

CHAPTER VII

MARKETING

Definition

Mercado es un Sist. total de Influencias Reciprocas
Marketing is a total system of interacting -- business activities designed to plan, price, promote, and distribute want-satisfying products and services to present and potential customers.

The Marketing Concept

tambien los Adms de Emp. crecientemente Reconocen q-e la Merc.
As business administrators increasingly recognize that marketing is vitally important to the success of a firm as they realize that a business is a marketing organization, an entirely new way of business thinking and business life is evolving. It is called the marketing concept, and it has developed as production- and engineering-oriented firms have changed into market-oriented structures.

El Concepto de Merc. esta basado en 2 Creencias Fundamentales
The marketing concept is based on two fundamental beliefs. First, all company planning, policies, and operations should be oriented toward the customer; second, profitable sales volume should be the goal of a firm. In its fullest sense, the marketing concept is a -- philosophy of business which states that the customer's want satisfaction is the economic and social justification of a company's --

existence. Consequently, all company activities in production, engineering, and finance, as well as in marketing, must be devoted to, first, determining what the customer's wants are and, then, satisfying these wants while still marking a reasonable profit.

Distinction between the Marketing Concept and Marketing:

Hay
Administrators must recognize that there is a significant difference between the marketing concept and marketing itself. The marketing concept is a philosophy, and attitude, or a -- course of business thinking, while marketing is a process or a course of business action. Naturally the way of thinking determines the course of action.

Marketing Management: The Application of the Marketing Concept

Compara los Puntos
For a business enterprise to realize the full fruits of the marketing concept, the philosophy must be translated into practice. This means that (1) the marketing activities in a firm must be better organized, coordinated, -- and managed, and (2) the chief marketing -- executive must be accorded a more important role in total company planning and policy -- making than has been generally true in the -- past. As these two changes take place, we --

A Medida que estos 2 Cambios se lleven a cabo

lamos emergiendo en Negocios American *la Idea de*
see emerging in American business the idea -
of marketing management. Marketing manage-
ment is the marketing concept in action.

Evolution of marketing management

ha sido desarrollada
Marketing management has been developing in
American business since the Industrial Revolu-
tion. Roughly, it has gone through three --
stages of development, and a fourth is emer-
ging. However, many small companies are --
still in one of the earlier stages of marke-
ting organization. Only a few firms have --
the most developed form of marketing organi-
zation and the outlook and philosophy that -
go with it. *la vigilancia y filosofía*

Al Principio
Early in the first period of development, -
company organization for marketing is simple.
Manufacturers have sales departments headed
by a sales manager whose major responsibility
is to operate the sales force. Other marke-
ting activities, such as market planning, ad-
vertising, and marketing research, are gene-
rally unknown; product planning and budge-
ting are the responsibilities of other depar-
tments. As markets expand, manufacturers --
are obliged to make more use of middlemen,
thus lengthening the channels of distribu-
tion and increasing the complexity of marke-
ting problems. A manufacturer then must de-
vote more attention to reaching his final --
customers, and he has to work more closely -

Con el Agente de Vts.
with his middlemen.

Las Condiciones las cuales se desarrollan durante
Market conditions which develop during this -
period force manufacturers to expand into spe-
cialized marketing activities such as resear-
ch, advertising, and export sales. These fun-
ctions are assigned to various executives.
The department responsible for selling the --
company's output is called the sales depart-
ment, and its chief executive typically still
has the title "sales manager" or "Director of
Sales". Planning the product and scheduling -
output are the responsibilities of the produ-
ction manager. During the second stage, a --
better appreciation and understanding of the
broad scope of sales management result in two
important changes in the organizational stru-
ctures of many firms. First, all marketing -
activities, such as advertising, marketing re-
search, and sales promotion, are grouped un-
der one marketing executive, although he is -
still typically called sales manager or vice-
president of sales. Second, activities such
as sales training, product servicing, and sa-
les analysis, which were formerly in depart-
ments outside of sales or marketing, now are
put under the marketing umbrella. While each
of the several divisions (advertising, sales
analysis, etc.) may have a separate manager,
all report to the chief sales executive.

EVOLUTIVO
In the third stage of the evolutionary pro-
cess, some companies have adopted the marke-
ting concept and put it into action through -

the medium of fully integrated marketing management. The chief marketing executive in such a company is often called the marketing manager or has the title "vice-president of marketing". He is aligned with the top men in production and finance, and sometimes personnel, to work with the president as the company's top planning and policy-making group. After studying the changing role of the marketing function, Bund and Carroll stated that their research "lends substance to the position that the marketing plan is increasingly accepted as the cornerstone for a company's total planning effort. This does not mean that the marketing man need be supreme. It signifies only that marketing must be accorded a key role in company management.

Furthermore, executives in production, finance, and engineering can all adopt the marketing concept in their thinking and yet not be involved directly in marketing departmental activities.

Under the concept of marketing management, several activities which traditionally are the province of the production manager, financial manager, or other executives become the responsibility of the marketing manager. For instance, inventory control, transportation, warehousing, and aspects of product

planning are often turned over to the marketing manager. Obviously he must coordinate his efforts with those of the production manager and engineer and with the top financial executive, but in the final analysis the marketing manager makes the decisions regarding packaging, labeling, design, color, and other product features. The marketing manager should be introduced at the beginning rather than at the end of the production cycle so that he can integrate marketing into each stage of the operations.

Historically, we are now living in this period of marketing organization.

Studies show that, to a large extent, the marketing concept has been adopted by both large and medium-sized manufacturing companies. How well they have actually implemented the concept, however, is still a moot question. Probably in many cases a company, while using the appropriately fashionable titles and other external trapping, is still paying little more than lip service to the concept. We know that market orientation can come in many forms and degrees. Probably only a small percentage of firms, for example, have established a formal, written marketing program to achieve their marketing goals. The key to implementing the marketing concept successfully is a favorable attitude on the part of

top management. Marketing begins with top management. Only top management can provide the climate, the discipline, and the leadership required for a successful marketing program. Top management must know the customers and the prospects; it must set the objectives, establish the policies, develop the plans, and create the organization.

Some companies are entering a fourth stage - with respect to their marketing development. In this stage a company moves from the marketing concept to a philosophy in which the entire company becomes a marketing organization. It is not a development which can be represented in an organization chart. Rather this stage is reached when the inner attitudes of all company executives change so that the whole firm functions to develop, manufacture, and sell a product from the marketing point of view. Marketing becomes the basic motivating force for the entire firm, and marketing increasingly conditions all short-term and long-range company policies.

As a firm enters this fourth era it will become increasingly apparent that the marketing concept must permeate the entire company, - starting with the board of directors and the president. These executives determine the - nature of the business and are responsible - for developing an overall program. Major -- marketing policy making should be the - -

function of the board of directors, and the president becomes the chief marketing executive.