

COMMERCE

GRADE XII – Mumbai Board

A.Y. 2021-22

SRK/MBBI - Junior College of Commerce, Dahanu (P_J); SRK/MBBI - Junior College of Commerce, Dahanu (P_J); SRK/MBBI - Junior College of Commerce, Dahanu (P_J)

ORGANISATION OF COMMERCE AND MANAGEMENT

8

Marketing



Important points to learn:

- 1) Marketing – Meaning & Definition
- 2) Concept of Market
- 3) Types of Market
- 4) Importance of Marketing
- 5) Functions of Marketing
- 6) Marketing Mix
- 7) Distinguish – Marketing vs. Selling

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Please Note:

These notes are general guidelines only for reference, for the students of SRK/MBBI Junior College, Dahanu. ***For detailed notes, students should refer only the prescribed textbook of the Maharashtra State Bureau of Textbook Production and Curriculum Research. This study material is for learning purpose during lockdown.***

MARKETING – CONCEPT

Marketing is a part and parcel of modern day's life. Today marketing is regarded as most important of all management functions of business. Every organization wants to increase market share. Need of marketing arises because of the increasing production and lower demand of goods and services over the years.

MARKETING – MEANING

According to the **American Marketing Association**, "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Philip Kotler, defines Marketing as: "Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others".

CONCEPT OF MARKETING

To understand 'marketing' it is necessary to understand the concept of 'market'.

The term market is derived from the **Latin** word '**mercatus**', which means 'to trade', 'to trade merchandise' or 'a place where business is transacted'.

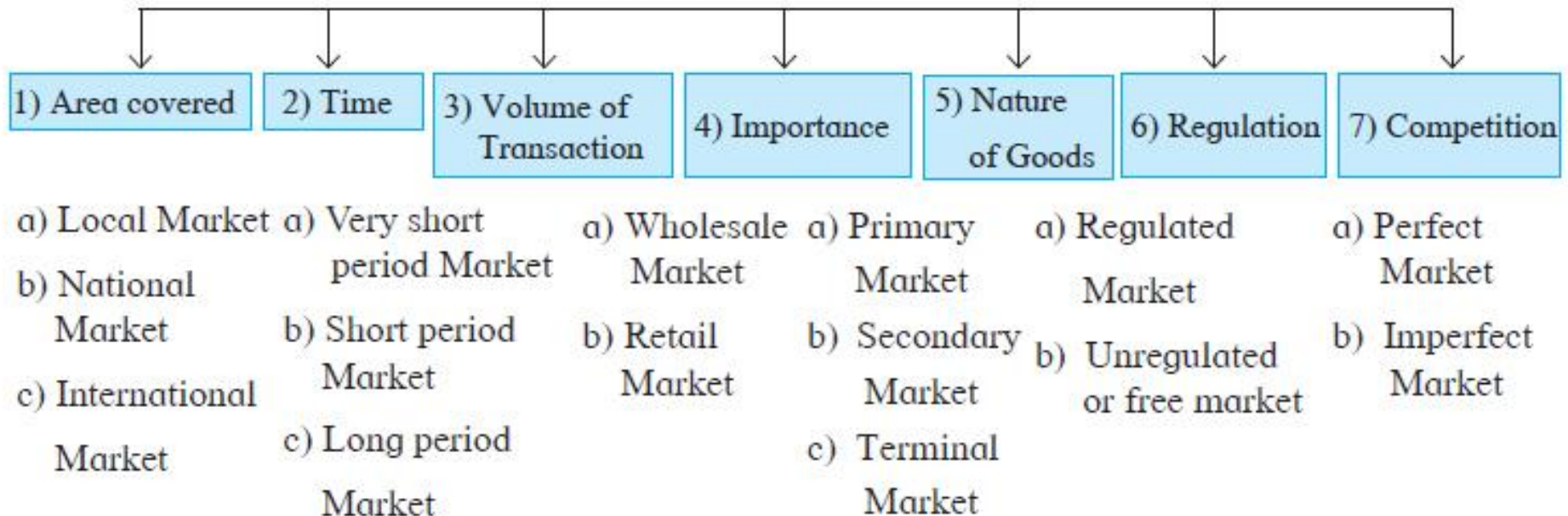
In simple words market is the place where two or more parties are involved in buying and selling. These two parties involved in the transactions are called buyers and sellers.

