

B.Com. 6th Semester Program
Marketing management (BCOMPACCSE601)
Unit 1 : **Introduction**

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Qn. What is Marketing? Definition and meaning

Marketing is a business term that experts have defined in dozens of different ways. In fact, even at company level people may perceive the term differently. Basically, it is a management process through which products and services move from concept to the customer. It includes identification of a product, determining demand, deciding on its price, and selecting distribution channels. It also includes developing and implementing a promotional strategy.

Collins Dictionary has the following definition of the term:

“Marketing is the organization of the sale of a product, for example, deciding on its price, the areas it should be supplied to, and how it should be advertised.”

Below is the American Marketing Association's definition:

“Marketing is 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.”



Marketing refers to the activities of a business related to buying and selling a product or service. It involves finding out what consumers want and determining whether it is possible to produce it at the right price. The company then makes and sells it.

Q. What is marketing management?

Ans. Marketing management is the organizational discipline which focuses on the practical application of marketing orientation, techniques and methods inside enterprises and organizations and on the management of a firm's marketing resources and activities.

Q. What are the scope of marketing?

Ans. **Scope management** is the process whereby the outputs, outcomes and benefits are identified, defined and controlled. 'Scope' is the term used in the management of projects to refer to the totality of the outputs, outcomes and benefits and the work required to produce them.

Q. Features of marketing?

1. **Ans. Marketing is a science as well as art:** Marketing has evolved from the economics but it has a closer relationships with social and behavioral sciences. Marketing is closely associated with streams of science as well humanities and subject lines such as Economics, Law, Psychology, Anthropology, Sociology, Information Technology etc. Marketing heavily depends upon the demographic features of the target market, political environment, philosophy, mathematics, statistics etc.
2. **Exchange is essence of marketing:** Marketing revolves around commercial exchange. This also involves exchange of technology, exchange of information and exchange of ideas.
3. **Marketing is Goal Oriented:** The ultimate goal of marketing is to generate profits through the satisfaction of the customer.
4. **Marketing is a continuous process:** marketing is not an isolated, static process but is a complex, continuous and interrelated process. It involves continuous planning, implementation and control. It is an important functional area of the management.
5. **Marketing is Consumer Oriented:** All firms exist because of their business to satisfy the human needs, wants and demands. The ultimate objective of marketing is to find out what the consumer wants and how to fulfill consumer need. This leads to production of the goods and services as per the needs of the customer.
6. **Marketing starts with consumer and ends with consumer:** Marketing is consumer oriented and it is very important to know what the consumer wants.

Q. Concept of Need, want, Demand ,value & satisfaction.

Ans. Philip Kotler, the eminent writer, defines modern marketing as, "Marketing is social and managerial process by which individuals and groups obtains what they needs and wants through creating and exchanging product and value with others." Careful and detailed analysis of this definition necessarily reveals some core concepts of marketing, shown in Figure 4.

1. Needs:

Existence of unmet needs is precondition to undertake marketing activities. Marketing tries to satisfy needs of consumers. Human needs are the state of felt deprivation of some basic satisfaction. A need is the state of mind that reflects the lack-ness and restlessness situation.

Needs are physiological in nature. People require food, shelter, clothing, esteem, belonging, and likewise. Note that needs are not created. They are pre-existed in human being. Needs create physiological tension that can be released by consuming/using products.

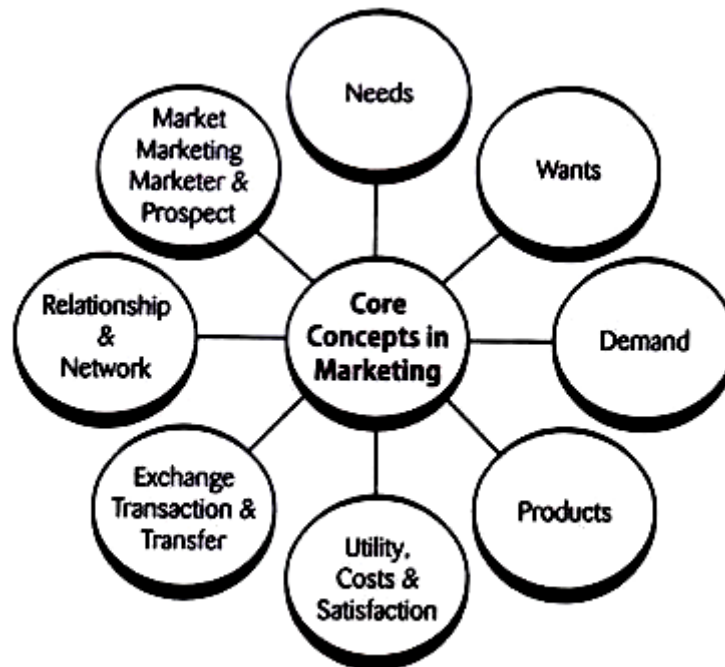


Figure 4: Core Concepts in Marketing

2. Wants:

Wants are the options to satisfy a specific need. They are desire for specific satisfiers to meet specific need. For example, food is a need that can be satisfied by variety of ways, such as sweet, bread, rice, sapati, puff, etc. These options are known as wants. In fact, every need can be satisfied by using different options.

