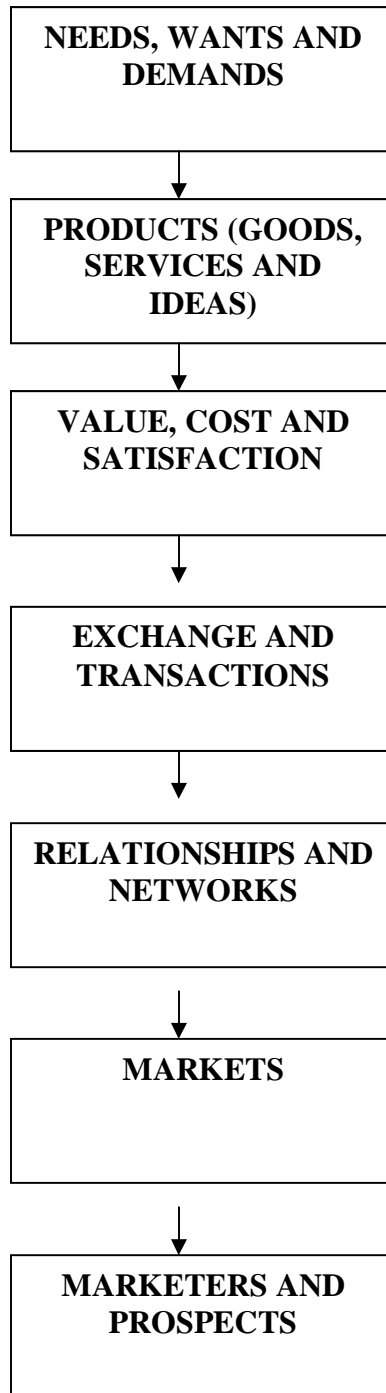


MODULE- I

Definition: Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others.



THE DIFFERENCE BETWEEN MARKETING & SELLING:

MARKETING	SELLING
Consumer Needs	Buyer Needs
Long Term Objective	Short Term Objective
Consumer Satisfaction	Profit Making
Buyer's Market	Seller's Market

OBJECTIVES OF MARKETING:

- Appreciation of Marketing Practices.
- Develop Policies and frame works.
- Determine Marketing MIX
- Satisfy the needs and wants of customer
- Profits
- Raise the standard of life.

IMPORTANCE OF MARKETING:

- Marketing is the heart of any business organization.
- Time, form, place, & possession utilities.
- Quality products
- As a career
- Helps in developing economics resources of any country.

MARKETING CONCEPTS:

- Production Concept
- Product Concept
- Selling Concept
- Marketing Concept
- Societal Marketing Concept

MARKETING MIX:

1. Product

- Product variety
- Quality
- Design
- Features
- Brand name
- Packaging

- Sizes
- Services warranties
- Return

2. Price

- List price
- Discounts
- Allowances
- Payment period
- Credit terms

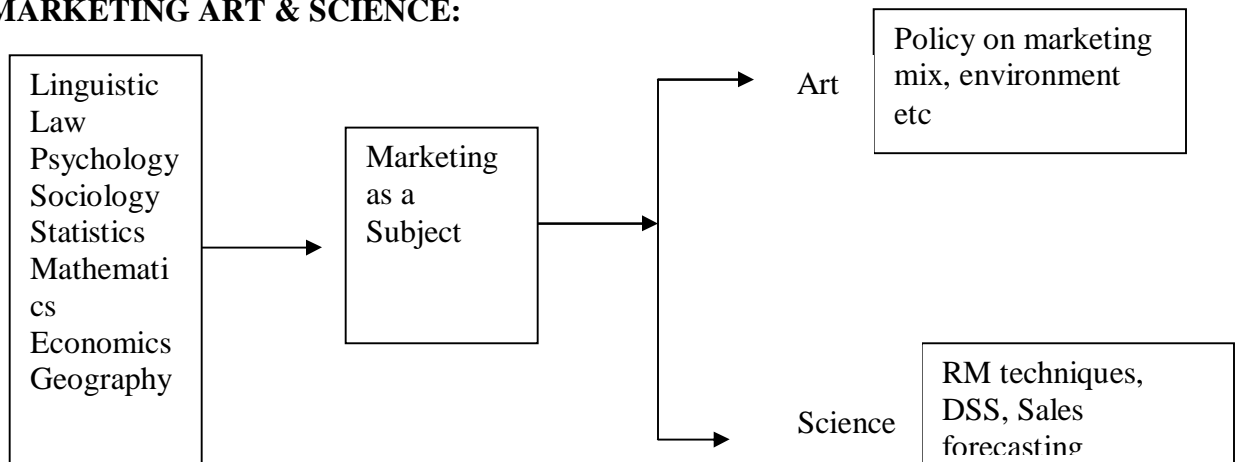
3. Promotion

- Sales promotion
- Advertising
- Sales force
- PR
- DM

4. Place:

- Channels
- Coverage
- Assortment
- Locations
- Inventory
- Transport

MARKETING ART & SCIENCE:



NATURE AND IMPORTANCE OF SERVICES MARKETING:

Definition: A service is any act or performance that one party can offer to another that is essentially intangible and doesn't result in the ownership of anything. Its production may or may not be tied to a physical product.

FIVE CATEGORIES:

1. Pure intangible good: Tooth brush
2. Tangible goods with accompanying service: computer (ASS)
3. Hybrid: equal parts of goods and services. People patronize restaurants for both their foods and services.
4. Major Service with accompanying minor goods: airlines (Magazine)
5. Pure service: consultancy, massages, and psychotherapy.

CHARACTERISTICS:

- Intangibility
- Inseparability
- Perish ability
- Variability

MODULE 2

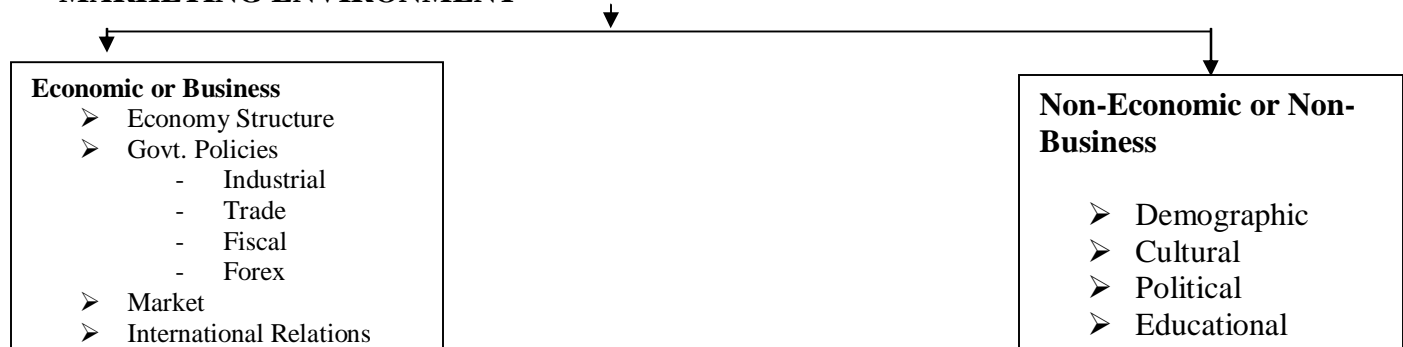
MARKETING ENVIRONMENT:

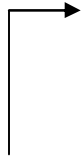
According to Kotler:

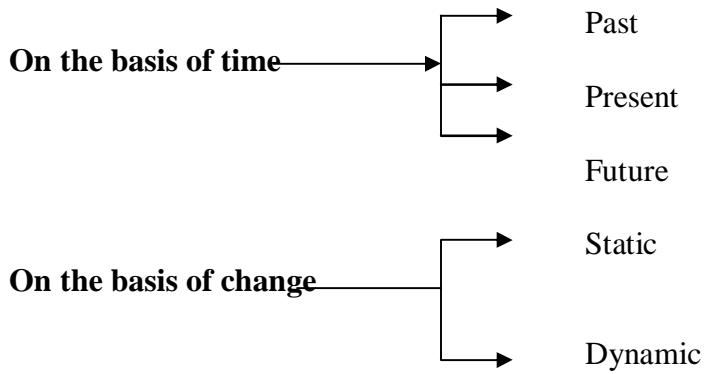
- 1. Organisational environment:** Company department, Company division, company's organizational structure and company channels.
- 2. Market environment:** it consists of actual and potential consumers or purchasers of the product.
- 3. Macro environment:** PEST
- 4. Extra-environment:** it forms that part of the environment which the organization usually does not scan because it seems to be of negligible or zero relevance to the organization.

