

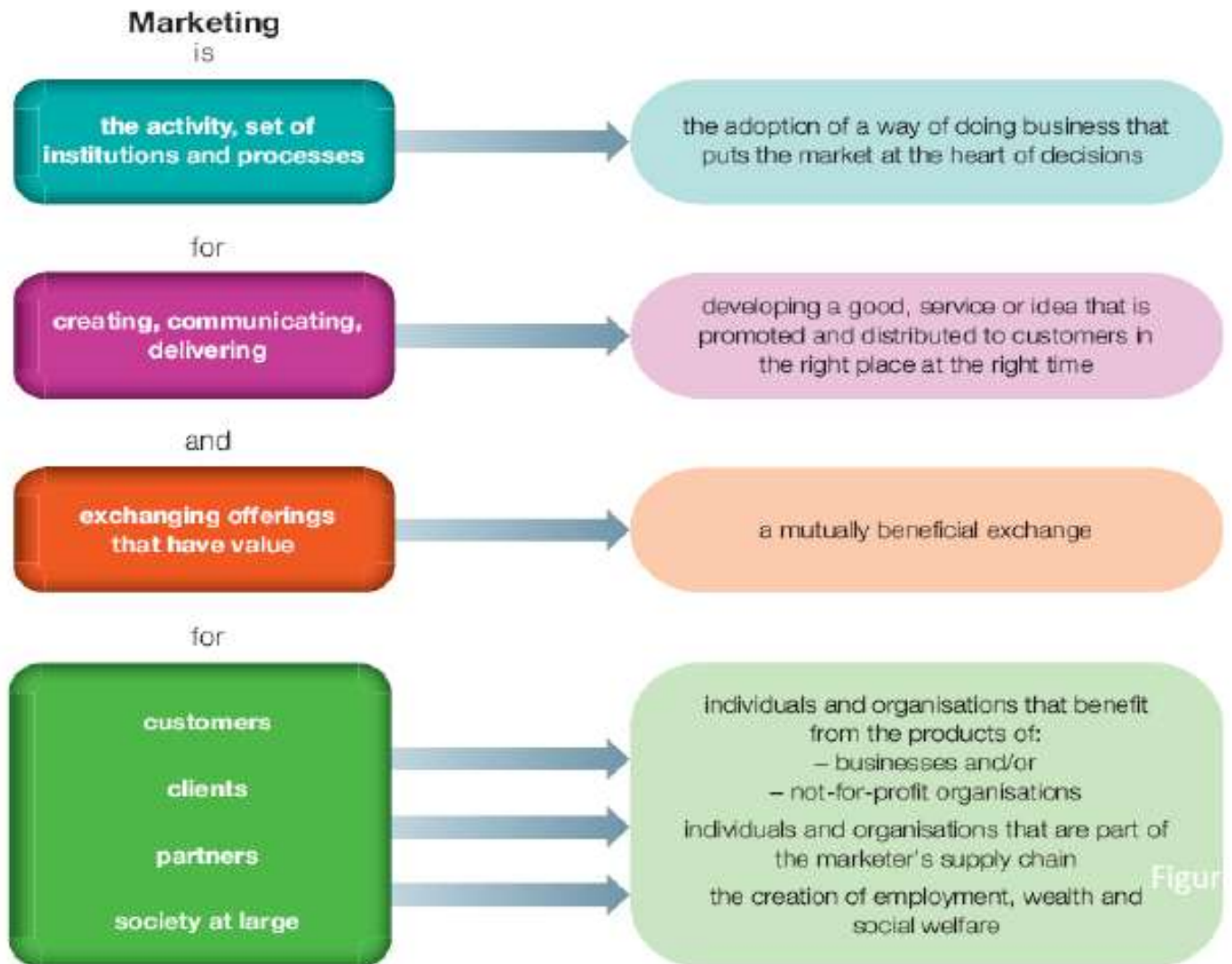
MKTG101 Lecture Notes

LECTURE 1

1. INTRODUCTION TO MARKETING

WHAT IS MARKETING?

