

Role of Marketing

HSC  ME

Role of Marketing

- strategic role of marketing goods and services
- interdependence with other key business functions
- production, selling, marketing approaches
- types of markets – resource, industrial, intermediate, consumer, mass, niche



Strategic role of marketing goods and services

- Marketing is a total system of interacting activities designed to plan, price, promote and distribute products to present and potential customers
- A common financial business goal is profit maximisation. The strategic role of marketing is to develop and implement a marketing plan aimed at satisfying customer's needs.

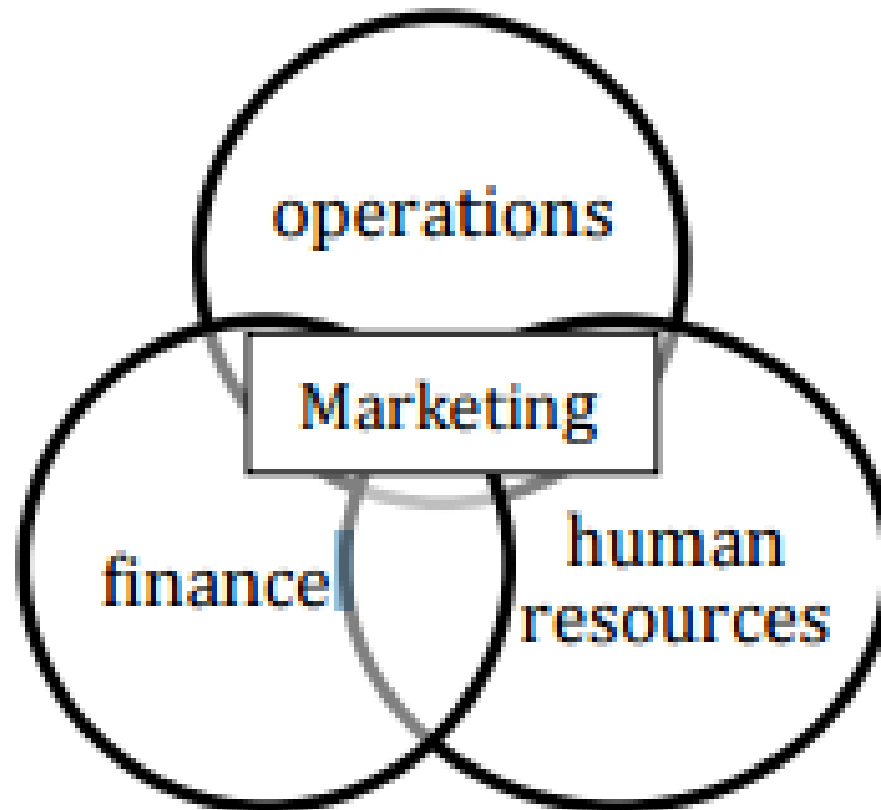
This should lead to increased sales and hence to the achievement of this goal.



Interdependence with Other Key Business Functions

- Interdependence refers to the mutual dependence that the key functions have on one another i.e. each function area depends on the support of the others if it is to perform at capacity.
- The marketing concept is a philosophy that states that all sections of the business are involved in satisfying customer's needs and wants.
- Finance, operations and HR must also 'connect' with the marketing plan. How are they interdependent???

