

MARKETING MANAGEMENT

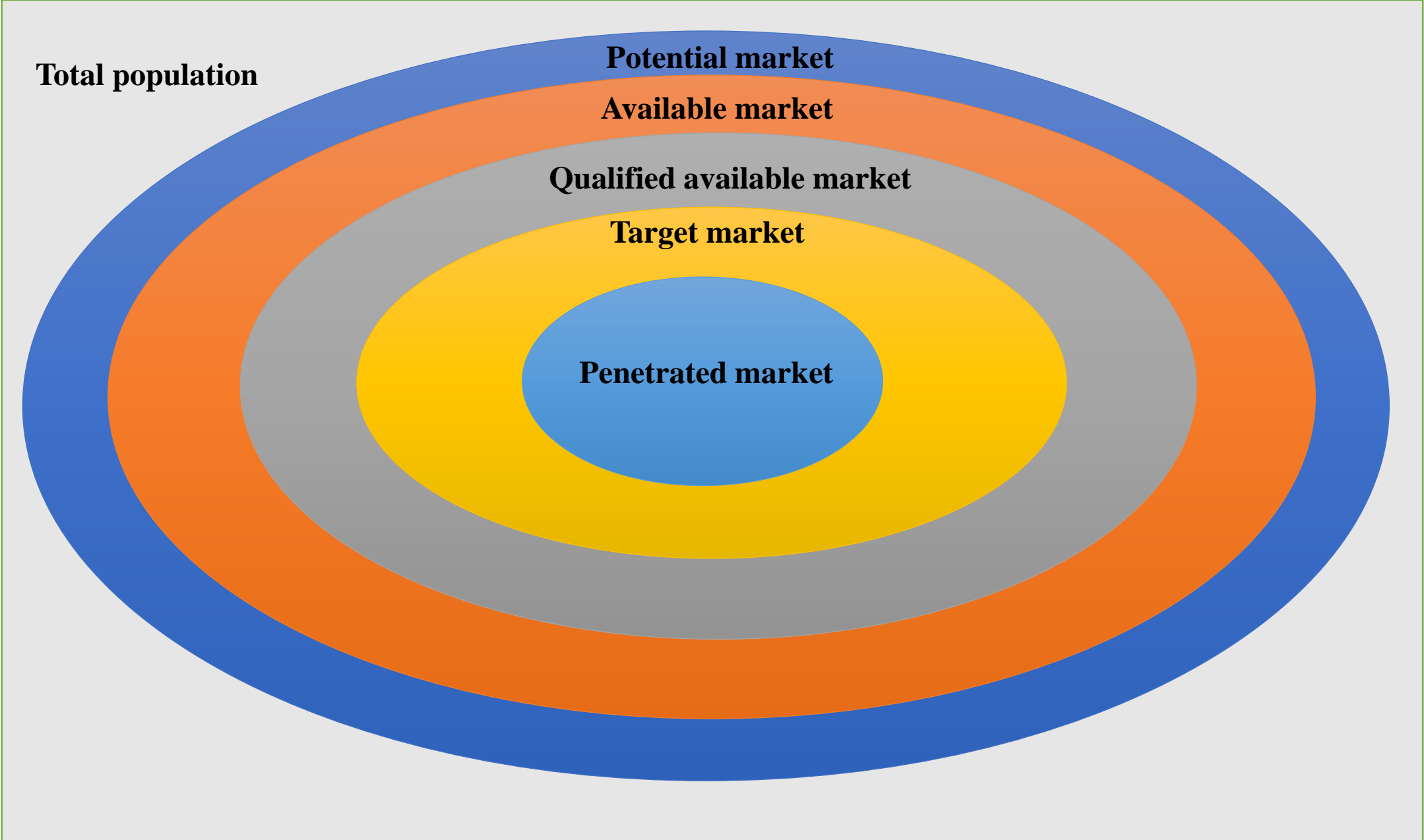
MODULE I

MARKETING MANAGEMENT

MARKET (MEANING)

- Derived from Latin word ‘ Marcatus’ which means “ a place or trade or merchandise.
- Traditional concept: a physical place where buyers and sellers meet together for exchanging goods and services for considerations.
Example: vegetable, fruits or fish market.
- Modern concept: an arrangement where the sellers and buyers meet directly or indirectly to buy or sell goods and services.

STRATA OR LAYERS OF MARKET



Total population: it is the aggregate of total people in the market.

Potential Market: a part of total population who have interest in acquiring the product.

Available market: a portion of potential market who have enough money to buy that product.

Qualified available market: a part of available market who are legally permitted to purchase that product.

Target market: the segment of qualified available market that the firm has decided to serve.

