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B.Com Honours

Semester I

Calicut University

Essentials of Marketing

Course Code: COM1MN107 • Module 1 Notes

1. Introduction to Marketing: Concepts and Orientations

Marketing is the business function responsible for identifying, anticipating, and satisfying customer needs and wants profitably. Rather than being just a promotional activity, modern marketing represents a comprehensive organizational philosophy that aligns all business activities with customer value creation. This module covers the core definitions of marketing, the five major marketing philosophies/concepts, the historical evolution of marketing, the fundamental differences between marketing and selling, and the micro/macro variables of the marketing environment.

Defining Marketing

Leading marketing authorities define the discipline as a value-creation process:

- **American Marketing Association (AMA):** "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 (Father of Modern Marketing):** "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."

The Five Marketing Orientations (Philosophies)

Over time, organizations have adopted different orientations to guide their marketing strategy:

Production & Product Concepts

- **Production Concept:** Assumes consumers favor products that are widely available and highly affordable. Focuses on high production efficiency and mass distribution.
- **Product Concept:** Assumes consumers favor products offering the highest quality, performance, and innovative features. Focuses on continuous product improvements (leads to marketing myopia).

Selling & Marketing Concepts

- **Selling Concept:** Assumes consumers will not buy enough of the firm's products unless it undertakes large-scale selling and promotion efforts (focuses on factory-pushed sales).
- **Marketing Concept:** Assumes achieving goals depends on determining the needs of target markets and delivering satisfaction more effectively than competitors (focuses on customer pull).

Societal Marketing Concept

Assumes the firm's task is to determine target market needs and deliver satisfaction in a way that preserves or enhances the consumer's and the society's well-being (balancing company profits, customer needs, and long-term public interest).

Differentiating Marketing from Selling

Although often used interchangeably, marketing and selling represent opposing business philosophies:

Dimension	Selling Philosophy	Marketing Philosophy
Starting Point	Factory (focuses on existing products).	Target Market (focuses on customer needs).
Core Focus	Seller's needs (converting products into cash).	Buyer's needs (satisfying customer requirements).
Primary Means	Heavy selling, advertising, and promotion.	Integrated marketing mix (the 4Ps).
Business Goal	Profits through sales volume.	Profits through long-term customer satisfaction.
Legal Principle	Caveat Emptor (Let the buyer beware).	Caveat Venditor (Let the seller beware).

2. The Marketing Environment

A company's marketing environment consists of internal and external actors and forces that affect marketing management's ability to build and maintain successful relationships with target customers.

Micro Environment (Immediate Actors)

Forces close to the company that directly affect its daily operations:

- **The Company:** Internal departments (finance, R&D, purchasing, manufacturing) that influence marketing plans.
- **Suppliers:** Partners who provide raw materials; supply shortages or delays directly impact customer satisfaction.
- **Marketing Intermediaries:** Firms that help promote, sell, and distribute goods to final buyers (e.g., wholesalers, retailers, logistics firms, ad agencies).
- **Customers:** The most important actors. Includes consumer markets, business markets, reseller markets, and government markets.
- **Competitors:** Strategic rivals; firms must position their offerings strongly against competitor alternatives.

- **Publics:** Any group that has an actual or potential interest in or impact on the firm's operations (e.g., media, local communities, financial institutions).

Macro Environment (Broad PESTEL Forces)

Larger societal forces that affect the entire micro environment:

- **Demographic & Socio-Cultural:** Population size, age distribution, family structures, cultural values, and lifestyle changes.
- **Economic:** Consumer purchasing power, inflation rates, interest rates, and income distribution patterns.
- **Natural/Physical:** Raw material shortages, pollution levels, carbon footprints, and governmental environmental regulations.
- **Technological:** Digitalization, automation, e-commerce adoption, and rate of product obsolescence.
- **Political/Legal:** Business laws, government policies, consumer protection acts, and industry regulations.

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