



Introduction to Marketing

Marketing 11/12



What is Marketing?

Try to come up with a definition...

What is Marketing?

“A social and managerial process by which individuals and groups obtain what they ***need*** and ***want*** through ***creating*** and ***exchanging products*** and ***values*** with others”

(McDougall, Kotler and Armstrong)

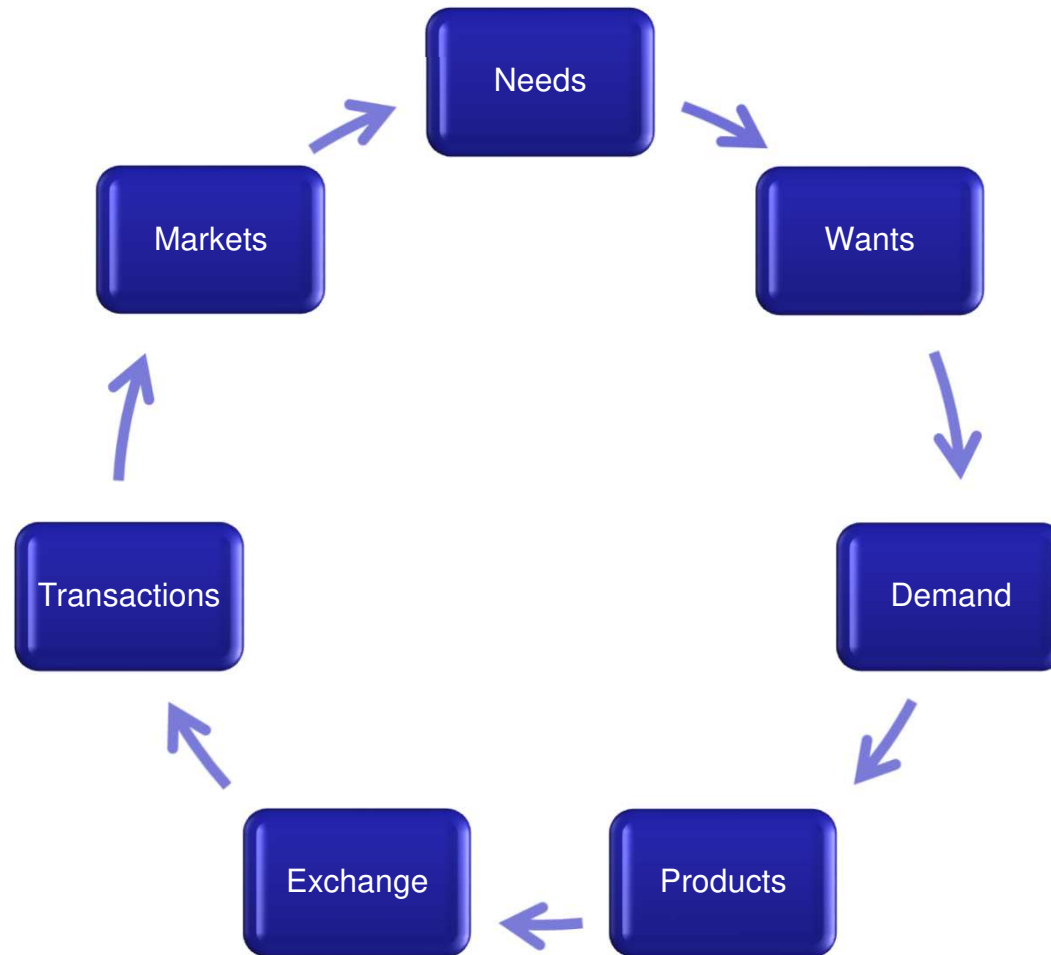
Or put another way...

- The process of convincing someone to take favourable action



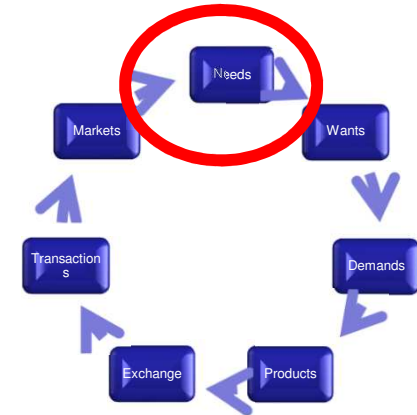
- Ex – convincing your parents to let you go with friends when you have lots of homework to do
- Ex – Supreme convincing you that a 3-pack of Hanes white cotton t-shirts is worth \$75 (not \$15) because it has a little red logo on it

Core Marketing Concepts



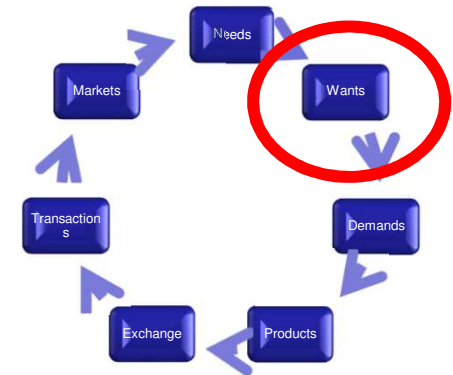
Needs

- A state of felt deprivation
- Physical needs
 - Food, clothing, shelter, safety
- Social needs
 - Belonging, affection
- If need not satisfied
 - Seek to satisfy need
 - Try to reduce need



