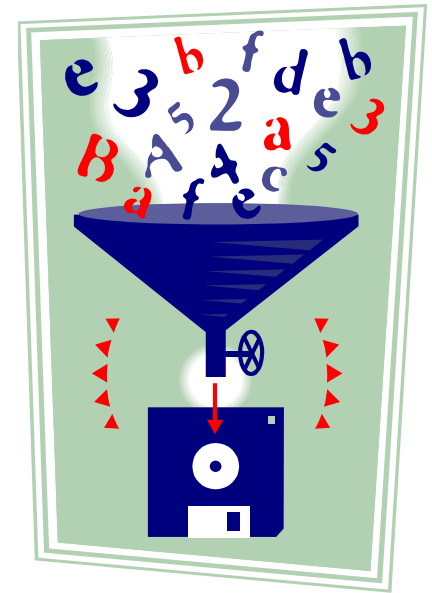


# I. GENERAL MARKETING CONCEPT

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## Structure of this lecture:

1. What does marketing mean?
2. Selected marketing terms



# 1. WHAT DOES MARKETING MEAN?

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- ❑ **Selling and promotion?** ⇒ No, these activities are only icing on the cake.
  - ❑ Marketing includes a wide range of various activities to produce products which are needed and asked by **customers**.
  - ❑ The firm has to focus itself on **customers' demands and adapt its marketing mix and all marketing activities to the customers (target group)**.
-

# MARKETING

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- **market** = interaction between seller and consumer
- **ing** = movement, action



**market + ing = marketing**

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# MARKETING CONCEPT

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- ❑ **MARKETING CONCEPT:** putting the customer at the centre of all decision-making process in the business.
  - ❑ **MODERN MARKETING CONCEPT:** the achievement of corporate goals through meeting and exceeding customer needs and expectations better than the competition.
-

# MARKETING DEFINITION

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- Marketing has been defined in many different ways by many marketers, for example marketing is:

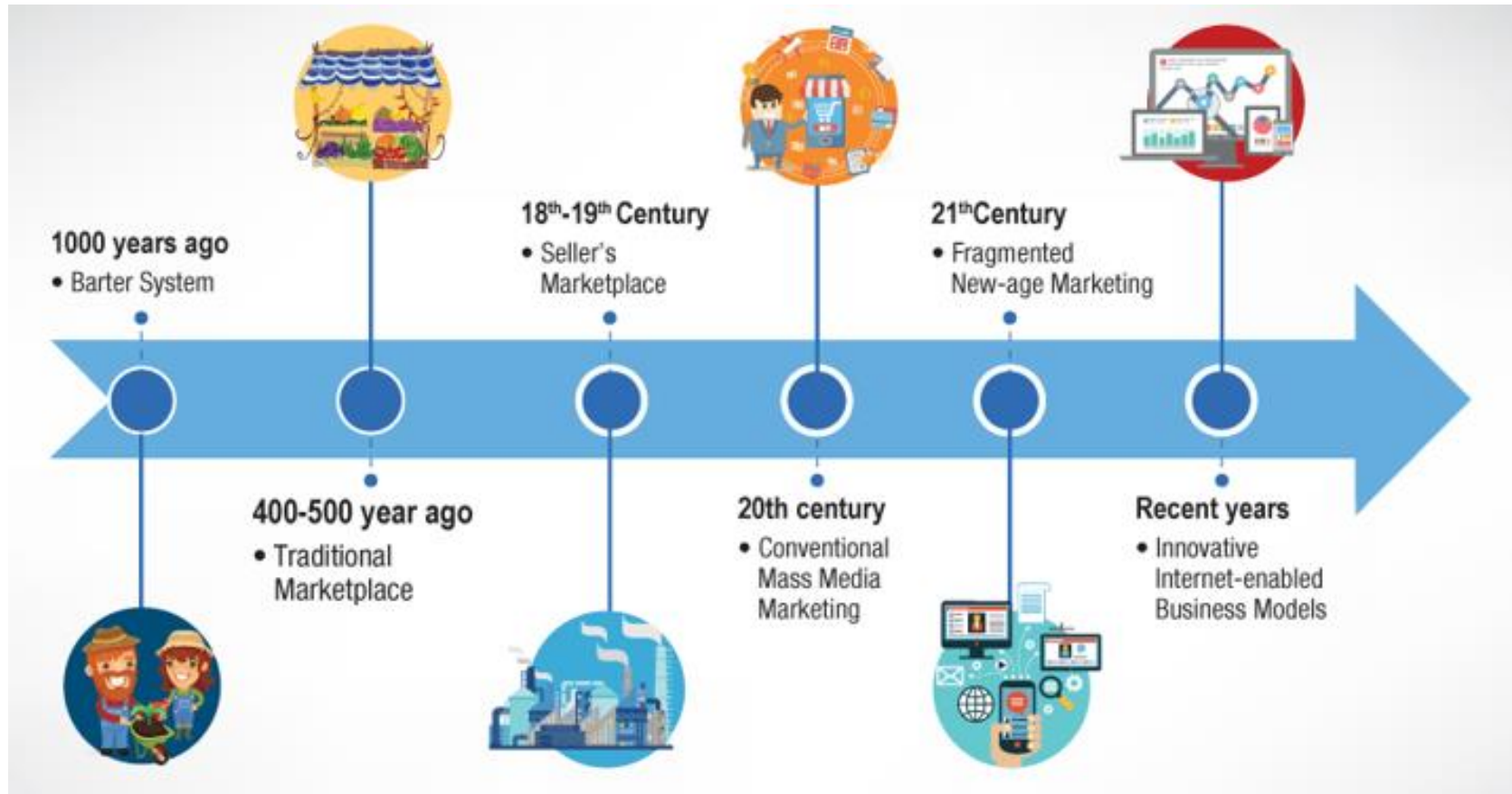
**A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and values with others. (Philip Kotler, 1994)**

