CHAPTER 1

Introduction to marketing

About this chapter

This chapter provides a basic introduction to marketing. It highlights key marketing concepts, which will be expanded upon in the rest of the text.

After reading this chapter, you will understand:

- The marketing concept.
- Marketing orientation as a business philosophy.
- Differences between marketing orientation and market orientation.
- The development and criticism of the marketing mix.
- Ethical issues relating to marketing.
- Benefits of e-marketing.

Marketing is essentially a simple process. Success stems from understanding customer needs. Given that this view makes intuitive sense, why complicate matters with the likes of segmentation, positioning, the 4Ps, the 7Ps and other associated jargon? The answer is that the concept is simple, but its implementation is highly complex and involves a range of interdependent variables. These variables must be given focus and direction in order to achieve the successful fulfilment of customer needs. Marketing is the means to provide such direction. Additionally, the provider must actually understand customers and their needs, as opposed to assuming they know what customers want. Marketing enables this understanding.

Therefore, marketing in its purist sense offers a mechanism that facilitates understanding, communication and the development of products as solutions to actual customer needs. Marketing is an interface between the provider and their customers.

1.1 What is marketing?

Numerous definitions of marketing exist:

> Marketing is a social and managerial process by which individuals and groups obtain what they want and need through creating and exchanging products and value with others. (Kotler *et al.*, 1999)

> Marketing is the management process responsible for identifying, anticipating and satisfying customers' requirements profitably. (Chartered Institute of Marketing – CIM)

> Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives. (American Marketing Association)

The above definitions would appear to place marketing as a process, which looks to facilitate exchanges. To be sustainable, such exchanges must be mutually beneficial. Economic prosperity depends on the generation of such exchanges, assuming the CIM definition of '*profitability*' can be defined in a non-accounting sense (e.g. benefit or value). All the definitions emphasize the generation of value. Value is the benefit each partner in the exchange seeks (e.g. money, support, prestige). It drives the exchange process (see Figure 1.1).

Figure 1.1 also introduces the concept of time-scale into the equation. To be successful, exchange relationships must endure over the long term. Short-term, or one-off transactions are sales, whereas building a long-term on-going exchange relationship is marketing.

1.2 Marketing as a business philosophy

A number of generic business orientations exist. These orientations provide an underlying route to business success. They highlight the fundamentally

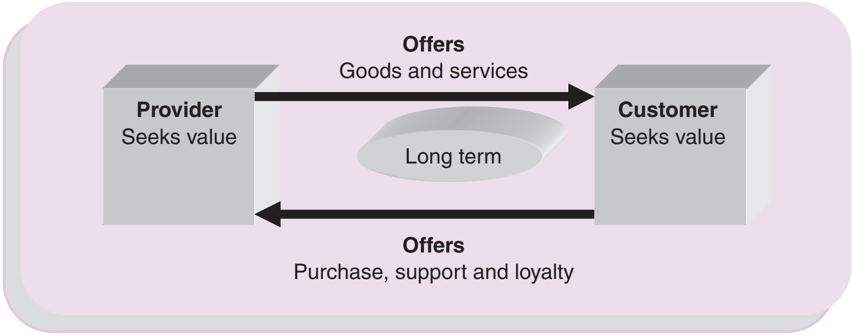

Figure 1.1
Long-term exchange relationships

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Illustrative example 1.1
Jazz^{fm}: exchange relationships

Radio station Jazz^{fm} provides a mix of music and intelligent presentation, including smooth jazz, blended with classic and contemporary soul. While having broad appeal during the day, the evening schedule offers many specialist shows covering numerous jazz styles. Jazz^{fm} has extended its activities into a Jazz^{fm} record label, events/concert booking and digital radio.

Media research shows a strong increase in audience figures, with over 1.4 million people tuning in each week. These listeners have, to use the marketing jargon, formed an exchange relationship with the company. Consider Figure 1.1. In order to form a viable exchange relationship, both provider and customers must offer something of value. So what is offered?

