

Chapter 03

Marketing

This chapter discusses the followings.

- 3.1 Introduction to marketing
- 3.2 Target market
- 3.3 Marketing mix



3.1 Introduction to marketing

As a consumer, you expect a business to supply quality goods and services at a reasonable price in order to satisfy your needs and wants. A business performs various activities in order to provide this expected service and marketing is one of those activities. Accordingly, marketing is a process which links the process of supplying required goods and services to fulfill consumer needs and wants.

Marketing consists of activities from the manufacturing of goods until they are distributed to the consumers as well as services provided after sales.

Accordingly, the marketing concept can be simply explained as follows.

Marketing is the process of creating and offering a valuable product to satisfy human needs and wants.

The activities belong to marketing are,

- W Creating a good or service that can better satisfy a human need or a want
- W Introducing the designed good or service to the consumers in an attractive manner
- W Marking a reasonable price
- W Distributing a good or service to the consumer in the most simple and appropriate way
- W Finding out consumer feedback regarding the good or service and providing after sales services



Figure 3.1

Marketing is an important concept for businesses because a business will be successful through satisfying consumer needs and wants. Marketing is essential for a business in order to attract new customers as well as to retain the existing customers with the business.

3.2 Target market

Market is an important factor in marketing. Any form in which a buyer and seller meets is considered as a market. A market can be a physical location or a 'market space' which is connected via the internet. Since there is large number of buyers with different wants in the market one seller cannot satisfy all the buyers as well all the wants. Therefore a business selects a portion of consumers from the entire market that can satisfy best.

The share of the market consisting of consumers that a business can satisfy in a more attractive and profitable way is the target market.

Examples :-

Printing and selling a model question paper book for the students reading for G.C.E. Ordinary Level

Manufacturing and selling specialized food for diabetic patients

3.3 Marketing mix

Marketing mix is a set of variables used to achieve the marketing objectives of a business within a target market. The marketing mix consists of four variables which can be controlled by the owners of a firm. The four variables are known as 4 P's.

1. Product
2. Price
3. Place
4. Promotion



Figure 3.2

Product

Product is anything provided to the market in order to satisfy needs and wants. Basically, a good or a service is considered as a product.

Think about different things that you use to fulfill your needs and wants. Food and beverages, clothes, footwear, books, the service of teachers and doctors as well as listening to a song, watching a movie or a drama etc are also considered as products.

Price

In marketing, price is the amount of value expected to be charged from consumers for a good or a service. This is a cost from the view point of a consumer. Price is the major factor that will be considered by a consumer when buying a product. As well as that, price is the only variable among other variables in the marketing mix that generate an income for the business.

Place

Products must be delivered to the consumers to satisfy human needs and wants. The activities related to the distribution of products to the consumers are known as place. A manufacturer can use different methods to distribute products to the consumers.

Examples :-

Direct distribution

Manufacturer himself distributing products to the consumer

Distributing via intermediaries

Manufacturer distributing products via intermediaries such as wholesaler, retailer etc

Promotion

You may have seen businesses using different strategies to increase its sales. Advertising the products, distributing free samples, conducting workshops to introduce products, providing sponsorships for sports events and dramas etc are some of such activities. Accordingly, these different strategies used by businesses to increase sales are known as promotion.



Figure 3.3

The significant factors to be considered under each variable of the marketing mix explained above can be mentioned separately. Accordingly each variable in the marketing mix consists of different instruments. Those can be illustrated in a figure as below.

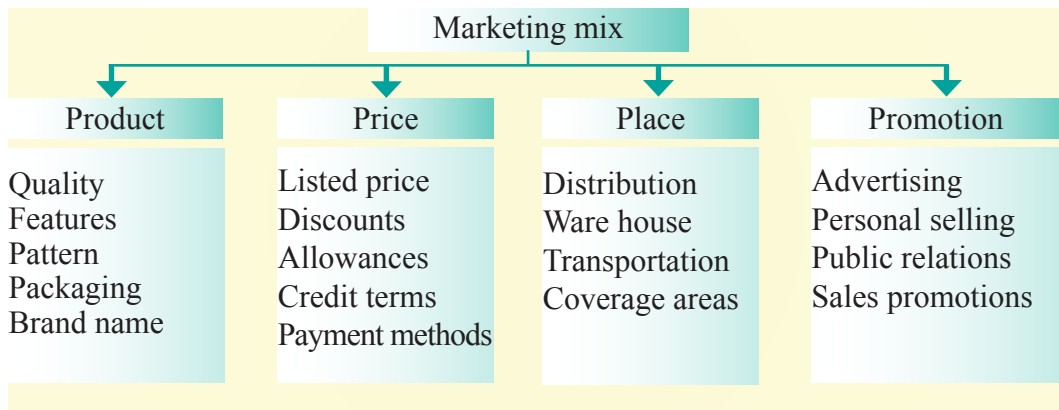


Figure 3.4 - Items for each variable in marketing mix



Activity 01

1. Read the following statements and put '✓' if it is correct and put 'x' if it is incorrect.

No	Statement	✓ / x
01.	Marketing concepts focuses on satisfying human needs and wants.	
02.	Sellers provide different products to the market in order to satisfy needs and wants of consumers.	
03.	Market is a certain location where buyers and sellers meet.	
04.	There are certain instances where the manufacturer directly distributes goods to the consumers.	
05.	Whole seller acts as an intermediary in the distribution process of goods.	
06.	The marketing process ends when a product is delivered to the consumer.	
07.	Advertising is a strategy used for promoting a product.	
08.	When deciding the method for promoting a product, the consumer segment which demands that product should be considered .	



Activity 02

List down 10 products you use for your daily consumption. Write down their prices, the place from where you bought and the strategies used to promote these products in a table as per the example given below.

No.	Product	Price	Place	Promotion
1.	Carbon pen	Rs. 15	Retail shop	Television advertisements



Activity 03

01. Name a product which you think that should be produced useful to fulfill a need in your area.
02. What factors should be considered when determining a price for that product?
03. What are the different methods that can be used to distribute that product to consumers?
04. Design a suitable television advertisement or a news paper advertisement to promote that product.