

Marketing Notes

Lecture 1: Introduction to marketing

Definition 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
- Different approaches to marketing include:
 - Production approach → providing high quality products at low cost
 - Market approach → providing products that create value for the customer

Value as a perception

- value → total offering

The market

- market → group of customers with heterogeneous (different) needs and wants
- clients are customers of the products of not for profit organisations
- partners are organisations or individuals involved in the activities of the exchange process
- society → body of individuals living as members of a community

Ethics, corporate social responsibility and sustainability

- sustainable development- meeting the needs of today without compromising tomorrow
- sustainable marketing- combining economic and ecological elements in business practices

Stakeholders

- individuals, organisations and other groups that have a rightful interest in the activities of a business

The marketing mix

- a set of variables that a marketer can exercise control over in creating an offering for exchange

Product

- Product → good, service or idea offered for exchange
- Brand → collection of symbols creating a differentiated image in the customer's mind
- Good → a physical (tangible) offering capable of being delivered to a customer
- Service → an intangible offering that does not involve ownership

Price

- Amount of money a business demands in exchange for its offerings
- Willingness to pay → what customers are prepared to give in return for what they get

Promotion

- Marketing activities that make potential customers, partners and society aware of and attracted to the businesses offering

Distribution- place

- Means of making the offering available to the customer at the right time and place
- Logistics → the part of the marketing process concerned with supply and transport

The marketing environment

- All of the internal and external forces that affect a marketer's ability to create, communicate, deliver and exchange offerings of value

Internal environment

- The parts of the organisation, the people and the processes used to create, communicate, deliver and exchange offerings that have value
- Includes strengths and weaknesses

External environment

- People and processes that are outside the organisation and cannot be directly controlled
- Includes: Opportunities and threats

Micro-environment

- Forces within an organisation's industry that affect its ability to serve its customers and clients, partners and competitors

Macro environment

Political forces

- Influence of politics on marketing decisions includes:
 - Lobbying for favourable treatment in the hands of the government
 - The effect of political issues on international marketing

Economic forces

- how much people and organisations can spend and how they chose to spend it

Sociocultural forces

- people's attitudes, beliefs, behaviours, preferences, customs and lifestyles

Technological forces

- changes the expectations and behaviours of customers and clients and can have huge effects on how suppliers work

Environmental forces

- Growing ecological awareness and social changes influence how firms will operate

Legal forces

- Laws → legislation enacted by elected officials
- Regulations → rules made under authority delegated by legislation.

Situational analysis

- Identifying the key factors that will be used as a basis for the development of marketing strategy

SWOT

- Analysis that identifies the internal strengths and weaknesses and the external opportunities and threats in relation to an organisation
- Strength → attributes helping to achieve objectives
- Weaknesses → attributes hindering an organisation to achieve an organisation's objectives
- Opportunities → external factors that are potentially helpful to achieve objectives
- Threats → external factors that are potentially harmful to the organisation's efforts to achieve its objectives