

# Marketing Management

## HSLU, Semester 2

Matteo Frongillo

# Contents

<b>1</b>	<b>Course Overview and Organizational Aspects</b>	<b>3</b>
1.1	Administrative Details and Course Structure . . . . .	3
1.2	Course Content and Learning Objectives . . . . .	3
<b>2</b>	<b>Fundamentals of Relationship Marketing</b>	<b>5</b>
2.1	Evolution of Marketing and Key Definitions . . . . .	5
2.2	The Marketing Concept . . . . .	5
2.3	Transactional vs. Relationship Marketing . . . . .	5
2.4	Relationship Economics . . . . .	6
<b>3</b>	<b>Situational Analysis in Marketing Planning</b>	<b>7</b>
3.1	Overview of the Marketing Planning Process . . . . .	7
3.2	Market Driven vs. Resource Driven Strategies . . . . .	7
3.2.1	Resource-Based View (RBV) . . . . .	7
3.2.2	Market Orientation View (MOV) . . . . .	7
3.2.3	Critical Discussion . . . . .	7
3.3	Assessing the Internal Marketing Situation . . . . .	8
3.4	Assessing the External Marketing Situation . . . . .	8
3.4.1	Macroenvironmental Analysis (PESTEL) . . . . .	8
3.4.2	Microenvironmental Analysis . . . . .	8
3.4.3	Porter's Five Forces Analysis . . . . .	8
3.5	SWOT Analysis . . . . .	9
<b>4</b>	<b>Strategy Formulation in the Marketing Planning Process</b>	<b>10</b>
4.1	Defining Strategy . . . . .	10
4.2	The Strategic Marketing Planning Process . . . . .	10
4.3	Strategic Objectives and Measurement . . . . .	11
4.4	Generic and Competitive Strategies . . . . .	11
4.4.1	Ansoff's Generic Strategies for Growth . . . . .	11
4.4.2	Porter's Generic Strategies . . . . .	11
4.4.3	Portfolio Management Models . . . . .	11
4.5	Offensive and Defensive Strategies, and CSR . . . . .	12
<b>5</b>	<b>Market Segmentation, Targeting, and Positioning (STP)</b>	<b>13</b>
5.1	Market Segmentation . . . . .	13
5.2	Targeting Strategies . . . . .	13
5.3	Market Positioning . . . . .	13

<b>6</b>	<b>Marketing Mix in the Marketing Planning Process</b>	<b>15</b>
6.1	Overview of the 4 P's . . . . .	15
6.2	Product and Service Decisions . . . . .	15
6.3	Pricing, Distribution, and Communication . . . . .	15
6.4	Customer value in the context of marketing decisions . . . . .	16
<b>7</b>	<b>Case Studies, Examples, and Group Work Exercises</b>	<b>17</b>
7.1	Group Work and In-Class Exercises . . . . .	17
7.2	Illustrative Examples . . . . .	17
<b>8</b>	<b>Consolidated Reflections and Conclusions</b>	<b>18</b>
8.1	Integrated Marketing Management . . . . .	18
8.2	Key Takeaways for the Exam . . . . .	18
8.3	Future Directions and Research . . . . .	18
<b>9</b>	<b>Appendices and Supplementary Material</b>	<b>19</b>
<b>A</b>	<b>Detailed Definitions and Key Concepts</b>	<b>20</b>
<b>B</b>	<b>Full Transcriptions of Selected Slides (Excerpted)</b>	<b>21</b>
<b>C</b>	<b>Group Work Templates and Discussion Prompts</b>	<b>22</b>

# Chapter 1

## Course Overview and Organizational Aspects

### 1.1 Administrative Details and Course Structure

- **Course Title:** Introduction to Marketing Management
- **Institution:** Institut für Innovation und Technologie Management
- **Script composed by:** Markus Raschke
- **Important Dates:**
  - Semester Start: 18.02.2025
  - Semester Performance Test: SW09 (16.04.25)
  - Mock-Exam: SW14 (21.05.2025)
  - Final Exam: Date TBD by university administration
- **Lecture Format:**
  - Lectures are held in-person (not streamed or recorded)
  - Additional materials and scripts are available on ILIAS
- **Study Guidelines:**
  - Actively participate, ask questions, and challenge the content.
  - Self-study and review the previous lecture's content before each session.
  - Engage in group work and discussions as assigned.

