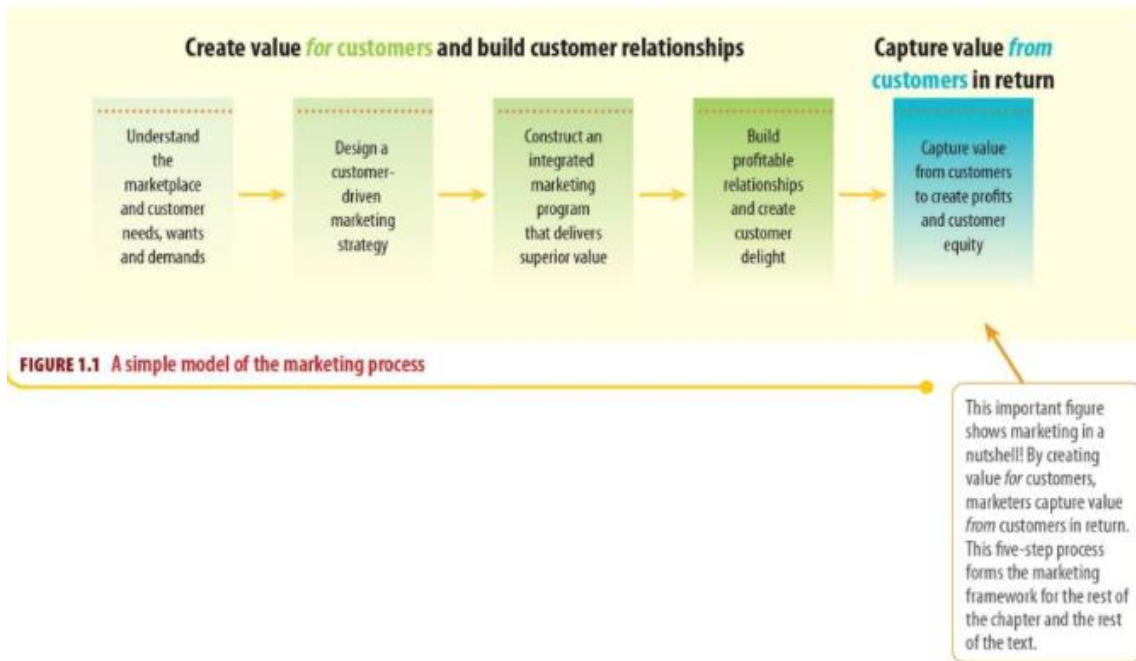


Chapter 1

What is Marketing?

We define marketing as 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.

A model of the marketing process



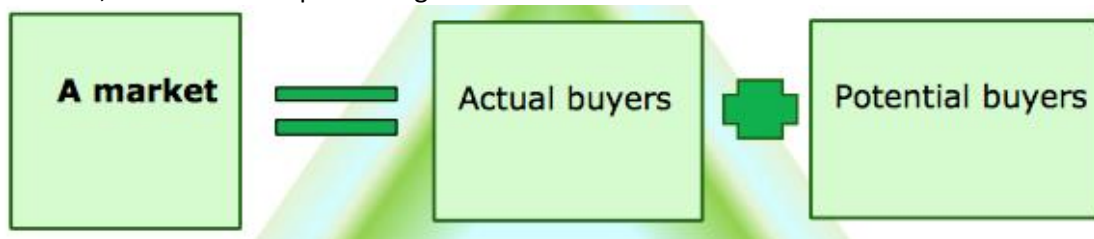
As a first step, marketers need to understand customer needs, wants and demands, and the marketplace within which they operate.

Market offerings: Goods, services and experiences

A market offering is a product that is some combination of goods, services and experiences that can be offered to a market to satisfy a need or want.

Exchange is the act of obtaining a desired object from someone by offering something in return.

A **transaction** is a trade between two parties that involves at least two things of value, agreed-upon conditions, and a time and place of agreement.



Marketing management is the art and science of choosing target markets and building profitable relationships with them

To design a winning marketing strategy, the marketing manager must answer two important questions:



Marketing decisions - Finding, increasing and retaining demand, Changing or reducing demand

The marketing organisation's **value proposition**...

is the set of benefits or values that it promises to deliver to customers to satisfy their needs

should differentiate brands and position them in the marketplace

Marketing management orientations

Five concepts or philosophies guide marketing efforts:

Production concept: focus on production & distribution efficiency

Product concept: focus on continuous product improvements

Selling concept: focus on large-scale selling and promotion (*used extensively with unsought goods*)

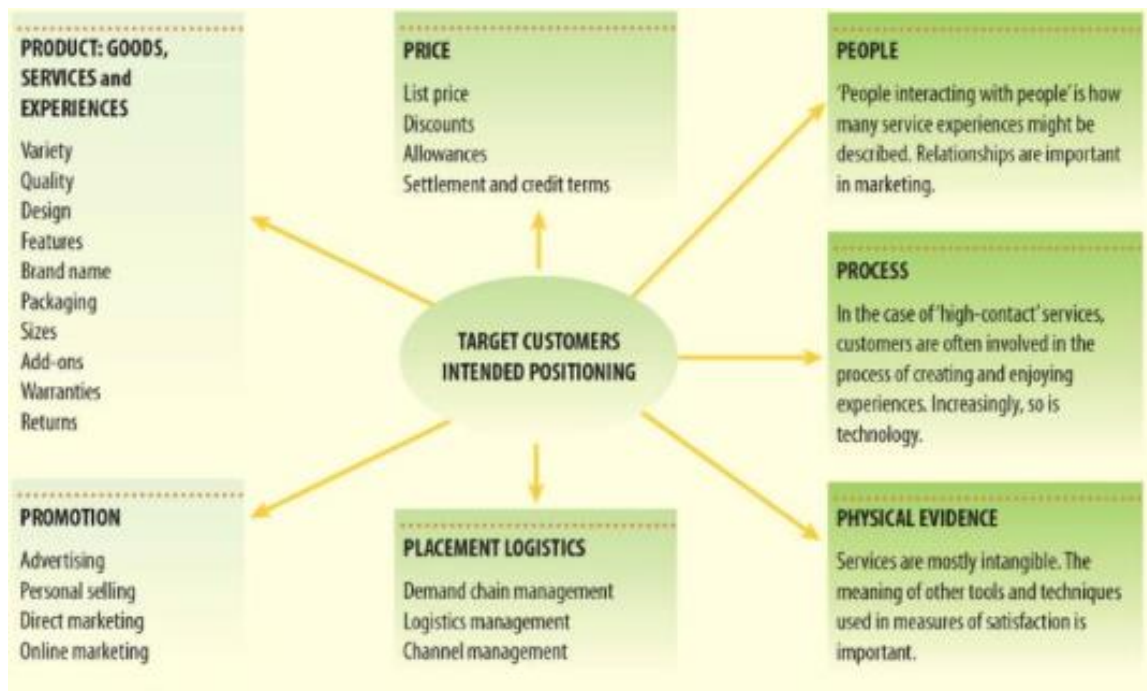
Marketing concept: focus on understanding customer needs and wants, and delivering satisfaction efficiently

Societal marketing concept: deliver value in ways that maintain both the consumer's and society's wellbeing

The marketing program...

builds customer relationships by transforming the marketing strategy into action

consists of the firm's marketing mix – that is, the set of marketing tools the firm uses to implement its marketing strategy



Customer relationship management (CRM) is the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.

Customer lifetime value (CLV): refers to the value of an entire stream of purchases that the customer would make over a lifetime of patronage