Jazz^{fm} provides more than just music. Head of marketing Nicola Thomson states: 'What unifies listeners – and attracts them to the station – is an attitude they identify with, which the brand and its presentation exemplifies; individual, intelligent, non-formulaic and unpredictable.' Strategically, Jazz^{fm} is a brand, based on a music format, that embodies an attitude and lifestyle. Listeners provide support, which drives audience figures – a key determinant for selling air-time to advertisers. Additionally, the audience provides a ready market for ancillary sales – music CDs, concert tickets etc.

most important element in business success. No one orientation is right or wrong. However, they may be inappropriate to a specific industry or business environment. Five basic orientations exist: production, product, financial, sales and marketing. Their key characteristics are summarised in Table 1.1.

Clearly all organizations will display elements of each. The question of orientation relates to which is the most significant for an organization. For example, no organization should neglect finance, but they may place greater (or lesser) strategic emphasis on marketing.

Adopting a marketing approach to business can generate many benefits, as products aim to provide solutions to specific customer needs. This approach:

- Generates products more likely to find a ready market.
- Encourages customer loyalty.
- Offers the opportunity to generate a price premium.

Table 1.1
Types of orientation

Orientation	*Key success factor*	*Characteristic*	*Example*
Production	Efficient production methods	Optimization of production and distribution methods/sytems in order to minimize unit cost and generate economies of scale and production volume	Commodity products where there is no differentiation, e.g. steel production
Product	Product quality and innovation of new ideas	The key focus is to generate innovative or superior quality products. Tends to be driven by technology as opposed to customer needs. The provider feels that good quality products 'sell themselves'	Leading edge technology-driven markets, e.g. biotechnology
Sales	Sales techniques and the ability to convince customers they have a need	Selling and promotional techniques are used to drive the business. Emphasis is on quick sales and sales volume. Often there is a need to convince customers that they need this product	Little/no differentiation, e.g. life insurance
Financial	Return on investment and rigorous cost control	A balance sheet approach is taken, where the organization is simply judged by financial return	Organizations engaged in a diverse range of activity, e.g. conglomerate
Marketing	Understanding and meeting customer needs	Success stems from providing products that will meet specific customer needs. The customer is the focal point of product development activity	Branded products where consumers are likely to have a preference, e.g. designer label fashion brands

- Keeps organizations in-touch with ever changing customer needs.
- Promotes awareness of competitors' actions and product offerings.
- Provides potential to create differentiation where none previously existed.
- Gives marketing a greater impact on strategic planning.

It should be noted that a marketing orientation is not confined to the marketing department (if the organization has such a thing). It is a corporate-wide approach, with all employees having a role to play in generating customer value. For example, the office cleaner plays their part by creating a clean and efficient working environment, where customer contact staff can deliver high levels of customer care. As a simple exercise consider how the following employees could contribute in creating satisfied customers: receptionist, invoice clerk, canteen chief and managing director. Many organizations run customer care programmes for all members of staff, as opposed to just those with direct customer contact roles.

Given that marketing requires a corporate-wide adoption, a need exists to develop the marketing into a workable business strategy. Narver and Slater (1990) were influential in the concept of market orientation (as opposed to marketing orientation). Market orientation can be defined as:

> The organizational culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers and, thus continuous superior performance for the business.

Narver and Slater proposed a model (see Figure 1.2) that identified the components of market orientation as:

- **Customer orientation** Understanding customers and creating valued solutions to actual customer needs.
- **Competitor orientation** Analysing the capabilities and ambitions of competitors.
- **Organizational culture** Developing employee behaviour and actions, which are customer focused.
- **Interfunctional coordination** Develop interaction between internal functional areas of organization which best serve customer need and satisfaction.

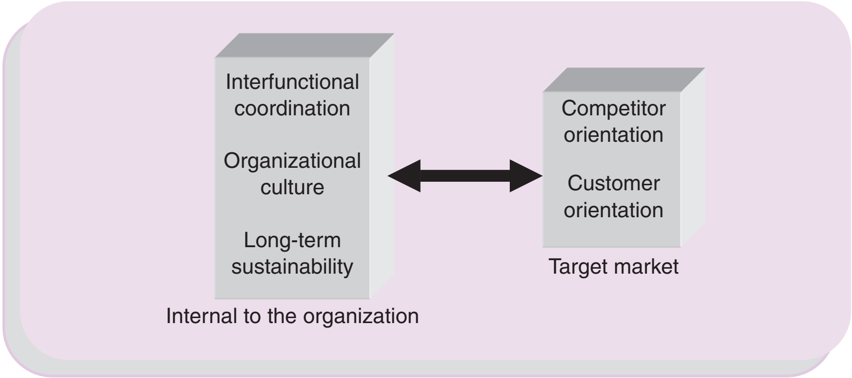

Figure 1.2 A model of market orientation

- **Long-term focus** Consideration of how the above can be sustained, and financially viable, over the long term.

