

Unit 1 - Introduction to Marketing



About Me...

- ★ Professor Mark Runge
- ★ markrunge.rmit@gmail.com
- ★ Cell # by request
- ★ Office hours are by appointment



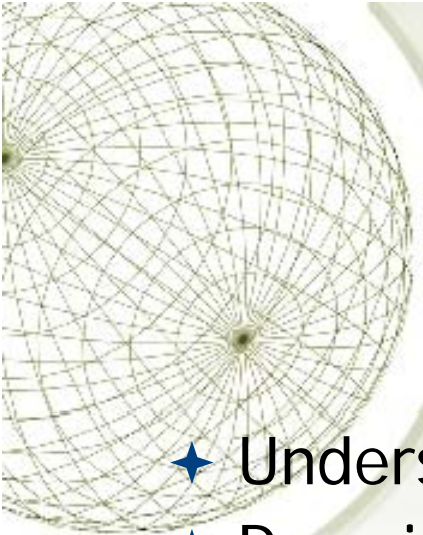
Class Structure

- ★ The course will be structured as follows –
 - ★ I will lecture for the first part of class
 - ★ I will then assign discussion questions for groups to answer. You will have 20min to formulate your answers. You will then share these answers with the class.



Assessment

- ★ *Assignment 1:* A mid-term closed book exam of 1.5 hours (40%) **March 19 & 20 2013**
- ★ *Assignment 2:* One group presentation and written report (60%)
 - ★ Presentations are to be 15 minutes in length with use of PPT slides. I will provide each group the topic. Presented **April 30 & May 1, 7 & 8 2013**
 - ★ I will provide the topic and guidelines after the Tet holiday.



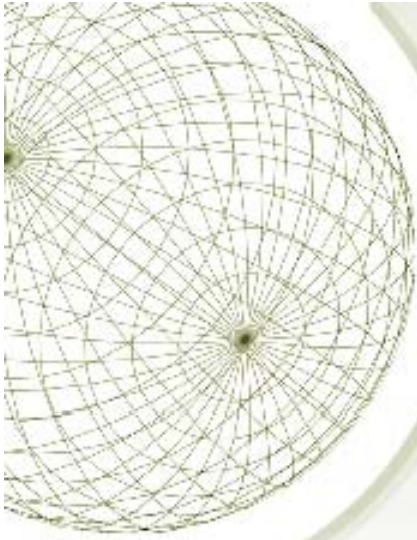
Unit 1: Objectives

- ★ Understand the role of marketing
- ★ Describe key organizational orientations
- ★ Understand key marketing concepts and definitions
- ★ Analyze the impact of major environmental forces like technology, globalization and de-regulation on organizations and their approach to marketing.
- ★ Discuss the sources of competitive advantage and the bases from which organizations compete.
- ★ Understanding the difference between marketing of goods and the marketing of services.

A decorative wireframe sphere is located in the top-left corner of the slide.

How does Marketing fit in?

- ★ There are four key management disciplines
 - ★ Finance/Accounting
 - ★ Information Technology
 - ★ Human Resources Management
 - ★ Marketing



What is Marketing?

A decorative wireframe sphere is located in the top-left corner of the slide.

What is Marketing?

Simply put: Marketing is the delivery of customer satisfaction at a profit.

Goals: Attract new customers by promising superior value and keep and grow current customers by delivering satisfaction.



The Role of Marketing

- ★ “Marketing is so basic that it cannot be considered a separate function. It is the whole business seen from the point of view of its final result, that is, from the customer’s point of view... Business success is not determined by the producer but by the consumer” (Drucker 1973)
- ★ “Marketing is the delivery of customer value and satisfaction at a profit. The goal of marketing is to attract new customers by promising superior value, and to keep customers by delivering satisfaction” (Kotler et al. 2001)

A decorative wireframe sphere is visible in the top-left corner of the slide.

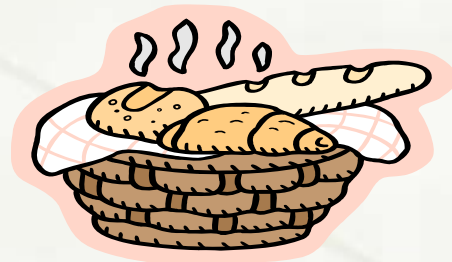
Marketing Defined

Process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.

