



# MARKETING FUNDAMENTALS

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# OUTLINE

Customer Needs

Customer  
Engagement

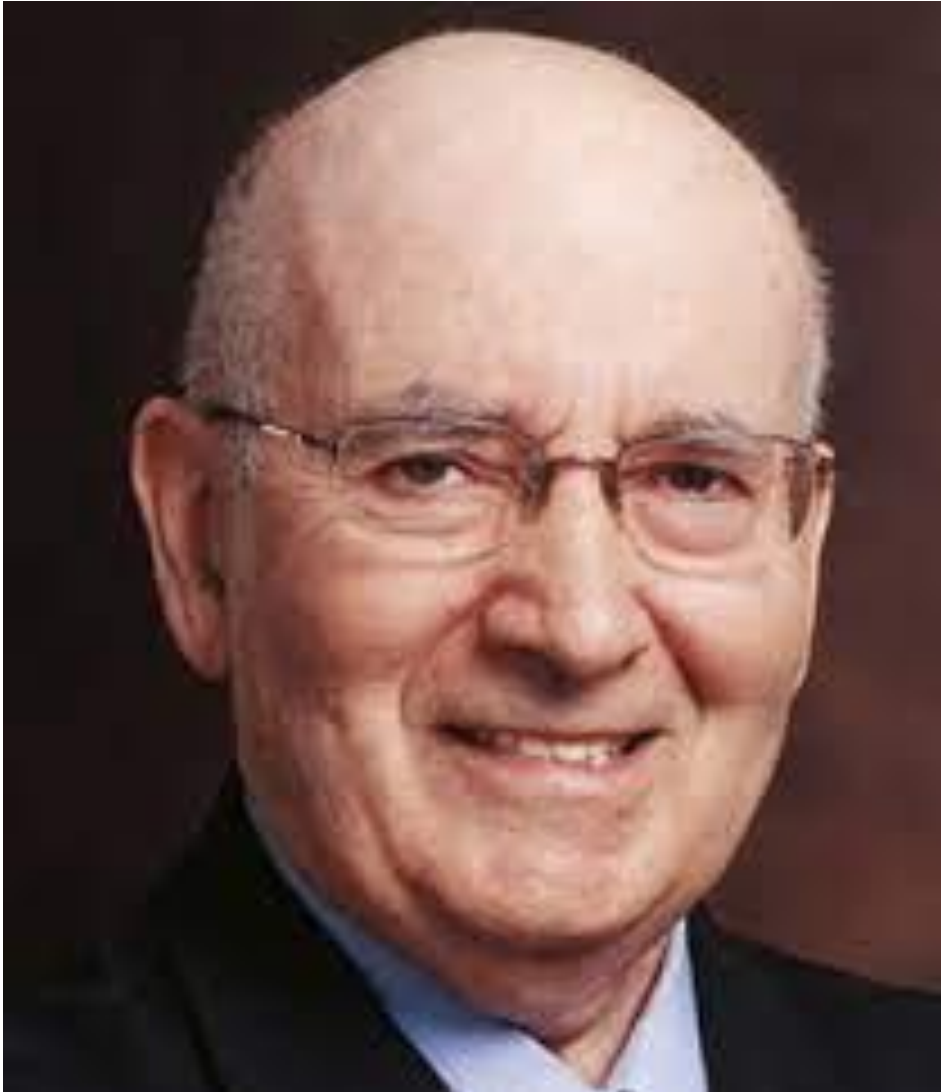
Customer Value

Market Offerings

Channel Strategy

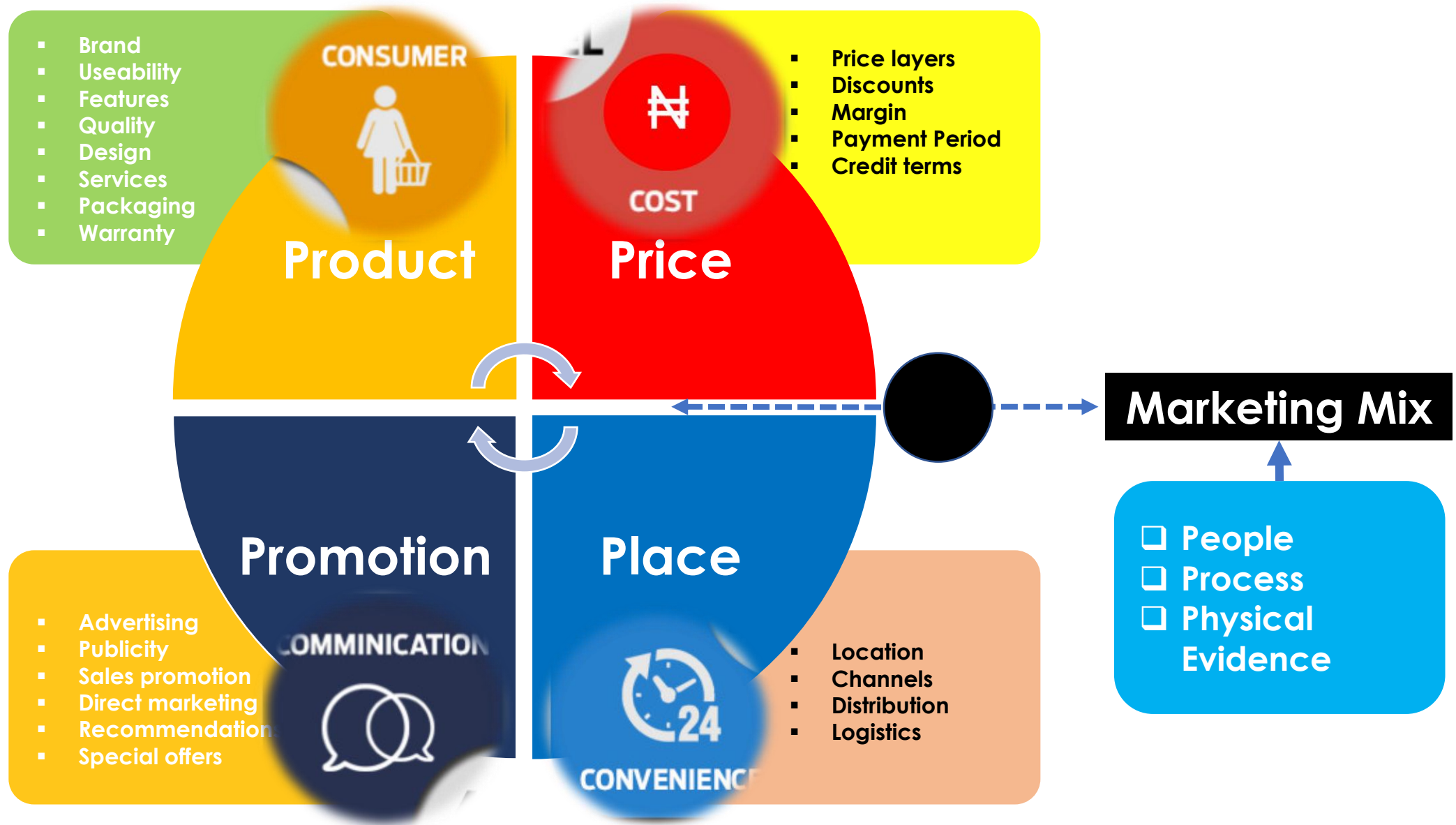
Marketing  
Channels

Marketing  
Environment



“The science and art of exploring, creating, and delivering VALUE to satisfy the NEEDS of a TARGET MARKET at a profit” .

