

MKC1200

principles of

marketing

SUMMARY NOTES

TABLE OF CONTENTS

WEEK 1: OVERVIEW OF MARKETING.....	2
WEEK 2: THE MARKETING ENVIRONMENT AND INTERNATIONAL MARKETING.....	4
WEEK 3: MARKETING INFORMATION.....	7
WEEK 4: BUYER BEHAVIOUR.....	9
WEEK 5: SEGMENTATION, TARGETING, POSITIONING.....	13
WEEK 6: PRODUCT DECISIONS AND BRANDING.....	15
WEEK 7: PRICING DECISIONS.....	18
WEEK 8: PROMOTION DECISIONS.....	22
WEEK 9: DISTRIBUTION DECISIONS.....	25
WEEK 10: SERVICES AND EXTENDED MARKETING MIX.....	28
WEEK 11: DIGITAL, SOCIAL AND NON-FOR-PROFIT MARKETING.....	30
WEEK 12: MARKETING PLANNING, IMPLEMENTATION AND EVALUATION.....	32

WEEK 1 – OVERVIEW OF MARKETING

Define marketing

Understand the strategic variables of marketing

Explain how marketing evolved

Understand the role of marketing in our society

MARKETING - activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large.

- **'Activity, set of institutions and processes'** - broad scope of marketing as more than just advertising
- **'Creating, communicating, delivering and exchanging offerings that have value'** –exchange that benefits both customer who buys the product and organisation that sells it. (mutually beneficial)
- **'Customers, clients, partners and society at large'**- marketing should provides **mutual benefits**, not just for users of products but also partners in supply chain and impact on society.
 - o Marketers have a **corporate social responsibility** - a commitment to behave in an ethical and responsible manner, to 'minimise the negative impacts and maximise the positive impacts'

Origin of marketing:

- Grounded in **exchange process** by which **two or more parties give something of value** to each other in order to satisfy perceived needs
- Transition from subsistence economies to trading economies based on surplus production
- Facilitated by development of technology and more sophisticated economic systems

The Marketing Process: understanding the market to create, communicate and deliver an offering for exchange

CO-CREATE, BUILD, ENGAGE (CBE) FRAMEWORK: three step process that **centres people** at the heart of planning, delivering solutions that are valued and effective.

STEP 1: CO-CREATE - listening and learning to generate solutions with people.

1. **Stakeholder orientation** – puts **people** served by organisation/network at the heart of generating solutions and engages all stakeholders with vested interest
 - Understanding what has previously worked and determination of which co-designed strategies and solutions are practical and feasible.
2. **Segmentation** – **dividing market** into groups of people with **same needs and wants**
3. **Competition** – **competitive assessments** undertaken to learn what is working and to identify any competitor standards that **need to be met or exceeded**.
4. **Theory** – an **organising framework** that can be confidently applied to **achieve behavioural change**
5. **Insight** – **core learnings** that lead the strategy to be put into place

STEP 2: BUILD – activities undertaken to ensure product/service/program is developed or updated

6. **Marketing mix** – delivering **valued solutions** that people can freely choose.
 - Ensures **solutions are built** and made available at a time/place convenient for people, and that the bundle of benefits is priced competitively to ensure exchange can occur.
 - Guides building of solutions that are attractive and valuable to induce trial and repeat purchases
7. **Exchange** – **offering something of value** and **getting something back of value** back again

STEP 3: ENGAGE – raising awareness, inducing trial, purchase and repeat purchase of the solutions

- Benefits that people and stakeholders will receive from freely choosing the solution being marketed are promoted to **raise awareness** and remind people the **new and improved solution is available**.
- Ongoing evaluation to understand what works, why and when, ensuring that resources allocated achieve maximum reach and that the intended outcomes occur.
- 8. **Behaviour change** – end product, buying the product and becoming loyal customers
 - If sales increase or positive outcomes (e.g. healthy food choices) are observed in the budget time period then a marketer will have achieved the desired outcomes.

The exchange of value:

- A **successful marketing exchange** must satisfy the following conditions:
 - **Two or more parties** must participate, each with **something of value desired** by other party
 - **All parties must benefit** – mutually beneficial exchange
 - Must **meet both parties' expectations** (e.g. quality, price).
- **VALUE** – customer's **overall assessment of utility** of an offering based on perceptions of what is received and what is given.
 - Refers to **'total offering'**, includes all aspects from reputation of organisation to how the employees act, the features of the products, the after-sales service, quality and price.
- **Who is involved in the Exchange?**
 - **A MARKET** – group of customers with **different needs and wants**
 - Cover varying groups of customers from geographic markets (e.g. Malaysian), product markets (e.g. Smartphone) and demographic markets (e.g. senior)
 - **CUSTOMERS** – people who **purchase products** for their **own or someone else's use**
 - **CONSUMERS** – people who **use the good or service**
 - **CLIENTS** – 'customers' of **non-for-profit organisations** or **social marketers**
 - **PARTNERS** – organisations or individuals involved in activities and processes for creating, communicating and delivering offerings for exchange
 - Marketers need to understand how their partnership will benefit the partner
 - **E.g.** advertising consultant is hired to develop marketing communications to raise awareness for a sports club that wants to recruit new players for next year.
 - **SOCIETY** – a body of individuals living as **members of a community**
 - Successful marketers demonstrate awareness of community concern about natural environment, responsible use of resources, sustainable practices and social equity.

Ethics, Corporate Social Responsibility and Sustainable Marketing:

ETHICS – set of **moral principles** that **guide attitudes and behaviour**

LAW – society's attempt to ensure individuals and organisations act in a way that **society deems beneficial** or at least acceptable

CORPORATE SOCIAL RESPONSIBILITY – businesses must act in the **interests of the societies** that sustain them through delivery of **overall positive impact**

SUSTAINABILITY – must **meet needs of today** without compromising needs of future generations

THE TRIPLE BOTTOM LINE – comprised of **social, environmental** and **economic** considerations

THE MARKETING MIX: choice of tools that are combined to satisfy one or more target groups

- **The marketing P's:**
 - Product
 - Price
 - Place
 - Promotion AND
 - People
 - Process
 - Physical evidence