

A86012 Management and Principles of Accounting (2019/2020)

Session 6 Marketing Strategy

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SESSION OBJECTIVES & OVERVIEW

Course Overview

1. What is business	15. Accounting: glossary, vocabulary, terms
2. Types of business	16. Introduction to financial accounting
3. Management	17. Accounting for business transactions
4. Review session 1	18. Recording transactions, journal and ledger
5. Marketing	19. Recording owner's contributions & financing
6. Marketing strategy	20. Review session 1
7. Review session 2	21. Recording long-lived assets and investments
8. Operations	22. Recording purchases
9. Finance	23. Recording sales and employee compensation
10. Financial management	24. Review session 2
11. Review session 3	25. Adjusting and closing entries
12. Human resources	26. Adjusting and closing entries ...continued
13. Review session 4	27. Cases and exercises
14. Exam	28. Exam

PGS

SG

PT

Session Objectives

*At the end of this session students will be able to define the roles and importance of each of the four elements in the **marketing mix i.e. product, price, distribution and promotion**. They will be able to define **digital media and digital marketing** and demonstrate their role in today's business environment and how they affect the marketing mix. They will also be able to define **social networking** and illustrate how businesses can use different types of social networking media at the same time understanding the **legal and ethical considerations**.*

Overview of Session 6

- Marketing Strategy
 - The marketing mix
 - Product strategy
 - Pricing strategy
 - Distribution strategy
 - Promotion strategy
 - Digital marketing and social media

Session 6 Overview

	Mins
Session objectives and outline	5
Recap of key points from session 5 – Marketing	15
The Marketing Mix: Product strategy, pricing strategy, distribution strategy, promotion strategy	50
Digital Marketing and Social Media: Definitions of digital media and digital marketing and their impact on the marketing mix. Definition of social networks and use of social network media. Legal and ethical considerations.	45
Required reading and research	5
Reading Business Chapters 12 & 13	
Research Assignment 6: Europe's top companies – Marketing Strategies	
Overview of session 7 – Review Session.	5
Summary and validation	10
	135

RECAP OF SESSION 5 – MARKETING

Recap Session 5

- The nature of marketing – the functions of marketing, creating value, the marketing concept
- Developing a marketing strategy – target markets, marketing mix
- Marketing research and information systems
- Buying behaviour - Psychological variables, social variables
- The marketing environment
- The marketing plan

THE MARKETING MIX

The Marketing Mix

Marketing mix—involves decisions regarding controllable variables

- After selecting target market, marketers develop and manage dimensions of marketing mix to give firm advantage over competitors
- Successful companies offer at least one dimension of marketing mix that surpasses all competitors
- Companies must also maintain acceptable, and if possible distinguishable, differences in the other dimensions as well

Netflix: Full “Stream” Ahead

Marketing Strategy

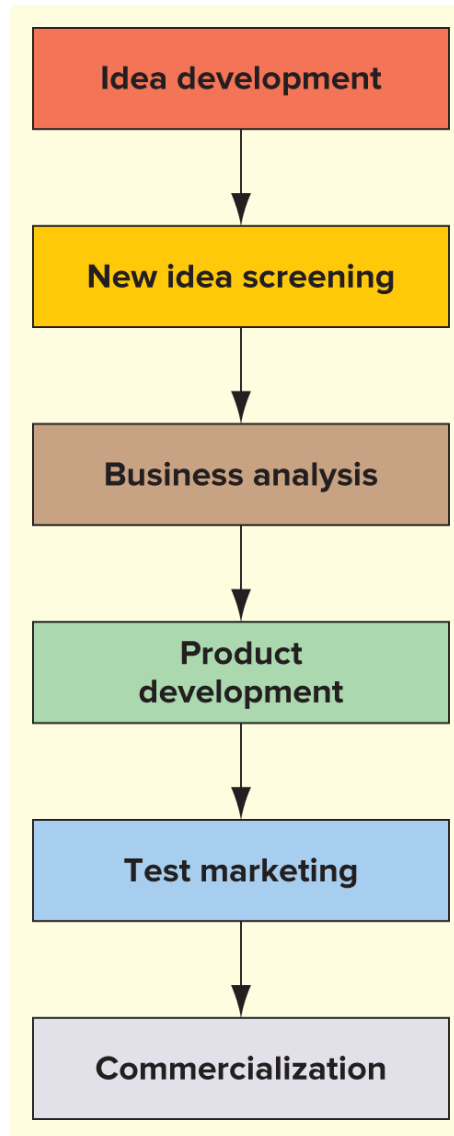
- Began as mailing DVDs straight to homes, with low subscription prices and no late fees
- Now focusing less on pricing and more on product
 - Original content programming
 - Convincing more people to give up cable
- Competing with businesses such as Amazon Prime
- Must continuously improve to adapt to cultural differences
 - Becoming more mobile-friendly

PRODUCT STRATEGY

Developing New Products

- Thousands of new products are introduced annually, but few succeed
- Takes time to get new product to market
- Product or idea may be shelved, only to be returned to later

Figure 12-1 Product Development Process



Inspiration for Fitbit

Entrepreneurs James Park and Eric Friedman came up with the idea of activity trackers that could be used to record a variety of activities related to health, from number of steps walked during the day to the quality of sleep. The product was highly successful, and an IPO for the company was filed in 2015.



