



# Marketing information systems

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# Course assignments

- 1 Marketing information management in the web, internet analytics. Tools Google Blogger / Google Analytics
  - 2 Customer relationship marketing, customer capital, marketing decisions. Tools: Excel (pivot),AHP
  - 3 Computerization of marketing processes, problems and solutions. Tools: Power BI
  - 4 Digital transformation of marketing technologies. Tools Google Big Query
- Each task carries 50% assignments and 50% theoretical course (embedded in assignment and class discussion)

# Marketingo disciplinos įtaka ir raida

- Marketingo koncepciniai pagrindai
- Marketingo teorinė raida
- Mainų pagrindai
- Marketingo vadyba, jos vieta įmonėje
- Marketingo vadybos procesai
- Marketingo specialistų atsakomybės sritys
- Marketingo dedamųjų transformacija technologijų įtakoje

# Concepts

- Market
- **Marketing as a domain area**
- **Marketing Concepts**
- **Marketing management, role in a company**
- **Marketing theories**
- **MARTECH development. Influence of technologies: from computerization to digital transformation**
- Marketing dynamics approach
- Marketing efforts continuum towards the financial results

# Marketing as a domain area

Many definitions of marketing- different accents (AMA- American marketing association defines)

Marketing is a social process by which individuals and groups obtain what they **need** and **want** through creating and exchanging **products** and **value** with others (Kotler, Turner, 1985)

Keywords:

**Needs, wants, demands**

**Products**

**Values and satisfaction**

**Exchange and transactions**

**Markets**

## Needs, wants, demands

**Need** is a state of felt deprivation of some basic satisfaction

- E.g. food, clothing –things of survival. These needs are not created by society or marketers, they exist in human biology

**Wants** are desires for specific satisfiers of deeper needs.

- They are different in various societies: a person needs food and wants oyster, needs clothing and wants a Chanel outfit, needs esteem and wants fancy necklace. Wants are continuously reshaped by social forces and communities (families, schools, church, etc.) Marketing can create wants for the customers

## Needs, wants, demands

**Demands** are wants for specific products that are backed up by an ability and willingness to obtain them by exchange.

**Wants** become **demands** when backed up by purchasing power.

Companies have to measure not only how many people want their product but how many would **actually** be willing and able to buy it.

## Needs, wants, demands

These distinctions answer frequent critics for marketing “marketers create needs” or “marketers get people to buy things they don’t want”.

Marketers do not create needs- they preexist marketers. E.g. marketers do not create need for social status.

Along with other influential forces marketers influence **wants**. They suggest to consumers or try to point out how particular product would satisfy need (e.g. BMW car or Parker pen for satisfying need for social status)

Marketers try to influence demand by making product attractive, affordable, available. The demand is highly affected by competition: the want of the customer can be created by one firm and converted to the satisfied demand by the other (e.g. due to discount)



## Products

**Broad understanding of product** : anything that can be offered to someone to satisfy a need or want.

Product as a physical object serves as a vehicle for getting service (e.g. car for riding it).

Services are carried by other vehicles such as persons, places, activities, organizations, ideas. Product covers all vehicles that are capable of delivering satisfaction of a want or need

Tangible and intangible products. Intangible products cover information and knowledge (which is often not documented) and patents, technologies, brands (which can have certificates and can be sold-obtained (exchanged in the market)

Other terms for product: offer, satisfier, resource.

## Values and satisfaction

How do consumers choose among the products that might satisfy a given need ?

E.g. how can we travel ? By foot, roller skates, bicycle, car, plane or cruise ship.

The list makes a choice set.

According it we make a product set

The goal set which we want to satisfy in need for traveling, e.g. speed, cost, ease. Each product has difference capacity to satisfy goals.

What is the ideal product ?

Product space is the rating of products by customer perception how far is is from ideal. Value (or utility) is greater if product is nearer to ideal

# Exchange and transactions

Marketing exists when people decide to satisfy needs and wants in way we call exchange.

