

- 1.1 Market – Marketing – Introduction, Meaning, Definition, Scope, Types and Significance.
- 1.2 Marketing Management – Introduction, Meaning, Definition, Scope and Significance.
- 1.3 Functions of Marketing – Basic Functions, Functions of Exchanges and Subsidiary Functions.
- 1.4 Marketing Mix - Introduction, Meaning, Definition, Scope, and Significance.

Basics of Marketing

Meaning of market:

A market is a place which allows the purchaser and the seller to invent and gather information and lets them carry out exchange of various products and services. In other words the Meaning of Market refers to a place where the trading of goods takes place. The place can be a market place or a street market.

Definition of Marketing

“Marketing is the performance of business activity that directs the flow of goods and services from the producer to consumer.”

-The American Marketing Association

“Marketing is the creation and delivery of standard of living to society.”

-Paul Mazur

“Marketing is the process of determining consumer demand for a product or service, motivating its sales and distributing it into ultimate consumption at a profit.”

-E.F.L. Breach

Traditional & Modern Concept of Marketing:

There are four concepts of marketing. Out of first two are traditional concepts & next two are modern concept of marketing. Following are the traditional and modern concept of marketing.

Approaches of the study of Marketing /

The Traditional & Modern concept of Marketing.

Production Orientation Concept:

In nearly 1930 the manufacturers feel that if a company manufactured a good quality product & the price of the product is reasonably good the product would sell with less effort.

Sales Orientation Concept:

After 1930 people are diverted from agriculture to industry, due to this mass production is possible. This resulted in an increase in production & supply exceeds the demand & the market turned into a buyers' market. Every manufacturer focused on how to increase sales, how to make better product than its competitors product.

Consumer Orientation Concept:

This concept came into existence around the 1950's when manufacturer realized that it would not be possible to sell everything which is manufactured. Then manufacturer have to think about the research which is important function of marketing. This concept is based on the following assumptions.

- a. The firm should produce only that product which is desired by customer.
- b. Management should think about long term profit rather than quick sales.

Socially-oriented Marketing Concept:

The concept of Social Marketing was accepted by all manufacturers in 1960's & 70's by all over the world. This concept mainly focused on customer's satisfaction & social welfare. In this regard, the manufacturer of automobile must manufacture not only a good vehicle but one which releases least pollution. A tobacco manufacturer must manufacture not only good quality tobacco but one which will have least harm to the health of a consumer.

Objective of Marketing

The objectives of Marketing have threefold objectives viz. Consumer Objective, Company Objective & Social Objective.

Consumer Objective:

- a. To locate the needs of Present customers & potential customers
- b. To create time, place and possession utilities in the goods to satisfy human wants.
- c. To create satisfied customers.

Company Objectives:

- a. To carry out right kind of research to find out consumer needs.
- b. To manufacture goods which really needed by customer.
- c. To make available right kind of goods in right time, at right place, in required quantities & at the right price.
- d. To create satisfied customers to make them patronage (Permanent customer) of the company. .

Importance / Advantages / Benefits / Significance of Marketing

Benefits to Firm

1. It helps in earning & increasing profit:

Main aim of every business unit is to earn profit. Marketing helps the firm to increase in profit through advertising & sales promotional activities & reducing cost through market research.

2. Marketing helps in Planning & decision making:

Every business organization has to take important decisions like what to produce, how to produce, where to produce, when to produce & how these goods & services are made available to the customers. Answer to all these questions are given by Marketing Department, So Marketing helps in planning & decision making.

3. Marketing is a source of new ideas:

Marketing gives the detail idea of current business environment i.e. demands of customers, tastes & preferences of customers, prices of competitions through market research.

4. Marketing provides goods to ultimate consumer:

The marketing process bridges the gap between Producer & consumer. It is the duty of marketing people to pass the product from manufacturer to the final consumers through various channels of distribution.

Benefits to society

1. Marketing improves the Standard of living of the society:

The main objective of the marketing is to satisfy human wants. Marketing creates demand & increases demand for new products & services, which ultimately improves the standard of living of the people.

2. It provides employment:

In India nearly 40% of the population is engaged in marketing activities directly or indirectly. Large numbers of peoples are engaged in Market research, Wholesale Trade, Retail Trade, transportation, warehousing, Advertisement, Publicity & promotion. Thus marketing provides employment opportunities to society.

3. It stabilizes the economic conditions

More production with less demand & less production with more demand both situations are harmful to society. A efficient marketing makes balance in

between demand and supply (production), through creating demand & by distributing goods to consumer, thus it solves the problem of imbalance economic conditions.

4. Marketing increases National Income:

Marketing creates demand for new & existing products. If demand goods increase production also increases. If production goods & services increase the National Income of a country also increases.

