

Lecture 1: Introduction to marketing

Marketing- has evolved to fit the needs of the society. It is the institutions, and processes, for creating communicating, delivering and exchanging offerings that have value to customers, clients and society. It is an ongoing process. A **Marketing exchange** is when both parties have something valuable to the other. "Mutually beneficial exchange". A **Market** is a group of customers with different needs and wants. Customers, consumers, partners and stakeholders.

Why study marketing?- Market oriented firms perform better, with better profits, sales volume, market share and ROI.

Value- Quality for price, different to each customer. The total offering. Also refers to the lifetime value of the client, what is offered in return for loyalty.

Marketing mix- Price, product, promotion, placement

Marketing environment- all the forces that affect a marketer's ability to create, communicate, deliver and exchange an offering of value. **Environmental analysis** breaks the market into smaller parts to gain a better understanding of it. These include the:

Internal environment, which is the organisation itself (strengths and weaknesses). The organisation can directly control this. The organisation, people and processes.

External environment is what is happening outside the organisation, it can't be controlled (opportunities and threats), but marketers can seek to influence it. The external environment comprises of the micro and macro environment.

Micro environment or the forces within an industry affecting

- **Customers/clients**- must anticipate what they need/want, their values and preferences.
- **Partners**- logistics firms, financiers, retailers, wholesalers, suppliers, advertising agencies
- **Competitors**- companies must ensure that their offerings are of greater value than those of their competitors.

Macro environment deals with uncontrollable forces

- **Political**- the effects that politics have on international markets, the government market itself and lobbying for favourable treatment.
- **Economic**- how much people are willing to spend, this relates to income, prices, savings, and level of debt and availability of credit.
- **Sociocultural**- attitudes, beliefs, behaviours and lifestyles
- **Technological**- changes the expectations of consumers, and affects how suppliers operate

- **Environmental**- ecological awareness, and the occurrence of natural disasters.
- **Legal**- laws and regulations that affect what businesses can legally do



Situational analysis

- **Company analysis**- goals, positioning, market share, service quality, financial strategies, marketing mix strategies, operations and resources
- **Market analysis**- growth, size, buyer behaviour, needs, intermediates, customer segments
- **Environmental analysis**- PESTEL
- **Competitor analysis**- major competitors, goals, market share, market behaviour, growth, service quality, positioning and operations/resources.

Marketing metrics- includes **return on investment** (sales, investment and bottom line), **Customer satisfaction** (turnover, number of complaints and delivery), **Market share in targeted segments** (growth and decline relative to competitors), **brand equity** (awareness, preference and loyalty)

Marketing plan

1. Executive summary
2. Introduction
3. Situational analysis
4. Objectives (smart)
5. Target market
6. Marketing mix
7. Budget
8. Implementation
9. Evaluation
10. Conclusion/recommendations