

CHAPTER 1 *DEFINING MARKETING FOR THE TWENTY-FIRST CENTURY*

LEARNING OBJECTIVES

In this chapter, we will address the following questions:

1. Why marketing is important
2. What the scope of marketing is
3. What are some fundamental marketing concepts
4. How marketing management has changed
5. What are the necessary tasks for successful marketing management

CHAPTER SUMMARY

1. Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.
2. Marketers are skilled at managing demand: they seek to influence its level, timing, and composition for goods, services, events, experiences, persons, places, properties, organizations, information, and ideas. They also operate in four different marketplaces: consumer, business, global, and nonprofit.
3. Marketing is not done only by the marketing department. It needs to affect every aspect of the customer experience. To create a strong marketing organization, marketers must think like executives in other departments, and executives in other departments must think more like marketers.
4. Today's marketplace is fundamentally different as a result of major societal forces that have resulted in many new consumer and company capabilities. These forces have created new opportunities and challenges and changed marketing management significantly as companies seek new ways to achieve marketing excellence.
5. There are five competing concepts under which organizations can choose to conduct their business: the production concept, the product concept, the selling concept, the marketing concept, and the holistic marketing concept. The first three are of limited use today.
6. The holistic marketing concept is based on the development, design, and implementation of marketing programs, processes, and activities that recognize their breadth and interdependencies. Holistic marketing recognizes that everything matters in marketing and that a broad, integrated perspective is often necessary. Four components of holistic marketing

are relationship marketing, integrated marketing, internal marketing, and socially responsible marketing.

7. The set of tasks necessary for successful marketing management includes developing marketing strategies and plans, capturing marketing insights, connecting with customers, building strong brands, shaping the market offerings, delivering and communicating value, and creating long-term growth.

OPENING THOUGHT

Marketing is too often confused and identified with advertising or selling techniques, and our practices and theories are all too often invisible to the average consumer. The instructor should spend some class time differentiating between advertising/promotion techniques and marketing.

Students who are not marketing majors will have some difficulty accepting the encompassing role that marketing has on the other functional disciplines within a firm. For those students who have never been exposed to marketing and its components, the instructor's challenge is to educate the students about the world of marketing. The in-class and outside of class assignments noted in this text should help both educate and excite the students about the "world of marketing."

TEACHING STRATEGY AND CLASS ORGANIZATION

PROJECTS

Semester-Long Marketing Plan Project

An effective way to help students learn about marketing management is through the actual creation of a marketing plan for a product or service. This project is designed to accomplish such a task.

Dividing the class into groups, have each group decide on a "fictional" consumer product or service they wish to bring to market. During the course of the semester, each of the elements of the marketing plan, coordinating with the text chapter, will be due for the instructor's review. The instructor is encouraged to review each submission and suggest areas for improvement, for more detailed study, or if acceptable to allow the students to proceed to the next phase in development. Students can use the computer program Marketing Plan Pro in creating their proposals and submissions and in their final presentation(s). At the end of the semester, each group is to present their entire marketing plan to the class.

The following is an outline of this process:

Chapter #	Title	Element of the Marketing Plan Due
1	Defining Marketing for the Twenty-First Century	None, group formation and begin the process of selecting the product or service.
2	Developing Marketing Strategies and Plans	Formation of groups; first presentation of “product” to instructor for approval.
3	Collecting Information and Forecasting Demand	Competitive information and environmental scanning project(s) completed and presented for instructor’s review.
4	Conducting Marketing Research	Initial marketing research parameters completed; demand forecasted and target market selections defined.
5	Creating Long-Term Loyalty Relationships	Students should have completed their value proposition for the fictional product, defined how they will deliver satisfaction, and maintain customer loyalty.
6	Analyzing Consumer Markets	Definitive data on the consumer for the product/service including all demographic and other pertinent information obtained and ready for instructor’s approval.
7	Analyzing Business Markets	No report due for this chapter; allows students and instructor to “catch up” on the project.
8	Identifying Market Segments and Targets	Specific market segmentation, targeting, and positioning statements by the students due.
9	Creating Brand Equity	At this point in the semester, students are to have their “branding” strategy developed for their project. Questions to have been completed include the brand name, its equity position, and the decisions in developing the brand strategy.
10	Crafting the Brand Position	At this point in the semester, student projects should be completed to include their fictional product or service’s brand positioning. In relationship to the material contained in the chapter, students should have delineated and designed a differentiated brand positioning for their project.
11	Competitive Dynamics	At this point in the semester-long project, students should be prepared to present their competitive analysis. Who are the market leaders for their chosen product or service? What niche have they identified for their product/service? Is their product or service going to be a leader, follower, or challenger to

