

Chapter 1

Social Foundation of Marketing

Meeting Human Needs



What is Marketing ?

- ✓ **Marketing** : A social and managerial process by which individual and groups obtain what they need and want through creating and exchanging products and values with others .



✓ **To explain this definition, we examine the following important terms:**

Need, wants, demands, product, exchange, transactions, and markets.



Core Marketing Concepts

✓ These Core Concepts are shown in this figure:



1-Needs

- ▶ The most basic concept underlying marketing is that of human needs.
- ▶ **Human need** : a state of felt deprivation.
- ▶ Humans have many complex needs. **They include :**
 - 1-basic physical need** for food, clothing, warmth, and safety.
 - 2- Social needs** for belonging and affection.
 - 3- Individual needs** for knowledge and self-expression.



2–Wants

- ✓ **A second basic concept in marketing is that of human wants : the form taken by human needs as they are shaped by culture and individual personality.**

3–Demands

- ✓ **Human wants that are backed by buying power.**



4-Products

- ✓ **Anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a need or want, it includes physical objects, service, persons, places, organizations, and ideas.**



5-Exchange

- ✓ **Marketing occurs when people decide to satisfy needs and wants through exchange.**
- ✓ **Exchange is the act of obtaining a desired object from someone by offering something in return.**



❖ **Notice that:**

✓ **Exchange is the core concept of marketing.**

✓ **For an exchange to take place, several conditions must be satisfied:**

1- two parties must participate

2- each must have something of value to other.

3- each party must also want to deal with the other party.

4- each must be free to accept or reject the other's offer.

5- Finally, each party must be able to communicate and deliver.



6-Transactions

- ✓ **Whereas exchange is the core concept of marketing, a transaction is marketing's unit of measurement.**

❖ **Transaction:**

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



There are two types of Transactions :

❖ Monetary transaction:

- ✓ A marketing transaction in which goods or services are exchanged for money.

❖ Barter transaction :

- ✓ A marketing transaction in which goods or services are traded for other goods or services.

7-Markets

A Market is the set of actual and potential buyers of a product.

❖Marketing Management:

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

Marketing Management Philosophies

- ✓ **There are five alternative concepts under which organizations conduct their marketing activities: the production, product, selling, marketing, and social marketing concepts.**



Marketing philosophies:



1- The Production concept

- ✓ **This concept is the oldest philosophies that guides sellers.**
- ✓ **This philosophy holds that consumers will favor products that are available and highly affordable and that management should therefore focus on improving production and distribution efficiency.**

The production concept is a useful philosophy in two types of situation :

- 1- The first occurs when the demand for a product exceeds the supply.**
- 2- The second situation occurs when the product's cost is too high and improved productivity is needed to bring it down.**

2- The Product Concept

- ▶ The idea that consumers will favor products that offer the most quality, performance, and features and that the organization should therefore devote its energy to making continuous product improvements.

❖ Notice that

- ▶ The product concept can also lead to “marketing myopia”.

3- The Selling Concept



- ✓ Many organizations follow the selling concept.
- ✓ The idea that consumers will not buy enough of organization's products unless the organization undertakes a large-scale selling and promotion effort.
- ✓ The concept is typically practiced with **unsought goods**, those that buyers do not normally think of buying, such as encyclopedias and insurance industries.

4-The Marketing Concept

- ✓ **The marketing management philosophy holds that achieving organizational goals depends on :-**

