**Marketing**

is the process of communicating the value of a product or service to customers. From a societal point of view, marketing is the link between a society’s material requirements and its economic patterns of response. Marketing satisfy these needs and wants through exchange processes and building long term relationships. The process of communicating the value of a product or service through positioning to customers. Marketing can be looked at as an organizational function and a set of processes for creating, delivering and communicating value to customers, and managing customer relationships in ways that benefit the organization and its shareholders.

Marketing is the science of choosing target markets through market analysis and market segmentation, as well as understanding consumer buying behavior and providing superior customer value.

There are five competing concepts under which organizations can choose to operate their business;

1. **production concept**

Management philosophy that buyers prefer goods and services which are cheap and widely available

1. **product concept**

A philosophy that a good product creates its own market, and does not require heavy marketing [expenditure](http://www.businessdictionary.com/definition/expenditure.html)

1. **selling concept**

The idea in marketing that if customers are left to themselves, they will not make the effort to buy a company's products. Therefore, it dictates, companies must be aggressivein pushing their sales.

1. **marketing concept**

Management philosophy according to which a firm's goals can be best achieved through identification and satisfaction of the customers' stated and unstated needs and wants.

1. **holistic marketing concept**

A marketing strategy that is developed by thinking about the business as a whole, its place in the broader economy and society, and in the lives of its customers. It attempts to developed maintain multiple perspectives on the company’s commercial activities.

The four components of holistic marketing are

1. **relationship marketing**,(**Relationship marketing** was first defined as a form of marketing developed from direct response marketing campaigns which emphasizes [customer retention](http://en.wikipedia.org/wiki/Customer_retention) and satisfaction, rather than a dominant focus on sales transactions)
2. **internal marketing**,(**Internal marketing** (IM) is a process that occurs within a company or organization whereby the functional process aligns, motivates and empowers employees at all management levels to deliver a satisfying customer experience)
3. **integrated marketing,**

Strategy aimed at unifying different marketing methods such as mass marketing, one-to-one marketing, and direct marketing. Its objective is to complement and reinforce the market impact of each method, and to employ the market data generated by these efforts in product development, pricing, distribution, customer service, etc.

1. Socially responsive marketing.

The set of engagements necessary for successful marketing management includes, capturing marketing insights, connecting with customers, building strong brands, shaping the market offerings, delivering and communicating value, creating long-term growth, and developing marketing strategies and plans.

**Types of Market Research**

Market research, as a sub-set aspect of marketing activities, can be divided into the following parts:

* Primary research (also known as field research), which involves the conduction and compilation of research for a specific purpose.
* Secondary research (also referred to as desk research), initially conducted for one purpose, but often used to support another purpose or end goal.

By these definitions, an example of primary research would be market research conducted into health foods, which is used *solely* to ascertain the needs/wants of the target market for health foods. Secondary research in this case would be research pertaining to health foods, but used by a firm wishing to develop an unrelated product.

Primary research is often expensive to prepare, collect and interpret from data to information. Nevertheless, while secondary research is relatively inexpensive, it often can become outdated and outmoded, given that it is used for a purpose other than the one for which it was intended. Primary research can also be broken down into quantitative research and qualitative research, which, as the terms suggest, pertain to numerical and non-numerical research methods and techniques, respectively. The appropriateness of each mode of research depends on whether data can be quantified (quantitative research), or whether subjective, non-numeric or abstract concepts are required to be studied (qualitative research).

There also exist additional modes of marketing research, which are:

* Exploratory research, pertaining to research that investigates an assumption.
* Descriptive research, which, as the term suggests, describes "what is".
* Predictive research, meaning research conducted to predict a future occurrence.
* Conclusive research, for the purpose of deriving a conclusion via a research process.

While there are many ways to perform market research, most businesses use one or more of five basic methods: surveys, focus groups, personal interviews, observation, and field trials. The type of data you need and how much money you’re willing to spend will determine which techniques you choose for your business.

**1. Surveys.** With concise and straightforward questionnaires, you can analyze a sample group that represents your target market. The larger the sample, the more reliable your results will be.

