1

INTRODUCTION TO MARKETING

Unit Structure :

1.1 INTRODUCTION

Meaning:

Marketing is the process of getting the right goods or services or ideas to the right people at the right place, time, and price, using the right promotion techniques and utilizing the appropriate people to provide the customer service associated with those goods, services, or ideas.

Marketing is a form of communication between a business house and its customers with the goal of selling its products or services to them. Goods are not complete products until they are in the hands of customers. Marketing is that management process through which goods and services move from concept to the customer. Marketing has less to do with getting customers to pay for a product as it does with developing a demand for that product and fulfilling the customer's needs.

According to the American Marketing Association (AMA) Board of Directors, Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Dr. Philip Kotler defines marketing as "the science and art of exploring, creating and delivering value to satisfy the needs of a target market at a profit".

Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services.

1.2 FEATURES OF MARKETING:

Some of the most important features of marketing are as follows:

1. **Customer focus:**

   The marketing function of a business is customer-centred. It makes an attempt to study the customer needs, and goods are produced accordingly. The business existence depends on human needs. In a competitive market, the goods that are best suited to the customer are the ones that are well-accepted. Hence, every activity of a business is customer-oriented.

2. **Customer satisfaction:**

   A customer expects some services or benefits from the product for which payment is made. If this benefit is more than the amount paid, then the customer is satisfied. In the long run, customer satisfaction helps to retain market demand. It helps achieve organizational objectives. Customer satisfaction can be enhanced by providing value-added services, which includes providing additional facilities at little or no extra cost.

3. **Objective-oriented:**

   All marketing activities are objective-oriented. Different objectives are fixed at different levels, but the main objective is to earn profit from business along with the satisfaction of human wants. Marketing activities undertaken by sellers make an attempt to find out the weaknesses in the existing system, and measures are taken to improve the shortfalls so that the objectives are achieved.

4. **Marketing is both art and science**:

   Art refers to a specific skill that is required in marketing activities of any type of business. Science refers to a systematic body of knowledge, based on facts and principles. The concept of marketing includes a bunch of social sciences such as economics, sociology, psychology and law. It indicates market operations based on some principles. Hence, marketing is an art as well as a science.

5. **Continuous and regular activity:**

   Marketing is an activity designed to plan, price, promote and distribute products. At the same time, it also addresses both the current and future consumers. Thus, it is a continuous process. A marketer has to consistently monitor environment. This helps in coming up with new products.

6. **Exchange process:**

   Marketing involves exchange of goods, services and ideas with the medium of money. Exchange takes place between sellers and buyers.

Most of marketing activities are concerned with the exchange of goods. Functions such as distribution, after-sale services and packaging help in the exchange process. Channels of distribution and physical distribution play an important role in the exchange process by creating place utility.

7. Marketing environment:

Economic policies, market conditions, and environmental factors, such as political, technological, demographic and international, influence marketing activities. Marketing activities are inseparable from such environmental factors. A successful marketer needs to adapt to these changing factors and adjust marketing strategies to suit new market developments.

8. Marketing mix:

A combination of four inputs constitutes the core of a company's marketing system—product, price, place, and promotion. Marketing mix is a flexible combination of variables. They are influenced by consumer behaviour, trade factors, competition and government regulatory measures.

9. Integrated approach:

The marketing activities must be co-ordinated with other functional areas of an organization. Functions such as production, finance, research, purchasing, storekeeping and public relations (PR) are to be integrated with marketing. This will help in achieving organizational objectives. Otherwise, it will result in organizational conflicts.

10. Commercial and non-commercial organizations:

With the societal marketing concept gaining importance, social marketers are finding useful new ways of applying marketing principles. Commercial organizations are also adopting cause-related marketing to strike long-term relations with consumers.

Business organizations such as educational institutions, hospitals, religious institutions and charitable trusts have also found meaningful applications of marketing. Thus, marketing is applicable to both business and non-business organizations.

11. Precedes and follows production:

Identifying consumer needs and wants is the primary task of a marketing manager. Production activities are adapted to these consumer needs. Thus, marketing precedes production. Marketing helps in the distribution of the goods which follows production. Hence, production and marketing activities are closely related to each other.

1.3 SCOPE OF MARKETING

1. **Product design**

   Product design is the four most important elements in marketing the communication **needs & problems of the consumer** have to be considered before marketing a new product design.

2. **Implementation of product**

   Once the decision is finalized about the design of the product more focus should be there on communication with the production department regarding the implementation of product features.

3. **Pricing of Product**

   Pricing is the most important aspect of the product because it only decides the major buying decision of the consumer**.** So if the product is very new to the market correct & affordable pricing should be done.

4. **Selection of Layout**

   The layout is the place where actually the product /services will be availed so more focus should be done on the exact location and layout.

5. **Publicity of the product**

   Publicity means communication about the product and services for **creating awareness** & demand for the product through publicity& Advertisement.

6. Distribution channel

Distribution channel means the number of **intermediator like whole-sellers, Retailers, distributors, Agent** who all are involved in the marketing channel.

7. Selling of Product

Selling involves the actual challenge of marketing. The selling of products and services involves different strategies like distribution through **stores, salesmen, Advertisements, Exhibitions, trade fairs,** etc.

8. Collecting the feedback

This begins after the product is marketed and sold collecting feedback regarding **satisfaction or dissatisfaction-related** features like **price, to make availability,** etc it is to make changes in the marketing mix.

1.4 4P'S & 4 C'S OF MARKETING:

The four Ps are often referred to as the marketing mix. They encompass a range of factors that are considered when marketing a product, including what consumers want, how the product or service meets or fails to meet those wants, how the product or service is perceived in the world, how it stands out from the competition, and how the company that produces it interacts with its customers.

Since the four Ps were introduced in the 1950s, more Ps have been identified, including people, process, and physical evidence.The 4 P's of marketing are as follows:

1. **Product**

Defining the product also is key to its distribution. Marketers need to understand the life cycle of a product, and business executives need to have a plan for dealing with products at every stage of the life cycle.

The type of product also dictates in part how much it will cost, where it should be placed, and how it should be promoted.

Many of the most successful products have been the first in their category. For example, Apple was the first to create a touchscreen smartphone that could play music, browse the Internet, and make phone calls.

2. **Price**

Price is the amount that consumers will be willing to pay for a product. Marketers must link the price to the product's real and perceived value, while also considering supply costs, seasonal discounts, competitors' prices, and retail markup.

In some cases, business decision-makers may raise the price of a product to give it the appearance of luxury or exclusivity. Or, they may lower the price so more consumers will try it.

3. **Place**

Place is the consideration of where the product should be available, in brick-and-mortar stores and online, and how it will be displayed.

