

# MARKETING FOUNDATIONS

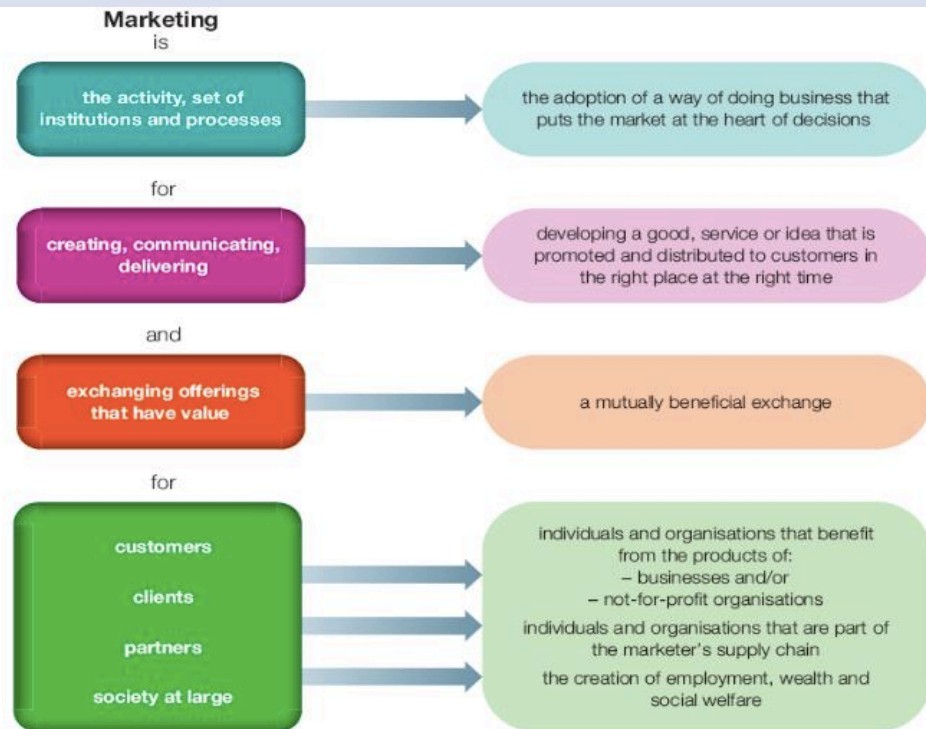
## LECTURE 1

### WHAT IS MARKETING?

(Watch video link)

#### 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.” (AMA)



### THE MARKETING EVOLUTION

*Over the past 100 years marketing has evolve through:*

1. Trade e.g. farmer w/ chickens trades eggs for milk from farmer w/ cows
2. Production orientation
3. Sales orientation → competition for market share
4. Market orientation → customer oriented
5. Societal market orientation → ethical/social values, ways to benefit society and planet

### MARKETING – a science and an art

- Marketers must learn what customers, clients, partners and society want
- Customer preferences constantly evolve
- Marketers use info to maintain understanding
- Marketers must be creative
- Best marketers offer something unique and special
- Marketers must ensure their advertisements are not offensive

### MARKETING EXCHANGE

**EXCHANGE** ~ the mutually beneficial transfer of offerings of value between the buyer and seller

A successful marketing exchange involves:

- 2 or more parties, each with something of value desired by the other party
- All parties must benefit from the transaction
- The exchange must meet both parties' expectations e.g. quality, price

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## VALUE – a perception

**VALUE** ~ the 'total offering'

- Value evolves constantly and is unique for each individual
- The lifetime value of the client – what does the firm offer in exchange for loyalty?
- A customer's assessment of the utility of an offering based on perceptions of what is received and what is given
- (quality you get exceeds expectations → customer sees value)
- $\text{Value} = \text{quality} / \text{price} = \text{Benefits expected} / \text{Benefits received}$

## THE MARKET

**MARKET** ~ a group of customers with different needs and wants

→ Geographic markets                      → Product markets                      → Demographic markets

- *Customers* purchase G/S for their own or other people's use
- *Consumers* use the good or service
- Clients are 'customers' of the products for not-for-profit organisations
- Partners are all organisations/individuals involved in the activities of the exchange process
- Society is a body of individuals living as members of a community

## CSR

## STAKEHOLDERS

Individuals, organisations & other groups that have a rightful interest in the activities of a business:

- Owners
- Employees
- Customers (and clients)
- Partners
- Government

## TRIPLE BOTTOM LINE