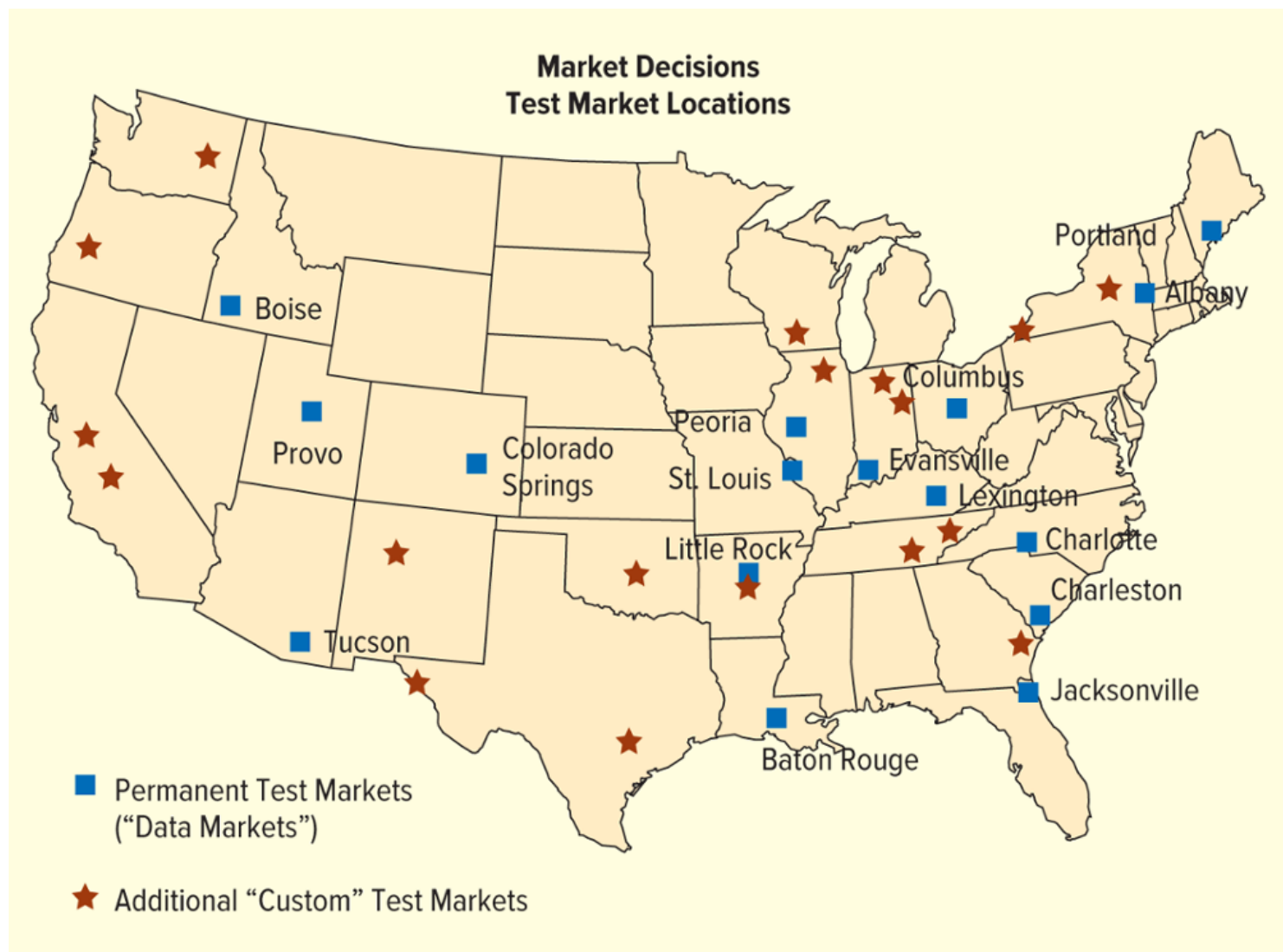
Developing New Products

- Idea development
 - Internal sources: marketing research or employees
 - External sources: ad agencies, consultants, or customers
- New idea screening
 - Management looks at resources and ability to produce and market
 - Most ideas rejected in this phase
- Business analysis
 - Analyze affects on sales, costs, and profits

Developing New Products continued

- Product development
 - Products to reach this stage get prototypes and development of marketing strategy
- **Test marketing**
 - Opportunity to discover weaknesses before full launch
- **Commercialization**
 - Full introduction of marketing strategy

Figure 12-2 Common Test-Market Cities



Classifying Products

- **Consumer products**
 - Convenience products—bought frequently with no planning, such as beverages, gasoline, and batteries
 - Shopping products—purchased after “shopping around,” such as computers, smartphones, and clothing
 - Specialty products—require greater research and shopping effort, such as motorcycles, art, and rock concerts

Classifying Products continued

- **Business products**
 - Raw materials
 - Major equipment
 - Accessory equipment
 - Component parts
 - Processed materials
 - Supplies
 - Industrial services

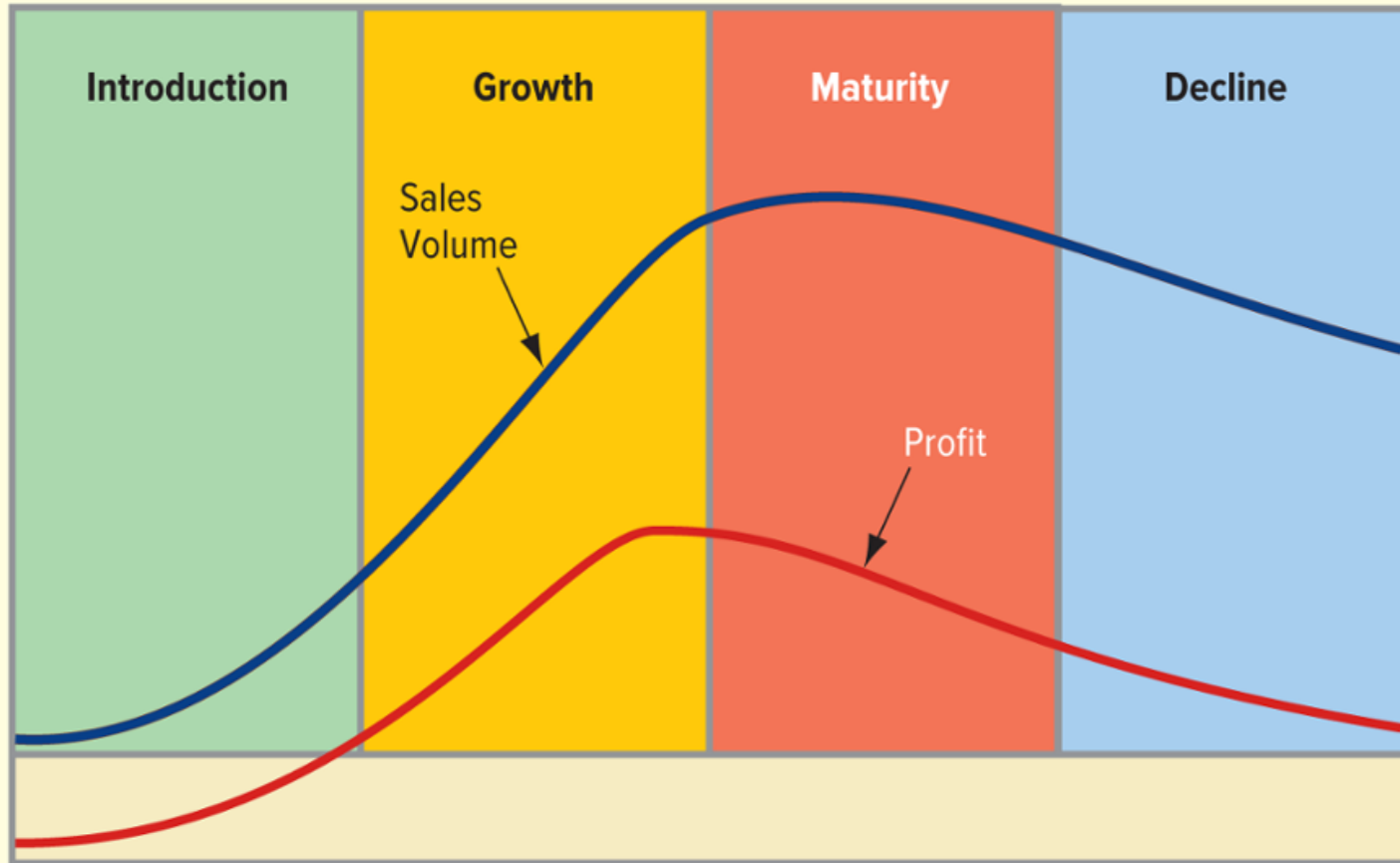
Product Line and Product Mix

- **Product line**
 - Similar marketing strategy, production, or end-use considerations
- **Product Mix**
 - All products offered by organization

