

Marketing Management Course

Introduction to Marketing

In the modern world, Marketing is everywhere; most of the task we do and most of the things we handle are linked to marketing. Marketing is an activity. Marketing activities and strategies result in making products available that satisfy customers while making profits for the companies that offer those products. Your morning tea, your newspaper, your breakfast, the dress you put on for the day, the vehicle you drive, the mobile in your pocket, the quick lunch you have at the fast food joint, the PC at your desk, your internet connection, your e-mail ID almost everything that you use and everything that is around you, has been touched by marketing. Marketing has its imprint on them all depending on the product and the context/experience the imprint may be visible or subtle. But it is very much there. Marketing permeates most of your daily activities. Marketing is an omnipresent entity.

Traditional Concept of Marketing

According to the traditional concept, marketing means selling goods and services that have been produced. Thus, all those activities which are concerned with persuasion and sale of goods and services, are called marketing. This concept of marketing emphasizes on promotion and sale of goods and services and little attention is paid to consumer satisfaction. This concept has the following implications:

- (a) The main focus of this concept is on product, i.e., we have a product and it has to be sold. So, we have to persuade the consumers to buy our product.
- (b) All efforts of the marketing people are concentrated on selling the product. They adopt all means like personal selling and sales promotion to boost the sales.
- (c) The ultimate goal of all marketing activity is to earn profit through maximization of sales.

Traditional Concept of Marketing	
Focus on	Product
Means	Selling
Ends	Profits through maximisation of sales

Modern Concept Of Marketing

The modern concept of marketing considers the consumers' wants and needs as the guiding spirit and focuses on the delivery of such goods and services that can satisfy those needs most effectively. Thus, marketing starts with identifying consumer needs, then plan the production of goods and services accordingly to provide him the maximum satisfaction. In other words, the products and services are planned according to the needs of the customers rather than according to the availability of materials and machinery. Not only that, all activities (manufacturing, research and development, quality control, distribution, selling etc.) are directed to satisfy the consumers.

Thus, the main implications of the modern concepts are:

(a) The focus of this concept is on customer orientation. The marketing is a activity starts with an assessment of the customer needs and plan the production of items that satisfy these needs most effectively. This also applies to all other marketing activities like pricing, packaging, distribution and sales promotion.

(b) All marketing activities like product planning, pricing, packaging, distribution and sales promotion are combined into one as coordinated marketing efforts. This is called integrating marketing. It implies:

(i) Developing a product that can satisfy the needs of the consumers;

(ii) Taking promotional measures so that consumers come to know about the products, its features, quality, availability etc.

(iii) Pricing the product keeping in mind the target consumers' purchasing power and willingness to pay;

(iv) Packaging and grading the product to make it more attractive and undertaking sales promotion measures to motivate consumers to buy the product; and

(v) Taking various other measures (e.g., after sales service) to satisfy the consumers' needs.

(c) The main aim of all effort is to earn profit through maximization of customer satisfaction. This implies that, if the customers are satisfied, they will continue to buy, and many new customers will be added. This will lead to increased sales and so also the profits.

Modern Concept of Marketing	
Focus on	Customers' need
Means	Coordinated marketing efforts
Ends	Profits through customers' satisfaction

It may be noted that with growing awareness of the social relevance of business, marketing has to take into account the social needs and ensure that while enhancing consumer satisfaction, it also aims at society's long-term interest.

Difference between Marketing and Selling

The terms 'marketing' and 'selling' are related but not synonymous. 'Marketing' as stated earlier, emphasises on earning profits through customer satisfaction. In marketing, the focus is on the consumer's needs and their satisfaction. 'Selling' on the other hand focuses on product and emphasises on selling what has been produced. In fact it is a small part of the wide process of marketing wherein emphasis is initially on promotion of goods and services and eventually on increase in sales volume.

Marketing has long term perspective of winning over consumer loyalty to the product by providing him maximum satisfaction. However, selling has short-term prospective of only increasing the sales volume.

In marketing, the consumer is the on king whose needs must be satisfied. In selling, the product is supreme and the entire focus is its sale. Marketing starts before production and continues even after the exchange of goods and services has taken place. It is so because provision of after sale service is an important component of

marketing process. Selling starts after the production and ends as soon as the exchange of goods and services has taken place.

Marketing	Selling
Marketing includes selling and other activities like various promotional measures, marketing research, after sales service, etc.	Selling is confined to persuasion of consumers to buy firm's goods and services.
It starts with research on consumer needs, wants, preference, likes, dislike etc., and continues even after the sales have taken place.	Selling starts after the production process is over and ends with the handing over the money to the seller by the buyer.
Focus is on earning profit through maximisation of customers' satisfaction.	Focus is on earning profit through maximisation of sales.
Customer's need is the central point around whom all marketing activities revolve.	Fragmented approach to achieve short-term gain.
It is an integrated approach to achieve long term goals like creating, maintaining and retaining the customers.	All activities revolve around the product that has been produced.
Stresses on needs of buyer.	Stresses on needs of the seller.

A Few Relevant Terms on Marketing

• **Market:** Normally people understand the term market as a place where goods are bought and sold. But, in the context of Marketing, it refers to a group of buyers for a particular product or service. For example, the market for Accountancy textbooks consists of students in Commerce and specialized Accountancy Programmes; the market for ladies readymade garments consists of girls and women, and so on.

Types of Market

According to Area	According to Goods and Commodities	According to Volume of transaction
<ul style="list-style-type: none"> • Local Market • Regional Market • Rural Market • National Market • International Market 	<ul style="list-style-type: none"> • Fruit Market • Furniture Market • Stock Market; so on 	<ul style="list-style-type: none"> • Wholesale Market • Retail Market

• **Marketer:** It refers to the person who organises the various marketing activities such as market research, product planning, pricing, distribution etc.

• **Seller:** It refers to a person or organisation who is directly involved in the process of exchange of goods and services for money. This includes the wholesaler, retailer, etc.