Maximum satisfaction of consumer need depends upon availability of better options. Needs are limited, but wants are many; for every need, there are many wants. Marketer can influence wants, not needs. He concentrates on creating and satisfying wants.

3. Demand:

Demand is the want for specific products that are backed by the ability and willingness (may be readiness) to buy them. It is always expressed in relation to time. All wants are not transmitted in demand. Such wants which are supported by ability and willingness to buy can turn as demand. Marketer tries to influence demand by making the product attractive, affordable, and easily available. Marketing management concerns with managing quantum and timing of demand. Marketing management is called as demand management.

Q. Importance of marketing?.

Ans. 1. Generation of employment opportunities.

- 1. Increase in social welfare.**
- 2. Emphasis on a scientific bent of mind.**
- 3. Better quality of production.**
- 4. Encourage healthy competition.**
- 5. Upgrading consume status.**
- 6. Integration of enterprise objectives and social objectives.**
- 7. CARRER in marketing.**

Q. Traditional & modern marketing concept ?

Ans. Traditional Concept of Marketing

According to this concept, marketing consists of those activities which are concerned with the transfer of ownership of goods from producers to consumers. Thus, marketing means selling of goods and services. In other words, it is the process by which goods are made available to ultimate consumers from their place of origin. The traditional concept of marketing corresponds to the general notion of marketing, which means selling goods and services after they have been produced. The emphasis of marketing is on sale of goods and services. Consumer satisfaction is not given adequate emphasis. Viewed in this way, marketing is regarded as production/sales oriented.

Modern Concept of Marketing

According to the modern concept, marketing is concerned with creation of customers. Creation of customers means identification of consumer needs and organising business to satisfy these needs.

Marketing in the modern sense involves decisions regarding the following matters:

1. Products to be produced
2. Prices to be charged from customers
3. Promotional techniques to be adopted to contact and influence existing and potential customers.
4. Selection of middlemen to be used to distribute goods & services.

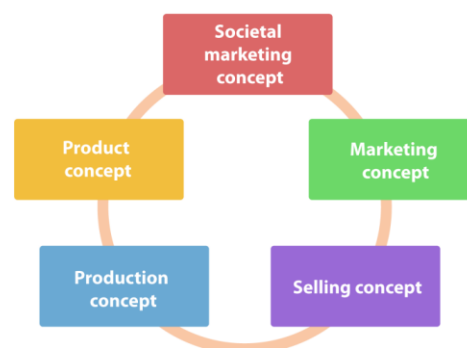
Modern concept of marketing requires all the above decisions to be taken after due consideration of consumer needs and their satisfaction. The business objective of earning profit is sought to be achieved through provision of consumer satisfaction. This concept of marketing is regarded as consumer oriented as the emphasis of business is laid on consumer needs and their satisfaction.

Q. Production , product, selling , marketing and societal marketing concept.

Ans. The five marketing concepts

The five marketing concepts are:

1. **Production concept**
2. **Product**
3. **Selling concept**
4. **Marketing concept**
5. **Societal marketing concept**



Let's take a closer look at each one.

The production concept

When the production concept was defined, a production oriented business dominated the market. This was from the beginning of capitalism to the mid 1950's.

During the era of the production concept, businesses were concerned primarily with **production, manufacturing, and efficiency issues**. Companies that use the production concept have the belief that customers primarily want products that are affordable and accessible.

The production concept is based on the approach that a company can increase supply as it decreases its costs. Moreover, the production concept highlights that a business can lower costs **via mass production**.

A company oriented towards production **believes in economies of scale** (decreased production cost per unit), wherein mass production can decrease cost and maximize profits. As a whole, the production concept is oriented towards operations.

The product concept

This concept works on an assumption that **customers prefer products of greater quality and price and availability** doesn't influence their purchase decision. And so company develops a product of greater quality which usually turns out to be expensive.

One of the best modern examples would be IT companies, who are always improving and updating their products, to differentiate themselves from the competition. Since the main focus of the marketers is the product quality, they often lose or fail to appeal to customers whose demands are driven by other factors like price, availability, usability, etc.

The selling concept

Production and product concept both focus on production but selling concept focuses on making an actual sale of the product. Selling concept focuses on making every possible sale of the product, regardless of the quality of the product or the need of the customer.

The selling concept highlights that customers would buy a company's products **only if the company were to sell these products aggressively**. This philosophy doesn't include building relations with the customers. This means that repeated sales are rare, and customer satisfaction is not great.

The marketing concept

A company that believes in the marketing concept **places the consumer at the center of the organization**. All activities are geared towards the consumer. A business aims to understand the needs and wants of a customer. It executes the marketing strategy according to market research beginning from product conception to sales.

By focusing on the **needs and wants** of a target market, a company can deliver more value than

its competitors. The marketing concept emphasizes the “pull” strategy”. This means that a brand is so strong that customers would always prefer your brand to others’.

The societal marketing concept

This is a relatively new marketing concept. While the societal marketing concept highlights the needs and wants of a target market and the delivery of better value than its competitors, it also **emphasizes the importance of the well-being of customers and society as a whole** (consumer welfare or societal welfare).

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.

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