

Principles of Marketing

Lesson 1

- Course introduction, expectations, and assessment methods

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Understanding Marketing Fundamentals

This course explores the essential concepts that form the foundation of effective marketing practices:



Human Needs to Market Demand

Examining how fundamental human needs and desires translate into market demand, creating opportunities for businesses to develop targeted solutions.



Value Creation Process

Analyzing how businesses create and deliver value through products and services that provide meaningful benefits and satisfy customer expectations.



Market Dynamics

Understanding the complex relationships between products, benefits, and customer satisfaction within evolving marketplace conditions.

Throughout this course, we'll explore these concepts through theoretical frameworks and practical case studies to develop comprehensive marketing knowledge.

Needs, Desires and Demand



Need

An exigency born from human nature or social life (limited in number)



Desire

Preferred means by consumers to satisfy a need (unlimited)



Demand

Consumption behaviour supported by purchasing power



Example: Thirst as a Need

Need

"I'm thirsty."

Desire

"I'd like a glass of iced water, or perhaps a lemon drink...
Or maybe a very hot, sweet mint tea; isn't that how people
quench thirst in the desert?"

Demand

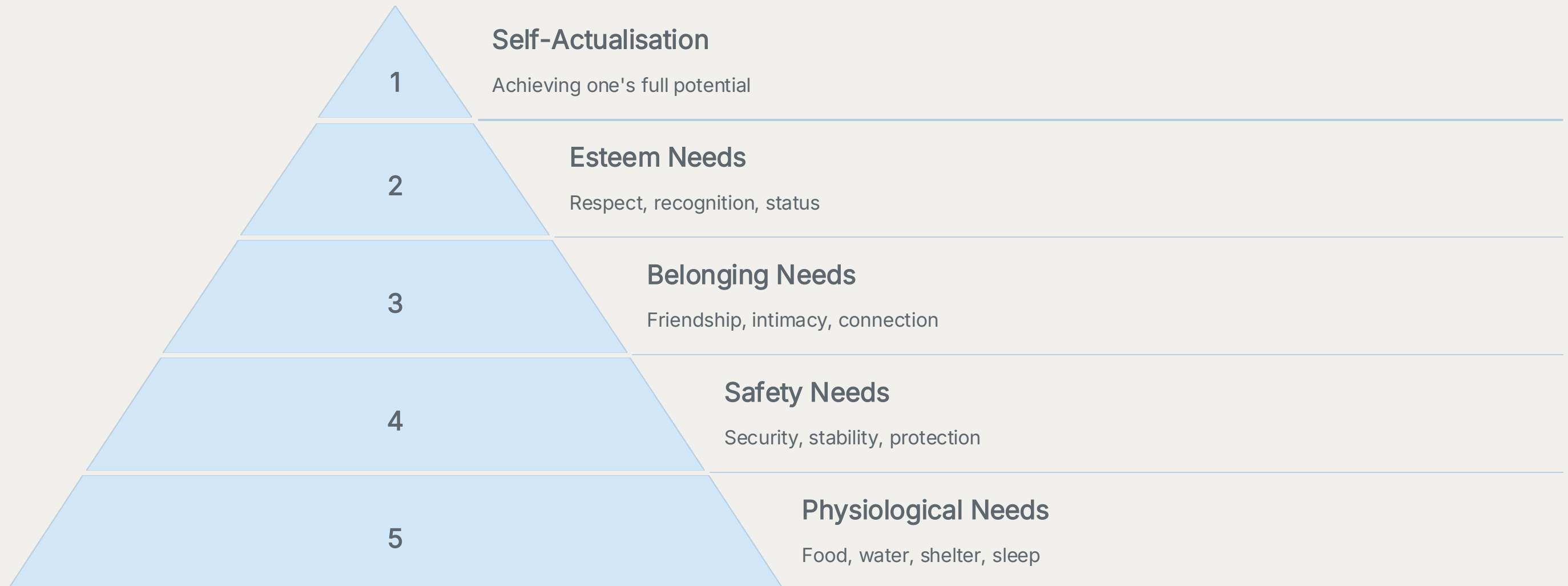
"I'll buy a bottle of mineral water; it would be nice to invest
in one of those American refrigerators that dispense
crushed ice with water, but they're too bulky."