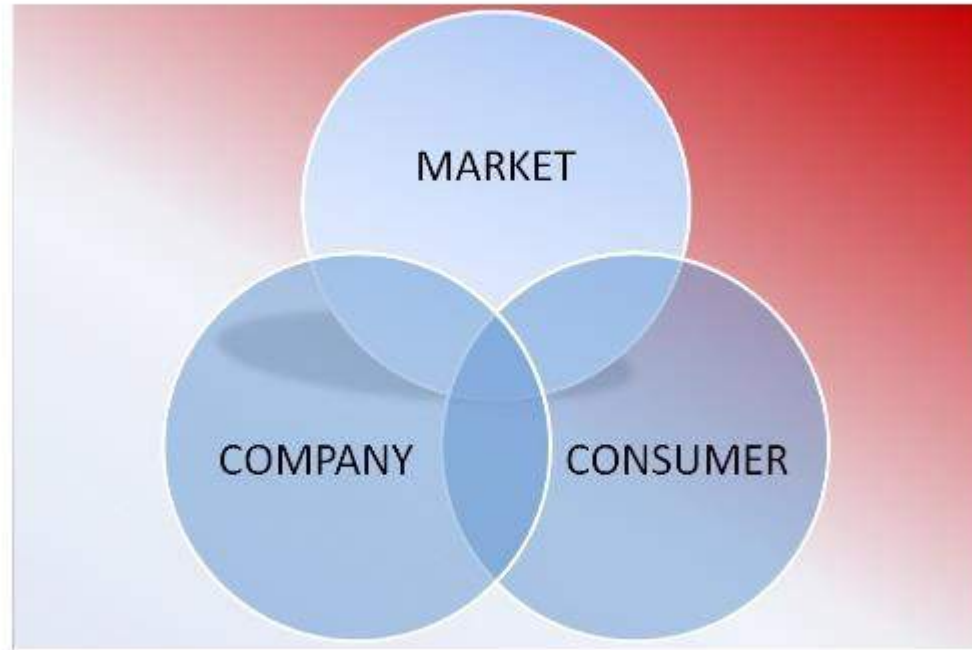
Penetrated market: a portion of target market who have actually purchased the product.

MARKETING

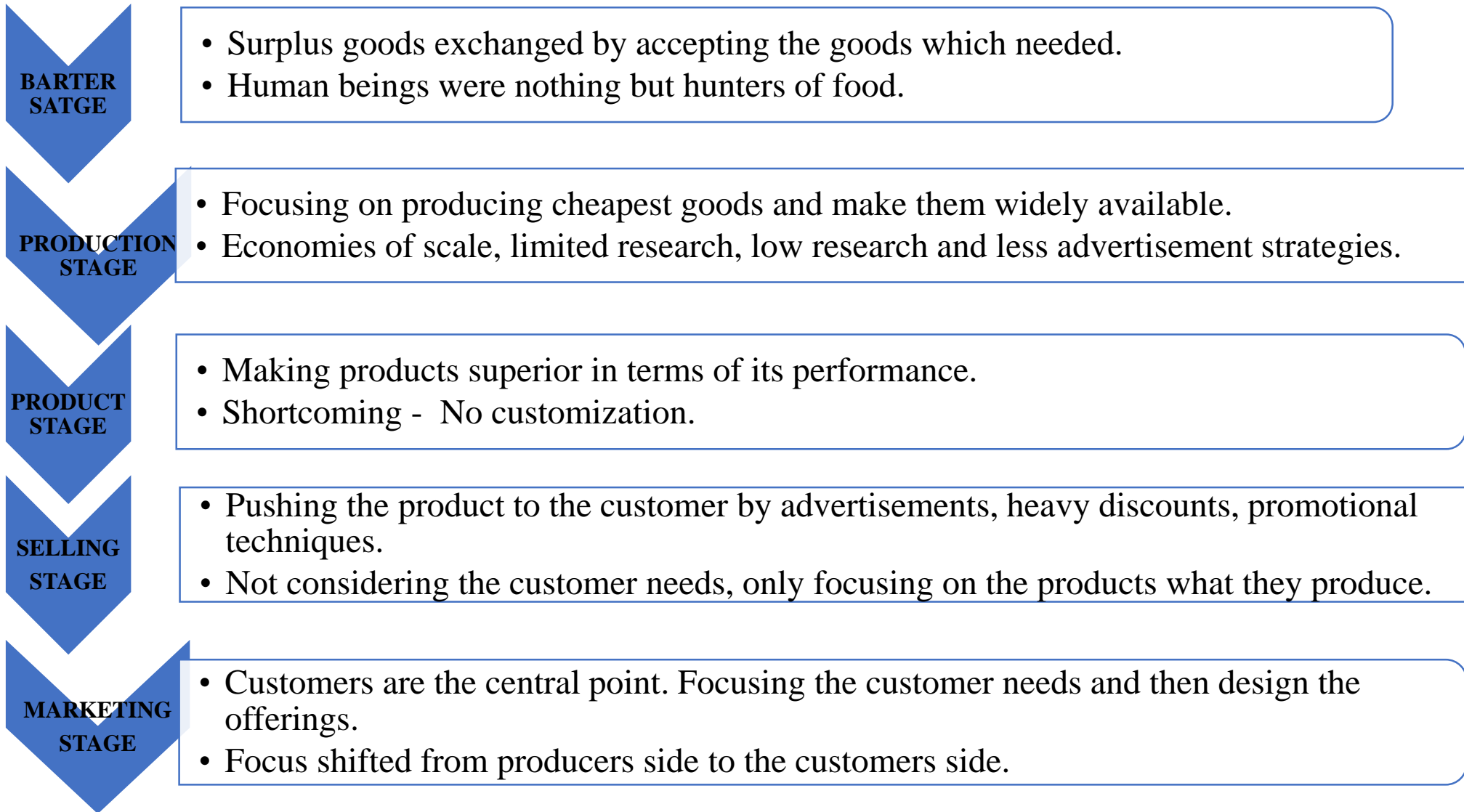
MEANING

- The process of planning and executing the **conception, price, promotion and distribution** of products and services that satisfy both **individuals and organizational goals**.

