

MG1002 MARKETING MANAGEMENT
PART - I:
Understanding Marketing Management

Importance of Marketing
Scope of Marketing
Core Marketing Concepts

CHAPTER 1

Welcome to the world of MARKETING

Importance of Marketing

WHY IT IS REQUIRED?

Financial success ⇔ Marketing Ability

Making the right decision - Simple?

Skillful marketing: A never-ending pursuit...

Scope of Marketing

DEFINITIONS

“Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders”

American Marketing Association (AMA)

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, partners, and society at large.

Scope of Marketing

DEFINITIONS

“Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value”

C- Creating

C- Communicating

D- Delivering

V- Something of Value

T- to the TARGET market

P- in a PROFITABLE manner

Philip Kotler



“Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others”

Societal definition of marketing

Scope of Marketing

DEFINITIONS

A simple yet comprehensive definition:

Marketing is.....

Meeting Needs Profitably

Scope of Marketing

WHAT CAN BE MARKETED?

Can you market?

- Ideas
- People
- Information
- Experiences

How?

What else?

REF: BOOK FOR COMPLETE DISCUSSION

Scope of Marketing

WHO MARKETS?

Marketer, someone who seeks a **Response** from another party, called **Prospect**

Response can be ... ?

Marketers are responsible for **Demand** Management

REF: BOOK FOR COMPLETE DISCUSSION

Scope of Marketing

Marketing Management

Combination of marketing and Management

Management Functions

Planning

Organizing

Leading/Directing

Controlling

Choosing the Right Target Market

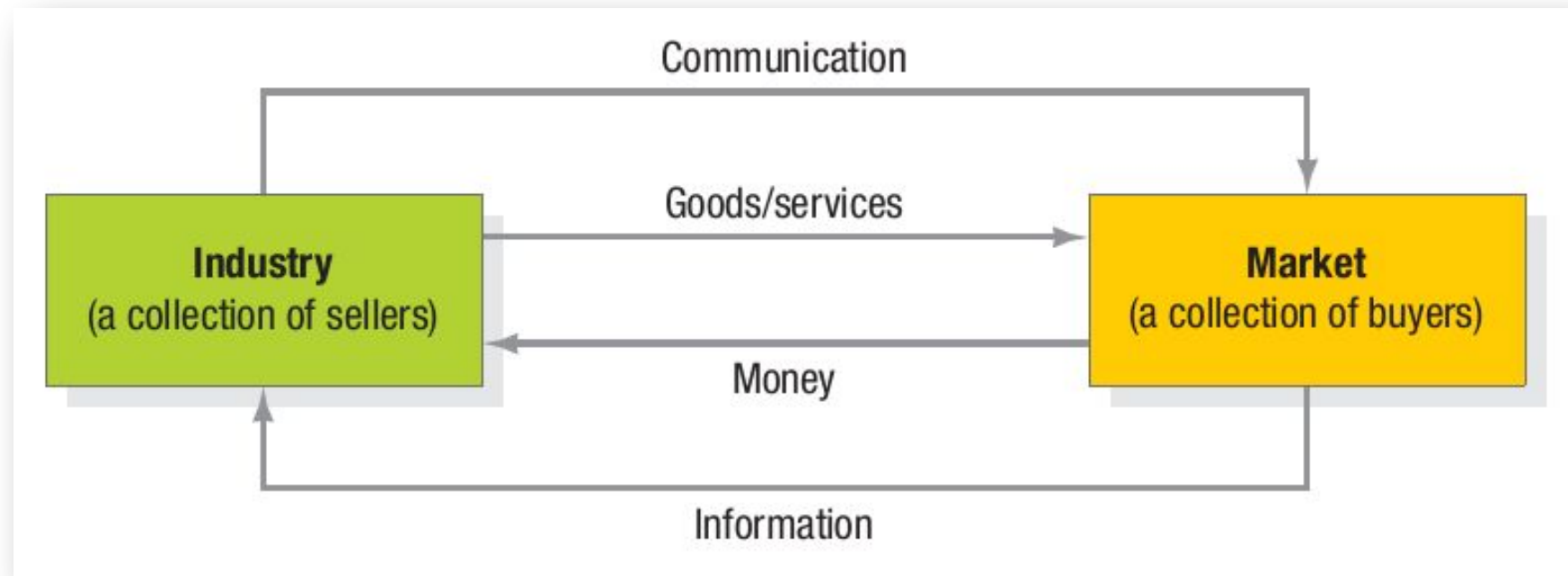
Grooming the Right Target Market

Delivering Superior Value to the Target Market

Scope of Marketing

WHO MARKETS?

