

Business Syllabus: Marketing

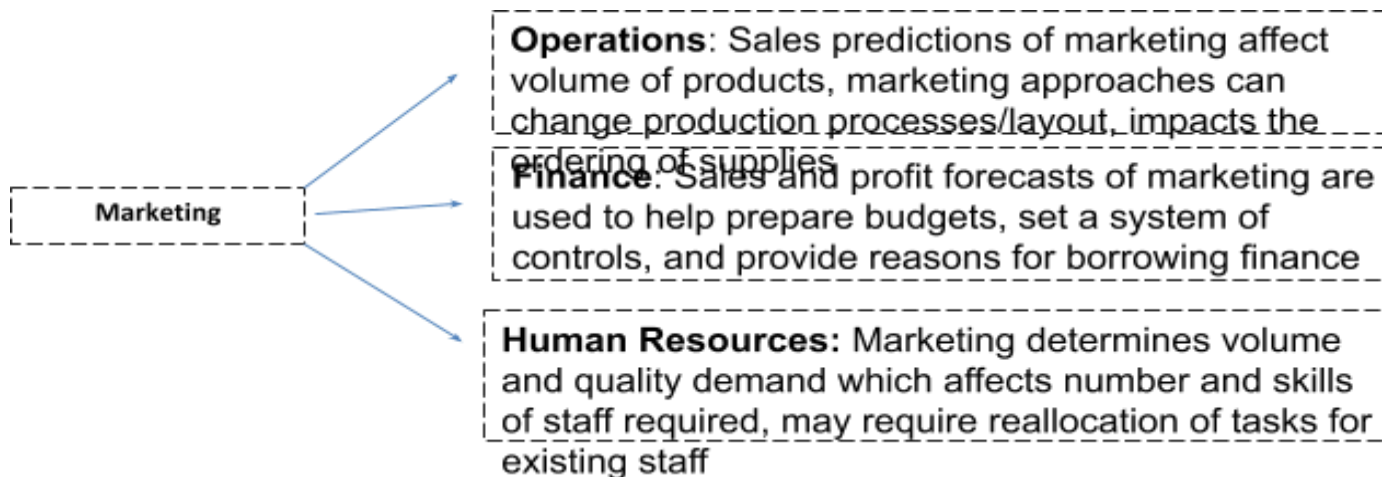
Marketing: A total system of interacting activities designed to plan, price, promote and distribute products to current and potential customers.

1. Role of Marketing

Strategic Role of Marketing Goods and Services

- The strategic role of marketing is to develop and implement a marketing plan (a document that outlines strategies to be used to bring the buyer and seller together), that sets out a series of actions or strategies that can be used to attain greater sales, and in doing so, allows the business to achieve profit maximisation (a financial goal)
- Without a marketing strategy profit maximisation is impossible and financial disaster is imminent.

Interdependence with other key business functions



Marketing Approaches

There are 3 main marketing approaches:

- 1) **Production Approach:** Focusses on making goods and services for the business as efficiently as possible. **Benefits** include: attractive prices and the efficient production of goods/services. *For example, assembly line production is focussed on the quick production of goods, at minimal cost.*
- 2) **Selling Approach.** Focusses on persuading the customer to buy the product by emphasising the products benefits and features to the consumers. **Benefits** include: The obvious stating of what the product does and it's benefits, and the way consumers are always made aware of the products existence. *For example, door to door salesmen come unannounced and pitch a product and its benefits/features to the consumer (often with good deals accompanying it)*
- 3) **Market Approach.** Focusses on the needs of the customers through asking questions about desires or looking at market trends/statistics, and then makes a product to suit those market needs/trends. **Benefits** include: the satisfying of customer needs, customers becoming a priority, these businesses with this approach are more likely to be consumer friendly (SCR, make "safe/green" products). *For example, Coco Cola listened to consumer demands for "healthier" products, so developed "Coco Cola Life, (Natural Sweeteners)".*

Types of Markets

- A **market is defined as:** Group of individuals/organisations that: Need/want a product, have the money to purchase the product, are willing to spend the money to get the product, and are socially/legally authorised to purchase the product. *(If a group doesn't have these four features, it's NOT considered a market.)*

There are 6 different types of markets:

Resource Market	A resource market is one made up of individuals/groups that are engaged in primary production (Mining, Agriculture, Forestry, Fishing etc.) - <i>For example, Farmers purchasing machinery, seed and Fertilisers.</i>
Industrial Market	Groups/organisations that are either secondary or tertiary, that purchase products to use in the production of other products, or in their daily operations. - <i>For Example, Tip Top Bakery buys flour to make bread</i>
Intermediate Market	The intermediate market is made up of wholesalers and retailers who purchase finished products and sell them again to make a profit. - <i>For example Subway buys lettuce and sliced goods to make into sandwiches to sell.</i>
Consumer Market	Consumer markets are made up of individuals (members of a household), who plan to use or consume the products they buy, and do not intend to use the product to make other goods/services. - <i>For example, a woman purchasing food, clothing or toiletries to use personally.</i>
- Mass Market	A section of the consumer market, Mass market is when the seller mass produces, mass distributes, and mass promotes one product to all buyers. It isn't targeted to a specific group of buyers, and is assumed all customers have similar needs/wants. - <i>For example, Milk, is mass produced, promoted and sold as all people need it.</i>
- Niche Market	Also a segment of the consumer market, a Niche market (A.K.A concentrated or micro market), is divided into smaller segments and is made up of a targeted group of consumers who have specific needs/wants. - <i>For example, Magazines that target Diabetic Cooking, Healthy Lifestyles, Teen Girls etc.</i>