

WHAT IS MARKETING ?

- Managerial process
- Applied science
- Set of management activities
- Set of tangible and intangible assets serving to implementation of these activities

Definition 1 - *Chartered Institute of Marketing*

‘Marketing is the management process that **identifies, anticipates and satisfies** customer requirements profitably’



Definition 2 - *American Marketing Association*

‘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’



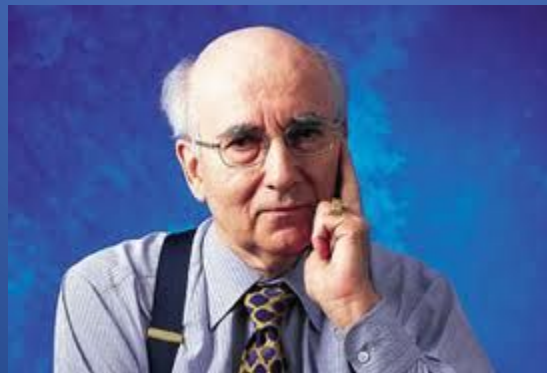
Definition 3 – *Philip Kotler - 1980*

‘Marketing is the human activity directed at satisfying human needs and wants through an exchange process’



Definice 4 – *Philip Kotler - 1991*

‘Marketing is a social and managerial process by which individuals and groups obtain what they want and need through creating, offering and exchanging products of value with others’



What is marketed?

- Products
- Services
- Events
- Experience
- Persons
- Places (destinations)
- Intellectual property
- Companies
- Ideas
- Informations

Demand

Human desires with purchasing power

Possible states of demand:

- Negative
- Non-existent
- Latent
- Decreasing
- Irregular
- Full
- Excessive
- Harmful

Development of company's market orientation (or business concepts)

- Production orientation
- Product orientation
- Selling orientation
- Marketing orientation
- Socially responsible marketing
- Holistic marketing

Production orientation

- Emerged in the beginning of 20th century (Frederik Taylor, Henry Ford)
- The demand exceeds or equals the offer
- Based on premise, that the customer prefers standard quality products at lowest prices
- Recently can be observed in rapidly growing economics in SE Asia

Product market orientation

- Emerged in the beginning of 20th century like production concept
- The demand exceeds or equals the offer
- Builds on premise, that the customer prefers products, which will be exceptional some way:
 - 1) Quality
 - 2) Performance
 - 3) Image
- There can occur so called **Marketing myopia** (Theodore Levitt)

Selling market orientation

- Prevailed in 20ties of 20th century
- Offer exceeds demand.
- Builds on premise, that the customer:
 - 1) will buy easily accessible products – **distribution channels**
 - 2) can be influenced by promotional tools - **advertising**
- Caused the rise of advertising industry in 30ties

