



MASTER IN ENTREPRENEURSHIP
INNOVATION MANAGEMENT
IN COLLABORATION WITH **MIT SLOAN**

IN COLLABORATION WITH

MIT MANAGEMENT
SLOAN SCHOOL



UNIVERSITÀ DEGLI STUDI DI NAPOLI
PARTHENOPE

MASTER MEIM 2021-2022

Marketing – an integrated perspective

Master 2021-2022

A cura del prof. Michele Quintano

Prof. Di Marketing all'Università degli Studi di Napoli Parthenope

Marketing

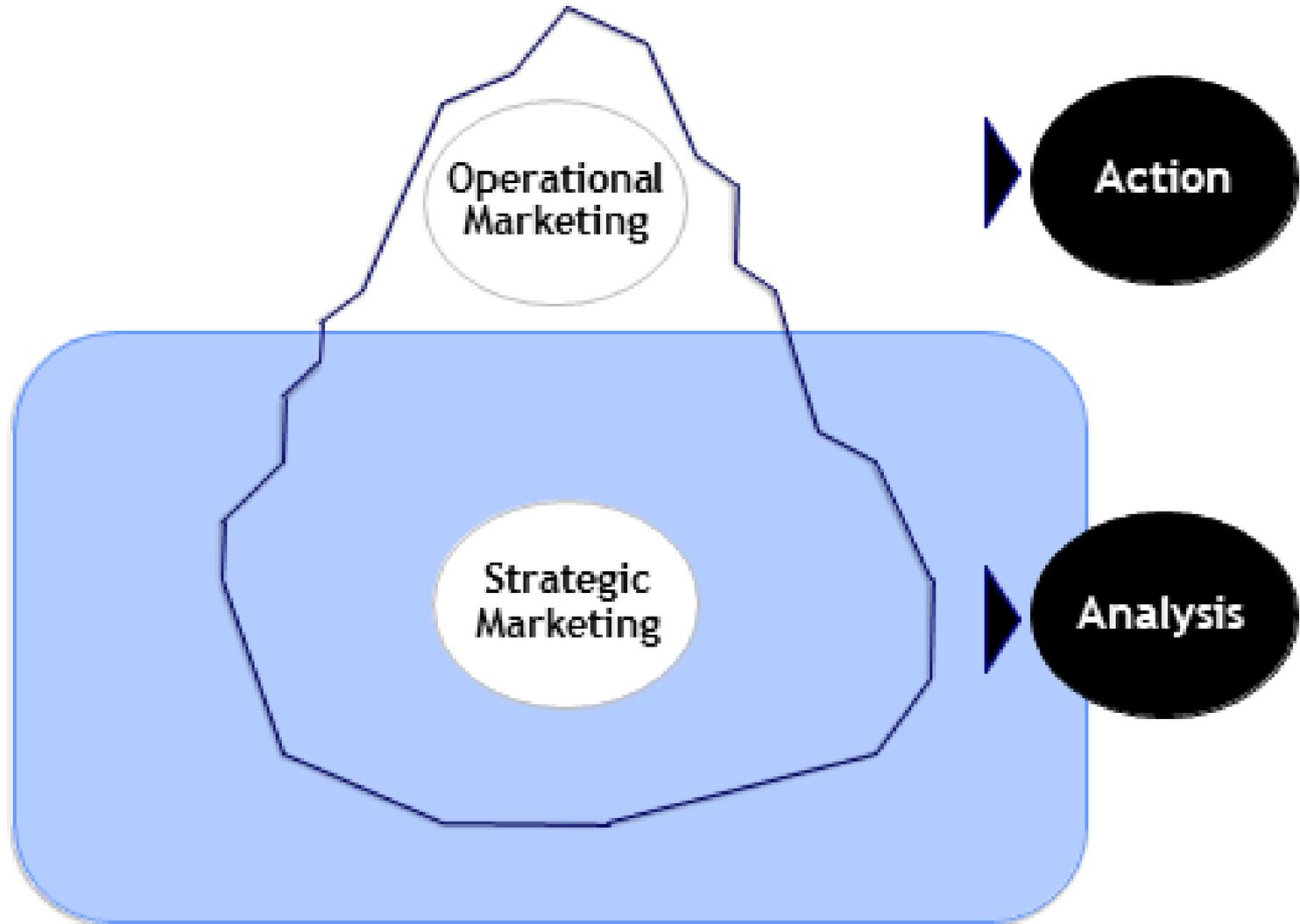
An integrated perspective

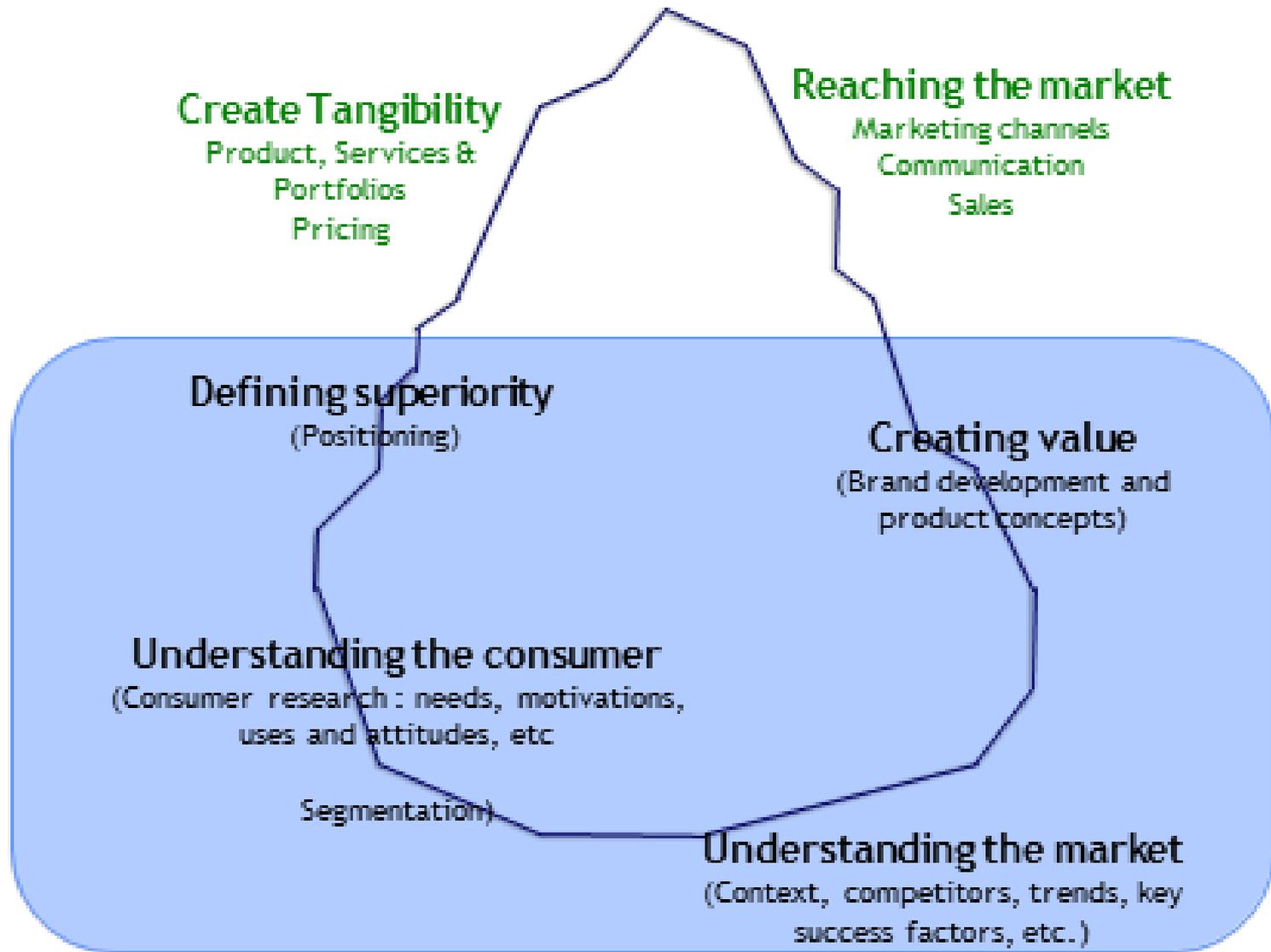
March, 15° 2022

Michele Quintano, PhD

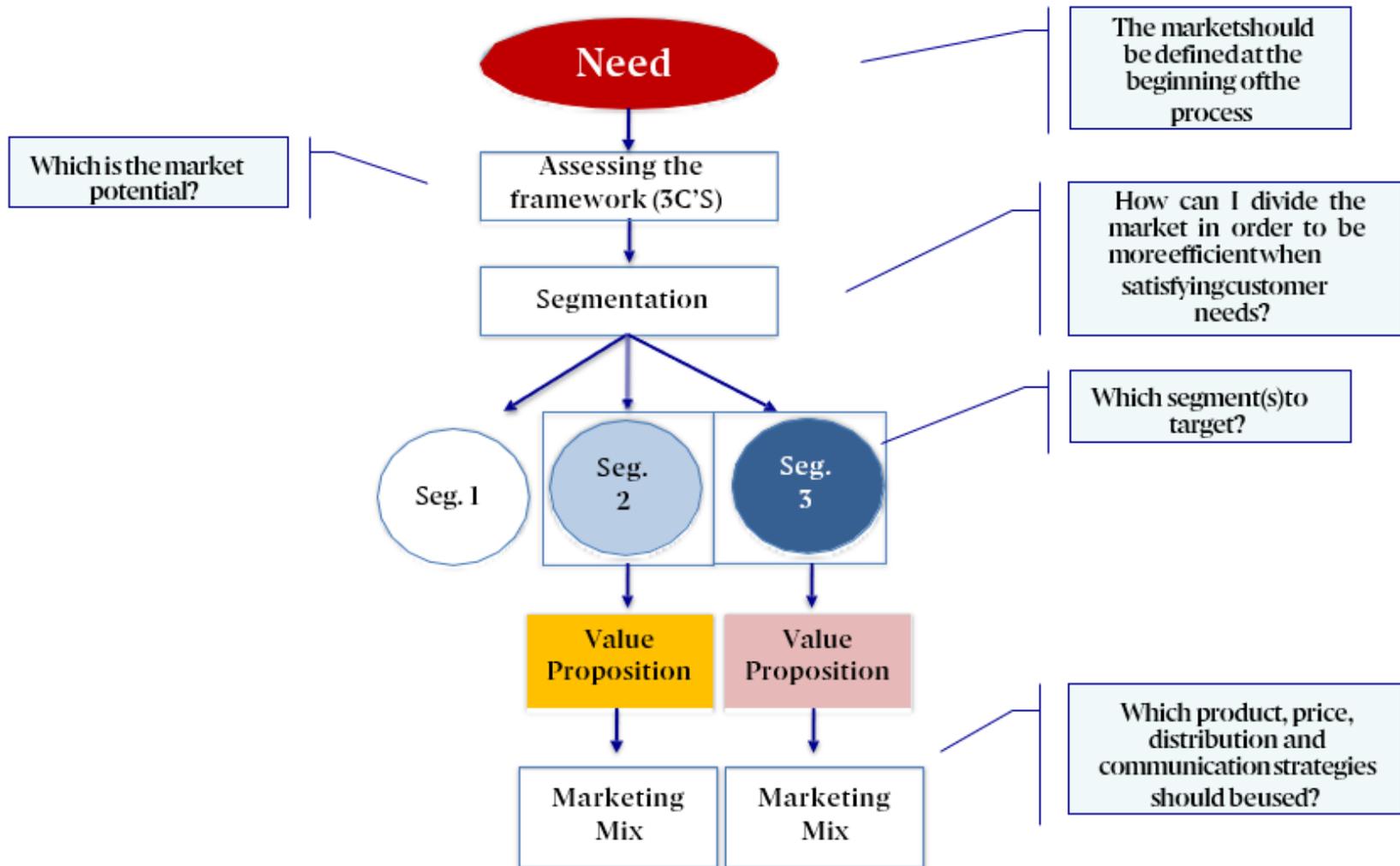








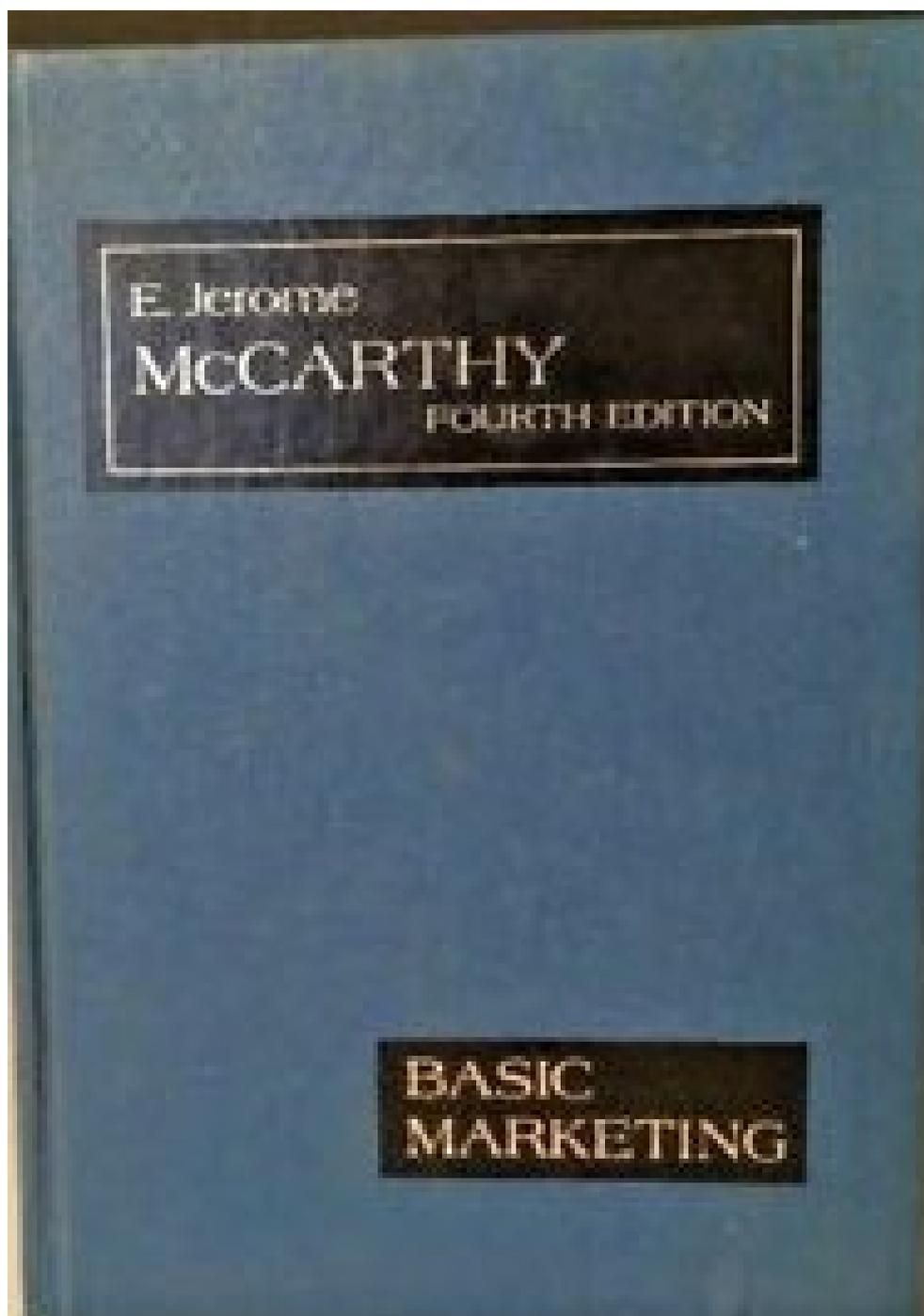
A first insight...the Mktg process



what is - should be the role of
Marketing... and why
do we **Need it?**

¿What is Mktg?

