

Marketing Function

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1. What do you mean by Warehousing? Explain its Importance.

Ans:- Warehousing refers to the activities that involve storage of raw materials and finished products on a huge scale in a methodical and orderly manner, making them available when needed. Warehousing produces time value by delivering items to clients when they are needed. Warehousing is the process of keeping raw materials and finished goods safe until they are used or sold off.

According to McCarthy, " Warehousing (storing) is the marketing function of holding physical goods between the time of production and the time of final use."

Warehousing is a process whereby the products are stored with a facility to take out as and when required. Big firms carry the functions of warehousing on their own while many other outsources this function to other.

The Importance of Warehousing is as follows:-

i. Creation of Time Utility:-

Ans:- It is not necessary that the timing of production and consumption of all products coincide with each other. After a specific amount of time, the manufactured products must be used or consumed. In this case, it creates time utility to bridge the gap between production and consumption.

ii. Regular Supply:-

Ans:- Manufactures produce the goods in anticipation of demand. So, the goods must be stored to make them available to the customers whenever needed.

iii. Stock of Trade:-

Ans:- Storage has to be done by the middleperson. Consumers are not interested in storing goods if they are easily available in the market because of limited space and limited purchasing power. In this perspective, warehouse facilities the stock of trade.

iv. Seasonal product:-

Ans:- Many products are produced seasonally. However, demand for them must be met throughout the year. Wheat, for example, is harvested in April and May, but it must be kept throughout the year to meet demand. In this way, warehousing extends the seasonal product's time zone, making it available all year.

v. Quality:-

Ans:- In some cases, goods are stored to improve their quality and value with the passage of time. For example, rice, wine, tobacco, etc. warehousing hence is a crucial element in maintaining the quality of a number of products.

vi. Continuous Production:-

Ans:- Warehousing enables continuous production of goods by holding raw material on a large scale. Without warehousing, regular production is impossible because of the seasonal nature of raw material and unstable demand and supply.

vii. No Urgency of Scales:-

Ans:- Warehousing safeguards the produced goods. It thus saves the manufactures from the urgency of making sales. It also helps to balances demand and supply.

2. Explain the Function of Warehousing?

Ans:- the primary functions of warehousing are explained briefly as follows:-

i. Storing:-

Ans:- Storing is the primary function of warehousing. Products that are not required immediately are stored in the warehousing.

ii. Distribution:-

Ans:- Another primary function associated with warehousing is that it facilitates the smooth supply of goods in the market. It balances the supply of items with demand by maintaining the optimal level of products.

iii. Facilitates further Processing:-

Ans:- Warehousing provides the facilities for processing, packaging, blending, etc. of the goods for the purpose of scale.

iv. Price Stabilization:-

Ans:- Storage is necessary to regulate the prices of the products. When the products are stored in optimum level, it balances the demand of the market. The government is primarily responsible for price stabilization through warehousing in order to keep prices within specific bounds.

3. Describe the Types of Warehouse?

Ans:- The primary types of warehousing are explained briefly as follows:-

i. Private Warehouse:-

Ans:- Warehouse that are owned, managed and controlled by manufactures and merchant for fulfillment of their storage necessities are known as the private warehouse. It is very expensive for the small firms to own private warehouse.

ii. Public Warehouse:-

Ans:- Place of storage for the general public where a variety of merchandise can be stored is known as commercial warehouse. Companies or the government own public warehouses, which charge a fee for their services. The government places a high priority on the construction of warehouses for storing agricultural products.

iii. Bonded Warehouses:-

Ans:- Bonded warehouse are the licensed warehouses. They accept imported products for storage until the tariff has been paid. The owners of these warehouses are obligated to keep commodities safe. Under this arrangement, the importer has the option of placing goods in the custody of a revenue officer in exchange for payment of storage fees and duty when the products are finally withdrawn for consumption.

4. What is Transporting? Explain its Functions.

Ans:- Transportation is the key element of physical distribution that links geographically separated markets and facilities. Transportation refers to the physical means through which products are transported from their point of origin to their final destination. As a result, transportation bridges the distance between the customer and the producer while also facilitating specialization and large-scale production. Transportation that consists the movement of people and goods from one location to another.

The Primary Functions of Transportation are Explained as Follows:-

i. Widening the Market:-

Ans:- One of the primary functions of transportation is to undertake physical distribution of products. Transportation facilitates the movement of goods from one location to another at a low cost and with great care and rapidity. Without transportation, any product's market would be limited to its immediate vicinity, as different parts of the world would be unable to interchange goods.

ii. Increase in Mobility of labor and Capital:-

Ans:- Transport increases the mobility of factors of production such as labor and capital. It is instrumental in opening up new avenues and thus affords opportunities for the investment of capital in the less developed parts of the country.

iii. Specialization and Division of Labor:-

Ans:- Transportation helps the regions in producing only those products for which they are most suited and in getting other products required by them from other areas. Product movement from one place to another encourages regional specialization and labor division.

iv. Time and Place Utility:-

Ans:- Transportation creates time and place utility. It makes products available for consumption at the appropriate time. Furthermore, transportation of those products to places of need or shortfall from places of production or surplus creates place utility.

v. Aid in Stabilizing Prices:-

Ans:- Transportation takes products from the surplus to deficit area all the time. This transfer of products is crucial to fulfilling the demand thereby stabilizing prices.

vi. Scale of Production:-

Ans:- Transportation has increased the scope of commodities production by dispersing goods and raw materials widely and therefore expanding the market. In this regard, transportation has made it possible for manufacturing establishments to achieve numerous economic of large scale production.

5. Explain the Factors Affecting Selection of Mode of Transportation:-

Ans:- The decision to use one particular mode of transportation should not be taken at hunch; it needs a wise as well as rational decision. The key factors that must be considered before opting for a particular mode of transportation are listed as follows:-

i. Product option:-

Ans:- Product option refers to the types of product that can be transported using a certain mode of transportation. Some mode of transportation can transfer all kind of products while a few are confined to limited products.

ii. Cost:-

Ans:- All the expenses to be incurred for transportation is called cost. As much as practicable, the distributor should choose the least expensive means of conveyance. However, if the commodities to be distributed are of great value or are perishable in nature, the safest and quickest mode of delivery should be chosen over the cost consideration.

iii. Speed:-

Ans:- As far as possible the distributor should select fast speeding mode/ carrier. Air transport is the fastest means whereas transportation by human and animal is slow speeding means.

iv. Accessibility:-

Ans:- Accessibility feature associated with transportation is related to the capability of a mode to deliver the products at a desired places. Some modes of transportation can deliver things straight to the specified location, while others cannot.

v. Capacity:-

Ans:- Capacity refers to the amount of product that can be moved at once utilizing a specific mode of transport. When the capacity is low the cost for transportation is high. On the contrary, when the capacity is low the transportation cost is low.

vi. Consistency:-

Ans:- Regular, consistent and dependable mode of transportation should be selected. Means of transportation, which reach the destination on time and are regularly in operation, should be selected.

vii. Safety:-

Ans:- Distribution should select the safe mode of transportation. If goods are transported by safe means, they remain safe from theft, robbery, damage or breaks.

viii. Availability:-

Ans:- All the mode of transportation cannot be found every time whenever needed. The preferred means of transport may or may not be accessible at the moment of demand. As a result, when choosing a method of transportation, the distribution should take into account their availability.