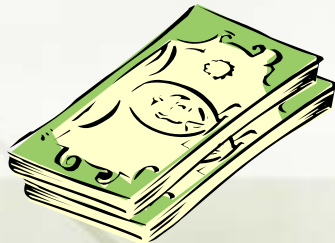
What are Consumers' Needs, Wants, and Demands?



Needs - state of felt deprivation including physical, social, and individual needs i.e hunger

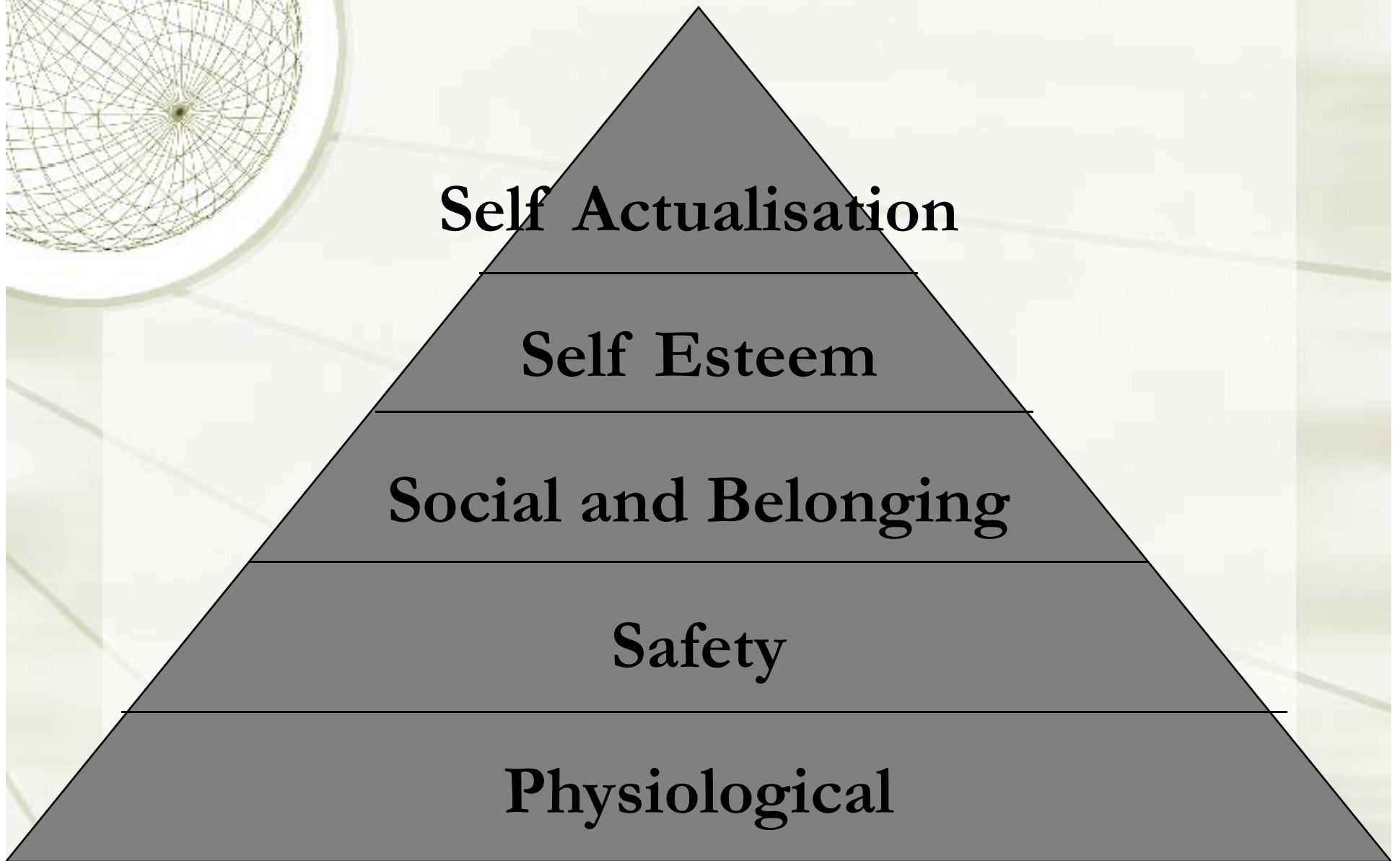


Wants - form that a human need takes as shaped by culture and individual personality i.e. bread