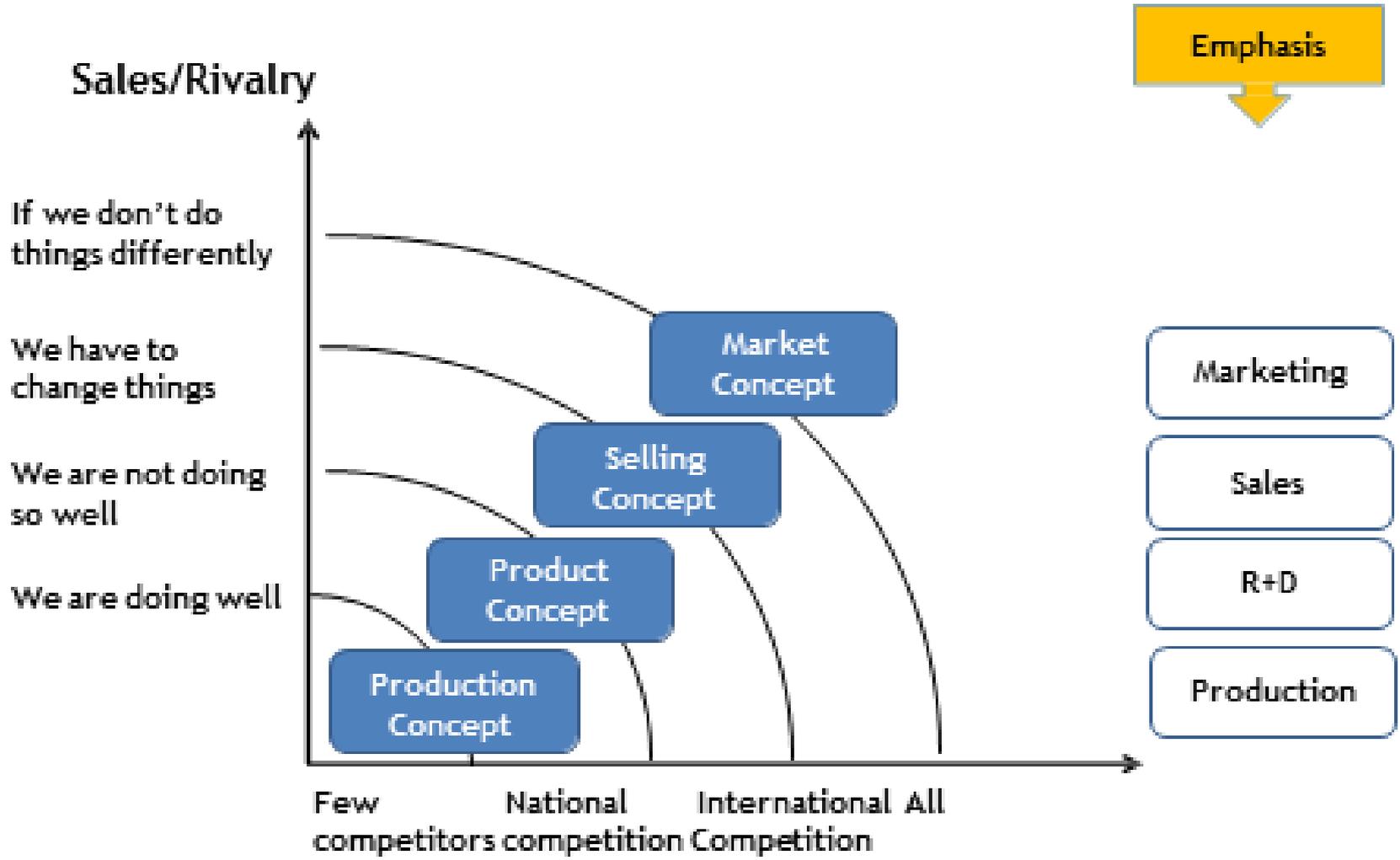
Marketing = Growth



Marketing as a discipline

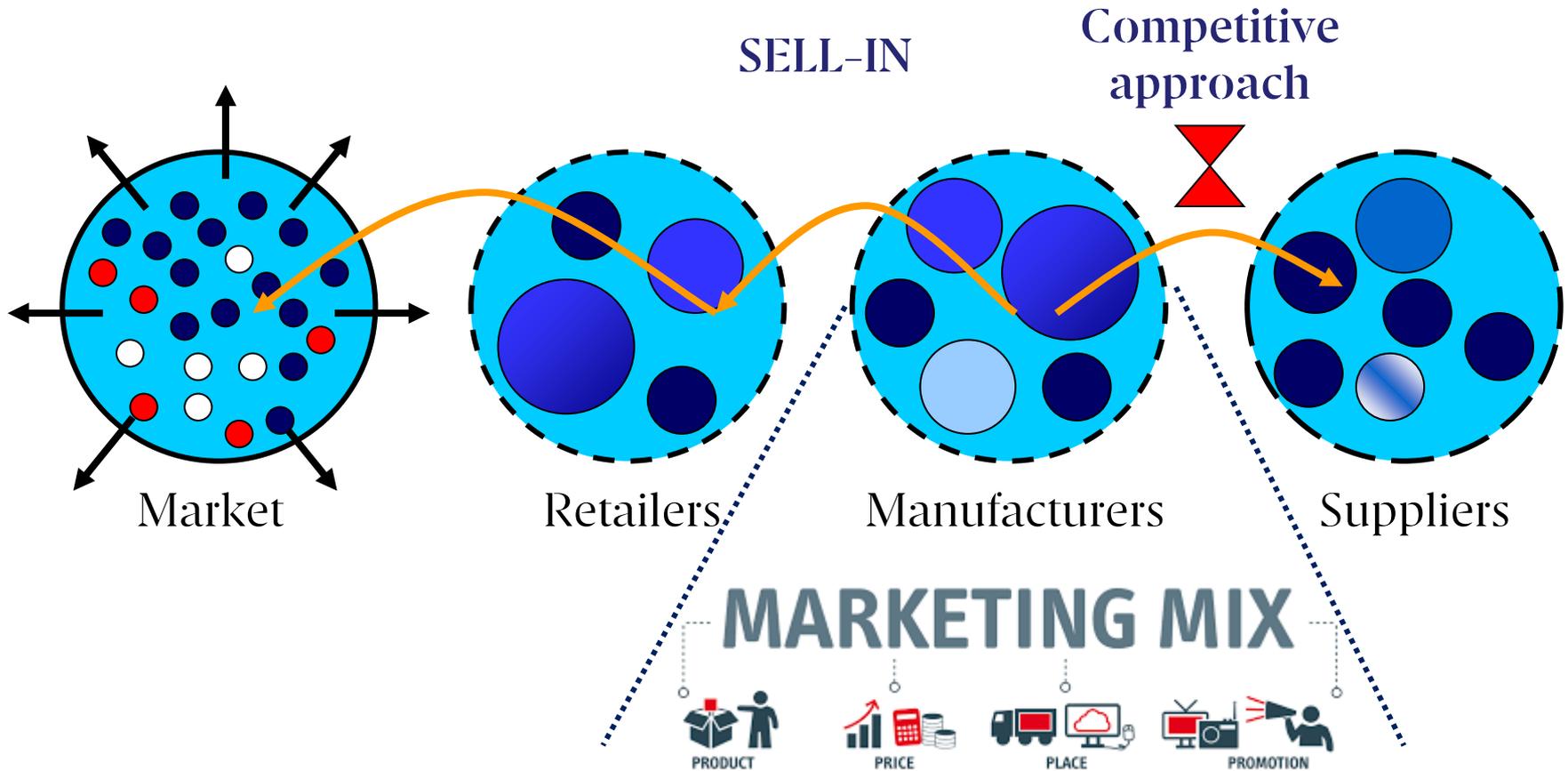
- Monopolistic Competition (Chamberlin, 1930)
- Customer satisfaction is the main company's aim...profit is the result(Keith, The Marketing Revolution, 1960, JoM)
- Every company should have in its mission the broader meaning of market needs (Levitt, Marketing Myopia, 1960, HBR)
- Context: USA, growing markets, *big corporations*,
Marketing as **recipe book**

Managerial (Mktg) orientations

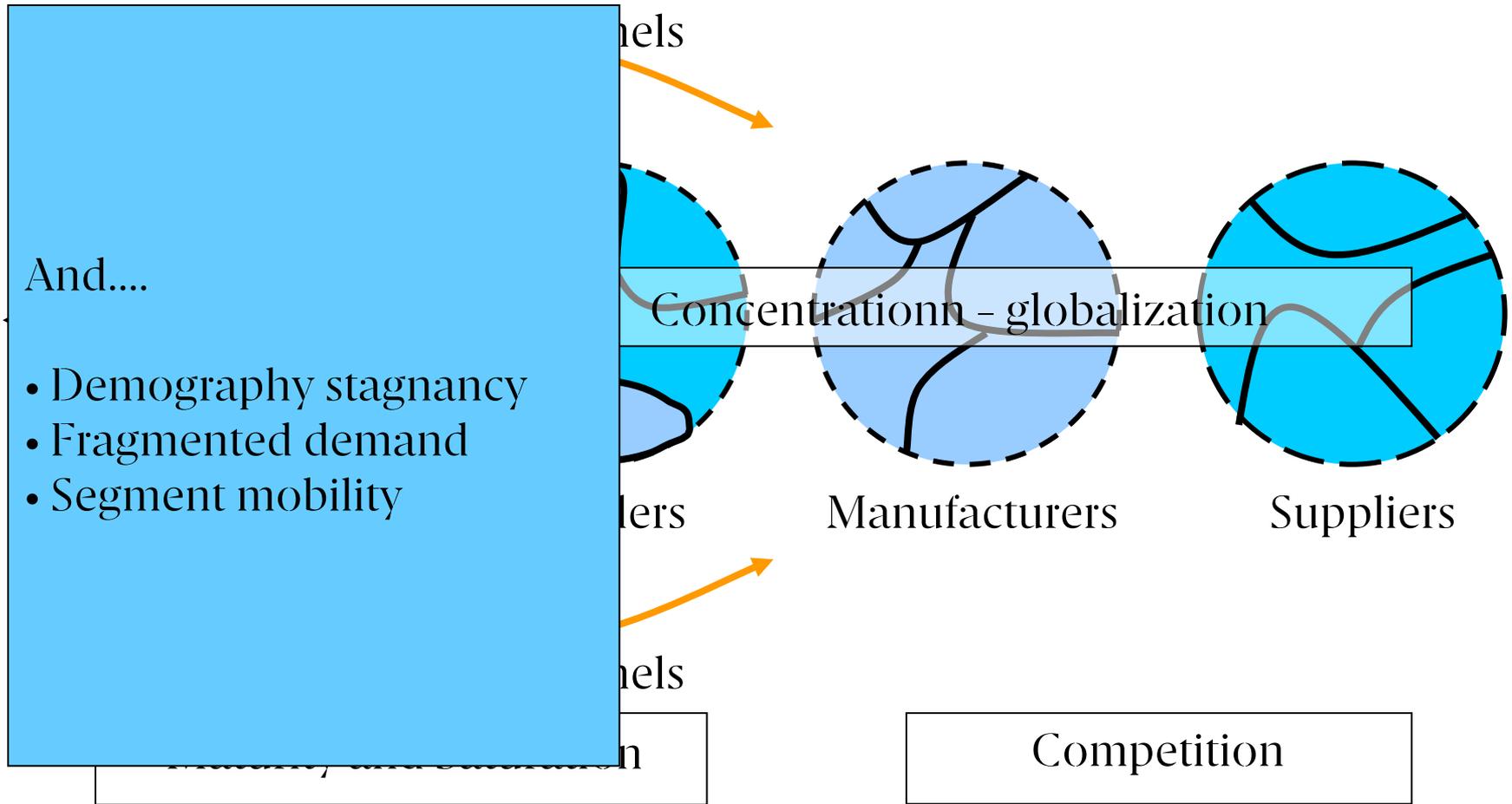


What happened?

Ready, steady,...



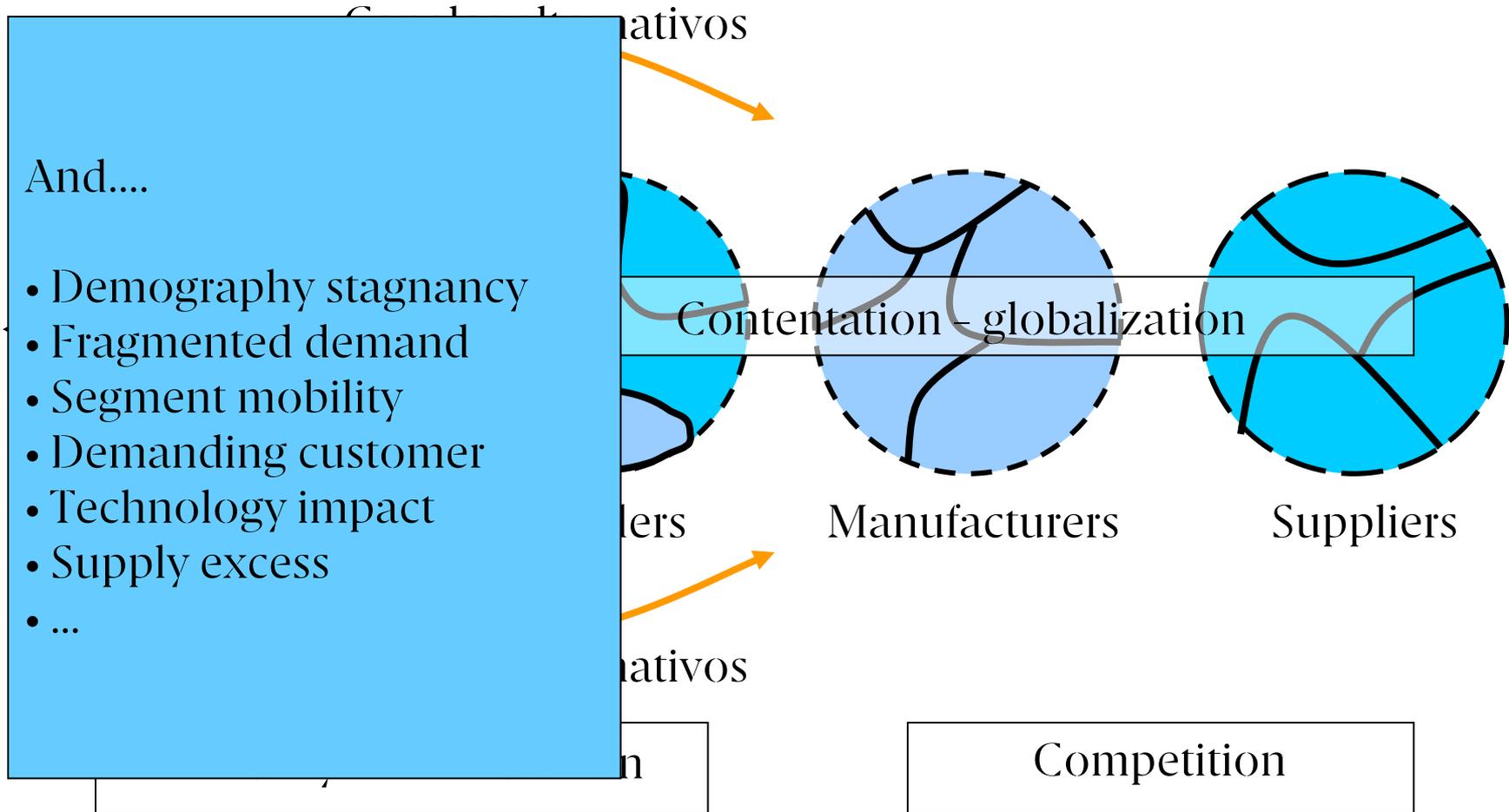
Scenario shake out?



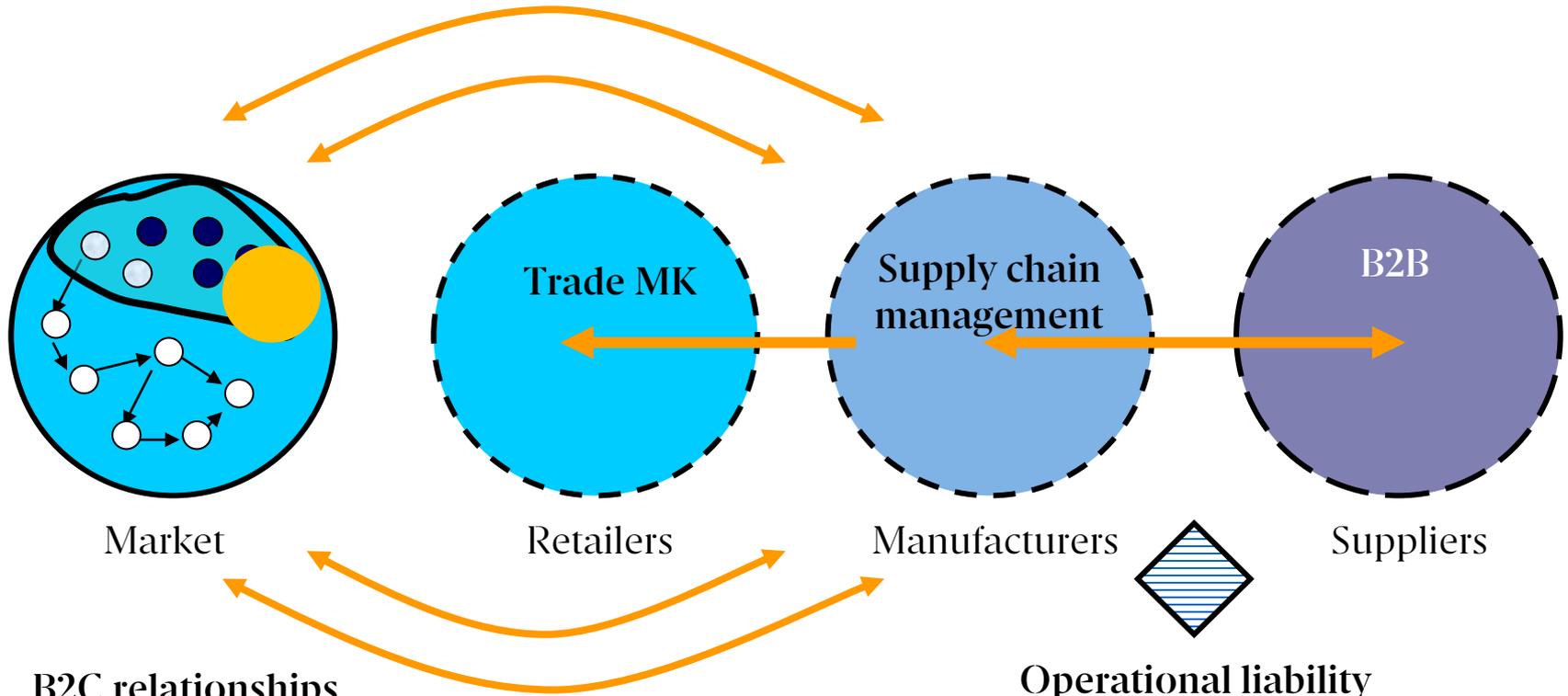


Situation appears as a new purchase variable

Scenario shake out?