Four ways of exchange:

- Self production (e.g. relieve hunger by fishing) - no marketing, as there is no interaction

- Coercion (e.g. wrest food from other) – no benefit is offered to other party

- Begging (e.g. approach other)- no tangible to offer, except gratitude

- Exchange (offer resource in exchange for good: money, another good, service)- marketing arises from this approach

However even in the situations where there is no marketing, the marketing specialists can introduce it (e.g. computer games created for defeating enemies or robbing resources fulfil the needs of customer to experience situation of coercion)

# Exchange and transactions

Exchange is the defining concept underlying marketing- the act of obtaining desired product from someone offering something in return

Terms for exchange: leave them both better or not worse, that's why exchange is a value creating process

Exchange has to be seen as a process not event (two parties finding each other, negotiating, moving towards agreement)

If the agreement is reached, transaction occurs.

# Markets

Economist view: market is the place where buyers and sellers gather

Marketers view: market consists of all potential customers sharing a particular need or want, able for exchange to satisfy it.

Market are seen as buyers (their groupings), the sellers-as industry. They are connected with flows:

- Communication

- Products (goods/services)

- Money

- Information

# Summary of marketing concepts

Marketing means human activity that takes place in relation to markets.

Marketer seeks for resource from someone and willing to offer something of value in exchange.

Marketer is seeking response from other party, and can take a role of seller or buyer.

# Marketing Concepts

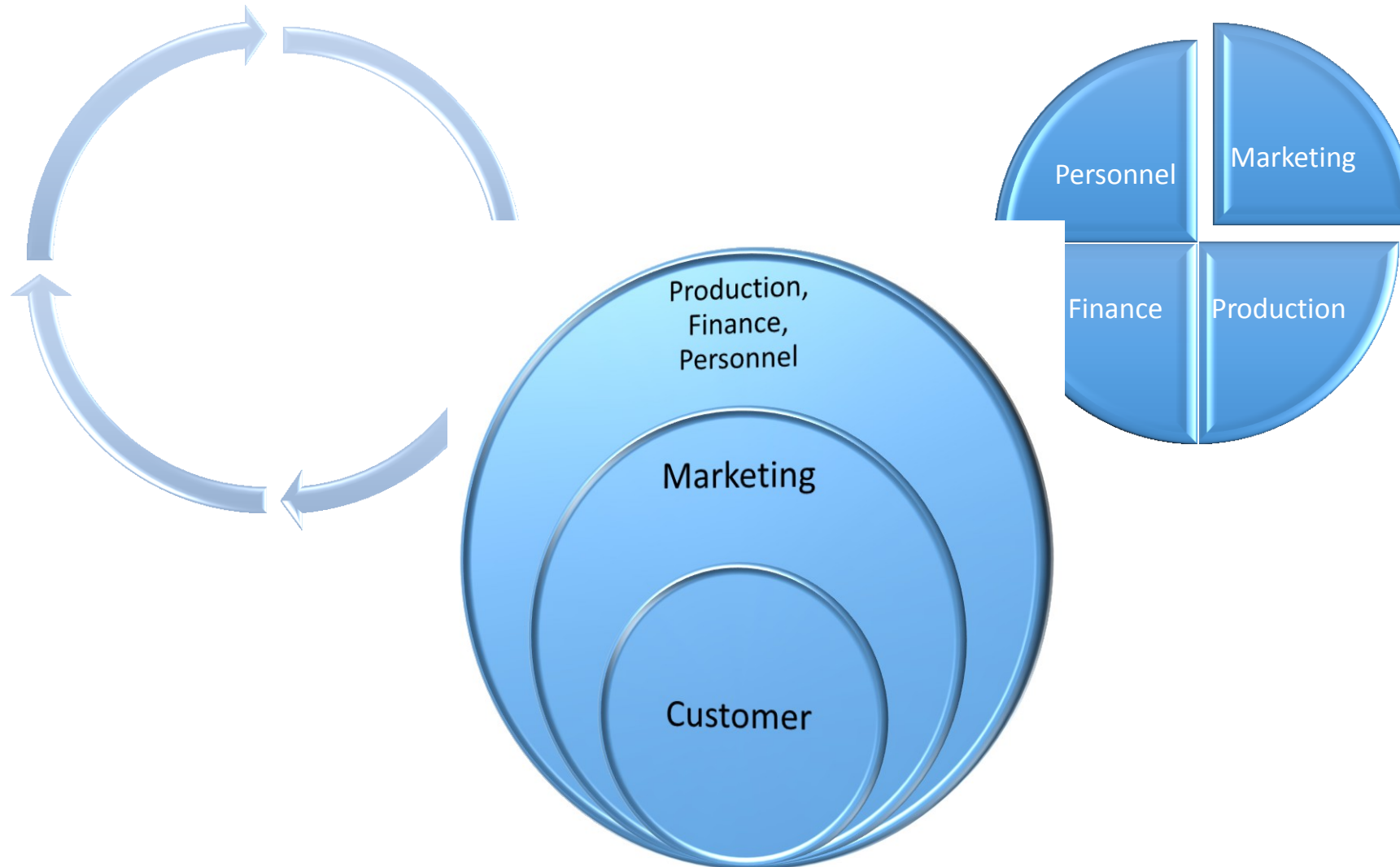
Marketing orientation	Focus	Means	Ends
Production concept	Mass production lowering costs and price	High production efficiency and wide distribution coverage	Sell what is produced. Leads to impersonality of consumer
Product concept	Consumer favors only products that offer most quality, performance and features	Make good products and improve them over time	Sell what producers "love" cause marketing "myopia" losing sight what customer wants
Selling concept	Product	Selling and promotion	Profits through sales volume
Marketing concept	Meet customer needs	Integrated marketing	Profits through customer satisfaction.
Societal marketing concept	Determine customer needs	Deliver needs fulfillment better than competitors	Preserve and ensure long-run society welfare

