

MARKETING MANAGEMENT

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MODULE 1

Market Segmentation, Targeting and Positioning



Market Segmentation, Targeting and Positioning

- **Market Segmentation** is a process of dividing the market of potential customers into different groups and segments on the basis of certain characteristics. One of the major reasons marketers segment market is because they can create custom marketing mix for each segment and cater them accordingly.
- **Targeting** is a follow on process from segmentation, and is the process of actually determining the select markets and planning the advertising media used to make the segment appealing.
- **Positioning** is the final stage in the 'STP' process and focuses on how the customer ultimately views your product or service in comparison to your competitors and is important in gaining a competitive advantage in the market.

Importance & Basis of Market Segmentation

IMPORTANCE

- Target markets
- Market understanding
- Marketing mix
- Competitive position
- New opportunities
- Avoid mass- marketing
- More offerings
- Niche marketing

BASIS

- Gender
- Age group
- Income
- Marital status
- Occupation

Stages of Market Segmentation

- Determine the need of the segment
- Identifying the segment
- Identify the most attractive segment
- Identify the segment giving profit
- Positioning for the segment
- Expanding the segment
- Incorporating the segmentation into marketing strategy

Consumer Behaviour and Consumer Pattern

Consumer Behaviour is the study of individuals, groups, or organizations and all the activities associated with the purchase, use and disposal of goods and services, including the consumer's emotional, mental and behavioural responses that precede or follow these activities.

Consumption Patterns refer to expenditure patterns of income groups across or within categories of products, such as food, clothing, and discretionary items. The term consumption pattern has been used to mean different things across history and disciplines.

Steps in Consumer Buying Process

- Problem recognition
- Information search
- Evaluation of alternatives
- Purchase decision
- Post-purchase evaluation

Factors Influencing Consumer Buying

- Economic factor
- Functional factor include needs backed by a logic
- Marketing mix factors
- Personal factor include age, gender, occupation, lifestyle, social and economic status
- Psychological factors include perception, motivation, learning, beliefs and attitudes
- Social factors include reference groups, family, and social status.
- Cultural factors include race and religion, tradition, caste and moral values.

Consumer Relations Management

- Customer relationship management (CRM) is an approach to manage a company's interaction with current and potential customers.
- CRM is the combination of practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving customer service relationships and assisting in customer retention and driving sales growth.



MODULE 2

Product Development and Marketing

Product and Its Features

- In marketing, a product is an object or system made available for consumer use; it is anything that can be offered to a market to satisfy the desire or need of a customer.
 - Product is one of the elements of marketing mix
 - Different people (Mgt, society and consumers) perceive it differently.
 - Product includes both good and service.
 - Product includes total offers, including main qualities, features, and services.
 - It includes tangible and non-tangible features or benefits.
 - It is a vehicle or medium to offer benefits and satisfaction to consumers.

Classification of Goods

- **Convenience Goods**-Such products improve or enhance users' convenience like soaps, biscuits, toothpaste, razors and newspapers, etc.
- **Shopping Goods**-These products require special time and shopping efforts. Quality, price, brand, fashion, style, getup, colour, etc., are important criteria to be considered.
- **Durable Goods**-Durable products can last for a longer period and can be repeatedly used by one or more persons like Television, computer, etc.
- **Non-durable Goods**-They must be consumed within short time after they are manufactured like fruits, vegetables, flowers, etc.

Product Innovation & Product Strategy

- Product innovation is the creation and subsequent introduction of a good or service that is either new, or an improved version of previous goods or services. It includes the initiatives, methods, techniques, and processes for making incremental improvements to existing products and services.
- Product strategies deal with such matters as number and diversity of products, product innovations, product scope, and product design. A company's product strategy is duly related to market strategies that eventually come to dominate both overall strategy and the spirit of the company.

Types of Product Strategies

- Product-positioning strategy
- Product-repositioning strategy
- Product-overlap strategy
- Product-scope strategy
- Product-design strategy
- Product-elimination strategy
- New product strategy
- Diversification strategy
- Value marketing strategy