### 1.2 Course Content and Learning Objectives

- The course covers:
  - Fundamentals of Relationship Marketing
  - Situational Analysis in Marketing Planning

- Strategy Formulation (including SWOT, mission, objectives, and portfolio models)
- Market Segmentation, Targeting, and Positioning (STP)
- Marketing Mix Decisions (Product, Pricing, Distribution, Communication)
- Corporate Social Responsibility (CSR) strategies
- **Learning Objective:** Equip students with both the theoretical foundation and practical skills to design and implement strategic marketing plans.

# Chapter 2

## Fundamentals of Relationship Marketing

### 2.1 Evolution of Marketing and Key Definitions

- **Traditional Marketing:** Focuses on transactions—selling a product to a customer.
- **Relationship Marketing:** Emphasizes building long-term relationships with customers to create lifetime value.
- **Key Quote:**

“Education is not the learning of facts, but training the mind to think.”  
— Albert Einstein
- **Drucker’s Insight:** Business has only two functions — marketing and innovation.

### 2.2 The Marketing Concept

- **Definition:** Achieving corporate goals through meeting and exceeding customer needs better than the competition.
- **Core Elements:**
  - a. **Customer Orientation:** Every corporate activity is geared toward customer satisfaction.
  - b. **Integrated Effort:** All staff are responsible for creating customer value.
  - c. **Goal Achievement:** Corporate success follows customer satisfaction.

### 2.3 Transactional vs. Relationship Marketing

- **Transactional Approach:** Emphasizes the exchange process (sales, one-time interactions).

- **Relationship Approach:** Focuses on continuous engagement, trust, and long-term customer loyalty.
- **Relationship Ladder:**
  1. Awareness – Recognizing a potential exchange partner.
  2. Exploration – Testing the exchange with trial interactions.
  3. Expansion – Growing interdependency and benefits.
  4. Commitment – Formal or informal promise of continued exchange.
  5. Dissolution – Eventual disengagement, which always remains a possibility.

Companies can develop specific strategies to nurture customers from initial awareness (through informational and engaging content) to commitment (with personalized services or loyalty programs). This progression helps create sustainable, long-term customer relationships.

## 2.4 Relationship Economics

- **Objective:** Create sustainable profitability via customer retention.
- A stronger relationship typically leads to higher lifetime customer value.

# Chapter 3

## Situational Analysis in Marketing Planning

### 3.1 Overview of the Marketing Planning Process

- **Purpose:** To determine how to provide value to customers and capture that value in return.
- **Main Steps:**
  1. Research and analyze the current situation.
  2. Develop and document objectives, strategies, and programs.
  3. Implement, evaluate, and control marketing activities.

### 3.2 Market Driven vs. Resource Driven Strategies

#### 3.2.1 Resource-Based View (RBV)

- Focus on **core competencies** and unique, hard-to-copy resources.
- Emphasizes internal capabilities as the source of superior performance.

#### 3.2.2 Market Orientation View (MOV)

- Focus on understanding customer needs and competitive forces.
- Emphasizes external market trends and a customer-centric approach.

#### 3.2.3 Critical Discussion

- A balanced integration of RBV and MOV is essential.
- Overemphasis on internal resources may miss market shifts; focusing exclusively on market trends may underutilize unique strengths.



### 3.3 Assessing the Internal Marketing Situation

- **Resources:**
  - **Tangible:** Physical assets, financial resources, technology.
  - **Intangible:** Human resources, innovation capability, brand reputation.
- **Core Competencies:**
  - Difficult to duplicate.
  - Provide access to multiple markets.
  - Significantly enhance customer value.
- **Marketing Capability Gap:** When identified core competencies do not fully match market needs.

### 3.4 Assessing the External Marketing Situation

#### 3.4.1 Macroenvironmental Analysis (PESTEL)

- Factors include:
  - a. Political/Legal
  - b. Economic
  - c. Social/Cultural
  - d. Technological
  - e. Ecological
  - f. Legal (often split out for emphasis)

#### 3.4.2 Microenvironmental Analysis

- Involves:
  - Customers and their buying behavior.
  - Competitors and their strategies.
  - Channel members, partners, suppliers, and employees.

#### 3.4.3 Porter's Five Forces Analysis

- **Threat of New Entrants:** Impact of market entry barriers.
- **Threat of Substitutes:** Risks from alternative products or services.
- **Bargaining Power of Buyers:** Influence of consumers on pricing and quality.
- **Bargaining Power of Suppliers:** Influence on production cost and input availability.

