

# **Principles of Marketing**

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**LECTURE 1:**  
**Introduction**

**Marketing: Introduction**

**UNIT 1**

- **Define marketing and outline the steps in the marketing process.**

**What Is Marketing?**



# What Is Marketing?

**Marketing** is a process by which companies **create value** for customers and build strong customer relationships in order to **capture value** from customers in return.

## What Is Marketing?

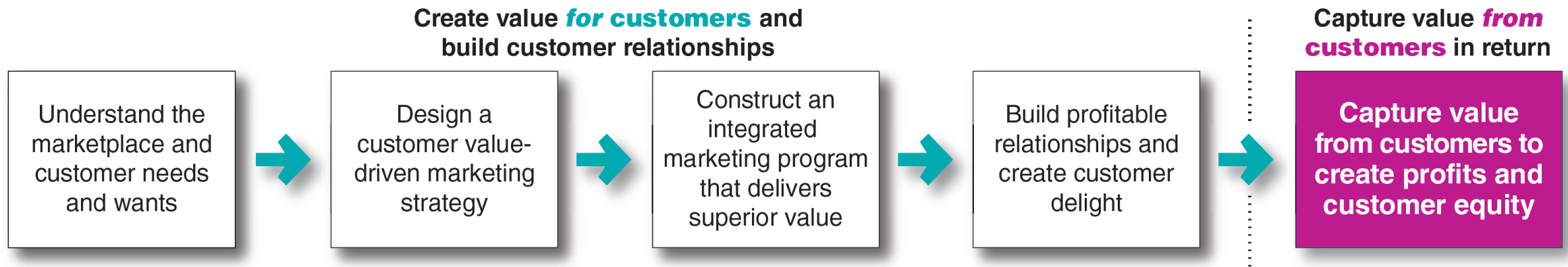
- **creating value** for customers
- **capturing value** from customers
- The twofold goal of marketing is to:
  - attract new customers by promising superior value
  - grow current customers by delivering satisfaction

# What Is Marketing?

## The Marketing Process

### ● FIGURE | 1.1

The Marketing Process: Creating and Capturing Customer Value



# **Marketing: Introduction**

## **Learning Objective 2**

- **Explain the importance of understanding the marketplace and customers and identify the five core marketplace concepts.**

### **Understanding the Marketplace and Customer Needs**



# Understanding the Marketplace and Customer Needs

## Customer Needs, Wants, and Demands

### Needs

- States of deprivation

### Wants

- Form that needs take

### Demands

- Wants backed by buying power

- Human **needs** include basic *physical* needs for food, clothing, warmth, and safety; *social* needs for belonging and affection; and *individual* needs for knowledge and self-expression.
- **Wants** are the form human needs take as they are shaped by one's society and are described in terms of objects that will satisfy those needs.
- When backed by buying power, wants become **demands**.
- Outstanding marketing companies go to great lengths to learn about and understand their customers' needs, wants, and demands.



# Understanding the Marketplace and Customer Needs

## Market Offerings – Products, Services, and Experiences

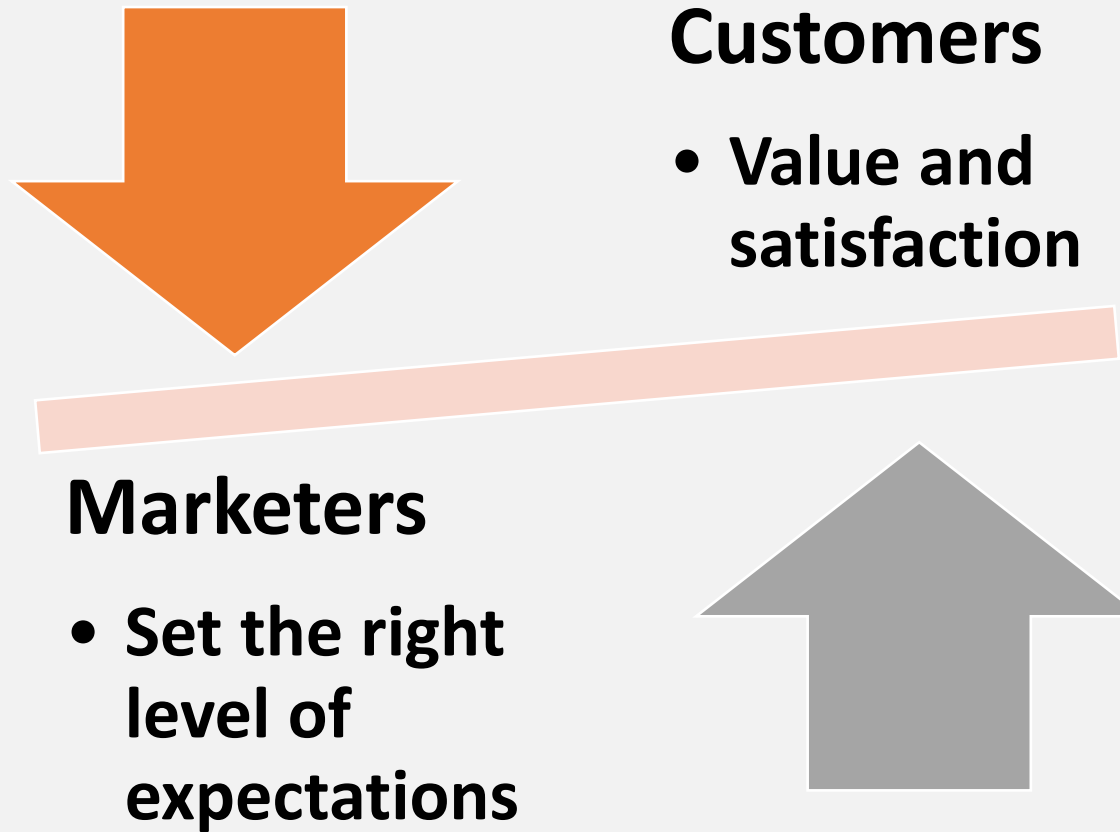
- **Market offerings** are some combination of products, services, information, or experiences offered to a market to satisfy a need or want.
- **Marketing myopia** is focusing only on existing wants and losing sight of underlying consumer needs.