- "...the activity, set of instructions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large."
- "Marketing isn't somebody's responsibility; marketing is everyone's responsibility"

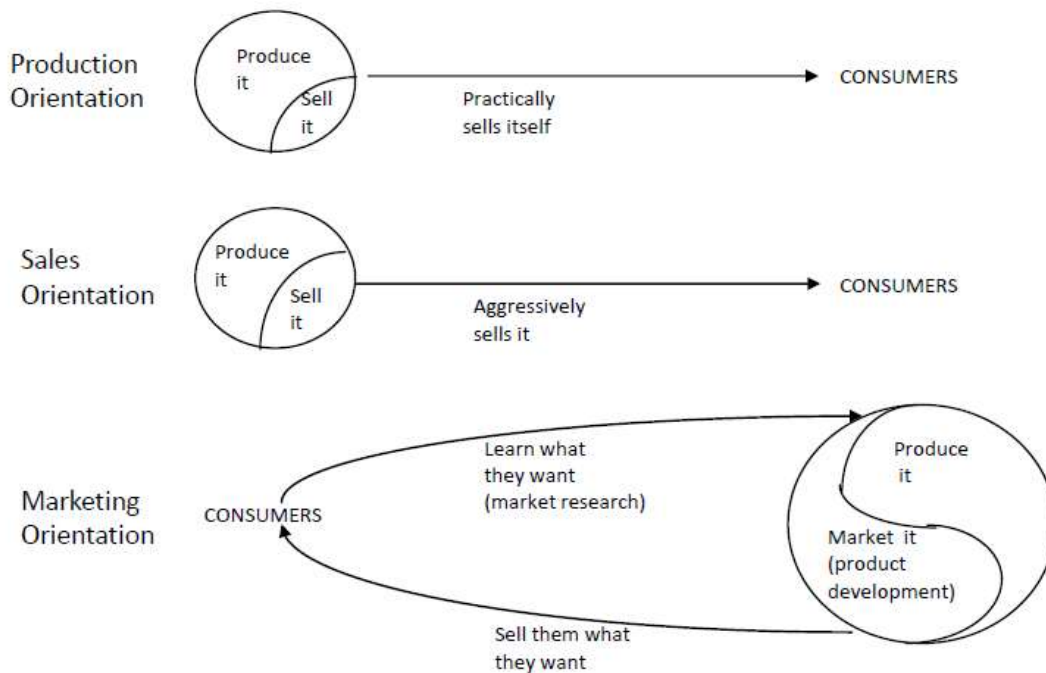


THE MARKETING EVOLUTION

Over the past 100 years marketing has evolved through the following stages:

- **Trade (product orientation)**
- **Production orientation** – holds that the major task of an organisation is to pursue efficiency in production and distribution
- **Sales orientation** – holds that the main task of the organisation is to stimulate the interests of potential clients in the organisation's existing offerings
- **Market orientation** – holds that the main task of the organisation is to determine the needs and wants of target markets and to satisfy them through the design, communication, pricing and delivery of appropriate and competitively viable offerings
- **Societal market orientation**

