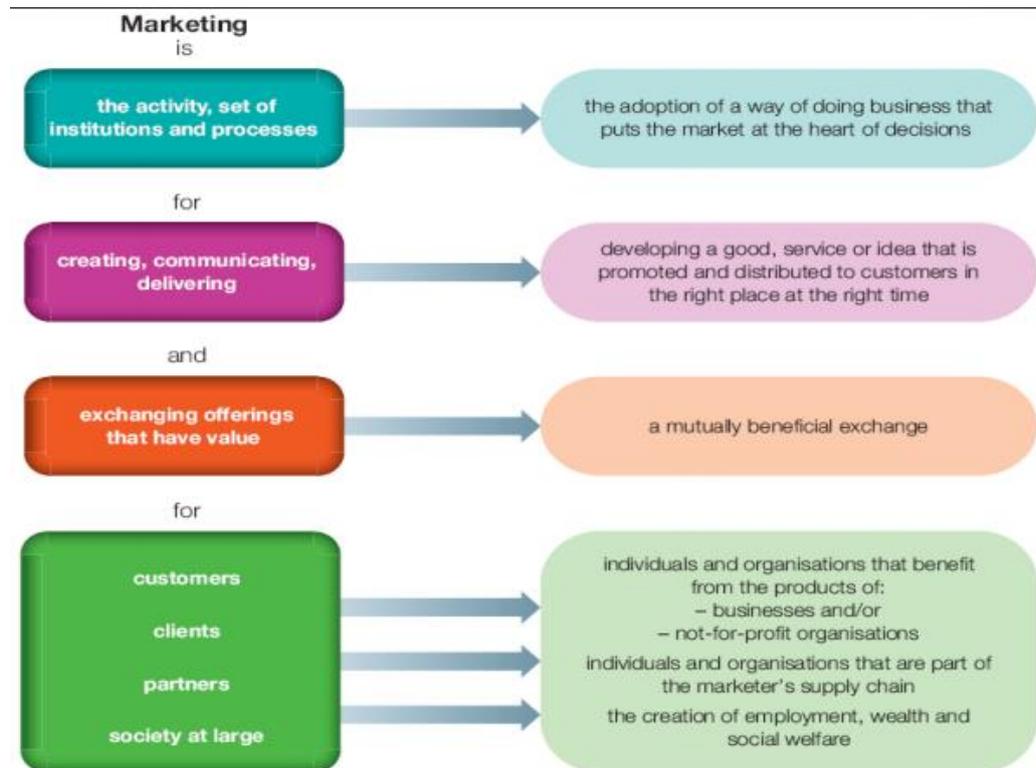


Marketing Foundations



Over the past 100 years marketing has evolved through the following stages:

- Trade
- Production orientation
- Sales orientation
- Market orientation
- Societal market orientation

Marketing exchange

- Exchange: the mutually beneficial transfer of offerings of value between the buyer and seller
- A successful marketing exchange involves; two or more parties each with something of value desired by the party, the exchange must meet both parties' expectations e.g. quality and price

Value

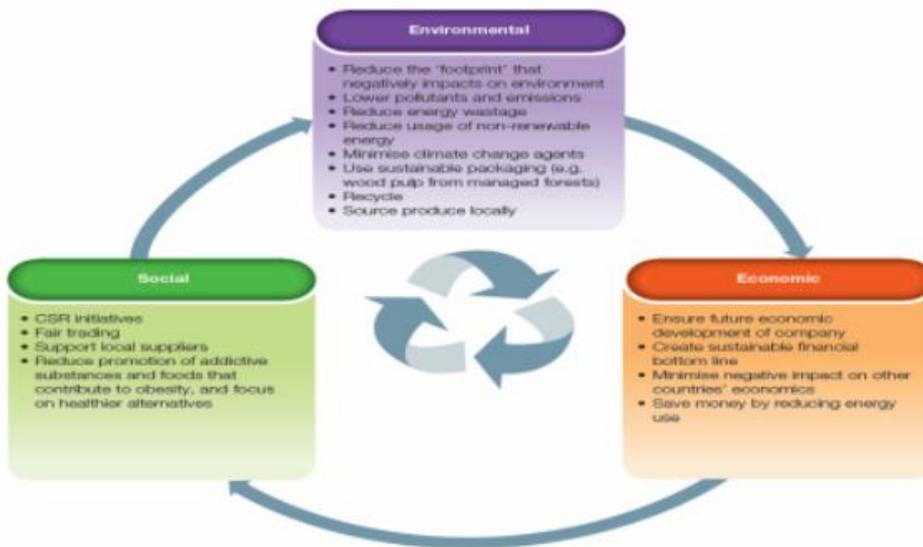
- A customer's assessment of the utility of an offering based on perception of what is received and what is given
- Value= Quality/Price= benefits expected/benefits received
- Value refers to the total offering

- The lifetime value of the client – what does the firm offer in exchange for loyalty

The Market

- A group of customers with heterogeneous (different) needs and wants E.g. geographic markets, product markets, demographic markets
- Clients are customers of the product of not for profit organisations

The triple bottom line



The marketing environment

- All of the internal and external forces that affect a marketer's ability to create, communicate, deliver and exchange offering of value
- **Environmental analysis:** A process that involves breaking the marketing environment into small parts in order to gain a better understanding of it.

The internal environment

- The parts of the organisation, the people and the processes used to uses communicate, deliver and exchange offering that have value
- The organisation can directly control its internal environment
- Strengths and weaknesses are internal factors that positively and negatively affect the organisations ability to compete in the market

External environment

- The people and processes that are outside the organisation and cannot be directly controlled Marketers can only seek to influence external environment.
- Opportunities and threats: External factors that positively and negatively affect the organisation's ability to serve the market.

The micro-environment

- The forces within an organisation's industry that affect its ability to serve its customers and clients-target markets, partners and competitors
- Not directly controllable by the organisation (External environment)
- Consists of customers, clients, partners and competitors

Customers and clients

- Marketers must understand the current and future needs and wants of their target market:
- Understand what their customers value now
- Identify changes in customer preferences
- Be willing and able to respond to changes
- Anticipate how needs and wants might change
- Be able to influence customer preferences

Partners

- Logistics firms- storage and transport
- Financiers- banking, loans and insurance
- Advertising agencies
- Retailers
- Wholesalers
- Suppliers

Competitors

- Must ensure their providing their target market with greater value than their competitors offerings
- Marketers seek to understand their competitors' marketing mix, sales volumes, sales trends, market share, staffing, sales per employee and employment trends.

Macro-environment

- The macro-environmental framework has been called the **PESTEL** framework.

Political forces

- Politics is directly relevant through lobbying for favourable treatment at the hands of the government
- That market that is the government and its bureaucracy comprise
- Effect of political issues in international marketing

Economic forces

- How much people and organisations can spend and how they choose to spend it
- Include income, pries, level of saving, level of debt and the availability of credit

Sociocultural forces

- The social and cultural factors that affect 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

- Natural disasters, weather and climate change
- Growing ecological awareness and social changes influence how firms will operate.

Laws/Regulations

- Legislation enacted by elected officials
- Rules made under authority delegated by legislation
- Laws and regulations govern what marketing organisations can and cannot legally do
- Laws and regulations fall into the following categories; privacy, fair trading, consumer safety, prices, contract terms and intellectual property

Situational analysis

- Identifying the key factors that will be used as a basis for the development of the marketing strategy
- **Market planning:** An ongoing process that combines organisation objectives and situational analyses to formulate and maintain a marketing plan that move the organisation from where it current is to where it wants to be.

Marketing Metrics

