

15.812 as a “product”

- What is the market for this product?
- Who is the producer?
- How many sales were there? (How many returns?)
- What are the substitutes for this product?
- What is the cost of buying this product?
- What are consumers needs?
- How could the producer identify consumers’ needs & wants?

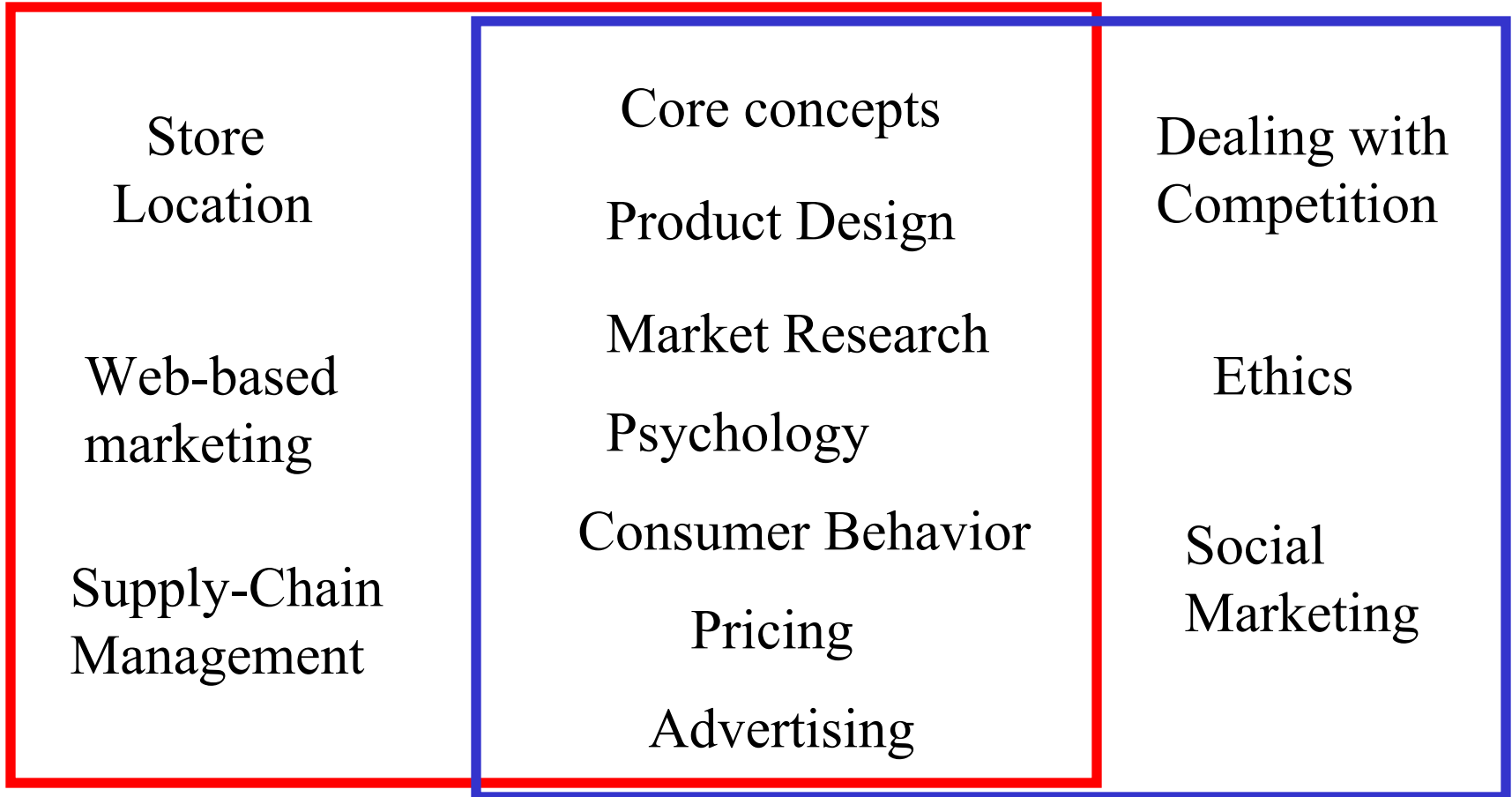
“What thing(s) do you want to learn about?”

