

- Topic 1 Introduction to Marketing

# **MARKETING course**

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# Say hello to Marketing!

- **Marketing and Management**

- **Historical background of Marketing in US**

1. Production concept (1900-1930)

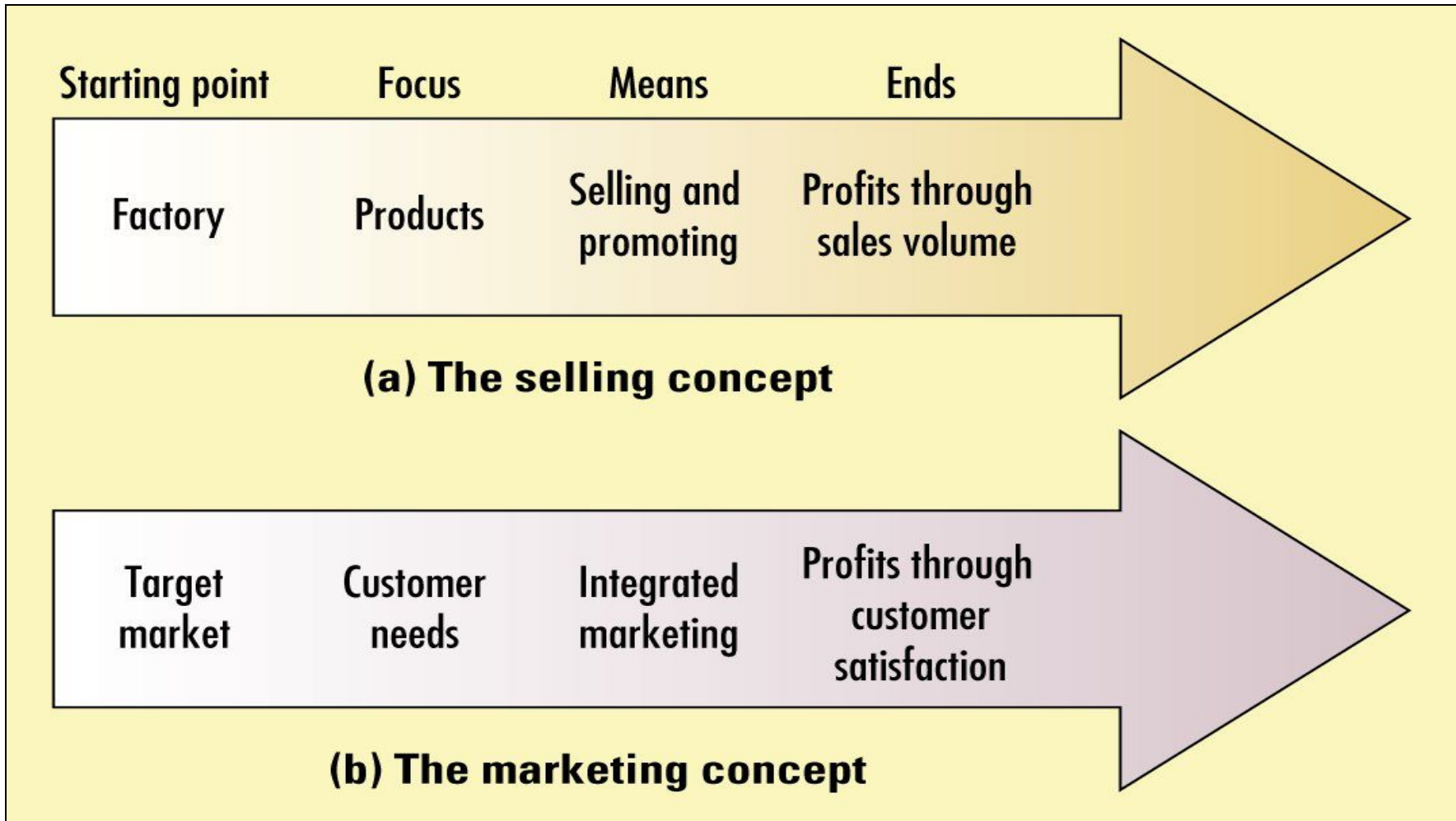
2. Product concept (1930-1950)

