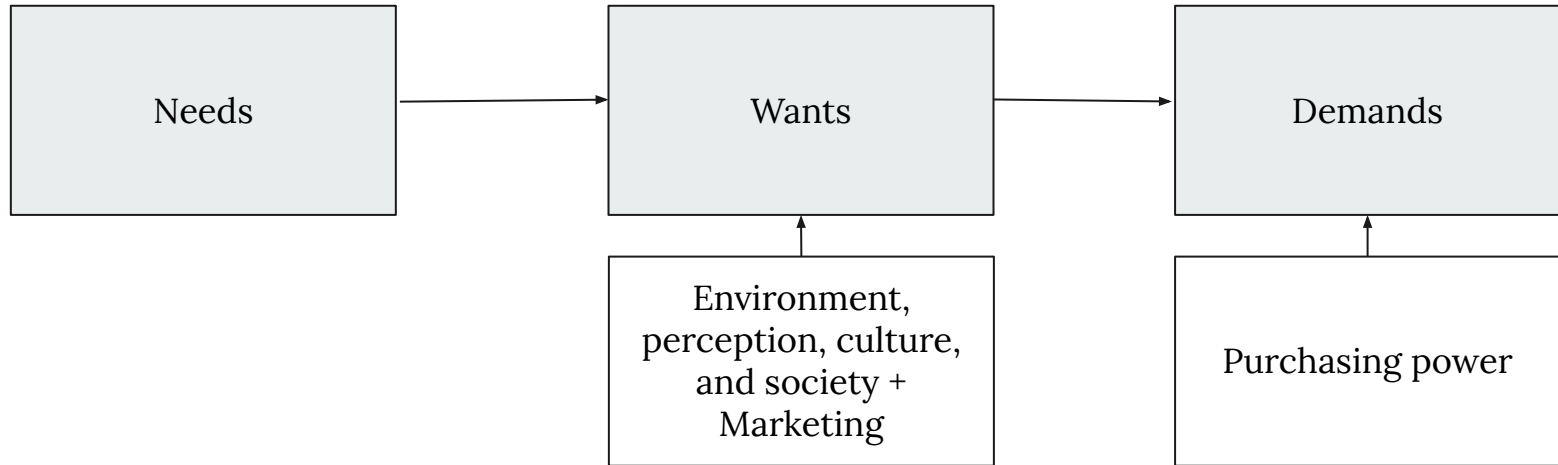
**Want:** The form human needs take as they are shaped by culture and individual personality. Wants are directed by our surrounding towards reaching certain needs. Therefore, human wants can be varied depending on each individual's perception, environment, culture, and society.

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Wants turn to be **Demands** when a customer is willing and having the ability to buy that needs or wants.



# Needs, wants and demands







# Market offering

Marketing offering is the combination of products, services, information, or experiences offered to a market, in order to satisfy a customer's' need or want.

Marketing offering is not limited to products or service, but persons, places, organizations, information, and ideas.

Successful marketers avoid Marketing Myopia when constructing offers. Marketing myopia occurs when sellers pay more attention to the specific products they offer than to the benefits and experiences produced by the products. They focus on the “wants” and lose sight of the “needs.”



## Exercise 1: What is value?

Value is the consequences of what they receive from using the product or service.



What values do/does the Product/service deliver to customer?

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# Design a customer-driven strategy

A marketing strategy is a set of actions the organisation plans to achieve its marketing goals.

A marketing strategy helps an organisation decide on its target customers and how it will communicate the product and its benefits to them. This process involves segmentation, targeting, differentiation and positioning.

Designing a winning marketing strategy requires answers to the following questions:

What customers will we serve?

How can we serve these customers best?



# Segmentation & targeting

**Segmentation** is the marketing process of categorizing a diverse market into smaller, more similar groups based on demographics, geography, psychographics, or behavior. This enables marketers to understand and target specific consumer groups with tailored strategies and offerings, aligning more closely with their needs and preferences.

**Targeting** in marketing involves assessing the appeal of segmented market groups and choosing those that align with the company's resources, objectives, and competitive landscape. Marketers evaluate factors like segment size, growth potential, competition, and compatibility with company goals to select segments where meeting consumer needs leads to achieving marketing objectives.

