# MODULE 5 BUSINESS ORGANISATION

## MARKETING FUNCTIONS

# MARKETING

The term "market" refers to the gathering place of buyers and sellers to conduct transactions involving the exchange of goods and services. The term "market" comes from the Latin word "Marcatus," which means "to trade."

Marketing is defined as "a human activity aimed at satisfying needs and desires through an exchange process”. Philip Kotler Marketing concept is a key to determining the needs, desires of target markets, delivering the desired satisfactions more efficiently and effectively by competitors is critical to achieving organizational goals.

# MARKETING MANAGEMENT

Marketing management is the administration of marketing functions.
It is considered as the process of organizing, directing as well as controlling the activities associated with marketing goods and services in order to meet the needs of customers and achieve organizational goals.
“Marketing management is defined as the art and science of selecting target markets and acquiring, retaining, and growing customers by creating, delivering, and communicating superior customer service.”Philip Kotler
The process of management of marketing involves: a. Identifying a target market.
b. Creating demand by producing products that meet the needs and interests of customers.
c. Create, develop, and communicate superior customer values: To provide superior value products/services to prospective customers, and to communicate these values to other potential buyers in order to persuade them to purchase the product/service.

# MARKETING VS SELLING

Marketing
It is a broad term that encompasses a variety of activities such as identifying customer needs, product development, pricing, distribution, promotion, and selling.
Satisfying the needs and desires of the customers to the greatest extent possible.
Profits are generated as a result of customer satisfaction.
Customer bending based on the product
Selling
It is only a part of the marketing process.
Title transfer from seller to consumer
Profits are generated by increasing sales volume.
It begins before a product is manufactured.
Product, promotion pricing, and physical distribution are all part of the effort.
needs of the customers.
It begins after a product is created.
Efforts such as promotion and persuasion are required.

# MARKETING MANAGEMENT PHILOSOPHY

1. Production concept:

Producers was limited in the early days of the industrial revolution, industrialists assumed that consumers were only interested in easily and widely available goods at an affordable price.

2. Product concept:

• As time passed, supply improved, and customers began to prefer products that were superior in performance, quality, and features.

• As a result, product improvement has become the key to a company's profit maximization.

3. Selling concept:

• Increased production scale resulted in increased competition among sellers. Because there were so many companies selling similar products, product quality and availability were insufficient to ensure survival.

• Consumers will not buy products unless the company engages in aggressive sales and promotional activities.

4. Marketing concept :

• Marketing begins with determining what consumers want in order to satisfy.

5. Social marketing concept:

• Customer satisfaction is supplemented by social welfare in this concept.

• A company that adopts the societal concept must balance the company's profits, consumer satisfaction, and societal interests.


# MARKETING MIX

• A large number of factors influence marketing decisions; these are classified as ‘non-controllable factors' and ‘controllable factors.'
• Controllable factors are those that can be influenced at the firm level.
• Environmental variables are factors that influence a decision but are not controllable at the firm level.
• In order to be successful, a company must make sound decisions after analyzing controllable factors and keeping environmental factors in mind.
• Marketing Mix refers to the set of marketing tools that a company employs to achieve its marketing objectives in the target market.
• The success of a market offer is determined by how well these ingredients are combined to provide superior value to customers while also meeting sales and profit goals.

# ELEMENTS OF MARKETING MIX

The marketing mix consists of four main elements

**A. Product**

**B. Price**

**C. Place/Physical Distribution**

**D. Promotion**

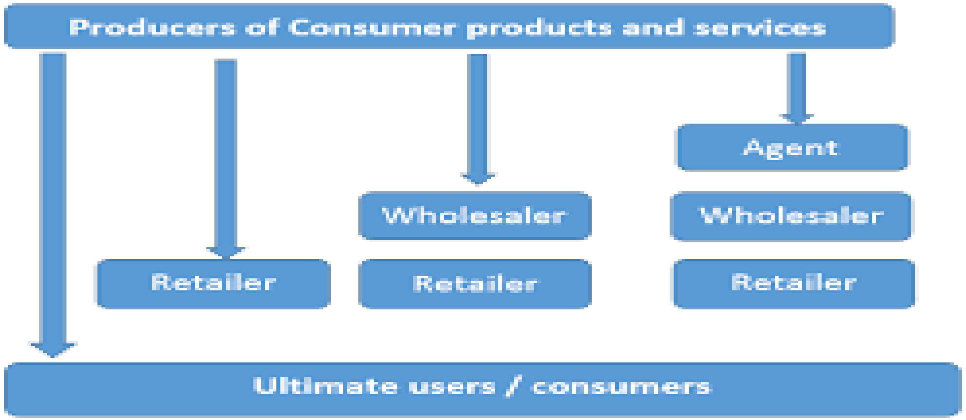
These elements are used to popularly known as 4 P’s of the marketing.

