



## **Marketing and Promoting Business: Advantages and Disadvantages**

### **INTRODUCTION**

In the traditional sense, the term 'market' refers to the place where buyers and sellers gather to enter into transactions involving the exchange of goods and services. It is in this sense that this term is being used in day to day language, even today. The other ways in which this term is being used is in the context of a *product market* (cotton market, gold or share market), *geographic market* (national and international market), *type of buyers* (consumer market and industrial market) and the *quantity of goods transacted* (retail market and wholesale market).

Marketing is the process of interesting potential customers and clients in the products and services. The key word in the marketing definition is "process"; marketing involves researching, promoting, selling, and distributing the products or services. Essentially marketing involves everything we do to get the potential customers and the product or service together. When we are putting together a marketing program for the business, concentrate on the basics, the four key components of any marketing plans are products and services, promotion, distribution and pricing. Creating and implementing a marketing plan will keep the marketing efforts focused and increase the sales.

According to the American Marketing Association offers this managerial definition: "Marketing (management) is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals".

### **Important features of marketing:**

1. **Needs and Wants:** The process of marketing helps individuals and groups in obtaining what they need and want. Thus, the primary reason or motivation for people to engage in the process of marketing is to satisfy some of their needs or wants. In other words, the focus of the marketing process is on satisfaction of the needs and wants of individuals and organizations
2. **Creating a Market Offering:** On the part of the marketers, the effort involves creation of a 'market offering'. Market offering refers to a complete offer for a product or service, having given features like size, quality, taste, etc; at a certain price; available at a given outlet or location and so on.
3. **Customer Value:** The process of marketing facilitates exchange of products and services between the buyers and the sellers. The buyers, however, make buying decisions on their perceptions of the value of the product or service in satisfying their need, in relation to its cost.
4. **Exchange Mechanism:** The process of marketing works through the exchange mechanism. The individuals (buyers and sellers) obtain what they need and want

through the process of exchange. In other words, the process of marketing involves exchange of products and services for money or something considered valuable by the people.

### **Scope of marketing:**

Now a day, marketing offers are not confined into products and services. The scope of marketing is now becoming larger. Marketing people are involved in marketing several types of entities:

**Goods:** Physical goods constitute the bulk of most countries' production and marketing effort. Most of the country produces and markets various types of physical goods, from eggs to steel to hair dryers. In developing nations, goods— particularly food, commodities, clothing, and housing—are the mainstay of the economy.

**Services:** As economies advance, a growing proportion of their activities are focused on the production of services. The U.S. economy today consists of a 70–30 services-to-goods mix. 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.

**Experiences:** By orchestrate several services and goods, one can create, stage, and market experiences. Walt Disney World's Magic Kingdom is an experience.

**Event:** 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, high profile lawyers and financiers, and other professionals draw help from celebrity marketers.

**Place:** Cities, states, regions, and nations compete to attract tourists, factories, company headquarters, and new residents. Place marketers include economic development specialists, real estate agents, commercial banks, local business associations, and advertising and public relations agencies.

**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." The Body Shop and Ben & Jerry's also gain attention by promoting social causes. Universities, museums, and performing arts organizations boost their public images to compete more successfully for audiences and funds.

**Information:** The production, packaging, and distribution of information is one of society's major industries. Among the marketers of information are schools and universities; publishers of encyclopedias, nonfiction books, and specialized magazines; makers of CDs; and Internet Web sites.

**Ideas:** Every market offering has a basic idea at its core. In essence, products and services are platforms for delivering some idea or benefit to satisfy a core need.

### **The marketing mix**

The marketing mix is the set of marketing tools the firm uses to pursue its marketing objectives in the target market. McCarthy classified these tools into four broad groups that he called the four P's of marketing: product, price, place and promotion.