# Exercise 2: Segmentation & targeting

กลุ่มตลาด	กลุ่มตลาดย่อย (ถ้ามี)	กรองกลุ่มตลาด				ระบุกลุ่มเป้าหมาย (เลือกกลุ่มเดียว)
		มีขนาดใหญ่เพียงพอ และมีการเติบโต	ระบุคุณค่าสินค้า/ บริการต่อกลุ่ม ตลาดได้ชัดเจน	สามารถเข้าถึงได้	สภาพตลาดแข่งขัน รุนแรง	
		ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	
		ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	
		ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	
		ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	
		ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	ผ่าน/ไม่ผ่าน	

# Calculate market size by TAM, SAM, SOM



## **TAM: Total Addressable Market**

TAM gives an idea of the total market size

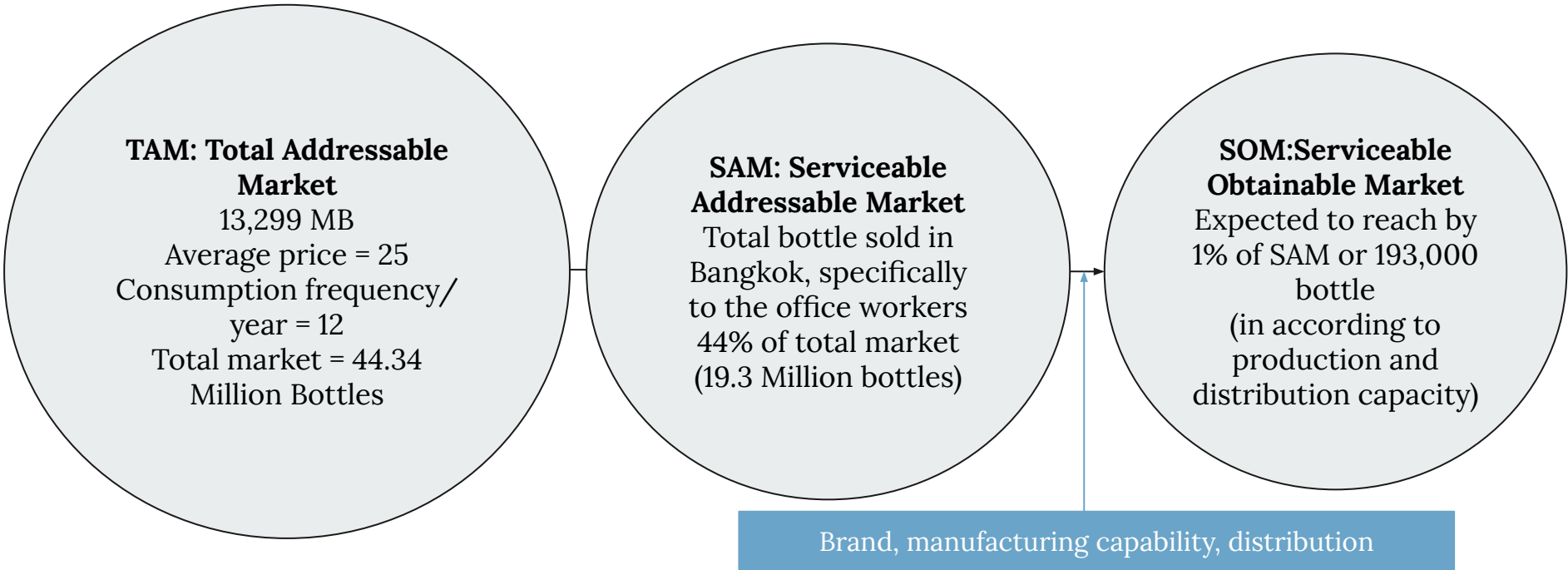
## **SAM: Serviceable Addressable Market**

SAM helps to identify the segments a business can realistically target

## **SOM: Serviceable Obtainable Market**

SOM focuses on the specific portion of the SAM that a business can effectively capture.

# Example: TAM, SAM & SOM in bottled green tea





## Exercise 3: TAM, SAM, SOM

Name of your business/product \_\_\_\_\_

Name of your industry:	
Size of industry (by value, unit sold, or no. of customer):	
Name of segments you want to capture in the industry:	
Size of selected segments you want to capture:	
Portion of segment you are capable/ or willing to invest for:	
Size of 'serviceable market'?	





# Positioning

**Positioning** refers to the way a brand is perceived by its target audience relative to its competitors. It's about establishing a distinct place in the minds of consumers. It involves understanding the needs, desires, and perceptions of the target audience.

Effective positioning identifies the unique selling points of a brand, commitment a company makes to its customers, and strategically places itself in the market to fulfill that promise by differentiate itself from competitors via a clear communication to the target market.