# MARKETING IDEAS EVOLUTION

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- ❑ The production concept
  - ❑ The product concept
  - ❑ The selling concept
  - ❑ The marketing concept
  - ❑ **The holistic marketing:** internal marketing, performance marketing, relationship marketing, integrated marketing, internal marketing, relationship marketing
-

# MARKETING IDEAS EVOLUTION



## 2. SELECTED MARKETING TERMS

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Market cycle

Marketing mix

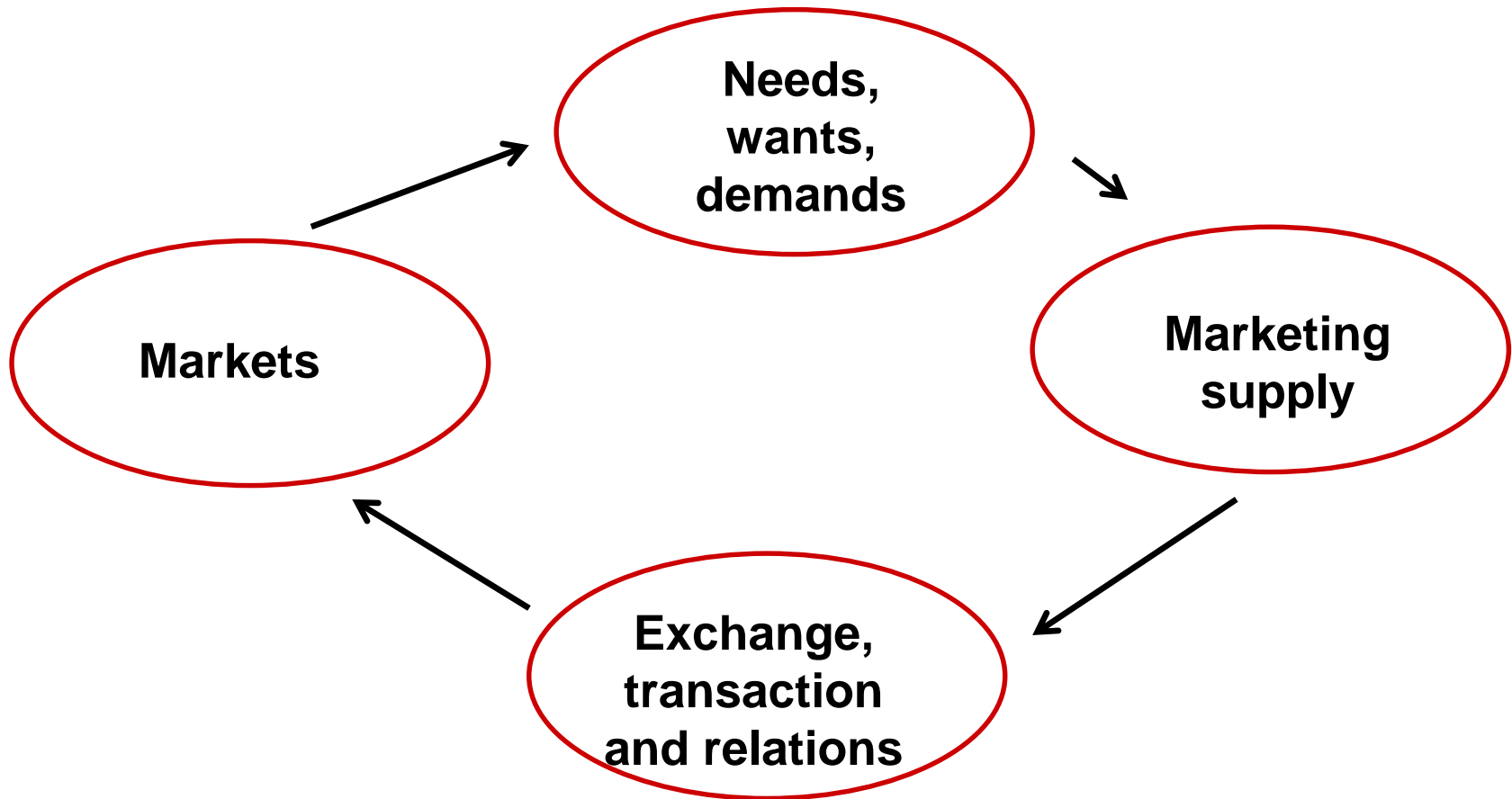
STP – individual lecture!