KINDS OF MARKETING ENVIRONMENT:

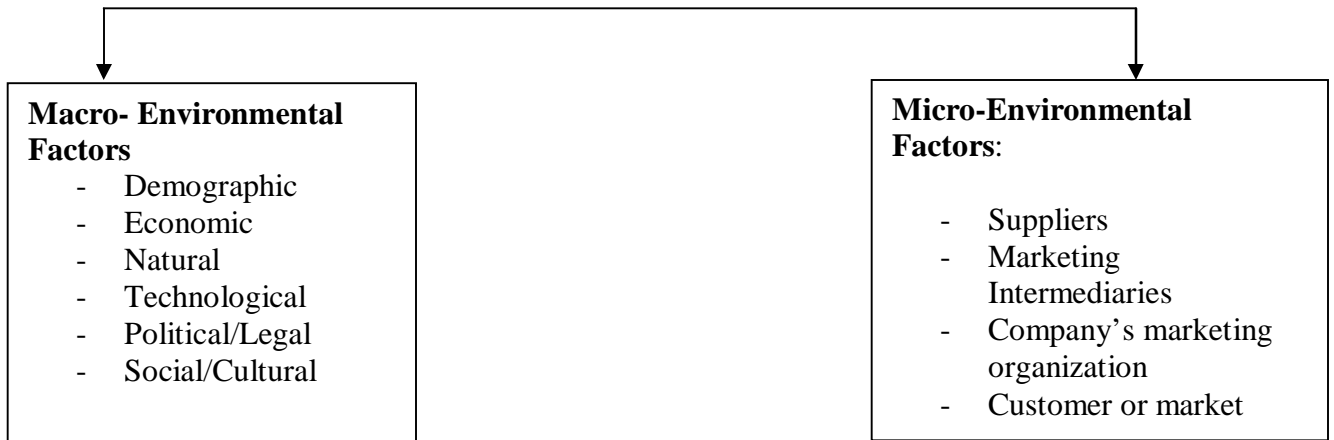
MARKETING ENVIRONMENT





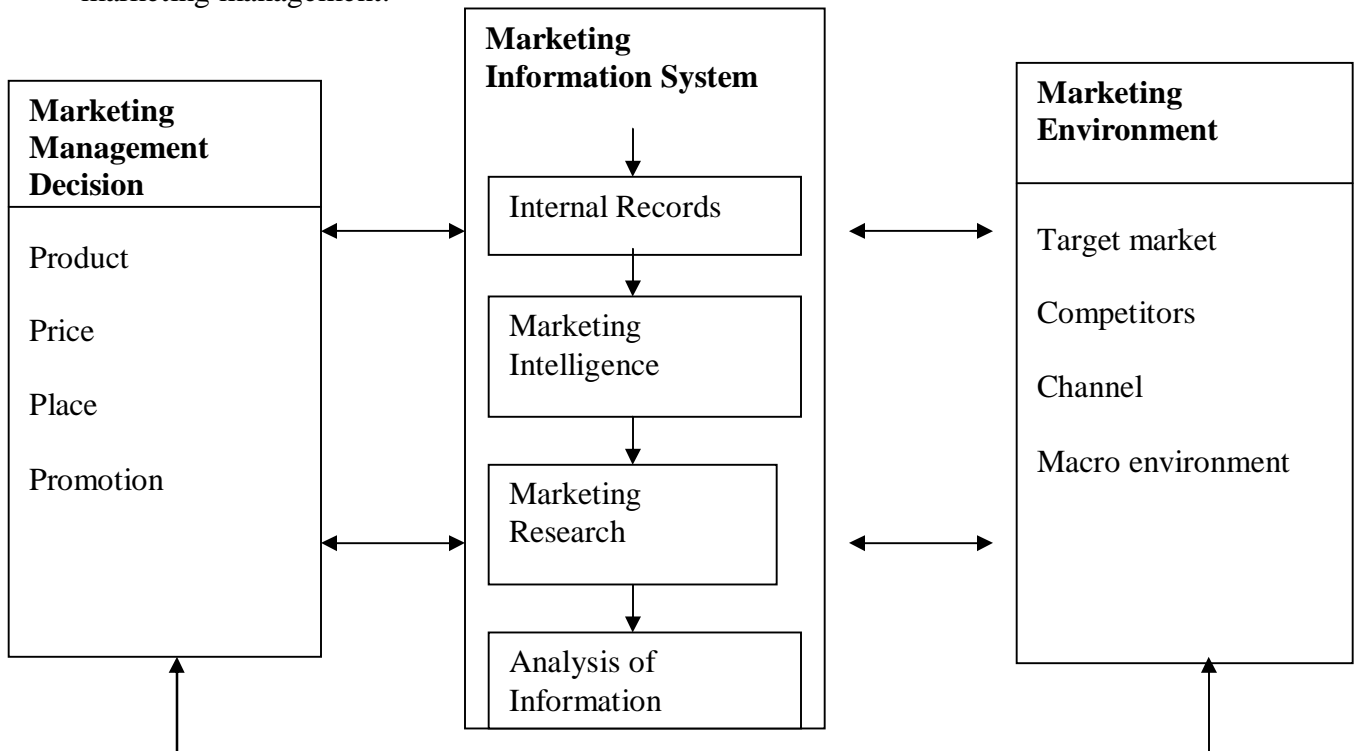


Marketing Environmental Forces



MARKETING INFORMATION SYSTEM:

A structured, interacting complex of persons, machines and procedures designed to generate an orderly flow of pertinent information, collected from both intra and extra firm sources for use as the basis for decision-making in specified responsibility area of marketing management.



MARKETING RESEARCH

A systematic design, collection, analysis and reporting of data and findings relevant to a specific marketing situation facing the company.

OBJECTIVES:

- To define his present market situation together with the long range trends which have led up to it
- To discover what major and underlying factors are domination that situation and how these factors can be influenced or controlled.
- To set up a plan for keeping in touch with the behaviour of these domination factors and for measuring the results of any efforts made to influence or control them.

SCOPE OF MR:

1. Business economic research:

- Short-term forecasting
- Long-term forecasting
- Studies of business trends
- Plant & warehouse location studies

2. Product Research:

- New product acceptance & potential
- Competitive –product studies
- Product testing
- Packaging research

3. Sales:

- Market share analysis
- Sales analysis
- Distribution of channel & cost studies
- Sales compensation studies

4. Advertising Research:

- Motivation research
- Copy research
- Media research
- Advertising effectiveness.

IMPORTANCE & BENEFITS OF MARKETING RESEARCH:

- Production according to consumer's demand
- Acceleration in sales
- Reduction in market expenses
- Discovery of new opportunities
- Minimizes the risk involved in decision making
- Provides knowledge of consumer's preference, attitude & motivation

LIMITATION:

- Time
- Lack of qualified personnel
- Cost
- Inexactness
- Enigma of the consumer

MARKETING RESEARCH PROCESS:

1. Define the objectives and identify the problem.
2. Conduct situation analysis
3. Determine the information needed.
4. Develop the research design
5. Collection of data
6. Tabulating analyzing and interpreting the data
7. Preparing research report
8. Follow-up recommendation

MARKETING RESEARCH REPORT CONTENTS:

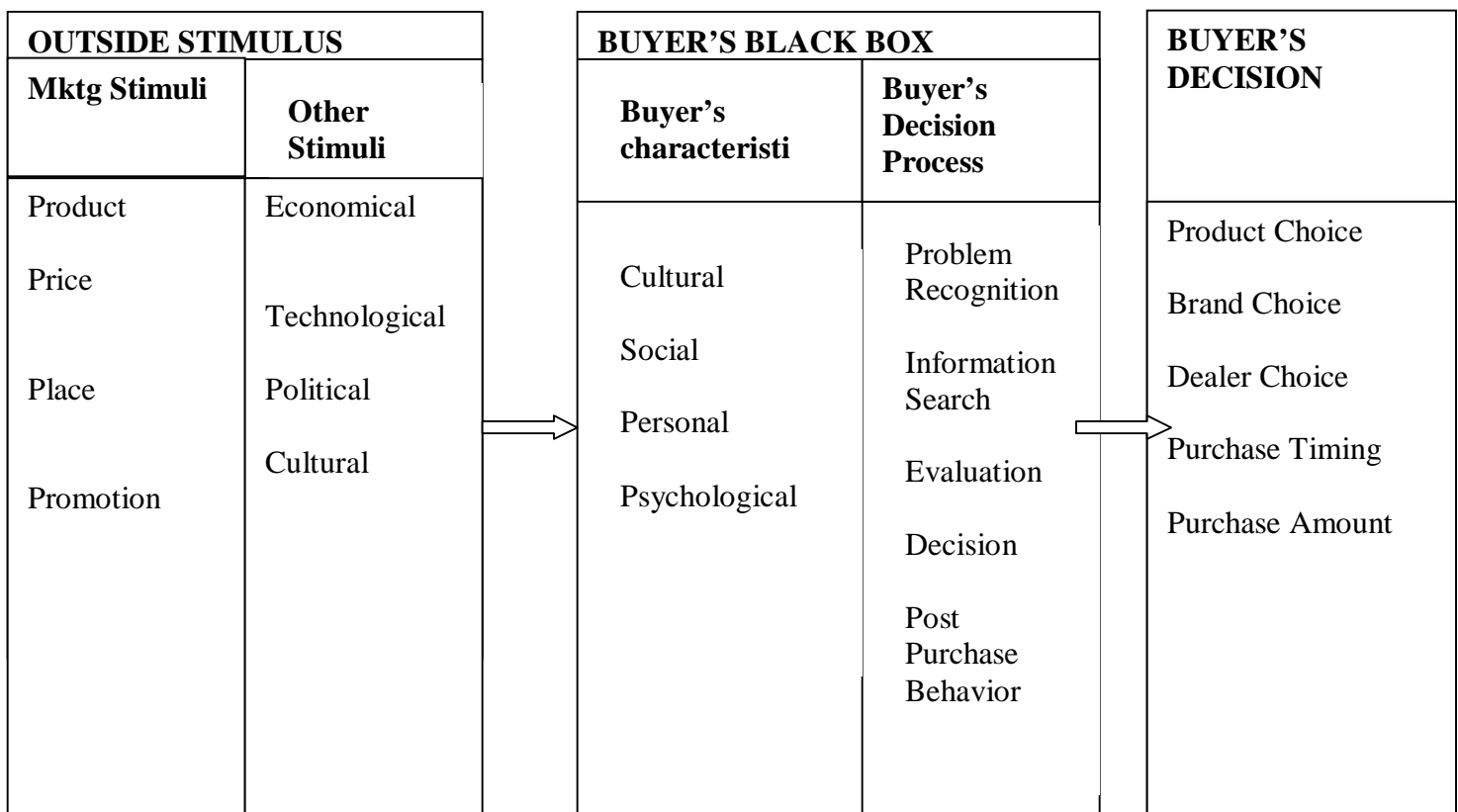
1. The title of research
2. The name of the organization or client for whom it has been conducted
3. Objective
4. Methodology used
5. Organisation & planning of the report
6. A table of contents, along with chars or diagrams used in the report.
7. The main report containing the findings
8. Conclusion arrived at and recommendations suggested
9. Appendices

