

Introduction to Marketing

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What is marketing?

- ‘Marketing is the management process that identifies, anticipates and satisfies customer requirements profitably’
- ‘The right product, in the right place, at the right time, and at the right price’
- ‘Marketing is the human activity directed at satisfying human needs and wants through an exchange process’

For an exchange to occur.....

- There are at least two parties.
- Each party has something that might be of value to the other party.
- Each party is capable of communication and delivery.
- Each party is free to reject the exchange offer.
- Each party believes it is appropriate or desirable to deal with the other party

What is Marketed?

- Goods
- Services
- Events
- Experiences
- Persons

- Places
- Properties
- Organizations
- Information
- Ideas

Key Customer Markets

- Consumer markets
- Business markets
- International Markets/Global markets
- Nonprofit/Government markets

Evolution of Marketing

- Production Era
- Sales Era
- Marketing Concept Era
- Societal Era

1. Production Orientation

- Focuses on internal capabilities of firm.
- “Field of Dreams” strategy
 - “If we build it, they will come”
- Best used when
 - competition is weak
 - demand exceeds supply
 - generic products competing solely on price
- Problem is that they don’t understand wants/needs of marketplace.

2. Sales Orientation

- People will buy more goods/services if aggressive sales techniques are used.
- High sales will result in high profits.
- Used with unsought products
 - life insurance
 - encyclopedias
- Problem is that they don't understand wants/needs of marketplace.
- I can sell everything, if I know how to sell it

3. Marketing Orientation

Marketing concept

The social and economic justification for an organization's existence is the satisfaction of customer wants and needs, while meeting organizational objectives.

3. Marketing Orientation . . .

- Focusing on customer wants so the organization can distinguish its products from competitors' .
- Integrating all the organization's activities, including promotion, to satisfy these wants.
- Achieving long term goals for the organization by satisfying customer wants and needs legally and responsibly.

3. Marketing Orientation . . .

- Requires:
 - Top management leadership
 - A customer focus
 - Competitor intelligence
 - strengths
 - weaknesses
 - Interfunctional coordination to meet customer wants/needs and deliver superior values.

4. Societal Marketing Orientation

- Organization exists not only to satisfy customer wants/needs and to meet organizational objectives, but also to preserve and enhance individuals' and society's long-term best interests.
- Extends marketing concept to serve one more customer - society as a whole.

Differences between Sales & Marketing Orientations

Production/Sales Focus

- Organization's needs
- Producing/Selling goods/services
- Everybody
- Profit through max. sales volume
- Intensive promotion

Marketing Focus

- Customer's needs
- Satisfying customer wants/needs
- Specific groups of people
- Profit through customer satisfaction
- Coordinated mktg. activities (4 p's)

Marketing Philosophies

| Orientation | Key Ideas |
|-------------|---|
| Production | Focus on efficiency of internal operations – if we make it, they will buy it |
| Sales | Focus on aggressive sales techniques and believe that high sales result in high profits |
| Marketing | Focus on satisfying customer needs and wants while meeting objectives - if they will buy it, we will make it |
| Societal | Focus on satisfying customer needs and wants while enhancing individual and societal well-being. I.e.-mfg using recyclables |

Relationship Marketing

- Forging long-term partnerships with customers and contributing to their success.
- Companies benefit from
 - repeat sales/referrals that lead to increases in sales, market share and profits, and
 - decreased costs - it's less expensive to serve existing customers than attract new ones.

3. Relationship Marketing. . .

- Customers benefit from:
 - stable relationships with suppliers (especially in business-to-business)
 - greater value and satisfaction
 - discounts, (frequent flyer programs, shopper clubs, etc.)

3. Relationship Marketing . . .

- Successful relationship marketers have:
 - customer-oriented personnel
 - effective training programs
 - employees with authority to make decisions and solve problems
 - teamwork

Marketing Mix and the Customer

Four Ps

- Product
- Price
- Place
- Promotion

Four Cs

- Customer solution
- Customer cost
- Convenience
- Communication

Core Concepts

- Needs, wants, and demands
- Target markets, positioning, segmentation
- Offerings and brands
- Value and satisfaction
- Marketing channels
- Supply chain
- Competition
- Marketing environment
- Marketing planning

Implications of marketing

- Who are our existing / potential customers?
- What are their current / future needs?
- How can we satisfy these needs?
 - Can we offer a product/ service that the customer would value?
 - Can we communicate with our customers?
 - Can we deliver a competitive product of service?
- Why should customers buy from us?

