



**SLEZSKÁ
UNIVERZITA**

OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

Principles of Marketing **Introduction**



The two problems

1. Marketing = advertising
2. Marketing = evil



Marketing

DIAGNOSIS

STRATEGY

TACTICS



Marketing equation

Diagnosis + Strategy — Tactics = NO ACTION

Diagnosis + Tactics — Strategy = NO DIRECTION

Strategy + Tactics — Diagnosis = NO IDEA

Diagnosis + Strategy + Tactics = ★

DO
YOU
HAVE
A
COW
AT
HOME
?



We don't have to have a cow in the kitchen if we want milk, because someone else in the company keeps the cows, someone else processes the milk and someone else distributes it to the shops. So, someone has to think about our need and then facilitate strategy and develop product, price, distribution and communication. Through marketing there are products in society that bring us value.



Human decision making



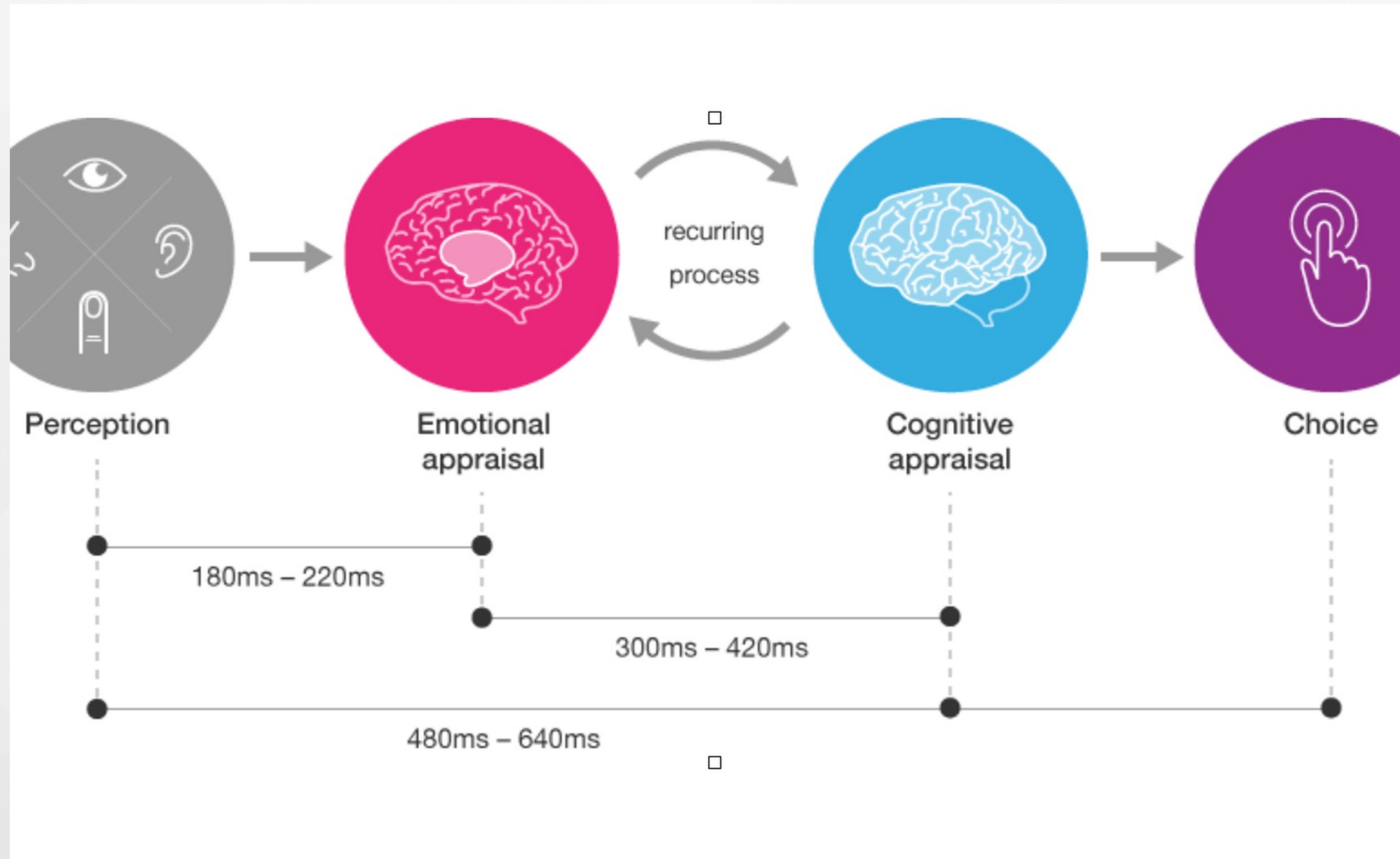
Emotion and Reason



Do you make decisions more emotionally or rationally?



