

- 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)

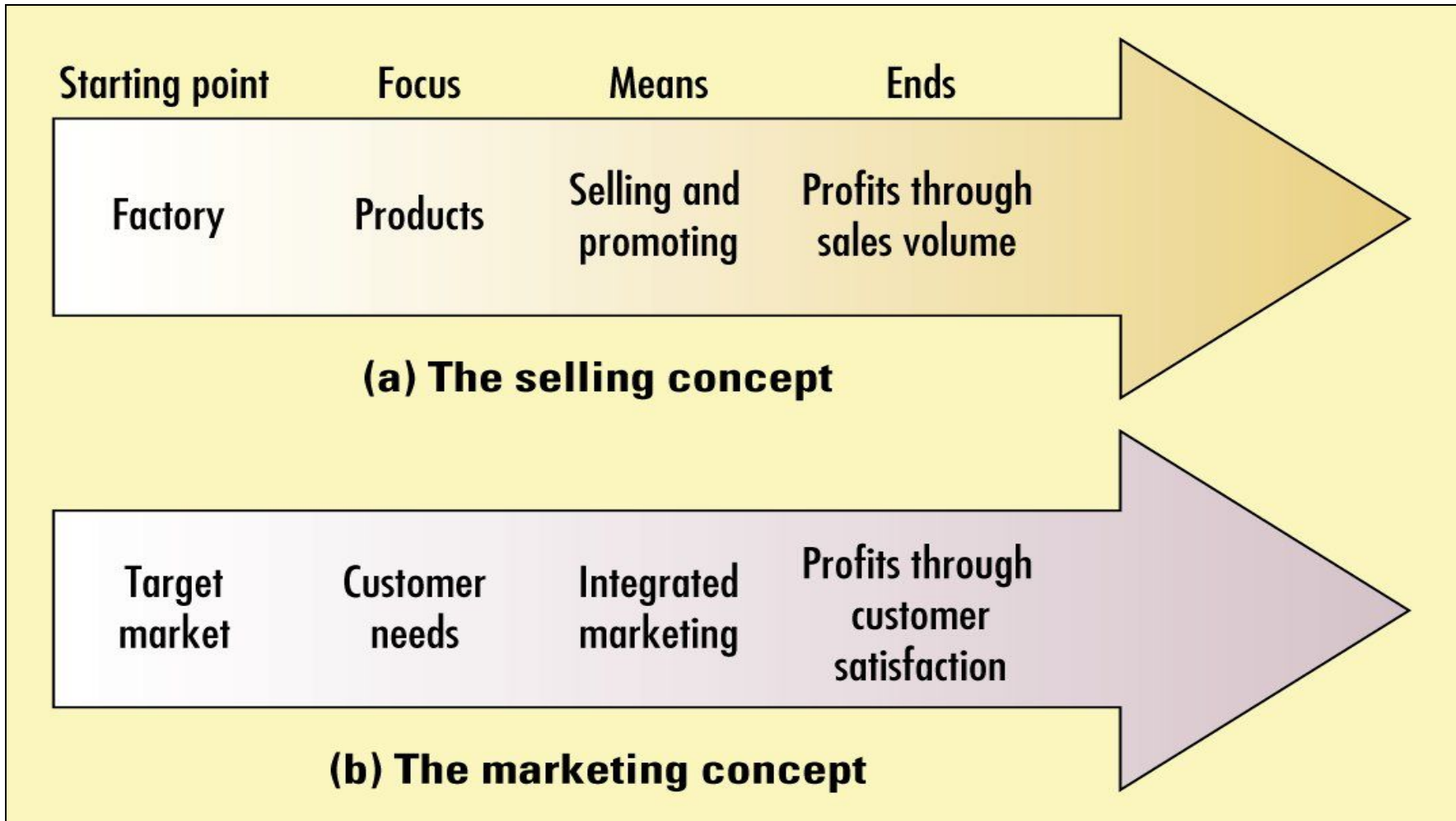
2. Product concept (1930-1950)