Successful marketing requires

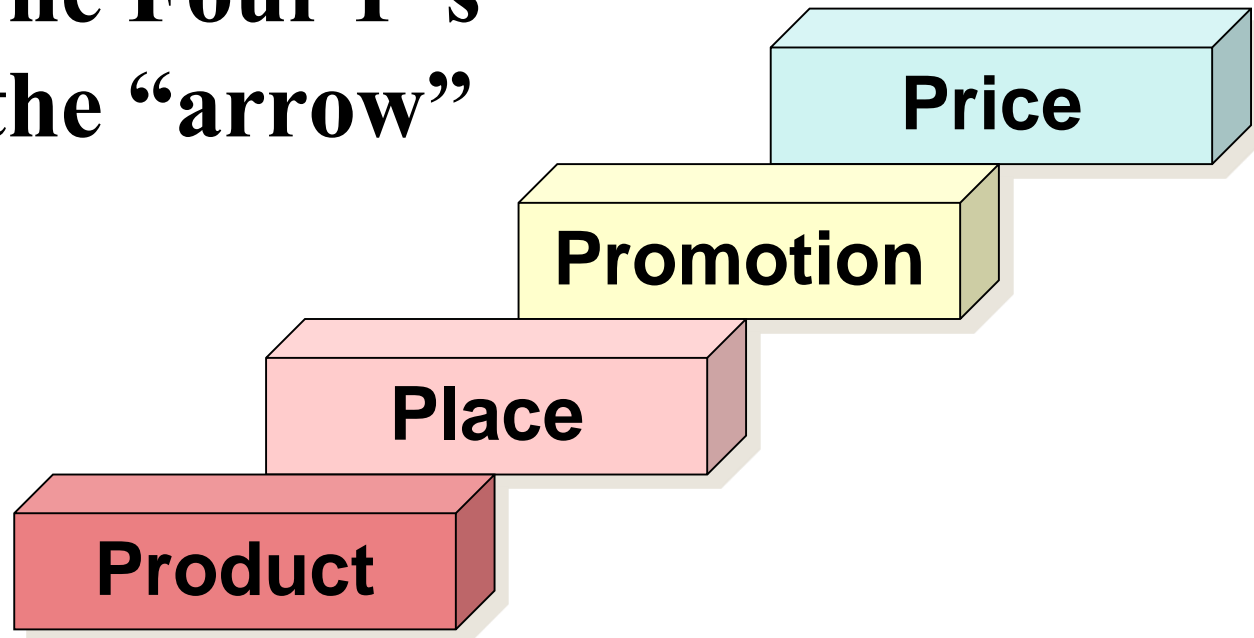
- Profitable
- Offensive (rather than defensive)
- Integrated
- Strategic (is future orientated)
- Effective (gets results)

Marketing management process

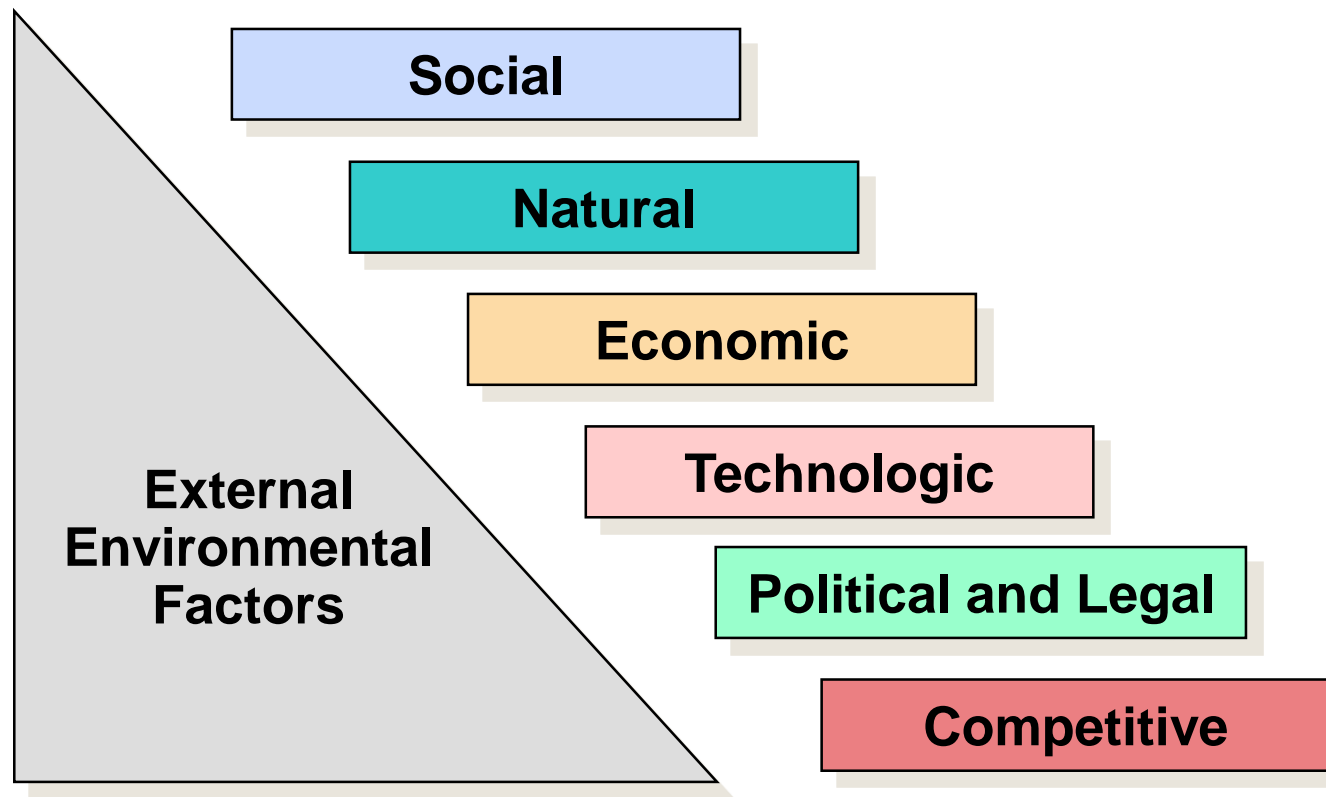
- Analysis/ Audit - where are we now?
- Objectives - where do we want to be?
- Strategies - which way is best?
- Tactics - how do we get there?
- Implementation - Getting there
- Control - Ensuring arrival

