

# Role Of Marketing In Organisation \*

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## Introduction

When one asks the question, why do we always start any business discourse with marketing and sales management, the logical answer that readily calls to mind is, "every business is marketing."

This means that every business starts and ends with marketing. When Adam Smith in 1776 wrote that consumption is the role and purpose of production, he was talking of marketing concept. It is therefore important for us to have a full understanding of the terms.

- The Marketing Concept
- The Marketing Mix

## What is Marketing?

The word "Marketing" has been defined in various ways by various students and practitioners of marketing. Some people have also looked at marketing as selling. Marketing is not selling, but selling is an aspect of marketing. What then is Marketing?

In our own country, many people look at marketing as market. Therefore, as soon as you mention the word "Marketing" their mind goes to the word 'Market.' Marketing is much more than selling and market. Marketing has been defined as "the business process by which products are matched with markets and, through which transfers of ownership are effected." The American Marketing Association defines marketing as consisting "of the performance of

business activities that direct the flow of goods and services from producer to consumer or user."

A more modern definition of marketing defines marketing "the set of activities by which demand structure for goods, ideas, and services is managed in order to facilitate the exchange process satisfactory" {see Figure 7.1).

We have not accepted the A.M.A. definitions because marketing starts much, much earlier than production. This definition looks at marketing as a process which starts after production has been completed. It does not consider marketing as a part and parcel of production.

Furthermore "we believe that the interrelatedness of product and market is an essential idea and should be explicitly included in a definition of marketing, and since there can be no marketing unless transfers of ownership occur, we believe also that this point should be explicitly included in the definition of marketing."

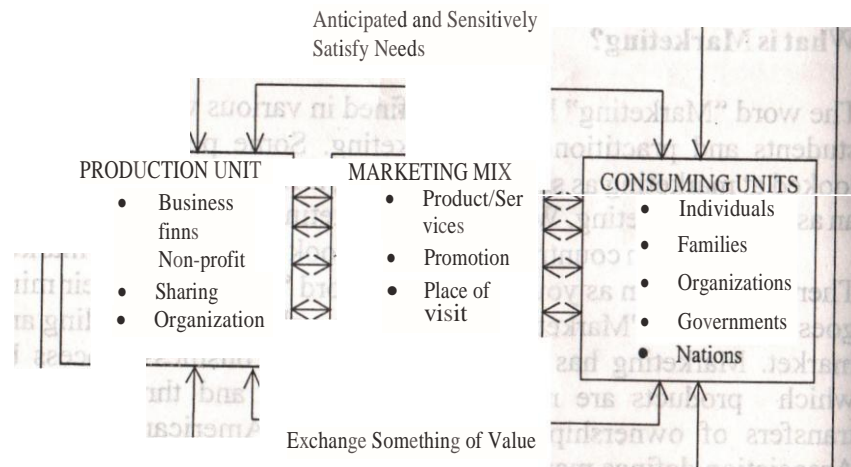


Figure 7.1. The Modern Marketing Process

Marketing, therefore, is the anticipation of needs and wants and providing such needs and wants at the time they wanted (when), where they are wanted, how they are wanted and at the price they are wanted at a profit (optimal profit).

Therefore, there is no uniform agreement as to what Marketing is. The most important thing is that one has to have one's own definition which will serve as a term of reference when one is talking about marketing. From such terms of reference, you will have the background on which to judge the marketer or the author.

### The Marketing Concept

The marketing concept which is a philosophy of management has evolved out of societal changes. The marketing concept is a philosophy of management which stipulates that all activities of business organization must be geared towards the satisfaction of the customer or consumer. The organization of business activities or operations is influenced by the company's overall goals. Department heads must recognize what results top management is looking for if they are to manage their departments in ways that not only satisfy customer's need want and desires but also facilitates achievement of company goals.

### ~ captures of the Marketing Concept

The marketing concept has three main features or characteristics, namely:

- (i) a market or customer orientation;
- (ii) a subordination of departmental aspiration to company wide goals;  
and
- (iii) a unification of company operations.

The Marketing concept as a philosophy of management is a way of life or way of running business with the consumer as the centre of operations. That is, marketing starts and ends with the consumer. This does not mean having a marketing experience.