New approach



B2C relationships

- 1.Retention** \longrightarrow Life value
- 2.Maximize** \longrightarrow Customer share
 \longrightarrow Customer potential
- 3.Referrals** \longrightarrow New customer catch

Operational liability

+

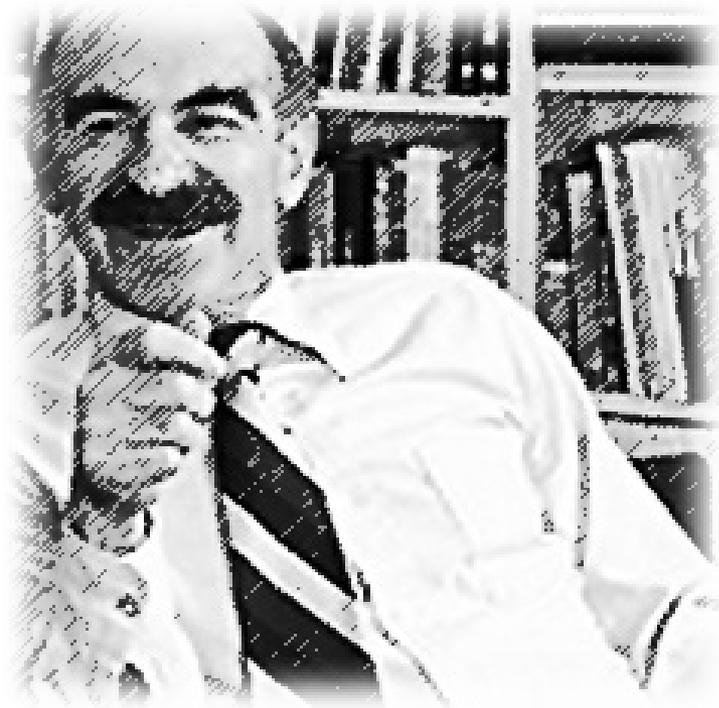
Creating value for the customer's customer

Go beyond the **product**
perspective

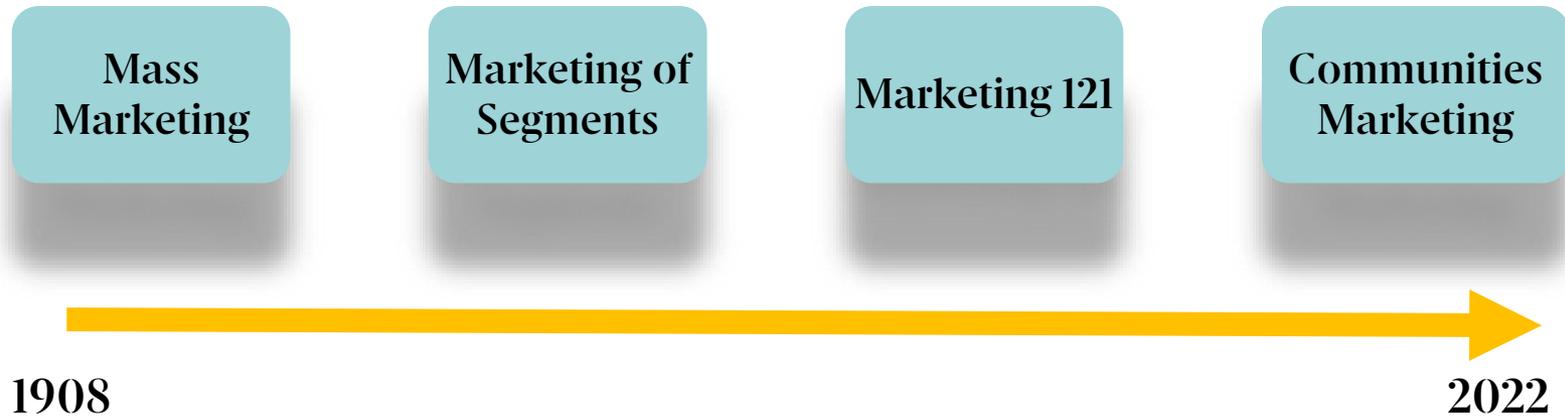
Focus on **satisfaction, value**
delivery, **relationship** building
and **loyalty**

Let's try to build
a different perspective

Market Orientation?

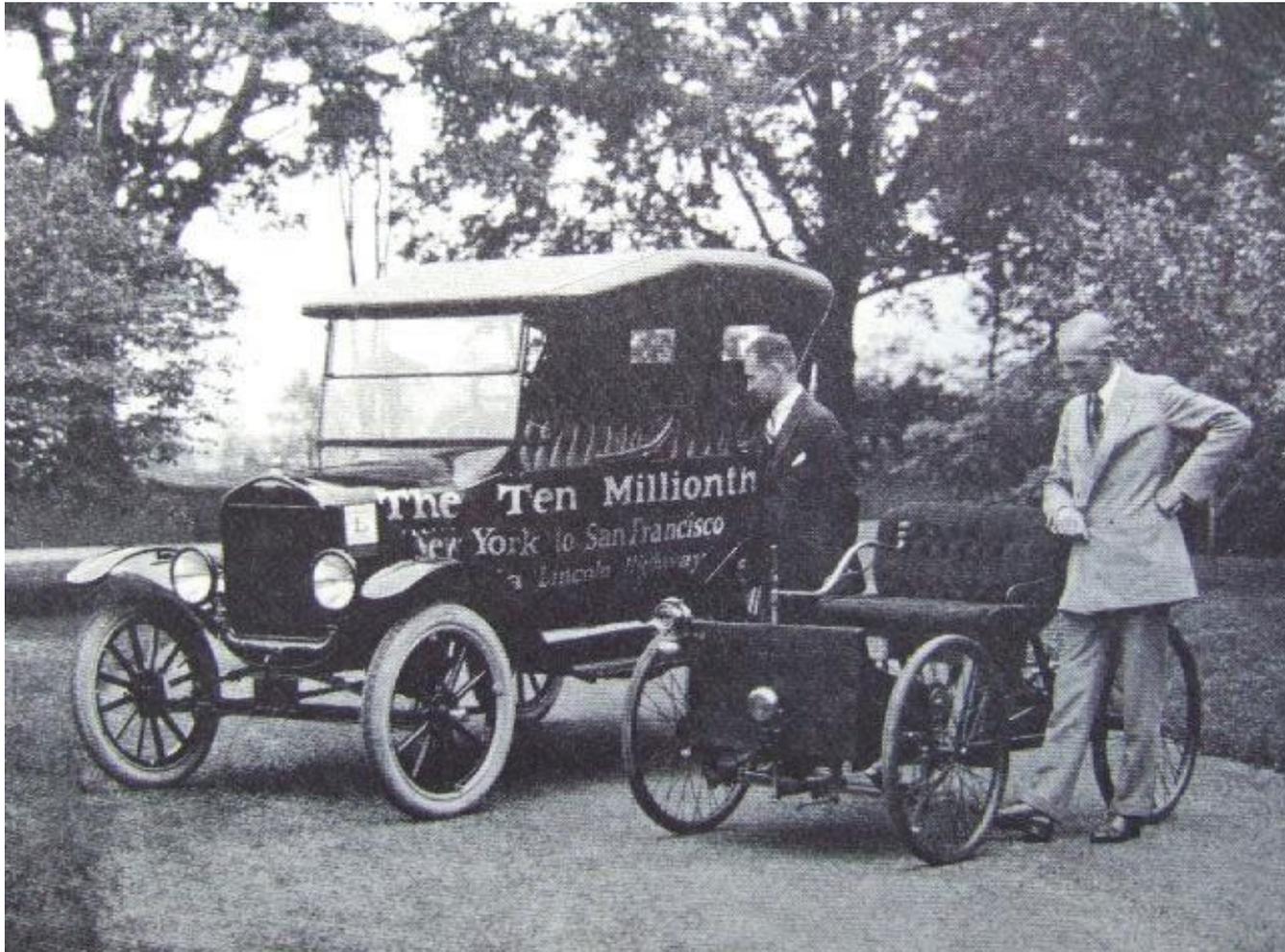


Evolution of different MKTG paradigms



* By Jaime Castelló + Michele Quintano

Mass Marketing



You can paint it any color, so long as it is black

H.Ford

Mass Marketing



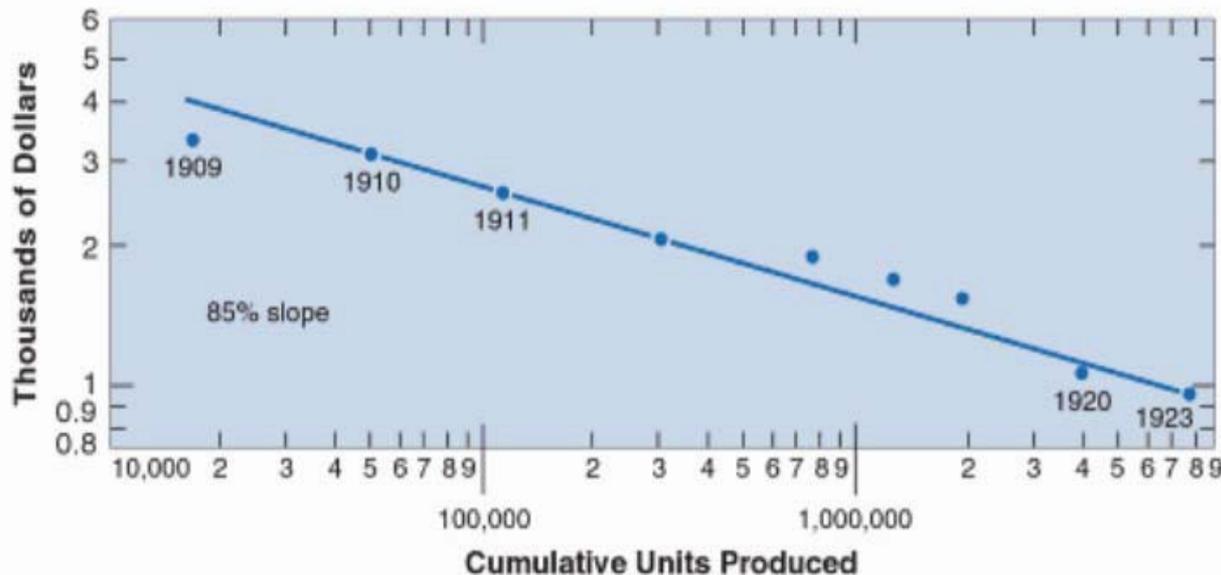
OSFA...One Size Fits All

Why change the marketing approach

Ford vs. General Motors

In 1923 Ford 55% MS with one model and profits
GM 11% MS with different models and losses

Model T price, 1909-1923



Experience effect on pricing

What happened?

In General Motors

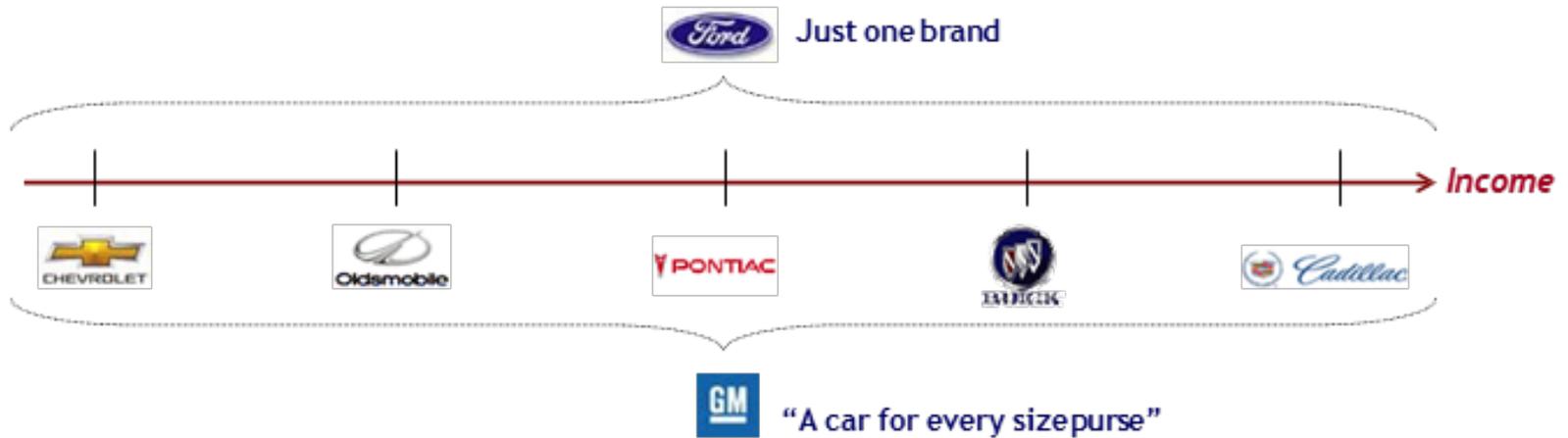
- Lower economies of scale compared with Ford
- Brand cannibalization

What to do? Alfred Sloan (GM President) proposals

- Improve economies of scale (R+D coordination and components standardization)
- Market segmentation and Brand positioning
- Marketing activities coordination

In 1937...

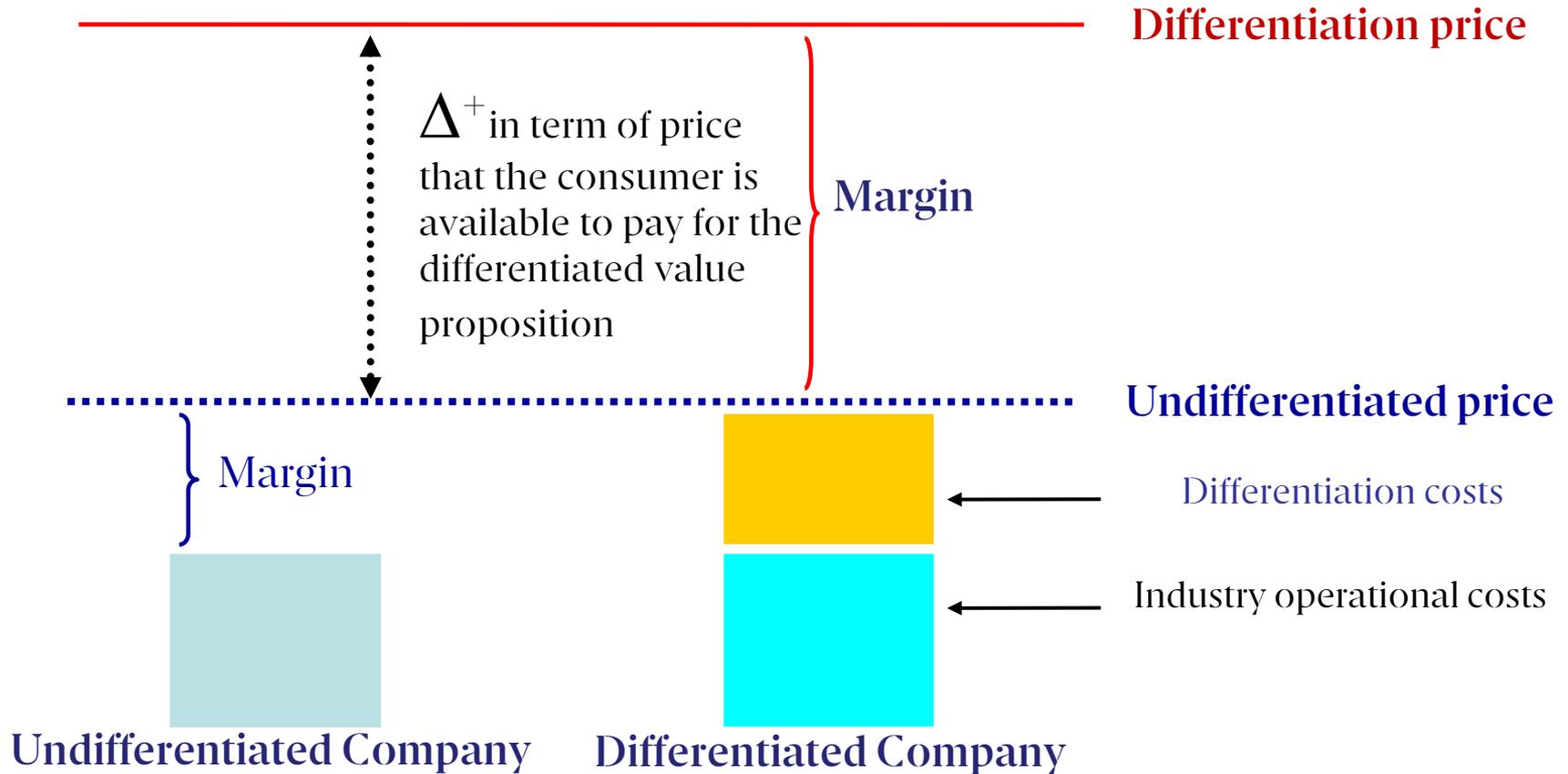
Income-based segmentation:



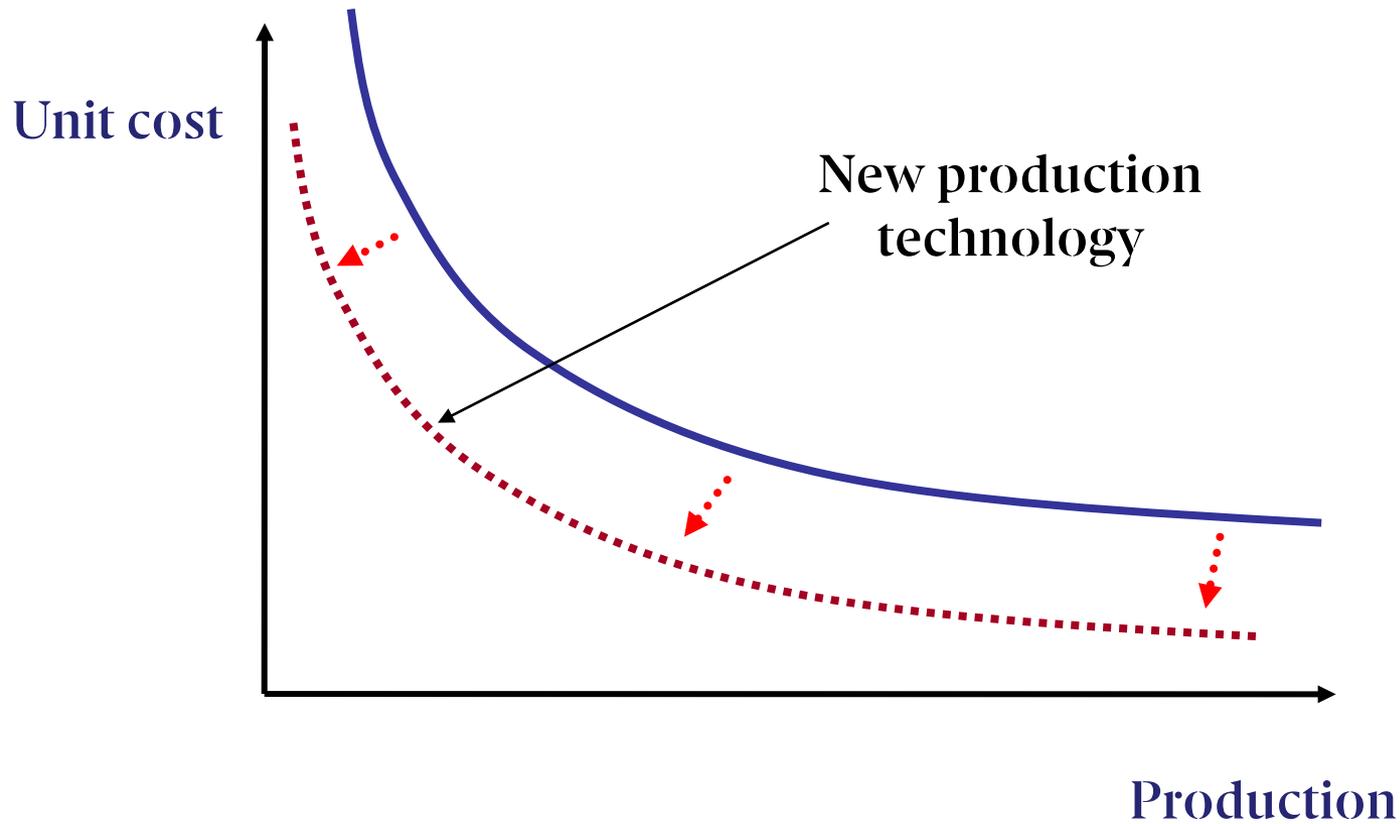
Competitive achievements

- Ford: 16% MS and losses
- GM: 45% MS, profits and brand extension

Differentiation



Cost leadership jeopardy



Marketing of Segments



Everyone is equal before the law...but not before a marketing manager!

