

Marketing

What is marketing?

Marketing is the social process by which individuals and organizations obtain what they need and want through creating and exchanging value with others.

-Kotler and Armstrong (2010).

Marketing provides businesses with a competitive edge, since that is what they need to do, to gain loyal customers.

Businesses achieve this by convincing potential customers that their product is the nearest thing that satisfies their needs and wants and do it consistently, with the result that the loyal customer starts buying from them without looking at the competition.

This is what all businesses dream of and achieving this is possible only with a solid marketing plan in place.

With the advent of the internet, there are several marketing channels available to businesses, besides traditional marketing. All of them focus on engaging the customer.

Difference between sales and marketing

Sales = Sell What's in Stock

The job of Sales is to “sell what's in stock”. The company has specific products or services and the job of Sales is to sell those things. Sales develops relationships with customers and/or channel partners. They knock down the doors, overcome objections, negotiate prices and terms and often work internally to be sure their customer's orders are filled.

The perspective of Sales is from inside the company out toward the customers and their horizon is focused on this week, this month and this quarter. If sales is not focused on the now, then there may not be any revenue this week, month or quarter.

Marketing = Align with Customers, Now and for the Future

A key job of Marketing is to understand the marketplace from the perspective of the customer looking back towards the company and helping lead the company where it should be in the future. Marketing's job is to direct the organization toward the segments, or groups of customers and channels where the company can profitably compete. It should help the organization see how it needs to modify its product offerings, pricing and communication so that it meets the needs of the distribution channel or end customers.

Types of Marketing

- **Traditional marketing** involves offline channels such as face-to-face selling, print advertisements, direct mails, billboards, television and radio to grab the target market's attention.
- **Digital marketing uses the internet** to reach its markets via websites, social media, video sites, emails, mobile phones and apps and forums.
- **Social media marketing** is a popular medium for businesses to connect with and engage their audiences and is an effective brand builder and market research tool. This works best when used in conjunction with other marketing strategies.
- **Mobile marketing.** Considered the third screen, mobile is one of the main marketing channels today, what with consumers getting their information on the go.

Evolution of Marketing Concepts

Production concept – an operations-based concept where the consumer expects products that are easily available and affordable. Here the business focuses on production efficiency, lowering costs and mass distribution. This concept works in developing economies where the need is more for the product than the features it offers.

Product concept – a consumer oriented concept where consumers expect products that are superior, high-performance and with unique features. This concept assumes that customers are likelier to be loyal when the product meets all their expectations and so, the business strives to offer innovative products consistently.

Selling concept– where the business believes that its products will sell only through active promotion and selling and the customer will not respond until pushed. In short, it is a matter of the business trying to sell what it makes rather than make products to meet the market's needs.

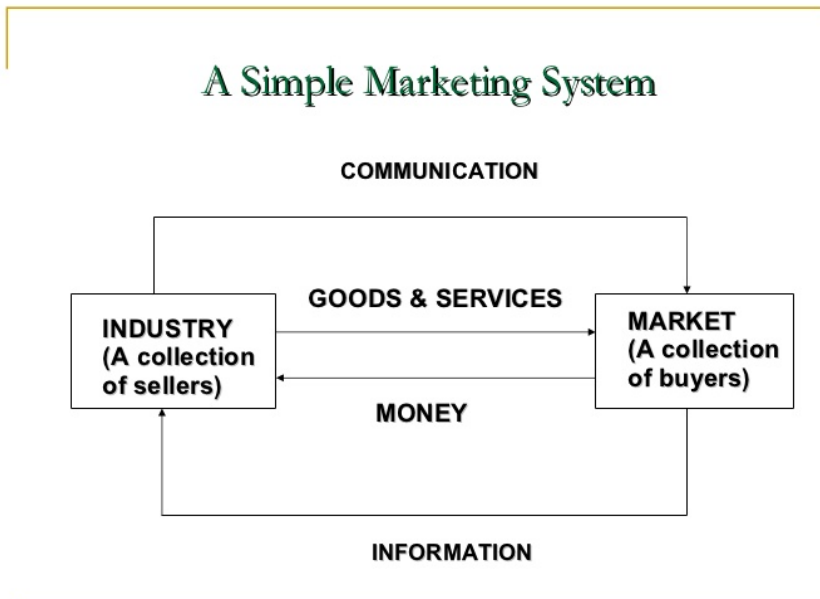
Marketing concept – This concept is radical, compared to the above and focuses on the target market, its needs and wants and a desire to be better than the competition while delivering value to its market. Unlike the earlier concepts that rely on push marketing, it believes in pull marketing by creating brand loyalty.