CONTROLLABLE FACTORS AFFECTING MARKETING DECISIONS

**The Four P's
-the “arrow”**



UNCONTROLLABLE FACTORS AFFECTING MARKETING DECISIONS

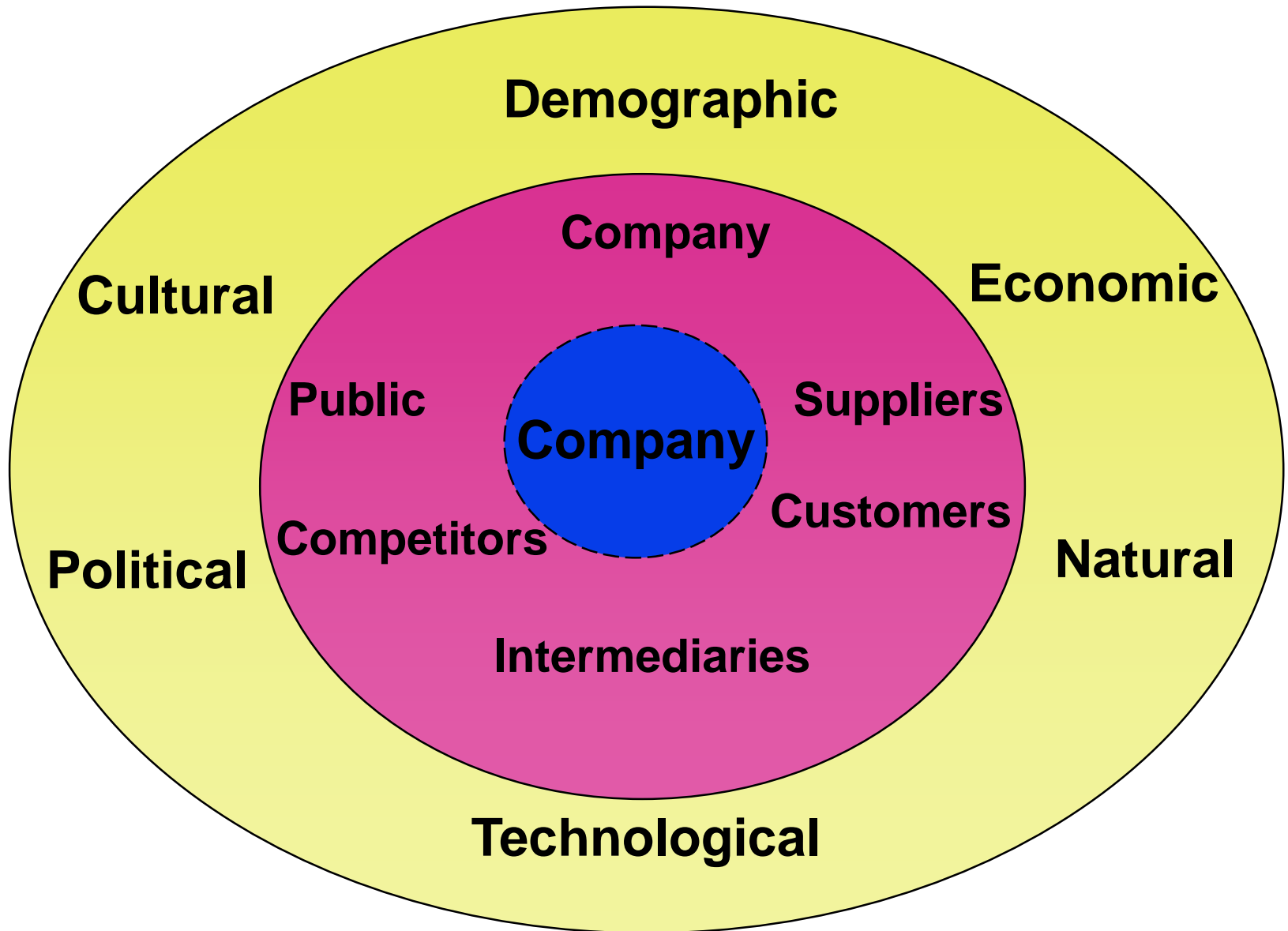


Marketing Environment

- All the actors and forces influencing the company's ability to transact business effectively with its target market

Market Environment

- Includes:
 - Microenvironment - forces close to the company that affect its ability to serve its customers.
 - Macroenvironment - larger societal forces that affect the whole microenvironment



The Company's Microenvironment

Company's Internal Environment- functional areas such as top management, finance, and manufacturing, etc.

Suppliers - provide the resources needed to produce goods and services.

Marketing Intermediaries - help the company to promote, sell, and distribute its goods to final buyers.

Contd..

Customers - types of markets that purchase a company's goods and services.

Competitors - those who serve a target market with similar products and services.

Public - any group that perceives itself having an interest in a company's ability to achieve its objectives.

The Company's Macroenvironment

Demographic - monitors population in terms of age, sex, race, occupation, location and other statistics.

Economic - factors that affect consumer buying power and patterns.

Natural - natural resources needed as inputs by marketers or that are affected by marketing activities.

PEST analysis

- Political factors
- Economic factors
- Socio-cultural factors
- Technological factors

Political/legal

- Monopolies legislation
- Environmental protection laws
- Taxation policy
- Employment laws
- Government policy
- Legislation

Economic Factors

- Inflation
- Employment
- Disposable income
- Business cycles
- Energy availability and cost

Sociocultural factors

- Demographics
- Distribution of income
- Social mobility
- Lifestyle changes
- Consumerism
- Levels of education

Technological

- New discoveries and innovations
- Speed of technology transfer
- Rates of obsolescence
- Internet
- Information technology