Desires are unlimited, only imagination is a limit! Material
and psychological constraints ultimately restrict demand.

Maslow's Hierarchy of Needs

According to American psychologist Abraham Maslow, human needs can be hierarchically organised. A higher level need cannot be satisfied if lower needs remain unmet. Thus, self-actualisation is only possible once physiological, safety, belonging, and esteem needs are satisfied.



Understanding this hierarchy helps marketers identify which customer needs their products or services can address, and how to position them accordingly.

The Symbolic Envelope

Marketing does not create needs. However, it stimulates desire for products or services that can address one or several basic needs.



Limited Needs

Human needs are finite and based on biological and psychological requirements.



Marketing Influence

Marketing creates symbolic associations and emotional connections.



Infinite Desires

While the number of needs is limited, desires are infinite.

The Power of Symbolic Association

The "symbolic envelope" - *the collection of meanings, emotions, and status symbols that surround even the most basic products.*



Unlock your potential



Products and Benefit Creation

In marketing terms, a product is any entity capable of satisfying a need or desire.

Object

Mickey Mouse Journal, Cinderella-themed school bags

Service

Walt Disney films and cartoons, restaurant services in theme parks

Activity

Themed attractions in parks, sports or music classes

Place

Disneyland Paris park



Functional vs Symbolic Benefits

Functional Benefits

Practical, tangible advantages that consumers gain from product features

Examples:

- "An autofocus camera (feature) allows successful photos every time (functional benefit)"
- "Fluoride in toothpaste (feature) prevents cavities, pain and saves money (functional benefits)"
- "Non-stick cookware (feature) makes cleaning easier and reduces cooking time (functional benefits)"

Symbolic Benefits

Intangible, emotional or social advantages that consumers associate with product features

Examples:

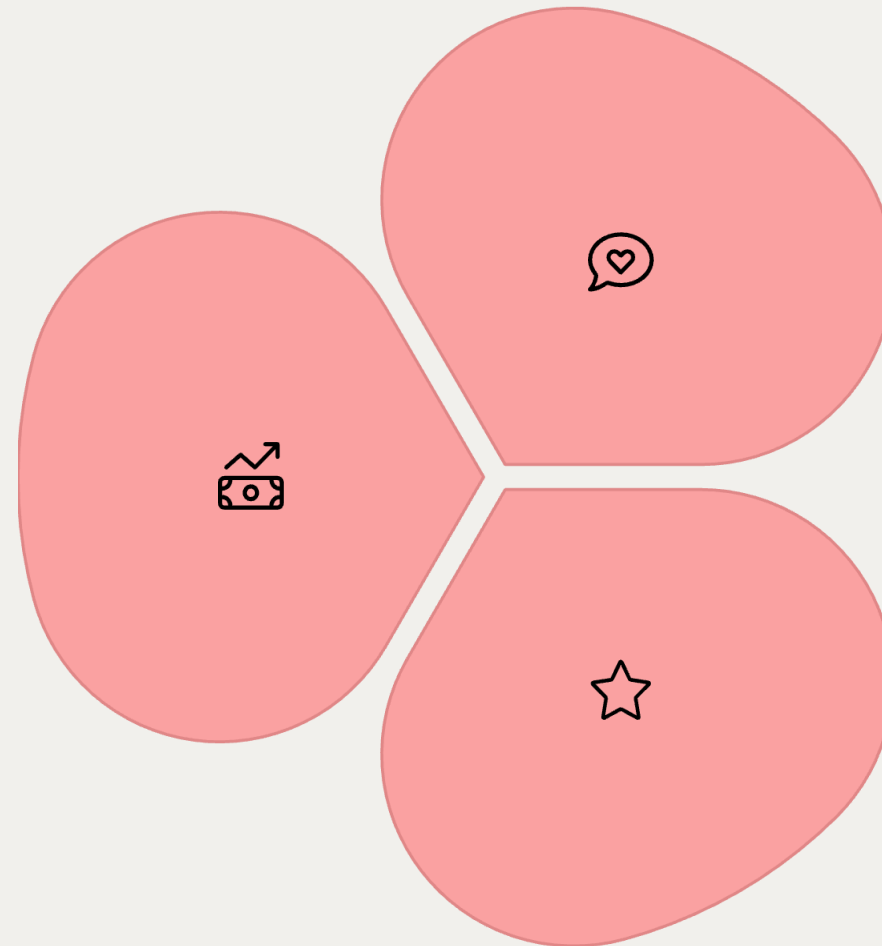
- "Wood on a car dashboard (feature) expresses luxury and sophistication (symbolic benefit)"
- "Designer logos on clothing (feature) conveys status and exclusivity (symbolic benefit)"
- "Eco-friendly packaging (feature) signals environmental consciousness (symbolic benefit)"