Product Life Cycle

- Like people, products are born, grow, mature, and eventually die
- Four stages:
 1. Introduction
 2. Growth
 3. Maturity
 4. Decline

Figure 12-4 The Life Cycle of a Product



Product Life Cycle continued

- **Introductory stage**
 - Focus on making consumers aware of product and benefits
- **Growth stage**
 - Try to strengthen market position by emphasizing benefits
- **Maturity stage**
 - Sale curve peaks due to severe competition and heavy expenditures
- **Decline stage**
 - May eliminate models, cut costs, and finally phase out products

Identifying Products

- **Branding**
 - Brand—name, term, symbol, design or combination
 - Brand name—part that can be spoken
 - Brand mark—part that is distinctive design
- **Trademark**
 - Legally protected from use by other firm

Identifying Products continued

- **Manufacturer brands**
 - Initiated and owned by the manufacturer
- **Private distributor brands**
 - Owned and controlled by wholesaler or retailer
- **Generic products**
 - No brand name

Identifying Products continued

- **Packaging**
 - Influences consumers' attitudes
 - Provides protection, economy, convenience, and promotion
- **Labeling**
 - Contains ingredients, nutrition facts, care instructions, suggestions for use, and manufacturer's address
- **Quality**
 - Reliable, durable, easily maintained and used, good value

Apple's Brand Value

Apple is the most valuable brand in the world. Its iPhones, iPods, and iPads have revolutionized the electronics and computing industry.



Dollar Shave Club: Smooth Operator

Idea for Dollar Shave Club

- Co-founders thought it was inconvenient and costly to purchase multiple brand-name blades each month
- Came up with subscription-based service
- Mailed razors for as little as 1 dollar per month

Promotion

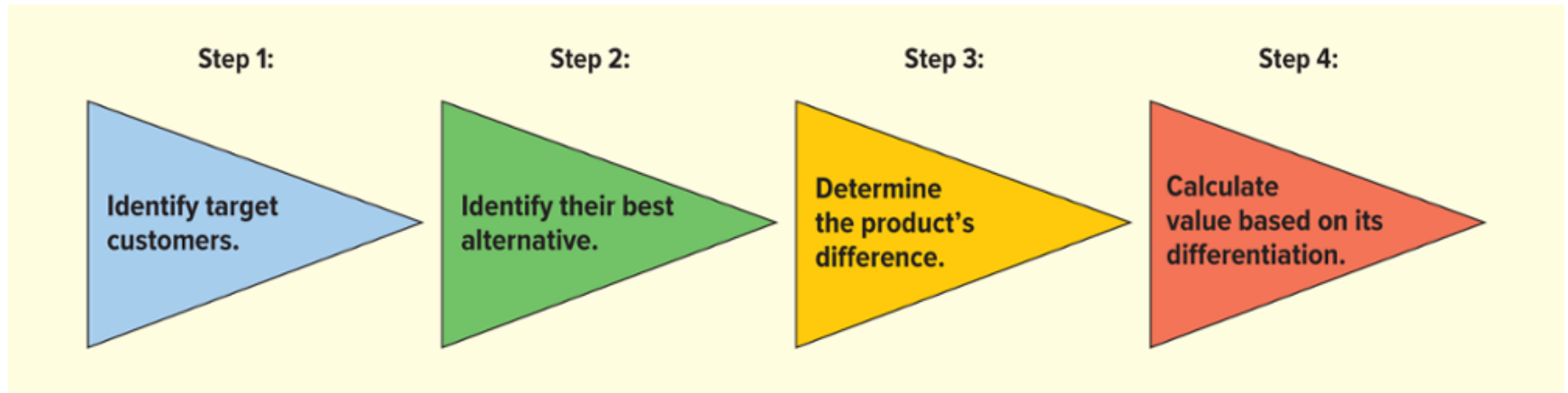
- Developed and starred in humorous video marketing
- Video went viral on YouTube
- Led to success and eventual purchase by Unilever

PRICING STRATEGY

Calculating the Value of a Product

- Almost anything of value can be assessed by a price
- Consumers vary in response to price
- Product's perceived value in marketplace added to production costs help determine price

Figure 12-5 Calculating the Value of a Product



Source: Mohammed, Rafi, "Use Price to Profit and Grow," [Forbes.com](http://www.forbes.com), March 25, 2010, <http://www.forbes.com/2010/03/25/profit-gain-value-mckinsey-sears-whirlpool-cmo-network-rafi-mohammed.html> (accessed April 24, 2017).

Price

- Key element in marketing mix as it relates directly to revenue and profits
- Probably most flexible variable; can be set or changed in few minutes

Pricing Objectives

- Specify role of price in marketing mix and strategy
- Four common pricing objectives: maximizing profits, boosting market share, maintaining status quo, and survival

Specific Pricing Strategies

- Pricing new products
 - **Price skimming**
 - Charging highest possible price
 - **Penetration price**
 - Low price designed to help product enter market

Specific Pricing Strategies continued

- **Psychological pricing**

- Even/odd pricing assumes people will buy more of a product for \$9.99 than \$10 because it seems to be bargain
- Symbolic/prestige pricing assumes that high prices connote high quality
- Perfume and cosmetics prices set artificially high to give impression of superior quality

Specific Pricing Strategies continued

- **Reference pricing**
 - Lower-priced item compared to more expensive brand
- **Discounts**
 - Temporary
 - Types include quantity, seasonal, and promotional

DISTRIBUTION STRATEGY

Marketing Channels

- Also called channel of distribution
- Makes products available to customers when and where they desire to purchase them
- Middlemen (intermediaries) bridge gap between manufacturer and consumer
 - Create time, place, and ownership utility

Marketing Channels continued

- **Retailers**

- Move products from producers to convenient retail establishment (place utility)
- Maintain hours of operation (time utility)
- Assume risk of inventories (ownership utility)

Marketing Channels continued

- **Direct marketing**
 - Use of nonpersonal media
- **Direct selling**
 - Use of face-to-face sales presentations

Marketing Channels continued

- **Wholesalers**
 - Intermediaries who sell to retailers
 - Help consumers and retailers by buying in large quantities, then selling to retailers in smaller quantities

Table 12-4 General Merchandise Retailers

Department store

Discount store

Convenience store

Supermarket

Superstore

Hypermarket

Warehouse club

Warehouse showroom

Table 12-5 Major Wholesaling Functions 1 of 3

Physical Distribution

- Inventory management
- Transportation
- Warehousing
- Materials handling

Promotion

- Personal selling
- Publicity
- Sales promotion
- Advertising

Table 12-5 Major Wholesaling Functions 2 of 3

Inventory Control and Data Processing

- Management information systems
- Inventory control
- Transaction monitoring
- Financial and accounting data analysis