MODULE 3

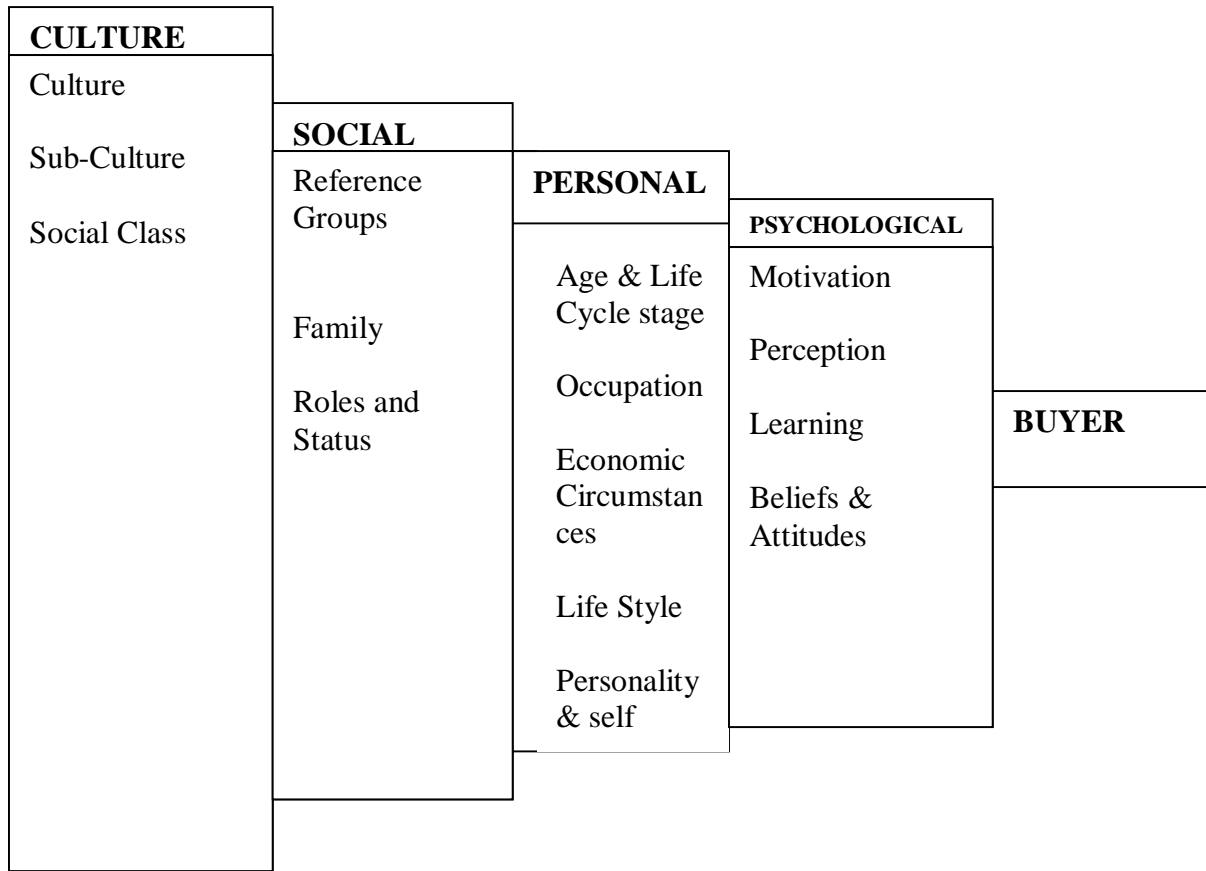
CONSUMER BUYING BEHAVIOR

Definition: Consumer behavior is the process whereby individuals decide what, when, how and from whom to purchase goods and services.

Model of consumer behavior:



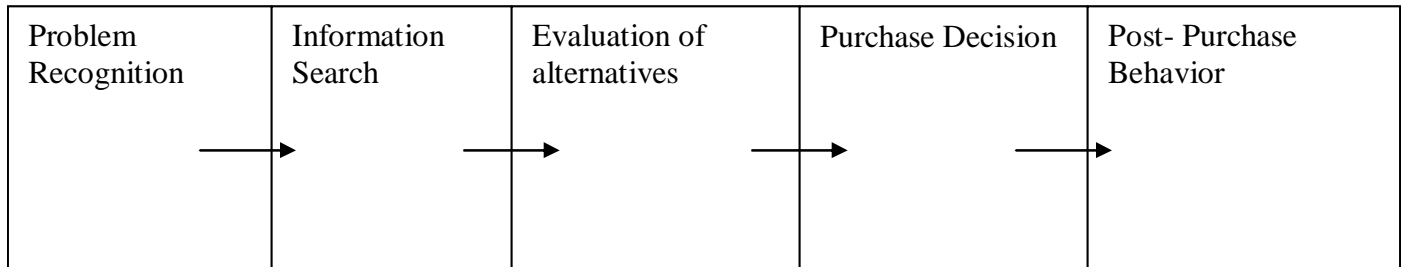
MAJOR FACTORS INFLUENCING CONSUMER BEHAVIOR:



BUYING BEHAVIOR

	High Involvement	Low Involvement
Significant differences between brands	COMPLEX BUYING BEHAVIOR	VARIETY SEEKING BUYING BEHAVIOR
Few differences between brands	DISSONANCE REDUCING BUYING BEHAVIOR	HABITUAL BUYING BEHAVIOR

CONSUMER BUYING PROCESS:



BUSINESS MARKET:

It consists of all the organizations that acquire goods and services used in the production of other products or services that are sold, rented or supplied to others. The major industries making up the business market are agriculture, forestry, fisheries, mining, mfg, construction, transportation, communication, banking, finance, insurance, services.

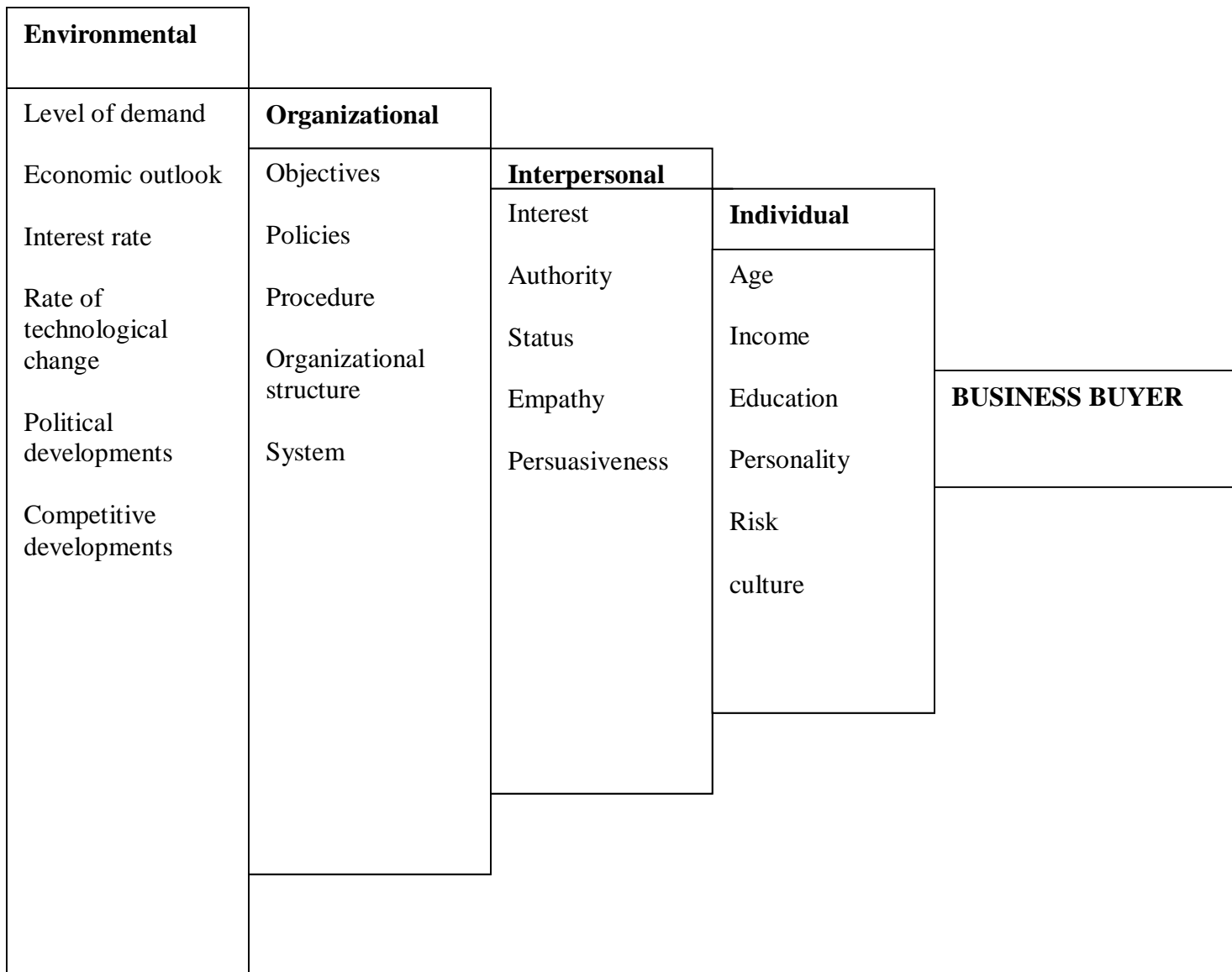
CHARACTERISTICS:

- Fewer buyers
- Larger buyers
- Close supplier-customer relationship
- Geographically concentrated buyers
- Derived demand
- Inelastic demand
- Professional purchasing
- Several buying influences
- Direct purchasing
- Leasing

PARTICIPANTS IN THE BUSINESS BUYING PROCESS:

- Initiator
- User
- Influencer
- Decider
- Approver
- Buyer
- Gate keeper

MAJOR INFLUENCES ON INDUSTRIAL BUYING BEHAVIOR:



THE PURCHASING / PROCUREMENT PROCESS:

1. Problem recognition
2. General need recognition
3. Product specification
4. Supplier search
5. Proposal solicitation
6. Supplier selection

TARGET MARKETING REQUIRES MARKETERS TO TAKE THREE MAJOR STEPS:

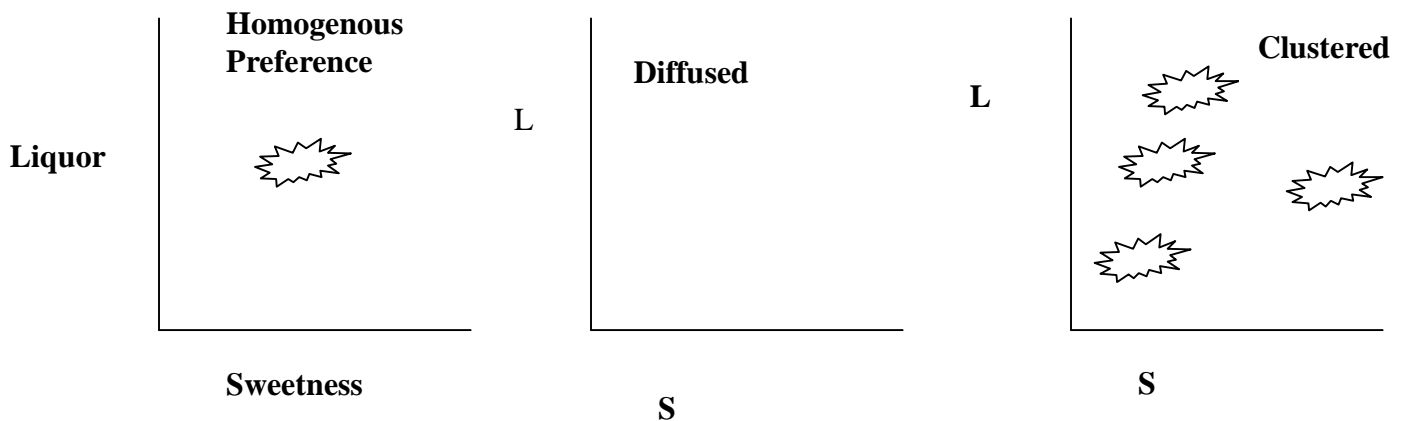
1. Market segmentation

2. Market targeting
3. Market Positioning

LEVELS OF MARKET SEGMENTATION:

1. Mass Marketing
2. Segment Marketing
3. Niche Marketing
4. Local Marketing
5. Individual Marketing
6. Self Marketing

PATTERNS OF MARKET SEGMENTATION:



MARKET SEGMENTATION PROCEDURE

1. Survey stage
2. Analysis stage
3. Profiling stage

BASES FOR SEGMENTING CONSUMER MARKET

GEOGRAPHIC	
Region	North India, south India, east India, west India
City or Metro Size	Under 4,999; 5000-19,999 like this
Density	Urban, suburban, rural
Climate	Northern, Southern
DEMOGRAPHIC	
Age	Under6, 6-11, 12-19, 20-34, 34-59 et al
Family size	1-2, 3-4, 5+, 1-2, 2-3 et al
Family Life Cycle	Young, single, young, married, no children, married, youngest child under 6, married with children, older, married with no children, older single et al.

Gender	Male, FEMALE
Income	Under 45000/-, 45000-100,000/- et al
Occupation	Professional and technical, managers, officials, and proprietors, clerical, sales, craftspeople, operatives, farmers, retired, students, homemakers, unemployed
Education	High school, Higher Secondary School, Graduation, Post Graduation et al.
Religion	Hindu, Catholic, protestant, Jewish, Muslim
Race	White, Black, Asian
Generation	Baby Boomers, Generation X
Nationality	Indian, Japanese, American et al
Social Class	Lower lowers, upper lowers, working class, middle class, upper middles, lower uppers, upper uppers
PSYCHOGRAPHIC	
Life Style	Straights, swingers, Longhairs et al.
Personality	Compulsive, gregarious, authoritarian, ambitious
BEHAVIORAL	
Benefits	Quality, Service, Economy, Speed
User status	Non user, ex-user, potential user, first-time user, regular user
Usage rate	Light user, medium user, heavy user
Loyalty status	None, medium, strong, absolute
Buyer readiness stage	Unaware, aware, informed, interested, desirous, intending to buy
Attitude Toward Product	Enthusiastic, positive, indifferent, negative, hostile

MAJOR SEGMENTATION VARIABLES FOR BUSINESS MARKETS:

DEMOGRAPHIC	
Industry	Which industries should we serve?
Company size	What size companies should we serve?
Location	Which geographical areas should we serve?
OPERATIVE VARIBALES	
Technology	What customer technologies should we focus on?
User/nonuser status	Should we serve heavy users, medium users, light users, or nonuser?
Customer capabilities	Should we serve customers needing many or few services?
PURCHASING APPROACHES	
Purchasing –function organization	Should we serve companies with highly centralized or decentralized purchasing organizations?
Power Structure	Should we serve companies that are

	engineering dominated, financially dominated, and so forth?
Nature of exiting relationships	Should we serve companies with which we have strong relationships or simply go after the most desirable companies?
General purchase policies	Should we serve companies that prefer leasing? Service contracts? Systems purchases? Sealed bidding?
Purchasing Criteria	Should we serve companies that are seeking quality? Service? Price?
SITUATIONAL FACTORS	
Urgency	Should we serve companies that need quick and sudden delivery or service?
Specific application	Should we focus on certain application of our product rather than all applications?
Size of Order	Should we focus on large or small orders
PERSONAL CHARACTERISTICS	
Buyer-seller similarity	Should we serve companies whose people and values are similar to ours?
Attitudes toward risk	Should we serve risk-taking or risk-avoiding customers?
Loyalty	Should we serve companies that show high loyalty to their suppliers?

MARKET TARGETING:

1. Evaluate the Market Segment
2. Selecting the Market Segment

(a) Single segment concentration.

	M1	M2	M3
P1		.	
P2			
P3			

(b) Selected Specialization:

M1 M2 M3

P1			///
P2	///		
P3		///	

© **Product Specialization:**

	M1	M2	M3
P1	///	///	///
P2	///	///	///
P3	///	///	///

(d) **Market Specialization:**

	M1	M2	M3
P1			
P2			
P3			

(e) **Full Market Coverage**

	M1	M2	M3
P1	///	///	///
P2	///	///	///
P3	///	///	///

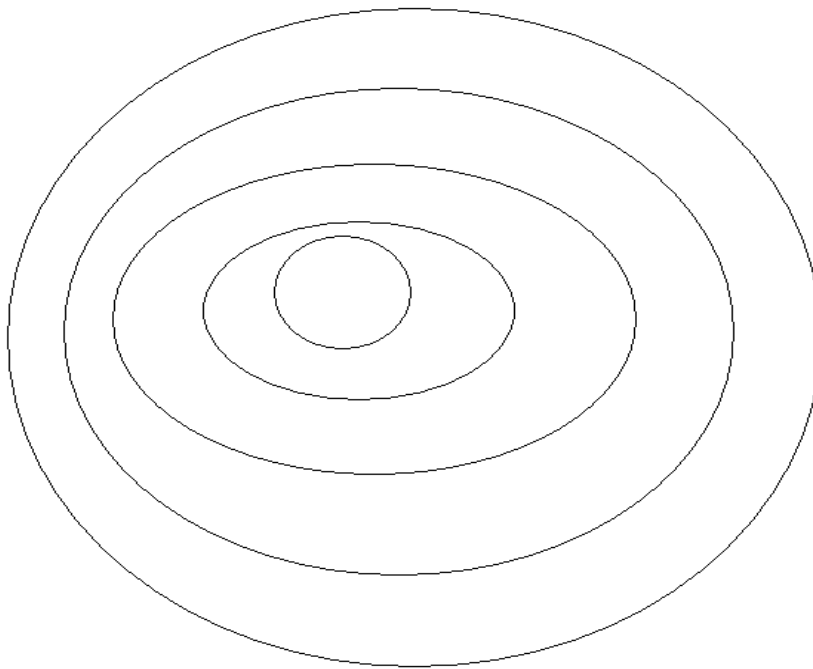
PRODUCT PLANNING & DEVELOPMENTS

Definition: A product is anything that can be offered to satisfy a need or want. Occasionally, we will use other terms for product, such as offering or solution. A product

or offering can consist of as many as three components: Physical goods, services, and ideas.

It can be persons (Michael Jordan), Places (Hawaii) or organization (American Heart Association).

FIVE LEVELS OF A PRODUCT:



PRODUCT HIERARCHY:

1. Need Family: Security
2. Product Family: Savings & Income
3. Product Class: Financial Instruments
4. Product Line: Life Insurance
5. Product Type: Term life

6. Brand: Prudential
7. Item: Prudential renewable term life insurance

NEW PRODUCT DEVELOPMENT PROCESS:

1. Idea Generation
2. Idea Screening
3. Business analysis
4. Test Marketing
5. Required Modification
6. Commercialization

THE CONSUMER ADOPTION PROCESS:

- Awareness
- Interest
- Evaluation
- Trial
- Adoption



Time of adoption of Innovation

PRODUCT CLASSIFICATION:

Product can be classified into three groups, according to their durability and tangibility:

1. Non-durable (Consumer) goods: Soap, salt, toothpaste et al.
2. Durable goods: Refrigerators, machine tools, clothing etc.
3. Services: Hair cut, Repairs.

CONSUMER GOODS CLASSIFICATION:

1. Convenience goods: soaps, news paper
2. Shopping goods: furniture, clothing, major appliances
3. Specialty Goods: fancy goods, cars, stereo
4. Unsought goods: consumers don't know; even know don't think for buying.

INDUSTRIAL GOODS CLASSIFICATION:

1. Materials & Parts: RM & Parts
2. Capital Items: Installation & Equipment
3. Supplies & Business Service
 - (a) Operating supplies: Lubricant, Coal, Pencil
 - (b) Maintenance and repair: Paint, Nails, and Brooms.
 - (c) Business Advisory Services: Legal, Management consultancy

PRODUCT MIX DECISION:

Definition: A Product mix (also called product assortment) is the set of all products and items that a particular seller offers for sale to buyers.