1. Product: A product is defined as "anything of value" that is offered for sale in the market. Colgate, Dove, and so on.
2. Price: the sum of money that a customer must pay in order to obtain a product or service.
3. Place: Physical product distribution, i.e. making the product available to customers at the point of sale.
4. Promotion: Informing customers about the products and convincing them to purchase them.

# CHANNEL OF DISTRIBUTION

• Consists of a network of firms, individuals, merchants, and functionaries who assist in the transfer of title to a product from the producer to the end consumer.

• Intermediaries help to cover a large geographical area and increase distribution efficiency, including transportation, storage, and negotiation. They also provide customers with convenience by having a variety of items available in one location, as well as serving as an authentic source of market information because they are in direct contact with the customer.



# TYPES OF CHANNEL

Direct Channel ( Zero Level)

The manufacturer and the customer establish a direct relationship. Manufacturer- Customer. For example, mail order, internet, and door-to-door sales.

Indirect Channel

The distribution network is referred to as indirect when a producer uses one or more intermediaries to move goods from the point of production to the point of sale.

1. Manufacturer-Retailer-Customer (One Level Channel)

Between the manufacturers and the customers, one intermediary, namely retailers, is used. Typically used for high-end items such as watches, appliances, automobiles (Maruti Udyog), and so on.

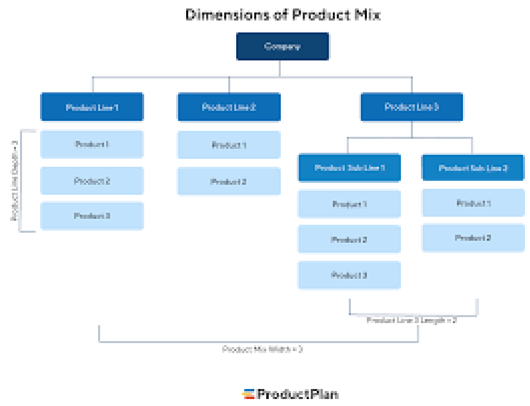
2. Manufacturer-wholesaler-Retailer-customer (Two Level Channel):

This channel is primarily used for consumer goods distribution. Typically used for consumer goods such as soaps, salt, and so on.

3. Manufacturer → Agent → Wholesaler → Retailer → Customer (Three Level Channel):

Manufacturers use their own selling agents or brokers in this case, who connect them with wholesalers, then retailers, and finally consumers.

# PRODUCT MIX



# Four components of product mix

1. **Width**

   Width or breadth, that refers to the number of product lines which is offered by a company to its customers.

2. **Length**

   The length refers to the total number of products in a firm’s product mix strategy.

3. **Depth**

   Depth refers to the number of variations that exist in a product line.