3. Selling Concept (1950-1970)

4. Marketing Concept (1970-1990)

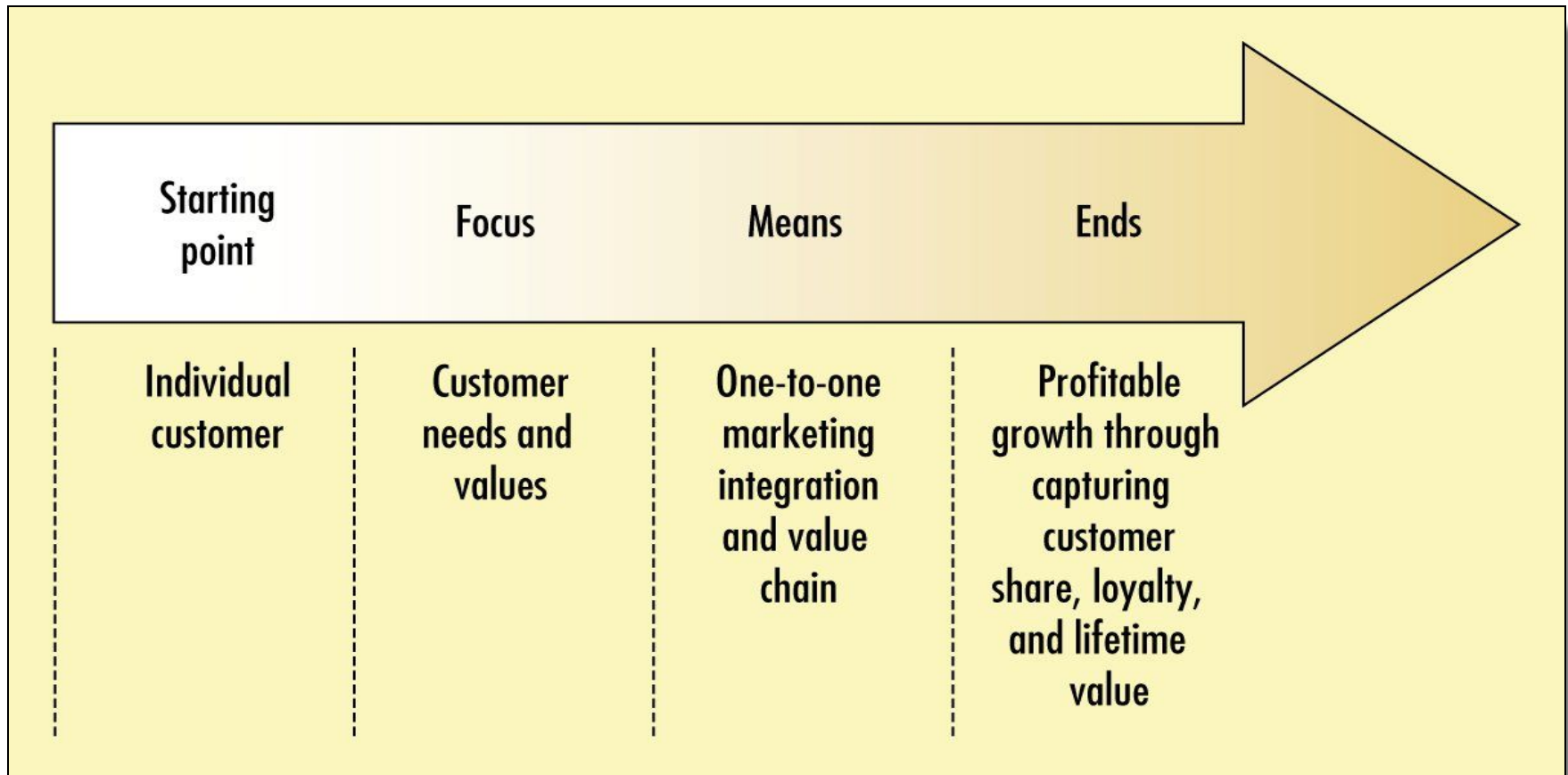
5. Societal Marketing Concept (from 1990)

