


**Chapter 1**  
**An Overview of  
Marketing**

**MKTG9**  
Lamb, Hair, and McDaniel



1

© 2016 Cengage Learning. All Rights Reserved.

## LEARNING OUTCOMES

- 1-1 Define the term *marketing*
- 1-2 Describe four marketing management philosophies
- 1-3 Discuss the differences between sales and market orientations
- 1-4 Describe several reasons for studying marketing

© 2016 Cengage Learning. All Rights Reserved.

2

**1-1**

## What Is Marketing?

**Define the term  
*marketing***

© 2016 Cengage Learning. All Rights Reserved.

## Marketing is...

1. A philosophy, an attitude, a perspective, or a management orientation that stresses customer satisfaction.
2. An organizational activity, set of institutions, and processes.

© 2016 Cengage Learning. All Rights Reserved.

4

### American Marketing Association 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.

© 2016 Cengage Learning. All Rights Reserved.

5

## Marketing...

**Entails processes that focus on delivering value and benefits to customers, not just selling goods and services.**

© 2016 Cengage Learning. All Rights Reserved.

6

## Exchange

### Conditions for Exchange

At Least Two Parties

Something of Value

Communication and Delivery

Freedom to Accept or Reject

Desire to Deal with Other Party

© 2016 Cengage Learning. All Rights Reserved.

7

## Exchange

- Exchange may not take place even if conditions are met.
- An agreement must be reached.
- Marketing occurs even if exchange does not take place.

© 2016 Cengage Learning. All Rights Reserved.

8

1-2

## Marketing Management Philosophies

**Describe four marketing management philosophies**

© 2016 Cengage Learning. All Rights Reserved.

### The Four Marketing Management Philosophies

<i>Orientation</i>	<i>Focus is on...</i>
<b>Production</b>	internal capabilities of the firm
<b>Sales</b>	aggressive sales techniques and belief that high sales result in high profits
<b>Market</b>	satisfying customer needs and wants while meeting objectives
<b>Societal</b>	satisfying customer needs and wants while enhancing individual and societal well-being

© 2016 Cengage Learning. All Rights Reserved.

10

## Production Orientation

*Field of Dreams* orientation

- “If you build it, they will come.”
- Doesn’t consider if what is produced meets market needs

© 2016 Cengage Learning. All Rights Reserved.

11

## Sales Orientation

Marketing =

Selling Things & Collecting Money

- Disregards market needs and consumer demand.
- Despite the quality of sales force, often cannot convince people to buy what is neither wanted nor needed.

© 2016 Cengage Learning. All Rights Reserved.

12

## Market Orientation

### Marketing Concept

- ◆ Focusing on customer wants and needs to distinguish products from competitors' offerings
- ◆ Integrating all the organization's activities to satisfy these wants
- ◆ Achieving the organization's long-term goals by satisfying customer wants and needs legally and responsibly

© 2016 Cengage Learning. All Rights Reserved.

13

## Achieving a Marketing Orientation

- ◆ Obtain information about customers, competitors, and markets
- ◆ Examine the information from a total business perspective
- ◆ Determine how to deliver superior customer value
- ◆ Implement actions to provide value to customers

© 2016 Cengage Learning. All Rights Reserved.

14

## Societal Marketing Orientation

An organization exists not only to satisfy customer wants but also to preserve or enhance individuals' and society's long-term best interests.

For example:

- *Less toxic products*
- *More durable products*
- *Products with reusable or recyclable materials*

© 2016 Cengage Learning. All Rights Reserved.

15

## Who's In Charge?

Increased availability of comparative research enables customers to shop smarter, putting the customer in the driver seat.

© 2016 Cengage Learning. All Rights Reserved.

16



1-3

### Differences between Sales and Market Orientations

---

**Discuss the differences between sales and market orientations**

© 2016 Cengage Learning. All Rights Reserved.

### Comparing the Sales and Market Orientations

5 characteristics:

- Organization's focus
- Firm's business
- Those to whom the product is directed
- Firm's primary goal
- Tools the organization uses to achieve its goals

© 2016 Cengage Learning. All Rights Reserved. 19

### The Organization's Focus

**Sales Orientation**  
Inward looking  
What the firm makes

**Market Orientation**  
Outward looking  
What the market wants

© 2016 Cengage Learning. All Rights Reserved. 20

## Customer Value Requirements

- ◆ Offer products that perform
- ◆ Earn trust
- ◆ Avoid unrealistic pricing
- ◆ Give the buyer facts
- ◆ Offer organization-wide commitment in service and after-sales support
- ◆ Co-creation with customers

© 2016 Cengage Learning. All Rights Reserved.

21

## Customer Satisfaction

The customers' evaluation of a good or service in terms of whether that good or service has met their needs and expectations.

© 2016 Cengage Learning. All Rights Reserved.

22

## Relationship Marketing

Strategy that focuses on keeping and improving relationships with customers.

Successful strategies need:

- Customer-Oriented Personnel
- Effective Training Programs
- Empowered Employees
- Teamwork

© 2016 Cengage Learning. All Rights Reserved.

23

## Building Relationships

- ◆ Customer-oriented personnel
  - ◆ Every employee represents the firm in the eyes of the customer.
- ◆ Employee training programs
- ◆ Empowered employees
  - ◆ Employees are given more authority to solve customer problems on the spot.
- ◆ Teamwork
  - ◆ Emphasizing cooperation over competition while helping a customer.

© 2016 Cengage Learning. All Rights Reserved.

24

## Defining a Firm's Business

### **Sales Orientation**

Goods and Services

### **Market Orientation**

Benefits that customers seek

© 2016 Cengage Learning. All Rights Reserved.

25

## Knowing the Firm's Business:

- Ensures a customer focus
- Encourages innovation and creativity
- Stimulates an awareness of changes in customer preferences

© 2016 Cengage Learning. All Rights Reserved.

26

## Sales vs. Market Orientations

	<i>Organization's Focus</i>	<i>Firm's Business</i>	<i>For Whom?</i>	<i>Primary Profit Goal?</i>	<i>Tools to Achieve</i>
<b><i>Sales Orien- tation</i></b>	Inward	Selling goods and services	Everybody	Maximum sales volume	Primarily promotion
<b><i>Market Orien- tation</i></b>	Outward	Satisfying wants and needs	Specific groups of people	Customer satisfac- tion	Coordin- ated use of marketing activities

© 2016 Cengage Learning. All Rights Reserved.

27

1-4

## Why Study Marketing?

**Describe several  
reasons for studying  
marketing**

© 2016 Cengage Learning. All Rights Reserved.



### Chapter 1 Video

#### ***Geoffrey B. Small***

Geoffrey B. Small is a super luxury fashion designer with an eye towards social justice and connecting with his buyers. In this video, Small discusses how he began designing clothes and deciding who and how to connect with his customers. He also discusses the nature of consumer behavior and beliefs in terms of how they purchase fashion and its effect on clothing prices.

[CLICK TO PLAY VIDEO](#)

30 © 2016 Cengage Learning. All Rights Reserved.