The positioning is developed in form of **positioning statement** which consists of:  
Name () under the product category of () help customer () solve the problem of () by offering the fundamental unique selling point () of the product that deliver value/benefit of ().

# Exercise 4: Positioning

Product/brand promise	Target market		Competitors	Unique selling point	Key message/promise
-----	Name of target market here)	-----	Competitor A	-----	-----
Unique selling point	Characteristics	-----	Competitor B	-----	-----
-----	Pain/situation	-----	Competitor C	-----	-----
-----	Expected value from solution	-----	Competitor D	-----	-----
	preference/lifestyle	-----	Competitor E	-----	-----
	Decision sets	-----	Competitor F	-----	-----
	Purchase behavior	-----	Competitor G	-----	-----



# Developing a marketing plan and program to deliver value to customers

The marketing fundamentals are what is commonly known as the 4Ps of marketing. The following are the 4Ps of marketing. The firm must blend each marketing mix tool into a comprehensive integrated marketing program

Product  
(attribute, form, packaging, service and warranty)

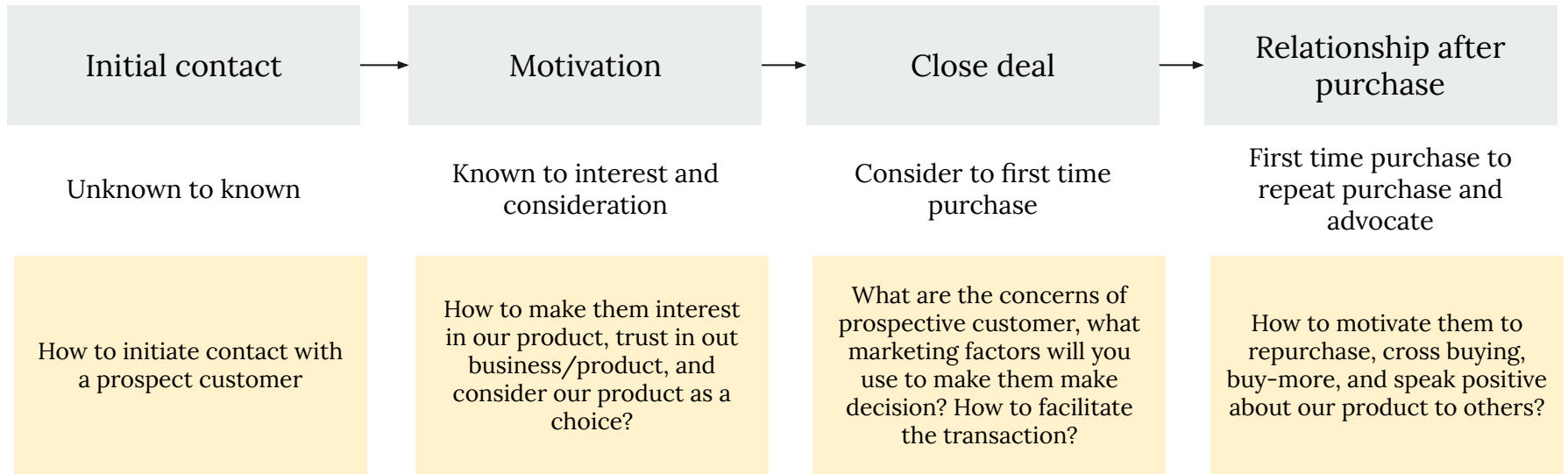
Price

Place  
(distribution channel, channel management and logistics)

Promotion  
(Advertising, public relation, direct selling, sales promotion)



# Stages of value delivery





## EXERCISE 5: Stages of value delivery

Name of your business/product \_\_\_\_\_

How to initiate contact with a prospect customer

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How to make them interest in our product, trust in our business/product, and consider our product as a choice?

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What are the concerns of prospective customer, what marketing factors will you use to make them make decision? How to facilitate the transaction?

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How to motivate them to repurchase, cross buying, buy-more, and speak positive about our product to others?

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# **Building customer relationship with customers and capture profits**

Building customer relationship in exchange for profitability is called “customer relationship management (“CRM”).

CRM is the process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.

Customer lifetime value judgement and and satisfaction delivery programs for advocate, repurchase, upselling and cross selling are primary objectives.



