Chapter Objectives

To illustrate the exciting, dynamic, and influential nature of marketing
To define marketing and trace its evolution – with emphasis on the marketing concept, a marketing philosophy, customer service, and customer satisfaction and relationship marketing
To show the importance of marketing as field of study
To describe the basic functions of marketing and those that perform these functions

Text Overview

All marketing efforts are directed to the consumer
- Environmental analysis
- Product
- Price
- Distribution
- Promotion

Marketing Definition

Marketing is the Anticipation, Management and Satisfaction of Demand through the Exchange Process.

Mnemonic: Definition of Marketing

A - S
M - F
R

Exchange process

Definition of Marketing

- Anticipation of Demand requires a firm to do consumer research in anticipation of market’s potential and consumers’ desires.
- Management of Demand includes:
  - Stimulation: motivates consumers to want firm’s offerings
  - Facilitation: makes it easy to buy offerings
  - Regulation: involves balancing inventory to consumer demand
Definition of Marketing

- Satisfaction of Demand involves product availability, product performance, perceptions of safety, and after-sale services.
- An Exchange Process includes the agreement for payment: cash/credit/promise to pay or support for a firm, institution, idea, or place.

Ethical Exchanges

- Exchanges must be done in a socially responsible way.
- Both buyer and seller should consider impact on society and environment.

MARKETING

The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.

Consumer & Publics’ Demand

- Consumer Demand refers to final and organizational consumers.
- Publics’ Demand refers to needs of unions, employees, stockholders, and the general public.

How Marketing Evolves

Barter Era | Production Era | Sales Era | Marketing Dept. Era | Marketing Co. Era

Barter Era | One-on-One Trading | Demand Exceeds Supply | Supply Exceeds Demand | Marketing Sub-Division | Marketing Co. Era

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The Marketing Concept

- Consumer Orientation
- Market-Driven Approach
- Value-Based Philosophy
- Integrated Marketing Focus
- Goal Orientation

Contrast in Marketing/Selling Philosophies

Focus of Selling Philosophy

- Production
- Selling
- Consumption

Focus of Marketing Philosophy

- Consumer Need Evaluation
- Consumer Satisfaction
- Achievement of Organizational Goals
- Feedback
- Integrated Marketing Effort
- Two-Way Interactive Process
- Appropriate Adaptation to Marketing Environment
- Broad View of Consumer Needs
- Integrated Planning and Feedback

Selling Philosophy

- Output “Sold” to Consumers
- Looks at Individual, Single Consumer
- Seeks Sales Rather than Profit
- Short-Term Goal Orientation
- Concerned with Current Inventory Reduction
- Narrower View of Consumer Needs
- Little Adaptation to Environment
- Informal Planning and Feedback

Marketing Philosophy
Factors That Affect Customer Satisfaction

- Courteous Employees
- Knowledgeable Employees
- Helpful Employees
- Quick Service
- Billing Clarity
- Accuracy of Billing
- Billing Timeliness
- Competitive Pricing
- Friendly Employees
- Overall Customer Satisfaction
- Helpful Employees
- Courteous Employees
- Competitive Pricing
- Good Value

Relationship Marketing

Through Relationship Marketing, companies build customer satisfaction and increase long-term customer loyalty.

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Customer Service

Customer Service tends to be intangible, but quite meaningful, to many customers.

In today's highly competitive, global marketplace, the level of customer service a firm provides can affect its ability to attract and retain customers more than ever before.

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Marketing Performers

Include:
- Consumers
- Manufacturers
- Service Providers
- Wholesalers
- Retailers
- Marketing Specialists

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Basic Functions of Marketing

Text Chapters

See Chapters 2 & 22
See Chapters 5-7
See Chapters 8-10
See Chapters 11-13
See Chapters 14-16
See Chapters 17-19
See Chapters 20-21
8 Marketing Functions

Environmental analysis and marketing research:
Monitoring and adapting to external factors that affect success or failure, such as the economy and competition; and collecting data to resolve specific marketing issues.

Broadening the Scope of Marketing:
Deciding on the emphasis to place, as well as the approach to take, on societal issues, global marketing, and the Web.

Consumer analysis:
Examining and evaluating consumer characteristics, needs and purchase processes; and selecting the group(s) of consumers at which to aim marketing efforts.

8 Marketing Functions continued

Product planning (including goods, services, organizations, people, places, ideas):
Developing and maintaining products, product assortments, product images, brands, packaging, and optional features, and deleting faltering products.

Distribution planning:
Forming logistical relationships with intermediaries, physical distribution, inventory management, warehousing, transportation, allocating goods and services, wholesaling, and retailing.

Promotion planning:
Communicating with customers, the general public, and others through some type of advertising, public relations, personal selling, and/or sales promotion.

Price planning:
Determining price levels and ranges, pricing techniques, terms of purchase, price adjustments, and the use of price as an active or passive factor.

Marketing management:
Planning, implementing, and controlling the marketing program (strategy) and individual marketing functions; appraising the risks and benefits in decision making; and focusing on total quality.

Chapter Summary

- This chapter illustrates the dynamic and influential nature of marketing from the perspective of businesses and consumers.
- It provides a definition of marketing and traces its evolution—with emphasis on the marketing concept, a marketing philosophy, customer service, and customer satisfaction and relationship marketing.
- The chapter shows the importance of marketing as a field of study.
- It describes the 8 basic functions of marketing and those that perform these functions.