

Core Concepts of Marketing

Definition:

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others.

Alternative Definition:

Producing and distributing the right goods:

- to the right people
- at the right place
- at the right time
- at the right price
- with the right communication and promotion.

Concepts:

- Needs, Wants, Demand
- Products, Services, Ideas
- Exchange, Transactions, Relationships
- Markets, Marketer
- Consumers, Customers

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$$\text{Satisfaction} = \sum_{L=1}^4 (\text{utilities})$$

1. Form
2. Place
3. Time
4. Possession

Exchange:

The Process by which needs and wants are satisfied.

Five Necessary Conditions:

1. Two or more parties
2. Each has something of value to other
3. Each can communicate and deliver
4. Each is free to accept or reject offers
5. Each finds it desirable or appropriate to deal with the other.

Transactions: Measurable Entities:

1. At least two things of value
2. Agreeable Conditions
3. Time of Agreement
4. Place of Agreement

“Law of Contracts”

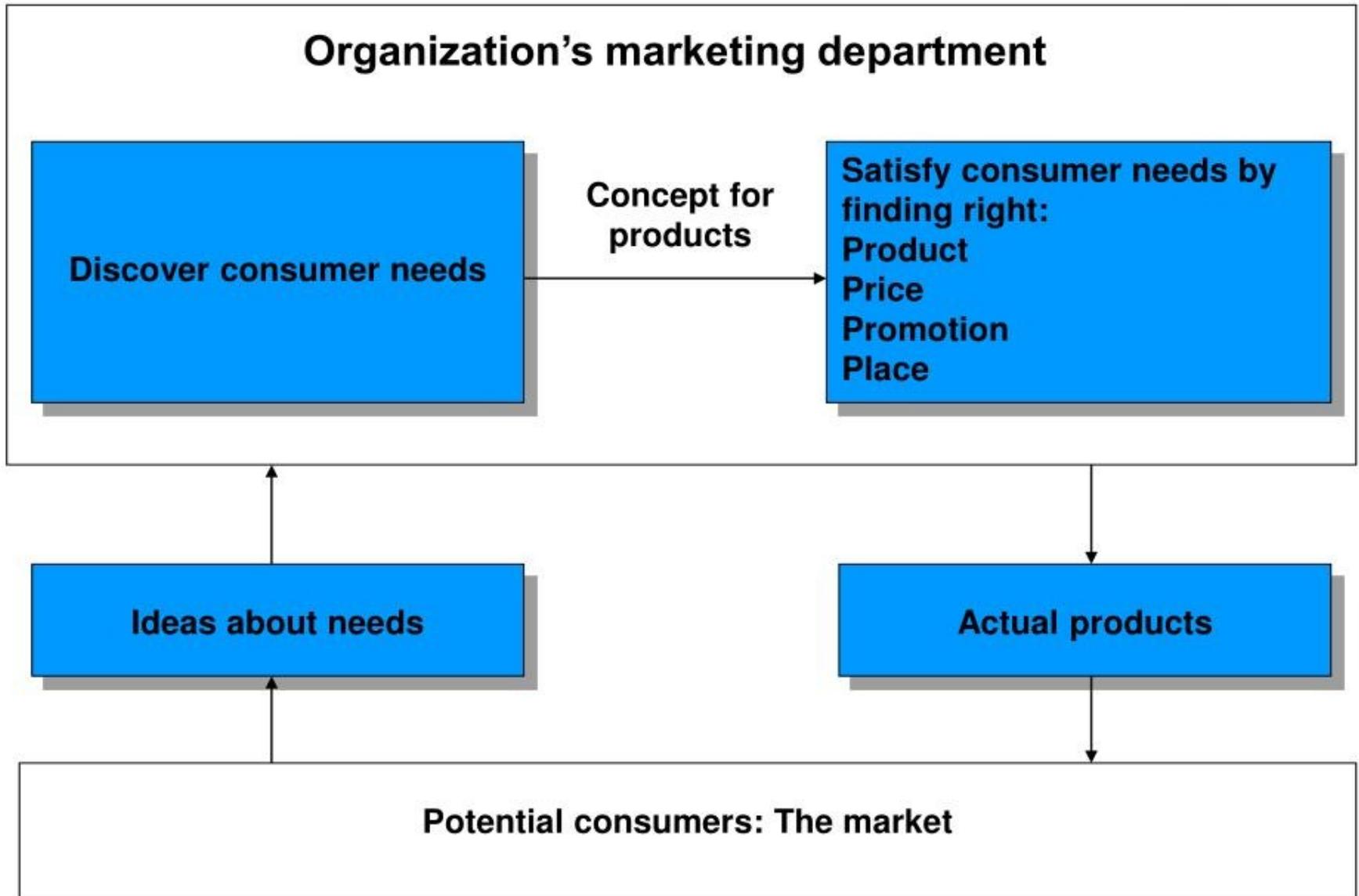
Countertrading:

1. Barter
2. Compensation Deal
3. Product Buyback
4. Counterpurchase

T1-A Summary of factors that affect an organization's marketing program



T1-5 Marketing's second task: Satisfying consumer needs



Company orientation toward the market place

1. Production approach:

- Large Scale Production
- Wide Distribution
- Homogeneous Product

Problem: Consumer insensitive

2. Product approach:

- Quality
- Performance
- Features

Problem: Emphasis on product rather than consumer needs

Examples:

ELGIN WATCH CO.