Decision making process





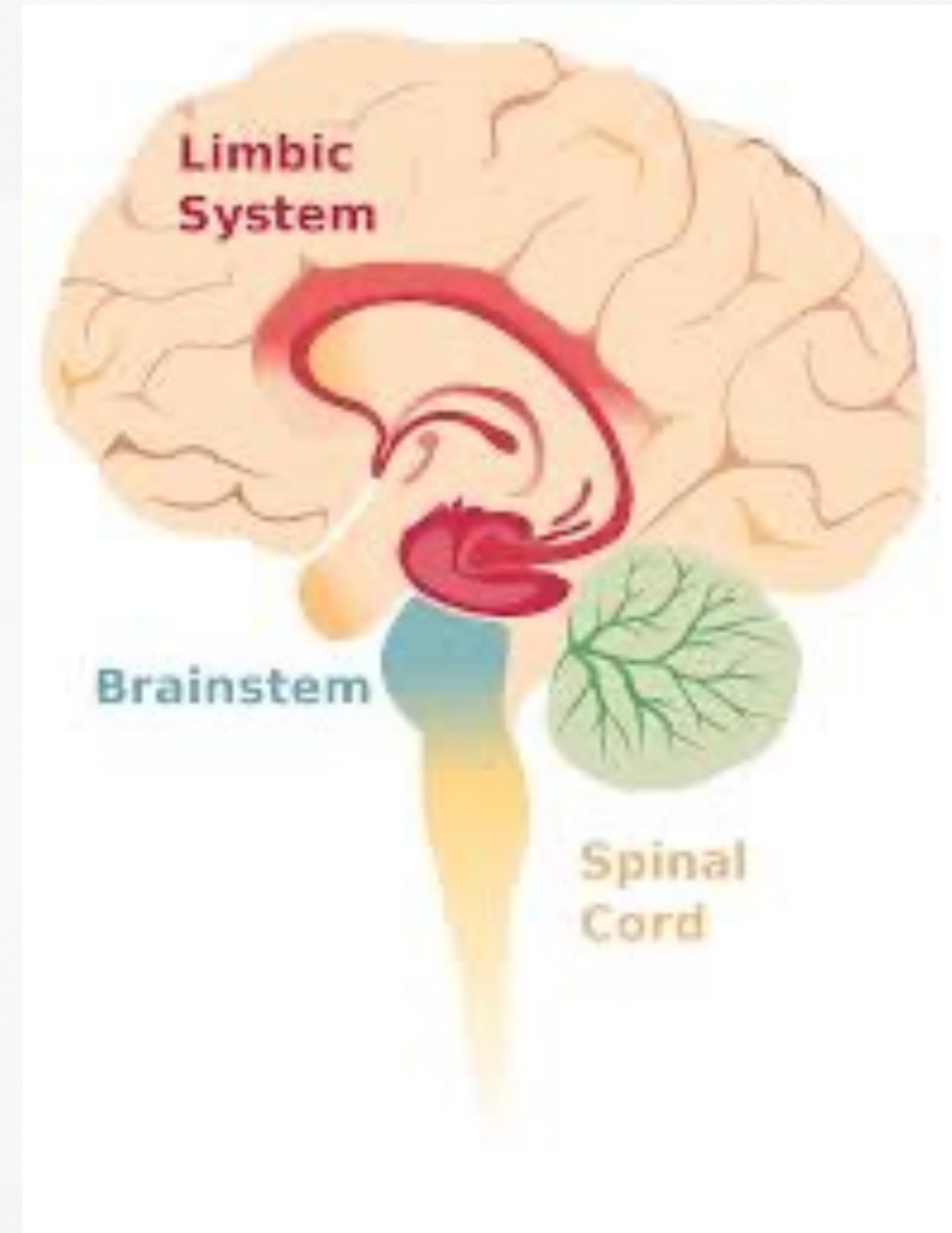
Decision making process

- The human brain is the result of millions of years of evolution. We have hard-coded instincts that helped our ancestors survive in small groups of hunters and gatherers.