# Marketing's role in a company

- Equal function or primary four: marketing, production, finance, personnel
- More important function
- Central major function
- Customer –central function for controlling 4 primary functions
- Customer as controlling, marketing and integrative function in the center



# Marketing's role in a company



# Marketing management

It is the analysis, planning, implementation and control of programs

designed to create, build, and maintain beneficial exchanges and relationships with target markets  
for the purpose of achieving organizational objectives

The organization forms the idea of a desired level of transactions with the target market. It has a task of influencing the level, timing, composition of demand according to goals.

States of demand to cope: negative absent, latent, falling, irregular, full, overfull, unwholesome demand

# Marketing and management processes (functions)

## 5 Key Functions of Management

∞ Plan

∞ Organise

∞ Make decisions (Command)

∞ Co-ordinate

∞ Control

If the specialist does not perform any of these functions, he cannot be considered as manager.

# Marketing theories

Most prevailing theory is 4P (McCarthy, 1968)-  
marketing mix (customer, markets, etc. missing here).

Extensions of the 4P theory:

Kotler (megamarketing) 4+2P

Booms&Bitner (Service marketing) 4+3P

Baumgartner (1991) – 15P

The mix concept was initially developed by Neil Burden (1964) derived from Culliton (1948) : marketing is a mix of ingredients (12 elements +4 forces) (Product planning, pricing, branding, channels of distribution, personal selling, advertising, promotions, packaging, display, servicing, physical handling, fact finding and analysis) + (behavior of : consumers buying, trades' (ret.wh), competitors and their position, governmental

and search for suitable set of ingredients for each transaction with customer.

system is too brief for its real implementation.  
Its real content covers various problem



# Marketing theories- summary

4Ps McCarthy (1960)	5Ps Judd (1987)	6Ps Kotler (1984)	7Ps Booms and Bitner (1981)	15Ps Baumgartner (1991)
Product	Product	Product	Product	Product/service
Price	Price	Price	Price	Price
Promotion	Promotion	Promotion	Promotion	Promotion
Place	Place	Place	Place	Place
	People	Political power	Participants	People
		Public opinion formation	Physical evidence	Politics
			Process	Public relations
				Probe
				Partition
				Prioritize
				Position
				Profit
				Plan
				Performance
				Positive implementations

*Source: Gummesson (1994)*

# Development of marketing theories: from mix to relationships

Relationship marketing theory (Gronroos 1996, Gummesson, 1999 and USA “school”).

Christopher, Payne, Ballantyne (1991) Six markets

Kotler (1992) Ten players

Morgan, Hunt (1994) Ten partnerships

Gummesson 30R :classical relationships (3), special (14), mega (6), nano (7)

Relationship history of communication with customer leads to future activities including transactions.

