# Unit 4 Assignment: The Development of Marketing and the Marketing Process

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# BU 615-7 Marketing and New Product Development

This paper discusses the development of marketing and the marketing process. I will begin by defining the term marketing for I believe that by defining a word it clarifies the end goal when engaged in related activities.

The development of marketing and the marketing process transitions through various stages. Those stages can be outlined as follows:

1. Identify customer needs
2. Assessment for the demand
3. Conduct environmental scanning of environmental forces
   1. Social
   2. Economic
   3. Technological
   4. Competitive
   5. Regulatory
4. SWOT Application
   1. Strength
   2. Weakness
   3. Opportunity
   4. Threat
5. Four P’s Application
   1. Product – Good or Service
   2. Price – Cost of good or service
   3. Promotion - Advertisement
   4. Place – Customer obtainment of the good or service
6. Branding
   1. Brand Identity
   2. Brand Equity
   3. Brand Loyalty

“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” (Fripp, 2015)

Marketing is the ability to identify customer needs and fulfill those needs profitably. Marketing can even be convincing customers that they are in need of a product or service that they are unaware of, yet it must at a profit. An example of creating a need can be observed in the organic food industry. In a survey, respondents were asked to score different motivations for buying organic vegetables. Motivations for buying organic vegetables were reported to be:

* without pesticides
* better for the environment
* healthier
* better quality
* better taste
* better for my children
* greater food safety
* without Genetic Modifications
* better controlled
* fresher products
* more animal friendly

(Aertsens, Mondelaers, Verbeke, Buysse, & Guido, 2011)

“Marketing has often been defined in terms of satisfying customers’ needs and wants. Critics, however, maintain that marketing goes beyond that and creates needs and wants that did not exist before,” (Kotler & Keller, 2011).

A personal example would be regarding cell phones. I recall having phones with less features and being very satisfied. Initially, just the ability to make a mobile call was the greatest feeling. The types of phones I owned transitioned from a large form factor to small to large again, coinciding with the capabilities. Being to simply make a call and receive a text would never suffice today. To successful marketing, I could imagine having such a simplistic phone today. Today I need, at least I believe I do, to be connected at all times. Excellent marketing on the part of phone manufactures. Now I can monitor my credit card accounts, have video chats, use gps, track my heart rate and steps, record video, stay in with Facebook the news, weather, sports; create edit and sign documents; scan documents, access to email at any time.

Additionally, I can order food, order a ride, track public transportation schedules, check the weather, watch tv. I can pay bills, transfer funds, control my car and portions of my home at from my phone. I am connected to the world, gigabytes of data reaching me at all times. How did I ever survive without these things before?

A person that engages in marketing, from the perspective as an advocate to others to purchase a certain product or service, is a marketer. Marketers seek to fulfil or create a demand for their product or service. “Marketers use the term market to cover various groupings of customers. They view sellers as constituting the industry and buyers as constituting the market.” (Kotler, P & Keller, K. (2011).

A successful marketing strategy will identify the needs of market that need to be met followed by an assessment of the demand for the need. The demand for the need can vary and as such the marketing strategy will need to address the current state. There are eight states in which demand can exist. Marketers are responsible to identifying the demand states for their product of service and influence demand to a state that is favorable to the company:

* Negative demand—Consumers dislike
* Nonexistent demand—Consumers may be unaware of or uninterested in the product
* Latent demand—Consumers may share a strong need that cannot be satisfied by an existing product.
* Declining demand—Consumers buy the product less or not at all
* Irregular demand—Consumer purchases vary
* Full demand—Consumers are adequately buying the product
* Overfull demand—Supply is not keeping pace with the demand
* Unwholesome demand—Consumers may be attracted to products that have undesirable social consequences. (Kotler, P & Keller, K. (2011).

Upon knowing the demand state in the market for the product or service, a company can begin formulating a strategy. Business must realize that the market is everchanging. This dynamic nature of demands is caused by environmental forces. These forces consist of five categories:

1. Social

2. Economic

3. Technological

4. Competitive

5. Regulatory

Examination of the effect of environmental forces reveals trends within the marketing environment. These trends offer useful information that can be assist in assessing beneficial or detrimental internal and external instances for the business. This type of market research is termed environmental scanning and helps provide pertinent information for marketing decision making for the company.

* Social – sentiments of the populace can affect business practices, e.g. going green, going organic, going healthy.
* Economics – can effect the business internally in terms of expenses and externally in regards to income based on the effects of economics on customers.
* Competitive – the competition can be the initial bench mark in terms of strengths. Competition weakness present opportunity
* Technological – can provide a business with more efficient and accurate ways of conducting business activities therefore providing overall improvement.
* Regulatory – Laws and politics can either aid of restrict a business and its activities.