Anonymous

Marketing 121

McKinsey
& Company



Nike By You

Ermenegildo Zegna

ORACLE®

TIME

PERSON OF THE YEAR



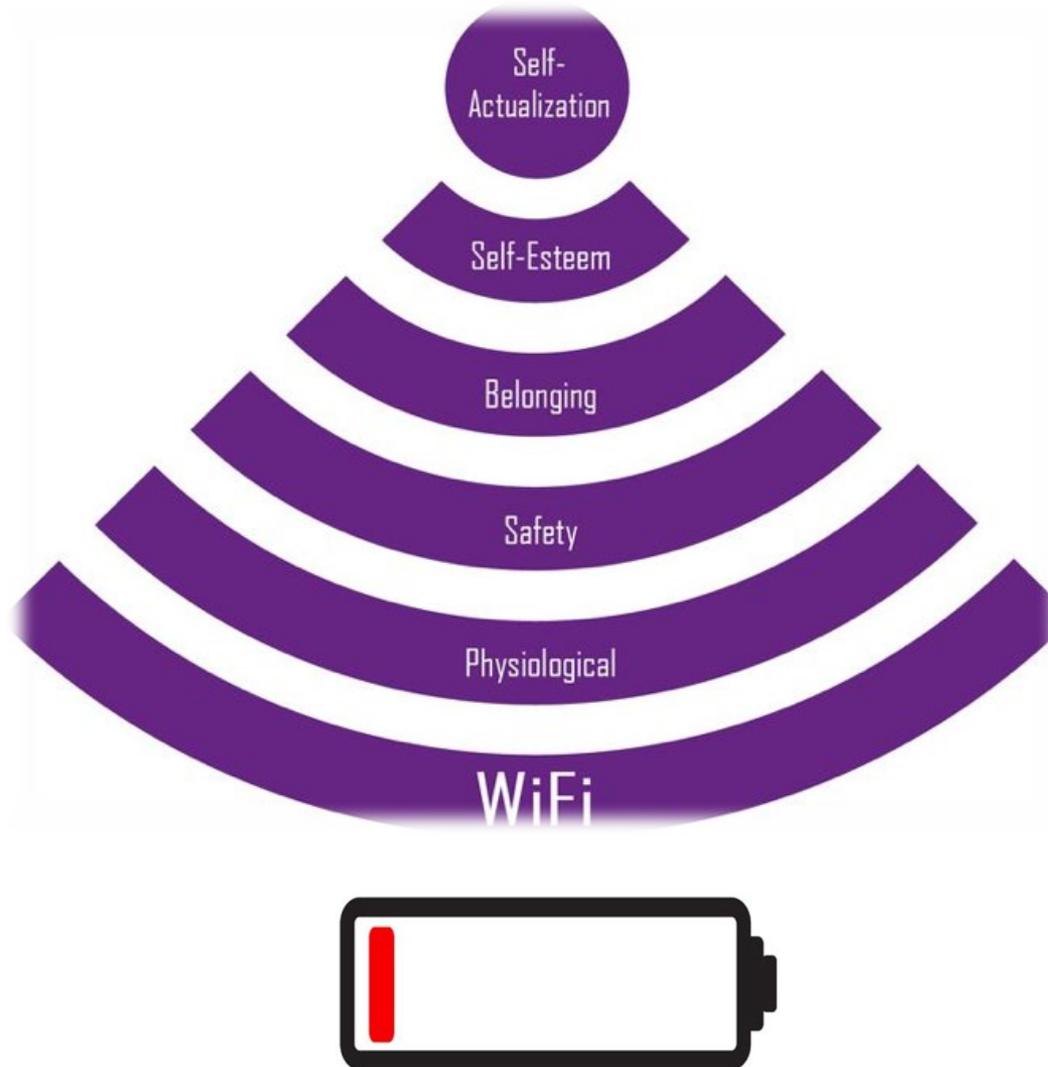
You.

Yes, you. You control the Information Age.
Welcome to your world.

The new normal



The new normal



HYPER-CONNECTED TEENS AND TWENTY-SOMETHINGS

DATA BASED ON AMERICANS AGED 13-24

PC

Almost **8 in 10** take action after seeing an online ad, including searching for more information or visiting a website

35% use their PC, Smartphone and TV at the same time

GAMING

Gaming is the **#1** most popular content accessed online

76% play games online vs. only 64% of the general population

SMARTPHONE

45% use a smartphone to access online resources and content

8.2 hours a week are spent online on smartphones

TV

44% spend more time watching online video than TV

71% search for information online after seeing a topic of interest on television.



76% use devices sequentially - meaning looking for information on a smartphone and then using a PC to examine further

TABLET

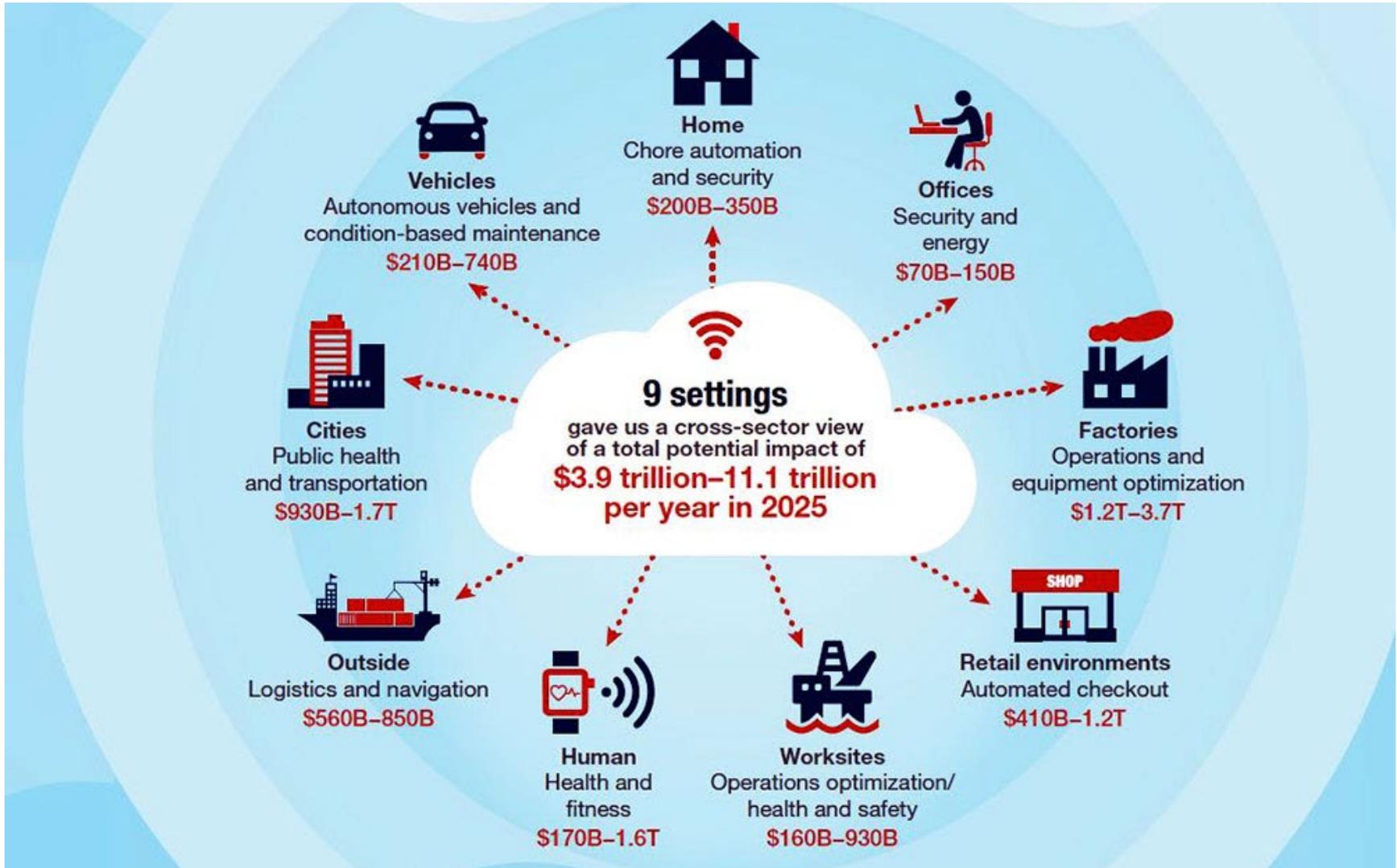
More than **1 in 5** use a tablet to access online content

74% are spending the same or more time going online via tablets vs. last year

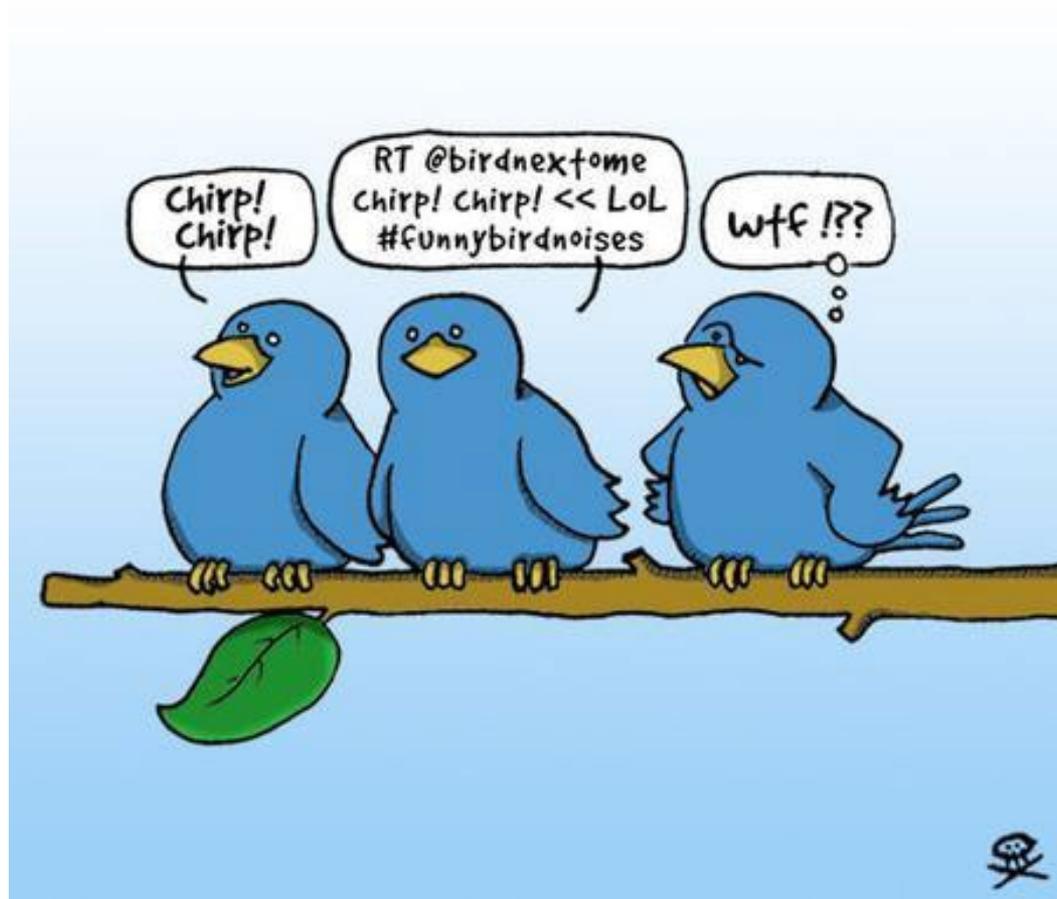
Google

engage with at least two devices simultaneously - including TV, PC, Smartphones and Tablets

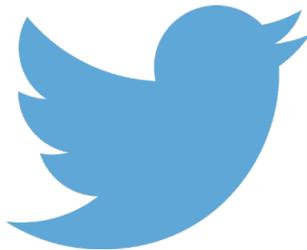
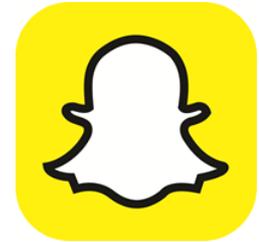
Source: Ipsos/Google 2012 Teens & Twenty-Somethings Research Study



Communities Marketing



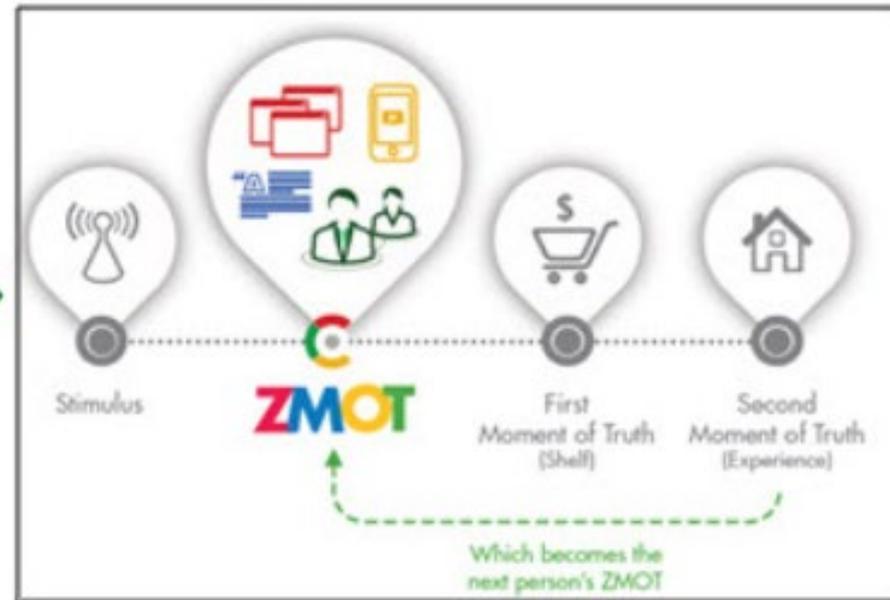
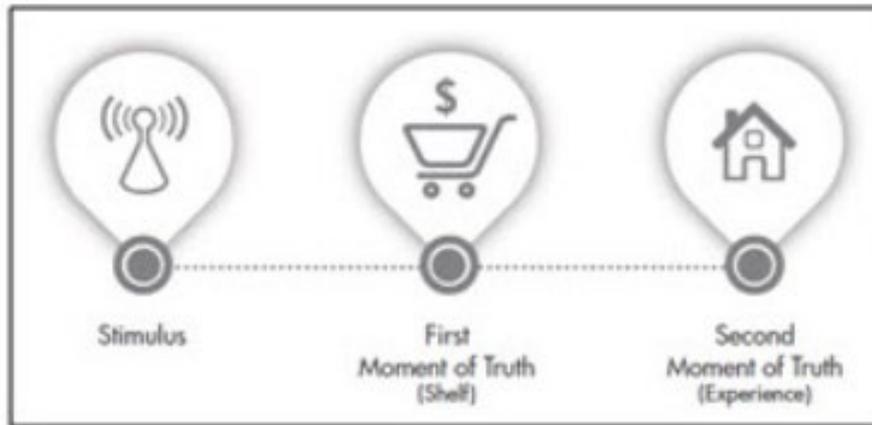
Communities Marketing