Work by Kohli and Jaworiski (1990) supports the above view of translating marketing into a strategic orientation. Numerous studies (Jaworski and Kohli (1993) and Slater and Narver (1994)) have linked market orientation with enhanced organizational performance and associated internal benefits, such as increased staff morale.

Relationship marketing orientation

More modern approaches, relating to marketing orientation, have suggested a relationship marketing approach. This recognized the importance of retaining existing customers and developing relationships with stakeholder groups (e.g. suppliers, distributors, etc.). The theory is based on the premise of building a relationship as opposed to simply generating transactions.

1.3 Creating customer value and satisfaction

Market-led organizations aim to generate customer value and satisfaction. Success is based on the ability to selectively (within target markets) deliver levels of customer satisfaction that exceed those provided by competitors. A precursor to this process is a detailed understanding of one simple question – What market are we in?

Organizations need to examine their product offering from the customer's viewpoint and understand, not the product offering from a technical perspective, but rather in terms of the benefits that are perceived by the potential customer. By thinking like customers, marketing becomes an interface between the provider and consumer. Ultimately, customers want benefits and these benefits determine the level of customer value derived from a product offering.

Jobber (2001) defines customer value as being dependent on perception:

Customer value = Perceived benefits − Perceived sacrifice

Perceived benefits are determined by the product, associated services (e.g. delivery, maintenance, etc.) and association/relationship with the provider, whereas perceived sacrifices are factors like cost, risk/uncertainty and time involved in purchase.

Adcock, Halborg and Ross (2001) suggest customers may use an intuitive 3As framework in assessing potential benefits. These are:

- **Acceptability** Is this the right product and will it provide a solution to my need while delivering some benefit? A need can be seen as simply

Illustrative example 1.2
Burberry: product association creates value

The Burberry brand has long been associated with exclusive, discriminating fashion design. Both Humphrey Bogart and Audrey Hepburn wore Burberry raincoats in their classic films *Casablanca* and *Breakfast at Tiffany's*. The brand's instantly recognizable 'signature' plaid fabric can rightly be considered a contemporary design icon, and has been extended from clothing to bags, shoes, swim wear and perfume. In the late 1990s, supermodel Kate Moss was featured in Burberry's promotional campaigns.

From a marketing standpoint, the above associations create customer value. The perceived benefits of style, classic design and association with cult figures, both past and present, greatly outweigh the perceived sacrifice – presumably high purchase cost. However, disturbingly, Burberry seems to have become favoured by the football hooligan fraternity, with images of Burberry-wearing soccer 'casuals' creating mayhem splashed across the media. Could such an undesired association damage the perceived value within the company's target market?

something that is missing, desirable or necessary. Many different product types can satisfy a need. For example: if the need is transport, potential products solutions could be private car, taxi, bus or train. These possible solutions are then considered in terms of the remaining As, as follows.

- **Affordability** Is it available at the right price? Economic factors may override the most desirable option. For example, London has introduced congestion charging to access the road network in busy areas. This attempts to make the use of private cars less desirable. Additionally, affordability could be defined in psychological terms (e.g. stress, risk).
- **Availability** Do I have access to this product/service at a convenient time/place? Again, availability may override the desired option. A potential passenger may resort back to using their car due to problems associated with the reliability of the rail network.