So we see the diagram between
Company-Market-Consumer



EVOLUTION OF MARKETING



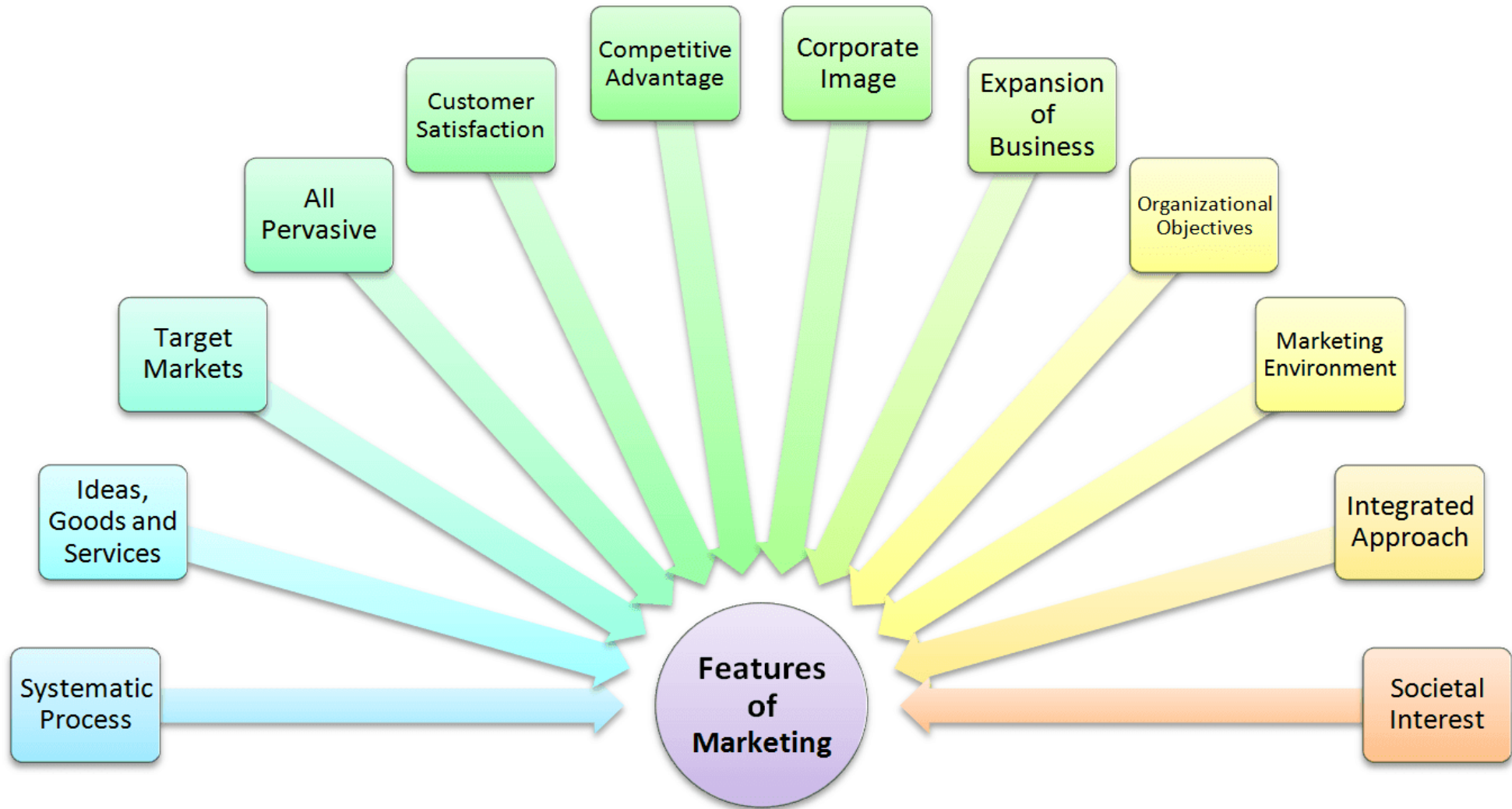


Conception of
idea

MARKETING

Satisfaction and
feedback

FEATURES OF MARKETING



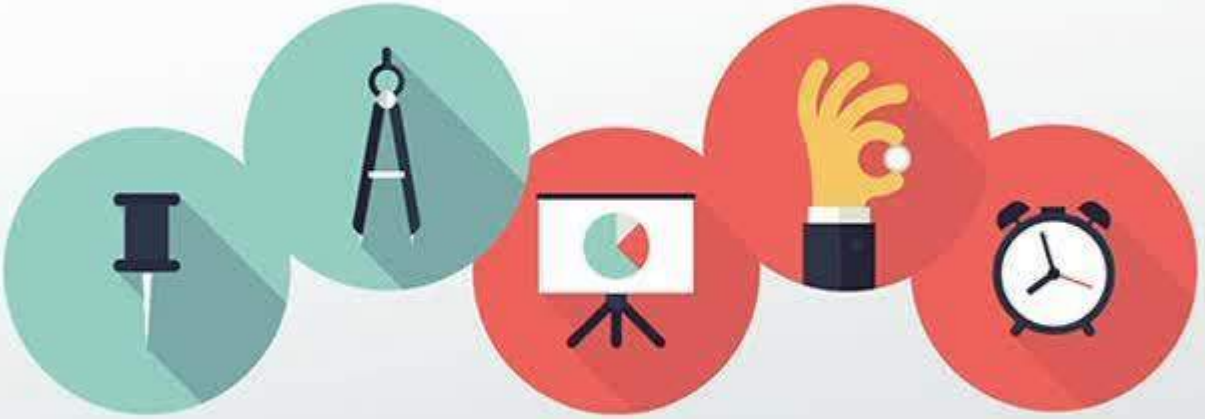
OBJECTIVES OF MARKETING

- To identify the target market.
- To identify the needs of the customers.
- To convert the needs into demand by offering products.
- To determine the most appropriate price.
