



# Session 1: Introduction to Marketing

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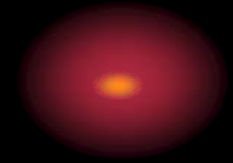
# Marketing Environment



- Competition
- Customers
- Govt. policies
- Suppliers
- Trade
- Product
- Import tariffs
- Trends
- Technology
- Politics

# What Can Be Marketed?



- Goods
  - Services
  - Experiences
  - Events
  - Persons
  - Places
  - Properties
  - Organizations
  - Information
  - Ideas
- 

# Development of the Marketing Concept



Production  
Concept

Product Concept

Selling Concept

Marketing  
Concept

# The Production Concept



- Assumes that consumers are interested primarily in product availability at low prices
- Marketing objectives:
  - Cheap, efficient production
  - Intensive distribution
  - Market expansion

# The Product Concept

- Assumes that consumers will buy the product that offers them the highest quality, the best performance, and the most features
- Marketing objectives:
  - Quality improvement
  - Addition of features
- Tendency toward Marketing Myopia

# The Selling Concept



- Assumes that consumers are unlikely to buy a product unless they are aggressively persuaded to do so
- Marketing objectives:
  - Sell, sell, sell
- Lack of concern for customer needs and satisfaction

# The Marketing Concept



- Assumes that to be successful, a company must determine the needs and wants of specific target markets and deliver the desired satisfactions better than the competition
- Marketing objectives:
  - Profits through customer satisfaction



# What is Marketing?



- *“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have **value** for customers, clients, partners, and society at large.”*

# Customer Value



- What is value for the customer?
  - Benefit/Cost?
  - How do customers calculate it?
  - How would marketers calculate it?
- What is value for the firm?
  - Does value for the firm always lead to value for the customer?

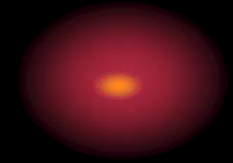
# Value and Satisfaction



- Value in products a comparison of benefits vs sacrifices (costs)
- Benefits = Functional Benefits + Emotional benefits.
- Costs = Monetary costs + Time + Energy + Psychic costs

# Customer Satisfaction



- What is satisfaction?
    - What leads to satisfaction?
    - Is satisfaction transient?
    - How is customer value and satisfaction linked?
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# Value: In products, its usage, and in relationships



- Value in products & services:

- Use value
- Esteem value
- Cost value
- Exchange value

- Value is

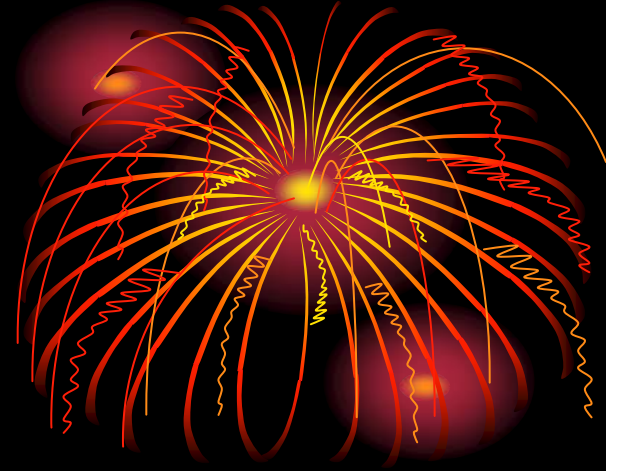
- low price
- What I want from product
- Quality I get
- What I get for what I give.

# Value: In products, its usage, and in relationships



- Value in products & services:
  - Use value
  - Esteem value
  - Cost value
  - Exchange value
- Value is low price; what I want from product; quality I get; what I get for what I give.
- Value in products a comparison of benefits vs sacrifices (costs)
  - Total cost of ownership

# Marketing Myopia



- Industry is a customer satisfying process not a goods producing process.
- It is important therefore how you redefine your business.

# Marketing Mix

- It is the tools that an organization employs to pursue its marketing objectives in the target market
- 4P's-Product, Price, Place, Promotion
- 4 C's – Customer solution, Cost, Convenience, Communication



- Example of 4P's w.r.t to McDonalds

- Product:



- Price:

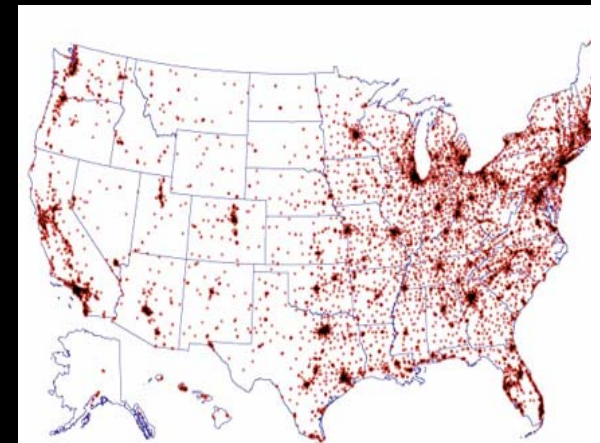


- Promotion:



Mascot

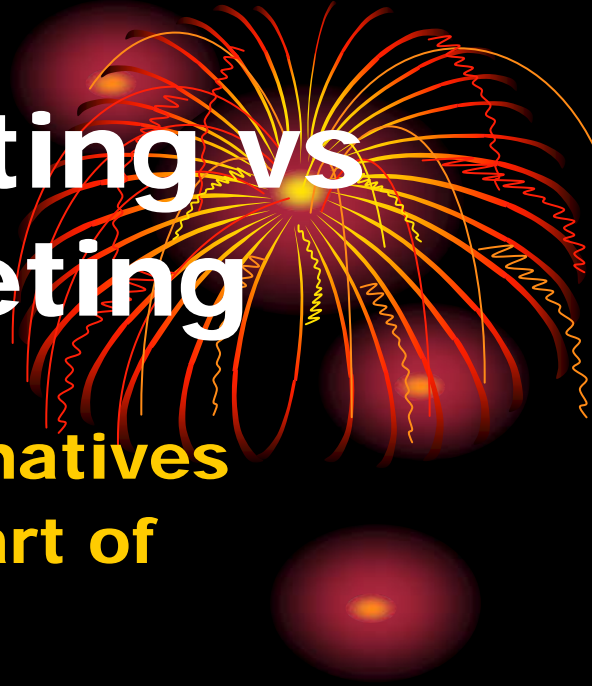
- Place: Spread all over the world





# Customer relationships

# Relationship marketing vs transactional marketing



- Many alternatives vs few alternatives
- Every deal is new vs deal as part of relationship.
- Competitive vs cooperative
- Short term vs long term
- Efficiency vs effectiveness
- Buying products vs buying capabilities
- Price orientation vs value orientation