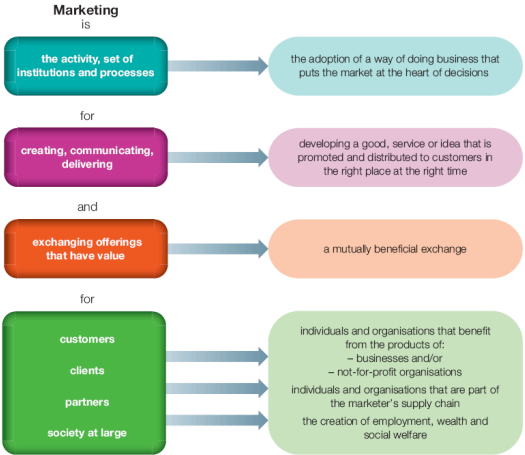
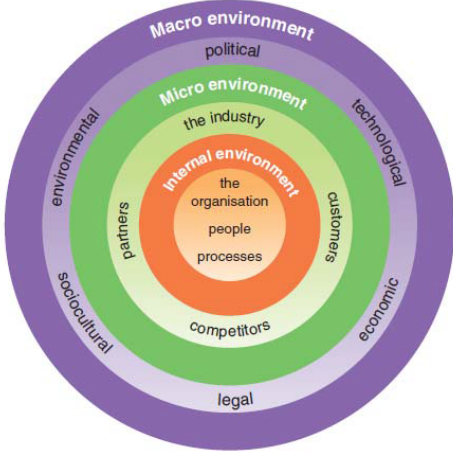


# MARKETTING FOUNDATIONS

## LECTURE 1

<b>What is Marketing?</b>	<p>Marketing = “... <i>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</i>”</p> 
<b>Science and an art = marketing</b>	<p>Databases = extract information about consumers, e.g. flybuy card tracking purchases</p> <p><i>Thus marketers need to learn what customers, clients, partners and society want</i></p> <ul style="list-style-type: none"> <li>• This is ongoing - customer preferences continually evolve</li> <li>• Marketers use information to maintain their understanding</li> <li>• Marketers are creative to develop new ideas</li> <li>• The best marketers offer something that is unique or special to consumers</li> </ul>
<b>Marketing Exchange</b>	<p><i>Exchange: the mutually beneficial transfer of offerings of value between the buyer and seller.</i></p> <p>A successful marketing exchange involves:</p> <ul style="list-style-type: none"> <li>• Two or more parties, each with something of value desired by the other party</li> <li>• All parties must benefit from the transaction</li> <li>• The exchange must meet both parties' expectations (e.g. quality, price).</li> </ul>
<b>Value</b>	<p><i>A customer's assessment of the utility of an offering based on perceptions of what is received and what is given.</i></p> <ul style="list-style-type: none"> <li>• Quality/price</li> <li>• Benefits expected/benefits received</li> <li>• Unique for each individual</li> <li>• The lifetime value of the client – what does the firm offer in exchange for loyalty?</li> </ul>
<b>Market Segmentation</b>	<p>A market is a group of customers with heterogeneous (different) needs and wants.</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>• Geographic markets</li> <li>• Product markets</li> <li>• Demographic markets</li> </ul> <p>Customers purchase goods and services for their own or other people's use.</p> <ul style="list-style-type: none"> <li>• Consumers use the good or service.</li> </ul>

	<ul style="list-style-type: none"> <li>• Clients are ‘customers’ of the products of not - for profit organizations.</li> <li>• Partners are all organizations or individuals who are involved in the activities of the exchange process.</li> <li>• Society is a body of individuals living as members of a community.</li> </ul>
<b>Marketing mix</b>	<ol style="list-style-type: none"> <li>1. Product</li> <li>2. Price</li> <li>3. Promotion</li> <li>4. Place (distribution)</li> <li>5. People</li> <li>6. Process</li> <li>7. Physical Evidence</li> </ol>
<b>Improving business performance with marketing</b>	<ol style="list-style-type: none"> <li>1. Firms with a market orientation perform better than firms without a market orientation.</li> <li>2. They have better profits, sales volumes, market share and return on investment when compared to their competitors.</li> <li>3. Every employee is a stakeholder in the success of their organization.</li> <li>4. Marketing drives economic growth; marketers play a role in stimulating consumer demand.</li> <li>5. Developing social change programs to influence the voluntary behavior of target audiences to improve the welfare of the society.</li> </ol>
<b>Marketing environment</b>	All of the internal and external forces that affect a marketer’s ability to create, communicate, deliver and exchange offerings of value.
<b>Environmental analysis</b>	<p>A process that involves breaking the marketing environment into smaller parts in order to gain a better understanding of it.</p> 
<b>INTERNAL ENVIRONMENT</b>	<p>The parts of the organization, the people and the processes used to create, communicate, deliver and exchange offerings that have value.</p> <ul style="list-style-type: none"> <li>• The organization can directly control its internal environment.</li> <li>• Strengths and weaknesses are internal factors that positively and negatively affect the organization’s ability to compete in the marketplace.</li> </ul>
<b>EXTERNAL ENVIRONMENT</b>	<p>The people and processes that are outside the organization and cannot be directly controlled. Marketers can only seek to influence external environment.</p>

