

PRINCIPLES OF Marketing

Chapter One

Creating and Capturing Customer
Value



A person wearing a grey ribbed sweater is shown from the chest up, looking down. A large blue diamond is superimposed over the center of the image, containing white text. The background is a blurred indoor setting with a table and chairs.

Marketing

The process by which companies create value for customers and build strong customer relationship in order to capture value

A person wearing a grey sweater is shown from the chest up, looking down. A large blue diamond is superimposed over the center of the image, containing text. The background is a blurred indoor setting.

Marketing Management

Art and science of choosing
target markets and getting,
keeping and growing customers
through creating communicating
and delivering superior
customer value

Understanding the Marketplace and Customer Needs

Customer Needs, Wants, and Demands

Needs

- States of deprivation
- Physical—food, clothing, warmth, safety
- Social—belonging and affection
- Individual—knowledge and self-expression

Wants

- Form that human needs take as they are shaped by culture and individual personality

Demands

- Human wants backed by buying power

A person wearing a grey sweater is shown from the chest up, looking down at a smartphone held in their hands. A large, solid blue diamond is superimposed over the center of the image, partially obscuring the person and the phone. Inside the diamond, the word "Concepts" is written in white, bold, sans-serif font. Below it, the words "Market", "Marketer", and "Prospect" are stacked vertically in a smaller, white, sans-serif font.

Concepts

Market
Marketer
Prospect

A person wearing a grey sweater is shown from the chest up, looking down. A large blue diamond is superimposed over the center of the image, containing white text. The background is a blurred indoor setting.

Marketing Myopia

Mistake of paying more attention to the specific product instead of its benefits and experiences

Type of demand

1. Negative : Insurance, dental service
2. Nonexistent: Courses
3. Latent: Latest technology
4. Declining: Floppy Disk
5. Irregular: Ac
6. Full
7. Overfull
8. Unwholesome



Marketing managament Concepts

Production concept

- ✓ Focuses on distribution efficiency
- ✓ Focuses on production efficiency
- ✓ Favour the approach of availability and affordability





iPhone 7

Product concept

- ✓ Suffers from Myopia
- ✓ Focuses on product quality

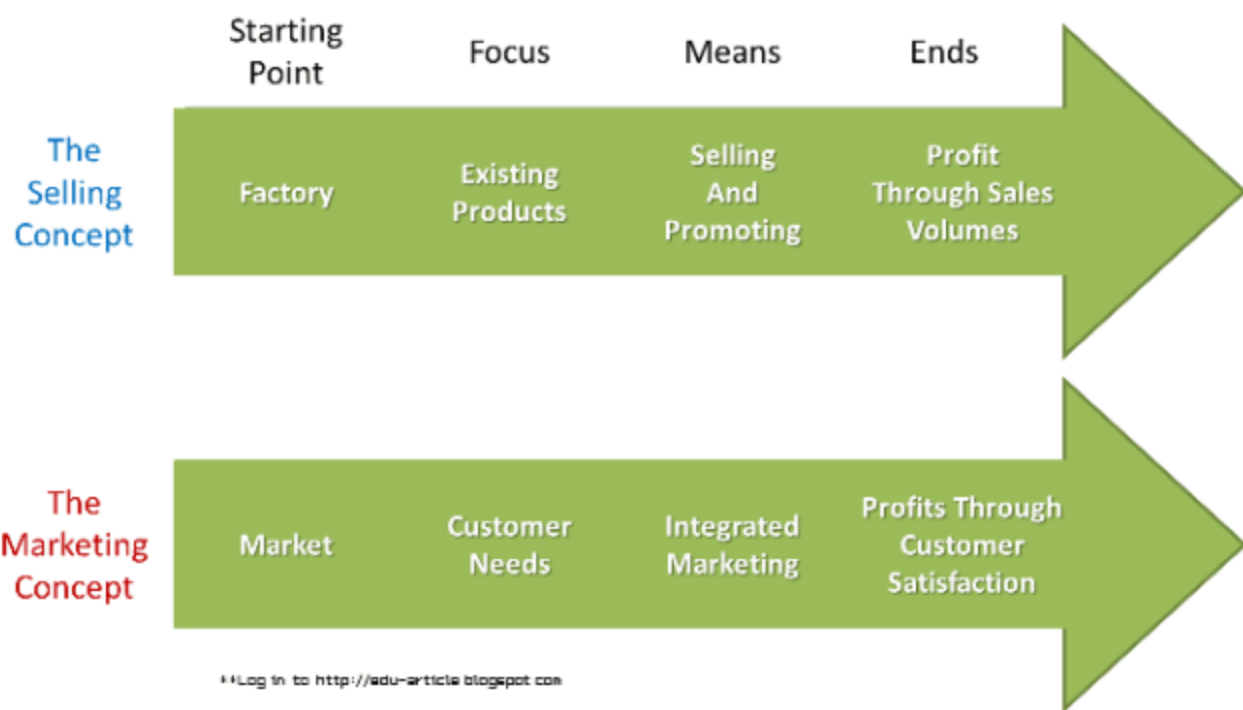
The background of the slide is a grayscale photograph of a desk. In the center is an open, spiral-bound notebook with blank pages. To the right of the notebook is a silver pen. In the top right corner, there is a tray containing several round pills. In the bottom left corner, a pair of white headphones is visible. A solid blue horizontal band is superimposed over the middle of the image, containing white text.