- To distribute the products to the customers at the right place.
- To disseminate product information to the customers at the right time.
- To conduct market research for retaining and attracting customers.

SMART OBJECTIVES OF MARKETING

SMART APPROACH TO MARKETING OBJECTIVES

- *Measurable*
- *Realistic*



- *Specific*
- *Achievable*
- *Time specific*

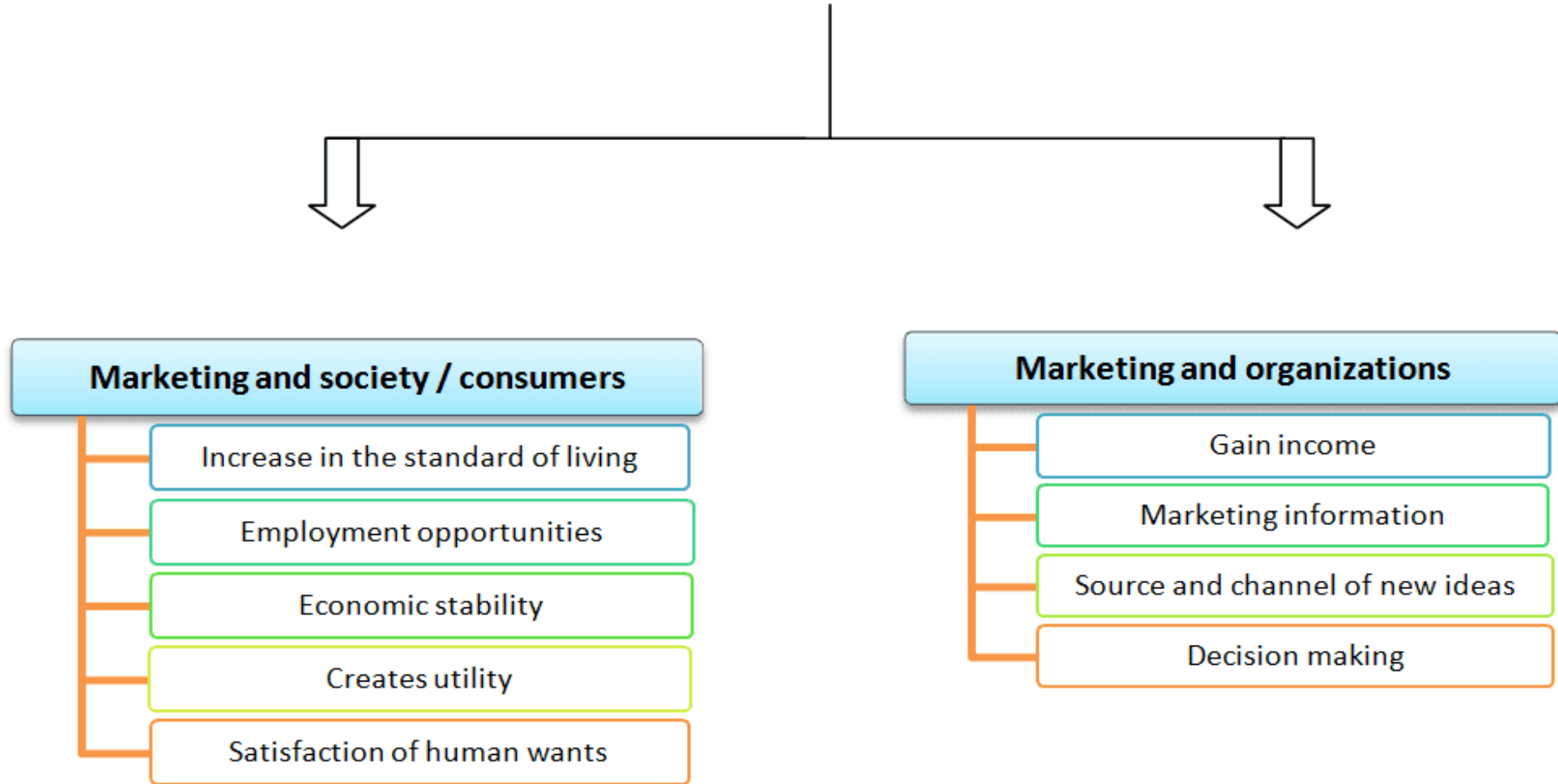
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SMART OBJECTIVES

