



Section 13_What is marketing

3.1 What is marketing?

3.1.1 Role of marketing and its relationship with other business activities

- the link between marketing objectives and corporate objectives
- marketing objectives

3.1.2 Supply and demand

- factors influencing the supply and demand for the products/ services of a business
- interactions between price, supply and demand

3.1.3 Features of markets: location, size, share, competitors, growth

- how markets may differ: such as consumer/producer markets; national, regional and international markets
- difference between product and customer (market) orientation
- problems associated with measuring market share and market growth

3.1.4 Industrial and consumer markets

- implications of changes in market share and growth
- classification of products
- how marketing might differ for different types of goods and services

3.1.5 Niche versus mass marketing

- reasons for and benefits/limitations of mass marketing and niche marketing

3.1.6 Market segmentation

- benefits and limitations of market segmentation
- methods of market segmentation including geographic, demographic and psychographic

What is marketing?



KEY TERM

Marketing: the management task that links the business to the customer by identifying and meeting the needs of customers profitably – it does this by getting the right product at the right price to the right place at the right time.

- There are many definitions
- Because “marketing” include various activities:
 - Market research
 - Product design
 - Packaging
 - Advertising
 - Distribution
 - Customer service

Related concepts

Markets

- International coal and copper market
- Narantuul market, Shangrila shopping mall
- Market for a certain products, such as vegan food
- Online shops and markets

Human needs and wants

- What does your customer want?
- Is your business satisfying the needs or wants of the customer?

Value and satisfaction

- High price=high value?
- Customer can be satisfied with cheaper products too!
- Very hungry – eat cheap/expensive food – the same satisfaction



Marketing objectives and corporate objectives

- Marketing objective is defined according to the corporate objective
- Examples of marketing objectives might include:
 - Increase market share, gain market leadership, total sales
 - Increase the average number of items purchased per customer visit
 - Increase the frequency that a loyal customers
 - Increase percentage of returning customers
 - Number of new customers
 - Customer satisfaction etc.



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Marketing objectives

To be effective, marketing objectives should:

- Fit in with the overall aims and mission of the business
- Be determined by senior management
- Be SMART, motivating and clearly communicated with to all departments

Marketing objectives are important because:

- It build the base and direction for **marketing strategy**, such as:
 - Penetrating existing markets more fully
 - Entering new markets
 - Developing new products?
- Progress can be monitored against targets

Marketing objectives – Coordinating with other departments

Marketing vs. Finance

- Sales forecast vs. Cash flow
- Paying promotional expenditure

Marketing vs. Human Resources

- Sales forecast vs. Workforce planning
- Recruiting the “right” sales staff

Marketing vs. Operations

- Market research vs. Product development
- Sales forecast vs. Production capacity

Market orientation and product orientation

Customer led – outward looking approach, offer what customer needs

- Require extensive market research
- Reduces the risk to fail once launched
- Longer product lifecycle is more probable

Product led – inward looking approach, offer what you do best

- Produce and then look for buyers
- Strong belief in their innovation (electronic, pharmaceutical products)
- Focus on **efficiently** producing **high-quality** goods (bottled-water, crash-helmets)

Asset-led marketing – focus on firms' existing strengths and assets

- Base decisions on market research, customer needs
- Focus on own/your product's strengths (brand, image) and competencies

