



Marketing Management -Concept and Scope: A Review

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ABSTRACT

There is only one valid definition of business purpose and that is to create a customer.” While the significance of marketing in today’s business world can never be overstated, it is the precise understanding and appreciation of marketing management that needs to be accentuated. Marketing management is that specialised branch of general management, which has developed with a view to providing maximum consumer satisfaction and ensuring maximum enterprise profitability; through- planning, organising, directing and controlling the marketing activities and designing the entire organisational functioning with a marketing orientation. Marketing According to world-renowned management consultant, Peter Drucker, "Marketing is management allows an organization to track, review and analyze their marketing resources and activities.

Keywords: Marketing Management, Concept,

INTRODUCTION

Management is the processes of planning, organizing directing motivating and coordinating and controlling of various activities of a firm. Marketing is the process of satisfying the needs and wants of the consumers. Management of marketing activities is Marketing Management. Management Guru Philip Kotler defines marketing as “Marketing Management is the analysis, planning, implementation and control of programmes designed to bring about the desired exchanges with target audiences for the purpose of personal and mutual gain. It relies heavily on adoption and coordination of the product, price, promotion and place for achieving response”: In other words, a business discipline, which is focused on the practical application of marketing techniques and the management of a firm’s marketing resources and activities, is Marketing Management. Marketing Management focuses upon the psychological and physical factors of Marketing. The Marketing managers are responsible for influencing the level, timing, and composition of customer demand accepted definition of the term. While the psychological factors focus upon discovering the needs and wants of the consumer and the changing patterns of buying behavior, habit etc. the physical factors focus upon fulfilling those needs and demands buy better product design, channel of distribution and other functions.

In Marketing management determines the marketing objectives. The marketing objectives may be short term or long term and need a clear approach. They have to be in coherence with the aims and objectives of the organization. After objectively determining the marketing Objectives, the important function of the marketing Management is to plan how to achieve those objectives. This includes sales forecast, marketing programmes formulation, marketing strategies.

A plan once formulated needs implementation. Organizing functions of marketing management involves the collection and coordination of required means to implement a plan and to achieved pre determined objectives. The organization involves structure of marketing organization, duties, responsibilities and powers of various members of the marketing organization.

Coordination refers to harmonious adjustment of the activities of the marketing organization. It involves coordination among various activities such as sales forecasting, product planning, product development, transportation, warehousing etc.

Direction in marketing management refers to development of new markets, leadership of employees, motivation, inspiration, guiding and supervision of the employees.

Control refers to the effectiveness with which a marketing plan is implemented. It involves the determination of standards, evaluation of actual performance, adoption of corrective measures.

Employment of right and able employees is very crucial to success of a market plan. The market manager coordinates with the Human Resource Manager of an organization to be able to hire the staff with desired capability.

The marketing management involves the analysis and evaluation of the productivity and performs mace of individual employees.

Marketing Management has the responsibility of to perform many functions in the field of marketing such as planning, organizing, directing, motivating, coordinating and controlling. All these function aim to achiven the marketing goals.



Fig1: Concept of Marketing

MARKETING MANAGEMENT PHILOSOPHIES

There are five marketing concepts. A company should choose the right one according to their and their customers' needs.

1. Production Concept
2. Product Concept
3. Selling Concept
4. Marketing Concept
5. Social Marketing Concept

Production Concept

This concept works on an assumption that consumers prefer a product which is inexpensive and widely available. This view point was encapsulated in Says Law which states 'Supply creates its own demand'. Hence companies focus on producing more of the product and making sure that it is available to the customer everywhere easily. Increase in the production of the product makes the companies get the advantage of economies of scale. This decreased production cost makes the product inexpensive and more attractive to the customer. Low price may attract new customers, but the focus is just on production and not on the product quality. This may result in a decrease in sales if the product is not up to the standards. This philosophy only works when the demand is more than the supply. Moreover, a customer not always prefers an inexpensive product over others. There are many other factors which influence his purchase decision.

Examples of Production Concept of Marketing Management Philosophies

- Companies whose product market is spread all over the world may use this approach.
- Companies having an advantage of monopoly.
- Any other company whose product's demand is more than its supply.

