

Marketing Role in Society

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Abstract

One reason for studying marketing is that, as consumers, a large share of purchasing dollar goes for marketing activities. Professor Reavis Cox (1995) estimated that 41.7 of this dollar is consumed by distribution activities. Other analysts, using other methods, have calculated figures up to 58.9; so a reasonable estimate is that the cost of marketing is about 50% of the consumer's dollar.

Another important reason for learning about marketing is that marketing is all around us and affects almost every aspect of our daily life. The products we buy, the stores where we shop, that constant barrage of advertising we are exposed to, are all part of marketing. Further, the newspapers and magazines we read, as well as the radio programmes we listen to and the television shows we watch are largely paid for by advertisers – again, part of marketing. Even our job resume are part of a marketing campaign to sell ourselves to some employer.

An additional reason for studying marketing is that there are many exciting and rewarding career opportunities available to us in marketing. Particularly in consumer goods companies, marketing is often the route to the top executive's position. At several points we will find information describing career opportunities in various areas of marketing, such as sales, advertising, product management, marketing research, physical distribution and so forth.

Key Words: *marketing, career opportunities, ingredient, advertising, macro and micro-marketing.*

Introduction

For those of us who are seeking non-marketing positions in business, we will no doubt, have to work with people who are involved in marketing. Knowing something about marketing will help us relate better to those people and probably will also help us perform our own jobs more effectively. And, in the final analysis, a company that cannot successfully market its products will have no need for accountants, computer programmers, financial managers, personnel managers, production managers, traffic managers, credit managers, and so on. Its often said “Nothing happens unless the cash register rings”.

Even if we are not planning a business career, we should be aware that marketing concepts and techniques have broad application for non-profit organizations. The same basic approaches used to sell laundry detergent can also be used to “sell” ideas, politicians, mass transportation, health care services, energy conservation and museums.

A final and even more fundamental reason for studying marketing is that marketing is a key ingredient in economic growth and development.

NB: Marketing stimulates research and innovation, resulting in new products, which if found attractive by customers, can lead to fuller employment, higher incomes, and a higher standard of living. An effective marketing system is vital, therefore to the future of our nation as well as all nations.

Marketing – what is it all about?

If we are typical students taking our first course in marketing, it’s a pretty safe bet that we have little, if any idea of what marketing is all about. “Don’t worry – you are alone!” Although marketing has a profound effect on the daily life of each one of us, few people really understand

what marketing is. In fact, more than a few marketing graduates and even some business managers would be hard pressed to give a precise definition of marketing.

If forced to define marketing, most people would probably say that marketing means “selling” or “advertising” - words that tend to conjure up negative thoughts in some people’s minds. By the time we finish this article, it is hoped that we will realize that selling and advertising are legitimate professions, and that not all sales people and advertisers are “flim-flam artists”. For now, however, it is crucial for us to recognize that, while selling and advertising are very important aspects of marketing, marketing is much more than just selling and advertising.

To illustrate, consider all those tennis rackets being swung with varying degrees of accuracy by millions of tennis enthusiasts all around the globe. Most of us were not born with a tennis racket in our hand. Nor do most of us make our tennis rackets. Instead, the tennis rackets we use were manufactured by firms such as Wilson, Spalding, Slazenger, Davie, Head and Bancroft.

Most tennis rackets look pretty much alike, and all are intended to do essentially the same thing – hit the ball over the net. Nevertheless, a tennis player can choose from among a wide assortment of rackets. Not only do tennis rackets come with different weights and handle sizes, but one can also choose from rackets made of different materials, such as wood, steel, aluminum, fiberglass, or graphite. In addition, a racket can be strung with neither nylon nor gut. These different materials involve various trade-offs not the least of which is price. One can purchase a pre-strung racket for less than \$10, or one can spend more than \$100 for just a frame.

This diversity of sizes and materials obviously complicates the production and sale of tennis rackets. To illustrate just how complex the entire process can become, let us consider some of the many things a firm should do before and after it decided to manufacture tennis rackets. In addition to simply manufacturing rackets, the firm should:

1. Estimate how many people will be playing tennis over the next several years and how many tennis rackets they will buy;
2. Predict exactly when people will want to buy tennis rackets;
3. Determine which handle sizes and weights people will desire and in what proportion;
4. Decide what materials these tennis rackets should be made of, as well as where and how these materials can be obtained;
5. Estimate what price different tennis players will be willing to pay for their rackets;
6. Determine where these tennis players will be located and what method of distribution should be used to get the firm's rackets to them;
7. Investigate various methods of promotion that can be used to inform potential customers about the firm's rackets to them; and
8. Estimate how many other firms will be manufacturing tennis rackets, how many rackets they will produce, what kind, at what prices, etc.