Risk-Taking

- Inventory decisions
- Product deterioration
- Theft control

Table 12-5 Major Wholesaling Functions 3 of 3

Financing and Budget

- Investment capital
- Credit management
- Managing cash flow and receivables

Marketing Research and Information Systems

- Conducting primary market research
- Analyzing big data
- Utilizing marketing analytics

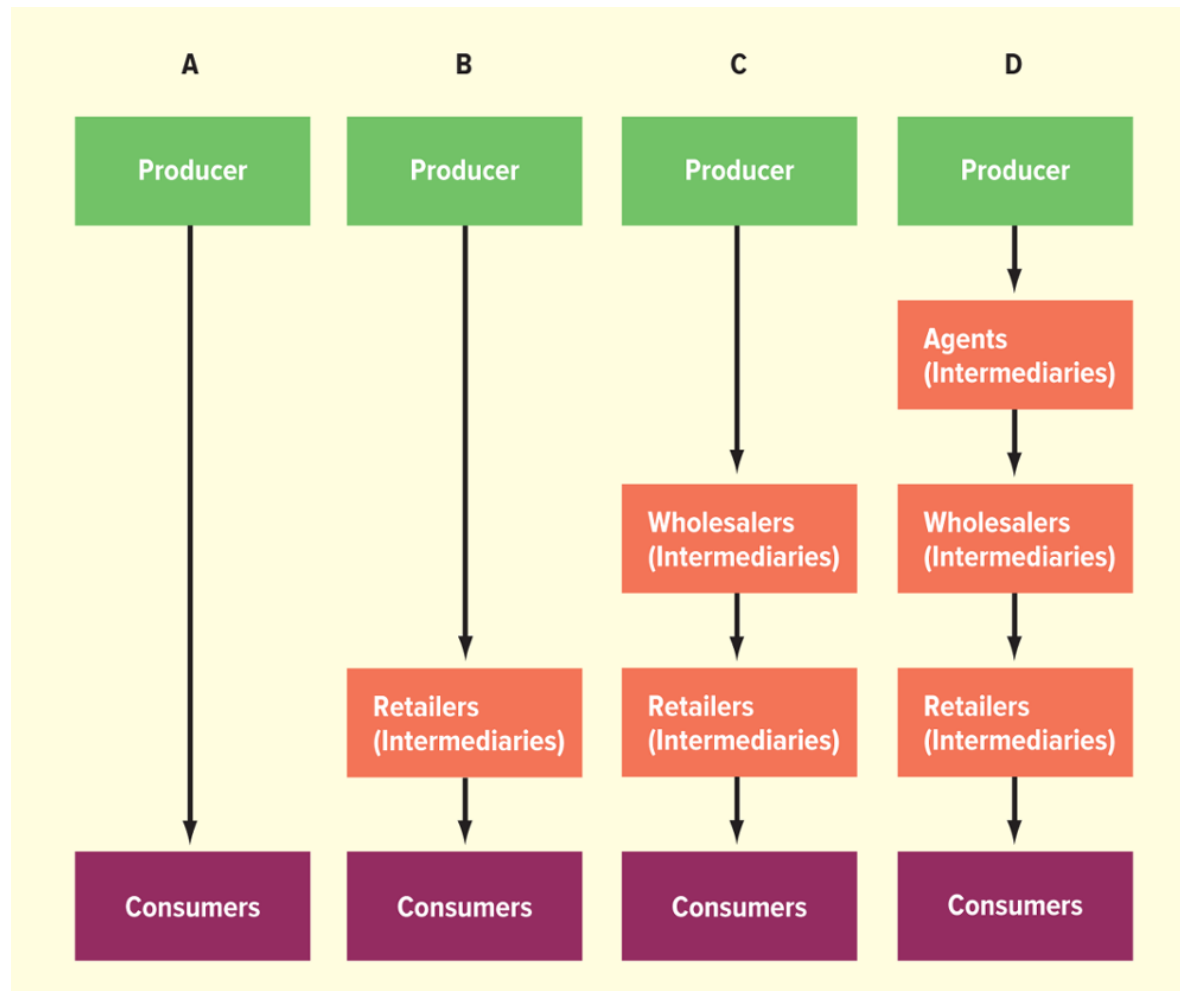
Marketing Channels continued

- Supply chain management
 - Connecting and integrating all members of distribution system
 - Disruption in supply chain viewed as number-one crisis
 - Predictive analytics forecast and coordinate members

Marketing Channels continued

- Channels for consumer products
- Channels for business products
 - More than half sold through direct marketing channels

Figure 12-6 Marketing Channels for Consumer Products



[Jump to long description in appendix](#)

Patagonia Climbs to New Level of Environmental Responsibility

Advocating for Decreased Consumption

- Popular promotion features R2 coat with the headline “Don’t Buy This Jacket”
 - Uses recycled materials but is still harmful to environment
- Goal to encourage consumers to purchase less
- Campaign featuring fans wearing old Patagonia clothing held together with duct tape
- Indirectly promotes products as solution to need to replace worn-out apparel
- Encourages consumers to return worn-out merchandise so it can be recycled

Intensity of Market Coverage

- **Intensive distribution**

- As many outlets as possible
- Used for frequently purchased items

- **Selective distribution**

- Small number of outlets used
- Used most often when consumers buy only after shopping and comparing price, quality, and style

Exclusive Distribution

- Intermediary awarded sole right to sell product
- Includes high-quality merchandise

Physical Distribution

- Inventory control, transportation, warehousing, and materials handling
- Required by both goods and services

Physical Distribution continued

- **Transportation**

- Types:

1. Railways
2. Motor vehicles
3. Inland waterways
4. Pipelines
5. Airways

- Factors affecting choice:

- Cost, capability, reliability, availability



Physical Distribution continued

- **Warehousing**
 - Can own warehouse, lease private warehouse, or rent space in public warehouse
- **Materials handling**
 - Processes vary significantly due to product characteristics

Importance of Distribution in a Marketing Strategy

- Distribution decisions are least flexible decision
- Commits resources and establishes contracts

PROMOTION STRATEGY

The Promotion Mix

- Encourages consumers to accept products and influences opinions and attitudes
- Includes advertising, personal selling, publicity, and sales promotion
- **Integrated marketing communications**
 - Coordinating promotion mix elements and synchronizing promotion
 - Results in delivery of desired message to consumers

The Promotion Mix continued

- **Advertising**
 - Paid form of nonpersonal communication
- **Advertising campaign**
 - Several factors affect campaign, including product features, target audience, marketing objectives, and medium
 - Advertisers use words, symbols, and illustrations that are meaningful, familiar, and attractive to target audience

The Promotion Mix continued

- **Personal selling**
 - Direct, two-way communication
 - Most flexible promotional method but expensive
 - Three categories of salesperson:
 - Order takers
 - Creative salespersons
 - Support salespersons

The Promotion Mix continued

- **Personal selling** continued
 - Six-step process
 1. Prospecting
 2. Approaching
 3. Presenting
 4. Handling objections
 5. Closing
 6. Following up

The Promotion Mix continued

- **Publicity**

- Not paid for directly by firm
- Message presented as news story
- Company not seen as originator of message
- Public relations department tries to gain favorable publicity and minimize negative publicity