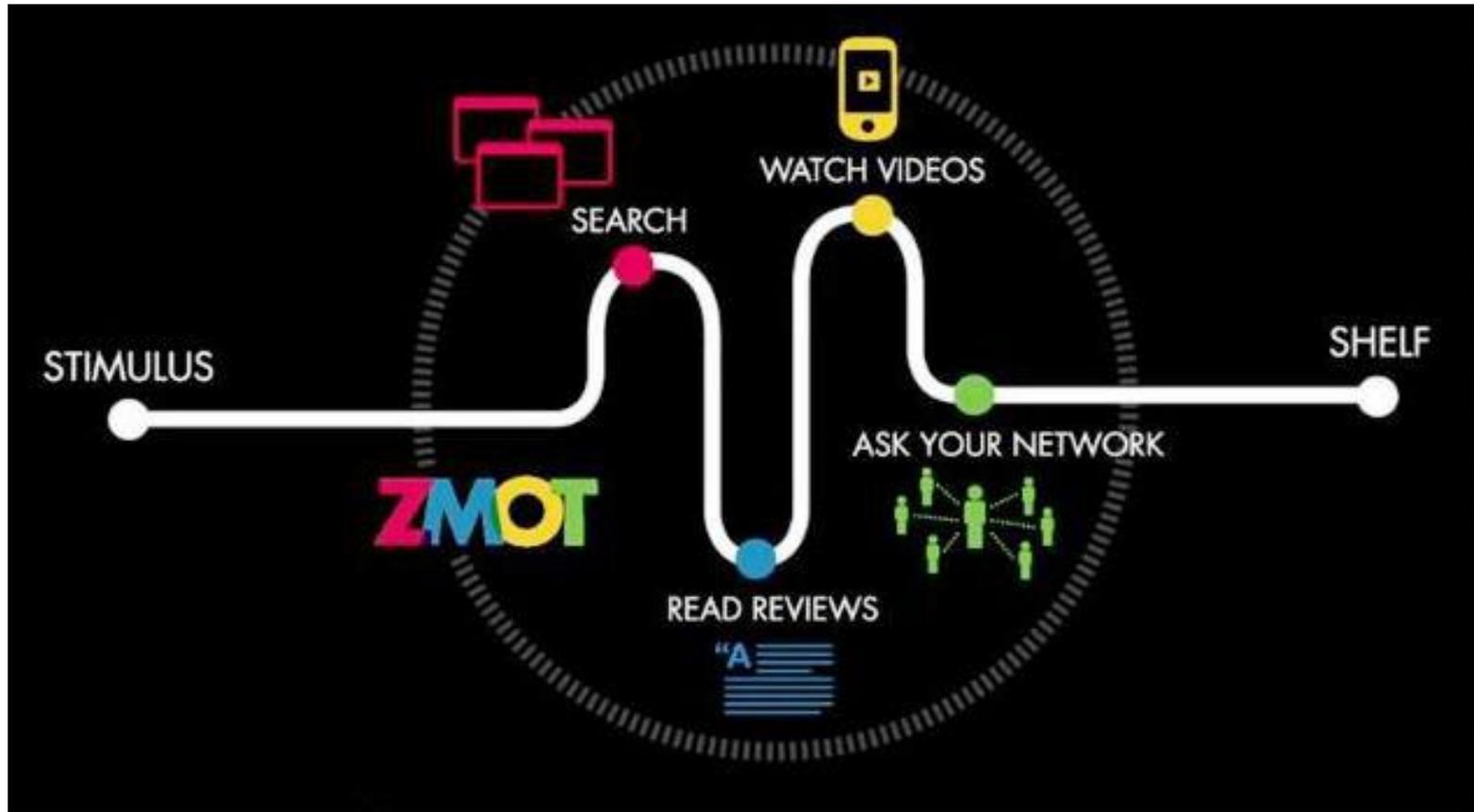
Communities Marketing



Communities Marketing



Communities Marketing



Google vs. amazon

What is marketing

A **managerial philosophy**, focus the organization on customer and consumer satisfaction

Different **“eyes” to see outside of the company** / a set of analysis tools and models (Market, Competition, etc.)

A set of **Implementation tools** / implement marketing strategies through Marketing Mix

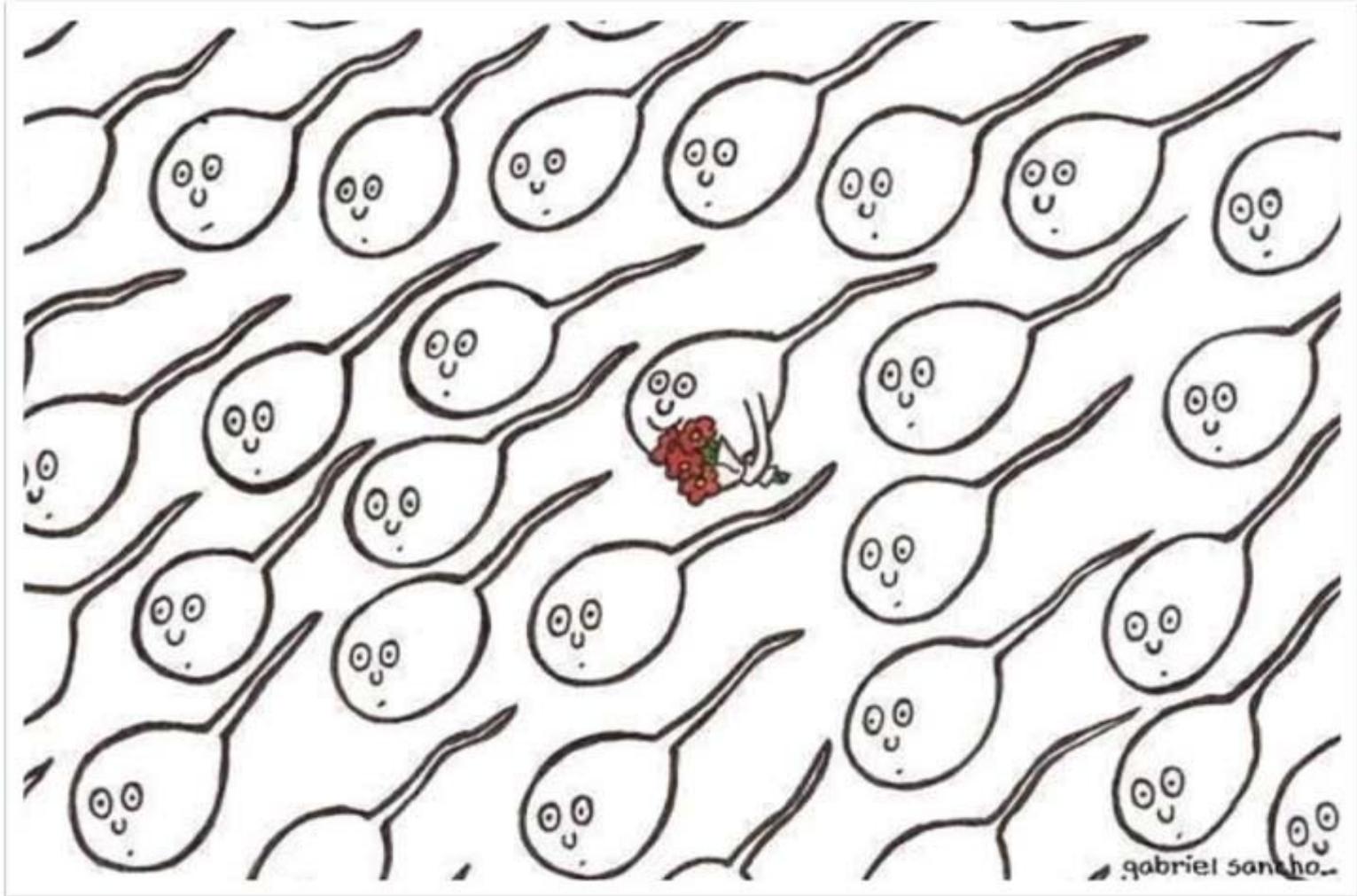
What is marketing

Marketing = Growth

... Satisfying customers' segments needs,
through a differentiated value proposition



...adding value to customers...



WE SHOULD DIFFERENTIATE OUR BRAND,
JUST AS LONG AS WE DIFFERENTIATE IN THE
EXACT SAME WAY AS ALL OF OUR COMPETITORS.



**TOM
FISH
BURNE**

© marketoonist.com

The fallacy

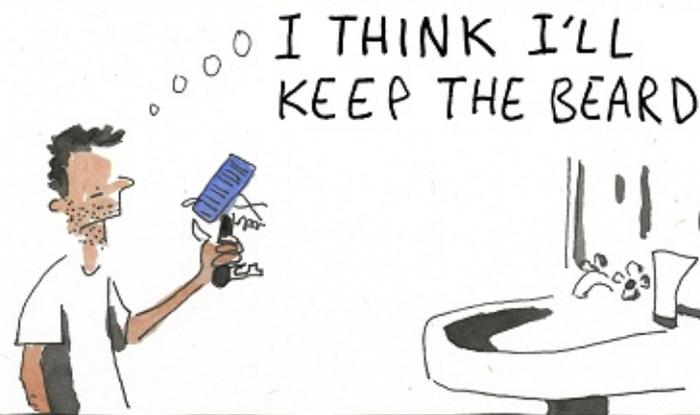
To compete successfully through differentiation,
always invest in products and services
enhancement!

Ok, but at what cost?

...without considering the customers' logic
behind the **perceived value evaluation**

NEW-FEATURITIS

TOM
FISH
BURNE



From needs to solutions



Needs and solutions

zoom



VS.



Many thanks Covid19!

Value proposition

Balance between Benefits and Costs

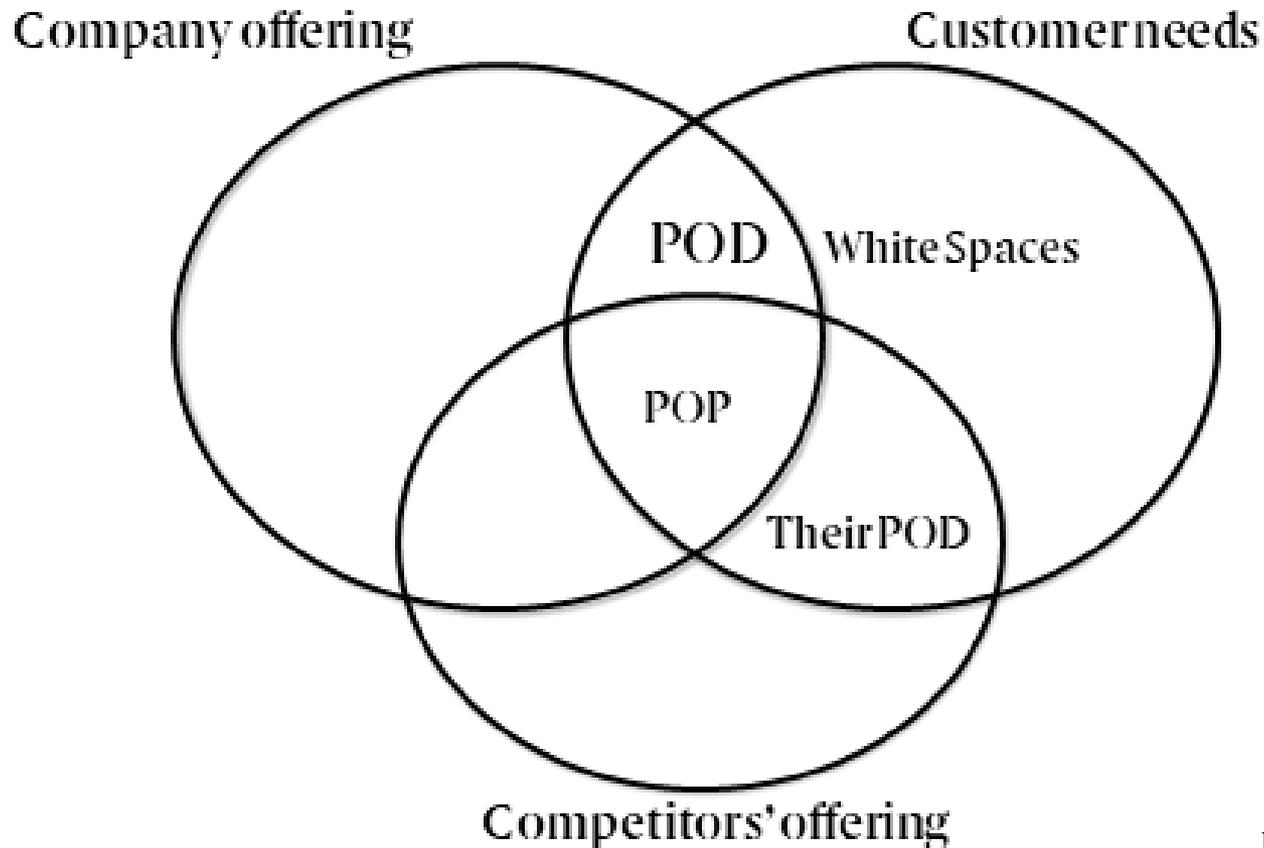
Benefits

- Functional
- Psychological
- Social
- Experiential

Costs

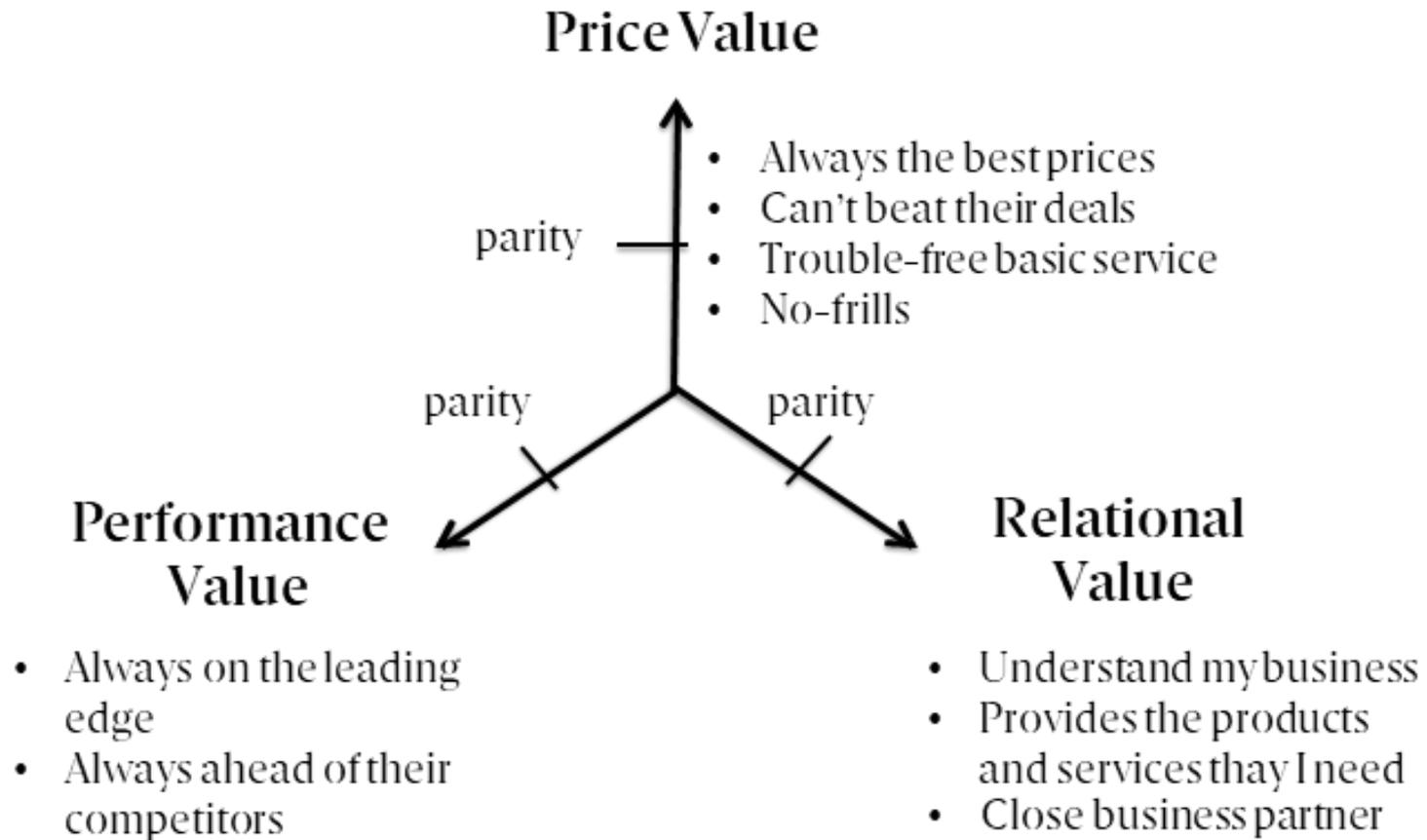
- Economic
- Transactional
- Psychological
- Learning