KEVIAR

ISDN

DIOLIGHT

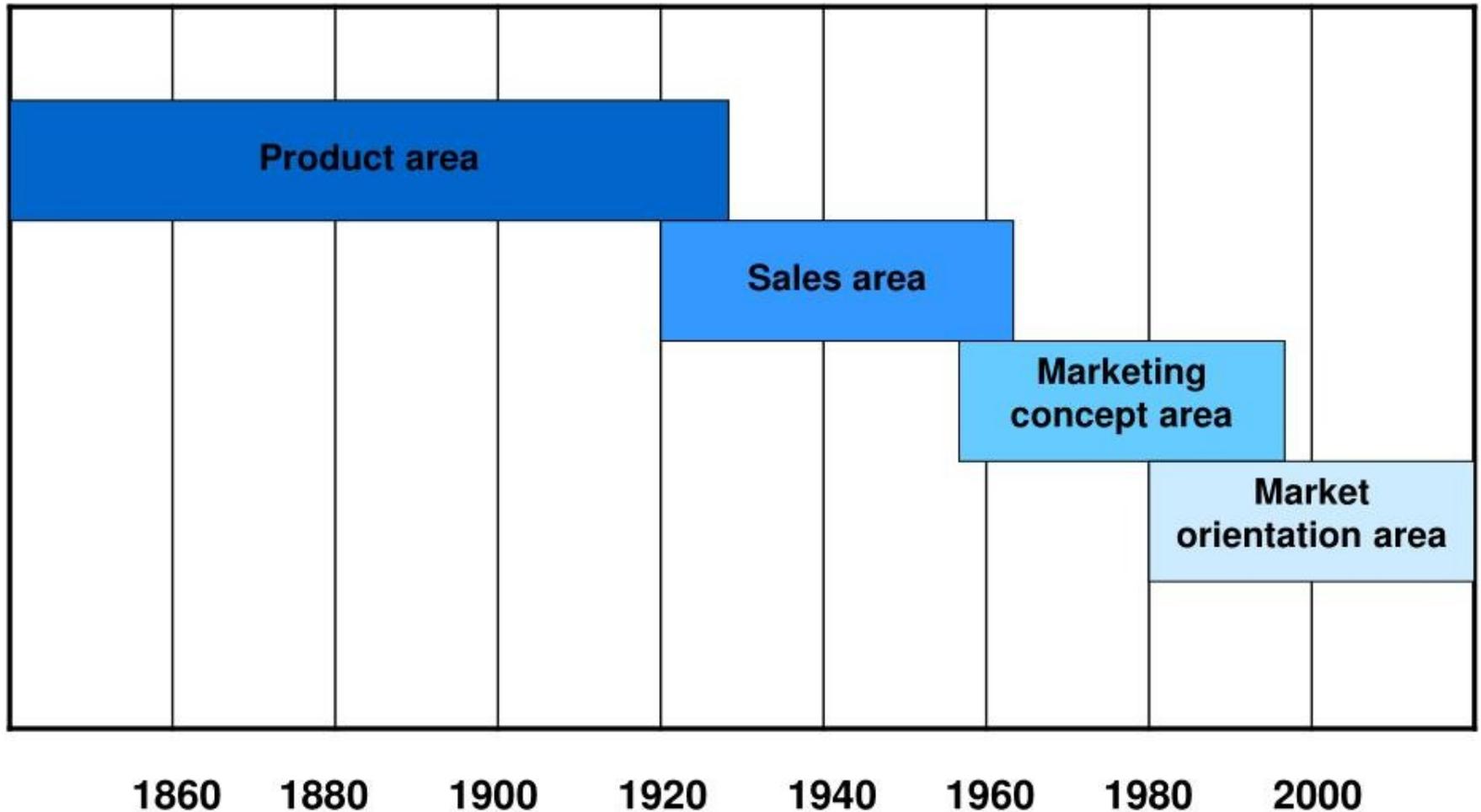
3. Sales approach:

- Unsought goods
- Methods to sell whatever products are produced

4. Marketing approach:

- Know customer needs and satisfy them more efficiently than your competitors
- Optimal combination of the four “P”
- Marketing research

T1-6 Four different orientation in the history of American business



T3-1 Environmental forces affecting the organization, as well as its suppliers and customers

