

Paper –Marketing Management

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Topic- Functions of Marketing

After the production process, goods have to pass through multifarious activities, before they reach the ultimate consumer. In the marketing journey goods have to pass through many intermediaries and functional factors. These functions and operations performed by people are called marketing functions. A marketing function may be defined as a major economic activity which is inherent in the marketing process, resides it throughout and which through a continuous division of labour tends to become specialized

Merchandising Functions

It includes all those functions of Marketing which are performed in litm relation to demand creation of a product and to make the product available for a specific market having some specific needs. The major functions included in this head are:

Product Planning and Development: The basic purpose of a product is to satisfy consumer needs. Today a producer produces only those goods which are required by his customers, so that the object of customer satisfaction may be achieved. The goods must be of excellent quality and should be capable of satisfying all the needs of the customer. For that he has to make the design, size, weight, colour, price and packing of his product according to the changing needs and tastes of his customers. Product planning and Development is the systematic study of product's design,

packing, name, colour, size, grade etc in order to develop products that meet the requirements of customers and also include improvement of existing products. Every product has a limited life cycle and therefore firm has to continuously improve its existing products.

Standardization and Grading: These are 2 very important aspects of Marketing of today, because with the help of these 2 aspects, Marketing functions become easy, production becomes uniform, prices become equal and marketing becomes extensive

Standards are model products which serve as the basis of comparison with other products. Goods are said to be of standard quality and description when they are perfectly identical to the model product in various aspects, "Standardization carries the idea of uniformity of quality." Standardization includes the establishment of standards, the sorting and grading of products to conform to these products standards, re-packing, breaking up of large quantities into smaller units of desirable size and product inspection. Standards are broadly classified into 8 types namely (a) Product Standards (b) Material standards (c) Engineering Standards (d) Quantity Standards (e) Process Standards (f) Equipment Standards (g) Safety standards and (h) Administrative standards.

Grading is the process of sorting individual specimen of a given product to the standards, grades and classes to which they belong to, Grading is the use of a standard or standards for sorting upgraded products into lots that are approximately identical in size, quality etc. However if there are some products that do not conform to the set standards they are rejected.

Purchase and Collection: Purchase means the acquisition of goods and services by

the seller or industrial user for the purpose of resale. A manufacturer has to procure raw-material, accessories, tools and equipments, machinery, stores and spare parts, fuel etc. to keep the production process uninterrupted. Mode, Time and place of purchase of goods.

Collection begins after the goods are purchased. Goods may be purchased either by inspection or by sample, or by description or by grading. In the first case checking and inspection of the goods to be purchased is made. A purchase by sample is made when the buyer examines only a small quantity (sample) of goods. Purchase by description takes place, when the goods are bought on the basis of description given in a catalogue or some advertisement. Goods are usually purchased by grades when they are standardized and graded.

Selling Selling is the most important function of marketing, Selling is the object around which all activities of marketing cluster because no activity in the world of marketing is complete until and unless the real sales and transfer of goods by the seller or intermediary to the buyer has been effected. It is through selling that a business enterprise achieve its objectives and consumers obtain the goods for the satisfaction of their needs, creation of demand involves advertising salesmanship and sales promotion activities. Selling involves the choice of channels of distribution. A firm may decide to sell its products through Wholesalers, Retailers or through its own retail stores. Marketing does not mean to sell goods and services only. It includes the discovery of tastes and wants of the customer, production of goods and services. It includes the discovery of tastes and wants of the customers, production of goods and services according to

their tastes, creation of demand, real sale and after sale service, For the achievement of this purpose, it becomes essential for the marketing personnel to establish effective co-ordination among the activities of Advertisement, Personal selling, Sales promotion and after sale service.

Physical Distribution Functions

Physical Distribution Function of Marketing are the activities performed for the purpose of distributing the goods and services to their real consumer. These functions include all the functions related to the transportation of goods and services from the place of producer or seller to the place of buyer.

2 important functions are performed under this classification viz. Storage and Transportation.

Storage: Storage is considered to be the main activity of marketing, storage creates time utility, it makes available the goods as and when they are required and it ensures continuous and unrestricted supply and flow of goods in the market. Storage aims at meeting different objects such as reading the time between production and consumption, get the expected appreciation in prices to capture the market.

Transportation: It refers to the real distribution of goods from the place of production to the place of consumption. Goods are carried from places where they are less, where they are more useful or in scarce supply Transportation helps to widen market and create place utility. It helps to

stabilize and equalize prices at different geographical markets by ensuring equitable supplies across the markets. Several modes of transport Finance: Finance means the arrangement of adequate finance for the purpose of performance of different activities like purchase, inventory storage, transportation, promotion new product development. A lot of sale is made on credit. However there are 3 main sources of finance namely long term finance, medium term finance, short term finance Financial institutions normally provide long term finance. Short term and medium term finance can be obtained from trade creditors and banks.

Risk-Bearing: Marketing like any other business activity involves risks of many kind. Risk means the danger of loss from unforeseen circumstances in future. Risk is inherent in the ownership and possession of goods. Risks may arise due to some economic causes like Change in price, Change in Government policy, Increasing Competition, Change in Demand, Change in exchange rate, Damage to goods during Storage and Transportation, Fire, Floods or Earthquake, Misappropriation of cash by employees, Bad Debts etc. Some of the risks can be insured while others cannot be insured like Change in Demand, Fall in prices, Changes in fashion, Changes in the taste of consumers. Risks can never be eliminated but can be minimized through effective system of Sales Forecasting, Product Diversification, Market Research.

Market Information: Market Information has to be collected by every businessman to chalk out his market programme and policy based on this information. Market information includes the collection of data regarding Trend of market, Government policy, Pricing policy of different business enterprises, Tastes of consumers, Scientific Development, Change in fashion, Media of Advertisement, Channels of Distribution etc. No business can be successful in the absence of this crucial information. These information are collected by Research agencies, Business enterprises,

Government agencies and Research scholars at different times. Transportation are used in Marketing like Road Transport, Railway, Water and Air Transport