

Needs wants and demands / desires

Needs wants and demands are a part of basic marketing principles. Though they are 3 simple words, they hold a very complex meaning behind them along with a huge differentiation factor. In fact, A product can be differentiated on the basis of whether it satisfies a customer's needs, wants or demands.

Needs- Human needs are the basic requirements and include food clothing and shelter. Without these humans cannot survive. An extended part of needs today has become education and healthcare. Generally, the products which fall under the needs category of products do not require a push. Instead the customer buys it themselves. But in today's tough and competitive world, so many brands have come up with the same offering satisfying the needs of the customer, that even the "needs category product" has to be pushed in the customer's mind.

Example of needs category products / sectors – Agriculture sector, Real Estate (land always appreciates), FMCG, etc.

Wants – Wants are a step ahead of needs and are largely dependent on the needs of humans themselves. For example, you need to take a bath. But we take bath with the best soaps. Thus Wants are not mandatory part of life. You DONT need a good smelling soap. But you will definitely use it because it is your want. In the above image, the baby needs milk but it wants candy.

Example of wants category products / sectors – Hospitality industry, Electronics, Consumer Durables etc, FMCG, etc.

Demands – You might want a BMW or a Mercedes for a car. You might want to go for a cruise. But can you actually buy a BMW or go on a cruise? You can provided you have the ability to buy a BMW or go on a cruise. Thus a step ahead of wants is demands. When an individual wants something which is premium, but he also has the ability to buy it, then these wants are converted to demands. The basic difference between wants and demands is desire. A customer may desire something but he may not be able to fulfill his desire.

Example of demands – Cruises, BMW's, 5 star hotels etc.

The needs wants and demands are a very important component of marketing because they help the marketer decide the products which he needs to offer in the market.

Thus the flow is like this:

Market >> Identify needs wants and demands >> Offer products to satisfy either needs wants or demands.

Marketing is the process of communicating the value of a product or service to customers, for the purpose of selling that product or service.

Marketing can be looked at as an organizational function and a set of processes for creating, delivering and communicating value to customers, and customer relationship management that also benefits the organization. Marketing is the science of choosing target markets through market analysis and market segmentation, as well as understanding consumer behavior and providing superior customer value. From a societal point of view, marketing is the link between a society's material requirements and its economic patterns of response.

Marketing satisfies these needs and wants through exchange processes and building long term relationships.