... *Philip Kotler*



Market segmentations are a way of dividing customers and potential customers in the market or category into groups so that goods and communications can be better tailored to their needs.



## GEOGRAPHIC

- Street
- City
- Country
- Population density
- Climate
- Time zone
- Dominant language



## DEMOGRAPHIC

- Age
- Gender
- Household income
- Occupation
- Family structure
- Religion
- Marital Status
- Education
- Ethnicity



## PSYCHOGRAPHIC

- Values
- Goals
- Needs
- Pain points
- Hobbies
- Personality traits
- Interests
- Lifestyle stage



## BEHAVIOURAL

- Purchasing habits
- Brand interactions
- Spending habits
- Customer loyalty
- Product used
- Actions taken across information channels

They are a very useful strategic tool used across the business.

Successful market segmentations sit at the very strategic centre of a business and are used by a variety of teams such as product development, user experience, sales, customer service and, of course, marketing.



**CURIOSITY**



**EMPATHY**



“If you are not thinking customer, you are not thinking.” Jack Welch, former GE CEO

**Wants** encompass customers' preferences and emotional desires,

**Needs** align with the fundamental and necessary aspects of a service.

**Basic Needs** refer to the essential functionalities and features required for a service to fulfil its intended purpose.

**Customer needs** are the psychological and physical motivations that make someone want to purchase a product or service and stay loyal to that business.



# KINDS OF CUSTOMER NEEDS



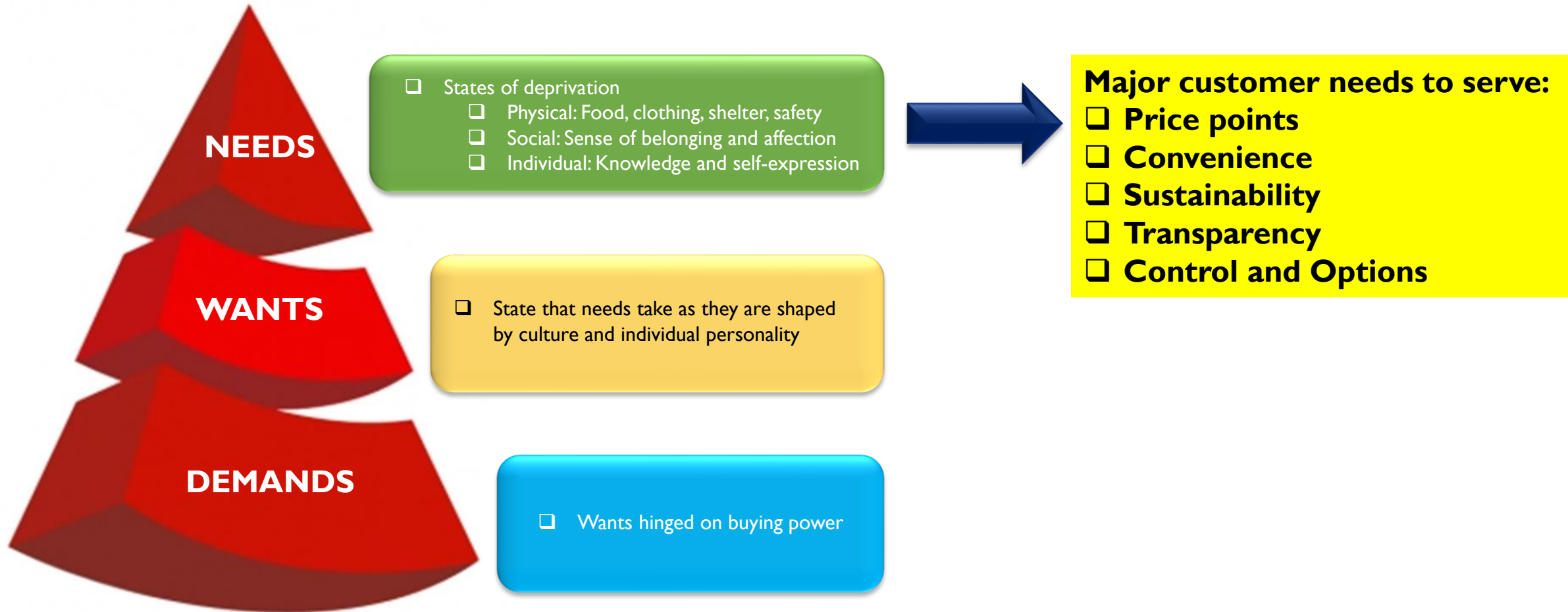
These are usually the first needs that come to mind. In large part, this is how most companies have competed for years. Functional needs simply address what the customer is trying to accomplish.

These consider how someone wants to feel when interacting with a brand. When emotional needs are also being met alongside functional ones, customers perceive it as added value. It demonstrates a deeper understanding of each customer, and it does not focus on how to solve a customer problem.



These constitute an emerging part of the customer need landscape. Today, many people expect brands not just to have functional benefits, but to have a social purpose as well. The search for brands that are more than just a product, service, or solution.

# MARKETPLACE AND CUSTOMER NEEDS



# Marketplace and Customer Needs

While wants may encompass customers' preferences and emotional desires, needs align with the fundamental and necessary aspects of a service. Basic needs refer to the essential functionalities and features required for a service to fulfil its intended purpose.

