



Certified Marketing Manager

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1. INTRODUCTION TO MARKETING MANAGEMENT

1.1 Defining Marketing for the 21st Century

1.1.1 Importance of Marketing

A company's overall and financial success often depends on its marketing ability. Finance, operations, accounting, and other business functions will fall short if there is low demand for goods and services. The company will not be able to make a profit. There must be a top line for there to be a bottom line. Some companies have a Chief Marketing Officer (CMO) designation to put marketing on a more equal footing with other high level executives such as the Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

Large businesses such as Sears, Levi's, Sony, General Motors, Kodak, and Xerox have confronted newly empowered customers and new competitors, and have had to rework their business models. Market leaders such as Intel, Microsoft, and Wal-Mart have also recognized that they cannot afford to relax as their leadership is challenged.

Xerox, for example, now along with its copier machines, sports the world's broadest array of imaging products and dominates the market for high-end printing systems. And it is undergoing a huge transition to digital systems and color printing. Previously, it was slow to respond to competition such as Canon and the small copier market. Hence now Xerox is doing all that is possible to stay ahead of the game.

The companies that fail to monitor their customers and competitors and to continuously improve their value offerings are the ones that are at greatest risk are those. They take a short-term, sales-driven view of their business and, ultimately, they fail to satisfy their stockholders, their employees, their suppliers, and their channel partners. Skilful marketing is a never-ending pursuit.

1.1.2 Scope of Marketing

Marketing identifies and meets human and social needs i.e. "meeting needs profitably." EBay is a good example as it recognized that people were unable to locate some of the items they desired most. That is why it created an online auction clearinghouse. Similarly, IKEA noticed that people wanted good furniture at a substantially lower price. Therefore, it created knock-down furniture. These two firms demonstrated marketing sense and turned a private or social need into a profitable business opportunity.

According to the American Marketing Association, the definition of marketing is as follows:

“Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.” Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.

The concept of marketing is not to be confused as “the art of selling products.” Selling is not the most important part of marketing. Peter Drucker, a leading management theorist, says that “the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available.”

This is displayed with the launch of Apple iPod and Toyota’s Prius. It is because of the fine marketing that these companies were swamped with orders. They had designed the “right” product based on careful marketing homework.

What Is Marketed?

Marketing attends to 10 types of entities.

- ✓ **Goods:** Physical goods constitute the bulk of most countries’ production and marketing effort. Each year, companies market billions of fresh, canned, bagged, and frozen food products and other tangible items.
- ✓ **Services:** As economies advance, a growing proportion of their activities are focused on the production of services. Services include the work of airlines, hotels, car rental firms, barbers and beauticians, maintenance and repair people, as well as professionals working within or for companies, such as accountants and programmers. Many market offerings consist of a variable mix of goods and services. For example, a restaurant offers both food and service.
- ✓ **Events:** Marketers promote time-based events, such as major trade shows, artistic performances, and company anniversaries. Global sporting events such as the Olympics and the World Cup are promoted aggressively to both companies and fans.
- ✓ **Experiences:** By devising several services and goods, a firm can create, stage, and market experiences. Walt Disney World’s Magic Kingdom represents this kind of experiential marketing, allowing customers to visit a fairy kingdom, a pirate ship, or a haunted house.

There is also a market for customized experiences, such as spending a few days at a football camp playing with retired football legends.