# Figure 1-7: Contrasts Between the Sales Concept and the Marketing Concept



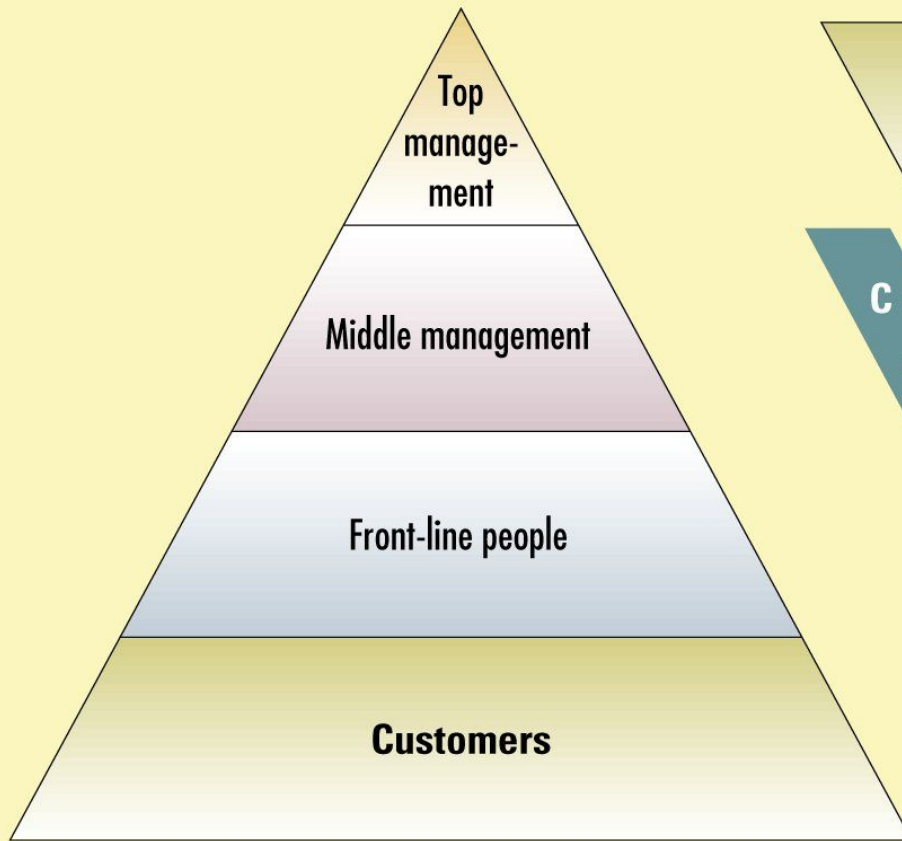
# Company Orientations Toward the Marketplace

