
Marketing
Management

What is Market?

Traditionally:- It refers to the place where buyers and sellers gather to enter into transaction involving exchange of goods and services.

In Modern sense:- It refers to the set of actual and potential buyers of a product or service.

Meaning of Marketing

Marketing is the sum total of all those activities which move goods and services from the producers to the consumers.

"Marketing is that social process by which individuals and groups obtain what they need and want through creating offerings and freely exchanging products and services of value with others."

-Phillip Kotler

Features of Marketing

- Need and Want
- Creating a Market Offering
- Customer Value
- Exchange Mechanism

Need and Want

Marketing is the process of fulfilling the needs and wants of the customers. All the people have almost the same needs but their wants are to be different.

Need:- Need means feeling deficiency of something. If needs unsatisfied, it leaves a person unhappy and uncomfortable.

Want:- When need is fulfilled by doing some of the activities then it is called want.

Creating a Marketing Offering

Market offering refers to a complete offer for a product or service, having given features like, size, taste, quality, price, center of availability etc.

A good 'market offer' is developed after analyzing the needs and priorities of the customers.

Customer Value

Before buying a product, a customer analyse the cost and the satisfaction which he gets from the product. If consumer finds that the satisfaction is more the cost then only he buy that product.

A marketer has to add value to the product so that the customers prefer it in relation to the competing product and decide to buy it.

Exchange Mechanism

Marketing has two sides- buyer and seller. Marketing becomes possible only by the medium of exchange between the buyer and seller. Seller gives goods and services and in exchange the buyer gives money or something equivalent to it.

Functions of Marketing

- Gathering and Analysing Market Information
- Marketing Planning
- Product Designing and Development
- Standardisation and Grading
- Packaging and Labelling
- Branding
- Customer Support Services
- Pricing of Product
- Promotion
- Physical Distribution
- Transportation
- Storage or Warehousing


Marketing Philosophies
Production Concept
Product Concept
Selling Concept
Marketing Concept
Societal Marketing Concept

Marketing Philosophies

Production Concept:- **Inexpensive products can be sold easily if it is made available at many places.**

Product Concept:- **If the quality of the product is good, the customers get attracted towards it.**

Selling Concept:- **Goods are not bought but they have to be sold by attracting and educating customers.**

Marketing Concept:- **The product can not be sold what the firm made but firms make what they can sell or consumer demands.**

Societal Marketing Concept:- **Not only the customer's satisfaction, but welfare of whole society should be kept in mind by the firm.**

Marketing Mix

Marketing Mix means the combination of controllable factors chosen by a firm to prepare its market offering.

"The policies adopted by manufacturers to attain success in the market constitute the marketing mix."

-Dr. R.S. Davar

Elements of Marketing Mix

Product Mix

It refers to sum total of all the decisions relating the product. These decisions are mainly related to branding, packaging, labelling, design, quality, size, after sale services, weight of product etc.

Branding

Branding refers to that process through which a distinct identification of the product is established.

Branding can be defined as the process of using a name, term, symbol or design individually or in some combination to identify a product

Important Terms Related to Branding

Brand Name:- **Brand name refers to that part of a brand, which can be spoken. In other words, brand name is the verbal component of a brand. For example, Maggie, Lifebuoy, Nokia are the brand names.**

Brand Mark:- **It is that part of a brand which cannot be spoken, but can be recognized easily in the form of symbol or design.**

Trade Mark:- **It is a brand or part of a brand that is given protection. The brand name or brand mark registered under Trade Mark Act, 1999 is called a Trade Mark.**

Qualities of a Good Brand Name

- Simple and Short
- Easily Pronounceable
- Suggestive
- Distinctive

Advantages of Branding

To Marketers

- Creating Product Differentiation
- Easy Advertising
- Fixing Differential Price
- Introduction New Products

To Customers

- Creating Product Identification
- Ensures Quality
- Satisfying Status Symbol Need

Labelling

Labelling is the process of preparing a label. A label is a slip which is found on the product itself or on the package which provides all the information regarding the product.

Labelling is the process of designing and production of an appropriate carrier of information attached to product package.

Kinds of Labelling

- Brand Label
- Grade Label
- Descriptive Label

Brand Label

Brand Label: The label which has only the brand name of the product is known as Brand Label. There is no other information of the product on the label except its brand name.


