

**DEPARTMENT OF BUSINESS ADMINISTRATION
GOVERNMENT ARTS COLLEGE (AUTONOMOUS), COIMBATORE – 18**

MARKETING MANAGEMENT

UNIT - I Marketing management – Definitions, meaning of Market - classifications – Nature and scope of marketing – marketing process – Functions of marketing.

UNIT – II Marketing environment: Factors affecting the marketing functions - Market segmentation, Targeting and Positioning - Marketing mix - Buyer Behaviour – Buying motives – Buying decision process.

UNIT - III The product – Classification of products - Product Life Cycle (PLC) – New product planning - Product Modification - Elimination – Product failure – Branding – Features – Types of brands – Packaging – Functions - Kinds.

UNIT - IV Pricing: Meaning – Pricing Objectives - Factors influencing Pricing decisions – Methods of pricing – Promotion - Objectives - Promotion mix – Forms of Promotion.

UNIT – V Physical Distribution – Functions - Wholesaler – Characteristics – Services of wholesalers - Retailer – Functions – Mode of transportation – E - marketing.

Text Book

Rajan Nair - Marketing management

Reference Books

1. Philip Kotler - Marketing Management

2. Cundiff and Still - Fundamentals of modern Marketing

3. R S N Pillai Bagavathi - Modern marketing management

UNIT I

Subject Name	Subject Code	Semester	Prepared by
Marketing Management	18BBA33C	III	Dr.R.Geetharamani, Assistant Professor

Marketing management is 'the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value' by **Philip Kotler**

A market is where buyers and seller meet to exchange goods and services.

Classification of Markets

Now we have seen what a market is. Let us learn more about the classification of markets. Broadly there are two classifications of markets – the product market and the factor market. The factor market refers to the market for the buying and selling of factors of production like land, capital, labor, etc. The other classifications of markets are as follows,

on the Basis of Geographic Location

- **Local Markets:** In such a market the buyers and sellers are limited to the local region or area. They usually sell perishable goods of daily use since the transport of such goods can be expensive.

- **Regional Markets:** These markets cover a wider area than local markets like a district, or a cluster of few smaller states
- **National Market:** This is when the demand for the goods is limited to one specific country. Or the government may not allow the trade of such goods outside national boundaries.
- **International Market:** When the demand for the product is international and the goods are also traded internationally in bulk quantities, we call it an international market.

On the Basis of Time

- **Very Short Period Market:** This is when the supply of the goods is fixed, and so it cannot be changed instantaneously. Say for example the market for flowers, vegetables. Fruits etc. The price of goods will depend on demand.
- **Short Period Market:** The market is slightly longer than the previous one. Here the supply can be slightly adjusted.
- **Long Period Market:** Here the supply can be changed easily by scaling production. So it can change according to the demand of the market. So the market will determine its equilibrium price in time.

On the Basis of Nature of Transaction

- **Spot Market:** This is where spot transactions occur, that is the money is paid immediately. There is no system of credit

- **Future Market:** This is where the transactions are credit transactions. There is a promise to pay the consideration sometime in the future.

On the Basis of Regulation

- **Regulated Market:** In such a market there is some oversight by appropriate government authorities. This is to ensure there are no unfair trade practices in the market. Such markets may refer to a product or even a group of products. For example, the stock market is a highly regulated market.
- **Unregulated Market:** This is an absolutely free market. There is no oversight or regulation, the market forces decide everything

Types of Marketing Entities:



Goods: Any product manufactured in mass quantity, requires proper marketing to make it available to its consumers located in different places of the country or world.

For example; Mobile phones manufactured in China and sold all over the world

Services: An economic activity performed to meet the consumer's demand, needs, promotion and marketing.*For example;* Ola cabs providing for local taxi services

Events: Various trade fairs, live shows, local events and other promotional events need advertising and publicity.*For example;* Indian Fashion Expo is the event where leading fashion houses participate in displaying exhibit their creation needs marketing to reach customers, manufacturers and traders.

Experiences: It even organises and customises the impression made by certain goods and services to fulfil the customer's wish.*For example;* A Europe trip package provided by makemytrip.com or tripadvisor.com

Persons: A person who wants to promote his skills, profession, art, expertise to acquire customers, take the help of marketing functions.*For example;* A chartered accountant updates his profile over linkedin.com to publicise his skills and talent to reach clients.

