

MKC1200 Semester 1

Week 1: Chapters 1, 2 & 15 – General Overview of Marketing

Learning Objectives:

- Define marketing
- Understand the strategic variables of marketing – the marketing mix
- Explain the marketing concept & market orientation
- Understand the role of marketing in our society
- Discuss current issues in marketing

Marketing

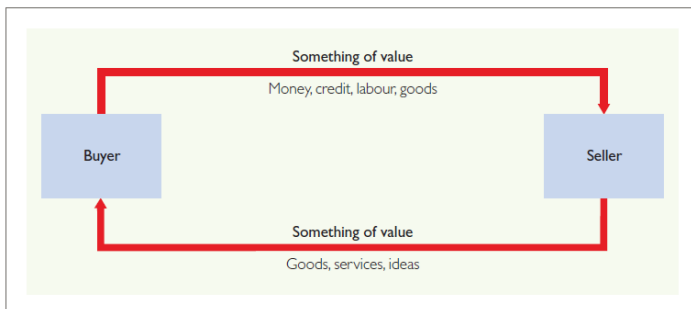
Marketing: the process of maximising returns to stakeholders by developing exchanges with valued customers & creating an advantage for them

Marketing to Facilitate Exchange

Exchange: the transfer of products in return for something of value

Four conditions that must exist for an exchange:

- At least two parties must participate & each must possess something of value
- Exchange should provide a benefit to both parties
- Each party must have confidence in the promise of the 'something of value' held by the other
- The parties must meet expectations



Understanding the Marketing Mix

Marketing Mix: strategic variables controlled by a company to satisfy the need of the customers

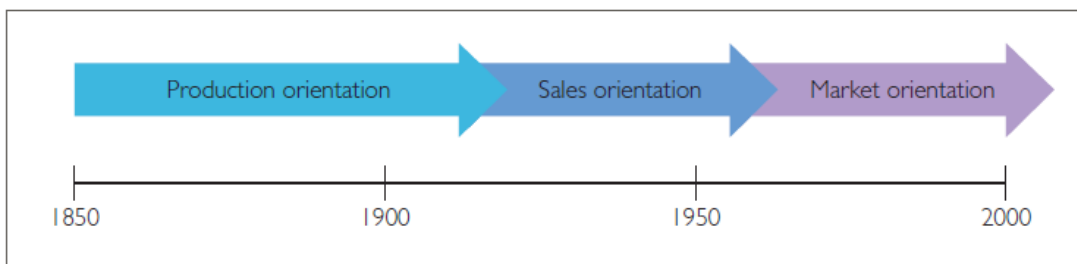
- It is about making the right product available in the right place, promoted to the right customers at the right price acceptable to customers
- **Product:** anything that can be offered to customers that might satisfy their needs or wants
- **Price:** value exchanged for products in a marketing transaction
- **Place:** the activities that make products available to



- customers when & where they want to access or purchase them
- **Promotion:** communication to build & maintain relationships by informing & persuading customers

Understanding the Marketing Concept

- A managerial philosophy that an organization should try to provide products that satisfy customers' needs through a coordinated set of activities that also allows the organization to achieve its goals
- Customer satisfaction is the major focus of the marketing concept
- Satisfaction of both customers' objectives & company's objectives



Market Orientation

Sales vs. Market Orientation



FIGURE 2.1 Selling and marketing concepts contrasted

Understanding the Market Orientation

- An organisation-wide commitment to researching & responding to customer needs
 - Involves generation of market intelligence in relation to current & future customer needs, competitors & collaborators
 - Involves inter-functional coordination of market intelligence across business functions
 - Requires an organization to be more responsive to such market intelligence

Implementing the Market Orientation

1. Establish an information system to discover customers' real needs
2. Use the information to create satisfying new products that meet customer needs
3. Establish a way to coordination all activities – have a true customer focus

4. Consider the cultural values that guide this marketing concept implementation

Managing Customer Relationships

Managing Customer Relationships

- **Relationship Marketing:** establishing long-term, mutually satisfying buyer-seller relationship
- **Customer Relationship Management (CRM):** using information about customers to create marketing strategies that develop & sustain desirable customer relationships
- **Customer Value:** a customer's subjective assessment of benefits relative to costs in determining the worth of a product

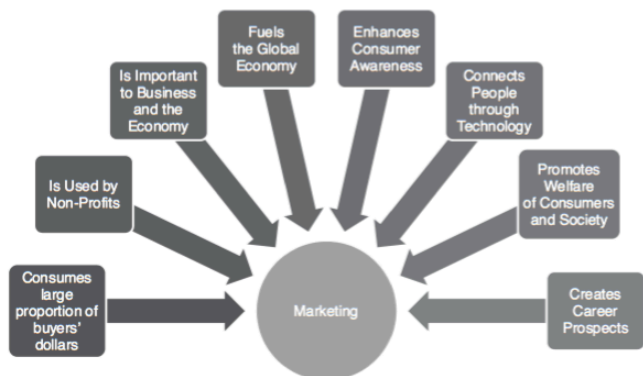
Ethical Issues in Marketing

Ethics

- Judgement about what is right or wrong
- Moral standards of behaviour expected by a society

Codes of Conduct

- Formalised rules & standards that describe what the company expects of its employees



The Role of Marketing in our Society

Ethics is one dimension of social responsibility

- Being socially responsible relates to doing what is economically sound, legal, ethical & socially conscious
- Overall aim is to improve society's welfare

Digital Marketing

- Use of digital media including the internet & mobile interactive channels to develop communication & exchanges with customers
 - Social networks, media sharing websites, virtual websites, mobile devices, applications, wearable technology
- The main distinguishing feature is interactivity that allows customers to express their needs & wants directly to the firm in response to its marketing communications
- Ethical & legal issues including privacy concerns, online fraud & intellectual property