Marketing strategies often combine both functional and symbolic benefits to create compelling value propositions for consumers.

Value, Satisfaction, Quality

Value

The difference between perceived global value (benefit) and total cost



Satisfaction

Customer's state resulting from comparing product performance against expectations

Quality

Product characteristics affecting its ability to satisfy expressed or implicit needs

These three concepts are closely linked: the value delivered to the customer drives overall satisfaction with the offer. Satisfaction then depends on careful management of the offer's total quality.

Value and Satisfaction Examples

Value: Benefit vs. Cost Comparison

Mobile Phone Example

A mobile phone's value is assessed by comparing benefits (battery life, size, weight, memory capacity) against purchase price.

Car Example

For a car, it's the comparison between brand, power, options, seating capacity versus purchase price + insurance + fuel consumption.

Satisfaction: Performance vs. Expectations

Product Satisfaction

When a smartphone performs better than expected (faster processing, longer battery life than advertised), customer satisfaction increases.

Service Satisfaction

When a restaurant delivers food faster than the promised time while maintaining quality, it exceeds expectations and creates high satisfaction.

Both value and satisfaction are key metrics in determining a product's success in the marketplace and building customer loyalty.

Marketing Concepts Applied: Personal Item Analysis

In this activity, you will apply the marketing concepts we've been discussing to items you personally own and use.

Select an Item

1

Choose one of your outfits or accessories that you're wearing or have with you today (e.g., shoes, watch, bag, jacket).

2

Analyze Using Marketing Concepts

For your chosen item, prepare a brief explanation of:

- What **need** does this item fulfill? (basic function vs. position in Maslow's hierarchy)
- How does it connect to your **desires** beyond basic needs?
- What **value** does it provide? (perceived benefits vs. costs)
- What determines your **satisfaction** with this item? (performance vs. expectations)

Share with the Class

3

Be prepared to present your item and analysis in a 2-minute presentation, distinguishing between **functional and symbolic benefits** of your chosen item.

This exercise will help you recognize how marketing concepts apply to everyday purchase decisions and consumer behavior, including your own.

Coffee Break



Please return in 10 minutes



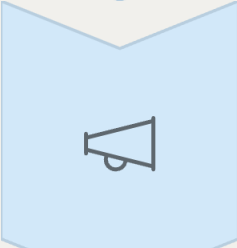
We'll resume at the scheduled time

Evolution of Marketing



Production Era

Focus on efficiency and distribution



Sales Era

Push strategy to overcome resistance



Marketing Era

Customer needs drive development



Relationship Era

Long-term value exchange



What Drives Marketing Evolution?