Places: Marketing of tourist places, cities, states and countries helps to attract visitors from all over the world.*For example;* India's Ministry of Tourism promoting India through 'Incredible India' campaign

Properties: It provides for selling of tangible and intangible properties like real estate, stocks, securities, debentures, etc. *For example;* Real estate agents publicise the residential plots to investors

Organizations: Several corporations and non-profit organisations like schools, colleges, universities, art institutes, etc. create and maintain a public impression through marketing. *For example;* Circulars and advertisements made by colleges as ‘admission open.’

Information: Certain information related to healthcare, technology, science, media, law, tax, market, finance, accounting, etc. have to demand among the corporate decision-makers who are marketed by some leading information agencies.

For example; Bloomberg provides all current financial, [business](#) and market data

Ideas: Brands market their products or services through advertisements spreading a social message to connect with the consumers.

For example; Idea 4G’s advertisement spreading the message of ‘sharing our real side.’

Nature of Marketing

Marketing is a complex function and does not sum up to sales alone.



- **Managerial Function:** Marketing is all about successfully managing the product, place, price and promotion of business to generate revenue.
- **Human Activity:** It satisfies the never-ending needs and desires of human beings.
- **Economic Function:** The crucial second marketing objective is to earn a profit.
- **Both Art and Science:** Creating demand for the product among consumers is an art and understanding human behaviour, and psychology is a science.
- **Customer-Centric:** Marketing strategies are framed with the motive of customer acquisition.
- **Consumer-Oriented:** It practices market research and surveys to know about consumer's taste and expectations.
- **Goal-Oriented:** It aims at accomplishing the seller's profitability goals and buyer's purchasing goals.

- **Interactive Activity:** Marketing is all about exchanging ideas and information among buyers and sellers.
- **Dynamic Process:** Marketing practice keeps on changing from time to time to improve its effectiveness.
- **Creates Utility:** It establishes utility to the consumer through four different means; form (kind of product or service), time (whenever needed), place (availability) and possession (ownership).

Objectives of Marketing

Marketing majorly focuses on achieving consumer satisfaction and maximising profits.

Following are the illustration of different aims of marketing practices:



- **Customer Satisfaction:** The primary motive of a company is to satisfy the needs of customers.
- **Ensure Profitability:** Every business is run for profit, and so goes for marketing.

- **Building Organizational Goodwill:** It portrays the product and the company's positive image in front of the customers.
- **Create Demand:** It works for generating the demand for products and services among the customers.
- **Increase Sales Volume:** It is a rigorous process of increasing the sale of product or service to generate revenue.
- **Enhance Product Quality:** Marketing initiates customer feedback and reviews to implement them for product enhancement.
- **Create Time and Place Utility:** It makes sure that the product or service is available to the consumer whenever and wherever they need it.

Functions of Marketing

Marketing is not just selling off goods and services to the customers; it means a lot more than that.

It starts with the study of the potential market, to [product development](#), to market share capturing, to maintain cordial relations with the customers.

Following multiple operations of marketing helps the business to accomplish long-term goals:



Market Research: A complete research on competitors, consumer expectations and demand is done before launching a product into the market.

Market Planning: A proper plan is designed based on the target customers, market share to be captured and the level of production possible.

Product Design and Development: Based on the research data, the product or service design is created.

Buying and Assembling: Buying of raw material and assembling of parts is done to create a product or service.

Product Standardisation: The product is graded as per its quality and the quality of its raw materials.

Packaging and Labelling: To make the product more attractive and self-informative, it is packed and labelled listing out the ingredients used, product use, manufacturing details, expiry date, etc.

Branding: A fascinating brand name is given to the product to differentiate it from the other similar products in the market.

Pricing of the Product: The product is priced moderately keeping in mind the value it creates for the customer and cost of production.

Promotion of the Product: Next step is to make people aware of the product or service through advertisements.

Warehousing and Storage: The goods are generally produced in bulks and therefore needs to be stored in warehouses before being sold in the market in small quantities.

Selling and Distribution: To reach out to the consumers spread over a vast geographical area, selling and distribution channels are to be selected wisely.

Transportation: Transportation means are decided for transfer of the goods from the manufacturing units to the wholesalers, retailers and consumers.

