

0 · How to Use This READ FIRST

★ MKB1700 is assessed by **quizzes 10%** (best 9) · **written 35%** (weekly reflections + a "What is Marketing" essay) · a **concept-map artefact 15%** (~WK11) · and an **interactive oral exam 40%** — a **THRESHOLD HURDLE** (in-person, 1-on-1: you explain & defend your concept map).

The WIN is *not* listing terms — it is mastering the whole framework **and how the concepts CONNECT**. That's exactly what the concept map + oral reward. Treat this sheet as the connective map: foundations → customer → STP (Side 1), the mix → planning → "how it connects" (Side 2).

SIA → *For every concept, rehearse one sentence: "this links to \_\_\_ because \_\_\_."* A node you can **defend out loud** beats ten you only memorised.

1 · What Is Marketing W1 · CH1

**AMA definition:** marketing is the activity, set of institutions & processes for creating, communicating, delivering & exchanging offerings that have value for customers, clients, partners & society.

Creating/communicating/delivering = right good/service/idea, right place & time; value exchange = mutually beneficial.

**Business rationale:** Profit = revenue – expenses; revenue comes from customers (current + future) → the task is "get customers & keep them coming back."

**Marketing as a philosophy:** puts customer, partner & society at the heart of decisions (Felton 1959 — integrate & coordinate all functions for long-run profit).

2 · The 5 Orientations AN EVOLUTION

- Production** — make it cheap & available (assume demand)
- Product** — best quality/features (risk: myopia)
- Selling** — push hard, sell what we make
- Marketing** — find & satisfy customer needs (customer-led)
- Societal** — needs + society's long-run welfare

A firm's chosen orientation sits in its **internal environment**.

2b · Triple Bottom Line FIG 1.6

How to *measure* beneficial exchange & the societal orientation: **Environmental · Social · Economic**. Reused in Pricing objectives & in Planning control.

2c · Exchange DEFINE

Obtaining a desired product by offering something in return. Types: **restricted** (2 parties) · **generalised** (3) · **complex** (many independent). Org ⇌ Value ⇌ Customers, extended to Society.

3 · Customer Value W1 · THE SPINE

**Value** (Zeithaml 1988) = what you **get** (benefits) relative to what you **give up** (costs/sacrifices).

**Smith & Colgate (2007)** — the unit's signature model & the course spine; **4 value types** (recurs in Product, Price & involvement):

TYPE	WHAT IT DELIVERS
<b>Functional</b>	right features, performance, utility
<b>Experiential</b>	feelings, sensory/hedonic experience
<b>Symbolic</b>	self-image, status, expression
<b>Cost/sacrifice</b>	price + psychological + effort + risk

**Satisfaction** = performance vs expectations; shows in post-purchase behaviour; happy employees ⇌ happy customers. **No CLV formula** — the unit frames it as "current + future revenue."

**Worked read:** **Garnier** micellar water = functional (cleansing) + experiential (feel) + symbolic ("natural" self-image) — name the type, then the benefit that proves it.

4 · Needs · Wants · Demands W2

**Need** = state of felt deprivation (physical, social, self-expression). **Want** = the form a need takes, shaped by culture & individual. **Demand** = wants backed by buying power. **Need=hunger → want=→a specific food → demand=funds for the week**. Marketers shape wants, they do not create needs.

4b · Maslow's Hierarchy FIG 4.3

Lower needs first (a need must be largely met before the next motivates); reused in motivation:

- Physiological** — food, water, shelter
- Safety** — security, stability
- Love/belonging** — relationships
- Esteem** — status, recognition
- Self-actualisation** — fulfilment

4c · Key Terms W2

**Product** = a good, service or idea offered for exchange (goods/services/places/ideas/people/orgs). **Market** (Kotler) = the set of all actual & potential buyers; size set by demand. **Customer vs consumer:** customer = purchaser (for self or others); consumer = user. **Marketing mix** = the controllable 4/7 Ps.

4d · Why It Connects FOR THE MAP

These foundations are the **root nodes** of the whole map: a **need** becomes a **want**, the firm offers **value** through an **exchange**, and the four value types decide which benefits the later mix must deliver. Maslow + value types map a need-level onto a value-type — a high-scoring link to draw.

