

Misconceptions of Marketing Marketing Concept

Ted Mitchell

Misconceptions

- 1) Marketing is Advertising
- 2) marketing is spin, buzz and sizzle
- 3) marketing is selling
- 4) marketing is unethical and wasteful
- 5) only marketers doing marketing
- 6) Marketing is a cost center and costly
- 7) the goal of marketing is to maximize customer satisfaction
- 8) the goal of marketing is to maximize sales

Definition of Marketing (2007 AMA)

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

Marketing is a huge field: Careers in

- Product Design and Engineering
- Brand Management
- Communication
 - Print industry, Broadcasting, Narrow Casting, Web design
- Social Engineering and Eco. Development
- Politics and Campaigning
- PR Industry
- Sales and Sales Management
- Event Planning
- Research
- Supply Chain Management
- Strategic Planning
- Customer Relations and Data Base Management

Marketing Concept

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The Marketing Concept

The Marketing Concept is a philosophy of business competition. We need to know what it is, what it assumes, and what it implies.

The Text Discussion of the Marketing Concept is not sufficient

- Having an organization-wide customer orientation with the objective of achieving long range profits
- The marketing concept introduces the marketing man at the beginning rather than the end of the production cycle and integrates marketing into each phase of the business.

The Marketing Concept Kotler's Definition is Best

The Marketing Concept holds that the key to achieving organizational goals consists in determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than the competitors.

Know The Marketing Concept!
Vs. the alternative philosophies
(i.e., product, production,
selling, customer and societal
concepts)
It will be on The Exam!

THE FOUR KEY PARTS OF THE MARKETING CONCEPT ARE

- 1) GOALS OF THE FIRM
Sustainable COMPETITIVE ADVANTAGE, Profit
- 2) CUSTOMER ORIENTATION
- 3) MARKET FOCUS (TARGET MARKETS)
- 4) INTEGRATED MARKETING EFFORT IN THE SYSTEM

The Four Pillars of Marketing Management

- 1) Profit
- 2) Customer Orientation
- 3) Targeting the Specific Segments and Audiences
- 4) An Integrated Marketing Mix Throughout the entire organization and supply chain

The Marketing Concept **FIRST PART: PROFIT**

- The Marketing Concept holds that the key to achieving organizational goals....
- The goal of business is profit and profits are the result of competitive advantage.

The Marketing Concept is a Philosophy of Competition

- It promises a competitive advantage to the firm that adopts its principles.
- The competitive advantage is to have desirable customers wanting to deal with your firm rather than the competitors.

The Marketing Concept
SECOND PART: CUSTOMER ORIENTATION

- The Marketing Concept holds that the key ... consists in determining the needs and wants... of customers