Markets, collection of buyers and sellers who transact over a particular product or product class



Core Marketing Concepts

Needs

- Basic Human Requirements

Wants

- Needs which are directed to a specific object

Demands

- Wants for specific products backed by ability to pay (acquire)

Core Marketing Concepts

Satisfying everyone.....Yes/No? How? Why?

Target Markets & Segmentation

Different segments based on several factors

Segments presenting greatest opportunity

Positioning

Positioned carefully as delivering certain benefits

Core Marketing Concepts

Value is 'perceived' tangible and intangible benefits and costs to customers

Satisfaction is fulfillment of a need

WRONG

Satisfaction is Person's comparative judgments resulting from a product's perceived performance

- If performance < expectations: dissatisfied/disappointed
- If performance ≥ expectations: satisfied/delighted

Core Marketing Concepts

Marketing Channels

Communication channels

- *Interacting with target buyers with the message*
- Distribution channels
- *Display, sell or deliver the product or service*
- Service channels
- *Facilitating transactions with buyers*

Core Marketing Concepts

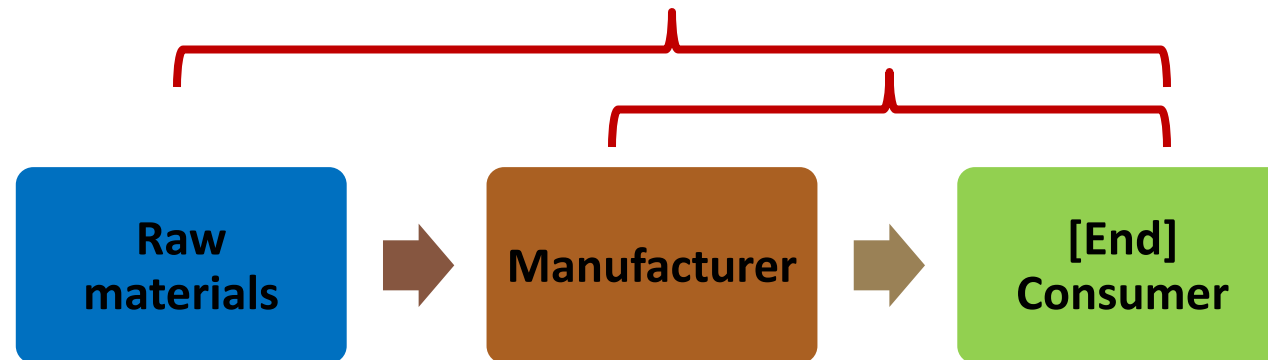
Supply Chain (vs. Marketing Channel)