- ✓ **Persons:** Celebrity marketing is a major business. Artists, musicians, CEOs, physicians, high-profile lawyers and financiers, and other professionals all get help from celebrity marketers.
- ✓ **Places:** Cities, states, regions, and whole nations compete to attract tourists, factories, company headquarters, and new residents. Place marketers include economic development specialists, real estate agents, commercial banks, business associations, and advertising and public relations agencies. For example, Kerala Tourism attracts visitors with a slogan “God’s own country” ad campaign.
- ✓ **Properties:** Properties are intangible rights of ownership of either real property (real estate) or financial property (stocks and bonds). Properties are bought and sold through the marketing efforts of real estate agents, investment companies, and banks.
- ✓ **Organizations:** Organizations actively work to build a strong, favorable, and unique image in the minds of their target publics. Amul’s “Taste of India” marketing program has vaulted it to the top of the dairy products in India. Universities, museums, performing arts organizations, and nonprofits use marketing to boost their public images and compete for audiences and funds.
- ✓ **Information:** Schools and universities essentially produce and distribute information at a price to parents, students, and communities. Books, magazines, and newspapers also market information. One of society’s major industries is the production, packaging, and distribution of information. Even companies that sell physical products add value through the use of information. For example, Siemens Medical Systems CEO says the firm’s product “is not necessarily an X-ray or an MRI, but information. Our business is really healthcare information, and our end product is really an electronic patient record: information on lab tests, pathology, and drugs as well as voice dictation.”
- ✓ **Ideas:** Every market offering includes a basic idea. For instance, health marketers promote such ideas as “Sunday ho ya Monday roz khao undey” and “Hum do hamare do” for population control.

What Is a Market?

Initially, a market was a physical place where buyers and sellers gathered to buy and sell goods. It is a collection of buyers and sellers who transact over a particular product or product class (such as the housing market). The term market is often used to cover groupings of customers. Marketers see the sellers as constituting the industry and buyers as constituting the market.

They refer to the need markets, product markets, demographic markets, and geographic markets; or other types of markets, such as voter markets, labor markets, and donor markets. Marketers may serve consumer markets, business markets, global markets, non-profit markets, government markets, or some combination of these.

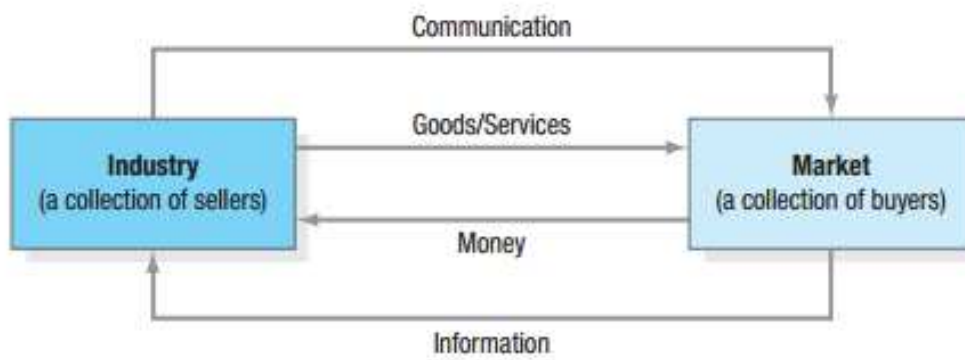


Illustration of the relationship between the industry and the market

The outer cycle shows that sellers (industry) send goods, services, and communications (through ads, direct mail) to the market (buyer). In return they receive money and information (customer attitudes, sales data). The inner cycle depicts an exchange of money for goods and services; the outer loop shows an exchange of information.

The “market place” is physical, such as a store to shop in, whereas the “market space” is digital, as when one shops on the Internet. A concept of a metamarket had been proposed to describe a cluster of complementary goods and services that are closely related in the minds of consumers but are spread across a diverse set of industries. The automobile metamarket consists of automobile manufacturers, new car and used car dealers, financing companies, insurance companies, mechanics, spare parts dealers, service shops, auto magazines, classified auto ads in newspapers, and auto sites on the Internet. Car buyers can get involved in many parts of this metamarket.

This has created an opportunity for metamediaries to assist buyers to move seamlessly through these groups, although they are disconnected in physical space. Metamediaries can also serve other metamarkets, such as the home ownership market and the wedding market.

Who Markets?