Product Development & Stages

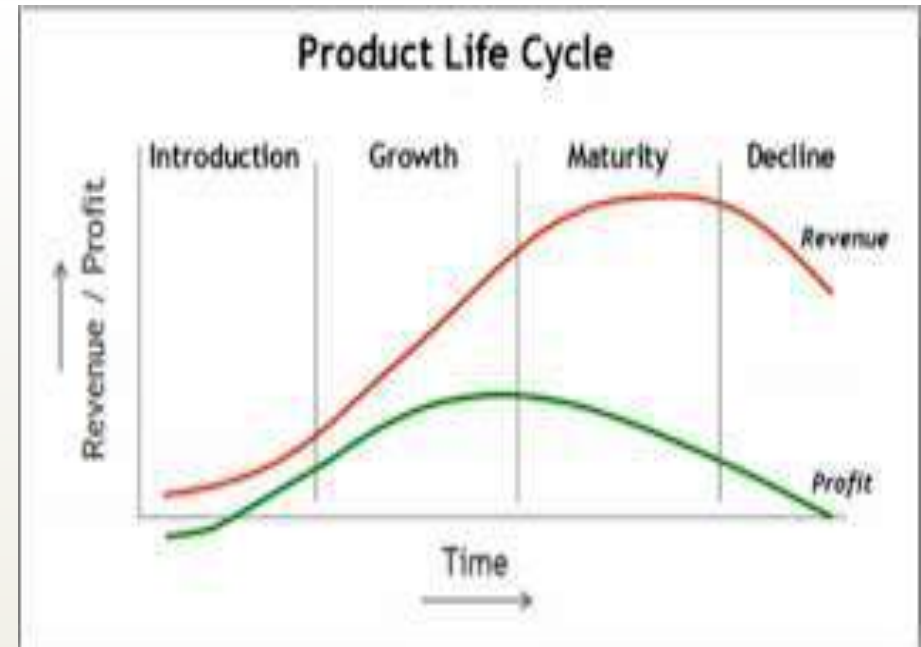
- Product development refers to all of the stages involved in bringing a product from concept or idea, through market release and beyond.
- It may involve modification of an existing product or its presentation, or formulation of an entirely new product that satisfies a newly defined customer want or market niche.
- The stages include: Idea generation & evaluation, concept definition, strategic analysis, product development and testing, market testing, commercialisation, and product launch

Product Mix & Goals

- Product mix, also known as product assortment, refers to the total number of product lines a company offers to its customers.
- Maintaining high product width and depth diversifies a firm's product risk and reduces dependence on one product or product line.
- Expanding the width can provide the firm with the ability to satisfy the needs or demands of different consumers and diversify risk.
- Expanding the depth can provide the firm with the ability to readdress and better fulfill current consumers.

Product Life Cycle

- A new product progresses through a sequence of stages from introduction to growth, maturity, and decline. This sequence is known as the product life cycle
- The stages include: introduction, growth, maturity and decline



Module 3

Product Pricing and Promotion



Significance of Product Pricing

- Pricing is the art of translating into quantitative terms the value of a product to customers at a point of time. Pricing helps the company in-
 - Recovering costs
 - Earning profits
 - Combating competitors
 - Creating a brand
 - Deciding the marketing strategy

Factors Affecting Price Determination

- Product characteristics like product life cycle, the product perishability, etc.
- Product cost including fixed cost, variable cost, and incremental cost.
- Objectives of the firm
- Competitive situation
- Demand for the product
- Customers' behaviour
- Government regulations

Pricing Strategies of Products & Services

- Skim Pricing- Set prices at the highest level
- Penetration Pricing-Set prices the lowest level
- Odd Pricing or Psychological Pricing- Odd- ending prices, such as 11.98 or 40.95
- One Price System or Variable Price System
- Price Lining- Selecting a limited number of prices at which products will be sold, such as Rs.9.95, Rs.12.95 and Rs.18.95
- Leader Pricing- advertising one or a few products at a price below cost to attract customers.
- Follow the Market Pricing

Product Promotion-Significance

Promotion includes all the activities of the company undertake to communicate and promote its product to the target market. Its significance include:

- Sales of the goods in imperfect market
- Filling the gap between producers and consumers
- Facing intense competition
- Large scales selling
- Higher standard of living
- More employment
- Increase trade pressure
- Effective sales support
- Increased speed of product acceptance

Promotion Mix-Goals

- Promotion mix refers to the blend of several promotional tools used by the business to create, maintain and increase the demand for goods and services. Elements of a promotion mix may include print or broadcast advertising, direct marketing, personal selling, point of sale displays, etc. Its goals include:
- Inform potential and current customers of a new product or service or an improvement to an existing product.
- Encourage the customer to take a specific action, such as purchasing a product.
- Remind customers about existing products on the market.

Factors Influencing Promotion Mix

- Nature of product such as industrial products consumer products etc. products Viz.
- Nature of market
- Stage of product's life
- Availability of funds
- Nature of technique
- Promotional strategy such as push strategy or a pull strategy
- Readiness of buyer

Forms of Promotion

- Personal selling
- Advertising
- Sales promotion
- Publicity
- Public relation
- Point of purchase display
- Packaging
- Direct mail
- Other forms of promotion such as sample., coupons etc.