- **Competitive Rivalry:** Intensity of competition among existing firms.

## 3.5 SWOT Analysis

- **Internal Factors:**
  - Strengths
  - Weaknesses
- **External Factors:**
  - Opportunities
  - Threats
- **Application:** Use the SWOT matrix to develop matching strategies:
  - SO-Strategies, ST-Strategies, WO-Strategies, WT-Strategies.
- **Example:** The Lufthansa SWOT matrix (as provided in the slides).

# Chapter 4

## Strategy Formulation in the Marketing Planning Process

### 4.1 Defining Strategy

- **Strategy as:**
  - a. **Plan:** Formulated in advance.
  - b. **Ploy:** Specific maneuvers to outperform competitors.
  - c. **Pattern:** Emerging consistency in actions.
  - d. **Position:** Finding a niche or unique market stance.
  - e. **Perspective:** The organization's unique view or culture.
- **Mintzberg's 5 P's:** A framework to understand the multifaceted nature of strategy.

### 4.2 The Strategic Marketing Planning Process

- **Key Questions:**
  1. What business are we in?
  2. Where are we today? (situational analysis)
  3. Where do we want to go? (mission/vision)
  4. How do we get there? (strategy and tactics)
- **Components:**
  - Mission statement and vision.
  - Situational analysis (SWOT, PESTEL, Porter).
  - Strategic objectives (financial, customer, operational, people/learning).

- Selection of strategic options (market penetration, product development, diversification, etc.).

## 4.3 Strategic Objectives and Measurement

- **Criteria for Objectives:**
  - Specific performance dimensions.
  - Appropriate measures and target values.
  - Clear time frames.
- **Examples:**
  - Increase revenue by 10% annually.
  - Expand market share in the mid-market segment.
  - Improve customer retention metrics.

## 4.4 Generic and Competitive Strategies

### 4.4.1 Ansoff's Generic Strategies for Growth

- **Market Penetration:** Increase share in existing markets.
- **Product Development:** Innovate or improve products for current markets.
- **Market Development:** Enter new markets with existing products.
- **Diversification:** Venture into new products and new markets.

### 4.4.2 Porter's Generic Strategies

- **Cost Leadership:** Achieve the lowest production and distribution costs.
- **Differentiation:** Offer unique products commanding premium prices.
- **Focus Strategies:** Concentrate on a narrow market segment with either cost focus or differentiation focus.
- **Key Insight:** “Don't get stuck in the middle.”

### 4.4.3 Portfolio Management Models

- **BCG Growth-Share Matrix:** Classify business units/products as Stars, Question Marks, Cash Cows, or Dogs.
- **McKinsey Model:** Consider market attractiveness versus competitive position.

## 4.5 Offensive and Defensive Strategies, and CSR

- **Offensive Strategies:**
  - Direct attacks on competitors.
  - Indirect maneuvers to capture market share.
- **Defensive Strategies:**
  - Actions designed to deter potential challengers.
  - Shaping competitor expectations regarding profitability.
- **Corporate Social Responsibility (CSR):**
  - Integrates social and environmental concerns into operations.
  - Acts as a tool for brand differentiation and risk management.
  - **Drivers:** Consumer awareness, legislation, globalization, and investor expectations.

# Chapter 5

## Market Segmentation, Targeting, and Positioning (STP)

### 5.1 Market Segmentation

- **Definition:** Dividing a broad market into subgroups with shared characteristics.
- **Purpose:** Identify segments likely to be most profitable or have growth potential.
- **Criteria:** Demographics, geographic, behavioral, and psychographic factors.

### 5.2 Targeting Strategies

- **Undifferentiated Marketing:** A single marketing mix for all consumers.
- **Differentiated Marketing:** Different products or messages for different segments.
- **Concentrated Marketing:** Focus on one or a few segments.
- **Micromarketing:** Customization based on local or individual differences.

### 5.3 Market Positioning

- **Goal:** Influence how target customers perceive a brand or product relative to competitors.
- **Tools:**
  - Perceptual Maps to visualize competitive positioning.
  - Positioning statements based on a formula:
    1. For (target customer)
    2. Who (statement of need)
    3. (Brand/Product) is the only (category)
    4. That (offers differentiation/benefit)

- **Examples:**
  - Harley–Davidson’s positioning as a lifestyle brand.
  - Volvo’s positioning focused on safety.

