

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

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- **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 is 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