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

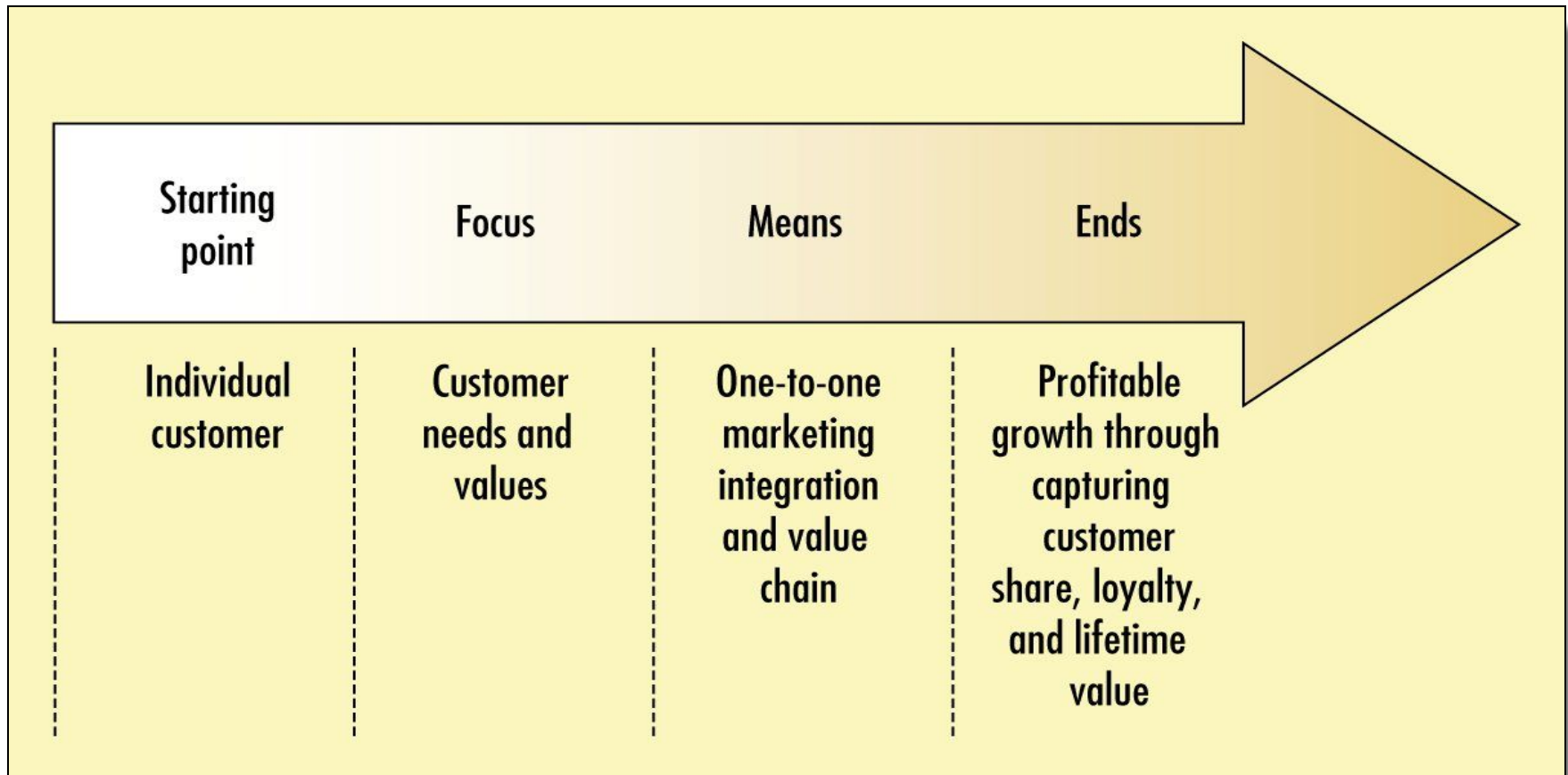
