



Marketing management concepts and functions : A Review

Pinki , pskatiwal@gmail.com

Abstract:

The alternatives to marketing orientation are identified, the requirements for marketing orientation examined and the differences between the marketing concept and the functional implementation distinguished. The required tasks and operations of a marketing-oriented organisation and the present limited adoption of the concept as compared with the functions of marketing are explained.

Keywords: Auditing, Marketing, Marketing audit, Market segmentation

Introduction:

The marketing concept is the strategy that firms implement to satisfy customer's needs, increase sales, maximize profit and beat the competition. There are five marketing concepts that organizations adopt and execute.

Marketing is a department of management that tries to design strategies that will build profitable relationships with target consumers. But what philosophy is the best for a company in setting marketing strategies?

There are five alternative concepts under which organizations design and carry out their marketing strategies.

- Production Concept,
- Product Concept,
- Selling Concept,
- Marketing Concept,
- Societal Marketing Concept.

These concepts are described below;

Production Concept

According to the production concept, a company should focus on those items that it can produce most efficiently and also focus on creating supply of low-cost items that create the demand for the products.

The key questions that a company needs to ask itself before producing an item are –

- Can we produce the item?
- Can enough of it be produced?

This concept worked fairly during the 1920s as the items that were produced were largely those of basic necessity and there was a relatively high level of unfulfilled demand. Virtually everything that could be produced was sold easily by a sales team whose task was to complete the transactions at a price fixed by the cost of production. All in all, this concept prevailed until the late 1920's.

Selling Concept

ISSN 2454-308X





According to this concept, the companies would not only produce the items but would also try to convince customers to buy them through advertising and personal selling. Before producing a product, the key questions were –

- Can we sell the item?
- Can we account enough for it?

Marketing Concept

The marketing concept relies upon marketing studies to define market segments, their size, and their requirements. To satisfy those requirements, the marketing team makes decisions about the controllable parameters of the marketing mix.

This concept was introduced after World War II as the customers could afford to be selective and buy only those items that precisely met their changing needs and these needs were not immediately obvious. The key questions changed to –

- What do customers actually want?
- Can we improve it while they still want it?
- How can we keep the customers satisfied?

In reply to these discerning customers, companies began to adopt marketing concepts, which includes –

- Focusing on customer requirements before developing a product
- Aligning all operations of the company to focus on those needs
- Realizing a gain by successfully satisfying customer needs over the long-term

When companies began to adopt this concept, they actually set up separate marketing departments whose objective was to satisfy customer needs. Mostly, these departments were sales departments with expanded responsibilities. While this widened sales department structure can be found in some enterprises today, many of them have structured themselves into marketing organizations having a worldwide customer focus.

Societal Marketing Concept

Societal marketing concept questions whether the pure marketing concept overlooks possible conflicts between consumer short-run wants and consumer long-run welfare.

The societal marketing concept holds “marketing strategy should deliver value to customers in a way that maintains or improves both the consumer’s and society’s well-being”.

It calls for sustainable marketing, socially and environmentally responsible marketing that meets the present needs of consumers and businesses while also preserving or enhancing the ability of future generations to meet their needs.

The Societal Marketing Concept puts the Human welfare on top before profits and satisfying the wants.

The global warming panic button is pushed and a revelation is required in the way we use our resources. So companies are slowly either fully or partially trying to implement the societal marketing concept.

Marketing Management Functions



The term functions of marketing management means the main role of this type of management in any organization.

Selling

Selling is the crux of marketing. It involves convincing the prospective buyers to actually complete the purchase of an article. It includes transfer of ownership of products to the buyer.

Selling plays a very vital part in realizing the ultimate aim of earning profit. Selling is groomed by means of personal selling, advertising, publicity and sales promotion. Effectiveness and efficiency in selling determines the volume of the firm's profits and profitability.

Buying and Assembling

It deals with what to buy, of what quality, how much from whom, when and at what price. People in business purchase to increase sales or to decrease costs. Purchasing agents are much tempted by quality, service and price. The products that the retailers buy for resale are selected as per the requirements and preferences of their customers.

Assembly line is an arrangement of employees and machines in which each individual has a particular job and the work is passed directly from one employee to the next until the product is complete.

Transportation

Transportation is the physical means through which products are moved from the places where they are produced to those places where they are needed for consumption. It creates locational utility.

Transportation is very important from the procurement of raw material to the delivery of finished products to the customer's places. Transportation depends mainly on railroads, trucks, waterways, pipelines and airways.

Storage

It includes holding of products in proper, i.e., usable or saleable, condition from the time they are produced until they are required by customers in case of finished products or by the production department in case of raw materials and stores.

Storing protects the products from deterioration and helps in carrying over surplus for future consumption or usage in production.

Standardization and Grading

Standardization means setting up of certain standards or specifications for products based on the intrinsic physical qualities of any item. This may include quantity like weight and size or quality like color, shape, appearance, material, taste, sweetness etc. A standard gives rise to uniformity of products.

Financing

Financing involves the application of the capital to meet the financial requirements of agencies dealing with various activities of marketing. The services to ensure the credit and money needed and the costs of getting merchandise into the hands of the final user are mostly referred to as the finance function in marketing.

Risk Taking



Risk means loss due to some unforeseen situations. Risk bearing in marketing means the financial risk invested in the ownership of goods held for an anticipated demand, including the possible losses because of fall in prices and the losses from spoilage, depreciation, obsolescence, fire and floods or any other loss that may occur with the passage of time.

Market Information

The importance of this facilitating function of marketing has been recently marked. The only sound foundation on which marketing decisions depend is timely and correct market information.

The importance of this facilitating function of marketing has been recently marked. The only sound foundation on which marketing decisions depend is timely and correct market information.

Conclusion

The five marketing concepts are a good example of how marketing has changed throughout the years. It has shifted its focus from products to users.

Modern companies have to put users first, and build not only a good product (or service), but also a good experience around it. If you need help with creating marketing strategy, contact us today and we'll be glad to help you.

References:

1. Al Ries and Jack Trout, Marketing warfare, McGraw-Hill, 1986
2. Al Ries and Jack Trout, Positioning: The Battle for Your Mind, McGraw-Hill, 1981
3. Ian C.MacMillan and Rita Gunther McGrath, 'Discovering new points of differentiation', Harvard Business Review, July-August 1997
4. Jack Trout with Steve Rivkin, Differentiate or Die, John Wiley and Sons, 2000
5. Joseph P.Guiltinan and Gordan W.Paul, Marketing Management, McGraw-Hill, 1996
6. L.W.Stern, A.I.El-Answry and A.T.Coughlan, Marketing Channels, Prentice-Hall, 1996