- **SPECIFIC** :marketing objectives should be clear and precise. Eg: it is not possible to the marketers to satisfy the whole market needs.
- **MEASURABLE** : marketing objectives should be defined by a measurable result. The result should be quantifiable otherwise it become vain. Eg: playing football without recording the score, amount of sales.
- **ACHIEVABLE** : the goal must not be an impossible one. Eg: target fixation ie, goal to attain 5% increase in sales in one day.
- **REALISTIC** : the goal should be the one which can be achievable using enough resources (man, material, money and machines) . Eg: increasing the sales by 5% during recession time is not realistic.
- **TIME** : objectives should be achieved within the time frame. Unless otherwise it will become meaning less. Eg: scoring football after the prescribed time.

BENEFITS OF MARKETING

Importance of Marketing



IMPORTANCE

- **Increase the standard of living** : by giving quality products at reasonable rate.
- **Employment opportunities**: increasing marketing activities increases need for people in several areas of selling, promotion, distribution, advertising etc.
- **Economic stability**: marketing activities helps to maintain an equilibrium between demand and supply thereby provides economic stability.
- **Creates utility**: utility means quality or the ability of a product to satisfy the customers need.
- **Market information**: mere products in the hands of producers doesn't create demand in the market. Demand can be created only by disseminating information about products to the customers.

FIVE FORMS OF UTILITIES

- **FORM UTILITY:** product must be in a useable form. Involves the development of products and give emphasis to the physical characteristics of products. Eg: creating customized shoes or shoes with different sizes.
- **PLACE UTILITY:** offer products at most convenient place to the customers. Eg: departmental stores in the cities, small retail shops in villages.
- **TIME UTILITY:** products should be made available to the customers at the right time. Eg: ATM.
- **POSSESSION UTILITY:** gives the buyer the legal permission to own and use that particular product or services after sales. Eg. Invoice bill, credit sales.
- **INFORMATION UTILITY:** communication of information triggers the buying activity. It helps to retain the existing customers and attracting the prospective customers.

SCOPE OF MARKETING

- IDENTIFY AND SELECT THE TARGET MARKET
- IDENTIFY AND SELECT THE CUSTOMER VALUE – study of customer needs and behavior.
- CREATION OF VALUE – production planning and development, pricing.
- COMMUNICATE THE VALUE - promotion
- DELIVER THE VALUE – distribution channels, warehousing.
- CUSTOMER RELATIONSHIP – customer satisfaction.
- MARKETING RESEARCH – basis of all marketing activities and market control.

MARKETING PROCESS



- Identify market opportunities
- Environmental analysis
- Segmentation and targeting

- Positioning
- Formulate strategy

- Product – customer solution
- Price – customer cost
- Place – convenience
- Promotion - communication

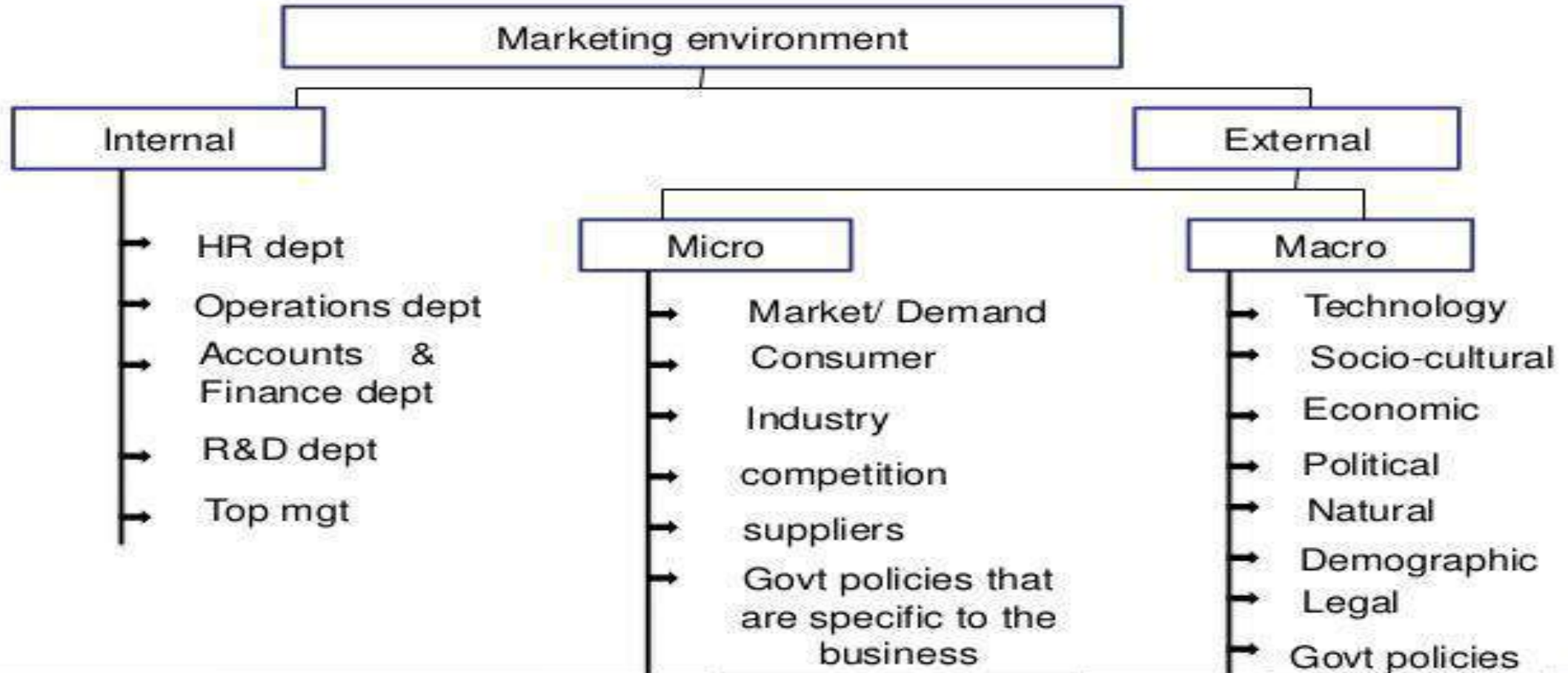
- Management of marketing efforts
- Action phase
- control