- Our brains often make snap judgments without much thought - it's the only way we've been able to avoid imminent danger.
- If we scrutinized every piece of information, analyzed every decision rationally, we could not function normally in life.



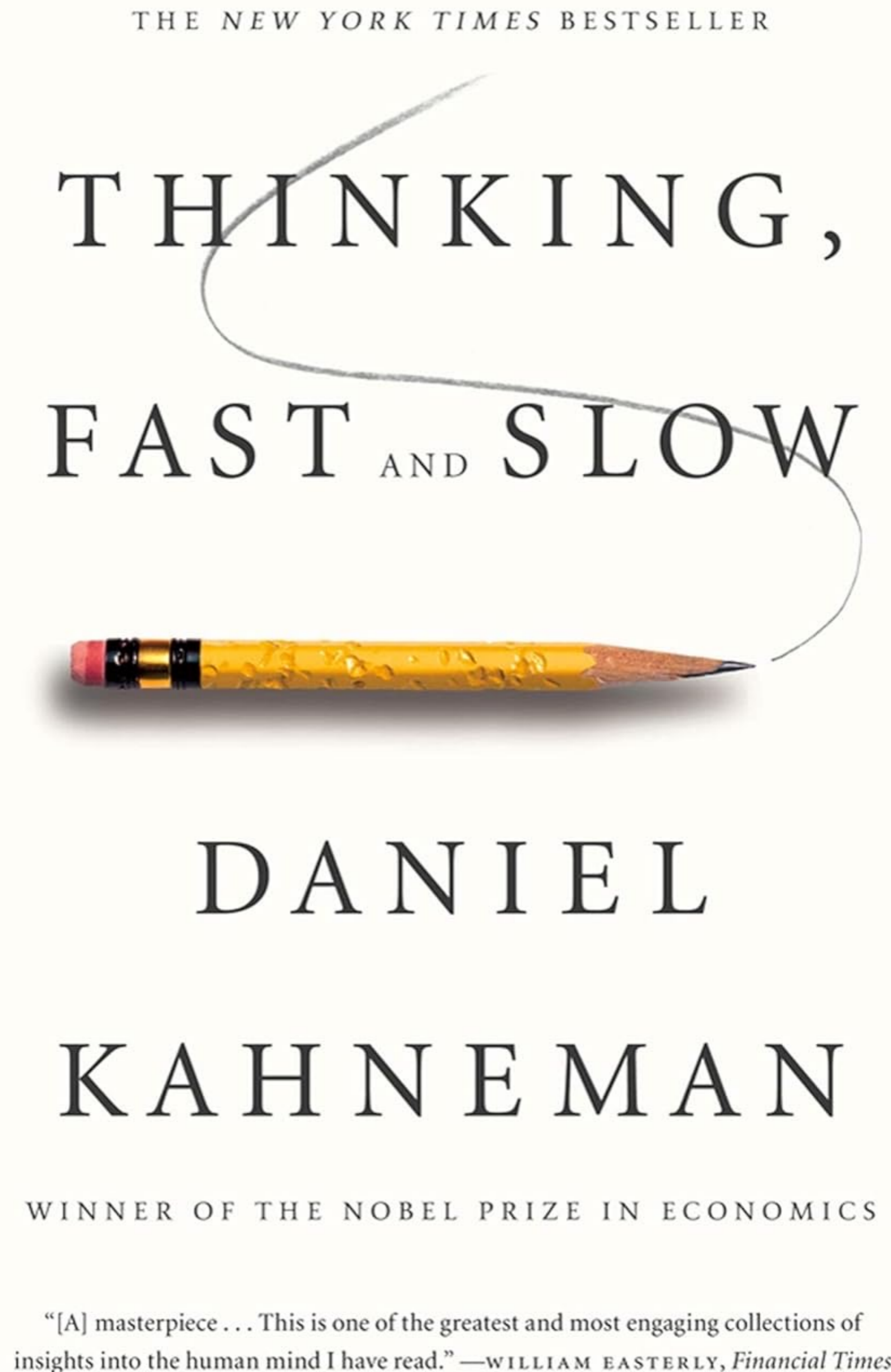
What is the purpose of the limbic system?

