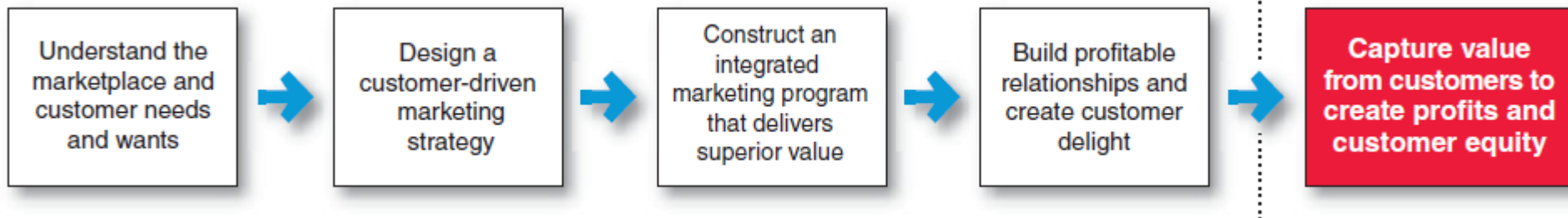


# Marketing



**Defining Marketing and the Marketing Process**  
**Understanding the Marketplace and Consumers**  
**Designing a Customer-Driven Strategy and Mix**

## The Marketing Process





## **Part 1: Defining Marketing and the Marketing Process**

### **1 Marketing: Creating and Capturing Customer Value**

### **2 Company and Marketing Strategy: Partnering to Build Customer Relationships**

## **Part 2: Understanding the Marketplace and Consumers**

### **3 Analyzing the Marketing Environment**

### **4 Managing Marketing Information to Gain Customer Insights**

### **5 Consumer Markets and Consumer Buyer Behavior**

### **6 Business Markets and Business Buyer Behavior**

## **Part 3: Designing a Customer-Driven Strategy and Mix**

### **7 Customer-Driven Marketing Strategy: Creating Value for Target Customers**

### **8 Products, Services, and Brands: Building Customer Value**

### **9 New Product Development and Product Life-Cycle Strategies**

### **10 Pricing: Understanding and Capturing Customer Value**

### **11 Pricing Strategies**

### **12 Marketing Channels: Delivering Customer Value**

### **13 Retailing and Wholesaling**

### **14 Communicating Customer Value: Integrated Marketing Communications Strategy**

### **15 Advertising and Public Relations**

### **16 Personal Selling and Sales Promotion**

### **17 Direct and Online Marketing: Building Direct Customer Relationships**

# What Is Marketing?

marketing as only selling and advertising ???

We are bombarded every day with TV commercials, catalogs, sales calls, and e-mail pitches



# What Is Marketing?

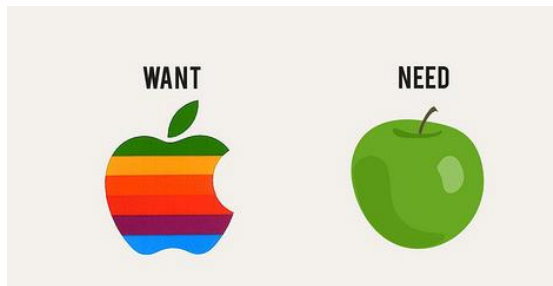
Marketing, more than any other business function, deals with customers.

*Marketing is managing profitable customer relationships.* The twofold goal of marketing is to attract new customers by promising superior value and keep and grow current customers by delivering satisfaction.

**Today, marketing must be understood not in the old sense of making a sale—“telling and selling”—but in the new sense of *satisfying customer needs*.**



# Customer Needs, Wants, and Demands



## Needs

States of felt deprivation.

## Wants

The form human needs take as they are shaped by culture and individual personality.

## Demands

Human wants that are backed by buying power.

**Wants** are the form human needs take as they are shaped by culture and individual personality. An American *needs* food but *wants* a Big Mac, french fries, and a soft drink. A person in Papua New Guinea *needs* food but *wants* taro, rice, yams, and pork. Wants are shaped by one's society and are described in terms of objects that will satisfy those needs. When backed by buying power, wants become **demands**. Given their wants and resources, people demand products with benefits that add up to the most value and satisfaction.