Relationship processes can be considered as tangible, as they use resources and can be measured by quantitative indicators. They have life cycle. (Gronroos, 1996).

4P marketing is implemented by special department, and in RM all employees are considered as “*part-time marketers*” (Gummesson, 1999)

# Marketing work and careers

- Sales manager
- Sale representative
- Advertising and promotion manager
- Marketing researcher
- Customer service manager
- Product manager
- Market manager
- Marketing vice-president

Extensive career specifications exist in enterprises



# Marketing work and careers (e.g. certification)

Identify information and research requirements for business and marketing decisions.

Manage the acquisition of information and the Marketing Information System (MkIS).

Contribute information and ideas for business and marketing decisions.

Create a competitive operational marketing plan appropriate to the organization's context.

Integrate appropriate marketing mix tools and manage them to achieve the effective implementation of plans

# Marketing work and careers (e.g.certification)

Define and use appropriate measures to evaluate the effectiveness of marketing plans and activities.

Create an effective communications plan for a specific campaign.

Manage marketing communications activities.

Develop and manage support to customers and members of marketing channels.

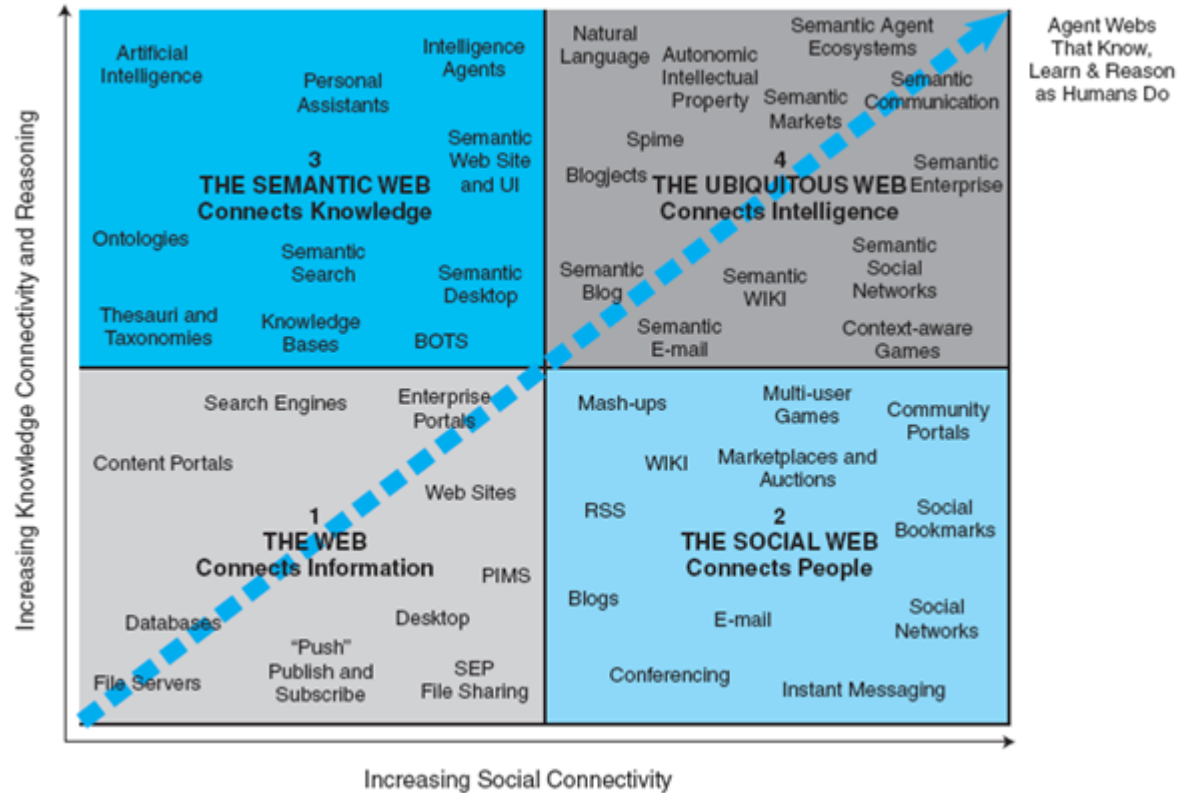
Plan a marketing project.

