

SUBJECT- PRINCIPLES OF MARKETING

B.COM - 3rd YEAR

TOPIC: Meaning and Definition of Principles of Marketing, Nature and Function of Marketing!

Definition: Marketing is the process of converting prospective buyers into actual customers by communicating complete information of the product or services to the customer. The key elements which are the secret to a successful marketing practice are thorough market survey and research, framing a competitive [strategy](#), designing a realistic marketing plan and implementing different tactics to execute the plan.

Marketing is an ongoing practice to capture customer's attention towards a product or service. It is the core of all the business practices, without which any business will prove to be a colossal failure.

Types of Marketing Entities

Anything which is sellable needs marketing. Based on the above statement, the following is the list of entities to which marketing is a necessary function:

Goods: Any product manufactured in mass quantity, requires proper marketing to make it available to its consumers located in different places of the country or world.
For example; Mobile phones manufactured in China and sold all over the world

Services: An economic activity performed to meet the consumer's [demand](#), needs, promotion and marketing.
For example; Ola cabs providing for local taxi services

Events: Various trade fairs, live shows, local events and other promotional events need [advertising and publicity](#).
For example; Indian Fashion Expo is the event where leading fashion houses participate in displaying exhibit their creation needs marketing to reach customers, manufacturers and traders.

Experiences: It even organises and customises the impression made by certain goods and services to fulfil the customer's wish.
For example; A Europe trip package provided by [makemytrip.com](#) or [tripadvisor.com](#)

Persons: A person who wants to promote his skills, profession, art, expertise to acquire customers, take the help of marketing functions.
For example; A chartered accountant updates his profile over [linkedin.com](#) to publicise his skills and talent to reach clients.

Places: Marketing of tourist places, cities, states and countries helps to attract visitors from all over the world.

For example; India's Ministry of Tourism promoting India through 'Incredible India' campaign

Properties: It provides for selling of tangible and intangible properties like real estate, stocks, securities, debentures, etc.

For example; Real estate agents publicise the residential plots to investors

Organizations: Several corporations and non-profit organisations like schools, colleges, universities, art institutes, etc. create and maintain a public impression through marketing.

For example; Circulars and advertisements made by colleges as 'admission open.'

Information: Certain information related to healthcare, technology, science, media, law, tax, market, finance, accounting, etc. have to demand among the corporate decision-makers who are marketed by some leading information agencies.

For example; Bloomberg provides all current financial, [business](#) and market data

Ideas: Brands market their products or services through advertisements spreading a social message to connect with the consumers.

For example; Idea 4G's advertisement spreading the message of 'sharing our real side.'

Nature of Marketing

Marketing is a complex function and does not sum up to sales alone.

- Following multiple operations of marketing helps the business to accomplish long-term goals:
- **Managerial Function:** Marketing is all about successfully managing the product, place, price and promotion of business to generate revenue.
- **Human Activity:** It satisfies the never-ending needs and desires of human beings.
- **Economic Function:** The crucial second marketing objective is to earn a profit.
- **Both Art and Science:** Creating demand for the product among consumers is an art and understanding human behaviour, and psychology is a science.
- **Customer-Centric:** [Marketing strategies](#) are framed with the motive of customer acquisition.
- **Consumer-Oriented:** It practices market research and surveys to know about consumer's taste and expectations.
- **Goal-Oriented:** It aims at accomplishing the seller's profitability goals and buyer's purchasing goals.
- **Interactive Activity:** Marketing is all about exchanging ideas and information among buyers and sellers.

- **Dynamic Process:** Marketing practice keeps on changing from time to time to improve its effectiveness.
- **Creates Utility:** It establishes utility to the consumer through four different means; form (kind of product or service), time (whenever needed), place (availability) and possession (ownership).

Objectives of Marketing

Marketing majorly focuses on achieving consumer satisfaction and maximising profits.

Following are the illustration of different aims of marketing practices:



- **Customer Satisfaction:** The primary motive of a company is to satisfy the needs of customers.
- **Ensure Profitability:** Every business is run for profit, and so goes for marketing.
- **Building Organizational Goodwill:** It portrays the product and the company's positive image in front of the customers.
- **Create Demand:** It works for generating the demand for products and services among the customers.
- **Increase Sales Volume:** It is a rigorous process of increasing the sale of product or service to generate revenue.
- **Enhance Product Quality:** Marketing initiates customer feedback and reviews to implement them for product enhancement.
- **Create Time and Place Utility:** It makes sure that the product or service is available to the consumer whenever and wherever they need it.

Functions of Marketing

Marketing is not just selling off goods and services to the customers; it means a lot more than that.

It starts with the study of the potential market, to [product development](#), to market share capturing, to maintain cordial relations with the customers.

Following multiple operations of marketing helps the business to accomplish



long-term goals:

Market Research: A complete research on competitors, consumer expectations and demand is done before launching a product into the market.

Market Planning: A proper plan is designed based on the target customers, market share to be captured and the level of production possible.

Product Design and Development: Based on the research data, the product or service design is created.

Buying and Assembling: Buying of raw material and assembling of parts is done to create a product or service.

Product Standardisation: The product is graded as per its quality and the quality of its raw materials.

Packaging and Labelling: To make the product more attractive and self-informative, it is packed and labelled listing out the ingredients used, product use, manufacturing details, expiry date, etc.

Branding: A fascinating brand name is given to the product to differentiate it from the other similar products in the market.

Pricing of the Product: The product is priced moderately keeping in mind the value it creates for the customer and cost of production.

Promotion of the Product: Next step is to make people aware of the product or service through advertisements.

Warehousing and Storage: The goods are generally produced in bulks and therefore needs to be stored in warehouses before being sold in the market in small quantities.

Selling and Distribution: To reach out to the consumers spread over a vast geographical area, selling and distribution channels are to be selected wisely.

Transportation: Transportation means are decided for transfer of the goods from the manufacturing units to the wholesalers, retailers and consumers.

Customer Support Service: The marketing team remain in contact with the customers even after selling the product or service to know the customer's experience, and the satisfaction derived.

Conclusion

Nowadays, [digital marketing](#) has emerged as a significant medium of [publicity and advertisement](#) facilitating the buying and selling of the products and services through the internet at just one click.