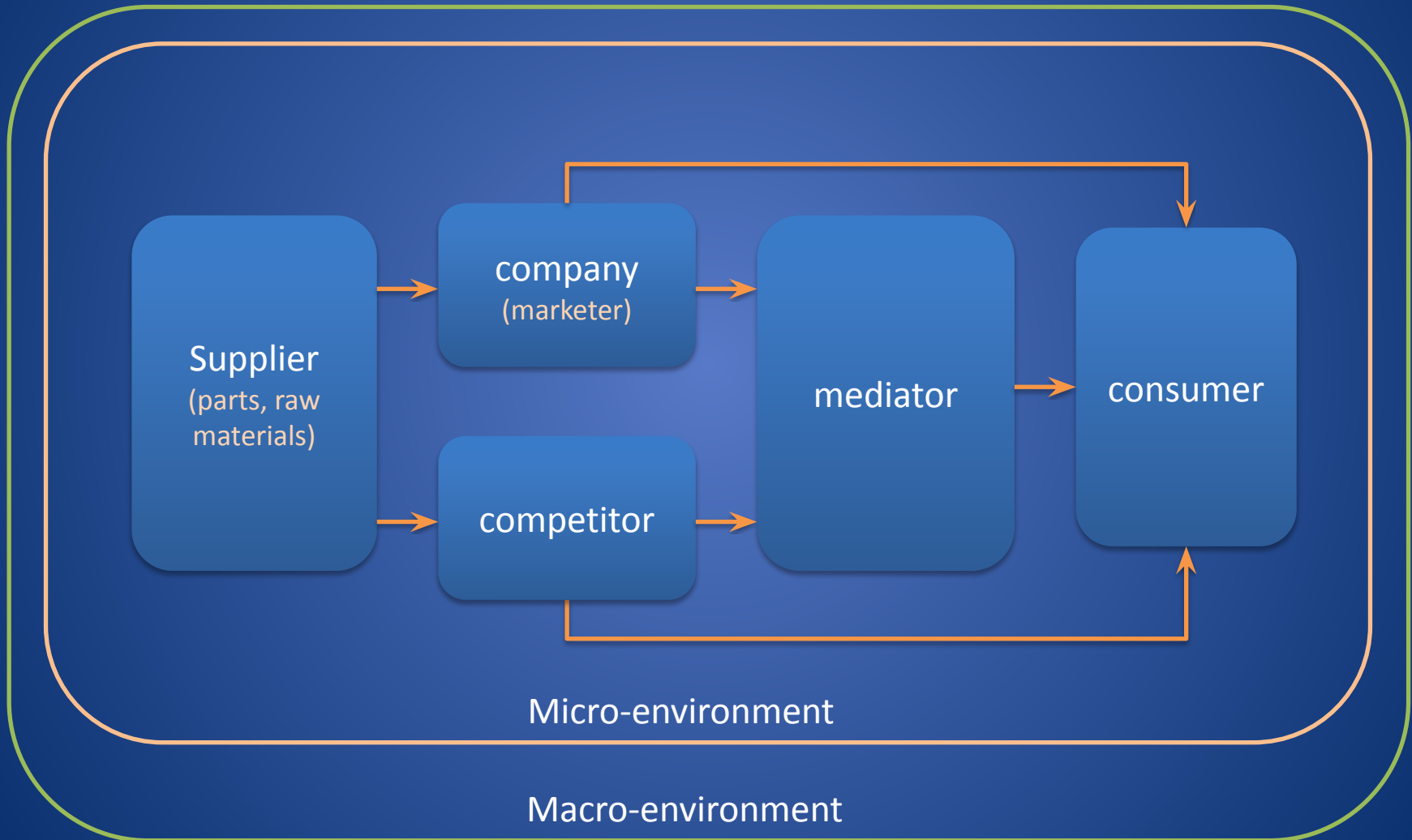
Marketing concept

- Offer exceeds demand.
- Prevailed in early 50ties of 20th century
- All company's activities are based on the knowledge of customer's needs and desires.
- Company employs marketing research to describe them.
- The market can be split into smaller parts – market segments
- The offer to the customer is articulated through special conceptual framework – MARKETING MIX

