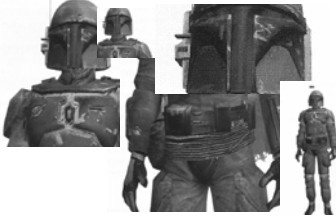


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About Anders

A few years of practice and research in the marketing and management domain.

- Financial services
 - The card case
- Market research agency
 - The car case
- Management consulting
 - The Cisco case

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About Anders

A few years of practice and research in the marketing and management domain.

- Value star vs. value chain
- Customer conversation vs. market communication
- Imaginary organizations rather than formal
- Customers and users as sources of innovation
- Services and products as social innovations
- Social networks



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Aim of the module

- The overall aim of this module is to critically explore from a theoretical perspective how Marketing is transformed by time and develop a sound understanding of past, current and future developments.



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Format

- Lectures
 - Including active participation
- Seminars
 - Literature and
 - Case discussion and field work
- Podding and blogging
- Written exam

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Grading criteria

- Class participation 25 %
- Case and written assignment 25 %
- Practical assignments 25 %
- Short Exam 25 %

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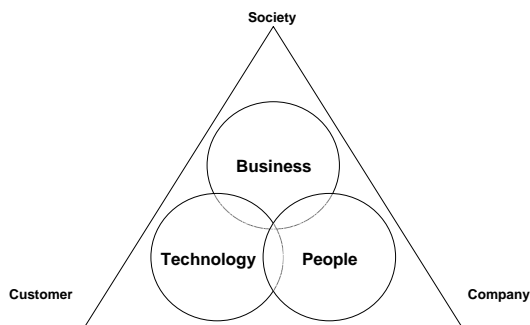
The big picture

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The perspectives



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technology is about communication



More and More Families have TELEPHONES

...and there are more and more families to want them!

Source: *Harvard Business Review*, 1955, jan/feb vol33, p. 160

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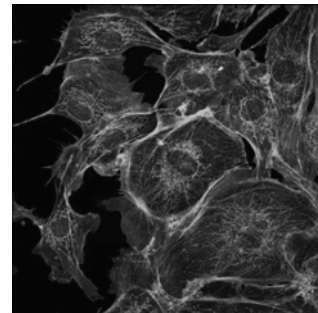
How does the world look like?

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How does the world look like?

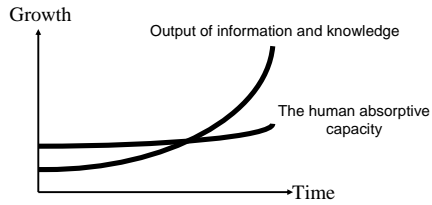


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Absorptive Capacity



Cohen, WM och Levinthal, D A, Absorptive Capacity: A new Perspective on Learning and Innovation, Working paper, Carnegie Mellon University and University of Pennsylvania, October 1989

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The big picture

What has happened?

- EU
- Euro
- Internet
- New media scape like TV
- MP3, filesharing
- Mobilephone
- Electricity and energy
- Plane and air travel
- Pensions
- 24/7

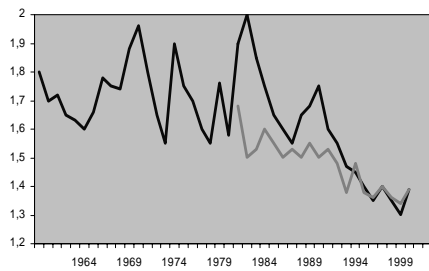


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Production and sales in the US