PRODUCT MIX WIDTH (P&G)

Detergents	Toothpaste	Bar Soap	Disposable Diapers	Paper Tissue
Ivory snow Dreft Tide Cheer Oxydol Dash Bold Gain Era	Glenn Crest	Ivory Kirk's Lava Camay Zest Safeguard Coast Oil of Olay	Pampers Luvs	Charmin Puffs Banner Summit

- The width of P&G's product mix refers to how many different product lines the company carries table shows a product mix width of five lines.
- The length of P&G's product mix refers to the total number of items in its product mix. Table shows 25.
- The depth of P&G's product mix refers to how many variants are offered of each product in the line.

- The consistency of the product mix refers to how closely related the various product lines are in end use, production requirements, distribution channels or some other way. P&G in table has high consistency.

◆ **PRODUCT – LINE DECISIONS**

◆ **PRODUCT LINE LENGTH**

◆ **LINE STRETCHING**

◆ **LINE FILLING**

◆ **LINE MODERNIZATION**

◆ **LINE FEATUREING**

◆ **LINE PRUNNING**

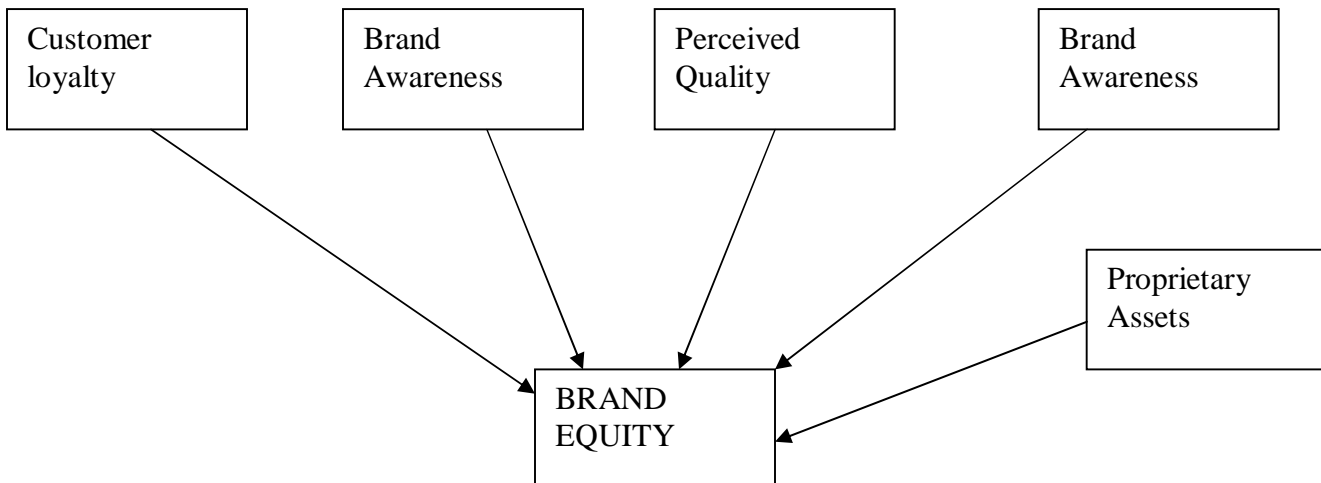
BRAND DECISION:

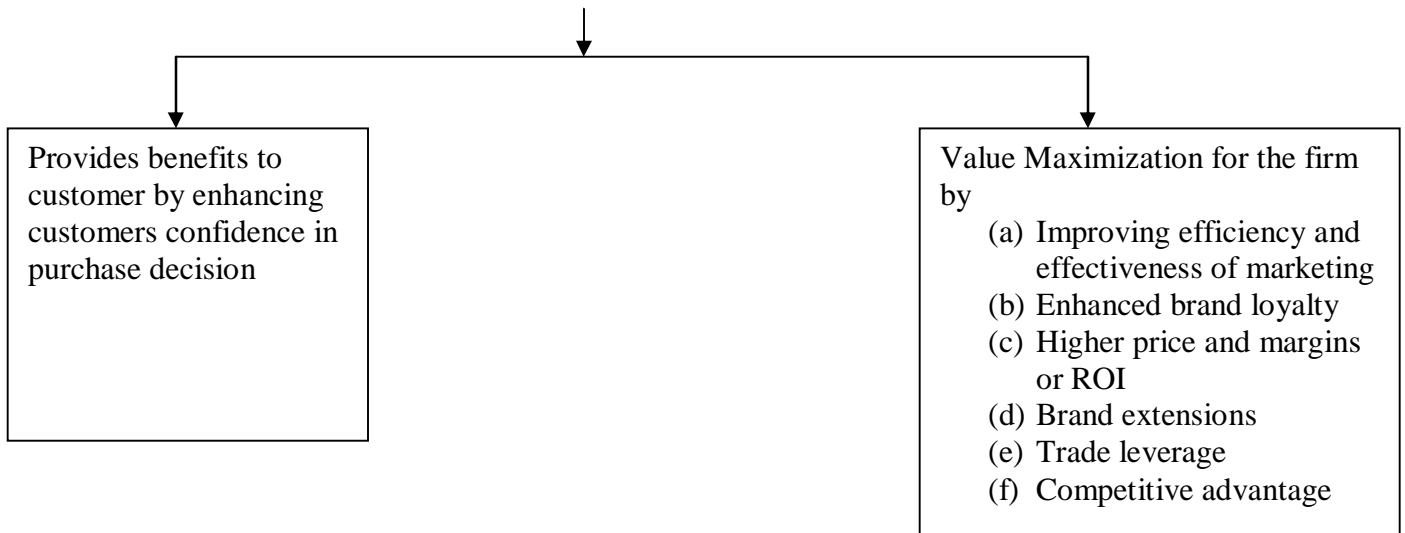
Definition: (AMA) A name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

CHARACTERISTICS:

- Attributes
- Benefits
- Values
- Culture
- Personality
- User

BRAND EQUITY





BRAND NAME DECISION:

- Individual names
- Blanket family names
- Separate family names for all products
- Corporate name combined with individual product name

QUALITIES FOR A BRAND NAME:

- It should suggest something about the product's benefit: Amul whitener
- It should suggest the product or service category: news week
- It should suggest concrete "high imagery" qualities: lux international
- Easy to spell, pronounce and remember: tide
- It should not carry poor meaning in other countries and languages: Nova car name in Spanish means "doesn't move"

BRAND BUILDING TOOLS:

- Public relations and press release
- Sponsorships
- Clubs & consumer communities
- Factory visits
- Trade shows
- Event marketing
- Public facilities
- Social cause marketing
- Celebrity personality.
-

BRAND STRATEGY DECISION:

- ◆ **LINE EXTENSION**
- ◆ **BRAND EXTENSION**

◆ **MULTI BRAND**

PACKAGING:

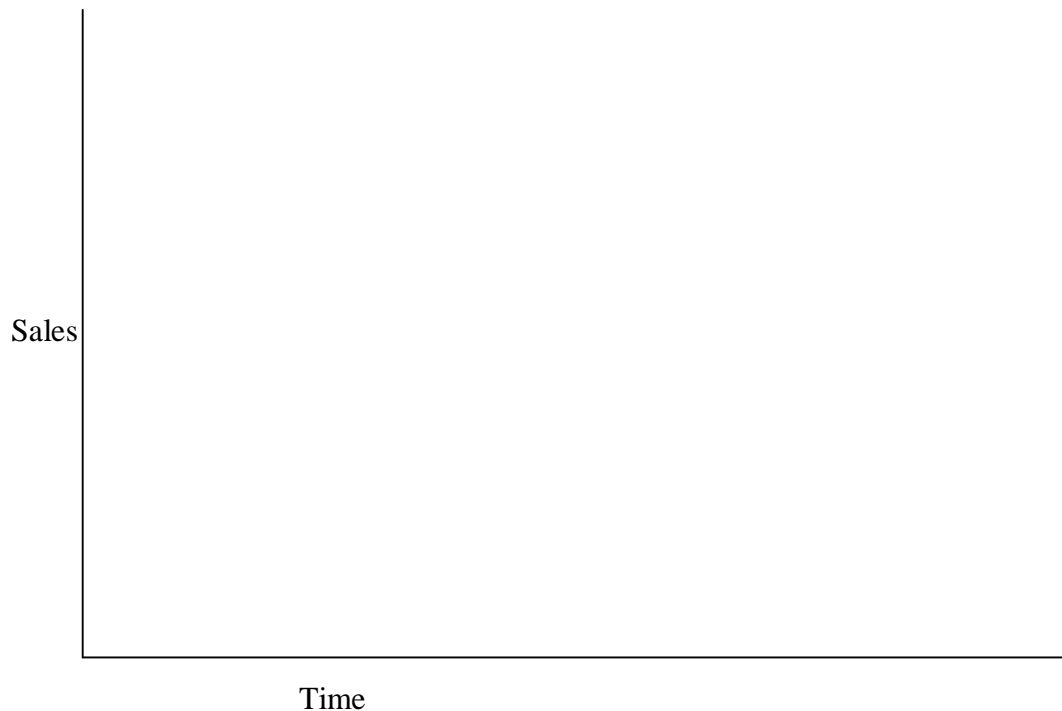
All activities of designing & producing the container for a product. The contained is called the package. Packing is wrapping only.

LABELLING:

It may be a simple tag attached to the product or an elaborately designed graphic that is part of the package. The label might carry only the brand name or a great deal of information. Even if the seller prefers a simple label, the law may require additional information.

PRODUCT LIFE CYCLE;

1. Introduction
2. Growth
3. Maturity
4. Decline



1. **Introduction stage:** Product is just launched so huge cost involved.

Marketing strategies:

Firm tries to stimulate demand for the new product and also to reduce the BEP.

Price	H	Rapid skimming	Slow skimming
	L	Rapid penetration	Slow penetration
		H	L
		Promotion	

2.Growth Stage

Marketing strategies:

The firm uses several strategies to sustain rapid market growth as long as possible;

- It improves product quality and adds new product features and improved styling.
- It adds new models and flanks products.
- It enters new market segments.
- Increases its distribution coverage and enters new distribution channels.
- It shifts from product awareness advtg to product preference advertising it lowers prices to attract the next layer of price-sensitive buyers.