A marketer is an individual who seeks a response by way of attention, a purchase, a vote, or a donation from the targeted party, called the prospect. If two parties are looking to sell something to each other, both are marketers. Diverse quantitative and qualitative skills are necessary for marketers along with entrepreneurial attitudes and keen understanding of how marketing can create value within their organizations.

The Chief Marketing Officer (CMO) has 5 key functions.

- ✓ Strengthening the brands
- ✓ measuring marketing effectiveness
- ✓ driving new product development based on customer needs
- ✓ gathering meaningful customer insights
- ✓ utilizing new marketing technology

Process of Marketing

The marketing planning process comprises

- ✓ analyzing marketing opportunities
- ✓ selecting target markets
- ✓ designing marketing strategies
- ✓ developing marketing programs
- ✓ managing the marketing effort

In highly competitive marketplaces, marketing planning is more fluid and is continuously renewed. Marketing needs to impact every aspect of the customer experience, i.e. every possible touch point such as the store layouts, package designs, product functions, employee training, and shipping and logistics methods.

Marketing must also be heavily integrated with key management activities such as product innovation and new business development. In the process of creating a strong marketing organization, the marketers need to think from an executive's perspective in other departments, and executives in other departments must think more from the marketer's perspective.

1.2 Core Concepts in Marketing

To understand the marketing function, one needs to comprehend the following core concepts involved in marketing.

1.2.1 Needs, Wants, and Demands

Needs are the basic human requirements such as food, air, water, clothing, and shelter. People also have strong secondary needs for recreation, education, and entertainment. These needs become wants when they are directed to specific objects that might satisfy the need. Wants are shaped by one's society. Demands are wants for specific products backed by an ability to pay. An American may need food but may want a hamburger, French fries, and a soft drink, but a person in Mauritius needs food but may want a mango, rice, lentils, and beans.

People also want a Mercedes but only a few are willing and able to buy one. Companies must measure not only how many people want their product but also how many would actually be willing and able to buy it.

Because of this, marketers are faced with the frequent criticism that "marketers create needs" or "marketers get people to buy things they don't want." Marketers do not create needs: Needs pre-exist marketers. Marketers, along with other societal factors, influence wants. Marketers might promote the idea that a Mercedes would satisfy a person's need for social status. They do not, however, create the need for social status.

A key feature that a marketer needs to gauge is the customer's needs and wants which is not always clear. Some customers have needs of which they are not fully conscious, or they cannot express these needs, or they use words that require some interpretation.

For example, a customer wants "an inexpensive car." A marketer may distinguish among 5 types of needs in this case.

- ✓ Stated needs: The customer wants an inexpensive car.
- ✓ Real needs: The customer wants a car with a low operating cost, not a low initial price.
- ✓ Unstated needs: The customer expects good service from the dealer.
- ✓ Delight needs: The customer wants the dealer to include an onboard navigation system.
- ✓ Secret needs: The customer wants to be seen by friends as a savvy consumer.

Responding only to the stated need may not satisfy the customer because sometimes consumers do not know what they want in a product, especially breakthrough products such as the first cell phone. Simply giving customers what they want is not enough to gain an edge. Companies must help customers learn what they want.

1.2.2 Target Markets, Positioning, and Segmentation

A marketer cannot satisfy everyone in a given market. For instance, not everyone will like the same cereal, automobile, college, or movie. Therefore, marketers identify and profile distinct groups of buyers who might prefer or require varying product and service mixes by examining demographic, psychographic, and behavioral differences among buyer groups. The marketer then determines which segments offer the greatest opportunity. This forms the “target markets”.

For each target market, the firm develops a market offering that it “positions” in the minds of the target buyers as delivering some central benefit(s). For example, Maggie represents fast and easy to cook meals in “2-minutes”. Maggie, therefore, positions its noodles as a fast and tasty food customers can buy. Companies perform best when they narrow their target market(s) carefully and prepare customized marketing programs.

