

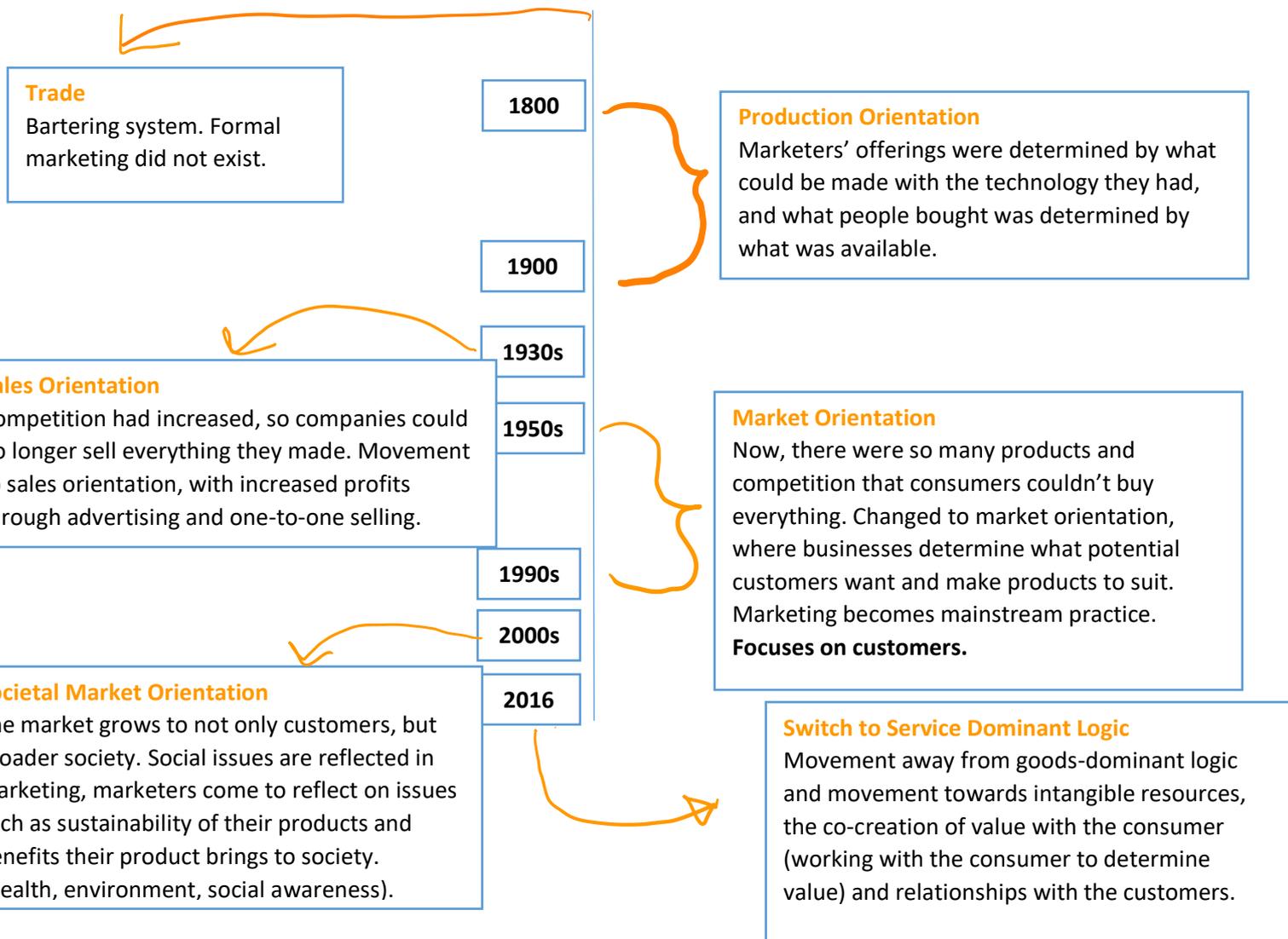
Marketing Foundations - Semester 1 2016

Introduction to Marketing

What is marketing?

- The activity, set of institutions, and processes for creating, communicating, delivering and **exchanging offerings that have value** for customers, clients, partners and society at large.
- The right offering to the right customers at the right time
- Focusing on a target market and selling the products they would want.
- Marketing needs to be conducted in such a way as to provide mutual benefit, not just for the use of their product, but for partners in the supply chain.
- Marketing has an impact on the society – good marketing can be good for customers, people in the supply chain and the environment.