- **Buyer:** A buyer is one who is directly involved in the process of purchase of goods and services. He/she is one who selects the goods, makes payment and takes the delivery.
- **Consumer:** One who actually uses the product or service. For example, you bought a shirt and gifted it to your friend who uses it. Here your friend is the consumer and you are a buyer. However, a consumer can also be the buyer.
- **Customer:** A customer usually refers to the person who takes the buying decision. For example, in a family, father decides on the brand of the toothpaste to be used by his children. Here, the children are the consumers and the father is the customer. A customer can also be the consumer. Similarly, the buyer may be different from the customer or one can be the customer as well as the buyer.
- **Virtual Market:** With advancement of technology, the buyer and sellers can, now a days, interact with each other by using Internet. This is called virtual market.

Meaning of Market and Marketing

A market is any such person, group or organization which has existing or potential exchange relationship. It starts with customers and ends with customers. Creation of superior customer value and delivering high levels of customer satisfaction are at the heart of present day marketing. Companies today, needs to understand customer needs, study completion, develop and offer superior value at reasonable price, and make the product available to customer at convenient place. Only then their products will be in demand and sell consistently.

Marketing deals with customers. It is delivery of customer satisfaction at a profit. The twofold goal of marketing is to attract new customers by promising superior value and to keep current customers by delivering satisfaction.

Definition of Marketing

Market

The concept of market has undergone significant changes over the years, commensurate with the changes in the structure and scope of markets.

(1) Kotler defined market as "A set of all actual and potential buyers of a product."

This definition implies that wherever there is a buyer of a product or service, there is a market. It succeeded in changing the view that market is a place. Further this definition also indicates that market refers to the existence of buyers of a product or service, that when these things get exchanged, the marketing process commences.

(2) Kohl's and Uhl characterized market as "an arena, wherein all buyers and sellers were highly sensitive to each other's transactions, and where what one did affected the other."

This concept of market focuses on a situation where all buyers and sellers would be able to communicate with one another; they would also be capable, of exchanging products with each other. It could also be inferred from the definition that buyer-seller interaction is crucial to market.

(3) According to Cochrane "a market is some sphere or space, where certain physical and institutional arrangements could be seen, and the forces of demand and supply are at work to determine prices with a view of transferring the ownership of some quantity of good or service."

This definition brings to light that the exchange takes place in a market for a consideration, i.e., price. Apart from that, the exchange takes place with certain physical and institutional structure, there by the role of various facilities required to facilitate transfer of ownership are indicated.

Marketing

Marketing refers to the various groups of activities that take place in a market. These activities are either planned or spontaneous. For example, production, assembling, distribution and storage could be planned, consumption is often spontaneous.

(1) *The American Marketing association defined marketing as “Market is an organizational function and a set of process for creating, communicating value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.”*

(2) *According to Dahl and Hammond “the purpose of production, assembling, storage, and transportation was consumption. All these steps from production to ultimate consumption were included in the term marketing. Hence, marketing is a set of activities without which what is produced cannot reach the ultimate consumer. Hence it might be said that the importance of these activities is the study of marketing.”*

(3) *Kotler says “Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others.”*

To him, to define a marketing situation there should be two or are parties with potential interest, capable of communicating with each other and each possessing things of value to the other. From this definition is could be noted that marketing consists of a number of facilitating activities.

Often marketing is confused with selling. To clarify this, Kaddar’s (7) distinction between the selling and marketing.

Selling is the process by which the salesman tries to dispose of the product at the best possible price. Marketing is much ore comprehensive and aims at maximizing the returns to the producer, at an affordable price to the consumer. Marketing starts with production and ends with the customer finally purchasing the product. Kaddar’s definition is very clear in pointing out that selling is just one activity in the marketing chain of activities.

(4) *Pyle’s view of marketing was That phase of business activity through which human wants were satisfied by the exchange of goods or services for valuable consideration usually money or its equivalent.*

(5) *According to Philips Marketing was all the activities necessary to place tangible goods in the hands of the customer and includes only such activities as would involve a charge in the form of the goods.*

This definition is narrow in the sense that it excludes creation of place and time utility and such efforts as to inform the prospective buyers to motivate them.

When marketing is viewed as a process of moving goods and transferring rights of ownership with or without changes in the physical form of product, it involves several functions relating production to consumption.

(6) *Irwin Classified the marketing functions into tangible and intangible functions. Tangible functions included mainly the transporting, processing, storing and grading of products while intangible functions were those connected with transfer of ownership, financing, risk taking and guiding products to consumers in place, form and time.*

(7) Memoria and Joshi defined marketing as business functions, which are most directly concerned with demand stimulation and demand fulfilling activities of the business enterprise.

(8) According to Abbot and Makeham marketing meant different things to different people; to the housewife it meant shopping for food; to the farmer it means the sale of his product; and to the fertilizer distributor it meant the selling to the farmer.

In short, marketing would include all the activities performed from the stage of production to ultimate consumption. In other words it refers to functions of marketing viz., assembling, warehousing, grading, barding, packing, labeling, distribution, selling and servicing.

Evolution of Marketing

Marketing is as old as human civilization. Even in the earliest stage of human civilization exchange was taking place, though, without any consideration. The evidence of this could be noted from the anthropological studies. The number of excavations that have taken place around the world has also confirmed this. However in those days, the exchange was not so well organized or structured. This was because, there was very little surplus and efforts to create surplus was not even realized. When groups of human beings started living in batches, there arose the need for exchange within the group or among the groups. Historical evidence indicated that this took place in a very crude barter term. This was the earliest seed for modern marketing.

Another convincing evidence is the number of ancient literatures of Indian origin. All of them referred to the classification of the society into four groups viz., Brahmins, shathriyas, vasyas and sudras. Of these four groups, was mainly indulging in exchange activities. They were governed by ethical practices and considered it as sin to violate such practices.

As years rolled, the approach to marketing also changed. From a stage of household exchange of goods and services, exchange started taking place between families and households. Such an exchange always took place through barter system. But when exchange took place between different groups in the society, the need for a medium of exchange was felt. Originally stones were used which was replaced by anything which commanded social respect was accepted. But in due course, precious metals like gold and silver were used as a medium. It is interesting to note that till very recently, the value of many was linked to the value of gold. When man invented money, exchange became very smooth devoid of all the problems associated with the barter exchange system. While exchange was getting perfected, the world started looking at marketing in different ways.