1.2.3 Offerings and Brands

Companies address needs by putting forth a “value proposition”- a set of benefits they offer to satisfy customers’ needs. This value proposition which is intangible in nature is made physical by an offering, which can be a combination of products, services, information, and experiences.

A brand is an offering from a known source. A brand such as McDonald’s carries many associations in people’s minds that make up the brand image: hamburgers, fun, children, fast food, convenience, and golden arches. All companies strive to build a strong, favorable, and unique brand image.

The offering is successful if value and satisfaction is delivered to the target buyer. The buyer chooses between offerings on the basis of which is perceived to deliver the most value. Value reflects the combination of the perceived tangible and intangible benefits and costs to customers. The value is primarily a combination of quality, service, and price, called the “customer value triad.” Value generally increases with quality and service and decreases with price. Other factors however also play an important role in perceptions of value.

- ✓ Value is core to the marketing concept.
- ✓ Marketing is the identification, creation, communication, delivery, and monitoring of customer value.
- ✓ Satisfaction reflects a person's comparative judgment of a product's perceived performance (or outcome) in relation to expectations. If product performance falls short of expectations, the customer is dissatisfied and disappointed. If it matches expectations, the customer is satisfied—and if it exceeds expectations, the consumer is content.

1.2.4 Marketing Channels

To reach a target market, the marketer uses three kinds of marketing channels.

- ✓ Communication channels- deliver and receive messages from target buyers, include newspapers, magazines, radio, television, mail, telephone, billboards, posters, CDs, and the Internet. And, just as people convey messages by facial expressions and clothing, firms communicate through the look of their stores, the appearance of their Web sites, and in other ways. Marketers are largely adding dialogue channels, including e-mail and blogs, to familiar monologue channels such as ads.
- ✓ Distribution channels- display, sell, or deliver the physical product or service(s) to the buyer or user. These include distributors, wholesalers, retailers, and agents.
- ✓ Service channels- warehouses, transportation firms, banks, and insurance companies to carry out transactions with potential buyers. Marketers do face a difficulty in designing in choosing the best mix of communication, distribution, and service channels for their offerings.

1.2.5 Supply Chain

The supply chain is a longer channel stretching from raw materials to components to final products that are carried to final buyers. The supply chain for women's purses starts with hides and moves through tanning operations, cutting operations, manufacturing, and the marketing channels bringing products to customers. Each company captures only a certain percentage of the total value generated by the supply chain's value delivery system. When a company acquires competitors or moves upstream or downstream, its aim is to capture a higher percentage of supply chain value.

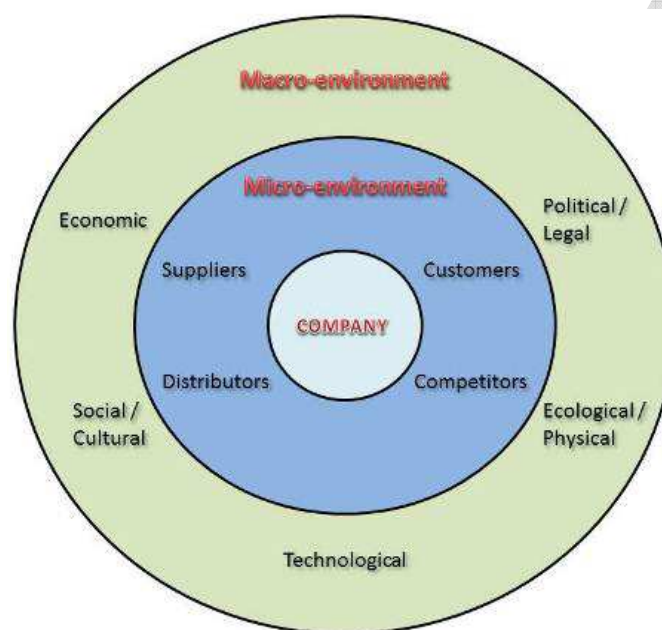
1.2.6 Competition

Competition refers to the present and potential rival offerings and substitutes that a buyer might consider. For instance, if an automobile company is planning to buy steel for its cars, there are several possible levels of competitors. The manufacturer can buy from India, or from a foreign

firm in Japan or Korea. The company can also buy aluminium for certain parts to lighten the car's weight or to buy engineered plastics instead of steel for bumpers. Clearly, SAIL would be thinking too narrowly of competition if it thought only of other integrated steel companies. SAIL is more likely to be hurt in the long run by substitute products than by other steel companies.