- Introduction to marketing / overview of basic issues / core concepts
- Software / telecommunications / cars / political candidates / yourself
- How do you make a product more attractive to consumers?
- Methods for gathering market information
- How do consumers decide what to buy?; What motivates them to choose one product over another?; What are some “secret strategies to fool with people’s minds and make them buy stuff”?
- What effect does advertising have on consumers?
- How do you determine the right price?

- Using the web as a marketing tool
- How do I choose the right location for a store?

How well does the product (15.812) provide what consumers want/need?

consumer needs



product features

What is marketing?

- “identifying and satisfying consumer needs”
- What needs do the following products fulfill?

Sachets:

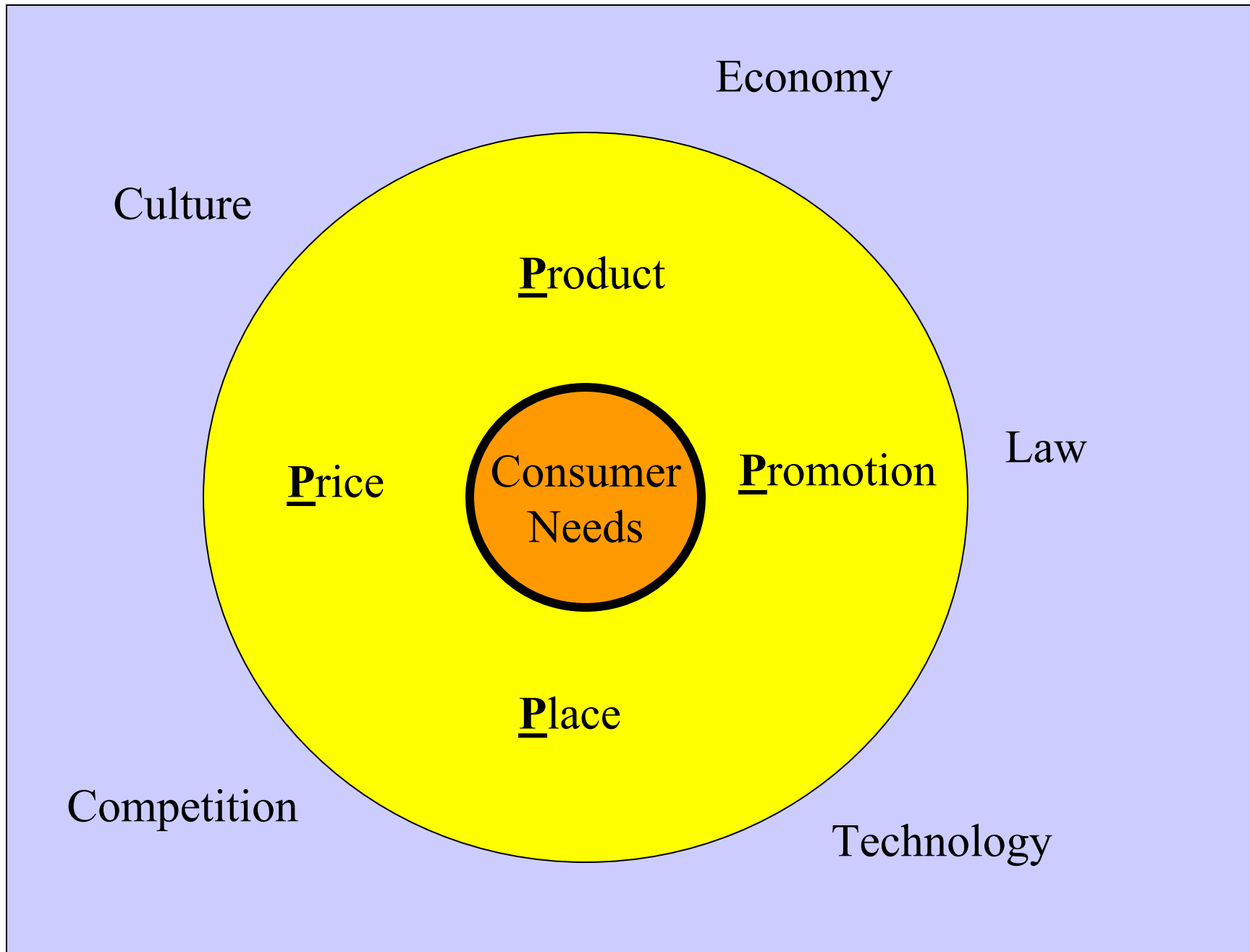
Rice:

Pet Rocks:

House plants:

Hula hoops:

Bars:



Economy

Culture

Product

Law

Price

Consumer
Needs

Promotion

Place

Competition

Technology

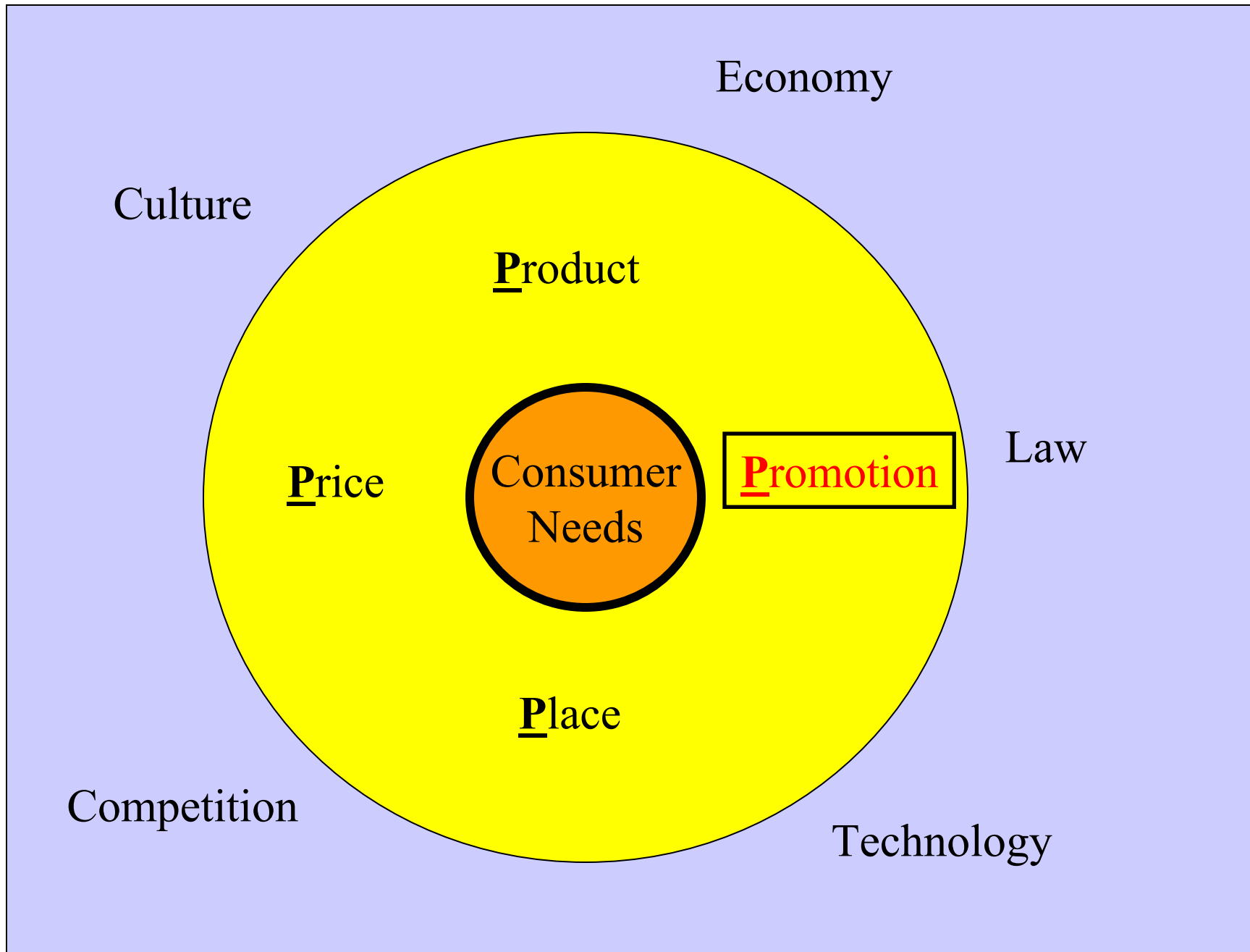
What are examples of good [bad] marketing?

