**Marketing Definition**

The AMA (American Marketing Association) is a prestigious and influential organization in the USA and the international arena.

The definition of marketing in 1964 was; “**The process of planning and executing the conception, pricing, promotion, and distribution of goods, services, and ideas to create exchanges that satisfy individual and organizational objectives.”**

**Nature of Marketing**

This includes various related points like:

**1. Marketing is a part of the total Environment:**

The business environment defines its threats and opportunities. A marketing system is directly related to the distribution and production of goods, ideas, services, place, and persons for the satisfaction of human needs. However, it is better to look at the remote and adequate environment of any marketing organization.

**2. Marketing is Consumer-oriented:**

A business is a work to satisfy human needs. The activities of marketing must be focussed and directed at the customer. It involves the combination of various business activities whose main objective is the gratification of customer needs and desires.

By satisfying the previous needs of the consumers and creating new needs or wants for improved and better products, marketing sets the pattern of consumption and improves the standard of living of the individuals.

**3. Marketing is a Specialized Business Function:**

In any business organization, the selling function did not require any special skill. But in the previous days marketing requires a specialized skill, the management of a business firm has to develop a business organization with a motive of absorbing new approaches, new ideas, and new [marketing demands](https://www.myaccountingcourse.com/accounting-dictionary/market-demand).

**4. Marketing as a Discipline:**

The topic of marketing is an essential part of a business which has desired its existence from economics.

After appearing from business, Marketing has got its strength from related areas- psychology, law, sociology, anthropology, statistics, mathematics, because of the related problems affecting heavily on[consumer behaviour](https://subjectquery.com/importance-of-consumer-behaviour/), research canon consumer needs, advertising media, legal aspects of marketing, promotion, pricing method, etc.

**5. Marketing is a System:**

Marketing is a system including several inter-dependent and sub-systems. It is right that a system might vary according to changes in the concept. In simple words, the marketing system may be called as a socio-economic process.

In another sense, the marketing system is a combination of the firm and society.

**6. Marketing is a Social Function:**

Marketing is a kind of social function because it requires interaction with the various segment of society. It involves the combination of various business activities whose main objective is the satisfaction of consumer desires and needs.

**7. Marketing Starts and Ends with the Consumer:**

Traditional marketing is concerned only with the flow of goods or services from the manufacturer to the consumer. Under consumer-oriented marketing, it is essential to understand what the consumers really want. It is possible when data of information are collected from the consumers.

So, that is the reason, marketing information system and marketing research have emerged as a full-fledged **function of marketing**.

**8. Marketing creates mutual relationships:**

A customer is the focus of all marketing activities. But during the last previous years, the focus has shifted to the way of doing business, i.e., the [strategic approaches of marketing](https://www.harlandclarke.com/marketing-services/strategic-marketing-approach/).

Here the means of marketers are their experience and knowledge, and the end result is in the form of a mutual better relationship. Marketing is everything that results in mutually better relationships with potential buyers or customers.

**Scope / Functions of Marketing:**

**Functions and Scope of Marketing**

The **functions or scope of marketing in business** can be categorized into four parts:

1. Research Functions
2. Exchange Functions
3. Physical Supply Functions
4. Facilitating Functions

**1. Research Functions:**

**(i) Marketing Research:**

This is a primary function of marketing. In developing world economy, we cannot survive without market research and analysis. In marketing research, we predict the buyer’s behavior, habits, taste, preferences, other substitute products, different [income groups](http://www.businessdictionary.com/definition/income-group.html) in society, etc.

It provides much essential information about products in the market to the marketing manager. So, In this way, marketing research helps in to take a decision for the pre-production stage of any product.

**(ii) Product Planning and Development:**

The growth of any marketing division depends upon the nature of the product demanded by the buyers. The product must be so developed and designed that it meets the requirements of the buyers.

In this way, marketing research mainly focused on knowing the needs of customers and according to these, we can ensure planning, growth, and development of the product.

**2. Exchange Functions:**

**(i) Buying and Assembling:**

Firstly, resources are purchased for production by the industrial businesses and finished goods are purchased for resale by the commercial businesses. The essential role of marketing development is to supply the necessary information regarding the preferences and needs of customers.

In the process of purchasing, it makes coordination between marketing officials and purchasing officials to purchase the right resources at the right time in the right quantities.

**(ii) Selling:**

Selling is a kind of routine activity. It consists only the physical movement of goods and services. It stresses upon maximization of profits through maximization of sales.