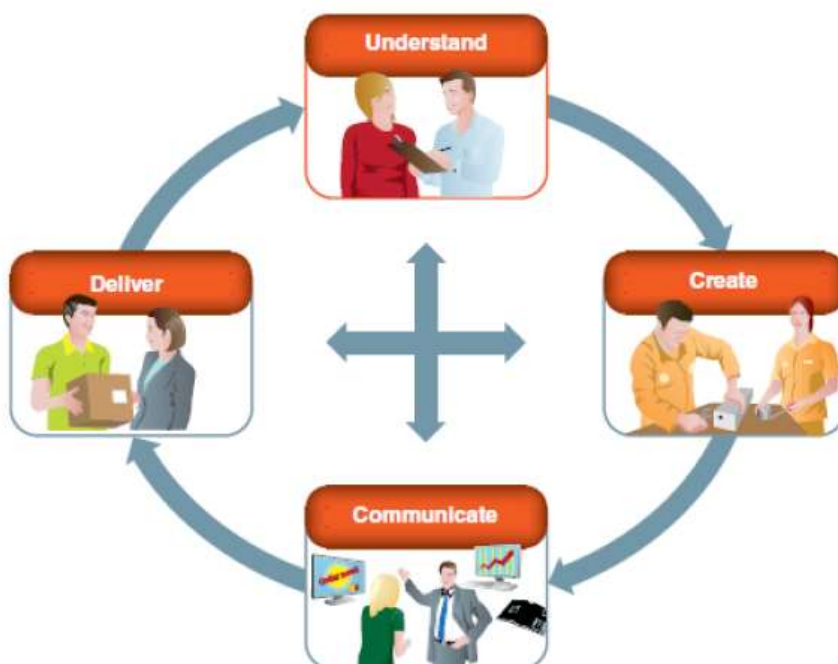
CONTRASTING MANAGEMENT PHILOSOPHIES



1. THE MARKETING APPROACH TO BUSINESS

- Marketing is used by:
 - Small business and large multinational corporations
 - Business selling goods and businesses selling services
 - For-profit & not-for-profit organisations
 - Private & public organisations, including governments
- *Marketing is a philosophy or way of doing business that puts the customer, client, partner and society at the heart of all business decisions.*
- Marketing is a science, a learning process and an art
 - Marketers need to learn what customers, clients, partners and society want
 - Ongoing process as customer preferences continually evolve
 - Marketers use information to maintain their understanding
 - Marketers are creative to develop new ideas
 - The best marketers offer something that is unique or special to consumers

2. THE MARKETING PROCESS



UNDERSTANDING – analysis and assessment of the marketing environment and markets as well as consumer and business buying behaviour. Marketers must start by understanding the situation they currently face in order to create a solution to meet the needs and wants of customers. Marketers use market research to understand consumer motivations, abilities and opportunities to act

CREATING – producing new ideas, products, services or processes based off of the research undertaken

COMMUNICATE – advertising and promoting the new creations based off of research

DELIVERY – Distribution, etc.

THE EXCHANGE OF VALUE

To be considered a successful exchange, the transaction must satisfy the following conditions:

- Two or more parties must participate, each with something of value desired by the other party
- All parties must benefit from the transaction
- The exchange must meet both parties' expectations (e.g. quality, price).

Like exchange, value is a core marketing concept. **Value** is a customer's overall assessment of the utility of an offering based on perceptions of what is received and what is given.

- Value is a ratio between quality and price
- Value evolves continually
- Value means different things to different people

ETHICS, CSR & SUSTAINABLE MARKETING

1. ETHICS – refers to a set of moral principles that guide attitudes and behaviour

- For marketing, competing priorities are the source of many ethical dilemmas
- Most marketing situations do not involve a simple choice between one ethical and one unethical path
- **LAW**: the way individuals/organisations conduct themselves in society is governed by law

