



TITLE : MARKETING FUNDAMENTALS

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1. Nature, functions, and tasks of marketing.

Marketing is a way of thinking that without a consumer, there is no business activity. Working to create our clients, the company works for profit.

Due to the development of scientific-technical progress, the increasing demands of buyers, the exacerbation of competition – they all put the market at the center of the organization's attention. The design, manufacture, and supply of a product shall comply entirely with what is sought.

Marketing is a system of views and principles for the creation, development, and realization of products, tailored to the preferences of the buyers and the current market conditions.

According to The Chartered Institute of Marketing, marketing can be viewed as identification, anticipation, and satisfaction of consumer demand for profit.

We can say that marketing more than any other business feature deals with customers. The two primary goals are to attract new customers, offering them the best value of the product and keep their current customers by satisfying them. (Kotler, 2017)

We can look at marketing in several ways:

1. As a management concept – the organization, planning, management, control, and regulation of economic life must be based on market evaluations.
2. Mode of action-provides specific organizational, methodological, information, etc. tools and techniques with which the marketing activities are carried out.
3. Process of strategic and tactical planning and control
4. Integrated system – The marketing unites all other units of the company. They must comply with marketing requirements.
5. Looking for unity between business orientation towards consumers and the pursuit of maximum profits
6. Marketing is both a process of studying the market, adapting the product to the market, and forming the market.
7. Marketing brings together activities such as:

- Creation of new products
- Implementation of existing
- stimulating producers and consumers
- Pricing
- Different types of communications

All of them are subject to a common strategy aimed at

8. Through marketing, in addition to achieving high profit, we can seek to make, etc. – increasing sales volume, increasing the market share, expanding the image of the company and products, shifting competition or shrinking its market share, achieving a leadership position

9. Marketing is a creative activity

To better understand marketing, we need to look at it as a social process. For this reason, it is own asses the consistent clarification of several key concepts that are related and derive from each other and explain the roots of marketing. These are the concepts of desire, demand, need, need, product, exchange, deal, and market.

The need-it stems from the very nature of the man-a sense of necessity for something, a shortage of something.

The need is a state of unconscious lack. The necessity is a specific manifestation of the need, according to the environment, the development of society and individual. The need becomes a need when it is through our own experience, our information, the experience of others and the actual offering

Desire is striving for specific satisfaction of an obligation. The right and the possibility of choosing a way of satisfying.

Search – a desire to purchase a specific product lined with a financial instrument. It evaluated in quantitative and qualitative terms. When taking into account, the demand assessed not only the money but also the time and spatial possibility of the buyer. The nature of the search depends on the user's assessment of the usefulness of the product.

Product – Everything that can be offered to satisfy needs and desires. It is essential that the user's attitude, not so much to the ownership of the product, as to the usefulness of the services the product provides. The product can be physical ideas, even people.

Usefulness – The totality of the benefits that the buyer sees in the offered product in terms of form, warranties, purpose, time, place, prices. To have the utility is necessary:

Need:

- The product has these properties and characteristics to satisfy the need for
- The consumer accepts that the product meets the usefulness.

Value – the acceptable level of satisfaction of a need.

Exchange is any form of provision of goods from one entity to another against the counter provision of other products. Conditions necessary to have a dialogue:

Have at least two sides:

- Each party possesses something valuable to the other
- Each country is ready to provide what it has and receive what it wants to do accordingly.

In marketing, we talk about an exchange when both parties negotiate and move towards an agreement.

Transaction – Trade-in values between two Contracting Parties. Main dimensions of the operation:

- at least two valuable things
- Contract Terms
- time of conclusion and place of conclusion

The role of marketing is to explore the opposite side values and what it is willing to give to provide the desired dynamic behavior.