Simple marketing system



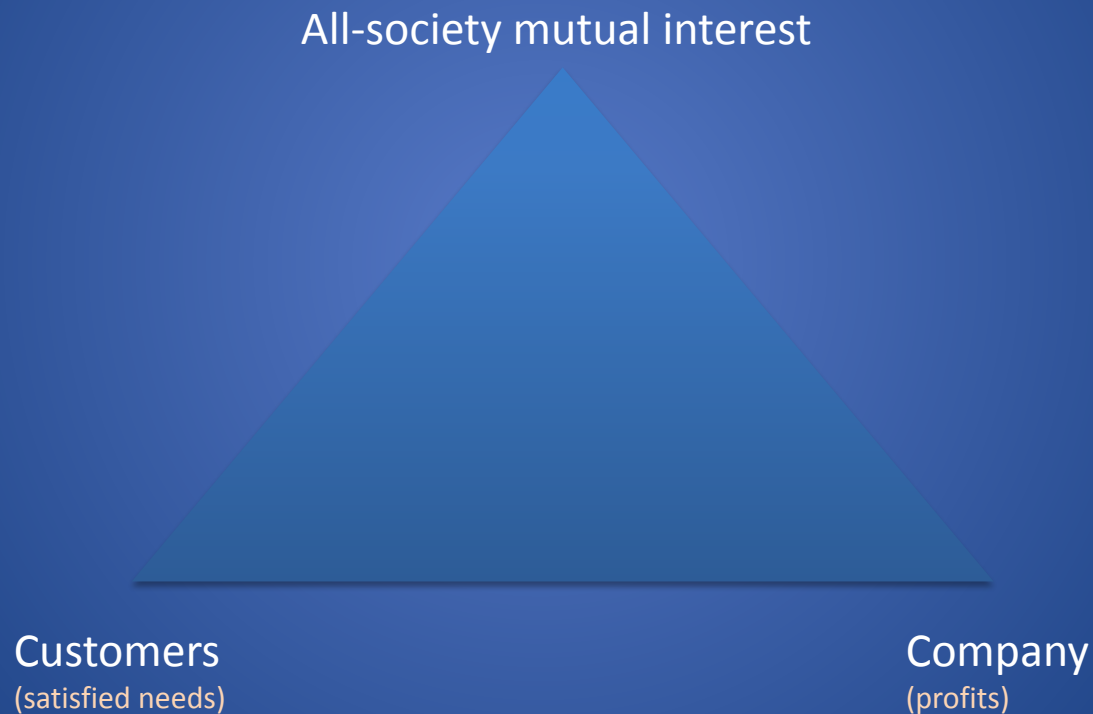
Scheme of the Market



Socially responsible marketing

- Emerged in middle 70ties of 20th century as result of first petroleum crises, (P. Kotler a G. Zaltman)
- Builds on premise, that both participants of a transaction are able to consider all-societal impact of marketing.
- Marketing principles and strategies are applicable evet to achieving non-profit goals, like propagation beneficial ideas and influencing thinking and behaviour of people and institutions.

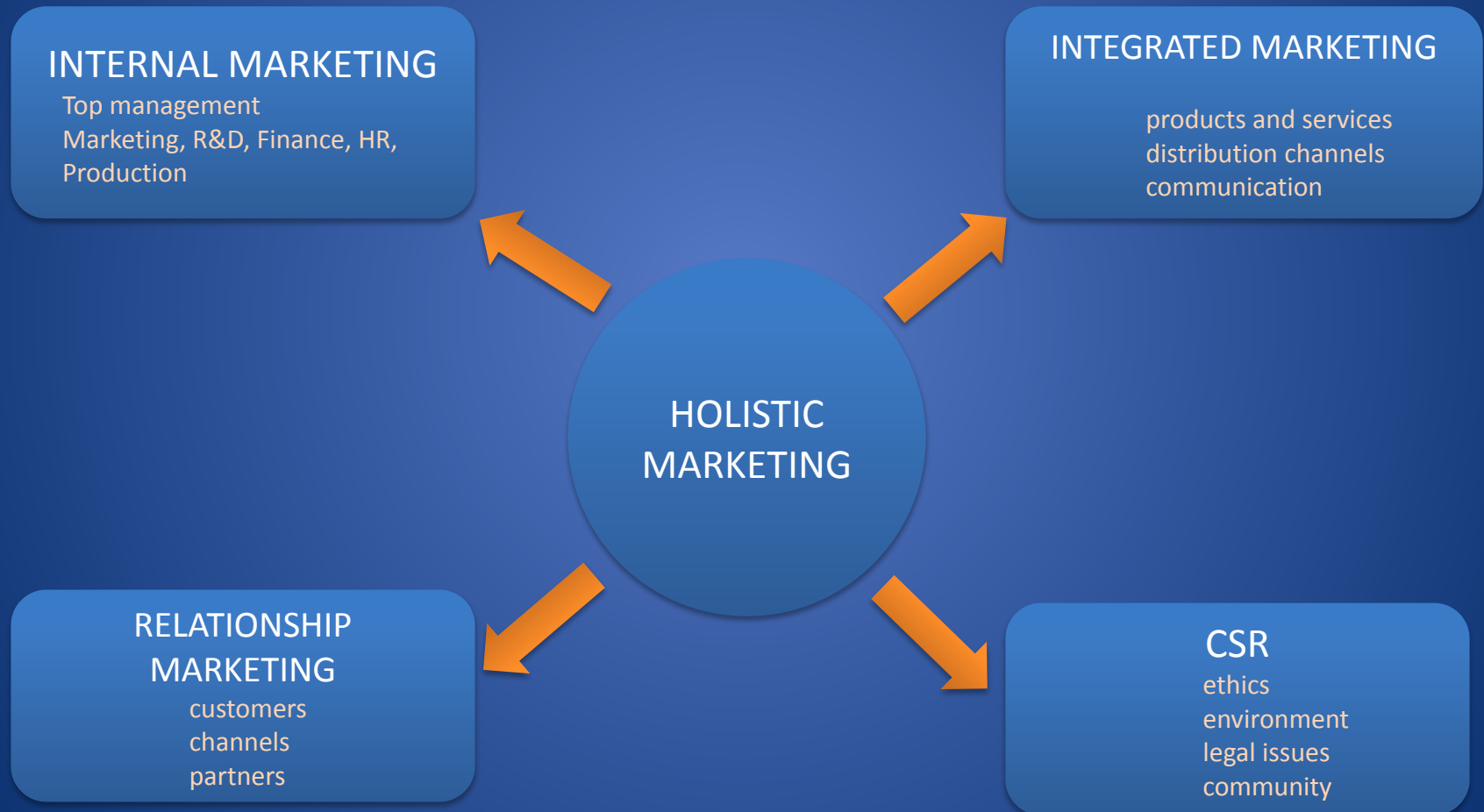
Social marketing concept



Holistic marketing

- Based on premise of inevitability of broad and consistent perspective in contemporary approach to business management. Záleží na všem a zároveň je v silách marketérů se vším zabývat.
- Emerged after 2000 as effect of hypercompetition and new technologies
- Four components of holistic marketing:
 - Integrated marketing
 - Relationship marketing
 - Internal marketing
 - Corporate responsible marketing (CSR)