Sainsbury's
Royal Mail
Colgate
HEINZ
PEPSI
Boots
Coca-Cola
itv
MARKS & SPENCER
vodafone
amazon
YAHOO!
ebay
WIKIPEDIA
Dove
facebook
Disney
BlackBerry
Google
IKEA
comparethemarket.com
Cadbury
dyson
Microsoft
John Lewis
Walmart
Save money. Live better.
orange
SAMSUNG
theguardian
sky
Kellogg's
P&G
MasterCard

Grade Label

Grade Label: Grade label highlights the quality or grade of the Product.

Descriptive Label

Descriptive Label: This type of label provides complete information regarding the product.

Is Labelling Compulsory?

Generally, the producer is at liberty to use a label or not and to choose the kind of label. But it has been made compulsory by the Government to use a label for some products. Besides this, the description of label has also been fixed. For example, it is mandatory to use the label along with its stipulated information on Medicines and Processed Food. Similarly, the products which are injurious to health must carry the statutory warning regarding its use. Like, on the packets of the Cigarette always written 'Injurious to Health'.

Functions of Labelling

1. Describe the Product and Specify its Contents
2. Identification of the Product or Brand
3. Grading of Product
4. Help in Promotion of Products
5. Providing Information Required by Law

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2. Identification of the Product or Brand

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Packaging

Package means the container in which the product is kept.

Packaging is the sum total of those activities which are related with the production and designing of the containers in which the products are packed.

Functions of Packaging

- Product Identification
- Product Protection
- Convenience in Carrying
- Product Promotion

Levels of Packaging

Primary Packaging

Secondary Packaging

Transportation Packaging

Primary Packaging

It is that container which is very close to the product. It is kept throughout the entire life of the product, like toothpaste tube.

Secondary Packaging

It is that container which is used for extra care of the product till the use of product is started. When the consumer start to use the product, he will dispose off the secondary packaging.

Transportation Packaging

It is that container which is used for the purpose of transportation and storage. A big card board box which contains 50 or 100 or more units of product.

Price Mix

Price Mix refers to all those decisions which are related to fixation of price of any product or service. These decisions are related to credit sale, discount etc.

Factors Determining Fixation of Price

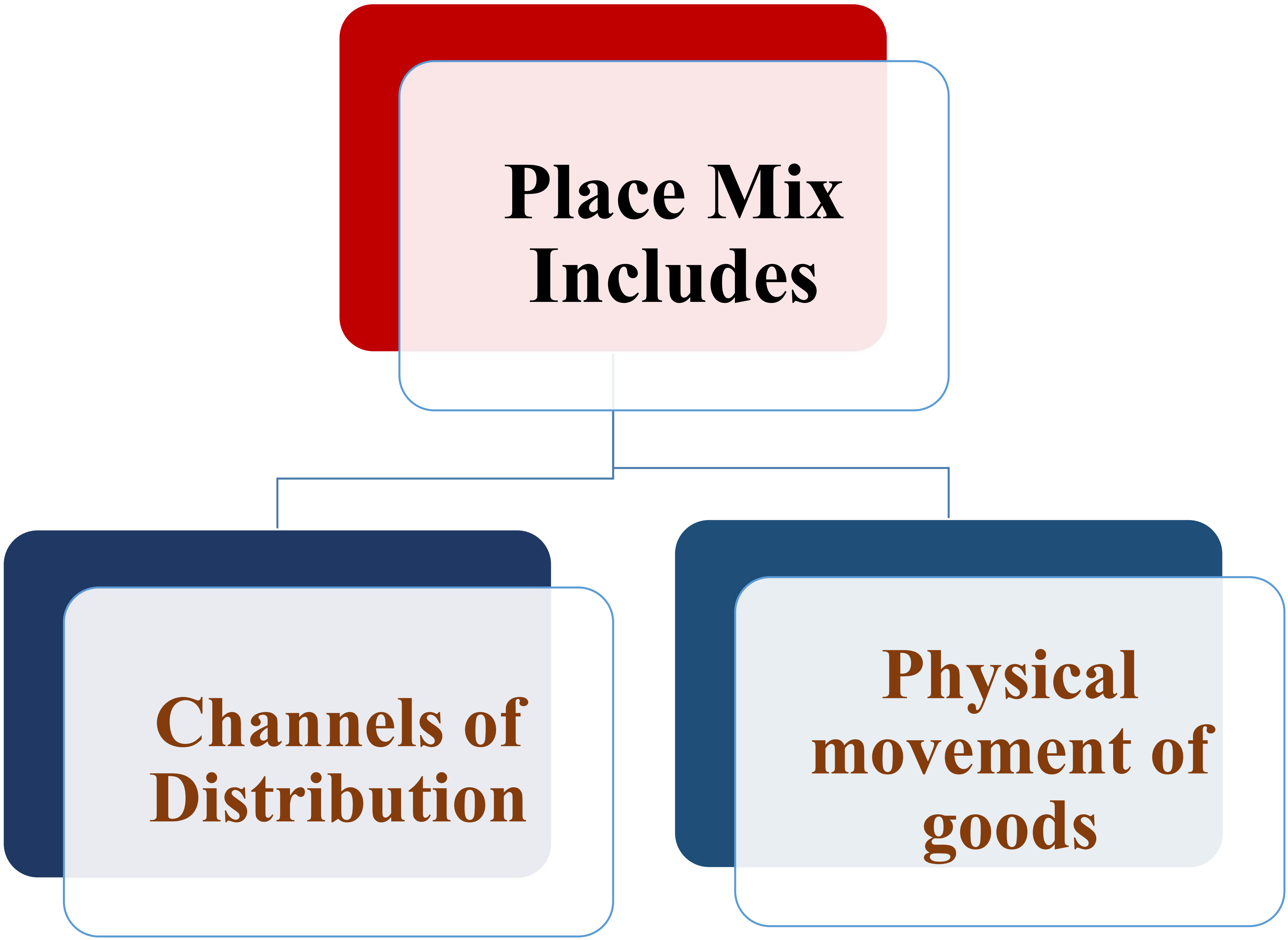
- Product Cost
- Utility and Demand
- Extent of Competition in the Market
- Government and Legal Regulation
- Pricing Objectives
- Marketing Method Used

