

Importance of marketing to an organisation marketing essay



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Marketing plays a very important role in the success of any organisation. So what is marketing? According to Kotler (2010) “ 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”

Marketing is one of the single most important reasons for any organisation’s success. Some people make the mistake of confusing marketing with selling. They Visualise customers being bombarded by advertisements. Real marketing is the belief that sustainability can be achieved by satisfying your customer’s needs better than your competition.

Identifying changes or trends and knowing how to respond to these helps an organisation to keep its customers happy. Marketing plays a more important role today than it ever did before in the past. This is because consumer’s tastes are continually changing. Organisations who ignore these changes suffer consequences of declining revenues and loss of customers. Companies that once were seen as icons are now struggling to for survival. Each year hundreds of long established companies are going out of business.

Few Organisations today practice true mass marketing, which is selling in a standardised way to everybody. Nowadays marketers prefer to target fewer more profitable customers instead. Some companies will also try to get rid of any existing unprofitable customers, so it can focus more on giving a better service to the profitable ones.

Marketing plays a key role in the sale of most goods and services. For instance if a company comes out with a new product nobody in the public will know about it. The company will then get the help of marketers, who will

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use marketing tools to promote the product to the public. Companies are not going to simply let the public find out about the product for themselves, if this was the case then the product would never be successful. Convincing customers to buy a new product is perhaps one of the hardest parts of marketing. Through the digital revolution in recent years marketers have tools at their disposal that they never had before. Amazon. com which is one of the largest online retailers in the world gets 30% of their sales from suggesting products to customers after they buy or view a particular product e. g. customer buying a laptop will be suggested to buy a laptop bag immediately after they buy a laptop on their site.

Marketing has a very important role in building your companies reputation. A good or even a bad reputation can have a very big impact on sales. Any good marketer will know not just how to build a good reputation but also how to deal with a bad one aswell. Look at how sales of Toyota cars have plummeted ever since they had to recall thousands of cars for sticking accelerator issues. Toyota responded with a number of television advertisements to shake off this negative image they obtained. One advertisement involved their CEO who talked about how safe their cars are and the fact that he trusts them enough to drive himself and his family in them.

Organisations need to understand customer needs and wants if they want to be successful. Building good customer relationships is one of the most important parts of marketing. The key to this is by creating customer value and satisfaction. Higher levels of customer satisfaction leads to greater customer loyalty, which results in better company performance. Customer
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retention is very important for an Organisation. Lexus estimated that over a lifetime a customer could be worth €600, 000. A mobile phone customer can be worth €26000 in revenue over a lifetime. Attracting new customers is very important.

Managers often make the mistake of looking at profits and sales when determining how successful the company is. These figures only represent the customers that were won in the past. This can often give the illusion that the company is doing well when in fact it could be losing customers.

Organisations can only be aware of this when sales start to fall, which it is often too late. Organisations now recognise satisfied customers as a highly valued asset, not just because of the money they spend over a lifetime but because on they tell on average 3 to 5 other people about their experience. Gaining new customers can cost several times more than it does to retain an existing one. Research has shown that dissatisfied customers tell up to fourteen people about their experience. The percentage of those that make a complaint to the organisation is only 4%. If these complaints are resolved satisfactory to the customer it often results in them being more loyal than if they never experienced dissatisfaction in the first place.

Conclusion

It can be seen how important marketing is to an organisation. It's responsible for building an organisations reputation, dealing with bad press, selling new products, and creating customer loyalty. We have also seen that Organisations that do not look after the needs of its customers will eventually see falling profits followed by closure.