Manage a team for marketing project or tasks.

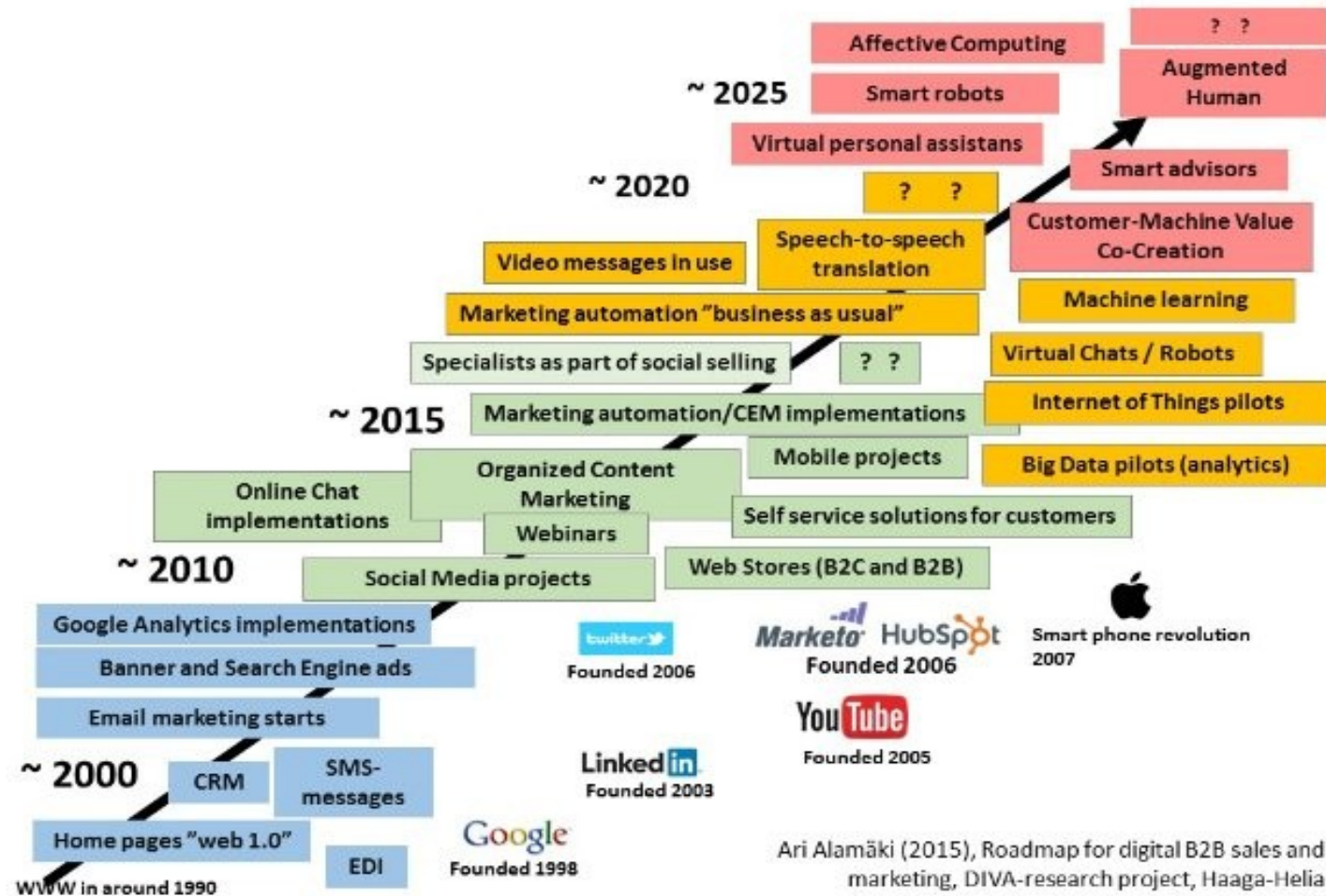
Make recommendations for changes and innovations to the marketing process for value enhancement