Benefits are what the customer actually receives from a product and the product's provider. (Note, the term product is taken to cover both goods and services.) Satisfaction is determined by how well the product performs relative to expectations. It is critical to consider expectations. Expectation derives from how well the customer expects the product to perform. This is often determined by past experience, the experience of, or association with, others or marketing communications (e.g. brand image,

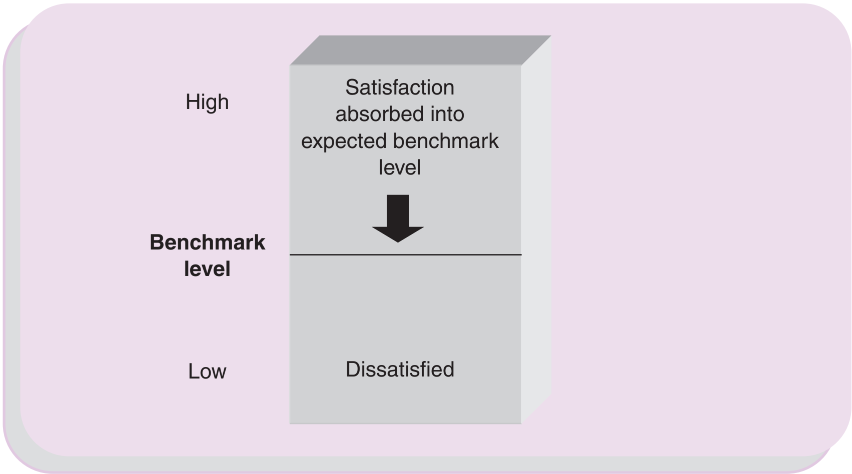

Figure 1.3
Customer satisfaction

advertising, sales promotion activity etc.). If expectation is higher than resulting benefits, the customer is likely to be dissatisfied. Conversely, satisfaction will exist when the benefits given by the product match or exceed the expected level. Hence it is important to manage expectation. A 'golden rule' of marketing is: never increase expectations above your ability to deliver. Additionally, marketing managers need to be aware that over time high levels of satisfaction become the norm. As opposed to adding value, satisfaction factors become an expected part of the basic product offering (see Figure 1.3). Customers will develop an expected 'benchmark' for acceptable levels of satisfaction.

1.4 An overview of the marketing mix

Given that the fulfilment of customer satisfaction is the key to business success, how do organizations achieve this? McCarthy (1960) suggested the concept of the marketing mix (the 4Ps) – product, price, place and promotion. These variables form the key elements within the marketing function, and can be adapted in order to generate, and sustain, customer satisfaction. Each 'P' contains various factors that can be emphasized to meet customer need. For example, price can be discounted depending on the target customer group. Remember, all elements of the mix are interrelated. A change in product formulation may need to be reflected in the promotional element of the mix. The 4Ps are the vital decision areas for marketing managers, as they offer controllable variables which can be innovatively applied to specific markets. Customers will view the marketing mix as an entirety, with all elements shaping perception. For example, a high-quality product will require a premium price to reinforce its desired market position.

In simple terms, marketing strategy involves splitting the market into like groups. This process is known as **segmentation**. Segmentation is the basis of much marketing – see later chapters. The target specific group is a specific marketing mix.

The following summarizes the key elements in the mix. Each will be discussed more fully in later chapters.

- **Product** As previously stated, products are solutions to customers' needs. The provider needs to make various product decisions, including functionality, range offered, brand names, packaging, service and support. The product is normally the critical element in the mix, with all other decisions relating to this element.
- **Price** This element determines what a provider is paid. Various price-setting models exist (see Chapter 7), with decisions relating to factors like market penetration, credit terms, discount policy and cost of provision. It should be noted that the price is not always paid directly by the consumer. For example, a charity may receive a government grant to provide services free of charge to worthy causes.
- **Place** Place is perhaps more readily described as distribution. It is about making the product available. Some form of structured network is normally required – a distribution channel. However, true marketing power may lie with the control of this channel as opposed to control of the product. For example, large supermarket chains can largely determine which goods are made available to the consumer.
- **Promotion** The promotional element of the mix provides communication with the desired customer group. A range of mechanisms can be deployed for this purpose; advertising, public relations, direct mail, Internet marketing, selling and sales promotion. The blend of methods is often referred to as the communications mix. Generally, promotion aims to make a target market aware of a product offering, develop a long-term relationship with the customer and create and stimulate demand. The effect of promotional techniques can be difficult to evaluate and organizations need clear aims and goals to obtain maximum benefit from a promotional budget.

