**Marketing**

Marketing is the process by which a product or service is conveyed from the producer to the customer. The marketing concept holds that the key to achieving organizational goals consists of determining the needs and wants of target markets and delivering the desired satisfaction more effectively and efficiently than competitors.

**Marketing-mix - “4P”**

- **Product**
- **Price**
- **Promotion**
- **Placement**

Key issues that confront anyone who wants to market a product or service.

1. **Understand the customer**
   Customers buy the market offerings that they feel will best meet their needs. To be profitable, a business has to develop and market products and/or services that meet those needs.
   The marketing concept maintains that the starting point for good marketing, whether it be for a service or a product, is to understand the situation from the perspective of the customer. To appreciate the customer's view of your business and your market offering, you need to appreciate several factors.
   1. Many of your customers or potential customers view anything offered by a business with a good deal of suspicion.
   2. Your potential customer's perceptions and knowledge about the product or service is probably substantially different from your own.
   3. Not all of your customers or potential customers are looking for the same thing. We describe this as "different market segments."
   The segment of the market for which you design your offering is known as your **target market**. The starting point for successfully marketing your offering is to make sure that you provide something that is appealing to your target market, and that this group is large enough to support your business. Not only does your offering have to appeal to one or more segments of the market, it has to do so more effectively than the offerings of competitive businesses.

2. **Create value for your customer**
   A successful marketing effort requires a market offering that creates value for the customers. This is where understanding the wants, needs and perceptions of your customers is critical. Customers buy to increase their well being. The best way to appreciate this is to imagine the thought processes of a customer considering a purchase. Customers considering a particular product or service will compare the want and need satisfaction potential of the market offering to the want and need satisfaction potential of other uses of their money. They are more likely to buy your offering if they perceive (correctly or incorrectly) that what you are offering is going to meet their needs and wants better than whatever else they might buy.
   Accordingly, to get the sale, you must convince them that you can better meet their needs. This is called your competitive advantage. A competitive advantage is some aspect of your market offering that makes it different from those of competitors, and identifies the superior value that it contains. Unfortunately, this is an exceedingly complex issue. There are many dimensions on which the customer will evaluate your offering, and different customers will have different ideas about what is important. Fortunately, each of these dimensions reveals a possible differentiation factor on which a marketer can establish superiority for a particular offering. These factors might include the following:
   - Product or service features
   - Social skills of employees
   - Price
   - Credit or payment terms
   - Image of product or seller
   - Service, before or after sale
   - Location
   - Convenience
   - Atmosphere of store
   To create a successful marketing effort, you must develop a market offering that provides value to the customer that is superior to the offerings of your competition. This means that you must differentiate your offering on one or more
dimensions from those of competitors. Further, the dimensions that you choose to differentiate on have to be significant to your particular target markets. Because target markets differ in what’s important, many combinations can be successful. Consider the market for personal computers. Some computer businesses provide demonstrations, extensive inventory, set-up service, training, software and service after the sale. Others sell hardware through mail order and compete mainly on the basis of price. There is room in the market for both, since different segments of the computer market have different needs.

The important point is that you need to develop a market offering, be it product or service, that can be differentiated from those of competitors. And there must be sufficient customers for whom the differentiating factors are important enough that they will view your offering as a superior value when comparing it to your competitors’ offerings.

3. Communicate your value to your target market
The key problem here is to present your market offering in such a way that your target customers perceive the superior value that you are offering.

Some rules of communicating:
1. Everything you do communicates
Customers and potential customers will draw conclusions about you and your market offering from everything they know about you. The way you look, the atmosphere of your business, the attitudes of your employees, the packaging and design of your products and any promotional material will influence their perceptions. It is critical that these various elements communicate the same basic message.

2. Word of mouth is critical
Studies of the importance of different types of information sources on purchase decisions routinely show that buyers identify word of mouth as the most important. Other studies have shown that satisfied customers will convey their satisfaction to about a third as many people as dissatisfied customers will. There are many examples of companies that have built successful businesses on the basis of favorable word of mouth reputations. This underscores the importance of providing superior value, which in turn, creates satisfied customers.

3. You never get a second chance to make a first impression
Because of the tremendous number of businesses and the massive promotional efforts, customers are not likely to spend much time or effort trying to understand your market offering. If they are turned off by their first contact, your chances of changing their minds are slim.

4. Publicity is important
For most small and new businesses, editorial coverage (newspaper stories, magazine articles, television news coverage, product reviews, etc.) has a significantly greater impact on sales than an equivalent amount of advertising. Customers are less likely to ignore and more likely to believe media content compared to advertising. Additionally, media coverage of this type is often free, although the business has little control over what’s said about their offering.

5. Keep it simple
Given the massive clutter in the promotional environment, and the resulting indifference of much of the audience, complex messages tend to get lost in the background noise. Effective marketing requires a message that can be communicated clearly and simply to the target market. If you can’t explain why your offering is superior to those of competitors in a sentence or two, it’ll be difficult to get the target market to pay attention long enough to sell them.

The point of all this is that it’s not enough to have what you think is a superior market offering. You must convince your target market. Given the native skepticism of your potential customers and the large number of competitors trying to accomplish the same objective, this can be a major stumbling block.

4. Make it easy for the customer to buy
Depending on the situation, making it easy to buy might include any or all of the following strategies:
- Setting hours of operation that are convenient for customers
- Making credit readily available
- Selecting convenient locations (for retailers)
- Finding good retail outlets (for manufacturers)
- Delivering products to customers in a reasonable and timely manner

5. Create a long-term relationship
It is difficult to attract a new set of customers every time you want to sell something. Loyal, repeat customers will provide a solid base for your business and provide a steady stream of revenue. Whenever possible, you should think of how you can turn a first time customer into a repeat buyer.

It is well worth taking time to assess the satisfaction of your customers. Many may have minor complaints (often too minor to mention) that you can easily resolve. Studies suggest that there is a “rebound effect” that occurs when you find and solve a customer problem. Rather than blaming you for the problem, customers are likely to respond to the attention by feeling even more positive about you than those who never had a problem.

At a minimum, you should be keeping a data base (even if it’s only on 3x5 cards) of your customers and trying to stay in touch and provide special opportunities and attention to your best customers, because they will be the lifeblood of your business.