SIA → *Don't over-claim a CLV formula – the unit only talks "current + future revenue."* Say it that way in the oral.

5 · The Environment W3 · CH2

All forces affecting the firm's ability to create/communicate/deliver/exchange value — **continuously monitored**. **Three layers: Internal → Micro → Macro**.

**Internal** (directly controllable): leadership, structure, the marketing dept & its links to HR/Finance/R&D, the firm's chosen orientation, and **employees** (job satisfaction ⇌ customer satisfaction) as a source of competitive advantage.

5b · Microenvironment THE INDUSTRY · CAN INFLUENCE

"The industry" — the firm can influence but not control:

- Company** — other internal functions
- Suppliers** — inputs; close ties = advantage; the value chain (farmer → ... → retailer)
- Intermediaries** — resellers, distributors, agencies, financiers
- Customers** — B2C, B2B, reseller, govt, international
- Competitors** — direct (similar product) vs indirect (same need)
- Publics** — media, govt, financial, community groups

**Competition levels:** budget → generic need → product category → form → brand. **Market structures:** pure / monopolistic competition, oligopoly, monopoly, monopsony (reused in Price).

5c · Macro · PESTEL CANNOT CONTROL

FORCE	WATCH FOR
<b>Political</b>	stability, policy, attitudes of bodies
<b>Economic</b>	inflation, rates, income, buying power
<b>Sociocultural</b>	values, demography, lifestyle
<b>Technological</b>	new products, production, channels
<b>Environmental</b>	climate, resources, energy, pollution
<b>Legal</b>	privacy, fair trading, ACCC, safety

**Disposable income** = gross – tax. **Discretionary** = disposable – fixed essentials (rent, food).

**Worked read:** in a cost-of-living squeeze (E), shoppers trade down to **Bunnings** DIY or **Kmart** own-brand — an economic force a marketer cannot control but must respond to in the mix.

5d · SWOT (intro) FULL IN W10

The environment scan feeds a **situation analysis** ("where we are"); SWOT *summarises* it. Internal **S/W** = controllable, vs industry average; external **O/T** = affect everyone. (Full treatment + SMART objectives on Side 2.)

SIA → *In the map, draw PESTEL & competition as feeders into situation analysis → SWOT → strategy – examiners love a clean environment-to-plan link.*

6 · Buyer Behaviour W4 · CH4-5

**Simple model:** environment → (marketing stimuli + influences) → decision process → purchase.

High involvement → extended decision-making; low → habitual. **Consumer decision process · 5 stages:**

- Need recognition** — gap actual vs desired (internal/external trigger)
- Information search** — experiential, commercial, personal, public sources
- Evaluation of alternatives** — choice set + evaluative criteria
- Purchase decision** — brand/retailer/timing/quantity; can be disrupted by others & situations
- Post-purchase** — satisfaction → future behaviour; *cognitive dissonance*; word-of-mouth

**Situational factors** also act: physical surroundings, social setting, time pressure, mood. "Perception is reality" — buyers selectively expose, attend, distort & retain.

6b · Influences (Fig 4.1) 4 FAMILIES

- Cultural** — culture, subculture, social class
- Social** — reference groups (membership/aspirational/dissociative), opinion leaders, family & life cycle, buying roles (Initiator → Influencer → Decider → Buyer → User)
- Personal** — demographics, lifestyle/psychographics (AIO), personality & self-concept
- Psychological** — motivation (Maslow), perception (expose → attend → distort → retain), beliefs/attitudes, learning

**Involvement:** low (habitual/impulse) vs high (extended search). Perceived risk = financial/social/emotional/physical/functional (links to cost/sacrifice value).

6c · B2B Buying FIG 5.1-5.2

Buyers: producer, reseller, govt, institutional. Traits: professional, formal, fewer/larger, close ties, **derived demand** (from consumer demand).

**Buy classes:** straight rebuy → modified rebuy → new task. Process like B2C but **more formal** (specs, vendor proposals, supplier review).

6d · BB Connects FOR THE MAP

Buyer behaviour is the **bridge** between the customer node & STP: the **influences** (cultural/social/personal/psychological) are the raw material for **segmentation bases**, and the **decision stages** map onto the promotion ladder (Side 2).

