

Marketing Basics

Evolution of Marketing:

Product-orientation Stage

1. Demand exceeds available supply.
2. All that is made can be sold.
3. Focus is on engineering and generating output, not the customer.
4. Epitomized between late 1800s and early 1930s.

"The American public can have any color car it wants so long as it's black."
Henry Ford, referring to the Model T.

Sales-orientation Stage

1. Supply frequently exceeds demand.
2. Focus is on promotion and pricing; objective is to sell all the inventory.
3. Hard-sell techniques create stereotype of pushy, annoying salesperson.
4. Epitomized between early 1930s and 1950s.

"make all you can"

Marketing Basics

Evolution of Marketing:

Market-orientation Stage

1. Variety in markets, variety in products.
2. Employs full marketing mix.
3. Focus is on customer needs and satisfaction; profitability over volume.
4. Most typical current orientation.

Service Dominant Logic

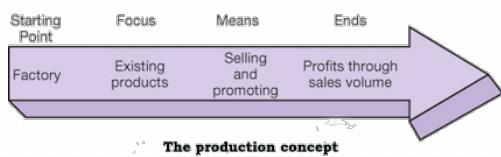
1. Service industries gain more and more importance
2. Ideas generated in the service field spread to other sectors (like industrial marketing, marketing for consumer goods, ...)
3. "Intangible product features"

"make what you can sell"

"make it together with the customer"

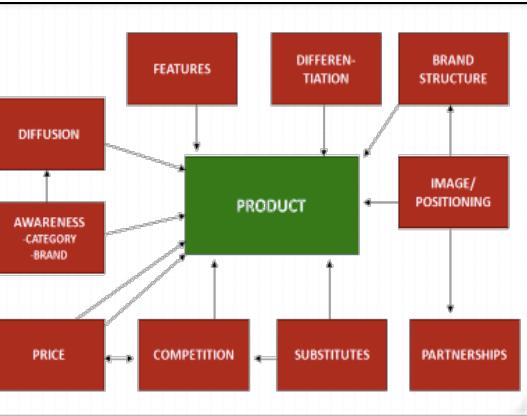
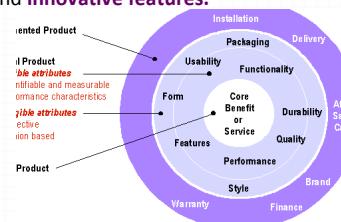
Production Orientation Stage

The philosophy that consumers will favour **products that are available** and **highly affordable** and that management should therefore focus on improving production and distribution efficiency.



Product Concept

The philosophy that consumers will favour products that offer the **most quality**, **performance**, and **innovative features**.



Selling Concept / Sales Orientation Stage

The idea that consumers will not buy enough of the organization's products unless the organization undertakes a **large-scale selling** and **promotion effort**.



Marketing Concept / Market Orientation Stage

The marketing management philosophy that holds that achieving organizational goals depends on determining the **needs and wants** of target markets and delivering the desired **satisfactions** more **effectively and efficiently** than competitors do.



Service Dominant Logic / Societal Marketing Concept

The idea that the organization should determine the needs, wants, and interests of target markets and deliver the desired satisfactions more effectively and efficiently than competitors in a way that **maintains** or **improves** the **consumer's and society's well-being**.



MARKETING MANAGEMENT PHILOSOPHIES	
Orientation	Key Ideas
Production	Focus on efficiency of internal operations – if we make it, they will buy it
Sales	Focus on aggressive sales techniques and believe that high sales result in high profits
Market	Focus on satisfying customer needs and wants while meeting objectives - if they will buy it, we will make it
Societal	Focus on satisfying customer needs and wants while enhancing individual and societal well-being. I.e.-mfg using recyclables