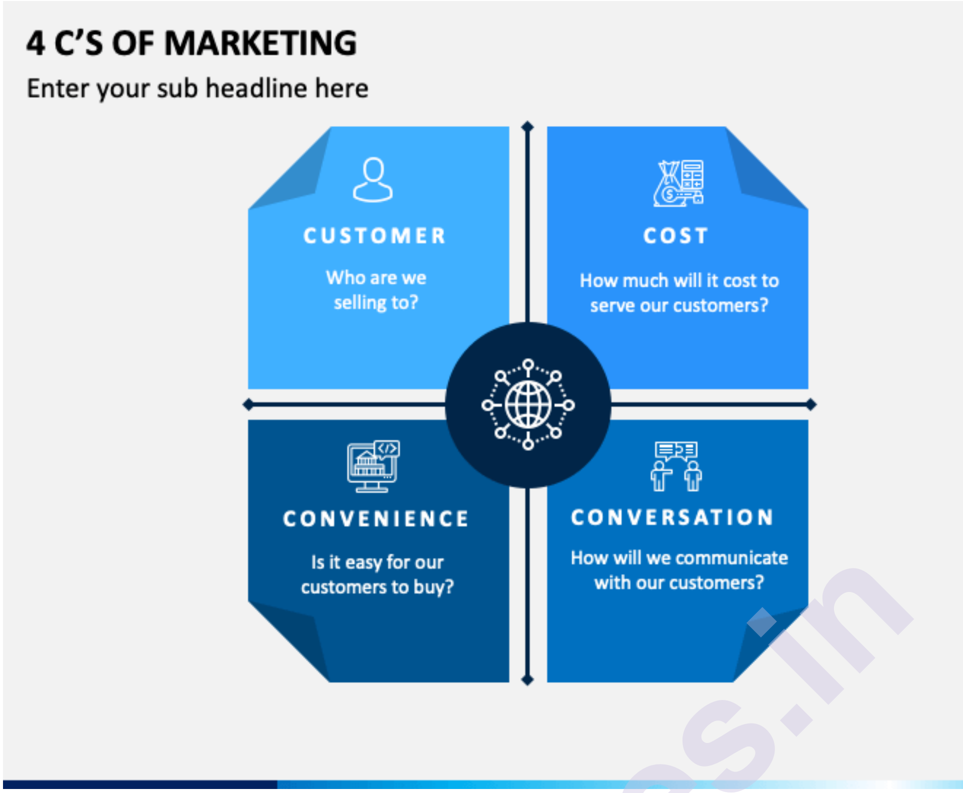
The decision is key: The makers of a luxury cosmetic product would want to be displayed in Sephora and Neiman Marcus, not in Walmart or Family Dollar. The goal of business executives is always to get their products in front of the consumers who are the most likely to buy them.

4. **Promotion**

The goal of promotion is to communicate to consumers that they need this product and that it is priced appropriately. Promotion encompasses advertising, public relations, and the overall media strategy for introducing a product.

Marketers tend to tie promotion and placement elements together to reach their core audiences.

4 C's of Marketing are as follows:



1. Consumer:

The first and most important is the consumer, the person who will actually be using the company's products or services. Instead of focusing its efforts on the product itself, a company must identify what the consumer's needs and desires are and design solutions for them.

The first step in moving towards this understanding of the consumer is to develop a buyer persona, that is, a semi-fictional representation of the brand's ideal customer focused on his or her needs and pain points.

2. Communication:

In the 4Ps model, "promotion" of products and services is a key point, but this approach is too limiting in today's marketing environment since digital media facilitate continuous interaction with the customer and this should not be exclusively promotional.

Therefore, the 4Cs of marketing focus on communication, which includes all interactions between consumers and brands. The focus is no longer on convincing the public about the virtues of a product, but on providing value to potential customers.

3. Cost:

Where the 4Ps model focused on price, the "4Cs of marketing" model extends this concept to talk about cost.

The price the customer pays for a product is only a small part of the real cost. We need to think about what it takes for the customer to get the product, for example, the time it takes to get to the location where it is sold (if that is a factor).

4. Convenience:

The last of the 4Cs of marketing focuses on the consumer's shopping experience. It seeks to make it as easy as possible for people to purchase products and services.

Thus, we not only have to think about the locations where products or services will be distributed but also about things like online shopping or ease of installation. The goal is to reduce friction and make the whole experience as convenient as possible.

1.5 DISTINGUISH BETWEEN: MARKETING V/S SELLING

The **key difference between selling and marketing** is that selling refers to the transaction where a good or service is being exchanged for money, whereas marketing refers to the activities and plans that are taken by the companies to promote the buying or selling of a product or service. Marketing takes place when companies launch actions and activities to promote their goods or services. Selling and marketing are two inter-related processes.

Selling is the process of transaction where goods or services are exchanged for payment. Selling takes place between a seller and a buyer or buyers. In order to become a successful seller, an individual has to develop good skills.

Serial Number	Selling Concept	Marketing Concept
1	undertakes a large-scale selling and promotion effort	undertakes activities such as; market research,
2	The Selling Concept is suitable for unsought goods—those that buyers do not normally think of buying, such as insurance or blood donations.	The Marketing Concept is suitable for almost any type of product and market.
3	Focus on the selling concept starts at the production level.	Focus on the marketing concept starts with understanding the market.

4	Any company following the selling concept undertakes a high-risk	Companies following the marketing concept must bear less risk and uncertainty.
5	The Selling Concept assumes – ”customers who are coaxed into buying the product will like it. Or, if they don’t like it, they will possibly forget their disappointment and buy it again later.”	Instead of making an assumption, The marketing concept finds out what the consumer really requires and acts accordingly to them.
6	The Selling Concept makes poor assumptions.	The marketing concept works on facts gathered by its “market and customer first” approach.

1.6 MARKETING ACTIVITIES & FUNCTIONS

What Are Marketing Activities?

Marketing activities are tactics and strategies that a business employs to encourage customers to buy goods or services. Marketing activities can also include initiatives to better understand consumers, such as market research. Companies use different marketing activities—such as email campaigns, paid advertisements, or search engine optimization—to reach returning and potential customers. An effective marketing plan includes various marketing tools and tactics and tracks marketing metrics to gauge efficacy and results.

5 Types of Marketing Activities:

1. **Content marketing**: This marketing strategy includes coordinated content creation that provides potential customers with relevant text, video, and audio content. Examples of pieces of content used for this type of marketing include advertising memes, entertaining videos, podcasts, and blog entries. You can promote this content on your landing page or other marketing channels like your newsletter or social media.

2. **Digital ad marketing**: This category covers many marketing tactics. Digital ad marketing includes web ads, podcast ads, email marketing, and webinars. Unlike content marketing, digital marketing focuses on actual ads rather than website content that may or may not contain information about your business.

3. **Market research**: By gathering information about the behavior of potential and existing customers and analyzing and interpreting that information, businesses can make informed decisions about the development of a new product or service. Implementing marketing

research can also help companies improve their customer experience by better understanding the needs and demographics of their customer base. You can use market research to find new customers, identify your ideal customer or target market, or research market trends.

4. **Search engine optimization (SEO)**: This tactic focuses on attracting targeted traffic to a website through organic or nonpaid rankings on a search engine results page (SERP). Unlike paid results such as pay-per-click advertisements, search engine optimization involves the creation of organic content that answers user queries and features relevant keywords.

5. **Social media marketing**: This digital marketing method engages new customers on social media platforms. Social media marketing campaigns include video ads, in-feed static ads, or paid partnerships with influencers.

1.7 MARKETING FUNCTIONS:

What are Marketing Functions ?

Marketing functions are the foundation for the work that marketing professionals do. Each function comprises a set of responsibilities and tasks for a marketing team to design, organize and execute a successful campaign.

There are seven widely accepted marketing functions that contribute to the overall work of marketers. The seven marketing functions are important for understanding the purpose of marketing strategies, processes and tools.

These functions work cohesively to help professionals develop consistent marketing strategies for several types of brands and organizations.

The Seven Marketing functions are :

1. Promotion:

Promotion fosters brand awareness while educating target audiences on a brand's products or services. It emphasizes introducing potential consumers to your brand. This function of marketing varies in form, and marketing professionals tailor each form to relate to a particular product, brand or target audience. Promotion may include any of the following strategies:

- Email marketing
- Social media advertisements
- Public relations
- Digital or print advertising
- Content marketing
- Brand partnerships
- Influencer marketing
- Events

Each of these methods attempts to generate conversation and excitement about a product or service. However, the promotion itself often requires the support of other marketing functions to be successful.

2. Selling:

Selling is a function of marketing that comprises communicating with potential customers and pursuing sales leads. It's important for marketing professionals to pursue sales leads with subtlety, which helps them build relationships with potential customers. As communication with a potential customer progresses, successful marketers may introduce their product and answer questions customers may have. Effective selling techniques can help you distinguish your brand from competitors. Marketers and salespeople may collaborate to determine how to best position their product within their market and sell it to potential customers.

