

MARKETING AND RESEARCH

Lecture Title: Marketing Principles and Theories



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Business Administration**

Lecture summary

- Understand marketing principles.
- Different marketing tools and models to evaluate the market.



Marketing Principles

The principles of marketing are agreed-upon marketing ideas that businesses use for an effective marketing strategy. They are the principles upon which we build product promotion strategies. We can use the marketing principles for the effective promotion of either goods or services.

For an effective strategy there are various marketing models and tools available.



Evolving Marketing Mix



7 Ps of the Marketing Mix

Products/Service	Promotion	Price	Place	People	Process	Physical Evidence
what you offer your audience/customers including products, service, deeds, processes and performance	the strategy tools and tactics that you use to inform, engage, motivate and induce to act.	what your audience/customers pay for a product or service	where you are seen and engage with audience/customers	those who engage with your audience on your behalf, those who deliver the service, are the service	how you deliver your product/service with min cost and max quality through the customer experience	evidence of brand and mix, physical (and intangible) signs of a reliable brand and a quality customer experience

McCarthy's 4Ps
1960

Booms & Bitner's 7Ps
1981

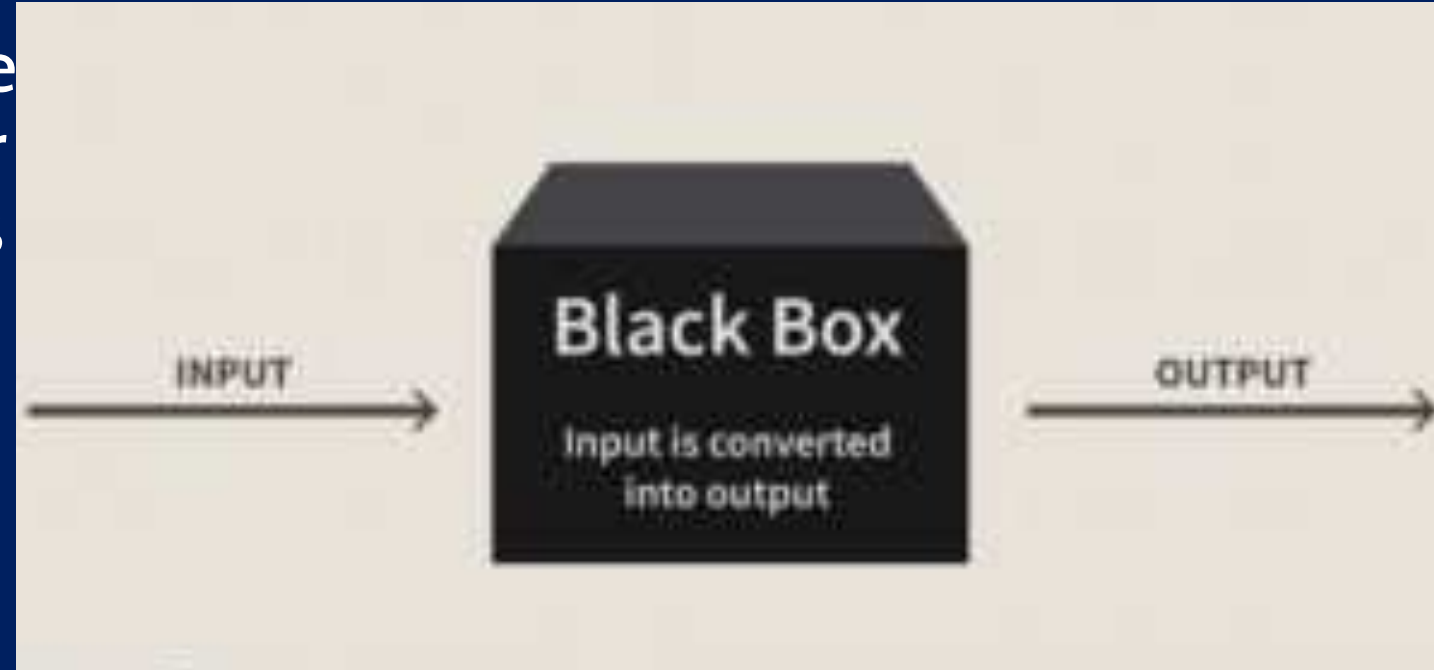


MOST Analysis



The Black Box model

- The black box model shows the interaction of stimuli, consumer characteristics, decision process and consumer responses. It can be distinguished between interpersonal stimuli (between people) or intrapersonal stimuli (within people).



