

MARK101

Marketing Principles

Textbook: Principles of Marketing 6th
edition

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Lecture Week 1

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What is Marketing?

A model of the Marketing Process

Create value for customers and build customer relationships

- Understand the marketplace and customer needs, wants & demands →
- Design a customer-driven marketing strategy →
- Construct an integrated marketing program that delivers superior value →
- Build profitable relationships and create customer delight→
- Capture value from customers to create profits and customer equity

Core Concepts

- Needs - refer to basic human requirements
(shaped by culture)
- Wants - refer to needs that are shaped by culture
(backed by ability to pay)
- Demands - refer to wants for specific products backed by an ability to pay.

Product:

= an offering, that can satisfy a need/want.

1. Goods = anything physical
2. Services = not physical
3. Experiences, e.g. films
4. Events
5. Persons, e.g. singers, actors
6. Places, e.g. tourist cities
7. Properties, e.g. stock, real estate
8. Organisations
9. Information
10. Ideas, e.g. quit smoking, say no to drugs, etc.

- Value refers to the ratio difference between benefits and costs.
 - higher knowledge than cost = high value.
 - lower knowledge than cost = low value.
- Satisfaction refers to difference between product's performance and buyer's expectation.
 - performance exceeds expectation = delighted consumer

- performance = expectation = satisfied consumer
- performance falls short of expectation = dissatisfied consumer
- Exchange involved obtaining desired product by offering something in return.
- Transaction based on at least 2 things of value, agreed upon condition, a time of agreement and a place of agreement.
- Relationships and Networks - building long-term relationships and return

Elements of a modern marketing system

Suppliers → Company (marketer) + Competitors → Marketing intermediaries (stores) → Consumers

Designing a customer-driven marketing strategy

Must answer 2 important questions:

1. What customers will we serve? (target market)
2. How can we serve these customers best? (value proposition, ie. benefits we can offer to them)

The value proposition should focus on 2 things:

1. benefits/values promised to customers to satisfy their needs
2. differentiation from competitors