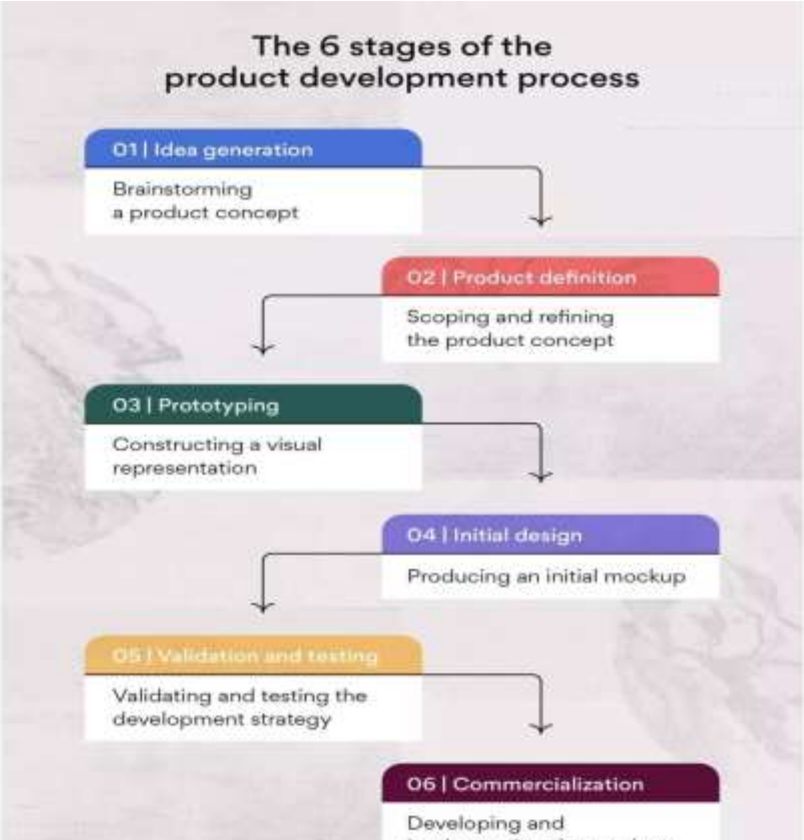
4. **Consistency**

   This refers to how closely the products in a product line are related to each other.

# Example of Product mix

A popular and classic example of Product Mix is the brand Coca-Cola. For simplicity, let us assume that Coca-Cola oversees only two product lines that are soft drinks and juice (Minute Maid). The Products that are classified as soft drinks are Coca-Cola, Fanta, Sprite, Diet Coke, Coke Zero, and the products that are classified as Minute Maid juice are Guava, Orange, Mango, and Mixed Fruit.

# Product development stages



# Advertisement

Advertising is a non-personal form of promotion that is delivered through selected media outlets that, under most circumstances, require the marketer to pay for message placement. Advertising has long been viewed as a method of mass promotion in that a single message can reach a large number of people. American Marketing Association defines advertising as "any paid form of non personal presentation of ideas, goods and services by an identified sponsor".

Elements

1. It can be in any form like a sign, symbol, an illustration or ads in magazines, newspapers, radio or TV.
2. It is non personal: There is no personal selling involved in it.
3. It is employed to communicate information about goods and services.
4. It is openly paid by an identified sponsor

# SALESMANSHIP

Traditionally referred to as a “door to door” profession, salesmanship refers to the ability of an individual to sell a product/service to another individual. In the complex and competitive world that we live in today, the importance of salesmanship has been consistently increasing. A salesman today, is one of the key figure in the manufacturing and distribution world. Accepted as an essential component of the sales and marketing, the importance of salesmanship ranges from producers to society to consumers. As the famous saying in marketing goes “consumer is always right”, it is the salesman who helps the consumer in being right - by assisting in the decision making process and selection of products. In this unit, you will learn scope, type, significance, role, qualities and functions of salesman.

# What is salesmanship?

“Salesmanship is a marketing strategy by which a salesman can sell his goods or services to a person”.W. G Carter defined salesmanship as “an attempt to induce people to buy goods”. Acting as a bridge between buyers and customers, the main goal of salesmanship is profit maximization. However, salesmanship is not merely about selling goods. As described by W. Major Scot, the job of salesman is also to create demand “by demonstrating that the need does exist, although before his visit there was no consciousness of that need”. G. Blake added to the above by identifying salesmanship as “winning the buyer’s confidence for the seller’s house and goods thereby winning regular and permanent customers”.

Salesmanship also represents the seller-initiated efforts offered to prospective customers. These efforts are complimented with product information and motivate customers to make favourable buying decisions. A salesman must possess the ability to interact with customers utilizing different mediums and methods. In this sense, it may also be right to describe a salesman as a psychologist with a knack for marketing.

Salesman is nothing but an advisor with one customer, a friend to some other customer and a store of all information to others. Donning these multiple hats, salespersons must therefore be able to adjust their personalities to suit every type and mood of customer.