

1. Define marketing.

- A. Marketing is a set of organizational functions for creating value for customers and managing customer relations that benefit both the organization and stakeholders.

2. Distinguish between a “market-driven” and a “market-driving” approach.

- A. A market driven approach gives consumer what they want, perfect for products containing high product familiarity. Assumes buyers evaluate choices based on fixed choices.
- B. A market driving approach sets out to “educate customers learn what they want. Assumes buyers can learn and evolve with new value and concepts. Regardless of method used both must match up with customers and satisfy needs.

3. What is value?

- A. Value is the consumer’s assessment of a product’s utility based upon what is given up for what is received. It is a ratio of perceived benefits to price. Benefits customers consider include usefulness, durability, simplicity, ability to perform as promised, etc. Intangible benefits must be factored in too. Safety, security, and peace of mind appeal to certain customers

4. How does marketing add value to an organization?

- A. Marketing creates value by bring buyers and sellers together and by offering different types of *utilities*. See #7 for more detail on “utility”.

5. Describe three characteristics supporting a marketing-oriented approach.

- A. Collecting and understanding info on customer needs.
- B. Share information across departments.
- C. Use gained insights to create customer value in a manner that is superior to competitor’s offerings.

6. Describe two limitations to the marketing oriented approach.

- A. Developing truly innovative products can be difficult. I.e. creating the next Ipod.
- B. In developing innovative products, market opportunity can pass during analysis.