Perceived risk = cost/sacrifice value.  
SIA → *In the oral, link a buying role to a P: the influencer is reached by promotion, the decider by price.*

7 · STP W5 · CH6

Levitt's "*Marketing Myopia*" (1960): think segments, not products. **Target marketing process (Fig 6.5):** Segment (identify, evaluate, profile) → Target (select) → Position (image + mix per segment).

**Segmentation** = partition a market into groups likely to respond similarly to the mix; within-group similarity > between-group. **Coverage strategies:** mass/undifferentiated · differentiated · concentrated (depends on resources, product/market variability, PLC stage).

7b · Segmentation Bases CONSUMER

BASE	VARIABLES
<b>Geographic</b>	region, climate, density, urban/rural
<b>Demographic</b>	age, gender, income, education, culture
<b>Psychographic</b>	lifestyle, values, personality (Roy Morgan Helix)
<b>Behavioural</b>	usage, loyalty, occasion, benefits sought

**Benefit segmentation** (Haley 1968) groups by *benefits sought*, not descriptive traits — the Australian snack-food segments (nutritional/weight-watcher/guilty/party snackers) are the worked example. **Effective segments = SMAP:** Substantial · Measurable · Accessible · Practicable/responsive.

7c · Targeting CHOOSE

Select segments to serve effectively & profitably — weigh **segment attractiveness** (competition, potential, substitutes) vs **company fit** (resources, objectives, skills, profitability).

7d · Positioning THE MIND

Create an image of the brand *relative to competitors* in the target's mind; differentiate on attributes that matter. **Process:** map current positions → find the **ideal point** → continue or **reposition** → build the mix → write a **positioning statement**.

Differentiation bases (Kotler): product · services · personnel · image. **Competitive advantage** = offering buyers greater value than rivals. The mix per segment must be consistent with the positioning, internally coordinated & sustainable.

7e · Profiling & B2B Bases AFTER CLUSTERING

After clustering on behaviour/psychographics, **profile** each segment with demographic/geographic descriptors so you can find & reach them. **Business markets** segment by *macro-variables* (industry, size, end-use, application) + *micro-variables* (purchasing stage, experience, situation).

**Worked read:** **Arnott's** targets "guilty snackers" (benefit base) yet profiles them by age/metro/income so the media buy can reach them.

8 · Perceptual Maps POSITIONING TOOL

Plot brands on two axes buyers care about (e.g. price × quality) to **see gaps in the market** and where your brand sits vs rivals (denim-jeans example: Lee/Levi's/Wrangler).

- HOW TO BUILD ONE**
- pick 2 buyer-relevant attributes
  - plot competitors by perception
  - plot the ideal point (target's want)
  - spot the gap → position there

8b · Repositioning FLAGSHIP CASE

**Triggers:** changing needs/fashion, competitor moves, new tech, regulation, "sameness."

**Kmart Australia** (Roberts et al. 2015): from near-zero profit to **\$289m EBIT** by repositioning to "cut-price chic" — fewer lines, lower prices, on-trend own-brand. The unit's signature STP case: a deliberate *shift* of the perception in shoppers' minds.

8c · Value Proposition LINK TO THE MIX

The mix for each segment must be (1) **consistent** with the desired positioning, (2) **internally coordinated**, (3) **sustainable** long-term. This is the hinge from Side 1 (who & where) to Side 2 (the 4Ps that deliver it).

8d · Side-1 Through-Line FOR THE ORAL

One sentence to rehearse: **read the environment → understand the customer & their value → segment, target & position** → (Side 2) build a mix that delivers that value. Every node on Side 1 hangs off "creating customer value."

SIA → *In the oral you'll be asked why two nodes are linked. Practice: "STP links to customer value because positioning promises the value type the target segment seeks."*

8e · Positioning Statement WRITE ONE

**TEMPLATE**  
For [target segment] who [need], [brand] is the [category] that [key benefit] because [reason to believe], unlike [competitor].

A good statement is the **brief for the whole mix** — it names the segment, the value, and the point of difference each P then delivers.

8f · Foundations Recap SIDE-1 IN ONE LINE

**Marketing creates & delivers customer value through exchange.** Read the environment, understand needs & value, then segment-target-position. Side 2 = the 4/7 Ps + the plan.