1.3 Marketing Environment

The marketing environment consists of the task or the micro-environment and the broad or macro-environment.



The micro-environment includes the immediate players involved in producing, distributing, and promoting the offering, such as the company, suppliers, distributors, dealers, and the target customers. The supplier group includes material suppliers and service suppliers such as marketing research agencies, advertising agencies, banks and insurance companies, transportation companies, and telecommunications companies. Distributors and dealers include agents, brokers, manufacturer representatives, and others who facilitate finding and selling to customers.

The macro-environment consists of 6 elements- demographic environment, economic environment, physical environment, technological environment, political-legal environment, and social-cultural environment. Marketers monitor the trends and developments in these environments and make the needed modification to their marketing strategies.

1.3.1 Marketing Management Tasks

With holistic marketing as a base, there is a specific set of tasks that make up successful marketing management and marketing leadership.

- ✓ **Developing marketing strategies and plans:** The first task is to identify the organization's potential long-run opportunities, given its market experience and core competencies.
- ✓ **Capturing marketing insights:** Marketers must understand what is happening inside and outside the organization by monitoring the marketing environment and conducting marketing research to assess buyer needs and behavior, as well as actual and potential market size.
- ✓ **Connecting with customers:** The firm must determine how to best create value for its chosen target markets and how to develop strong, profitable, long-term relationships with consumers and business customers. Next, marketers identify major market segments, evaluate each, and target those that the firm can serve most effectively.
- ✓ **Building strong brands:** Now marketers need to understand how customers perceive their brands' strengths and weaknesses. Because brands never exist in a vacuum, marketers must not only deal with the competitive situation, they must develop and communicate appropriate positioning.
- ✓ **Shaping market offerings:** At the heart of the marketing program is the product— the firm's tangible offering to the market, which includes the product quality, design, features, and packaging. Marketers may also include services as part of the market offering. In addition, pricing is a key element.
- ✓ **Delivering value:** Here, marketers determine how to deliver the offering's value to the target market by identifying, recruiting, and linking with marketing facilitators such as retailers, wholesalers, and physical-distribution firms.
- ✓ **Communicating value:** The firm must convey the value embodied by the offering to the target market through an integrated marketing communication program that maximizes the individual and collective contribution of all communication activities.
- ✓ **Creating long-term growth:** The Company's marketing strategy must take into account changing global opportunities and challenges. Moreover, management must put in place a marketing organization capable of implementing the marketing plan.

1.4 Company Orientation towards Market Place

A few concepts guide a company's marketing efforts. They are briefly described as follows.

- ✓ **The Production Concept:** holds that consumers will prefer products that are widely available and inexpensive. Managers of production oriented businesses focus on attaining high production efficiency, low costs, and mass distribution. This orientation makes sense in developing countries such as India and China, where the largest PC manufacturer, Lenovo, takes advantage of the huge inexpensive labor pool to dominate the market. This orientation is also used when a company intends to widen the market.
- ✓ **The Product Concept:** proposes that consumers favor those products that offer the most quality, performance, or innovative features. Managers focus on making superior products and improving them over time. Although managers may believe that “a better mousetrap” will lead people to beat paths to their doors, new or improved products will not necessarily be successful unless they are priced, distributed, advertised, and sold properly.
- ✓ **The Selling Concept:** says that consumers and businesses, if left alone, will not buy enough of the organization’s goods. The organization must, therefore, undertake an aggressive selling and promotion effort. As Coca-Cola’s former vice president, Sergio Zyman, once said “The purpose of marketing is to sell more stuff to more people more often for more money in order to make more profit.”

