

IBS 205: PRINCIPLES OF MARKETING

Lecturer : Dr. Théophile Bindeouè Nassè

Let's turn Ideas to
Action Together!



UNIT 1 MARKETING

THE CONCEPT OF MARKETING

The word "Marketing" is rendered in a large, bold, 3D gold font. The letters have a metallic sheen and are set against a dark gray background. Below the text, a faint, lighter gray reflection of the word is visible, creating a sense of depth and dimension. The overall style is modern and professional.

Definition of marketing

- Marketing in its modern trends originated in the USA in the 1930s.
- Traditionally, marketing has aimed to **create an offer to meet the needs of consumers in order to generate profits.**
- It comes from the English word market which means " advertising, communicate, a place where people sell and buy things ".

Definition of marketing

- It was in the 1950s that the practice of marketing began to become very important in the United States to the point that Europeans too became interested in its modern trend, in order to face international competition and promote the products of their companies.
- The practice of marketing in Africa and particularly in West African countries like Ghana, Burkina Faso, Togo and Benin, Ivory Coast etc... is very recent.

Definition of marketing

- Nowadays, marketing aims to motivate, and to influence, the understanding of the purchasing behavior of consumers.
- For exchange to occur there must be two or more parties with something of value to one another, a desire and ability to give up something to the other party, and a way to communicate with each other.

Definition of marketing

- Advertising and promotion play an important role in the exchange process by informing customers of an organization's product or service and convincing them of its ability to satisfy their needs or wants. Not all marketing transactions involve the exchange of money for a product or service. Nonprofit organizations such as various causes, charities, religious groups, the arts, and colleges and universities (probably including the one you are attending) receive millions of dollars in donations every year.

Definition of marketing

- Nonprofits often use ads to solicit contributions from the public. Donors generally do not receive any material benefits for their contributions; they donate in exchange for intangible social and psychological satisfactions such as feelings of goodwill and altruism.
- Nonprofit organizations use advertising to solicit contributions and support.

Definition of marketing

- While many still view exchange as the core phenomenon or domain for study in marketing, there is also agreement among most academicians and practitioners that the discipline is rapidly changing. To reflect these changes, the AMA adopted a revised definition of marketing in 2004, which is as follows:
 - 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.

Definition of marketing

- Value is the customer's perception of all of the benefits of a product or service weighed against all the costs of acquiring and consuming it.
- Benefits can be functional (the performance of the product), experiential (what it feels like to use the product), and/or psychological (feeling such as self-esteem or status that result from owning a particular brand).

Definition of marketing

- This revised definition is viewed as being more strategic in nature as well as more reflective of the role marketing plays in the functioning of an organization.
- It also recognizes the important role marketing plays in the process of building and sustaining relationships with customers and delivering value to them.

Definition of marketing

- Marketing Focuses on Relationships and Value Today, most markets are seeking more than just a one-time exchange or transaction with customers.
- The focus of market-driven companies is on developing and sustaining relationships with their customers.
- Successful companies recognize that creating, communicating, and delivering value to their customers is extremely important.

Definition of marketing

- Costs include the money paid for the product or service as well as other factors such as acquiring information about the product/service, making the purchase, learning how to use it, maintaining the product, and disposing of it.
- The focus on customer relationships and value has led many companies to emphasize relationship marketing, which involves creating, maintaining, and enhancing long-term relationships with individual customers as well as other stakeholders for mutual benefit.
- The movement toward relationship marketing is due to several factors.

Definition of marketing

- First, companies recognize that customers have become much more demanding.
- Consumers desire superior customer value, which includes quality products and services that are competitively priced, convenient to purchase, delivered on time, and supported by excellent customer service.

Definition of marketing

- They also want personalized products and services that are tailored to their specific needs and wants.
- Advances in information technology, along with flexible manufacturing systems and new marketing processes, have led to mass customization, whereby a company can make a product or deliver a service in response to a particular customer's needs in a cost-effective way.

