

INTRODUCTION TO MARKETING

- WHAT IS A MARKETING?
 - EXCHANGES, TRANSACTIONS AND RELATIONSHIPS
 - NEEDS, WANTS AND DEMANDS
 - PRODUCTS, SERVICES AND EXPERIENCES
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- **Marketing** is defined as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others
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This definition highlights the following:

- It is a process that requires organized management efforts and affects society as a whole;
- It involves both individuals and groups in obtaining what they desire;
- This entails a transaction where exchange happens

EXCHANGES, TRANSACTIONS AND RELATIONSHIPS

- **Exchange** is defined as an act of obtaining a desired object from someone by offering something in return
- This definition highlights the following:
 - That marketing occurs when people decide to satisfy needs and wants through exchange;
 - However, exchange is only one of many ways to obtain a desired object;
 - Exchange allows a society to produce much more than it would with any alternative way

TO BUILD RELATIONSHIP BEYOND OFFERING CONSISTENTLY HIGH VALUE AND SATISFACTION, THE MARKETER MUST:

- ✓ Add financial benefits;
- ✓ Add social benefits;
- ✓ Add structural ties;
- ✓ Seek profitable customers

NEEDS, WANTS AND DEMANDS

Humans have many complex **needs**:

- ❖ Basic – physical needs for food, clothing, warmth and safety;
- ❖ Social – needs for belonging and affection;
- ❖ Individual – needs for knowledge and self-expression

Wants in marketing is human wants. A human want is desire shaped by culture and individual personality. Human has almost unlimited wants but limited resources. Therefore, consumers must choose products that provide the most value and satisfaction for their money.

Once a human want is backed by buying power, it is considered as **a demand**. Consumers demand products with benefits that add up to their satisfaction.

PRODUCTS, SERVICES AND EXPERIENCES

- A **product** is anything that can be offered to a market to satisfy a need or want. A service is an **intangible product**, an activity or benefit offered for a sale. The concept of product is not restricted to physical objects and can include experiences, persons, places, organizations, information and ideas.
- Marketers often overlook the real need of a product. They tend to pay more attention to the specific product they offer rather than the benefits of the products. They tend to sell the product rather than offering a solution to a problem. This is called “**Marketing myopia**” – they are engrossed with the products and lose sight of underlying needs of customers.

VALUE, SATISFACTION

- A customer value is therefore the difference between the values that the customer gains from owning and using the product and the costs of obtaining the product. Customers do not usually judge product values and costs accurately or objectively – they based it on the perceived value of the product.
- Customer satisfaction is derived from the customer's expectation of the product. If the product performs below expectation, it creates dissatisfaction, if it performs up to expectation, and if it performs beyond customer's expectation, it makes the customer delighted.

MARKET

- A market is a set of actual and potential buyers of a product. They have a common need or want that can be satisfied through exchanges and relationships.
- Modern economies are based on the theory of division of labor, whereby each person becomes specialized in their trade, offers their services for sale, receives payment, and buys things which they need. However, marketers see buyers as constituting a market and sellers constitute the industry.
- Marketers will attempt to understand the needs and wants of a specific market, select the targeted market it can serve best, and adopt a plan on how best to influence it. They will develop products and services that will create value and satisfaction for customers in these markets, resulting in sales and profits for the company.

MARKETING

Markets bring us to the full circle of the concept of marketing. Marketing involves managing the markets to allow exchange and relationships to happen, which in turn will result in **customer's satisfaction**.

A modern marketing system must include all the elements necessary to bring buyers and sellers together in order for exchange to happen.

MARKETING MANAGEMENT

- Marketing management is defined as the analysis, planning, implementation and control of programmes designed to create, build and maintain beneficial exchanges with target buyers for the purpose of achieving organizational objectives.
- Although we realize marketing management involves managing demand, this is not only its main concern. There are occasions where marketers will be required to not only increase demand, but also with altering or even reducing it.
- Demarketing: there will be a situation where marketers will be reducing demand temporarily or permanently for a number of reasons. What this means is that marketing management wants to have a control in the level, timing and meeting demands in a way that the organization is able to achieve its objectives.

MARKETING MANAGEMENT PHILOSOPHIES

- ✓ The production concept;
- ✓ Product concept;
- ✓ Selling concept;
- ✓ Marketing concept;
- ✓ Social marketing concepts

PRODUCTION CONCEPT

- It believes that consumers will favor products that are available and highly affordable, and that management should, therefore, concentrate to improve its production and distribution efficiency.
- The drawback of this concept is that it is focusing too narrowly on company operations and ignoring market needs.

PRODUCT CONCEPT

- This concept holds the belief that consumers prefer products that offer the most quality, performance and features and that the organization should devote its energy to making continuous product improvements.
- Moreover, such a concept can lead to “marketing myopia”.

SELLING CONCEPT

- The selling concept believes that consumers will not be interested in the products unless the organization must undertake large-scale selling and promotions. This concept is widely practiced by companies that promote unsought goods, such as the insurance and encyclopedias.
- This concept poses certain risk. It holds the assumption that through aggressive promotion consumers will be persuaded to buy the product. This is short term thinking.

MARKETING AND SOCIETAL MARKETING CONCEPT

- Marketing concept has the understanding that the organization must understand the market, determines the needs and wants of the targets and producing products to meet the needs of the market. At the same time, it must also do so more effectively and efficiently than its competitors.
- Societal marketing concept is the newest of the marketing philosophies. It is a concept that goes beyond the marketing concept. According to the Societal marketing concept, the pure marketing concept overlooks possible conflicts between short-run consumer wants and long-run consumer welfare. This concept believes marketers must balance three considerations in establishing their marketing policies:
 - Company profits;
 - Customer wants;
 - Society's interests.

THANK YOU FOR YOUR ATTENTION!