3. Product management:

Product management includes the development, design and improvement of products or services. The role of a marketer in product management is to ensure that a finished product meets customer needs. This includes examining the overall visual of the product, its usefulness and how it's delivered. Some product management strategies include:

- Analyzing competitors: Researching and analyzing your competitors equips you with information to develop a product that rivals or surpasses theirs.
- Communicating with customers: This strategy provides helpful insight into ways to improve your products before they reach the market.
- Implementing feedback: It's important for marketing professionals to gather feedback from several areas—both inside and outside their organization—to improve their production processes.
- Conducting market research: Researching similar products helps a marketing team determine what customers want and how to satisfy them.
- Coordinating with other departments: Collaborating with other teams in your organization prepares your entire company to release a product, generate ideas for distribution and deliver products seamlessly.

4. Pricing:

Establishing a price for a product incorporates several factors of cost and value. Ideally, marketers find a price between customers' perceptions of a product's value and the actual cost of producing it. Other factors include the price your competitors set and the amount customers might pay for your product. Marketing professionals consider these elements when deciding how to price a particular product or service.

5. Marketing information management:

You can optimize your marketing strategies when you focus on data and information. It's important to collect and store data, such as customer preferences and demographics. Often, this data directly relates to your target audience for your products and services. This also can inform effective business decisions for the entire company, so consider sharing your data and findings with other departments, as well.

You can gather relevant information from various marketing tools, such as:

- Surveys
- Online reviews
- Social media engagements
- Market research reports

Each marketing tool provides unique data and feedback, so choosing the right one depends on your specific needs.

6. **Financing:**

Financing is a marketing function that involves securing funding—either internally or externally—to create marketing campaigns. It's important for marketing teams to secure enough availability in their annual budget to improve previous marketing campaigns and remain updated with industry trends.

7. **Distribution:**

Distribution is the process of transporting your company's products or services to your customers. There are several physical and digital methods of distribution, including:

- Online stores
- Catalogs or magazines
- Sales calls
- Retail stores
- Wholesalers

Marketers often choose the channel of distribution that best fits a particular product, brand or target audience. It's important to choose a location to sell your product that your target audience often visits. Distribution is a function of marketing that requires collaboration across departments to ensure that each product reaches your consumers in its intended fashion.

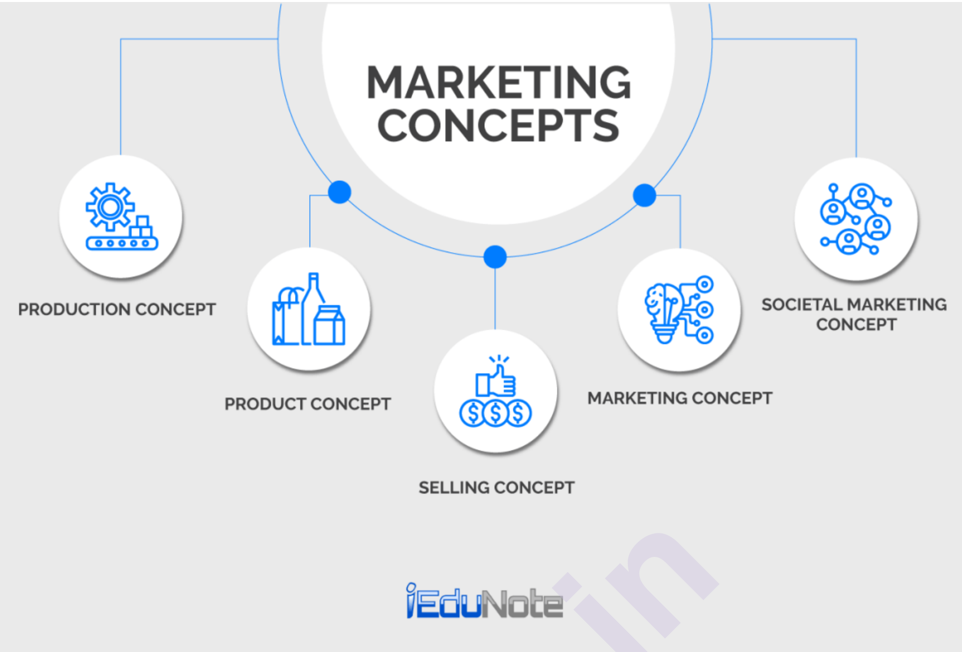
1.8 CONCEPTS OF MARKETING

What is Marketing Concept?

Marketing concept is a set of strategies that the firms adopt where they analyse the needs of their customers and implement strategies to fulfil those needs which will result in an increase in sales, profit maximisation and also beat the existing competition.

The marketing concept has been widely used by companies all over the world in the present age, but the situation was not the same earlier. As per this concept, it is said that for an organisation to satisfy the objectives of the organisation, the needs and wants of the customer should be satisfied. This theory was first mentioned in Adam Smith's book "The Wealth of Nations" in 1776 but came into widespread use only 200 years later.

Therefore, marketing can be said as a process of acquiring customers and maintaining relations with them and at the same time matching needs and wants with the services or product offered by the organisation, which ensures that the organisation will become profitable.



1) **Production Concept**-The idea of the production concept – "Consumers will favor available and highly affordable products." This concept is one of the oldest Marketing management orientations that guide sellers.

Companies adopting this orientation risk focusing too narrowly on their operations and losing sight of the real objective.

The best example of the production concept is Vivo, the Chinese smartphone brand. Their phones are available in almost every corner of the Asian market. You can walk into any phone shop in Asia and can walk out with the latest and greatest smartphone from Vivo.

2) **Product Concept-**

The product concept holds that consumers will favour products that offer the most quality, performance, and innovative features.

Product quality and improvement are important parts of marketing strategies, sometimes the only part. Targeting only the company's products could also lead to marketing myopia.

Example: When you think of high-quality products, Apple will be one of the top ones. Their products are so good that they set industry trends and standards.

3) Selling Concept-

The selling concept holds the idea- "consumers will not buy enough of the firm's products unless it undertakes a large-scale selling and promotion effort."

Here the management focuses on creating sales transactions rather than on building long-term, profitable customer relationships.

This concept is mostly used in the case of overcapacity, where a firm wants to sell what it makes. It starts with the point of production, which focuses on products, and its aim is to earn profit through increased sales volume, and the means used are selling and promoting.

Example: Almost all companies eventually fall into this concept. "Mountain Dew" ads are hard to miss. If people like Mountain Dew or not is debatable, but you can see that PepsiCo is pushing it hard using ads.

Almost all soft drinks and soda drinks follow the selling concept. These drinks have no health benefits (they actually harm your health more); you can easily replace them with water (the most available substances on the earth).

4) Marketing Concept-

The marketing concept holds- "achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions better than competitors do."

Under the marketing concept, customer focus and value are the routes to achieving sales and profits.

The marketing concept is a customer-centered "sense and responds" philosophy.

Under this concept, all aspects of company operations are aimed at satisfying customers' wants and desires.

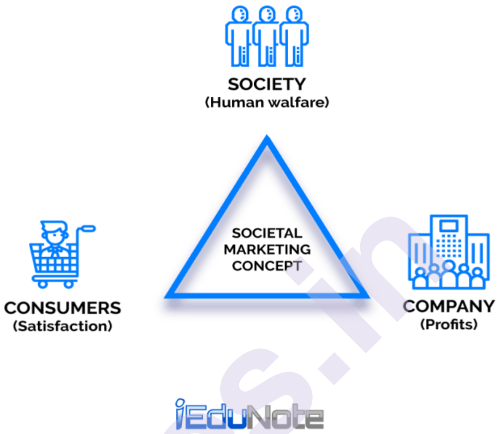
4 pillars of the marketing concept are;

- <u>Market Focus</u>
- <u>Customer Orientation</u>
- <u>Coordinated Marketing</u>
- <u>Profitability</u>

Example of Marketing concept-Restaurants and startups do follow the marketing concept. They try to understand the consumer and deliver the best product or service, which is better for the competition.

