



# Introduction to Marketing

Nina Zlateva, Ph. D.

# Why study marketing?

- The market environment, the technologies and the competitors change significantly every year from what we know now

# Introduction to Marketing

- What is Marketing?
- Core marketing concepts
- Marketing management philosophies
- Marketing challenges

# What Is Marketing?

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.

# Learning Outcomes

- Understand and properly use the basic marketing terms, methods and ideas;
- Diagnose and define many marketing problems;
- Have a systematic understanding of the role of the elements of the marketing mix;
- Be able to plan and execute basic marketing research;
- Understand the basic motives and forces which drive the buyer's behavior;

# Topics to discuss

- The marketing concept: theories and concepts, planning, organisational context;
- Dynamics of the marketplace: supply/demand, types of market, competitiveness;
- Market segmentation/STP: methods of segmentation, targeting strategies, positioning;
- Consumer behaviour: purchasing models/factors, decision making unit, purchasing;

# Topics to discuss

- Marketing research techniques: primary/secondary, quantitative/qualitative;
- Analysing of research data to inform marketing strategies and plans;
- Internal audits: organisational/marketing capabilities- strengths/weaknesses;
- Environmental audits: micro/macro/global, market opportunities/threats;
- Developing marketing strategy;

# Topics to discuss

- Developing marketing strategy;
- Operationalising the marketing mix for a target segment (4P, 7P and other);
- Product: categories, goods/services, lifecycle, USP, portfolio, new product development;
- Price: role of price, break-even/contribution, strategic/tactical pricing strategies;
- Place: role of distribution, channels, emergence of retail/e-tail channels, logistics;
- Promotions: aims of promotion, promotional mix, push/pull/profile;

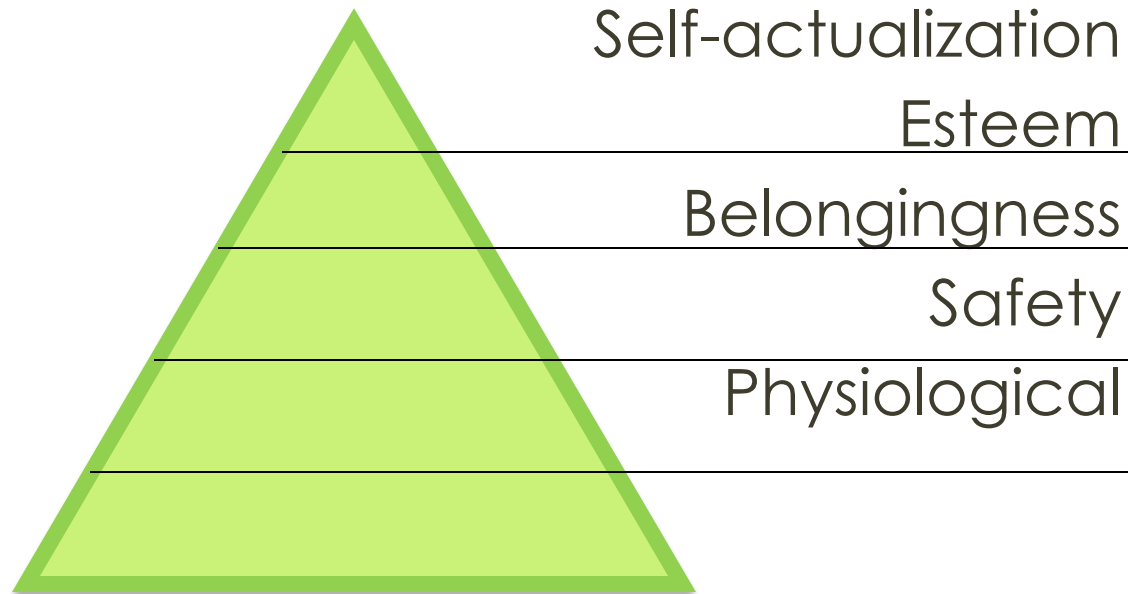


# How do we get there?

- Presenting theoretical postulates ;
- Discuss what works in what environment/s;
- Team work and presentation of points of view;
- Get skills;

# Core Marketing Concepts: Needs

- Need is a state of felt deprivation.
- Maslow's hierarchy of needs:



# Core Marketing Concepts: Wants

- Want is the form human needs take as they are shaped by culture and individual personality;
- People have narrow needs but almost unlimited wants;

# Core Marketing Concepts: Demand

- Demand is a want backed by an ability to pay (buying power);
- The demand reflects the limited resources of people;

# Core Marketing Concepts: Product

- Product is anything that can be offered to a market to satisfy a need or want;
- Products include goods, services, experiences, persons, places, organizations, information, ideas;
- Bundle of benefits;

## Core Marketing Concepts: Customer Value

Customer value is the difference between the values the customer gains from owning and using the product and the costs of obtaining the product.

# Core Marketing Concepts: Costs

Costs are everything the customer “sacrifices” in order to obtain the product – money, time, social aspects.

# Core Marketing Concepts: Customer Satisfaction

Customer satisfaction depends on a product's perceived performance in delivering value relative to a buyer's expectations.



