

Introduction to basic marketing essay example

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INTRODUCTION TO BASIC MARKETING

This essay introduces marketing, and the key concepts involved in marketing. Marketing in essence is a simple process where success comes from comprehending the need of the customer. This concept is straightforward, but the complex part is implementing it since it involves a variety of interdependent variables. We must give direction and focus to these variables, if we intended to accomplish the needs of the customers. It is through marketing that we can provide such directions. In addition, the service provider should understand the needs of the customers, rather than assuming to know what the customers really want, hence marketing enables these mutual understandings. Thus, marketing in its perfectionist sense facilitates a mechanism that enhances understanding, development of products as way out to real customer needs, and facilitating better communication between the business and the customer. Thus marketing acts as a boundary between the supplier and their customers.

It is the process of exchanging goods and services, and determining the values of the sales in terms of money prices. Alternatively, marketing can be managerial process by which an individual or a group accessing and obtaining what they need and want by forming and trading products and values with others.. Hence, marketing refers to all the means involves activities performed in transferring goods from a manufacturer, or producer to the targeted consumers in the market. Marketing can also be the process of arranging and executing the origin, pricing, distribution of ideas, promotion, and distribution of goods and services to enhance exchanges that satisfies the objectives of an individual or an organization. In order to

understand the scope of marketing, we have to understand in terms of duty that an entrepreneur has to execute they include:

- a. Functions of exchange that involves buying and selling, and assembling of products,
- b. Function of the physical supply that include transportation, storage and warehousing,
- c. There is the function of facilitating; this includes product planning and development, standardization of goods and products, Marketing research, packaging, grading, branding, financing, and sales promotion.

The Marketing Concept

Under these marketing concepts, the stress is on selling and promoting satisfaction and not solely selling the product. The main intent of marketing is not based on profit sales maximization, but profits gained through customer satisfaction. The client is the turning point and each marketing behavior work extensively around this inner point. It is vital where an entrepreneur classifies his active clients, manage a valuable relation with them, and more so distinguish and distribute their needs and services in view of assembling the customers' needs. This concept thus involves caring for requirements of the consumer. These components fall under:

- a. The simplicity of the customer: the rationale of an organization is to heart the wants of the customer, and to manufacture goods and offer services in order to preserve the trust of their consumers.
- b. Incorporated marketing: the aim of financing, production and marketing should integrate the satisfaction of the customer needs and expectation.

c. Profitable sales volume: a successful market is that which maximizes profits, while achieving long-run satisfactions with the customers.

Marketing Vs Selling

The fundamental difference between marketing and selling falls in the thoughts towards business, where the selling concept assumes an inside-out perspective. The selling starts with the factory, then focuses its existing products, and requires heavy selling and promotion of goods to reach maximum profitable sales. On the other hand, the marketing theory takes an outside-in outlook, as it starts with a well-defined market that shifts its focus on the needs of the customers, while coordinating with all the process that will affect the customers in profit production through better customer relations.

Importance of Marketing in Small Business

Marketing has a positive influence on the business firms, as it is consumer oriented, thus permitting entrepreneurs to advance the worth of the produce and services they produce. It improves the living standards of people through offering a wide selection of goods and services with liberty of pick, and caring for the customer as the most important of the parties. Marketing also contributes to employment in both manufacturing and the delivery areas. A business firm produces revenue and earns profits by engaging in marketing functions while utilizing more and economic resource in order to earn more earnings. A small unit of business depends on individual efforts and resources thus making it easy and flexible; it makes or breaks and a small enterprise.

Marketing Research

This is the means of obtaining information needed to run a business. The market research helps the entrepreneur make decisions regarding the type of product, the policy of distribution, the price policy, and sales promotion with the aid of marketing information at the precise timing. Every company must research its relevant market, its customers, and its competitors, setting them on the right path and continually monitoring the performance of the market. There are two sources for collecting Marketing information, the primary and secondary sources.

Primary Sources

- a. Customers: in this category, consumers are the final users of consumed products and services, and are the valuable source of primary data.
- b. Dealers: they give information regarding the marketing guidelines of their competitors.
- c. Salesperson: this agent remains in close contact with the customer, and can thus deliver data to the marketing manager connecting to the buying habits and likings of the customers.

Secondary sources

- a. The press: These newspapers like business today regularly publish and print data concerning different organization and industries.
- b. Government publications: they include bulletins, journals, magazines, and periods of separate ministries of the state government.
- c. Foreign government and international agencies: they are the publications of agencies like the IMF and the World Bank

d. Publications of trade associations: the trade association and chambers of commerce gathers and publish important data for the advantage of their chambers.

e. Private concerns and research institutions: These are the business published data for research institutes like the Institute of Foreign Trade.

