

**Stadnik A.**

**I.M. Gizhko, research supervisor**

**Donetsk National University of Economics and Trade**

## **MARKETING AND ADVERTISING: WHAT IS THE DIFFERENCE?**

Marketing is a "social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and values with others." It is an integrated process through which companies create value for customers and build strong customer relationships in order to capture value from customers in return. Marketing is used to create the customer, to keep the customer and to satisfy the customer. With the customer as the focus of its activities, it can be concluded that marketing management is one of the major components of business management. The evolution of marketing was caused due to mature markets and over capacities in the last decades. Companies then shifted the focus from marketing research involves conducting research to support marketing activities, and the statistical interpretation of data into information. This information is then used by managers to plan marketing activities, gauge the nature of a firm's marketing environment, attain information from suppliers, etc.

Marketing is defined by the American Marketing Association as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." The term developed from the original meaning which referred literally to going to a market to buy or sell goods or services. Seen from a systems point of view, sales process engineering views marketing as "a set of processes that are interconnected and interdependent with other functions, whose methods can be improved using a variety of relatively new approaches."

The Chartered Institute of Marketing defines marketing as "the management process responsible for identifying, anticipating and satisfying customer requirements profitably." A different concept is the value-based marketing which states the role of marketing to contribute to increasing shareholder value. In this

context, marketing is defined as "the management process that seeks to maximize returns to shareholders by developing relationships with valued customers and creating a competitive advantage."

You will often find that many people confuse marketing with advertising or vice versa. While both components are important they are very different. Knowing the difference and doing your market research can put your company on the path to substantial growth.

Let's start off by reviewing the formal definitions of each and then go into the explanation of how marketing and advertising differ from one another:

**Advertising:** The paid, public, non-personal announcement of a persuasive message by an identified sponsor; the non-personal presentation or promotion by a firm of its products to its existing and potential customers.

**Marketing:** The systematic planning, implementation and control of a mix of business activities intended to bring together buyers and sellers for the mutually advantageous exchange or transfer of products.

After reading both of the definitions it is easy to understand how the difference can be confusing to the point that people think of them as one-in-the same, so let's break it down a bit.

Advertising is a single component of the marketing process. It's the part that involves getting the word out concerning your business, product, or the services you are offering. It involves the process of developing strategies such as ad placement, frequency, etc. Advertising includes the placement of an ad in such mediums as newspapers, direct mail, billboards, television, radio, and of course the Internet. Advertising is the largest expense of most marketing plans, with public relations following in a close second and market research not falling far behind.

The best way to distinguish between advertising and marketing is to think of marketing as a pie, inside that pie you have slices of advertising, market research, media planning, public relations, product pricing, distribution, customer support, sales strategy, and community involvement. Advertising only equals one piece of the pie in the strategy. All of these elements must not only work independently but they also must work together towards the bigger goal. Marketing is a process that takes time and can involve hours of research for a marketing plan to be effective. Think of marketing as everything that an organization does to facilitate an exchange between company and consumer. There are many technical and

complicated definitions of both advertising and marketing and the differences between them. But it can be stated rather simply:

- Advertising tells a story about something to attract attention. Advertising is a step in the marketing process.

- In business, “marketing” is the planning of, and steps taken, to bring merchants and consumers together.