The selling concept is practiced most aggressively with unsought goods, goods that buyers generally avoid such as insurance. Most firms practice this concept when there is overcapacity, aiming to sell what they render rather than making what the market wants. However, marketing based on hard selling carries high risks. As the products are pushed on the consumer, there is a high chance of the customer being dissatisfied with it and bad mouthing the service.

- ✓ **The Marketing Concept:** The marketing concept states that the job is not to find the right customers for products, but to find the right products for customers. Under the marketing concept, the key to achieving organizational goals is being more effective than competitors in creating, delivering, and communicating superior customer value to the target markets.

Marketing is not a department so much as a company orientation. The researchers identified six types of marketing organizations: Growth Champions, Marketing Masters, Senior Counselors, Best Practice Advisors, Brand Builders, and Service Providers. Marketing heavily influenced all aspects of the organization in the most successful type, Growth.

1.5 The Holistic Marketing Concept

Today's best marketers recognize the need for a more complete, cohesive approach that goes beyond traditional applications of the marketing concept. The holistic marketing concept is based on the development, design, and implementation of marketing programs, processes, and activities that recognize their breadth and interdependencies. Holistic marketing recognizes that "everything matters" with marketing—and that a broad, integrated perspective is often necessary.



Holistic marketing is thus an approach to marketing that attempts to recognize and reconcile the scope and complexities of marketing activities.

1.5.1 Holistic Marketing Dimensions

The above figure is a schematic overview of 4 major elements describing holistic marketing: relationship marketing, integrated marketing, internal marketing, and performance marketing. Experienced companies harness holistic marketing to keep their programs and activities changing with the paradigms in their marketplace and market space.

Relationship Marketing

This aims to build mutually satisfying long-term relationships with key constituents in order to earn and retain their business. Four key constituents for relationship marketing are customers, employees, marketing partners (channels, suppliers, distributors, dealers, agencies), and members of the financial community (shareholders, investors, analysts).

The main outcome of relationship marketing is the building of a unique company asset called a marketing network. A marketing network consists of the company and its supporting stakeholders (customers, employees, suppliers, distributors, retailers, ad agencies, university scientists, and others) with whom it has built mutually profitable business relationships. The operating principle is simple: Build an effective network of relationships with key stakeholders, and profits will follow.

A growing number of companies are also shaping separate offers, services, and messages for individual customers, based on information about past transactions, demographics, psychographics, and media and distribution preferences. By focusing on their most profitable customers, products, and channels, these firms hope to achieve profitable growth by capturing a larger share of each customer's expenditures, building high loyalty and customer lifetime value. Such activities fall under the umbrella of "customer centricity." Note that marketers must conduct partner relationship management as well as customer relationship management.

Integrated Marketing

The marketer's task is to devise marketing activities and assemble fully integrated marketing programs that create, communicate, and deliver value for consumers. Marketing activities come in all forms. These activities are classified as marketing mix tools of four broad kinds, which he called the four Ps of marketing: product, price, place, and promotion.



The Four P's of Marketing Mix

A company can change its price, sales force size, and advertising expenditures in the short run. It can develop new products and modify its distribution channels only in the long run. Thus the firm normally makes fewer period-to-period marketing mix changes in the short run than the number of marketing-mix decision variables might suggest.

The four Ps represent the sellers' view of the marketing tools available for influencing buyers. From a buyer's point of view, each marketing tool is designed to deliver a customer benefit. A complementary breakdown of marketing activities has been proposed, centering on the customer questions that the four dimensions (SIVA) are designed to answer.

- ✓ Solution: How can I solve my problem?
- ✓ Information: Where can I learn more about it?
- ✓ Value: What is my total sacrifice to get this solution?
- ✓ Access: Where can I find it?