Everybody
Needs
a friend

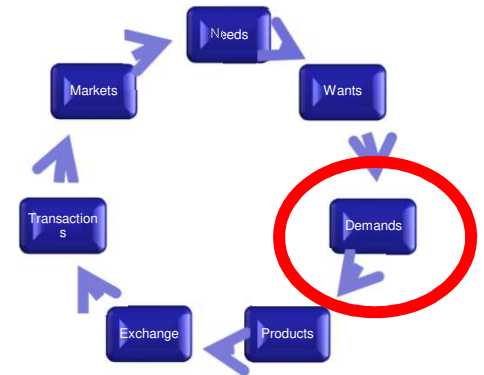
Wants



- Everything else
- Needs can be wants
- Wants can be needs
- Depends on the individual personality, circumstances, culture
- Depends on location on Maslow's pyramid



Demand

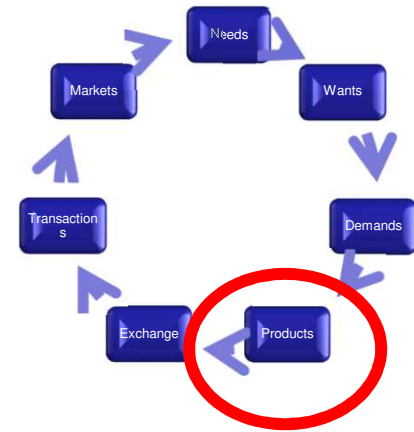


- Needs/wants + buying power = demands
- Products and services provide benefits
- Benefits satisfy needs/wants
- Consumers choose products that maximize benefits/satisfy wants for amount of money they can afford



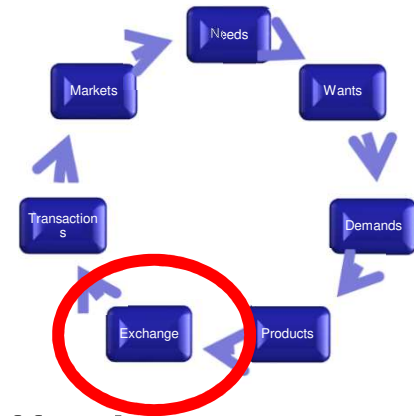
– Nissan Leaf vs. Tesla Model X vs. electric bike

Products

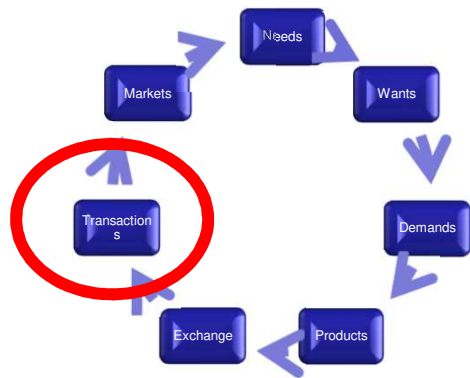


- Anything that might satisfy a need or want
- Can be goods, services, places, activities, etc.

Exchange



- Act of trying to obtain a product by offering something in return
- Exchanges occur under these conditions:
 - At least 2 parties
 - Must have something the other party values
 - Must want to deal with the other party
 - Must be free to accept or reject offer
 - Must be able to deliver product/service
- Exchanges leave everyone better off (or not worse off)

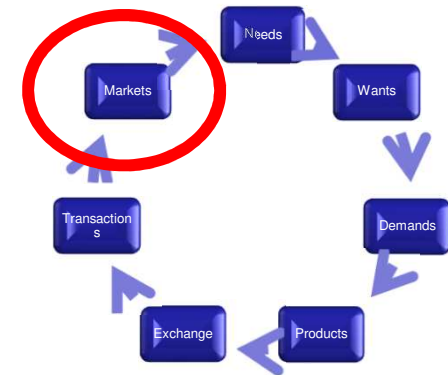


Transactions



- Commit to an exchange of agreed upon values between 2 parties
- “Complete the deal”
- Involves something of value, usually currency
 - Starbucks gives a Mocha Frappuccino to Ms. James and gets \$4.50 in return

Markets



- “A ***market*** is a set of actual and potential buyers of a product”
- Grouping of people with similar wants / needs
- EX – teenagers (group by age); Canadians (group by physical location); teachers (group by employment or education level); people who desire convenience (group by psychographic)

Marketing Management

- “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”

Management Philosophies of Marketing

Product Orientation

- Firm is concerned with what it does best rather than with what the consumer wants.

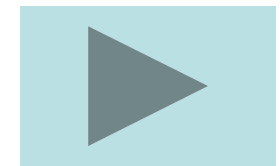
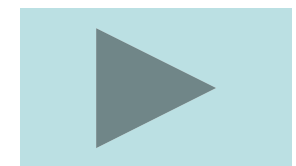


When do companies follow this concept?

- Demand is greater than supply
- Product cost is too high
 - Ford Model T – could offer a car of any colour as long as it was black

Sales Orientation

- Assumes that more goods and services will be purchased if aggressive sales techniques are used.
- Similar to product orientation, as focus is on the firm and not the customer
 - Profit through sales volume, not customer satisfaction



When do companies follow this concept?

- Often used with goods people don't think of buying (“unsought goods”)
 - Insurance
 - Burial plot
- Also with goods where consumer knowledge might be limited

Market Orientation

- Primary goal is the satisfaction of customers' wants and needs
- People will buy the products because it is something that they need or want

24/7 SERVICE 888-673-4639



Societal Orientation

- Similar to Market orientation but also factors in society's long-term interests.
- It serves three bodies – the customer, the firm, and society- in that order.



**CAN YOU THINK OF A
COMPANY THAT DOES AN
EXCELLENT JOB OF
MARKETING THEIR PRODUCT
OR SERVICE?**