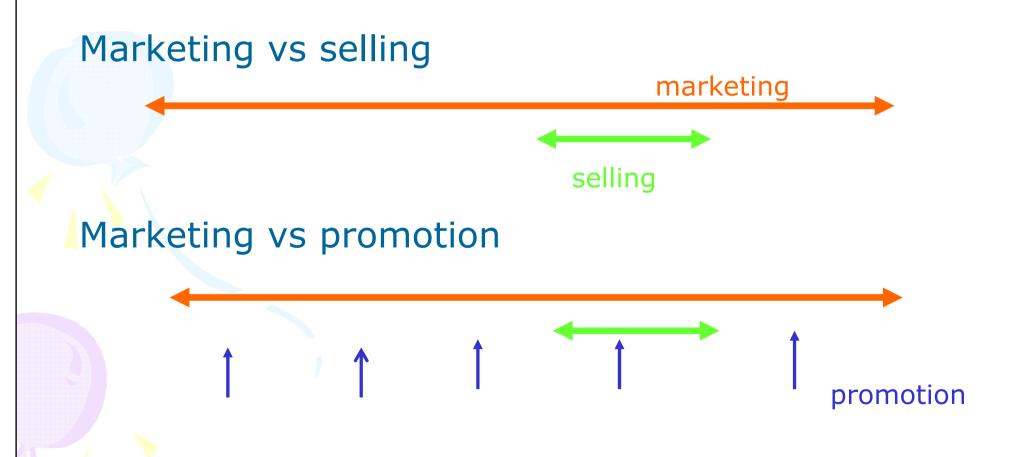
Marketing - introduction

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What is marketing?

Selling? Promotion (advertising)?



Some remarks on marketing

Marketing impacts the economy:

- Marketing (broadly conceptualized) is about 50% of retail sales expenses
- The goal of marketing is to facilitate exchanges
- Marketing is very much about adding value through a broadly-defined value proposition
- Value may be created by marketers in many different ways: value is not only about price

The goal of marketing is to facilitate exchanges



Requirements for exchange:

- Two or more parties (voluntary involved)
- Parties have unsatisfied wants/needs
- Parties have something of value to exchange
- Each party has something other party wants
- Means of Communication & delivery (marketing!)

Requirements for Market Exchange

A "marketplace"

A medium of exchange

Specialization of labor

 Marketing management/coordinatio



What is Market-Oriented?

"Marketing...is the whole business seen from the point of view of its final result, that is, from the customer's point of view."

--Peter Drucker

+ other exchange partners 'view





- Research
- Identifying a real need and offering a product or service (VALUE) to address that need
- Knowing everything about your 'customers(PARNTERS)
- Communicating
- Assessing yourselves and your competition
- Building relationships
- Gaining profit

Some definitions of marketing

 the task of creating, promoting, and delivering goods and services to consumers and businesses.

 Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.

American Marketing Association 2004

Other definitions

Marketing is the management process that identifies, anticipates and satisfies customer requirements profitably'

The Chartered Institute of Marketing

 Marketing is the human activity directed at satisfying human needs and wants through an exchange process'

Kotler 1980

Other definitions

 Marketing is a social and managerial process by which individuals and groups obtain what they want and need through creating, offering and exchanging products of value with others' Kotler 1991