Pricing Objectives

- Obtaining Market Share Leadership
- Surviving in a Competitive Market
- Attaining Product Quality Leadership

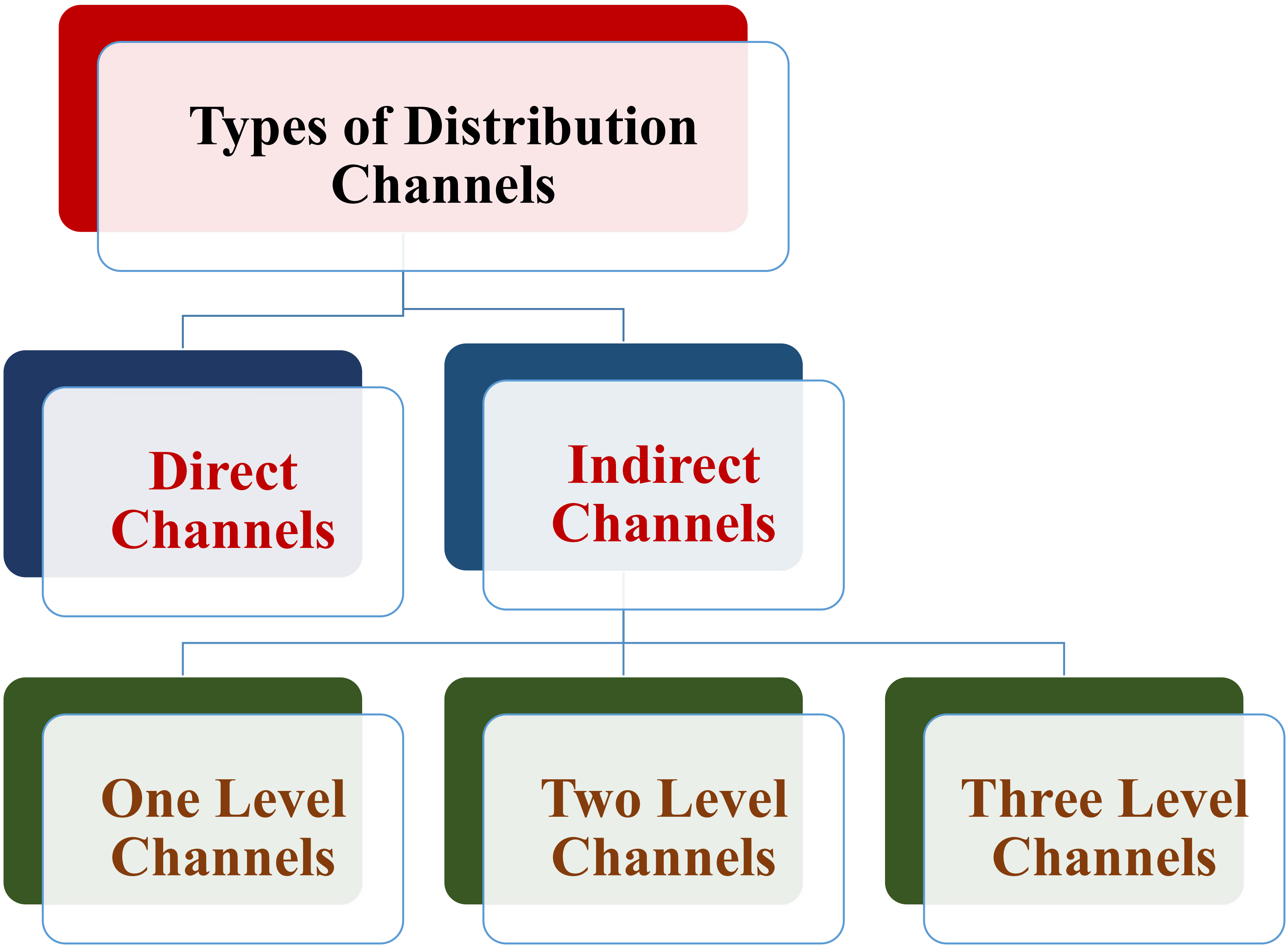
Place Mix

Place mix refers to important decisions related to physical distribution of goods and services. These decisions are deciding the channel of distribution, market for distribution etc.


Place Mix Includes
Channels of Distribution
Physical movement of goods

Channels of Distribution

Channels of distribution are the firms and individuals who help in transferring the goods from place of manufacturing to place of consumption. The common type of channels of distributions are, wholesaler and retailer.


Types of Distribution Channels
Direct Channels
Indirect Channels
One Level Channels
Two Level Channels
Three Level Channels

Direct Channels/Zero Level Channels

It is a case when firm sell their products directly to customers without adopting intermediaries.

One Level Channels

In this only one intermediary is adopted i.e. the retailer. Producer sells the product to retailer and retailer sells to customers.

Two Level Channels

This is most commonly used distribution path where producer sells the goods in bulk to wholesaler who sells small lots to retailers who supply it to ultimate customers.

Producer → Wholesaler → Retailer → Consumers

Three Level Channels

In this channel producer distribute the goods to agent, agent sells these goods to wholesaler who sells good to retailer and retailer sells these goods to the consumer.

Producer → Agent → Wholesaler → Retailer → Consumers

Promotion Mix

It is the combination of promotional tools used by the business to inform and persuade the customers about the products.

Promotion of products and services include activities that communicate availability, features, merits, etc. of the products to the target customers and persuade them to buy it.

Elements of Promotion

- Advertising
