

## Lecture 1 What is Marketing?

**Marketing** is 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

### Marketing process

1. Understand the marketplace and customer needs, wants and demands
2. Design a customer driven marketing strategy
3. Construct an integrated marketing program that delivers superior value
4. Build profitable relationships and create customer delight
5. Capture value from customers to create profits and customer equity

### Understanding the market place and customer needs

- Marketers need to understand customer needs, wants and demands and the marketplace in which they operate
- Helps them to identify 'want satisfying' market offerings
- Build customer relationships- results in increased long term customer equity for the business

### Core Market Place Concepts

- Need
- Want
- Demands
- Market offerings (product service experience)
- Value and satisfaction
- Exchange and relationships
- Markets

### Key elements of a customer driven marketing strategy

- What consumer will we serve? (who is our target market?)- do this through marketing segmentation
- How can we serve these customers best? (what is our value proposition?)- how the business will position and differentiate themselves- must develop propositions that give greatest value to their target market
- Manage customer demand
  - Finding, increasing and retaining demand
  - Changing and reducing demand-demarketing
    - Permanently to discourage social behaviours
    - Temporarily to cope with peak demand periods
- Market offerings- good, services or experiences

### Preparing an integrated marketing program

- The marketing process
- Create value for customers
- Develop an integrated marketing program to deliver value

## Lecture 2 Planning Strategy and the Marketing Environment

### Strategic planning

- The process of developing and maintaining a strategic fit between the organisations goals and capabilities and its changing marketing opportunities
- Companies usually prepare annual plans, long range plans and strategic plans
- Consists of 4 steps
  - Defining the company's mission
  - Setting objectives and goals
  - designing a business profile
  - developing functional plans

### Elements of a customer driven marketing strategy CONT

- **Market segmentation:** dividing a market into distinct groups of buyers who have different needs, characteristics or behaviours and who might require separate products or marketing programs
- **Market targeting:** the process of evaluating each market segment's attractiveness and selecting one or more segments to enter
- **Market Positioning:** arranging for a product to occupy a clear, distinctive and desirable place relative competing products in the minds of target markets
- **Differentiation:** differentiating the market offering to create superior value

Through marketing segmentation, targeting, differentiation and positioning, the company divides the total market into smaller segments, selecting segments it can best serve and decides how it can bring value to target customers in that segment

Then designs and integrated **marketing mix** to produce response to target market

- Set of controllable tactical marketing tools that the firm blends to produce the response it wants in the target market
  - **Product-** good/service business offers to the consumer
  - **Price-** amount of money customers must pay to obtain the product
  - **Place-** company's activities to make the product available to target market
  - **Promotion-** activities that communicate the merits of the product and persuade target market to buy
  - **People-** services are normally people based
  - **Process-** marketers need to be involved in designing and monitoring the process involved in buying and servicing any type of product
  - **Physical evidence-** criteria upon which to compare brands- feedback, results etc

### Marketing management functions

- **Marketing analysis**
  - SWOT analysis (strengths, weaknesses, opportunities and threats)
- **Planning**
  - Involves deciding on marketing strategies that will help the company obtain its overall strategic objectives
  - Components of a marketing plan

- Executive summary
- Current marketing situations
- Threats and opportunities
- Objectives and issues
- Marketing strategies
- Action programs
- Budgets and controls
- **Implementation**
  - Process that turns marketing strategies and plans into marketing actions to accomplish strategic marketing objectives
  - Addresses the who, what, when, how
- **Control**
  - Measuring and evaluating the results of marketing strategies and plans and taking corrective action to ensure the objectives are achieved

### **Importance on Return on Marketing Investments**

- Measures the profits generated by investments in marketing activities
- Marketers must ensure that their marketing dollars are being spent well
- Adding value in line with costs

### **Environmental Forces**

#### **Actors in the marketing (micro) environment**

- The company
- Suppliers
- Marketing intermediaries
- Competitors
- Publics
- Customers

#### **Macro Environment**

- Demographic
- Economic
- Natural
- Technological
- Political
- Cultural