Definition of marketing

- New technology is making it possible to configure and personalize a wide array of products and services including computers, automobiles, clothing, cosmetics, jewelry, and mortgages.
- Consumers can log on to the Dell website and build their own computers or to NikeiD.com to design personalized athletic shoes and other products.

Definition of marketing

- Another reason why marketers are emphasizing relationships is that it is more cost effective to retain customers than to acquire new ones.
- Marketers are giving more attention to the lifetime value of a customer because studies have shown that reducing customer defections by just 5 percent can increase future profit by as much as 30 to 90 percent.

Definition of marketing

- As companies focus more attention on customer retention, many are developing customer relationship management (CRM) programs, which involve the systematic tracking of consumers' preferences and behaviors and modifying the product or service offer as much as possible to meet individual needs and wants.

Definition of marketing

- Information technology, particularly database systems, is an integral part of CRM programs as companies must capture information about their customer and adjust elements of their marketing programs to meet their needs and wants.

Definition of marketing

- Marketing communications is also an important part of customer relationship management as companies strive to create more personalized and meaningful one-to-one communications with customers and manage their contacts and interactions with them.

Different types of marketing

- *Marketing of services* : The development and diversity of the service sector force a rethinking of traditional marketing, created to support the sale of durable products and consumer goods. The marketing of services is the set of marketing techniques devoted to the creation and promotion of services. It is not only about the promotion and marketing of the services but also about how the customer is serviced before and during the purchase of the product. It is also used in the post-purchase phase because the Customer is entitled to optimal assistance in using the product purchased or the service to which s/he has subscribed: It is therefore a very vast and very complex area.

Different types of marketing

- *Industrial marketing* : *Industrial* marketing also called business to business marketing (B to B marketing) is specific marketing practiced by companies towards professionals (companies, liberal professions, businesses, etc.) or organizations (State, public bodies), hospitals, associations, etc.) as opposed to consumer marketing , which is aimed at the general public. This marketing approach is therefore more complex than that of consumer marketing because the customers are fewer, more informed and more demanding.

Different types of marketing

- **Industrial marketing** only concerns products and services that are mass-produced by companies.
- The market consists of all organizations that acquire goods and services in order to produce other goods and services . The turnover of trade between companies represents nearly 70 % of all trade. It is therefore more important than that carried out on the private market. It is the use of the product rather than its nature that distinguishes the industrial good from the consumer good.
- Industrial marketing is therefore defined in relation to the customers served and not in relation to the services or products marketed.

Different types of marketing

- *International Marketing* : *International Marketing* is a process that aims to optimize resources and focus the goals of an organization through the opportunities of a global market or in a more limited way, it is the execution of at least, one of the tasks of marketing, beyond national borders.

Different types of marketing

- *Marketing of Nonprofits* : *Marketing of nonprofits* is a process that aims to optimize resources and focus the goals of a nonprofit *organization that* acquires goods and services and redirects those goods and services for social purposes . This type of marketing is generally practiced by organizations such as churches, mosques, humanitarian organizations and increasingly environmental organizations.

Evolution of marketing

- Marketing has existed for some years. It progresses at the same time as the economic trends, and the emergence of the new technologies.
- In fact marketing development is linked to the changes in trade from handicraft to mass production. The infrastructures and the development of new technologies have also contributed to the development of marketing. The different stages of marketing evolution are :

Origin of marketing -> **Mass marketing**—> **Segmentation Marketing**—> **Individualised marketing**

Evolution of marketing

- **Origin of marketing:** marketing started in the XVIIth century but it is in the XXth century, that it has been mixed with management.
- This new vision came out because the classical approach to economy has not been able to solve all the problems link to the rapid growth of the economy worldwide but specifically in USA and Europe

Evolution of marketing

- . However, the 1929 economic crisis intensified the competition and developed this discipline.
- **Mass marketing or marketing ‘one to many’**: it is agreed among scientist that marketing practices have started around the area of the economic crisis of 1929.



Marketing
Goals

THANK YOU FOR YOUR ATTENTION