The Promotion Mix continued

- **Publicity** continued
 - How advertising and publicity differ
 - Purpose: advertising is informative, persuasive; publicity is informative
 - Impact: advertising calls for action; publicity rarely does
 - Cost: companies pay for advertising; publicity is free
 - Duration: advertising is repeated often; publicity appears once

The Promotion Mix continued

- **Publicity** continued
 - Buzz marketing
 - Seek out trendsetters and get them to “talk up” product
 - Accepted members of group have more credibility than paid communication
 - Works best as part of integrated marketing plan
 - Related concept is viral marketing, which gets Internet users to pass on ads and promotions

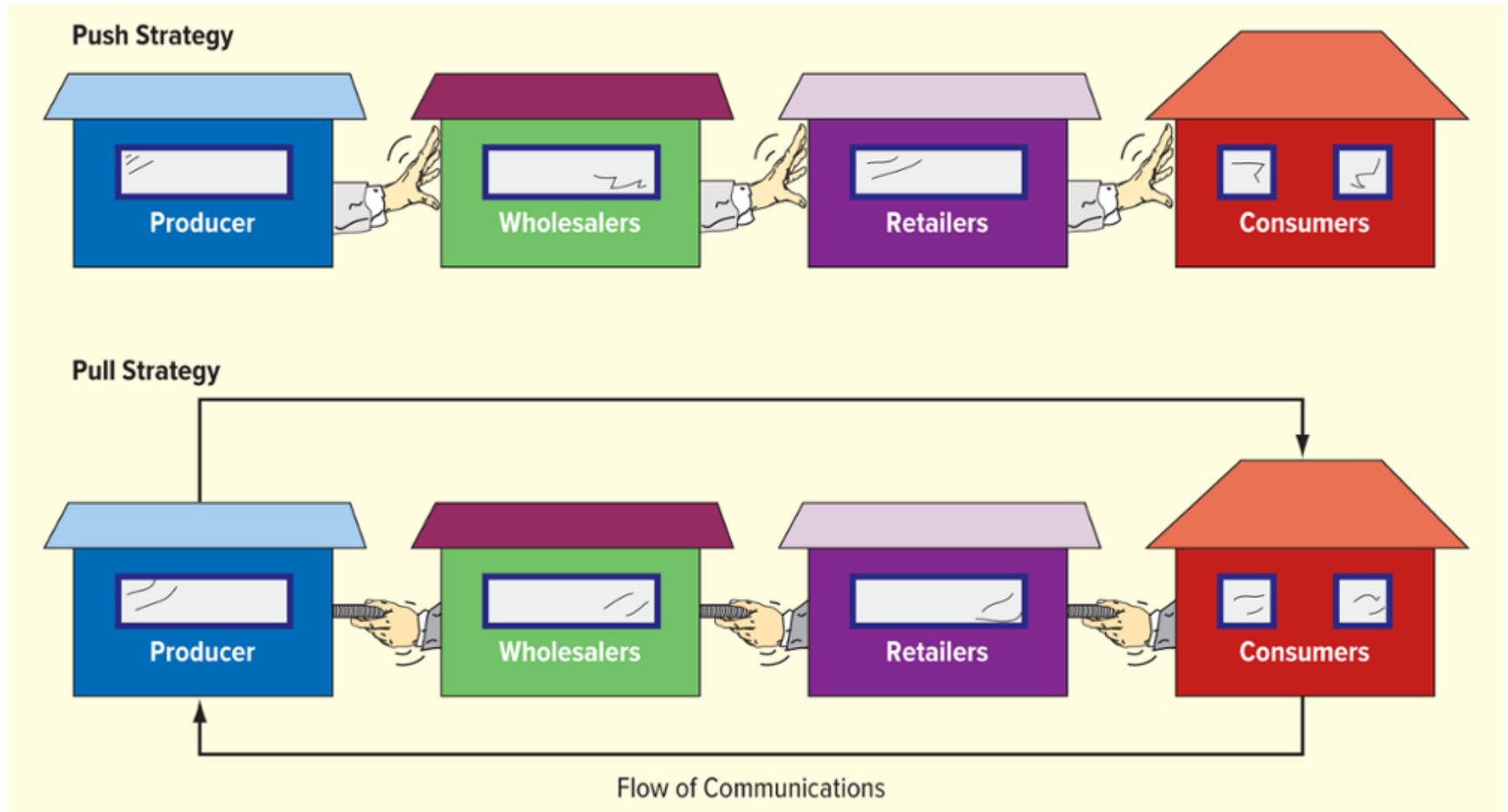
The Promotion Mix continued

- **Sales promotion**
 - Easier to measure and less expensive than advertising
 - Includes store displays, premiums, samples and demonstrations, coupons, contests and sweepstakes, refunds, and trade shows
 - Enhances and supplements other forms of promotion

Promotion Strategies: To Push or to Pull

- **Push strategy**
 - Attempt to motivate intermediaries
 - Personal selling indicates push strategy
- **Pull strategy**
 - Use of promotion to create consumer demand
 - Exclusive use of advertising is pull strategy

Figure 12-7 Push and Pull Strategies



Objectives of Promotion

- Stimulate demand
- Stabilize sales
- Inform, remind, and reinforce customers

Promotional Positioning

- Use of promotion to create and maintain image in buyers' minds

Importance of Marketing Strategy

Marketing creates value through marketing mix

- Marketing mix must be carefully integrated into effective marketing strategy
- Effective marketing mix gains competitive advantage
 - Often occurs when company excels at one or more elements of marketing mix
- Must monitor demand and adapt marketing mix when needed

DIGITAL MARKETING AND SOCIAL NETWORKING

E-Business

- Carrying out goals of business through Internet

Digital Media

- Electronic media that function using digital codes

Digital Marketing

- Uses all digital media to communicate with customers

Mobile Apps



Consumers are increasingly turning to mobile apps to access company information and purchase products.

Benefits of Using the Internet

- Forge relationships with consumers and business customers
- Target markets more precisely
- Reach previously inaccessible markets
- Better network

Addressability

- Ability of marketer to identify customers before they make a purchase

Interactivity

- Ability of customers to express needs and wants directly to firm in response to marketing communications

Accessibility

- Ability for marketers to obtain digital information

Connectivity

- Ability for consumers to be connected with marketers along with other consumers

Control

- Customer's ability to regulate information they view as well as rate and exposure to that information

Using Digital Media in Business

Benefits of Digital Communication

- Fast and inexpensive
- More interactive
- Easier to conduct marketing research and advertise
- Allows for new types of businesses
- Improved communication within and between businesses

Internet Markets versus Traditional Markets

- More similar than different

DIGITAL MARKETING

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Internet Markets versus Traditional Markets

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Key differences between digital and traditional media in marketing mix:

- Communications are faster and more interactive
- Can reach target markets more easily, affordably, and quickly
- Ability to utilize new resources in seeking out and communicating with customers.