## HOW TO IDENTIFY CUSTOMER NEEDS

- ✓ Conduct focus groups
- ✓ Use social listening
- ✓ Do keyword research
- ✓ Survey
- ✓ Searching based on needs
- ✓ The buyer's journey

## FULFILLING CUSTOMER NEEDS

- ✓ Understand Your Customer's Needs
- ✓ Listen to their Feedback
- ✓ Set Realistic Expectations
- ✓ Be Consistent in Communicating with Your Customers
- ✓ Take User Experience as a Priority.
- ✓ Pay Attention to Your Competitors

“

*“You can’t buy engagement. You  
have to build engagement.”*”



TARA-NICHOLLE NELSON

# CUSTOMER ENGAGEMENT

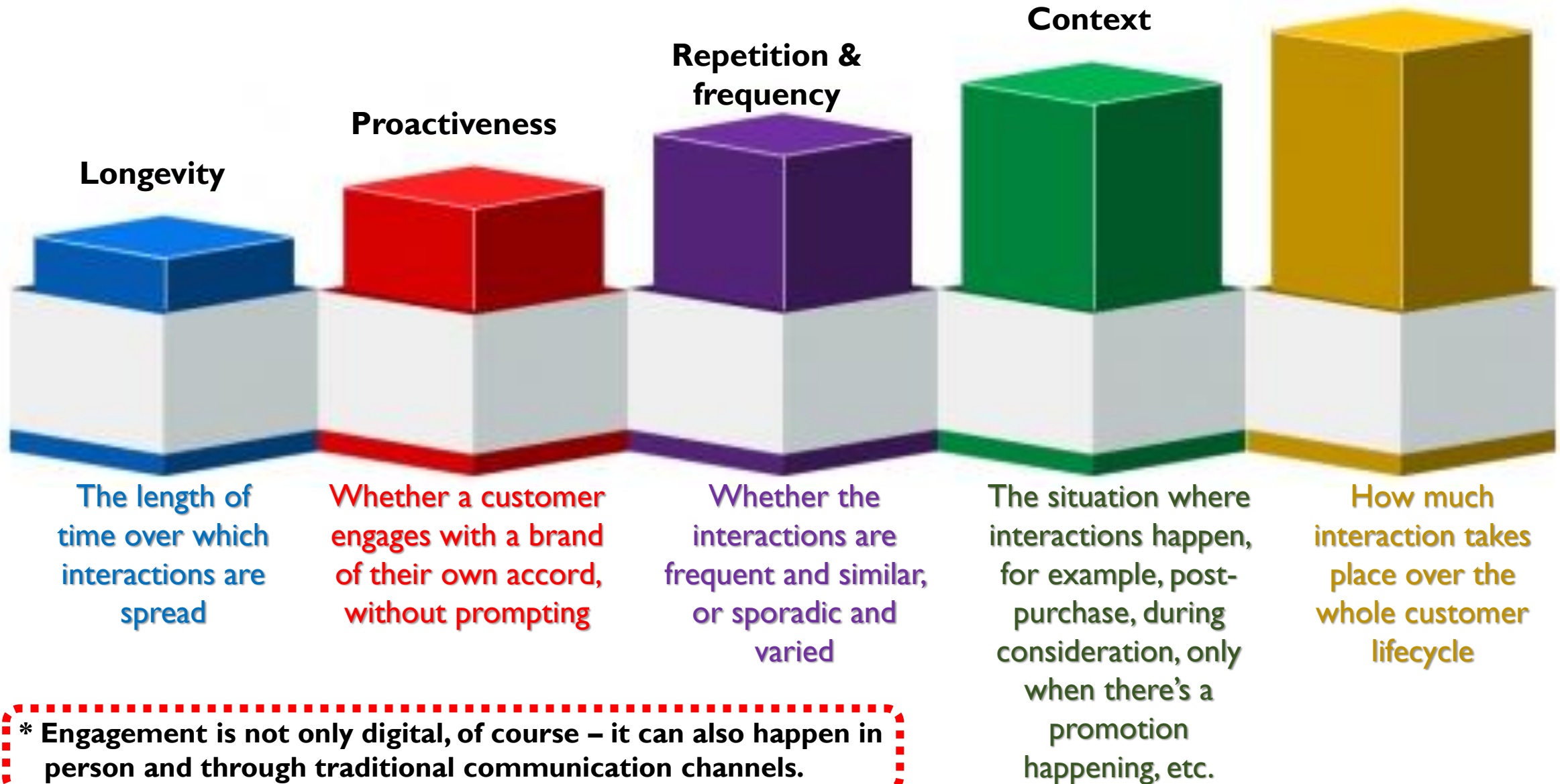
Customer engagement is the emotional connection between a customer and a brand. Broadly speaking, customer engagement (CE), or customer-brand engagement (CBE) encompasses the customer's relationship with a business.

Customer engagement is a set of actions and procedures businesses use to build strong relationships with their customers built on trust.

You can achieve it through marketing campaigns, interesting content covering the audience's concerns and informational needs, social media outreach, ads and communication.

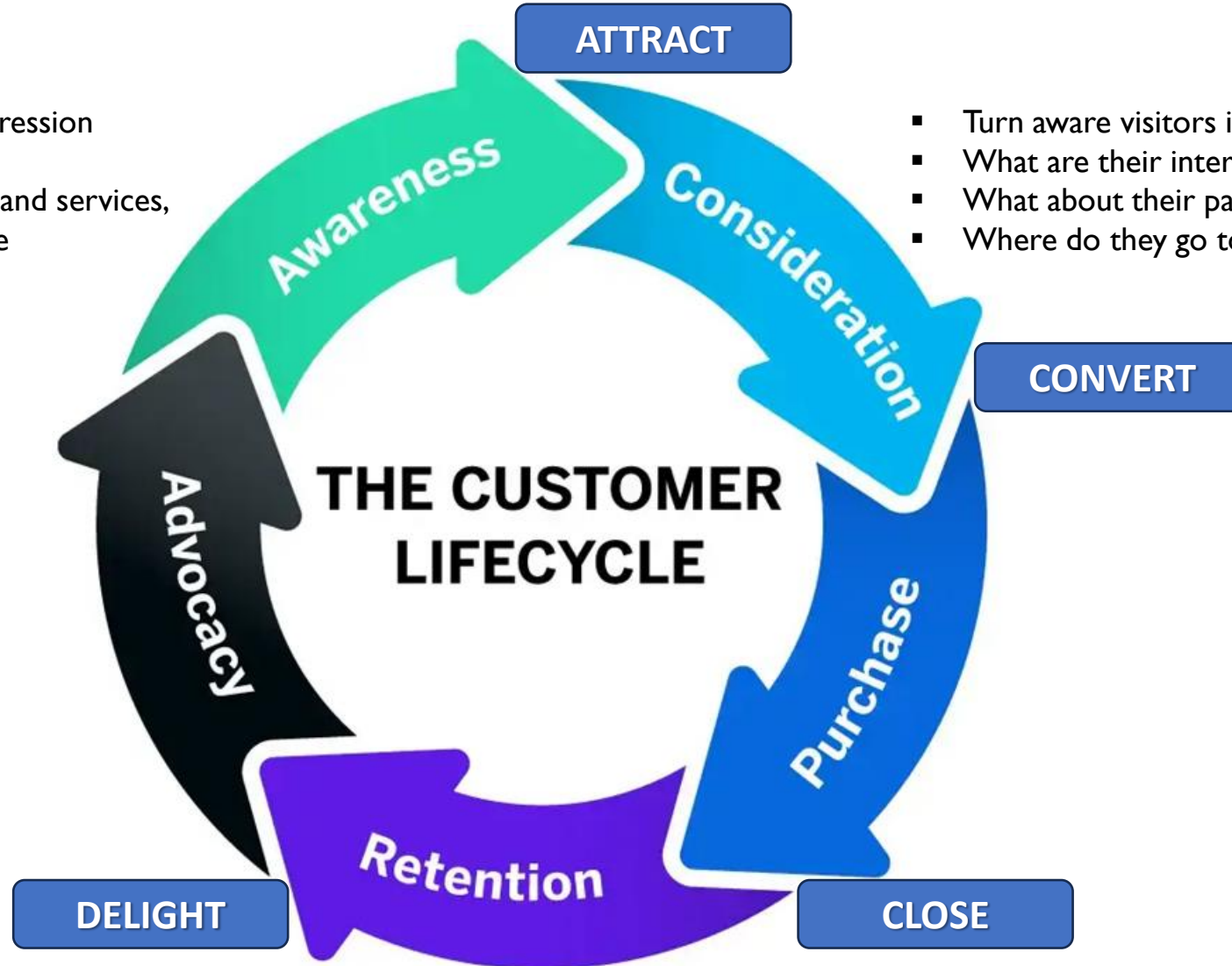
The goal is to make a strong connection so that people gladly engage with your brand and pay attention, boost awareness, advocate for you.

