

Marketing Management

MGM612

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Lecture –1-Introduction to Marketing Management



Introduction to Marketing Management

Lecture 1

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Learning Outcomes

What is Marketing?

Marketing Management

**Marketing
Management Tasks**

Chapter 1

Lecture - 1-Introduction to Marketing Management



The difference between market and marketing



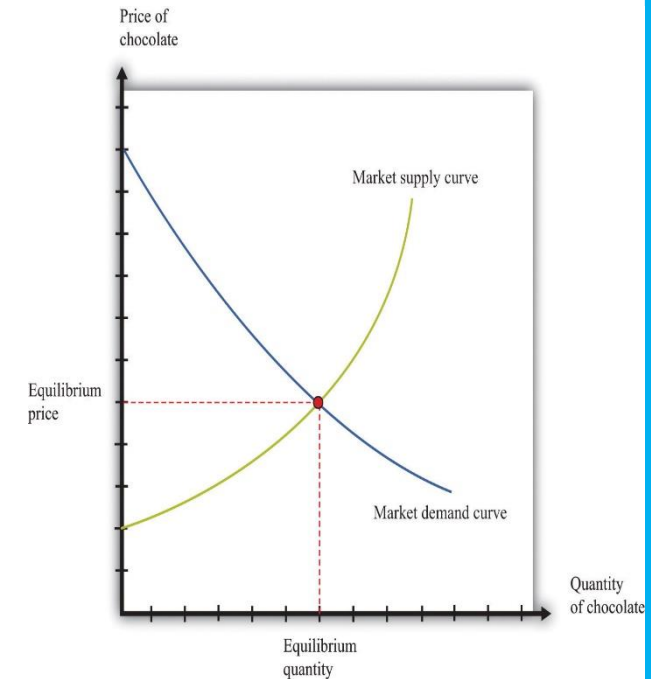
What is a Market?

- A 'market' is traditionally defined as a physical or virtual space where buyers and sellers interact to exchange goods and services.
- This interaction is typically governed by the laws of supply and demand.
- The market is classified based on various factors:

Geographic Size: Local, regional, national, or international markets.

Type of Customers: Consumer, industrial, or reseller markets.

Type of Goods: Commodities, financial, or real estate markets.



Understanding the nature and dynamics of your market is a crucial step in creating an effective business strategy.

What is Marketing?

Marketing is an integral business function that involves identifying customer needs, and developing and delivering products or services to satisfy those needs.

It is a broad and dynamic concept, encompassing:

Product: Creating a product or service that meets customer needs.

Price: Setting a price that customers are willing to pay, and that offers a good return on investment.

Place: Choosing the best channels to sell the product or service.

Promotion: Communicating with potential customers about the product or service

- ❖ **Marketing is about identifying and meeting human and social needs.**
- ✓ One of the shortest good definitions of marketing is
 - “Meeting Needs Profitably.”**
- ❖ **The American Marketing Association offers the following formal definition:**
- ✓ Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

➤SO

- ✓ Marketing is the delivery of customer satisfaction at a profit.
- ✓ Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.
- ✓ Marketing is 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.

Social Definition of Marketing.

The social definition explains the role that marketing plays in society.

- ✓ Some see marketing as "providing a higher standard of living."
- ✓ Others see marketing as a societal process through which individuals and groups get what they need and want by creating, offering, and freely exchanging products and services of value with others.

So pay attention....

- Creating value between consumers and businesses and the importance of creating and sharing value have become important topics in the development of modern marketing thought.

We can distinguish between

**A managerial definition of
marketing.**

**A social definition of
marketing.**

What Is Marketed?

Marketers market 10 main types of entities:

