

STUDY GLOSSARY OF KEY MARKETING TERMS

CHAPTER 1 - OVERVIEW OF MARKETING

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

MARKETING PLAN - a written document that includes an analysis of the current marketing situation, opportunities and threats for the firm; includes objectives and strategies specified in terms of the 4 Ps, and action programs

CORE ASPECTS OF MARKETING

1. Satisfying customer needs and wants
2. Exchange of value
3. Marketing mix: product, price, place, promotion
4. Performance by individuals and organisations (B2B, B2C, C2C)
5. Occurring in many settings
6. Impacts various stakeholders

MARKETING MIX (4 Ps) - set of controllable activities that a firm uses to respond to the wants of its target markets, includes product, price, place and promotion

PRODUCT - *creating value* to elicit exchange; may be goods, services or ideas

- **GOODS** - tangible items
- **SERVICES** - intangible customer benefits produced by people or machines and inseparable from the producer
- **IDEAS** - concepts, opinions, philosophies

PRICE - *capturing value*; everything the buyer gives up -- time, money, energy -- in exchange for a product; determined on the basis of perception of value

PLACE - *delivering value*; deals with marketing channel management; all the activities necessary to make a product available to the right customer, when they want it

PROMOTION - *communicating value*; informing, persuading and reminding potential buyers about a product to influence opinions

VALUE PROPOSITION - promotion of a product's benefits to enhance its perceived value

THE HISTORY OF MARKETING

1. **PRODUCTION ORIENTED ERA** - a good product will sell itself, so it needs to be innovative; no interest in satisfying customer needs
2. **SALES ORIENTED ERA** - post-WW2; overproduction for demand as customers had emerged from a world where they consumed less/made it themselves; aggressive selling techniques
3. **MARKET-ORIENTED ERA** - entering a buyers' market where the customer is king; focus on needs and wants; consumer choice; discovering marketing!
4. **VALUE-BASED ERA** - value creation and co-creation; giving greater value than offered by competition; discovering needs and wants through trends and market analysis

VALUE - the relationship of benefits to costs

VALUE CO-CREATION - customers are collaborators in creation

HOW DO FIRMS BECOME MORE VALUE DRIVEN?

1. Sharing info throughout the firm for a coordinated response
2. Balancing customers' perceived benefits with costs
3. Building relationships with customers
4. Connecting with customers using social and mobile media

CUSTOMER RELATIONSHIP MANAGEMENT (CRM) - collecting info about customer needs and using that to target their best customers with products, services and special promo that appear most important to them

WHY IS MARKETING IMPORTANT?

1. Expands firms' global presence
2. It's pervasive across marketing channel members
3. It enriches society, promoting corporate social responsibility
4. It can be entrepreneurial by aiming to satisfy unfilled needs in the marketplace

SUPPLY CHAIN AKA MARKETING CHANNEL - group of firms that make and deliver a given set of goods and services from production to consumption