		well-established products or brands?
12	Setting Product Strategy	At this point for the semester-long project, students should have set their group project's product or service strategy. Instructors are to evaluate their submissions on the product (or service) features, quality, and price and the other considerations of "product" found in this chapter.
13	Designing and Managing Services	At this point in the semester-long project, those students who have selected a "service" idea for the marketing plan must submit their offering. Students whose project is a "product-based" component do not have anything to submit for this chapter.
14	Developing Pricing Strategies and Programs	At this point in the semester-long marketing plan project, students should be prepared to hand in their pricing strategy decisions for their fictional product/service. In reviewing this section, the instructor should make sure that the students have addressed all or most of the material concerning pricing covered in this chapter.
15	Designing and Managing Integrated Marketing Channels	At this point in the semester-long project, students should present their channel decisions for getting their product or service to the consumer. In evaluating this section, the instructor should evaluate the completeness of the projects to the material contained in this chapter.
16	Managing Retailing, Wholesaling, and Logistics	At this point in the semester-long project for the "fictional" product or service, students should be directed to turn in their retailing, wholesaling, and logistical marketing plans. Those students who are acting in the role of providing a new "service" should include here their plans for locations, hours of operations, and how their "service" plan's on managing demand and capacity issues.
17	Designing and Managing Integrated Marketing Communications	At this point in the semester-long marketing plan project, students should have agreed upon their integrated marketing communications matrix. The instructor is encouraged to evaluate the submissions vis-à-vis the material presented in this chapter. In reviewing the submissions, the instructor should evaluate the continuity of the message across all possible

		communication media (students will tend to concentrate their media to television or to the Internet and exclude other forms such as personal selling and radio).
18	Managing Mass Communications: Advertising, Sales Promotion, Events and Experiences, and Public Relations	At this point in the semester-long project, students should submit their advertising program complete with objectives, budget, advertising message, and creative strategy, media decisions, and sales and promotional materials.
19	Managing Personal Communications: Direct and Interactive Marketing, Word of Mouth, and Personal Selling	At this point in the semester-long project, students who have decided to market their product/service through direct market channels should submit their proposals. All other groups must decide at this point if they will use a direct sales force and if so to outline the specifics (including financials) for this option.
20	Introducing New Market Offerings	At this point in the semester-long Marketing Plan project, in this section should be a brief write up by the students as to the consumer-adoption process for their new product. How will the consumer learn about their new product and how quickly will they adopt it? Will the product be targeted to the heavy users and early adopters' first, then early and late majorities? What is their estimated time for full adoption?
21	Tapping into Global Markets	If the project is to be exported to another country, then student's submissions regarding how the product is to be distributed should be included here; otherwise this begins the presentation phase of the project; student groups should begin their presentations to the class.
22	Managing a Holistic Marketing Organization	Second phase of the presentations of the project; students should ensure that their marketing plans contain a holistic view of the marketing process.

Under the projects heading for each chapter will be a reminder of the material due when that chapter is scheduled to be discussed in class.

Have students (in groups or individually) select a local firm in their community, or a local division of a national firm, and ask these executives how their firm has responded or is responding to the 14 major shifts in marketing management today. The students can then

present these findings to the class in-group or by individual presentations. This could be a full-semester project or limited to a few weeks of the semester.

ASSIGNMENTS

In small groups (five students suggested as the maximum), have students visit their local coffee shop or Starbucks and compare their local visit to the services provided in the opening vignette of the chapter. Does their local Starbucks or coffee shop contain wireless Internet access? What is the climate of the establishment—friendly or hurried? Is marketing prevalent in this establishment? If so, how and to what extent are they exposed to marketing messages—have the students keep a list of every marketing message they encounter.