Goods

services

events

experiences

persons

places

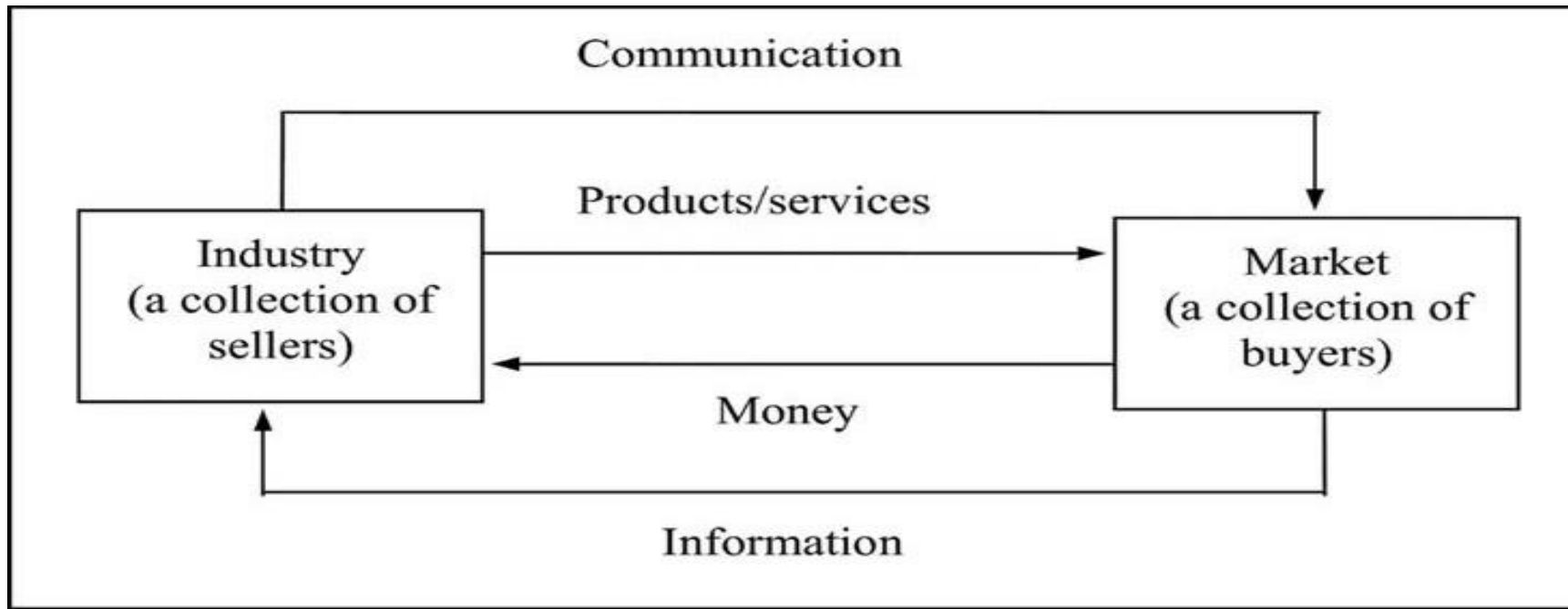
properties

Organizations

Information

Ideas

The set of all actual and potential buyers of a product or service



Originally a “market” was a place where buyers and sellers gathered to exchange goods (such as a village square).

A simple marketing system

Who Markets?

- ✓ Marketers and Prospects A marketer is someone who seeks a response—attention, a purchase, a vote, a donation—from another party, called the prospect.
- ✓ If two parties are seeking to sell something to each other, we call them both marketers.
- ✓ Just as production and logistics professionals are responsible for managing supply, marketers are responsible for managing demand.
- ✓ They seek to influence the level, timing, and composition of demand to meet the organization's goals.
- ✓ There are eight possible demand scenarios, which are shown in the next slide:

1. Negative demand:

Consumers dislike the product and may even pay to avoid it.

2. Non-existent demand:

Consumers may be unaware of or uninterested in the product.

3. Latent demand:

Consumers may share a strong need that cannot be satisfied by an existing product.

4. Declining demand:

Consumers begin to buy the product less frequently or not at all.

5. Irregular demand:

Consumer purchases vary on a seasonal, monthly, weekly, daily, or even hourly basis.

6. Full demand:

Consumers are adequately buying all products put into the marketplace.

7. Overfull demand:

More consumers would like to buy the product than can be satisfied.

8. Unwholesome demand:

Consumers may be attracted to products that have undesirable social consequences.

In each case, marketers must identify the underlying cause(s) of the demand state and determine a plan of action to shift demand to a more desired state.

General objectives



- **To attract new customer by promising superior value, and to keep current customers by delivering satisfaction.**
- **Success dependent upon marketing functions**



7 SMART goals for marketing

7 SMART goals for marketing

SMART goals are specific, measurable, attainable, relevant and time-bound.

1. Promote new products and services
2. Increase conversion and engagement
3. Find new marketing leads
4. Leverage social media marketing
5. Improve customer satisfaction
6. Establish a new brand identity
7. Become a market leader

Why Study Marketing?