5) Societal Marketing Concept:

The societal marketing concept holds that "marketing strategy should deliver value to customers in a way that maintains or improves both the consumer's and society's well-being."



It calls for sustainable marketing socially and environmentally responsible marketing that meets consumers' and businesses' present needs while also preserving or enhancing future generations' ability to meet their needs.It calls upon marketers to balance three considerations in setting their marketing policies: company profits, consumer want satisfaction, and public interest.

Societal Marketing Concept example:-

While large companies sometimes launch programs or products that benefit society, it is hard to find a company that is fully committed socially.

We can see Adidas doing great as they continue to support Colin Kaepernick despite pressure from various parties. Tesla promises a big push for green energy with electric cars and solar roof panels/tile

Importance of Marketing for Businesses

- ***Effective consumer engagement***: Businesses must engage customers, and herein, marketing proves to be an effective tool. Customers can be engaged by telling them what they do not know and creating good content around your products and services.

- ***Building and maintaining reputation:*** The reputation of your business depends on how it grows and what its lifespan is. This is where marketing comes across as a way to build the brand equity of businesses. And this happens when the expectations of the customers are met.

- ***Building relationships between customers and business:*** For any business to grow, it must build a long-lasting relationship with its customers. Marketing is based on demographics, psychographics, and consumer behaviour and therefore, gives an understanding of what customers want.

- ***Boosting sales:*** Since marketing utilizes different ways to promote products or services, it helps in increasing the likelihood of better sales. Happy customers translate into a company's brand ambassadors automatically.

- ***Staying relevant:*** Marketing helps a business to remain relevant to the customers and in its domain. It helps in maintaining good relationships.

- ***Making informed decisions:*** The basic questions that every business has are around the how's and why's of producing products or delivering services. This underscores the importance of marketing for businesses and the fact that it links a business and society.

Marketing Theories - Maslow's Hierarchy of Needs

1) Physiological Needs

At the base of the pyramid lies the **most basic needs for human existence**. These are known as the physiological needs. Physiological needs comprise of basic needs such as the need for **water, food, shelter, warmth, sleep** which are the gamut of the most instinctive needs any human being has.

2) **Safety Needs**

Safety needs arise from a **need for safe environment**. Once we have some basic and financial resources, we use these to build a safe environment for us to protect us from danger. Some of the basic security needs include Financial Needs, Health and Wellness and safety against accidents and Injury.

3) **Love and Belonging or Social Needs**

This need **drives interpersonal relationships** and are met through pleasing and fulfilling relationships with others.Your desire to be near friends and family, be a part of a society, have your own gang, meet the love of your life, all belong to the gamut of social needs.

4) **Need for Self-Esteem**

Maslow characterised the need for self-esteem into two categories:

The need for self (dignity, achievement, independence)

The desire from reputation and respect from others (Status and Prestige)

Participating in activities, academic or work accomplishments, athletic participation, hobbies followed passionately are all examples of fulfilment of the need of self-esteem.

5) **Self-Actualisation**

Self-actualisation is the **ultimate point in Maslow hierarchy of needs theory**.

It is the **sense of fulfilment and satisfaction in true sense**. One thing peculiar to this need is that it can mean different things to different people. For someone, getting to the top most position in an aspirational company would be satisfying and to someone else, living in the mountains having just enough to live a healthy and happy life would be fulfilment.

What are transactions in marketing?

Transactional marketing is a business strategy that focuses on **single, "point of sale" transactions**. The emphasis is on maximizing the efficiency and volume of individual sales rather than developing a relationship with the buyer.

Business transactions can occur in both cash and credit transactions. These transactions have a direct impact on the company's financial position and financial records.

Exchange

In this mode, goods and services will trade off between parties. For exchange to take place, both parties will come to mutual interest in their goods and services.

Example − Barter system is the popular type of exchange. This term is also used in financial markets.

Differences

The major differences between a transaction and an exchange are as follows −

Sr.No	Transaction	Exchange
1	Exchange of goods/service for an amount between two or more parties/companies/firms.	Goods/services are traded off between parties.
2	Generally, the term transaction is used in Ownership transfer from one (buyer) to another (seller).	Generally, the term Exchange is used in currency exchange rates/barter trade.
3	Used money as medium.	Money is not a medium of trade.
4	Involves two or more than two parties.	Only two parties are involved in exchange
5	Recorded in books of accounting.	In exchange, transactions are not recorded.

1.9 ORIENTATIONS OF A FIRM

Business orientation refers to how a company or organisation approaches its strategies for success. As a business, being successful means outlining a strategy and following it to achieve your goals.

What are the main types of business orientation?

There are five types of business orientation that we'll consider in this article. Understanding each orientation can help you better decide which one best suits your business.

- Production orientation
- Product orientation
- Sales orientation
- Market orientation
- Societal marketing orientation

1. Production Orientation:

Production-oriented companies focus on the production process and aim to manufacture goods as cheaply and quickly as possible. Production-oriented companies believe that if they rely on mass production to create a quality product at an affordable price point, customers will buy it. Therefore, it doesn't matter if the product actually meets their wants and needs.

There are numerous examples of companies that take this approach**. Notable examples include fast-food chains such as Burger King or McDonald's, which focus on producing high quantities of fast food at the lowest price possible.**

Some advantages of production orientation include:

- Companies exploit economies of scale for maximum efficiency at the lowest cost.
- Low-cost for customers
- Efficient outsourcing (e.g. if you are developing an **e-commerce** website, you could send **shopping cart** components to be mass-produced by a vendor)

The disadvantages of production orientation include:

- Competitors easily replicate techniques.
- Neglects customers' wants and needs
- Problematic if demand doesn't outstrip supply

2. Product Orientation

When a business takes a product orientation approach, it focuses on its product or service's quality and performance. This sounds similar to the production approach, but the main difference lies in the customer's involvement.

Product orientation strategies focus on:

- Customer satisfaction
- Customer feedback from focus groups, surveys, polls, and other market research tools to better understand what the consumer wants
- Developing new products to solve consumer needs

Advantages of product orientation include:

- Focus on creating and offering high-quality goods and services
- Innovative products that focus on providing the best user experience
- Better market research leading to a reduced risk

Disadvantages include:

- Potential for missed market opportunities
- Product obsolescence due to technology developments
- Difficult to pull off if a product isn't unique

3. Sales Orientation:

Sales orientation refers to a business strategy in which a company focuses on selling its products to potential customers in target markets. Typically, sales teams will use outbound sales tactics to promote products and drive revenue. Sales orientation emphasises strategies and tactics that push people towards buying a product or service. Often, sales-oriented businesses aren't focused on long-term results but rather on achieving immediate sales.

This approach can be lucrative in insurance, lifestyle products, or automotive industries, commonly implemented. Typically customers don't seek out these products or services—maybe they've never even thought about them—so they're more likely to allow themselves to be guided towards a sale by a knowledgeable sales rep.

The main advantage of sales orientation is that it leads to immediate, short-term sales. On the other hand, disadvantages include a loss of customer confidence, high costs, and the fact it's not always sustainable in the long run.

4. Market Orientation:

This approach prioritises identifying consumers' needs and delivering products and services to satisfy them. The primary focus of sales orientation is on pleasing existing customers and generating sales, and a marketing orientation aims to promote products to attract new customers.