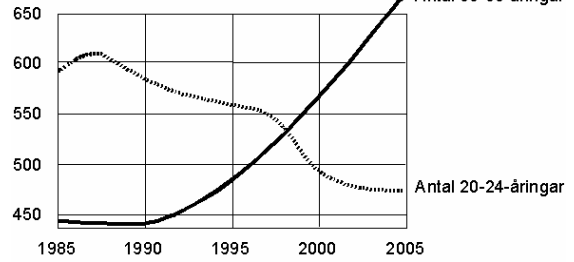


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1000-tal

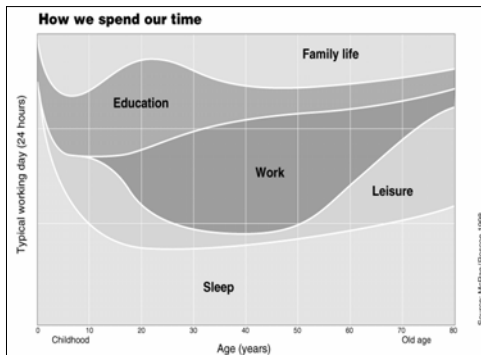


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How we spend our time

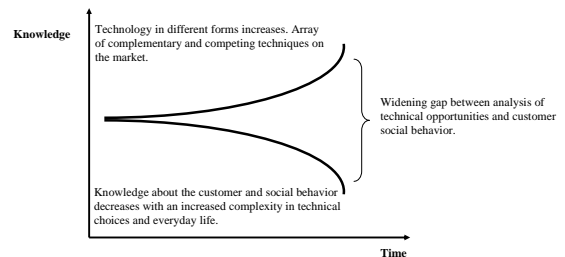


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Supposition: Increased complexity in techniques and everyday life demand new forms of product and service development.



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Trends

- Pushing the customer to active choices – re-regulation
- Fragmentation of markets
- New ties between delivery systems
- Adjusting to new sensations of time and space
- New market patterns and new tools for analysis



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Marketing a 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*”

*American Marketing Association, Dec 2004
www.marketingpower.com*

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What value is delivered?

Train

- Environ. friendly
- Conference travel
- City points
- Faster
- Safe
- Stretch your legs
- Feel well
- Travel guaranty

Plane

- Safe
- Cheap
- A-B fast
- Convenient
- Time for meetings
- Experience

Car

- Freedom
- Driver emotion
- Comfort
- Door to door
- Life style
- Own pilot
- Status
- Co-driving

Tele

- Cost eff.
- Time eff.
- Env. Friendly
- Wide infrastructure

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HBR Classic

Shortsighted managements often fail to recognize that in fact there is no such thing as a growth industry

Theodore Levitt

Marketing myopia

□ The railroad industry grew because the freight transport grew. The railroads did not because others (cars, or telephones), but failed by the railroads let others take them because they were in the railroad industry. The reason they were wrong was that they were not market-oriented.

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Central concepts and tools

Marketing philosophies

Marketing mix

Business idea?
Strategy?
Market plan?

P/M expansion
P/M matrix

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Classical marketing philosophies

Product orientation
Production orientation
Sales orientation
Market orientation

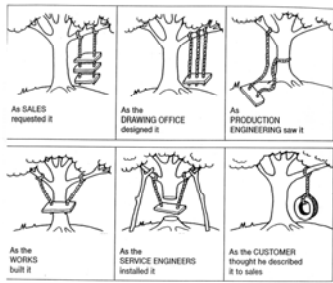
Social responsibility
(Corporate citizenship)

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What is customer focus?



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Definition of marketing

“Relationship marketing is interaction in networks of [commercial] relationships.”

Gummesson, 2004

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How do we study networks?

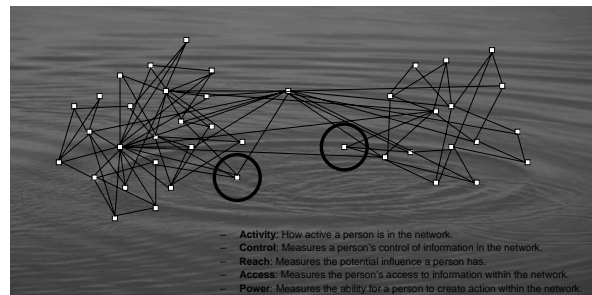
example on social network analysis

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formal financial advisors in two small chambers of commerce

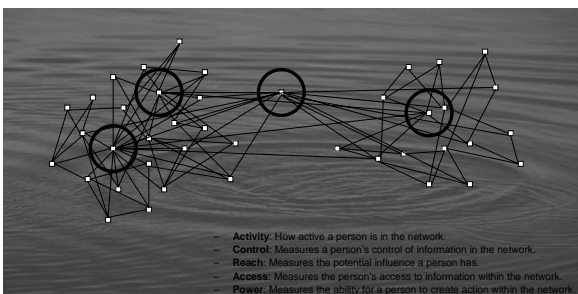


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informal financial advisors in two small chambers of commerce



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Marketing mix

- | Place | Price | Product | Promotion |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Availability • Channels • Type of distributors • No of distributors • Role in distributions system | <ul style="list-style-type: none"> • Low/high price • Cost based • Competitor based • Demand based | <ul style="list-style-type: none"> • Functions • Design • Quality • Assortment | <ul style="list-style-type: none"> • Communication • Semiotics • Situation • Objective • Message • measurement |

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Products and needs

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SWOT (Kotler, 2003)

- An evaluation of a company's strengths, weaknesses, opportunities and threats.
- Two parts:
 - External analysis
 - Internal analysis

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SWOT

(S) Strengths	+	(W) (weaknesses)	-
(O) Opportunities	!	(T) Threats	?