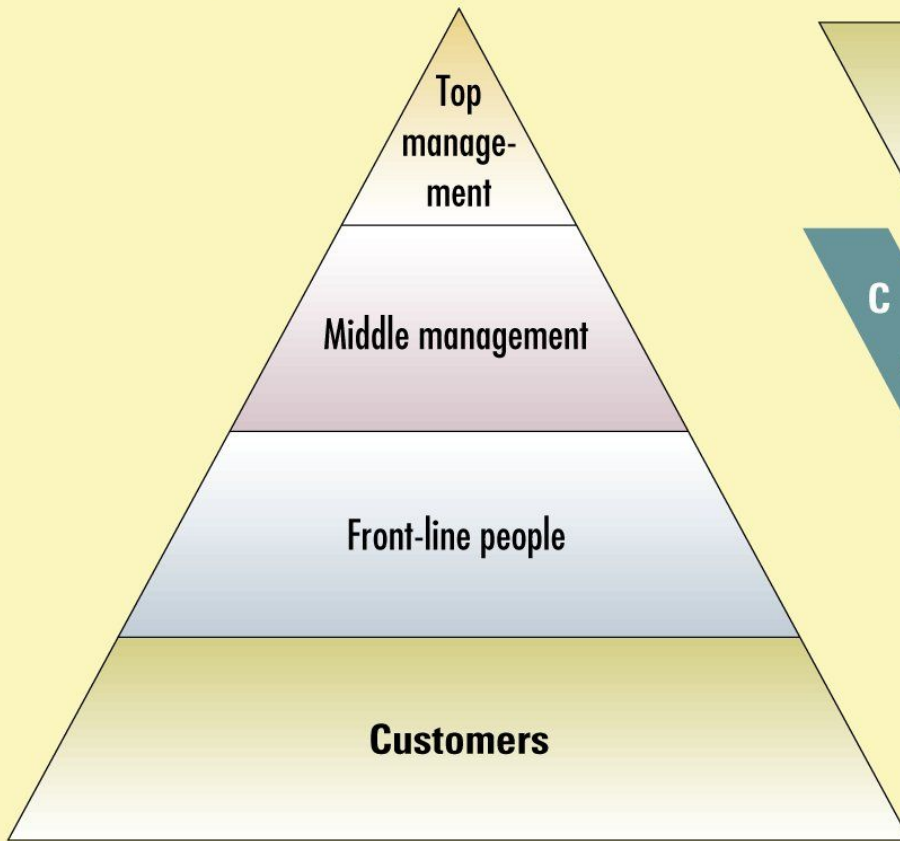
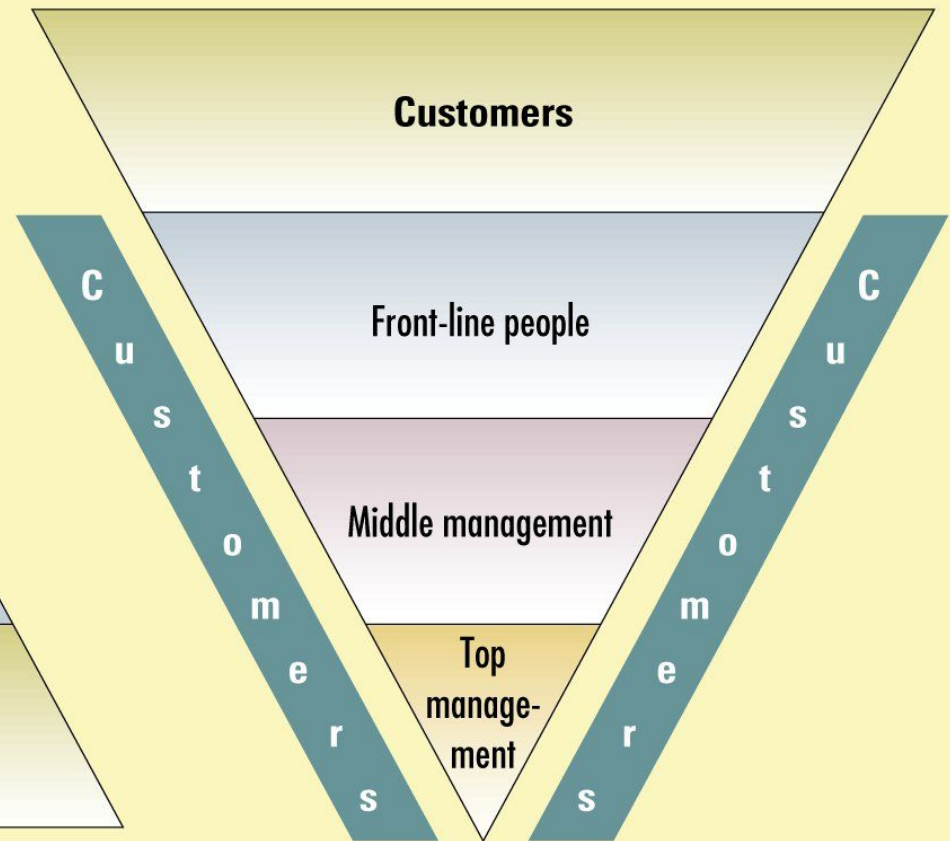


