

## **Functions of marketing**

The marketing functions explain the **workings** to the overall marketing system. They help to connect the producer and the consumer. How these functions are carried out and who performs them may vary from one economy to another but they are still carried out in every marketing system. The eight functions of marketing are classified in the following three main groups :

### **1. Exchange functions**

They involve the transfer of products from the buyer and seller , and include:

- **Buying**

It involves buying of goods by marketers from suppliers or producers, and by customers from marketers. Before marketers buy goods for resale, they must determine customers needs through careful research. They must choose the suppliers who can best provide the goods that satisfy the needs. They must arrive at an agreeable price.

- **Selling**

It includes targeting customers, meeting competition, and setting prices. It also involves persuading consumers to buy goods. It involves various promotional strategies, such as discounts, bundle sales, bonus, etc to attract the customers.

### **2. Physical distribution functions**

Physical distribution functions involve the actual movement of goods from one produce to another, from producer to marketer, and from marketer to consumer. Two important physical distribution functions are:

- **Transportation**

It involves the movement of products from the manufacturer to the target consumers. The products must be physically relocated to the actual market so that consumers have access to them. Transportation includes rail, ship, airplane, truck, etc. Marketers must not only find the best way to ship a product but they must also know time schedules and costs involved.

- **Storage**

Before reaching market, products may often be stored in warehouses. This is essential when they (products) are produced ahead of the time they are needed or when large

shipments are broken down into smaller shipments before being marketed. Transportation thus gets the products to the right place, while storage gets them to the market at the right time.

### **3. Facilitating functions**

Facilitating functions support the basic buying and selling, and transportation and storage functions. These functions include the following:

- **Standardization and grading**

This is concerned with offering goods of uniform size and quality. It involves setting certain standards for producing goods. It is carried out by the production department and regulated by some government agencies.

- **Financing**

It includes providing the necessary funds to produce, store, transport, sell goods and services.

- **Risk bearing**

It includes planning the uncertainties of marketing activities through risk management and insurance. Insurance companies provide coverage to protect producers and marketers from loss due to fire, theft, or natural disasters.

- **Gathering marketing information**

It involves continually collecting and analyzing the information needed (i.e. consumers' purchasing power and choices, market competition etc) to plan, organize, conduct, and evaluate marketing activities (Kotler et al., 1999; Armstrong et al. 2017).

### **References**

- Kotler, P., Armstrong, G., Saunders, J. & Wong, V., 1999. Principles of Marketing, London: Prentice Hall.
- Armstrong, G., Kotler, P., Trifts, V. & Buchwitz, L. A., 2017. Marketing: an introduction, Toronto: Pearson.
- Kotler, P., 2000. Marketing Management, Boston: Pearson Custom Publishing.