SIDE 2/2 THE MIX → PLANNING → CONNECT · 4Ps/7Ps · Product (PLC, NPD) · Price (break-even, skimming) · Place (channels) · Promotion (IMC, hierarchy of effects) · Planning & research · How it connects

ORAL 40% · HURDLE

Compiled by AskSia · mapped to the MKB1700 syllabus · asksia.ai/cheatsheet/monash-mkb1700

9 · The Marketing Mix W5 · 4PS → 7PS

**4 Ps** (McCarthy 1960) = the controllable variables a firm combines to satisfy a target market & meet objectives: **Product · Price · Place · Promotion**.  
**7 Ps** (services) add **People · Process · Physical evidence** — needed because services are *Intangible · Inseparable · Heterogeneous · Perishable* (the four service challenges).  
 The mix must **deliver the positioning** chosen in STP — every P serves the target's value type.

10 · Product W6 · CH7

A good, service or idea offered for exchange — Levitt: "a cluster of value satisfactions." Goods—services continuum runs pure-good → pure-service.  
**Total Product Concept · 4 levels:**  
 1. **Core** — the fundamental benefit bought  
 2. **Expected/Actual** — features, design, quality, packaging, branding  
 3. **Augmented** — warranty, delivery, advice, service  
 4. **Potential** — all that's possible in future

**Relationships:** product mix → product line → item/SKU. **Consumer classes:** convenience · shopping · specialty · unsought (each implies effort, risk & the other Ps — e.g. convenience → intensive distribution, specialty → exclusive).

10b · Branding A PROMISE OF VALUE

A name/term/symbol/design that identifies & differentiates (Kotler) — a promise, a heuristic, an asset. Terms: brand name · brand mark · trademark · trade name. Strategies: individual / family / extension; manufacturer / private-label / generic; **co-branding** & licensing.

10c · PLC & New Products FIG 7.3–7.5

**Product Life Cycle:** Introduction → Growth → Maturity → Decline (each stage = different objective + 4Ps; intro price often cost-plus, growth shifts to penetration).  
**NPD process:** idea generation → screening → concept test → strategy → business analysis → development → test marketing → commercialisation.  
**Diffusion of innovations:** Innovators 2.5% · Early adopters 13.5% · Early majority 34% · Late majority 34% · Laggards 16%. Rate ↑ with relative advantage, compatibility, trialability, observability; ↓ with complexity.  
**Adoption process (AIETA):** Awareness → Interest → Evaluation → Trial → Adoption — the individual's path that aggregates into the diffusion curve.

11 · Price W7 · CH8

Price = "a measure of value to both buyers & sellers" — the only P that earns revenue; ties to **cost/sacrifice value**. **4 influencers:** Company (objectives & cost) · Customer (perception & demand) · Competition · Legal/ethical (ACCC; price-fixing, deceptive pricing).  
**Objectives:** profit, market share, positioning, long-term prosperity (+ Triple Bottom Line). What price can do: signal quality, gain position, manage demand & competition.

11b · Cost & Break-Even THE FLOOR

Costs set the **price floor**. Cost-plus adds a mark-up to unit cost.  
**COST-PLUS**  
 Unit cost = Variable cost + Fixed cost ÷ Unit sales  
 Sell price = Unit cost + Mark-up  
**BREAK-EVEN VOLUME**  
 BEQ = Fixed cost ÷ (Price - Unit variable cost)  
 e.g. \$40,000 ÷ (\$20 - \$12) = 5,000 units

11c · Setting the Price VALUE-BASED

**Value-based:** set by buyers' perceived value — **ceiling** = **perceived value, floor = cost**. Also competition-based (going-rate, sealed-bid) & performance-based.  
**Demand: price elasticity** = sensitivity of quantity to price. Elastic (sensitive) vs inelastic; sensitivity ↓ with necessity, few substitutes, prestige, low share of income.

11d · Skimming vs Penetration NEW-PRODUCT

	SKIMMING	PENETRATION
Launch price	high	low
Aim	max profit/unit	max share fast
Best when	new tech, fashion, low price-sensitivity	price-sensitive, scale economies
Risk	invites entry	thin margins

**Adjustments:** discounts/allowances, segmented, **psychological** (\$9.99), geographic, dynamic. Mix pricing: bundle, captive, by-product, optional, line.  
**Worked read: Kmart** = everyday-low + psychological points; **Qantas** = dynamic demand-based fares.

