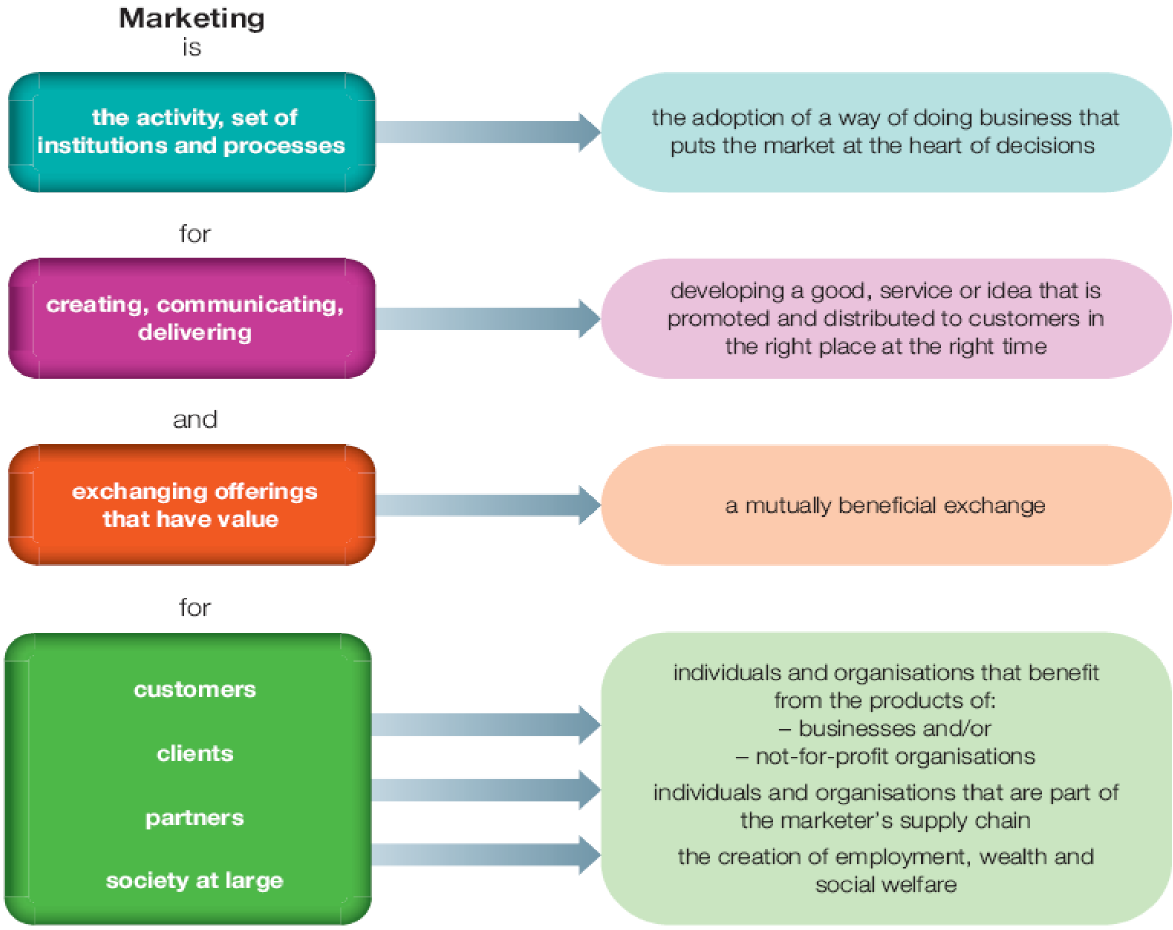
Module One

Topic One

Intro to marketing

Definition of 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.



What comes next:

Service dominant logic – a focus on the intangible elements that provide value beyond the exchange

Customer co-creation – working with customers as partners in creating value

Marketing process:

-Understand – Create – Communicate – Deliver -

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 other party
- all parties must benefit from the transaction
- The exchange must meet both parties' expectations (e.g. quality, price).

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

Value = Quality / Price

= Benefits expected / Benefits received. Value refers to the 'total offering'.

Markets:

A **market** is a group of customers with heterogeneous (different) needs and wants.

Examples include:

- Geographic markets
- Product markets
- Demographic markets

Customers purchase goods and services for their own or other people's use. Consumers use the good or service. Clients are 'customers' of the products of not-for-profit organisations. Partners are all organisations or individuals who are involved in the activities of the exchange process. Society is a body of individuals living as members of a community.

Stakeholders:

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

- owners
- employees
- customers (and clients)
- partners
- Government

Marketing mix:

A set of variables that a marketer can exercise control over in creating an offering for exchange.

Traditionally known as the 4 Ps:

- Product

- Price
- Promotion
- Place (distribution)

Also: people, process, physical evidence

Product

A good, service or idea offered for exchange.

Brand – A collection of symbols creating a differentiated image in the customer's mind.

Demand – A want (non-necessary desire) 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.

Willingness to pay – What customers are prepared to give in return for what they get.

Pricing decisions must also consider:

- production, communication and distribution costs
- required profitability
- partners' requirements
- Competitors' prices.

Promotion:

The marketing activities that make potential customers, partners and society aware of and attracted to the business's offering.

Products may be already established, modified, new, or a form of information or education.

Examples of promotion include: advertising, loyalty schemes, sales promotions, product trials, public relations campaigns, and personal selling efforts**.**

Place – Distribution:

The means of making the offering available to the customer at the right time and place.

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 a product to the market.

People - Anyone coming into contact with customers who can affect value for customers. This includes employees and other customers.

Physical evidence - Tangible cues that can be used as a means to evaluate service quality prior to purchase.

Process - The systems used to create, communicate, deliver and exchange the offering. Everything from the way a product is conceived and designed to the way it is delivered including post-sales services**.**

How marketing improves business:

Firms with a market orientation perform better than firms without a market orientation. They have better profits, sales volumes, market share and return on investment when compared to their competitors. Every employee is a stakeholder in the success of their organisation.