**3. Physical Supply Functions:**

**(i) Standardization, Grading, and Branding:**

In standardizing process, marketers establish a basic measure to which products must have to be designed. Grading is the process of separating the goods according to established specifications to determine the grades. When producers supply their goods by well-defined names is called branding.

**(ii) Packaging and Labelling:**

The packaging protects goods from unnecessary problems and also provides necessary information to our buyers. Labeling is a part of the packaging. Through labelling, a manufacturer communicates grade, brand, weight, and other things about the product.

**(iii) Storage:**

Storage helps to store the goods in an optimum quantity and also provide the full safety to our manufactured goods.

* [Warehousing- Meaning, Types, Objectives, Importance, and Functions](https://subjectquery.com/warehousing/)

**(iv) Transportation:**

Transportation helps our manufacturer to transfer their goods or material from one place to another place.

**4. Facilitating Functions:**

**(i) Financing:**

Financing is a term by which the company can run our business because it provides the working structure to the company. With the proper fund of finance, the company can easily purchase the raw materials and can pay the expenses.

Various [commercial banks](https://subjectquery.com/commercial-bank-functions/), industrial banks, co-operative institutions, consumer-credit co-operative centers, etc., provide financing facilities for dispersion of working capital.

**(ii) Salesmanship:**

Without the art of salesmanship, we cannot sell any product sequentially. Through various techniques of salesmanship like demonstrating, personal selling, sample distribution for measuring qualities of a product and taking feedback of customers, a [salesperson](https://subjectquery.com/types-of-salespersons/) finds out what his buyers need and does his best to meet it.

**(iii) Advertising:**

Advertising is an important term of marketing. Through advertising, a seller communicates a message about the product and promote its sale. A seller uses various modes of advertising like magazines, newspapers, hoardings, radio, television, and so on.

**(iv) Marketing Information:**

Marketing managers require a lot of correct and accurate information. This information becomes the foundation of many decisions in marketing.

Marketing information makes a seller know when to sell, at what price to sell, who are the opponents, etc. In the modern business environment marketing information is the primary source for making business decisions in marketing.

**Importance of Marketing**

**Importance of Marketing**

The **Importance or significance of marketing in business** can be explained as under:

**1. Helpful in Communication between Manufacturer and Customers:**

Through marketing activities, a seller collects various information regarding customer taste and their preferences and changes in customer behaviour from time to time.

On the other hand, marketing gives necessary information regarding product quality, place, price, product quantity to buyers. In this way, buyers come to know about the new products.

**2. Helpful in Profit Maximization:**

Profit maximization is the main task of every business firm. Marketing makes easier to availability of products are reduced cost at each level.

It creates demand for products through sales promotion and advertisement activities. All these efforts create a maximum profit of the firm.

**3. Helpful in Decision-Making:**

In modern changing economy a seller collects information and takes accurate decisions regarding the business. All over the marketing activities deeply concerned with are of decision-making. On the basis of various information seller able to take the right decision.

**4. Provides Employment:**

Marketing activities require the services of various enterprises such as insurance, finance, production, transportation, research, wholesaler, warehousing, advertising, and retailers. These services require a large number of individuals and it provides employment to society.