CONCEPTS OF MARKETING



MARKETING ENVIRONMENT

Components of marketing environment.



INTERNAL ENVIRONMENT

- Factors internal to the organization
- Factors can be controlled by the marketer
- Can be adjusted with the changes in the external environment
- Components: Five M's – man, money, materials, markets
- Environment factors includes: sales, production, HR, R&D etc.

EXTERNAL ENVIRONMENT

- Factors external to the business.
- Marketers has little control over the factors.
- It cannot be adjusted by the marketers or organizations.
- External environment includes Micro and Macro environment.

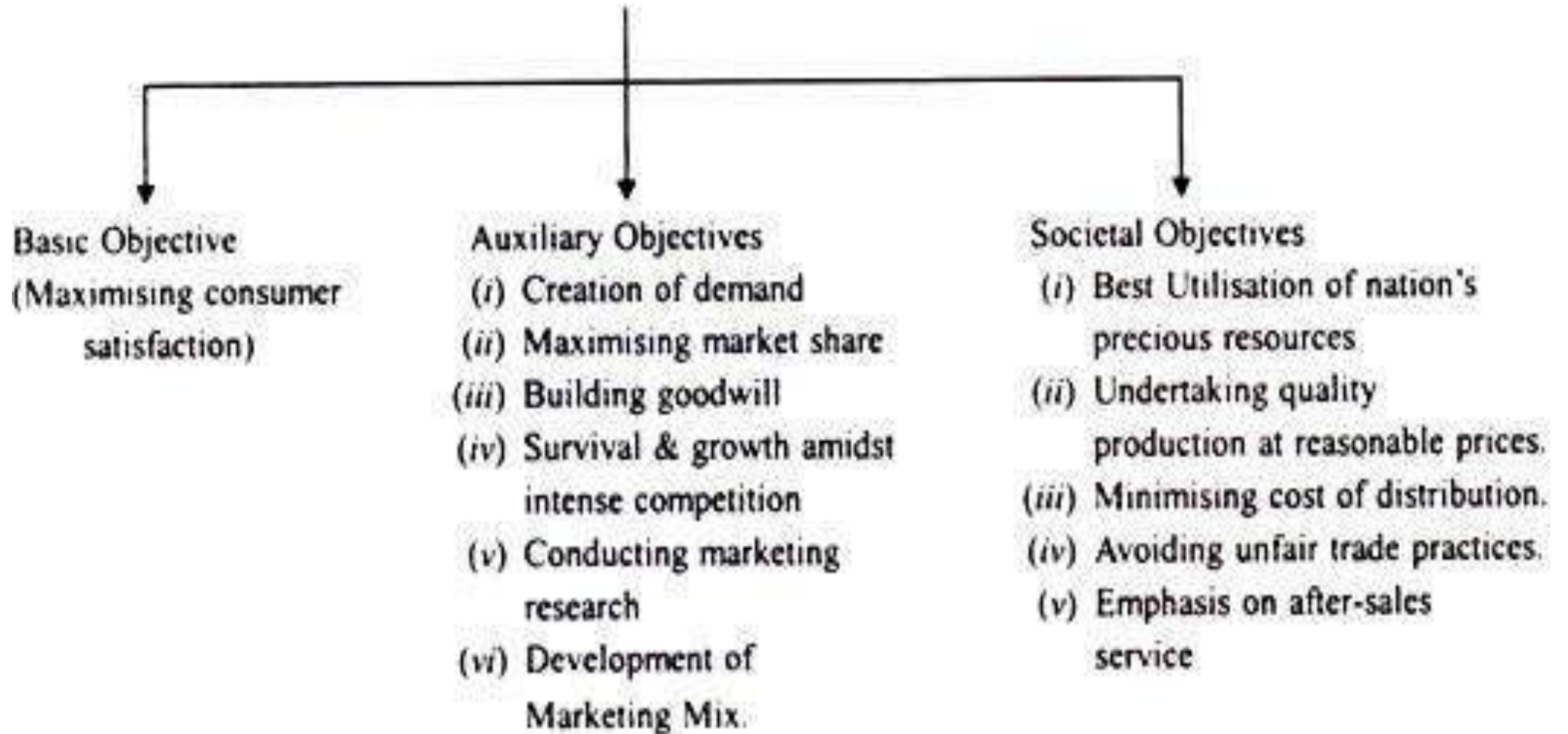
Micro environment