- It shapes emotions, behaviour and memory
- Activates fight or flight mode:
 - tiger -> fear -> escape -> survival -> genes
- Facilitates buying decisions



Instinct vs Reason

- Two systems:
 - System 1: instinctive, emotional, subconscious
 - System 2: slower, rational, conscious
- Our lives are dominated by System 1
- System 2 is slow but very good at some important things like learning and planning.



Marketing



WHAT IS AND WHAT IS NOT MARKETING?

- Marketing **is not** advertising or promotion, these are only its sub-functions.
- The job of marketing **is not** only to find smarter ways to sell products.
- Marketing **is not** the art of selling what to produce, but of knowing what to produce.
- It is the process of identifying and understanding customer needs and creating solutions that provide customer satisfaction.



What does a customer-oriented company actually do?

1. It regularly finds out what the customer's needs and wishes are.
2. It is clear about the value it brings to the customer with its product.
3. It delivers on what it promises.
4. Is interested in how satisfied the customer is with the product and service.
5. Knows how to communicate value.



Marketing is the process of delivering value at a profit



What is value?





Benefits - costs = customer value



Value types

- Expected value
- Perceived value
- The difference between the expected value and the perceived value determines customer satisfaction.



Value types

- **Expected value** refers to the benefits or value a customer believes they will receive from a product or service before they make a purchase.
- **Perceived value** is the value that customers believe they actually received after experiencing a product or service. It is subjective and varies from one person to another, based on their individual experience.
- The difference between the expected value and the perceived value determines customer satisfaction.



Value types

- Expected value is shaped by several factors, including:
- **Marketing communication:** Ads, promotions, and product descriptions set an expectation of quality, performance, or benefits.
- **Brand reputation:** A well-known brand often leads customers to expect higher value.
- **Word of mouth:** Recommendations or reviews from other customers influence expectations.
- **Previous experiences:** If a customer has had a good experience with a brand, they may expect the same or better value in future purchases.



Value types

- Perceived value is influenced by:
- **Product performance:** How well the product meets the customer's needs.
- **Customer service:** The quality of support and service provided by the company.
- **Price paid:** Whether the customer feels the product or service was worth the cost.
- **Brand and emotional connection:** Positive experiences with a brand can enhance perceived value, even if the actual product quality is the same as competitors.