In small groups, ask the students to visit an on-campus eatery. During this experience have the students keep a diary of their exposures to marketing messages. How are the messages being communicated—visually through signs and posters, by sound, or via verbal communication? Ask the students to break down these messages into 1-minute segments, and then total the amount of messages for the time spent in the eatery. What conclusions can be drawn from the number of messages exposed to in the time period for marketers?

Table 1.2, (p.22) displays some different types of corporate social initiatives, as illustrated with reference to McDonald's. Ask the students to form small groups, to select a company of their choice, and to use this company to complete the column 'Example' in such a way as to complement the other two columns of the Table.

Have the students read Suzanne Vranica's "Marketers Aim New Ads at Video iPod Users," *Wall Street Journal*, January 31, 2006 and Li Yuan and Brian Steinberg's "Sales Call: More Ads Hit Cellphone Screens," *Wall Street Journal*, February 2, 2006, p. B3 and comment on how effective they believe cell phone advertisements will be in the future.

Each student is to select a company of their choosing and prepare a listing of all of the marketing messages the company disseminates through their various communication channels. The student is to examine the company's public-relations messages, their television advertising, Internet advertising, and printed messages. Students should collect this information and try to discover if there is a commonality of message, preference for one form of communication over another (by frequency), or a series of nonrelated messages.

Students should choose a firm of their preference, interview key marketing management members and ask these managers how they are reacting to the changes in marketing management for the 21st century (Refer to new company capabilities p. 13).

Have the students reflect upon their favourite product and/or service. Then have the students collect marketing examples from each of these companies. This information should be in the form of examples of printed advertising, copies of television commercials, Internet advertising, or radio commercials. During class, have the students share what they have collected with others. Questions to ask during the class discussion should focus on why this particular example of advertising elicits a response from the student. What does he or she

like/dislike about this marketing message? Does everyone in the class like/dislike this advertising?

Have the students visit a retail mall or other type of retail establishment. During their visit, have the students keep a log of the marketing messages they encounter. Such messages can be in the form of emotional advertising, price-point advertisements, store design and layout, or sensual advertisements such as smell or sound. Ask the students which retail establishment enticed them the most and why? Have the students share these experiences and ask the class if others in the class would be similarly affected (male versus female for example).

Have the students select a company that appears to use the holistic marketing concept, as well as select another company that appears to use the selling concept. The students should identify the marketing characteristics employed by each company. During the class discussion, the students can compare or contrast these characteristics and demonstrate how these reflect the unique aspects of each philosophy.

MARKETING TODAY—CLASS DISCUSSION TOPICS

One of the most challenging assignments for marketing managers is the marketing of a non-profit charitable organization. After reading this chapter and learning about the challenges facing firms in the 21st century, how would you market the following?

“You have been asked to develop a marketing plan for the local chapter of “Mothers Against Drunk Driving.” The goal is to develop a specific marketing message designed to educate young people about the dangers and consequences of driving while intoxicated. The 4Ps of marketing apply and yet each presents its own challenges in implementation. Which of the 4Ps would you emphasize and why? How would you develop a relationship with your target market? How would you integrate your marketing communications? What aspect of the target market needs (stated, real, unstated, delight, and secret) would you emphasize and why? Which of the shifts, in marketing management for the 21st century, apply to this non-profit organization and why? Which of these shifts in marketing management will make your task more difficult and why?”

END-OF-CHAPTER SUPPORT

MARKETING DEBATE—Does Marketing Create or Satisfy Needs?

Marketing has often been defined in terms of satisfying customers’ needs and wants. Critics, however, maintain that marketing does much more than that, and creates needs and wants that did not exist before. According to these critics, marketers encourage consumers to spend more money than they should on goods and services they really do not need.

Take a position: Marketing shapes consumer needs and wants versus marketing merely reflects the needs and wants of consumers.