Till the mid 1940's it was thought that the producers should produce what is possible and then make efforts to sell what is produced. In this approach, marketing was viewed from producers/sellers side. But this was proved to be a fatal mistake by Levitt through his historic article. Levitt brought sense to the world of marketing. He proved that **market should be facing customer rather than the customer facing the market**. In other words, manufacturers should contently look at the market to capture signals and translate that into acceptable products or services. Hence, marketing became customer focused and

customer centered. So the approach now turned out to be **"Produce what the consumers want"**. This automatically made every producer to identify his consumer and study his requirements so that what is produced is what is wanted.

Marketing Concepts

Marketing concept has undergone a great change over the period. The different stages of change are explained below.

1. Production Concept of Marketing

This is the oldest concept of marketing. It emphasizes that consumers will favour those products that are available and highly affordable and therefore management should focus on improving production and distribution activities. This holds good when

- i. The demand for a product exceeds the supply.
- ii. The product cost is high.

To overcome the problem of cost, production should take place in large scale to meet the demand. At the same time, price should also be addressed so that by making available large quantity, buyer who wants to buy the product would be able to buy. But there are occasions when the product is not attractive, even at low price, the buyers may not buy the product.

2. Product Concept of Marketing

This concept believed that the consumers will favour those products that offer the best quality, performance and features and therefore the organization should devote its energy to making continuous product improvements. This concept implies that there is no effort required for marketing a product, as long as the product is good and its price is reasonable. This concept remained as an important guideline for the manufacturers for quite a long time. But when considering the reality, it could easily be proved that this concept is not true. A producer may feel that he should come up with a good quality product, while the consumers may look for better solution to a problem. FOR EXAMPLE, colleges may feel that the high school students want a liberal arts education, failing to note that the preference is for vocational education. Hospitals may feel that patients want fast cure but patients may be looking for permanent remedy. The consumers may not be aware of the product features and qualities unless a vigorous selling effort is made by the producers. Further, now a days every manufacture has a separate research and development section to facilitate continuous product improvement. For example, from a 7 Stage of ordinary washing soap, continuous research has brought us the detergent powder easy to use. But this concept of marketing would expect a well organized promotional drive to make the product a success.

3. Selling Concept of Marketing

In this concept the importance of sales efforts to be undertaken to make the consumers buy the products which otherwise will remain unsold. So every organization has to make substantial selling and promotional effort to push the sales of its product. Even the best product cannot have desired sales without the help of sales promotion and aggressive salesmanship. This concept points out that goods are not bought but they have to be sold through organized advertisement and sales promotion efforts. FOR EXAMPLE, goods like automobiles are not readily bought by the consumers and they have to be sold only through promotional effort. Hence, the producers have to develop effective promotional effort. Hence, the producers have to develop effective promotional programmes to sell the products. Even in the case of election, several political parties attempt to project their candidates by using various promotional efforts. While, there is nothing illogical about this approach, yes, producer might have to conceal the flaws in the product and hard sell the product. Hence, more often than not, the consumers regret their decision after purchasing the product. Even if they try to force the producers to compensate the loss, it might not be forthcoming.

4. Profit Concept of Marketing

According to profit concept of marketing, there is a necessity for the marketing function to generate profit for the organization. But it is the production activities which would determine the cost of manufacturing and so profit generation becomes the ultimate responsibility of the marketing function. For this purpose, the marketing personnel have to identify the right product and take it to the right people at the right time at right price through the right channel and with right promotion. This would indicate the extent to which the marketing function has to ensure profit realization for a firm. This in turn will force the production function to minimize its cost of production so that marketing function can try to optimize its activities by maximizing profit at minimum cost. On its part, the production department has to protect its own interest. So now a days, the production department would sell the product to marketing at a price befitting its cost of production and a market quantum of profit. In turn, the marketing would determine a price with which it would be able to generate profit and also meet its promotional expenses. Hence this concept of marketing underscores the need to minimize cost at every level, so that at every level every function can earn profit.

5. Modern Marketing Concept

The modern marketing concept revolves around customer. It focuses on the ultimate customer and undertakes to meet his requirements in full. For this the organization has to correctly understand the customer requirement and deliver the desired products more effectively and efficiently than the competitors.

Hence a major shift took place in emphasis from product to customer. This has led to the manufacturers accept the philosophy, manufacturer is following the old approach, [manufacturing what he can], then he would be out of business in no time. The modern concept is built in recognition of consumers' sovereignty and so it helps every organization to maximize customer satisfaction and profit. It is this realization of the need to study customer want that very detailed research efforts are made to study and analyze consumer behavior. Similarly marketing information system has become a significant method of receiving valuable inputs about consumers' wants and needs.

Based on this approach, every manufacturer has to redefine his production decision from design to delivery. A constant study of the change in consumer's behavior has become a necessity to remain in business. The unique selling proposition is developed on the basis of customer's reaction to various product features. Further, every manufacturer and marketing personnel tries to exceed customer expectations so as to win the customer from the competition. Customer complaints are given utmost respect and importance and the business consider the customer complaints as the best input for product improvement.

"A compiling customer is seen as the contributing customer." Hence the modern marketing concept has changed the market for almost every product from seller's market to „buyer's market. At the same time, it should be noted that the tall claim that every organization tries to meet the customer expectations in full, is proved to be true on paper than in practice.

6. Social Marketing Concept

This philosophy of marketing underlines the importance of marketing activities to support and ensure social well-being. Marketing should determine the needs, wants and interests of target markets and deliver the desired satisfaction effectively. Only through this marketing can keep the competitors at bay. This broadened role of marketing is prescribed for marketing as in modern days, a number of products and services hasten environmental pollution, scarcity and inflation.

For Example, excessive use of ground water resources to produce mineral water and earn money will result in faster depletion of water source. Similarly, use of harmful ingredients in product manufacturing/process, would cause irreparable damage to human beings. Further questionable business practices and unethical actions would bring about a severely damaged social fabric.

In these days, marketing concept emphasizes that every organization should consciously explore the scope for it to contribute to the social-well being. When firms have started adopting this approach, not only they could substantially increase their sales, the society also benefited from this. Social marketing concept therefore aims at enabling consumers to get maximum satisfaction and contribute to their quality of life, designing product with consumer's interest as an input and ensuring all marketing efforts to have consumer as the focal point.

