Ch 1

***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.

**Marketing:** Entails processes that focus on delivering value and benefits to customers, not just selling goods and services, and / or ideas .It uses communication, distribution, and pricing strategies to provide customers with the goods and services they want. It involves building long-term, mutually rewarding relationships. It entails an understanding that organizations have many connected stakeholder partners, including employees, suppliers, stockholders, distributors, and others.

**Exchange can take place only if the following five conditions exist:**

1. There must be at Least Two Parties
2. Each party has Something that might be of Value to other party
3. Each party is a capable of Communication and Delivery
4. Each party is free to accept or Reject the exchange offer
5. Each party believes it is appropriate or desire to deal with Other Party

**The Four Marketing Management Philosophies:**

1. **Production:** Focus on the internal capabilities of the firm rather than on the desires and needs of the marketplace.
2. **Sales:** Based on the belief that people will buy more goods and services if aggressive sales techniques and belief that high sales result in high profits
3. **Market:** It assumes that a sale does not depend on an aggressive sales force but rather on a customer’s decision to purchase a product**.**
4. **Societal:** The idea that an organization exists not only to satisfy customer needs and wants and meet organizational objectives but also to preserve or enhance individual and society long-term best interests.

**\*First : Production Orientation:**

**A production orientation:** means that management assesses its resources and asks questions.

***Goods:***

Q1- What can we do best?

Q2- What can our engineers design?

Q3- What is easy to produce, given our equipment?

*Service:*

Q1- What services are most convenient for the firm to offer?

Q2- Where do our talents lie?

**\*Second** **:Sales Orientation**

**Marketing = Selling Things & Collecting Money**

* The fundamental problem with a sales orientation, as with a production orientation, is a lack of understanding of the needs and wants of the marketplace.

**\*Third: Market Orientation**

**Marketing concept:** is a simple intuitively appealing philosophy that articulates a market orientation.

**-The marketing concept includes the following:**

* Focusing on customer wants and needs to distinguish products from competitors’ offerings
* Integrating all the organization’s activities to satisfy these wants
* Achieving the organization’s long-term goals by satisfying customer wants and needs legally and responsibly

**\*Fourth : Societal Marketing Orientation**

This philosophy states that an organization exists not only to satisfy customer wants but also to preserve or enhance individuals’ and society’s long-term best interests.

For example:

* *Less toxic products*
* *More durable products*
* *Products with reusable or recyclable materials*

**Questions That Help Determine Marketing Philosophy:**

1. **Production**: What can we make or do best?
2. **Sales:** How can we sell more aggressively?
3. **Marketing:** What do customers want and need?
4. **Societal:** What do customers want/need, and how can we benefit society?

**Differences between Sales and Market Orientations:**

The differences between sales and market orientation are substantial.

The two orientations can be compared in terms of five characteristics:

1-Organization’s focus

2-Firm’s business

3-Those to whom the product is directed

4-Firm’s primary goal

5-Tools the organization uses to achieve its goals

**1-The Organization’s Focus**

**Sales Orientation**: Inward looking What the firm makes.

**Market Orientation:** Outward looking What the market wants

**-Customer Value**: is the relationship between benefits and the sacrifice necessary to obtain those benefits.

**-Marketers interested in customer value:**

* Offer products that perform
* Earn trust
* Avoid unrealistic pricing
* Give the buyer facts
* Offer organization-wide commitment in service and after-sales support
* Co-creation with customers

**Customer Satisfaction :** The customers’ evaluation of a good or service in terms of whether that good or service has met their needs and expectations.

**Relationship marketing:** is a strategy that focuses on keeping and improving relationships with current customers.

-**Most Successful relationship marketing strategies depend on :**

a)Customer-Oriented Personnel

b)Effective Training Programs

c) Empowered employees.

d) Teamwork

**2-Defining a Firm’s Business:**

**Sales Orientation**: Goods and Services

**Market Orientation**: Benefits that customer seek

**Customer relationship management (CRM):** is a companywide business strategy designed to optimize profitability revenue, and customer satisfaction by focusing on highly defined and precise customer group.

**5-Tools the Organization Uses to Achieve Its Goals**

* + Sales-oriented organizations seek to generate sales volume through intensive promotional activities, mainly personal selling and advertising
  + Market-oriented organizations recognize that promotion decisions are only one of four basic marketing mix decisions that must be made;

-Product decision.

-Place decision.

- Promotion decision.

-Pricing decision.

**Reasons to study marketing:**

1-Important role in Society

2-Important to Business

3-Outstanding Career Opportunities

4-Marketing affects you every day