Key features of a market orientation approach include:

- Uses market research and testing to focus on what customers want
- Strong emphasis on building and maintaining relationships with loyal customers

The advantages of this approach include:

- Promotes brand loyalty through strategies that increase customer satisfaction
- Flexible production based on customer demand/wants/needs
- Links customer needs to organisational capabilities.
- Boosts internal marketing and communications

However, there are some disadvantages:

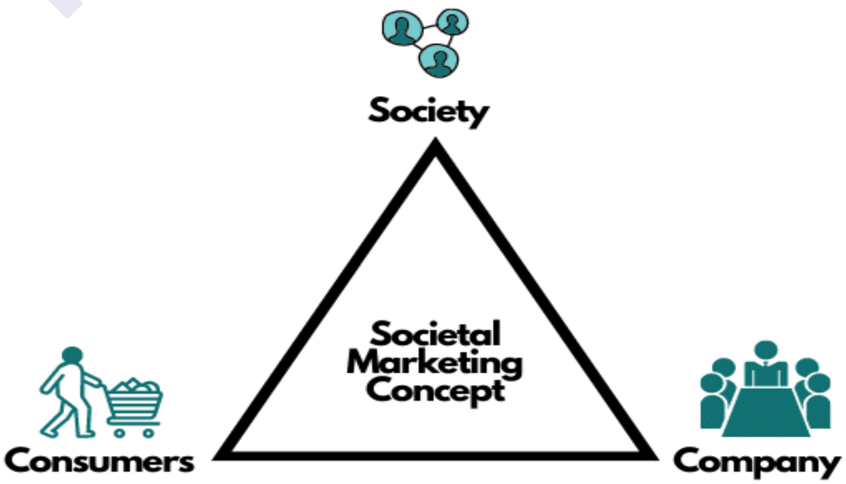
- Can incur high operational costs as the company reacts to customer demand, rather than shapes it.
- Unpredictable

5. **Societal marketing orientation:**

The final approach is the newest addition to business orientation: societal marketing orientation. Societal marketing is a philosophy that focuses on creating a favourable image of a brand or organisation to increase sales. It calls for socially and environmentally responsible marketing that sustainably meets consumer needs while, at the same time, considering how it benefits society as a whole.

This approach's main advantage is that companies can craft a positive public image through ethical, moral, and socially responsible business marketing methods. As the world increases its focus on sustainable ways of living, consumers are more inclined to buy products, which is —of course— the company's goal.

However, this business philosophy does come with some calculated risk and often added costs that come with manufacturing and marketing sustainable products and services.



6) Holistic Marketing:

Holistic marketing refers to a marketing strategy that considers the whole of a business and all the different marketing channels as a system. Under this strategy, a business with different departments comes together in synergy in pursuit of a conscious mission, great customer experience, and a positive brand image. “A holistic marketing concept is based on the development, design, and implementation of marketing programs, processes, and activities that recognize their breadth and interdependencies.

Business achieves a holistic marketing strategy through 4 components, or marketing forms:

- Relationship marketing
- Integrated marketing
- Internal marketing
- Socially responsible marketing

Relationship Marketing

The goal of relationship marketing is to build strong, long-lasting relationships. The focus is steered away from selling products and focused more on customer satisfaction and retention, as well as building customer loyalty.

Integrated Marketing

This component is related to the unified message that the business sends to their customers. This strategy assures that all marketing parts of a business work together towards a purpose and a mission that is seen.

Internal Marketing

Internal marketing is all about caring for the business's employees, freelancers, contractors, and partners. It ensures that employees are satisfied with their work as well as the philosophy and direction of the organization as a whole. Greater satisfaction among employees leads to increased customer satisfaction over time, making internal marketing a key aspect of the holistic approach

Societal Marketing

The last component of holistic marketing is societal or socially responsible marketing. This aims to attract customers who want to make a difference with their purchase. Societal marketing is aimed at creating marketing initiatives that are based on ethically sound business practices, which provide another method for businesses to build long-lasting relationships.

1.10 QUESTIONS

1) Define Marketing. Explain Scope?
2) What are the 4P's & 4 C's of Marketing?
3) Write a note on Advantages of Marketing?
4) Distinguish Between : Selling & Marketing
5) Marketing as an activity & function, explain
6) Write a note on Orientations of the firm?
7) Describe importance of marketing?

❄❄❄❄❄❄❄

2

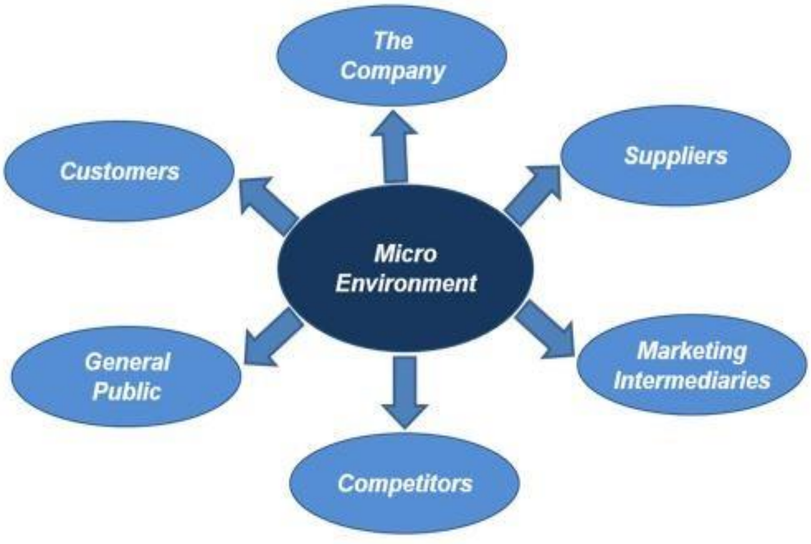
MARKETING ENVIRONMENT, RESEARCH & CONSUMER BEHAVIOUR

Unit Structure :

2.1 INTRODUCTION

Micro Environment of Business:

Micro environment refers to the environment which is in direct contact with company and affects the routine activities of business straight away. It is a collection of forces or factors that are close to the organization and can influence the performance as well as the day to day activities of the firm.



1) *The Company*

Various groups in an organization like the top management, finance, operations, human resourcing, research and development (R&D), accounting etc needs to be taken into account by the marketing management for designing the marketing plans. Marketing managers needs to work closely with them as that will help them to make decisions with broader strategies and plans. With marketing team taking the lead, other departments like manufacturing, finance, legal and human resources teams takes the responsibility for understanding the customer needs as well as creating customer value.

2) *Suppliers*

The suppliers are an important part of an organization's overall customer value delivery network. They are the ones who provide inputs to business like raw materials, parts, cutting tools, equipments etc. The quality and reliability of vendors are very essential for smooth functioning of business of any organization. Marketing managers must have a control on the suppliers availability and costs. Any shortage or delays of supplies, in terms of natural disasters or other events can cause damage to sales in short run and lead to customer dissatisfaction in the long run.

3) *Marketing Intermediaries*

The marketing intermediaries are also an important component for company's overall value delivery network. They include those individuals or firms who help the company in promotion, sales and distribution of its goods to the final buyers. Examples includes *middlemen* (agents or merchants) who help the company find customers, *physical distribution firms* such as warehouses or transportation firms that help the company in stocking and moving goods from their origin to the destination and *marketing service agencies* such as market research and advertising firms.

4) *Competitors*

Competitors are rivals who compete with the organization in market and resources as well. According to the marketing concept, a company needs to provide greater customer value and satisfaction that its competitors, in order to be successful. The marketers must not only try to simply adapt to the needs and demands of target customers, but also try to attain strategic advantage against the competitors by positioning their products strongly in the market.

5) *General Public*

The public refers to the group of people who have an actual or potential interest in company's product or who can have an impact on the organizations ability to achieve its objective. There are seven types of publics identified in a company's marketing environment which includes financial publics, media publics, government publics, citizen-action publics, internal publics, local publics and general public.

