

# CHAPTER 1: MARKETING CULTURE

## OBJECTIVES:

AFTER COMPLETING THIS CHAPTER YOU SHOULD BE ABLE TO UNDERSTAND:

1. INTRODUCTION TO MARKETING
2. WHAT IS MARKETING?
3. NEED, WANTS AND DEMANDS
4. PRODUCTS AND SERVICES
5. VALUE, SATISFACTION AND QUALITY
6. EXCHANGE, TRANSACTION AND RELATIONSHIPS
7. MARKET
8. MARKETING MANAGEMENT PHILOSOPHIES
9. SELLING CONCEPT VERSUS MARKETING CONCEPT.

What image comes to mind  
when you hear the word  
“Marketing”?



*Telling & Selling*

# Marketing Defined

**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.**

**Old View:**  
“Telling and Selling”

**New View:**  
“Satisfying Needs”

# CORE MARKETING CONCEPTS



# WHAT MOTIVATES A CONSUMER TO TAKE ACTION?

- ◎ **Needs** - state of felt deprivation for basic items such as food and clothing and complex needs such as for belonging. i.e. I am thirsty
- ◎ **Wants** - form that a human need takes as shaped by culture and individual personality. i.e. I want a Coca-Cola.
- ◎ **Demands** - human wants backed by buying power. i.e. I have money to buy a Coca-Cola.

# Maslow's Hierarchy of Needs



Self-actualization

morality,  
creativity,  
spontaneity,  
problem solving,  
lack of prejudice,  
acceptance of facts

Esteem

self-esteem, confidence,  
achievement, respect of others,  
respect by others

Love/belonging

friendship, family, sexual intimacy

Safety

security of: body, employment, resources,  
morality, the family, health, property

Physiological

breathing, food, water, sex, sleep, homeostasis, excretion

# WHAT WILL SATISFY CONSUMER'S NEEDS AND WANTS?

- ◎ **Products** - anything that can be offered to a market for attention, acquisition, use or consumption and that might satisfy a need or want.
- ◎ **Examples:** persons, places, organizations, activities, and ideas.
- ◎ **Services** - activities or benefits offered for sale that are essentially intangible and don't result in the ownership of anything.
- ◎ **Examples:** banking, airlines, haircuts, and hotels.

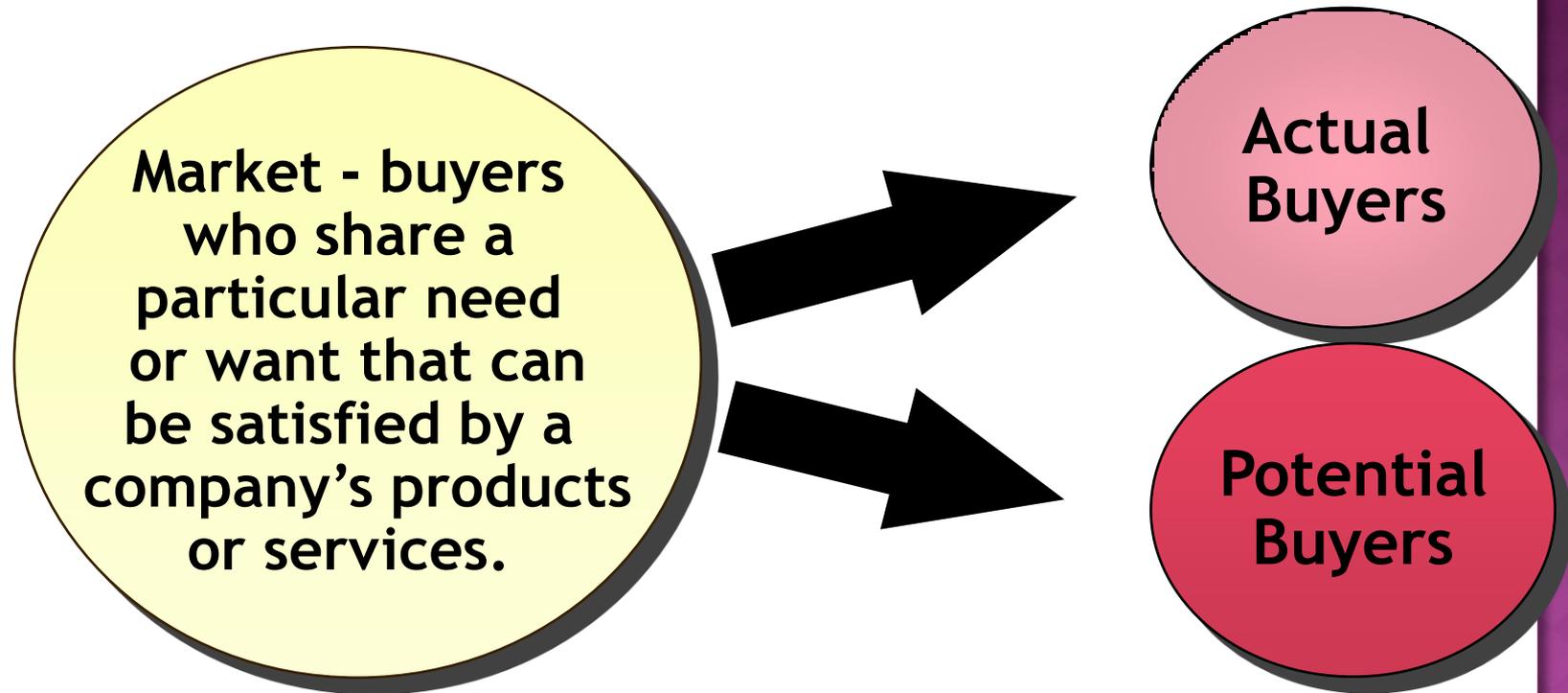
# HOW DO CONSUMERS CHOOSE CHOOSE AMONG PRODUCTS AND SERVICES?

- ◎ **Customer Value** - benefit that the customer gains from owning and using a product compared to the cost of obtaining the product.
- ◎ **Customer Satisfaction** - depends on the product's perceived performance in delivering value relative to a buyer's expectations. Linked to Quality and Total Quality Management (TQM).

# HOW DO CONSUMERS OBTAIN PRODUCTS AND SERVICES?

- ◎ **Exchanges** - act of obtaining a desired object from someone by offering something in return.
- ◎ **Transactions** - trade of values between parties. Usually involves money and a response.
- ◎ **Relationships** - building long-term relationships with consumers, distributors, dealers, and suppliers.

# WHO PURCHASES PRODUCTS AND SERVICES?



# MARKETING MANAGEMENT PHILOSOPHIES

**Production Concept**

**Product Concept**

**Selling Concept**

**Marketing Concept**

**Societal Marketing Concept**

- Consumers favor products that are available and highly affordable
- Improve production and distribution
- Consumers favor products that offer the most quality, performance, and innovative features
- Consumers will buy products only if the company promotes/ sells these product
- Focuses on needs/ wants of target markets & delivering satisfaction better than competitors
- Focuses on needs/ wants of target markets & delivering superior value
- Society's well-being