Figure 1-10: The Customer Concept

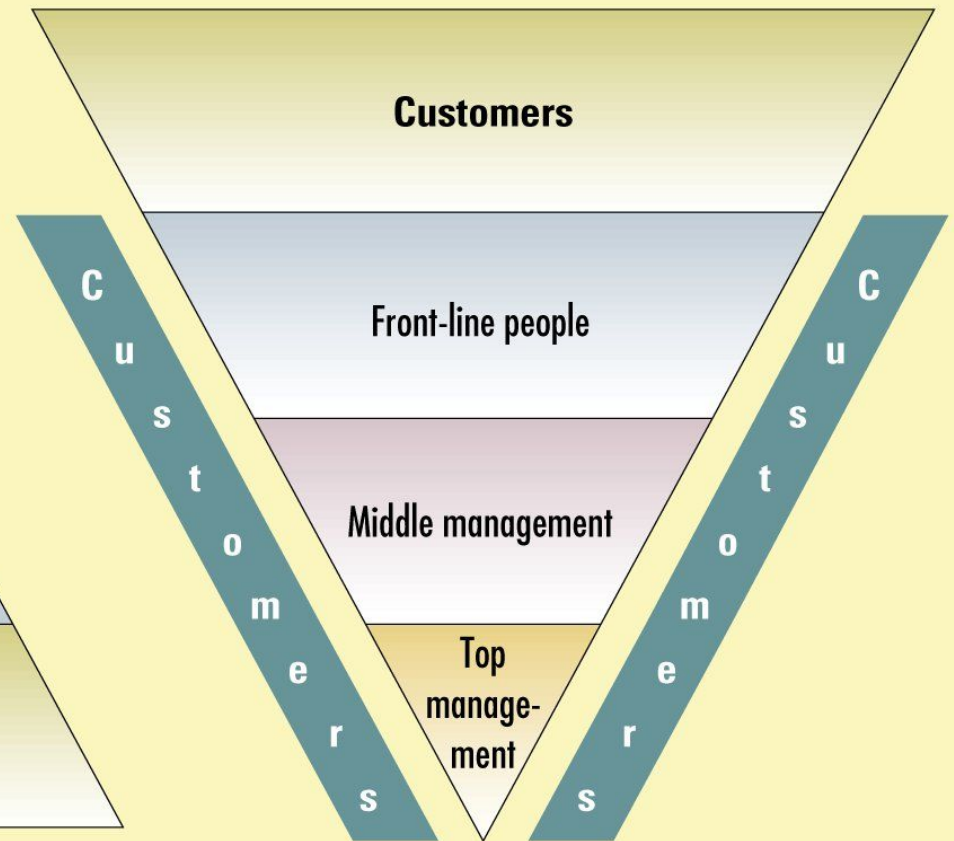


# Figure 1-8: Traditional Organizational Chart versus Modern Customer-Oriented Company Organization Chart

(a) Traditional organization chart



(b) Modern customer-oriented organization chart



# Marketing Concepts and Tools

- **Marketers and Prospects**
- **Needs, Wants, and Demands**
- **Product, Offering, and Brand**
- **Value and Satisfaction**

- Customer value triad
- Value

Value = Benefits / Costs =

(Functional benefits + Emotional benefits) /

(Monetary costs + Time costs + Energy costs + Psychic costs)



# Kotler on Marketing

*The future is not ahead of us. It has already happened.*

*Unfortunately, it is unequally distributed among companies, industries and nations.*



# Marketing Task

- **Ten rules of radical marketing**
  - **The CEO must own the marketing function.**
  - **Make sure the marketing department starts small and flat and stays small and flat.**
  - **Get face to face with the people who matter most – the customers.**
  - **Use market research cautiously.**
  - **Hire only passionate missionaries.**



# Marketing Task

- **Love and respect your customers.**
- **Create a community of consumers.**
- **Rethink the marketing mix.**
- **Celebrate common sense.**
- **Be true to the brand.**
- **Three stages of marketing practice**
  - **Entrepreneurial Marketing**
  - **Formulated Marketing**
  - **Intrepreneurial Marketing**

# The Scope of Marketing

- **Marketing: typically seen as the task of creating, promoting, and delivering goods and services to consumers and businesses.**

**-as business philosophy is oriented on customer satisfaction**

## **Table 1.1 Demand States and Marketing Tasks**

<b>1. Negative demand</b>	<b>A major part of the market dislikes the product and may even pay a price to avoid it—vaccinations, dental work, vasectomies, and gallbladder operations, for instance. Employers have a negative demand for ex-convicts and alcoholics as employees. The marketing task is to analyze why the market dislikes the product and whether a marketing program consisting of product redesign, lower prices, and more positive promotion can change beliefs and attitudes.</b>
<b>2. No demand</b>	<b>Target consumers may be unaware of or uninterested in the product. Farmers may not be interested in a new farming method, and college students may not be interested in foreign-language courses. The marketing task is to find ways to connect the benefits of the product with people’s natural needs and interests.</b>

***See text for complete table***

# *Discussion Question*

**Can you name a category of products for which your negative feelings have softened?**

**What precipitated this change?**



# The Scope of Marketing

- **Places**
- **Properties**
- **Organizations**
- **Information**
- **Ideas**
- **Goods**
- **Services**
- **Experiences**
- **Events**
- **Persons**



# The Decisions Marketers Make

- **Consumer Markets**
- **Business Markets**
- **Global Markets**
- **Nonprofit and  
Governmental Markets**



# Marketing Concepts and Tools

- **Defining Marketing**
  - Marketing
  - Marketing management
- **Core Marketing Concepts**
  - Target Markets and Segmentation