6) ***Customers***

The most important actors in the company's microenvironment are its customers. The whole of value delivery network aims to engage the target customers and create strong relationships with them. There are five types of customer markets that companies might try to target. These include consumer markets, business markets, government markets, reseller markets, and the international markets.

What is the Management structure in Business Environment?

A management structure describes how a company organizes its management hierarchy. In almost all organizations, a hierarchy exists. This hierarchy determines the lines of authority, communications, rights and duties of that organization.

Organizational structures are important because they **help businesses implement efficient decision-making processes**. By assigning specialized roles to lower-level employees, businesses can make better decisions faster.

2.2 TYPES OF ORGANISATION STRUCTURE

- Functional Organizational Structure
- Product-Based Divisional Structure
- Market-Based Divisional Structure
- Geographical Divisional Structure
- Process-Based Structure
- Matrix Structure
- Circular Structure
- Flat Structure
- Network Structure

Depending on the size of a business and its goals, the organizational structure of the team will vary. A business needs to have an organizational structure in place to be successful.

1. Functional Organizational Structure

One of the most common types of organizational structures, the functional structure departmentalizes an organization based on common job functions.

An organization with a functional org structure, for instance, would group all of the marketers together in one department, group all of the salespeople together in a separate department, and group all of the customer service people together in a third department. The functional structure allows for a high degree of specialization for employees, and is easily scalable should the organization grow

Disadvantages

Functional structure also has the potential to create barriers between different functions — and it can be inefficient if the organization has a variety of different products or target markets. The barriers created between departments can also limit peoples' knowledge of and communication with other departments, especially those that depend on other departments to succeed.

Advantages

Functional organization increases efficiency, provides stability, and boosts accountability. It allows departments — with employees who share similar skills and knowledge — to focus on their specialized tasks within their respective fields. Because the roles and responsibilities of this organizational structure example rarely change, department employees can consistently work on similar assignments and hone their skills.

The fixed structure of functional organization also operates through management. It provides employees with a chain of command. It guides communication between the team and keeps the team accountable.

2. Product-Based Divisional Structure

A divisional organizational structure is comprised of multiple, smaller functional structures (i.e. each division within a divisional structure can have its own marketing team, its own sales team, and so on). In this case — a product-based divisional structure — each division within the organization is dedicated to a particular product line.

This type of structure is ideal for organizations with multiple products and can help shorten product development cycles. This allows small businesses to go to market with new offerings fast.

Disadvantages

It can be difficult to scale under a product-based divisional structure, and the organization could end up with duplicate resources as different divisions strive to develop new offerings.

Advantages

Companies and their employees can experience the benefits of the product-based divisional structure. If one division performs poorly, this does not automatically translate across the organization. Because of their separation, divisions may flourish (or fail) concurrently. This system allows companies to mitigate risk.

3. Market-Based Divisional Structure

Another variety of the divisional organizational structure is the market-based structure, wherein the divisions of an organization are based around markets, industries, or customer types.

The market-based structure is ideal for an organization that has products or services that are unique to specific market segments, and is particularly effective if that organization has advanced knowledge of those segments. This organizational structure also keeps the business constantly aware of demand changes among its different audience segments.

Disadvantages

Too much autonomy within each market-based team can lead to divisions developing systems that are incompatible with one another. Divisions might also end up inadvertently duplicating activities that other divisions are already handling.

Advantages

Because this organizational structure focuses on specific market segments, it provides each division with autonomy. The divisions work separately, which allows employees to work independently and enables them to focus on the needs of their particular industry.

4. Geographical Divisional Structure

The geographical organizational structure establishes its divisions based on — you guessed it — geography. More specifically, the divisions of a geographical structure can include territories, regions, or districts.

This type of structure is best-suited to organizations that need to be near sources of supply and/or customers (e.g. for deliveries or for on-site support). It also brings together many forms of business expertise, allowing each geographical division to make decisions from more diverse points of view.

Disadvantages

The main downside of a geographical org structure: It can be easy for decision- making to become decentralized, as geographic divisions (which can be hundreds, if not thousands of miles away from corporate headquarters) often have a great deal of autonomy. And when you have more than one marketing department — one for each region — you run the risk of creating campaigns that compete with (and weaken) other divisions across your digital channels.

Advantages

Geographical divisions allow companies the advantage of catering to a specific customer. Based on the differences in language, culture, and customs one would find across the world, companies cannot necessarily expect the same operations to work in different locations. Not only does it allow organizations to tailor their approach based on geography, but it allows the division to react quickly and efficiently to any geographical market changes.

5. Process-Based Structure

Process-based organizational structures are designed around the end-to-end flow of different processes, such as "Research & Development," "Customer Acquisition," and "Order Fulfillment." Unlike a strictly functional structure, a process-based structure considers not only the activities employees perform, but also how those different activities interact with one another.

Process-based organizational structure is ideal for improving the speed and efficiency of a business, and is best-suited for those in rapidly changing industries, as it is easily adaptable.

Disadvantages

Similar to a few other structures on this list, process-based structure can erect barriers between the different process groups. This leads to problems communicating and handing off work to other teams and employees.

Advantages

As mentioned, one of the most significant benefits of the process-based structure is that it increases efficiency and speed. If Department B cannot start its processes until Department A finishes, this compels Department A to work promptly and proficiently. This organizational model also promotes intradepartmental (within the department) and interdepartmental (across multiple departments) teamwork.

6. Matrix Structure

Unlike the other structures we've looked at so far, a matrix organizational structure doesn't follow the traditional, hierarchical model. Instead, all employees (represented by the green boxes) have dual reporting relationships. Typically, there is a functional reporting line (shown in blue) as well as a product- based reporting line (shown in yellow).

When looking at a matrix structure org chart, solid lines represent strong, direct-reporting relationships, whereas dotted lines indicate that the relationship is secondary, or not as strong. In our example below, it's clear that functional reporting takes precedence over product-based reporting.

The main appeal of the matrix structure is that it can provide both flexibility and more balanced decision-making (as there are two chains of command instead of just one). Having a single project overseen by more than one business line also creates opportunities for these business lines to share resources and communicate more openly with each other — things they might not otherwise be able to do regularly.

Disadvantages

The primary pitfall of the matrix organizational structure? Complexity. The more layers of approval employees have to go through, the more confused they can be about who they're supposed to answer to. This confusion can ultimately cause frustration over who has authority over which decisions and products — and who's responsible for those decisions when things go wrong.

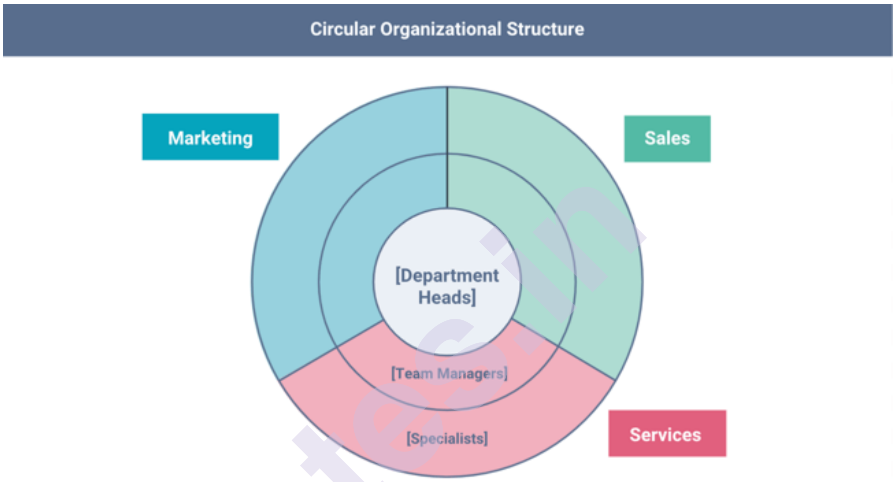
Advantages

An advantage of a matrix structure is that it promotes collaboration and communication. This open line of communication ultimately allows businesses to share resources and allows employees to develop new skills from working with different departments.

