

## **What is marketing?**

Many people think of marketing only as selling and advertising. Every day we are bombarded with television commercials, newspaper ads, direct-mail offers, sales calls and internet pitches. But selling and advertising are only the tip of the marketing iceberg. There are only two many marketing functions.

Marketing more than any other business function deals with customers. Building customer relationships based on customer value and satisfaction is at the very heart of modern marketing.

Marketing is managing profitable customer relationships. Today, marketing must be understood not in the old sense of making a sale- “telling and selling” but in the new sense of satisfying customer needs.

“Marketing is a social and managerial process whereby individuals and groups obtain what they need and want through creating and exchanging products and value with others.”

By P. Kotler.

Marketing is all around us. Formally or informally, people and organization engage in a vast number of activities that could be called marketing. Good marketing has become an increasingly vital ingredient for business success. And marketing profoundly affects our day-to-day lives. It is embedded in everything we do- from the clothes we wear to the web sites we click on to the ads we see.

Marketing deals with identifying and meeting human needs and social needs. One of the shortest definitions of marketing is meeting needs profitably.

The American marketing association offers the following formal definitions: “Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.”

Marketing includes anticipating demand, managing demand and satisfying demand.

Marketing consists of activities designed to generate and facilitate exchanges intended to satisfy human or organizational needs or wants.

Marketing is a total system business activities designed to plan, price, promote and distribute want satisfying products to target markets in order to achieve organizational objectives.

Marketing is managing profitable customer relationships. The twofold goal of marketing is to attract new customers by promising superior value and to keep and grow the current customers by delivering satisfaction.

## **The importance of Marketing:**

Financial success often depends on marketing ability. Finance, operations, accounting and other business functions will not really matter if there is no sufficient demand for the products and services so the company can make a profit.

Many companies have now created a chief marketing officer or CMO, position to put marketing on a more equal footing with other C-level executives such as the chief Executive officer and Chief financial officer etc.

In the business press, countless articles are devoted to marketing strategies and tactics.

Today markets are characterized by hyper-competition. Large and well known businesses have confronted newly empowered customers and competitors and have had to rethink their business models. Even market leaders repeatedly warned his company “ change or die”.

Sound marketing is essential to the success of every organization-large or small, for profit or not for profit, domestic or global firms. Large for profit such as Microsoft, Sony, Walmart use marketing.

Marketing stimulates consumers, costs a large part of sales, employs people, supports industries, affects all consumers and plays a major role in our lives.

Traditionally, marketing is used by profitable organizations, but recently all kinds of organizations whether profitable or not use marketing concepts or strategies.

There are some career opportunities in Marketing. Future employment in marketing will remain strong.

Marketing impacts strongly on people’s beliefs and lifestyles. Marketing has a role to play in our quality of our life.

A knowledge of Marketing is extremely valuable for those not directly involved in marketing jobs. Marketing decisions must be made by doctors, lawyers, management consultants, financial analysis, economists, statisticians and teachers etc.,

So we can say that marketing is all around us and we all need to know something about marketing. Marketing is used not only by manufacturing companies, wholesalers and retailers but also by all kinds of individuals and organizations. Lawyers, accountants and doctors use marketing to manage demand for their services.

No politicians can get the needed votes and no resort the needed tourists without developing and carrying out the marketing plan and strategies.

People throughout these organizations need to know how to define and segment markets, develop attractive value propositions and build strongly positioned brands. They must know how to price their offerings to make them attractive and affordable and how to choose and manage intermediaries to make their products available to customers. They need to know how to advertise and promote products so that customers will know about and want them. Moreover they must know how to adapt their marketing strategies and management to a host of new technological and global realities. Clearly, marketers need a broad range of skills in order to build profitable relationships with customers.