Consumers' needs and wants are fulfilled through **market offerings**—some combination of products, services, information, or experiences offered to a market to satisfy a need or a want.

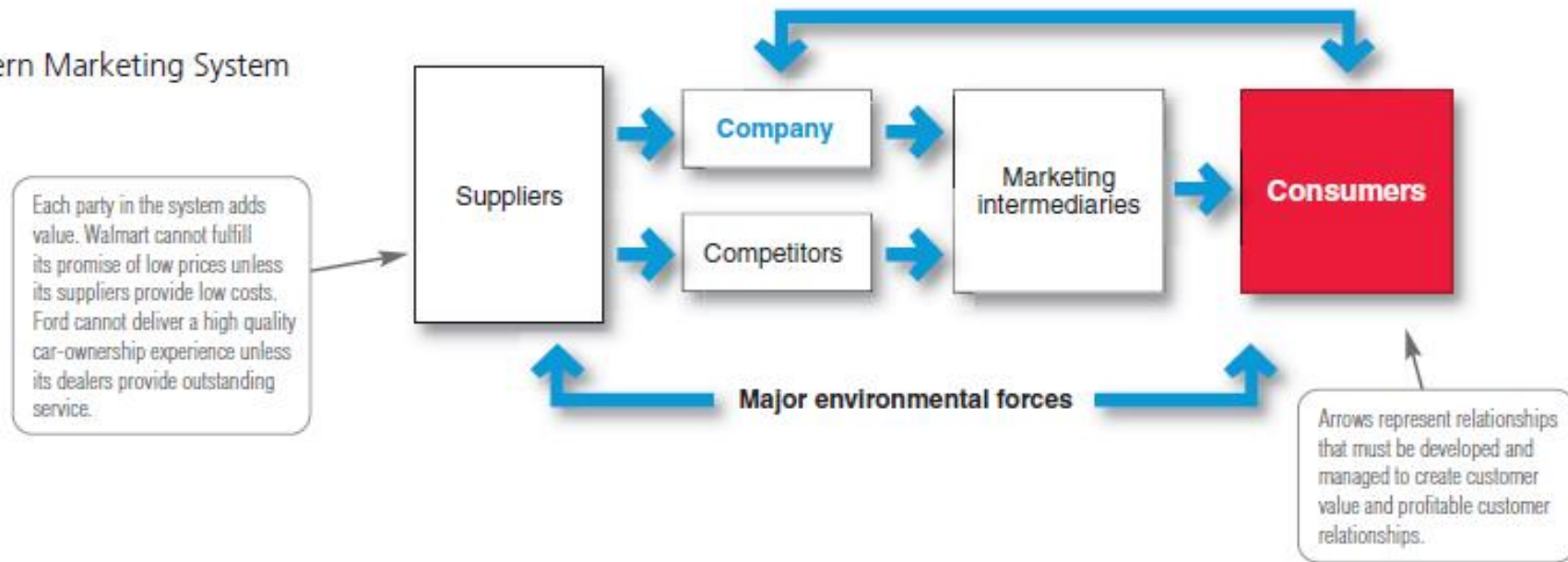
# Customer Needs, Wants, and Demands

Outstanding marketing companies go to great lengths to learn about and understand their customers' needs, wants, and demands. They conduct consumer research and analyze mountains of customer data. Their people at all levels—including top management—stay close to customers. For example, retailer Cabela's vice-chairman, James W. Cabela, spends hours each morning reading through customer comments and hand-delivering them to each department, circling important customer issues.





## A Modern Marketing System



Marketers are no longer asking only “How can we reach our customers?”

but also “How should our customers reach us?” and

even “How can our customers reach each other?”

# Designing a Customer-Driven Marketing Strategy

To design a winning marketing strategy, the marketing manager must answer two important questions:

- *What customers will we serve (what's our target market)?* and
- *How can we serve these customers best (what's our value proposition)?*

## Selecting Customers to Serve

dividing the market into segments of customers (*market segmentation*) and selecting which segments it will go after (*target marketing*).

## Choosing a Value Proposition

Companies must design strong value propositions that give them the greatest advantage in their target markets.