# FEW DIMENSIONS OF CUSTOMER ENGAGEMENT

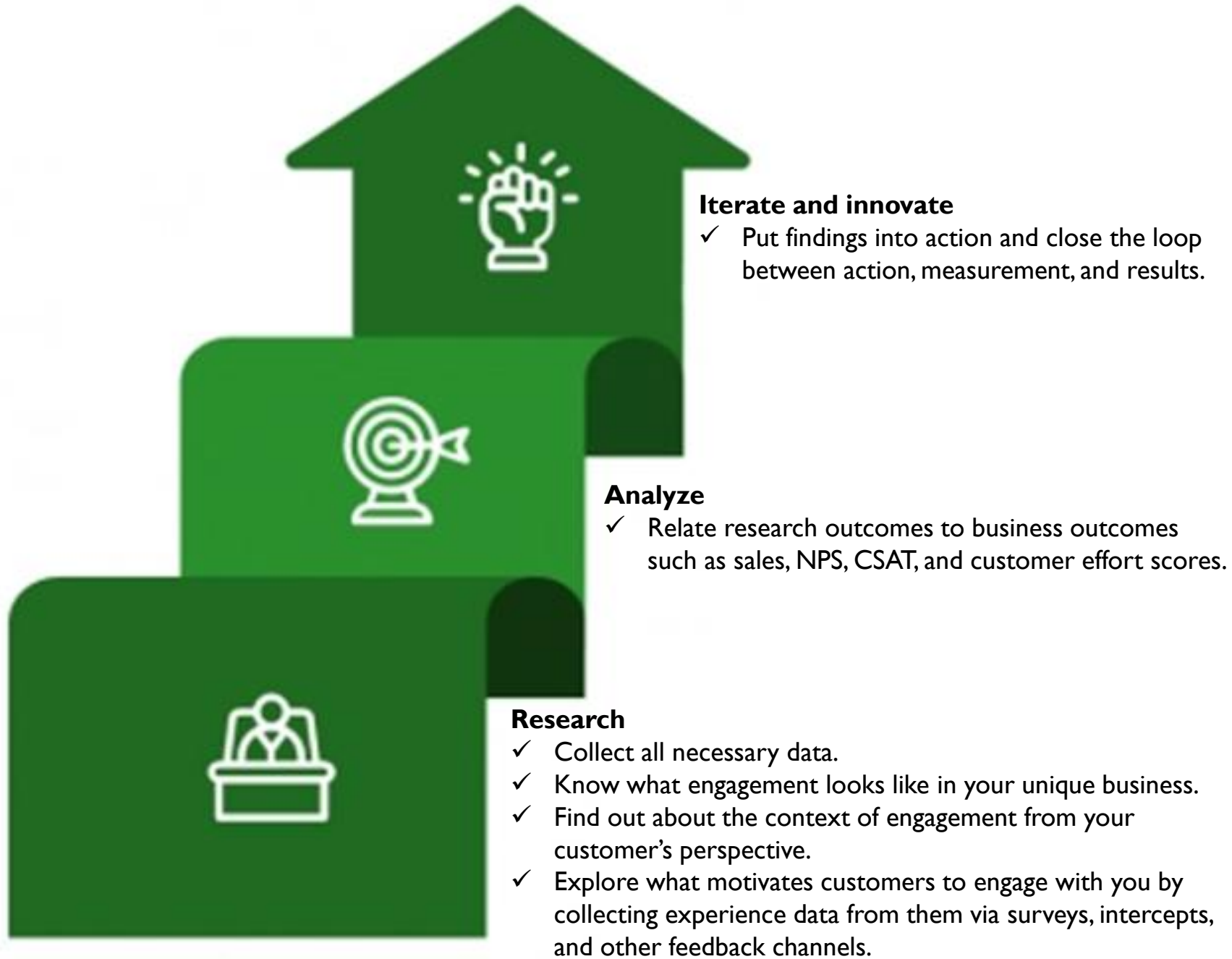


- Create the first impression
- Attract leads
- Showcase products and services, as well as their value

- Turn aware visitors into leads
- What are their interests and motivations?
- What about their pain points?
- Where do they go to find information?



If you want customers to stick around, you have to show them your human side, offer support, valuable information, and constant communication throughout the customer journey.