* In-person surveys are one-on-one interviews typically conducted in high-traffic locations such as shopping malls. They allow you to present people with samples of products, packaging, or advertising and gather immediate feedback. In-person surveys can generate response rates of more than 90 percent, but they are costly. With the time and labor involved, the tab for an in-person survey can run as high as $100 per interview.
* Telephone surveys are less expensive than in-person surveys, but costlier than mail. However, due to consumer resistance to relentless telemarketing, convincing people to participate in phone surveys has grown increasingly difficult. Telephone surveys generally yield response rates of 50 to 60 percent.
* Mail surveys are a relatively inexpensive way to reach a broad audience. They're much cheaper than in-person and phone surveys, but they only generate response rates of 3 percent to 15 percent. Despite the low return, mail surveys remain a cost-effective choice for small businesses.
* Online surveys usually generate unpredictable response rates and unreliable data, because you have no control over the pool of respondents. But an online survey is a simple, inexpensive way to collect anecdotal evidence and gather customer opinions and preferences.

**2. Focus groups.** In focus groups, a moderator uses a scripted series of questions or topics to lead a discussion among a group of people. These sessions take place at neutral locations, usually at facilities with videotaping equipment and an observation room with one-way mirrors. A focus group usually lasts one to two hours, and it takes at least three groups to get balanced results.

**3. Personal interviews.** Like focus groups, personal interviews include unstructured, open-ended questions. They usually last for about an hour and are typically recorded.

Focus groups and personal interviews provide more subjective data than surveys. The results are not statistically reliable, which means that they usually don't represent a large enough segment of the population. Nevertheless, focus groups and interviews yield valuable insights into customer attitudes and are excellent ways to uncover issues related to new products or service development.

**4. Observation.** Individual responses to surveys and focus groups are sometimes at odds with people's actual behavior. When you observe consumers in action by videotaping them in stores, at work, or at home, you can observe how they buy or use a product. This gives you a more accurate picture of customers' usage habits and shopping patterns.

**5. Field trials.** Placing a new product in selected stores to test customer response under real-life selling conditions can help you make product modifications, adjust prices, or improve packaging. Small business owners should try to establish rapport with local store owners and Web sites that can help them test their products.

**The marketing planning process**

The ***marketing planning*** process involves forging a plan for a firm's marketing activities. A marketing plan can also pertain to a specific product, as well as to an organization's overall [marketing strategy](http://en.wikipedia.org/wiki/Marketing_strategy). Generally speaking, an organization's marketing planning process is derived from its overall [business strategy](http://en.wikipedia.org/wiki/Business_strategy). Thus, when top management are devising the firm's strategic direction or mission, the intended marketing activities are incorporated into this plan. There are several levels of [marketing objectives](http://en.wikipedia.org/wiki/Marketing_objectives) within an organization. The senior management of a firm would formulate a general business strategy for a firm. However, this general business strategy would be interpreted and implemented in different contexts throughout the firm.

# Market segmentation

While there may be theoretically 'ideal' market segments, in reality every organization engaged in a market will develop different ways of imagining market segments, and create [product differentiation](http://en.wikipedia.org/wiki/Product_differentiation) strategies to exploit these segments. The market segmentation and corresponding product differentiation strategy can give a firm a temporary commercial advantage. Most market segmentations are the techniques used , to attract the right customer.

### Geographic segmentation

The market is segmented according to geographic criteria—nations, states, regions, countries, cities, neighborhoods, or zip codes. Geo-cluster approach combines demographic data with geographic data to create a more accurate profile of specific With respect to region, in rainy regions you can sell things like raincoats, umbrellas and gumboots. In hot regions you can sell summer wear. In cold regions you can sell warm clothes.

### Demographic Segmentation

Demographic segmentation consists of dividing the market into groups based on variables such as age, gender, family size, income, occupation, education, religion, race and nationality. As one might expect, demographic segmentation variables are amongst the most popular bases for segmenting customer groups. This is partly because customer wants are closely linked to variables such as income and age. Also, for practical reasons, there is often much more data available to help with the demographic segmentation process.

### Psychographic Segmentation

Psychographics is the science of using psychology and demographics to better understand consumers. Psychographic segmentation:consumer are divided according to their lifestyle, personality, values and social class. Aliens within the same demographic group can exhibit very different psychographic profiles..

### Behavioral Segmentation

In behavioral segmentation, consumers are divided into groups according to their knowledge of, attitude towards, use of or response to a product. It is actually based on the behavior of the consumer.