Chapter 1:

Marketing’s Role within Organizations
Marketing Defined

**Micro-marketing**

The performance of activities that seek to accomplish an organization’s objectives by anticipating customer needs and directing the flow of need-satisfying goods and services.

**Macro-marketing**

A social process that directs an economy’s flow of goods and services to effectively match supply and demand and to meet society’s objectives.
Utility and Marketing

From Production

- Form
- Task
- Time
- Place
- Possession

Utility
Value that comes from satisfying human needs

From Marketing

Exhibit 1-1
Marketing’s Changing Role

1. Simple Trade Era
   - Focus: Sell Surplus

2. Production Era
   - Focus: Increase Supply

3. Sales Era
   - Focus: Beat Competition

4. Marketing Department Era
   - Focus: Coordinate and Control

5. Marketing Company Era
   - Focus: Long-Run Customer Satisfaction
The Marketing Concept

Customer Satisfaction

Total Company Effort

The Marketing Concept

Profit

Exhibit 1-2
Customer value concerns the difference between the benefits a customer sees from a firm’s market offering and the costs of obtaining those benefits.

The customer’s view of costs and benefits is not just limited to economic (or even rational) considerations--and a low price may NOT result in superior value.
Nonprofits Need Marketing, Too

Characteristics of Nonprofit Organizations

- Poorly Organized for Marketing
- Non-Customer Support
- Non-Economic Measures