The above activities are not part of manufacturing. Rather, they are part of a larger process which, if carried out effectively, can provide needed direction for manufacturing and ensure that the right products find their way into the hands of the ultimate consumer. This process is called "marketing", and as our tennis racket example illustrates, it involves far more than selling or advertising. As a matter of fact, marketing involves many activities too detailed to mention in our example. We will learn much more about these activities before we finish reading this article. For now, it is enough to simply recognize that marketing plays an essential role in providing consumers with need-satisfying goods and services.

How Marketing relates to manufacturing

Manufacturing is a very important economic activity. Whether for lack of skill, resources, or just plain time, most people do not make the majority of the products they consume. Picture yourself, for example, building a ten-speed bicycle, a colour television, or a digital watch – starting from scratch. Clearly the high standard of living that most people enjoy would not be possible without modern manufacturing technology.

Although manufacturing is an essential economic activity, some people tend to over-rate its importance in relation to marketing. Their attitude is reflected in “Emerson’s” (1986) old adage: “if a man..... makes a better mousetrap..... the world will beat a path to his door!” A good product, in other words, is all we need to succeed in business. Make that better product and the customers will find you.

The mouse - trap theory probably was not true in “Emerson’s” time, and it certainly is not true today. In modern economics, the grass grows high on the path to the “Better Mousetrap Factory”– if the new mouse - trap is not properly marketed. We have already seen, for example, that there is a lot more selling tennis rackets than simply manufacturing them. The same holds true for most other products.

The point is that manufacturing and marketing are both vital components of a total business system aimed at providing consumers with need-satisfying goods and services. Together, manufacturing and marketing combine and possessive utility – from which economists say consumer satisfaction is derived. Here, utility means the power to satisfy human needs.

When a manufacturer makes a tennis racket out of some raw materials, that manufacturer is creating to form utility – at least for those people who want tennis rackets. But, contrary to

those who subscribe to the mouse - trap theory, simply manufacturing tennis rackets does not result in consumer satisfaction. Time, place and possessive utility must always be provided.

For example, how much satisfaction would a tennis player in Harare get from a tennis racket in a manufacturer's warehouse in Bulawayo? Obviously, that tennis racket would not win many games unless it were available when (time utility) and where (place utility) the tennis player wanted it. Furthermore, since one does not have the right to use someone else's property, the tennis player would have to plunk down some money and complete the sales transaction before enjoying possessive utility.

Stated simply, the job of manufacturing is to create form utility, while marketing's job is to provide time, place, and possessive utility. To the extent that marketing inputs help determine what products to produce, it could also be argued that marketing should ask themselves how much satisfaction a gram of coffee in Brazil would give a consumer in Zimbabwe. Or what would be the value to consumers of tyre chains in a factory during a snowstorm or air conditioners in a warehouse during a heat wave?

It should be clear that successful manufacturing depends, in turn, on successful marketing – getting the right goods to the right place at the right time and at the price that will allow the buyer to take possession. How marketing creates time, place and possessive utility will be explored later in this article. First, we must define marketing – something we have deliberately avoided until now.

How should we define marketing?

As we stated earlier, most people would probably define marketing as selling or advertising. On the other hand, one noted marketing scholar defining marketing as “the creation and delivery of a standard of living”.

There is a distinct difference between these two definitions, besides the fact that one is very narrow while the other is very broad. The first definition focuses on the economic welfare of an entire society. In other words, the first is a micro-level definition while the second is a macro-level definition.

This is a very important distinction. Traditionally, marketing has been viewed mainly from a micro-perspective – as a set of business activities performed by individual firms. In recent year, we have recognized that many of these activities are also directly applicable to non-profit organizations which try to serve their clients' needs. But this broadened perspective still focuses on activities performed by individual organizations.

Some students of marketing feel that this micro-level view of marketing is too narrow. They prefer to view marketing from a macro-level perspective as a “fundamental societal process which necessarily and inherently evolves within society to facilitate the effective and efficient resolution of the society's needs for exchange of consumption values”.