Infiniti “Makes luxury affordable,” and BMW promises “the ultimate driving machine.”

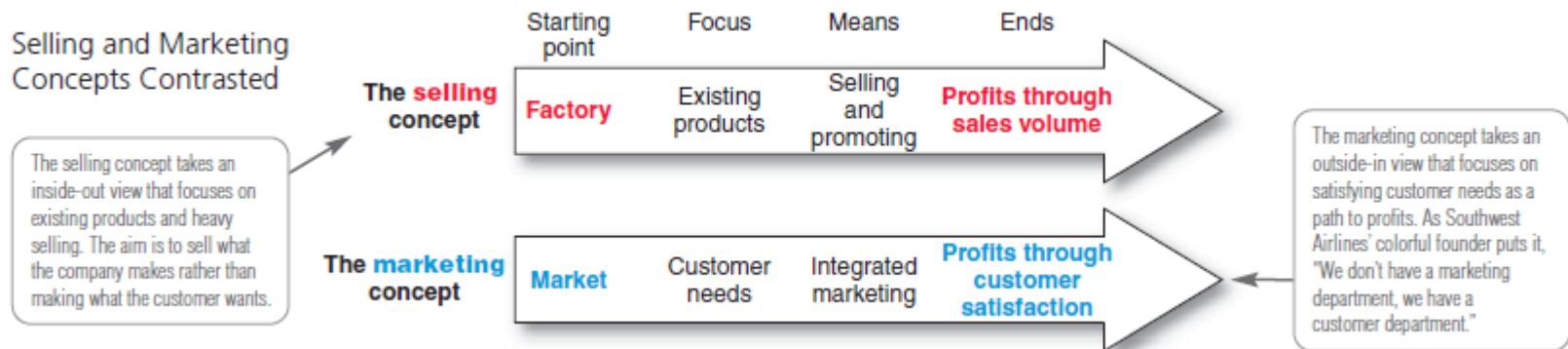
the Smart car is positioned as compact, yet comfortable; agile, yet economical; and safe, yet ecological.





# The Marketing Concept

## Selling and Marketing Concepts Contrasted



Instead of a product-centered “make and sell” philosophy, the marketing concept is a customer-centered “sense and respond” philosophy. The job is not to find the right customers for your product but to find the right products for your customers.

Company	Product-Oriented Definition	Market-Oriented Definition
Charles Schwab	We are a brokerage firm.	We are the guardian of our customers' financial dreams.
Hulu	We are an online video service.	We help people find and enjoy the world's premium video content when, where, and how they want it—all for free.
General Mills	We make consumer food products.	We nourish lives by making them healthier, easier, and richer.
Home Depot	We sell tools and home repair and improvement items.	We empower consumers to achieve the homes of their dreams.
Nike	We sell athletic shoes and apparel.	We bring inspiration and innovation to every athlete* in the world. (*If you have a body, you are an athlete.)
Revlon	We make cosmetics.	We sell lifestyle and self-expression; success and status; memories, hopes, and dreams.
Ritz-Carlton Hotels & Resorts	We rent rooms.	We create the Ritz-Carlton experience—one that enlivens the senses, instills well-being, and fulfills even the unexpressed wishes and needs of our guests.
Walmart	We run discount stores.	We deliver low prices every day and give ordinary folks the chance to buy the same things as rich people. "Save Money. Live Better."

