

Chapter One: Introduction to Marketing

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

The creation of a mutually beneficial exchange of value between one party and another that is the purpose of all marketing efforts.

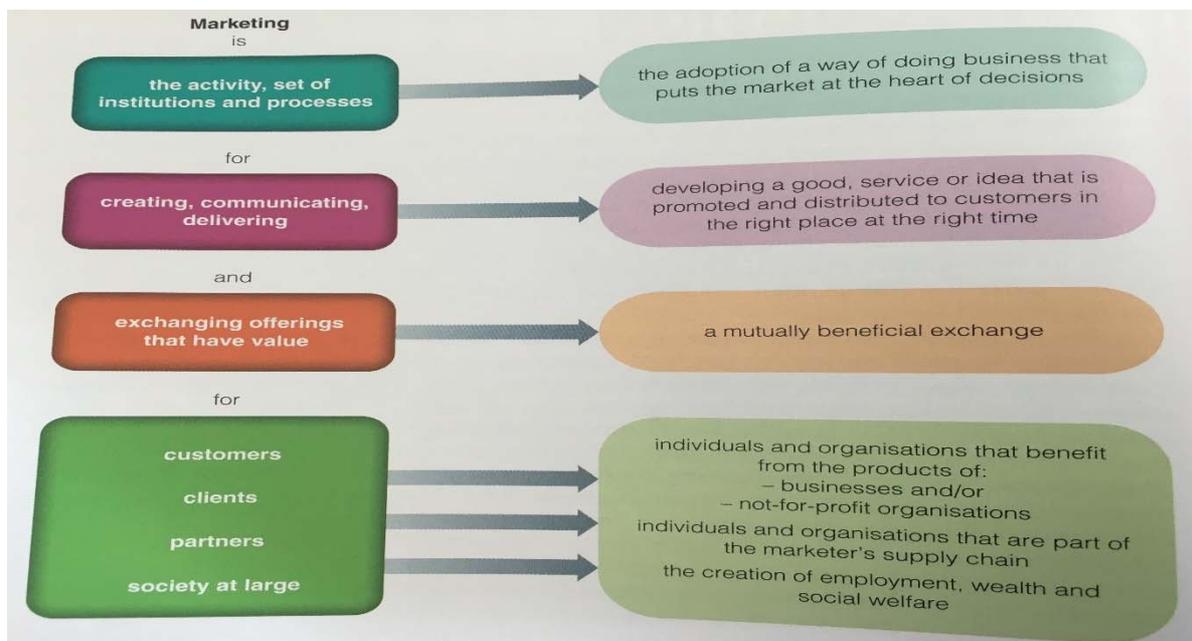
Product | Price | Promotion | Place | People | Processes | Physical Evidence

Corporate Social Responsibility

- Minimise the negative impacts and maximise the positive impacts
 - Late 1800s/ early 1900s – Production orientation
 - 1930s – Sales orientation
 - Mid to late 1900s – Market orientation
 - The 2000s – Social market orientation
- Service –dominant logic vs Goods-dominant mentality

Co-creation: the process whereby consumer experiences are used to drive organisation improvement and change, resulting in enhances market performance drivers for the firm (loyalty, relationships, customer word of mouth)

Marketers need to learn what customers, clients, partners and society wants



Delivery = quality & satisfaction

Customers want products and brands that are reliable and services that fulfil promises

The aim of marketing is to develop mutually beneficial exchanges

Exchange: the mutually beneficial transfer of offerings of value between the buyer and seller

Successful marketing exchange:

- 2 or more parties must participate, each with something of value desired by the other party
- All parties must benefit from the transaction
- The exchange must meet both parties' expectations (e.g. Quality and price)

Exchange is a value-creating process because it leaves both parties better off

Value: A customer's overall assessment of the utility of an offering based on perceptions of what is received and what is given

"Total Offering"

- Reputation
- How employees act
- Features of product
- After sales service
- Quality
- Price

Value is unique for each individual

Value means different things to different people

Market: a group of customers with heterogeneous needs and wants

Customers: people who purchase goods and services for their own or other people's use

Consumers: People who use the goods or services

Clients: "Customers" of the product of Not-For-Profit organisations

Partners: Organisations or individuals who are involved in the activities and processes for creating, communicating and delivering offerings for exchange

Society: A body of individuals living as members of a community

Ethics, Corporate Social Responsibility and Sustainable Marketing

Humanity is facing a variety of serious sustainability challenges

- Climate change
- Rising sea levels
- Peak oil
- Ocean acidification
- Loss of biodiversity, forests, fisheries, soil and fresh water
- Extreme poverty and inequality

Ethics: a set of moral principles that guide attitudes and behaviour. Doing what is 'right'

Subjective and depends on social, cultural and individual factors.

Corporate social responsibility: the obligation of businesses to act in the interests of the societies that sustains them

Stakeholders: individuals, organisations and other groups that have rightful interest in the activities of a business

- Owners
- Employees
- Customers/ clients
- Partners
- Government

To act ethically, lawfully and in the best interests of all of its stakeholders, including the society in which it operates.

Triple Bottom Line: Social, Environmental and Profit

Sustainable Development: Development that meets the needs of the present without compromising the ability of the future generations to meet their own needs

Goals:

- Economic (profit)
- Social (people)
- Environmental (planet)

Factors:

- Consumption (purchasing less)
- Changing purchases (renewable energy)
- Downsizing of the products consumer (purchasing smaller homes and cars)
- Reuse of materials
- Marketing of green products

Sustainable marketing: the "way and means" for combined ecological and economic elements through innovative products and systems

Greenwashing: the dissemination of questionable or potentially misleading information by an organisation in relation to its products, in order for the organisation and its products to be perceived as environmentally friendly

The Marketing Mix

Marketing mix: a set of variables that a marketer can exercise control over in creating an offering for exchange

4 P's = Product, Price, Promotion, Place

Target Market: a group of customers with similar needs and wants

Product

Product: a good or service or idea offered to the market for exchange

Brand: a collection of symbols such as name, logo, slogan and design intended to create an image in the customer's mind that differentiates a product from competitor's products.

Bundle of attributes: the features and functions of a product that benefit the customer

Need: a day-to-day survival requirement: food, shelter and clothing

Want: A desire, but not necessary for day-to-day survival

Demand: a want that a consumer has the ability to satisfy

Good: A physical (tangible) offering capable of being delivered to a customer

Service: An intangible offering that does not involve ownership

Price

The amount of money a business demands in exchange for its offerings

- Production, communication, distribution costs
- Required profitability
- Partners requirements
- Competitors prices
- Customers willingness to pay

Promotion

Promotion: the marketing activities that make potential customers, partners and society aware of and attracted to the business offering

The product might be:

- Already established
- Modified
- New
- Information or education

Not merely advertising

- Loyalty schemes
- Trial packets
- Online communications

Distribution (Place)

Distribution (or place): the means of making the offering available to the customer at the right time and place

Largely logistical function

Logistics: that part of the marketing process concerned with supply and transport

Supply chain: the parties involved in providing all of the raw materials and services that go into getting the product to market

People

- Employees
- Customers

Process

Process: the systems used to create, communicate, deliver and exchange an offering

Physical Evidence

Physical evidence: tangible cues that can be used as a means to evaluate service quality prior to purchase

- Architectural design
- Furniture
- Decor
- Shop fittings
- Colours
- Background music
- Staff uniforms
- Service or delivery vehicles
- Stationary

Social Marketing: a process that used commercial marketing principles and techniques to influence target audience behaviours that will benefit society, as well as the individual