

## **Unit-V**

***Q. What is marketing? State and explain the functions of marketing.***

### **Marketing and its Functions**

- Marketing is related to the exchange of goods and services.
- Through this medium the goods and services are brought to the place of consumption.
- This satisfies the needs of the customers.
- The following are the functions of marketing:

**1. Gathering and Analysing Market Information:**

**2. Marketing Planning:**

**3. Product Designing and Development:**

**4. Standardisation and Grading:**

**5. Packaging and Labelling:**

**6. Branding:**

**7. Customer Support Service:**

**8. Pricing of Products:**

**9. Promotion:**

**10. Physical Distribution:**

**11. Transportation:**

**12. Storage or Warehousing:**

#### **1. Gathering and Analysing Market Information:**

Gathering and analyzing market information is an important function of marketing. Under it, an effort is made to understand the consumer thoroughly in the following ways:

- (a) What do the consumers want?
- (b) In what quantity?
- (c) At what price?
- (d) When do they want (it)?
- (e) What kind of advertisement do they like?
- (f) Where do they want (it)?

(g) What kind of distribution system do they like?

All the relevant information about the consumer is collected and analysed. On the basis of this analysis an effort is made to find out as to which product has the best opportunities in the market.

## **2. Marketing Planning:**

In order to achieve the objectives of an organisation with regard to its marketing, the marketer chalks out his marketing plan.

**Ex.** a company has a 25% market share of a particular product. The company wants to raise it to 40%. In order to achieve this objective the marketer has to prepare a plan in respect of the level of production and promotion efforts. It will also be decided as to who will do what, when and how. To do this is known as marketing planning.

## **3. Product Designing and Development:**

- Product designing plays an important role in product selling.
- ***The company whose product is better and attractively designed, sells more than the product of a company whose design happens to be weak and unattractive.***

In this way, it can be said that the possession of a special design affords a company to a competitive advantage. It is important to remember that it is not sufficient to prepare a design in respect of a product, but it is more important to develop it continuously.

## **4. Standardisation and Grading:**

- Standardisation refers to determining of standard regarding size, quality, design, weight, colour, raw material to be used, etc., in respect of a particular product. By doing so, it is ascertained that the given product will have some peculiarities.

- This way, sale is made possible on the basis of samples. Mostly, it is the practice that the traders look at the samples and place purchase order for a large quantity of the product concerned. The basis of it is that goods supplied conform to the same standard as shown in the sample.

### **5. Packaging and Labelling:**

- Packaging aims at avoiding breakage, damage, destruction, etc., of the goods during transit and storage.
- Packaging facilitates handling, lifting, conveying of the goods. Many a time, customers demand goods in different quantities. It necessitates special packaging.
  - Packing material includes bottles, canister, plastic bags, tin or wooden boxes, jute bags etc.
  - Label is a slip which is found on the product itself or on the package providing all the information regarding the product and its producer. This can either be in the form of a cover or a seal.

### **6. Branding:**

- Every producer/seller wants that his product should have special identity in the market. In order to realise his wish he has to give a name to his product which has to be distinct from other competitors.
- ***Giving of distinct name to one's product is called branding.*** Thus, the objective of branding is to show that the products of a given company are different from that of the competitors, so that it has its own identity.

### **7. Customer Support Service:**

- Customer is the king of market. Therefore, it is one of the chief functions of marketer to offer every possible help to the customers. A marketer offers primarily the following services to the customers:

(i) After-sales-services

- (ii) Handling customers' complaints
- (iii) Technical services
- (iv) Credit facilities
- (v) Maintenance services

Helping the customer in this way offers him satisfaction and in today's competitive age customer's satisfaction happens to be the top-most priority. This encourages a customer's attachment to a particular product and he starts buying that product time and again.

### **8. Pricing of Products:**

- It is the most important function of a marketing manager to fix price of a product.
- The price of a product is affected by its cost, rate of profit, price of competing product, policy of the government, etc.
- The price of a product should be fixed in a manner that it should not appear to be too high and at the same time it should earn enough profit for the organisation.

### **9. Promotion:**

- ***Promotion means informing the consumers about the products of the company and encouraging them to buy these products.***
- There are four methods of promotion:
  - (i) Advertising,
  - (ii) Personal selling,
  - (iii) Sales promotion
  - (iv) Publicity.

Every decision taken by the marketer in this respect affects the sales. These decisions are taken keeping in view the budget of the company.

