

MARKETING FOUNDATION NOTES

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Introduction

- **Marketing:** The activity, set of institutions, and process for creating, communicating, delivering and exchanging offerings that have value for clients, customers, partners and society at large.
- History of marketing:
 - 1800s – barter system, trade
 - Early 1900s – Product orientation, customers will buy the product that was available.
 - Late 1900s – Sales orientation
 - Last decade – Market orientation and societal market orientation.

Marketing and Selling

- Marketers need to learn what customers, clients, partners and society want.
- Ongoing process as preferences continually evolving.
- Marketing exchange:
 - **Marketing exchange:** The mutually beneficial transfer of offerings of value between the buyer and seller.
 - A market exchange involves:
 - 2 or more parties, value for both
 - All parties must benefit
 - Exchange meets both expectations (e.g. quality, price).
- Value:
 - **Value:** A customer's assess of the utility of an offering based on perception of what is received and what is given.
 - Value = Quality / Price
 - The benefit expected by the customers' needs to be bigger than the price paid.
 - Value refers to the total offering and is different for each individual.
- The market:
 - **Market:** A group of customers with heterogeneous (different) needs and wants, can be different based on geography, demography, etc.
 - **Consumer:** Use goods or services.
 - **Customer:** Purchases goods and services for own or other people's use.
 - **Clients:** Customers of the product for not-for-profits.
 - **Partners:** Involved in the activities of the exchange process.
 - **Society:** Body of individuals living as members of a community.
- **Greenwashing:** Deceptive advertising that convinces customers that the business/product is cleaner/greener than it is.
- **Stakeholders:** Individuals, organisation and other groups that have a rightful interest in the activities of a business, e.g. owners, employees, customers, partners and governments.
- The triple bottom line:
 - Environmental
 - Social
 - Economic
- The marketing mix:
 - Product
 - Price
 - Promotion
 - Place (distribution)
 - Also includes people, process and physical evidence.
- How marketing improves business performance:
 - Firms with market orientation perform better, have better profits, sales volumes, etc.