Sales Promotion Techniques

- Sales promotion is the process of persuading a potential customer to buy the product.
- The techniques include:
 - (i) Rebate, (ii) Discounts, (iii) Refunds, (iv) Premiums or Gifts/or Product Combination, (v) Quantity deals, (vi) Samples, (vii) Contests, (viii) Instant draws and assigned gifts, (ix) Lucky draw, (x) Usable benefits, (xi) Full finance @ 0%, (xii) Packaged premium (xiii) Container premium

Advertisement-Objectives

- Paid, non-personal, public communication about causes, goods and services, ideas, organizations, people, and places, through means such as direct mail, telephone, print, radio, television, and internet.
- (i) Introduce a product, (ii) Introduce a brand, (iii) Awareness creation, (iv) Acquiring customers or Brand switching, (v) Differentiation and value creation, (vi) Brand building, (vii) Positioning the product, (viii) Increase sales, (ix) Increase profits, (xi) Create desire, (xii) Call to action

Types of Advertisement

- Display ads
- Social media ads
- Newspapers and magazines
- Outdoor advertising
- Radio/TV
- Direct mail and personal sales
- Video ads
- Product placement
- Event marketing
- Email marketing

Advertisement Copy-Features

- An advertising copy is a term used to describe the main text used in the advertisement. The text could be a dialogue, a catchy punch line or a company's dictum. The copy should (be) -
 - Simple
 - capable of holding the reader's attention
 - Suggestive
 - True
 - Conviction value
 - Educate the people
 - Memorising value

Personal Selling

- Personal selling is also known as face-to-face selling or salesmanship in which one person who is the salesman tries to convince the customer in buying a product.
- It is a promotional method by which the salesperson uses his or her skills and abilities in an attempt to make a sale.
- In personal selling, the salesperson tries to highlight various features of the product to convince the customer that it will only add value.



Module 4

Managing Logistics and Channels of Distribution

Managing Logistics

- Logistics is the management of the flow of things between the point of origin and the point of consumption in order to meet requirements of customers or corporations.
- The resources managed in logistics may include tangible goods as well as food and other consumable items.
- Elements of logistics management include:
 - Selecting appropriate vendors with the ability to provide transportation facilities
 - Choosing the most effective routes for transportation
 - Discovering the most competent delivery method
 - Using software and IT resources to proficiently handle related processes

Types of Logistics

Logistics can be split into five types:

- Procurement logistics,
- Production logistics,
- Sales logistics,
- Recovery logistics, and
- Recycling logistics



Channel of Distribution

- A distribution channel in marketing refers to the path or route through which goods and services travel to get from the place of production or manufacture to the final users
- The methods of direct channel are: (a) Door to door selling, (b) Internet selling, (c) Mail order selling, (d) Company owned retail outlets, and (e) Telemarketing
- The main forms of indirect channels: (a) Manufacturer-Retailer-Consumer (One Level Channel) (Manufacturer→ Retailer→ Consumer), (b) Manufacturer-Wholesaler-Retailer-Customer (Two level channels) (Manufacturer→ Wholesaler→ Retailer→ Customer), (c) Manufacturer-Agent-Wholesaler-Retailer-Consumer (Three level channels) (Manufacturer → Agent → Wholesaler → Retailer → Consumer)

Marketing Channel System

- With open proliferation of information, customer expectations are reaching new heights. Companies need to figure out the right channel mix with multi channels' strategies.
- Types of Marketing Channel System
 - Vertical marketing system- Here the main members of a distribution channel- producer, wholesaler, and retailer-work together as a unified group in order to meet consumer needs.
 - Horizontal marketing system- Here two or more companies at the same level unrelated to each other come together to gain the economies of scale.

Marketing Systems

- A market system is the network of buyers, sellers and other actors that come together to trade in a given product or service.
- The participants in a market system include:
 - Direct market players– producers, buyers and consumers who drive economic activity in the market,
 - Suppliers of supporting goods and services such as finance, equipment and business consulting, and
 - Entities that influence the business environment such as regulatory agencies, infrastructure providers and business associations

Issues Involved in Creating Distribution Channels

- The issues involved in creating distribution channels include
 - Marketing Decision Issues
 - Product issues, promotional issues, pricing issues, target market issues
 - Channel Relationship Issues
 - Products, delivery, profit margin, other incentives, packaging, training, promotional help

Factors Determining Channels of Distribution

- Factors Pertaining to the Product
 - Price of the product, perishability, size and weight, technical nature, goods made to order, after-sales service
- Factors Pertaining to the Consumer or Market
 - Number of customers, expansion of the consumers, size of the order, objective of purchase, need of the credit facilities
- Factors Pertaining to the Middlemen
 - Services provided by middlemen, scope or possibilities of quantity of sales, attitude of agents towards the producers' policies, cost of channel of distribution
- Factors Pertaining to the Producer Or Company
 - Level of production, financial resources of the company, managerial competence and experience

