**Core Marketing Concepts**

Marketing can be further understood by defining the core concepts applied by marketing managers.

1. **Target Markets and Segmentation**A marketer can rarely satisfy everyone in a market. Not everyone likes the same soft drink, automobile, college, and movie. Therefore, marketers start with market segmentation. They identify and profile distinct groups of buyers who might prefer or require varying products and marketing mixes. Market segments can be identified by examining demographic, psychographic, and behavioral differences among buyers. The firm then decides which segments present the greatest opportunity—those whose needs the firm can meet in a superior fashion.
2. **Needs, Wants, and Demands**The successful marketer will try to understand the target market’s needs, wants, and
demands. Needs describe basic human requirements such as food, air, water, clothing,
and shelter. People also have strong needs for recreation, education, and entertainment. These needs become wants when they are directed to specific objects that might satisfy the need. A person in Pakistan needs food but wants a mango, rice, lentils, and beans. Clearly, wants are shaped by one’s society. Demands are wants for specific products backed by an ability to pay. Many people want a Mercedes; only a few are able and willing to buy one.

**NEED**

Needs can be described as human requirements. Need is there and its natural. We need food to satisfy our hunger, water to quench out thirst. Of course need can be more than just food, water and shelter. We need recreation, education, entertainment and lots of other things to sustain our living.

**WANT**

Need becomes Want, when they are directed towards a specific object. When hungry we need food; but we want say a burger. Want can vary from place to place and from people to people. A man in USA can want a burger to eat when hungry whereas a man in Pakistan needs a ‘Nan”. Want can be different at different income levels and in various times.

**DEMAND**

Want becomes a demand when backed up by an individual’s ability to pay for it. A hungry person can want a burger, but does he have money to demand a burger. Or is there a burger available to him?

1. **Product or Offering**People satisfy their needs and wants with products. A product is any offering that can
satisfy a need or want, such as one of the 10 basic offerings of goods, services, experiences, events, persons, places, properties, organizations, information, and ideas. A brand is an offering from a known source. A brand name such as McDonald’s carries many associations in the minds of people: hamburgers, fun, children, fast food, golden arches. These associations make up the brand image. All companies strive to build a strong, favorable brand image.
2. **Value and Satisfaction**In terms of marketing, the product or offering will be successful if it delivers value and satisfaction to the target buyer. The buyer chooses between different offerings on the basis of which is perceived to deliver the most value. Value is defined as a ratio between what the customer gets and what he gives.
3. **Exchange and Transactions**Exchange, the core of marketing, involves obtaining a desired product from someone by offering something in return. For exchange potential to exist, five conditions must be satisfied:

There are at least two parties.
Each party has something that might be of value to the other party.
Each party is capable of communication and delivery.

Each party is free to accept or reject the exchange offer.

Each party believes it is appropriate or desirable to deal with the other party

1. **Marketing Channels**To reach a target market, the marketer uses various kinds of marketing channels.
Communication channels deliver messages to and receive messages from target buyers. For example, Communication channels deliver messages to and receive messages from target buyers.
They include newspapers, magazines etc. Distribution channels to display or deliver the physical product
or service(s) to the buyer or user. Distribution channels include warehouses, transportation vehicles etc.
2. **Supply Chain**Whereas marketing channels connect the marketer to the target buyers, the supply chain
describes a longer channel stretching from raw materials to components to final products that are carried to final buyers. For example, the supply chain for women’s purses starts with, cutting operations, manufacturing, and the marketing channels that bring products to customers.
3. **Competition**Competition, a critical factor in marketing management, includes all of the actual and potential rival offerings and substitutes that a buyer might consider.
4. **Marketing Mix**Marketers use numerous tools to elicit the desired responses from their target markets. **Marketing mix** is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market. McCarthy classified these tools into four broad groups that he called the four Ps of marketing:

Product (Product variety, quality, design, etc.)

Price (list price, discounts, payment period etc.)

Place (sale promotion, advertising, public relations etc.)

Promotion (location, inventory, transport etc.)