Thus, if the organisation should fail to appreciate the consumer, the society or the government, by making itself guilty of a practice which goes against predetermined norms, laws or conventions, it would run the risk of thwarting the realisation of its own primary objective, namely the maximisation of profitability. To prevent such a development, the organisation must see its objective rather as the maximisation of profitability through societal responsibility and the creation of sound values.

Figure 1, below, explains the marketing concept.

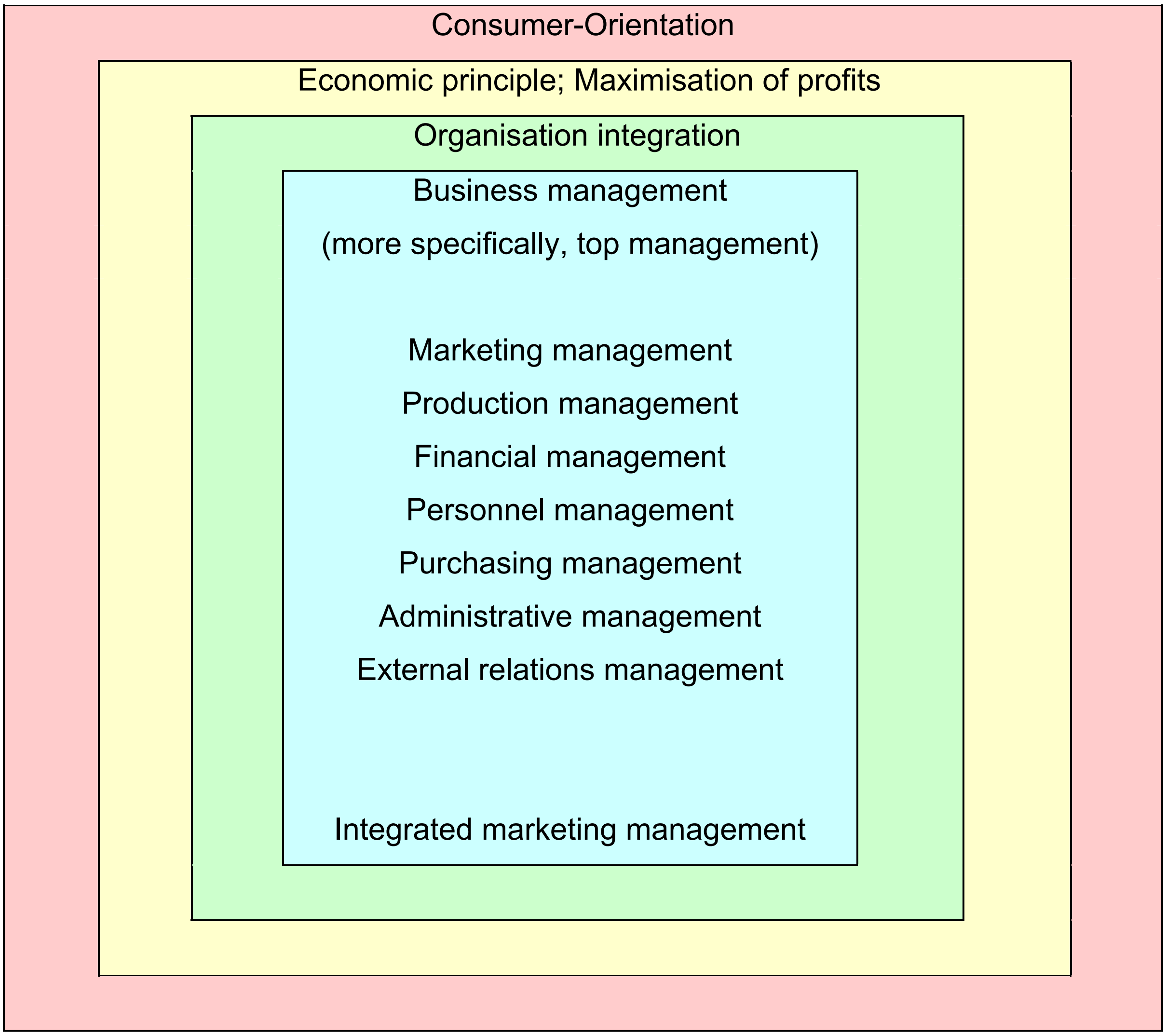

Figure 1

1. The Economic Principle

Integrated marketing management is required to ensure that all need-satisfying products are produced and marketed with the highest possible output (income), but with the smallest possible input (units/cost) of raw materials, labour and capital. It is the task of marketing management to follow a policy and strategy which is directed towards the economic principle with the maximisation of profitability as the end objective. From this, it can be seen that the economic principle is a theoretical measure according to which the integrated marketing policy and strategy can be judged. Although the maximisation of profitability is the primary objective of marketing management, it cannot attempt to achieve this objective without considering the ultimate counter-reaction of the consumer, its competitors, society in general and the government. Maximising profitability can therefore be accomplished only by staying within the restrictions set by the marketing environment, which will be discussed in a later section.