Market Segmentation

Large numbers of individuals with unique needs and satisfaction and buying capacity, constitutes to make up a market, thus it becomes necessary to split the total markets into different parts or segments, or customers group.

This division is referred to as market segmentation. The market

segmentation helps the entrepreneur math his marketing skills in selling to all customers. The following variable constitutes to market segmentation.

a. Geographic segmentation: the characteristics of customers change formation to states. The entrepreneur decides where to operate in any geographical areas but pays attention to the change in need of geographical preferences.

b. Demographic segmentation: these are variable like sex, size, income, family race, and education, which are widely used for market segmentation.

c. Psychological variable: personality and lifestyle can also measure market segmentation for products like pens and cosmetics, which vary between men and women.

d. Behavioral segmentation: in this segment, buyers are grouped into division on the source of their attitude and knowledge, or response to a product.

Marketing Mix

This is a systematic and equal combination of the basic four inputs, which make up the core of the company's marketing system. They are known as the Four Ps, they are; product, price structure, place of distribution, and promotional activities. The combination of these variables influences demand in the market.

a. Product: these are the solutions to customers needs. The producer makes different products decision including, packaging, brand names, and range offered. The product is usually the vital element in the mix, with the other decisions relating to this component.

b. Price: This element decides what a producer is paid. Different price settings theory exists with decisions involving issues like credit terms, market penetration, cost of provision and discount policy. Nonetheless, price is not always paid directly to the consumer.

c. Place: this is about making the product more accessible, and is readily described as distribution.

d. The promotional constituent of the mix enhances communication with the preferred customer groups. A variety of means can be deployed for this purpose, such as public relations, advertising, sales promotions, and internet marketing.

Other Marketing Strategy

Tender Marketing

The business participates in heavy global tender inquiries and public Section Enterprise on behalf of small-scale units. This is aimed to assist small division with the ability to produce high grade products but lack brand equity and

have limited financial capabilities. The corporation has identified vast numbers of items which keenly participate in these Enterprise and Departments. The main benefits of the scheme are providing small-scale firms with financial support that depends on the requirement of the individual unit, like procuring of unprocessed materials and financing of sale bill. The scheme also enhances business volume, which help the small units business maximize capacity utilization. The scheme also exempts these units from depositing earnest money.

Marketing Problems of Small Scale Units

All forms of business enterprise face marketing problems, but the problems are more intense in small-scale units since they lack knowledge of market, lack of experience and adequate funds. Some of the marketing barriers frequently faced by these small-scale entrepreneurs include:

- a. Competition from large-scale sector: since there are scarce resource, small-scale entrepreneur normally adapt to the use of inferior technology, which does not standardize their products. This superseded technology they use eventually produces low quality products.
- b. Lack of market knowledge: the low level of professionalism in small-scale entrepreneurship deems them inferior to understanding the concept and strategy of marketing. This also prevents them from understanding the current prevails in the market.
- c. Lack of sales promotion: these small business units lack the knowledge and resources for efficient sales promotion. They pay heavy commissions for their selling effort, which minimizes their profit margins.
- d. Weak bargaining power: small units do not get huge discounts and credit

during acquiring of units.

e. Credit sales: The small-scale businesses is regularly called to sell on credit, but are denied moderate credit facilities to buy inputs, as a result, they end up borrowing excessive working capital than what they actually need. Eventually, there is an increase in production cost and prices, thus making the business non-competitive.

Marketing and Ethical Issue

Ethical marketing can be defined as the organization accepting a liable marketing concept that defines the rules of ethics it aims to follow in relation to the market. It involve in the process three stages, first, restoring objectives related to short-term satisfaction with objectives allowing for the well being of the customers. Secondly, the firm needs to communicate, define, and ensure the implementation of interior rules of ethical performance. Finally, any organization realizes that being ethical will sometime involve a trade-off with revenue.

The costs of no-ethical behaviors include:

- a. Personal cost: the person can pay psychological and financial cost for showing unethical behavior.
- b. Organizational cost: when ethics violation in an organization turns into public talks, the price endured by the organization is huge, in terms of consumer boycotts, loss of goodwill, and legal prosecution.
- c. External cost: society as a whole may end up paying the price of non-ethical behavior, in form of negative economic impact, pollution, and waste.

Summary

Marketing is a process that identifies and satisfies the wants of the consumer attaining profits effectively, via the long-term exchange relationships.

Marketing, and marketing orientation, upholds the concept as a calculated business philosophy. The basic function of marketing can be widely classified as buying and selling of goods, assembling, transportation, financing, storage, market information and grading. In marketing, the customer value is linked on supposed benefits delivered through the marketing mix (the 4Ps), where the mix extends to service based products (the 7Ps). Consumers tend to base decisions on acceptability, accessibility, and affordability. Ethical issues are prominent in marketing, and are driven by consumerism, good business practice, and legal frame works.

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