Which view is correct? Is marketing a set of activities performed by individual firms or organizations, or is it a social process?

To answer this question, let us go back to our earlier tennis racket example. We saw that to be successful, a manufacturer of tennis rackets would need to perform several customer-related activities in addition to simply producing rackets. The same would hold true for an art museum or a family service agency. This would seem to support the idea of viewing marketing as a set of activities performed by individual organizations.

On the other hand, people cannot live on tennis rackets and art museums alone. In an advanced economy like the United States, it takes thousands of goods and services to satisfy the many needs of society. A large super-market may handle as many as 10.000 products, for

example, and a typical supermarket stocks 15.000 different items. Clearly, a society needs some sort of marketing system to organize the efforts of all the producers that are needed to satisfy the needs of all citizens. Thus, it would appear that marketing is a vital social process. The answer to our question then is that marketing is both a set of activities performed by organizations and a social process. In other words, marketing exists at both micro and macro levels and therefore must be defined and evaluated at both levels. We will present two definitions of marketing – one for micro – marketing and another for macro-marketing. The first focuses on customers and the organizations that serve them, while the second one takes a broad view of our whole production – distribution system.

Micro – marketing defined

Micro-marketing is the performance of those activities which seek to accomplish an organisation's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

Let's examine this definition

To begin with, this definition applies to both profit and non-profit organizations. Their customers or clients may consist of individual consumers, business firms, non-profit making organizations, government agencies, or even foreign nations. While most customers and clients will probably have to pay for the goods and services they receive, others may receive them free of charge or at a reduced cost through private or government subsidies.

What activities are included in micro-marketing? There is little doubt that personal selling and advertising are marketing activities. Unfortunately many executives would limit the scope of marketing to selling and advertising. They feel that the job of marketing is to “get rid of” the product that has been produced and priced by the production, accounting and finance executives.

This narrow view of marketing should be rejected. As noted, management consultant Peter Drucker has stated:

“There will always, one can assume, be need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available...”.

Thus, when we define micro-marketing as those activities which anticipate customer or client needs and direct in a flow of need satisfying goods and services, we mean just that:

Marketing should begin with the customer, not with the production process. Marketing rather than production should determine what products are to be made – including decisions about development, product design, and packaging, what prices or fees are to be charged,

credit and collection policies; transporting and storing policies; when and how the products are to be advertised and sold; and after-sale warranty, service and financial activities. Rather, it means that marketing – by interpreting consumers' needs – should provide direction for these activities and seek to coordinate them. After all, the purpose of a business or non-profit making organization is to satisfy customer or client needs. It is not to supply goods or services which are convenient to produce and which might sell or be accepted free.

Macro – marketing defined

Macro-marketing is a socio-economic process which directs an economy's flow of goods and services from producers to consumers in a way which effectively matches heterogeneous supply capabilities with heterogeneous demand and accomplishes both the short-run and long-run objectives of society.

Like micro-marketing, macro-marketing is concerned with the flow of need-satisfying goods and services from producer to consumer. However, the emphasis is not on the activities that individual organizations perform. Rather the emphasis is on how the whole system performs, taking into account the cumulative and interrelated actions of all producers and consumers.

Macro-marketing must deal with the fact that not all producers share the same goals, resources and skills. Likewise, not all consumers share the same goals, resources and needs. In other words, within any society there are both heterogeneous supply capabilities and heterogeneous demands for goods and services. The role of the macro-marketing system is to effectively match this heterogeneous supply and demand, and at the same time accomplish society's objectives.

Conclusion

Marketing is a subject that touches everyone's life. It is the means by which a standard of living is developed and delivered to people. It involves a large set of activities, including marketing research, distribution, pricing, personal selling and a number of other functions. Too many people mistakenly believe that marketing consists of only one or a few of the functions, whereas marketing is actually a high-level integration of several functions designed to sense, serve and satisfy consumer needs while meeting the goals of the organization.

The marketing concept assumes that the main task of the company is to determine what a chosen set of consumer's needs, wants and preferences are and to adapt the company to delivering the desired satisfactions. The societal marketing concept assumes that the main task of the company is to generate customer satisfaction and long-run consumer and societal well-being as the key to satisfying organizational goals and responsibilities.

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