

How does marketing work?

Marketing is composed of seven interrelated activities that must work together to get goods and services from producers to customers. Together, the marketing functions attract target customers to the business.

Marketing activities

- **Channel management:** Identifying, selecting, monitoring, and evaluating sales channels; processes by which marketers ensure that products are distributed to customers efficiently and effectively
- **Marketing-information management:** Gathering, accessing, synthesizing, evaluating, and disseminating information to aid in business decisions
- **Market planning:** Creating strategies to attract the customer to a business
- **Pricing:** Determining and adjusting prices to maximize return and meet customers' perceptions of value
- **Product/Service management:** Obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities
- **Promotion:** Communicating information about goods, services, images, and/or ideas to achieve a desired outcome
- **Selling:** Determining client needs and wants and responding through planned, personalized communication that influences purchase decisions and enhances future business opportunities

Channel Management

- Determines who will offer products and where they will be offered
- Develops relationships with channel members
- Assesses quality of vendor performance

Marketing-Information Management

- Provides data that can be used for business decision-making
- Provides data about effectiveness of marketing efforts
- Provides data about customer satisfaction, customer loyalty, needs, and wants

Market Planning

- Sets goals
- Selects target markets
- Creates budgets
- Forecasts sales
- Performs analyses

Pricing

- Establishes products' prices
- Determines whether prices need to be adjusted
- Sets policies and objectives for prices

Product/Service Management

- Helps to determine which products a business will offer and in what quantities
- Aids in determining and developing a company's/product's image
- Provides direction for other marketing activities based on changes in a product's life cycle

Promotion

- Reminds customers about products/businesses
- Informs customers about products/businesses
- Persuades customers about products/businesses

Selling

- Creates a following of loyal customers
- Completes the exchange transaction
- Provides services for customers