Figure 1-8: Traditional Organizational Chart versus Modern Customer-Oriented Company Organization Chart

(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

1. Negative demand	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.
2. No demand	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.

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

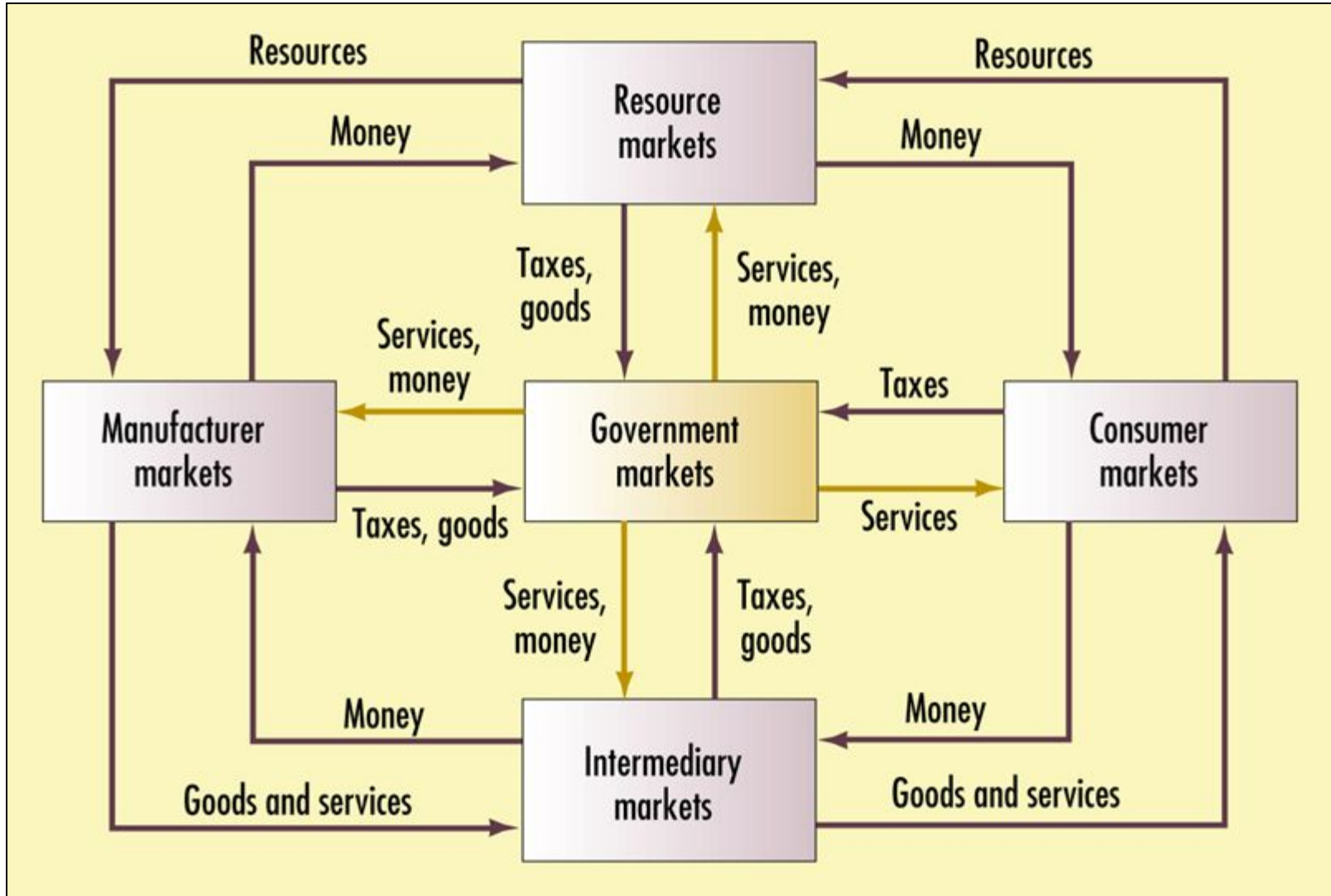
- **Defining Marketing**
 - Marketing
 - Marketing management
- **Core Marketing Concepts**
 - Target Markets and Segmentation