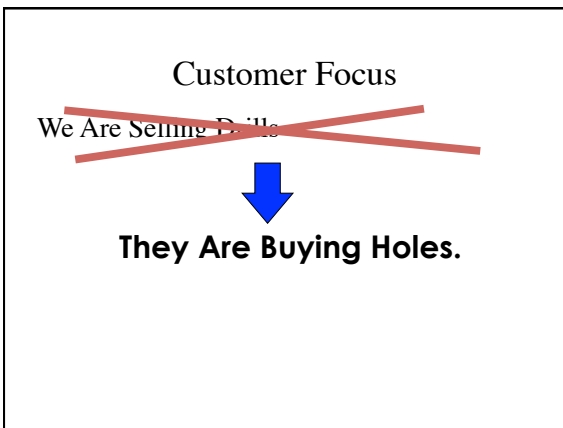
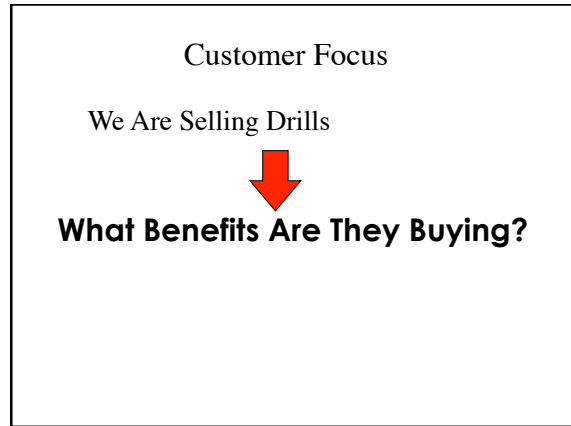
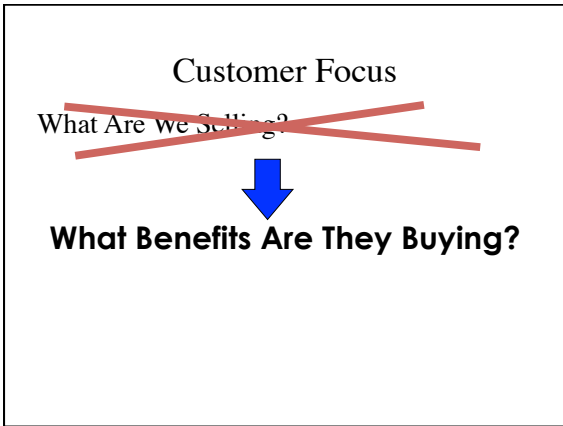
- It is necessary to build and sell what the customer wants.
- First understand what the customer wants to buy, then build it and sell it.

- MARKETING CONCEPT IS ABOUT “SELLING MORE BY DESIGNING AND BUILDING WHAT PEOPLE WANT TO BUY”.
- IT IS **NOT** JUST ABOUT “SELLING MORE OF WHAT YOU LIKE TO BUILD”.

- THE MARKETING CONCEPT HOLDS THAT A CUSTOMER ORIENTATION IS KEY TO ACHIEVING A COMPETITIVE ADVANTAGE.
- SERVE THE CUSTOMER BETTER THAN THE COMPETITOR AND YOU WIN THE CUSTOMER'S BUSINESS.

Customer Focus

What Are We Selling?



Customer Focus of Market

A Market is People with needs and wants, money to spend, and the authority to spend it.

Is The Customer Orientation a Better Orientation for Competitive Advantage than Other Orientations?

- YES. It is much better than the Product Orientation.
- YES. It is much better than the Production Orientation.
- YES. It is much better than the Sales Orientation.

#1 The Product Orientation

- Give the buyers the best technology and you will have a competitive advantage.
- Build a better mousetrap and the world will beat a path to your door.

#2 The Production Orientation

- Build the product with less cost than your competitors and you have a competitive advantage

#3 The Selling Orientation

- Have a well trained sales force and you have a competitive advantage.
- Sell surplus inventory,
- Sell surplus production capacity
- Customer will not buy unless you close the sale.

A firm should look to its customers for a competitive advantage. It should have Customer Orientation... not a Product, Production or Sales Orientation.

The Marketing Concept THIRD PART: MARKET FOCUS

- The Marketing Concept holds that the key ... consists in determining the needs and wants of target markets...
- Not all people have the same needs and wants.

Target Market



Target Market

- A firm can not make a single offering that will satisfy everybody's different needs and wants.
- A firm must focus on a group of customers that can serve better than other sellers.

Target Market

- A firm chooses a target market and designs an offering for that group of customers.
- A firm must accept the fact that it can not be all things to all customers.

The Marketing Concept

Fourth Part: Coordination

- The Marketing Concept holds that the key ... delivering... more effectively and efficiently than competitor's
- Need an integrated and coordinated marketing system.

Integrated and Coordinated Marketing System.

Means

Three Things

First

- Having the Four P's of the Marketing Mix coordinated.
 - Price
 - Product
 - Promotion
 - Place (Distribution Channels)

Second

- All departments and functional areas must be coordinated
 - The Marketing Mix and Target Market must be understood and accepted by all departments

Third

- All organizations in the total vertical marketing system or Supply chain from the manufacturer to the retailer must be coordinated

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