# Core Marketing Concepts: Exchange

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

# Core Marketing Concepts: Transaction

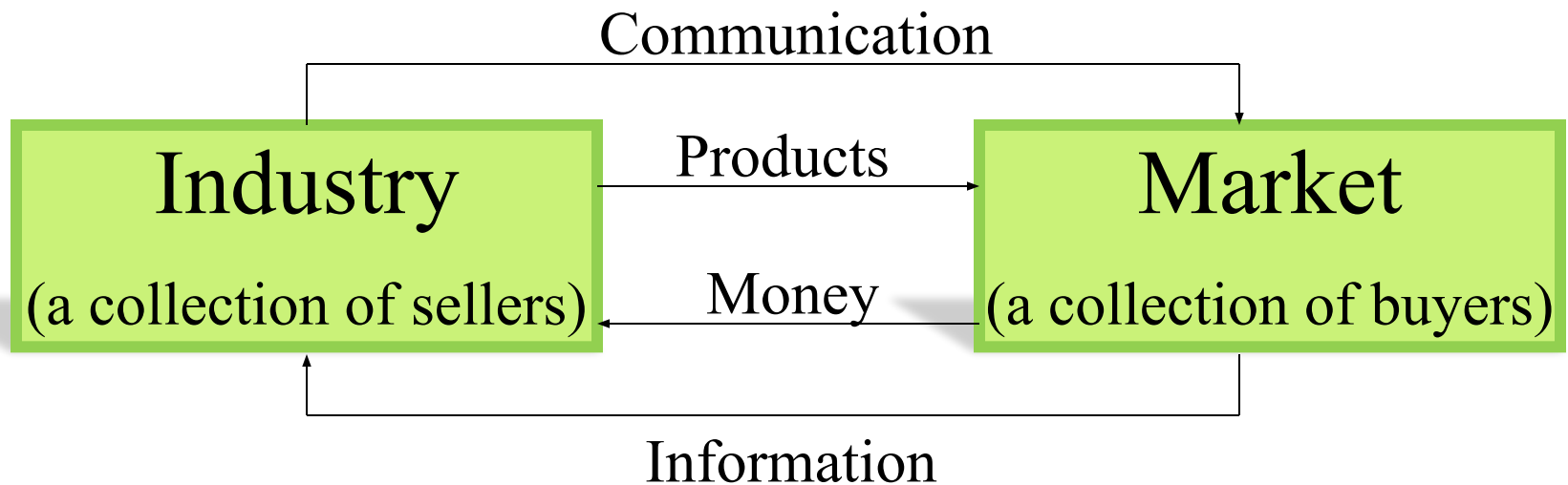
- Transaction is a trade between two parties that involves at least two things of value, agreed-upon conditions, a time of agreement and a place of agreement;
- Transaction is the marketing's unit of measurement;

# Core Marketing Concepts: Relationship Marketing

Relationship marketing is the process of creating, maintaining and enhancing strong, value-laden relationships with customers and other stakeholders.

# Core Marketing Concepts: Market

Market is the set of all actual and potential buyers of a product.



# Marketing Management Philosophies: Production Concept

- Production *concept* holds that consumers favor products that are available and highly affordable;
- Management should focus on improving production and distribution efficiency;

# Marketing Management Philosophies: Product Concept

- Product concept holds that consumers favour products that offer most quality, performance and innovative features;
- Management should focus on making continuous product improvements;

# Marketing Management Philosophies: Selling Concept

- Selling concept holds that consumers not buy enough of the organization's products unless it undertakes a large-scale selling and promotion effort;
- The selling concept takes inside-out perspective;

# Marketing Management Philosophies: Marketing Concept

- Marketing concept holds that achieving organizational goals depends on determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors do;
- The marketing concept takes outside-in perspective;



# Marketing Management Philosophies: Societal Marketing Concept

- Societal marketing concept holds that the organization should determine the needs, wants and interests of target markets and then deliver the desired satisfactions more effectively and efficiently than competitors in a way that maintains or improves the customer's and society's well-being.

# Marketing Challenges:

- Globalization
- Connectedness – with customers, marketing partners, with the world around us
- Marketing ethics

# Literature

- Kotler, P., J. Bowen, J. Makens (2006) *Marketing for hospitality and tourism*. Harlow: Prentice Hall, 4<sup>th</sup> ed.
- Kotler, P., G. Armstrong, J. Saunders, V. Wong (2002) *Principles of marketing*. Harlow: Prentice Hall, 3<sup>rd</sup> ed.
- Pickton, D., A. Broderick (2005) *Integrated marketing communications*. Harlow: Prentice Hall, 2<sup>nd</sup> ed.
- Bowie, D., F. Buttle (2004) *Hospitality marketing*. Butterworth Heinemann
- Horner, S., J. Swarbrooke (2005) *Leisure marketing: A global perspective*. Butterworth Heinemann
- Lovelock, C. H. (2002) *Principles of service marketing and management*. Prentice Hall

# Literature

- Morgan, N., A. Pritchard, R. Pride (2004) *Destination branding: Creating the unique destination proposition*. Butterworth Heinemann
- Porter, M. E. (1985) *Competitive advantage: creating and sustaining superior performance*. New York: The Free Press. Republished with a new introduction, 1998
- Williams, A. (2004) *Understanding the hospitality consumer*. Butterworth-Heinemann
- Journals: *Journal of Marketing*, *Journal of Consumer Research*, *Cornell Hotel and Restaurant Administration Quarterly*, *Journal of Vacation Marketing*, etc.