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

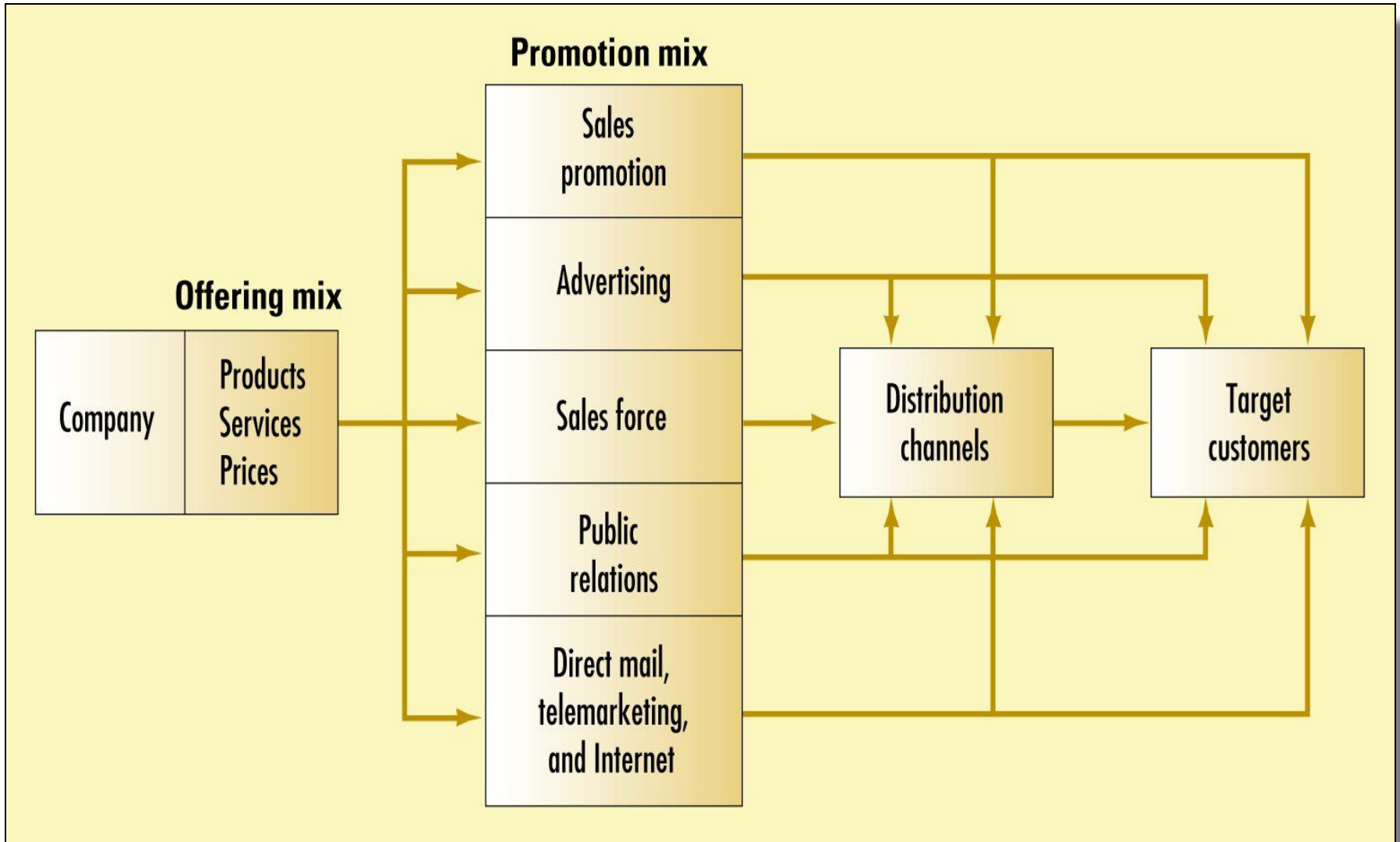
- Brand competition
- Industry competition
- Form competition
- Generic competition
- Marketing environment
 - Task environment
 - Broad environment
- Marketing Program
 - Marketing program
 - Marketing mix



**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