The market is a collection of all current and potential users of product sellers who offer it and intermediaries who create additional prerequisites for the conclusion of the deal. (Baines, 2014)

2. Market and Marketing philosophies

Marketing Management is a process implemented through the planning of marketing activities, implementation of the plan, and monitoring of its application. Its primary purpose is to realize the desired transactions in the target market. We can use different philosophies to achieve the desired goal, and each of them gives a different meaning to the company, consumers, product, and society.

Five concepts are summarized – production, product, trade, marketing, and socio-marketing. The first three counted towards the group of the market philosophy and the other two – to the marketing philosophy.

1. Production concept.

It is one of the earliest approaches to entrepreneurial activity. The main idea on which the company develops is that there are enough customers on the market who are interested in cheap and widely available goods. An essential requirement is to produce inexpensive production, but with low cost.

There is a disturbance of the situation, i.e., the demand exceeds the supply. A dominant figure on the market is the manufacturer, who is guided by his interests, not by the interests of consumers. The cost of production reduced by increasing labor productivity, the unification of the product, conveyor production, self-service. H. Ford is the founder of this philosophy as well as the conveyor.

A basic rule is that users require low prices. Such prices may have goods with low production costs, mass-produced products. They should be close to the customers, which leads to the construction of an extensive distribution network.

2. Product concept.

The idea is that some of the users are looking for high-quality, expensive goods. They oriented to the novelties. Goods that meet the needs in a practical new way are the result of the implementation of the achievements of basic sciences. Consumers are not interested in the price but the quality and the novelties — emphasis placed on the product, on the creation of fundamentally new goods. Scientific discoveries need investment like the product, its presentation on the market, and its implementation.

3. Trading concept.

This occurs at the end of the 20s. Of the last century – the world crisis. It's an overproduction crisis. There accumulated output, but against the backdrop of unemployment and low buying opportunity, there are no markets for the production. The idea is to sell and reclaim the invested money. The purpose of the trade philosophy is to achieve profit through sales volume. The concept confirms that the consumer would not have bought a sufficient quantity if sales, marketing, and marketing, not

stimulated. The trading concept oriented towards distribution and production, the market, and the realization of the product not thought.

Marketing in this period is weak. As a result, the advertisement arises as a commercial activity, commercial travelers, door-to-door sales, etc. Techniques to boost sales.

4. Marketing concept.

It originated in 50. Of the last century as a result of the criticism of society – there are commodities on the market, but they drove through dishonest selling techniques. The primate philosophy first thinks about the product and the needs of the consumers, which it has to satisfy, thinks about what the market is looking for. The elements of the marketing mix – product, price, distribution, and promotion used. The goal is to achieve profit by satisfying the needs in a way better than the competitor. This philosophy introduced by the company "McDonald's."

5. Socio-ethical marketing.

This concept is a peak in the evolution of marketing. Until then, in satisfying the needs, the welfare of the users was not taken into account. One of the forms of social reaction is national consumer protection movements that can affect companies. Norms and laws are established to limit or stop specific productions and activities.

3. Marketing Mix

The marketing mix is a complex of control and marketing variables that the company combines to achieve a desirable relevant response to the target market, i.e., increase profit by satisfying consumer needs. The marketing mix contains elements by which the company can influence multidirectional, complex, and dynamic search of its products. The variables of the marketing mix allow the company to change the actions on them following the dynamics of the market and to use them as a means to achieve the company objectives. The mix includes four variables – product, price, place, and promotion.

1.Product.

Covers the area that deals with the creation and development of the right product for the target market. The marketing activity provides the solutions for the product line, marking, packaging, product properties, quality, warranties, servicing, design, accessories to the product. Marketing should create a product that has specific characteristics that correspond to the user's needs.

2. Price.

It covers the area that deals with the creation of prices that support the realization of company goals and create a sense of successful and profitable deal for consumers. Marketing helps price list decisions, discounts, surcharges, price developments, periods of pay, credit conditions, etc.