History of Marketing



Marketing Approach to Business – A Science and An Art

- Marketing is an approach to business that puts the customer, client, partner and society at the heart of all business decisions. Marketers need to learn about consumers' wants, needs and references, which are continually changing mechanisms. They can do this by using current information to maintain understanding and using creativity. The best marketing

approach asks:

Which product would our customer value? What would they like us to offer? What are their needs and how can we address them?

- It is not just about selling a product, but in many instances, is about attending to the needs of a population. E.g. the Cancer Council use products and host events to raise money for cancer research, addressing a leading cause of death in Australia.
- There is a marketing process that can be followed. It involves
 - UNDERSTANDING* (understand consumers, the market through market research)
 - CREATING* (create an offering that attends to a need in this market)
 - COMMUNICATING* (communicating the offering via advertising)
 - DELIVERING* (making sure it is available at a time and place convenient for the customer, at a quality level)

Exchange of a Value

A successful market **exchange** involves:

1. Two or more parties must participate, each with something of value desired by the other party
2. All parties must benefit from the transaction
3. The exchange meet's both parties' expectations

Value refers to a customer's assessment of the utility (satisfaction) of an offering, based on perceptions of what is received and what is given.

- Value can be viewed as a ration between price and quality, or as a unique entity determined by the beneficiary.
- It is continually changing and evolving, based on experience and conversation. Similarly, value is subjective, making it clear for marketers to meet everyone's utility.

The Market

What is it?

A group of customers with heterogeneous needs and wants. However, while a market is heterogeneous, a target market is largely homogeneous. Markets can be geographic (e.g. Chinese market), product (e.g. computer market), demographic (e.g. seniors).Marketers have to market to different groups, as there are different types of customers.

<p>1. Customers Customers are the people who purchase the good/service. Consumers are the people who use the good/service.</p>	<p>2. Clients Clients are the customers of the products of NFP (Not for profit) organisations.</p>
<p>3. Partners Organisations/individuals involved in the activities and processes for creating, communicating and delivering offerings. E.g. suppliers, consultants</p>	<p>4. Society A body of individuals living as members of a community. A highly structured system of human organisation for large-scale community living. Normally furnishes protection, security and an identity for its members. Marketers must understand the needs of society.</p>

Ethics, Corporate Social Responsibility (CSR) and Sustainable Marketing

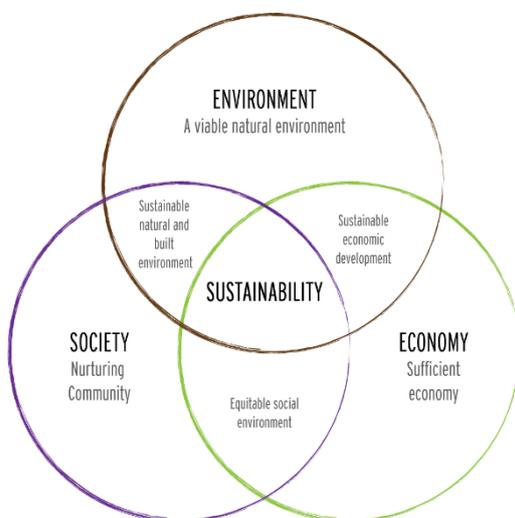
While the primary purpose of business is to generate profits, businesses have many secondary purposes, such as creating employment and having many secondary stakeholders (people with a rightful interest in the business), including employees, customers and the community. The balance between these has long been debated: E.g. should fast food companies advertise to their target markets of children during prime time TV when they will be watching, obesity debate)

Ethics

- Refers to a set of moral principles that guide attitude and behaviour. Ethical behaviour involves doing what is 'right.' It is subjective and depends on social, cultural and individual factors.
- Ethical dilemmas in business include truth in advertising, marketing of dangerous products, engaging in fair competition.
- Code of ethics, Privacy Act and the Competition and Consumers Act, Fair Trading, ACCC.

CSR

- CSR is that businesses have an obligation to act in the interests of the societies that sustain them. It should be incorporated into all business operations and involves all of its stakeholders, including owners, employees, customers, partners and governments.
- Many businesses place a great deal of importance on being seen to be a 'good corporate citizen.' A business that meets its CSR can expect benefits from good public relations, the absence of restrictive regulations, high quality younger employees. A business that acts with disregard for its society can expect customer backlash, and tougher regulations.
- As businesses themselves are usually the more powerful stakeholder, various groups such as CHOICE act as consumer advocates/watchdogs.