2. Organisational Integration

Organisational integration means the planning, organising, coordination and control, by management, of all business activities in such a way that an integrated managerial approach to marketing is established. Referring to Figure 1, an example of such integration is shown in that the various functional decision making areas of business management cooperate in forming an integrated strategy. If this is the point of departure for management, then the approach to marketing is a managerial approach, and business management is replaced by the concept of "integrated marketing management."

THE APPLICATION OF THE MARKETING CONCEPT

To a large extent, management determines the success or failure of an enterprise. Management plans and formulates the policy and strategy, and controls the realisation of set objectives.

The task involves the analysis of the marketing environment with a view to the identification and evaluation of specific marketing opportunities and target markets. On the basis of this analysis, a specific marketing policy and marketing strategy are formulated. This consists of a specific marketing programme for the specific target market. Marketing management also organises and directs marketing in the organisation. It coordinates and controls policy decisions and procedures which are concerned with the integrated marketing policy and strategy. On one hand, marketing management performs its task within the framework of the organisation's purpose and mission, specific objectives, policy and strategy. On the other hand, it performs within the framework of its production, technical, financial and marketing resources. Also, the stable marketing variables must be taken into consideration. Both groups have influence on each other, and together they have significant influence on the marketing management in the performance of its task.

Marketing management must fulfill its task in order to realise the primary objective of the enterprise. To attain this, marketing management uses four policy instruments:

1. Product policy
2. Price policy
3. Distribution policy
4. Marketing communication policy

Each of these instruments is directed at a specific target market.

A policy instrument is a means which is used by marketing management in order to realise the organisation's objectives. The combination of the above four policy instruments is known as the market mix.

The combination and integration of decisions and procedures relating to the marketing mix and the target mix is called the marketing policy, and this policy provides basic directives for the planning, execution and control of the marketing strategy to realise the objectives of the organisation.

The marketing strategy is derived from the marketing policy, and it comprises the marketing plan and programme for realising the objectives of the organisation. A specific marketing strategy is therefore the result of a specific marketing policy.
When a marketing strategy is being compiled, it is necessary for marketing management to consider two separate, but inter-related variables:

a. **The Target Market**

This is a more or less homogeneous group of consumers for whom the product is marketed.

b. **The Marketing Mix**

This is the combination of influenceable policy instruments, i.e. product, distribution, marketing communication and price, which marketing management applies to satisfy and influence the target market.

The marketing plan is the development of a written plan in terms of a specific target market, budget and work assignment in order to accomplish the marketing objective.

The marketing programme relates to the time schedule for the marketing plan.

In order to execute its marketing strategy systematically, to evaluate the execution of marketing tasks and to provide criteria against which performance can be measured, marketing management must have a well-defined marketing plan and programme.

The marketing mix is directed at the consumer and represents figuratively the market offering which the marketing management seeks to realise: The business objective is to realise the greatest possible need satisfaction for the consumer.

The student should note that what the market is being offered is the bundle of physical, psychological and emotional satisfactions with which the marketing management aims to fulfill consumer needs.

In order to satisfy consumer needs, market management must first determine the market offering which the consumer desires and then work backwards towards a specific marketing policy. The specific marketing strategy can then be formulated. Marketing mixes will vary for different products, for example, the mix for one product could emphasise marketing communication more, while another mix could put greater emphasis on the product.

Figure 2, below, illustrates the Marketing Mix.

Figure 2

The four marketing policy instruments, each with only four variables, are described in the figure. The consumer is not part of the marketing mix, but the pivot around which it turns. The marketing mix is in agreement with the marketing concept, and the basic philosophy is that marketing begins and ends with the consumer. The four policy instruments must be combined and integrated in such a way that the market offering will realise the objectives of both the organisation and the marketing management.