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# CASE STUDY

# SUBJECT: MY INTERPRETATION OF THE COURSE LEARNING OUTCOMES

The purpose of this case study is to present a brief overview of the marketing study outcomes and personal interpretation of the key points of marketing theory covered in this course. The interpretation will be aimed at emphasizing the practical importance of marketing today.

**MARKETING: EVOLUTION AND PURPOSE**

The idea of marketing must have existed for many centuries. Yet, at the beginning it probably was not so sophisticated theory as it is today. Because of the globalization and rapid development of information technologies people, or market participants, have been urged to systematize their market experience into a well-organized theory. In our course of study the marketing has been defined by the term that sounds more specific: «an approach to business focusing on satisfying customer needs and wants». To serve its key purpose, the marketing strives to find an answer to such questions as why customers do not or, conversely, do readily buy products offered by the sellers, who the ideal buyers are, and what should be done to have the buyers buy what the sellers offer. In fact, the terms «buyers» and «sellers» are not absolutely accurate as applied to marketing. To be more accurate, the marketing approach implies that the business activities are centered on customer, because the concept of business here means both profit and non-profit organizations. So, the words «buy» and «products», or «services», can be identified as the key terms reflecting the idea of marketing. It should also be noted that the words «buy» and «services» represent a wide range of services, non-profit activities, and behavior.

**STRATEGIC IMPORTANCE OF MARKETING CONCEPT**

The key points of marketing concept are customer satisfaction, profit, and properly organized efforts to make profit through customer satisfaction. At the same time, strategically, it is important to understand that a business can be profitable, or successful, only if it finds a way to satisfy customers better than its competitors. This means, that today's business can attract customers only through successful competition. Because of the highly competitive environment, today it is not enough just to satisfy. The important thing is to be better. In other words, if a business is unable to compete, it fails to implement the key marketing ideas simply because such business will fail to satisfy customers. Moreover, under the competitive environment it becomes important not only to meet, but also to exceed the customers' needs. In an organization, the role of marketing concept is more profound: here the marketing concept implies that everyone's job is to serve the customers directly, or to serve those who serve the customers. For example, to contribute to profit through saving costs or, in other words, to serve the internal customers. This idea is especially important to emphasize in terms of the roles we may play in an organization in our day-to-day life: we do not necessarily have to deal with customers directly to contribute to the common goal of customer satisfaction. But our roles in it can be significant without doing so.

**COMPONENTS OF MARKETING STRATEGY AND THEIR IMPORTANCE**

The key components here are target market (a group of customers to satisfy) and product mix (product, price, place, and promotion). In real life, these components boil down to the following objective all businesses need to fulfill: to increase the number of customers so as to increase sales. To achieve this goal, the marketing strategy should give us tips on how to do that. In every particular situation we face in day-to-day life we have to find answers to specific questions. For example, to sell an accounting service like filing a personal income tax return we would need to determine what has to be done to attract customers (Product), what kind of office would be needed to deliver the service (Place), how much it would cost and what price would be right (Price), and what should be done to attract more customers (Promotion). It is easy to see that this pattern would have to be followed in every real-life situation. Even looking for a job we would have to be concerned with where we can work (Place), what we can do (Product), at what remuneration (Price), and how to attract employer's attention to be employed (Promotion). And in every case we would look for specific customers who need to have their income tax return filed and a specific employer who employees specifically like we are (Target market). So, one way or the other, the marketing strategy will work for our purpose. The question is just how to identify its components in specific terms as applied to every specific objective.

**UNCONTROLLABLE ENVIRONMENTS AFFECTING MARKETING DECISIONS BOTH DOMESTICALLY AND INTERNATIONALLY**

Unlike the 4P’s of marketing that can be controlled by us, some environments are uncontrollable by nature, because we just have no chance to influence them. They may include, for example, cultural, economic, legal, political, technological, and social environments. This should not mean, however, that we should let them control us without any response. To succeed, businesses have to re-adjust themselves and find the best ways to work in them. The important point is that we need not only identify them, but also try to see if there are new opportunities. For example, the changing demographics inside our country should make us look around to see how to readjust our products and services to different tastes and preferences. Internationally, we should always be aware of tariffs and quotas and estimate our competitive potential. Watching the changes we develop possible scenarios, make relevant decisions, and get ready to implement them. What can be the consequences of the war in Iraq for marketing decisions? Tremendous, to say the least of it. So there are a lot of things for marketing specialists to think of both internationally and domestically.

**IMPACT OF SUPPLY, DEMAND, AND ELASTICITY**

The supply, demand, and elasticity have a direct impact on marketing decisions. The low demand may point to the necessity for better promotion of products and services simply because the consumers may turn out to know too little about the product, or be unaware of it at all. There would be little wonder if our specific product is not in demand, even though our competitors sell the same one very successfully. What if we fail to sell fresh water in hot summer time? Such paradox is quite possible if we do not follow simple marketing principle of 4 Ps. In terms of marketing, demand should not be viewed as something static. Even as applied to fundamentally new products, it can be created through marketing decisions. To say nothing of basic needs like fresh water in hot summer. We just have to remember of 4 Ps. The idea of supply in marketing is especially important in terms of competition: if we fail to provide supply that meets demand, our competitors will do it for us fast enough to their own advantage. The idea of demand elasticity is also important in terms of marketing decisions. For example, inelastic demand for a product usually results from a lack of substitutes. For this reason, marketing decisions might be aimed at identifying or creating a new product or service to substitute for the one with inelastic demand.