### **10. Physical Distribution:**

- ***Under this function of marketing the decision about carrying things from the place of production to the place of consumption is taken into account.***
- To accomplish this task, decision about four factors are taken. They are:
  - (i) Transportation,
  - (ii) Inventory,
  - (iii) Warehousing
  - (iv) Order Processing.

Physical distribution, by taking things, at the right place and at the right time creates time and place utility.

### **11. Transportation:**

- Production is carried out at one place, sale at another place and consumption at yet another place.
- Transport facility is needed for the produced goods to reach the hands of consumers. So the enterprise must have an easy access to means of transportation.

### **12. Storage or Warehousing:**

- ***There is a time-lag between the purchase or production of goods and their sale. It is very essential to store the goods at a safe place during this time-interval.***
- Godowns are used for this purpose. Keeping of goods in godowns till the same are sold is called storage.

**Q. What is the purpose of advertisement of product?**

**Advertising and Promotion**

The main purpose of advertisement is:-

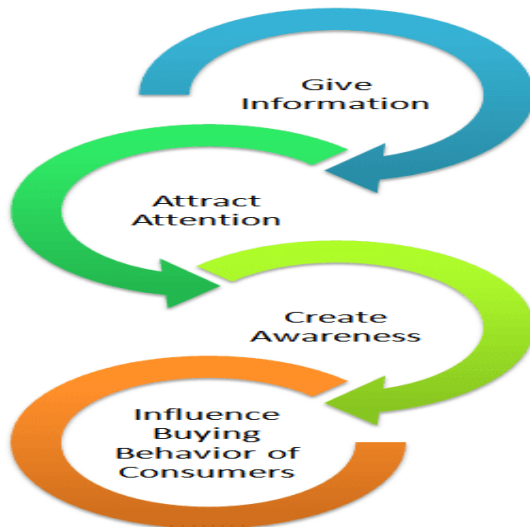


Figure No.1 - Main Purpose of Advertising.

- Advertising is the best way to communicate to the customers.
- Advertising helps informs the customers about the brands available in the market and the variety of products useful to them.
- Advertising is for everybody including kids, young and old.
- It is done using various media types, with different techniques and methods.

**Basic purposes of advertisements:**

- Awareness
- Reminder to use;
- Changing belief about the brand;
- To assist salesmen in marketing products;
- Generating direct sales;
- Building the company's image.

**1. Advertisements create awareness:**

- the purpose of advertisements is to increase the **recognition of a brand name or product, or to communicate information about the availability of the product to the public.**
- First, when a new product enters the market, it does not easily gain the favor of the buyers unless they are well informed about it.
- An awareness about the brand is all the more important when several brands compete with each other.

**2. Reminding buyers to use the product:**

- For discretionary items having an irregular or unusual pattern, an appropriate advertising policy must aim at stimulating the primary demand.
- To attain this objective, the buyers must be reminded not only to use the product but also to restock it.

**3. Advertising to change belief about brand:**

- The purposes of advertisements are **to improve the buyer's rating** with regard to the product advertised with the other competing brands.
- When the attribute of a product is not peculiar, advertisements are floated to establish the superiority of product over other competing brands.

**4. Market a product:**

- The manufacturer extensively use advertisement for this purpose. **Through advertisement, they try to familiarize the customers with their products and tend to promote a favorable attitude toward them before buyers** are approached by salesman.

**For example,** companies producing machine tools advertise their goods in those trade magazines which are read by their customers. Such advertisements may induce potential customers to purchase the product. At any rate, they

create a favorable attitude toward the product so that the salesman may find it easy to canvass support for it.

**5. promote direct sales:**

In some cases, advertising is used for the purpose of persuading the customer to place an order for the product. Mail order houses through leaflets and catalogs, advertise their products in such a manner that customers are convinced of their value and are tempted to write to the institution to get the product without going to a shopping mall or without going into further details about the product.

Products like books, ready-to-wear garments, slimming machines, toys and sports goods can be profitably sold by direct mail advertisements. Through such advertisements, the company lays stress on price appeal, and uses such slogans as “direct from factory to you.”

**6. Company's Image:**

- The general purpose of advertisements is to build a company's image. Practically all companies try to build their image through advertisements. Some consider it as the primary objective of advertisement.

**For example**, Godrej, Lakme, Vimal, VIP have built up an image through advertisement. It is largely assumed that if the company has some image or reputation in the market, it will be easy to sell its product. For example, Vimal's clothing is very costly; yet it has good sales because of its image



**Selling and Distribution of goods**