Having a marketing department or a marketer in a firm is good. But all we are saying is that an accountant, or a personnel manager, or a production manager can adopt a marketing concept once he believes that the consumer is the fulcrum around which the wheel of business activities or operations have to rotate.

The way of running business can be of various forms of options. Cole points that organizations have developed several different ways of regarding their existing and potential customers, (Cole, 1986). The popular options are:

- (i) *Production Orientation* - Under this orientation the company focuses its attention on production efficiency, distribution and cost to attract customers to its products/services. This works well where demand far exceeds supply, and where lower cost will encourage customers to buy. For example, Japanese car manufacturers.
- (ii) *Product Orientation* - The emphasis here is on the quality of the company's products. The philosophy here is that customers buy products/service rather than satisfaction. The manufacturer is more interested in the product than in the consumer.
- (iii) *Sales Orientation* - The assumption here is that people will not buy unless they are persuaded to buy by positive selling. The emphasis is on volume of sales rather than the need of the buyer, example, insurance companies.
- (iv) *Market Orientation* - This orientation focuses on the needs of the customers and try to provide them in order to satisfy the customer at a profit.
- (v) *Societal-Marketing Concept* - Here the emphasis is on societal welfare. The societal marketing concept holds

that the organization'S task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society's well-being" (Kotler, 1985).

### ~ nvironmental Factors And The Marketing Concept

The marketing concept as a philosophy of management can be adopted if the environmental factors provide the setting for the adoption of the marketing concept. These are the changes in the market, namely:

1. *Population Growth*: Using the assumption that people are markets and markets are people, but these are people with money. Africa has been growing both in people and in money. Africa has grown to millions of people to become one of the most populous continents of the World with many natural resources. Large and potential markets exists in Africa.
2. *Growth Number of Households*: As the population is growing, the number of households are also growing. That means, markets for household materials are also growing.
3. *Growth in the Disposable Personal Income*: The growth in the disposable personal income has also given rise to changes in the market. But when the value per unit income reduced like it is today, people have to pay more for money available for goods and services. Demand falls as a result of reduction in value of the disposable personal income and reduced purchasing power of the naira. Of course, this will affect the philosophy of marketing.
4. *Discretionary Income*: Increase in the discretionary income gives rise to spending on non-essential commodities or materials.

In adopting the marketing concept, the firm must take its marching orders from the market, it is our foremost objective to produce what the market needs. Environment" which is the milieu in which the company is operating. Within this environment our competitors are also operating and what they do affects our own behaviour as a company.

According to McDonald, "it is necessary to find some way of monitoring this and other elements of the environment and of building this into our decision-making process" (McDonald, 1984).

The legal, economic, political, traditional, religious and fiscal policies of the governments of the countries where we market our goods and services determine what we can do. For example, laws on such things as who should operate a business in a country, laws on labeling, advertising and promotions have to be taken into account in our marketing plans.

The environment in which we operate is not controlled by us because it is dynamic. The role of marketing to match the company capabilities with customer wants. This matching process has three constituent parts, namely:

- the capabilities of a firm;
- the wants of customers;
- the marketing environment as shown in Figure 7.2.

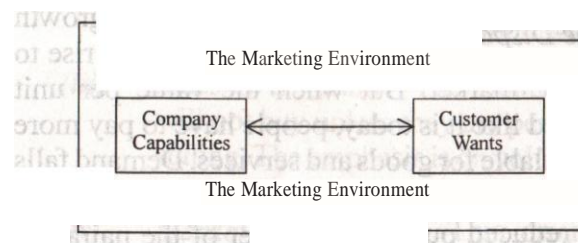


Figure 7.2: The Matching Process of Marketing  
Source: M.H.B. McDonald, Marketing plans, p. 3

Matching company's capabilities with the customers' wants must be a dual process. That is, customers' wants affect and influence the company's capabilities. The company on its part must produce what the customer wants. When this condition is not met, then the company must go back and review its capabilities in order to give the customer what she wants.

