



[Academic Script]

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Credits

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Introduction

As we all know, man has various needs and tries to fulfil them in different manners. These options available to satisfy the needs are termed as wants. For example, a man may need something to quench his thirst. Here the need is 'to quench thirst' but there may be various options to satisfy the same need – water, milk, tea, soft drinks, lemonade, coconut water, etc. Hence ever since man discovered various ways to satisfy his needs, there came into existence a plethora of products and services which got exchanged through a common medium called the 'market'.

Market

Thus 'market' is the set of all actual and potential buyers who have a particular need or want that can be satisfied through exchange of certain products and services. It is important to bear in mind that the market consists of both actual and potential buyers- as the potential buyers may try to look for various options to satisfy their needs. According to economists, markets are formed when buyers and

sellers come in direct or indirect contact with each other to exchange goods and services for value. In marketing, since the focus is more on the customers, markets represent customers mainly whereas sellers are identified as business firms or product companies or service providers.

Marketing

Marketing is the activity or process through which companies identify the needs of the market and try to satisfy them with suitable products and services. Thus the main focus for marketing is always on the customers. What the customers want? At what price? Where can they shop? How to reach to them and communicate to them? All these questions are answered by marketing managers.

According to Wikipedia, Marketing is communicating the value of a product, service or brand to customers, for the purpose of promoting or selling that product, service, or brand.

According to the marketing guru, Philip Kotler, marketing is 'the process by which companies create value for customers and build strong customer

relationships in order to capture value from customers in return'.

Thus marketing is much broader than just selling and advertising. These two may be the main functions of marketing visible to the laymen but there are numerous other activities entailed in the arena of marketing which make this a more comprehensive and a much broader concept.

Thus marketing involves broad activities related to different elements which are called the marketing mix elements or the 4PS in marketing.

These are :

1. Product
2. Price
3. Place or Distribution
4. Promotion

Marketing Management

The American Marketing Association defines marketing management as follow:

Marketing management is the process of planning and executing – the conception, pricing, promotion

and distribution of goods, services and ideas – to create exchanges – with target groups – that satisfy customer and organizational objectives.

Thus marketing management includes all activities related to conception of the product or the service, using appropriate pricing policies, distribution strategies and communication activities related to product information and selling.

It includes all strategies related to four important marketing mix elements also called 4Ps – Product, Price, Place and Promotion.

MARKETING FUNCTIONS

Marketing performs various functions like:

- 1) It researches into what potential customers actually want.
- 2) It converts market research inputs into product or concept design through the new product development process.
- 3) It uses different pricing options suitable to capture the market opportunities.
- 4) It uses different channels of distribution to reach to the final customers.

- 5)It advertises and promotes products and services.
- 6)It manages internal and external communication related to products and services.
- 7)It makes all effort to ensure customer satisfaction.
- 8)It uses all possible media to reach out to the end customers to sell its products and services.

OBJECTIVES OF MARKETING MANAGEMENT

Marketing management takes care of all activities related to bringing in the revenues for the companies. It is the only area of management which brings in the earnings when compared to all other functions like Production and Operations, Finance and Human Resource which are cost-incurring in nature.

Some important objectives of marketing management are:

- 1. Creating demand for companies' products and services

2. Achieving customer satisfaction by aligning customer's latent needs with the market offerings.
3. Trying to analyse the marketing environment and look for new opportunities
4. Trying to take care of competitors' moves
5. Generation of profits
6. Maintaining a good corporate image
7. Maintaining long term relationships with the customers

COMPANY'S ORIENTATION TOWARDS MARKETING

Companies use different orientation towards marketing to cater to their customers' needs. Infact, these different marketing related concepts also throw light on how the field of marketing has evolved over the past few decades.

The five marketing related orientations or concepts are:

1. Production orientation
2. Product Orientation
3. Sales Orientation

4. Marketing Orientation

5. Societal Marketing Orientation

Companies may base their marketing activities considering these orientations.

Let us see each one in detail.

1. Production orientation

This is one of the oldest concepts related to marketing of goods. According to the production orientation, consumers prefer to buy products that are easily available and affordable. Thus, most companies driven by this concept aim to increase their production efficiency so as to decrease per unit costs and have widespread distribution network.

This concept allures companies towards outsourcing their production operations to Chinese manufacturers so as to get the cost benefit.

2.Product Orientation

According to this concept, consumers prefer to buy products which offer good features, quality and innovative design. Thus the main focus for firms driven by this concept is to plan for continuous product improvement so as to satisfy consumers. Sometimes, this may also prove to be dangerous as the companies increasingly focus on the product features and overlook the benefits that customers seek from the product use.

3.Sales orientation

According to this concept, companies feel that the consumers will not buy their products unless they make extra effort to sell and promote their products. They sometimes get into hard selling or aggressive selling trying to create sales transactions at any cost but this might prove to be dangerous sometimes. This overlooks the customers' needs. It focuses on 'sell what you have produced' approach. Some companies

dealing with unsought goods and those hit by larger competitors practise it. Or may be some NGOs use this concept for funds-raising activity.

4. Marketing Orientation

This orientation is for companies who place customer's needs at the topmost. They focus more on what can provide customer satisfaction and accordingly make suitable products. Hence, they believe in 'make what you can sell' approach unlike the previous selling orientation. Companies driven by this philosophy very well know that

the way to achieving customer loyalty and long term profits is by providing them unique solutions to their problems. Thus this is a sharp contrast to the earlier approach. It starts with identifying the customers' needs and ends with providing them customer satisfaction. This approach distinguishes selling from marketing trying to show that selling is just a part of marketing and marketing includes lot many activities.

5.Societal Marketing orientation

This orientation is for those companies which don't believe in providing only short run customer satisfaction but also work for the long run customer and societal welfare. Companies often produce products in a way that may ensure environmental protection and long run sustainability. Companies working for greener solutions often get more reputation because of their cause supporting initiatives. Some other causes are organic production, pollution control, use of herbal and bio-degradable materials, solar and wind energy solutions.

Summary

Man has unlimited wants which get exchanged through a common medium called the 'market'. The 'market' is the set of all actual and potential buyers who have a particular need or want that can be satisfied through exchange of certain products or services. The process by which companies try to create and deliver customer value is called marketing, and the planning and execution of these activities are included in marketing management. Companies may have different orientations towards marketing and must understand the growing importance of marketing as a management function.