Customer Support Service: The marketing team remains in contact with the customers even after selling the product or service to know the customer's experience, and the satisfaction derived.

Marketing Process: 5 Steps of Marketing Process

Marketing is the process by which companies create value for customers and building strong customer relationships to capture value from customers in return. 5 step process of the marketing framework wherein value is created for customers and marketers capture value from customers in return.

1. Understanding the Marketplace and Customer Needs and Wants.
2. Designing a Customer-Driven Marketing Strategy.
3. Constructing an integrated marketing plan that delivers superior value.
4. Build Profitable Relationships.
5. Capturing Value from Customers.



Step 1: Understanding The Marketplace And Customer Needs And Wants

It is important to understand customer needs, wants and demands to build want-satisfying market offerings and building value-laden customer relationships. This increases long-term customer equity for the firm.

Needs – States of felt deprivation

They include the physical need for necessities like food, clothing, shelter, warmth, safety and individual needs for knowledge and self-expression. These needs cannot be created by the marketers as they are a basic part of human makeup.

Wants – The forms of human needs take as shaped by culture and individual personality.

Wants are shaped by one's society and are described in terms of objects that will satisfy needs.

For example; an American in Dhaka needs food but wants McDonald's.

Demands – Human wants that are backed by buying power

Given their wants and resources, people demand products with benefits that add up to the most value and satisfaction.

Step 2: Designing A Customer-Driven Marketing Strategy

Focus areas for designing a marketing strategy:

- Selecting customers to serve -defining the target market
- Deciding how to serve customers in the best way – choosing a value proposition

Selecting customers to serve:

The company first decides who it will serve and divides the market into segments of the customer. Then it goes after specific sections of the market or its target market.

They target customers based on their level, timing, and nature of demand.

Choosing a value proposition

They decide how it will serve their customer that is how it will differentiate and position itself in the market. A brand's value proposition is the set of values and benefits that it promises to deliver its customers.

Companies need to design strong value propositions to give them the greatest advantage in their target markets.

5 alternative concepts for designing a customer-driven marketing strategy, are;

1. **Production concept:** Consumers will favor products that are available and highly affordable. Management should focus on improving production and distribution efficiency.
2. **Product concept:** Consumers will favor products that offer most in quality, performance and innovative features. Focus on making continuous product improvements.
3. **Selling concept:** Consumers will not buy enough of the firm's products unless it undertakes a large-scale selling and promotion effort. It is typically practiced with

unsought goods that the company needs to sell and generally results in aggressive selling practices. The company sells what it makes rather than what the market wants.

4. **Marketing concept:** Organizational goals are achieved by knowing the needs and wants of the target markets and delivering the desired satisfactions better than competitors do.
5. **Societal concept:** Marketing strategy should deliver value to customers in such a way that improves both customers as well as society's well being and long-run interests.

Step 3: Constructing an integrated marketing plan that delivers superior value

The company's marketing strategy outlines which customers the company will serve and how it will create value for these customers. Then the marketer develops integrated marketing plans that will the intended value to target customers.

It consists of the firm's marketing mix (4Ps), the set of marketing tools the firm uses to implement its marketing strategy.

The marketing program builds customer relationships by transforming the marketing strategy into action.

For this, it needs to blend all of these marketing tools into a comprehensive integrated marketing program that communicates and delivers the expected value to the customers.

Step 4: Build Profitable Relationships

Customer relationship management is the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.

Customer relationship management aims to produce high customer equity, the total combined customer lifetime values of all of the company's customers.

The key to building lasting relationships is the creation of superior customer value and satisfaction.

Companies today not only want to acquire profitable relationships but also to build relationships that will increase their share of the customer portion of the customers purchasing that a company gets in its product categories.

Step 5: Capturing Value From Customers

The ultimate aim of customer relationship management is to produce high Customer equity – total combined lifetime values of all of the company's current and potential customers.

More loyal to the company's profitable customers, higher are the customer equity. Customer equity may even be a better way to measure the company's performance than market share or current sales.

Marketers cannot create customer value and build customer relationships by themselves. They need to work closely with other company departments and with partners outside the firm.

In addition to being good at customer relationship management, they also need to be good at partner relationship management.

The Content in the E-Material has been taken from the text and reference book as given in the Syllabus