SOME CONCEPTS ASSOCIATED WITH THE WORD MARKET

- 1) **Place concept of Market:** Place plays an important role in defining market
- 2) **Commodity Concept of Market:** Emphasis is given on buying and selling of goods or services
- 3) **Exchange concept of Market:** There should be voluntary exchange between buyer and seller
- 4) **Area concept of Market:** Free association between buyers and sellers to fix the price of goods
- 5) **Demand or Customer concept of Market:** The aggregate demand by potential buyers for any product is market.
- 6) **Space or Digital concept of Market:** Market which uses Information Technology for buying and selling of the products or services & facilitate communication of quality, features, price, etc.

TYPES OF MARKET

Types of Market
(On the basis of)



TYPES OF MARKET

- 1) On the Basis of Area Covered:**
Local, National (Domestic), International (Foreign)
- 2) On the Basis of Time:**
Very Short Period, Short Period, Long Period
- 3) On the Basis of Volume of Transaction:**
Wholesale, Retail
- 4) On the Basis of Importance:**
Primary, Secondary, Terminal
- 5) On the Basis of Nature of Goods:**
Commodity, Capital
- 6) On the Basis of Regulation:**
Regulated, Unregulated (Free)
- 7) On the Basis of Competition:**
Perfect, Imperfect

Imperfect markets are further divided in the following markets

Monopoly | Duopoly | Oligopoly | Monopsony

IMPORTANCE OF MARKETING

In the absence of marketing, many businesses would fail to exist. The prime object of production is to distribute goods and services by using effective marketing.

Business could have the best products or services. But if no one knows it exists then business will not be able to sell it. There is a need to use marketing to promote business. **Without marketing, it is difficult to reach the potential customers.**

A) Importance of Marketing to the Society

Increase in Standard of Living, Provides Employment, Consumer Awareness, Increase in National Income, Managing Consumer Expectations

B) Importance of Marketing to the Firm

Increases Product Awareness, Increases Sales, Create Trust, Basis for Making Decisions, Source of New Ideas, Facing the Competition

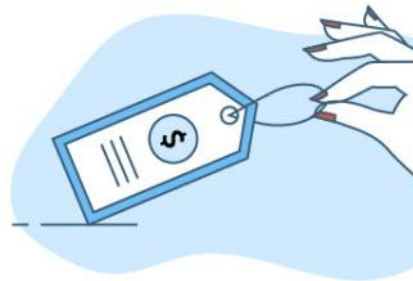
C) Importance of Marketing to the Consumers

Promotes Product Awareness, Provides Quality Products, Provides Variety of Products, Helps in Selection, Consumer Satisfaction, Regular supply of goods

FUNCTIONS OF MARKETING

Success of business is difficult without effective marketing. Marketing deals with exchange of goods and services to satisfy needs of consumers. **Marketing functions help to study the needs of the consumers and facilitate to satisfy it.**

- 1) Marketing Research
- 2) Market Planning
- 3) Buying and Assembling
- 4) Product Development
- 5) Standardisation and Grading
- 6) Packaging and Labelling
- 7) Branding
- 8) Pricing of Product
- 9) Distribution
- 10) Transportation
- 11) Warehousing
- 12) Customer Support Service



MARKETING MIX

Marketing Mix is the combination of different marketing variables that the firm blends and controls to achieve the desired result from the target market.

It can be explained as a 'set of **marketing** tools that the firm uses to pursue its **marketing** objectives in the target **market**'.

In simple words, **the marketing mix is putting the right product, at the right place, at the right time at the right price.**

The 4P's of Marketing Mix introduced in 1960 were later extended in 1981 by adding 3 new elements to the 4 Ps Principle.



DISTINGUISH – Marketing vs. Selling

MARKETING	SELLING
• Meaning Marketing is a social process by which a need is created, offered and exchanged via products.	Selling means providing the customer with the good he/she needs in exchange of a price.
• Scope Marketing is a wider concept. It includes Selling and other functions.	Selling is a narrower concept. It is a part of the marketing concept.
• Essence of Concept / Concept Satisfaction of consumers is the essence of the marketing concept.	The selling concept relies on the transfer of title and possession of the product from one person to another.
• Orientation Marketing is consumer oriented.	Marketing is production oriented.
• Approach Marketing follows customer oriented approach	Selling uses production oriented approach

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