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External analysis – opportunities and threats

- Environmental factors on a macro level (demographical, economical, technological, political, social, cultural factors).
- Environmental factors on a micro level (customers, competitors, distributors, suppliers).
- Companies seek "marketing opportunities" – spaces for business ideas.

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Internal analysis – strengths and weaknesses

Checklist for strengths and weaknesses in a company:

- Marketing**
 - Reputation
 - Market share
 - Customer satisfaction
 - Product/ Service quality
- Finance**
 - Cash flow
 - Financial stability
- Production**
 - Capacity
 - Competence and staff
 - Delivery on time
- Organization**
 - Visionary leadership
 - Entrepreneurship
 - Flexible organization

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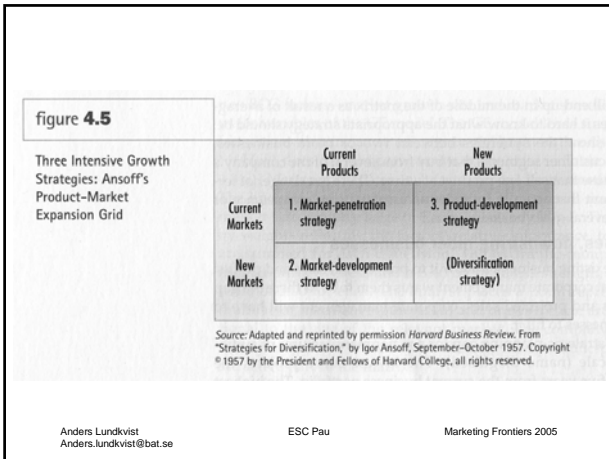
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	PERFORMANCE				IMPORTANCE			
	MAJOR STRENGTH	MINOR STRENGTH	NEUTRAL	MINOR WEAKNESS	MAJOR WEAKNESS	HI	MED	LOW
MARKETING								
1. Company reputation								
2. Market share								
3. Customer satisfaction								
4. Customer retention								
5. Product quality								
6. Service quality								
7. Pricing effectiveness								
8. Distribution effectiveness								
9. Promotion effectiveness								
10. Sales force effectiveness								
11. Innovation effectiveness								
12. Geographical coverage								
FINANCE								
13. Cost or availability of capital								
14. Cash flow								
15. Financial stability								
MANUFACTURING								
16. Facilities								
17. Economies of scale								
18. Capacity								
19. Able, dedicated workforce								
20. Ability to produce on time								
21. Technical manufacturing skill								
ORGANIZATION								
22. Visionary, capable leadership								
23. Dedicated employees								
24. Entrepreneurial orientation								
25. Flexible or responsive								

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5



Ansoff's Product/Market expansion grid

Product	Product A	Product B	Product C	Product D	Product E	Product F
Market A						
Market B						
Market C						
Market D						
Market E						
Market F						

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Planning phase

Where are we?
Where do we want to go?
How do we get there?
How do we know when we are there?

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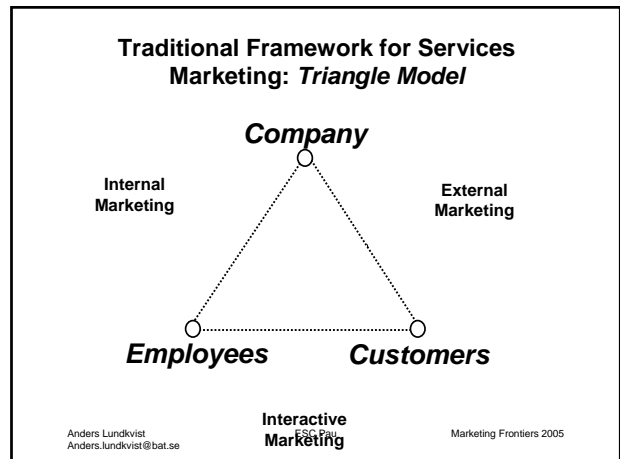
- Marketing frontiers**
- Group 1: how new technology can be adapted to older people in marketing terms. Sell it to the babyboomers.
 - Group 2: gmail – the marketing system for recommendation
 - Group 3: sensorial marketing and environmental marketing the case of natur decouverte.
 - Group 4: barter and the exchange of products without money.
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Changing the customer role