Role of Marketing

According to Mc Carthy, an effective macro market system is a necessary ingredient for economic development. To Peter Drucker, marketing may be the key to growth in less developed nations. Marketing can enable fuller utilization of resources and facilitates integration of countries and continents. For Nurkse marketing carries with it the solution to break through the vicious circle of poverty in every country. Hence, in every developing and less developed country efforts should be made to reorganize the marketing system.

It is well known that producers and consumers are separated from each other on several counts. Marketing should enable removing these separations. This could be understood by analyzing Mc Carthy's view point.

1. Spatial separation: This refers to the geographical separation between the producers and consumers. Producers have several compelling reasons to locate their operations in a particular place. But the consumers are wide spread. This separation could be avoided with a well knit logistic function. That is, by ensuring that the products reach the consumers at the right time, at right price in right shape and at right place. Simply this means if marketing can ensure time utility, place utility and form utility through its performance, then the spatial separation would disappear.

2. Separation in time: One of the basic functions of producers is to determine the time when the product/service is required by the consumers. If it does not reach the consumer at the time of need, it loses its appeal to consumers. Generally producers overcome this problem by using various rigorous forecasting and estimation techniques. Similarly by a well-planned inventory management, producers can easily manage demand and supply.

3. Separation of information: Most of the ills in marketing are caused by lack of information. Marketing information could be relating to various aspects like, product functioning or use, availability, price, etc. It is always said that the basic reason for market imperfection is deliberate information lack out. Selective information sharing is viewed as a marketing tactic. The more the consumers are ignorant the more the producer benefits. Hence if marketing ensures flow of relevant and useful information to the consumers at the right time, it would help to narrow the separation of intended of benefits and realized benefits.

4. Separation in values: One of the major roles performed by marketing is to enable both the producers and the consumers to determine the value of the product/service. Normally producers would determine the price of the product/service based on their cost of production. Consumers would consider price payable with the economic utility conferred by the product/service and their own capability to pay. If the interests of these two groups should be served, then marketing alone can achieve this. It has the demand forces and supply forces to interact and determine the true value of a product/service. This way both the seller and the buyer stand to gain.

5. Separation of ownership: The basic requirement for exchange to take place is the transfer of ownership from the seller to the buyer. Sellers would transfer their ownership for a consideration and the buyers would get their ownership for a consideration. When the consideration in question is acceptable to both the parties, exchange is facilitated. Hence, it is marketing which can facilitate legal transfer of ownership for a consideration from the sellers to buyers. This is because producers do not want to retain the ownership of goods they produce and consumers want to get the ownership of goods before consuming the product or service.

6. Discrepancies of quantity: It is well known that producer's objective is to minimize cost and maximize production. That is unless there is scale economy; producers would not be able to optimize their operations. On the other hand, consumers always require the product/service in convenient small quantity. This makes it imperative that marketing should provide efficient warehousing and storage system so that both producers and consumers would achieve their objectives.

7. Discrepancies of assortment: A fundamental function of marketing is grading and standardization. Through this, marketing can enable the consumers to get the product of his choice and the producers would confine to manufacturing the grade or standard that they are capable of. FOR EXAMPLE, local manufacturers would build the features in their products to fulfill the expectations of the consumers in the locality, while a country level producer has to meet the requirements and aspirations of multitude of consumers with varying preferences. Some time, the manufacturers would have two brands one for the locality and the other for the country as a whole. Therefore, it is marketing which can give indications of consumer's preference and choice with which the producers would be able to plan and produce the product/service meeting such preferences/choice of the consumers.

Economy as explained by Mamoria and Joshi could be discussed to appreciate the contribution of marketing in modern economy. These are explained below.

1. Improvement in marketing efficiency brings about reduction in distribution cost, which could help to reduce the price. This in turn, would add to the national income.
2. When the marketing cost declines, the society stands to gain as product/service will be available at a cheaper price adding to the social well-being.
3. It is marketing which brings together the producers and consumers thereby facilitating both to share the common benefits in terms of new varieties and quality goods.
4. With widening of market, the employment potential of the country would also widen.
5. Scientific marketing contributes by eliminating unfair trade practices and stabilizing the price level.
6. Productive efficiency would increase, as marketing would ensure optimum allocation of resources.
7. Artificial scarcity would be avoided when marketing forces are allowed to operate.
8. Time and place utility of a product are achieved only through marketing.
9. Value addition to services takes place with marketing. For an example, when a wholesaler or retailer performs his function, the product moves from the production end to consumption end. This is certainly a value addition to the service.

10. Pattern of consumption is determined other by the structure of the marketing system and by the value added to the goods or services through performance of marketing activities.

Strategic Marketing Planning

Stanton defines strategic marketing planning as the process of setting marketing goals, selecting target markets and designing a marketing mix to satisfy these markets and achieve these goals. The marketing strategy is therefore functional strategy. It is different from corporate strategy. However, the marketing strategy stems from the corporate strategy. In other words, the functional strategies should be in conformity with the overall strategy of the company. The functional strategy like marketing strategy sets the boundaries for all the action programmes related to marketing. According to staton, the six stages involved in strategic marketing planning process are:

1. Situational analysis-with a purpose to determine where we are and where are we going.
2. Determine the objectives – these goals should be specific and realistic.
3. Select and measure target markets-identify present and potential customers.
4. Design marketing mix strategies and tactics – How do we get to where we want to go.
5. Prepare annual marketing plan-the how to do it guide to yearly marketing operations.
6. Implementation and evaluation – How are we doing? Did we do what we said we would do?

Situation analysis consists of an analysis of external environmental forces and the non-marketing resources that influence an organization's marketing programmed. These factors are: political, economic, competitive, socio cultural, historical, etc. this analysis also reviews and evaluates an organization's existing marketing mix so as to identify the flaws and problems associated with them. This analysis will help an organization to know where it is and where it should reach in future, which may be called the first stage.

The second stage is to formulate the objectives. This includes both the corporate objectives as well as marketing objectives. At the time of setting the marketing objectives, care should be taken to make it specific, measurable and in conformity with the corporate objectives. It will be better to spell them out in writing so that there is no scope for confusion.