	<ul style="list-style-type: none"> <li>• Outsourcing: Transferring an internal function to an external provider.</li> <li>• Opportunities and threats: External factors that positively and negatively affect the organization's ability to serve the market.</li> </ul>
<b>MICRO-ENVIRONMENT</b>	<p><i>The forces within an organization's industry that affect its ability to serve its customers and clients — target markets, partners and competitors.</i></p> <ul style="list-style-type: none"> <li>• The micro - environment is not directly controllable by the organization.</li> <li>• The micro - environment consists of customers, clients, partners and competitors.</li> </ul> <p><b>Customers and clients</b></p> <ul style="list-style-type: none"> <li>• Marketers must understand the current and future needs and wants of their target market:</li> <li>• Understand what their customers value now</li> <li>• Identify changes in customer preferences</li> <li>• Be willing and able to respond to changes</li> <li>• Anticipate how needs and wants might change</li> <li>• Be able to influence customer preferences.</li> </ul> <p><b>Partners include:</b></p> <ul style="list-style-type: none"> <li>• Logistics firms — storage and transport</li> <li>• Financiers —banking, loans, insurance, and</li> <li>• Electronic payment infrastructure</li> <li>• Advertising agencies</li> <li>• Retailers</li> <li>• Wholesalers – storage and distribution</li> <li>• Suppliers</li> </ul> <p><b>Competitors</b></p> <ul style="list-style-type: none"> <li>• Marketers must ensure their offerings provide their target market with greater value than their competitors' offerings.</li> <li>• Marketers seek to understand their competitors' marketing mix, sales volumes, sales trends, market share, staffing, sales per employee and employment trends.</li> </ul>
<b>MACRO-ENVIRONMENT</b>	<p><b>PESTAL:</b></p> <ul style="list-style-type: none"> <li>• <b>Political forces</b> <ul style="list-style-type: none"> <li>○ Lobbying for favorable treatment at the hands of the government</li> <li>○ Lobbying for favorable regulation the very large market that the government and its bureaucracy comprise</li> <li>○ The effect of political issues on international marketing.</li> </ul> </li> <li>• <b>Economic forces</b> <ul style="list-style-type: none"> <li>○ Factors that affect how much people and organization's can spend and how they choose to spend it.</li> <li>○ Economic forces include income, prices, the level of savings, the level of debt and the availability of credit.</li> </ul> </li> <li>• <b>Sociocultural forces</b> <ul style="list-style-type: none"> <li>○ The social and cultural factors that affect people's attitudes, beliefs, behaviors, preferences, customs and lifestyles.</li> <li>○ Statistics about a population: age, gender, race, ethnicity, educational attainment, marital status, parental status and so on.</li> <li>○ The natural environment is an example of a sociocultural theme that has emerged recently.</li> </ul> </li> </ul>

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|  | <ul style="list-style-type: none"><li>• Technological forces<ul style="list-style-type: none"><li>○ Technology allows a better way of doing things.</li><li>○ Technology changes the expectations and behavior's of customers and clients and can have huge effects on how suppliers work.</li></ul></li><li>• Environmental forces<ul style="list-style-type: none"><li>○ Natural disasters, weather and climate change.</li><li>○ Growing ecological awareness and social changes influence how firms will operate.</li></ul></li><li>• Legal forces<ul style="list-style-type: none"><li>○ Legislation enacted by elected officials.</li><li>○ Regulations = Rules made under authority delegated by legislation.</li><li>○ Laws and regulations govern what marketing organization's can and cannot legally do.</li><li>○ Laws and regulations fall into the following categories: privacy, fair trading, consumer safety, prices, contract terms and intellectual property</li></ul></li></ul> |
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