

Marketing

European Institute of Innovation, Entrepreneurship and Technology
Lessingstraße 79, 13158 Berlin, Germany

Dr. Leul Girma| Berlin



**Lessingstraße 79,
13158 Berlin, Germany
Phone: +49 30 233618555
Fax: +49 30 233618556
Email: info@eiiet.com**

Discover the world of eiIET

Course & Class Inform

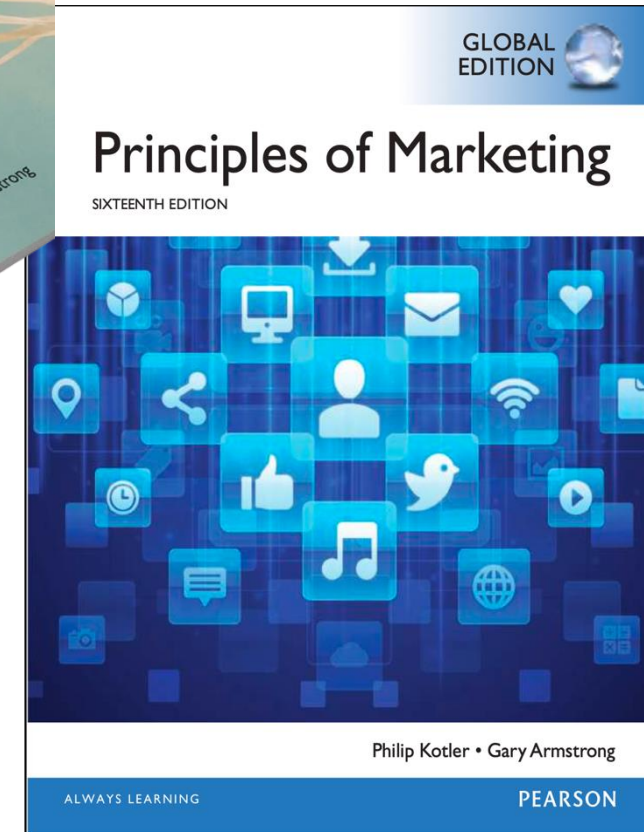
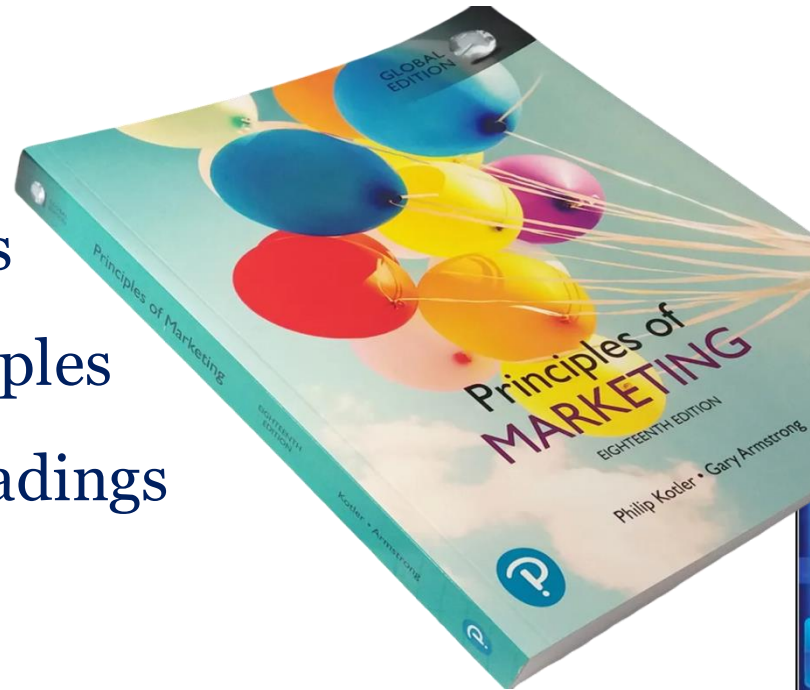
- **Course:** Marketing
- **Program:** Bachelor's in Business Administration and Management
- **Credits:** 6 ECTS
- **Mode:** Onsite / Blended
- **Class 1:** Introduction to Marketing & Value Creation
- **Instructor:** Dr. Leul Girma

Main Teaching & Learning Materials

- Core textbook
- Instructor lecture slides and notes
- Case studies and real-world examples
- Academic articles and selected readings

Digital resources:

- Company websites and annual reports
- Online marketing platforms and tools
(e.g., Google Analytics demos, social media dashboards)



Objective and Learning Outcomes

Objective:

- To introduce students to the **fundamental concept of marketing**, the creation of customer value, and the strategic role of marketing within organizations.