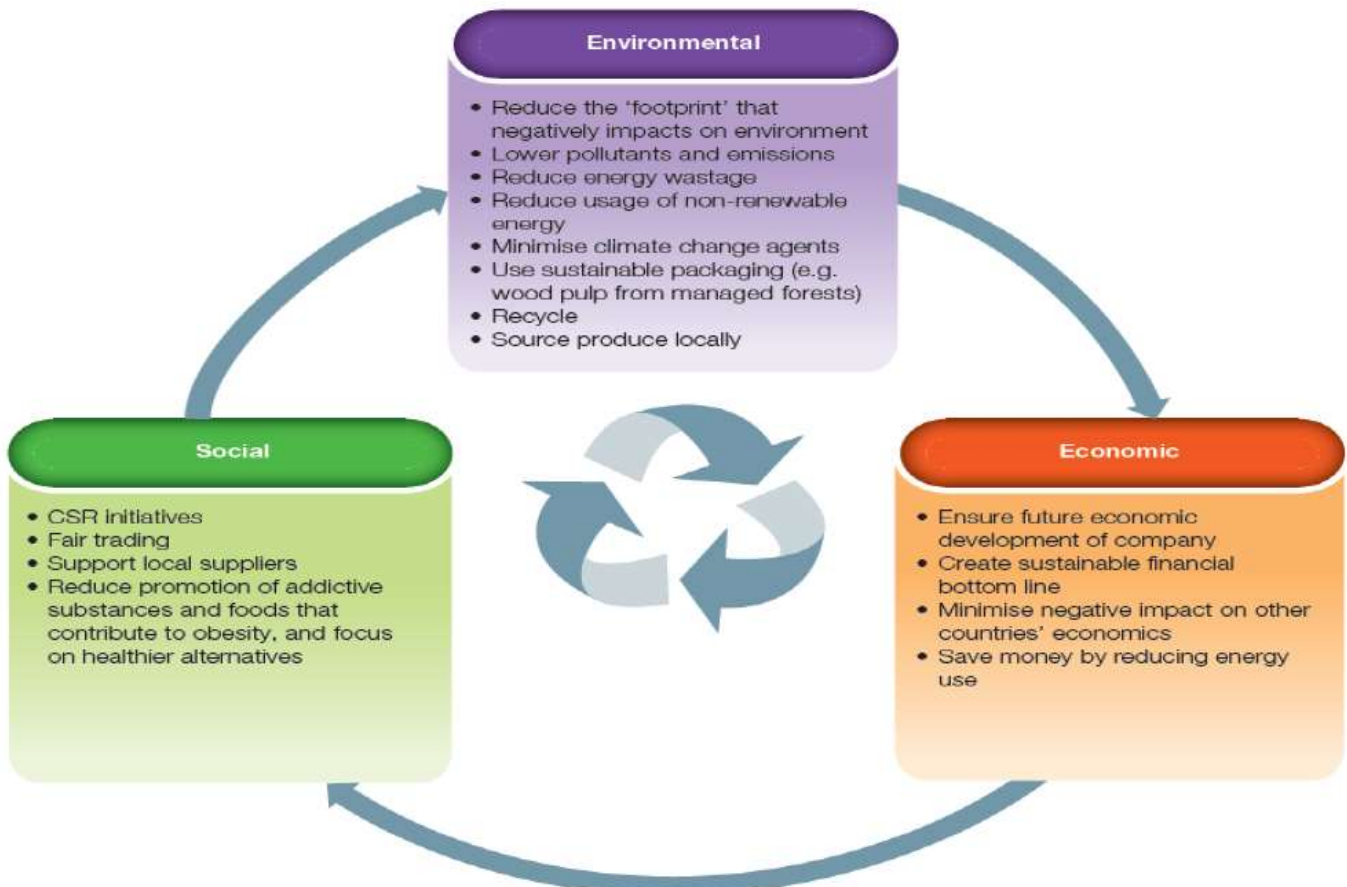
STAKEHOLDERS

Individuals, organisational and other groups that have a rightful interest in the activities of a business, including:

- **Owners** (business must be profitable and sustainable)
- **Employees** (wealth is shared among members of society with creation of jobs, reasonable working conditions)
- **Customers & clients** (business must attract and retain customers by offering products of value)
- **Partners** (all objectives met through CSR)
- **Government** (business must abide by laws and regulations)

2. CSR – The obligation of businesses to act in the interests of the societies that sustain them; for example, the use of Earth's resources (the natural environment) has emerged as a major consideration for businesses trying to meet CSR requirements.