- The black box model is related to the black box theory of behaviorism, where the focus is not set on the processes inside a consumer, but the relation between the stimuli and the response of the consumer.

STIMULI
EXTERNAL FACTORS

Marketing Mix

Product
Price
Place
Promotion

Environmental

Economic
Technological
Political
Cultural
Demographic
Situational

BLACK BOX
(BUYER'S MIND)
INTERNAL FACTORS

Consumer Characteristics

Beliefs/Attitudes
Values
Knowledge
Motives
Perceptions
Lifestyle

Decision-Making Process

Problem solving
Information search
Alternate evaluation
Purchase
Post purchase
Evaluation

RESPONSES

Purchase

Product
Brand
Source
Amount
Method of Payment

No Purchase

What is Consumer Behavior?

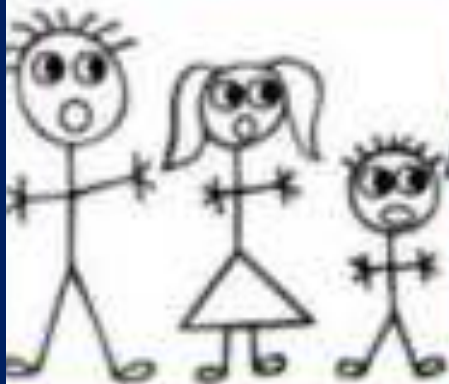
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**Routine
Purchases**



**Costly
Purchases**



**"Absolutely not!
You will not take
me to school in
that thing!"**



Many children
today tell
their parents
what car to
buy.

**The study of activities related to the purchase,
use, and disposal of goods and services**

What does affect you
while you are taking
decision to purchase any
good?



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The purpose of SWOT Analysis

Unveiling the Power of SWOT Analysis



Internal Analysis of Strengths and Weaknesses

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Addressing critical performance gaps

Tackling essential
shortcomings for
major
improvements.



Leveraging unique competencies

Utilizing distinct
skills for significant
success.



Revising flawed assumptions

Correcting
misguided beliefs
with minimal effect.



Exploring untapped potential

Investigating unused
capabilities with
limited impact.



Key Questions for Managers in Internal Analysis

How do we assemble **bundles** of Resources, Capabilities and Core Competencies to create **VALUE** for customers?

And...

Will environmental changes make our core competencies obsolete?

Are substitutes available for our core competencies?

Are our core competencies easily imitated?



SWOT Analysis - Identifying Weaknesses

1

Outdated training programs

Outdated programs hinder skill development and growth.



2

Lack of leadership skills

Leadership skills are crucial for organizational success.



3

Insufficient technology infrastructure

Technology gaps limit operational efficiency and



4

Absence of R&D facilities

R&D facilities are vital for competitive advancement.



SWOT Analysis – Strengths & Examples

- **A loyal customer base for a small business:** small businesses are particularly fragile, especially in volatile markets. That's why having a loyal customer base is a big strength for a small business — they can push through difficult conditions and will always have a group of people willing to support them.
- **Lots of capital for a country:** having lots of finances is always a plus. A healthy financial situation allows countries to take bigger risks and survive tougher conditions, both of which are beneficial in every regard.
- **Premium quality for a handmade product:** if a product is of high quality, it's bound to receive more sales, and do so in a part of the market which offers larger margins.



SWOT Analysis - Opportunities

- Characteristics of Market Opportunities:
 - An absolute “**must pursue**” market
 - Represents much potential but is hidden in “fog of the future.”
 - A marginally interesting market
 - Presents high risk and questionable profit potential.
 - An unsuitable\mismatched market
 - Is best avoided as the firm’s strengths are not matched to market factors.



SWOT Analysis - Threats

- Types of Threats:
 - Normal course-of-business threats
 - Sudden-death (survival) threats
- Considering Threats:
 - Identify the threats to the firm's future prospects.
 - Evaluate what strategic actions can be taken to neutralize or lessen their impact



SWOT Analysis

Simply making lists of a company's strengths, weaknesses, opportunities, and threats is not enough; the payoff from SWOT analysis comes from the conclusions about a company's situation and the implications for strategy improvement that flow from the four lists.

Basing a company's strategy on its most competitively valuable strengths gives the company its best chance for market success.



Group Task

- Select an organisation that you are familiar with – 10 mins.
- Carry out a SWOT analysis on the selected organisation – 20 mins.
- Apply the opportunity approach on the selected organisation – 10 mins



Any Questions?



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