# A. MARKET CYCLE

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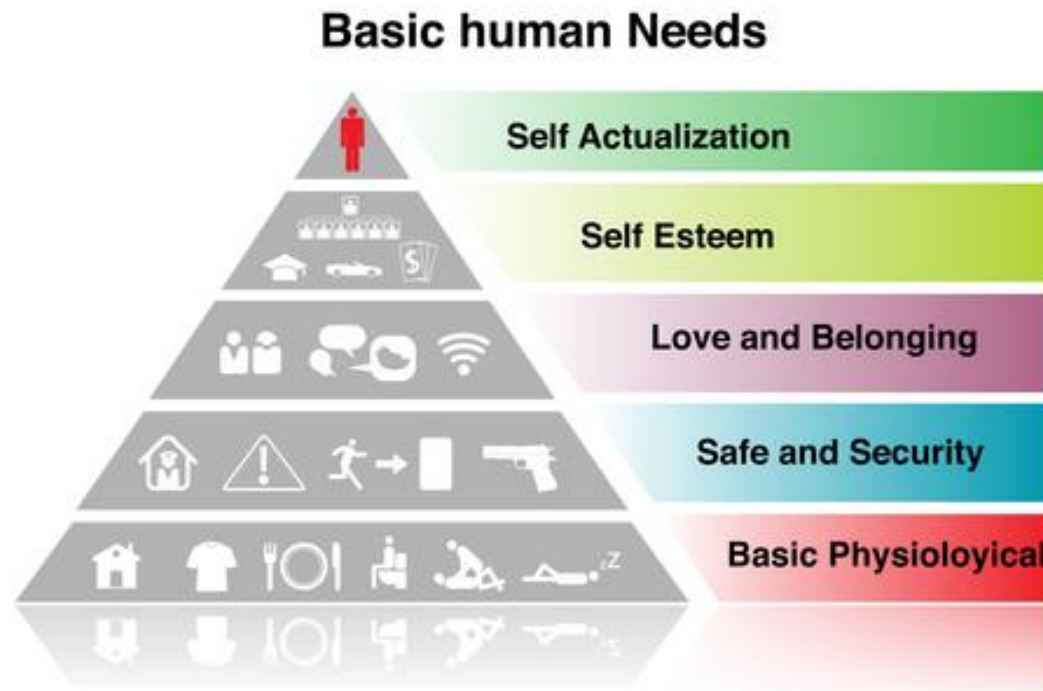
# A1: NEEDS ⇨ WANTS ⇨ DEMANDS

