**The ECONOMIC BENEFITS of MARKETING**

The impact of marketing affects the economy and standard of living in countries

around the world. Marketing is a global force. Marketing plays an important role in an economy because it provides the means for competition to take place.

**NEW & IMPROVED PRODUCTS**

Marketing generates competition which fosters new and improved products. Businesses always look for ways to satisfy customers’ wants and needs to keep customers interested.

**LOWER PRICES**

Marketing activities increase demand which helps to lower prices. When demand is high, manufacturers can produce products in larger quantities. This reduces the cost of each product.

**ECONOMIC UTILITY**

The functions of marketing add value to a product. This added value in economic terms is called **UTILITY.**

There are 5 basic economic utilities involved with all products:

1 Form

2 Place

3 Time

4 Possession

5 Information

Although FORM utility is not directly related to marketing, much of what goes into creating new products, such as **marketing research** and **product design**, makes it an integral part of the marketing process.

DEFINITION EXAMPLES

|  |  |
| --- | --- |
| FORM  Utility | Zipper + Thread + Cloth = Jacket |
| PLACE  Utility | Catalogs, Internet, Brick & Mortar |
| TIME  Utility | Seasonal, Certain time of Day, etc. |
| POSSESSION  Utility | Options to obtain possession: Cash, layaway, etc. |
| INFORMATION  Utility | Communication: labels on food products (how to cook, ingredients, etc.) |