Marketing Management

Meaning of 'Marketing Management'

The term 'marketing management' is comprised of two different words, 'marketing' and 'management'. Hence, before understanding the meaning of marketing management, it is essential to separately understand the meanings of 'marketing' and 'management'.

Marketing is that economic activity by which the commodities and services are acquired in exchange of money. It means that activity or activities which are directed with a specific motive of transferring the products from production point to the final consumption point. Really speaking, the meaning of 'marketing' refers to the procedure of distribution of goods or products from the producers to the final consumers.

By the term 'management', is meant the coordinating of efforts of other people meant for the fulfillment of the pre-determined objectives. Stanley Vance has expressed that the 'management' is ordinarily the decision-taking and control upon human activities method by which the pre-determined objectives could be achieved.

Definitions of 'Marketing Management'

Marketing management is that part of management which covers the distribution of marketing activities.

In the opinion of Prof. Rustom S. Davar,, The term 'marketing management' means the discovering of the consumers' needs, converting them into the products or services and the activity of transforming the product or service to the ultimate consumer, so that needs of specific categories or groups of the customers could be so satisfied that by the most favorable utilization of the resources, they could derive the maximum benefits.

In the opinion of Cundiff and Still, The marketing management is that branch of the general management which is related to the direction of activities meant for the achievement of the objects concerned with distribution.

Philip Kotler defines marketing management as

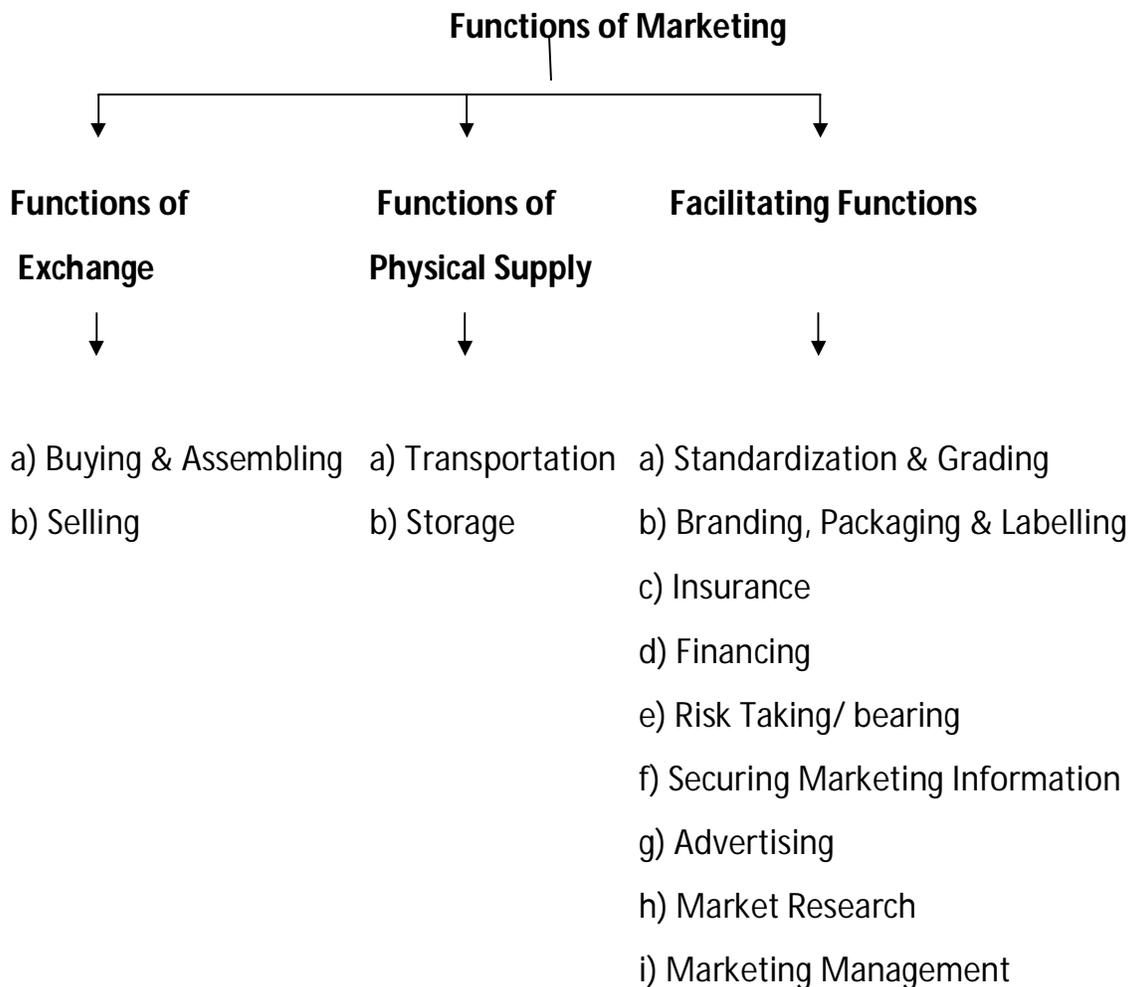
"Marketing Management is the analysis, planning, implementation and control of programmes designed to bring about the desired exchanges with target audiences for the purpose of personal and mutual gain. It relies heavily on adoption and coordination of the product, price, promotion and place for achieving response":