- ◆ Plays an important role in society
- ◆ Vital to business survival, profits and growth
- ◆ Offers career opportunities
- ◆ Affects your life every day
- ◆ Better-informed consumers
- ◆ Demand for customer satisfaction

Marketing Defined

- Marketing is the process by which companies create value for customers and build strong customer relationships to capture value from customers in return.
- ‘Marketing is the management process that identifies, anticipate and satisfies customer requirements profitably’
- ‘The right product, in the right place, at the right time, and at the right price’

- Marketers act as the customers' voice within the firm and marketers are responsible for many more decisions than just advertising or sales:
 - Analyze industries to identify emerging trends.
 - Determine which national and international markets to enter or exit.
 - Conduct research to understand consumer behavior.
 - Design integrated marketing mixes – products, prices, channels of distribution, and promotion programs.

To explain marketing definition, we examine the following important terms :

- Needs, wants, and demands
- Products and services
- Value, satisfaction and quality
- Exchange, transactions, and relationships
- Markets

Needs

- The most basic concept underlying marketing is that of human needs.
- Human needs are states of felt deprivation.
- Human have many complex needs:
 - Physical needs for food, clothing, warmth, and safety
 - Social needs or belonging and affection
 - Individual needs for knowledge and self – expression

Wants

- Want are the form taken by human needs as they are shaped by culture and individual personality.
- People have almost unlimited wants but limited resources.
- They want to choose products that provide the most value and satisfaction for their money.

Demands

- When backed by buying power, wants become demands.
- Consumers view products as bundles of benefits and choose products that give them the best bundle for their money.

Product

- Anything that can be offered to a market to satisfy a need or want.
- The concept of product is not limited to physical objects – anything capable of satisfying a need can be called a product.

Services

- In addition to tangible goods, products also include services, which are activities or benefits offered for sale that are essentially intangible and do not result in the ownership of anything.

Values

- Customer value is the difference between the values the customer gains from owning and using a product and the costs of obtaining the products.
- Customers often do not judge product value and costs accurately or objectively. They act on perceived value.

Satisfaction

- Customer satisfaction depends on a product's perceived performance in delivering value relative to a buyer's expectation.
- If the product's performance falls short of the customer's expectations, the buyer is dissatisfied.

Quality

- Customer satisfaction is closely linked to quality.
- Quality has a direct impact on product performance.
- Quality can be defined as “freedom from defects”.
- TQM programs designed to constantly improve the quality of products, services, and marketing processes.

Exchange

The act of obtaining a desired object from someone by offering something in return

Transaction

- A trade between two parties that involves at least two things of value, agreed – upon conditions a time of agreement, and a place of agreement.

Relationship marketing

- The process of creating, maintaining, and enhancing strong, value – laden relationships with customers and other stakeholders

The analysis, planning, implementation, and control of programs designed to create, build, and maintain beneficial exchanges with target buyers for the purpose of achieving organizational objectives.



❑ Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.

Marketing Management Tasks

- Developing marketing strategies
- Capturing marketing insights
- Connecting with customers
- Building strong brands
- Shaping market offerings
- Delivering value
- Communicating value
- Creating long-term growth