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- **Needs** = basic human requirements such as for air, food, water, clothing, shelter and currently recreation education, entertainment.
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# MASLOW'S HIERARCHY MODEL OF NEEDS

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Source: <http://psychologyofsuccess.org.uk/maslows-hierarchy-of-needs/>

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# A1: NEEDS ⇒ WANTS ⇒ DEMANDS

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- **Wants** = needs which are directed to specific objects that can satisfy the need.
  - **Demands** = wants for specific products backed by an ability to pay.
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# THE TYPES OF DEMAND

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<b>Negative demand</b>	Consumers dislike the product and may even pay to avoid it.
<b>Nonexistent demand</b>	Consumers may be unaware of or uninterested in the product.
<b>Latent demand</b>	Consumers may share a strong need that cannot be satisfied by an existing product.
<b>Declining demand</b>	Consumers begin to buy the product less frequently or not at all.
<b>Irregular demand</b>	Consumer purchases vary on a seasonal, monthly, weekly, daily, or even hourly basis.
<b>Full demand</b>	Consumers are adequately buying all products put into the marketplace.
<b>Overfull demand</b>	More consumers would like to buy the product than can be satisfied.
<b>Unwholesome demand</b>	Consumers may be attracted to products that have undesirable social consequences.

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# A2: MARKETING SUPPLY

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- Something what is offered in the market to satisfy needs and demands.
  
- **What is marketed?** Goods, service, events, experiences, persons, places, organizations, information and ideas etc.



## A3: EXCHANGE, TRANSACTION, RELATIONS

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- ❑ **Exchange** = the process of obtaining of certain value by providing something else as the compensation.
  - ❑ **Transaction** = the value change between two participants (financial, barter).
  - ❑ **Relations** = creating and maintaining of good, deep, profitable and longtime relations with customers (CRM).
-

# A4: KEY CUSTOMER MARKETS

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□ **Market** – traditionally physical place, currently a collection of real and potential buyers of some product or service.

