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Marketing Modules Series

Module 1: Marketing

Teaching Slides



<http://edsworld.wordpress.com/2010/04/12/price-targets-in-a-pre-harvest-marketing-plan/>

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Complete Marketing Modules Series available at: <http://hortmgt.gomez.dyson.cornell.edu/Marketing-Modules.html>

Marketing & Marketing Management Defined

American Marketing Association:

*“**marketing** is the process of planning and executing the conception, pricing, promotion and distribution of ideas, products, and services to create exchanges that satisfy individual and organizational goals”*

Phillip Kotler:

*“**marketing management** is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering and communicating superior customer value”*

The Importance of a Marketing Orientation

Production



Sales



Market

Production-oriented Firms

We make cameras and film

We make blue jeans

We operate a long-distance telephone company

Marketing-oriented Firms

We help preserve beautiful memories

We offer comfort, fashion and durability in apparel

We provide multiple forms of reliable, efficient and inexpensive communication services

The 3 C's: Customer Analysis

Customers/Target Market Selection  Firm's Marketing Strategy

Customer Buying Behavior

- Customer characteristics, marketing factors (4P's), economic, technological and political environment

Customer Buying Process (5 stages)

- Need/problem identification, search for information, alternatives' evaluation, purchase and post-purchase analysis
 - *Decision Making Unit (DMU)*
 - *Decision Making Process (DMP)*

The 3 C's: Company Analysis

Identify Strengths & Weaknesses to Satisfy Target Customer's Needs and Expectations

- Core competencies (e.g. technical know-how, product development, firm's culture, etc.)
- Firm's resources (e.g., assets, capabilities, organizational processes, etc.)

SWOT Analysis:

**Strength & Weaknesses (Internal Factors),
Opportunities & Threats (External Factors)**

Internal Factors: *personnel, finance, manufacturing capabilities, product, price, promotion, placement/distribution, manufacturing, etc.*

External Factors: *macro-economic environment, socio-cultural changes, technological changes, etc.*

The 3 C's: Competitor Analysis

Strengths & Weaknesses of Current and Potential Competitors

SWOT Analysis  Detailed Competitor's Profiles

Competitor's Profiles: Background, finances, products, markets, facilities, personnel and strategies

- Most common sources of potential competitors
- Conditions favoring entrance of new competitors

What is Marketing Strategy?

To develop their Marketing Strategy firms have to make
3 major decisions:

- **Select a Target Market**
 - Identify which potential markets to serve and the resources needed
 - Market Segmentation
 - **Determine the Product/Service Positioning**
 - How it wants its customers to view its product/service
 - **Define the Marketing Mix**
 - Product, Price, Placement/Distribution and Promotion
- Goal: to consistently deliver a compelling value proposition that reinforces the positioning statement, builds customer loyalty and brand equity and results in the accomplishment of the firm's marketing and financial objectives

The Marketing Mix

Product

- Physical characteristics (size, color, design, ingredients, etc.)
- Non-physical/Benefits (convenience, comfort, prestige, etc.)
Should be a function of customer's needs, wants and expectations!

Price

- Only element of the Marketing Mix that generates revenue, with significant impact over a firm's profitability
- Key factors in deciding prices: firm's objectives and where it wants to position its product/service
- Must take into consideration: demand, price elasticity of demand, competition, costs, etc.

The Marketing Mix

Placement/Distribution

- Making a firm's product/service available for consumption
- Should be a function of the product/service, the firm's business plan, the price and the needs of the target market
- Marketing channel design: Length (direct or indirect) and Breadth (intense or selective)
- Marketing channel management (policies & procedures)

Promotion

- Making customers aware of the firm's product/service and its features, enticing trial and motivating purchase and re-purchase
- "Push" or "Pull" strategy
- Communication elements: Non-personal (advertising, sales promotions, etc.) and Personal (personal selling, direct marketing)