**MARKET SEGMENTATION AND CONCEPT OF POSITIONING**

In simple terms, the idea of market segmentation (naming and segmenting) is how not to lose the focus. For this purpose, identifying most promising consumers is really a critical part of marketing activities. Would it be a reasonable decision for us to try selling air conditioners in Northern Territories and snow-removing equipment in South California? Hopefully not. The idea of positioning is also important in terms of consumers' psychology. With the diversity of products today, it becomes important to be able to have a proper understanding of consumer’s needs and attitude, to see what and why they need and how their needs are satisfied by the existing market.

**CONSUMER PRODUCT CLASSIFICATIONS, PRODUCT LIFE CYCLE, PACKAGING, AND BRANDING**

The idea of consumer product classifications is important in terms of understanding how they think of them and what can be the motivation to buy them. This understanding is really critical, because to project our own perceptions on what we want to sell should be the last thing to do. Since the human nature is really a complicated thing, therefore the accumulated knowledge and observations made by the marketing scientists can be really helpful in making decisions. This may apply to certain particular classes of consumers' products like convenience, shopping, specialty, and unsought products. The useful thing to realize is that in selling a specific product or service we need to take into account specific qualities they offer, in terms of both material and psychological implications. Branding is also an important factor in marketing decisions. The idea of branding is to win wider and steadier recognition, though in real life a brand would not necessarily ensure a desired quality. Yet it works and, therefore, should be taken into account for competitive considerations. One of the important real life implications here is that to sell a branded product we would have to think well of what kind of advantages might contrast our product or service against the competitor’s one. The product life cycle is especially important to in terms of planning of our marketing activities. For example, when dealing with a new product on the market it is important to be aware of the main stages of product’s life. The low sales at the introduction and market growth stages would affect our marketing decisions in many ways, specifically in terms of promotion approaches, pricing policies, scale of production, financing, risk taking, etc.

**CHANNEL INTERMEDIARIES**

Intermediaries, as an indirect channel of distribution, play a very important role in selling, which is one of most critical marketing functions. In real life it could hardly be possible to properly identify and effectively use all channels of distribution as they may represent quite complex ramifications of different channels. For example, for a small or medium-size production company it just might not be affordable to keep a large enough marketing department to deal with all problems of products distribution. Therefore, the services of intermediaries could be indispensable, even though they may take extra costs. Intermediaries help us cover larger market sectors. On the other hand, the value of intermediaries consists in their practical experience in trading. If our business is focused on production, we may need to concentrate more on production problems rather than trading, otherwise we lose the focus and there is always price to be paid for it. So the use of intermediaries might pay back.

**INTEGRATED MARKETING COMMUNICATIONS**

Integrated marketing communications may be defined as what we manage to achieve through all our efforts to promote a product or service. In simple terms, it might look like our ability to work out the right way to influence consumers using our communications skills. The practical approach (defined in theory as AIDA = Attention + Interest + Desire + Action) could be basically described as a complex process of informing and persuading. In other words, we need to design our messages to influence the consumers’ perception about our products. The importance of this ability in real life can hardly be overestimated. In today’s world of tough competition the communication process should be viewed as one of key elements of success. Life is full of practical examples of how the effective communication just works wonders. In a literal sense, the power of word can just be materialized. A dentist would not attract many clients without sending a specific message saying that he or she can do a good job, and accountant would not attract many customers and would not be employed by a company without convincing them he is a good specialist.

**PRICING OBJECTIVES AND POLICIES**

The important thing the marketing theory makes us understand about pricing is that it should not be viewed just as adding up the values of costs and markups guided by supply and demand. Such an approach would be incomplete to reflect the reality. The process, in real life, is much more complex. The real economic life makes us set various objectives and choose different policies. Reasons and objectives may be numerous. To win more customers we may need first to give them a chance to use our products at affordable prices to see, for example, that our product is in no way inferior to a similar branded one, or simply to increase sales. A lawyer or an accountant beginning a new business might choose to work harder at comparatively low prices for their services with an objective to gain more popularity and recognition. Or, besides competitive reasons there can be different motivations, such as survival. A monopoly may set prices without caring much about how it affects consumers’ interests because of inelastic demand for its products: in such a case a monopoly is just not interested in working harder, because the inelastic demand would reduce its efforts to zero. In other words, the economic reality requires us to be especially aware of the problem of pricing. Too many factors have to be taken into consideration, and, therefore, a very good understanding is needed to choose the right policies.

**CONCLUSION**

The most important conclusion regarding my learning outcomes in this course of study might be summarized as follows: the complex reality of today's economic life requires a comprehensive knowledge and profound understanding of the marketing theory. The great variety of specific marketing decisions the businesses have to make in day-to-day life always relies not only on our specific accumulated experience and skills, but also on our learning process and ability to filter and make use of specific marketing information in every particular case, be it a small family business or a large corporation.