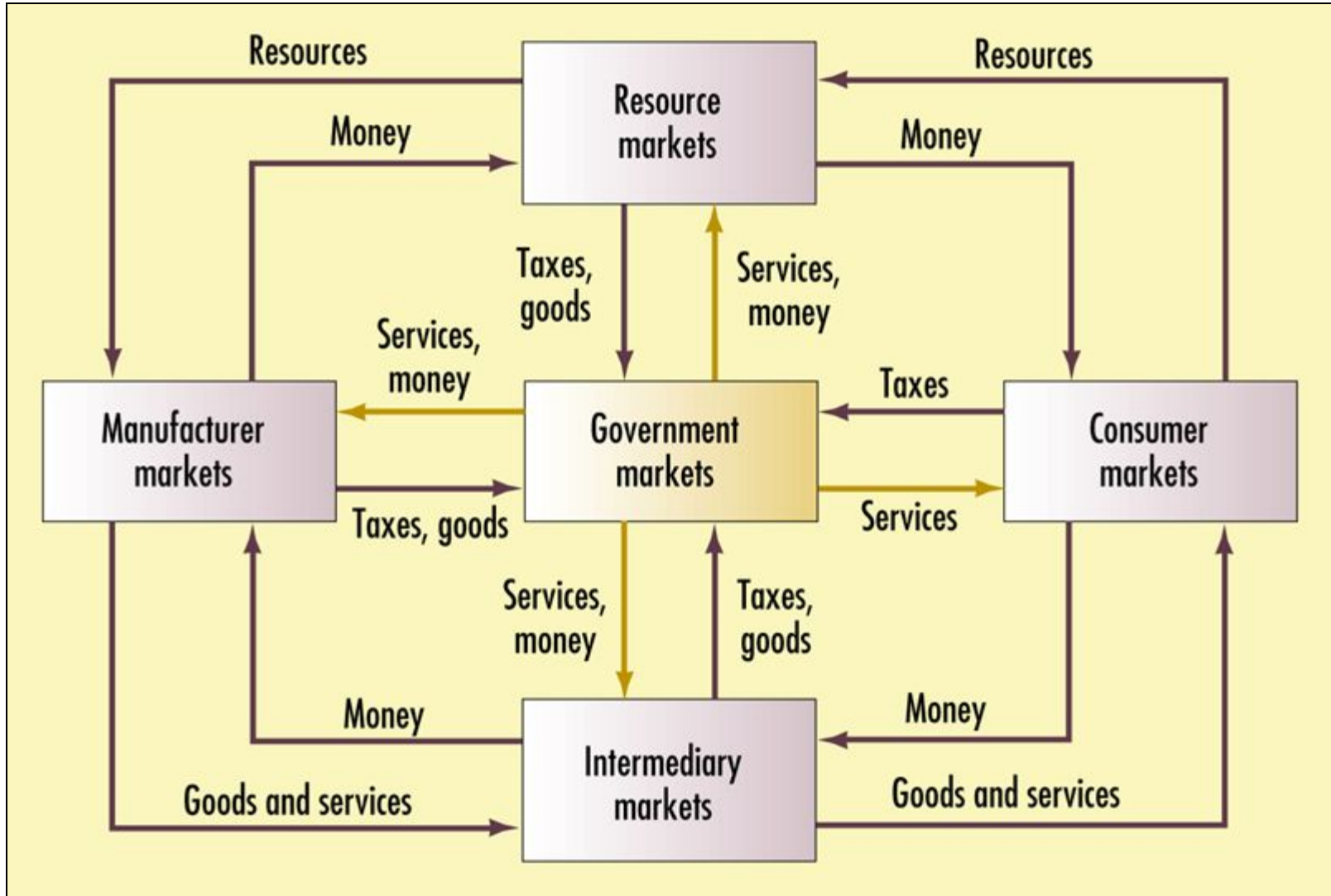


## Figure 1-1: A Simple Marketing System





# Figure 1-2: Structure of Flows in a Modern Exchange Economy



# Marketing Concepts and Tools

- **Relationships and Networks**
  - Relationship marketing
  - Marketing network
- **Marketing Channels**
- **Supply Chain**
- **Competition**



