



Essentials of marketing

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Abstract

Economies abound in markets. A market consists of all potential customers sharing a particular need or want who might be willing and able to engage in exchange to satisfy that need or want. Each nation's economy and the whole world economy consist of complex interacting sets of markets that are linked through exchange processes. The concept of markets brings us full circle to the concept of marketing. Marketing means working with markets to actualize potential exchanges for the purpose of satisfying human needs and wants. Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others.

Keywords: economic, markets, environment

Introduction

Modern economies abound in markets. A market consists of all potential customers sharing a particular need or want who might be willing and able to engage in exchange to satisfy that need or want. Each nation's economy and the whole world economy consist of complex interacting sets of markets that are linked through exchange processes. The concept of markets brings us full circle to the concept of marketing. Marketing means working with markets to actualize potential exchanges for the purpose of satisfying human needs and wants. Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others.

As said by Pater Ducker

Marketing is so basic that it can not be considered a separate function. It is a whole business seen from the point of view of its final result, that is, from the customer's point of view -----
-- Business success is not determined by the produces but by the customer."

The basic kinds of markets and the flow connecting them are shown in the following circular flow chart No. 1 on the following page.

As shown in flow-chart No.-1 essentially manufacturers go to resource markets (raw-material markets, labour markets, money markets and so on), buy resources, turn them into goods and services, sell them to middlemen, who sell them to consumers. The consumers sell this labour, for which they receive money income to pay for the goods and services they buy. The government is another market that plays several roles. It buys goods from resource, manufactures, and middlemen markets, it pays them, it taxes these markets (including consumer markets); and it returns needed public services thus the whole world economy consists of complex inter-acting sets of markets.

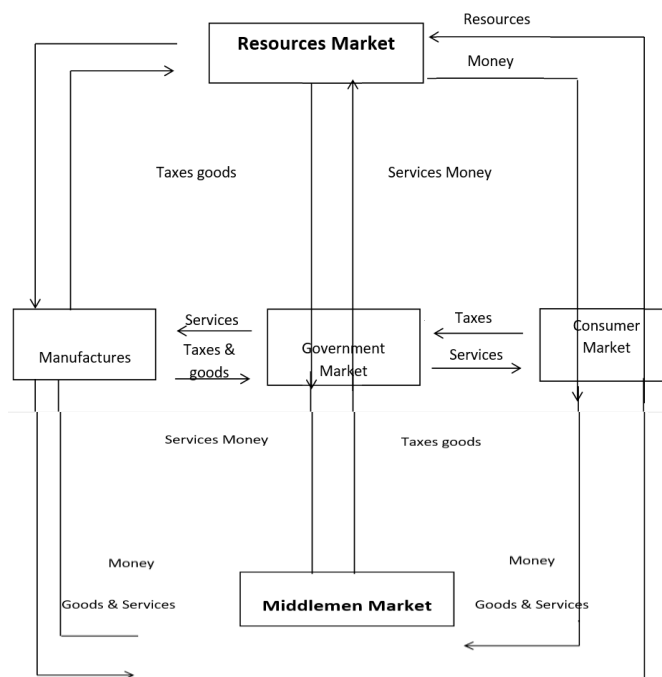


Fig 1: Structure of flow in a modern exchange economy

Definitions of marketing

1. The 'New Encyclopedia Britannica

Markets in the most literal and immediate sense are places in which things are bought and sold. In the modern industrial system, however the market is not a place, it is expanded to include the geographical area in which seller compete with each other for customers."

2. Dictionary of Economics

Market is the area within which buyers and sellers are in communication with one another and within which exchange takes place."

3. Philip Kotler

Marketing is the analysis, Planning implementation and control of programmes designed to bring desired exchanges with target audiences for the purpose of personal and mutual gain. It relies heavily on the adoption and co-ordination of product, price promotion and the place for achieving response."

Initially the marketing function is seen as one of several equally important business functions in a check and balance relationship. A dearth of demand then lead marketers to argue that their function was some what more important than the other. A few marketing entersiasts go further and say

marketing is the major function of the enterprise, for without customers, there would be no company. They put marketing at the centers, with other business functions serving the issue by putting the customer rather than marketing at the center of the company. The argue for a customer orientation in which all functions work together to sense, serve, and satisfy the customer. Finally, some marketers say that marketing still needs to command a central company position if customer's needs are to be correctly interpreted and efficiently satisfied. Figure No. 2 gives the clear picture of the evolving views of marketing's role in the company.

