### 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

#### Marketing is...



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

The Chartered Institute of Marketing 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.



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Generation & Supply

& Distribution Cus

Customer

Stores

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



Wholesalers Exporters Input suppliers Agro processors



#### 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



#### 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