ENVIRONMENTAL FORCE

TREND IDENTIFIED BY AN ENVIRONMENTAL SCAN

Social

- Declining differences in gender roles and buying patterns
- Growing diversity of the U.S. population
- Decline in smoking and tobacco use throughout the world

Economic

- Increasing military and humanitarian expenditures related to the war on terrorism
- The shift of white-collar work to offshore locations
- Increase in savings and money management as many workers approach retirement

Technological

- Increasing use of wireless broadband technology
- The dramatic growth of the open source (free) software movement, started by Linux
- Advances in biotechnology, cosmetic surgery, and cancer drugs

Competitive

- The growing influence of China as the world leader in technology manufacturing
- The development of corporate competitive intelligence departments and relationships with federal security agencies
- Increased focus on empowering workers to improve performance

Regulatory

- New legislation related to digital copyright and intellectual property protection
- Greater concern for privacy and personal information collection
- New legislation on Internet taxation, e-mail spam, and domain names

Marketing Plan

- Market Analysis
- Company Analysis
- Determining the Goals
- Determining the Strategies
- Determining the Tactics
- Control

Market Analysis

- Customer Analysis
 - Segmentation
 - Motivation
 - Unmet Needs

Market Analysis

- Competitor Analysis
 - Who are our competitors (Rivals)?
 - What advantages do they have?
 - What are their goals?
 - What are their strategies?
 - What are their organizational structures?
 - What are their strengths and weaknesses?

Market Analysis

- Structural Analysis
 - Industrial analysis
 - Actual and potential size of the industry
 - Growth of the industry
 - Cost structure of the industry
 - Distribution structure of the industry
 - Changes in the industry

Company Analysis

- SWOT analysis

SWOT analysis

- Strengths (internal)
- Weaknesses (internal)
- Opportunities (external)
- Threats (external)

Thank you!!!!!!!