

**Inderpreet kaur (Commerce and management)
B.B.A IInd year :3rd sem (Marketing management)**

**WHAT IS MARKETING MANAGEMENT?
THEIR FUNCTIONS, IMPORTANCE, NEEDS AND CONCEPTS**

DEFINITIONS:

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others.

“Marketing is the economic process by which goods and services are exchanged between the maker and the user, and their values determined in terms of money prices.”

“Marketing is a total system of interacting business activities designed to plan, promote and distribute needsatisfying products and services to existing and potential customers.”

“Marketing is the delivery of a standard of living to society.” **American Marketing Association [AMA]** defined as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."

The Chartered Institute of Marketing defines marketing as "the management process responsible for identifying, anticipating and satisfying customer requirements profitably." [5] A different concept is the value-based marketing which states the role of marketing to contribute to increasing shareholder value. [6] In this context, marketing is defined as "the management process that seeks to maximise returns to shareholders by developing relationships with valued customers and creating a competitive advantage."

CORE CONCEPTS OF MARKETING

Needs, wants, and demands; products (goods, services and ideas); value, cost and satisfaction: exchange and transaction: relationships and networks: markets: and marketers and prospects.

a) Needs

Describe basic human requirements such as food, air, water, clothing, and shelter.

b) Want

Needs become wants when they are directed to specific objects that might satisfy the need.

c) Demand

Are wants for specific products backed by an ability to pay.

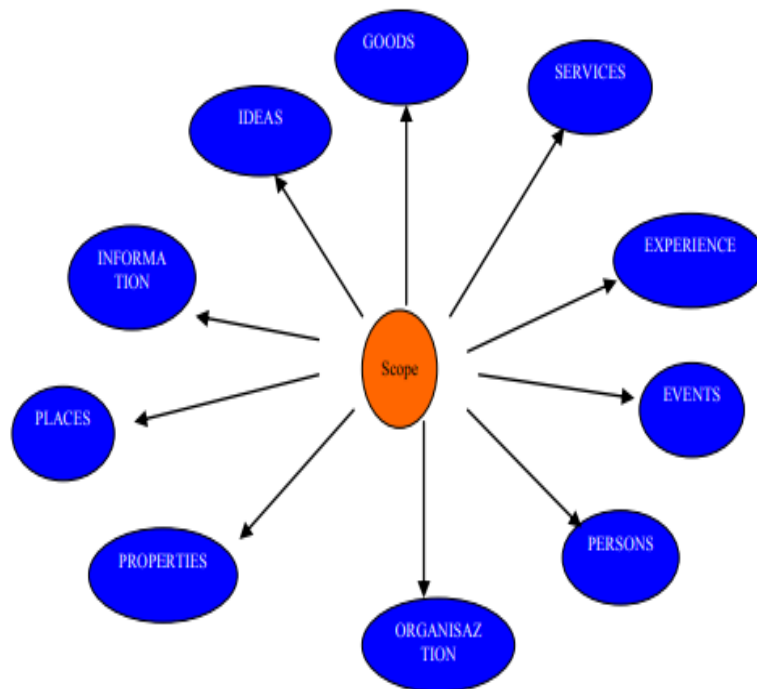
d) Product

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.

e) Value

As a ratio between what the customer gets and what he gives. The customer gets benefits and assumes costs, as shown in this equation:

SCOPE OF MARKETING



Goods:

Physical goods constitute the bulk of most countries' production and marketing effort. In developing nations, goods—particularly food, commodities, clothing, and housing

Services

Services include airlines, hotels, and maintenance and repair people, as well as professionals such as accountants, lawyers, engineers, and doctors. Many market offerings consist of a variable mix of goods and services.

Events:

Marketers promote time-based events, such as the Olympics, trade shows, sports events, and artistic performances
Persons : Celebrity marketing has become a major business. Artists, musicians, CEOs, physicians, highprofile lawyers and financiers, and other professionals draw help from celebrity marketers.

Properties.

Properties are intangible rights of ownership of either real property (real estate) or financial property (stocks and bonds). Properties are bought and sold, and this occasions a marketing effort by real estate agents (for real estate) and investment companies and banks (for securities).

Organizations:

Organizations actively work to build a strong, favorable image in the mind of their publics. Philips, the Dutch electronics company, advertises with the tag line, "Let's Make Things Better." Universities, museums, and performing arts organizations boost their public images to compete more successfully for audiences and funds

FUNCTIONS OF MARKETING**I Functions of exchange****1. Buying function**

A manufacturer is required to buy raw materials for production purposes. Similarly, a wholesaler has to buy goods from manufacturer for purposes of sales to retailers. A retailer has to sell the goods to consumers. Thus functions of buying have to be performed at various levels.

2. Assembling function

Assembling is different and separate from buying. Buying involves transfer of ownership of the goods from seller to the buyer: Whereas in assembling, goods are purchased from various sources and assembled at one place to suit the requirements of the buyer.