⇒ **Consumer markets (B2C)**

⇒ **Business markets (B2B)**

⇒ **Nonprofit and Governmental markets (B2G)**

⇒ **Global markets (knowledge of differences!)**





# B. THE TRADITIONAL MARKETING MIX

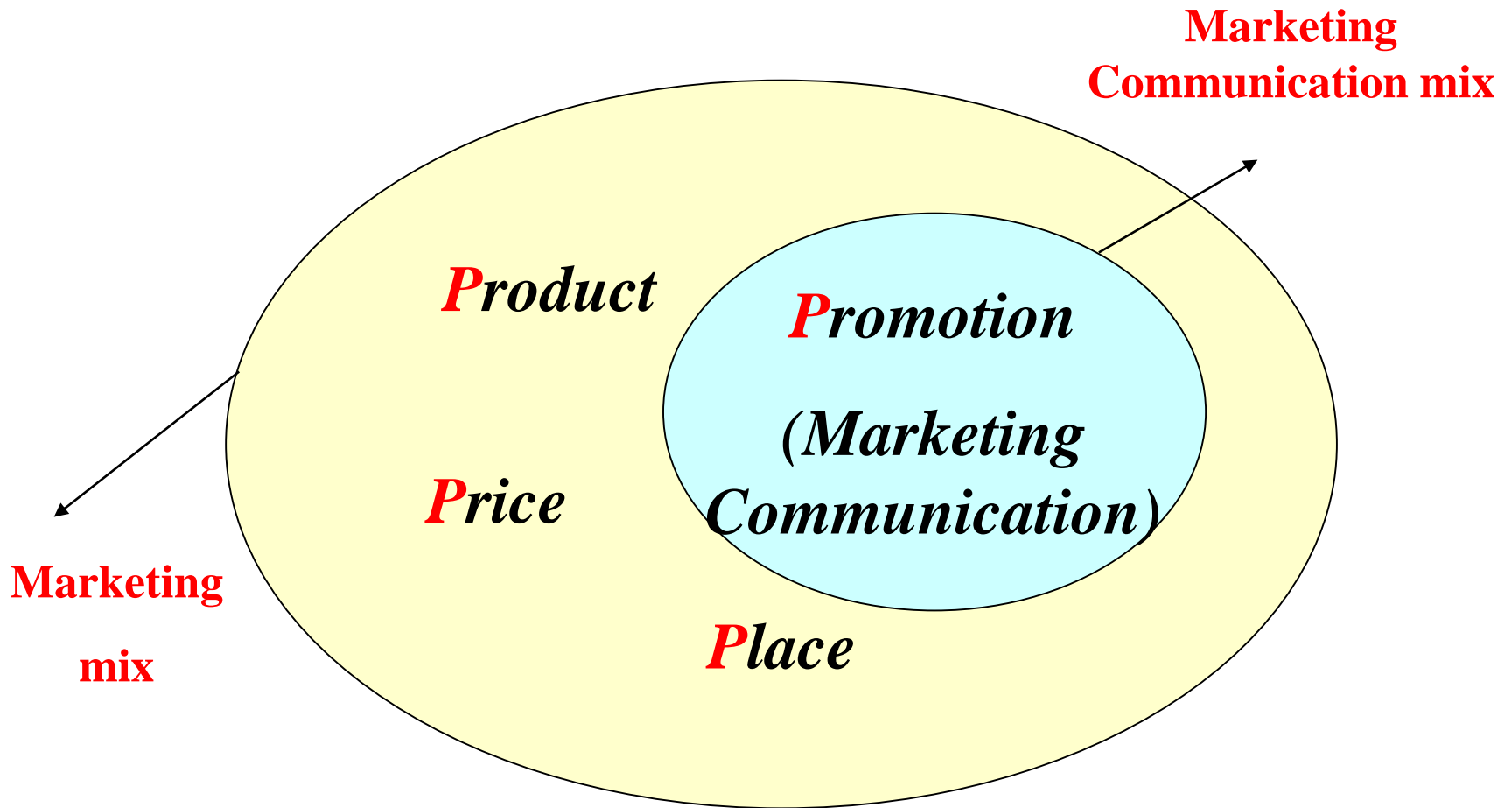
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- McCarthy classified various marketing activities into marketing–mix tools: **product, price, place, and promotion (MC)**.
  - The marketing mix should be managed such that it ensures that the right **product** is appropriately **promoted** at the right **price** in the right **place** at the appropriate time so as to satisfy the needs of target customers in the chosen market segments.
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# MARKETING MIX („4Ps“)

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# MARKETING MIX X MC MIX!

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# „4Ps“ (each will be discussed more fully in later lessons)

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- ❑ **Product** – products are solutions to customer’s needs. The provider needs to make various product decisions, including functionality, range offered, brand names, packaging, service and support. It is the critical element in the mix.
  - ❑ **Price** – various price-setting models exist, with decisions relating to factors like market penetration, credit terms, discount policy and cost of provision.
  - ❑ **Place** – it is about making the product available. Some form of structured network is normally required – a distribution channel.
  - ❑ **Promotion** – promotion aims to make a target market aware of a product offering, develop a long-term relationship with the customer and create and stimulate demand.
-

# „7Ps“ – extended marketing mix

(in the case if the product = service)

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## □ „4Ps“

- **Physical evidence** – customers look for reassurance relating to required benefits and quality (ambience, fixtures and fittings, appearance/attitude of staff, etc.) as an indicator of likely satisfaction.
  - **Process** – the method by which the services are provided.
  - **People** – people are an essential element of the marketing mix. Staff recruitment, training, development and empowerment to deal with problems become a critical element in ensuring a positive customer experience.
-

# KEY DECISIONS RELATING TO THE MARKETING MIX

<b>Product</b>	Product range, product performance, branding, quality, packaging, design, service support, ...
<b>Price</b>	Pricing model, discount policy, credit terms, non-financial cost, ...
<b>Place</b>	Channel selection, support supplied by channel members, market/customer coverage, transport, ...
<b>Promotion (MC)</b>	Advertising, sales promotion, personal selling, public relations, direct marketing, sponsorship, on-line communication.
<b>Physical evidence</b>	Market tangible assets, taken as quality measure.
<b>Process</b>	Fulfilment, administration.
<b>People</b>	Recruitment, training/skills, interaction with customers.

# MARKETING MIX – CONCEPT 4C

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Source: <https://www.pinterest.co.uk/pin/379357968592537174/>

## WHAT IS THE DIFFERENCE?

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