

Marketing Notes (Full subject)

Week 1

What is Marketing? A social & managerial process by which individuals and groups obtain what they need & what they want through creating & exchanging products & value with others.

Came to prominence in the 1950s and 60s>> changing codes of conduct have opened competition within the professions. 21st century marketing- new in the sense of satisfying customer needs by interacting & working with the customer

Marketing Mix- a set of marketing tools that work together to influence the marketplace in the manner that companies set out to achieve.

Core Marketing Concepts

- **Needs, Wants & Demands**

Needs: states of felt deprivation (concept underlying marketing)>> includes basic physical needs; social needs; and individual needs

Wants: the form taken by needs shaped by culture & personality

Demands: wants that are backed by buying power

- **Products**

Product: anything that can be offered to a market that can satisfy a want or need- can be physical, persons, places, organisations or ideas

Many sellers make the mistake of paying more attention to the attributed of the product than to the benefits produced- '*marketing myopia*'> they lose sight of underlying customer needs.

- **Value, Satisfaction & Quality**

Customer value: difference between the values the customer gains from owning & using a product & the costs of obtaining the product

Customer satisfaction: extent to which a product's perceived performance matched buy expectations.

Total Quality Management (TQM): designed to improve quality of products towards zero defects.

- **Exchange, transactions & relationships**

Exchange: obtaining a desired product from someone by offering something in return>> exchange allows a society to produce much more than it would with any other alternative system>> need to have: two parties something of value to the other & free to accept or reject the other's offer; must be able to communicate & deliver

Transaction: involves at least 2 things of value, agreed-upon conditions, a time & place of agreement>> it is marketing's unit of measurement. (*difference with exchange is the existing measurable variable in transactions*)

Relationship Marketing: involves creating & maintaining relationships with customers & other stakeholders.

Marketing is shifting to maximising mutually beneficial relationships rather than each individual transaction.

- **Markets**

Market: set of all actual & potential buyers of a product. Size of the market depends on the no. of people who exhibit the need, have resources to exchange & are willing to offer those for what they want>> Marketing organisations see sellers as an industry & the buyers as a market.

Division of labour: each person specialises in producing something, receives payment & buys needed things with this money.

Main Acts & Forces in a modern marketing system: company & competitor send products & messages to consumers or through marketing intermediaries to the end-users (consumers)>> all the actors are affected by major environmental forces (demographic, economic, physical & political/ legal)

Marketing Management

Marketing Management: analysis, planning & implementation of programs to create & maintain beneficial exchanges with target buyers for the purpose of achieving organisational objectives>> involves managing demand, which in turn involves managing customer relationships.

Demand Management: comes from new customers & repeat customers>> there may be no demand, adequate demand, irregular demand or too much>> marketing management involves dealing with these states>>

Demarketing: reduce demand temporarily or permanently.

Excitement: key to creating customer engagement through emotional involvement with sellers is through *involvement & interactivity*

Extended Marketing Mix

Product	Price	People	Process	Physical Evidence	Placement	Promotion
Variety Quality Design Features Brand Name Packaging Add-ons Returns	List price Discounts Allowances Settlement & credit terms	Relationships 'People interacting with people' describes services	High contact services- people involved in creating & enjoying experiences (eg technology). Is the process of purchasing easy?	Services are mostly intangible; ask Q's, surveys, databases, online etc	Demand chain management Logistics Management Channel Management (online?)	Advertising Personal Selling Direct & Online Marketing

Five Alternative Marketing Concepts

- **Production concept:** consumers will favour the products that are available & highly affordable. Management should improve production & distribution efficiency. R&D most important. (oldest philosophy)
- **Product Concept:** consumers will favour products that offer the most quality, performance & innovative features. Devote energy to continuous product improvements. Can lead to 'marketing myopia' – want *new ideas*.
- **Selling Concept:** consumers will not buy enough of the organisation's product unless it undertakes a large-scale selling & promotion effort. Typical with unsought goods- consumers do not normally think of buying- such as insurance. Most practice this when they have overcapacity- they want to sell what they make not what the market wants.
- **Marketing Concept:** determining the needs & wants of target markets & delivering the desired satisfaction more effectively & efficiently than competitors do>> opinions/ needs/ wants determine what company does.
- **Societal Marketing Concept:** organisation should determine the needs, wants & interests of target markets/ considerations underlying this concept are SOCIETY (human welfare), COMPANY (profits) & CONSUMERS (want satisfaction)>> this concept questions whether the pure marketing concept is adequate in an age of environmental problems & resources shortages as it overlooks conflicts between consumer short-run wants & consumer long-run welfare which led to the societal marketing concept.

Marketing Challenges in the 21st Century

Measuring marketing's contribution: which objective and subjective performance measures performance. Three most widely used were sales (& growth), market share & profit contribution.

