# **TOPIC 1: What is Marketing?**

# **DEFINITIONS OF 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 process of maximising returns to stakeholders by developing **exchanges** with valued customers and creating an advantage for them".

The difference between the benefits the customer gains from having access to or owning and using a product and the costs of obtaining it (Kotler, et al., 2013).

**Green Marketing** – a strategic process involving stakeholder assessment to create meaningful long-term relationships with customers while maintaining, supporting and enhancing the natural environment.

**Stakeholders** – constituents who have a 'stake', or claim in some aspect of a company's products, operations, markets, industry and outcomes.

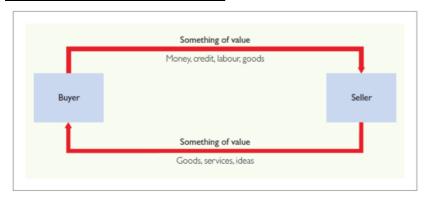
# MARKETING TO FACILITATE EXCHANGE

**Exchange** – the transfer of products in return for something of value.

## Four conditions that must exist for an exchange:

- At least two parties must participate and each must possess something of value.
- Exchange should provide a benefit to both parties.
- Each party must have confidence in the promise of the 'something of value' held by the other.
- The parties must meet expectations.

#### **EXCHANGE B/W BUYER & SELLER**



**Product** – a good, service, an idea, an experience or a combination thereof.

**Marketing Environment** – the competitive, economic, political, legal and regulatory, technological and sociocultural forces that surround the customer and affect the marketing mix.

#### THE MARKETING MIX

Strategic variables controlled by a company to satisfy the need of their customers.

- Product
- Price
- Place
- Promotion

It is about making the right product available in the right place, promoted to the right customers at the right price acceptable to customers.

#### 1. PRODUCT

Anything that can be offered to customers that might satisfy their needs or wants.

#### 2. PRICE

Value exchanged for products in a marketing transaction.

## 3. PLACE

The activities that make products available to customers when and where they want to access or purchase them.

# 4. PROMOTION

Communication to build and maintain relationships by informing and persuading customers.

# **EXPANDED MARKETING MIX**

- Product
- Place
- Price
- Promotion
- People
- Physical Evidence
- Processes
- Partnerships

## **MARKETING CONCEPT**

A marketing philosophy that an organisation should try to provide products that satisfy customers news through a coordinated set of activities that also allows the organisation to achieve its goals.

- Customer satisfaction is the major focus of the marketing concept.
- Satisfaction of **both** customer's objectives and company's objectives.

# **EVOLUTION OF THE MARKETING CONCEPT**



## **SALES .VS. MARKET ORIENTATION**



# **MARKET ORIENTATION**

An organisation-wide commitment to researching and responding to customer needs.

- Involves generation of market intelligence in relation to current and future customer needs, competitors and collaborators.
- Involves inter-functional coordination of market intelligence across business functions.
- Requires an organisation to be more responsive to such market intelligence.

# **THE ROLE OF MARKETING IN SOCIETY**

- Consumes large proportion of buyers' dollars
- Is used by non-profits
- Is important to business and the economy
- Fuels the global economy
- Enhances consumer awareness
- Connects people through technology
- Promotes welfare of consumers and society
- Creates career prospects

**Target Market** – customers on whom an organisation focuses its marketing efforts.