- ❖ 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



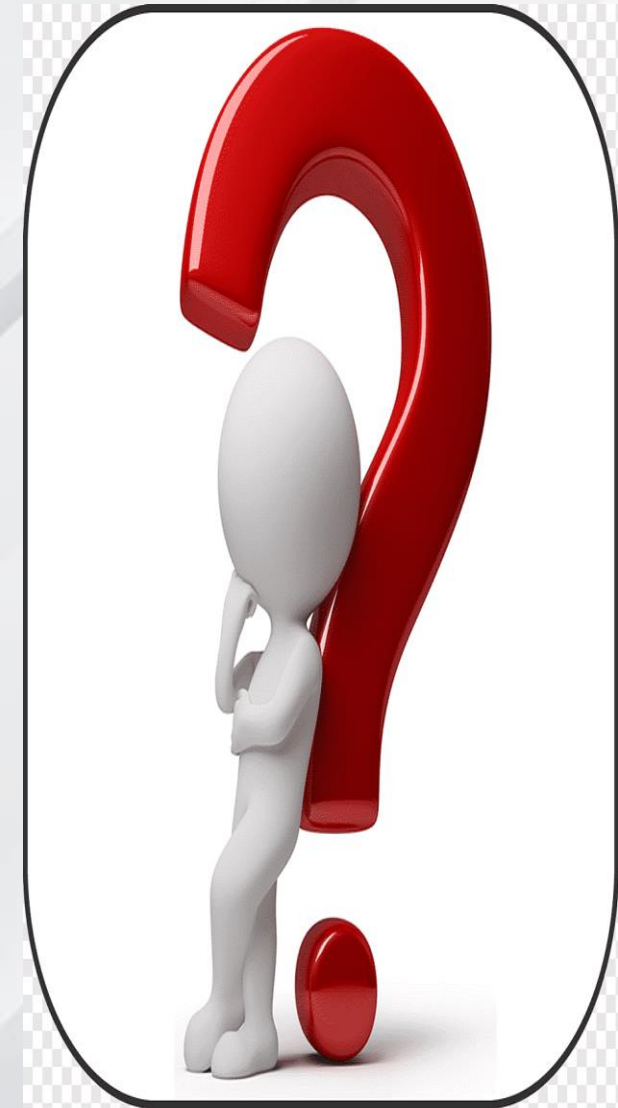
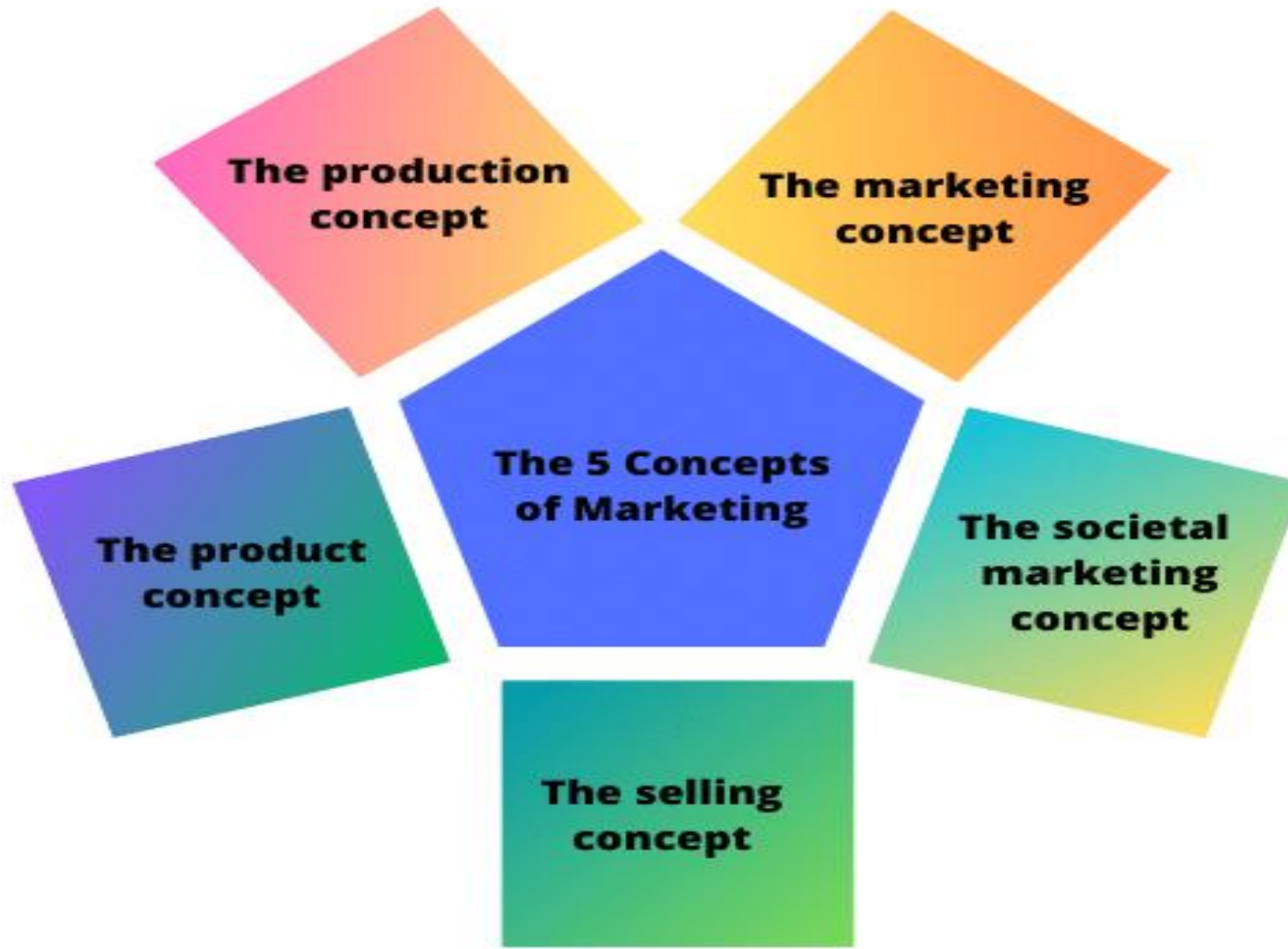
- **Demand Management**

- The organization has a desired level of demand for its products. At any point in time, There may be no demand, adequate demand, irregular demand, or too much demand, and marketing management must find ways to deal with these different demand states.