Suggested Response

Pro: With the vast amount of information available to marketers today and the emphasis on relational marketing, marketers are in more of a position to suggest needs and wants to the public. Certainly, not all consumers have all the needs and wants suggested by society today. However, with the vast amount of exposure to these societal needs and wants via the media, a substantial amount of consumers will, through mere exposure, decide that they “have” the same needs and wants of others. Marketers by their efforts increase peer pressure, and group thinking, by showing examples of what others may have that they do not. An individual’s freedom to choose is substantially weakened by constant and consistent exposure to a range of needs and wants of others. Marketers should understand that when it comes to resisting the pressure to conform, that individuals are and can be weak in their resolve. Marketers must take an ethical position to only market to those consumers able to purchase their products.

Con: Marketing merely reflects societal needs and wants. The perception that marketers influence consumers’ purchasing decisions discounts an individual’s freedom of choice and their individual responsibility. With the advent of the Internet, consumers have greater freedom of choice and more evaluative criteria than ever before. Consumers can and do make more informed decisions than previous generations. Marketers can be rightly accused of influencing wants, along with societal factors such as power, influence, peer pressure, and social status. These societal factors pre-exist marketing and would continue to exist if there was no marketing efforts expended.

MARKETING DISCUSSION

Consider the broad shifts in marketing. Are there any themes that emerge to these shifts? Can they be related to the major societal forces? Which force contributed to which shift?

Suggested Response

The major themes that emerge in these broad shifts are technology, decentralization, and empowerment. As companies face increased global competition, they are beginning to increase their attention to all aspects of marketing and are beginning to encompass marketing as a corporate goal and not just a departmental function.

The major societal forces at work: two-income families, increased technology, fewer firms, increased consumer education, and empowerment are forcing companies and marketers to shift their thinking about marketing and rethink their best business practices.

MARKETING EXCELLENCE – FORD MOTOR CO. OF CANADA

1. How would you describe Ford’s company orientation?

Suggested answers: Student answers will vary but should include factors affecting marketing in the 21st century and Ford’s re-orientation towards quality comparisons.

2. What steps can Ford take to be socially responsible marketer?

Suggested answers: Will vary but should include a focus on social - demographic changes and customer feedback in designing cars and the use of such technologies as “SmartGauge” which allows Ford owners to be more fuel efficient when driving.

3. If any of the Big Three automakers go bankrupt, which stakeholders would be adversely affected in the process?

Suggested answers: Answers will vary but should include labour unions and customer which will have limited access to North American made cars.

4. In your opinion, should the Canadian government have loaned money to GM and Chrysler to bail them out during the recent recession? Why or Why not?

Suggested answers: Answers will vary but should include the relative pros/cons of giving money to failing companies.

DETAILED CHAPTER OUTLINE

Formally or informally, people and organizations engage in a vast number of activities we could call marketing. Good marketing has become increasingly vital for success. But what constitutes good marketing is constantly evolving and changing.

Good marketing is no accident, but a result of careful planning and execution using state-of-the-art tools and techniques. It becomes both an art and a science as marketers strive to find creative new solutions to often-complex challenges amid profound changes in the 21st Century marketing environment.

THE IMPORTANCE OF MARKETING

The first decade of the 21st Century challenged firms to prosper financially and even survive in the face of an unforgiving economic environment. Marketing is playing a key role in addressing those challenges. Finance, operations, accounting, and other business functions won't really matter without sufficient demand for products and services so the firm can make a profit. In other words, there must be a top line for there to be a bottom line.

Marketing's broader importance extends to society as a whole. Marketing has helped introduce and gain acceptance of new products that have eased or enriched people's lives.

CEOs recognize the role of marketing in building strong brands and a loyal customer base, intangible assets that contribute heavily to the value of a firm.

Marketers must decide what features to design into a new product or service, what prices to set, where to sell products or offer services, and how much to spend on advertising, sales, the Internet, or mobile marketing.

THE SCOPE OF MARKETING

To prepare to be a marketer, you need to understand what marketing is, how it works, who does it, and what is marketed.

What Is Marketing?

Marketing is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is “meeting needs profitably.”

