

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