Product Concept

This concept works on an assumption that customers prefer products of 'greater quality' and 'price and availability' doesn't influence their purchase decision. Hence company devotes most of its time in developing a product of greater quality which usually turns out to be expensive. Since the main focus of the marketers is the product quality, they often lose or fail to appeal to customers whose demands are driven by other factors like price, availability, usability, etc.

Examples of Product Concept of Marketing Management Philosophies

- Companies in the technology industry.
- Companies having an advantage of monopoly.

Selling Concept

Production and product concept both focus on production but selling concept focuses on making an actual sale of the product. Selling Concept focuses on making every possible sale of the product, regardless of the quality of the product or the need of the customer. The main focus is to make money. This philosophy doesn't include building relations with the customers. Hence repeated sales are very less. Companies following this concept may even try to deceive the customers to make them buy their product. Companies which follow this philosophy have a short sighted approach as they 'try to sell what they make rather than what market wants'.

Examples of Selling Concept of Marketing Management Philosophies

- Companies with short sighted profit goals. This often leads to marketing myopia.
- Fraudulent companies.

Marketing Concept

Selling Concept cannot let a company last long in the market. It's a consumers market after all. To succeed in the 21st century, one has to produce a product to fulfil the needs of their customers. Hence, emerged the marketing concept. This concept works on an assumption that consumers buy products which fulfil their needs. Businesses following the marketing concept conduct researches to know about customers' needs and wants and come out with products to fulfil the same better than the competitors. By doing so, the business establishes a relationship with the customer and generate profits in the long run.

However, this isn't the only philosophy that should be followed by all the businesses. Many businesses still follow other concepts and make profits. It totally depends on the demand and supply and the needs of the parties involved.

Examples of Marketing Concept of Marketing Management Philosophies

- Companies in perfect competition.
- Companies who want to stay in the market for a long time.

Societal Marketing Concept

Adding to the marketing concept, this philosophy focuses on society's well-being as well. Business focuses on how to fulfil the needs of the customer without affecting the environment, natural resources and focusing on society's well-being. This philosophy believes that the business is a part of the society and hence should take part in social services like the elimination of poverty, illiteracy, and controlling explosive population growth etc. Many of the big companies have included **corporate social responsibility** as a part of their marketing activities.

Holistic marketing concept

Holistic marketing is a new addition to the business marketing management philosophies which considers business and all its parts as one single entity and gives a shared purpose to every activity and person related to that business. A business, like a human body, has different parts, but it's only able to function properly when all those parts work together towards the same objective. Holistic marketing concept enforces this interrelatedness and believes that a broad and integrated perspective is essential to attain best results.

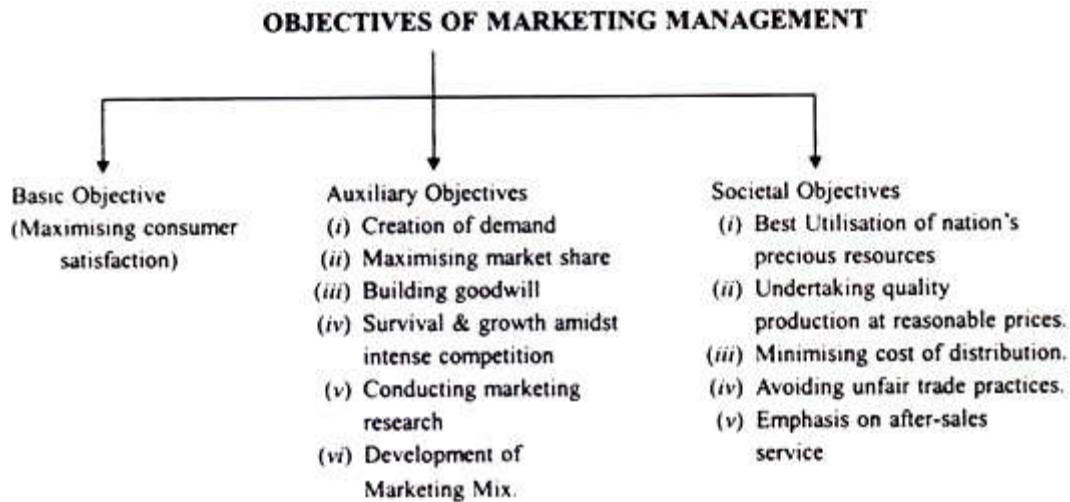
CERTAIN FEATURES OF MARKETING MANAGEMENT