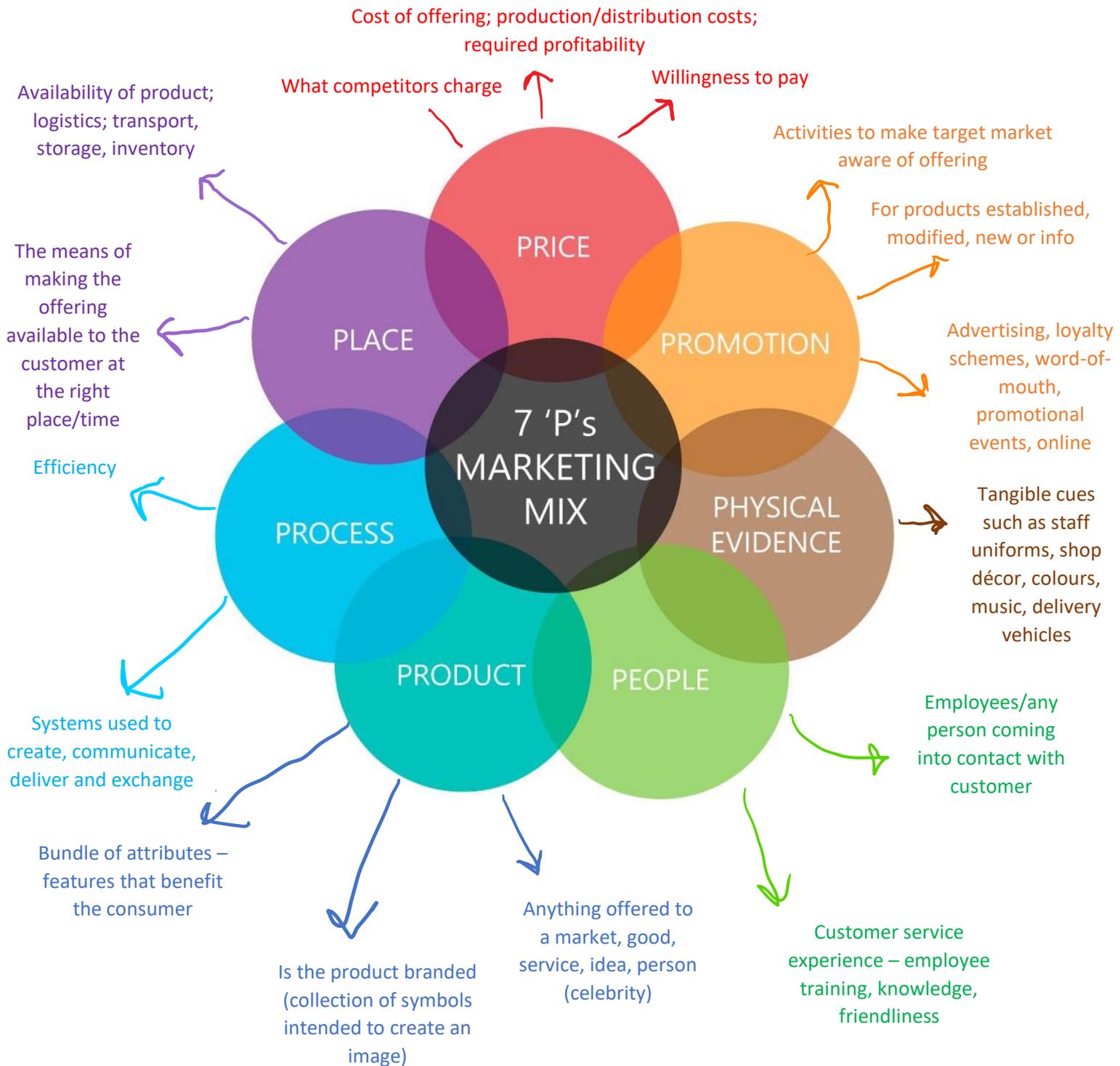


- The Triple Bottom Line is a popular way of considering good corporate citizenship, namely comprising of the idea that a modern organisation has three broad areas of impact: economic, social and environmental. To increase its TBL, a company can:
Environmentally: Reduce their carbon footprint and emissions, recycle, reduce energy wastage
Socially: fair trade, CSR, support local suppliers, reduce promotion of dangerous substances
Economically: ensure growth and economic development of company, create sustainable financial bottom line.

Sustainable development is now widely regarded as a business philosophy needed to ensure our future. It refers to 'development that meets the needs of the present without comprising the ability of future generations to meet their own needs. Strategies to achieve sustainable development include reduction in consumption, downsizing, changing purchasing, reuse of materials, marketing of green products.

The Marketing Mix

Refers to a set of variables that a marketer can exercise control over in creating an offering for exchange. To frame their thinking, marketers choose a target market with similar needs and wants.



Why study marketing?

- Improve business performance, profits, sales volumes, market share, return
- Higher quality of life
- Contribute to better world
- Be a better customer