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NATURE AND ROLE OF THE MARKETING IN MODERN LIFE

Marketing is perhaps the most important activity in a business because it has a direct effect on profitability and sales. Larger businesses will dedicate specific staff and departments for the purpose of marketing.

It is important to realize that marketing cannot be carried out in isolation from the rest of the business. For example:

The marketing section of a business needs to work closely with operations, research and development, finance and human resources to check their plans are possible.

Operations will need to use sales forecasts produced by the marketing department to plan their production schedules.

Sales forecasts will also be an important part of the budgets produced by the finance department, as well as the deployment of labor for the human resources department.

A research and development department will need to work very closely with the marketing department to understand the needs of the customers and to test outputs of the R&D section.

All modern organizations engage in marketing so as to be able to please and win the loyal support of their customers. Gillette engages in marketing to find out about the needs and requirements of shavers, banks engage in marketing research to find out about its customers financial services requirements, and the Inland Revenue engages in market research to find out about the needs and requirements of taxpayers and other clients. The Chartered Institute of Marketing uses the following definition of marketing:

'Marketing is the management process responsible for identifying, anticipating and satisfying consumer requirements profitably.'

The definition places consumers at the centre of the organization's activities - whether they be consumers of Kellogg's Special K, the pupils or parents of children at the local school, or people queuing up to watch Nottingham Panthers play ice hockey.

Some organizations are very close to their consumers - for example, a post office in a small town. For other organizations consumers may be thousands of miles away - for example, Cadbury Schweppes selling confectionery and soft drinks around the world. The principle that the 'Consumer is King and Queen' is just as relevant to the organization engaged in international marketing. There are a number of key ingredients to the Chartered Institute of Marketing definition:

Identifying - This will involve answering questions such as 'How do we find out what the consumer's requirements are?' and 'How do we keep in touch with their thoughts and feelings and perceptions about our good or service. This is a key purpose of market research.

Anticipating - Consumer requirements change all the time. For example, as people become richer they may seek a greater variety of goods and services. Anticipation involves looking at the future as well as at the present. What will be the Next Best Thing (NBT) that people will require tomorrow?

Satisfying - Consumers want their requirements to be met. They seek particular benefits. They want the right goods, at the right price, at the right time in the right place.

Profitability - Marketing also involves making a margin of profit. An organization that fails to make a profit will have nothing to plough back into the future. Without the resources to put into ongoing marketing activities, it will not be able to identify, anticipate or satisfy consumer requirements.

Marketing and the law

As with all areas of business activity the government has taken steps to make sure that marketing is carried out in a way that is fair to businesses and to consumers. Key areas covered by marketing law include:

Freedom of information - market research information is gathered by market researchers from a range of sources. Where this information is collected about individual consumers then this information needs to be made available so that individuals that supply this information can check that records kept about them and their opinions are accurate.

Marketing and children - this is a sensitive area. The government is particularly concerned that businesses comply with marketing codes of behavior (many of which are voluntary) governing the way they advertise and promote items to children. For example it is illegal to promote cigarettes and alcohol to children. Indeed all smoking related products carry government health warnings.

Apparently, marketing occupies an integral part in development of present economy. It helps to define what goods, for which branch of the population it will favorably to make. But there are some restrictions. For example: it is forbidden by the law to advertise cigarettes and alcohol to children.