- A) The American Marketing Association offers the following formal definition: “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.”
- B) Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.
- C) We can distinguish between a social and managerial definition of marketing. A social definition of marketing is that “marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others.”
- D) Managers sometimes think of marketing as “the art of selling products,” but many people are surprised when they hear that selling is *not* the most important part of marketing! Selling is only the tip of the marketing iceberg.

What Is Marketed?

Marketers market 10 main types of entities: goods, services, events, experiences, persons, places, properties, organizations, information, and ideas. Let’s take a quick look at these categories.

A) Goods

Physical goods constitute the bulk of most countries’ production and marketing efforts.

B) Services

As economies advance, a growing proportion of their activities focus on the production of services. The Canadian economy today produces a 70-28 services-to-goods mix.

C) Events

Marketers promote time-based events, such as major trade shows, artistic performances, and company anniversaries.

D) Experiences

By orchestrating several services and goods, a firm can create, stage, and market experiences. Walt Disney World’s Magic Kingdom allows customers to visit a fairy kingdom, a pirate ship, or a haunted house.

E) Persons

Artists, musicians, CEOs, physicians, high-profile lawyers and financiers, and other professionals all get help from celebrity marketers.

F) Places

Cities, states, regions, and whole nations compete to attract tourists, residents, factories, and company headquarters.

G) Properties

Properties are intangible rights of ownership to either real property (real estate) or financial property (stocks and bonds).

H) Organizations

Organizations work to build a strong, favorable, and unique image in the minds of their target publics.

I) Information

The production, packaging, and distribution of information are major industries.

J) Ideas

Every market offering includes a basic idea. Products and services are platforms for delivering some idea or benefit.

Who Markets?

Marketers and Prospects

A marketer is someone who seeks a response—attention, a purchase, a vote, a donation—from another party, called the prospect.

- A) Marketers are skilled at stimulating demand for their products
- B) Marketing managers seek to influence the level, timing, and composition of demand to meet the organization's objectives. Eight demand states are possible:
 1. Negative demand - Consumers dislike the product and may even pay to avoid it.
 2. Nonexistent demand - Consumers may be unaware of or uninterested in the product.
 3. Latent demand - Consumers may share a strong need that cannot be satisfied by an existing product.
 4. Declining demand - Consumers begin to buy the product less frequently or not at all.
 5. Irregular demand - Consumer purchases vary on a seasonal, monthly, weekly, daily, or even hourly basis.
 6. Full demand - Consumers are adequately buying all products put into the marketplace.
 7. Overfull demand - More consumers would like to buy the product than can be satisfied.
 8. Unwholesome demand - Consumers may be attracted to products that have undesirable social consequences.

Markets

Traditionally, a “market” was a physical place where buyers and sellers gathered to buy and sell goods. Economists describe a *market* as a collection of buyers and sellers who transact over a particular product or product class.

The five basic markets are:

- A) Resource Markets
- B) Government Markets
- C) Manufacturer Markets
- D) Intermediary Markets
- E) Consumer Markets

A) Sellers and buyers are connected by flows:

- 1) Seller sends goods, services, and communications to the market.
- 2) In return they receive money and information.
- 3) There is an exchange of money for goods and services.
- 4) There is an exchange of information.

Marketers use the term market to cover various grouping as customers. They view sellers as constituting the industry and buyers as constituting the market. They talk about need markets, product markets, demographic markets, and geographic markets; or they extend the concept to cover voter markets, labor markets, and donor markets.

Sellers and buyers are connected by four flows (Figure 1.2). Sellers send goods and services and communications such as ads and direct mail to the market; in return they receive money and information such as customer attitudes and sales data.

Key Customer Markets

A) Consumer Markets

Consumer goods and services, such as soft drinks and cosmetics, spend a great deal of time trying to establish a superior brand image.

B) Business Markets

Companies selling business goods and services often face well-informed professional buyers skilled at evaluating competitive offerings.

C) Global Markets

Companies in the global marketplace must decide which countries to enter; how to enter each; how to adapt product and service features to each country; how to price products in different countries; and how to design communications for different cultures.

