

Topic 1: Marketing definition

- The activities, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large
- The process of maximising returns to stakeholders by developing exchanges with valued customers and creating an advantage for them
→ whether the purchaser has acquired a meaningful advantage from the seller as a result of the seller's market activity
- Fundamentally, the customer will gain an advantage or benefit in excess of the costs incurred in a marketing exchange and the marketer also expects to gain a benefit in return (financial)
- **In essence marketing is about facilitating exchanges of value**
- Contemporary goal = develop (profitable) relationships

Marketing is about creating value

- The difference between the benefits the customer gains from having access to or owning and using a product and the costs to obtaining it

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 and 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



The Marketing Mix

- Marketing is more than advertising and selling, it involves developing and managing a product that will satisfy customer needs
- Marketing as a whole focuses on making the right product available in the right place, promoted to the right customers at the right price acceptable to buyers → and requires communicating information that helps customers determine if the product will satisfy their needs
- Marketing mix: strategic variable controlled by a company to satisfy the need of their customers
- All interrelated and inform/influence the strategic decisions firms' must make to be successful

Product	Anything that can be offered to customers that might satisfy their needs or wants e.g. goods or services
Price	Value exchanged for products in a marketing transaction (pricing objectives and policies)
Place	The activities that make products available to customers when and where they want to access or purchase them
Promotion	Communication to build and maintain relationships by informing and persuading customers

A marketer's goal is to create and maintain the right mix of these marketing mix elements in order to satisfy customers' needs for a general product type

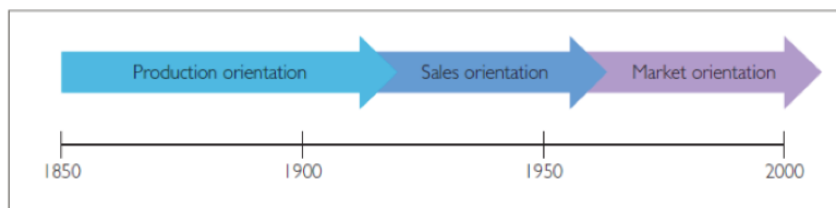
Marketing Concept

- A marketing philosophy which suggests that an organisation should try to provide products that satisfy customers’ needs through a coordinated set of activities that also allows the organisation to achieve its goals → guides all organisation activity
- To implement the marketing concept, an organisation strives to determine what buyers want and uses this information to develop satisfying products
- Focuses on customer analysis, competitor analysis and integration of the company’s resources to provide customer value as well as making the organisation more valuable for its owners and other stakeholders
- Philosophy used to achieve long-term profitable relationships
- Customer satisfaction is the major focus of the marketing concept
- Satisfaction of both customers’ objectives and company’s objectives

Evolution of the Marketing Concept

- Businesses did not believe the marketing concept as the best way to make sales and satisfy customers

<i>Production orientation</i>	Customers preferred products that were highly attainable and affordable → marketers focused on improving production and distribution <ul style="list-style-type: none"> - Viewed the product as the means of profit - Suited best for specialised manufactured goods due to advancements in technology
<i>Sales orientation</i>	Mainly focuses on ‘selling’ existing products → to maintain mass manufacturing <ul style="list-style-type: none"> - Viewed sales as the major means of increasing profits - Most important marketing strategy was personal selling, advertising and distribution - Short-term focus with the aim to maximise profits - Deception, aggression
<i>Market orientation</i>	Starts from the market → make product that meet customer needs and demands and then sell through market integration <ul style="list-style-type: none"> - Efficient production and excessive promotion was not enough to guarantee customers would buy products - Persuade customers they need the item → focus on <u>customer needs</u>



Modern Market Orientation = operationalization of the marketing concept

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

Implementation of the market orientation:

- a. Establish an information system to discover customers’ real needs
- b. Use the information to create satisfying new products that meet customer needs
- c. Establish a way to coordinate all activities- have a true customer focus
- d. Consider the cultural values that guide this marketing concept implementation