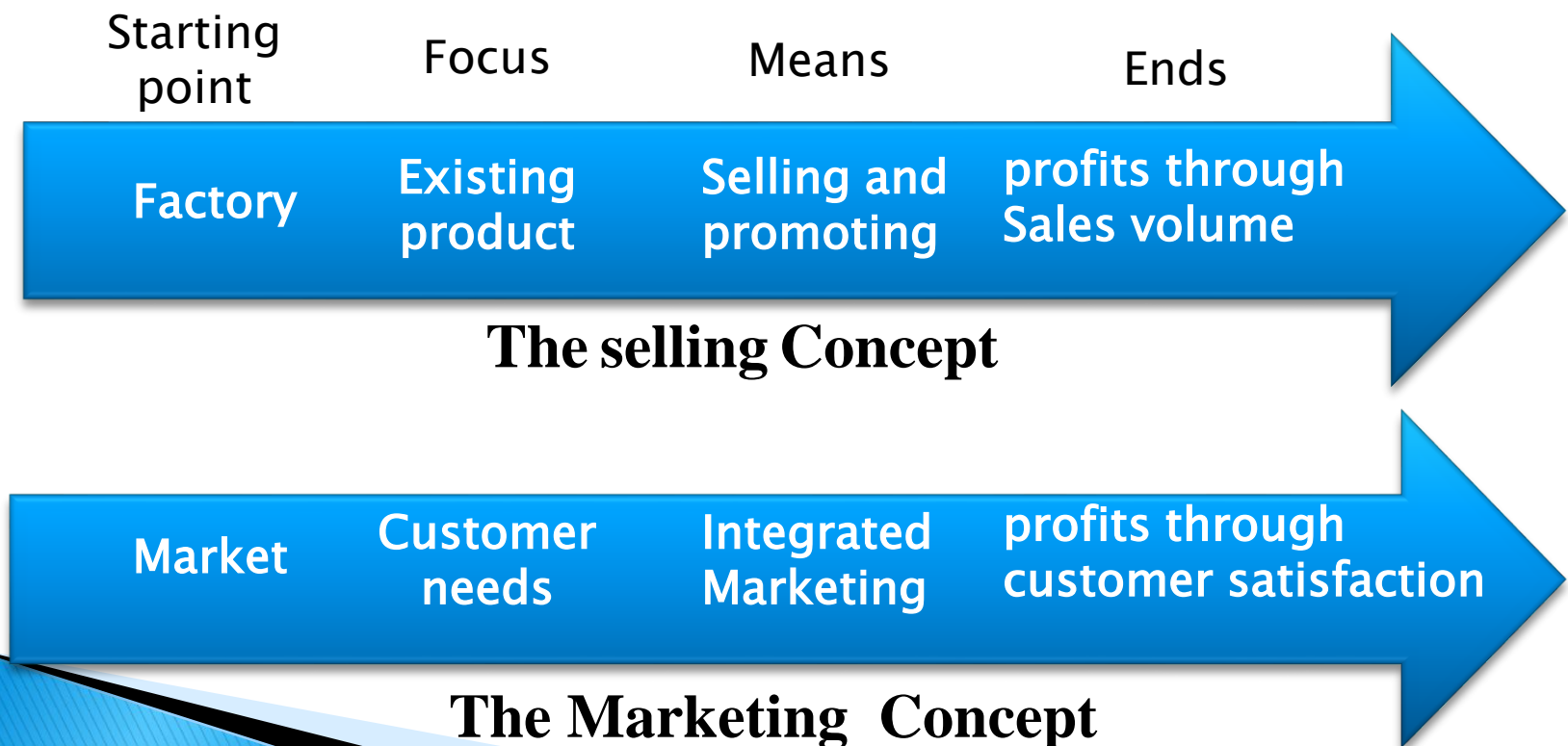
determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors do.



The selling concept and the marketing concept are frequently confused.

- ✓ **The selling concept takes an inside-out perspective.**
- ✓ **In contrast, the marketing concepts takes an outside-in perspective**
- ✓ **The following figure compares the two concepts.**

The Selling and Marketing Concepts Contrasted



5-The societal marketing concept

- ▶ **The idea that the organization should determine the needs, wants, and interest of target markets and deliver the desired satisfaction more effectively and efficiently than competitors in a way that maintains or improve the consumer's and society's well-being.**

The goals of the marketing system

- ✓ **Maximization consumption**
- ✓ **Maximization consumer satisfaction**
- ✓ **Maximize choice**
- ✓ **Maximize life quality**