- At the heart of CSR is a business's obligation to act ethically, lawfully and in the best interests of all its stakeholders, including society in which it operates
- A business that meets its CSR can expect benefits from good public relations
- A popular way of thinking about good corporate citizenship is the **Triple Bottom Line**



3. SUSTAINABILITY – (sustainable development) that meets the needs of the present without compromising the ability of future generations to meet their own needs

- Includes strategies to reach economic (profit), social (people) and environmental (planet) goals – includes factors such as reduction in consumption (purchasing less), changing purchasing (from non-renewable to renewable resources), downsizing of the products consumed, reuse of materials and the marketing of green products
- Until recently, sustainability was the primary focus of a company's CSR. IT has now become a global issue crossing across political, cultural and professional boundaries
- SUSTAINABLE MARKETING – the 'way and means' for combining ecological and economic elements through innovative products and systems

4. IMPLEMENTATION OF CSR & SUSTAINABILITY

- Once there is commitment to CSR & sustainability, policies and processes should be implemented
- Building a culture guided by ethics and consideration of all stakeholders
- Ensure that it empowers its stakeholders to achieve the ideals included in its policies, processes and codes
- GREENWASHING (dissemination of misleading info in relation to products to be perceived as environmentally friendly) is a common accusation among marketers

THE MARKETING MIX

The marketing mix is a set of variables that a marketer can exercise control over in creating an offering for exchange. Traditionally, the 4 Ps: Product, Price, Promotion, Place (distribution) but also: People, Process & Physical evidence

PRODUCT <ul style="list-style-type: none">- A Good, service or idea offered for exchange	<ul style="list-style-type: none">• BRAND – collection of symbols such as name, logo, slogan and design intended to create an image in the customer's mind that differentiates a product from competitors' products• Products can be best understood as a 'bundle of attributes' – features and functions of a product, which benefit the customer• Customers have NEEDS & WANTS – needs: day-to-day survival requirements/wants: desires• When a consumer has the money to buy something, the want is said to be a demand• GOODS – tangible offering capable of being delivered to a customer• SERVICE – intangible offering that doesn't involve ownership
PRICE <ul style="list-style-type: none">- The amount of money a business demands in exchange for its offering	<ul style="list-style-type: none">• Pricing takes in to account: production, communication & distribution costs; required profitability; partners' requirements; competitors' prices and customers' willingness to pay• Marketers need to understand what customers would like to get and what they are prepared to give in return
PROMOTION <ul style="list-style-type: none">- Describes the marketing activities that make potential customers, partners and society aware of/attracted to the business's offering	<ul style="list-style-type: none">• Products may be already established, modified, new or a form of information/education (social marketing – drink driving, slip slop, smoking, etc.)• Promotional activities include sales promotions, personal selling efforts and public relations campaigns. Social media, 'viral marketing,' product trials and blogs are also being used. Advertising can also be expressed through a painting on a building or a display in a town square
PLACE (DISTRIBUTION) <ul style="list-style-type: none">- The means of making the offering available to customers at the right time and place	<ul style="list-style-type: none">• Largely a logistics function• Marketers must understand how logistics (concerned with supply and transport) impact their ability to deliver on time• Many businesses sell their products directly to public through catalogues, shop front, website
PEOPLE	<ul style="list-style-type: none">• Any person coming into contact with customers are affected by the people who deliver the service• Must consider employees and customers• Highly motivated staff are important as they are inseparable from the total service
PROCESS	<ul style="list-style-type: none">• The systems used to create, communicate, deliver and exchange an offering• Everything from the way a product is conceived and designed to the way it is delivered including post-sales services
PHYSICAL EVIDENCE	<ul style="list-style-type: none">• Tangible cues that can be used as a means to evaluate service quality prior to purchase