- Marketing Channel: Marketer to target buyer

While

- Supply Chain: A complete value delivery system

From Raw materials to components to final buyers



Core Marketing Concepts

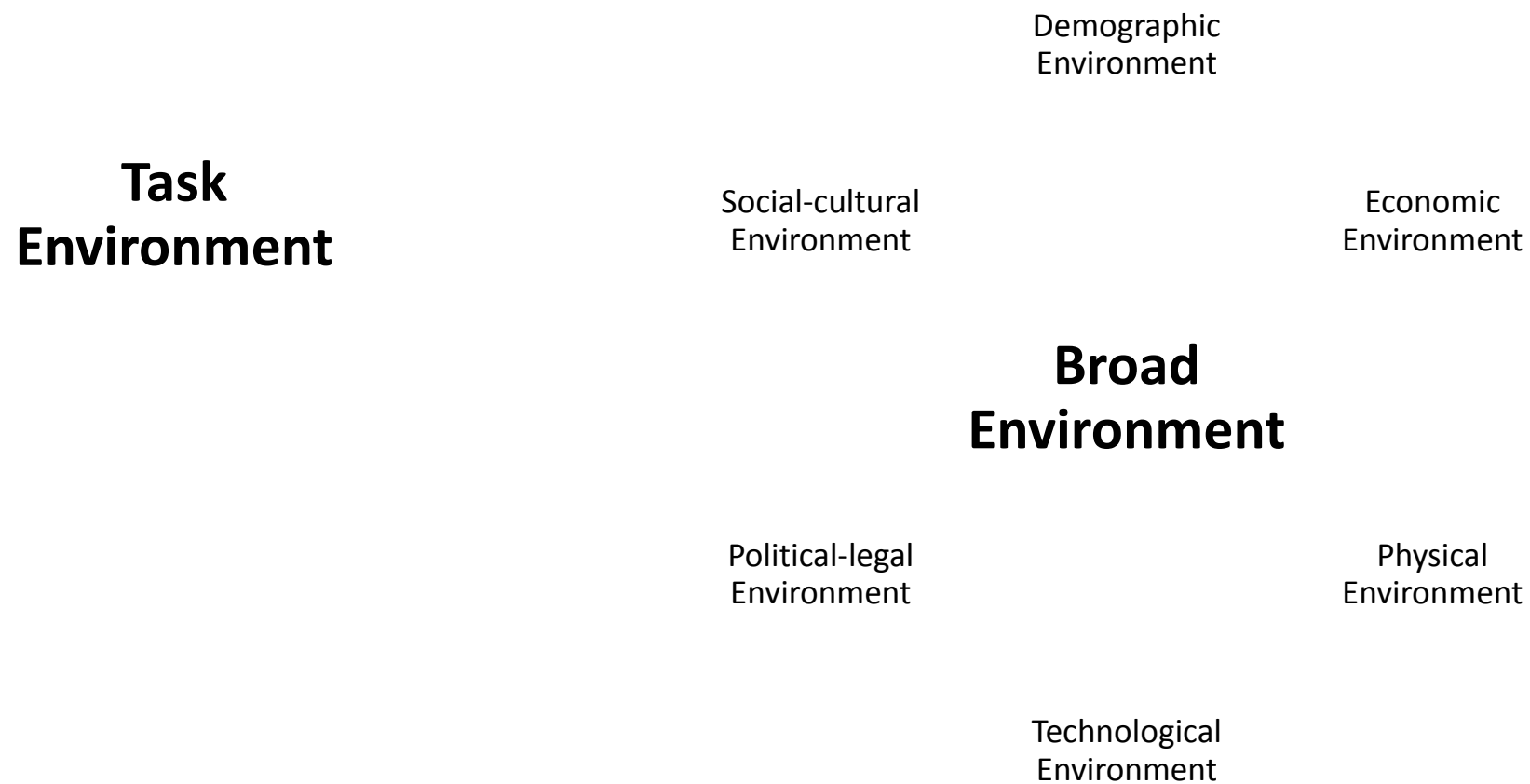
Competition

All the actual and potential rival offerings and substitutes that a buyer might consider

Think about major competitor(s) – brands OR products – for:



Core Marketing Concepts



Company Orientations toward the marketplace

What are 'orientations' (or concepts) toward the marketplace?



Company Orientations toward the marketplace

The Production Concept

- Consumers will favor products that are “widely available” & “inexpensive”
- Focus on “Production”
- **Examples?**

Company Orientations toward the marketplace

The Product Concept

- Consumer will favor those products that offer the most quality, performance or innovation
- Focus entirely on “Product development”
- *What if: not priced, distributed, advertised and sold properly?*
- **Examples?**

Company Orientations toward the marketplace

The Selling Concept

- Customers (consumers & businesses), if not engaged, will not buy enough
- Aggressive selling & promotion is required
- Practiced with unsought goods
- **Examples?**

Company Orientations toward the marketplace

The Marketing Concept

- Replace product-centered “make-and-sell” with “sense-and-respond”
- Reactive market orientation
- Proactive market orientation
- **Examples?**