In the third stage, the organization should identify the present and potential customers. This is what is called selection of target markets. Apart from analyzing the existing market for its products, the organization should try to identify the new market for its products. For this purpose, the company has to adopt the marketing segmentation technique. Once the market is segmented, it is necessary to forecast the market for the product in each segment.

The fourth stage is to design a strategic marketing mix that enables the organization to satisfy the wants of its target markets and to achieve the marking objectives. The design and later the operation of the marketing mix components constitute the bulk of a Company's marketing effort.

In the fifth stage, the strategic marketing planning is prepared. A series of short term marketing plans are prepared. Usually a period of one year is covered. They are called annual marketing plans. It includes a statement of objectives, identification of target markets, strategies relating to the marketing mix, information regarding the budgetary support for the marketing activity.

After formulating the strategic marketing planning in the above manner, the last stage is, it should be implemented and evaluated periodically. This is done to understand how for the organization is following plan. If there are deviations, the causes and consequences of such deviations are analyzed.

Further, to design the future course of action, there is a need to analyze the changing marketing environment. The actual performance of the strategic plan has to be critically evaluated so as to accomplish the objectives of the company as desired and as planned. In the process of evaluation, if any defect is found, corrective measures should be incorporated immediately. It would also be wise to do this evaluation segment – wise so that the strategy developed for each segment can be perfected. It is also good to study the strategic planning of the competitor to come out with new ideas and plans.

Scope and Objectives of marketing

Under marketing management a marketing programme is prepared on the basis of needs, wants, tastes and fashions of the customers. It involves decision making in regard to pricing of the products, publicity, distribution and after-sales service. Thus marketing management is an action science consisting of principles for improving the effectiveness of exchange. It represents professionalization in the carrying out of exchange relationships. In recent times marketing management has become a self-conscious craft. It is the analysis, planning, implementation and control of programmes designed to bring about designed exchanges for the purpose of personal or mutual gain. It relies heavily on the adaptation and coordination of product, price, promotion, and place for achieving effective response.

After knowing the scope of marketing let us discuss on the basic objectives of marketing.

(a) Provide satisfaction to customers

All marketing activities are directed towards customer satisfaction. Marketing starts with ascertaining consumer needs and produce goods that satisfy those needs most effectively. Not only that the pricing and distribution functions of marketing are also planned accordingly.

(b) Increase in demand

Through advertising and other sales promotional efforts, marketing aims at creating additional demand for their products. Satisfied customers also help in creating new customers. For example, if you buy a 'gel pen' and feel satisfied, next time also you will buy the same pen and obviously when you tell others about it they will also feel like giving it a try.

(c) Provide better quality product to the customers

This is a basic objective of marketing. The business houses try to update and upgrade their knowledge and technology to continuously provide better products. If they do not do so, they will be phased out through competition.

(d) Create goodwill for the organization

Another objective of marketing is to build a good public image and create goodwill for the organisation. This helps in maintaining loyalty to the product and accepting new products of the same company.

(e) Generate profitable sales volume

The ultimate objective of all marketing efforts is to generate profitable sales volumes for the business. Taking care of customer needs and wants by providing the required goods and services at prices they can afford, and at places and timing that are convenient to them ultimately lead to increased sales and profits.

Approaches of marketing

In layman terms marketing is the process of selling something at a shop or market place. To some it is the study of individual commodities and their movement in the market place; to others it is the study of institutions and persons who move these product or study of the economic contribution; to still others it is the study of the behavior of product movements and the way the persons involved to move them. The study of marketing has, thus, been approached in more than one ways.

However, these different approaches have immensely contributed to the evolution of the modern approach and the concept of marketing. To facilitate the study, these defend approaches may be broadly classified as the commodity approach, the institutional approach and the managerial approach. Besides these well recognized and established approaches, the recently developed societal and systems approaches have been attracting considerable attention. A brief description of these different approaches is given below, reflecting their respective focus and characteristics.

Commodity Approach

In the commodity approach to the study of marketing, the focus of study is a specific commodity, say, wheat, rice, sugar, tea, fabrics, automobiles, etc. In this approach, the subject matter of discussion centers around the specific commodity selected for the study and includes the sources and conditions of supply, nature and extent of demand, the distribution of channels used and the functions, such as buying, selling, financing, advertising, storage, etc. performed by the various agencies. By repeating such studies in case of different commodities one gets a complete picture of the entire field of marketing.

Functional Approach

In the functional approach, the focus of marketing study is one of the different kinds of functions which are recognized for their repetitive occurrences and the necessarily performed to consummate market transactions. Though there is no unanimity about the number and nature of functions that constitute marketing, nevertheless, some functions often recognized are selling, storage, transpiration, and financing. In this approach, marketing is regarded as the “business of buying and selling and as including those business activities involved in the flow of goods and services between producers and consumers”. These functions are also studied in relation to given commodities and marketing institutions in term of their nature, importance, operational methods, costs and problems.

Managerial Approach

In the managerial approach, the focus of marketing study is on the decision making process involved in the performance of marketing function at the level of a firm. The study encompass discussion of the different underlying concepts, decision influencing factors, alternative strategies – their relative importance, strengths and weaknesses, and techniques and methods of problem-solving. Here there is apt to be some confusion between the functional and managerial approaches to the study of marketing owing to the terms “functions” used in both these approaches.

In the functional approach, the emphasis on the study of marketing functions is at the macro level and its scope extends to those functions only which are involved during the flow of goods and service from producers to consumers. In the managerial approach, on the other hand, the emphasis shift to the micro parts of the economy and settles at the level of a business firm which performs all those functions which impinge upon and are involved in the creation and distribution of goods and services desired by the market. The managerial approach

thus entails the study of marketing at the micro-level-level of a business firm – of the managerial functions of analysis, planning, execution, coordination and control in relation to the marketing functions of creating, stimulating, facilitating and valuing transactions.

Institutional Approach

In the institutional approach to the study of marketing, the focus is on the study of the various middlemen and facilitating agencies. The study includes their position in the distribution channels, the purpose of their existence, the functions performed and service rendered by them, their operating methods, the cost involved, and the problems faced by them. In order to obtain a comprehensive view of marketing, the study is related to each type of institution.