## **Building partner relationship**

The company is working closely with others supply chain members (employees, related firms, supplier, competitors, channel members) to bring more value to customers and assist in building customer relationships.



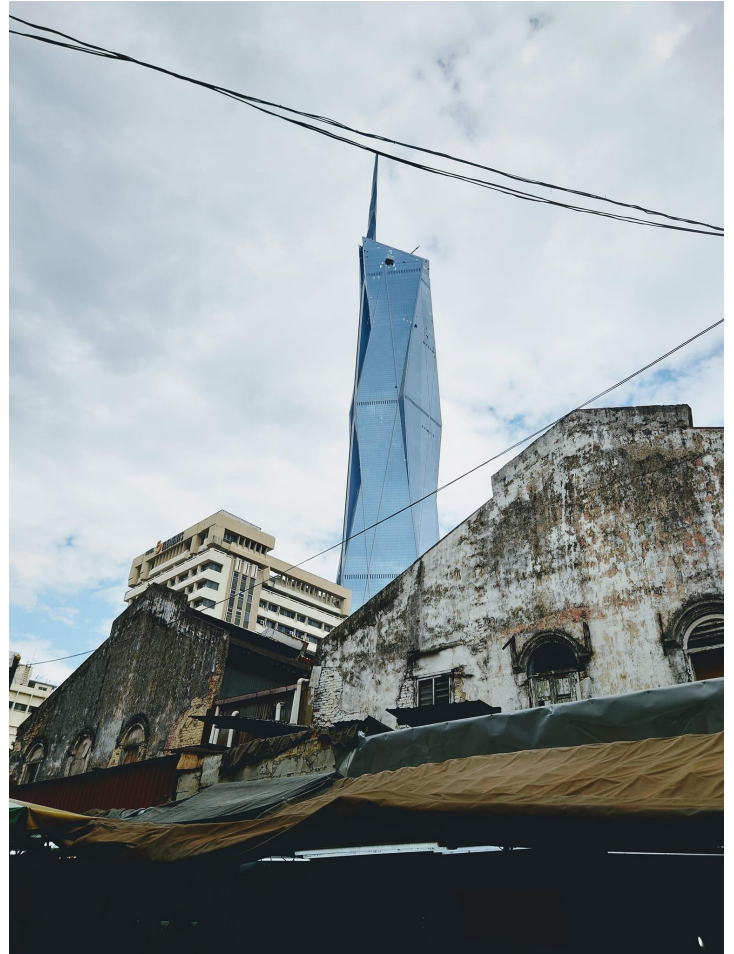
## Key terms

- Customer perceived value: The customer's evaluation of the differences between all of the benefit and all of the costs of marketing offer relative to those of competing offers.
- Customer satisfaction: The extent to which the product's perceived performance matches a buyer's expectations.
- Customer lifetime value: CLV (Customer Lifetime Value) is a prediction of all the value a business will derive from their entire relationship with a customer
- Share of customer: The portion of customers shared from competitors.



# Q&A

*A valid answer come when the  
question is lived*



# Appendix A: Product/service value to customers

## คุณค่าเชิงการใช้งาน

ประหยัดเวลา ง่าย สร้าง  
รายได้ ลดความเสี่ยง  
จัดการได้มากขึ้น เชื่อมโยง  
ลดแรง เหนื่อยน้อยลง  
ต้นทุนลดลง คุณภาพ  
ความหลากหลาย ได้ข้อมูล

## คุณค่าเชิงอารมณ์

ลดความกังวล ให้รางวัล  
ตนเอง ผ่านมันไปได้แล้ว  
คุณค่าเชิงสัญลักษณ์ (เช่น  
ได้ดาวบนบ่า) รู้สึกมั่นใจ  
ในร่างกาย ความผ่อนคลาย  
สนุก การดึงดูด ได้รับ  
โอกาสหรือเวทีในการ  
เข้าถึง

## คุณค่าเชิงการ เปลี่ยนแปลงของชีวิต

ความหวัง เต็มเต็มความ  
ต้องการสุดท้ายของชีวิต  
แรงกระตุ้น มีคนสืบทอด  
(มรดกสืบทอด) ได้รับความ  
รัก/การได้รับการยอมรับใน  
กลุ่ม

## คุณค่าเชิงสังคม

การไม่ยึดติด อยู่เหนือ  
ความเข้าใจ ปลดปล่อย  
วิญญาณ การได้เติมเต็ม  
ความกตัญญู

# Example 1: TAM, SAM & SOM in bottled green tea