Videos open in a separate window

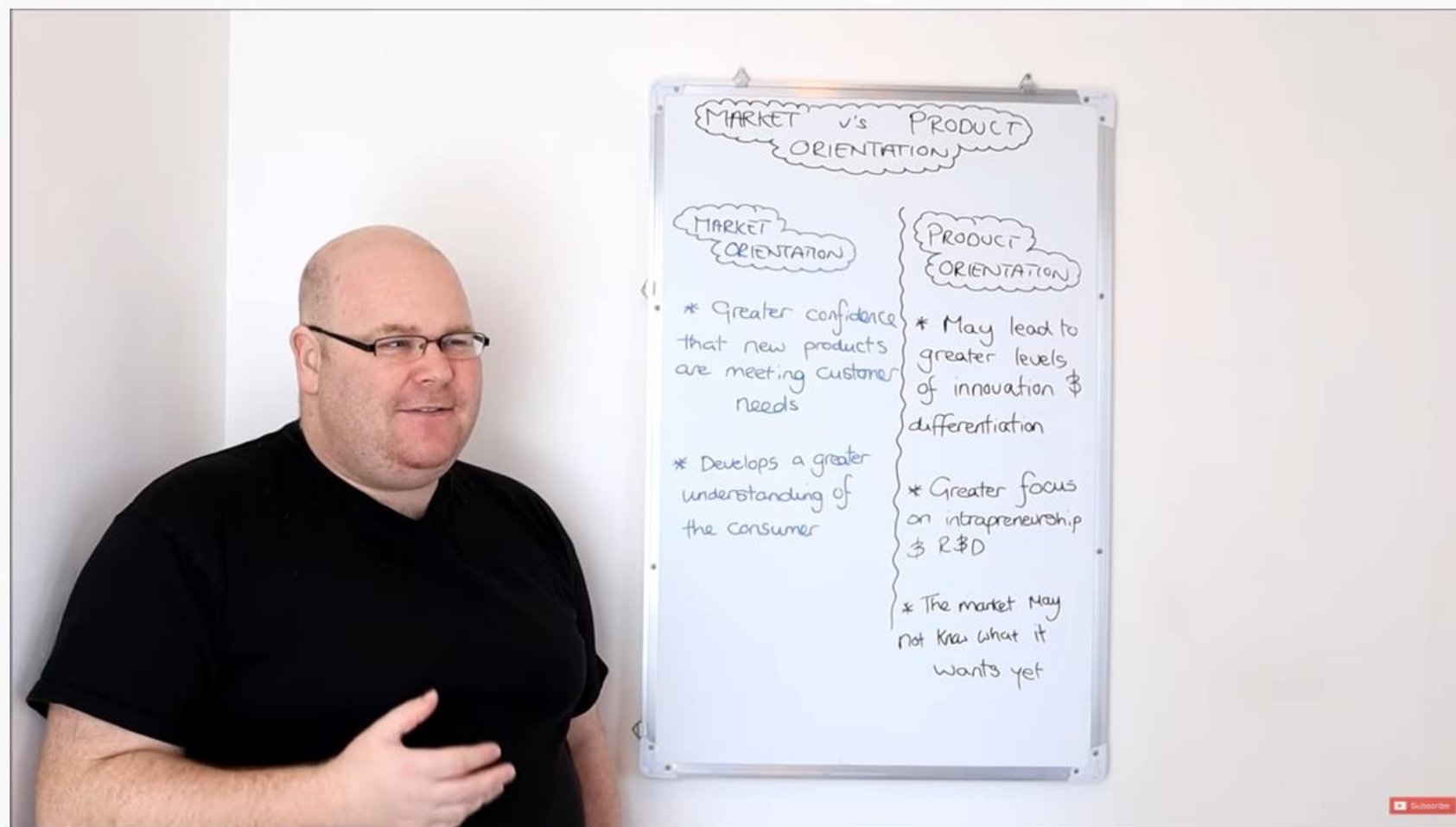
1. Pied Piper usability test – UTL

2. How you should do the usability test – UTL

- Reflective questions:
 - Which video is showing customer/product-led approach?
 - Why do you think Richard Hendricks (entrepreneur) preferred to show his product to fellow engineers?
 - What was his mistake?



TakingTheBiz- <https://www.youtube.com/watch?v=rAlgXgXASJQ>



Product & Market (Customer) Orientation

8,979 views • Feb 22, 2019

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Societal marketing



KEY TERM

Societal marketing: this approach considers not only the demands of consumers but also the effects on all members of the public (society) involved in some way when firms meet these demands.

Kotler said: <https://www.marketingweek.com/philip-kotler-modern-marketing/>

The power of activism

While Apple found its own way to differentiate, Kotler believes that for most brands the key to success is becoming more “activist”. He describes this brand activism as “not only meeting customers’ needs but also caring about a social, political, economic or environmental reform”. It sounds a little like brand purpose, but Kotler suggests activism can help a brand appeal to many people, particularly if the reform is related to consumers’ needs.

“Customers are the voters. They can make a brand or destroy it by a shift in their purchases, because that’s what a purchase is, it’s a vote. Customers will find out who bad companies are much quicker with the internet. So, that means the good companies will get stronger and the bad companies will go away, I hope,” he explains.

“Companies that are already known for caring about society will be more likely to try and add a flavour of brand activism.”

- Attempts to balance three concerns: profits, consumer wants and social interests
- Considers long-time welfare
- Using this concept could give a business a significant competitive advantage – “activism”
- Can lead to USP, higher selling price



Tins of dolphin-safe tuna – an example of societal marketing



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