- It is external but directly related to the business. components are:
- Supplier: parties who supplies raw materials to the organization.
- Market intermediaries: wholesalers, retailers and physical distribution firms.
- Customers: behavioral pattern and characteristics, needs, interests of customers.
- Competitors: nature and degree of competition of other competitors.
- Public: party interested in the marketing activities. It includes financial public, government public and media public.

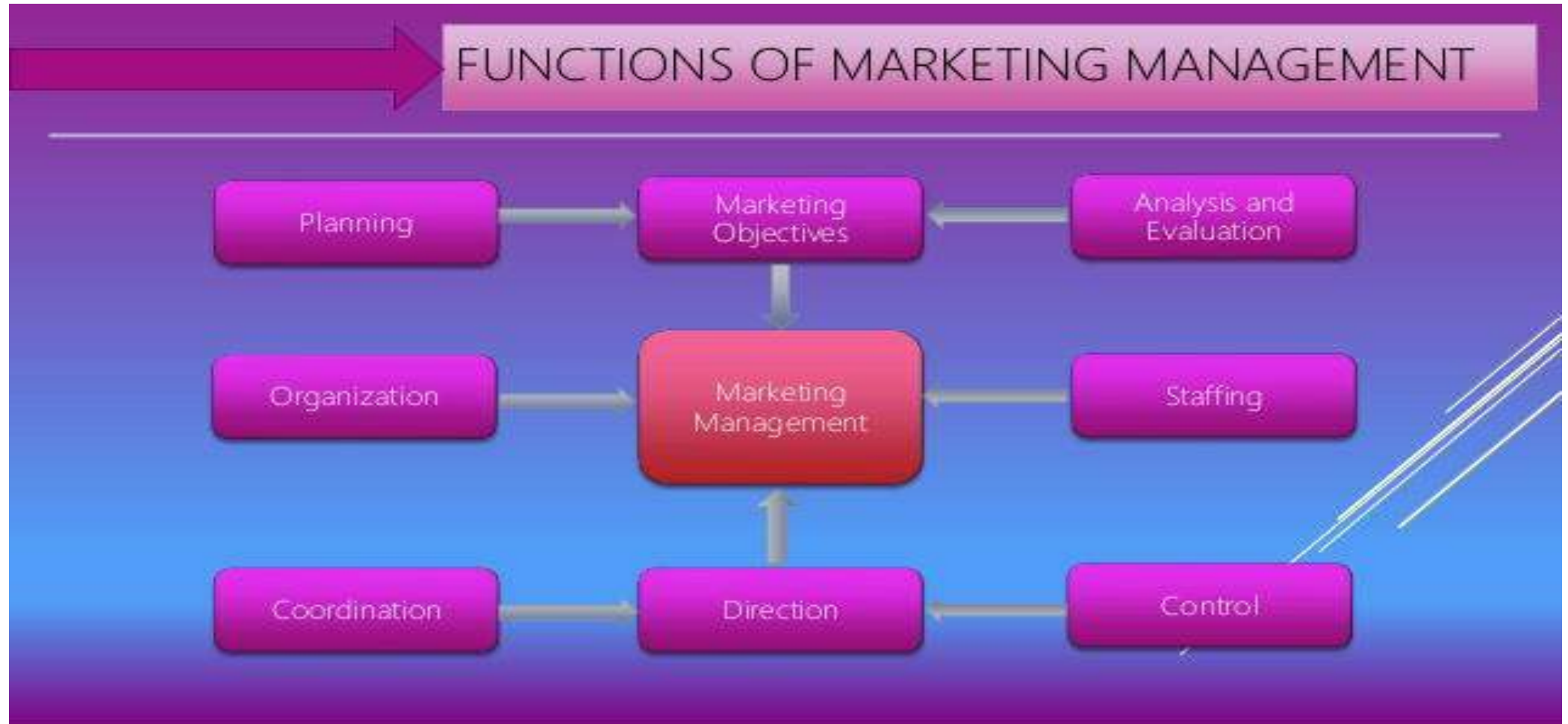
- **Macro environment**
Factors that are external to the business and also which affects the industry as a whole.
- Not directly related to the business.

