

MARKETING

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Meaning

- The word market is derived from the Latin word '**Marcatus**' which means **trade, commerce, merchandise, a place where business** is transacted.
- The common usage of market means a place where goods are bought or sold. It is a medium or place to interact and exchange goods and services.
- In simple words, the meeting place of buyers and sellers in an area is called Market.

Definition of Market

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. ---**American Marketing Association (AMA)**

“Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.”

— **Philip Kotler**

Marketing is “The management process responsible for identifying, anticipating and satisfying customer requirements profit. — **The Chartered Institute of Marketing**

FUNCTIONS OF MARKETING

► I. Functions of exchange

a. Buying : Buying is one of the important functions of marketing. It is the first step in the process of marketing. A manufacture is required to buy raw material for the production process. Similarly, a wholesaler has to buy goods to sell them to the retailer, A retailer who has direct line with the consumer has to buy goods to be sold to the later.

b. Assembling: Assembling starts after the goods have already been purchased. It is a function different from buying and selling. Mainly goods are not purchased from one seller. When they are purchased from different seller, they have to be collected and assembled at one place under the control of the buyer.

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c. Selling : This is another important function which involves transfer of the title of goods and buyers. Selling is an important from the point of view of seller, the consumer and the general public. Selling is important part in final aim of earning profit.

II. Functions of physical supply

a. Transportation: Transport is the physical means, whereby goods are moved from the place of production to the place of consumption. It creates place utility. Transportation is essential from the procurement of raw materials & for the delivery of finished products to the customers' places. Marketing relies mainly on road transport, rail transport, waterways, pipelines and air transport. The type of transportation is chosen on several considerations such as suitability, speed and cost.

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b.Storage & Warehousing

Storing protects the goods from deterioration and helps in carrying over surplus for future consumption or use in production. Goods may be stored in various warehouses situated at different places. Storing assumes greater importance when production is seasonal or consumption may be seasonal. Retail firms are called “stores”. Stores creates time utility.

III. Facilitating functions

a. Marketing Information

Marketing information makes a seller know when to sell, at what price to sell, who are the competitors, etc. Marketing information and its proper analysis has led to marketing research which has now become an independent branch of marketing.

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b. Standardization and Grading

Standardization means establishment of certain standards or specifications for products based on intrinsic physical qualities of any commodity. This may be involved quantity (weight or size) or it may involve quality (colour, shape, appearance, material, taste, sweetness etc).

“Grading means classification of standardized products into certain well defined classes or groups.” Grading is very important for “raw material” (such as fruits and cereals), mining products” (such as coal, iron-ore and manganese) and “forest products” (such as timber).

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c. 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 and (iv) Publicity.

d. Financing

In marketing, finances are needed for working capital and fixed capital which may be secured from three sources—owned capital, bank loans and advance and trade credit. (Provided by manufacturers to wholesaler and by the wholesaler to the retailers.) In other words; various kinds of finances are short-term finance, medium-term finance, and long-term finance.

e. Risk-taking

Risk means lose due to some unforeseen circumstances in future. Risk-bearing in marketing refers to the financial risk inherent in the ownership of goods held for an anticipated demand, including the possible losses due to a fall in price and the losses from spoilage, depreciation, obsolescence, fire and floods or any other loss that may occur with the passage of time.