Distribution Intensity

- Distribution intensity is the level of a product's availability in a market selected by a marketer.
- The level of distribution intensity the marketer chooses is often dependent on factors such as the size of the target market, pricing and promotion and production capacity, in addition to the amount of service the product will need after its purchase if applicable.
- There are three levels of distribution intensity.
 - Intensive distribution
 - Selective distribution
 - Exclusive distribution

Module 5



Recent Trends in Marketing

Recent Trends in Marketing

- Both market and marketing are changing radically as result of major forces such as technological advances, globalization and the regulations. Now a days give more emphasis on-
 - Quality, value, and customer satisfaction
 - Relationship building and customer retention
 - Managing business processes and integrated business functions
 - Global thinking and local market planning
 - Strategic alliances and networks
 - Direct and online marketing
 - Services marketing
 - Ethical marketing behaviour
 - High tech industries

Direct Marketing

- Direct marketing is a type of advertising campaign that seeks to bring an action in a selected group of consumers (such as an order, visit the store or the website or a request for information) in response a communication by the marketer. This communication can take many different formats, such as postal mail, telemarketing, and point of sale
- Direct marketing allows you to promote your product or service directly to your target people most in need and measure results quickly.

E-Marketing

- E-Marketing (Electronic Marketing) are also known as Internet Marketing, Web Marketing, Digital Marketing, or Online Marketing.
- E-marketing is the process of marketing a product or service using the Internet.
- E-marketing not only includes marketing on the Internet, but also includes marketing done via e-mail and wireless media.
- It uses a range of technologies to help connect businesses to their customers.

Telemarketing

- Telemarketing is the process of using the telephone to generate leads, make sales, or gather marketing information. Telemarketing can be a particularly valuable tool for small businesses, in that it saves time and money as compared with personal selling, but offers many of the same benefits in terms of direct contact with the customers.
- The main benefit of using telemarketing to promote business is that it allows immediately gauge your customer's level of interest in your product or service.

M-Business

- M-business relates to e-business as m-commerce relates to e-commerce
- 'Mobile e-commerce, commonly referred to as m-commerce (m-business), is the ability to purchase goods anywhere through a wireless Internet-enabled device'.
- M-business should combine Internet, wireless technologies, and e-business indicating that m-business includes aspects of information, services, and products with mobile devices on wireless network infrastructures.
- While e-business provides convenience and personalization to some extent, m-business, due to the technology, provides specific advantages of mobility and localization.

Relationship Marketing

- Relationship marketing is a facet of customer relationship management (CRM) that focuses on customer loyalty and long-term customer engagement rather than shorter-term goals like customer acquisition and individual sales.
- The goal of relationship marketing (or customer relationship marketing) is to create strong, even emotional, customer connections to a brand that can lead to ongoing business, free word-of-mouth promotion and information from customers that can generate leads.
- Relationship marketing stands in contrast to the more traditional transactional approach, which focuses on increasing the number of individual sales.

Concept Marketing & Virtual Marketing

- A strategy that firms implement to satisfy customers needs, increase sales, maximize profit and beat the competition. Production concept, Product concept, Selling concept, Marketing concept, Societal marketing concept are the five marketing concepts that organizations adopt and execute
- Viral marketing, also called viral marketing is that which is able to generate interest and the potential sale of a brand or product through messages that spread like a virus, in other words, quickly, and from person to person. The idea is for it to be the users themselves that choose to share the content.

Social Marketing & Green Marketing

- Social marketing is the systematic application of marketing along with other concepts and techniques to achieve specific behavioural goals for a social good. For example, this may include asking people not to smoke in public areas, asking them to use seat belts or prompting to make them follow speed limits.
- Green marketing (also known as eco-marketing or sustainable marketing) is the practice of marketing the offering based on its environmental benefits. It is a practice of marketing the products that are environmentally friendly in themselves and have green benefits, or the eco-friendly business practices that are used for its production.

De-marketing & Re-marketing

- The use of advertising to decrease demand for a product that is in short supply. De-marketing may be adopted because of multiple reasons, viz. the supply cannot meet the demand, resources, especially natural resources, must be conserved, save the consumer from potential harm, such as from alcohol or tobacco etc.
- Remarketing (also known as retargeting) is the tactic of serving targeted ads to people who have already visited or taken action on your website.

Synchro Marketing & Service Marketing

- Synchro marketing is marketing process which solves the problem of irregular demand pattern of a product. For example a Beach side hotel is overcrowded during evening time, whereas it is almost like desert during morning hours.
- Service marketing is marketing based on relationship and value. It may be used to market a service or a product. Marketing services is different from marketing goods because of the unique characteristics of services namely, intangibility, and heterogeneity, perish ability and inseparability.