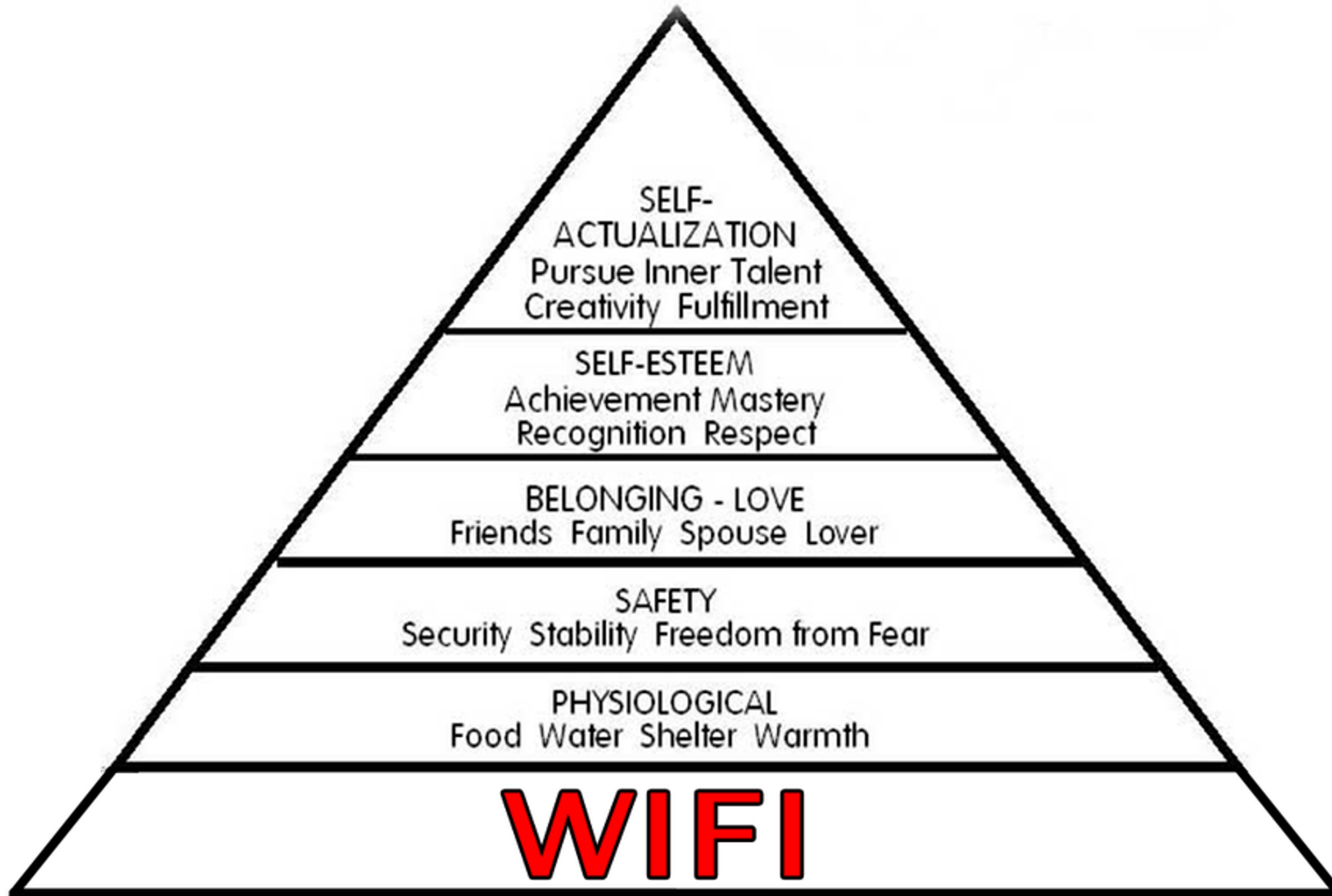


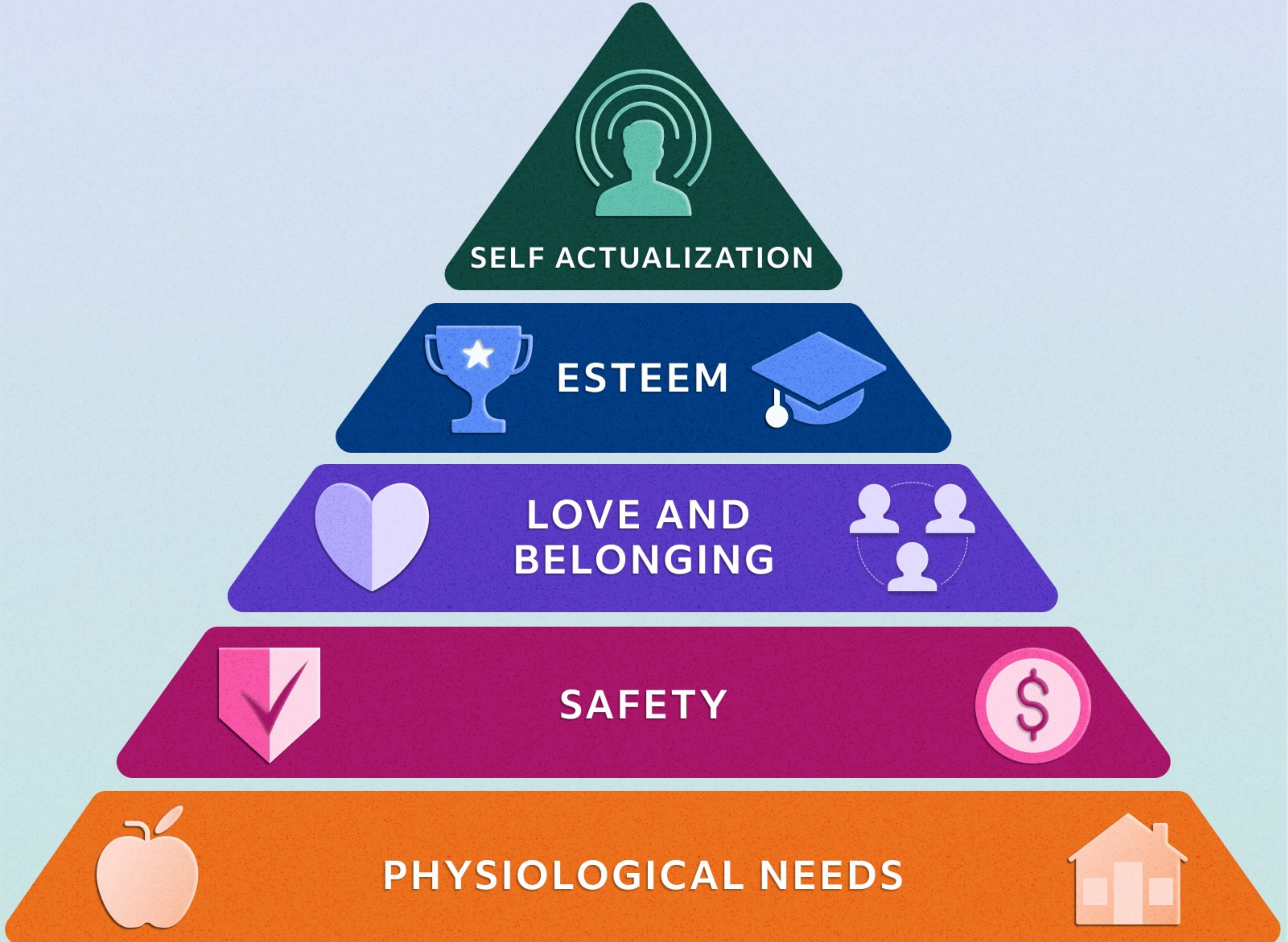
How does a satisfied customer behave?



What is need?