Growth of Non-Profit Marketing: marketing has also become a major component in the strategies of many non-profit organisations such as unis & hospitals.

Rapid Globalisation: geographical & cultural distances have shrunk allowing companies to expand their geographical market coverage- resulted in a more complex marketing environment.

Changing World Economy: In many developed countries real buying power has declines especially for less skilled workers. Companies are facing declining demand & few opportunities for growth- more companies want 'more for less'.

Week 2: Strategic Marketing & Planning

Strategic Planning: Selecting an overall company strategy for long-run survival & growth- develop synergy across company.

Marketing process: Analysing market opportunities, selecting target markets, designing strategies, planning marketing programs & implementing & controlling the marketing effort

Strategic Planning

Most organisations operate according to plans- some have no time, think that only large companies need planning or argue it cannot be too important/ marketplace changes too quickly for a plan.

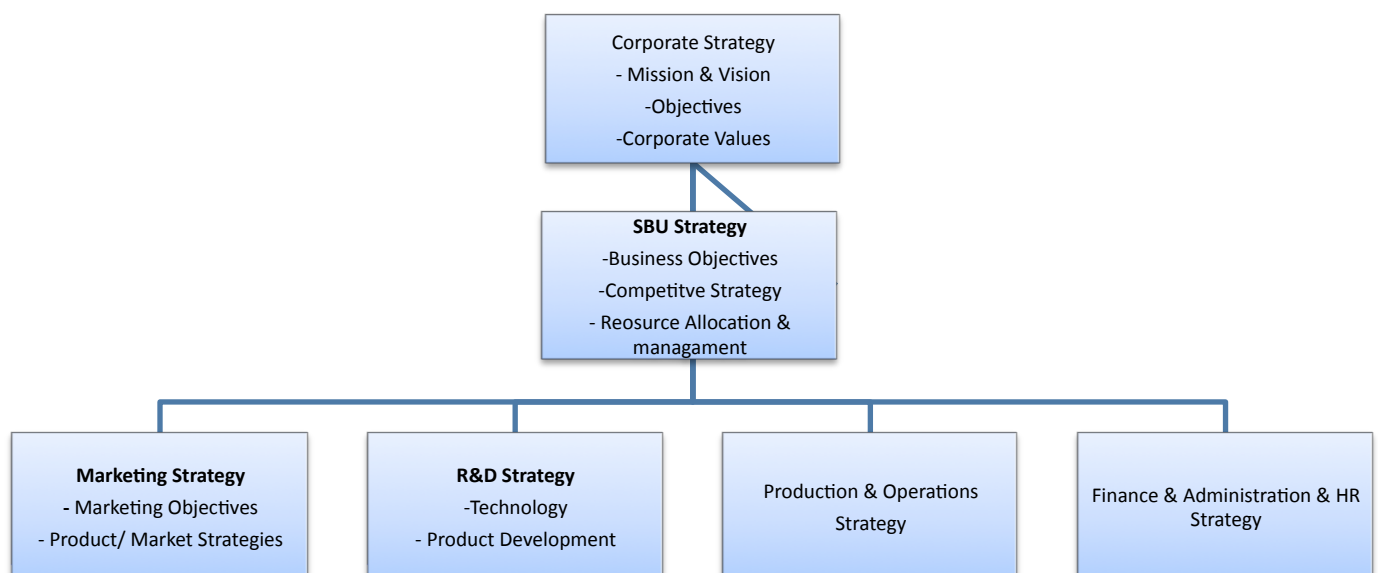
Planning yields many **benefits**- encourages management to think ahead; sharpens objectives & policies; better coordination & organisational efforts. **Main Purpose** is to help companies understand how they can compete for the future.

Need for flexibility, quick response & agility has led to a resurgence in the process of scenario planning- painting pictures of plausible futures that the firm may have to face

Strategy Hierarchy

Annual plan: short-term marketing plan that describes current marketing situation, company objectives & strategy for the year.

Long-Range Plan: describes major factors & forces affecting the organisation during the next several years.



Corporate Strategy: scope of organisation, portfolio of business now & in the future; how resources are to be obtained & allocated>> concerned with financing requirements of the corporation>> The ROLE of the corporate strategy is to provide a guiding vision & core competencies (which represent the specific skills & abilities that enable a firm to deliver products or services to its customers.

SBU Unit: unit with its own separate mission & objectives- can be a company division of product line etc

Marketing Management & Planning

Involves four levels of decision making: corporate (guide the entire enterprise into a profitable future), divisional (covers allocation of funds to each unit), business- unit (guide SBU) & product level (marketing plan- sets out means of achieving objectives in target market)

Marketing Plan operates in 2 levels>> *Strategic Marketing Plan* (broad objectives) & *Tactical Marketing Plan* (outlines specific marketing tactics)>> shortcomings: lack of realism, insufficient marketing & competitive analysis & a short-run focus.