

# What is marketing?

A process by which people get what they need and want through creating and exchanging products

# What is its objective?

To maximize profits through satisfying the needs and wants of the customers

# Core marketing concepts

- Needs, wants, demands
- Marketing offers (products, services)
- Value and satisfaction
- Exchange, transactions, relationships
- Markets

# Needs

- Physical (for food, clothes, safety)
- Social (for belonging and affection)
- Individual (for knowledge or self-expression)

# What does a person do if a need is not satisfied?

- Looks for an object that will satisfy it
- Tries to reduce the need

# Wants

The form human needs take  
under the influence of the  
culture and individual  
personality

# Demands

Human wants that are  
backed by buying power

Understanding customer needs,  
wants and demands helps  
companies to design marketing  
strategies



# Marketing offer

A combination of products, services, information, or experiences offered to a market to satisfy a need or want

Consumers make buying choice  
based on their perception of the  
**value**  
that products and services give them

# Customer value

The consumer's assessment of the product's capacity to satisfy his or her needs

The difference between the values the customer gains from using the product and the costs of obtaining the product

# Customer satisfaction

Depends on the product's  
performance relative to the  
customer's (buyer's)  
expectations

# If the product's performance

- matches the customer's expectations



- the customer is satisfied

- doesn't match the customer's expectations



- the customer is dissatisfied

Marketing occurs when people  
decide to satisfy needs and  
wants through exchange

# Exchange

The act of getting a desired object from someone by offering something in return

# What makes exchange possible?

- At least two parties must participate
- Each party must have something of value to offer the other
- The parties must come to an agreement



# Transaction

Consists of a trading of values  
between two parties

If exchange is the core concept of marketing, a  
transaction is marketing's unit of measurement

Transaction marketing is part of



# Relationship marketing

The process of creating,  
maintaining and enhancing  
strong relationships with  
customers

# What is more profitable for the company?

- to attract new customers
- or
- to keep current customers satisfied

It costs five times as much to attract a new customer as it does to retain a current one

The concepts of exchange and relationships  
lead to the concept of a

## Market



The set of all actual and potential buyers  
of a product or service

The buyers have similar needs or wants  
that can be satisfied through exchanges  
and relationships

# Marketing process

The process of analysing market opportunities, selecting target markets, developing the marketing mix, and managing the marketing effort

# Market research

A specialised form of marketing that links the consumer to the marketer through information that is used to identify and define marketing opportunities and problems, to generate, evaluate marketing actions, to monitor marketing performance, and to improve understanding of the marketing process

# Market segmentation

Dividing a market into distinct groups of buyers with similar needs, characteristics or behaviour

# Marketing segment

A group of consumers who respond in a similar way to a given set of marketing stimuli



# Marketing targeting

The process of evaluating each market segment's attractiveness and selecting one or more segments to enter

# Market positioning

Arranging for a product to occupy a clear, distinctive and desirable place relative to competing products in the minds of target consumers. Formulating competitive positioning for a product and a detailed marketing mix

# Product's position

the place the product occupies in consumers' minds relative to competing products

# Market leader

The firm in an industry with the largest market share

# Marketing mix

The set of controllable tactical marketing tools — product, price, place and promotion — that the firm uses to produce the response it wants in the target market.

The marketing mix consists of everything the firm can do to influence the demand for its product

# Product

Anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organisations and ideas

# Price

The amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service

# Promotion

Activities that communicate the product or service and its merits to target customers and persuade them to buy



# Place

All the company activities that make the product or service available to target customers