Marketing Technology

From illustrated print ads to multimedia text messages, email marketing, and social media platforms



Customer Needs

Evolving consumer demands, purchasing power, and expectations drive companies to adapt or risk losing to competitors



The Production Era (Early 1900s)



Industrial Revolution

Mass production of consumer goods set the stage for modern marketing



Information Focus

Customers simply needed to be informed about available goods



Henry Ford's Approach

"If you have a really good thing, it will advertise itself"

The Sales Era (1930s–1950s)

As competition increased, companies developed unique adaptations to stand out in the marketplace. This era introduced two core innovations:

The emergence of distinctive brand identities

A shift to selling orientation rather than production

Example: Coca-Cola's Santa Claus campaign (1931–1964) boosted winter sales by creating an iconic brand association that persists today.



The Marketing Era (1950s-1980s)



Understanding Customers

Focus shifted to better understanding consumers' needs, concerns and desires



Customer-Centric Approach

Products and messaging designed specifically to meet identified customer needs



Customer is King

By the 1980s, customers were firmly in charge of the marketplace



The Marketing Era (1950s-1980s)

Case Study: Apple's "1984" Advertisement

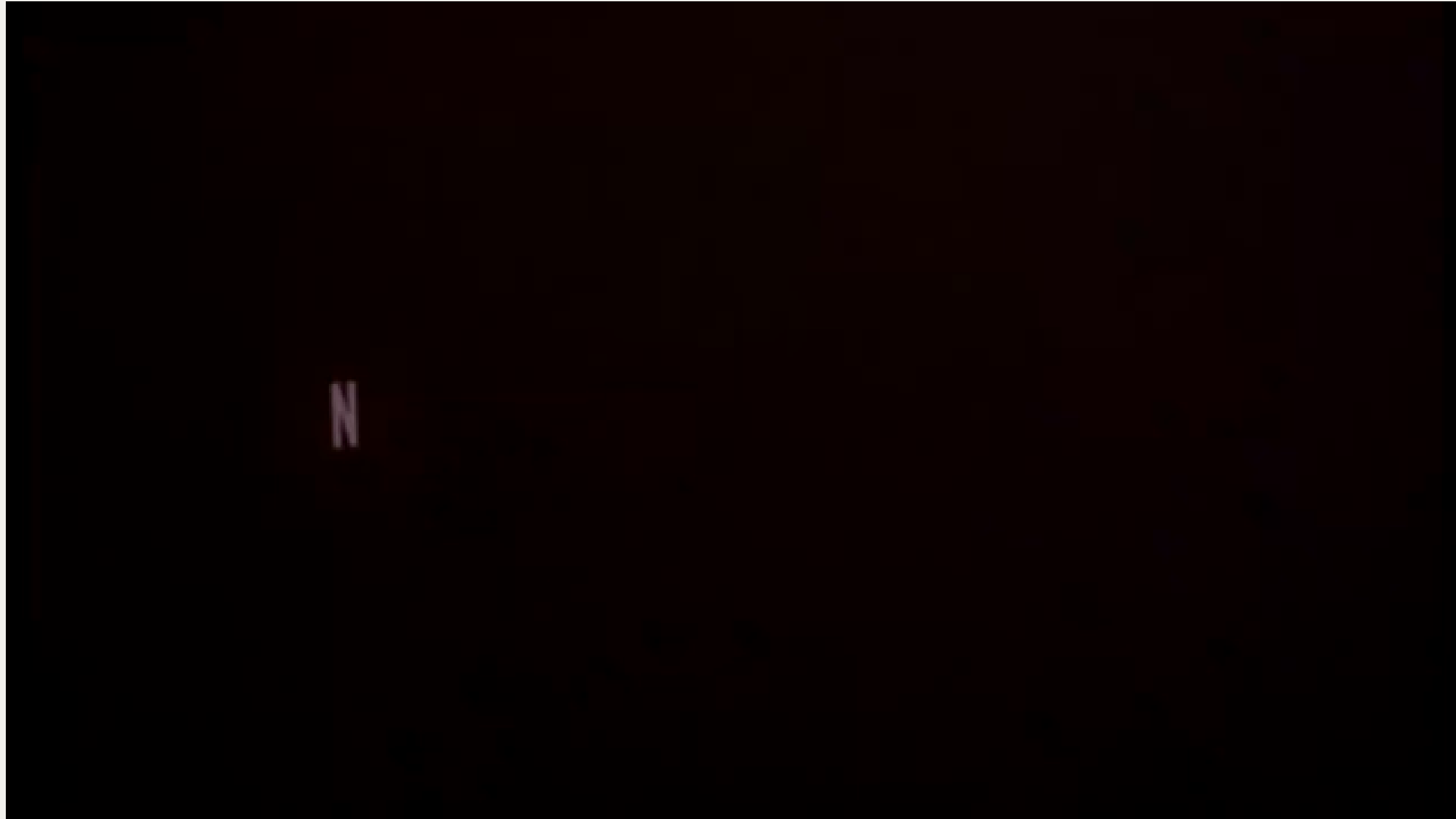
Apple's 1984 Macintosh Super Bowl commercial revolutionized marketing by:

