Chapter 1: Marketing Principles + Society

Definition:

- **CIM**: The management process of anticipating, identifying + satisfying customer requirements profitably (2001)
- **AMA**: Marketing is the activity, set of institutions, + processes for creating communication, delivering, + exchanging offerings that have value for customers, clients, partners, + society at large (2007)

  ➔ Need for marketers to undertake environmental scanning + market research
  ➔ Influencing the behaviour of publics > market segmentation + positioning

- **Customer** = buyer, purchaser, patron, client, shopper of a product
- **Consumer** = user of a product
- **Customer + Consumer** can be the same person
- **Market orientation** – current + future customer needs
  - Customer Orientation = measure customer satisfaction, meet customer needs
  - Competitor Orientation = understand competitors’ short-term strengths + weaknesses
  - Interfunctional Coordination = all functions in org. work together → long-term profit
- **4 P’s** (McCarthy, 1960)
  - **Product** – offering, how it meets customer needs, packaging, labelling
  - **Place** – the way in which it meets customer needs
  - **Price** – cost to customer, cost + profit to seller
  - **Promotion** – how benefits + features are conveyed to potential buyer

- **Marketing as an Exchange!**
  - **Police → Public** (protection + public order); **Public → Police** (funds + cooperation)
  - **Retailer → Customer** (goods + service); **Customer → Retailer** (Payment at retail price)
  - **Manufacturer → Retailer** (goods, credit + return facilities, distribution arrangements, etc.); **Retailer → Manufacturer** (Payment at wholesale price)
- **Marketing for services** 3 P’s (Booms + Bitner, 1981)
  - **Physical evidence** – brochures, statistics, etc.
  - **Process** – service delivery, standardized menu
  - **People** – customer service personnel, interact, satisfy

- **Relationship marketing** – customer retention, loyalty (rewards)
- **Consumer Goods Perspective** – fast moving market, product is tangible (has physical form), retailing, stimulate demand → advertisement, market research
- **Service Perspective** – intangible service, quality of service
- **B2B Perspective** – buy in volume, trained to buy, best supplier possible – contract, legal guidelines, commitment + trust, logistics
- **Not-for-Profit Perspective** – Product (weaker direct benefits, sense of doing good); **Price** (amount discretion of the donor); **Involvement** (either really engaged or strong reaction against); **Segmentation** (drive behaviour in all targets), rely on stakeholders – no profits to be redistributed