# Marketing Concepts and Tools

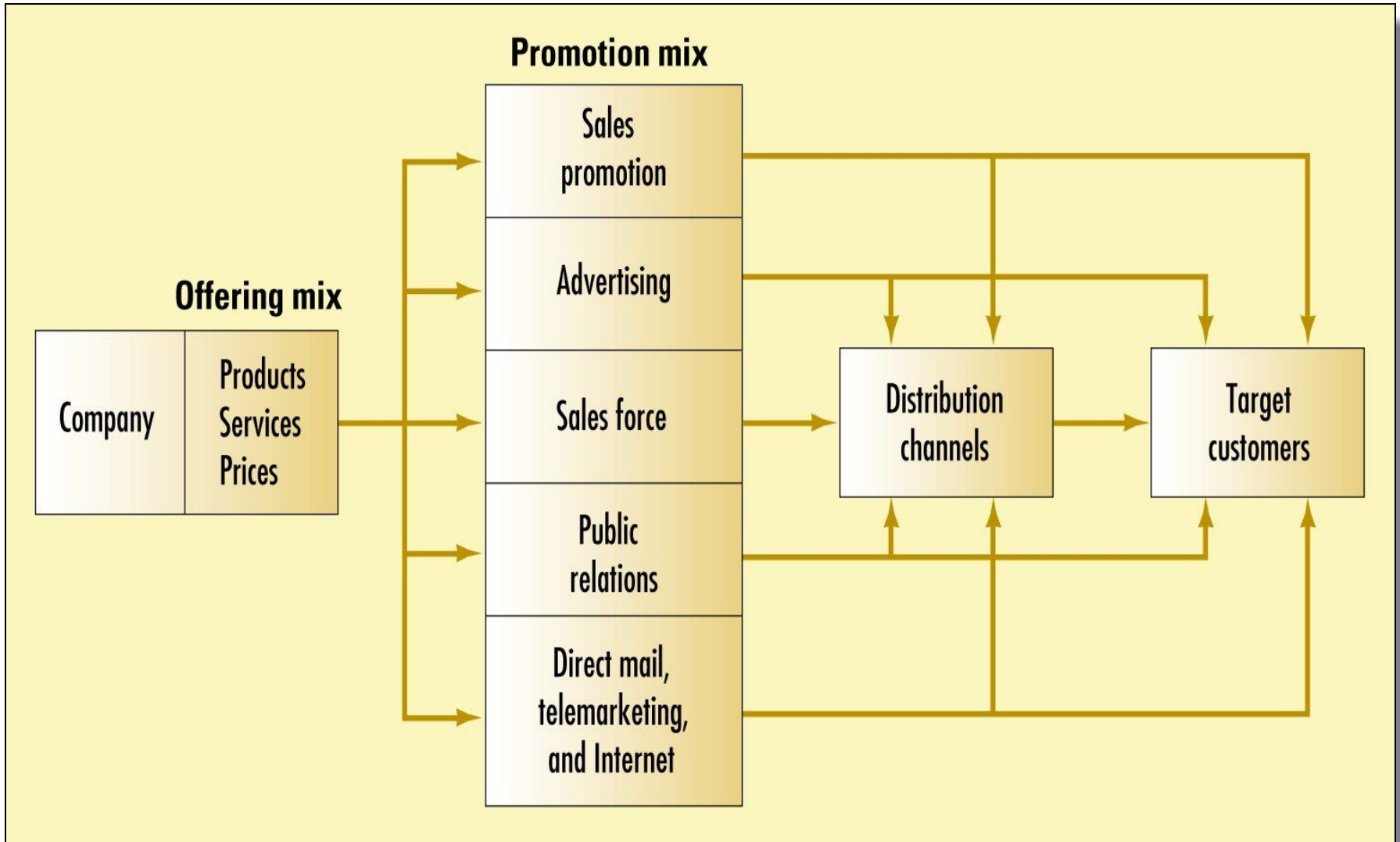
- Brand competition
- Industry competition
- Form competition
- Generic competition
- Marketing environment
  - Task environment
  - Broad environment
- Marketing Program
  - Marketing program
  - Marketing mix



**Figure 1-5:  
The Four P  
Components  
of the  
Marketing Mix**



# Figure 1-6: Marketing-Mix Strategy



# Company Orientations Toward the Marketplace

- **Target Market**
- **Customer Needs**
  - **Stated needs**
  - **Real needs**
  - **Unstated needs**
  - **Delight needs**
  - **Secret needs**



# Other functions of Marketing

- **Except 4 “P”s the following functions are included**
- **Market segmentation**
- **Marketing research**
- **Strategic planning**
- **Global marketing**

# Company Orientations Toward the Marketplace

- **Integrated Marketing**
  - External marketing
  - Internal marketing





# Company Orientations Toward the Marketplace

- **Profitability**
  - Sales decline
  - Slow growth
  - Changing buying patterns
  - Increasing competition
  - Increasing marketing expenditures



# *Discussion Question*

**Can you identify the trends that have made the marketing concept, the customer concept, and the societal marketing concept more attractive models for contemporary marketing managers?**



# How Business and Marketing are Changing

- **Customers**
- **Brand manufacturers**
- **Store-based retailers**



# How Business and Marketing are Changing

- **Company responses and adjustments**
  - Reengineering
  - Outsourcing
  - E-commerce
  - Benchmarking
  - Alliances
  - Partner-suppliers
  - Market-centered
  - Global and local
  - Decentralized



# How Business and Marketing are Changing

## ■ Marketer Responses and Adjustments

- Customer relationship marketing
- Customer lifetime value
- Customer share
- Target marketing
- Customization
- Customer database
- Integrated marketing communications
- Channels as partners
- Every employee a marketer
- Model-based decision making