Holistic marketing



Relationship marketing

Builds and maintains relations to all important stakeholders:

- CRM - customer relationship management
- PRM – partner relationship management – suppliers, distribution channels, mediators, financially involved subjects

Ultimate goal of relationship marketing is joining marketing network

Recently, there is no competition of isolated companies, but only competition of whole marketing networks

Integrated marketing

The way, which company delivers value to the customer, can be described through Marketing mix, a set of 4-10 marketing tools. These tools can influence and control the marketing process.

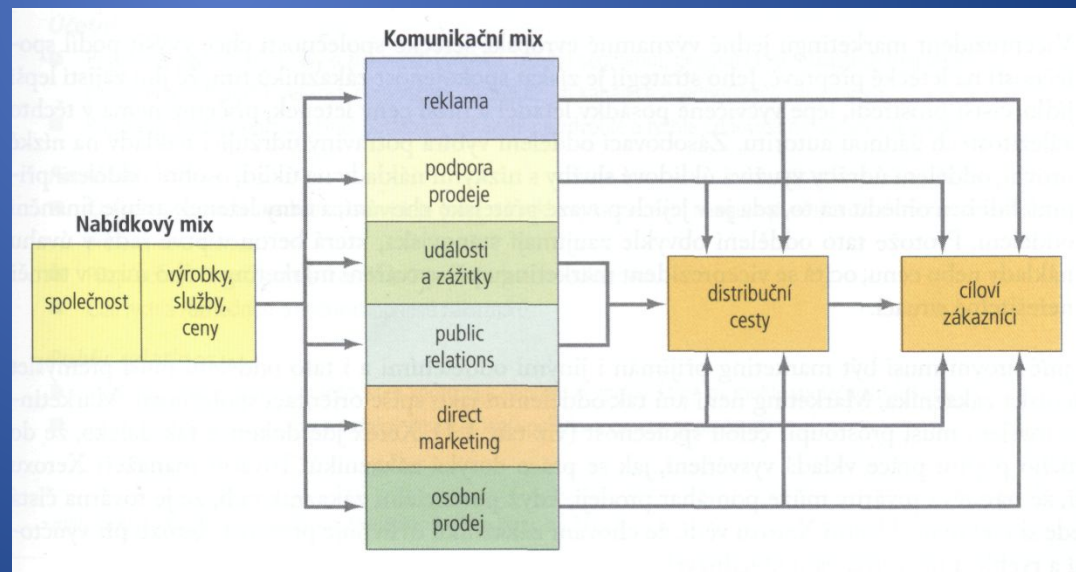
Essential tools (4P):

Product

Price

Place

Promotion



Socially responsible marketing

Social marketing concept considers even social, ecological and ethical aspects. It keeps in balance company's profits, customers satisfaction and all-society interests.

Cause related marketing – marketing supports interests specific target group – for example Avon and breast cancer prevention.

Example – CSR of McDonalds company:

Typ	Popis	Příklad
sociální marketing firmy	podporuje kampaně na změnu chování	propagace očkování dětí po celé Oklahomě
sdílený marketing	propagace společenských záležitostí pomocí sponzorování, licenčních smluv a reklam	sponzorování Foresta (gorily) v ZOO v Sydney – závazek desetiletého sponzorování v rámci záchrany tohoto ohroženého druhu
filantropie společnosti	dary v penězích, zboží nebo času na pomoc neziskovým organizacím, skupinám nebo jednotlivcům	příspěvky charitativnímu domu Ronalda McDonalda
angažování firmy v místní komunitě	poskytování dobrovolnických služeb v místní komunitě	dovážení jídla hasičům při požárech buše v Austrálii v prosinci 1997
společensky zodpovědné podnikatelské praktiky	přijetí a vedení podnikatelských praktik chránících prostředí a lidská práva i práva zvířat	požadavek McDonald's, aby dodavatelé zvýšili životní prostor noscím na farmách

Internal marketing

- 1 – guarantees, that all marketing functions (sales, research, finance, human resources, production) are working in accordance and from the customer's point of view.
- 2 – the customer has highest priority even in relationships between different levels of corporate management.

Company can be divided into these departments:

R&D	marketing	public relations
procurement	sales	accounting
manufacturing	logistics	finance