- **Building Profitable Customer Relationships**

- Beyond designing strategies to attract new customers and create transactions with them, companies now are striving to retain current customers and build lasting customer relationships.

What are the 5 main marketing concepts?



- The role that marketing plays within a company varies according to the overall strategy and philosophy of each firm.
- **There are five alternative concepts under which organizations conduct their marketing activities:**
 - Production concept
 - Product concept
 - Selling concept
 - Marketing concept
 - Societal marketing concepts



1- Production Concept

▪ The philosophy that consumers will favor products that are available and highly affordable and that management should therefore focus on improving production and distribution efficiency.

- Production Concept was originated in early mid-50s of the 20th century when capitalization was started and soon after origination of this concept, production oriented business dominated the market.
- During this era Businesses and industries were majorly focusing on the efficiency of production and manufacturing methods.
- The reason that Production was given major importance was because of “Says Law” which stated that, “Supply will creates its own Demand”(from the French economist Jean — Baptiste Say.)
- It was the time where channels of communications were very limited and traveling was the major issue. That’s why salesmen were the main source of advertising and marketing. The distribution of goods was also the problem during that period and there were less competition in the market. Therefore, the sale of goods wasn’t an issue!

- The philosophy that consumers will favour products that offer the most quality, performance, and innovative features.

Advantages of product concepts

There are many benefits to using product concepts:

- **Quality over quantity**
- **Develop curiosity.**
- **Increase margins**

Disadvantages of product concepts

The disadvantages of product concepts include:

- **Irrelevant and impractical features**
- **Price concerns**

Product Concept Examples
Samsung Foldable Displays
In 2021, Samsung introduced a foldable display - the S Foldable Display - with a bi-fold design that opens to 7.2 inches., Now, Samsung is a leader in the communications market.

- **The idea that** consumers will not buy enough of the organization's products unless the organization undertakes a large – scale selling and promotion effort.
- This concept assumes that customers tend to be resistant and need to be convinced to make a purchase. Marketing strategies rooted in the selling concept involve pervasive and continuous advertising efforts.
- **This approach is** commonly utilized by companies that have excess inventory and need to sell it in order to create space for new products.
- ❖ **Examples of employing the selling concept include:**
 - Brands that aggressively promote Black Friday (and Cyber Monday), such as Amazon, although many big brands also use very similar tactics.
 - Brands that heavily rely on email marketing — think of those that flood your inbox with daily emails that advertise discounts, sales, and special offers. These brands constantly strive to capture your attention with their latest deals.

4- The Marketing Concept

- ❖ While the selling concept is all about what the company wants or needs, the marketing concept focuses on the customer.
- ❖ Brands that utilize the marketing concept spend time getting to know their customer's likes and dislikes. They understand what problems keep their customers awake at night and develop products and services to solve those issues.
- ❖ This is the approach you'll see small businesses take. While they can't compete on scale or price with more prominent brands, they can, through a deep understanding of their customer, fill the gaps in the market and meet a niche demand.