Differentiation and value proposition

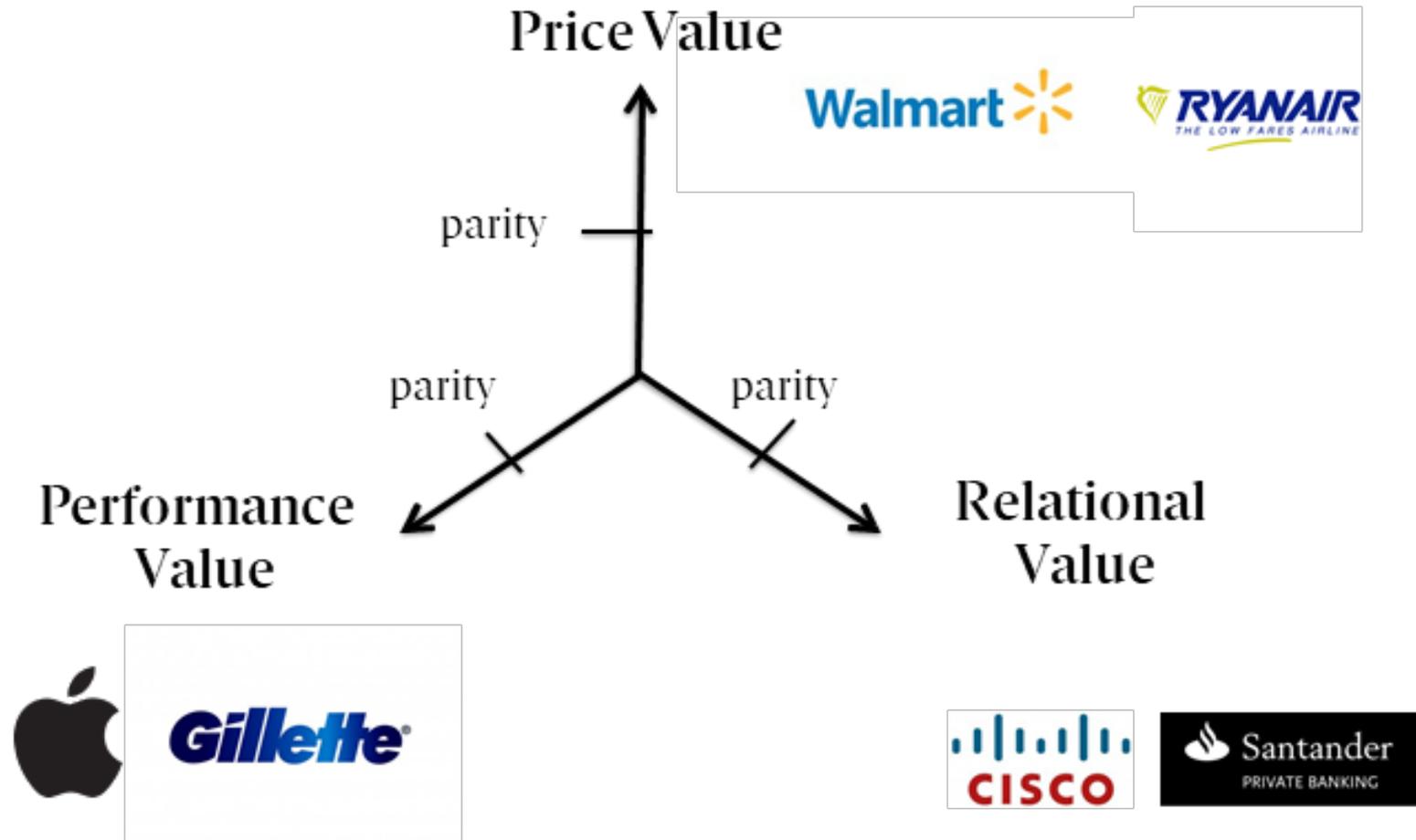


Urbany y Davis, 2007

Value Proposition elements



Value Proposition elements



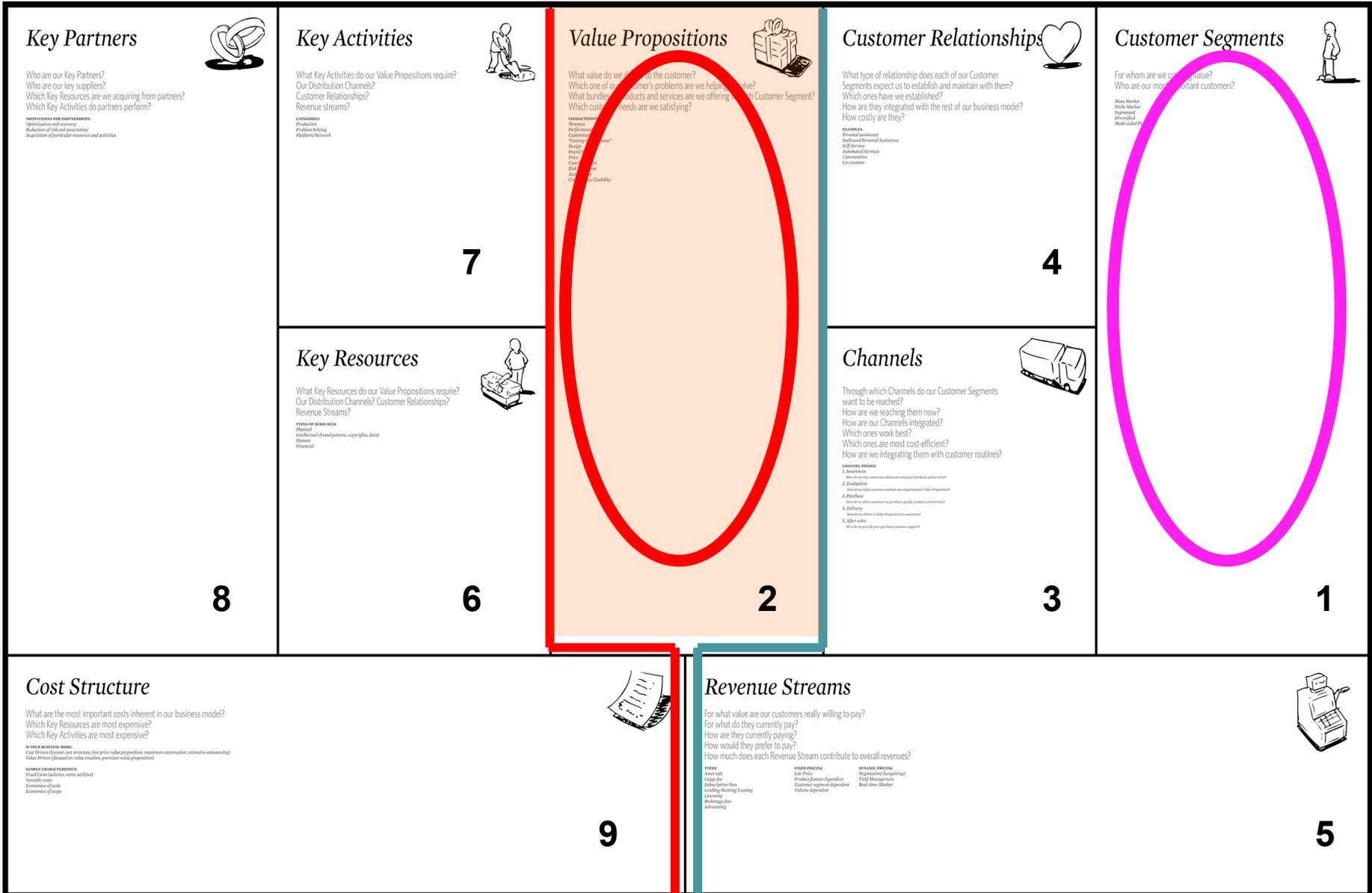
The Business Model Canvas

Designed for:

Designed by:

On: Day Month Year

Iteration: No.



There are three kinds of companies: those who make things happen; those who watch things happen; and those who wonder what's happened

Anonymous

Why some companies fail after success?

Competitive cycles?

Role of Marketing?



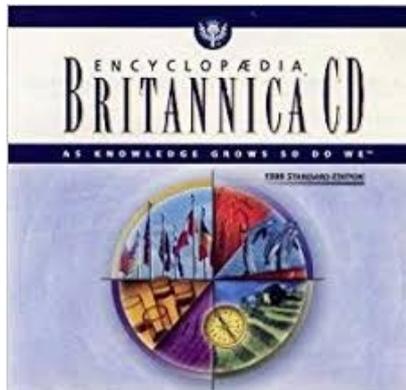
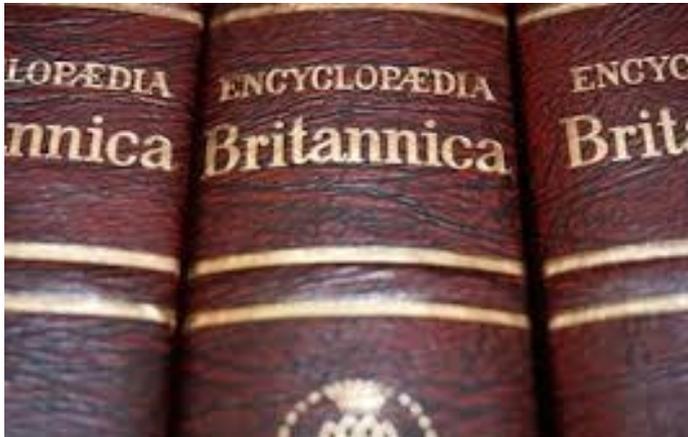
**BE
WATER.
MY
FRIEND**



“Don’t make a plan of fighting
that is a very good way to lose your teeth
if you try to remember you will lose
Empty your mind
be formless
shapeless
like water
put water into a cup
becomes the cup
put water into a teapot
becomes the teapot
water can flow or creep or drip or crash
be water my friend”

(Bruce Lee, 1971)





Headlines of 2019

Impeachment

Donald Trump became just the third U.S. president to face a formal impeachment inquiry.

Area 51

A Facebook joke drew several thousand people to this classified Air Force installation.

Cricket World Cup

Americans scratched their heads as the rest of the world tuned into cricket this summer.

Most hyped artist

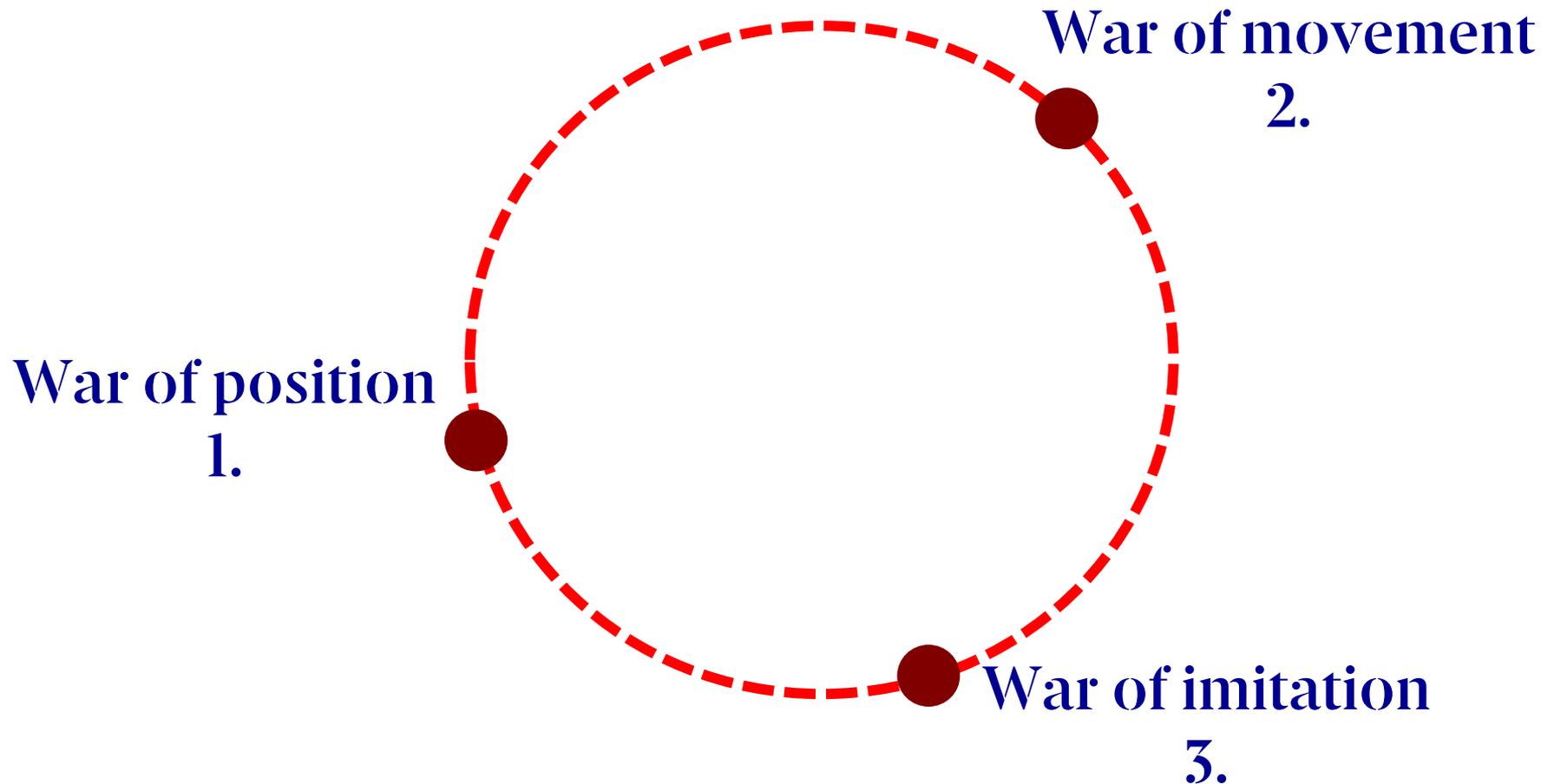
It may have been an important anniversary for **Leonardo da Vinci**, but artist Maurizio Cattelan made the news twice this year: when his gold toilet was stolen and when he taped a banana to a gallery wall.



€61,95/año

Competitive cycles

A strategic approach



Competitive cycles

The music industry



War of Position

Status quo

The competitive game is “WIN/LOSE”
Market share competition

Leader: defends its MS
Follower: challenges the leader
Niche player: focuse on extreme
differentiation

War of Movement

Is a “no-war”, as the strategy is to move away from competitors

The idea is to **win without fighting**

Create and regenerate the market through
«breaking the rules»

**New technologies, new markets, creative
segmentation, different positioning**

War of Movement(2)

Business models



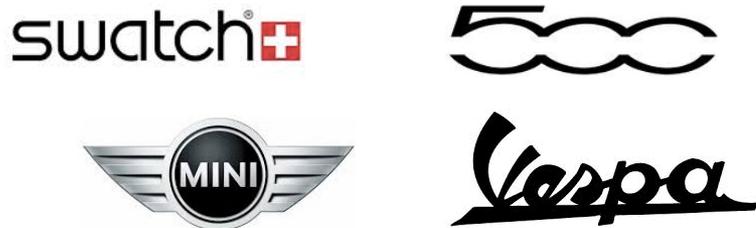
Channel



Value proposition



Segmentation and Positioning



Pricing



NETFLIX

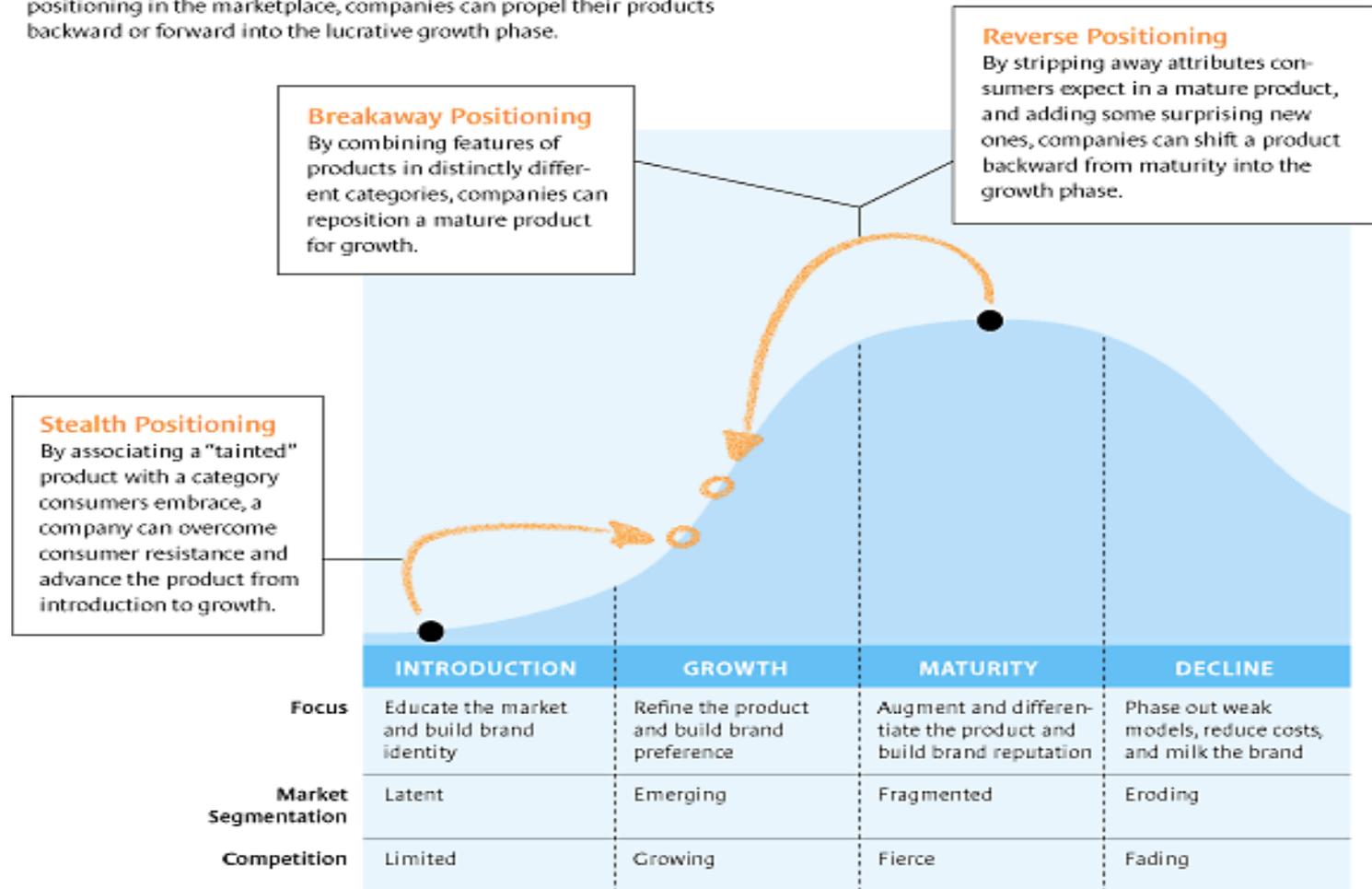
SHIMANO

Innovation

Innovation and positioning

Reposition for Growth

The venerable product life cycle curve describes the growth trajectory most products take from introduction to decline. But by changing products' positioning in the marketplace, companies can propel their products backward or forward into the lucrative growth phase.



