

Lesson 01



Needs, wants and demands



The most basic concept underlying marketing is that of human needs. **Human needs** are states of felt deprivation. They include basic physical needs for food, clothing, warmth and safety; social needs for belonging and affection; and individual needs for knowledge and self-expression. Marketers did not invent these needs; they are a basic part of the human make-up. When a need is not satisfied, a person will do one of two things:

1. look for an object that will satisfy it; or
2. Try to reduce the need.

People in industrial societies may try to find or develop objects that will satisfy their desires. People in less developed societies may try to reduce their desires and satisfy them with what is available.

Wants are the form human needs take as they are shaped by culture and individual personality. A hungry person in Mauritius may want a mango, rice, lentils and beans. A hungry person in Eindhoven may want a ham and cheese roll and a beer. A hungry person in Hong Kong may want a bowl of noodles, 'char-siu' pork and jasmine tea. A British drinker may want an Indian curry after leaving the pub. Wants are shaped by one's society and are described in terms of objects that will satisfy needs. As a society evolves, the wants of its members expand. As people are exposed to more objects that arouse their interest and desire, producers try to provide more want-satisfying products and services.

People have narrow, basic needs (e.g. for food or shelter), but almost unlimited wants. However, they also have limited resources. Thus, they want to choose products that provide the most satisfaction for their money. When backed by an ability to pay – that is, buying power – wants become demands. Consumers view products as bundles of benefits and choose products that give them the best bundle for their money. Thus, a Toyota Yaris gives basic safe and reliable transport, low price and fuel economy. A Jaguar gives sportiness, comfort, luxury and status. Given their wants and resources, people demand products with the benefits that add up to the most satisfaction.

Outstanding marketing companies go to great lengths to learn about and understand their customers' needs, wants and demands. They conduct consumer research about consumer likes and dislikes. They analyse customer complaint, enquiry, warranty and service data. They observe customers using their own and competing products and train salespeople to be on the lookout for unfulfilled customer needs. Understanding customer needs, wants and demands in detail provides important input for designing marketing strategies.



Questions:

- What is the difference between the needs, wants and demands?
- Translate the underlined expressions.

Reference:

PHILIP KOTLER et.al, Principles of Marketing, Pearson Education Limited, 2005 , 4th edition.

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