While the sales concept is seller-oriented, the marketing concept is buyer-oriented.

A fifth concept has evolved today, the **societal marketing concept** – is the ideal situation where, along with the focus on the target market's wants and needs and delivering better value than its competition, the business also strives to preserve the well-being of its target

market and the society as a whole. This takes into consideration environmental and natural resource preservation and minimizing the carbon footprint.

A simple marketing system



The Marketing Mix 4 P's:

- **Product** - The Product should fit the task consumers want it for, it should work and it should be what the consumers are expecting to get.
- **Place** – The product should be available from where your target consumer finds it easiest to shop. This may be High Street, Mail Order or the more current option via e-commerce or an online shop.
- **Price** – The Product should always be seen as representing good value for money. This does not necessarily mean it should be the cheapest available; one of the main tenets of the marketing concept is that customers are usually happy to pay a little more for something that works really well for them.

- **Promotion** – Advertising, PR, Sales Promotion, Personal Selling and, in more recent times,

Social Media are all key communication tools for an organisation. These tools should be used to put across the organisation's message to the correct audiences in the manner they would most like to hear, whether it be informative or appealing to their emotions.

In the late 70's it was widely acknowledged by Marketers that the Marketing Mix should be updated. This led to the creation of the Extended Marketing Mix in 1981 by Booms & Bitner which added 3 new elements to the 4 P's Principle. This now allowed the extended Marketing Mix to include products that are services and not just physical things.

The extended 7 P's:



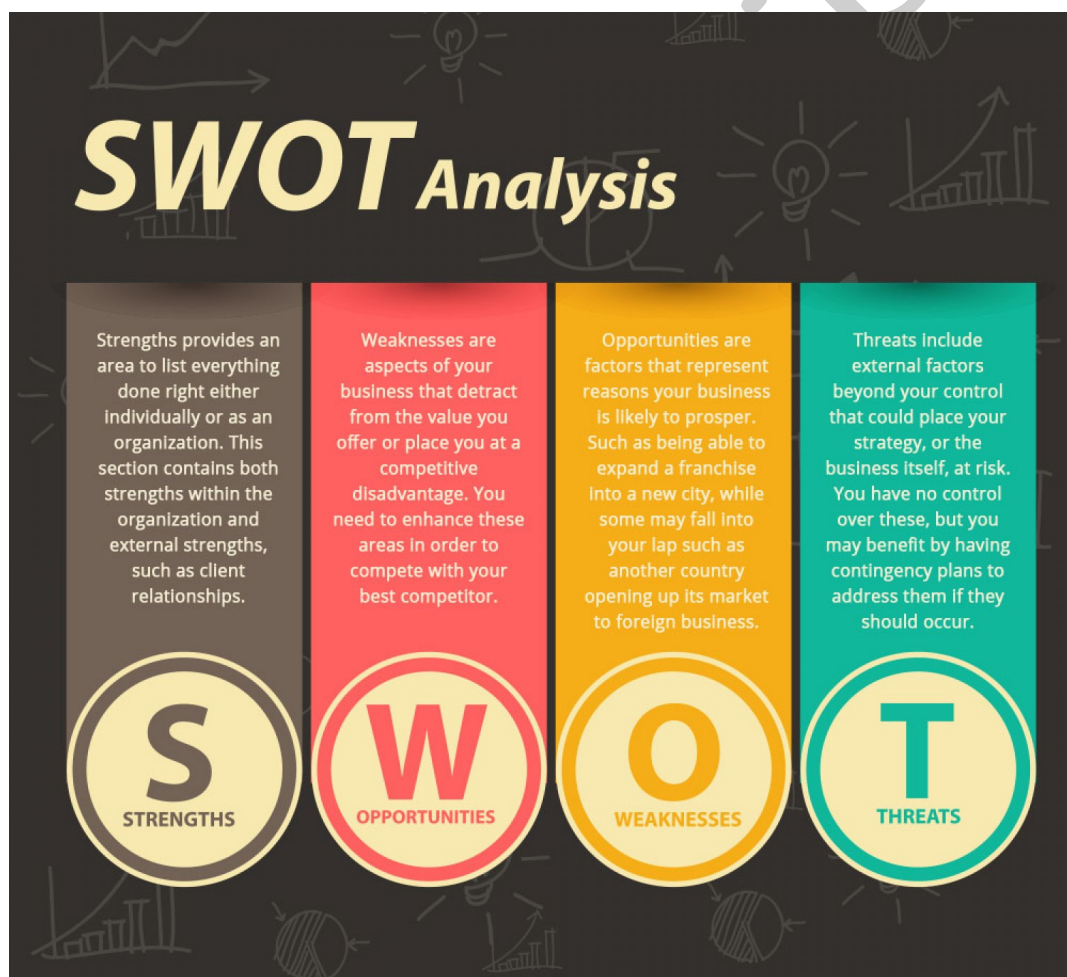
- **People** – All companies are reliant on the people who run them from front line Sales staff to the Managing Director. Having the right people is essential because they are as much a part of your business offering as the products/services you are offering.
- **Processes** – The delivery of your service is usually done with the customer present so how the service is delivered is once again part of what the consumer is paying for.