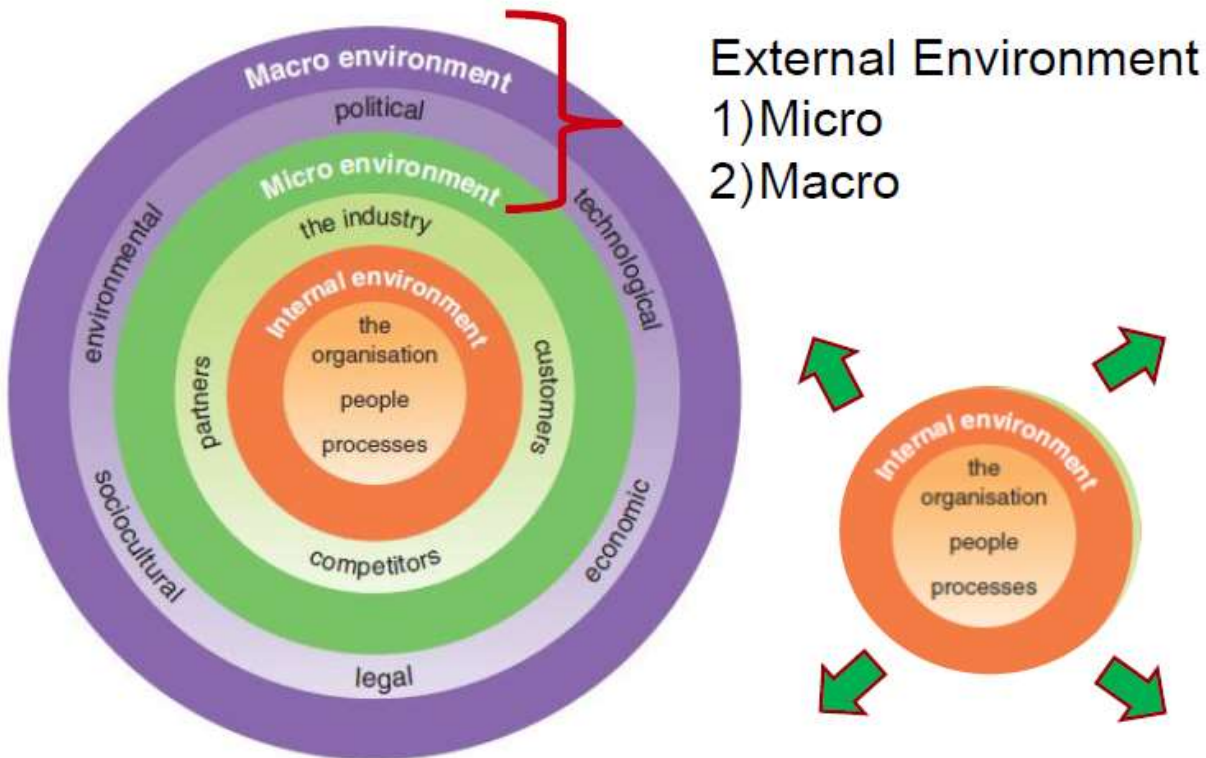
LECTURE 2

2. THE MARKETING ENVIRONMENT & MARKET ANALYSIS

MARKETING ENVIRONMENT

The marketing environment refers to all of the internal/external forces that affect a marketer's ability to create, communicate, deliver and exchange.

ENVIRONMENTAL ANALYSIS – Analytical approach that involves breaking the marketing environment into smaller parts to better understand it



INTERNAL ENVIRONMENT

The Internal Environment refers to the parts of the organisation, the people and the processes used to create, communicate, deliver and exchange offerings that have value.

- Directly controllable by organisation
- Strengths and Weaknesses are internal factors that positively & negatively affect the organisation's ability to compete in the market-place
- Marketers need to understand the objectives for each part of the organisation and how the objectives are being met

INTERNAL MARKETING

Internal marketing is a cultural framework and a process to achieve strategic alignment between front-line employees and marketing.

It is practised in 3 main ways:

1. Primary role of internal marketers is to manage internal communications to ensure that employees' actions are aligned with company goals
2. Internal marketing managers use market research to understand employees' needs and demands
3. Provide training needed by employees to reach the company's goals