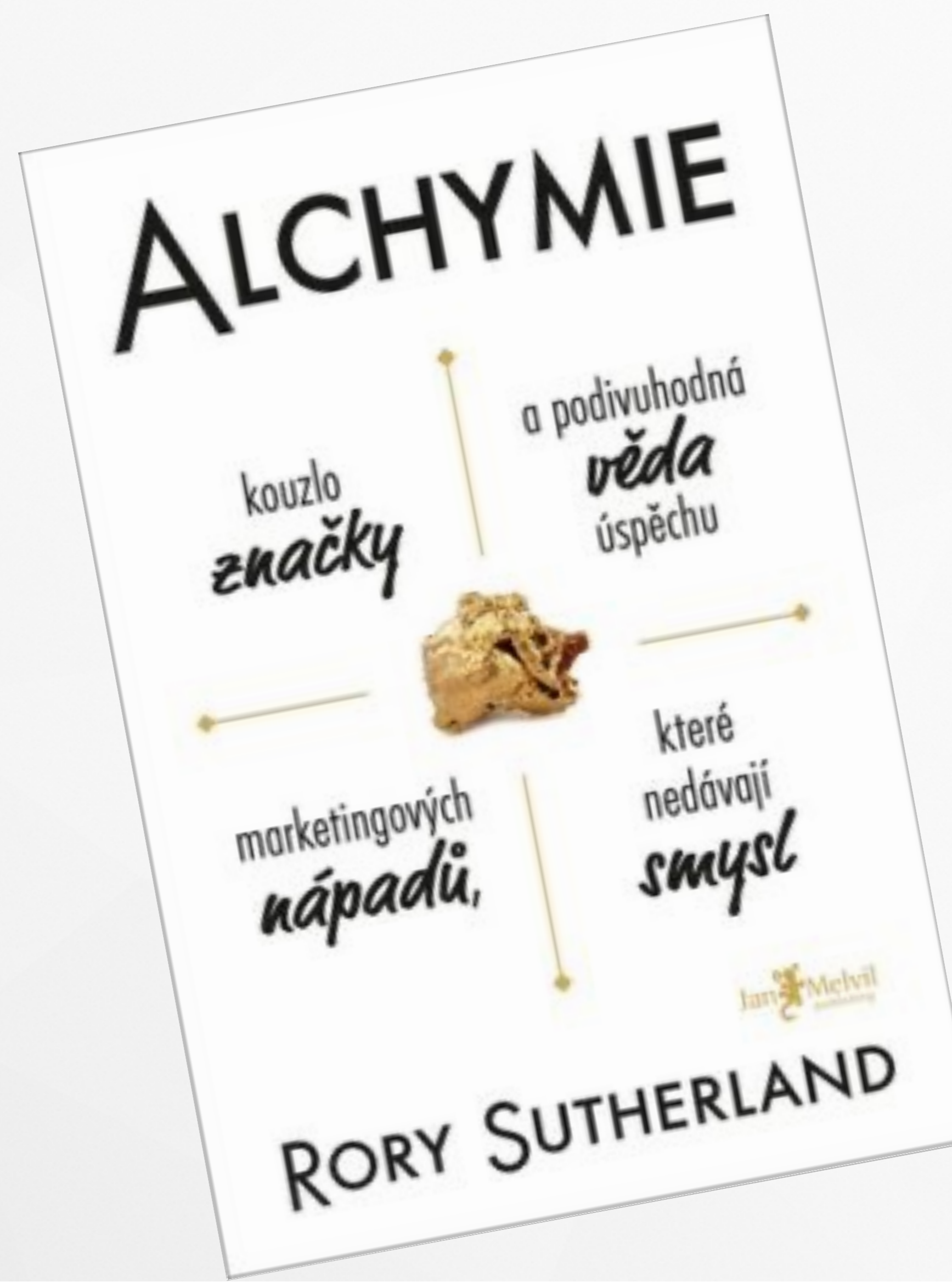


Which level of Maslow's pyramid of needs is common in Apple products?



„You can either find out what people want and work out the clever way of delivering it. Or you can work out what you can deliver and find the clever way of making people want it.“

Rory Sutherland



Recap

- We know what marketing is and isn't
- We know how people make decisions
- We know what value is
- We know what is needed



Thank you for your attention



**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

