



Module 16: Basic Marketing Skills

Part 1: The Role of Marketing

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Train for Employment

Module 16: Basic Marketing Skills

Part 1: The Role of Marketing

Importance

The fundamental concepts of marketing presented in this module provide an important foundation for any employee responsible for marketing bank services.

Learning Objectives

Upon the completion of this part, you will be able to:

- Identify the concept of Marketing
- Recognize the relation between Marketing and society

Exercise: Personal Introduction

Instructions:

Introduce yourself by answering the below key question, when called upon, stand and introduce yourself to the class.

1. Name:

2. Organization, Department and Job:

3. Brief experience in Marketing career:

4. Your expectations for this course:

Marketing Definition and Scope

Marketing is defined to be the process responsible for anticipation, identification , and satisfaction of customer needs through a profit.

Exercise:

Instructions:

Individually, define the following marketing terms. Be prepared to share your definition with the class.

1. Sales
2. Marketing
3. Plan
4. Customer
5. Product
6. Brand
7. Role of the marketing department in the company

Marketing Philosophy

Marketing Concept Evolution

Over the recent decades, marketing concepts have evolved according to the current competitive business environment. In order to understand the modern marketing concepts, it is important to understand how marketing has evolved through various stages in history to what we know as marketing today. Let's take a look at how marketing concepts have evolved from the production era, product era, sales into the marketing era we know today.

Production Era

During the production era, a few number of factories had to supply the needs and demands of the consumer. Because the demand was greater than the supply, the consumer had fewer choices of products. Therefore, consumers preferred products that were widely available and inexpensive.

Product Era

During product era, the number of factories increased and efficiencies were gained in the production of products. During this era, the demand started to equalize the supply. Consumers became more selective, preferring products high in quality, performance and innovation.

Sales Era

During the sales era, the supply became greater than the demand. During this era, companies began to focus on selling. This resulted in consumers preferring only the products that the company aggressively promoted with direct sales efforts.

Marketing Era

Eventually, the demand became equal to the supply once again, resulting in the marketing era. In the marketing era, companies started focusing on identifying consumer needs through research and then producing products to satisfy the consumer needs.

Selling Concept versus Marketing Concept

Marketing is not to be confused with sales. Sales and marketing are two distinct functions in a company. The sales function focuses on selling products that have been produced by the company. Whereas the marketing function focuses on conducting market research to identify consumer needs, defining the target market, and recommending products that should be developed and offered by the company to meet consumer needs.

Comparing Sales and Marketing Concepts

The following key features distinguish sales concepts from marketing concepts:

Push versus Pull

The selling concept uses the "Push" strategy, where companies force or move products through distribution channels to sell their products. The marketing concept uses the "Pull" strategy, where companies move products through the distribution channels by building desire for the products among consumers.

Volume versus Profits

The selling concept is concerned with the volume of sales while the marketing concept is concerned with profits.

Narrow View of Customer versus Targeted Consumer Segment

The selling concept has a narrow view of consumers needs while marketing concept concentrates on the needs of a targeted consumer segment and develops products in response to these needs.

Marketing Definitions

The evolution of marketing is further seen in the old and new definition of marketing by the American Marketing Association (AMA). The old definition refers to a set of activities and functions performed by a typical marketing department. Whereas, the new definition refers to a desired outcome, which is delivering values to the consumer.

AMA New Definition of Marketing

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. (Approved October 2007)

Marketing and Society

Corporate Social Responsibilities

Many companies commit to sponsoring or funding specific programs that contribute to the community by improving the surrounding social environment such as university scholarships, medication convoys, building schools, apartments for homeless people to name a few. The purpose for this commitment to social responsibility is to build visibility and brand recognition in the community.

Example:

"Rich Bake" (Bread Producer Company) supporting "Stop Taking Drugs Campaign"

Marketing Database

What is marketing?

Marketing is a different way of thinking, a philosophy, a process, and an approach. It requires a customer/client centered corporate culture.

The main task of the marketing department is to determine the perceptions, needs, and wants of the target markets, and to satisfy them through the design, communication, pricing, and delivery of appropriate and competitively viable offerings (Value).

Finally marketing is: "Delivering Value to achieve profits."

What is Value?

Value is the benefits that the customer obtains from the product or service versus cost.

Customer Value

Customer Value = Customer benefits – Cost

Customer Costs

Costs are anything a customer gives up in exchange for benefits of a product or service. Customer costs may include any or all of the following:

- Cash price
- Expenses incurred in purchasing the product
- Time consumed in searching and purchasing the product
- Risk taken in the buying decision

Risk may be considered in terms of product quality (is not the high quality he thought) or in terms of price (may not compare reasonably with competitor stores or products).

The Importance of Marketing

Based on all we have discussed about the evolution and role of marketing, we can see that marketing plays a critical role in identifying consumer needs, defining product opportunities and coordinating the development and introduction of new products. Finally, the marketing function continuously interacts with the targeted customer segment to evaluate the success and profitability of products.

What could be marketed?

Many types of products may be marketed both to businesses and to individual consumers. Some types of products include:

- Consumer goods
- Services
- Business to Business (B2B) Goods and Services (Industrial)
- Ideas
- Places
- People

Service Marketing Mix (7P's)

In addition to the "4P's" of the goods marketing mix (Product, Price, Place, Promotion), three additional elements (Physical Evidence, People, and Process) have been added to the service marketing mix, which now comprise the "7P's" as discussed below.

What is the Marketing Mix?

It is a combination of the product it self, its price, the place that it will be available at & the activities that introduces the product to consumer and creates response towards it.

The marketing mix is known by 4Ps for the goods marketing mix and 7Ps for the service marketing mix and the "P" stands for the first letters from the four or seven words that the marketing mix consist of and they are:

1. Product:

The things that we want to market (Goods, Services, Ideas, Persons, Ideologies...etc)

2. Price:

The amount of money that the customer will pay in order to obtained the product

3. Place:

Where the product or service will be available?

4. Promotion:

Activities that inform customers about the organization and its products

5. Physical evidence:

Physical characteristics of the product or place where the service will be provided

6. Process:

The systems used to assist the organization in delivering the service

7. People:

The people who will deliver service to the customer

Summary

In this part, you learned how to:

- Identify the concept of Marketing
- Recognize the relation between Marketing and society