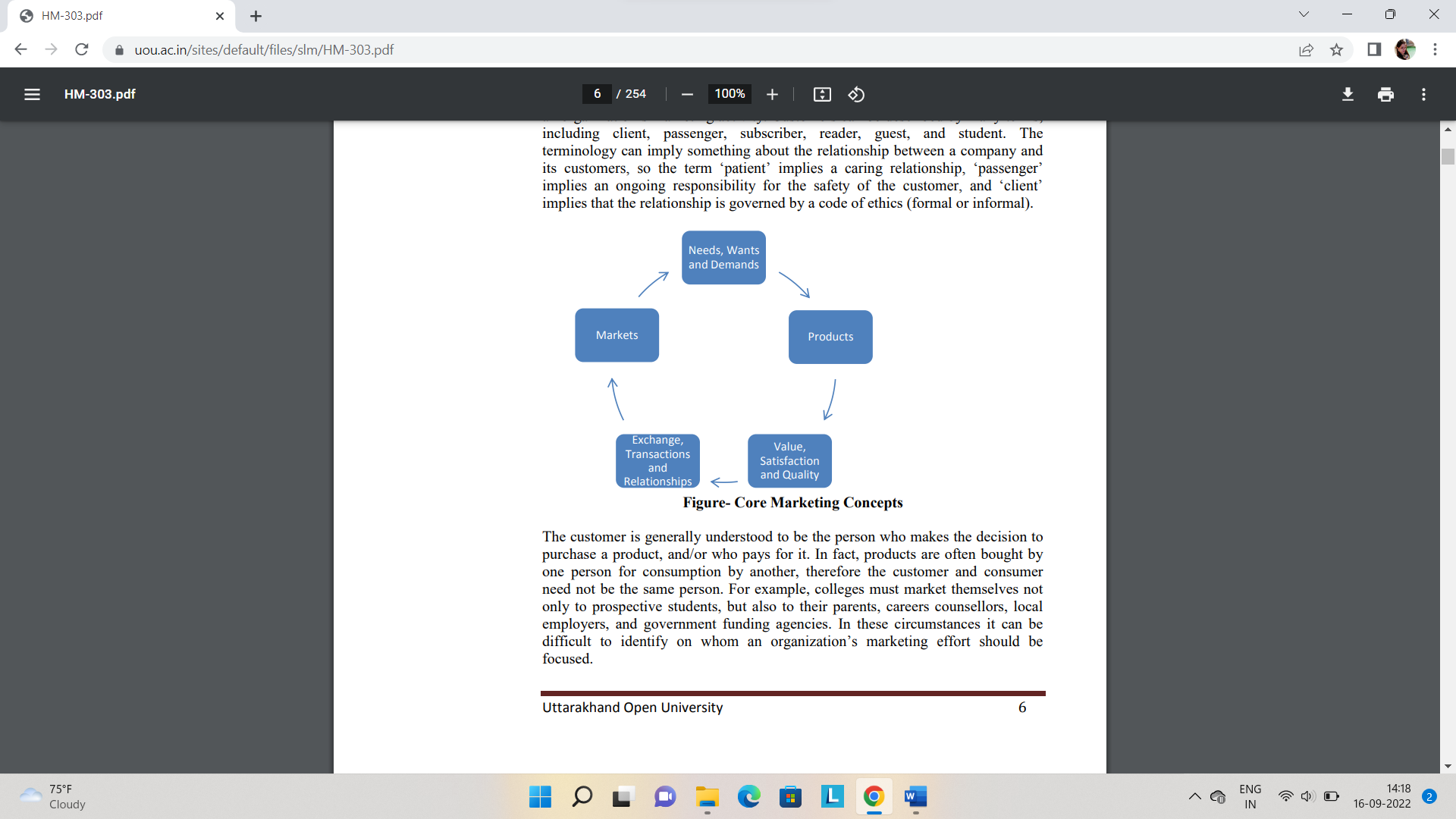
1. **Provides Standard of Living:**

Marketing provides the best goods and services to the people in the society according to their needs and expectations. Marketing generates, increases and maintains the demand for an existing product and new product and improve the standard of living of the society.

MARKETING CONCEPT

The marketing concept holds that the key to achieving organizational goals consists in determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors. Under marketing concept, the emphasis is on selling satisfaction and not merely on the selling a product. The objective of marketing is not the maximization of profitable sales volume, but profits through the satisfaction of customers. The consumer is the pivot point and all marketing activities operate around this central point. It is, therefore, essential that the entrepreneurs identify the customers, establish a rapport with them, identify their needs and deliver the goods and services that would meet their requirements. Customers provide payment to an organization in return for the delivery of goods and services and therefore form a focal point for an organization ‘s marketing activity. Customers can be described by many terms, including client, passenger, subscriber, reader, guest, and student. The terminology can imply something about the relationship between a company and its customers, so the term ‗patient‘implies a caring relationship, ‗passenger‘ implies an ongoing responsibility for the safety of the customer, and ‗client‘ implies that the relationship is governed by a code of ethics (formal or informal).

The customer is generally understood to be the person who makes the decision to purchase a product, and/or who pays for it. In fact, products are often bought by one person for consumption by another, therefore the customer and consumer need not be the same person. For example, colleges must market themselves not only to prospective students, but also to their parents, careers counsellors, local employers, and government funding agencies. In these circumstances it can be difficult to identify on whom an organization‘s marketing effort should be focused.



**Marketing Mix Elements**

The 4Ps marketing mix concept (also known as the 4ps of marketing) was introduced by Jerome McCarthy in his book: "Basic Marketing: A Managerial Approach". It refers to the thoughtfully designed blend of strategies and practices a company uses to drive business and successful product promotion. Initially 4, these elements were product, price, place and promotion, which were later expanded by including people, packaging and process. These are now considered to be the “7 Ps” mix elements

What are the 7 Ps of Marketing?