D) Nonprofit and Governmental Markets

Companies selling to non-profit organizations with limited purchasing power need to be price careful.

Marketplaces, Marketspaces, Metamarkets

- A) The marketplace is physical,
- B) The marketspace is digital,
- C) Metamarkets are the result of marketers packaging a system that simplifies carrying out these related products/service activities.

CORE MARKETING CONCEPTS

Needs, Wants, and Demands

Needs (basic human requirements, needs become wants when they are directed to specific objects that may satisfy the need.)

Marketers do not create needs, needs pre-exist marketers. Marketers influence wants.

We distinguish five types of needs:

- A) Stated needs
- B) Real needs
- C) Unstated needs
- D) Delight needs
- E) Secret needs

Target Markets, Positioning and Segmentation

A) Marketers start by dividing the market into segments. Identify and profile distinct groups of buyers who might prefer or require varying products/services mixes by examining:

- 1) Demographic information
 - 2) Psychographic information
 - 3) Behavioral information
- B) Target market – which group presents the greatest opportunity
 - C) Market offering – develops an offering to satisfy the wants of the target market
 - D) Offering and Brands
 - I) Value proposition: a set of benefits they offer to customers to satisfy their needs
 - II) Brand: is an offering from a known source
 - E) Value and Satisfaction

- I) The buyer chooses the offering he or she perceives to deliver the most *value*, the sum of the tangible and intangible benefits and costs to her.
- II) Value is a central marketing concept
- III) Customer *value triad* is the combination of quality, service, and prices (qsp). Value perceptions increase with quality and service but decrease with price.
- F) Marketing Channels: To reach a target market, the marketer uses three kinds of marketing channels.
 - I) Communication channels
 - II) Distribution channels
 - III) Service channels
- G) Supply Chain
 - I) The supply chain is a longer channel stretching from raw materials to components to finished products carried to final buyers.
- H) Competition: includes all the actual and potential rival offerings and substitutes a buyer might consider.
- I) Marketing environment
 - I) Task environment: includes the actors engaged in producing, distributing, and promoting the offering.
 - II) Broad environment:
 - a. Demographic
 - b. Environment
 - c. Economic
 - d. Physical
 - e. Technological
 - f. Political-Legal
 - g. Social-Cultural

THE NEW MARKETING REALITIES

Major societal forces affecting marketing:

- A) Network information technology
- B) Globalization
- C) Deregulation
- D) Privatization
- E) Heightened Competition

- F) Industry Convergence
- G) Retail Transformation
- H) Disintermediation
- I) Consumer buying power
- J) Consumer information
- K) Consumer participation
- L) Consumer resistance

New Consumer Capabilities: These major societal forces create complex challenges for marketers, but they have also generated a new set of capabilities to help companies cope and respond.

- A) Marketers can use the Internet as a powerful information and sales channel
- B) Marketers can collect fuller and richer information about markets, customers, and prospects
- C) Marketers can tap into social media to amplify their brand message
- D) Marketers can facilitate and speed external communication among customers
- E) Marketers can send ads, coupons, samples, and information to customers who have requested them or given the company permission to send them
- F) Marketers can reach consumers on the move with mobile marketing
- G) Companies can make and sell individually differentiated goods
- H) Companies can improve purchasing, recruiting, training, and internal and external communications
- I) Companies can facilitate and speed internal communication among their employees by using the Internet as a private Intranet
- J) Companies can improve their cost efficiency by skillful use of the Internet

MARKETING IN THE ORGANIZATION

Although an effective CMO is crucial, increasingly marketing is *not* done only by the marketing department. Because marketing must affect every aspect of the customer experience, marketers must properly manage all possible touch points. Marketing must also be influential in key general management activities.

COMPANY ORIENTATION TOWARD THE MARKETPLACE

Review of the evolution of earlier marketing ideas:

The Production Concept

- A) The production concept holds that consumers will prefer products that are widely available and inexpensive.

The Product Concept

- A) The product concept holds that consumers will favor those products that offer the most quality, performance, or innovative features.