By the end of this class, YOU will be able to:

- Understand the role of customer needs, wants, and demands in marketing
- Explain the concept of customer value
- Distinguish marketing from selling
- Describe the marketing process at a foundational level
- Define marketing and explain why it is important for organizations
- Recognize how marketing contributes to organizational success

Foundations of Marketing



Discover the world of eiIET

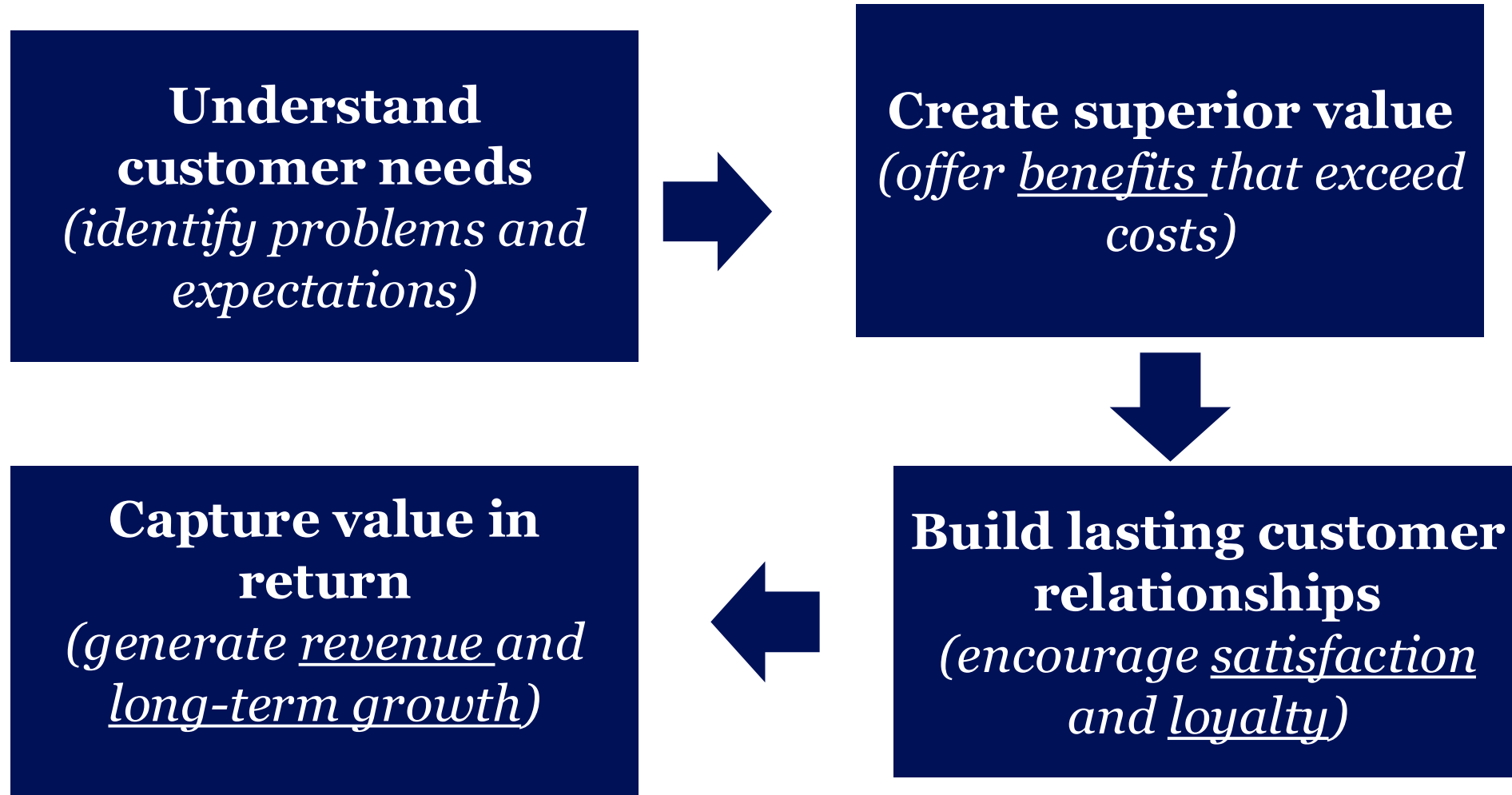
What is Marketing?