3.Maturity Stage:

Marketing strategies:

- Market modification
- Product modification
- Marketing mix modification

4.Decline Stage:

Marketing strategies:

- Identifying weak spots – try to remove.
- Find out the new market where people still interested.
- Drop the product. Here firm can sell the brand if someone is interested. If nobody is there then stop production.

PRICING

Importance of pricing: It is the only element in the marketing mix that produces revenue the other elements produce cost. Price is also one of the most flexible elements of the marketing mix, in that it can be changed quickly, unlike product features and channel commitments.

OBJECTIVES:

- Survival
- Maximum current profit
- Maximum current revenue
- Maximum sales growth
- Maximum market skimming
- Product – quality leadership

		Price		
		High	Medium	Low
Product Quality	H	1. Premium strategy	2. High value strategy	3. Super- Value strategy
	M	4. Over charging strategy	5. Medium Value strategy	6. Good-value strategy
	L	7. Rip-off strategy	8. False-economy Strategy	9. Economy strategy

SELECTING PRICING METHOD:

1. Mark-up Pricing
2. Target- return pricing
3. Perceived – value pricing
4. Value pricing
5. Going rate pricing
6. Sealed-bid pricing
7. Psychological pricing.

PRICE DISCOUNTS & ALLOWANCES:

- Cash discount
- Quantity discount
- Functional discount

- Seasonal discount
- Allowances
- Promotional pricing

DISCRIMINATORY PRICING:

- Customer segment pricing
- Product form pricing
- Image pricing
- Location pricing
- Time pricing

PRODUCT MIX PRICING

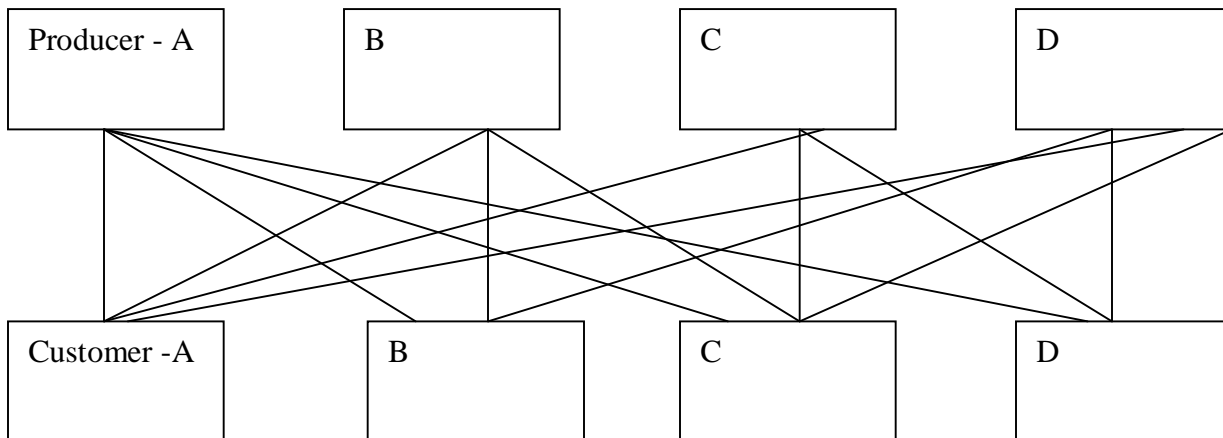
- Product line pricing
- Optional feature pricing
- Captive product pricing
- Two-part pricing
- By product pricing
- Product building pricing.

MODULE- 6

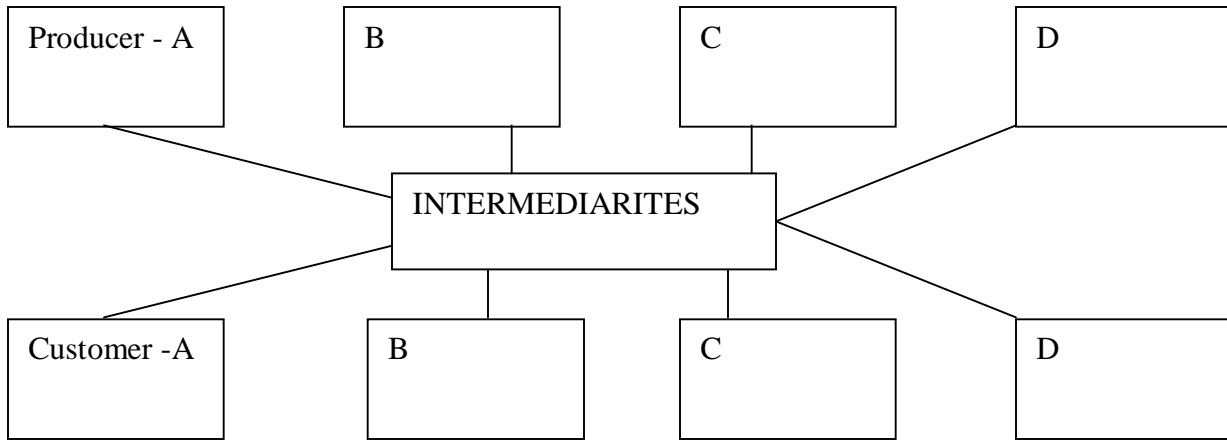
DISTRIBUTION:

Definition: It is the set of interdependent organizations involved in the process of making a product or service available for use or consumption.

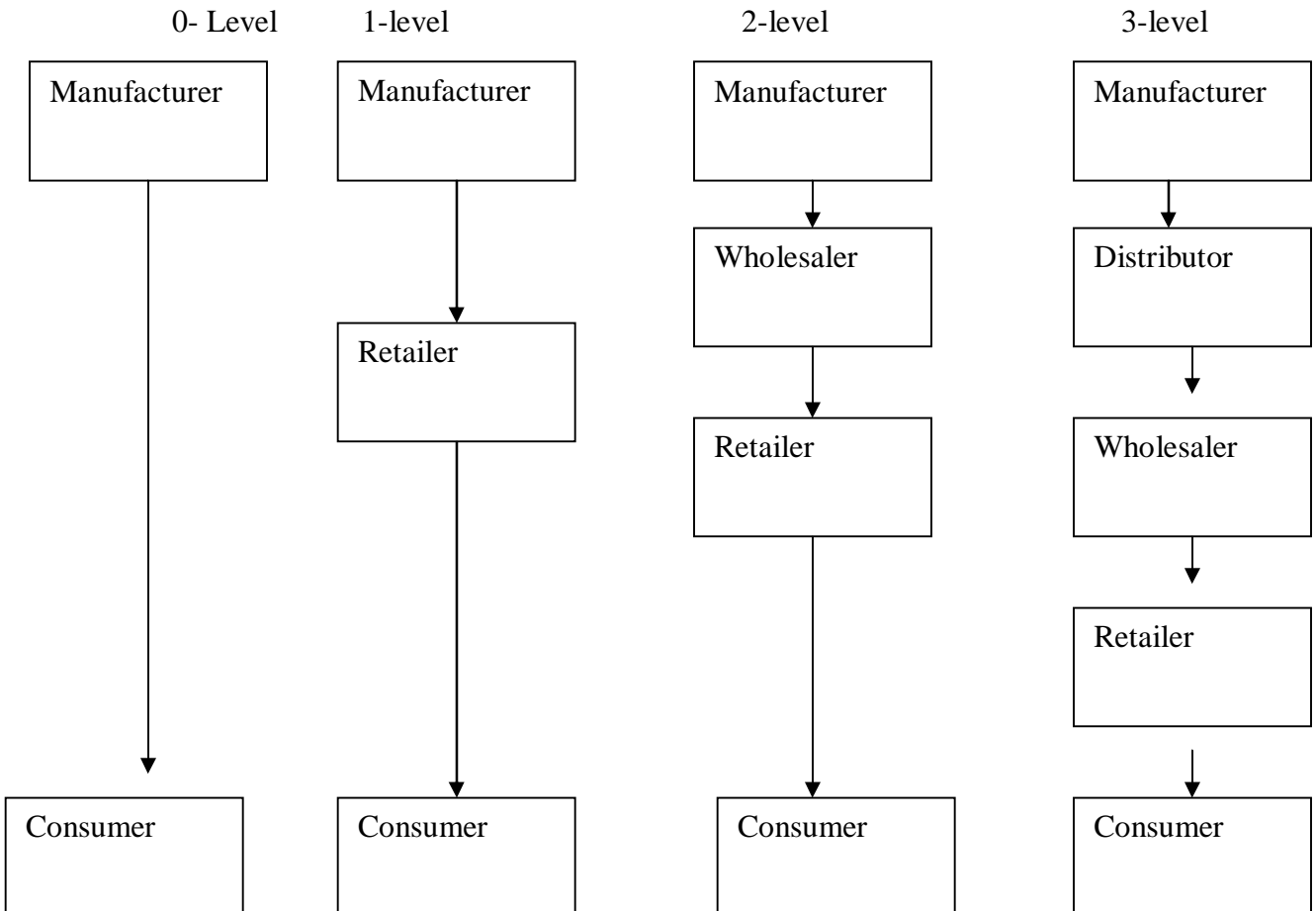
1. Distribution without the help of intermediaries:



