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Module: English
Branch: Marketing
Level: Third year Bachelor

Lecture 01: Marketing

Learning Objectives

By the end of this lecture, students should be able to:

- Understand and Compare Key Definitions of Marketing
- Explain the definitions of marketing provided by the CIM (2001) and AMA (2007)
- Identify the common elements shared by both definitions (customer focus, value exchange, management process).
- Distinguish between the CIM's cost-effective customer satisfaction perspective and the AMA's broader societal and communication-focused scope.
- Evaluate criticisms of traditional definitions in relation to sustainability, social marketing, and relationship marketing.
- Discuss the role of customer needs and profitability in shaping marketing decisions.
- Differentiate between customers and consumers, providing examples.

1-What is marketing?

A-Two Key Definitions of Marketing

-The Chartered Institute of Marketing (CIM) (2001):

Marketing is a management process responsible for identifying, predicting, and satisfying customer needs in a cost-effective way.

-American Marketing Association (AMA) (2007):

Marketing involves activities, institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, partners, and society.

-Common Points

-Both view marketing as:

- A management function requiring planning, analysis, resource allocation, and evaluation.
- A process to identify and predict customer needs, often through research.
- A way to satisfy customers effectively while considering organizational goals.

B-Marketing as a Management Process

Requires:

- Strategic planning and budgeting.
- Skilled personnel and resources.
- Implementation, monitoring, and evaluation.

- Like any business function, it can lead to success or failure depending on execution.

Customer Needs and Profitability

- The customer is central marketing aims to meet their needs.
- However, businesses must work within financial and resource limits.
- While non-profit organizations also engage in marketing, profitability remains essential for most commercial firms.
- Sometimes, short-term losses are accepted for long-term strategic benefits.

. Marketing as Value Creation and Exchange

- Marketing involves mutual value exchange between seller and buyer.
Examples include buying products, receiving wages for services, or contributing to environmental causes.
- Customer perception of value shaped by experience and expectations drives satisfaction and repeat business.

. AMA's Broader Scope

Emphasizes:
- Product design, pricing, promotion, and distribution.
- Active communication and demand management.
- Marketing for ideas, social causes, and non-profit exchanges.
-Reflects a broader social and community role than CIM's definition.

. Criticism and Modern Developments

- Both definitions are widely used but criticized for not fully reflecting:
- Social marketing and sustainability issues.
- The growing importance of customer loyalty and relationship marketing in the 21st century.

In short:

Marketing is both a strategic management process and a value exchange activity aimed at satisfying customer needs. While the CIM definition focuses on cost-effective customer satisfaction, the AMA expands the concept to include societal value and broader communication. Modern marketing also increasingly emphasizes sustainability and long-term relationships.

2-The function of marketing

Marketing helps companies seek to identify, satisfy, and retain customers.

-The Exchange Process

The act of obtaining something needed from someone by offering something of value to someone in return.

.Customer (or buyer)
• Product
• Provider (or seller)
• Transaction

-Marketing vs. Advertising

Advertising uses paid advertising in various media to attract public attention to companies, products or information, usually for the purpose of selling products or services. Advertising is one of many tools used by marketers.

-Marketing vs. Branding

Branding is the process of "creating a unique name and image for the product in the minds of consumers". Marketing builds a brand. Brand building is an important strategic aspect of marketing, but marketing is more extensive than brand building.

-Marketing vs. Sales

Selling is the process of selling goods or services.

Effective marketing works well with the sales process and leads to more sales, but marketing is more than just sales support.

3-**Goals of Marketing**

-For profit companies: Increase profits by selling products or services to customers

Not for profit organizations: Promote the mission by attracting donors or

participants or by raising awareness of an issue or cause

-Difference Between Customers and Consumers

• Customers are the individuals who buy the product

• Consumers are the individuals who actually use the product

-The customer and the consumer are not always the same

• Example: A food distributor's customer is the restaurant, not the diner who is the consumer

-B to B vs. B to C

- B2B or Business to Business companies sell products or services to other businesses
- B2C or Business to Consumer companies sell directly to consumers.

4- Key Terms

- Customers :The person or company that purchases the product; the consumer actually uses or consumes the product. Customers are usually consumers, so these terms can be used interchangeably, but the person who buys the product is usually not the person who ultimately consumes the product.

-A need :This is a lack of imagination. This means that a person not only does not have an object, but also realizes that they do not have it. This definition has nothing to do with needs; human beings are complex, and their needs go far beyond simple survival. For example, in wealthy Western countries, most people eat for pleasure, not for fear of dying without food; the need for happiness appeared long before the need for food.

-A want, is a desire and the specific satisfaction of needs. For example, a person may need food (hunger is awareness of lack of food).

-Demands : When the potential buyer is also able to pay for the product. Some marketers have made a fortune by finding ways to get people to pay for products instead of just making them. Therefore, the demand for a particular product is a function of needs, desires, and ability to pay.

-A product :This is a package of benefits. This is a consumer-centric view, because consumers will only buy the product when they think they will benefit from it. Diners buy more than just feelings of fullness; they buy agood night. Bar customers don't buy soda or condiments; they buy sociallife. A distinction must be made between physical goods and services. Formarketers, these two products are products because they can provideconsumers with the same benefits. An afternoon football match or a case of beer can have the same moral effect for some men. It is difficult to distinguish between services and physical commodities, because mostservices have related physical commodities, and most physical commodities have related service elements. It is said that they are mostly non-material, and production is usually carried out at the same time as consumption, that they are highly perishable, and that services cannot be owned (in the sense that there is no second-hand market.for them).

-Publics : Organisations or individuals that have actual or potential influence on the marketing organisation. This is an important definition of public relations professionals because their task is to monitor and adjust company activities related to all the company's audiences, which may include government departments, competitors, external lobbyists, employees, local communities, etc.

-Markets :are actual and potential buyers of the company's products. Few companies can capture 100% of the market for their products; marketers usually target the parts of the market where the company can best serve. The rest of the customers will participate in the competition, or just people who have never heard of the product and will not buy it. Even a large company like Coca-Cola has less than half of its product category market share. For this reason, marketers usually divide the entire market into market segments

(customer groups with similar needs and characteristics) or even niches (very specific product categories and needs).

-Price : This is the amount of the product sold. it is the value of the product to the buyer or consumer. The cost is always higher than the price, otherwise the business will not start, but individual buyers will judge whether the product is good or cheap. If the product is in short supply, buyers will try to find alternatives; if the product is value for money, customers will remain loyal. The decision about price/performance is of course subjective: a transaction that one buyer thinks is a good deal may waste another buyer's