## Customer engagement metrics

- Customer loyalty
- Customer satisfaction
- Customer effort
- Sales
- Frequency of contact
- Subscriber numbers
- Customer reviews
- Dwell time and repeat visits
- Social media engagement metrics



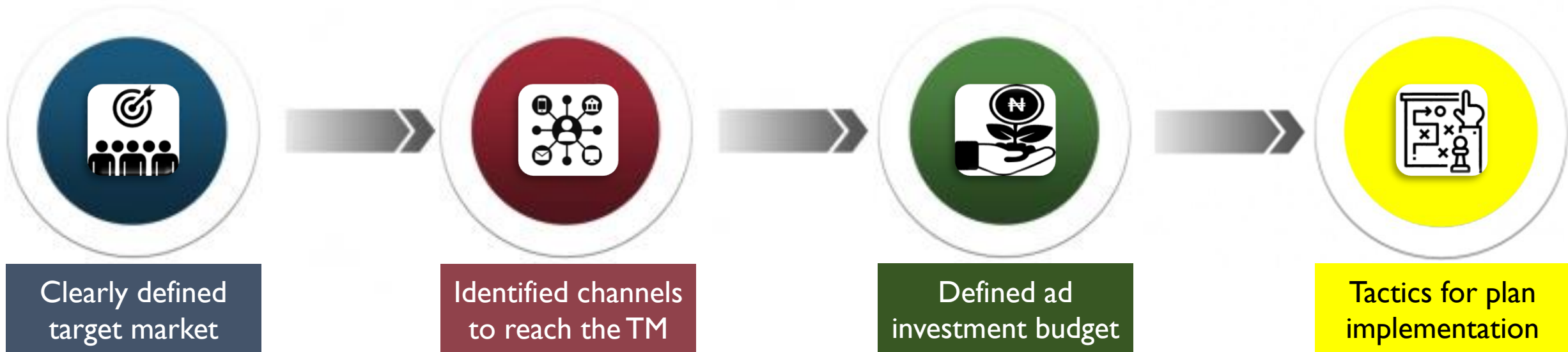
# CHANNEL STRATEGY

**Marketing channel** comprises people, organizations and activities that make goods and services available for use by consumers. It is the medium through which the ownership of goods is transferred from the point of production to the point of consumption.

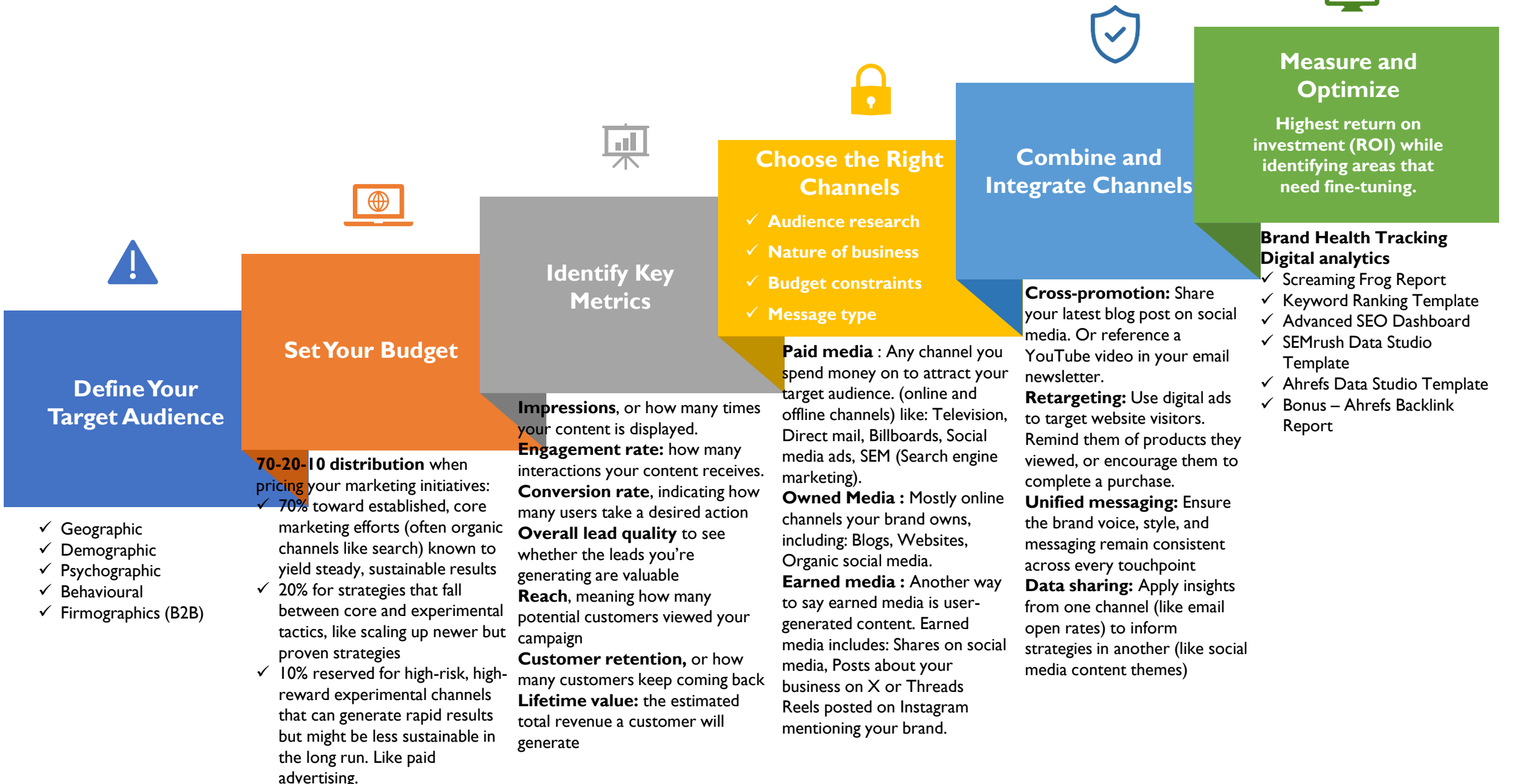
**Channel strategy** is the process of choosing certain marketing channels to reach desired target audience. These channels can include digital platforms, brick-and-mortar, TV/Radio advertisements, and many more.

A good channel strategy could help businesses to reduce costs, gain a competitive advantage, and deliver maximum value to the customers.