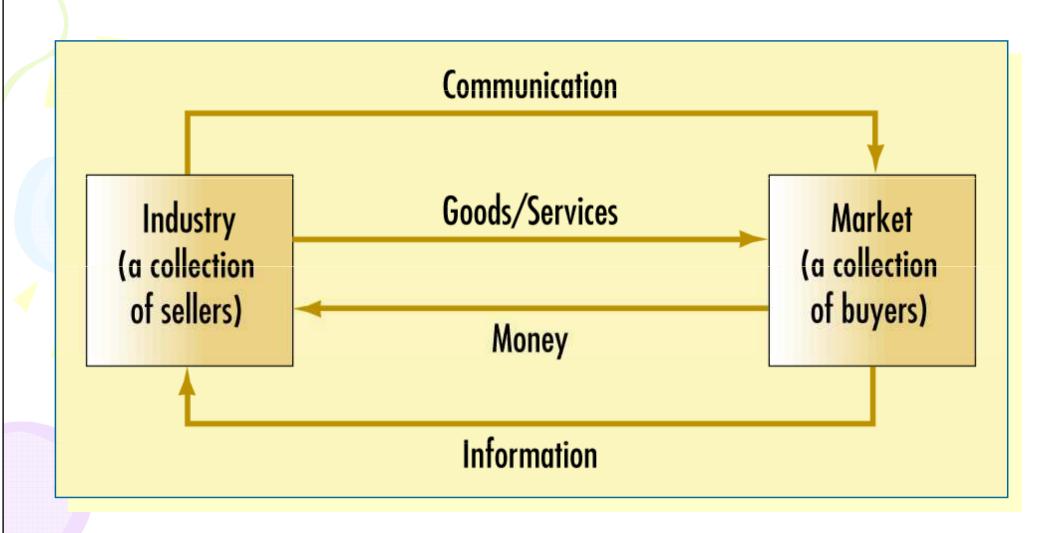
 "Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives" American Marketing Association

Scope of marketing

- Places
- Properties
- Organizations
- Information
- Ideas

- Goods
- Services
- Experiences
- Events
- Persons

Figure 1-1: A Simple Marketing System



This Is a Need











Needs - state of felt deprivation including physical, social, and individual needs.

Maslow's Hierarchy of Needs

Selfactualization needs Self-development

and realization

Esteem needs
Self-esteem, recognition, status

Social needs
Sense of belonging, love

Safety needs Security, protection

Physiological needs Hunger, thirst

This Is a Want







Wants - form that a human need takes, as shaped by culture and individual personality.

Need / Want Fulfillment

- Needs and Wants
 Fulfilled through a
 Marketing Offer:
 - Some combination of products, services, information, or experiences offered to a market to satisfy a need or want.



Marketing Myopia

- Sellers pay more attention to the specific products they offer than to the benefits and experiences produced by the products.
- They focus on the "wants" and lose sight of the "needs."



What is a Market?



 The set of actual and potential buyers of a product.



 These people share a need or want that can be satisfied through exchange relationships.





This Is Demand

Wants



Buying Power



"Demand"

The Marketing Mix

- The conventional view of the marketing mix consisted of four components: product, price, distribution and promotion.
- Generally acknowledged that this is too narrow today; now includes service, processes, technology...
- Marketers today are focused on virtually all aspects of the firm's operations that have the potential to affect the relationship with customers.

The Marketing Mix

- 4 traditional P's:
- Product
- Price
- Promotion
- Place (Distribution)
- 2 more:
- Preparedness
- Personnel

Other Marketing Philosophies

Production concept

Mass production
Lower prices
Example: Ford's Model T

Product concept

Assumption: consumers will buy it if it's cheap
Makes sense when little differentiation is demanded Makes sense for price sensitive segments

Selling concept

Company relies on sales talent
May result in high
pressure sales tactics
Makes more sense when
new product's benefits
are hard to understood

Societal or Social Marketing Concept

partner needs and wants parnter best interests profit society's best interest

REVIEW LEARNING OUTCOME

Orientation

Focus

Production

How can we make it cheaper?

Sales

How can we sell more aggressively?

Marketing

What do customers want and need?

Societal

What do customers want and need, and how can we benefit society?

Other concepts

- Relationship marketing
- Network marketing
- Eco-marketing...



Social Marketing Defined

• "...A process for influencing human behavior on a large scale, using marketing principles for the purpose of societal benefit rather than commercial profit." (W. Smith, Academy for Educational Development)

The New View of Marketing

- The marketing emphasis today is on keeping existing customers as well as getting new ones
- Four principles guide marketing:
 - retention: keeping them coming back
 - **referrals**: encourage them to recommend us
 - relationships: build an emotional connection
 - recovery: solve problems as they arise

Sources:

- Dr. Mary Wolfinbarger. Marketing principles
- Andrew Ching: Principles of Marketing
- Louise Hitchings: Principles of Marketing