

OVERVIEW OF MARKETING

WHAT IS 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'

- Good marketing is not a random activity
- Requires thoughtful planning
 - Marketing plan that specifies the marketing activities for a specific period of time as it describes:
 - Marketing environment
 - Marketing objectives
 - Marketing strategy
- Emphasis is placed on the ethical implications of any of those decisions on society in general



THE WHO AND WHERE OF MARKETING

- Who is a typical marketer?
 - Marketers have varying backgrounds
- Where do you find marketers?
 - Marketers are found in every industry present

THE EVOLUTION OF MARKETING

1900-1930s	Production era	Producing the product as efficiently as possible. Goal to be most efficient producer in a mass market
1930s-1960s	Selling era	Where marketing is primarily viewed as a sales function.

1960s	Consumer era	A philosophy focused on satisfying customers' wants and needs.
1970s-1990s	New era	Improving products so that they meet needs better than competitors. Also sought to benefit employees, shareholders and communities.
Mid 1990s onwards	New millennium	Building long-term bonds with customers. Customers exchange two things of value: money and information.

THE ROLE OF MARKETING

- Broader view
 - Integrated marketing
- Limited view
 - Advertising
 - Sales

THE MARKETING CONCEPT

1. Identify consumer needs
2. Provide products to satisfy needs
3. Long term profitability

MARKETING PLANNING

- What product benefits will our customers be looking for in the future?
- How will changes in technology affect us?
- How will changes in social values affect us in future years?
- What capabilities does our company have?
- What other customer groups might become market segments for us in the future?

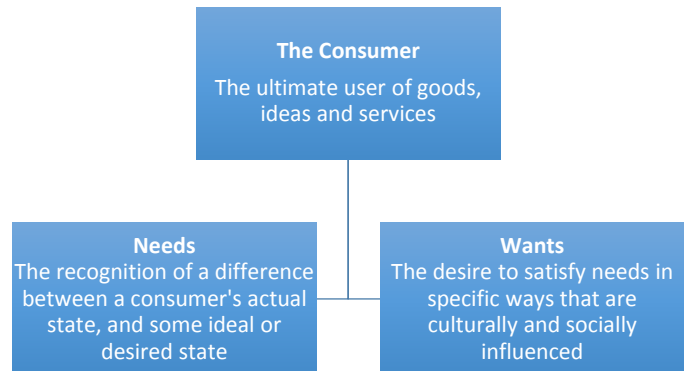
MEETING THE NEEDS OF STAKEHOLDERS

*Any person or organisation that has a 'stake' in the outcome



CONSUMERS – NEEDS AND WANTS

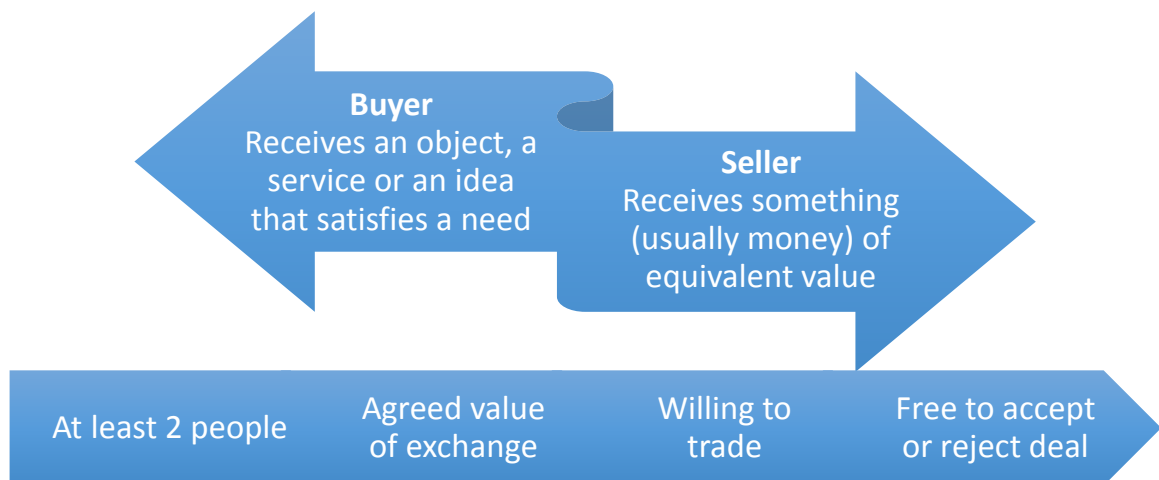
- Understanding needs and wants, is fundamental to marketing success
- Marketplace:
 - Broader = world of trade
 - Narrow = segmented and divided into groups of people who are pertinent to an organisation for particular reasons
- Marketing costs money, good marketers carefully seek out potential customers who have both an interest in the product and an ability to buy it



MARKETING ENTAILS AN EXCHANGE

- *The process by which some transfer of value occurs between a buyer and seller*
- An exchange occurs when something is obtained for something else in return

EXCHANGE RELATIONSHIP



THE MARKETING MIX (THE 4 P'S)