“Marketing is a **social and managerial process** by which individuals and organizations obtain what they **need and want through creating and exchanging value** with others.” *(Kotler & Armstrong, 2020)*

Key Ideas:

- Marketing is a **process**
- Marketing involves **exchange**
- Marketing is **centered on value**
- Marketing addresses **needs and wants**

The Core Purpose of Marketing



At its heart, marketing is about creating customer value.

Marketing vs. Selling Orientation

Selling Orientation

A business approach focused on **promoting and selling existing products to generate short-term sales** (*Kotler et al., 2021*).

Marketing Orientation

A business philosophy **centered on understanding customer needs and creating superior value to build long-term relationships** (*Kotler et al., 2021*).

Key difference

- Selling focuses on the **seller's needs**.
- Marketing focuses on the **customer's needs**.
- Selling is a **short-term** engagement.
- Marketing a **long-term** engagement.

Core Logic

Selling Approach



Marketing Approach



“The goal of marketing is to make selling unnecessary.”
— Peter Drucker

Modern View of Marketing

Modern marketing focuses on creating **value for customers** and building **strong customer relationships** to **capture value from customers in return** (*Kotler et al., 2021*)

The Value Framework



Marketing is not about finding customers for your products — it is about finding products for your customers.

Understanding Customers



Discover the world of eiIET

Needs, Wants, and Demands (NWD)

Needs, wants, and demands are **foundational concepts** in marketing that explain **how customers desire products and how markets are formed.**
(Kotler et al., 2021)



Needs

Needs are fundamental human requirements that drive individuals to seek products or services **capable of providing satisfaction** (*Kotler et al., 2021*).

Key Characteristics

- **Universal and essential** for human functioning
- Exist **independently of marketing** efforts
- Motivate **consumer behavior**
- Form the basis of **market demand**

Effective marketing begins with recognizing and understanding customer needs.



The need to communicate is fundamental to human interaction. Companies respond by developing solutions such as cell phone, and messaging platforms.

Wants

Wants are **specific desires** for products or services that **satisfy underlying needs**, influenced by culture, society, and individual preferences. (Kotler et al., 2021)

Key Characteristics

- Shaped by **culture and social environment**
- Influenced by **lifestyle and personal preferences**
- Can **change over time**
- Often shaped by **marketing and innovation**

While needs are limited, wants are diverse and continuously evolving.

Some consumers desire smartphones **with advanced features** such as high-speed performance, superior cameras, **to enhance their communication experience.**



Demands

Demands represent customers' **willingness and financial ability to purchase** specific products or services (*Kotler et al., 2021*).

Key Characteristics

- Combine **desire with purchasing power**
- Translate **preferences into actual buying behavior**
- Signal **real market opportunities**
- Influence **pricing and product strategies**

Desire alone does not create markets — purchasing ability does.



When the consumer is **both willing and financially able to buy** the device, the **desire becomes market demand**.

Value Creation



Create Value

Creating value refers to a company's ability to **understand customer needs, want or demand and develop products or services** that provide **benefits greater than the costs incurred by the customer** (Kotler et al., 2021).

How Companies Create Value

- Identify **customer needs, want or demand and problems**
- **Design** products and services **that solve those problems**
- Develop **meaningful value propositions**
- **Differentiate from competitors**

Customers choose the offering that delivers the greatest perceived value.



Creates value by offering a **vast product selection with fast, reliable delivery.** Its convenience and customer-centric approach reduce time and effort for shoppers.

Customer Value

Customer value is the customer's **evaluation of the difference between the benefits and the costs** of a product **compared with alternative offerings** (Kotler et al., 2021)



Value is determined by the customer — not the company.

It's subjective Different customers may perceive the same product differently.

Deliver Value

Delivering value refers to the processes through which a **company makes its products or services accessible to customers** and ensures that the **promised benefits are effectively experienced** (*Kotler et al., 2021*).

How Companies Deliver Value:

- Develop **efficient distribution channels**
- Ensure **product availability at the right place and time**
- Provide **consistent quality and service**
- Manage **customer experience across touchpoints**

Creating value is not enough, customers must be able to access and experience it.