It can be difficult for a small business owner or marketing manager to know how to establish a unique selling proposition or to reach the right customers, especially on new platforms like the internet, with digital marketing.

Fortunately, the 7 Ps of marketing give you a [framework to use in your marketing planning](https://mailchimp.com/resources/marketing-plan-template/) and essential strategy to effectively promote to your target market.

You can also take into consideration elements of the mix in your day to day marketing decision making process with the goal to attract the right audience to successfully market to through your marketing campaigns.

The 7 elements of the marketing mix include the following:

1. Product (or Service)

Your customer only cares about one thing: what your product or service can do for them. Because of this, prioritize making your product the best it can be and optimize your product lines accordingly. This approach is called “product-led marketing.” In a marketing mix, product considerations involve every aspect of what you're trying to sell. This includes:

* Design
* Quality
* Features
* Options
* Packaging
* Market positioning

There are five components to successful product-led marketing that are important for product marketers to take into consideration::

* Get out of the way. [Let your product or service sell itself](https://mailchimp.com/marketing-glossary/product-differentiation/). Focus your marketing efforts on getting consumers to try what you have to offer so they can learn its value for themselves.
* Be an expert (on your customers). [Know your customer's needs](https://mailchimp.com/create-a-customer-centric-business-strategy/) and use that knowledge to help communicate your product's value.
* Always be helping. Position yourself as an ally by creating informative content that meets your target customers’ needs, and they'll be more likely to buy from you. (This is also called [content marketing](https://mailchimp.com/marketing-glossary/content-marketing/).)
* Share authentic stories. Encourage happy customers to share their experiences and tell others why they appreciate your brand.
* Grow a product mindset. [Focus on your product](https://mailchimp.com/resources/product-market-fit/) before you consider [how to sell](https://mailchimp.com/resources/how-to-sell/) it. Invest in development, and the product quality will take care of the rest.

2. Price

Many factors go into a pricing model. [Brands](https://mailchimp.com/resources/the-basics-of-branding/) may:

* Price a product higher than competitors to create the impression of a higher-quality offering.
* Price a product similar to competitors, then draw attention to features or benefits other brands lack.
* Price a product lower than competitors to break into a crowded market or attract value-conscious consumers.
* Plan to raise the price after the brand is established or lower it to highlight the value of an updated model.
* Set the base price higher to make bundling or promotions more appealing.

Consider what you're trying to achieve with your pricing strategy and how price will work with the rest of your marketing strategy. Some questions to ask yourself when selling products:

* Will you be offering higher-end versions at an additional cost?
* Do you need to cover costs right away, or can you set a lower price and consider it an investment in growth?
* Will you offer sales promotions?
* How low can you go without people questioning your quality?
* How high can you go before customers think you’re overpriced?
* Are you perceived as a value brand or a premium brand?

3. Promotion

Promotion is the part of the marketing mix that the public notices most. It includes television and print advertising, content marketing, coupons or scheduled discounts, [social media strategies](https://mailchimp.com/marketing-glossary/social-media-marketing/), [email marketing](https://mailchimp.com/email-marketing/), display ads, [digital strategies](https://mailchimp.com/marketing-glossary/digital-marketing/), marketing communication, search engine marketing, public relations and more.

All these promotional channels tie the whole marketing mix together into an omnichannel strategy that creates a unified experience for the customer base. For example:

* A customer sees an in-store promotion and uses their phone to check prices and read reviews.
* They view the brand's [website](https://mailchimp.com/features/website-builder/), which focuses on a unique feature of the product.
* The brand has solicited reviews addressing that feature. Those reviews appear on high-ranking review sites.
* The customer buys the product and you’ve sent a thank you email using [marketing automation](https://mailchimp.com/features/automations/).

Here are the ways you can use these channels together:

* Make sure you know all the channels available and make the most of them to reach your target audience.
* Embrace the move toward [personalized marketing](https://mailchimp.com/features/personalization/).
* [Segment](https://mailchimp.com/features/segmentation/) your promotional efforts based on your customers' behavior.
* [Test responses](https://mailchimp.com/marketing-glossary/ab-tests/) to different promotions and adjust your marketing spend accordingly.
* Remember that promotion isn't a one-way street. Customers expect you to pay attention to their interests and offer them solutions when they need them.