Demands - human wants backed by buying power i.e. money

Example: Maslow's Hierarchy Of Needs

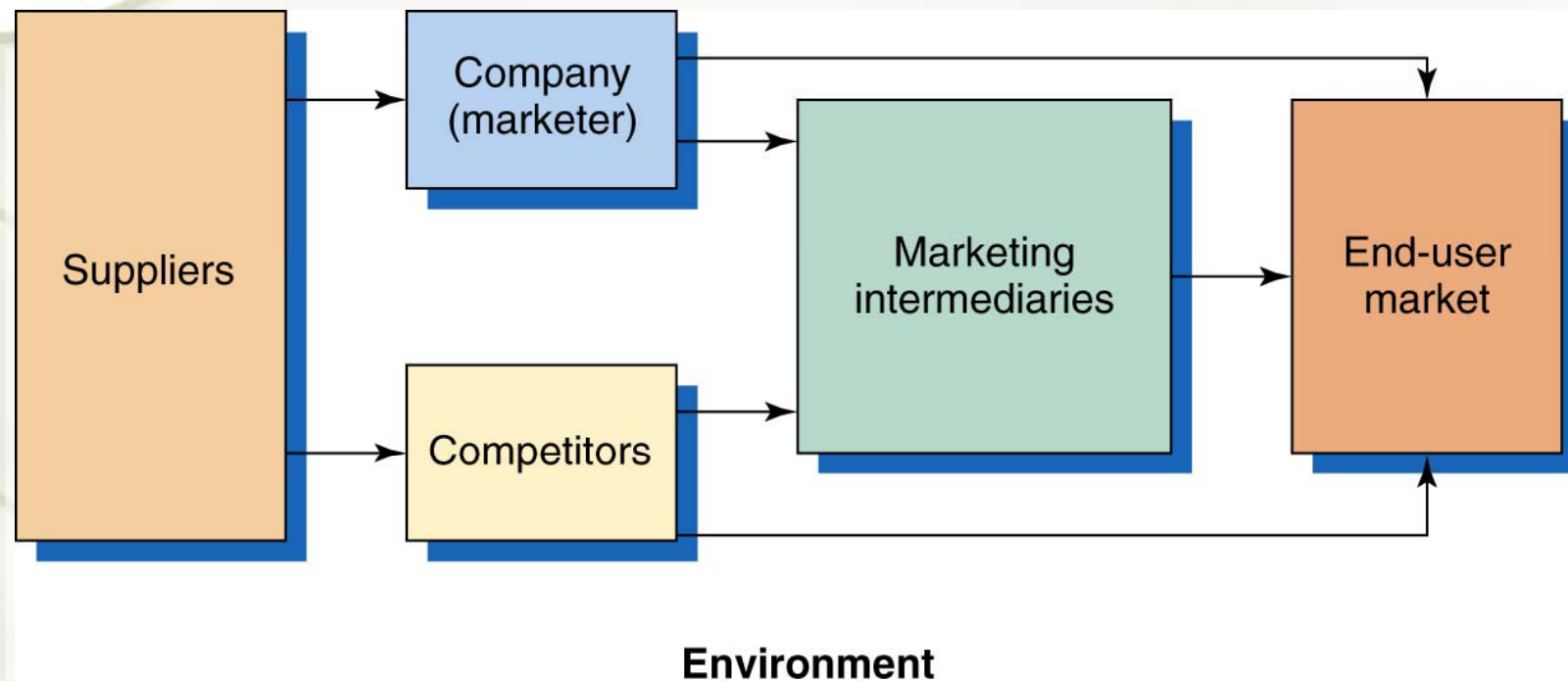




What Will Satisfy Consumers' Needs and Wants?



