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## WEEK 1: MARKETING AND VALUE

### Marketing

- “Marketing is 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” (AMA definition)
- Marketing is human activity directed at satisfying needs and wants through exchange processes (Kotler, 1983)

### Marketing philosophies defined

#### Alternative marketing philosophies

- The production philosophy
  - o focus on manufacturing efficiency
- The product philosophy
  - o focus on product design
- The selling philosophy
  - o focus on persuading people to buy
- The marketing philosophy
  - o focus on the customer- provide what they want
- The societal marketing philosophy
  - o focus on impact on all stakeholders, company, customer, society

| Demand state           | Marketing state |
|------------------------|-----------------|
| Negative               | Disabuse        |
| No                     | Create          |
| Latent                 | Develop         |
| Faltering or declining | Revitalise      |
| Irregular              | Synchronise     |
| Full                   | Maintain        |
| Overfull               | Reduce          |
| Unwholesome            | Destory         |

### Marketing philosophy or marketing concept

- achieving organisational goals depends on determining the needs and wants of target markets, and delivering the desired satisfactions more effectively and efficiently than competitors (Kotler 2010)
- a corporate state of mind that insists on the integration and coordination of all the marketing functions which, in turn, are melded with all other corporate functions, for the basic objective of producing maximum long-range corporate benefits (Felton 1959)
- McCarthy discovered the four P’s of marketing (price, product, place and promotion)

### Customer value

From a customer’s perspective, customer value is what they ‘get’ (benefits) relative to what they ‘give up’ (costs or sacrifices)- Zeithami 1988, in Smith & Colgate 2007)

|   |  |  |
|---|--|--|
| <b>Functional/ instrumental value</b>     | <ul style="list-style-type: none"> <li>- correct/ accurate attributes</li> <li>- appropriate performances</li> <li>- appropriate outcomes</li> </ul>                                     | <ul style="list-style-type: none"> <li>- car getting us from point A to B</li> <li>- having the right number of doors</li> <li>- reaching final destination</li> </ul>   |
| <b>Experiential/ hedonic value (feel)</b> | <ul style="list-style-type: none"> <li>- sensory</li> <li>- emotional</li> <li>- social/ relational</li> <li>- epistemic</li> </ul>  | <ul style="list-style-type: none"> <li>- how the product makes us feel (smell, touch)</li> <li>- knowledge (textbooks have lots)</li> </ul>  |
| <b>Symbolic/ expressive value</b>         | <ul style="list-style-type: none"> <li>- self identity/ worth</li> <li>- personal meaning</li> <li>- self expression</li> <li>- social meaning</li> <li>- conditional meaning</li> </ul> | <ul style="list-style-type: none"> <li>- psychological benefits</li> <li>- outwardly express something about us to the world</li> </ul>  |
| <b>Cost/ sacrifice value</b>              | <ul style="list-style-type: none"> <li>- exonomix (price)</li> <li>- psychological</li> <li>- personal investment</li> <li>- risk</li> </ul>   | <ul style="list-style-type: none"> <li>- thinking/ psychological effort we put in prior to buying a product</li> <li>- time it takes, finding a car park</li> <li>- what if the product does not meet our needs</li> </ul> |

## WEEK 2: KEY MARKETING CONCEPTS AND TERMS

### Definitions

- **Needs**: states of felt deprivation (physical, social, self-expression)
- **Wants**: the form taken by needs as they are shaped by culture and individual personality
- **Demands**: wants that are backed by buying power
- **Product**: thing that is available for trade
  - o goods, services, places, ideas and ideologies, people, organisations
- **Exchange**: the act of obtaining a desired object from someone by offering something in return
  - o Restricted
  - o simple- two parties, reciprocal
  - o Generalised
  - o more complex- three parties
  - o Complex
  - o multiple parties, independent
- **Transaction**: a trade of values between two parties
- **Market**: a market is the set of all actual and potential buyers of a product. They share a particular need or want that can be satisfied through exchange.
  - o name of a context "clothing", "DVD" market
  - o total group of people 'baby boomers'
  - o place where people shop

### Origins of marketing

- self sufficiency
- primitive communalism
- simple barter
- local markets
- money economy

## WEEK 3: MARKETING ENVIRONMENT

- Those conditions and influences impinging or potentially impinging on marketing
  - o must be continuously monitored in order for an organisation to plan ahead

### Major components

- micro-environment (close to the organisation)
- macro environment (more distant)
- internal environment (within the organisation)

### Micro-environment

"All those other organisations and individuals that, directly or indirectly, affect the activities of the organisation" (Sharpe, 2013)

### Stakeholders

- competitors, organisation, intermediaries, suppliers, community, shareholders, suppliers, government, value chain, pressure groups

### Customers

- can be actual or potential

Major customer groupings: Consumer markets (B2C) & Business markets B2B)

### Marketing intermediaries

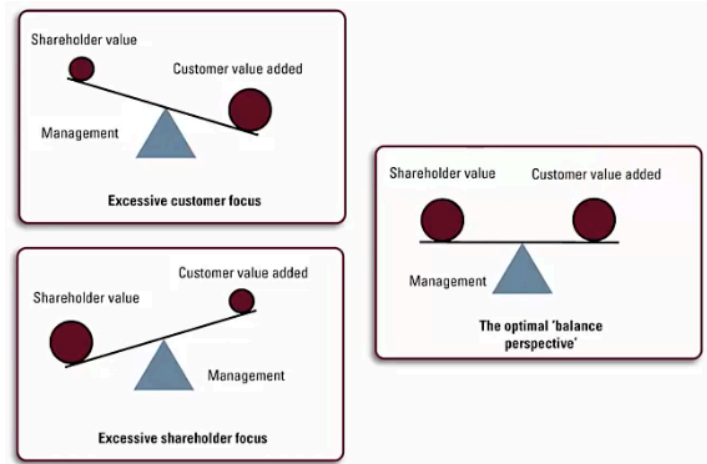
Marketing intermediaries help an organisation to promote, sell and distribute its goods to final buyers

- Resellers, distributors, retailers
- Physical distribution firms
- Marketing services agencies
- Financial intermediaries

### Suppliers

Need for close relationship with suppliers

- Increased collaboration= competitive advantage
- Value chains: may be many suppliers connected in a chain



### Community members

Any local non-government organisation and have the ability to mobilise public opinion towards a firm:

- In favour
- In opposition

### The macro-environment

“The larger, wider forces that have influences over companies and economics” (Sharp 2013)

- Political/ legal, Economic, Social/ cultural, Technological, Natural
- An individual firm is usually unable to exert influence over the direction and nature

### Political

Laws, government agencies, pressure groups that influence and limit various organisation and individuals in a given society

- Eg: Legislation regulating business & Ethics

### Economic

Factors that affect consumer buying power and spending patterns

- Eg: Inflation, Interest rates, Employment levels, Income (disposable and discretionary)

### Demographic (Social)

Demography is the study of human populations in terms of size, density, location, age, sex, race, occupation and other statistics

- Eg: Changing age structure of population, Changing household, Geographic shift in population, Better educated and more white-collar population, Increased ethnic diversity

### Cultural (social)

Institutions and other forces that affect society’s basic values, perceptions, preferences, and behaviours

- People grow up in a particular society that shapes their basic beliefs and values. They absorb a world view that defines their relationships to themselves and others
- Eg: Persistence of cultural values, Subcultures, Shifts in secondary cultural values

### Technological

Forces that affect new technologies, creating new product and market opportunities