Societal Approach

In the societal approach to the study of marketing, the entire marketing process is regarded not as means by which business meets the ends of consumers but as a means by which society meets its own consumption needs. In it, the focus of study, therefore, is the interactions between the various environmental factors (sociological, cultural, political, legal) and marketing decisions and their impact on the well-being of society. As such, in this kind of approach there is a significant element of normative and substantial reliance on the value judgment based on an accepted value system in the society at a point of time. The societal approach to the study of marketing is relatively recent and was born out of the criticism of the marketing behavior of business obsessed with profit attainment and growth by critics.

Systems Approach

Among the recent approaches to the study of marketing, the one that has been engaging considerable attention lately is the systems approach. It is based on Von Bertalanffy's "general system theory". He defined system as a "set of objects together with the relationships among them and their attributes. Systems thinking recognize the inter-relations and interconnections among the components of a marketing system in which products, services, money, equipment and information flow from marketers to consumers. These flows largely determine the survival and growth capacities of a firm. The focus of systems approach is, there sore, the analysis of these marketing flows and communication. It stresses built-in organizational capacity to adapt business to a changing eco system.

Functions Performed in Marketing

In most of the business the major purpose of marketing department is to generate revenue for the business by selling want satisfying goods and services to the customers. In order to fulfill this purpose, the Marketing Manager performs the following functions.

- Research Functions
- Exchange Functions
- Functions of Physical Treatment
- Functions Facilitating Exchange

1. Marketing Research

Marketing research involves collection and analysis of facts relevant to various aspects of marketing. It is a process of collecting and analysing information regarding customer needs and buying habits, the nature of competition in the market, prevailing prices, distribution network, effectiveness of advertising media, etc.

Marketing research gathers, records and analyses facts for arriving at rational decisions and developing suitable marketing strategies.

2. Product Planning and Development

As you know marketing starts much before the actual production. The marketers gather information regarding what are the needs of the consumers and then decide upon what to produce. So, the task of marketing begins with planning and designing a product for the consumers. It can also be done while modifying and improving an already existing product. For example, now-a-days we find much better soaps and detergent powders than we used to get earlier. Similarly, we have many new products introduced almost on a regular basis.

3. Buying and Assembling

Buying and assembling activities as a part of marketing refer to buying and collection of required goods for resale. This function of marketing is primarily relevant to those business organizations that are engaged in trading activities. In the context of manufacturing organizations, buying and assembling involves buying raw materials and components required for production of finished goods.

4. Packaging

Packaging involves putting the goods in attractive packets according to the convenience of consumers. Important considerations to be kept in view in this connection are the size of the package and the type of packaging material used. Goods may be packaged in bottles (plastic or glass), boxes (made of tin, glass, paper, plastic), cans or bags. The size of the package generally varies from a few grams to a few kilograms, one piece to a number of pieces of a product, or in any other suitable quantity in terms of weight, count, length etc. Packaging is also used as a promotional tool as suitable and attractive packages influences the demand of the products. It may be noted that packaging is different from packing, which refers to putting goods in suitable containers for transportation purposes.

5. Standardization and Grading

Standardization refers to development of standards for production of goods with respect to shape, design, colour and other characteristics. If products are standardized, customers are able to identify a product and its characteristics very well. So goods can be sold by sample or description. Standardization helps in promoting the sale of the product by increasing consumers' confidence in the product quality.

Grading involves separating products into different classes on the basis of certain predetermined standards relating to size and quality. Grading is required in case of agricultural, forest and mineral products such as cotton, sugar cane, iron ore, coal, timber, etc.

6. Branding

Branding means giving an attractive name, symbol or identity mark to the product to make a product different from others so that it is known by that name or symbol or mark. For example, Surf is the brand name of a detergent powder produced by Unilever Limited. Similarly, you must be familiar with brands like Colgate for toothpaste, Lux for soap and so on.

7. Pricing the Product

Pricing involves decisions regarding fixation of product prices, keeping in view the product costs, the capacity of customers to pay, and the prices of the competitive products. It is an important decision as it influences the sales and so also the profits. So pricing has to be done very carefully.

8. Promotion of the Product

Promotional activities include advertising, personal selling, sales promotion and publicity. All promotional activities involve communication with the existing and prospective customers whereby they are made aware of the product, its distinctive features, price, availability etc. The objective of promotional activities is to motivate the customers to buy the product.

9. Distribution

Distribution refers to those activities that are undertaken for sale of products to the customers and the physical transfer thereof. The first aspect i.e., sale of product involves use of middlemen such as wholesalers and retailers whose services are used for making the products available at convenient points and helping in their sale to the ultimate consumers. The second aspect i.e., physical transfer involves warehousing and transportation of goods from the point of production to the point of sale or the consumer.

The objective of distribution activities is to ensure that consumers get the goods and services at the place and time most convenient to them and in the desired quantity.

10. Selling

Selling is an important function of marketing whereby the ownership of goods and services is transferred from the seller to the buyer for a consideration known as price.

To initiate and complete the process of selling, the seller has to inform the prospective buyer about availability of goods, the nature and uses of products, their prices and the needs of the customers that may be effectively satisfied by the product. In the process, he arouses customers' interest in the product and persuades them to buy it.

11. Storage and Warehousing

Storage refers to holding and preserving goods from the time of their procurement or production till the time of their sale. In other words storage involves making suitable arrangements for preserving the goods till they are bought by the consumers and delivered to them. Warehousing is synonymous to storage but is normally used for large-scale storage facility for goods and commodities. You must have seen cold storage where vegetables like tomato, cabbage, potato etc. are stored to be consumed throughout the year. In marketing it is essential to store raw material and finished goods to be used later by the company for production or for resale.

12. Transportation

Transportation refers to the physical movement of goods from one place to another. In marketing, transport as an activity refers to physical movement of raw materials as well as finished goods from the place of production to place of consumption. Goods are transported through various means like railways, roadways, waterways and airways. For heavy and bulky goods, the railways and waterways are the best. For other goods, it depends upon the demand, cost involved, urgency, nature of the goods etc. to decide about a suitable means of transportation.

