

Chapter 1 An Introduction to Marketing

Learning Outcomes

1-1 Define marketing

Marketing is about understanding the needs of consumers. Marketing helps to shape the products and services of a firm, based on an understanding of what the customer is looking for. Marketing is engaging in a conversation with the customer rather than becoming a distraction. Companies are finding innovative ways in which to lead this conversation, and with access to more tools (e.g., Twitter, Instagram) consumers are now—more than ever—able to talk back.

1-2 Describe the evolution of marketing

The misconceptions about marketing come from the evolution of how marketing has been used in firms for more than a century. Today's marketing has resulted from many shifts in both the field of marketing and society. Some prior perspectives on marketing help to provide a better understanding of how marketing is perceived today.

- a. The **production orientation** focuses on marketing as a messenger. It focuses on internal capability of the firm, which is best reflected by the questions “What can we do best?” and “What can our engineers design?” rather than by asking “What do our customers need and want?” and “How best can we provide solutions to our customers?”
- b. A **sales orientation** is highlighted by the increased power of consumer choice. It assumes that buyers resist purchasing items that are not essential and that consumers must be persuaded to buy through aggressive sales techniques.

- c. The **marketing company orientation** is highlighted by the coordination of marketing activities—advertising, sales, and public relations—into one department in an organization. It is based on the “marketing concept,” that meeting customers’ needs and wants through innovative products and services while meeting organizational goals is the best approach. Responsiveness to customer wants is the central focus of the marketing orientation. In this orientation, customers are grouped into market segments, with marketing professionals tasked with understanding their customer before making their moves.
- d. The **societal marketing** orientation holds that the firm should strive to satisfy customer needs and wants while meeting organizational objectives and preserving or enhancing both the individual’s and society’s long-term best interests. It examines the longer-term impacts on the customer and the environment when customers seek to satisfy needs.
- e. The **relationship marketing** orientation is about developing a real and sustainable relationship with the customer. Marketing has gone from interruption to interaction.

1-3 Define key marketing terms

Exchange—a desired outcome of marketing, people giving up one thing to receive another thing they would rather have.

Customer Value—the relationship between the benefits and the sacrifice necessary to obtain those benefits.

Market Segments—groups of individuals, families, or companies that are placed together because it is believed that they share similar needs.

Building Relationships—the best companies view attracting new customers as the launching point for developing and enhancing a long-term relationship.

Marketing Mix—also referred to as the 4Ps of marketing, must each be studied and developed to create a proper strategy to go after a market segment.

1-4 Explain why marketing matters

Because marketing is part of every company—no matter what, you will have customers, and if you don't concern yourself with customers, you will cease to have any.

Because marketing is a rewarding career—marketing can provide both financial and personal rewards. Marketing exists in many industries, there are not just a “Big 6” of marketing companies like in accounting. Marketing careers are broad and rewarding—it's a matter of taking initiative to find the opportunities.

Because marketing provides an important skill set, even if your career is not in the field of marketing, you will still need to sell yourself to a future employer.

Marketing is part of everyday life. You will see how needs, value, and other basic marketing terms can be applied to almost any part of your life.

Glossary Terms

customer satisfaction

customer value

exchange

marketing

marketing company orientation

need

production orientation

relationship marketing

sales orientation

societal marketing orientation

Lesson Plan for Lecture

Brief Outline with Suggested PowerPoint Slides

Slides are available at www.nelson.com/instructor

LEARNING OUTCOMES AND TOPICS	POWERPOINT SLIDES
<i>Define marketing</i> 1-1 What Is Marketing?	Slides 3–6
<i>Describe the evolution of marketing</i> 1-2 The Evolution of Marketing <i>1-2a The Production Orientation</i> <i>1-2b The Sales Orientation</i> <i>1-2c The Marketing Company Orientation</i> <i>1-2d Societal Marketing Orientation</i> <i>1-2e Relationship Marketing Orientation</i>	Slides 7–15
<i>Define key marketing terms</i> 1-3 Key Marketing Terms <i>1-3a Exchange</i>	Slides 16–22
<i>Explain why marketing matters</i> 1-4 Why Marketing Matters <i>1-4a Marketing Is Part of Every Company</i> <i>1-4b Marketing Is a Rewarding Career</i> <i>1-4c Marketing Provides an Important Skill Set</i> <i>1-4d Marketing Is Part of Everyday Life</i>	Slides 23–27

Lesson Plan for Group Work

Activities in class that relate to group work are a good way to apply the concepts in each chapter, and also a meaningful way to engage students in active learning in the classroom. With each activity, it is at the discretion of the instructor to determine how to best apply the group work that is provided. This will likely depend on factors such as classroom size, classroom layout, and overall delivery method. Each group activity below has a task that is detailed, followed by an overview of the outcome that results from engaging in the activity.