### **Marketing Functions: -**

There are eight basic marketing functions. Here are brief descriptions of the functions:

- **Environmental analysis and marketing research**-Monitoring and adapting to external factors that affect success or failure, such as the economy and competition; and collecting data to resolve specific marketing issues.
- **Broadening the scope of marketing:-** Deciding on the emphasis on and approach to societal or ethical issues and global marketing, as well as the role of the web in a marketing strategy.
- **Consumer analysis:-** examining and evaluating consumer characteristics, needs and purchase processes; and selecting the groups of consumers at which to aim marketing efforts.
- **Product planning;** including (goods, services, organizations, people, places and ideas). Developing and sustaining products, products assortments, product images, brands, packaging and optional features and deleting faltering products.
- **Distribution planning:** forming logistical relations with distribution intermediaries, physical distribution, inventory management, warehousing, transportation, the allocation of goods and services, wholesaling and retailing.
- **Promotion planning-** communicating with customers, the general public and others through some form of advertising, public relations, personal selling and sales promotion.
- **Price planning:** Determining price levels and ranges, pricing techniques, terms of purchase, price adjustments and the use of price as an active or passive factor.
- **Marketing management-** planning, implementing and controlling the marketing programs (strategy) and individual marketing functions; appraising the risks and benefits in decision making and focusing on total quality.

### **The scope of marketing:**

Marketing people are involved in marketing 10 types of entities, such as:

**Goods: -** Physical goods constitute the bulk of most countries' production and marketing effort. Physical goods mean the tangible goods that can be seen, touched and smelled before the purchase. Such as refrigerator, car, automobiles, television sets etc.

**Services:-** services indicate the intangible offers to the customers. As economies advance, a growing proportion of their activities is focused on the production of services. Services include the work of airlines, hotels, car rental firms, barbers and beauticians, maintenance and repair people etc.

**Experiences:** - a firm can create, stage and market experiences. Walt Disney world's Magic kingdom represents experiential marketing; customers visit a fairy kingdom, a pirate ship or a haunted house. For example, spending a week at a baseball camp playing with some retired baseball greats, paying to conduct the Chicago Symphony Orchestra for five minutes or climbing Mount Everest.

**Events:-** Marketers promote time-based events such as the Olympics, company anniversaries, major trade shows, sports events and artistic performance.

**Persons:-** celebrity marketing is a major business. Today every film star has an agent, a personal manager and ties to a public relation agency. Artists, musicians, CEOs, physicians, high profile lawyers and financiers and other professionals are also getting help from celebrity marketers.

**Places:-** places such as cities, states, regions and whole nations- compete actively 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 or financial property. Properties are bought and sold. So it requires marketing.

**Organization:-** Organization actively work to build a strong, favorable image in the minds of target publics. Companies spend money on corporate identity ads. Philips, the Dutch electronics company puts out ads with the tagline "Let's make Things Better". Universities, Museums and performing arts organization all use marketing to boost their public images and to compete for audiences and funds.

**Information:** - information can be produced and marketed as a product. Encyclopedias and most nonfiction books market information. This is essentially what schools and universities produce and distribute at a price to parents, students and communities.

**Ideas:** - Every market offering includes a basic idea. Products and services are platforms for delivering some idea or benefit. Social marketers are busy promoting such ideas as "Say no to drugs", "Save the rainforest", "Exercise daily", or "Avoid fatty food".

## **Core concepts of Marketing:-**

To explain the definitions of marketing and understand the definition of marketing, we must understand or examine the most important core marketing concepts, marketing can be further understood by defining several of its core concepts.

**Needs:** Human needs are states of felt deprivation.

Human needs can be arisen from two stimuli such as external stimuli and internal stimuli. These needs are not created by marketers. They are a basic part of human makeup.

Needs include

- Physical needs e.g. food, clothes and shelter
- Social needs; e.g. Belongingness, love and affection
- Individual needs; e.g. Knowledge and self expression.

**Wants:-**

The needs become wants when they are directed to specific objects that might satisfy the needs.

Human wants vary from one culture to another and from individual to another individual. Human wants are shaped by culture and individual personality. A person in Bangladesh needs food but wants rice and fish.

But a person in America needs food but wants a Big Mac, French fries, pizza and soft drinks.