On the basis of the above opinions, it might be said that the marketing management is that administrative or management function which performs the marketing activities.

Management is the processes of planning, organizing directing motivating and coordinating and controlling of various activities of a firm. Marketing is the process of satisfying the needs and wants of the consumers. Management of marketing activities is Marketing Management.

In other words, a business discipline, which is focused on the practical application of marketing techniques and the management of a firm's marketing resources and activities, is Marketing Management.

Functions of Marketing



Universal Functions of Marketing:

The functional classifications have become basic, in that they tend to serve as a foundation for our four P's and the managerial approach.

Functions involving physical supply: Transportation and storage involve handling and movement of goods and often change of title. The cost of transportation is more than offset by the creation of place utility, and the storage function gives us time utility. Transportation and storage are major activities of numerous marketing institutions, such as wholesalers, warehouses, freight forwarders, pipelines, and some retailers and manufacturers.

Facilitating functions. Standardization and grading, risk taking, market information, and financing are functions that assist buying, selling, transportation, and storage. These auxiliary services are an important and necessary part of the marketing task and are part of the fabric of the marketing management concept.

Functions of Marketing

The marketing process performs certain activities as the goods or services move from producer to consumer. Every firm does not perform all these activities or jobs. However, any company that wants to operate its marketing system successfully must carry them out. The following marketing tasks have been recognized for a long time.

1. Buying & Assembling

Buying is first step in the process of marketing. It involves what to buy, what quality, how much, from whom, when and at, what price. People in business buy to increase sales or to decrease costs. Purchasing agents are much influenced by quality, service and price. The products that the retailers buy for resale are determined by the need and preferences of their customers.

Assembling:

After buying all the materials purchased it should be collected at a central place, it is called assembling. Assembling is required for all kinds of products whether they are agriculture product, consumer product of Industrial product.

2. Selling

It is second part of the exchange transaction. It is concerned with the persuasion of prospective buyers to actually complete the purchase of an article. Selling is important part in final aim of earning profit. Selling is enhanced by means of personal selling, advertising, publicity and sales promotion.

3. Transportation:

Transport is the physical means, whereby goods are moved from the place of production to the place of consumption. It creates place utility. Transportation is essential from the procurement of raw materials & for the delivery of finished products to the customers' places. Marketing relies mainly on road transport, rail transport, waterways, pipelines and air transport. The type of

transportation is chosen on several considerations such as suitability, speed and cost.

4. Storage

It involves the holding of goods in proper condition after they are produced until they are needed & demanded by consumers (in case of finished products) or by the production department (in case of raw materials and stores). Storing protects the goods from deterioration and helps in carrying over surplus for future consumption or use in production. Goods may be stored in various warehouses situated at different places. Storing assumes greater importance when production is seasonal or consumption may be seasonal. Retail firms are called "stores". Stores creates time utility.

5. Standardization and Grading

The other activities that facilitate marketing are standardization and grading. Standardization means establishment of certain standards or specifications for products based on intrinsic physical qualities of any commodity. This may involved quantity (weight or size) or it may involve quality (colour, shape, appearance, material, taste, sweetness etc). Government may also set some standards e.g., Agmark - in case of agricultural & food products, ISI – for products other than agriculture products, Hallmark is the standard for Gold & jewelry. A standard conveys a uniformity of the products.

"Grading means classification of standardized products into certain well-defined classes or groups." It involves the division of products into clauses made up of unit processing similar characteristics of size and quality. Grading is very important for "raw material" (such as fruits and cereals), mining products"

(such as coal, iron-ore and manganese) and “forest products” (such as timber). Branded consumer products may bear grade levels, – A B C.

6) Branding, Packaging & Labeling

“**A brand** is a name, symbol, term, design of any combination of these which is used for popularizing the product & to identify the product of particular seller

“**Packaging** is the group of activities which involves, designing or producing the container or wrapper for a product.”

“**Labeling** is affixing a small slip on the product, which gives information regarding Name & address of the manufacturer, contents, price, batch number, manufacturing and expiry date etc.”