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War of imitation

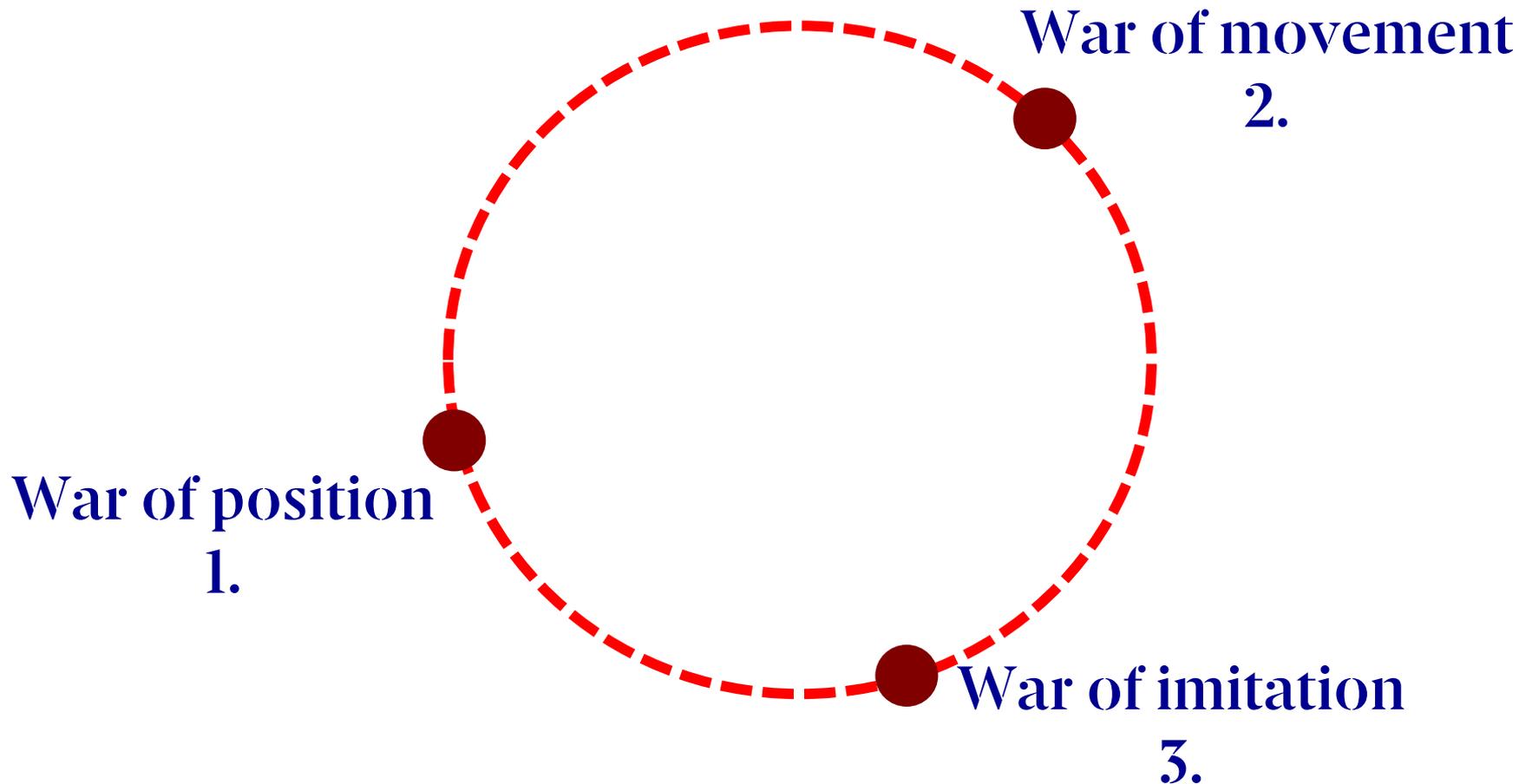
Market success of an innovation motivates competitors to imitate

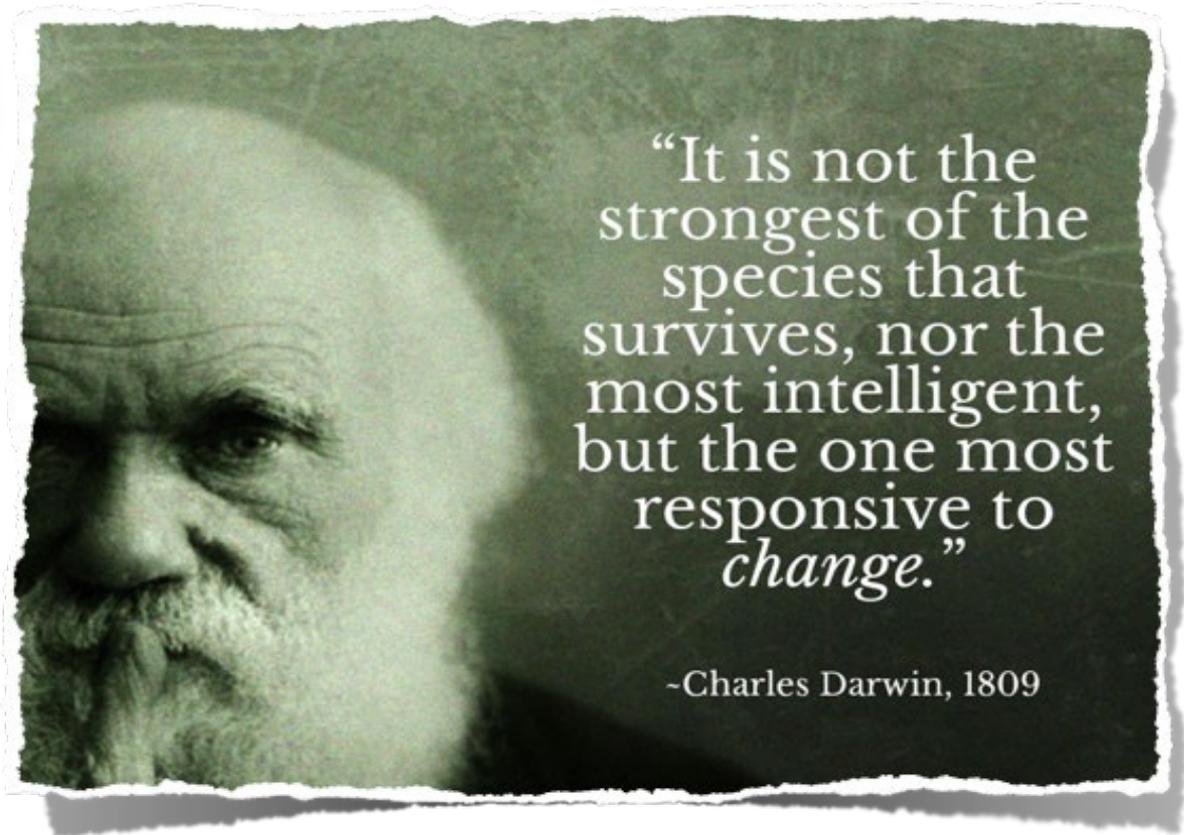
New comer or incumbent



Competitive cycles

Exercise







First mover? Follower? It doesn't matter...

Be proactive!

Change the rules...before the new rules change you

fire PHONE



Marketing

The process

STP process

Segmentation

Targeting
(STP)

Positioning



Identification of segmentation variables and segment the market

Define profiles for each segment

Evaluate attractiveness of each segment
Segment (s) choice

Identification of positioning opportunities for the target segment (s)

Choice of positioning statement, development and communication

Marketing process

Marketing Analysis
 (The 5 C' s)

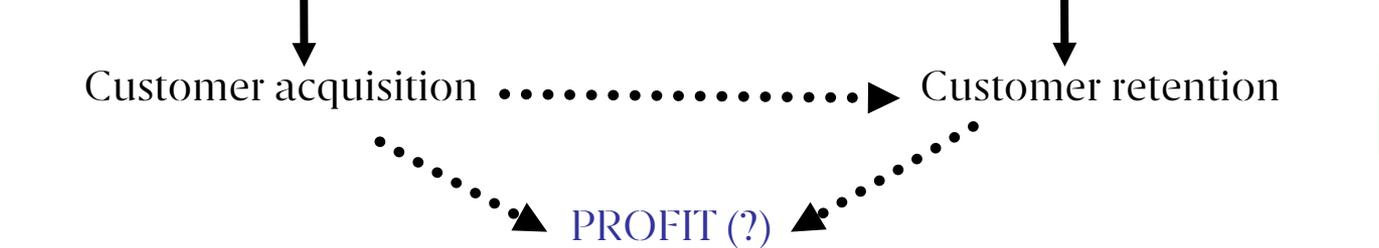


Value creation

Marketing Mix
 (The 4 P' s)



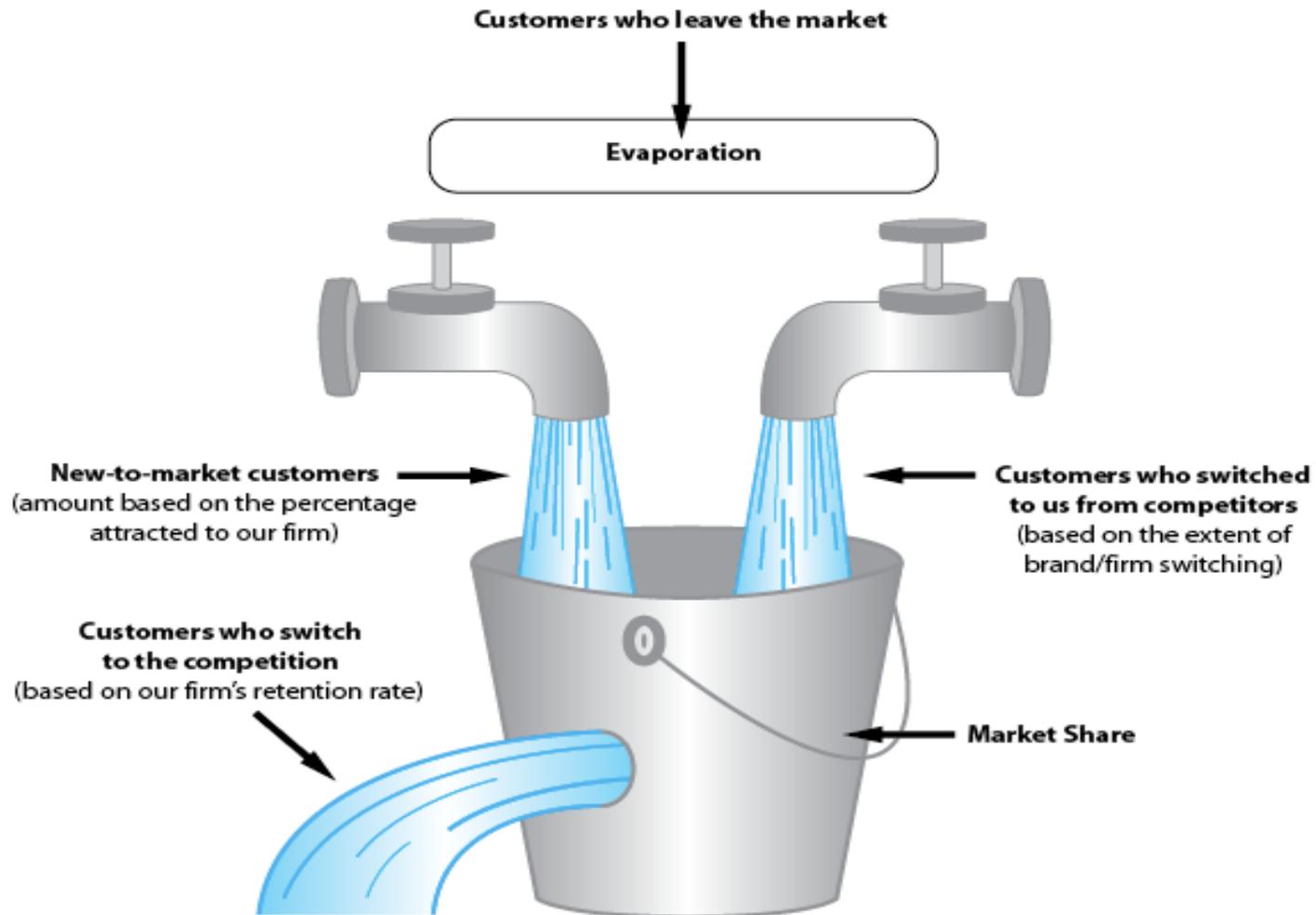
Value capturing



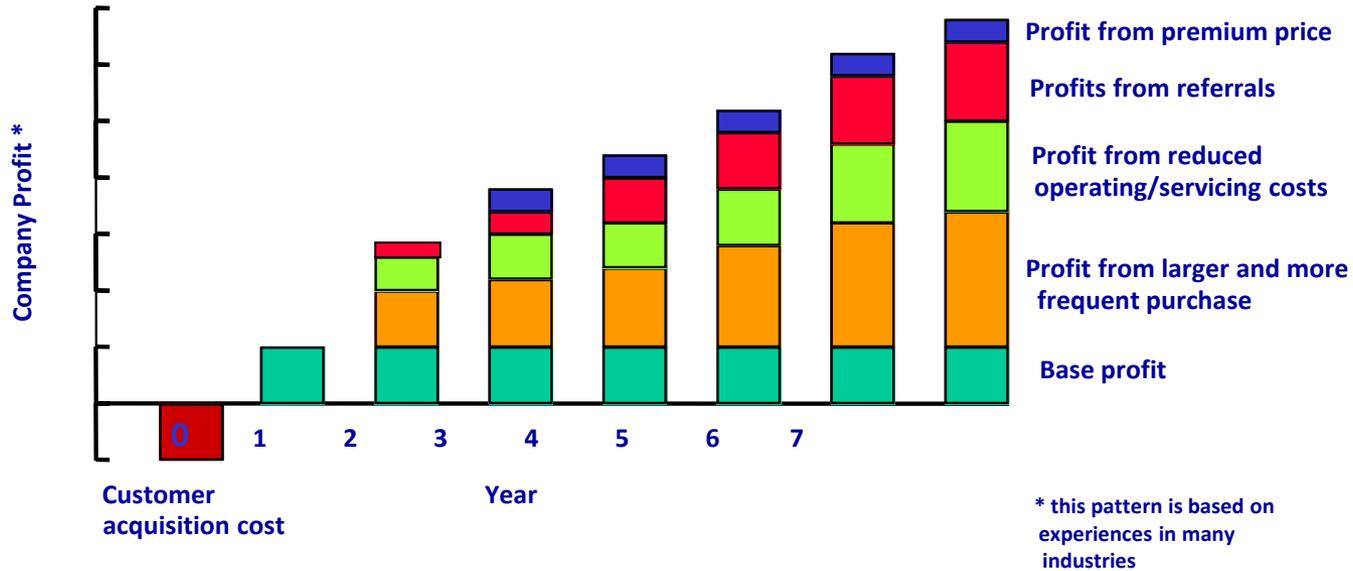
Value maintenance



Leaky bucket



Increase Customer Profitability



Source: Reichheld F.R. and Sasser W.E., 1990, "Zero Defections: Quality Comes to Services", HBR



“From Mad Men to Math Men”



SWOT

Opportunities? Threats?