Selling Concept

- ✓ *Push sale*
- ✓ *Large scale promotion*

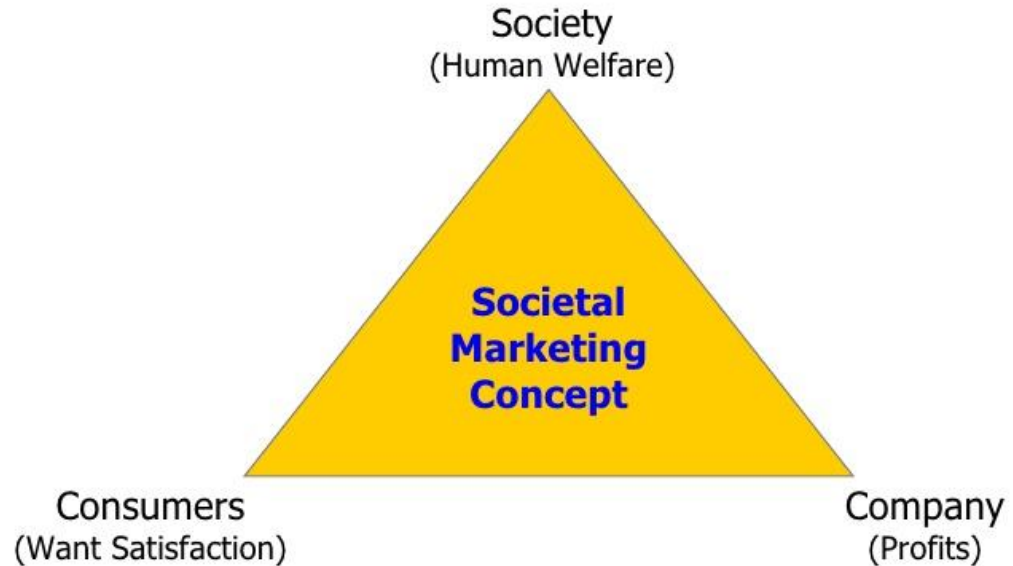
MetLife Alico

Marketing Concept



Societal marketing concept

Societal Marketing Concept





Differences between products and services

Dimensions	Manufacturing economy	Service economy
Tangibility of production inputs	Tangible Raw materials	Intangible Knowledge and skills
Tangibility of production outputs	Tangible Products produced can be touched	Intangible Services have no physical presence and cannot be touched
Variability of production process	Standardized Goods produced are expected to be standardize; Small allowance for deviations	Heterogeneous Service involves interaction between the service provider and recipient; Changing situations and personalization of service
Production and consumption process	Separable Production and consumption processes are separated	Inseparable Production and consumption are simultaneous

(Source: adapted from Shek et al., 2015)

4ps of Product Marketing (Marketing Mix)





7ps of Service Marketing (Marketing Mix)