Modern Marketing System





Marketing Management

Marketing Management	Involves managing demand, which involves managing customer relationships
Demand Management	Finding and increasing demand, also changing or reducing demand such as in Demarketing
Profitable Customer Relationships	Attracting new customers <u>and</u> retaining and building relationships with current customers



Marketing Management Philosophies

Production Concept

Product Concept

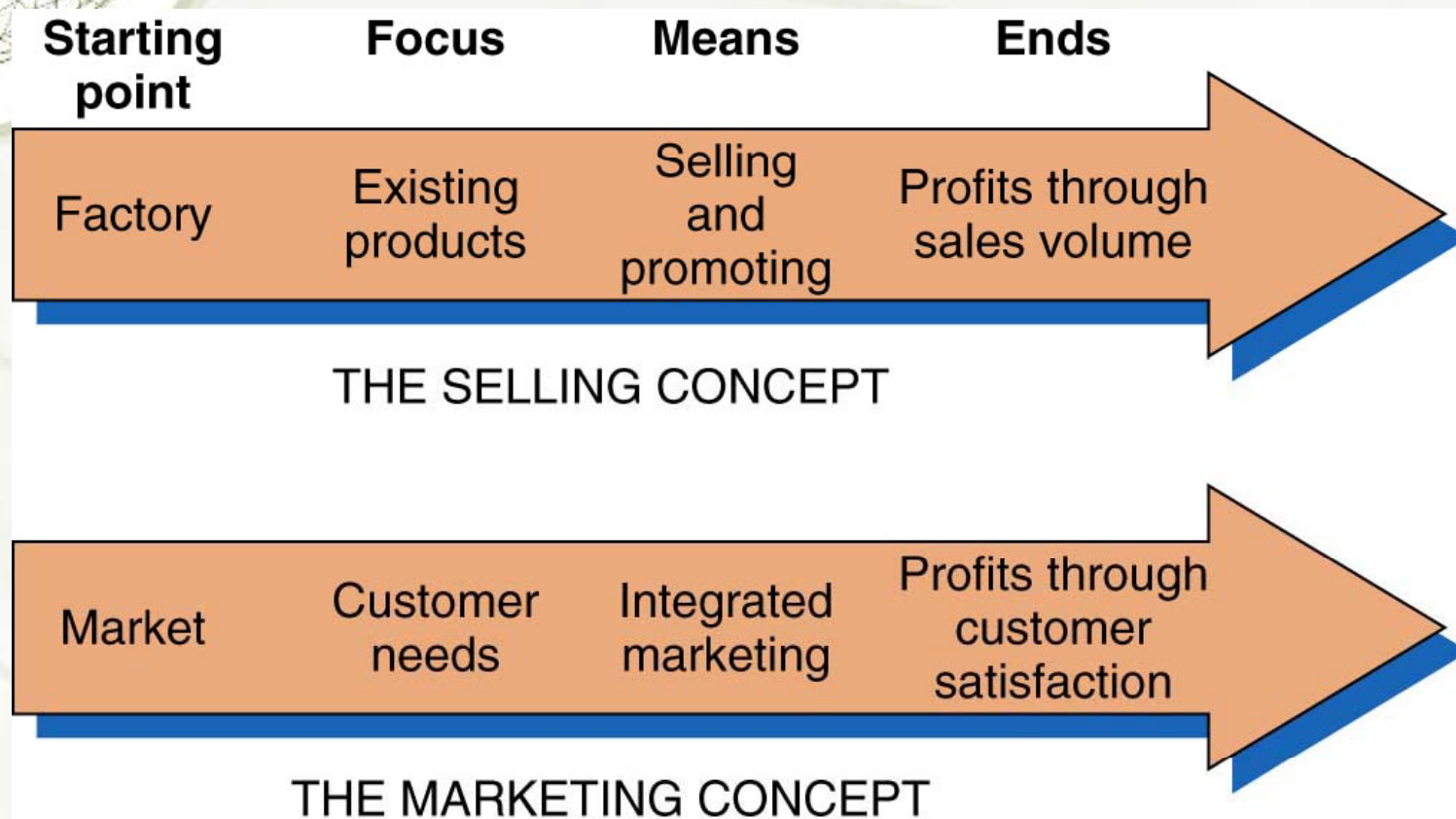
Selling Concept

Marketing Concept

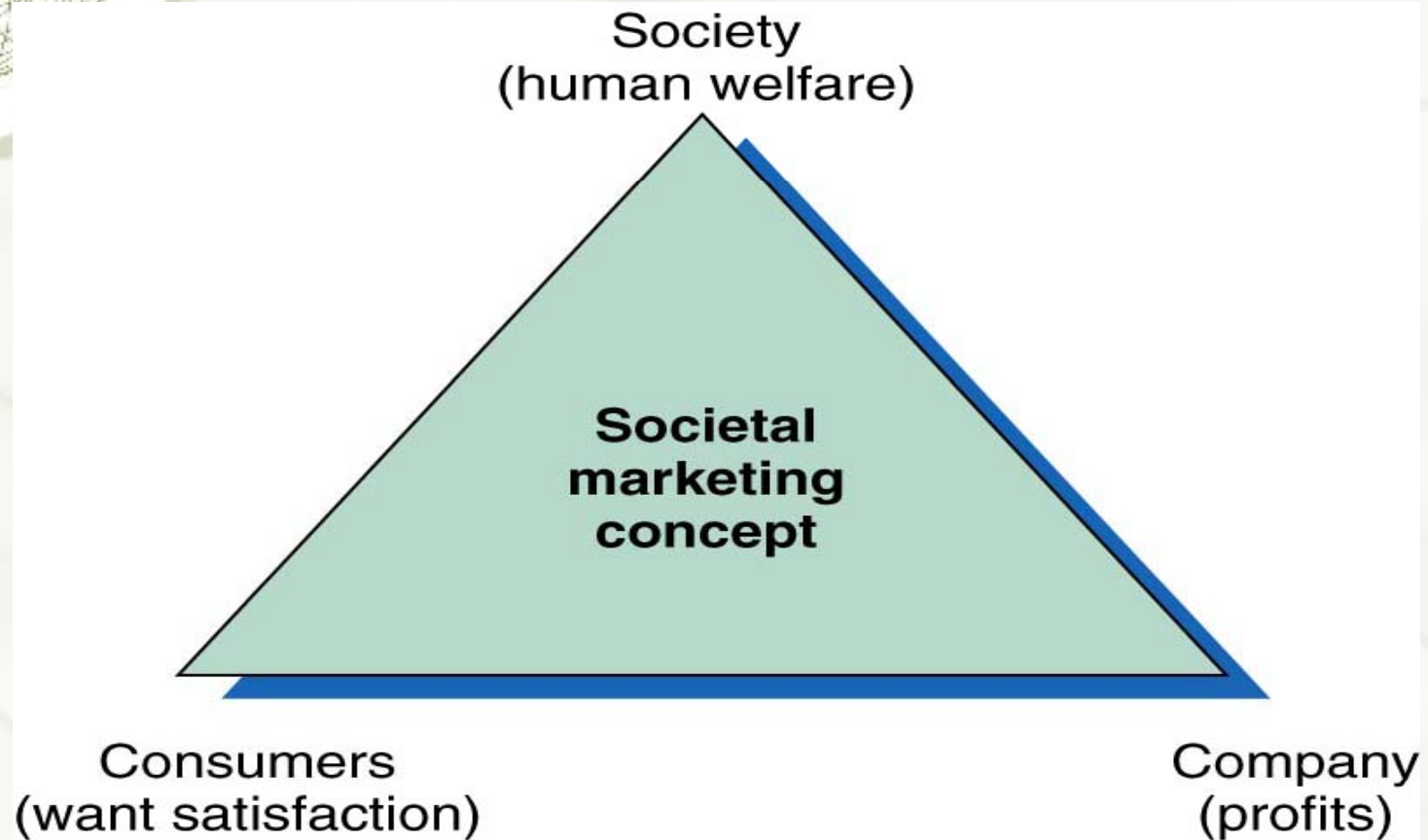
Societal Marketing Concept

Customer-Driven

Marketing and Sales Concepts Contrasted



Societal Marketing Concept





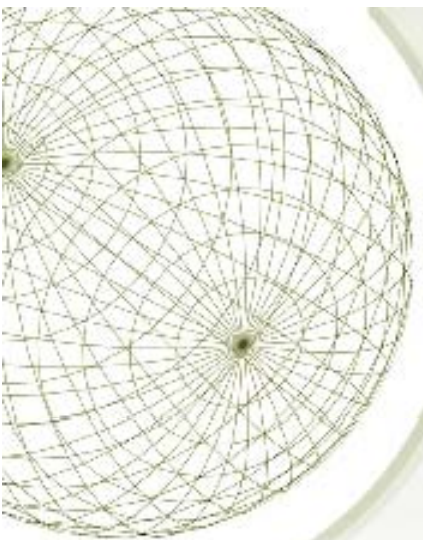
Discussion Question

What are the major differences between the Marketing Concept and the Societal Marketing Concept?



What is a Product?