Given that most developed economies are service-based as opposed to manufacturing-based, the mix can be adapted to consider elements particularly relevant to service-based product. Services display a number of characteristics, for example:

Intangibility The service is not a physical object which can be examined, rather it must be experienced. Therefore, evaluating quality and suitability prior to purchase can be difficult. For example, the only real way to evaluate a hotel is to go and stay there.

Inseparability Unlike physical goods, services are often consumed as they are produced. They are inseparable from the provider. For example, getting a haircut.

Perishability Normally, services cannot be stored. This means that service supply needs to be carefully matched to demand. For example, if a hotel room is not booked its sale is lost for that time period. However, a fully booked hotel may need to turn away potential customers.

The above characteristics spurred the need to adapt the mix for service-based products. To this end, the mix can be expanded to the 7Ps by adding:

- **Physical evidence** Given the intangible nature of services, customers look for reassurance relating to required benefits and quality. They look for physical evidence (e.g. ambience, fixture and fittings, appearance/attitude of staff, etc.) as an indicator of likely satisfaction.
- **Process** Process is the method by which the service is provided. It forms the facilitation element of the service offering, which deals with the customer at the point of contact. It covers request processes through to order fulfilment. In the Internet boom, during late 1990s, many 'dot.com' companies failed due to poor services processing and fulfilment.
- **People** Many services are people-based, therefore the quality of provision is totally dependent on the people providing the service. Their skills, attitude and motivation determine if the customer/staff interaction is positive or negative. Hence, people are an essential element of the marketing mix. Staff recruitment, training, development and empowerment to deal with problems become a critical element in ensuring a positive customer experience.

Table 1.2 summarizes key elements of the marketing mix.

1.5 Criticism of the marketing mix

While the mix provides a 'backbone' to marketing theory, which is both memorable and practical, it is not without its critics. Like any academic theory, the marketing mix does need to evolve in line with the business environment (e.g. the 7Ps for service marketing), and while criticism is both valid and healthy, it does not negate the importance of the concept. Common criticisms are:

- The 4Ps make no direct reference to forming, and sustaining, long-term relationships. If such relationships are critical to business success, why are they not directly addressed?

The '4P's' marketing mix	
Product	**Price**
Product range	Pricing model
Product performance	Discount policy
Branding	Credit terms
Packaging	Non-financial cost
Design	
Service support	
Place/distribution	**Promotional**
Channel selection	Advertising
Support supplied by channel members	Sales force
Market/customer coverage	Direct marketing/On-line
	Public relations

The 7Ps extended marketing mix		
Physical evidence	**Process**	**People**
Market tangible assets	Fulfilment	Recruitment
Taken as quality measure	Administration	Training/skills
		Interaction with customers

Table 1.2
Key decisions relating to the marketing mix

- The mix can promote a view of product, price, place and promotion as being separate entities, as opposed to the integrated product offering most customers evaluate.
- Internal resource constraints need to be considered, and without active acknowledgement of such factors the inappropriate combinations of marketing mix variable may increase customer expectation beyond the organization's ability to deliver.
- Application of the 4Ps can promote standardization, or mass production, at a time when society increasingly values individuality.
- The mix can be viewed as manipulative. The right combination, and intensity, of factors could pressure the buyer into purchase.

1.6 Making the marketing mix effective

The above criticisms are more likely due to poor application of the concept, as opposed to any intrinsic flaw in the idea. Therefore, we need to

Figure 1.4
Making the mix effective

ensure optimum use is made of the 4Ps, and its extended version. Figure 1.4 summarizes the factors that are normally deemed to create an effective marketing mix. Consider the following points, when reading the Ryanair illustrative example.

- **Competitive advantage** A competitive advantage is the generation of distinctive competencies relative to the competition. The key factor is to create an advantage, which creates customer value and is sustainable. Porter (1980) argues that there are two fundamental routes to competitive advantage: (1) cost leadership – pursuing the lowest possible operating cost within an industry; and (2) differentiation – creating a unique product offering which is seen by consumers as differentiated from the competitors. Commentators (e.g. Fuller and Goodwin, 1988) point out that these routes are not mutually exclusive and can be pursued in parallel. In developing a competitive advantage, it is important to consider internal resources. A company lacking in key skills, or financial resources, may be unable to sustain the desired competitiveness. A provider may be well advised to concentrate its resources in a limited range of markets, as opposed to spreading resource too thinly.
- **Meeting customer expectations** As stated above, expectations are vital to marketing success. Organizations need to segment and target specific customer groups, and then use the mix to create value. It is important to understand how customers evaluate rival product offerings. The aim is to score higher than competitors in the areas of greatest value to the consumer. For example, if customers place greatest value on economic criteria the organization would aim to be a price leader. However, if image, service and exclusivity were considered more important, a differentiation strategy would be followed, stressing branding image, service level and exclusivity (see the Ryanair example).
- **Integration of mix** The final component of effectiveness is to ensure the mix is well integrated. All the elements should support each other