The Selling Concept

- A) The selling concept holds that consumers and businesses, will ordinarily not buy enough of the organization's products, therefore, the organization must undertake aggressive selling and promotion effort.

The Marketing Concept

- A) The marketing concept holds that the key to achieving organizational goals consists of the company being more effective than competitors in creating, delivering, and communicating superior customer value to your chosen target markets.

The Holistic Marketing Concept

The holistic marketing concept is based on the development, design, and implementation of marketing programs, processes, and activities that recognize their breadth and interdependencies. Holistic marketing acknowledges that everything matters in marketing—and that a broad, integrated perspective is often necessary.

Holistic marketing recognizes and reconciles the scope and complexities of marketing activities.

Holistic marketing:

- A) Relationship marketing
- B) Integrated marketing
- C) Internal marketing
- D) Performance marketing

Relationship Marketing

A key goal of marketing is to develop deep, enduring relationships with people and organizations that directly or indirectly affect the success of the firm's marketing activities.

Relationship marketing aims to build mutually satisfying long-term relationships with key constituents in order to earn and retain their business.

Four key constituents of relationship marketing are:

- a. Customers
- b. Employees
- c. Marketing partners
- d. And members of the financial community

The ultimate outcome of relationship marketing is a unique company asset called a **marketing network**, consisting of the company and its supporting stakeholders.

The operating principle is simple: build an effective network of relationships with key stakeholders and profits will follow.

Companies are also shaping separate offers, services, and messages to *individual customers*, based on information about past transactions.

Because attracting a new customer may cost five times as much as doing a good enough job to retain an existing one, relationship marketing also emphasizes customer retention.

Integrated Marketing

Integrated marketing occurs when the marketer devises marketing activities and assembles marketing programs to create, communicate, and deliver value for consumers such that “the whole is greater than the sum of its parts.”

Two key themes are:

- 1) Many different marketing activities can create, communicate, and deliver value
- 2) Marketers should design and implement any one marketing activity with all other activities in mind

All company communications must be integrated – integrated communication strategy means choosing communication options that reinforce and complement each other.

The company must also develop an integrated channel strategy.

Online marketing activities are increasingly prominent in building brands and sales.

Internal Marketing

Internal marketing, an element of holistic marketing, is the task of hiring, training, and motivating, able employees who want to serve customers well.

Marketing is no longer the responsibility of a single department—it is a company-wide undertaking that drives the company’s vision, mission, and strategic planning.

Performance Marketing

Performance marketing requires understanding the financial and non-financial returns to business and society from marketing activities and programs.

- 1) Financial accountability: marketers are increasingly being asked to justify their spending in terms of brand building and growing the customer base.
- 2) Social responsibility marketing: Marketers must consider the ethical, environmental, legal, and social context of their role and activities.

THE NEW 4 P'S

<u>Old 4 P's</u>	<u>New 4 P's</u>
Product	People
Place	Processes
Promotion	Programs
Price	Performance

People reflect internal marketing and the fact that employees are critical to marketing success.

Processes reflect all the creativity, discipline, and structure brought to marketing management.

Programs reflect all of the firm's consumer-directed activities.

Performance is holistic marketing to capture the range of possible outcomes/measures that have financial and non-financial implications, and implications beyond the company itself.

MARKETING MANAGEMENT TASKS

With the holistic marketing philosophy as a backdrop, we can identify a specific set of tasks that make up successful marketing management and marketing leadership.

MARKETING MANAGEMENT TASKS: ZEUS INC.

- A) Developing Marketing Strategies and Plans (Chapter 2).
- B) Capturing Marketing Insights (Chapters 3 and 4).
- C) Connecting with Customers (Chapters 5, 6, and 7).
- D) Building Strong Brands (Chapters 9, 10, and 11).
- E) Shaping the Market Offerings (Chapters 12 and 13).
- F) Delivering Value (Chapters 15 and 16).
- G) Communicating Value (Chapters 17, 18, and 19).
- H) Creating Long-Term Growth (Chapters 20, 21, and 22).

Marketing memo: Marketer's frequently asked questions

Lists the 14 most commonly asked questions in preparing a marketing plan