

1.1. Basics of Marketing (Ref Graeme Drummond John Ensor,2005)

1.2. Numerous definitions of marketing exist:

- Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives. (American Marketing Association)
- Marketing is a social and managerial process by which individuals and groups obtain what they want and need through creating and exchanging products and value with others. (Kotler *et al.*, 1999)
- Marketing is the management process responsible for identifying, anticipating (استباق) and satisfying customers' requirements profitably. (Chartered Institute of Marketing – CIM)

The above definitions would appear to place marketing as a process, which looks to facilitate exchanges. To be sustainable, such exchanges must be mutually beneficial. Economic prosperity depends on the generation of such exchanges, assuming the CIM definition of 'profitability' can be defined in a non-accounting sense (e.g. benefit or value). All the definitions emphasize the generation of value. Value is the benefit each partner in the exchange seeks (e.g. money, support, prestige). It drives the exchange process (see Figure 1.1).

Figure 1.1 also introduces the concept of time-scale into the equation. To be successful, exchange relationships must endure over the long term. Short-term, or one-off transactions are sales, whereas building a long-term on-going exchange relationship is marketing.

1.1 Marketing as a business philosophy

A number of generic business orientations exist. These orientations provide an underlying route to business success. They highlight the fundamentally

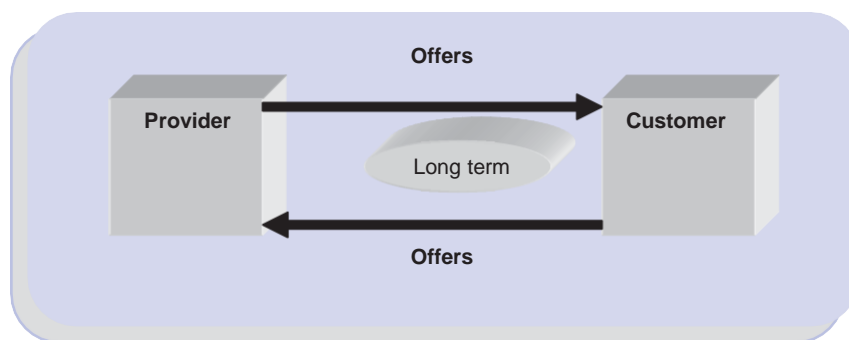


Figure 1 Long-term exchange relationships (Ref: Graeme Drummond John Ensor,2005, p.2.)

most important element in business success. No one orientation is right or wrong. However, they may be inappropriate to a specific industry or business environment. Five basic orientations exist: production, product, financial, sales and marketing. Their key characteristics are summarized in Table 1.1.

Clearly all organizations will display elements of each. The question of orientation relates to which is the most significant for an organization. For example, no organization should neglect finance, but they may place greater (or lesser) strategic emphasis on marketing.

Adopting a marketing approach to business can generate many benefits, as products aim to provide solutions to specific customer needs. This approach:

- Generates products more likely to find a ready market.
- Encourages customer loyalty.
- Offers the opportunity to generate a price premium.