The selling and Marketing Concepts Contrasted

Starting point

Focus

Means

Ends

Factory

Existing products

Selling
and promoting

Profits through sales volume

The selling concept

Market

Customer
needs

Integrated marketing

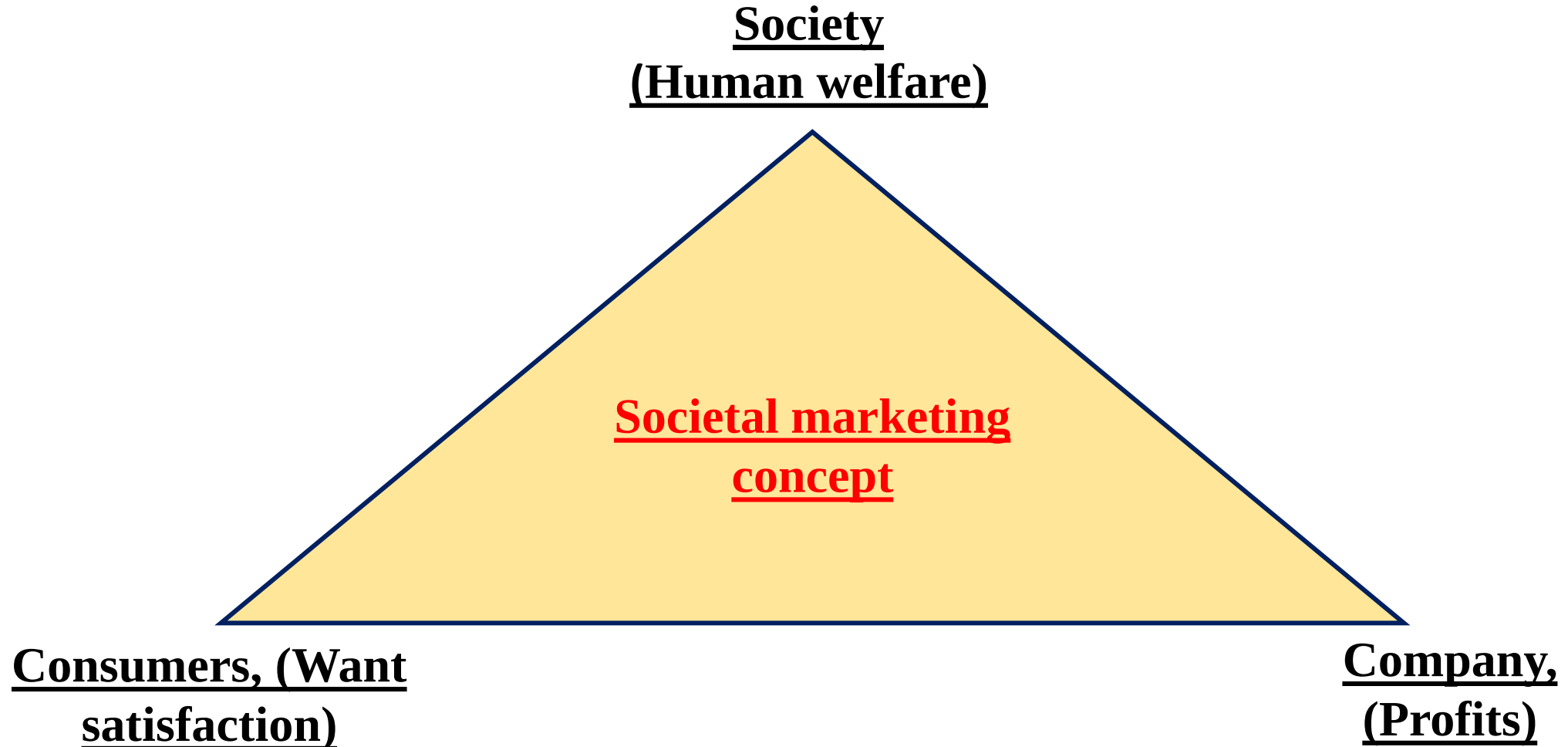
Profits through customer satisfaction

The marketing concept

5- The Societal Marketing Concept

- The societal marketing concept takes the marketing concept further and is increasingly becoming the concept of choice when devising a marketing strategy.
 - This concept emphasizes focusing on meeting customers' needs to solve their problems while ensuring no harm comes to them.
 - You should also provide this solution as ethically as you can.
- ❖ **Examples of brands and products that focus on this marketing concept include:**
- Herbivore and other beauty brands use organic ingredients and claim that their products are ethically produced and do not harm the environment
 - Reformation is a clothing brand that focuses on ethically made clothing produced without harm to nature.

Three Considerations Underlying The Societal Marketing



What Are the Marketing Functions?

- Interrelated activities working together to get products from producers to customers

1. Product/Service management
2. Marketing information management
3. Pricing
4. Channel management
5. Promotion
6. Selling



We will continue in our next lecture
Introduction to Marketing Management

- [7 SMART Marketing Goals with Benefits \(2024\) | Indeed.com Australia](#)
- [Marketing Management Process: A 5-Step Guide | Marketing91](#)
- [Production Concept in Marketing Management. | by Digital Vinay | Medium](#)
- [Product Concept: Definition, Types, Examples – Qualtrics](#)
- [Marketing 101 - The Five Marketing Concepts - Rock Content](#)