# Chapter 6

## Marketing Mix in the Marketing Planning Process

### 6.1 Overview of the 4 P's

- **Product:** What is offered; includes features, branding, and quality.
- **Price:** How much customers pay; requires an understanding of value and competitive positioning.
- **Place:** Distribution channels and logistics.
- **Promotion:** Communication and advertising strategies.

### 6.2 Product and Service Decisions

- **Product Levels:**
  - a. **Core Product:** The essential benefit.
  - b. **Actual Product:** Tangible features, design, brand image.
  - c. **Augmented Product:** Additional services, warranties, or support.
- **New Product Development:** Stages from idea generation to commercialization.
- **Product Life Cycle:** Introduction, growth, maturity, and decline.

### 6.3 Pricing, Distribution, and Communication

- **Pricing Strategies:**
  - Penetration pricing, skimming, competitive pricing.
- **Distribution (Place):**
  - Direct vs. indirect channels, channel management, geographic considerations.
- **Promotion (Communication):**



- Advertising, public relations, digital marketing, and integrated campaigns.

## **6.4 Customer value in the context of marketing decisions**

### **Integration of the 4 P's with customer needs**

Explain how each element of the marketing mix is tailored to meet specific customer needs. For example, designing a product that satisfies customers, pricing it appropriately to reflect perceived value, ensuring convenient distribution, and effective promotion that communicates the benefits.

### **Dynamic customer value**

Elaborate on how customer value isn't static but evolves as customer expectations change, and companies must continuously refine their marketing strategies to maintain satisfaction.

### **Win-win situation**

Detail that a win-win occurs when the company's competitive advantage translates into customer loyalty and satisfaction, which, in turn, supports long-term profitability and market positioning. (Pages 40–42)

# Chapter 7

## Case Studies, Examples, and Group Work Exercises

### 7.1 Group Work and In-Class Exercises

- **SWOT Analysis Exercises:**
  - Use templates (e.g., the Lufthansa SWOT matrix) for hands-on practice.
- **Competitive Strategy Group Work:**
  - Compare market-driven and market-driving strategic approaches.
- **CSR Case Study:**
  - Analyze companies such as Coca-Cola, Volkswagen, or Nikin regarding their CSR initiatives.

### 7.2 Illustrative Examples

- **Burger King's Mission Statement:** “We offer reasonably priced quality food, served quickly, in attractive, clean surroundings.”
- **Harley-Davidson's Positioning:** Emphasizes a unique lifestyle and strong brand identity.
- **Porter's Five Forces in Real Situations:** Detailed examples highlight how market entry, buyer power, and competitive rivalry interact.

# Chapter 8

## Consolidated Reflections and Conclusions

### 8.1 Integrated Marketing Management

- Comprehensive marketing management is a dynamic interplay among:
  - Relationship building
  - Rigorous situational analysis
  - Strategic planning and execution
  - Tactical adjustments based on performance gaps

### 8.2 Key Takeaways for the Exam

- Every phase—from internal audits to external market analyses—impacts strategic decisions.
- The synergy of customer orientation, innovative product strategies, and CSR initiatives can create a sustainable competitive advantage.
- Continuous evaluation (via performance measurement and feedback loops) is critical to closing the planning gap.

### 8.3 Future Directions and Research

- Emerging trends: Digital transformation, ethical consumerism, and globalization.
- Importance of lifelong learning: Always update strategic tools and frameworks as market dynamics evolve.

## Chapter 9

### Appendices and Supplementary Material

# Appendix A

## Detailed Definitions and Key Concepts

- **Core Competencies:** Should be difficult to duplicate, provide access to a broad range of markets, and significantly add to customer value. (Prahalad and Hamel, 1990)
- **PESTEL Components:** Detailed definitions for each factor and its implications for strategic decision-making.
- **The Competitive Triangle:** How resources, market conditions, and capabilities interact.

# Appendix B

## Full Transcriptions of Selected Slides (Excerpted)

- **Slide Excerpts:**

- “Production orientation: Production capabilities are the basis for company activity.”
- “Marketing orientation: Customer needs are the basis for all company activity.”
- “Sales (Push) vs. Marketing (Pull): Transactional marketing versus relationship-driven approaches.”
- Detailed breakdown of the relationship ladder: Awareness, Exploration, Expansion, Commitment, Dissolution.

# Appendix C

## Group Work Templates and Discussion Prompts

- SWOT analysis templates.
- Guidelines for group presentations on CSR strategies and competitive analysis.
- Template for perceptual mapping exercises.