Illustrative example 1.3
Ryanair: an effective marketing mix

Ryanair has become the third largest airline in the world, by market capitalization. Chief executive Michael O'Leary transformed the company by understanding customer need and applying fundamental business principles to a once-failing airline. Taking on board lessons learned at Southwest Airlines, Ryanair was developed into a cheap, no-frills operation, giving customers what they wanted – affordable air fares. Ryanair cut its costs at every opportunity and developed a low cost business model that provides customer value.

Consider Ryanair in terms of the above principles of making the marketing mix effective:

1 **Competitive advantage** The company has a clear low cost competitive advantage. Costs are minimized at all stages of the operation. While flying to popular destinations, Ryanair picks secondary airports. Such airports are far cheaper to operate from, and in some cases even pay Ryanair to fly there. Flying from Stansted as opposed to Heathrow saves an estimated £3 per passenger. Having aircraft on the ground is expensive, therefore Ryanair has perfected fast-turnarounds. Turnaround times are estimated to be half those of British Airways. Like most airlines, aircraft purchase represents a major cost outlay. O'Leary is credited with obtaining substantial discounts from Boeing. He states: 'I wouldn't even tell my priest what discount I got off Boeing!'.

2 **Meeting customer expectations** Ryanair is a 'no-frills' operation. As such, it provides a basic service at a highly competitive price. For example, unlike traditional airlines, passengers must pay for food and drink. The effect is to keep operating costs down, and turn a potential cost into a source of revenue. At check-in, Ryanair does not allocate seats. This speeds up boarding. Most customers feel the basic service is more than compensated for by the price paid.

3 **Integration of the mix** The company displays a well-integrated marketing mix, with low cost operations a key focal point. Consider promotional activity: Ryanair does not use an advertising agency. It does the work in-house, with simple newspaper and poster adverts emphasizing low fares. In terms of distribution, the company does not use travel agents. Tickets are booked directly, via the Internet. This saves Ryanair 15% of the ticket price. Additional revenue is generated by commission on car hire, hotel bookings, etc., made through the Ryanair website.

and have a common theme, which relates to the desired competitive advantage. The entire marketing mix provides a package of benefits to the consumer, and as such the benefits should be communicated by all mix elements. For example, a high price supports the assertion of a quality product.

1.7 Marketing and ethical issues

The 1990s saw the issue of ethics and corporate responsibility gaining prominence in the business world. Moral and ethical behaviour was no longer a peripheral issue. Rather, it became a 'cornerstone' of corporate policy. This was driven by numerous factors: increased consumerism (organized group pressure on behalf of consumers), legislative framework that enforced responsibility, increasing levels of management education and research linking ethical behaviour to positive business performance. Many situations required markers to make moral judgement, while faced with conflicting commercial pressures and priorities. Ethics involves the application of moral principles as a guiding framework for business decision-making.

Lambin (2000) defines ethical marketing as the organization embracing an accountable marketing concept that

> defines clearly the rules of ethics it intends to follow in its relationships with the market.

This includes three main actions. First, replacing objectives relating to short-term satisfaction with objectives considering the well being of customers. Secondly, the organization needs to define, communicate and ensure implementation of internal rules of ethical conduct. Finally, the organization recognizes that being ethical may sometimes involve a trade-off with profit. Reidenbach and Robin (1991) identify several types of ethical behaviour within the organization. They term the final stage of this development as 'developed ethical' – the organization has a clearly articulated values statements, communicated, accepted and implemented by everyone in the organization.