- (i) Marketing management is a specialist branch of general management.
- (ii) The twin objectives of marketing management are-maximisation of consumer satisfaction and maximisation of enterprise profitability.
- (iii) Marketing management is the planning, organizing, directing and controlling of marketing activities like marketing research, pricing, sales promotion, warehousing, transportation, and host of other functions.
- (iv) Successful marketing management requires a designing of the entire organisational functioning with a marketing orientation i.e. all departments of the business enterprise are so designed as to maximally aid the efforts of the marketing department.

OBJECTIVES OF MARKETING MANAGEMENT

Objectives of marketing management could be divided into the following three main categories:

- (a) Basic objective
- (b) Auxiliary objectives
- (c) Societal objectives



Let us briefly comment on each of the above categories of marketing management objectives:

(a) Basic Objective:

The basic or fundamental objective of marketing management is to maximise consumer satisfaction; and maximising enterprise profitability through maximising consumer satisfaction. The twin aspects of this fundamental objective seek to reconcile the objectives of consumers with those of the organisation.

(b) Auxiliary Objectives:

Auxiliary objectives of marketing management which are helpful in the attainment of its basic objective are as follow:

(i) Creation of Demand:

By identifying consumers' needs, tastes, preference etc. through conducting marketing research and producing goods and services for the best fulfillment of consumers' needs; marketing management creates customers or demand for its products. This function of demand creation is the basis of the operational life the business enterprise.

(ii) Maximising Market Share:

For ensuring long-term profitability of the business enterprise; marketing management has to pursue the objective of maximising market share. In order to attain this objective, marketing management has to constantly monitor its products according to changing consumer preferences and establish the uniqueness of its products among items offered for sale by competitors.

(iii) Building Goodwill:

Marketing management is supposed to build the goodwill of the enterprise, in the market; by manufacturing and distributing quality goods at affordable prices. Many leading industrial enterprises, in the world, have created goodwill for themselves, in this manner.

In fact, consumers are reminded of the name of the manufacturer every time and moment; whenever they consume or use quality goods manufactured by that manufacturer – yielding them extra-ordinary satisfaction.

(iv) Survival and Growth Amidst Intense Competition:

The marketing management must develop objectives, strategies and policies; as would help ensure the survival and growth of the enterprise amidst intensely competitive conditions. The survival of the business enterprise among intense competition becomes imperative; as; otherwise, attainment of any objectives of management would be in suspense.

In fact, all the worldly pleasures are of no use to a person; who is no more, in this universe. So also with business enterprises, which can realise any of their objectives, only when they manage to survive, in the competitive market.

(v) Conducting Marketing Research:

Marketing research is the heart of marketing management. All marketing management decisions are based on the outcomes of such research. Therefore, marketing management must create and well maintain a specialised 'marketing research cell' within the marketing department.

In fact, conducting marketing research is a constant or continuous job of the marketing manager; as it provides latest data for solution to changing marketing problems.

(vi) Development of Marketing Mix:

Marketing mix-a unique combination of various marketing ingredients like product, price, place and promotion is a practical instrument in the hands of the marketing manager to realise the objective of sales and profit maximisation. Development of an appropriate marketing mix is, therefore, a significant auxiliary objective of marketing management.

(c) Societal Objectives:

The important societal objectives of marketing management could be stated to comprise of the following:

(i) Best Utilisation of Nation's Precious Resources:

Attainment of this social objective is possible when marketing management refrains from producing items whose consumption may be injurious to public welfare e.g. liquors, cigarettes, vulgar movies, unnecessary luxurious items etc.

(ii) Undertaking quality production at most reasonable prices; so as to enable the poorer sections of society to consumer the essential goods needed by them.

(iii) Minimising Costs of Distribution:

Marketing management should follow those marketing policies, which result in the minimisation of distribution costs; so that the price payable by the ultimate consumer is the lowest possible one.