- Establishing Apple as a counter-cultural brand
- Positioning Macintosh against IBM's conformity
- Elevating the Super Bowl as a premier ad platform
- Prioritizing emotional storytelling over features

Ridley Scott's dystopian ad aired just once nationally but became one of history's most influential commercials.



Apple's "1984" ad directed by Ridley Scott



"The '1984' ad transformed Super Bowl advertising into a cultural event where brands compete with their most creative work."

Video: Brandon Lisy. Music: Andy Clausen. Source: Bloomberg

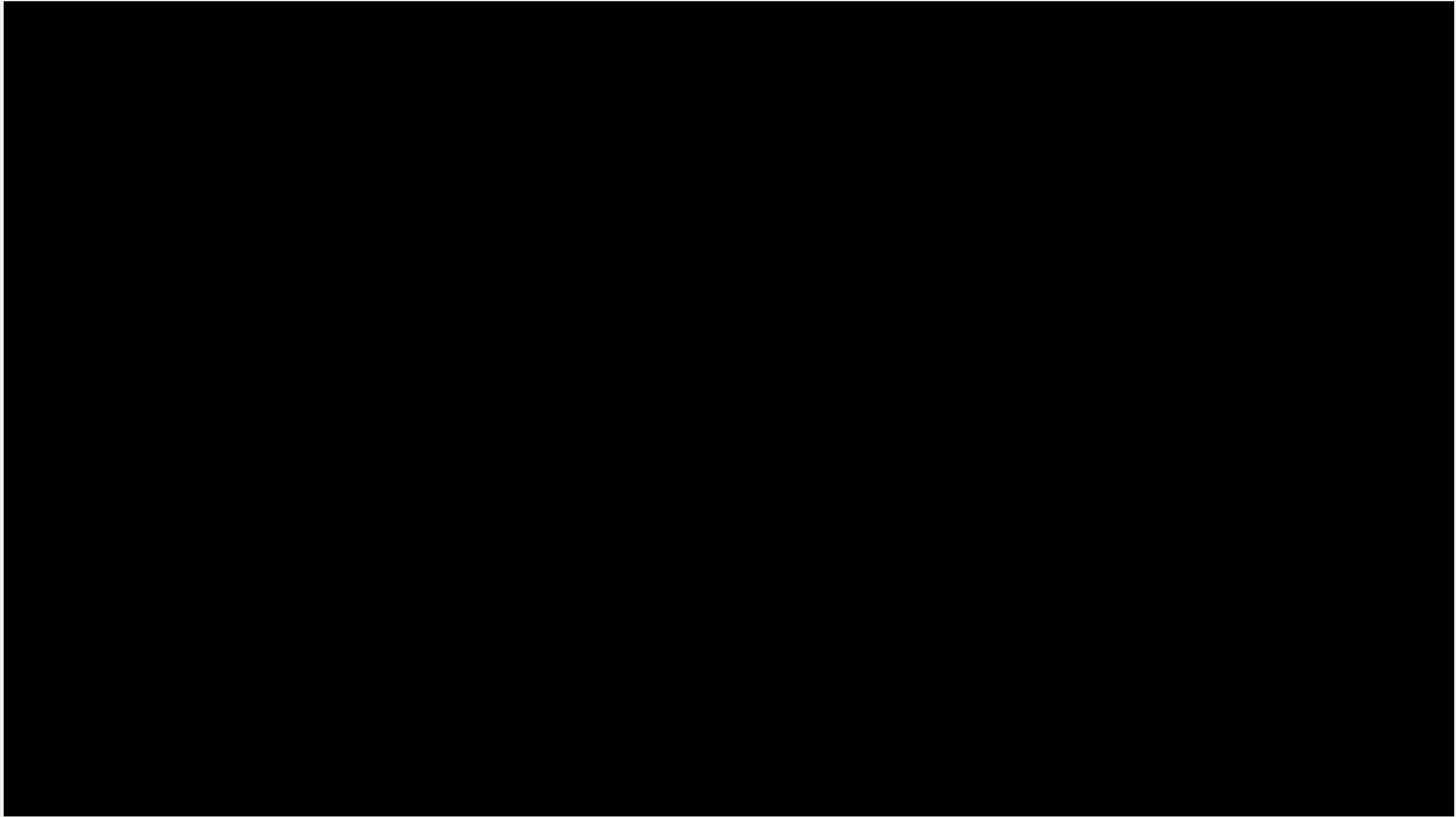
The Relationship Era (1990s–Present)