Activity #1

The following group in-class exercise can be used either to illustrate the differences between the various stages in the evolution of the marketing orientation.

Task

Students should be placed in groups of four (or whatever number works for your class). Each group will be assigned one of the four orientations in the evolution of marketing. Each group is tasked with creating a door-to-door salesperson scenario—two people will serve as the seller and two as the buyer. Groups are to create a scenario based on the Marketing Orientation provided by their instructor. Each group of four will then present a two-minute presentation to the rest of the class, and the audience must guess which stage they were assigned, along with specific reasons for their choice.

Outcomes

The first aim of this activity is to have students work together, and get to know each other. Marketing is best learned by a combination of individual and group learning methods. This activity compels students to work together in a challenging and creative way, and often this is a good way for students to select which group members they might wish to work with (if given the choice) in a semester group project. For this activity, groups should clearly use material from the textbook and class notes in order to create their scenario. Instructors can provide the product or service to be sold: vacuum cleaners or encyclopaedias could be an entertaining way to talk about how products and the way they are sold have evolved over time. The other added outcome of this activity is providing an opportunity to build presentation skills in a less formal environment.

Activity #2

The following group activity serves to get students working together to solve the many challenges in the path to truly understanding how marketing really works.

Task

First, divide the class into small groups of four or five people, depending on class size. Then, ask students to assume that they have just purchased a tennis racquet factory that has been shut down for the past few years. The automated equipment and computer system are in excellent shape, and the personnel needed to run the factory are readily available. But before jumping into production, groups need to determine how to answer a number of questions that relate to marketing.

The following suggested questions should be provided to students. You should decide which questions are most relevant to your discussion, but it is important not to provide the following exhaustive list:

1. What are the needs of tennis players as it relates to tennis racquets?
2. How many different categories of attributes are there for tennis racquets? (Handles, sizes, shapes, weights, and prices are factors.)
3. Which category of player does this firm want to sell to? Where are these customers located?
4. What are the trends in the tennis industry that relate to racquets?
5. Where do customers shop for tennis racquets?
7. What are the price ranges and options for tennis racquets in the market?
8. How will the company communicate with potential customers?
9. How will the racquets be packaged?

10. How many other companies are making racquets? What kinds and what prices of racquets do competitors offer?
11. How will the firm provide customer service?
12. What is the best way to build long-term relationships with customers?

Depending on the size of the class, provide a sheet of paper to each group with a list of one to three questions to be answered. Students should be encouraged to use online resources (e.g., Google) to search for support for their answers.

The most important aspect of this exercise is to ensure that groups do NOT talk with each other about their answers. They should be asked to present their findings either in a small report or presentation.

Outcomes

The aim of this activity is for students to understand how broad and wide-reaching marketing truly has become. Student groups should be tasked with answering questions from the exercise, and a good follow-up exercise would be to ask students which concepts from Chapter 1 best apply to the questions that they were asked to answer. This is a good way to tie back content to the activity and have students see the wide array of responsibilities that are charged to a company as it relates to marketing.

As mentioned in the task for this activity, it is important for student groups to work on these questions separately. As each group presents, it should become quite clear that their answers won't match: some might have segmented for professionals; other groups might have focused on a weekend warrior. This part of the exercise is an excellent chance to discuss with the group how important consistency is in marketing, and how important it is for companies to be on the same page with marketing decisions.

Students should have a strong understanding of the complexity of marketing after this activity has been completed. As an instructor, you can choose to continue using this example in future classes. For example, when you discuss pricing later in the term, you can go back and see what groups wrote about pricing, and how much their answers would be different once they understand the complexities of pricing strategies and tactics.

Great Ideas for Teaching Chapter 1

Great Idea #1

Write an Obituary for Marketing

One of the first assertions in Chapter 1 of *MKTG, 4Ce*, is that “Marketing is dead.” And while the claim is obviously not true, it should spark a conversation and a good opportunity to begin a discussion on where marketing is today.

