The term marketing is often misused or misunderstood.

Marketing activities have changed a great deal and will continue to change.

An effective approach to marketing realizes the importance of satisfying the consumer, which plays an important role in a successful, profitable business.
Where Does Marketing Take Place?

- One of the most visible areas of business around you.
- Includes advertisements in all types of media, products being transferred by truck, planes, trains, and marketing researchers survey shoppers in malls.
- You participate in marketing activities everyday when you make a purchase, pay cash or credit, and choose to transport the item home yourself.
Using Marketing Skills in Your Life

* Can help you make better purchasing decisions.
* Help you complete applications and prepare for job interviews.
* Help you become a more effective leader for an organization.
* Lead you to an exciting career.
How Do Businesses Use Marketing?

* Over 4 million companies in the US have marketing as their primary business activity. (Figure 1-1, pg. 5)
* Most efforts are directed at completing marketing activities rather than producing the goods and services.
* Companies not directly involved in marketing still devote a large part of their resources to it. Larger businesses will have entire marketing departments.
Marking Job Opportunities

* Jobs can range from sales to inventory management.
  * Advertising, Sales Promotion, Customer Service, Credit, Insurance, Transportation, Research
* Jobs you can do now include
  * Retail Clerk, Bank Teller, Stock Person, Telemarketer, Delivery
* Marketing positions can be among the highest paid jobs in most companies.
  * Because of it’s constant change, many people view it as the most diverse and exciting career of the 21st century.
9 Marketing Functions

* Market Planning
  * Identifying and understanding the markets a company wants to serve and developing effective marketing strategies for each market.

* Product and Service Management
  * Assisting in the design and development of products and services to meet the needs of prospective customers.
    * Apple-combining technologies
9 Marketing Functions

* Distribution
  * Determining the best methods and procedures to be used so prospective customers are able to locate, obtain, and use the projects and services of an organization.
    * Hertz-pre rental agreements

* Pricing
  * Establishing and communicating the value of products and services to prospective customers.
    * Offer a special incentive to go with the price of the product
9 Marketing Functions

* Promotion
  * Communicating information to prospective customers through advertising and other promotional methods to encourage them to purchase the organization’s products and services.
    * CD’s and brochures to sell a cruise

* Selling
  * Direct, personal communications with prospective customers in order to access needs and satisfy those needs with appropriate products and services.
    * Personal selling-selling yourself as a service (lawyer)
Marketing-Information Management

- Obtaining, managing, and using market information to improve decision making and the performance of marketing activities.
  - Electronic scanners at supermarkets

Financing

- Budgeting for necessary financing, and providing financial assistance to customers to assist them with purchasing products and services.
  - Getting a car loan on site
Risk Management

Providing security for products, personnel, and customers and reducing the risk associated with marketing decisions and activities.

Each of these functions is done when a product or service is developed or sold.
Marketing is the creation and maintenance of satisfying exchange relationships

- **Creation**—suggests that marketing is involved from the beginning as products and services are being developed.
- **Maintenance**—means that marketing must continue to be used as long as a business or organization is operating.
- **Satisfaction**—of both the business and the customer is an important goal of marketing.
Even if you have a good product, you must still market it, otherwise people will not know about it.

Marketing cannot be successful if the product is not what the consumer wants or if the quality is low.

The product must be viewed as satisfying a need.
The Development of Marketing in Business

- Self-sufficient
  - Don’t rely on anyone for products or services
- Bartering (selling)
  - Trading your goods for another’s goods
- Specialization of labor (product/service management)
  - Make larger quantity of something you are good at producing
- Money system (pricing)
  - Medium of exchange, helps put value on product
The Development of Marketing in Business

- Central Market (Channel Management)
  - Location where people bring products to be conveniently exchanged.

- Market Planning
  - Businesses began specializing in promoting product and assisting businesses in getting their product to the central market.
The Functions of Business

- **Production** – function creates or obtains products or services for sale.
  - **Raw Materials** – mining, logging, oil drilling
  - **Processing** – Oil refining (changing the form of the raw materials)
  - **Agriculture** – food and materials grown for consumption
  - **Manufacturing** – use raw materials and other resources to produce products
  - **Services** – preparing tax returns, lawn care
  - **Merchandising** – makes the products of other businesses available for sale.
    - **Retailers, wholesalers** (Sams Club)
The Functions of Business

* Operations – ongoing activities designed to support the primary function of a business and keep it operating efficiently
* Accounting and Finance – plans and manages financial resources and maintains records and information related to a business’s finances
* Management – involves developing, implementing, and evaluating the plans and activities of a business
Marketing – complete a variety of activities to make their products and services available to consumers and ensure that satisfying exchanges occur.

Coordination of Business Functions
- Each of the functions of an effective business depends on the other functions.
- Functions operate independently and often compete with each other.
  - Must learn to work together to provide a positive experience for consumers or sales will decline and business will struggle.
The Marketing Concept

* Using the needs of customers as the primary focus during the planning, production, pricing, distribution, and promotion of a product or service.

* 3 activities must be accomplished by businesses if they want to use it successfully:
  * Must be able to identify what will satisfy customers’ needs
  * Must be able to develop and market products or services that customers believe are better than other choices
  * Must be able to operate profitably
Car dealerships
  - End up using price reductions and rebates
Retail stores
  - Cut prices and special displays

The extra expenses of marketing products that customers may not have a strong interest in buying can lead to reductions in profit or even losses for the business.

People may not like product and return, which may make them weary of the business in general.
Implementing the Marketing Concept

* Identify the Market
  * Market – a description of a unique group of prospective customers a business wants to serve and their location

* Develop a Marketing Mix
  * Marketing Mix – blending of four marketing elements – product, distribution, price and promotion – by the business
  * Sometimes referred to as the 4P’s of marketing.
    * Place would be used as alternative term for distribution.
    * Each of the elements of the marketing mix provides many alternatives to better satisfy the market.
Product – anything offered to a market by the business to satisfy needs, including physical products, services, and ideas

Distribution (place) – locations and methods used to make the product available to customers

Price – the amount that customers pay and the methods of increasing the value of the product to the customers

Promotion – the methods used and information communicated to encourage customers to purchase and to increase their satisfaction
There are several changes in the role that marketing has played in US business in the past century

- Figure 1-6

- Production Emphasis – businesses believed that if they could produce products, they would be able to sell them

- Sales Emphasis – modern methods of producing products at low costs and transportation systems made it easier for business to get product to consumers

- Resulted in increased competition among businesses.
The Changing Approach to Marketing

* Marketing Department Emphasis – people had more money to spend and businesses needed to “sell” their product more, so they started by increasing advertising
  * Use of shopping centers gave customers options, which lowered prices.
  * Markets expanded because they had better transportation options.
The Changing Approach to Marketing

- Marketing Concept Emphasis – uses the needs of customers as the primary focus during the planning, production, pricing, distribution, and promotion of a product or service
  - The efforts of more than one department.
Improving the Marketing Concept

- **Relationship Marketing** – focuses on developing loyal customers who continue to purchase from the business for a long period of time
- **Employee Empowerment** – an approach to customer service that gives employees the authority to solve many customer problems
  - Trusts employees to make good decisions in the best interests of the business and consumer.
- **Social Responsibility** - what does marketing contribute to society and is it playing a positive or negative role?
Marketing in Other Organizations – places such as libraries, churches, government agencies, community organizations, and the military use marketing concepts to promote their business.

- Not all use correctly, they focus only on the advertising, not satisfying consumer needs and wants.

Marketers’ Roles Today – must work with many people inside and outside the company and are ultimately responsible for a large part of the company’s budget.