GOOD

- Coca cola: People buy more coke even though Pepsi tastes better.
- Pepsi cola: Because it features Britney Spears
- Mountain dew: Marketed the product from a “hillbilly” drink to a hip, youthful drink
- 7 up: “Obey your thirst”, because it captures our desire to be individuals
- Absolute Vodka ads (???)

BAD

- AMD commercial in the middle of a classic film segment
- Commercials that don't tell you what the product is (like the commercial where the cowboys are herding housecats)
- Amazon's commercial with a group of old people singing a boring song; [this conveys] the idea that the on-line buying experience is boring.
- Tobacco Advertising



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Intuitions about people's needs are often wrong

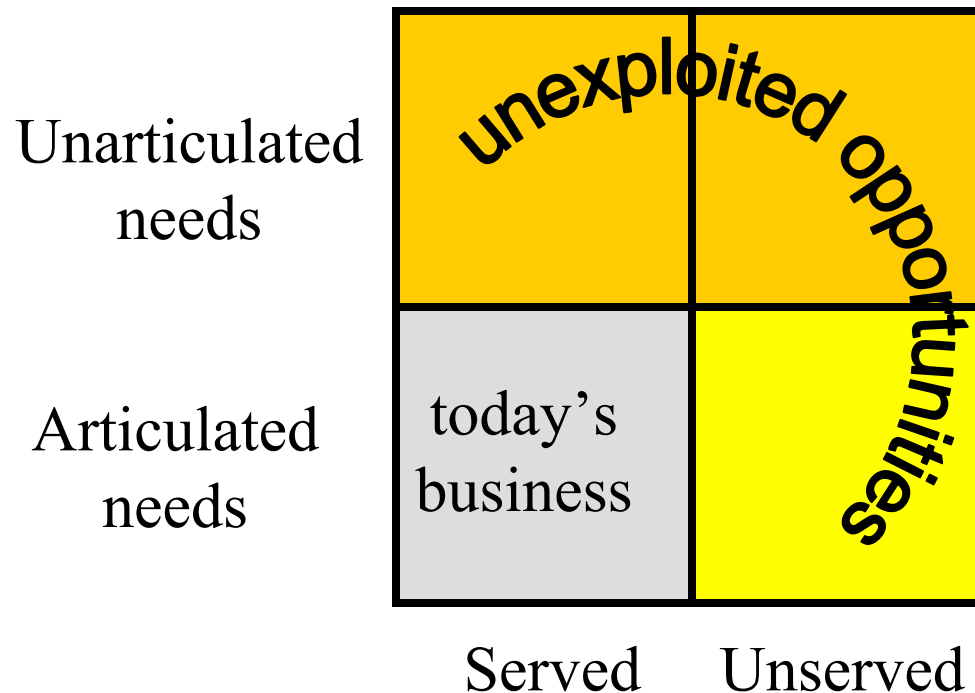
- “I think there’s a world market for about five computers.”
(President of IBM, 1943)

- “TV won’t be able to hold on to any market it captures after the first six months. People will soon get tired of staring at a plywood box every night.”
(President of 20th Century Fox, 1946)

Should consumers be followed or led?

- “Our plan is to lead the public with new products rather than ask them what kind of products they want. The public does not know what is possible, but we do. So instead of doing a lot of market research, we ...try to create a market for a product by educating [the public about what the product can do for them]. ”

(Akio Morita, CEO of Sony)



3 conceptions of marketing

- The *production* concept: consumers will buy goods that are widely available and inexpensive; focus is on improving efficiency in production & distribution
- The *selling* concept: consumers will not buy enough of your product if you leave them alone; focus on advertising & contact with potential customers
- The *marketing* concept: consumers will buy your products if you identify their needs & satisfy those needs better than competitors.

**Starting
Point**

Focus

Means

Ends

factory

existing
products

selling &
promoting

profits through
sales volume

The selling concept

market

customer
needs

integrated
marketing

profits through
customer satis.

The marketing concept

A marketing conception focuses on needs or goals rather than products

<u>Company</u>	<u>Product-oriented definition</u>	<u>Market-oriented definition</u>
SCOTT	“We sell grass seed & fertilizer”	“We deliver green, healthy yards”
DISNEY	“We run theme parks”	“We provide fantasies”
HOME DEPOT	“We sell tools & home repair items”	“We provide advice & solutions that transform ham-handed homeowners into Mr. & Ms. fixits”

