The Marketing Process

The American Marketing Association defines marketing as “the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals” (Bennett, 1995). The ultimate goal of all marketing activity in a business is to facilitate mutually satisfying exchanges between parties.

Marketing activities within an organization are strongly influenced by its orientation and philosophy. A sales-based orientation contends that customers will buy more products if aggressive sales techniques are used, and that high volume of sales produces high profits. A production-oriented organization stresses the internal capabilities of the firm rather focusing on market demand. A market-oriented organization focuses on satisfying client’s needs while meeting organizational objectives. Lastly, a societal market orientation considers the interests of society.

In planning and implementing strategies, marketing managers rely on four basic components. These “four P’s” constitute the marketing mix:

- **Product**: a good, service, or idea that is marketed to fill customer needs and wants
- **Pricing**: selecting the most appropriate price at which to sell the product
- **Promotion**: techniques for communicating information about products
- **Place (or distribution)**: the part of the marketing mix concerned with getting products from producers to consumers

The advent of the informational economy is questioning the suitability of using traditional marketing strategies in today’s marketplace. Technology and the rise of international business are mainly responsible for this. The blurring distinction between buyers and sellers, products and services, companies and their environments, is allowing companies to establish sustainable competitive advantage.

Traditional marketing focuses on profitable transactions; building brands through advertising; judging performance based on financial results; overpromising to get the order; emphasizing shareholder satisfaction; measuring customer satisfaction; and allowing the marketing department to do the marketing.

Today’s marketers focus on retaining customers; studying marketing and
financial metrics; measuring customer value and loyalty; underpromising and overdelivering; and allowing everyone to be involved in the marketing process.

Due to the age of technology, marketing has witnessed the power shifting from manufacturers to giant retailers to consumers. Brands now look more alike, and brand loyalty is decreasing. Mass advertising is losing some of its effectiveness, and direct marketing tools and public relations are becoming more effective.

The rapid pace of change is affecting how companies determine marketing strategies. To protect their profits, companies are responding by cutting costs. Many have resorted to reengineering and downsizing. This can be avoided if companies stop focusing on profits and start focusing on the customers. If customers are loyal, profits will follow.

Reference