

Marketing Concepts

Marketing

Marketing is the process by which companies engage customers, build strong customer relationships, and create customer value in order to capture value from customers in return.

Marketing involves identifying customer needs, developing products or services to satisfy those needs, and effectively communicating their value to the target audience.

Basic Marketing Process (5 Steps)

1. Understanding Marketplace and Customer Needs
2. Designing a Customer Value-Driven Marketing Strategy and Plans
3. Developing an Integrated Marketing Program
4. Building Strong Customer Relationships
5. Capturing Value from Customers and Creating Profit

Customer Needs, Wants, and Demands

Understanding these three concepts is essential in marketing:

Needs

Basic human requirements such as food, clothing, shelter, and safety. These are fundamental to survival.

Wants

Wants are the specific forms that human needs take, shaped by culture, society, and individual preferences.

Example: A person needs food to survive but may want biryani, pizza, or burgers based on their personal taste and cultural influence.

Demands

Wants backed by purchasing power. Customers may want a luxury car, but only those who can afford it create demand for it.

Market Myopia

Market myopia occurs when businesses focus too much on their products rather than the benefits and experiences they provide to customers.

To avoid market myopia, companies should focus on customer needs rather than just selling products.

Market Offering

A market offering refers to the combination of products, services, experiences, or information that a company provides to satisfy customer needs and wants.

Example:

McDonald's Market Offering:

- Product: Burgers, fries.
- Service: Fast-food delivery.
- Experience: Friendly environment, branding, and consistency.

Customer Value and Satisfaction

Customer value is about how much benefit a customer gets compared to what they pay (money, time, effort).

If a product gives more benefits than its cost, the customer sees high value.

Example: You buy a smartphone with a great camera, long battery life, and good performance at a reasonable price.

Exchange

Exchange is the process of giving something (money, product, or service) to get something in return (another product, service, or benefit). It is the core concept of marketing.

The act of obtaining a desired object from someone by giving something in return.