Two key themes of integrated marketing are that (1) many different marketing activities communicate and deliver value; and (2) when coordinated, marketing activities maximize their joint effects. In other words, marketers should design and implement any one marketing activity with all other activities in mind.

Internal Marketing

This ensures that everyone in the organization incorporates suitable marketing principles, especially senior management. Internal marketing is the task of hiring, training, and motivating able employees who want to serve customers well. Successful marketers acknowledge that internal marketing activities can be as important as, or even more important than external marketing activities. It makes no sense to promise excellent service before the company's staff is ready to provide it.

Internal marketing must take place on two levels.

- ✓ The various marketing functions—sales force, advertising, customer service, product management, marketing research—must work together and be coordinated from the customer's point of view.
- ✓ Other departments must embrace marketing and must “think customer.” One of the most valuable skills marketers can have is the ability to select, educate, and rally people inside the organization to build mutually satisfying long-term relationships with stakeholders. Internal

marketing starts with the selection of managers and employees who have positive attitudes toward the company, its products, and its customers. The next step is to train, motivate, and empower the entire staff so that they have the knowledge, tools, and authority to provide value to customers. After establishing standards for employee performance, the final step is to monitor employee actions, then reward and reinforce good performance.

For instance, top managers can frequently visit different facilities, thank staff members for their efforts, send birthday cards to employees, and share customer comments with employees. The employees can deliver superior service with a smile, and they are so dedicated that some have worked without pay to keep the company's costs down during difficult periods.

Performance Marketing

Performance marketing is practiced to ensure financial accountability in profit terms. Performance marketing suggests that marketing should consider ethics, society, laws and the environment while designing activities. Any such marketing activities which are economically profitable but socially harmful are strictly restricted under societal marketing aspect of holistic marketing. The marketing should not adopt an irresponsible behavior towards the society. The increasing popularity of societal marketing aspect can be well understood by the larger evidences of corporate social responsibility activities undertaken by most firms now days.

Performance Marketing Holistic marketing incorporates performance marketing and understanding the business returns from marketing activities and programs, as well as addressing broader concerns and their legal, ethical, social, and environmental effects. Top management is going beyond sales revenue to examine the marketing scorecard and interpret what is happening to market share, customer loss rate, customer satisfaction, product quality, and other measures.

Financial accountability

Marketers are increasingly asked to justify their investments to top management in financial and profitability terms, as well as in terms of building the brand and growing the customer base. Therefore, they are using a variety of financial measures to assess the direct and indirect value of their marketing efforts. They are also recognizing that most of the companies' market value comes from intangible assets such as their brands, customers, employees, and distributor and supplier relations.

