

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 needs 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.