# Understanding the Marketplace and Customer Needs

## Customer Value and Satisfaction





# Understanding the Marketplace and Customer Needs

## Exchanges and Relationships

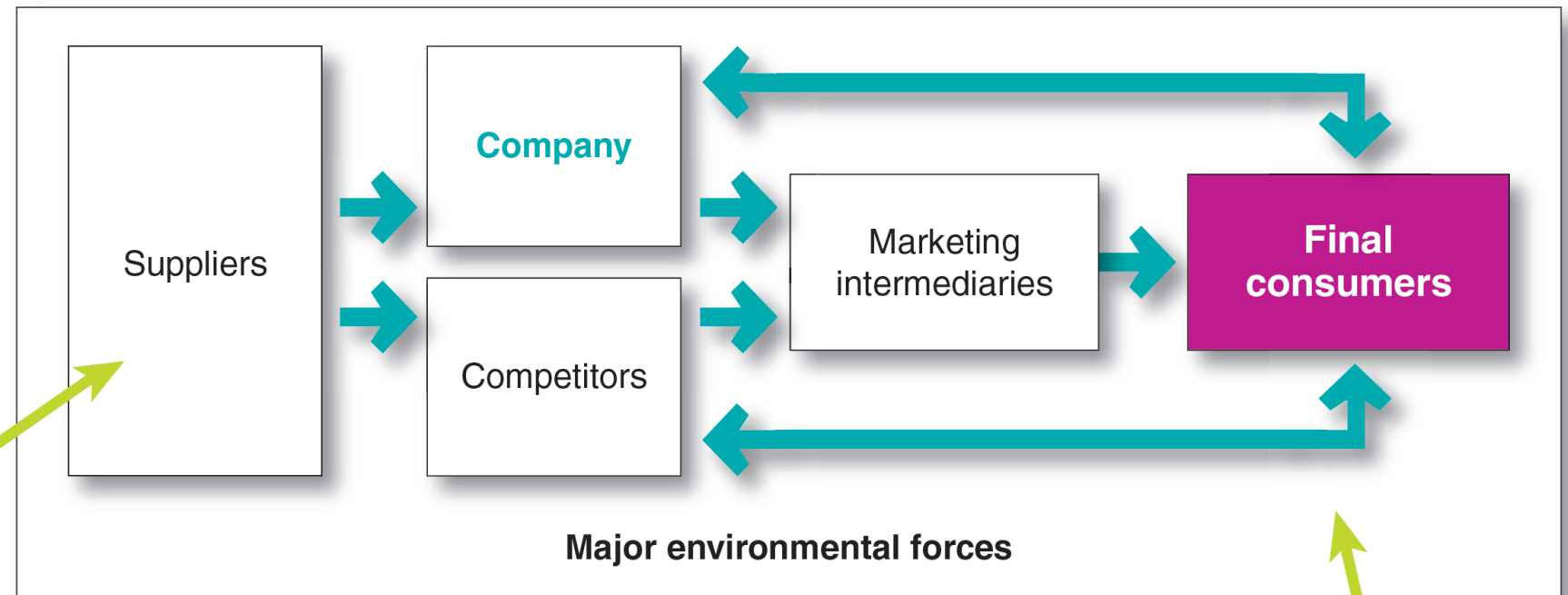
**Exchange** is the act of obtaining a desired object from someone by offering something in return.

Marketing actions try to create, maintain, and grow desirable **exchange relationships**.

# Understanding the Marketplace and Customer Needs

## Markets

● **FIGURE | 1.2**  
A Modern Marketing System



Each party in the system adds value. Walmart cannot fulfill its promise of low prices unless its suppliers provide low costs. Ford cannot deliver a high-quality car-ownership experience unless its dealers provide outstanding service.

Arrows represent relationships that must be developed and managed to create customer value and profitable customer relationships.

# **Marketing: Introduction**

## **Learning Objective 3**

- **Identify the key elements of a customer-driven marketing strategy and discuss the marketing management orientations that guide marketing strategy.**

**Designing a Customer Value-Driven Marketing Strategy**

**Preparing an Integrated Marketing Plan and Program**



# Designing a Customer Value-Driven Marketing Strategy

## Selecting Customers to Serve

**Marketing management** is the art and science of choosing target markets and building profitable relationships with them.

- What customers will we serve?
- How can we best serve these customers?



# Designing a Customer Value-Driven Marketing Strategy

## Selecting Customers to Serve

**Market segmentation** refers to dividing the markets into segments of customers.

**Target marketing** refers to which segments to go after.