11e · Price Connects FOR THE MAP

Price is the most visible expression of **positioning** (premium vs value) and is bounded by **customer value** (the ceiling) and **cost** (the floor). It draws on the **competitive structure** from the environment topic and on **elasticity** from demand. A captive/optional case = Apple iPhone accessories.

12 · Place / Distribution W8 · CH10

The **channel** = the chain between producer & consumer. **Intermediaries** (resellers, distributors, agents, physical-distribution & financial firms) add efficiency & **reduce the number of transactions** (the Weet-Bix/milk/bread grid).  
**Channel levels:** Producer → Consumer (direct) · +Retailer · +Wholesaler+Retailer · +Agent/Broker. B2B mirrors this with industrial distributors. More levels = wider reach but less control.

12b · Distribution Intensity MATCH THE PRODUCT

STRATEGY	COVERAGE · FITS
<b>Intensive</b>	every outlet — convenience goods (Coke)
<b>Selective</b>	some outlets — shopping goods
<b>Exclusive</b>	very few — specialty/luxury

**Structures: Vertical marketing systems** (unified producer-wholesaler-retailer) · horizontal · hybrid/multichannel · franchising (Coca-Cola Amatil bottling).

12c · Channel Power MANAGE IT

Manage **risk, power & conflict** (vertical & horizontal).  
**Arnott's vs Coles:** a Tim Tam supply/price dispute showing a powerful retailer pressuring a manufacturer — channel power decides who captures margin & shelf space.

12d · Logistics FIG 10.2

Physical distribution flow: **order processing** → **inventory** → **warehousing** → **transport** (road/rail/sea/air/pipeline). **Cost trade-off:** more warehouses/faster transport ↑ service level *and* ↑ cost — minimise total cost at the target service level. Info systems cut uncertainty.

**Retailing** = selling to final consumers; decisions on assortment, atmosphere, service, price; trends = giant/category-killer & non-store/online.

12e · What Channels Do MEMBER FUNCTIONS

- Collect market information
- Promotion & customer contact
- Matching & negotiation
- Physical distribution & financing
- Risk-taking

**Place connects:** the channel must be **consistent with the positioning** — intensive for a convenience good, exclusive for a specialty/luxury brand. Distribution intensity ties straight back to the product class (Side 2 col 1).  
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**SIA** → *Name the trade-off out loud: more channel levels = wider reach but less control over price & how the brand is presented.*

13 · Promotion / IMC W9 · CH9

**IMC** = coordinating *all* promotion to send one consistent, effective message to the target — and to stay consistent with product, price & place (Palmer 2012).  
**Communication model (Fig 9.1):** Sender → encode → message/media → decode → receiver, plus **noise** + feedback + overlapping fields of experience. Purposes: inform · persuade · remind.

13b · Hierarchy of EffectsNOT AIDA

The unit's buyer-readiness ladder (in place of AIDA):  
**THE LADDER**  
 Awareness → Knowledge → Liking → Preference → Conviction → Purchase  
 • **Cognitive** (think) — awareness, knowledge → provide facts  
 • **Affective** (feel) — liking, preference, conviction → shift attitudes  
 • **Behavioural** (do) — purchase → stimulate action  
 Match the tool to the buyer's **stage on the ladder**.

13c · Push vs Pull DIRECTION

**Push** — promote to *the channel* (trade deals, personal selling) so they push product to buyers. **Pull** — promote to *consumers* (advertising) so they demand it from retailers.

13d · The Promotion Mix 6 TOOLS

- Advertising** — paid, mass; low cost/exposure but easy to ignore
- Personal selling** — one-to-few; can close but costly
- Sales promotion** — samples, coupons, contests; immediate sale
- PR & publicity** — credible but uncontrolled
- Sponsorship** & events
- Direct & digital** — mail, telemarketing, social, "viral"

**Garnier @ Australian Open** = an IMC touchpoint case. Evaluate via brand/product recall, sales, share — tied to objectives.