- Personal Selling
- Sales Promotion
- Public Relations

Advertising

Advertising refers to paid and non-personal communication to a target market form an identified sponsor using mass communication channels.

"Advertising is any form of paid non-personal presentation of ideas, goods and services for the purpose of inducing people to buy."

- According to Wheeler

Features of Advertising

- Paid Form
- Impersonal Presentation
- Speedy and Mass Communication
- Identified Sponsor

Personal Selling

Personal selling involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales. It is a personal form of communication. Companies appoint salespersons to contact prospective buyers and create awareness about the product and develop product preferences with the aim of making sale.

Features of Personal Selling

- Personal Form
- Development of Relationship
- Flexibility
- Direct Feedback

Sales Promotion

All those activities, other than advertising, personal selling and publicity which are undertaken for the purpose of increasing the sale is called sales promotion.

It is a short term incentive, which is designed to encourage the buyers to make immediate purchase of a product.

Some examples of Sales Promotion Tools are Rebate, Discount, Refunds, Product Combination, Quantity Gifts, Contests, Usable Benefits etc.

Public Relations

It is a non sales communication which a business has with its various audiences.

"Public Relation is the deliberate, planned and sustained efforts to establish and maintain mutual understanding between an organization and its public."

-British Institute of Public Relations

There are following groups of people with whom a business establishes relations:- Customers, Employees, Suppliers, Shareholders, intermediaries etc.

Features of Public Relations

- Securing Cooperation of Public
- Successful Relation with Public
- Satisfying Different Groups
- Engaging in Dialogue
- Ongoing Activity