One aspect of marketing that has not changed with digital media is importance of achieving right marketing mix

Digital Media and the Marketing Mix 2 of 7

To coordinate activities and communicate with employees, customers, and suppliers, marketers use:

- E-mail
- Mobile phones
- Social media
- Wikis
- Media sharing
- Blogs
- Videoconferencing

Product Considerations

- Digital media connectivity creates opportunities to add services and benefits to products
- Some products only available digitally
- Can offer more online than in retail store
- Internet can make it easier to learn about and anticipate consumer needs

Distribution Considerations

- Internet is new distribution channel for making products available at right time, at right place, and in right quantities
- Processing orders electronically can reduce inefficiencies, costs, and redundancies
- Shipping times and costs are important to customers
 - Many companies offer low shipping costs or next-day delivery
- Trend toward **omni-channel**
 - Denoting or relating a type of retail that integrates the different methods of shopping available to consumers

Ipsy's Subscription Is a Prescription for Success

Origins

- Michelle Phan used YouTube to display passion for makeup
- Lancôme signed Phan as first video makeup artist
- Founded online subscription service ipsy in 2012

Idea for and Marketing of Ipsy

- Phan noticed women preferred to purchase smaller samples of unfamiliar beauty products
- Monthly glam bag for 10 dollars per month
- Uses online beauty influencers on social media to market

Promotion Considerations

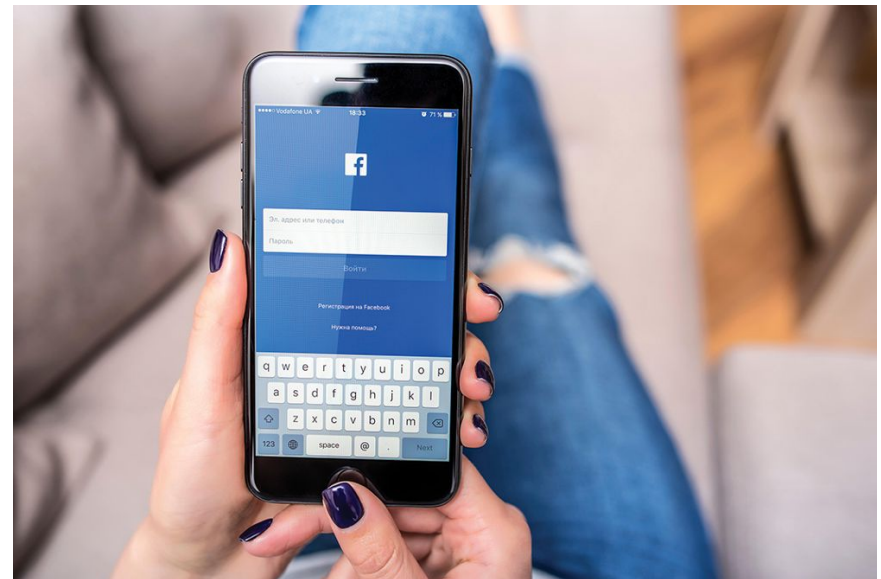
- Increasing brand awareness
- Connecting with consumers
- Taking advantage of social networks or virtual worlds to form relationships and generate positive publicity about products
- Online promotion allows consumers to read customer-generated content before making purchasing decisions
- Consumer consumption patterns are changing and marketers must adapt promotional efforts to meet them
- Influencers promote products for endorsement fee and complimentary products

Pricing Considerations

- Most flexible element of marketing mix
- Digital marketing can enhance value by providing service, information, and convenience
 - Quick communication of discounts and sales
 - Deal websites allow consumers to compare prices
- Offer buying incentives (coupons, samples) to generate consumer demand
- Unlimited opportunities to compete on price

Social Media Marketing

- Promote message and create online conversations
- Target large markets
- Promote through digital word-of-mouth
- Conduct research and monitor reputation through rating sites
- Potential of building campaigns that produce advocates



CONSUMER GENERATED DIGITAL MEDIA

Two factors sparked rise of consumer-generated information:

1. Increased tendency of consumers to publish their own thoughts, opinions, reviews, and product discussions through blogs or digital media
2. Consumers' tendencies to trust other consumers over corporations. Consumers often rely on the recommendations of friends, family, and fellow consumers when making purchasing decisions.

It Just Got Easier to Get a Piece of the Pie

Domino's AnyWare Campaign

- Create Pizza Profiles to tweet or text orders
- Save preferred pizza selection and send pizza emoji to Domino's Twitter account
- Open Zero Click Ordering app to order pizza automatically
- Order through voice integration with Domino's Dom app, Amazon Echo, or Google Home

Benefits

- Lower customer acquisition costs keeps prices down
- Customer growth

Social Networks

- Increase in social networking across the world is exponential
- Estimated that adults spend approximately 42 minutes each day on Facebook alone
- Offer influx of advertising dollars for site owners and large reach for advertisers

Social Networks continued

- Facebook
 - Most popular social networking site in the world
 - 1.5 billion users worldwide
 - Encourages consumer interaction with companies and products
 - Boosted posts allow quick development of advertisement, consumer targeting, and specified budget
 - Useful for creation of relationships that mutually benefit business and consumer

Social Networks continued

- Twitter
 - Hybrid of social networking site and microblogging site that asks “What’s happening?”
 - Attracts millions of viewers each month
 - More than half of active and monthly users follow companies or brands
 - Used to build or rebuild customer relationships

Social Networks continued

- Snapchat
 - More than 158 million daily active users
 - Opportunity to reach young, highly engaged audience
 - 85 percent of daily users are between 18 and 34
 - Universal Pictures has created special filters to promote movies

Social Networks continued

- YouTube
 - Users watch a billion hours of videos every day
 - Brands are outnumbered by consumers
 - Challenging to control messaging about products

Social Networks continued

- LinkedIn
 - Top networking site for businesses and business professionals
 - Effective business lead generator
 - Spread brand awareness
 - Use for corporate recruiting

Blogs and Wikis

- **Blogs**

- Read by more than three-fourths of Internet users
- Give consumers power over companies
- Employee blogs used to defend corporate reputations

- **Wikis**

- Enables users to add or edit content
- Monitoring relevant wikis gives companies better idea of how consumers feel about company or brand