13e · Promotion Connects FOR THE MAP

Promotion **communicates the positioning** set in STP, and the **hierarchy-of-effects** ladder mirrors the consumer **decision process** (awareness ↔ need recognition, conviction ↔ evaluation, purchase ↔ purchase). IMC's whole point: every P sends one *consistent* message about the value promised.  
**Tool-to-stage:** advertising/PR build the *cognitive* rungs; sales promotion/personal selling push the *behavioural* rung (purchase).

14 · Marketing Planning W10 · CH2 & 15

Cycle: Understand → Create → Communicate → Deliver, wrapped in research. **Brooksbank (1990) 7-stage process:**  
 1. Adopt the marketing philosophy  
 2. Define the business mission (IKEA vision)  
 3. Conduct situation analysis  
 4. Develop marketing objectives  
 5. Formulate marketing strategy  
 6. Design the marketing organisation  
 7. Implement marketing control

**Situation analysis (Fig 2.5):** four lenses — Company (internal) · Market · Competitive · Environmental (PESTEL). Mission = a clear long-term vision of products, markets & values (IKEA's vision vs business idea).

14b · SWOT & SMART SUMMARISE · SET

**SWOT** summarises the situation analysis (no new info). Internal = **Strengths/Weaknesses** (controllable); external = **Opportunities/Threats** (industry-wide). -5 factors/box, all traceable to evidence.

**SMART OBJECTIVES**  
 Specific · Measurable · Actionable · Reasonable · Timely

14c · Control & Metrics A PLAN ≠ A DOCUMENT

**Control loop:** set goals → measure → evaluate → corrective action. **Marketing metrics** (awareness, preference, loyalty, satisfaction) link to financials (sales, share, ROI); Triple Bottom Line reused as a value/control measure.  
**Objectives split:** financial (profit, cash flow, ROI, ROS) + marketing (unit sales, market share, distribution penetration, new products, price). "A plan is not just a document" — **implementation is the critical element**.

15 · Marketing Research W11 · CH3

**MKIS (Fig 3.1):** three inputs to a decision-support system — **market intelligence** ("what others say") · **internal reports** ("what you know") · **market research** (commissioned for a specific problem).  
**Types:** exploratory (gather info) · descriptive (characteristics) · causal (if-this-then).

15c · Improving Profit BROOKSBANK

Two levers: **increase volume** (expand/penetrate the market, convert non-users, raise usage rate, win competitors' customers) or **improve productivity** (raise price, cut costs, rationalise the product mix).

15b · The Research Process 5 STEPS

- Define the problem** — symptoms vs problem → research brief
  - Research design** — method & plan
  - Data collection**
  - Data analysis**
  - Findings** — report: brief, method, results, limits, insight
- Data:** **secondary first** (ABS, Nielsen, Roy Morgan, IBISWorld — already exists) then **primary** (collected for this purpose). **Methods:** quant = surveys, experiments; qual = depth interviews, focus groups, observation. Ethics: AMSRS code + Privacy Act.

16 · HOW IT CONNECTS THE CONCEPT-MAP CHEAT

The whole unit is **one value chain** — the spine to draw & defend:

**THE THROUGH-LINE ENVIRONMENT** (micro/macro) → understand the CUSTOMER & their VALUE → STP (segment · target · position) → MARKETING MIX (4/7 Ps deliver the value) → PLANNING & CONTROL (research feeds back)

Every concept is a node hanging off **"creating & delivering customer value."**

16b · The Through-Lines LINK LABELS THAT WIN

- Value** threads all of it: needs → value types → positioning → each P
- Smith & Colgate value** reappears in Product, Price & involvement
- PESTEL/competition** feeds situation analysis & SWOT
- STP → mix:** positioning dictates every P
- Hierarchy of effects** ↔ buyer decision process stages
- Research** wraps the whole loop (Understand → Deliver)

17 · Oral Exam Discipline 40% · HURDLE

You *explain & defend* your map 1-on-1: why each node, why its **level**, why each **labelled link**. Justify placement & relationship wording, not just terms; rehearse "X links to Y because..." out loud; pin a real **case** to each big concept.

**Key cases:** Kmart (repositioning) · Arnott's-Coles (channel power) · Garnier @ Aus Open (IMC) · Coca-Cola Amatil (intensive/franchise) · snack-food (benefit segmentation) · IKEA (mission).

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**SIA** → *A correct, well-labelled link beats another node. Build a map you can defend.*