3. Place.

These are the conversion points, the place where the product can be purchased. This variable includes company actions that make the product readily available to the target market and thus affect sales. A product should be offered at a time and place most user-friendly. The variable includes actions by type

of delivery channels to users; The territories to be covered; The location of the conversion points; The types of commercial premises; Forms of service; Firms Transport and storage of products; Manage conversion channels.

4. Promotion.

It is related to actions that present the qualities of the company and the product and convince the customers to become customers of the company. These include advertising, public relations, personal sales, and sales promotion.

The marketing mix consists of control variables, which allows the company to:

- Change the actions on the elements following the dynamically changing market environment
- To use the features as a tactical means to achieve company goals
- To develop and supervise the implementation of the marketing plan and to plan and control the financial resources for its application
- To set clear and quantifiable marketing objectives and to control the extent of their implementation.

The concept of the mix highlights the possibility of coordinating and synchronizing decisions and actions on these elements. Achieving company and marketing goals requires coordinating activities on all aspects of the mix.

E. McCarthy, for the first time, clarified the content of marketing through the marketing mix in 1960, which indicated the following model:

Marketing Mix Manifestation Guidelines:

In the same way, the schemes of other elements look like:

- Place or distribution with developing guidelines: channels for realization; Firms Transport a storage network; Distribution methods
- Price with indications of manifestation: level of prices; Price developments; Modifications Commissions Discounts
- Promotion with guidelines: advertising; Stimulating sales; Public relations; Personal sales; Informing

4. User behavior of the user organizations

Individual users are the end-users of the purchased goods and services, and the purpose of the acquisition is to satisfy personal needs. In this respect, there are several differences in the behavior of buying between individuals – consumers and consumer organizations (industrial and societal).

The main distinguishing characteristics of the behavior of the user organizations is the collectivity in the decision to purchase, the complexity and formalization of the process, as well as the higher number of factors influencing this process. These characteristics arise from the specific needs of the

organizations, which are the primary motive for purchase and specificity of the formation and management of the budgets of these organizations. Organizations form a specific type of market different from that of individuals. (Blythe, 2014))

Factors influencing organizational purchasing behavior:

- The team that makes the purchasing decisions
- The type of purchases
- The characteristics of the buying organization-structure, scale, industry, style, and methods of management
- The environment – legal norms and restrictions, degree of technological and general economic development, material and labor resources, budget

Phases of the purchasing decision-making process in the organization:

Understanding the problem

Establishment and specification of the properties and quantities of the goods required

Identification and exploration of possible information sources

Formulation and analysis of possible alternatives

Select specific Vendors

Making a final purchase decision

Behavior after purchase

5. Branding

Over the years, marketing has not changed much, even on the contrary. We can say that he evolved, developed. Recent decades is entering a new concept in marketing. That's the brand. It is the value of the brand outside its scope of activity. We can say that it does not happen by itself, but is a result of planning, strategic thought, and a clear vision for the future.

The brand is much more than a name or logo. He is also a promise to the client. The brands in the 21st century will be for many organizations; the main factor for success in the hyper-konkurenriât market. And if we say that some customers believe more of their favorite brands than the church or state institutions, we will not lie. And they're so attached to their brand that they wouldn't buy from anyone else.

While the brands were once synonymous with quality and trust, today we are talking about an emotional relationship with the client. Today's brands also need a platform for social responsibility.(Smith, 2011))

Some of the opportunities that brand building is likely to bring to you, depending on your efforts and diligence. So, the brand:

- Enables to sell at a higher price, with higher margins, and with more significant profit;
- Helps in conquering a unique niche;
- Ensure a more excellent and sustainable market share;
- Creates conditions for longer-term revenues;
- possesses value and can be sold.

6. Conclusion

In conclusion, we can say that marketing is a significant and integral part of modern management. And as technology advances, it will evolve to a scale that until recently, we have not even imagined. And the fact that some authors compare it to art is sufficiently indicative of its significance.

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