1. **Product:** Product means the combination of goods and services that the company offers to the target market.
2. **Price:** Price is the amount of money customers have to pay to obtain the product.
3. **Place:** Place includes company activities that make the product available to target consumers.
4. **Promotion:** Promotion means the activities that communicate the merits of the product and persuade target customers to buy it.



Figure 1: The Four P Components of the Marketing Mix

### General advantages of marketing

An obvious advantage of marketing is the promotion of the business; getting the recognition and attention of the target audience across a wide ranging or specific market. Going hand-in-hand with this is the enhanced brand recognition. Every business needs to 'spend money to make money'. The most important advantage of marketing is therefore quite simply improving the businesses profits by boosting sales.

### General disadvantages of marketing

The first disadvantage of marketing in general is the cost. Advertising and marketing costs money. Wasting marketing efforts by targeting the wrong audience using an inappropriate medium would be a serious and costly mistake. So it is important to do the research beforehand and keep the costs to a minimum. A potential disadvantage of marketing here is the risk of time wasted for an unsuccessful campaign.

### BUSINESS PROMOTION

Business promotion is communicating with the public in an attempt to influence them toward buying the products or services. In business, in person communication can be made through direct selling or in a retail store, via the internet through a website or social media platform, electronically through email or text messaging.

#### Advantages of promoting business

Promoting the brand will help the business in many different ways:

- Increase brand awareness
- Segment identification
- Increase customer traffic
- Build sales and profits
- Increasing brand awareness

Promotions help in creating brand awareness. With the help of various media like the television, billboards, radio or local newspaper news, we can spread across information about the brand and company, which helps people to find out more about the company and look into the products and make purchases.

#### **Segment Identification**

If the promotional and marketing strategy is loosely structured, it might not be successful in targeting the “right” audiences. Having a full-proof and well-thought-out promotional strategy and marketing plan can help to identify different segments of consumers in the market and offer suitable solutions for the clients.

#### **Increasing customer traffic**

Promotion also helps in increasing customer traffic. The more we promote the brand, the more will the customers know about the product and company and the more will they be interested in the products. Promotion can be done even by giving out free samples which works wonders for customers.

#### **Build sales and profits**

Increasing the amount of sales that the company generates could seem difficult, but if they can do it successfully, it could make a large difference in the profitability of the business. They can build up the volume of sales in several ways. By developing relationships with the customers and services of the products of the company, it can increase the potential for repeat sales and improve the bottom line for the business.

#### **Disadvantages of promoting business**

Conducting a promotion to boost sales of the product or service can provide the business with immediate results in higher profits, but it can have lingering effects that are not always positive. Business promotions typically are useful for short-term results but are not always the best way to achieve the long-term goals. Therefore, some of the ill effects of promotion of business are deeply discuss below:

##### Image

Consumers often are leery of promotions and may begin wondering if there is something wrong with the products or services. Consumers may question the validity of the business and suspect the product or service has not been selling well when the company relies on promotions to build sales. Instead of building a positive brand image, company may actually be creating a negative image that can be difficult to overcome.

#### **Pricing expectations**

Savvy consumers wait for the promotions before they buy and they consistently see the specials and promotions. It can be difficult to raise prices back up once the company enticed the public with lower price points, reducing the profit margin substantially.

### **High demand**

Special promotions can create a demand, thus alienating the very customers the company trying to attract. Rebate promotions are an example of how promotional strategies can backfire. Companies that didn't plan well for an exceptional demand for rebates discovered that they could not process the rebates fast enough to satisfy consumers. As a result, rebates lost their appeal and often are seen as gimmicks instead of valuable money-saving options.

### **Competition**

Depending upon the kind of promotion, company can spur additional price cuts from the competition, leading to permanent price reductions that affect the profit margin over the long term.

### **CONCLUSION**

Marketing is the act or process of selling or purchasing in a market. It includes the process or technique of promoting, selling, and distributing a product or service. It is also the process of interesting potential customers and clients in the products and services. However, business promotion is communicating with the public in an attempt to influence them toward buying the products or services.