Events

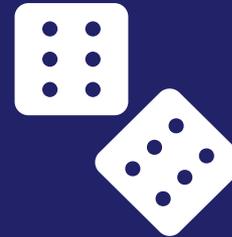


Impact

+ vs. -



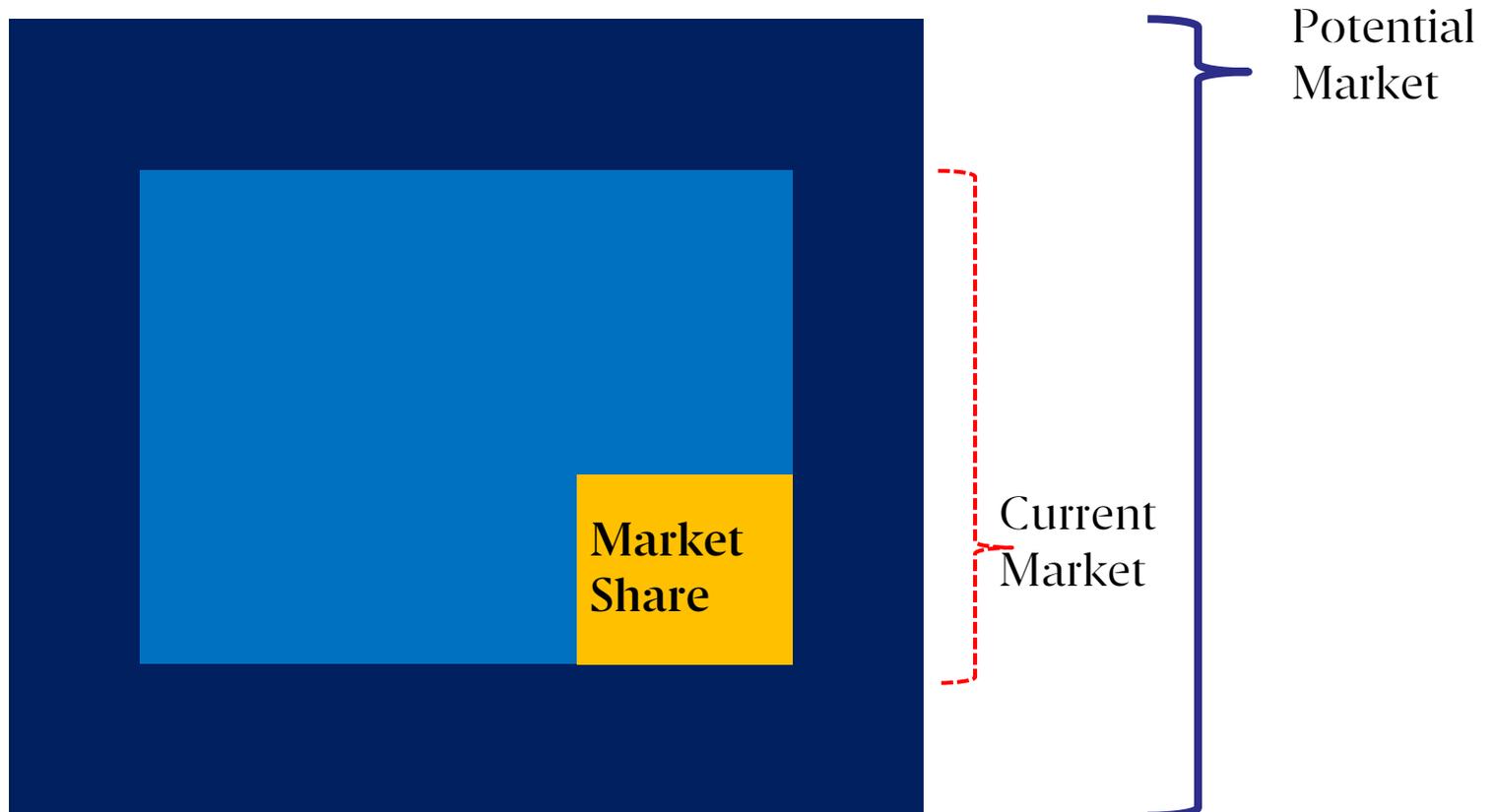
Probability



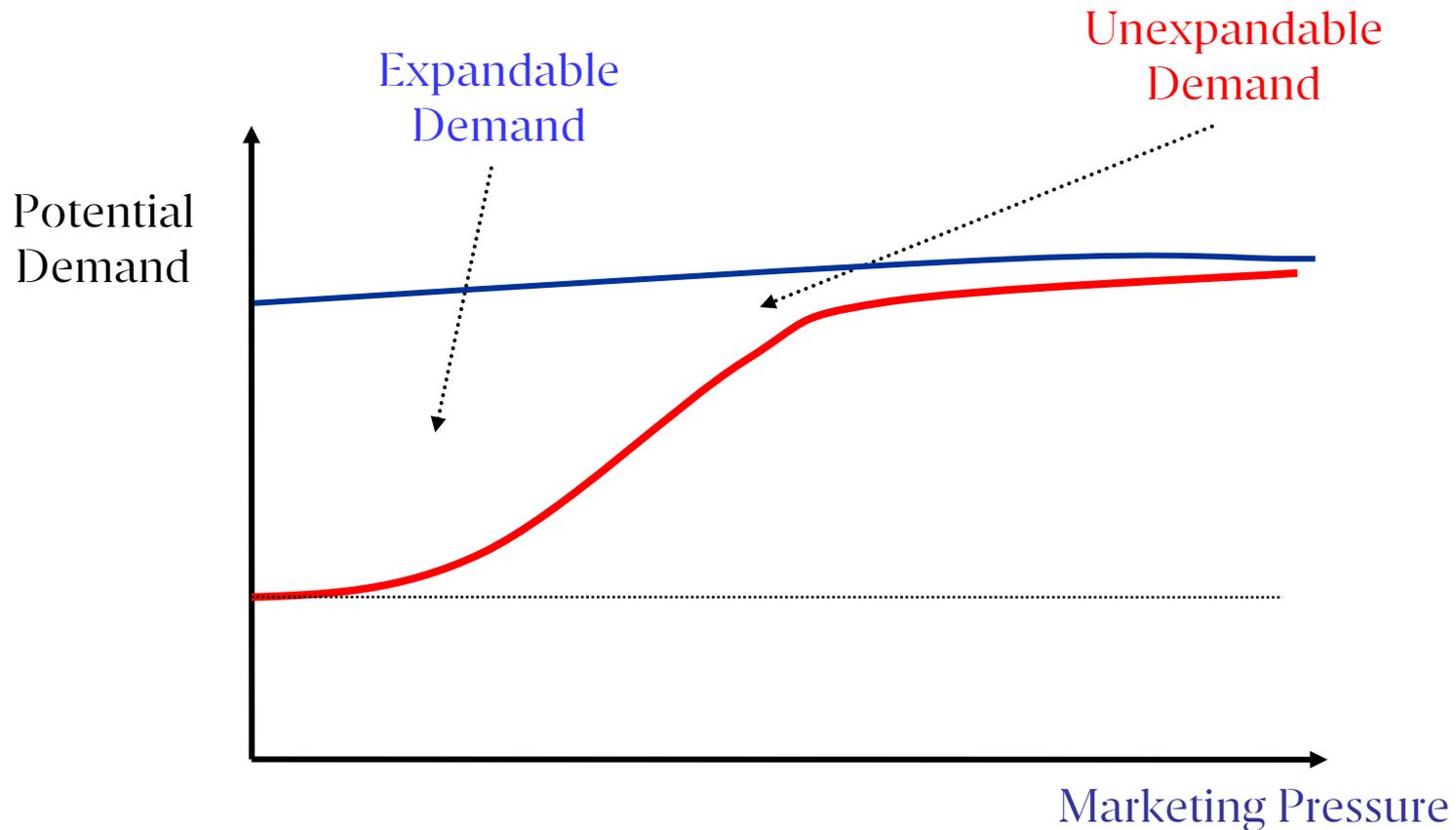
Time



Market definition



Primary demand



The entry in the industry of a competitor, should be considered always a problem?

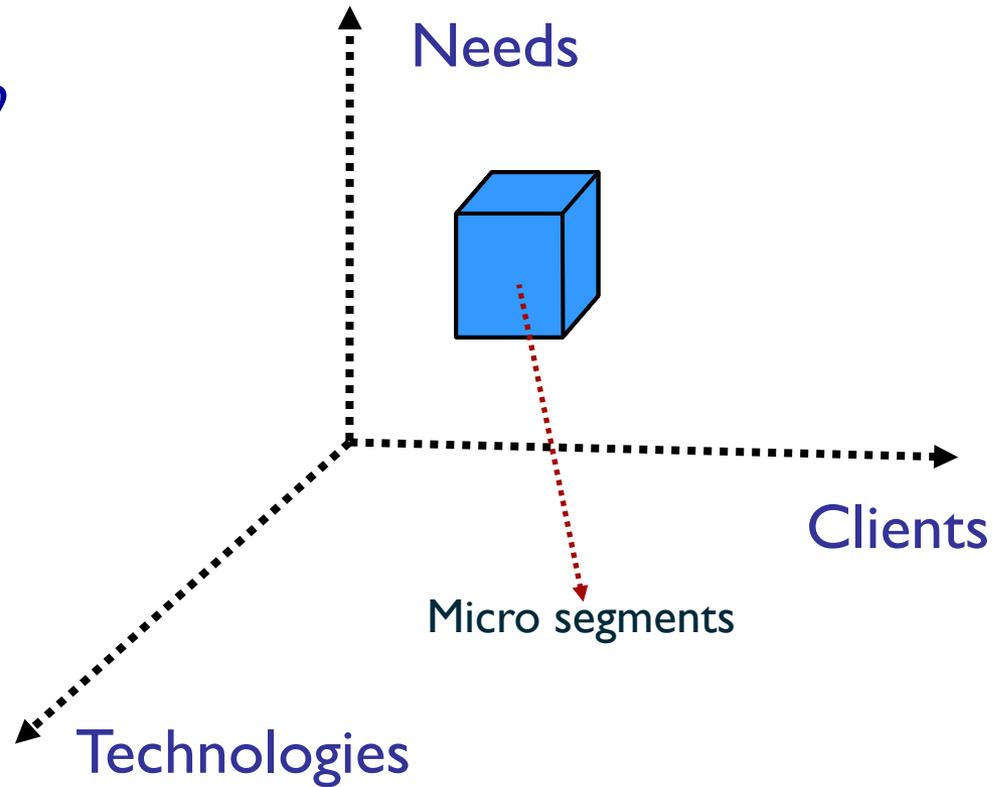
The Abell model

A definition of reference market

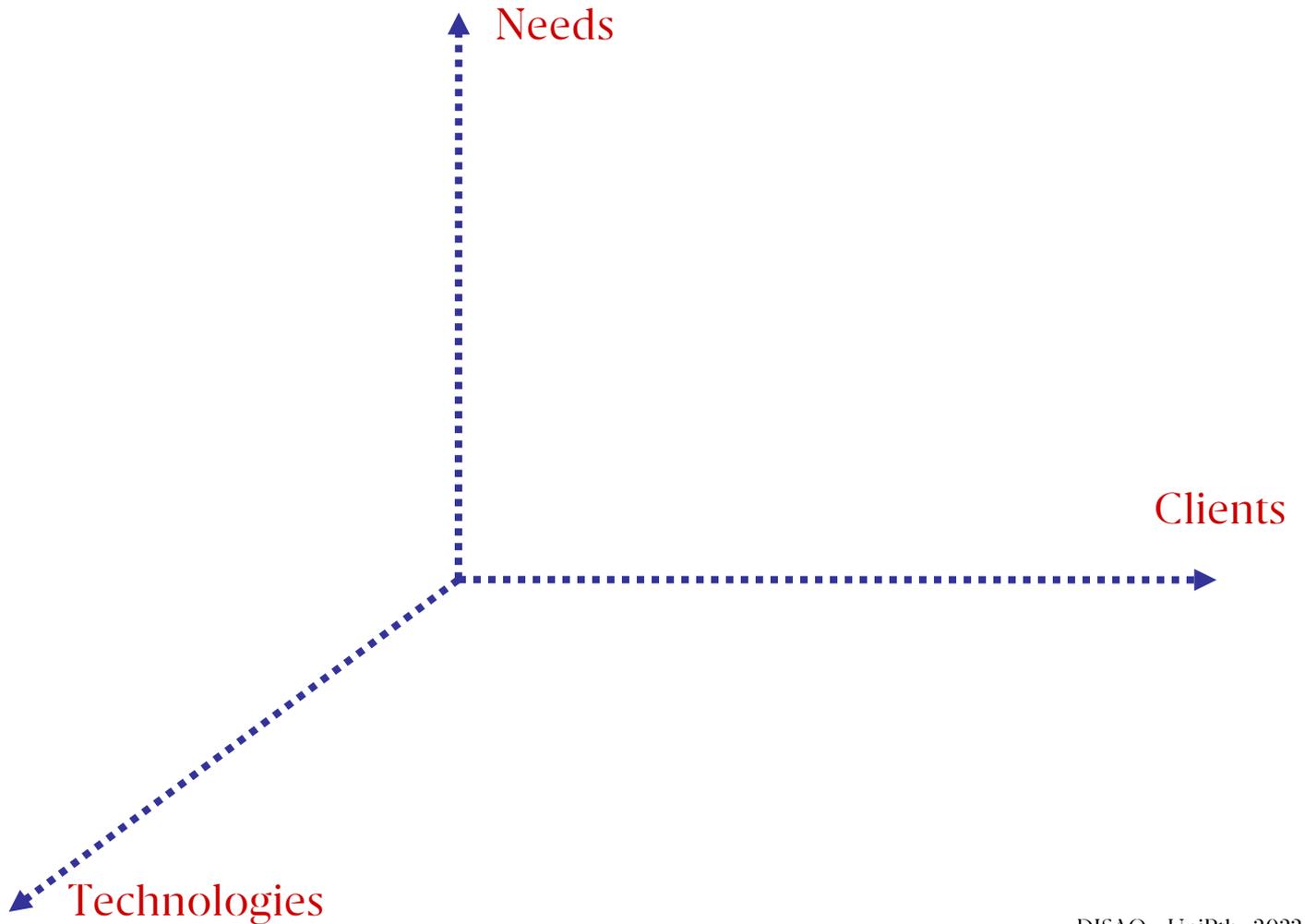
In which business are we in?

Helps to identify “direct”
competitors

Helps the segmentation
process



The Abell model



Growth strategies

Ansoff

Product

Current

New

Current

**Market
Penetration**

**Product
Development**

Market

New

**Market
Development**

Diversification

Growth strategies

Market Penetration

Usage frequency 

Quantity Per Use 

Loyalty 

New benefits 

Market Development

New Segments 

New Channels 

No-Users 

Product Development

New features 

Line extension 

Obsolescence 

New complemetns 

Diversitication (Corporate strategy)



 + 



+ 

*Ansoff



New benefits?



Cif ✓

Inicio

Información

Fotos

Me gusta

Videos

Publicaciones

Crear una página



Me gusta Enviar mensaje Más

Estado Foto/video

Escribe algo en esta página...

Cif
1 de agosto a las 10:20 · 🌐

¡Nuestro equipo CIF está listo para demostrar que #CifCrema puede limpiarlo todo! RÉTANOS escribiendo qué superficie crees que no podemos limpiar con nuestro multiusos y entra al sorteo de 3 vales de S/. 150 en Saga Falabella. 😊

Producto/servicio

A 2 151 758 personas les gusta esto
Antonio Rojas y 9 amigos más

Invitar a amigos a que indiquen que les gusta la página

INFORMACIÓN

- Sea cual sea la tarea de limpieza, tenemos el producto perfecto para embellecer tu hogar.
- <http://www.cif.com.pe/>

New benefits?



Cómo Limpiar Zapatos Blancos

Cif te ayuda a revelar la belleza de las cosas. ¿Tus zapatillas blancas están sucias y son difíciles de limpiar? Si querés saber cómo limpiar zapatos por dentro o cómo limpiar la suela de los zapatos, ¡confiá en Cif, que puede ayudarte para que tu calzado se vea hermoso otra vez!

Gatorade

Before

Gatorade

For decades, it was essentially one formula in seemingly infinite flavors



Product Development

G Series

Updates original with formulas for pre-, during, and after workouts



G Series Fit

This trio targets the 55 million Americans who work out three times a week



After

G Series Pro

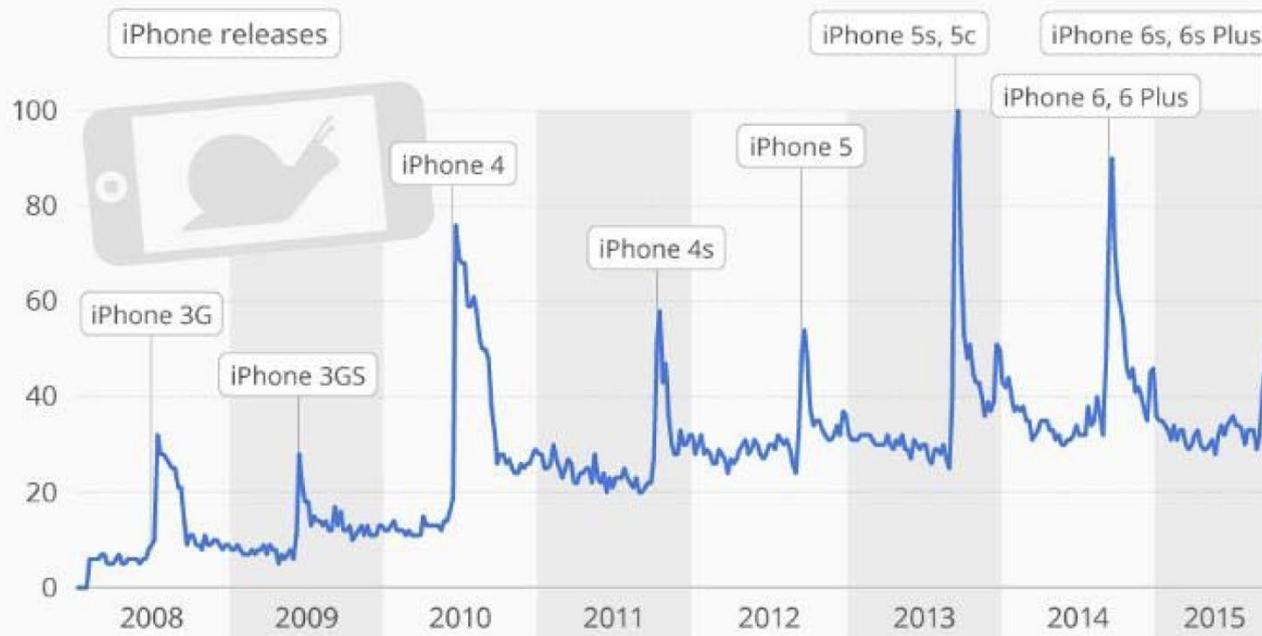
The consumer version of products Gatorade makes for professionals



Obsolescence

The "Slow iPhone" Phenomenon

Worldwide Google searches for the search term "iPhone slow" (100 = peak search volume)



@StatistaCharts Source: Google Trends

statista

Ikea

Product Development

From here



To here



Ikea

Market Development

From here



To here



Ikea

Market Development as well



A massive, untapped market

India's furniture sector is still largely **fragmented**. Most people get their furniture made by neighborhood carpenters or from local furniture stalls that don't have formal distribution channels, not from large chains or department stores. And while the e-commerce boom has slowly begun **changing** the way Indians with internet access can shop for furniture, given the sheer size of India's population, for a brand like IKEA, India still offers a massive opportunity.

Ikea finally set to open first store in India - but holds the meatballs

The beef and pork dish is off the menu but huge outlet in Hyderabad will have famous Billy bookcases and Poang chairs

IKEA has announced that it will open its first store in India in July 2018, in the southern city of Hyderabad.

For the Sweden-based furniture retailer, which ranks 40th on Forbes' list of the **World's Most Valuable Brands**, this first India store will likely signify a major milestone—not only because of the burgeoning potential of the local market, but also because IKEA's plans for India have been in the works for a long time.

Finally happening

Ikea

Diversification

To here

From here



Ikea to open budget hotel chain

Ikea furniture chain announces plans to open a budget chain of some 150 hotels with the US group Marriott to be called Moxy

What to learn from...

Apple + Huawei
Metabical
Black & Decker
Coca-Cola Life
Snapple