**Demands:-** Human wants become demands when they are backed by buying power and the willingness to buy the products. Outstanding marketing companies go to great lengths to learn about and understand their customer's needs, wants and interests and demands.

**Marketing offers:** Marketing offers means the total benefits that a particular company offered to a market to satisfy a need or want.

Marketing offers are not limited to the physical products. There are many things that can be offered to a market to satisfy a need or want. Such as are goods, services, experiences, events, persons, places, properties, organization, information and ideas.

**Market:-** A market is the set of all actual and potential buyers of a product or service. Market does not indicate the place. Marketers are keenly interested in the market. Marketers develop products and services that create value and satisfaction for customers in these markets. As a result, they create profitable long-term customer relationships.

**Value:-** More specifically, we can define value as a ration between what the customers gain and what he gives. Value is given by

$$\text{Value} = \frac{\text{Benefits}}{\text{Costs}}$$

Customer value is the difference between the values the customer gains from owning and using a product and the cost of obtaining the products.

**Satisfaction:** - Satisfaction occurs where product's performance matches the expectations of the customers. From past experiences, friends and associates' advice and marketer's and competitors' information and promises, customers form their expectations. Customer satisfaction is a key influence on future buying behavior. Satisfied customers buy again and tell others about their good experiences. Dissatisfied customers often switch to competitors and disparage the product to others.

**Exchange:** - Marketing occurs through the exchange process. Exchange is the act of obtaining a desired object from someone by offering something in return. Trade value does not matter. Ex- one party gives X to another party and gets Y in return. This is the exchange.

**Transaction:** - a transaction consists of a trade of value between two parties. Ex. You pay Sears \$250 for a television set. That means there must be trade value between the parties. The transaction must be measured by money.

**Marketplace:** The marketplace is physical as when one goes shopping in a store.

**Marketspace:** - the Marketspace is digital, as when one goes shopping on the Internet.

**Metamarket:** Metamarket is a cluster of complementary products and services that are closely related in the minds of consumers but are spread across a diverse set of industries.

**Marketers:** - a marketer is someone seeking a response from another party. When someone wants to sell something to another party is known as marketers.

**Prospects:-** Prospects are the people who may conceivably buy or may not buy the products or services.

**Brands:** Brand is a name, term, sign, symbol or design or a combination of these, intended to identify the goods or services of the seller or group of sellers and to differentiate them from those of competitors.

**Products:-** Product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need.

**Service:** service is any activity or benefit that one party can offer to another party that is essentially intangible and does not result in the ownership of anything.

**Segmentation:** A marketer can rarely satisfy everyone in a market. Not everyone likes the same cereal, hotel room, restaurant, automobile, college or movie. Marketers start by dividing up the market into segments. They identify and profile distinct groups of buyers who might prefer or require varying product and services mixes by examining demographic, psychographic and behavioral differences among buyers.

**Target markets:** The marketer decides which segments present the greatest opportunity-which are its target markets.

**Positioning:** it is the process of occupying a clear, distinct position in the minds of customers. For example Volvo is positioned on safety. Mercedes Benz is positioned on luxury.

**Marketing channel:** To reach a target market, the marketers use three kinds of channel of marketing such as are

- i) Communication channel
- ii) Distribution channel
- iii) Service channel (i.e. Bank , insurance, warehouse)

**Supply chain:** The supply chain describes a longer channel stretching from raw materials to components to final products that are carried to final buyers.

**Competition:** Competition includes all the actual and potential rival offerings and substitutes that a buyer might consider.

**Marketing environment:** Marketing environment consists of all the factors and forces that affect the marketing management' ability to make their decision. The marketing environment consists of the task environment and the broad environment. The task environment includes the immediate actors involved in producing, distributing and promoting the offering.

The broad environment consists of six components; demographic, economic, physical, technological, political and legal, social-cultural environment.

**Marketing Planning:** the marketing planning process consists of analyzing marketing opportunities, selecting target market, designing marketing strategies, developing marketing programs, and managing the marketing efforts.