- **Physical Evidence** – Almost all services include some physical elements even if the bulk of what the consumer is paying for is intangible. For example, a hair salon would provide their client with a completed hairdo and an insurance company would give their customers some form of printed material. Even if the material is not physically printed

(in the case of PDF's) they are still receiving a "physical product" by this definition.

Though in place since the 1980's the 7 P's are still widely taught due to their fundamental logic being sound in the marketing environment and marketers abilities to adapt the Marketing Mix to include changes in communications such as social media, updates in the places which you can sell a product/service or customers expectations in a constantly changing commercial environment.

SWOT Analysis



PESTEL Analysis

PESTEL stands for:

- **P – Political**
- **E – Economic**
- **S – Social**
- **T – Technological**
- **E – Environmental**
- **L – Legal**

Political Factors

These are all about how and to what degree a government intervenes in the economy. This can include – government policy, political stability or instability in overseas markets, foreign trade policy, tax policy, labour law, environmental law, trade restrictions and so on.

It is clear from the list above that political factors often have an impact on organisations and how they do business. Organisations need to be able to respond to the current and anticipated future legislation, and adjust their marketing policy accordingly.

Economic Factors

Economic factors have a significant impact on how an organisation does business and also how profitable they are. Factors include – economic growth, interest rates, exchange rates, inflation, disposable income of consumers and businesses and so on.

These factors can be further broken down into macro-economical and micro-economical factors. Macro-economical factors deal with the management of demand in any given economy. Governments use interest rate control, taxation policy and government expenditure as their main mechanisms they use for this.

Micro-economic factors are all about the way people spend their incomes. This has a large impact on B2C organisations in particular.

Social Factors

Also known as socio-cultural factors, are the areas that involve the shared belief and attitudes of the population. These factors include – population growth, age distribution, health consciousness, career attitudes and so on. These factors are of particular interest as they have a direct effect on how marketers understand customers and what drives them.

Technological Factors

We all know how fast the technological landscape changes and how this impacts the way we market our products.

Technological factors affect marketing and the management thereof in three distinct ways:

- New ways of producing goods and services
- New ways of distributing goods and services
- New ways of communicating with target markets

Environmental Factors

These factors have only really come to the forefront in the last fifteen years or so. They have become important due to the increasing scarcity of raw materials, pollution targets, doing business as an ethical and sustainable company, carbon footprint targets set by governments (this is a good example where one factor could be classified as political and environmental at the same time). These are just some of the issues marketers are facing within this factor. More and more consumers are demanding that the products they buy are sourced ethically, and if possible from a sustainable source.

Legal Factors

Legal factors include - health and safety, equal opportunities, advertising standards, consumer rights and laws, product labelling and product safety. It is clear that companies need to know what is and what is not legal in order to trade successfully. If an organisation trades globally this becomes a very tricky area to get right as each country has its own set of rules and regulations.

All The Best