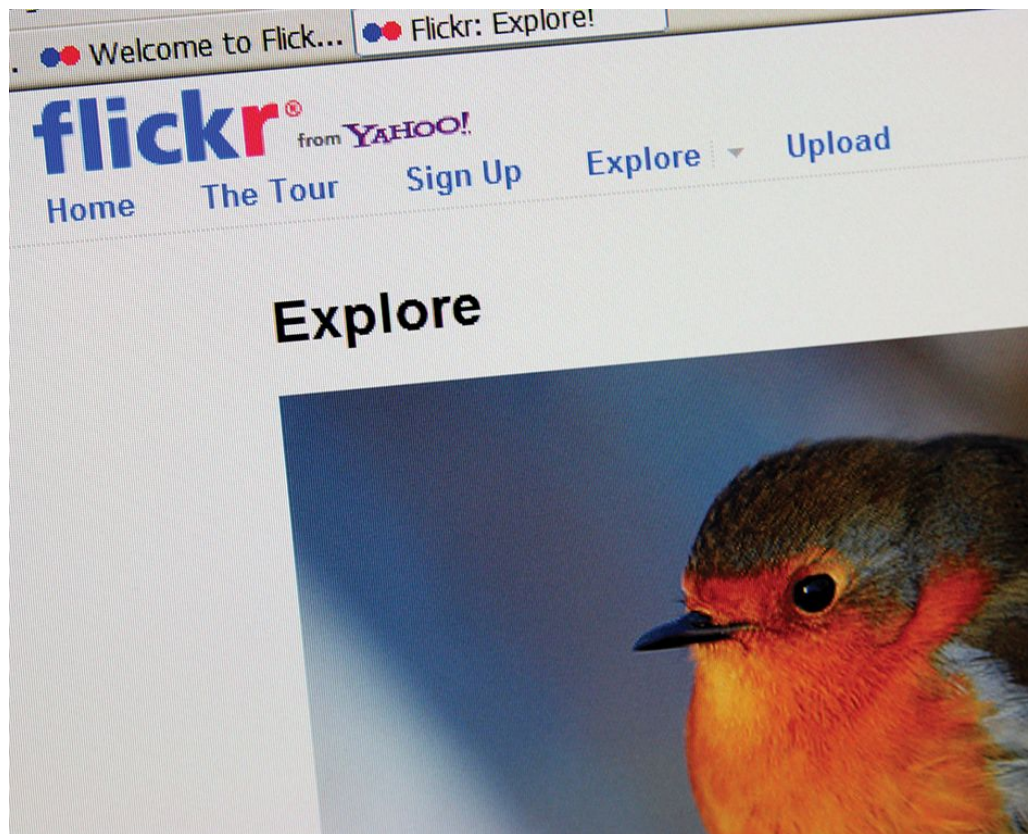
Media Sharing

- Video sharing
 - Allows virtually anybody to upload videos
 - Gives companies the opportunity to upload ads and informational videos about their products
- Photo sharing
 - Allows users to upload, edit, and share photos
 - Opportunity for companies to market themselves visually by displaying snapshots of company events, staff, and/or products

Flickr

Flickr is a popular photo sharing site.

Marketers can use Flickr to post photos of products or company activities.



Media Sharing continued

- **Viral marketing**

- Purpose is to encourage consumer to share message with friends, family, coworkers, and peers

- **Podcasts**

- Convenient, offers users ability to listen to or view content when and where they choose
- Good for reaching the 18 to 34 demographic

Mobile Marketing

- Consumers increasingly do their business and shopping from mobile devices and smartphones
- Mobile marketing exploded in recent years
- E-commerce sales on smart phones is estimated to reach 638 billion dollars by 2018
 - Makes it essential for companies to understand how to use mobile tools to create effective campaigns

Mobile Marketing continued

- Common mobile marketing tools
 - SMS messages
 - Effective way to send coupons to prospective customers
 - Multimedia messages
 - Allows companies to send video, audio, photos, and other types of media
 - Mobile advertisements
 - Companies might choose to advertise through search engines, websites, or even games

Mobile Marketing continued

- Common mobile marketing tools continued
 - Mobile websites
 - Mobile devices constitute more than 50 percent of web traffic
 - Location-based networks
 - Let users check in and share location with others
 - Foursquare introduced Pinpoint for marketers
 - Mobile applications (apps)
 - Businesses release to help consumers access more information about company or to provide incentives

Applications and Widgets

- Applications
 - Adding new layer to the marketing environment
 - Estimated 68 percent of adults have smartphones
 - Companies are beginning to use mobile marketing to offer additional incentives to customers
 - QR codes used to promote companies and offer discounts
 - Mobile payments gaining traction

Applications and Widgets continued

- Widgets
 - Small bits of software on website, desktop, or mobile device that perform simple purpose
 - Have been used as form of viral marketing
 - Users can download widget and send to their friends
 - Can update the user on the latest company or product information, enhancing relationship marketing between firms and their fans

Digital Media Monitoring

- Allows maximization of resources and minimization of costs
- Involves tracking, measuring, and evaluating digital marketing initiatives
- Quantitative or qualitative
 - Click-through rate (CTR)
 - Consumer feelings about products

Key Performance Indicators (KPIs)

- Allow almost real-time measurement and evaluation
- Foundation for iterative changes

Comprehensive Performance Evaluations

- Require gathering all valid metrics
- One approach is Google Analytics
 - Most robust web analytics tool available

Table 13-2 Google Analytics 1 of 2

Real-Time

- Updates live so you can see pageviews, top social traffic, top referrals, top keywords, top active pages, and top locations in real time

Audience

- Provides insight into demographics, interested, geography, behavior, mobile use, and more

Acquisition

- In-bound traffic monitored, allowing you to compare traffic from search, referrals, e-mail, and social media

Table 13-2 Google Analytics 2 of 2

Behavior

- Includes RSS feeds, tags, and “vote” for websites

Joiners

- Shows how visitors interact with content
- Monitors landing pages, exit pages, site speed, bounce rate, and more

Conversions

- Allows users to set goals and objectives to monitor web conversions

Use of Digital Media and Social Networking Sites

- Gather data on consumers and their preferences
- Twitter and Facebook can substitute for focus groups
- Online surveys can substitute for mail, telephone, or personal interview

Crowdsourcing

- Use digital media to find out opinions or needs of crowd (or potential markets)
- Gather and utilize consumers' ideas in interactive way when creating new products

Consumer Feedback

- Important part of the digital equation
- Online reviews influence buying decisions of about 90 percent of U.S. consumers
- Many companies do not yet take full advantage of digital tools

LEGAL AND ETHICAL ISSUES

Extraordinary growth of information technology, the Internet, and social networks has generated many legal and social issues for consumers and businesses

- Privacy concerns
- Risk of identity theft
- Risk of online fraud
- Need to protect intellectual property

