

Lecture_10

Functions of Marketing

Marketing is the process that comprises of all the activities involved from the concept of the product all the way till it reaches the final consumer. So there are a lot of activities in this process, which we call the functions of marketing. Let us take a look.

1] Identify Consumer Needs

One of the first steps the company needs to take is to identify the needs and wants of the consumers in the market. To do so they must gather information and analyse this information. Once you understand your customer thoroughly you can base your product design on this information.

2] Planning

The next logical step would be to make a marketing plan. Firstly you must be very clear about the objectives of the company and what it wishes to achieve. Then you figure out a timeline to achieve these objectives. And finally, you plan the marketing strategy of your company accordingly.

3] Product Development

As per your consumer research, we then develop the product that suits the needs of the consumer. The design of the product is also an important factor in many products. Like for example when buying a car, the design will play a huge factor. There are other factors to be considered like cost, durability etc

4] Standardization and Grading

Standardization means ensuring uniformity in the product. All customers must get the same product of the same design and quality. And these standards need to be maintained throughout.

Grading is the process of classification of products according to similar characteristics and/or quality. If the product does not have any predetermined quality or other specifications like say agricultural products. Grading will ensure the consumer knows your goods are of the highest quality.

5] Packing and Labeling

The package and the label are the first impressions your product makes on the consumer so they are of essential importance. They are not only to protect and identify the goods but are great marketing tools. There is proof that an attractive package and label can go a long way in making a product a success.

6] Branding

One important decision the company has to make is whether they want the product to have an individual identity in the market or they want it to be recognized by the brand name.

7] Setting up Customer Support Services

Depending on your product there may be a variety of customer services that the company has to set up. Pre-sales service, consumer helpline, maintenance services, technical support are just some of the services that your product may require. These are important functions of marketing.

8] Pricing

This may be one of the most important functions of marketing. The price of a product will largely determine its success or failure. Factors like demand, market conditions, competition prices etc will be considered to come up with the correct pricing strategy.

One other thing the company must remember that prices of the products should not be changed too frequently. This leads to confusion in the market.

9] Promotion

This is where you inform the customers of your product and persuade them to buy it. There are four major promotion methods – advertising, personal selling, sales promotion and publicity. The company must decide on its best promotion mix, a combination involving all or some of these four methods.

10] Distribution

Here the company must ensure the correct distribution channel for its product. It will depend on a variety of factors such as the concentration of the market, shelf life of the product, company's capital requirements etc. Inventory management is another important factor the company must look into.

11] Transportation

The physical movement of the goods from its place of production to its place of consumption is transportation. It is a very important function of marketing. The company must analyse the geographical boundaries of its market. This will help them choose the correct modes of transportation.

And in the global economy where we live in, there are almost no barriers to international trade. So if a company wishes to go global transportation will be a key factor in their marketing mix.

12] Warehousing

As we have seen there is always a lag time between the production and the consumption of most goods. Sometimes the products are seasonal or the supply is irregular or there are production difficulties. But companies like to maintain a smooth flow of goods. So storage and warehousing of goods are necessary.