(iv) Avoiding Unfair Trade Practices:

Marketing management must be socially responsible and must avoid indulging in unfair trade practices, like the following:

1. Undertaking false advertising
2. Resorting to profiteering through black-marketing.
3. Aiming at driving the small industrialist or trader cut of market.
4. Having unfair dealings with customers and suppliers.
5. Producing defective packaging; so that the packet contains less goods or inferior quality goods contrary to specifications on the packet-label.

(v) Emphasis on After-Sales Service:

Marketing management must pay utmost attention to after-sales services-free of cost; so that consumer does not feel being fleeced by the manufacturer or trader.

BRAND AUDIT

When a business is conducting a brand audit, the goal is to uncover business' resource strengths, deficiencies, best market opportunities, outside threats, future profitability, and its competitive standing in comparison to existing competitors. A brand audit establishes the strategic elements needed to improve brand position and competitive capabilities within the industry. Once a brand is audited, any business that ends up with a strong financial performance and market position is more likely than not to have a properly conceived and effectively executed brand strategy.

A brand audit examines whether a business' share of the market is increasing, decreasing, or stable. It determines if the company's margin of profit is improving, decreasing, and how much it is in comparison to the profit margin of established competitors. Additionally, a brand audit investigates trends in a business' net profits, the return on existing investments, and its established economic value. It determines whether or not the business' entire financial strength and credit rating is improving or getting worse. This kind of audit also assesses a business' image and reputation with its customers. Furthermore, a brand audit seeks to determine whether or not a business is perceived as an industry leader in technology, offering product or service innovations, along with exceptional customer service, among other relevant issues that customers use to decide on a brand of preference.

A brand audit usually focuses on a business' strengths and resource capabilities because these are the elements that enhance its competitiveness. A business' competitive strengths can exist in several forms. Some of these forms include skilled or pertinent expertise, valuable physical assets, valuable human assets, valuable organizational assets, valuable intangible assets, competitive capabilities, achievements and attributes that position the business into a competitive advantage, and alliances or cooperative ventures.

The basic concept of a brand audit is to determine whether a business' resource strengths are competitive assets or competitive liabilities. This type of audit seeks to ensure that a business maintains a distinctive competence that allows it to build and reinforce its competitive advantage. What's more, a successful brand audit seeks to establish what a business capitalizes on best, its level of expertise, resource strengths, and strongest competitive capabilities, while aiming to identify a business' position and future performance.

WHAT IS THE ROLE OF STRATEGIC MARKETING MANAGEMENT?

With all of this data coming in from so many different sources, businesses need a way to gather, organize, and analyze it so that they can put it to use. This can be a huge undertaking, as it's not just a matter of running the analysis once and then moving forward. It's important to keep track of the ever-changing trends in the market, and customer interests evolve every day. Even internet search activity evolves at an impressive rate — according to one report, 15% of Google searches have never been searched before. In other words, almost one in every seven Google searches is something brand new.

Software solutions simplify this process, gathering the data as needed and putting it into a database where the company can run statistical analyses and make predictions about customer activity. These software suites integrate with customer relationship management (CRM) software to automate email interactions, measure client response, and generate profiles and recognize patterns in customer behavior. Company executives can then make marketing decisions with a clear view of the environment.

SCOPE OF THE MARKETING MANAGEMENT

The application, tracking and review of a company's marketing resources and activities. The scope of a business' marketing management depends on the size of the business and the industry in which the business operates. Effective marketing management will use a company's resources to increase its customer base, improve customer opinions of the company's products and services, and increase the company's perceived value.

CONCLUSION

Marketing Management is a programme which inculcates students with an understanding of marketing strategies, practices and new techniques as per consumer behavior. Usually offered as a specialisation within a management programme, marketing management helps students in learning about the marketing process which involves planning, pricing and promoting the goods and services to the target market. The programme focuses on areas like promotional techniques, cost cutting mechanisms as well as customer creation and retention by careful analysis and forecasting of market situations. Students can also understand the role of marketing in other areas of an organization like production, sales & distribution, operations etc through a course in Marketing Management.

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