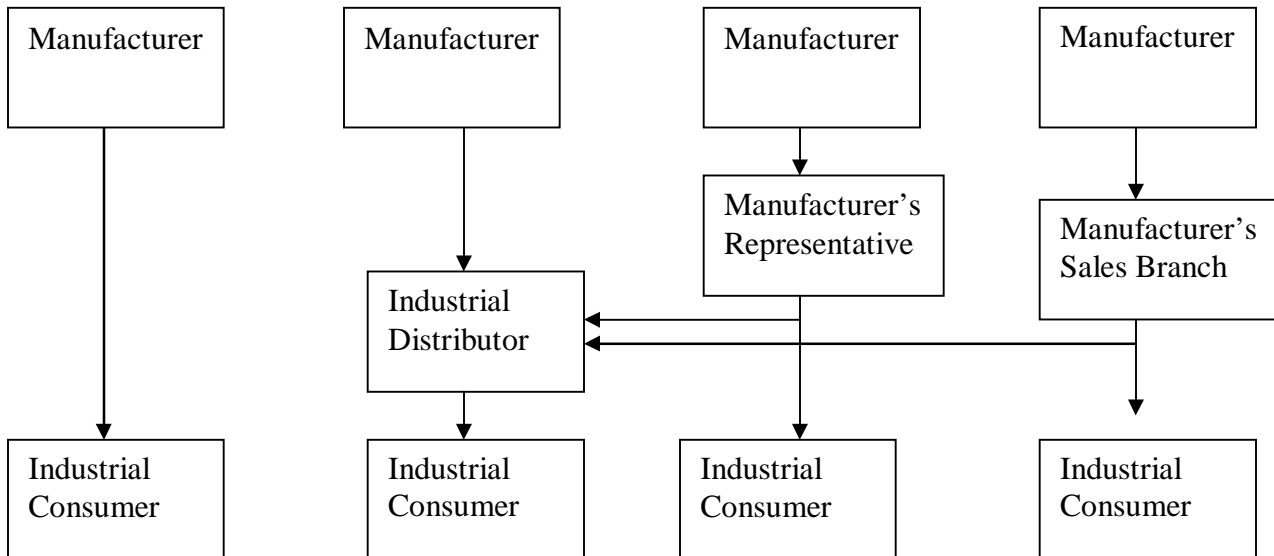
2. Distribution with the help of the intermediaries:



CONSUMER MARKETING CHANNEL:



INDUSTRIAL MARKETING CHANNEL:



DETERMINATION OF CHANNEL LENGTH:

1. Market Concentration
2. Order Size
3. Technical Product
4. Gross Margin
5. Financial Resources
6. Resale Price Maintenance
7. Product Characteristics
8. Location

FACTORS AFFECTING THE CHOICE OF DISTRIBUTION CHANNEL:

1. Market Consideration
2. Product Consideration
3. Company Consideration
4. Consumer Consideration

CHANNEL DYNAMICS:

1. VMS
2. HMS
3. Multi Channel Marketing System

CAUSES OF CHANNEL CONFLICT:

1. Goal incompatibility
2. Unclear roles and rights
3. Difference in perception
4. Intermediaries' great dependence on the manufacturer

MANAGING CHANNEL CONFLICT:

- The most important mechanism is the adoption of super ordinate goals.
- A useful conflict management device is the exchange of persons between two or more channel levels.
- Co-optation is an effort by one organization to win the support of the leaders of another organization by including them in advisory councils, boards of directors and the like.
- Much can be accomplished by encouraging joint membership in and between trade associations.
- When conflict is chronic or acute, the parties may have to resort to diplomacy, mediation or arbitration diplomacy takes place when each side sends a persons or group to other side to resolve the conflict to work more or less continuously with each other to avoid the flaring up of conflicts.

CHANNEL DESIGN:

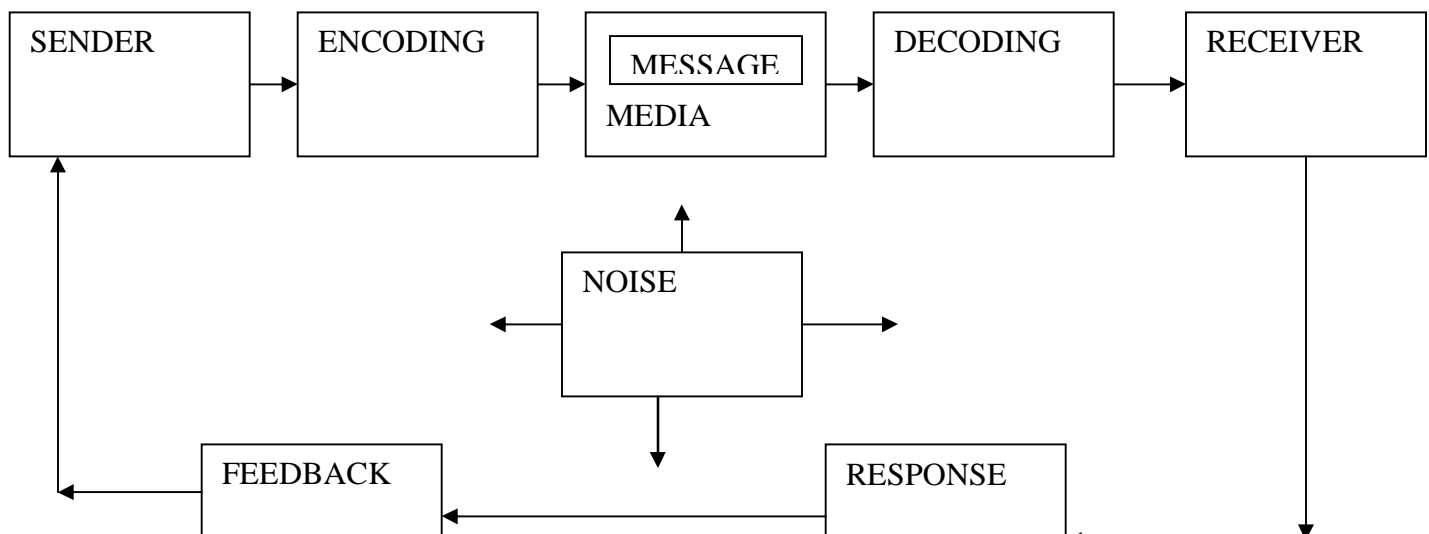
- Analyzing customer's desired service output levels.
- Establishing the channel objectives and constraints.
- Identifying the major channel alternatives.
- Evaluating the major channel alternatives.

MODULE – 7

PROMOTION:

IMC: It means mix of all the five major modes of communication.

- (i) Advertising
- (ii) Sales Promotion
- (iii) Public Relation & Publicity
- (iv) Personal Selling &
- (v) Direct Marketing



ELEMENTS IN THE COMMUNICATION PROCESS

DEVELOPING EFFECTIVE COMMUNICATION:

1. Identify the target audience
2. Determining the communication objective
3. Designing the message
4. Selecting the communication channel
5. Establishing the total promotion budget
6. Deciding on promotion mix
7. Measuring the promotion's results
8. Managing & co-ordination.

THE PROMOTIONAL TOOLS

1. Advertising:
2. Sales Promotion
3. Personal selling
4. Public Relations
5. Direct Marketing

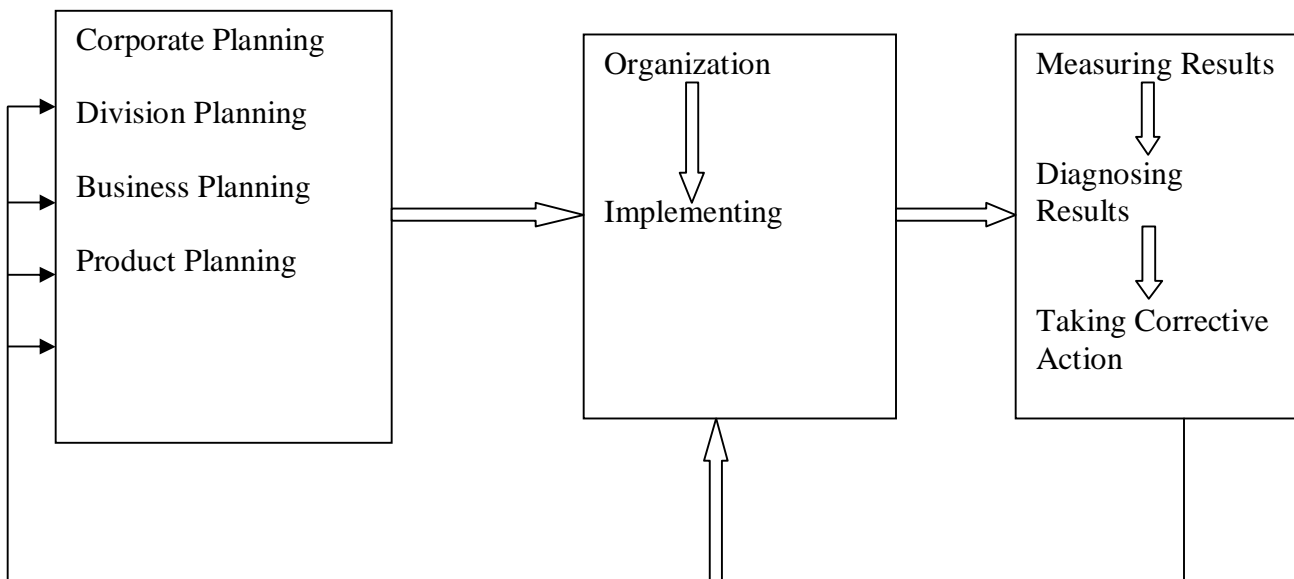
CRM:

It is a comprehensive approach for creating, maintaining and expanding customer relationships.

ECRM: CRM On electronic media.