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changing the company – customer balance



Customers are better informed
 Customers own the resources of the company
 Customers may organize and coordinate themselves
 Customers use social media and communication
 Customers are inter-connected

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Challenges for modern companies



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Challenges for modern companies

50,000,000 STAR WARRIORS CAN'T BE WRONG

A long time ago in a galaxy far, far away, George Lucas built an empire on the force of his imagination. Now the online game *Star Wars Galaxies* puts control of his universe in the hands of the fans.



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the customer challenge

what customers do you want?

- the early lead users
- the slow users
- the networking ones
- the most profitable

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Reaching The Simultaneous Media Multitasking Consumers

It used to be that your teenage kids were the only ones listening to music, zipping off instant messages, searching the Internet, and talking on the telephone all at the same time. But the explosion of technology and choices has pushed media multitasking across the generational divide. Everyone is now a simultaneous consumer of media. Those new patterns of consumption create challenges and opportunities for companies that can navigate the terrain.

Marketers, in particular, are struggling with ways to reach people in a world of "foreground" and "background" media—the latter being a fade-in, fade-out form that grabs consumers' attention only occasionally. Think of the TV show that runs at a low hum while you work on a computer. Or the podcast that plays between telephone calls. The challenge: projecting the effectiveness of any given message in this multilayered world. Perhaps background media should be priced lower than foreground media. A more radical thought: With multiple layers of media playing at once, we have 48 or more hours of media coming at us in a 24-hour time frame. What's the business model for that?

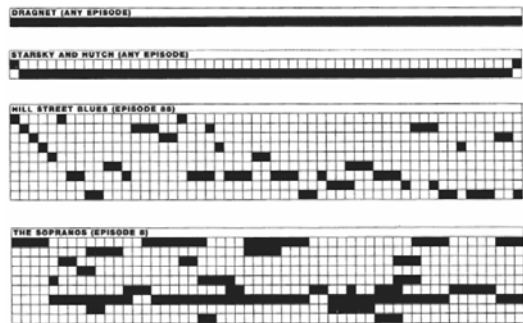


PHOTO: CHIP SIMONS

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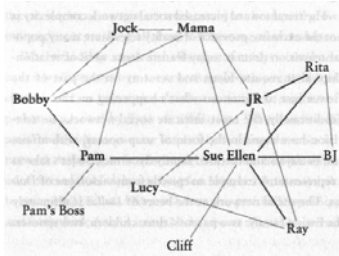


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Det sociala nätverket i TV-såpan Dallas



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Det sociala nätverket i TV-såpan(?) "24"



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Self concept

Self concept refers to the beliefs people hold about their attributes and how they evaluate these qualities.

The different components of the self concept are:

- *Self esteem* - the positivity of a person's self concept. Self esteem advertising attempts to change product attitudes by stimulating positive feelings about the self.
- *Real and ideal selves* - consumers' comparison of actual standing on some attribute to some ideal. The ideal self is a person's conception of how s/he would like to be. The actual self is the more realistic appraisal of the actual qualities held.

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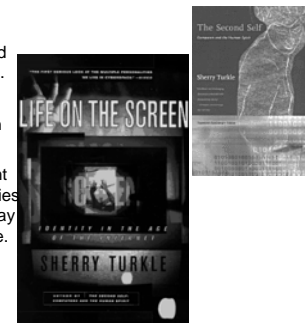
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Multiple selves

People have many selves and many different social roles.

- People act differently depending on the situation they find themselves in.
- The self has many different components or role identities and only some of these may be active at any given time.



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Symbolic interactionism

- Symbolic interactionism stresses the relationships with other people plays an important part on forming the self.
- Symbolic interactionism maintains that people exist in a symbolic environment where the meaning attached to any situation or object is determined by the interpretation of these symbols.

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What is the most important challenge for companies today?

