

MKTG1001 Marketing Principles

This course tells us the marketing perspective, a side in which we sell goods to those consumers
“Executed with excellence” – 4 Ps success??

Lecture 1:

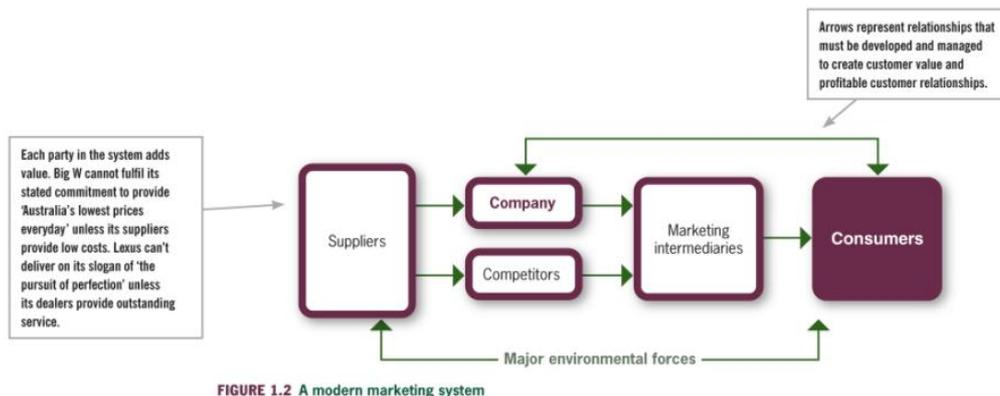
Marketing defined:

Marketing defined as an activity, set of institutions, processes and an art of creating, communicating, delivering and exchanging **offerings** that have value for customers and society as a large. It understands consumers and inherent behaviour, thus understanding and delivering the needs and wants of a consumer target, developing a proposition and the 4 p’s.

Development of marketing:

- 1950s - Consumer (goods) marketing
- 1960s - Industrial marketing
- 1970s - Non-profit & societal marketing
- 1980s - Service Marketing
- 1990s - Customer satisfaction, Global marketing, direct marketing
- 2000s - Digital marketing

Mechanism of how to engage marketing tools and the expression of communication has changed, but not the function itself



Core-marketing concepts:

The Market = **all current & potential customers** who share a common need that can be satisfied by a specific product, who have the resources to exchange for it, who are willing to make the exchange and who have the authority to make the exchange

- Market-place = Any location or medium used to conduct an exchange

Modern economies have many markets. The labour market constitutes all those who are seeking work or who are employed; the housing market is made up of those who are looking for a house.

- Marketing means managing markets to bring about exchanges for the purpose of satisfying human needs and wants. (concept of utility)
 - Things a market require:
 - A buyer
 - A seller
 - An exchange
 - Information and knowledge
 - Something which is exchanged
 - Potential for mutual benefit

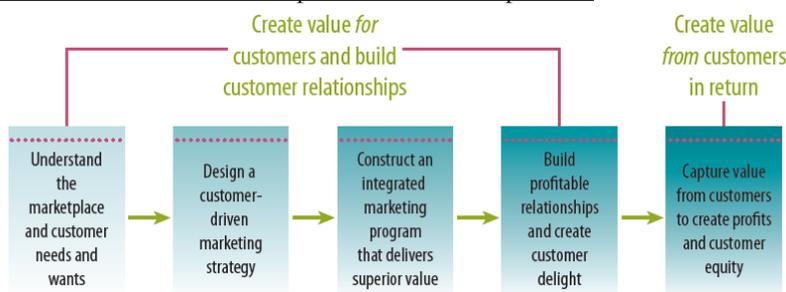
A market encompasses actual and potential buyers and thus share a particular need or want that can be satisfied through exchange relationships

- **Marketing offering** is a product that is some combination of goods, services and experience that can be offered to satisfy a want or need, they can include goods, services/experiences, persons, places, organisations, information and ideas
- **Product** is *anything* that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organisations and ideas.
 - Customer needs and wants are fulfilled through market offerings (ie. product).
- **Consumer**

Paradox and relationship between needs and wants

- **Needs:** the recognition of a difference between a consumer's actual state and some ideal or desired state
 - *We may have very similar needs, but the way in which we meet those needs are uniquely diverse – KEY*
MARKETING ASSUMPTION
 - **Wants:** the desire to satisfy needs in specific ways that are culturally and socially influenced
- Marketers need to understand customer needs, wants and demands and the marketplace within which they operate.
 - Human needs are the most basic concept underlying marketing.
 - When a need is not satisfied, a person will either try to reduce the need or look for an object that will satisfy it.
 - Marketers *stimulate rather than create these needs*, they are part of human make up.
 - Wants are the form taken by human needs and are shaped by culture and individual personality.
 - Marketers try to provide more want-satisfying goods and services.
 - **Demands are human wants that are backed up by buying power.**
 - Customers view products as *bundles of benefits* and choose the products that give them the best value for money.
 - The want-satisfying power of a good or service is what economists call *utility*.
 - Marketers need to understand customer needs, wants and demands and the marketplace within which they operate.

Customer Value: Marketing is all about creating value for customers. So the organisation must fully understand consumers and the marketplace in which it operates.



- The difference between the values the customer gains from owning and using a product and the costs of obtaining the product. **This value is perceived.**
 - *I drive a BMW. Why? Because I always want the best, that's important to me. I usually buy quality products".*
 - *I always buy my families clothes from Target, Best & Less, Big W or Lowes (discount stores). Look, a shirt's a shirt – why pay more than you have to!"*

The value of proposition:

- **is** the set of benefits or values that it promises to deliver to customers to satisfy their needs
- **should** differentiate brands and position them in the marketplace

Relationship building blocks: Customer value and satisfaction

- **Perceived value:** The customer's evaluation of the difference between all the benefits and the costs of a market offering relative to those of competing offerings.
- **Customer satisfaction:** Depends on the product's perceived performance relative to a buyer's expectations.