# Web technologies.

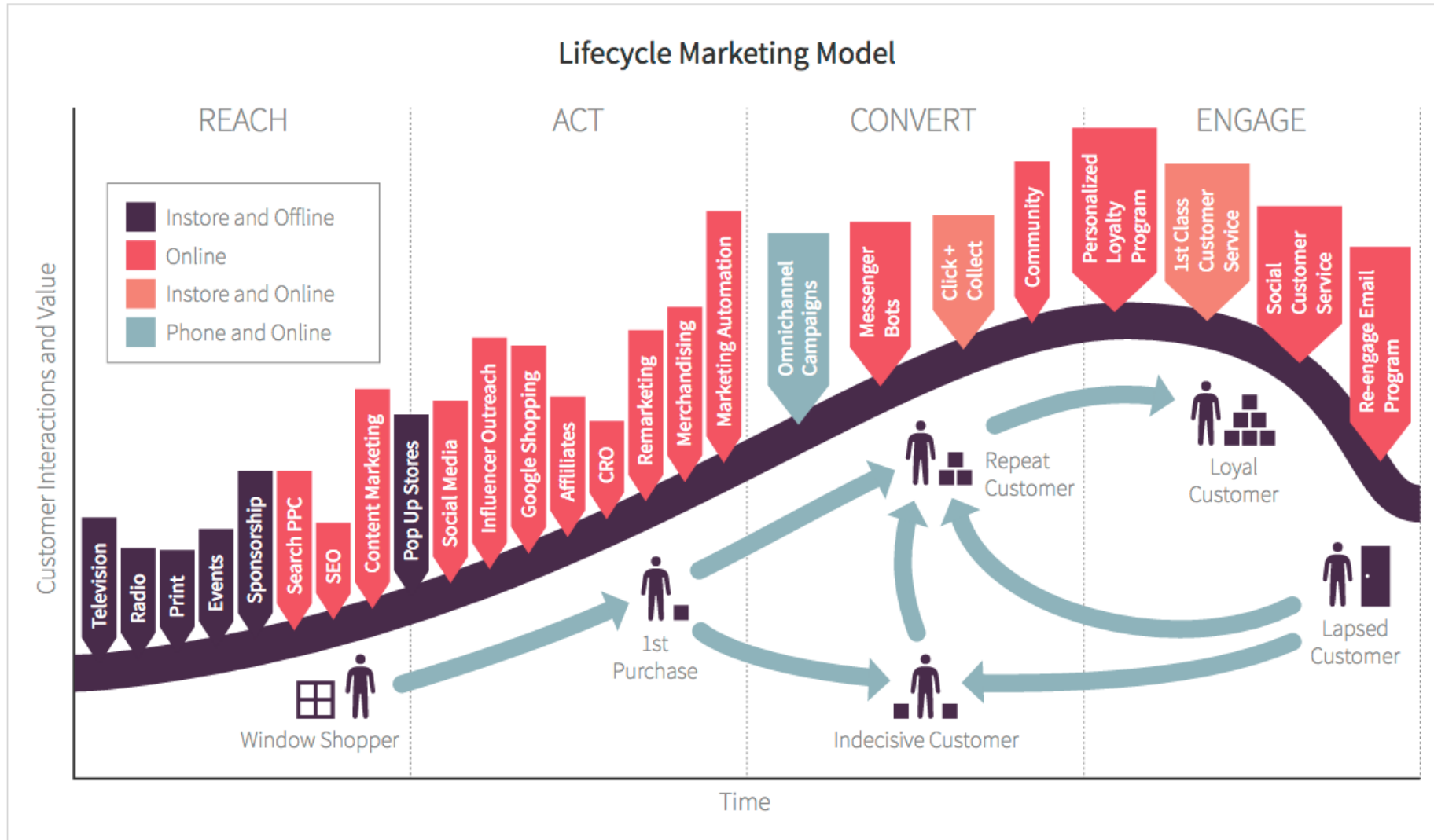
## Web x.0



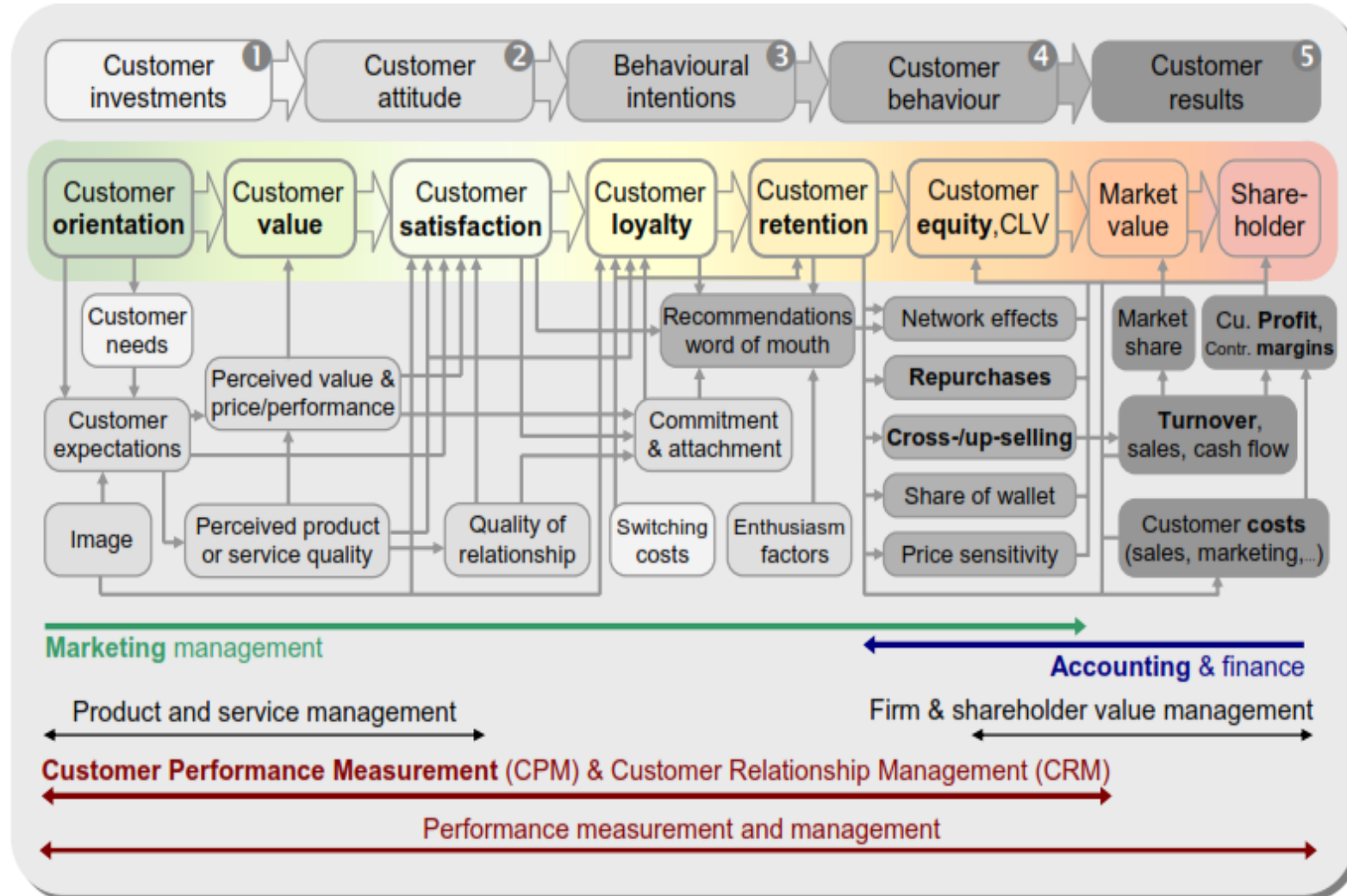
# MARTECH development. Influence of technologies: from computerization to digital transformation



# Marketing dynamics approach



# Marketing efforts continuum towards the financial results



Source: Zumstein, D.

# Internet marketing



- Content marketing
- Paid advertising
- SEO (search engine optimization)
- Social networks, media
- CRO (Conversion optimization)
- Analytics

cxl.com, <https://conversion-rate-experts.com/>