3. Selling function

Selling involves transfer of ownership from seller to the buyer. Seller functions are vital to the success of any firm. Its importance has been continuously increasing in all organization due to the emergence of severe competition. Producing goods is easy but it is very difficult to sell them.

II Functions of physical Distribution**1. Transportation**

It includes decision to be taken on mode of transport, service selection, freight consolidation, carrier routing, vehicle scheduling, processing claims, etc

2. Inventory Management

- b. Short-term sales forecasting
- c. Product mix stocking points
- d. Number, size and location of stocking points
- e. Just in Time (JIT) or push or pull strategies

3. Warehousing 9 It includes the following functions:

- a. Space determination
- b. Stock layout and design
- c. Stock placements

4. Material handling (act of loading and unloading and moving goods within e.g. a factory especially using mechanical devices). It includes the following functions:

- a. Equipment selection
- b. Equipment replacement
- c. Order picking procedure
- d. Stock Storage

III Functions of Facilities

1. **Financing** The importance of extending liberal credit facilities as a selling tool cannot be underestimated. This would necessarily involve higher working capital requirements. Hence arrangement of finance has become an increasingly important function. Therefore, a marketer can plan for various kinds of function: Short-term finance, medium-term finance and Long-term Finance. There are various sources of finance, for example: banks, Credit societies, Co-operative Banks

2. **Risk-taking** There are innumerable risks which a marketing enterprise has to bear in the process of marketing of goods and services. Risks are due to unforeseen circumstances. Risks can be insured also. For example: Risk due to fire and accidents may be covered by insurance. But the risks due to increased competition, technological risks and business cycle risks cannot be insured

3. **Standardization** Buyers and sellers always prefer to have standardized goods and services. This will relieve buyers from examining the product and wasting time. That is why Standardization has now been accepted as convenient and ethical basis of marketing.

4. **After-sales service** The importance of after-sales service facilities as a marketing tool cannot be ignored. Hence arrangement of after-sales service has become an increasingly important function. Therefore, a marketer has to plan for after-sales service. For example, repairs, replacements, maintenance

MARKETING CONCEPTS

The marketing concept is the philosophy that urges organization to focus on their customers' needs. Analyzing their needs and making such decisions that satisfy those needs in a better way than competitors. Clearly, marketing activities should be carried out under a well-thought-out philosophy of efficient, effective, and socially responsible marketing. In fact, there are five competing concepts under which organizations conduct marketing activities: production concept, product concept, selling concept, marketing concept, and societal marketing concept. To have a better understanding of marketing concept, it's worthwhile to review the other philosophies that once were dominated and are still being practiced by some of the firms.

Production Concept

Production concept prevailed into late 1920s because most of the products being produced were the basic necessities and there was a huge unfulfilled demand for them. The basic idea behind production

concept was: The firms will produce what they can produce efficiently. This will ensure enough supply of the products at low-cost and demand will be created by itself. This concept holds that consumers prefer products that are widely available and inexpensive. Managers of production-oriented businesses concentrate on achieving high production efficiency, low costs, and mass distribution.

Product Concept

The product concept holds that consumers will favor those products that offer the most quality, performance, or innovative features. Product-oriented companies often design their products with little or no customer input, trusting that their engineers can design exceptional products. A General Motors executive said years ago: "How can the public know what kind of car they want until they see what is available?" GM today asks customers what they value in a car and includes marketing people in the very beginning stages of design. However, the product concept can lead to marketing myopia.¹⁶ Railroad management thought that travelers wanted trains rather than transportation and overlooked the growing competition from airlines, buses, trucks, and automobiles

The Marketing Concept

After World War II, there was a variety of products available in the market and customers having discretionary income could make choices and purchase what really fulfill their needs. In that situation, firms were forced to think about what their customers need, when they need it and how to keep them satisfied which is the Marketing Concept. The main focus of all the firms turned from hard selling towards Identification of customer needs, making decision to fulfill those need and maintaining long-term relation with customers by satisfying their changing needs.

Societal Marketing Concept

This concept holds that the organization's task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society's well-being. The societal marketing concept calls upon marketers to build social and ethical considerations into their marketing practices. They must balance and juggle the often conflicting criteria of company profits, consumer want satisfaction, and public interest. Yet a number of companies have achieved notable sales and profit gains by adopting and practicing the societal marketing concept.

MARKETING AND OTHER FUNCTIONS

All marketing decisions whether related to products, pricing, distribution, or promotion are affected by other business functions. Similarly, most other business decisions (R&D, Production) and the overall corporate strategy are strongly influenced by a variety of marketing consideration and inputs. A comprehensive understanding of the web of interrelationships between marketing and the other business requires predominantly a recognition of the importance of identifying and understanding the nature and magnitude of these sets of interrelationships.

Finance & Marketing

¹⁴ All well conceived marketing plans include major financial dimensions. Cost and profit history for the business (a brand, a product, product line) and a financial statement and budgets of each business and

its related marketing strategies are components of any marketing plan. Profitability analysis & budgeting are key aspects of market planning.