OBJECTIVES OF MARKETING MANAGEMENT

OBJECTIVES OF MARKETING MANAGEMENT



FUNCTIONS OF MARKETING



- ❖ **Marketing objectives:** identification and defining the marketing objectives is the foremost function of marketing management. Objectives can be short term (achieving sales target) or long term (customer retention).
- ❖ **Planning:** after identifying marketing objectives the next important function is to formulate plans, policies, programmes, strategies to achieve these marketing objectives. Roadmap directing towards objectives.
- ❖ **Organising:** collection and coordination of resources (man, material, money, machines) to implement the marketing plan. Defines authorities and power and fixes duties and responsibilities (structure of organization) for effective coordination.
- ❖ **Coordination:** integration of various marketing activities such as product planning, development, pricing, distribution, promotion, transportation and warehousing.
- ❖ **Directing:** guiding and issuing directions to the human resources to put the marketing plans and policies into action. Involves activities like leadership, motivation, supervision and direction to attain the desired objectives.
- ❖ **Controlling:** establishing standards according to the plans, measuring the actual performance, comparing the actual with standards, and take corrective measures if any deviations.
- ❖ **Staffing:** placing right people at right job through scientific selection and training and development.
- ❖ **Analysis and evaluation:** evaluate the marketing activities to determine the long term success or not.

MARKETING MIX



- Combination of factors which can be controlled by an organization to persuade the customers to purchase it.
- 4 p's of marketing: product, price, place and promotion.

The Extended Marketing Mix



ELEMENTS OF MARKETING MIX

PRODUCT

- Quality
- Design
- Variety
- Brand name

PRICE

- Discount
- Allowances
- List price
- Credit terms

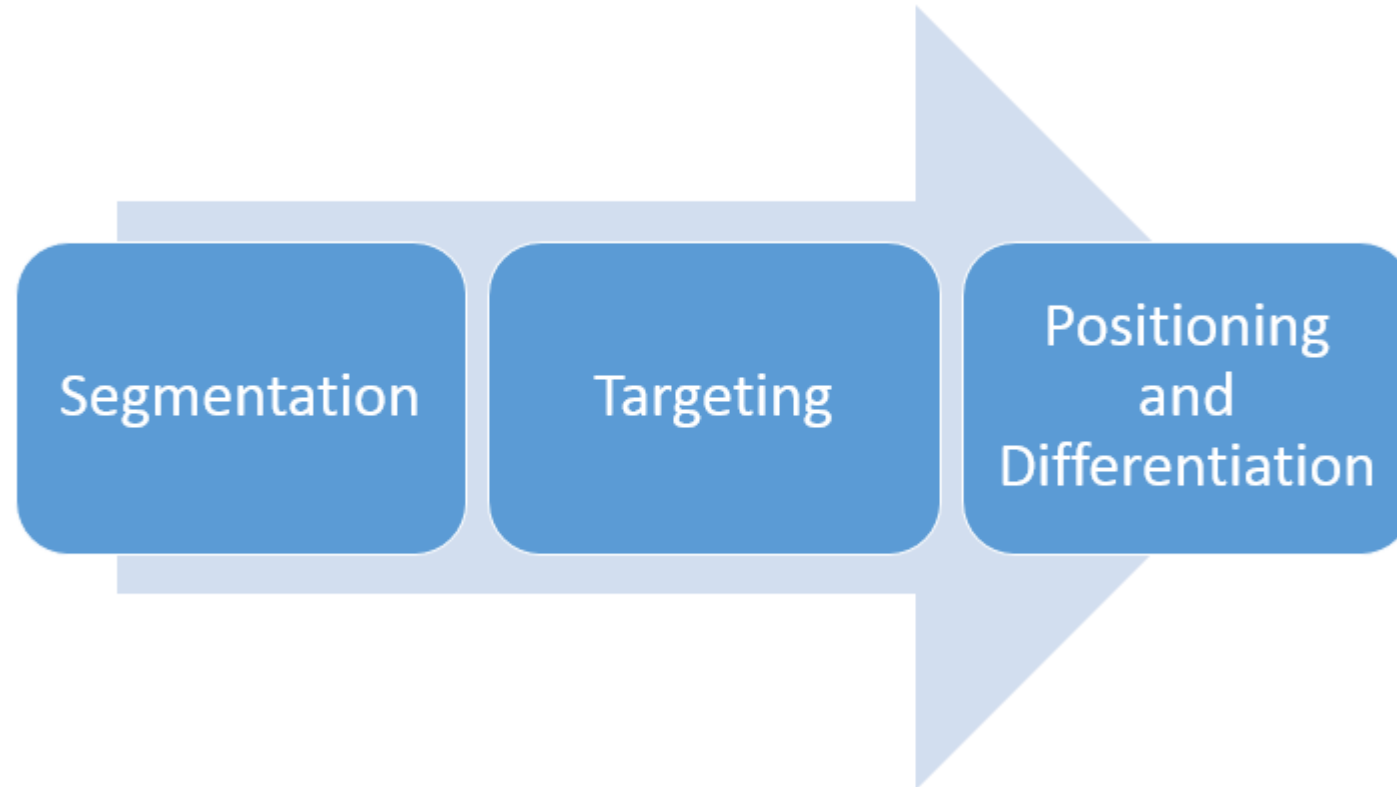
PLACE

- Channels
- Inventory
- Transport
- Coverage

PROMOTION

- Advertising
- Personnel selling
- Publicity
- Sales promotion

STP PROCESS(SEGMENTATION, TARGETING AND POSITIONING)



PRICING STRATEGIES



SERVICE MARKETING MIX

The 7 Ps of Services Marketing