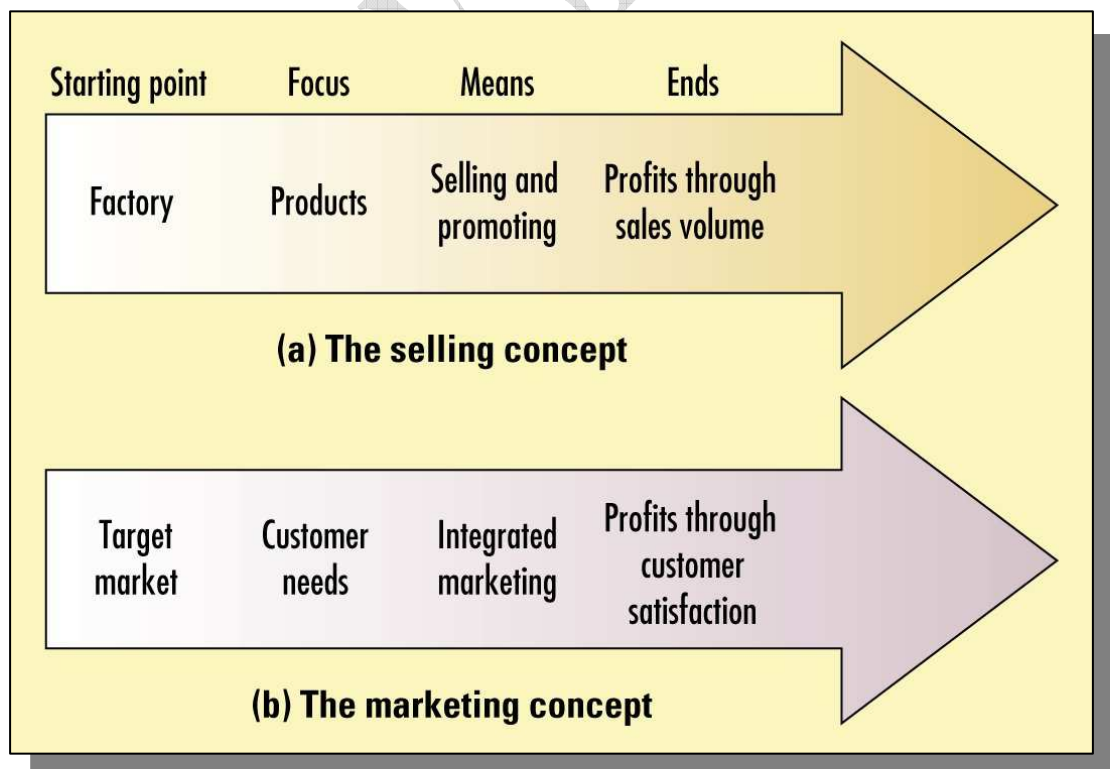
Social responsibility marketing

Marketers must consider the ethical, environmental, legal, and social context of their activities. Under the societal marketing concept, the company's task is to determine the needs, wants, and interests of target markets so it can satisfy customers more effectively and efficiently than competitors while preserving or enhancing customers' and society's long-term well-being. Sustainability has become a major concern in the face of challenging environmental forces. Some firms use social responsibility to differentiate themselves, build consumer preference, and improve sales and profits.

1.6 Difference between Sales & Marketing

Though the terms of 'selling' and 'marketing' are used interchangeably, there is a vast difference in the two concepts. Selling focuses on the needs of the seller; marketing on the needs of the buyer.

Selling is preoccupied with the seller's need to convert his or her product into cash; marketing with the idea of satisfying the needs of the customer by means of the product and the whole cluster of things associated with creating, delivering and finally consuming it.



Many theorists have realized that companies that embrace the marketing concept achieve superior performance. This was first demonstrated by companies practicing a reactive market orientation—understanding and meeting customers’ expressed needs.

Critics say this means companies develop only low-level innovations. It is argued that more advanced, high-level innovation is possible if the focus is on customers’ latent needs. This is called this a proactive marketing orientation.

Companies such as 3M, Hewlett-Packard, and Motorola have made a practice of researching latent needs through a “probe-and-learn” process. Firms that practice both reactive and proactive marketing orientations are implementing total market orientation and are likely to be the most successful.

The following table gives the difference between selling and marketing:

| Selling | Marketing |
|---|--|
| 1. Emphasizes product. | 1. Emphasizes on consumer’s wants. |
| 2. Sales are the primary motive. | 2. Satisfaction of the customer is primary. |
| 3. First production, then selling takes place at a profit without knowing customer’s needs. | 3. First customer’s need is known and then production takes place; then the product is sold at a profit. |
| 4. Internal company orientation. | 4. External-market orientation. |
| 5. Company’s need is the motive. | 5. Buyer’s need is the motive. |
| 6. Cost determines price. | 6. Consumer determines price; price determines cost. |
| 7. ‘Selling’ views the customer as the last link in the business. | 7. Marketing views the customer as the very purpose of the business. |
| 8. It is an activity that converts the goods into cash. | 8. It is a function that converts the consumer needs into products. |