O Chapter (2) Marketing, market, Production Marketing ● Marketing is the activity, and processes for creating, communicating, delivering, exchanging and offers that have value for customers, clients. . What Are the 4 Ps of Marketing? 4P Marketing What Is Marketing? + IIII Product 0000 Price Place Promotion 1. Product Refers to an item or items the business plans to offer to customers. The product should seek to fulfil an absence in the market or fulfil consumer demand. 2- Price Refers to how much the company will sell the product for. ● When establishing a price, companies must consider the unit cost price, marketing costs, and distribution expenses. 3- Place ● Refers to the distribution of the product. ● Key considerations include whether the company will sell the product through a physical storefront, online, or through both distribution channels 4- Promotion: . The fourth P, is the integrated marketing communications campaign. ● Promotion includes a variety of activities such as advertising, selling, sales promotions, public relations, direct marketing, sponsorship, and guerrilla marketing.Guerrilla Marketing Kicke Market A market is where buyers and sellers can meet to facilitate the exchange or transaction of goods and services. The market establishes the prices for goods and services. These rates are determined by supply and demand. The idea of supply and demand is one of the very basics of economics. The sellers create supply, while buyers generate demand. Buyer and Seller Buyers: Is a person who purchases(buy) goods or services for personal or business reasons There are four types of buyers: 1. Private buyers: They are individuals who purchase a property for their own personal use. 2. First-time buyers :They are just that people who are buying a property for the very first time." 3. Trade buyers:They are usually developers or builders 4. who buy properties to renovate or redevelop them. Institutional investors: They are large organizations that purchase properties for investment purposes. Sellers: Refers to a party that offers a good, service, or asset in return for payment. A seller can be: an individual. *Corporation. Government. Or any other entity. There are three types of sellers : 1.Wholesalers :These sellers deal with large quantities and sell in bulk They sell their wares to retailers who then decide on a final price that is paid by the consumer. 2. Retailers :These entities sell directly to the consumer. The goal of retailers is to make a profit between what they pay to wholesalers and what they receive from their customers. 3. Online Sellers: Also called online vendors, these sellers work exclusively online without any brick-and-mortar locations Many of these are large virtual marketplaces where smaller entities can sell their goods and services, such as Amazon. Types of Markets 1. Physical market is a set up where buyers can physically meet the sellers and purchase the desired merchandises() from them in exchange of money. Ex: Shopping malls, department stores, retail stores. 2. Non-Physical Markets: In such markets, buyers purchase goods and services through internet. In such a market the buyers and sellers do not meet or interact physically, transaction can be done through internet. Examples - Noon, Jumia, eBay, Amazon. Marketing and Consumer Marketing: ● Business Marketing (B2B) Refers to the sale of either products or services or both by one organization to other organizations. Like Office furniture. ● Consumer Marketing (B2C) Refers to the transaction of goods and services between organizations and customers. Products in consumer market are categorized into: - Fast Moving Consumer Goods: which are items that are sold quickly to the end-users generally at nominal costs as soft drinks. -Consumer Durables which are Goods that a consumer uses for a amount of time rather than consuming in one use as Television, CD Players, Radio - Soft Goods which goods or products which have a shorter lifecycle and their value decreases after every use like shirts, clothes, ٢٥Competitive advantage A competitive advantage enables a company to perform better / ١٥-٩ .shoes than its competitors. It refers to factors allowing a company to produce services or goods better or for less expense than the competitors, which may generate more sales or higher profit margins (R&D manager). Competitive advantage strategy Broad scope (competing in many customer segments) Narrow scope (competing in a selected customer segment or group of segments). This yields three basic strategies. 1-Porter's Cost Leadership Strategy ● Aims to achieve a competitive advantage by offering products or services at a lower cost than competitors while maintaining a reasonable (J)level of quality. (China products) 2-Porter's Differentiation Strategy ● Seeks to create a competitive advantage by offering unique and distinct products or services. ● This strategy revolves around presenting customers with something extraordinary (), through innovation, quality, branding. (MC delivery,Apple, Branding) & Strategy tbon 00 nosec Strategy Suc UsineSale Get St egs GBowt Lenes Grow Strategy:eg Growt OCCI Solutions gece ales S 68 6 Busin Success 68666 Business eB GreStrategy lutions Bb6nes Success on So Sales Sol 1050 owth Suc estésbe Strategy ewe 61 Business St Gatet GE6wes Octab gate5818 eer Gabe 3-The Focus Strategy is divided into two sub-strategies : ● Cost Focus: Centers on serving a particular market which focus on cost efficiency. Companies adopting this approach seek to offer products or services at lower costs than competitors. ● Differentiation Focus: It revolves around standing Production ● الإنتاج .out within a specific market by offering distinctive and unique products or services Production is the process of making or manufacturing goods and products from raw materials or components. In other words, production takes inputs and uses them to create an output Factors of production . Factors of production is an economic term that describes the inputs used in the production of goods or services to make an economic profit.Four Factors of Production Land Labor Capital Entrepreneurship Factors of production ● Land includes any natural resource used to produce goods and services; anything that comes from the land. (water, oil, natural gas, coal, and forests). Land resources are the raw materials in the production process. These resources can be renewable, such as forests, or nonrenewable such as oil or natural gas. ● Labor is the effort that people contribute to the production of goods and services. Capital J as the machinery, tools and buildings humans use to produce goods and services. Capital differs based on the worker and the type of work being done. For example, a an examination room to provide doctor may use medical services. Your teacher may use An رائد الاعمال textbooks, desks, and a whiteboard to produce education services. is a person entrepreneur who combines the other factors of production - land, labor, and capital - to earn a profit.. Four Factors of Production: Examples In economics, factors of production are the resources people use to produce goods and services. Land Includes any natural resource. DE Capital Includes machinery, tools and buildings. Labor The effort that humans contribute. Entrepreneurship Combines land, labor and capital in new ways FEDERAL RESERVE BANK of ST. LOUIS Production Functions Land Cars Labor Inputs Outputs House Capital Food Entrepreneurship ComputersManufacturing Vs Service Manufacturing is the production of goods that are used by the people. In manufacturing, there is no direct contact with the end users Services refer to industries that do not produce goods but provide .invaluable services to the people such as health services, hospitality, aviation, banking, and so on