- ★ A PRODUCT is anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a want or need.
- ★ Includes:
 - ★ Physical Objects
 - ★ Services
 - ★ Events
 - ★ Persons
 - ★ Places
 - ★ Organisations
 - ★ Ideas
 - ★ Combinations of the above



What is a Service?

- ★ A SERVICE is a form of product that consist of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything.
- ★ Examples include:
 - ★ Banking
 - ★ Hotels
 - ★ Tax preparation
 - ★ Home repair services

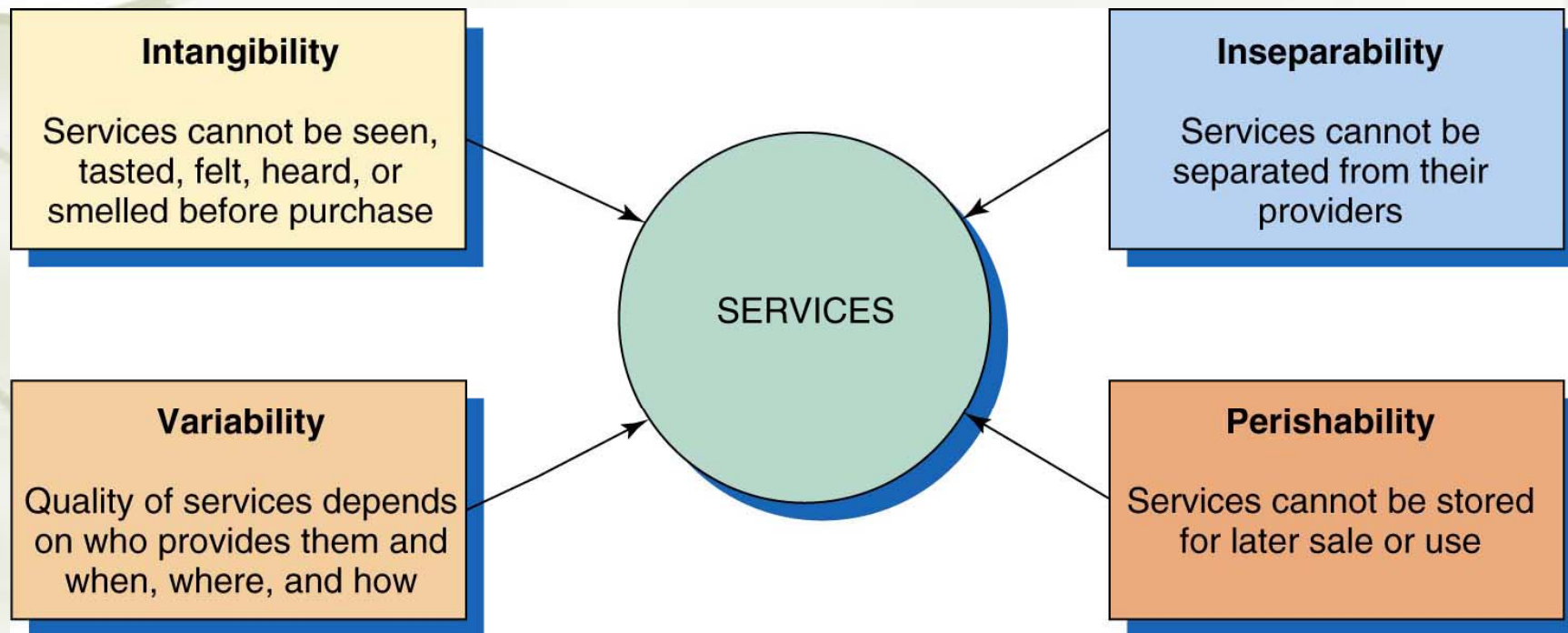
Products, Services, and Experiences

Pure Tangible Good	Tangible Good With Accompanying Services	Hybrid Offer	Service With Accompanying Minor Goods	Pure Service
--------------------------	---	-----------------	--	-----------------

Soap	Auto With Accompanying Repair Services	Restaurant	Airline Trip With Accompanying Snacks	Doctor's Exam
------	---	------------	--	------------------

The Product-Service Continuum

Nature and Characteristic of a Service





Reviewing the Concepts

- ★ Define what marketing is and discuss its core concepts.
- ★ Explain the relationships between customer value, satisfaction, and quality.
- ★ Define marketing management and examine how marketers manage demand and build profitable customer relationships.
- ★ Compare the five marketing management philosophies.