7. Insurance:

Insurance is the process where one party (insurer) agrees for a sum of money (premium) which is paid by second party (insured) pay the insured a specified sum if he should suffer a particular loss.

A business is full of uncertainties & risk, so insurance is necessary for mitigation of unforeseen losses.

8. Financing

It involves the use of capital to meet financial requirements of the agencies dealing with various activities of marketing. The services of providing the credit and money needed to meet the cost of getting goods into the hands of the final consumer is commonly referred to as finance, function in marketing. In marketing, finances are needed for working capital and fixed capital, which

may be secured from three sources – owner capital, bank loans and advances, and trade credit (provided by the manufactures to wholesaler and by the wholesaler to the retailers).

9. Risk Taking

Risk means lose due to some unforeseen circumstances in future. Risk-bearing in marketing refers to the financial risk inherent in the ownership of goods held for an anticipated demand, including the possible losses due to a fall in price and the losses from spoilage, depreciation, obsolescence, fire and floods or any other loss that may occur with the passage of time. From production of goods to its selling stage, many risks are involved due to changes in market conditions, natural causes and human factors. Changes in fashions or interventions also cause risks. Legislative measures of the government may also cause risks.

10. Securing Market Information

The only sound foundation, on which marketing decisions may be based, is correct and timely market information. Right facts and information reduce the aforesaid risks and thereby result in cost reduction. Business firms collect, analyze and interpret facts and information from internal sources, such as records, sales people and findings of the market research department. They also seek facts and information from external sources, such as business publications, government reports and commercial research firms. Retailers need to know about sources of supply and also about customers buying motives and buying habits. Manufacturers need to know about retailers and about advertising media. Firms in both these groups need information about competitors activities and about their markets. Even ultimate consumers need

market information about availability of products, their quality standards, their prices, and also about the after-sale service facility Common sources for consumers are sales people, media advertisements, colleagues etc.

11. Advertising:

American Marketing Association has defined, "Advertising is any form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor."

Explanation of Definition:

1. Any form: The advertising is any form of communication. It may be a symbol, sign or message in newspaper, magazines, on television, radio advertisement, outdoor advertising or direct mail; or new media such as websites and text messages.
2. Paid Form: It means advertising is a paid transaction.
3. Non-Personal Presentation: Advertising is not a personal selling & person to person presentation but it is a non personal presentation i.e. advertising is addressed to a mass audience.
4. Identified Sponsor: Sponsor is agency through which advertising is made.
Examples: Print ads, radio, television, billboard, direct mail, brochures and catalogs, signs, in-store displays, posters, motion pictures, Web pages, banner ads, and emails.

12. Market Research:

According to American Marketing Association, "Marketing Research is the function that links the consumer, customer and public to the marketer through

information-information used to identify and define marketing opportunities and problems, generate, refine and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process.”

Market research is the collection and analysis of information about consumers, competitors and the effectiveness of marketing programs.

In other words, market research allows businesses to make decisions that make them more responsive to customers' needs and increase profits.

While market research is crucial for business start up, it's also essential for established businesses. It's accurate information about customers and competitors that allows the development of a successful marketing plan.

13. Marketing Management:

Marketing management is “the art and science of choosing target markets and building profitable relationships with them.” Creating, delivering and communicating superior customer value is key. Marketing management is the conscious effort to achieve desired exchange outcomes with target markets. The marketer’s basic skill lies in influencing the level, timing, and composition of demand for a product, service, organization, place, person, idea, or some form of information. Marketing Management is defined as the analysis, planning, implementation, and control of programs designed to create, build, and maintain beneficial exchanges with target buyers for the purpose of achieving organizational objectives.

Modes of Transport:

There are three ways of transport viz. Land Transport, Water Transport & Air Transport

1. Land Transport: It is divided into two categories

a) Road Transport

b) Railway Transport

a) Road Transport:

Road transport refers to those transport which moves on the ground/ road. In road transport animals, carts, cars, buses, trucks tempos, tankers etc. are used. Road transport is the oldest means of transport & it plays important role in internal transport. Road transport is less expensive and it has low maintenance cost as compared to other means of transport. It is quick & convenient transport system. It is useful in movement of perishable products.

b) Railway Transport:

It is popular & important form of transport in our Indian economy. In India railways are owned by government, it is public utility service. It has huge carrying capacity which moves the goods with high speed.

2. Water Transport:

Water transport is the cheapest means of transport system. It can carry bulk goods. Water transport uses natural resources like rivers, canals, seas and oceans. In water transport vehicles used are boats, ships, tankers etc. It is mainly used in international trade.

3. Air Transport: It is the latest mode of transport. This transport system is used very high cost goods are required to be reached in lesser time.