Environmental scanning is form of SWOT analysis. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. Theoretically, these qualities operate in pairs, i.e. Strengths and Weaknesses vs. Opportunities and Threats. In application of the both sets of qualities; we are speaking in terms of internal vs. external. Amazingly, each is a reflection of the other, an equal opposite, i.e. a push vs a pull, an internal strength is an opportunity; an internal weakness is a threat; an external strength is a threat; and an external weakness is an opportunity. The qualities are balanced and interrelated and can expressed in a more simplified form, in my opinion. See the chart below.

|  |  |  |
| --- | --- | --- |
| **SWOT Interrelation** | | |
| **Internal** | | **External** |
| Strength | Opportunity | Weakness |
| Weakness | Threat | Opportunity |

Internal Strength = internal Opportunity = External Weakness

Internal Weakness = Internal Threat = External Opportunity

Social forces were among the environmental forces that mentioned earlier that affects the market. Researching that force addresses societal likes and dislikes and even neutral stances. Those likes and dislikes and be wide and varied, and too numerous to keep track. No business can possibly offer each and every good and service. Thus, it is impossible for a company to cater to the needs of everyone. Just as the company specializes or restricts it operations to a particular industry, a company must all focus on a segment of the market and its needs, which is identified as a target market. To focus on the target market and meet their need, the marketing team will utilize the Four Ps within the marketing plan.

The Four P’s

1. Product – Good or Service
2. Price – Cost of good or service
3. Promotion - Advertisement
4. Place – Customer obtainment of the good or service

Environmental forces directly influence company decisions regarding application of the Four P’s. The final decision is based on the results of research, which empowers the company to act in accordingly. These four P’s specifically address product branding and enable you to check the way your brand is interpreted. (Sims, 2001). Utilizing the four P’s can assist with building a product into a brand. In a general sense branding is accomplished via the four P’s by taking a SWOT analysis perspective.

McDonalds, Dunkin Donuts, Gatorade, Nike are all examples of brands and more specifically brand names. When those names are mentioned many people are familiar with them and associate ideas representative of those names. The names themselves have almost become synonymous with certain ideas. The name McDonalds brings thoughts of hamburger, french fries, milkshakes. The name Starbucks is synonymous with latte, cappuccino, white mocha, coffee. Toyota Camry is known for dependability, low maintenance and good gas mileage. Walmart, bargain prices and a lot of products and services under one roof. Now I will examine symbols. Swoosh is the symbol of Nike. If we see the Golden arches in the sky, we know McDonalds is nearby. Yellow seashell means gas and convenience items from Shell gas station.

A brand is a word, symbol, name, phrase or combination of each associated with a product or service. Despite the formal definition, the purpose of branding is essentially to build the product's image (Cleary, 1981 as cited in Rooney, 1995). This image will influence the perceived worth of the product and will increase the brand's value to the customer, leading to brand loyalty (The Economist, 1988 as cited in Rooney, 1995).

The next stage in branding is the creation of a brand identity. Through brand identity, a company seeks to convey its individuality and distinctiveness to all its relevant publics. It is through the development of this identity that managers and employees make a brand unique. (Nandan, 2005) Burger King isn’t the only place in town that serves hamburgers and french fries. Dairy Queen has ice cream yet also Baskin and Robbins has ice cream. It is the uniqueness of the brand that establishes brand identity, otherwise it makes no difference where the customer makes a purchase.

Burger King claims to have flam broiled patties on their burgers. This creates uniqueness that may sway a customer from McDonalds to the Burger King drive-thru. Baskin and Robbins has 32 flavors. That’s more choices to choose from and flavors of ice cream that I may be unaware. Sounds like ice cream heaven.

Feldwick (1996) as cited by Wood (2000) advises that there are a few different meanings for brand equity that can be summed up in three varying descriptions:

1. the total value of a brand as a separable asset - when it is sold, or included on a balance sheet;
2. a measure of the strength of consumers' attachment to a brand;
3. a description of the associations and beliefs the consumer has about the brand.

Each of the descriptions allude to value, value associated with a product or service by the customer. It is this value that motivates the customer to make the purchase for the value is perceived as worthwhile. Brand equity can differ from customer to customer. One customer may value variety and another may hold affordability dear. Some customers may value the brand name itself and its association with being a high-end item. For whatever reason, brand equity is totally within the discretion of the customer. In the marketing strategy the overall goal is to have a positive brand equity.

If customers repeat their purchase of the product or service then Brand Loyalty has been achieved. “Loyal customers are the ones who will purchase the same brand regardless of convenience or price. These loyal customers have found a product that meets their needs, and they're not interested in experimenting with another brand.” (Kopp, 2019)

The marketing campaign must continue to maintain brand loyalty while repeating the marketing stages and attracting new customers.

In conclusion the development of marketing and the marketing process is a perpetual cycle of stages that is applied through the lifetime of the product or service. Marketing efforts transition through various stages in an effort to meet the needs the needs of customers. The market lifecycle can be outlined as follows:

1. Identify customer needs
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