FTC identifies risk areas for online communication

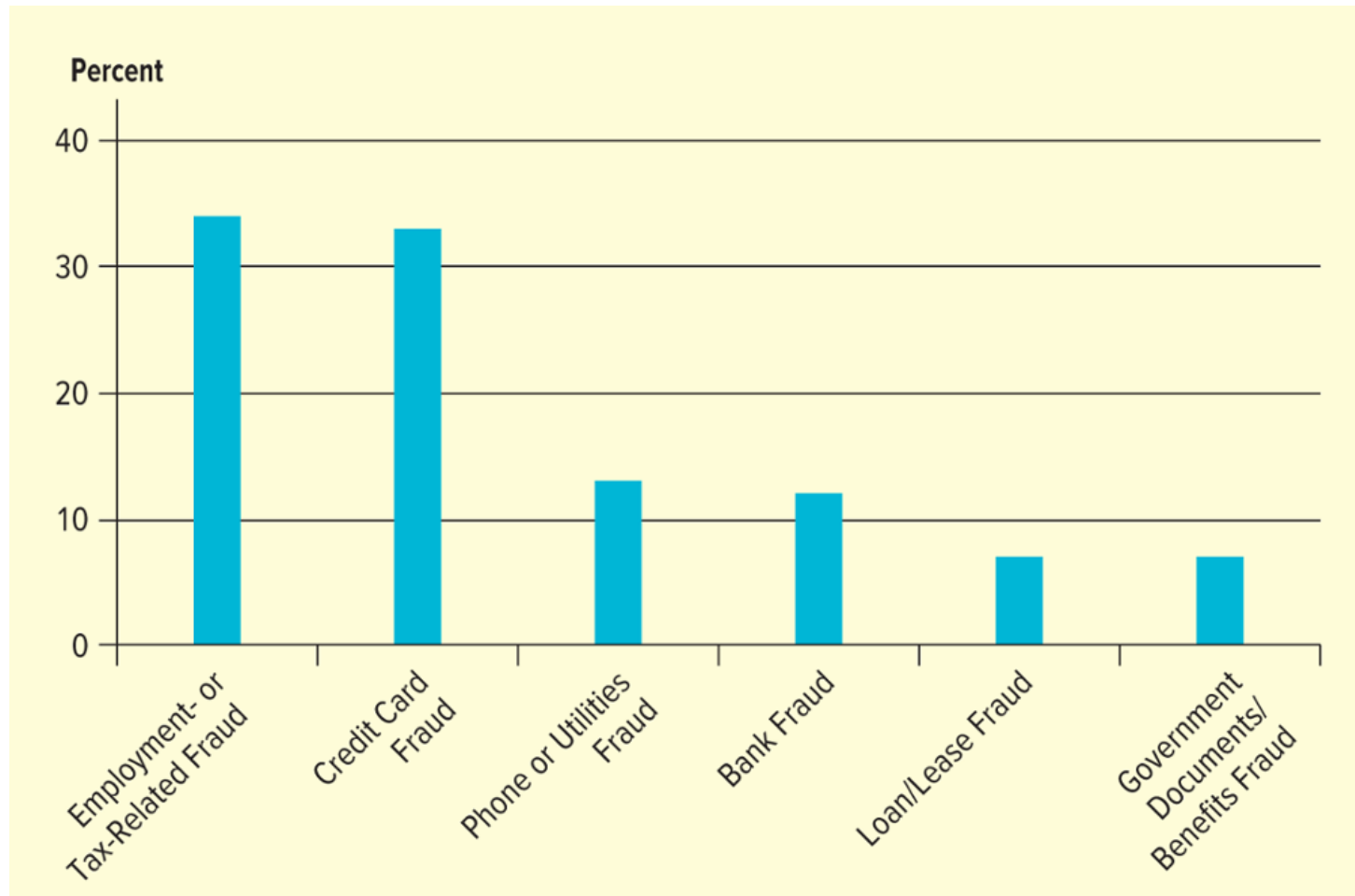
Privacy

- Current technology has made it possible for marketers to amass vast quantities of personal information, often without consumers' knowledge, and to share and sell this information to interested third parties
 - Cookies permit tracking of how often users visit sites, what they look at, and in what sequence
 - U.S. proposed "do not track" bill
- FTC requires influencers to clearly disclose connection with brands they promote

Identity Theft and Online Fraud

- **Identity theft**
 - When criminals obtain personal information that allows them to impersonate someone else in order to use their credit to access financial accounts and make purchases
 - Organizations need to implement increased security measures
 - Phishing is using counterfeit of familiar website to deceive people into divulging private information
 - National Fraud Center wants financial institutions to implement new technologies such as digital certificates, digital signatures, and biometrics

Figure 31-2 Main Sources of Identity Theft



Source: Federal Trade Commission, "Consumer Sentinel Network Data Book: January–December 2016," March 2017, https://www.ftc.gov/system/files/documents/reports/consumer-sentinel-network-data-book-january-december-2016/csn_cy-2016_data_book.pdf (accessed April 27, 2017).

[Jump to long description in appendix](#)

Identity Theft and Online Fraud continued

- **Online fraud**
 - Any attempt to conduct fraudulent activities online
 - Cybercriminals use hacking
 - Home Depot, Target, and JPMorgan are recent victims
 - Sony's entire computer network shut down
 - Privacy advocates advise to avoid giving out personal information and using differing passwords

GE Plugs into Consumers

Use of Digital Media

- Social media channels used to display branded content
- GE Show on YouTube includes episodes about technologies that affect daily lives
- Badass machines board on Pinterest
- 40 percent of marketing budget spent on digital media
- Brings popular Instagram profile holders to tour GE facilities

Intellectual Property Theft and Other Illegal Activities

- Intellectual property
 - Can include songs, movies, books, and software
 - Generally protected by patents and copyrights, but difficult to enforce globally
- Piracy and illegal sharing costs global industries billions annually
- Illicit online marketing becoming serious issue for law enforcement

Intellectual Property Theft and Other Illegal Activities

continued

- Consumers rationalize pirating of software, movies, videogames, and music for number of reasons
 - Don't have money to pay for what they want
 - Because friends engage in piracy
 - Enjoy thrill of getting away with something with low risk consequences
 - Being tech-savvy allows them to pirate content

Pirate Bay

The website Pirate Bay allows users to search and download files. It was actually started by a Swedish anti-copyright organization and soon became known for copyright theft. The founders of Pirate Bay were later found guilty of copyright infringement.



Digital Media's Impact on Marketing

Digital media can make your company more efficient and productive

Transition to digital media can be challenging

- May require employees with new skills or additional training for current employees
- Correct blend of traditional and digital media in marketing mix takes time and consideration

Future marketing opportunities will require knowledge of digital media and how to use them

REQUIRED READING AND RESEARCH ASSIGNMENT

Required Reading and research assignment

- Reading
 - M Business
 - Chapter 12 Dimension of marketing strategy
 - Chapter 13 Digital marketing and social media
- Exercises
 - M Business
 - Test Bank Questions Chapter 12 - 13
- Research
 - Research assignment 6 -Europe's Top companies
 - Marketing Strategy

Research Assignment

- Research Assignment 6
 - For your chosen company identify what its marketing strategy (ies) is (are)?

SESSION SUMMARY AND VALIDATION, OVERVIEW SESSION 7

Session Summary

Marketing mix

- Product strategy
- Pricing strategy
- Distribution strategy
- Promotion strategy

Digital media and social networking

- Digital media
- Social networking
- Legal and ethical issues

Overview of Session 7

- Review session
 - Research Assignment 4 : Europe’s Top Companies - target markets
 - Research Assignment 5: Marketing Plans for your start-up business
 - Research Assignment 6 : Europe’s Top Companies - marketing strategies
 - Active Review cards Chapters 11 – 13
 - Customer-driven marketing
 - Dimensions of marketing strategy
 - Digital marketing and social networking

Session Validation

- Describe the product development process
- What is a brand and why is it important?
- How can you calculate the value of a product?
- What alternative marketing channels are there for consumer products?
- What is the difference between a push and a pull strategy?
- What is the impact of digital media on the marketing mix?
- Name some of the legal and social issues in internet marketing