## Components of a good marketing channel strategy

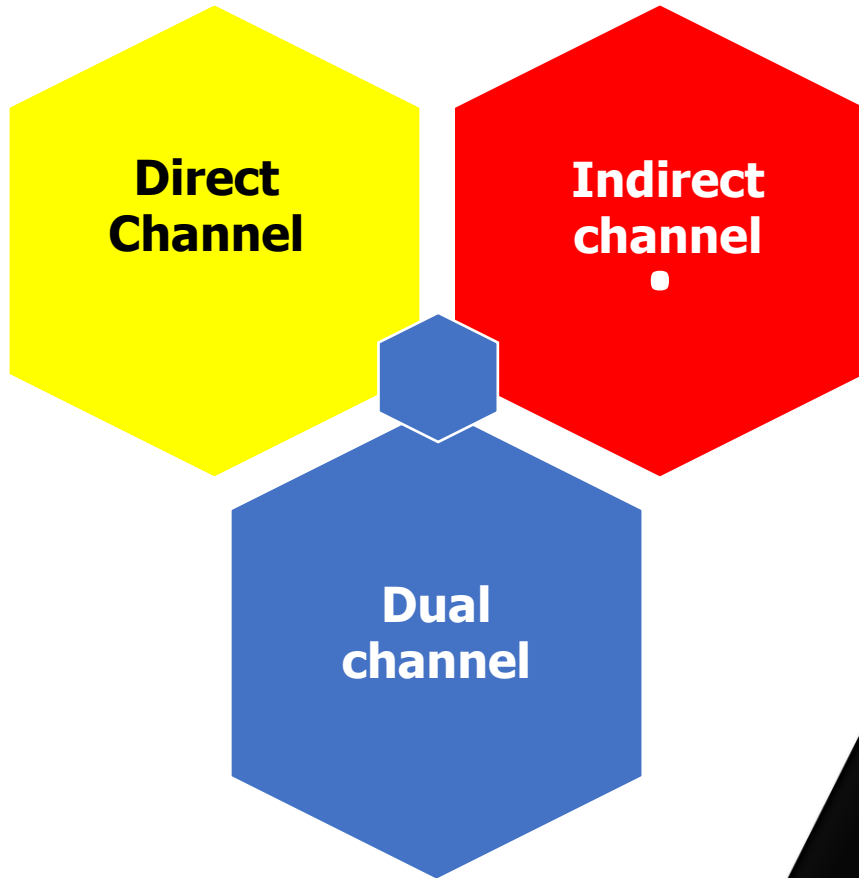


# GUIDE TO CREATING AN EFFECTIVE COMMUNICATION CHANNEL STRATEGY



# The Marketing Toolbox And Measures





## Distribution Channel strategy framework

### Identifying Consumer Needs

Finding and analysing the preferences and requirements of the target market.

### Setting Objectives

Identifying the segments it wants to serve and the channels that could be used to serve those segments of customers.

### Identifying Alternatives

Identify alternatives in terms of types and number of channel partners It needs.

### Evaluating Alternatives

Evaluate all identified alternatives based on the channel objectives. The evaluation is based on cost, return, and operational capabilities.

### Design The Strategy

Design the strategy in view of the target segment, the channel objectives, and the distribution option.

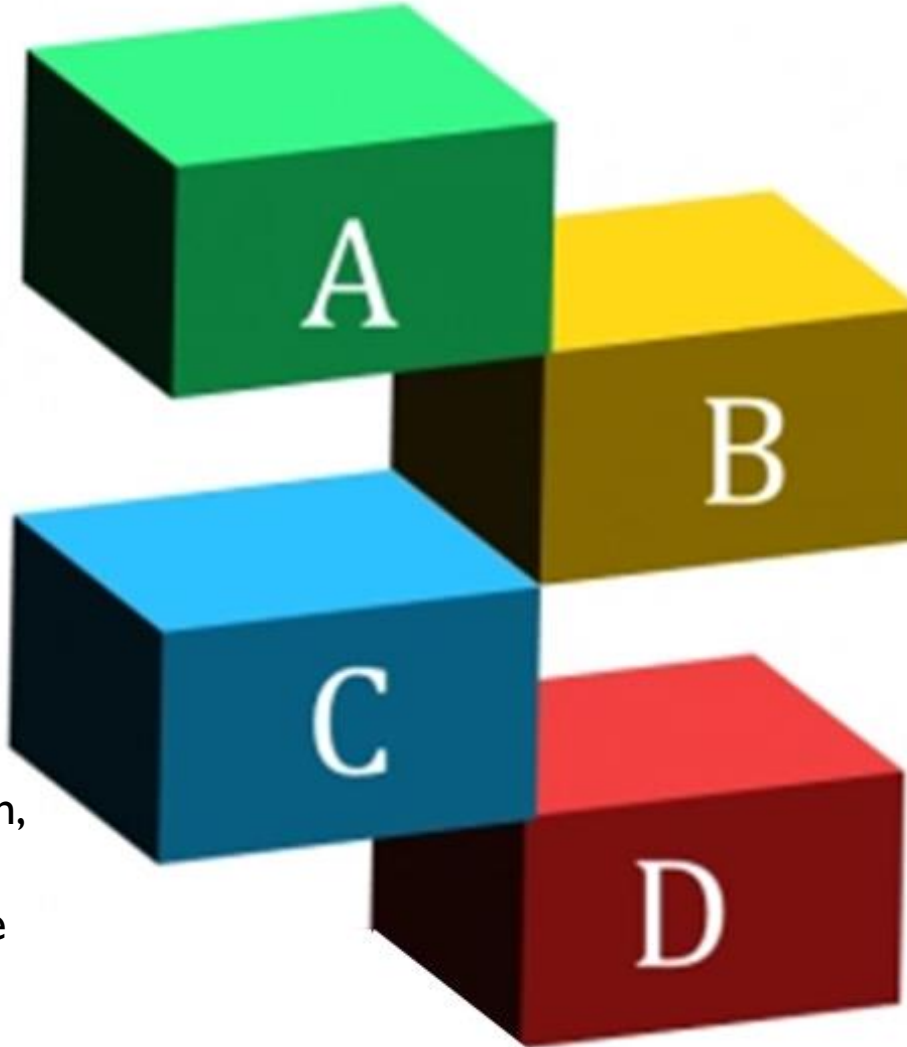
# BUILDING BLOCKS FOR A SUCCESSFUL CHANNEL STRATEGY

## Market Research

Comprehensive understanding of the market is the starting point. It involves studying the industry, consumer trends, competitors, and potential challenges.

## Targeting

Post segmentation, the focus shifts to targeting. Here, decide which market segments to concentrate on, a decision that should be data-driven, based on the potential value and accessibility of each segment.



## Segmentation

Once familiarized yourself with the market, it's time to segment it. This could be based on various factors such as geography, demographics, firmographics, or psychographics - the attitudes, opinions, and behaviours of potential customers.

## Positioning:

The final preparatory step is positioning - determining how you want your brand to be perceived. Successful positioning aligns with the 'Three Cs': it should matter to Customers, differentiate you from the Competition, and be something your Company can deliver consistently.

Customer value is **the customer's perception of the worth of your product or service.**

Today's consumers don't care only about price or quality. They also want the product or service they buy to solve a problem or need. With tons of shopping options at their fingertips, buyers are looking for companies that consistently deliver value.

Customers see value in a company that makes their lives easier and improves their overall sense of well-being. In their minds, the benefits of their purchase are worth the cost, and they'll continue to reward the company with their business.

... Zendesk

**Customer value refers to the perceived benefit that a customer receives from a product or service, considering the functional, emotional, and social aspects of the offering in relation to its cost.**

## Importance of Customer Value

Delivering customer value is key to maintaining long-term relationships with existing customers and earning repeat business. It's an important part of meeting customers' needs and expectations and learning how they change over time. Knowing how customers feel about your product and the service experience you offer is key to building customer loyalty and increasing customer lifetime value.