Interdependence with Other Key Business Functions



Production, Selling, Marketing Approaches

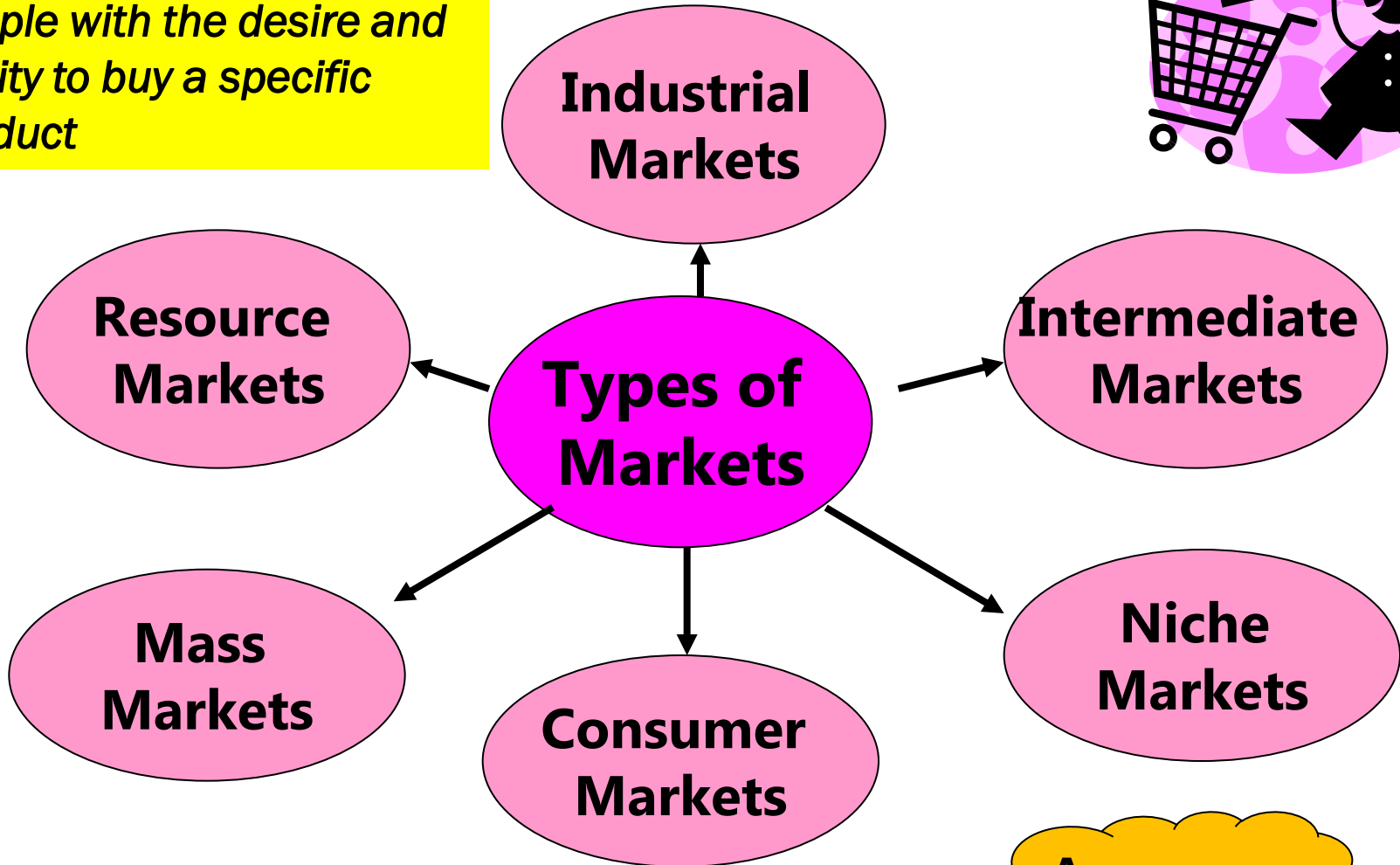
- The focus of marketing strategies has changed dramatically over the years:
 - The production approach (1820s to 1910s):
 - taking orders and delivering goods
 - demand for goods greater than supply, therefore emphasizes on producing goods and services
 - The sales approach (1920s to 1960s):
 - productivity caught up with demand
 - focus on selling: this is done by hiring good sales team and increasing spending on advertising.

Production, Selling, Marketing Approaches

- The marketing approach (1960s to present):
 - Increasing competition, globalisation & increase in discretionary income
 - all sections of the business need to focus on identifying and satisfying customer needs.
 - Stage 2 (1980s onwards): development of the marketing concept –focuses on corporate social responsibility, customer orientation and relationship marketing

Types of Markets

A market is a group of people with the desire and ability to buy a specific product



**Acronym:
CRIMIN**

Marketing plans and strategies vary depending on the intended market

Types of Markets (cont'd)

- Resource: consists of those individuals or groups that are engaged in all forms of primary production
- Industrial: includes industries and businesses that purchase products to use in the production of other products or in their daily operations
- Intermediate: consists of wholesalers and retailers who purchase finished products and resell them to make a profit
- Consumer: consists of individuals i.e. members of a household, who plan to use or consume the products they buy
- Mass: where the seller mass-produces, mass distributes and mass-promotes one product to all buyers
- Niche: a narrowly selected target market segment