

# **MARKETING MANAGEMENT**

M.Com. Semester-2 Paper-COMCC-6

***Topic – Marketing & Its Significance***

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## Meaning & Definition of Marketing

Marketing is the process of business activities. It includes product and pricing policy, consumer research, promotion decisions, channels of distribution, after sale services and consumer satisfaction.

According to William J. Stanton, “Marketing is a total system of interacting business activities designed to plan, price promote and distribute want-satisfying products and services to present and potential consumers.”

In the words of H. L. Hansen “Marketing is a process of discovering and translating consumer needs and wants into product and service specifications, creating demand for these products and services and then in turn expanding this demand.”

Council of the institute of marketing, United Kingdom has defined marketing is “The management function which organises and directs all those activities involved assessing and converting customer purchasing power into affection demand for a specific product or service and in moving the product and service to the final consumer or use so as to achieve the profit target or other objectives set by company.”

On the basis of above meaning and definitions, we can conclude that the concept of modern marketing is customer oriented and customer satisfaction. For the purpose of earning profit and achieving goal, to provide product for consumption according to consumer’s needs for their satisfaction and to increase in the level of standard of living.

## Significance of Marketing

In the era of fast change, marketing is a springboard of all activities. It helps in having a good range of products in constant demand and suggests to the management the scope for improving and developing new products to satisfy the changing needs of customer. The success of a business depends largely on the effective marketing process and system.

According to Peter F. Drucker, “Marketing is the distinguishing and unique function of the business. A business is set apart from all other human organizations by the fact that it markets a product or service. Neither the church, nor the army, nor the school, nor the state does that. Any organisation that is involved in marketing of a product or service is a business. Any organization in which marketing is either absent or incidental is not a business and should never be run as if it were one.”

The significance of marketing may be described through following point of views.

### 1. From Manufacturer's point of view-

In present time, marketing has most important place for manufacturer or producer as below-

- a) Marketing helps in planning and decision making. A marketing manager makes decision on the basis of customer's interest, desires and needs. And business plan is largely depending upon marketing.
- b) The study of marketing is helpful in channels of distribution of the product. The channels of distribution of a product is route taken by the title of goods and services from producers to ultimate consumer or user. We can minimize the cost of distribution after selection of effective channel of distribution.
- c) It creates income by increasing and selling of products. All departments of an organisation depend upon marketing department for earning maximum profits or income in the business.
- d) It provides market information about the changing scenario of markets and consumer's needs and interests and business competition. A producer cannot successful in business without proper information.
- e) In competitive era, the existence and growth of business depends on good and effective marketing system.

### 2. From Society point of view-

According to this point of view, the importance of marketing to the society are as below-

- a) Efficient marketing system provides employment opportunities. In the developing country like India, where unemployment is a vital problem, marketing is acting a valuable role.
- b) Marketing reduces distribution cost of products through selection of efficient distribution channel.

- c) Marketing helps in increasing the standard of living of the society. According to Professor Malcolm McNair, “Marketing is the creation and delivery of the standard of living.” It means that marketing improves in the standard of living of the society. It always tries to minimize the cost of production, distribution, advertisement and sales promotion.
- d) Marketing process protects the economy from depression. In depression period, it helps to increase production, employment opportunities and national income. Thus, it helps to maintain economic stability and rapid development in developing countries.

### 3. From Customer’s point of view-

- a) Marketing transfer the goods and services from producers to consumers on right time at right place and at minimum cost through efficient channel of distribution.
- b) It provides valuable information regarding price, use and quality of the product.
- c) It improves purchasing power of consumers by cost control.

### 4. From Nation point of view-

Marketing provides an important role in respect of the development of the developing nations like India. It steps speedy development of such nations in the following ways-

- a) Marketing helps to increase national income. Efficient system of marketing decides to increase in the total production of goods and services of the country. This will help to increase in national income.
- b) It makes maximum utilization of the exiting assets and productive capacity.
- c) It contributes to the development of entrepreneur and managerial skill.
- d) It assists to the integration of various economic sectors.
- e) It mobilises unknown and untapped economic energy.