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Customer orientation examples on themes

- Customer's value creation
- New service and product development
- Customer involvement
- Customer participation
- Lead user approach

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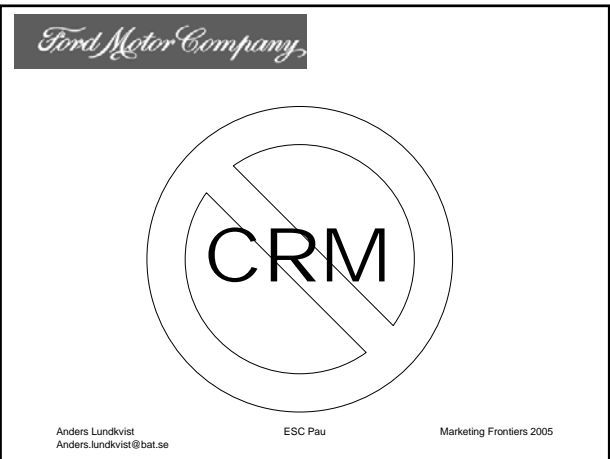
Customer orientation examples on main concepts

- Retention
- Relation
- Loyalty
- Life time value
- Participation
- Moment of truth
- Service Quality
- Value creation
- Networks

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**this is not a
Marketing course**

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this is a survival strategy
course for modern business

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why do we need customers?

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why do we need customers?

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two cases on customer-oriented strategies

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Tvättman

From textile deliver to system provider

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Revolution in the sky

- 1930s Request-and-reply system at America Airlines (AA)
- 1934 C.R. Smith becomes president of AA
- 1939 Sell-and-report system implemented
- 1943-46 First electromechanical system
- 1946-52 Drum memory for inventory control
- 1953 C.R. Smith meets B. Smith
- 1954-57 Creation of joint AA-IBM project
- 1958 System objectives defined
- 1959 C.R. Smith bets \$30 million on teleprocessing
- 1964 SABRE implemented, PNR dominant design
- 1968 IBM sells Programmed Airline Resv. Systems
- 1970 American selects Eastern-based PARS
- 1972 PARS becomes industry standard
- 1972-74 New management team at American
- 1974-75 Joint Industry Computerized Resv. System
- 1976 Marketing automation established
- 1978 Deregulation
- 1982 Regulations scrutiny

Adopted from: McKenney, J. L. (1995) *Waves of change. Business Evolution through information technology*, Harvard Business School press, pp. 101-102.

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GET THINGS DONE

at 14,000 operations a second with giant IBM Electronic Data Processing Machines



Giant IBM Data Processing Machines are getting things done fast in the record industry. They're doing all kinds of work from production planning and job sequencing operations to helping engineers design planes and analyze flight test data.

Getting things done is important in every business field. That's why the same IBM techniques that speed work in the record industry are being applied to business accounting by leading companies across the country.

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Example on rapid product development, customer involvement and the organizational challenge

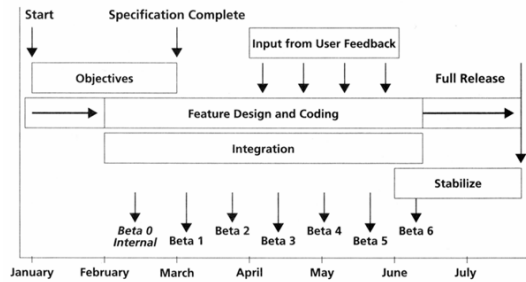
Netscape 3.0

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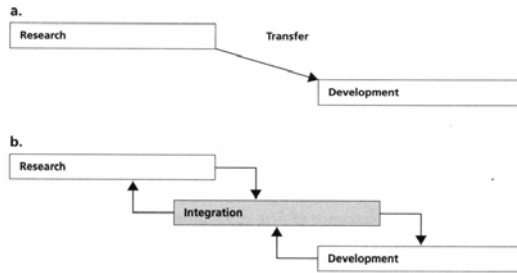
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Development of Navigator 3.0



SOURCE: Alan MacCormack and Marco Iansiti, "Living on Internet Time: Product Development at Netscape, Yahoo!, NetDynamics, and Microsoft," Case 9-697-052 (Boston: Harvard Business School, 1996).

Two Models for Managing R&D



Note: a. This traditional model separates research and development but links them through technology transfer.
b. This alternate model, centered on technology integration, manages the interaction between research and development.

break



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