PRODUCT: CREATING VALUE

- Fundamental purpose is to create value by developing a variety of offerings to satisfy customer needs
- Goods are items that you can physically touch
- Services are intangible customer benefits that are produced by people or machines and cannot be separated from the producer
- Offerings in market combine goods and services
- Ideas include concepts, opinions and philosophies

PRICE: CAPTURING VALUE

- Everything has a price, though it doesn't have to be of monetary value
- Price, therefore, is everything the buyer gives up – money, time, energy – in an exchange for a product
- Marketers must determine the price of a product carefully on the basis of the potential buyer's belief about its value

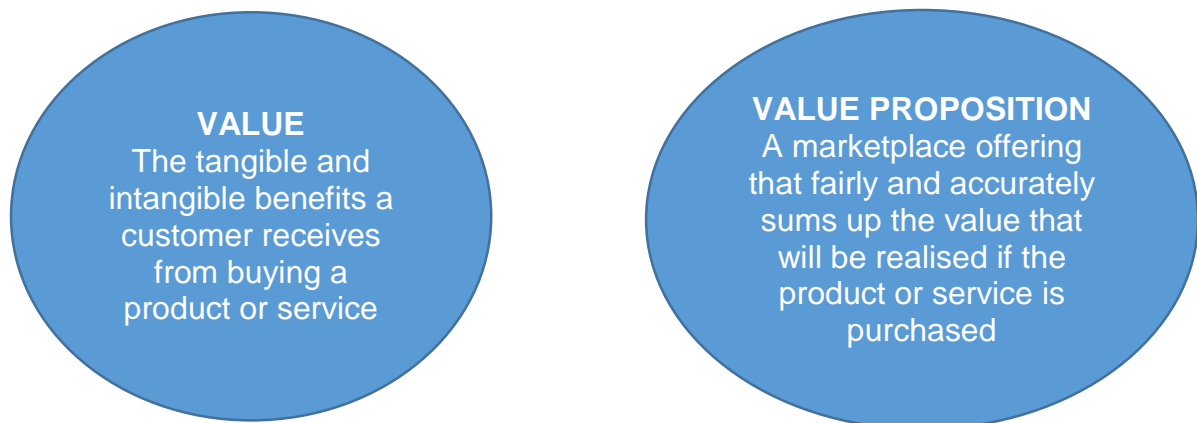
PLACE: DELIVERING VALUE

- Place refers to all activities necessary to make the product available to the right customer when that customer wants it
 - Commonly deals specifically with retailing and marketing channel management
 - Marketing channel management (aka supply chain management) is the set of approaches and techniques that firms employ to efficiently and effectively integrate all parties involved in a transaction into a seamless value chain
 - Merchandise is produced and distributed in the right quantities, to the right locations and at the right time
- Without a strong and efficient marketing channel system, merchandise isn't available when customers want it
 - Customers are disappointed meaning that sales and profits suffer

PROMOTION: COMMUNICATING VALUE

- Promotion is communication by a marketer that informs, persuades and reminds potential buyers about a product to influence their opinions and elicit a response

MARKETING HELPS CREATE VALUE



VALUE OF CUSTOMER

- Shift in focus – to see customers as “partners”
- Some companies calculate the lifetime value of a customer
 - Profit they expect to make from a customer in the future

COMPETITIVE ADVANTAGE

A company's ability to outperform the competition, thereby providing customers with a benefit the competition cannot provide.

- *Distinctive Competency*: a company's superior capability in comparison to its direct competitors

- *Differential Benefit*: properties of products that set them apart from competitor's products by providing unique benefits

WHAT ARE PRODUCTS?

A tangible good, service, idea or some combination of these that satisfies consumer needs through the exchange process.

- Bundle of attributes:
 - Features
 - Functions
 - Benefits
 - Use
- Products do not need to take a physical form
 - Ideas
 - Goods

TYPES OF PRODUCTS

- Consumer goods
 - The (tangible) goods purchased by individual consumers for personal or family use
- Services
 - Intangible products that are exchanged directly from the producer to the customer

MORE TYPES OF PRODUCTS

- Business-to-business
 - From one organisation to another
 - Industrial goods are bought for use in business operations
- Not-for-profit
 - Charities
 - Zoos
 - Churches
 - Museums
 - Governments
- Ideas (community behaviour, i.e. don't drink and drive)
- Places (tourist attractions and locations)
- People (musicians, models, athletes and other celebrities)

WHY IS MARKETING IMPORTANT?

- Importance:
 - Expands global presence
 - Pervasive across channel members
 - Can be entrepreneurial
 - Enriches society
- Marketing was once only an afterthought to product
- However, marketing not only has shifted its focus dramatically, it also has evolved into a major business function that crosses all areas of a firm or organisation
- Advises production about how much the company's product to make and then tell logistics when to shift it

- Creates long-lasting, mutually valuable relationships between the company and the firms from which it buys
- Marketing has a significant impact on consumers as well
 - Would be difficult for any of us to learn about new goods and services

THE MARKETING SEGMENT



MARKETING CREATES UTILITY

