



Understanding the Marketplace and Customer Needs

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Marketing BUS 221

Fall Semester

Week number 2

Date 21st October 2025



Marketing Courses (Updated)

Final Exam	40 %
Midterm Exam	20 %
Assignments	10 %
Quizzes	10 %
Presentation	10 %
Participation	05 %
Projects	05 %

Outline

- Understand the Marketplace and Customer Needs
- Customer Needs, Wants, and Demands
- Marketing Offerings: Goods, Services, and Experiences
- Customer Value and Satisfaction
- Exchanges and Relationships
- Markets
- References



Understand the Marketplace and Customer Needs

As the first step, Marketers need to customer needs, wants, and demand, and the marketplace in which they operate.





Customer Needs, Wants, and Demands

Human needs: Human needs are the basic requirements or essentials that people must have to survive and live a healthy life.

They are innate, natural, and universal, meaning all humans share them regardless of culture, country, or income.

In Marketing Context:

Marketers **cannot create needs**—they already exist—but they can **identify** and **serve** them better through products or services.

Example:

Need: Hunger → Food is required.

A restaurant satisfies this **need** by offering meals.



Customer Needs, Wants, and Demands

Human Wants: Wants are the specific forms that needs take when they are shaped by culture, personality, and experience.

In other words, wants are how people choose to satisfy their needs.

Examples:

Need: Food →Want: Pizza, burger, sushi, or traditional Kurdish food.

Need: House →Want: An apartment, villa, or smart home.

Need: Communication →Want: iPhone 15, Samsung Galaxy, or another modern smartphone.



Customer Needs, Wants, and Demands

Human demands: Demands are wants backed by purchasing power, that is, when people not only desire a product but also have the money and willingness to buy it.

Need + Want + Ability to Pay = Demand

Examples:

A person wants an iPhone 15 → but if he can afford it, it becomes a demand.

Many people want to travel → only those who can pay for the trip actually create demand for airlines or hotels.



Marketing Offerings: Goods, Services, and Experiences

Marketing Offerings: are a combination of products, services, or experiences offered to the customers in a market to meet their needs and wants. In other words, customer's needs and wants are fulfilled through a marketing offerings

Marketing offerings are not limited to physical products only. They also include:

Activities

Benefits

And **Services** (Banking-Airline services-Medical-Hotel stays Taxi or bus services-Home repair)

Marketing Offerings: Goods, Services, and Experiences

Market offerings also include other entities such as:

- Experience
- Information
- Person
- Place
- Organization
- Idea

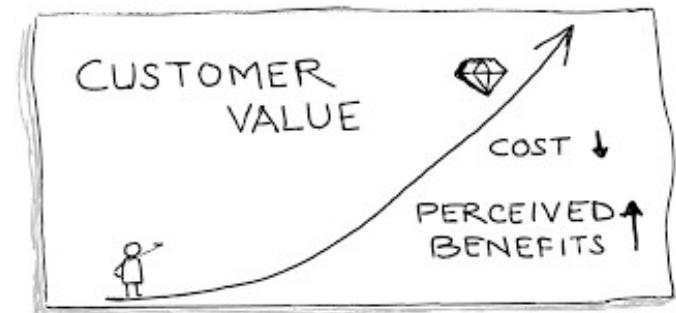


Customer Value and Satisfaction:

Customer value means how much a product or service is worth to a customer compared to what they give up to get it usually money, time, or effort.

In simple words: **Customer value = What you get – What you give.**

If people feel they get more benefits, quality, or satisfaction than what they pay, they see high value and are more likely to buy again.



Example: If you buy a phone that works fast, lasts long, and looks nice for a fair price you feel it's good value.



Customer Value and Satisfaction:

Some real examples (please watch the videos).

- <https://www.youtube.com/watch?v= yhZDsctiZg>

- <https://www.emirates.com/iq/english/experience/cabin-features/business-class/>

Customer Value and Satisfaction:

- **Customer Value is high ↑** : When the customer get more benefits from the service or product as compared to its cost or price.
- Buyer will be satisfied if the product or service offered meets or exceed expectations.



- **Customer Value is low ↓** : When the customer gets less benefit from the product or service as compared to its price or cost.
- Buyer will not be satisfied if the product or service offered does not meet the expectation.

Exchanges and Relationships:

In marketing, exchanges and relationships are two key ideas that explain how businesses and customers interact

Exchange: An exchange happens when two parties give something to each other to satisfy their needs or wants.

- The customer gives money, time, or effort.
- The company gives a product or service in return.



Example: You pay money to buy a coffee. You get the drink you want, and the café earns income. That's an exchange.

Exchanges and Relationships:

Relationship: A relationship is built when exchanges happen repeatedly and both sides are satisfied.

- The company keeps customers happy through good service and quality.
- Customers stay loyal and keep buying again.



Example: If you always buy coffee from the same café because you trust their quality and service, that's a strong relationship.



Markets

- **Markets** A market is a group of actual and potential buyers who share a need or want that can be satisfied through exchange and relationships.

To build these relationships, sellers must:

- Identify and research potential buyers
- Create offerings that meet customer needs
- Set competitive prices
- Promote their products or services
- Store (warehouse) and deliver them efficiently



Markets

Core Marketing Activities

The main activities in marketing include:

- **Consumer research:** understanding customer needs and behaviors
- **Product development:** creating products that satisfy those needs
- **Communication and promotion:** informing and persuading customers
- **Distribution:** making products available where customers can buy them
- **Pricing:** setting fair and competitive prices
- **Service:** providing support before and after the sale

Markets

Role of Digital Marketing

In today's digital world, customers can easily find and buy products online.

They use the internet, company websites, and social media to search, compare, communicate with companies, and make purchases making marketing faster and more interactive than ever before.





• **Assignments for next week**

Ask the following questions (Search and learn)

- 1- Provide a detailed example of a real business and explain how it applies the concept of **customer value**.
 - Describe what the company offers to its customers.
 - Explain what makes its customer value high (for example: good quality, fair price, or excellent service).
 - Give another example where the customer value is low, explaining why customers may feel the product or service is not worth the cost.

- 2- Discuss how **digital marketing** has changed the way companies and customers interact.
 - Explain how the internet helps customers find and purchase products or services.
 - Mention at least two online platforms or tools that companies use for marketing.
 - Provide one real-life example of a company that uses digital marketing effectively and explain why it is successful.

NOTE: Please do not use AI



References

Kotler, Philip. (2000) Marketing Management. Upper Saddle River, New Jersey: Prentice Hall.

Kotler, P., Keller, K.L. and Chernev, A. (2022a) Marketing management. Harlow, England: Pearson Education Limited.