# The Digital Age

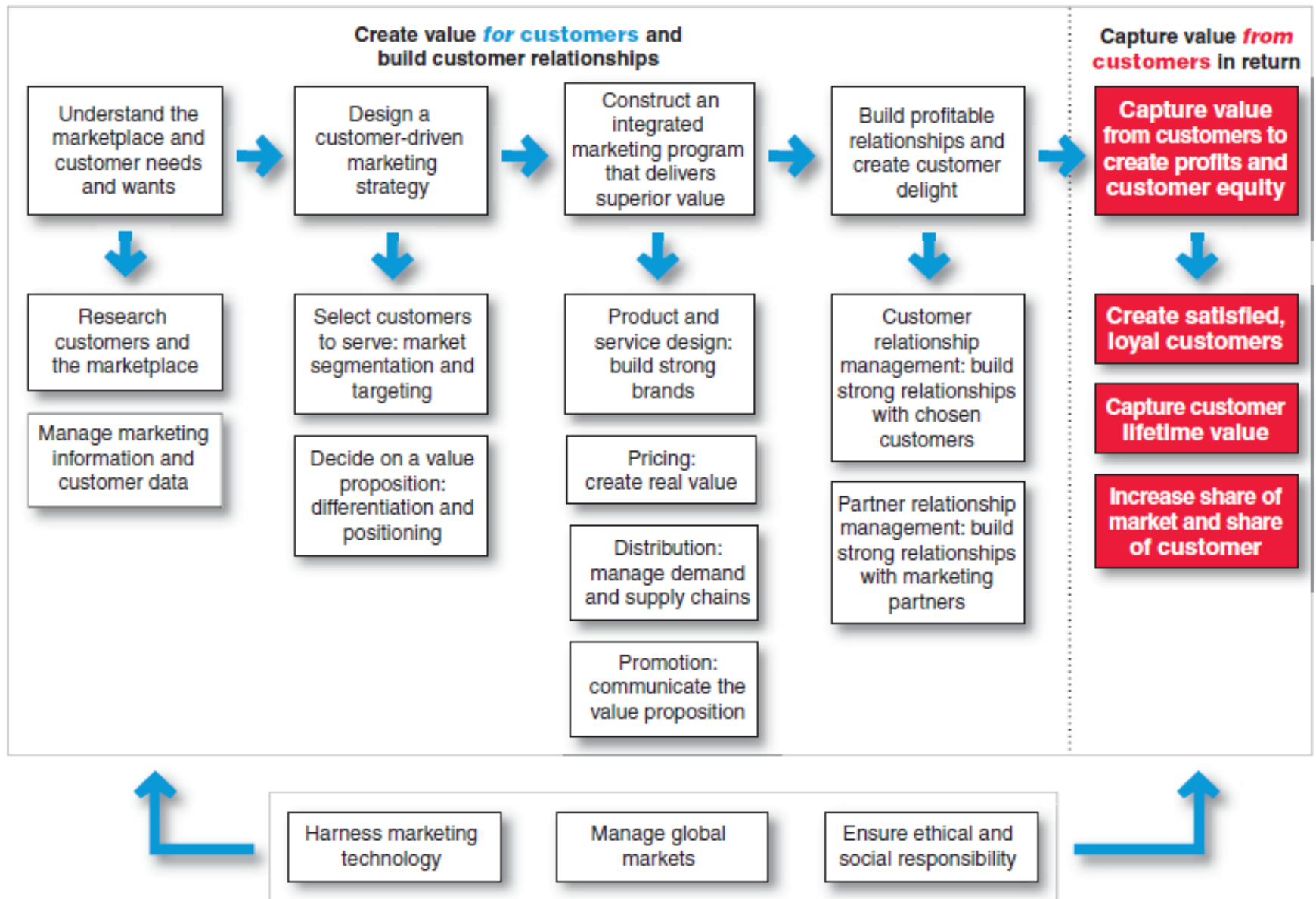
The digital age has provided marketers with exciting new ways to learn about and track customers and create products and services tailored to individual customer needs. It's helping marketers communicate with customers in large groups or one-to-one.

Online marketing is now the fastest-growing form of marketing. These days, it's hard to find a company that doesn't use the Web in a significant way. Today, more than 75 percent of American online users use the Internet to shop.

## Digital Marketing

Strategies Focused on Increasing The Reach & Visibility of Your Business.





An Expanded Model of the Marketing Process

# Marketing mix

After determining its overall marketing strategy, the company is ready to begin planning the details of the marketing mix, one of the major concepts in modern marketing. The **marketing mix** is the set of tactical marketing tools that the firm blends to produce the response it wants in the target market.

**Product** means the goods-and-services combination the company offers to the target market.

**Price** is the amount of money customers must pay to obtain the product.

**Place** includes company activities that make the product available to target consumers.

**Promotion** means activities that communicate the merits of the product and persuade target customers to buy it.