Measuring customer value:

- ✓ Ask customers a small set of questions
- ✓ Determine customer benefits and customer costs
- ✓ Determine if the benefits outweigh the costs

## Customer Value Formula

=> Total Customer Benefits — Total Customer Costs = **Customer Value**

## Types of Customer Value

**Functional Value**  
Derived from the product's ability to perform its intended function effectively and efficiently.

**Monetary Value**  
Related to the price that a customer pays for a product or service in relation to its perceived worth

**Social Value**  
Created when a product is associated with a specific social group or status

**Psychological value**  
The emotional or psychological benefits a product or service provides to the customer. It includes factors such as the product's aesthetics, sensory appeal, self-expression, and the emotional response that it elicits

## Customer Value Proposition

**Quantified Value**  
Contains a list of the advantages a product provides consumers

**Differentiation**  
Explain to clients how a product differs from others in a particular category to demonstrate why it is the superior option

**Relevance**  
Clearly explain how a product help solves problems and responds to potential customers' needs.



# MARKET OFFERINGS

## Market offerings

The products, services, or experiences offered to the customers in a market to meet their needs.

The main components of a market offering include

- ✓ Product
- ✓ Service
- ✓ Price

## Types of Market Offerings

- ✓ Convenience market offerings,
- ✓ Shopping market offerings,
- ✓ Specialty market offerings,
- ✓ Unsought market offerings.

# TYPES OF MARKET OFFERINGS

## Convenience Market Offerings

Items such as tissues, paper plates, bread, notebooks, and other similar items on which customers do not spend too much money are known as convenience market offerings.

Customers are more focused on the item rather than the brand.

Marketing such products is usually confined to getting them into as many places as possible where a purchase can occur (e.g., different supermarkets).

Low differences between brands and low involvement are characteristics seen in convenience market offerings and habitual buying behavior.

## Shopping Market Offerings

On the other hand, purchasing a personal computer or a television involves high involvement from the buyer. Shopping market offerings include purchases where the customer spends more time making a decision. Customers want the best deal and the ideal solution to their problems.

The budget plays a significant role in these types of market offerings. The customers will consider and compare all available options to make the right decision. The brand of the items is crucial for the buyer in this situation.

## Specialty Market Offerings

Specialty market offerings are items that differ significantly between brands. Specialty market offerings are not purchased as frequently as convenience items but are often bought more regularly than shopping items (depending on the individual customer).

Brand recognition plays a crucial role in specialty market offerings. Customers cannot buy such items at convenience stores or every outlet. There are exclusive outlets that supply these products. Examples of specialty market offerings include designer clothes, custom-made furniture, and so on.

## Unsought Market Offerings

Unsought market offerings are the products or services rarely demanded by the buyer until they require or are made aware of them.

Companies offering such products and services make efforts to create a mark in the minds of their potential customers through marketing campaigns. This ensures that they are the first ones customers think of when they require the service.

Marketing such products or services can be complex as marketers cannot tempt customers into buying them. Such a service might be pointless to the customer unless demand arises. Examples of such market offerings include roofing, towing, life insurance, funeral service, and so on.

# MARKETING CHANNELS

Marketing channels are a group of entities that **facilitate the promotion and availability** of a good or service for customers.

## Vertical Channels

In a vertical marketing channel, the **producers, wholesalers, and retailers act as a single unit** to bring the products to the target customers

- ❑ **Corporate Vertical Channel** - common ownership and integration of different levels of production and distribution stages.
- ❑ **Contractual Vertical Channel** - firms operating at different levels of production and distribution function together under a contractual agreement.
- ❑ **Administered Vertical Channels** - different stages of production and distribution collaborate due to the size and dominance of one of the parties.

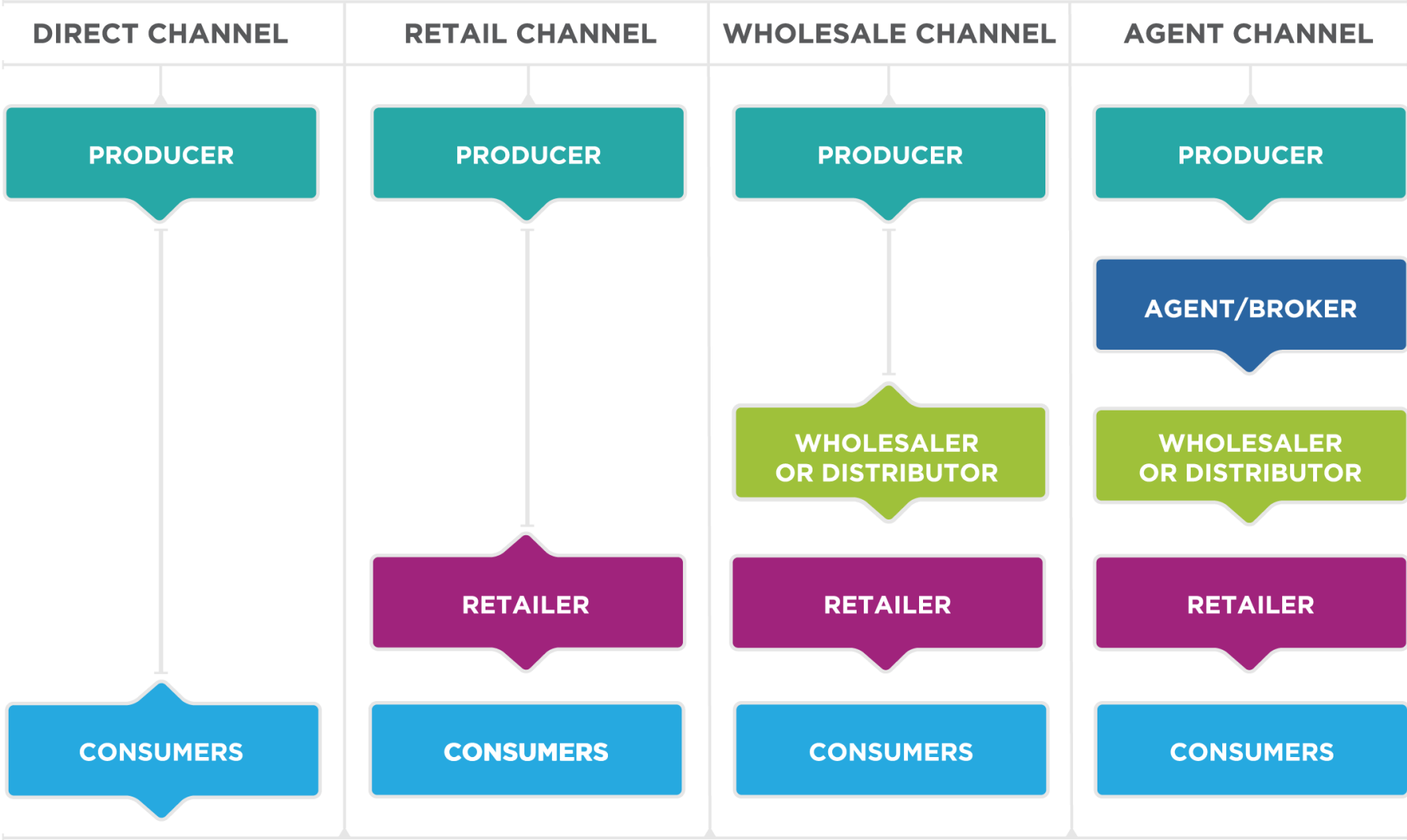
## Horizontal Channels

Two or more **organisations working at the same level join to function as one**. Different companies may have the upper hand in different marketing, financial, or production facets, making this union beneficial for all the involved parties.