MODULE- 8

MARKETING PLANNING:

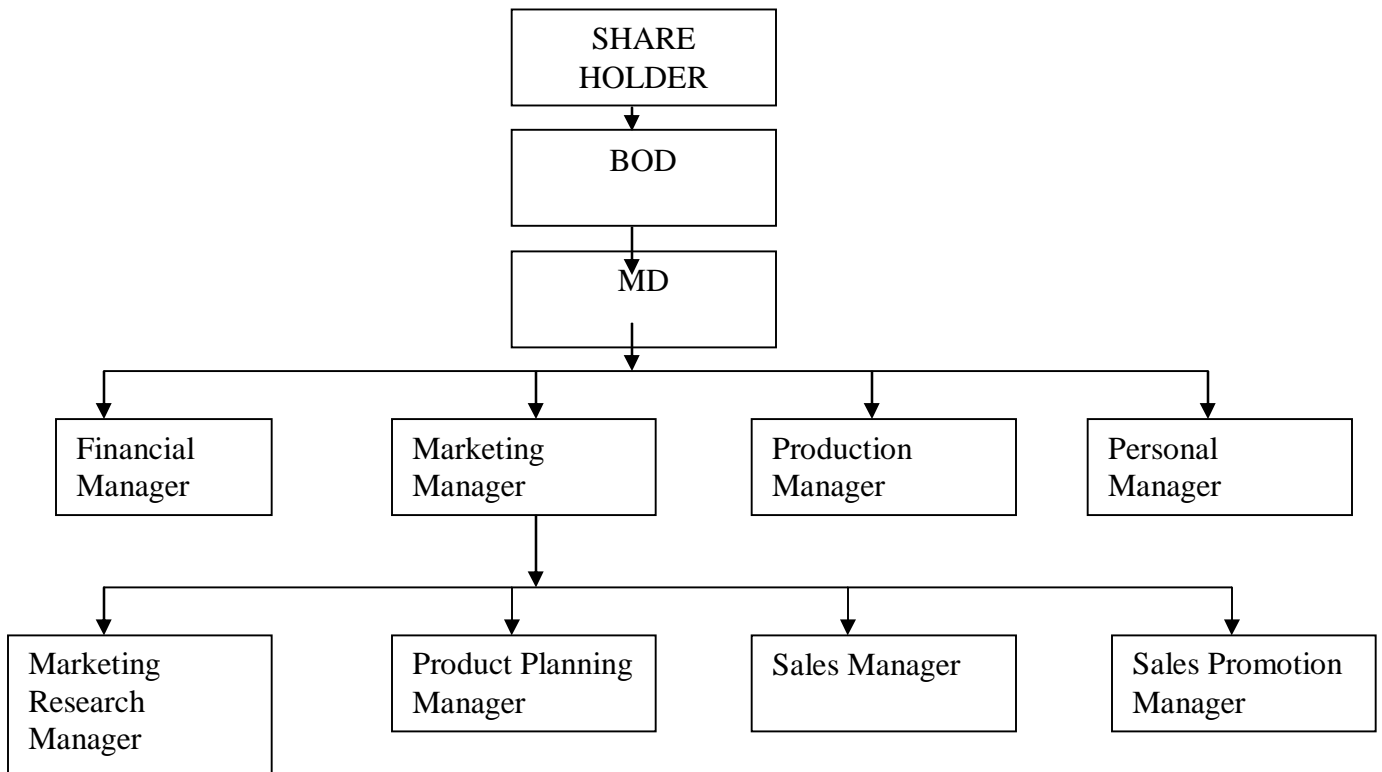


CONTENTS OF ANNUAL MARKETING PLAN:

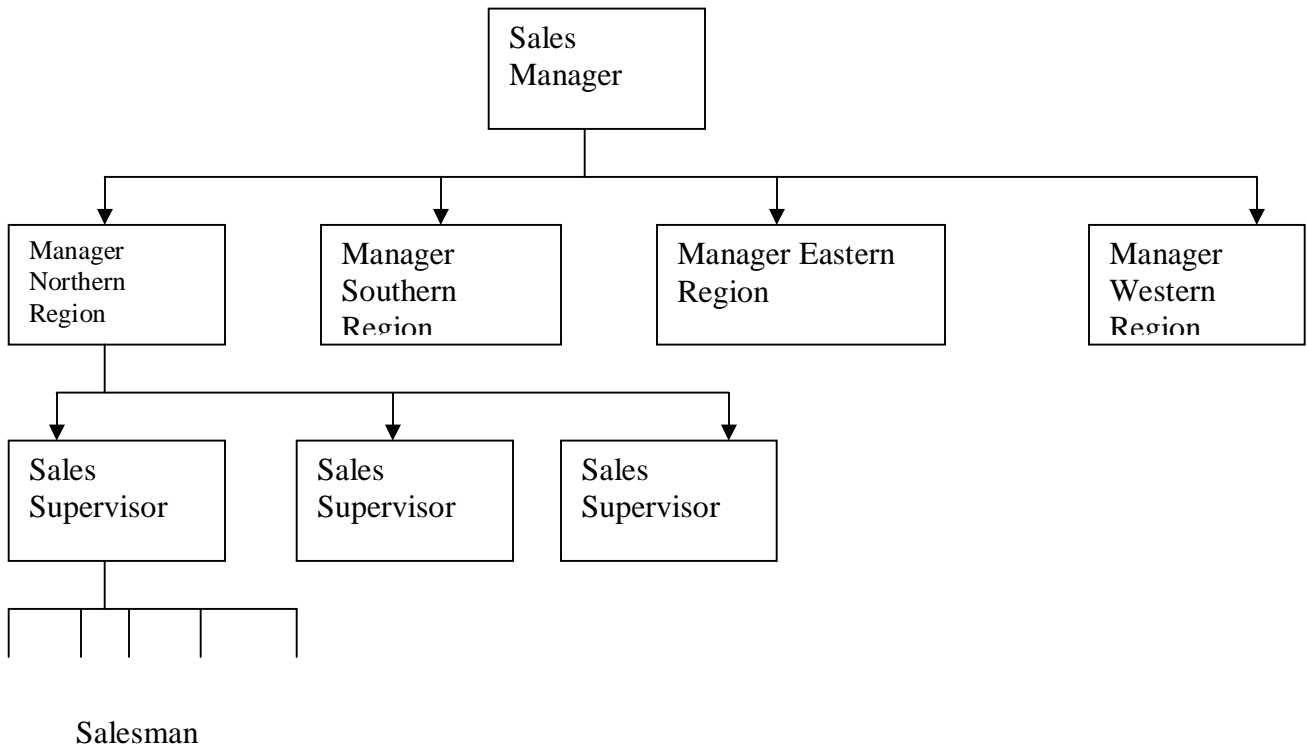
1. Executive Summary
2. Company Situation
3. Environment
4. Target Market
5. Objective
6. Strategy
7. Action Program
8. Anticipated Results
9. Contingency Plans
10. Appendixes

ORGANIZATION STRUCTURE AND TYPE:

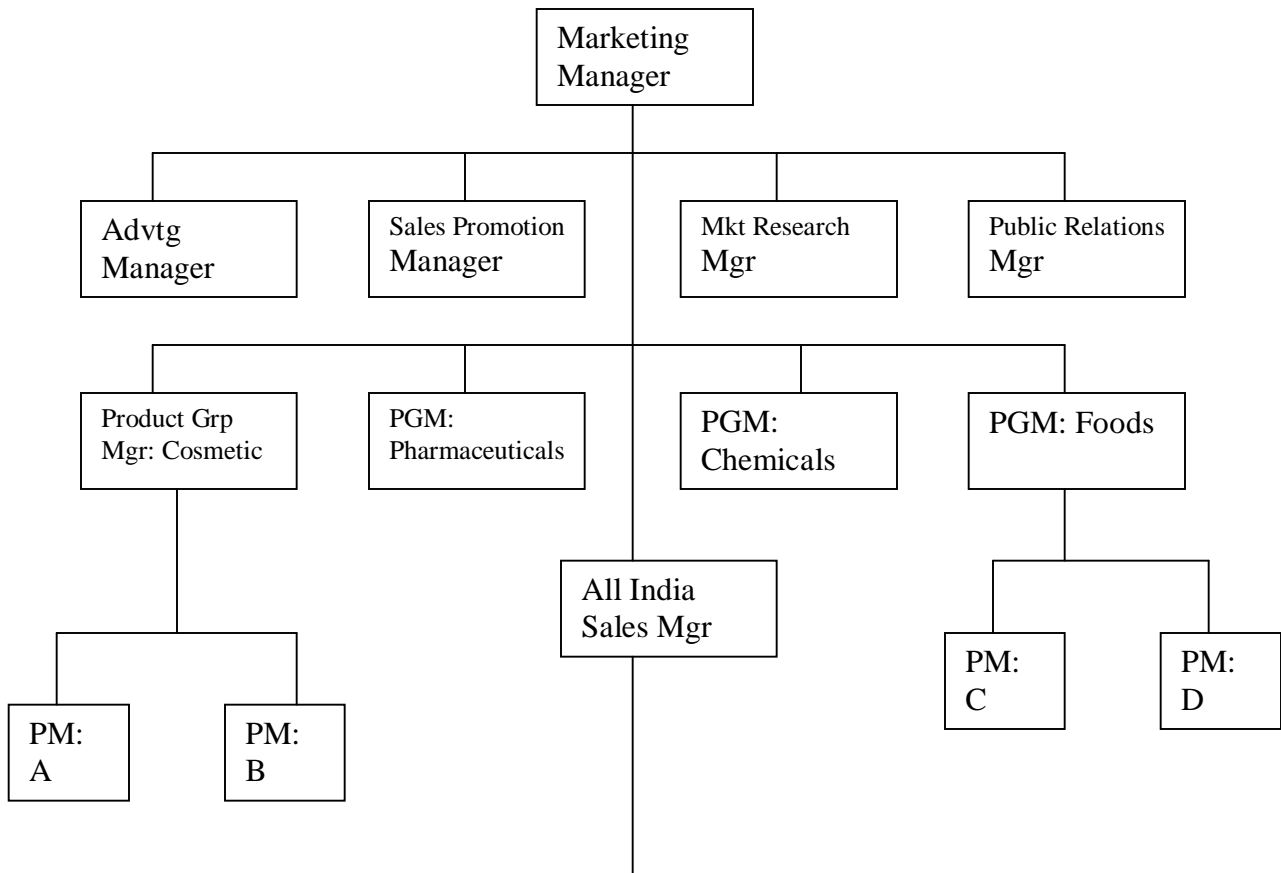
1. Functional Structure



(ii) Territorial Structure:



(iii) Product Type Structure:



MARKETING AUDIT:

It is a systematic critical and impartial review as well as appraisal of all aspects of the marketing operations. It is conducted to ascertain avenues of improvement in such activities.

STANDARDS:

1. Profit
2. Sales Volume
3. Market Share
4. Costs

Audits are periodic reviews of the entire marketing efforts of the firm. They are designed to point out the strengths & weaknesses of marketing plans, objectives, organisation, personnel and operating, procedures employed by the organisation. The idea is to appraise the overall condition of the marketing programs so that the firm can capitalize on its strengths and improve areas that are weak.

THE END