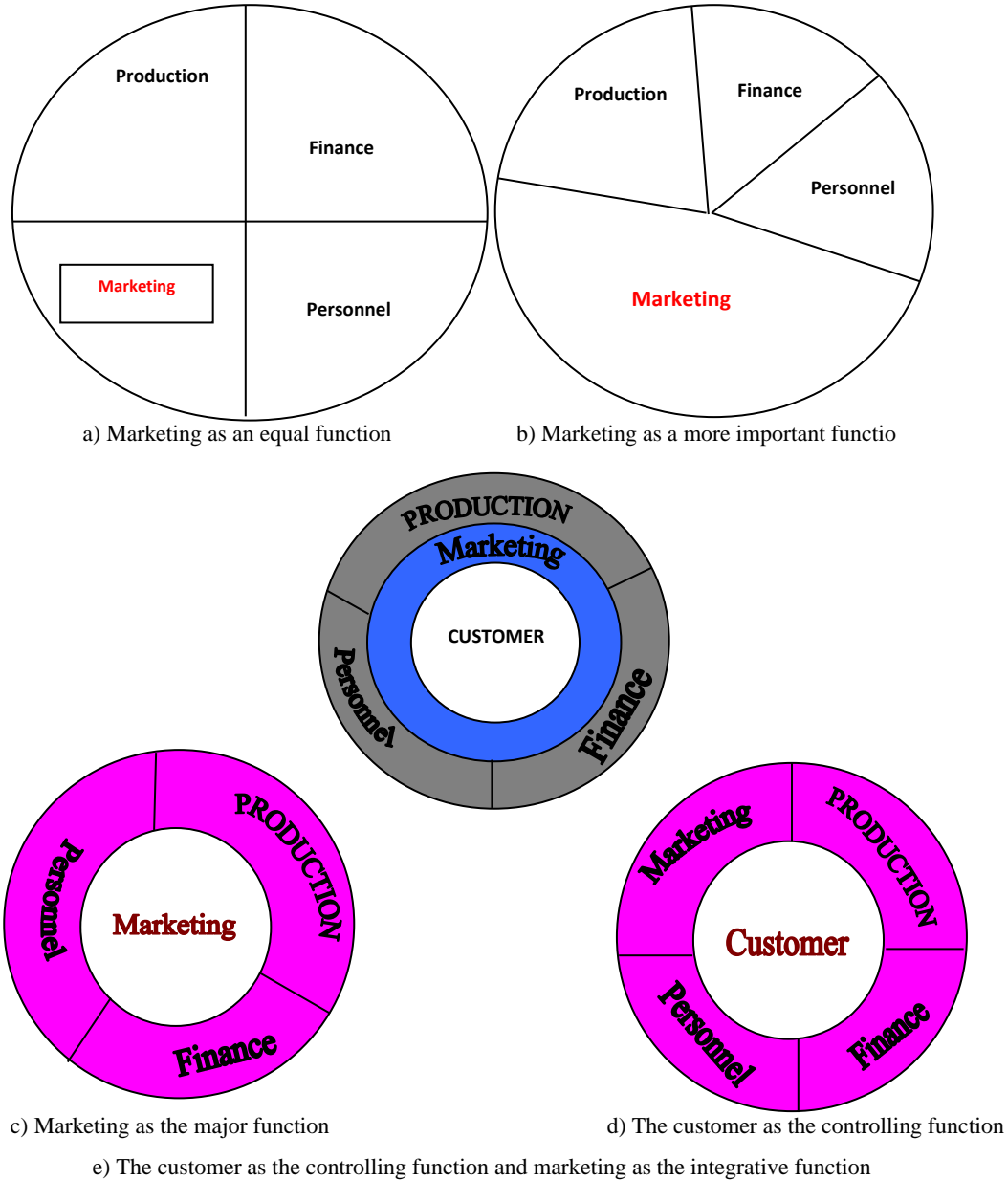


Fig 2: Evolving views of Marketing's Role in the Economy

The function of marketing is externally to used the environment is complex and undergoing changes. Marketing environment consists of social, economic, ethical, political,

physical and technological forces and uncontrollable forces that act as the constraints of marketing decisions.



Fig 3: Exhibits the marketing environment.

The marketing system affects every-one buyers, sellers and many public groups. The marketing system has a major impact on the quality of life and various groups of citizens want to make the system work as well as possible. They act as watchdog consumer interests and favour of consumer education, information and protection. Some people intensively dislike modern marketing activity charging it with ruining the environment, bombarding the public with senseless advertisements, creating unnecessary wants, teaching greed to youngsters end committing several other sins. But even then the significance of marketing can't be denied in the word of Peter Druscker, "The neglect of marketing is one of the main factors which keeps on economy under developed. Market oriented economy is dynamic characterized by steady growth of market."

Marketing involves many interacting activities. The marketing mix of the firm consists of the four P's – Product, Price, Physical Distribution and promotion. Advertising enters the marketing plan as an element of the Promotional mix. The role of advertising in the promotional mix depends upon the marketing situation. Also the emphasis placed on advertising varies as per the product life cycle. At the primary stage equal importance will be given to advertising and other elements of promotional mix. The product has to be successfully positioned in the minds of consumers, otherwise it can't be survived. Advertising expenses are maximum at this stage.

Advertising is thus one of the activities included in the practice of marketing. It is concerned with the communication of product benefits to potential customer in order to convince them to exchange their resources for these products. It may be possible for goods and services to be marketed without the help of advertising. Then it may be said that, 'marketing creates environment within which advertising flourishes.

When the marketer decides to advertise, his decision has several implication on his marketing programme. They are as under:

1. The decision to advertise implies a decision to compete in

a new and aggressive way within the market.

2. The second implication is to expand his market share by doing so.
3. Thirdly advertising is a relatively low cost way to reach consumer to make them aware of and informed of his product.
4. The decision to advertise implies the interactive effects of advertising with other marketing elements for achieving results.

As David S. Dunbar said, "It advertising were eliminated, businessmen would still be faced with same problem of development and expansion of a market and consumer acceptance of their product to which advertising is solution."

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