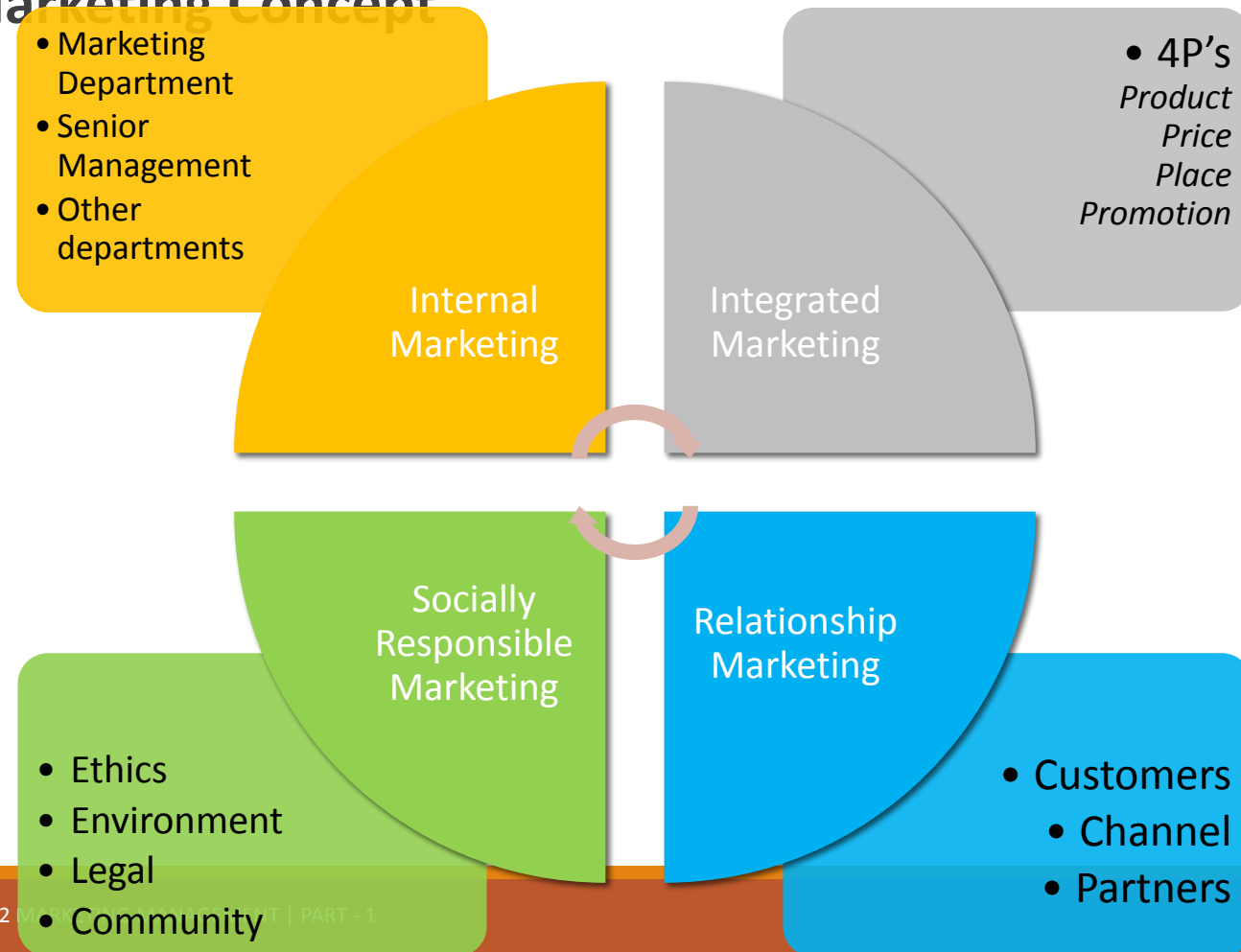
Company Orientations toward the marketplace

The Holistic Marketing Concept

- “Everything matters”
- Based on the development, design and implementation of marketing programs, processes, and activities that recognizes their importance and interdependencies
- 4 Components:
Relationship marketing | Integrated marketing
Internal marketing | Social responsibility marketing / Performance Marketing

Company Orientations toward the marketplace

The Holistic Marketing Concept



Marketing Management Tasks

Developing Marketing Strategies & plans

Capturing market insights

Connecting with customers

Building Strong brands

Shaping the Market Offerings

Delivering Value

Communicating Value

Creating successful long-term growth