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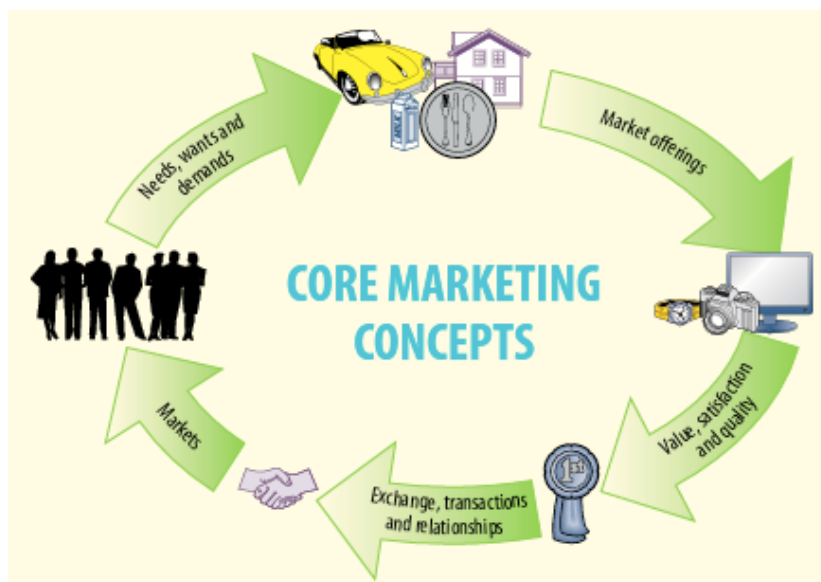
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CHAPTER 1: CREATING AND CAPTURING CUSTOMER VALUE

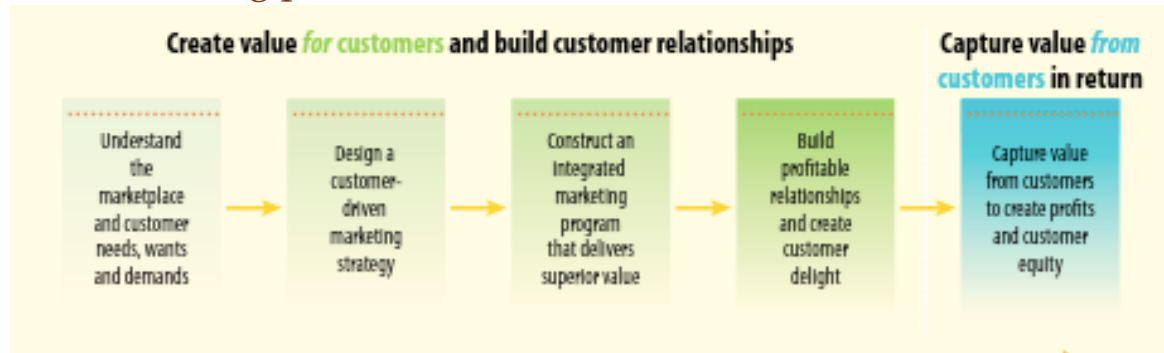
WHAT IS MARKETING?

Defined as an activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large.

Peter Drucker: “marketing is so basic that it cannot be considered a separate function. It is the whole business seen from the point of view of its result, that is, from the customers point of view...business success is not determined by the producer but by the customer”



The marketing process



UNDERSTANDING THE MARKETPLACE AND CUSTOMER NEEDS

- Marketing is all about creating value for customers. So, the organization must fully understand consumers and the marketplace in which it operates

CUSTOMER NEEDS, WANTS AND DEMANDS

- **Needs:** states of felt deprivation
- **Wants:** the form human needs take as shaped by culture and individual personality
- **Demands:** human wants backed by buying power

MARKET OFFERINGS: GOODS, SERVICES AND EXPERIENCES

- Customer needs and wants are fulfilled through **market offerings** (combination of products, services offered to market to satisfy need/wants)
- **Marketing myopia:** mistake of paying more attention to the product rather than the benefits offered/produced by the product itself

CUSTOMER VALUE AND SATISFACTION

- **Customer perceived value:** difference between the values the customer gains from owning and using a product and the costs of obtaining the product
- **Customer satisfaction:** extent to which products perceived performance matches a buyer's expectations

EXCHANGES, TRANSACTIONS AND RELATIONSHIPS

- **Exchange:** is the act of obtaining a desired object from someone by offering something in return
- **Transaction:** trade between two parties that involves at least two things of value, agreed-upon conditions, and a time and place of agreement

MARKETS

Market: set of all actual and potential buyers of a product or service

- Marketing is both through the consumers and producers
- Consumers are an environmental factor in accentuating the profit within a market