Significance of Marketing

Customer decides as to what products suits their needs. Education, media, etc has changed the type of goods required by customers. Especially in the last decade there is total shift of goods required by the customers. Mobile repairing centers, day care centers computer centers, which had no place are very important now a days. Marketing affects our lives in many ways. The product satisfy customer needs and wants and also remove hindrances between the marketers and customers by creating utilities for them by adding value to the product. By removing these hindrances, marketing ensures free and smooth exchange of goods and services from marketers to customers. These utilities are as follows.

- **Form Utility** - Form utility converts the raw form of products into meaningful final products. Thus, customers force marketers to direct production department in terms of specific customer needs satisfaction.
- **Person Utility** - Person Utility fills the gap between the producers and the ultimate customer. Marketing helps to remove the hindrance of person by means of trade. Trade, as a part of marketing, plays a major role in establishing contact between producers as providers of goods and services and customers as users or consumers of those goods and services to satisfy their needs. Various traders, namely, wholesaler, retailer, and mercantile agents operate to provide person utility.
- **Exchange Utility** - Marketing helps to bring together the producers of goods ready to sell their goods for money and the consumers of those goods ready to part with their money (purchasing power), thus removing the hindrance of exchange. Moreover, with money as the medium of exchange, payment for goods and services is made through banks. In this way, banks help to remove the hindrance of exchange and enable the buyers to procure goods on credit. Further, bank often finance trade in ways more than one. Thus exchange utility is provided by money, banking, and finance.
- **Place Utility** - Place utility brings the producer of goods and services closer to the customer. Goods may be produced at one place where advantages of location in market may be available whereas the buyers of such goods may be situated at a far off place. The barrier of distance between the place of production and the market where these products can be sold is removed by different means of transport. Besides transporting goods from the place of production to that of consumption, the services of insurance to cover the risk of loss during transit and storage and packaging to protect goods against damage and pilferage are also aimed at removing hindrance of place.
- **Time Utility** - Goods are normally produced in anticipation of demand and as such they are to be stored as long as the demand for the same comes up. Such stored goods are to be released as and when demand materializes. This function of storage and preservation is performed by warehouses which remove the hindrance of time by balancing the time gap between production and consumption, thus creating time utility. During this process of storage, insurance plays its role by removing the risk of loss or damage through theft or fire.
- **Knowledge Utility** - Advertising and salesmanship help to remove the hindrance or lack of knowledge on the part of the prospective buyers by bringing to the notice of the customer the utility of buying the goods and services offered. A producer may find it difficult to sell his products unless and until he brings it to the knowledge of the prospective consumers the utility and the distinctive features of his products.

Marketing Philosophies

There are various concepts and philosophies which act as a guidelines and holds good when the various decisions are to be made in marketing. According to Phillip Kotler there are five concepts in marketing.

- The production concept
- The product Concept
- The selling Concept
- The marketing concept
- The societal Marketing Concept

The Production Concept

It will lead to economies of scale and decline in cost per unit. The philosophy holds that high production efficiency and wide distribution coverage would sell the product offered to the market. Thus, the concept holds that customer favors products with low offered price and easily available product.

This orientation of the organization is mostly practiced in situations where demand exceeds supply or product cost is high that can be brought down by mass production. The market situation in most of the developing countries is such that while demand for products exists, the products are not available.

The Product Concept

The firms following this philosophy believe that by making superior products and improving their quality over time, they will be able to attract customer. The underlying assumption is that customer favours quality, performance, innovative features, etc. the buyer will admire such products. Given the product concept, superior products are perhaps always welcomed by the customer. But product is only one element of the total marketing-mix. Thus better product at high price (because improvement in quality might be at a cost) will not disturb customer budget, it is believed. However, as we shall see, pricing is one of the elements of segmentation basis. The division of demographic on economic grounds of affordability would come in that way of implementing such better quality products at high prices.

The Selling Concept

The concept adoption comes when there is aggressive selling and promotional efforts. The consideration of this philosophy is customer buying inertia and resistance. The assumption is that customer, if left alone, would not buy enough of the company's product. This sort of customer attitude is mostly found for unsought goods like surgery, insurance, videophone, etc. Here hard-Sell takes place. The other areas are from the non-profit organizations.

The Marketing Concept

Consumer-oriented marketing has given rise to a new philosophy in business known as „marketing concept“. The marketing concept emphasizes the determination the requirements of potential customer and supplying products to satisfy their requirements. Marketing should be viewed as an integrated process of identification, assessment and satisfaction of human wants. The marketers following consumer orientation regard the creation of customer and satisfaction of his wants as the justification of business. Determination of wants of the customers takes precedence over production. In other words, product is developed and produced to satisfy the needs of the customers. Thus, the emphasis is on selling satisfaction and not merely o selling goods.

The Societal Marketing Concept

Humanistic or societal marketing concept holds that the firm's task is to determine the needs, wants and interests of target markets and to deliver desired satisfactions in such a way that preserves or enhances the consumer's and the society's well-being. Thus, every firm should take every firm should take care of social and ethical considerations while developing their marketing strategies. This would help the organization to create its better public image.

Functions of Marketing Manager

Under the total marketing concept the objective is to manage the business in such a way as to make and sell what the customer wants at a reasonable price that he is willing to pay and with product characteristics that he wants in the product. These products should be made available when and where the customer wants them to be made obtainable. In short all aspects of the business must be consumer oriented. The marketing manager must perform all such functions which are necessary to this objective. A systematic marketing management requires the crystallizing of the company's overall objectives and determining consistent marketing objectives.

The following are considered the basic functions of a marketing manager.

Integrated Marketing

The marketing manager has to take decisions in various elements of the marketing mix in an integrated way. The customer does not pay attention only to the price of a product but there are other factors also which affect his decision to purchase a particular product. He is influenced by the firm's advertising and promotional strategy and the convenience of the distribution arranged from the customer's view point. The marketing manager has to keep his company's interests in mind. He tries to reduce the cost of marketing the products while at the sometime winning the goodwill of the customers. He also strives to maximize the sales and profits for his company.

The task is pretty difficult and requires constant control and evaluation resulting in improvements in planning of the marketing strategy. The marketing manager coordinates the activities of all the departments in a productive unit. The production department, finance departments etc. adjust their policies on the direction and suggestion of the marketing executive. His task is therefore very important. Under integrated marketing some of the important activities of the marketing management are as follows.