4. Place

Where will you sell your product? The same [market research](https://mailchimp.com/resources/research-market-demand/) that informed your product and price decisions will inform your placement as well, which goes beyond physical locations. Here are some considerations when it comes to place:

* Where will people be looking for your product?
* Will they need to hold it in their hands?
* Will you get more sales by marketing directly to customers from your own [e-commerce](https://mailchimp.com/marketing-glossary/e-commerce/) website, or will buyers be looking for you on third-party marketplaces?
* Do you want to converse directly with your customers as they purchase, or do you want a third party to solve [customer service](https://mailchimp.com/resources/customer-service-philosophy/) issues?

5. People

People refers to anyone who comes in contact with your customer, even indirectly, so make sure you're recruiting the best talent at all levels—not just in customer service and sales force.

Here’s what you can do to ensure your people are making the right impact on your customers:

* Develop your marketers’ skills so they can carry out your marketing mix strategy
* Think about company culture and [brand personality](https://mailchimp.com/resources/set-your-brand-apart/).
* Hire professionals to design and develop your products or services.
* Focus on [customer relationship management, or CRM](https://mailchimp.com/features/crm/), which creates genuine connections and inspires [loyalty](https://mailchimp.com/resources/build-brand-loyalty/) on a personal level.

6. Packaging(physical evidence)

A company's packaging catches the attention of new buyers in a crowded marketplace and reinforces value to [returning customers](https://mailchimp.com/clv/). Here are some ways to make your packaging work harder for you:

* Design for differentiation. A good design helps people recognize your brand at a glance, and can also highlight particular features of your product. For example, if you’re a shampoo company, you can use different colors on the packaging to label different hair types.
* Provide valuable information. Your packaging is the perfect place for product education or brand reinforcement. Include clear instructions, or an unexpected element to surprise and delight your customers.
* Add more value. Exceed expectations for your customers and give them well-designed, branded extras they can use, like a free toothbrush from their dentist, a free estimate from a roofer, or a free styling guide from their hairdresser.

7. Process

Prioritize processes that overlap with the customer experience. The more specific and seamless your processes are, the more smoothly your staff can carry them out. If your staff isn't focused on navigating procedures, they have more attention available for customers—translating directly to personal and exceptional customer experiences.

Some processes to consider:

* Are the logistics in your main distribution channel cost-efficient?
* How are your scheduling and delivery logistics?
* Will your third-party retailers run out of product at critical times?
* Do you have enough staff to cover busy times?
* Do items ship reliably from your website?

Holistic marketing recognizes that “everything matters” with marketing and that broadly integrated perspective is very essential. Such a holistic approach has four components namely,

* **relationship marketing**
* **integrated marketing**
* **internal marketing**
* **social responsibility marketing**.

**CRM (customer relationship management)**

Customer relationship management (CRM) is the combination of practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the [customer lifecycle](https://www.techtarget.com/searchcustomerexperience/definition/Customer-Life-Cycle).

The goal is to improve customer service relationships and assist in [customer retention](https://www.techtarget.com/searchcustomerexperience/definition/customer-retention) and drive sales growth. CRM systems compile customer data across different channels, or points of contact, between the customer and the company, which could include the company's website, telephone, live chat, direct mail, marketing materials and [social networks](https://www.techtarget.com/whatis/definition/social-media). CRM systems can also give customer-facing staff members detailed information on customers' personal information, purchase history, buying preferences and concerns.

**Why CRM benefits businesses**

**The use of CRM systems can benefit organizations ranging from small businesses to large corporations, through:**

* **Having customer information such as past purchases and interaction history easily accessible can help customer support representatives provide better and faster customer service.**
* **Collection of and access to customer data can help businesses identify trends and insights about their customers through reporting and visualization features.**
* **Automation of menial, but necessary, sales funnel and customer support tasks.**

Understanding Customer Relationship Management (CRM)

Elements of CRM range from a company's website and emails to mass mailings and telephone calls. [Social media](https://www.investopedia.com/terms/s/social-media.asp) is one-way companies adapt to trends that benefit their bottom line. The entire point of CRM is to build positive experiences with customers to keep them coming back so that a company can create a growing base of returning customers.

Increasingly, the term CRM is being used to refer to the technology systems companies can engage to manage their external interactions with customers at all points during the customer lifecycle, from discovery to education, purchase, and post-purchase.

With an estimated global market value of over $40 billion in 2018, CRM technology is widely cited as the fastest-growing enterprise-software category, which largely encompasses the broader [software-as-a-service](https://www.investopedia.com/terms/s/software-as-a-service-saas.asp) (SaaS) market. Five of the largest players in the CRM market today include cloud computing giant Salesforce, Microsoft, SAP, Oracle, and Adobe Systems.