7. Circular Structure

While it might appear drastically different from the other organizational structures highlighted in this section, the circular structure still relies on hierarchy, with higher-level employees occupying the inner rings of the circle and lower-level employees occupying the outer rings.

That being said, the leaders or executives in a circular organization aren't seen as sitting atop the organization, sending directives down the chain of command. Instead, they're at the center of the organization, spreading their vision outward.



From an ideological perspective, a circular structure is meant to promote communication and the free flow of information between different parts of the organization. Whereas a traditional structure shows different departments or divisions as occupying individual, semi-autonomous branches, the circular structure depicts all divisions as being part of the same whole.

Disadvantages

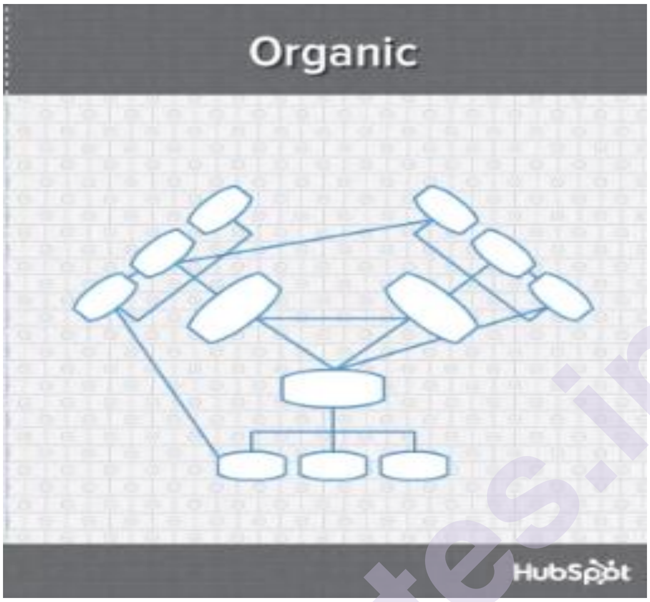
From a practical perspective, the circular structure can be confusing, especially for new employees. Unlike with a more traditional, top-down structure, a circular structure can make it difficult for employees to figure out who they report to and how they're meant to fit into the organization.

Advantages

Most examples of organizational structure have a top-down hierarchy. Alternatively, this type of structure follows an outward flow and contributes to information flowing freely across the business. Its benefits include keeping all employees aligned with the processes and goals of the company and encouraging employees to collaborate between departments.

8. Flat Structure

While a more traditional organizational structure might look more like a pyramid — with multiple tiers of supervisors, managers and directors between staff and leadership, the flat structure limits the levels of management so all staff are only a few steps away from leadership. It also might not always take the form or a pyramid, or any shape for that matter.



This structure is probably one of the most detailed, It's also thought that employees can be more productive in an environment where there's less hierarchy-related pressures. This structure might also make staff feel like the managers they do have are more like equals or team members rather than intimidating superiors.

Disadvantages

If there's a time when teams in a flat organization disagree on something, such as a project, it can be hard to get aligned and back on track without executive decisions from a leader or manager. Because of how complicated the structure's design is, it can be tricky to determine which manager an employee should go to if they need approval or an executive decision for something. So if you do choose to have a flat organization, you should have a clearly marked tier of management or path that employers can refer to when they run into these scenarios.

Advantages

The elimination of middle management employees defines the flat structure type. Its advantages are instantaneous. First, it reduces the expenses of the company. Second, it allows staff to build direct relationships with upper management. And lastly, it shortens the decision-making process.

9. Network Structure

A network structure is often created when one company works with another to share resources — or if your company has multiple locations with different functions and leadership. You might also use this structure to explain your company workflows if much of your staffing or services is outsourced to freelancers or multiple other businesses.

The structure looks nearly the same as the Divisional Structure, shown above. However, instead of offices, it might list outsourced services or satellite locations outside of the office.

If your company doesn't do everything under one roof, this is a great way to show employees or stakeholders how outsourcing of off-site processes work. For example, if an employee needs help from a web developer for a blogging project and the company's web developers are outsourced, the could look at this type of chart and know which office or which person to contact outside of their own work location.

Disadvantages

The shape of the chart can vary based on how many companies or locations you're working with. If it's not kept simple and clear, there may be a lot of confusion if multiple offices or freelancers do similar things. If you do outsource or have multiple office locations, make sure your org chart clearly states where each specific role and job function lies so someone can easily understand your basic company processes.

Advantages

The outsourcing nature of the network structure provides companies with the advantages of lower costs, more focus, and increased flexibility. Outsourcing allows organizations to save money, as they don’t have to bear the expense of setting up a department for the same purpose. It also gives companies the flexibility to change their processes and the ability to focus on their core functions.

What is a Marketing Channel?

It is a set of people, organisations and activities that interact with each other to transfer goods from the point of origin to the point of consumption. lt is a tool that companies use to reach prospective customers and clients. The primary goal of a marketing channel is to increase brand exposure, improve product awareness and help drive traffic to company websites.

2.3 14 EXAMPLES OF MARKETING CHANNELS

1. **Direct selling**

   Direct selling is a marketing channel in which a marketer directly communicates with potential customers. These interactions usually take place one at a time and work best for small business enterprises. Direct selling often involves marketing to people you know. This marketing channel may lower business expenses because you may not require paying for advertising space, distribution charges or other types of marketing resources.

2. **Podcast marketing**

   Using podcasts as a channel for marketing is quite effective as long-form media continues to gain popularity and subscribers. This marketing channel not only assists you in increasing demand but also helps you to develop a unique relationship with your target audience. Podcast episodes are conversational and often reveal details of the human experience behind a business operation. On a podcast, you can guide listeners to reach your website or store and make a purchase decision.

3. **Cold calling**

   Cold calling is a sales approach that involves calling consumers who have not previously expressed an interest in the products or services that you provide. In this channel, you can make calls to prospective customers to evaluate the extent of their interest in your offerings. You can research leads to target prospective customers who are more likely to buy your products or services.

4. **Guest posting**

   Consider guest posting if your company has a website or a blog. Using this marketing channel, you simply write for other notable sites in your industry or have other renowned writers produce a post for your website. Guest posting can help improve traffic on a retail website and enables a company to engage with the audience of the guest writer. For example, smartphone companies often give sample products and pay content creators on streaming platforms to promote user engagement and improve sales.

5. **Loyalty programmes**

   A loyalty programme is a marketing channel through which a company provides free products or services in exchange for repeat consumer engagement. By providing discounts and free merchandise to customers who make recurring purchases, this marketing channel can help a brand retain its most loyal customers. Companies benefit from loyalty programmes not just because they generate client loyalty but also because they provide essential information on how customers spend their money and what product ranges or types of offers they find most enticing. Hotels, coffee shops, boutiques and restaurants often use this marketing channel.

6. Email marketing

You can use email marketing to your advantage if you have the email address of a present or potential customer. Email marketing is not only cost-effective, but it also provides you with access to a wide range of customers. You can send emails to persuade individuals to sign up for a service at a store location, create periodic newsletters to announce sale events and contact clients individually for referrals.

7. Cold email marketing

Cold email marketing is a method of communicating with a list of prospects by using email as the primary medium of communication. A successful cold email campaign may receive a significant number of responses from new clients or consumers showing interest in products and services. You contact potential customers through email without them expressing interest ahead of time. You simply look up someone's email address and email them. This marketing channel can be beneficial for freelancers, agencies and consultants.

8. Websites

Your website can be an important aspect of your marketing strategy for establishing and maintaining customer relationships. It acts as a marketing tool and aids in the development of a continuing customer support system. When current or potential customers visit your website, they can get answers to their queries and learn more about your business and its products and services. It is critical to design a simple, effective website that accurately represents your brand, organisation, products and services.