The costs of non-ethical behaviour are summarized by Laczniack and Murphy (1993) as being:

- **Personal cost** The individual can pay both a psychological (e.g. crisis of conscience) and financial cost (e.g. loss of employment) for unethical behaviour.
- **Organizational cost** When ethical violations become public the price may be heavy – legal prosecution, loss of goodwill and consumer boycotts.
- **External cost** Society in general can pay the price of non-ethical behaviour – pollution, waste and negative economic impact.

Societal marketing

No discussion of ethics is complete without the consideration of societal marketing. Here marketing approaches and techniques aim to enhance

Illustrative example 1.4
Greenpeace: consumerism protects the forests

Environmental group Greenpeace has launch its 'Save or Delete' campaign, aiming to save some of the world's most ancient forests. The campaign highlights the threat to the world's rainforests and encourages consumers to buy wood and paper products bearing a Forest Stewardship Council logo. The logo denotes socially responsible environmentally based forest management. By providing such information and developing specific campaigns, organizations such as Greenpeace act as a vehicle for active consumerism.

the well being of society in general. Marketers can benefit society via the marketing of social ideas, concepts and values. Philip Kotler called for the marketing mix to include long-term consumer welfare.

1.8 e-Marketing perspective

Technology has had a fundamental impact on all aspects of business. Many of today's marketing activities are shaped by, and largely depend on, technology. e-Marketing encompasses all aspects of technology: Internet, database applications, text and mobile phone messaging.

e-Marketing is no different from any other form of marketing. It must be customer-orientated. However, the technology provides a massive leap both in capacity and capability. The benefits to the organization can be summarized as follows:

- **Lower costs** On-line transactions can mean substantially lower operating costs. For example, admin, people and promotional costs can all be reduced by Web-based sales processing.
- **Market access** It is possible to target/access new markets via new technology. For example, text messaging allows more direct communication with a desired target group, with the potential to customize promotional activity. The use of interactive technology can support marketing communication. For example, a retailer can place their catalogue on-line, allowing potential buyers to search for and combine items.
- **Market research/information** Information can be rapidly processed and drawn from a variety of sources to provide a comprehensive understanding

Illustrative example 1.5
***The Sunday Times*: new media for new readers**

The Sunday Times is reported to be developing plans to include a regular monthly CD-Rom in its traditional Sunday newspaper package. Known as 'The Month', the CD-based section will provide interactive entertainment (films, music, TV, etc.) coverage. From a marketing perspective, this format aims to reach a younger readership. Such readers have grown up in the digital/Internet age and regard traditional newspaper formats as outdated.

of customers. Data mining techniques allow the analysis of large-scale databases in order to determine potentially valuable links, associations and relationships. Statistical techniques can model and predict customer behaviour. Systems can be developed to aid customer relationship management (CRM). These relationship management systems provide an integration of all aspects of customer service and aim to build mutually beneficial relationships with customers. For example, Amazon, the Internet book retailer, uses CRM to suggest other titles buyers might be interested in.

Summary

Marketing is a process that satisfies customer needs via long-term exchange relationships. Marketing, and market orientation, promote the concept as a strategic business philosophy. Market orientation considers customers, competitors and interfunctional coordination over the long-term.

Customer value is based on perceived benefits. Such benefits are delivered via the marketing mix (the 4Ps), with mix being extended for service base products (the 7Ps). Customers tend to make decision based on acceptability, affordability and accessibility. The mix does have its critics. However, criticism is normally due to poor application of the concept, as opposed to any fundamental flaw. To be successful, the mix needs to (1) meet customer expectations, (2) deliver competitive advantage and (3) have a degree of integration.

Ethical issues have come to prominence in marketing. This is driven by consumerism, legal frameworks and good business practice. e-Marketing offers great potential to markers. It can cut costs and open up new opportunities.

Discussion questions

1. Critically review the CIM definition of marketing.
2. Using Illustrative case 1.1: Jazz^{fm}, apply both a sales and marketing orientation. Which one fits best, and why?
3. Consider a recent purchase you have made and apply the marketing mix to this.
4. Porter cites two ways to gaining competitive advantage, cost leadership and differentiation. Select two organizations and discuss the appropriateness of the above strategies to each company.
5. Consider the criticisms of the marketing mix. How valid do you feel these are?

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