CLASS NOTE

SEMESTER----2 (B.COM)

Subject: Marketing Management

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LECTURE NO. 02

Unit- I Concept of Marketing Management

Market and Marketing

In our study of the business world, we have often come across the terms market and marketing. Both are similar sounding terms and relate to the same concept. However, ‘market’ and ‘marketing’ are two widely separate concepts individually that relate to each other. Let us take a more detailed look at market and marketing.

Market

The market actually refers to a set up where potential buyers and sellers can meet to exchange goods or services. It is basically a medium that facilitates these transactions in an economy. It allows for the exchange of goods, services, information under the protection of the law and generally in exchange for consideration.

Traditionally a market is a physical location or place, like a bazaar or a shopping mall. The kind of market it is will depend on a lot of factors. Some of the ways in which we can characterize markets are,

• According to the products being sold. Example: cotton market, iron market, share market

• Based on geographical locations, like a local market or international market

• By the types of buyers involved, example: consumer market, industrial market etc

• The quantity of goods transacted between parties like a wholesale market or a retail market

However, in the modern world, we currently live in has a somewhat wider definition of a market. In the world of e-commerce and start-ups, a market is no more just a meeting point for buyers and sellers. It actually represents a set of all the potential buyers in an environment.

So if you are launching a new product, your market will be every potential buyer of the said product, wherever they are. It is not restricted to a geographical location, or to the meeting of buyers and sellers.

Marketing

Marketing is a very wide term. It includes all the activities involved right from the production of the goods, until their consumption. Every activity in between, like designing, pricing, promotion, distribution, transportation, warehousing etc are activities of marketing.

Marketing is often taken to be a post-production activity, which is incorrect. Some activities of marketing start even before the production begins. One of its main aims is to satisfy customer needs, which requires understanding of these needs. And the product design will follow the leads of this study.

In modern terms, economists such as Philip Kotler have termed marketing as a “social process”. Here the wants and needs of the consumer are heard, and accordingly, products and services are offered to them. People interact with each other to exchange goods and services they require in exchange for money. There is no force or coercion, people will choose these products.

Important Features of Marketing

• Satisfy Needs and Wants: The main focus of all marketing activities is consumer satisfaction. When a group of individuals (potential customers) express their needs, the companies strive to satisfy these needs via marketing activities.

• Creating a Market Offering: Then the companies must dedicate their efforts to create an ideal market offering based on their study of potential customers. This product/service offered must try to fulfil all of the requirements of the potential customer in a given market.

• Customer Value: The customers buying decisions will be greatly dependant on the price of the product. It must satisfy their needs at the cost that they think is fair. So the sellers must add value to the product and price it accordingly, so the customer is willing and gets value for his price,

• Exchange Mechanism: Marketing is not a one-way process. The seller must satisfy the needs of the buyer. And the buyer in an exchange must provide consideration for the goods/services, which can be money or something else. It must be an exchange mechanism