### ( Customers' Wants

Critiques often accuse companies of producing what customers do not need. Of course, no company will advance if it produces what customers do not need or want. If it were so, we would not have a situation where many products launch fail. Customers have many needs which have to be interpreted into wants. The demand for these wants is influenced by individual differences. For example, Mrs. Adamu's wants may be different from Mrs. Odoh's wants. Also Mrs. Adamu's or Odoh's wants may change from time to time. That means, the market is dynamic. On the other hand, there may be a group of people whose wants are similar to either those of Mrs. Adamu or Mrs. Odoh. These groups constitute sub-markets or segments, in an overall market. A company must, therefore, adapt or change, in order to reap the full benefits accruing from its target market. Failure to understand the needs and wants of different customers or groups would result in failure to provide the desired satisfaction, and on the long-run collapse of the company due to non-patronage.

### The Marketing Mix

The Marketing Mix is the optimal combination of the elements or ingredients of marketing in order to satisfy a given target market. These elements are:

- Product/service
- Place or distribution



- Promotion
- Pricing

The way these elements are combined or emphasized makes every company's marketing strategy unique.

### Is Marketing Economics?

Marketing is not economics but is closely related to economic activities. Marketing, is a new discipline. It is distinct set of activities separate from, yet a part of economics. Economics is the mother science of marketing. Economics deals with allocation and exchange processes. It focuses on the creation of utilities as well.

### Marketing and Organisation

We shall look at two main categories of organizations:

- Profit Making Organisation. (Business Organisation) main focus - profit-making to satisfy the shareholders or owners of the firm. But the focus should be "Consumer Satisfaction" with a view to a long -run profit -maximization.
- Non-Profit-Sharing Organisations. (Non-Profit Making Organisations)
- Focus is on the welfare or survival of the organizations.

That is satisfaction of the organization with a view to providing the services it requires to survive. In the organizational context, marketing is:

- a function; and
- a philosophy

All firms have marketing function but few firms have a marketing philosophy. How do you distinguish between the function and the philosophy of Marketing?

As a function, marketing is no more, nor less, important than

- finance
- personnel
- legal
- production
- purchasing
- research and development
- accounting etc.

As a business philosophy, marketing requires the firm to do what it has always been set out to do -

"Combine the resources at its disposal, in a manner which will best enable it to achieve its long-run profit goals."

What distinguishes it from other business philosophies is that marketing perceives that consumers have the right to select preferred candidates and elect them by casting their money votes.

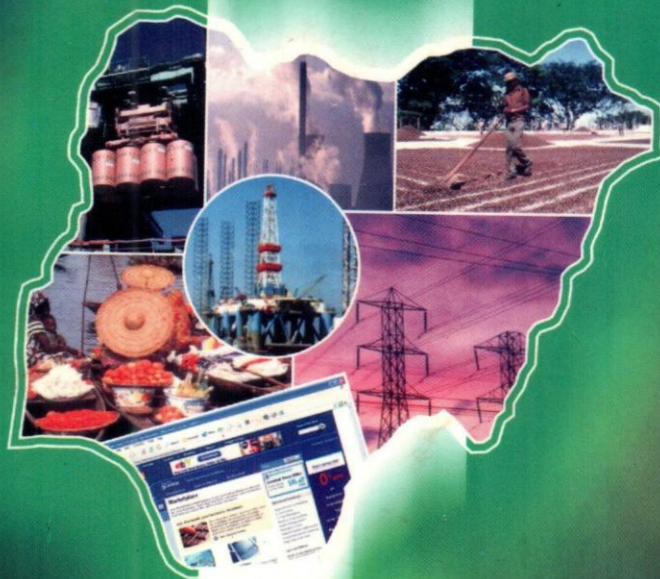
Today's increasingly competitive environment demands that the organization be more *creative* and *flexible* than in the past. It requires that:

- the firm continually scan the business environment.
- the firm utilize incoming data to formulate creative plans stating not only what it wishes to achieve, but also how and in what sequence.
- these plans be communicated effectively to those charged with the responsibility for their implementation.
- the firm make full use of new managerial techniques developed to assist the decision-maker in arriving at an informed decision.

Marketing's role  
and the individual

- || to disco
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Marketing and Management Practice in Nigeria, presents in a simple but succinct manner, the practice of marketing and management in a developing economy like Nigeria.

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