- ✓ Collection of necessary information regarding marketing.
- ✓ Analyzing the data and draw conclusions.
- ✓ Product development.
- ✓ Search and development of new marketing techniques.
- ✓ To check out detailed marketing programme.
- ✓ To implement that marketing programme.
- ✓ To coordinate between the wants of the customers and their satisfaction.

Determining Objectives

The marketing objective should be broad enough and should be based on situational analysis, i.e., the position in which the company is operating and the nature of its customers. It is in the light of the overall company objectives that the overall marketing objectives have to be fixed. The chief executive must know in specific terms whether he wants a return on investment of say 12 percent after taxes or whether his company wants to be a price leader. He must also crystallize the product objectives, pricing objectives distribution strategy objectives

and his promotional objectives. All these objectives should be integrated and directed toward his overall marketing objectives.

Product Policy

The marketing executive should be very clear in his mind as to the type of customers for whom his products are intended. His product policy objectives must be in terms of customer orientation and are in conformity of the overall marketing objectives.

Proper Planning

Planning is deciding in the present what to do in the future. All firms carry out some sort of planning. The marketing manager has to plan how the objectives that have been determined be implemented. For proper planning the marketing manager has to perform the following tasks.

- ✓ Marketing research, forecasting the demand and developing the marketing activities.
- ✓ Determining product line strategy and planning for product diversification.
- ✓ Planning sales policies and their implementation.
- ✓ Planning the long term marketing programme.
- ✓ Co-ordinating the activities of production, finance and service departments.

Selling

The marketing executive performs the following functions in regard to selling:

- ✓ To direct the sales manager to regulate sales.
- ✓ To organize sales territories and to fix their sales quota.
- ✓ To select and train personnel for the sales department and organize sales.
- ✓ To organize and develop distribution channels.
- ✓ To advertise and organize sales promotion and public relations.

Service

After-sales service is regarded as an essential part of modern marketing management. In fact all the functions of the management are integrated and it is realized that the company policies and operations should be customer oriented. The maximum satisfaction of the consumers should be the primary concern of marketing. Customer's satisfaction should be considered to the first motto. The complaints and the suggestions of the customers would be promptly attended to by the marketing management division.

We can summaries the functions of a marketing manager thus:

- ✓ To work with top management and set the marketing policies.
- ✓ To supervise the co-ordinate various activities.
- ✓ To find out new markets.
- ✓ To evaluate the product.
- ✓ Development of new products.
- ✓ To select the channels and methods of Distribution.
- ✓ To formulation, coordinate and supervise the marketing programme.
- ✓ To study economic and political conditions in context to their influences on the sale of the products.

Marketing Manager's Responsibilities To Society

Marketing manager is responsible to Society. He serves as a link between the organization and the society. he puts the demand of the people in society before the concern and brings the company's product to the people in society. He owes great responsibility to the society at large.

His main responsibilities to the society are,

Consumer Satisfaction

Consumer satisfaction is the fundamental principle of modern marketing concept. The marketing manager studies the consumers behaviors, their preferences, tastes, and fashions in relation to the products. The endeavors to modify the products according the needs of the actual users.

Reducing Product Costs

Reducing product cost is another obligation of the marketing manager towards the society. by making the various marketing activities efficient, economical and effective, he can reduce the costs of the products per unit. It will help the consumers to get goods at reasonable prices. If the company does not transfer the benefits of the reduced cost to the customers, and retains the whole of the profits itself, the society is still benefited. In that case, the retained earnings are invested in the development of new products or they will be distributed to the shareholders as dividend. In both the cases, society will gain.

Providing information

One of the obligations of the marketing manager is to provide information about the qualities of the products of the company in a way the consumers may make up their minds to purchase the company's products. It helps making the image of the company and its products.

Marketing Social Needs

He studies the actual wants of the people and organizes production accordingly. Goods are produced on a large scale at one place. He undertakes the important task of distribution of goods and looks to the total satisfaction of the consumers.

Providing Employment

A large number of persons are engaged in the marketing activities such as wholesalers, retailers, advertisers, insurance agents, transporters, bankers, clerks, salesmen, etc. Thus marketing activities provide employment to large number of people. Thus, it is evident from the above discussion that the marketing manager is responsible to the society in many respects which he should execute sincerely.

Advantages and Disadvantages of Marketing

Advantages

1. Promotes Your Business to a Target Audience - You can't sell your products or services without appealing to the people most likely to buy those products and services. That group is known as your target audience, and a marketing strategy is the most effective way to reach that all-important group. If you have targeted this group correctly, you know their habits, behaviors, wants, and needs, and you also know where they like to hang out on social media. This information shapes the methods you will use to promote your business.

2. **Helps You Understand Your Customers** - You have to do market research before you develop a marketing strategy, and that research can provide you with reams of data that you can use over and over to help refine your product development and to keep up with trends and shifts in your target audience's behavior.
3. **Helps Brand Your Business** - Your marketing strategy isn't just about boosting leads and converting them into buyers, it's also about expressing the culture, values, and purpose of your business. The process of communicating that vision to your audience is the essence of branding.

Disadvantages

1. **Costs of Marketing** - Although the digital revolution has somewhat evened the playing field, the truth is that small business is still at a disadvantage, when it comes to grabbing their share of eyeballs through their marketing efforts. Big data has great value, but accessing that data is expensive, and you have to keep analyzing that data to stay abreast of buyer trends. Launching a marketing campaign on your website can also be expensive, Television and radio advertising spots are also costly, and even local advertising space is at a premium, because there is so much competition for the local audience.
2. **Time and Effort May Not Yield a Return** - Big brands can afford to spend time and effort working on a marketing campaign that fails, because they have the resources to regroup and move on. As a small business owner, however, the return on investment on a marketing campaign may be low, and that means you have spent months crafting a strategy that did nothing to help your bottom line. Even the most well planned marketing campaigns fail, and at the small business level, that can set you back for months.
3. **Production may lead to negative externalities** - When succeeding of Marketing and firms are always trying to maximize their profits, they may ignore external costs like damages to the environment.