A good activity that is not group focused is centred on the idea of an obituary of marketing. Students should refer to the “Marketing is dead” quote from the text and accompanying discussion in Chapter 1. Students are tasked with doing some research on why marketing has reached a point today where it is in a state of flux. This provides an opportunity to have a discussion about the evolution of marketing and the stages, from production to environmental sustainability.

From there, students should be tasked with gathering information about marketing from various secondary sources. Instructors can choose to take this opportunity to introduce students to some databases and online resources available through an academic library. Students can be given a list of sources to search, including seminal academic articles like Parasuraman (1988), or can simply be left to find sources to support their claims.

Students are then asked to write no more than a half page of how marketing has been presumed “dead” and the reasons for it. At the end of the paper, students should briefly describe why it is important to understand what marketing is all about, and why marketing has changed so much that it might not be recognizable from what it was in bygone eras.

Great Idea #2

Discussion Board Topics to Encourage Participation

Discussion board questions provided to encourage students to engage in thinking and writing about the content of the course usually take the form of a provocative statement inviting response. An example of this would be “All PR is good PR.”

Discussion topics such as this one are abstract and often require that the instructor provide an initial reply to show students what is expected of them in their own replies. For students with limited work experience, this approach may be quite appropriate. For adult students with extensive experience as employees and consumers, however, the abstract nature of such topics can be frustrating.

Therefore it can be helpful for students to be part of, both in contributing and reading, online postings that pose a challenging and unique question that does reside in the textbook.

Each question has three parts:

1. First, there is a sentence or two from the students’ textbook introducing the topic. By using the text author’s own words, students are enabled to locate relevant material in the text more easily, the text content is reinforced, and confusion resulting from use of variant terms or expressions is minimized.

2. Second, there is a reference to text pages the student should review before proceeding. Since the goal of the exercise is for students to apply the course content to their own experiences, reviewing the content first is important.
3. Third, there is a request for the student to think about or remember some specific situation in their experience to which they can apply the text material, and a question or questions for them to address in their reply.

The following example is for Chapter 1 of *MKTG*, 4Ce. The three parts have been separated here so that they are more readily visible:

1. Five competing philosophies strongly influence an organization's marketing activities. These philosophies are commonly referred to as the production orientation, sales orientation, market company orientation, societal-marketing orientation, and relationship marketing orientation.
2. Review these four philosophies in section 1-2 of your text.
3. Then, describe an experience you've had recently as a customer or employee that illustrates one of these philosophies.

If you have a participation quotient as part of a class deliverable, you can track student participation and engagement in the discussion boards. It is important to encourage quality rather than quantity, and students should be reflecting and researching before replying to questions that have been posted on a discussion board.

Instructors have the choice of using discussion boards within the Learning Management Systems (LMS) of their institution, or they can use discussion boards within the MindTap online ecosystem. Contact your local Nelson Education sales representative for more information on and help with MindTap (<http://www.nelson.com/order/contact.html>)

Great Idea #3

Understanding Needs—Unconventionally Speaking

One of the great benefits of teaching marketing can also be a significant challenge: you have examples of great brands and recognizable products that can serve as a topic for any discussion on marketing. If you are teaching a class of young students, the temptation can be strong to stick to products and brands they are familiar with. This is of great benefit because you can drive more meaning from a discussion on Snapchat or memes than a class looking at generally accepted accounting principles.

However, there is a challenge here: students begin to think that all marketing activities are directed towards them. As you know, this is simply not true, and understanding others' needs is an important part of marketing and being a good citizen as well.

One exercise that you can undertake early on in a marketing class is to introduce a scenario to students that is likely quite foreign to them. Tell students of a scenario where they have graduated, met someone and are now developing a settled existence. You tell them that they found out that “they” are pregnant. After the gasps, you ask students to determine what needs they would have as it relates to this situation. The suggestions can be telling, and you can work with students to understand that there are things that go well beyond just diapers and strollers.

This provides a good opportunity to discuss how needs change as we get older. The above scenario describes how needs evolve to other people if we choose to have a family. You can give students a specific task, such as researching what they would be looking for in a high chair. However, the key takeaway of this activity is for students to know that not all marketing is designed for them, and to have an open mind about scenarios and situations in the class, as this is the best way to learn about marketing—in an engaging and applied classroom environment.