Key Characteristics:

- Focus on customer retention and loyalty
- Continued brand interaction beyond purchase
- Digital channels enabling re-engagement
- Social media making brands highly accessible
- Social responsibility as cornerstone



Example: REI's co-op model where customers become members, creating strong brand loyalty through special perks like exclusive Garage Sales with steep discounts.



<https://www.rei.com/>

Case Study: Innocent Drinks

Read the article on Moodle!

- Customer-centred approach
- Values-based marketing
- Community engagement
- Authentic communications



Marketing for Non-Profits: Is It That Different?

Similarities

- Core marketing principles still apply
- Need to understand target audiences
- Brand identity remains crucial
- Strategic planning is essential
- ROI measurement matters (but metrics differ)

Key Differences

- Purpose: social impact vs. financial profit
- Value proposition based on mission and cause
- Multiple stakeholder groups to address
- Limited marketing budgets
- Emotional engagement often prioritized

Non-profit marketing focuses on driving awareness, engagement, and support for a cause, while profit-oriented marketing aims primarily at driving sales and revenue growth. Both require thoughtful segmentation, messaging, and channel strategies – but with different ultimate objectives.



**Shared purpose.
Powerful results.**



How Marketing Creates Value

1 Form Value

Converting resources into finished offerings

2 Time Value

Making products available when needed

3 Place Value

Providing products where customers want them

4 Psychological Value

Creating meaning beyond function

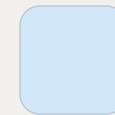
Key Takeaways & Next Steps

Here's what we've covered and what to prepare for our next session:



What We've Learned

- Marketing evolution through four distinct eras: Production, Sales, Marketing, and Relationship
- How marketing principles apply to non-profit organizations
- The four ways marketing creates value: Form, Time, Place, and Psychological
- Case studies like Apple's "1984" ad and Innocent Drinks' customer-centered approach



For Next Session

- **Homework:** read the 1-page case study and answer on moodle the 10 questions.
- Consider how relationship marketing applies to a brand you regularly purchase
- Bring questions about marketing fundamentals for the Q&A portion