## Multi-channels

Multi-channels involve creating multiple marketing channels to reach one or more customer segments and increase sales.

# MARKETING CHANNELS



## Features of Marketing Environment

The features of the marketing environment include:

**1. Dynamic nature:** The marketing environment is constantly changing and evolving due to various external and internal factors that influence it. Therefore, companies must be adaptable and responsive to these changes to remain competitive.

**2. Complexity:** The marketing environment comprises various interconnected factors and forces that can be difficult to understand and manage. These factors can interact in complex ways, making it challenging to predict how they will affect a company's marketing efforts.

**3. Uncontrollability:** Many external factors that make up the marketing environment are beyond the company's control, such as economic changes, laws and regulations, and [consumer behavior](#). As a result, companies must be able to adapt and respond to these factors rather than trying to control them.

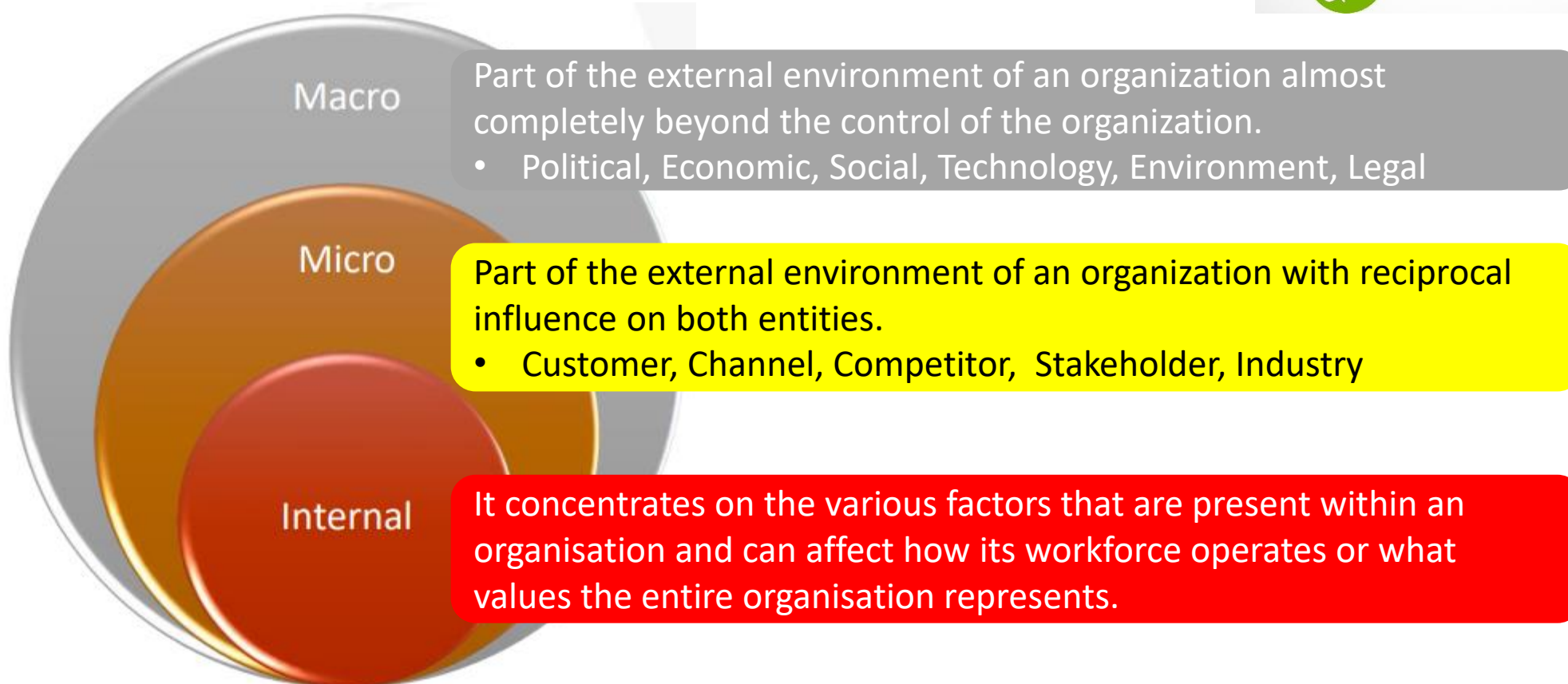
**4. Influential:** The marketing environment can significantly impact a company's marketing efforts and overall success. Understanding and managing the various factors that make up the environment can help companies develop effective marketing strategies and achieve their goals.

**5. Interrelated:** The different components of the marketing environment are interrelated and can impact each other. For example, technological changes can influence consumer behavior, affecting a company's marketing strategies.

# MARKETING ENVIRONMENT

## Marketing Environment Definition

=> Refers to combination of internal and external factors that affect a company's ability to market and sell its products or services.



P

- Government policy
- Political stability
- Corruption
- Foreign trade policy
- Tax policy
- Labour law
- Trade restrictions

E

- Economic growth
- Exchange rates
- Interest rates
- Inflation rates
- Disposable income
- Unemployment rates

S

- Population growth rate
- Age distribution
- Career attitudes
- Safety emphasis
- Health consciousness
- Lifestyle attitudes
- Cultural barriers

T

- Technology incentives
- Level of innovation
- Automation
- R&D activity
- Technological change
- Technological awareness

E

- Weather
- Climate
- Environmental policies
- Climate change
- Pressures from NGO's

L

- Discrimination laws
- Antitrust laws
- Employment laws
- Consumer protection laws
- Copyright and patent laws
- Health and safety laws





Thank You!

The text "Thank You!" is written in a black, elegant cursive font. It is underlined with a thick, golden-brown brushstroke. Five golden-brown stars are scattered around the text: two above and three below the underline.