

What is Marketing?

A good way to view marketing is to look at it as Demand Optimization.

Raw materials come into the system (input logistics), are modified (value is added at the operations stage), sales and marketing create and optimize demand and then the product is delivered (output logistics). The net benefit of the whole process is the margin.

Marketing is pull demand-optimization whereas sales is push demand-optimization.

The sales force will make cold calls and visit customers etc and promote the benefits of the product. This is pushing the product out.

On the other hand, marketing will create demand with tools such as brand management (positioning you in the mind of the consumer relative to competitors) and awareness management (all tactics fall into one or both of these categories – for example, trending falls into both categories; pricing falls into both categories, advertising falls into awareness management etc). The net result is that the customer will come looking for the product.

Generally, both sales and marketing should work synergistically. In reality, there is often competition between the two domains. Ultimately, the function of both is the same – to optimize the flow of product through the chain from one end.

See <http://www.value-chain.com/>