Delivers value through **beautifully designed stores**, knowledgeable staff, and a seamless online ecosystem. This integrated experience ensures customers easily access, purchase, and use its products.

Capture Value

Capturing value refers to a **company's ability to obtain benefits from the value it creates for customers**, typically through **revenue, profits, and long-term customer loyalty** (*Kotler, et al.,2021*).

How Companies Capture Value:

- **Set pricing strategies** that reflect perceived value
- Generate **revenue through sales and subscriptions**
- Build **customer loyalty and retention**
- Increase **customer lifetime value**

When customers perceive strong value, they are more willing to pay and remain loyal.



Captures value through a **subscription model** that generates recurring revenue. **High customer satisfaction** encourages retention and supports **long-term profitability**.

Competitive Advantage

Competitive advantage is the **ability of a company to deliver greater value to customers than its competitors** (*Kotler et al., 2021*)

Companies Achieve Competitive Advantage Through:

- Offering **superior benefits**
- Providing **lower costs**
- **Differentiating** products or services
- Delivering **exceptional customer experiences**



Some brands compete by offering advanced features and strong brand image. Others compete by providing reliable performance at a more affordable price. **Both approaches** aim to deliver **greater value** to their target customers.

Marketing as an Organizational Process



Discover the world of eiIET

The Marketing Process

The marketing **process** is the **sequence of activities** through which organizations **create** value for customers and **build** strong relationships to **capture** value in return it can be organized in **five steps** (*Kotler et al., 2021*)

Understand the marketplace and customer needs

Design a customer-driven marketing strategy

Develop an integrated marketing program

Build profitable customer relationships

Capture value from customers

Marketing Mindset



Marketing Management Philosophies

Marketing management philosophies are the **guiding principles that shape how organizations approach markets, customers, and value creation** it also can be organized in **five steps** (*Kotler et al., 2021*)

Production Concept Focus: Efficiency and large-scale production

Product Concept Focus: Quality, features, and innovation

Selling Concept Focus: Aggressive promotion and sales efforts

Marketing Concept Focus: Customer need delivering superior value

Societal Marketing : Long-term customer well-being and societal welfare

McDonald's

McDonald's demonstrates a **production concept focus on efficiency and large-scale production** through standardized cooking processes and highly optimized operations. This approach enables fast service, consistent quality, and global availability.

Key Point: Operational efficiency enables mass distribution.



Dyson

Dyson demonstrates a **product concept focus on quality, features, and innovation** through heavy investment in research and engineering. Its appliances are designed to deliver high performance and technological improvement compared to traditional alternatives.

Key Point: Innovation and product performance drive customer preference.



Insurance Industry

Many insurance companies demonstrate a **selling concept focus on aggressive promotion and sales efforts** by actively reaching out to potential customers through calls, advertisements, and direct sales agents. Because insurance is rarely purchased spontaneously, firms rely heavily on persuasive communication to stimulate demand.

Key Point: Strong promotional efforts are used to convince customers to buy.

Amazon

Amazon demonstrates how firms **build profitable customer relationships** by focusing on convenience, reliability, and personalized services. Features such as fast shipping, easy returns, and tailored recommendations enhance customer satisfaction and encourage repeat purchases.

Key Point: Strong relationships increase customer loyalty and support long-term profitability.



Patagonia

Patagonia demonstrates a **societal marketing focus on long-term customer well-being and societal welfare** by prioritizing **environmental responsibility**. The company uses sustainable materials, promotes product repair instead of replacement, and actively supports environmental initiatives.

Key Point: Business success can align with protecting society and the environment.



Role of Marketing in Organizations

Marketing plays a **central role in organizations by identifying customer needs** and ensuring that products and services deliver value effectively (*Kotler, et al., 2021*)

It's Important to:

- **Connects the organization with its customers**
- **Helps identify market opportunities**
- **Guides product and service development**
- **Supports customer satisfaction and retention**
- **Contributes to sustainable business growth**



Key Takeaways

- **Marketing is about understanding customer needs and creating value.**
- **Needs, wants, and demands form the foundation of market behavior.**
- **Customers choose products that deliver the highest perceived value.**
- **Companies achieve competitive advantage by providing superior value.**
- **Marketing connects organizations with their customers.**

Thank you



**European Institute of Innovation,
Entrepreneurship and Technology**

Lessingstraße 79,

13158 Berlin, Germany

Phone: +49 176 55524449

Discover the world of eiIET