9. Search engine optimisation (SEO)

SEO involves optimising a business website to increase its visibility when people search for products or services related to the business on search engines. The higher your pages' exposure is in search results, the more likely you are to attract attention and bring new customers to your company. Through the effective use of SEO, you can generate organic traffic based on what your prospective customers search for on various search engines. You can also use analytics and tracking tools to monitor how well your SEO strategy works.

10. Content marketing

A content marketing strategy is a plan for expanding audience or user base by publishing and disseminating regular and consistent content that educates, entertains and inspires individuals to become fans and fans to become customers. You can exhibit both authority and expertise in your business by employing excellent content marketing strategies. These strategies help a business contact buyers at various phases of the sales cycle. Instead of limiting content marketing to one platform, you can try to incorporate your posts into every aspect of your business that has potential for reach, including social media platforms.

11. Cross-promotion

Cross-promotion is a type of marketing strategy in which companies target buyers of one product or service with advertisements for a related product. It aids in promoting products and services, generating leads, increasing sales figures and establishing a brand identity. This marketing channel allows you to create relationships with interested customers who constitute a large consumer base outside of your current reach. You can use this channel in a variety of ways, such as co-hosting an event with another company, trading guest posts and arranging webinars, conferences and industry events.

12. Paid social media advertisements

Paid social media advertising is a channel for targeting a specific subsection of an audience by displaying sponsored marketing messages on major social media platforms. You can pay to post a sponsored advertisement on a social media network through this marketing channel. The feasibility of this channel may depend on the platform's pricing and the type of ad you wish to publish online. You may find the investment worthwhile if you can successfully convert the advertisement into website traffic and sales growth.

13. Print advertising

Print advertising refers to making advertisements that feature in print media, such as newspapers, magazines and journals. It is important to identify print media platforms with which your target audience is likely to engage. While it can be challenging to track the success of your efforts with this channel, print advertisements can be effective if you have an interesting idea to grab the attention and interest of readers.

14. Pay-per-click marketing

PPC (pay-per-click) marketing is a digital advertising channel in which a marketer pays a publisher, usually a search engine, website owner or a network of websites every time a visitor on the website clicks on an ad. Your online advertisements appear in search engines when users search for a keyword related to the product or service that you are marketing. Companies that employ pay-per-click advertising models can perform research to identify keywords that are most relevant to their products or services. Investing in finding suitable keywords can lead to more clicks and eventually to sales conversion.

Meaning of a Market:

A market can be characterised as where a couple of parties can meet, which will expedite the trading of products and services. The parties involved in the market activities are the sellers and the buyers. A market is an actual structure like a retail outlet, where the dealers and purchasers can meet eye to eye, or in a virtual structure like an internet-based market, where there is the truancy of direct, actual contact between the purchasers and vendors.

2.4 TYPES OF MARKET

1) **Monopoly:**

A monopolistic market is a market formation with the qualities of a pure market. A pure monopoly can only exist when one provider gives a specific service or a product to numerous customers. In a monopolistic market, the imposing business organisation, or the controlling organisation, has the overall control of the entire market, so it sets the supply and price of its goods and services. For example, the Indian Railway, Google, Microsoft, and Facebook.

2) **Oligopoly:**

An oligopoly is a market form with a few firms, none of which can hold the others back from having a critical impact. The fixation or concentration proportion estimates the piece of the market share of the biggest firms. For example, commercial air travel, auto industries, cable television, etc.

3) **Perfect competition:**

Perfect competition is an absolute sort of market form wherein all end consumers and producers have complete and balanced data and no exchange costs. There is an enormous number of makers and customers rivalling each other in this sort of environment. For example, agricultural products like carrots, potatoes, and various grain products, the securities market, foreign exchange markets, and even online shopping websites, etc.

4) **Monopolistic competition:**

Monopolistic competition portrays an industry where many firms offer their services and products that are comparative (however somewhat flawed) substitutes. Obstructions or barriers to exit and entry in monopolistic competitive industries are low, and the choices made of any firm don't explicitly influence those of its rivals. The monopolistic competition is firmly identified with the business technique of brand separation and differentiation. For example, hairdressers, restaurant businesses, hotels, and pubs.

5) Monopsony:

A monopsony is a market situation wherein there is just a single purchaser, the monopsonist. Just like a monopoly, a monopsony additionally has an imperfect market condition. The contrast between a monopsony and a monopoly is basically in the distinction between the controlling business elements. A solitary purchaser overwhelms a monopsonist market while a singular dealer controls a monopolised market. Monopsonists are normal to regions where they supply most of the locale's positions in the regional jobs. For example, a company that collects the entire labour of a town. Like a sugar factory that recruits labourers from the entire town to extract sugar from sugarcane.

6) Oligopsony:

An oligopsony is a business opportunity for services and products that is influenced by a couple of huge purchasers. The centralisation of market demand is in only a couple of parties that gives each a generous control of its vendors and can adequately hold costs down. For example, the supermarket industry is arising as an oligopsony with a worldwide reach.

7) Natural monopoly:

A natural monopoly is a kind of a monopoly that can exist normally because of the great start-up costs or incredible economies of scale of directing a business in a particular industry which can bring about huge barriers to exit and entry for possible contenders.

An organisation with a natural monopoly may be the main supplier of a service or a product in an industry or geographic area. Normally, natural monopolies can emerge in businesses that require the latest technology, raw materials, or similar factors to work.

For example, the utility service industry is a natural monopoly.

It consists of supplying water, electricity, sewer services, and distribution of energy to towns and cities across the country.

2.5 MACRO ENVIRONMENT

Macro environment refers to the external forces within an economy. A macro environment refers to the set of conditions that exist in the economy as a whole, rather than in a particular sector or region Macro environment factors like inflation, fiscal policy, monetary policy, consumer spending, GDP, and employment rates considerably affect business operations. Governments and institutions strategize policies based on these factors.

FACTORS OF MACRO ENVIRONMENT

The factors are as follows:

1) **Demographic Factors**: Demographics refers to age, language, lifestyle, income distribution, cultural differences, etc. Financial literacy depends on demographics.

2) **Ecological and Physical Factors**: Business performance depends on various geographical and ecological forces—availability of natural resources, climate change, weather conditions, biological balance, pollution, etc.

3) **Political and Legal Factors**: The government imposes various regulations on businesses—employment laws, import/export laws, copyright laws, labor laws, health and safety laws, and discrimination laws.

4) **Economic Factors**: Consumer buying decisions are significantly impacted by macroeconomic factors—demand-supply, inflation, interest rates, taxes, exchange rates, and recession.

5) **Technological Factors**: Technological growth and advancement within a nation greatly influence the production and sale of goods or services. Innovation, automation, and internet facilities are some examples.

6) **Socio-Cultural Factors**: A business needs to be socially responsible and culturally aware. Socio-cultural factors comprise education, population growth rate, life expectancy rate, social status, buying habits, religion, etc.

2.6 COMPONENTS OF MACRO ENVIRONMENT

- **Inflation and Deflation**: The rise or fall in the prices of goods and the wage changes highly impact purchasing power.

- **Consumer Spending**: An increase or decrease in purchasing power influences the demand and supply of commodities.

- **Monetary Policies**: The Federal Reserve controls the nation's economic condition by initiating appropriate monetary policies. Monetary policies bring changes in **cash reserve ratios**, statutory liquidity ratios, repo rates, **reverse repo rates**, bank rates, etc. Also, the central bank adopts various measures for **open market operations**—the buying and selling of government bonds.

- **Fiscal Policies**: The government often takes contractionary or expansionary measures to deal with adverse situations like inflation or **deflation**. These measures relate to government spending, borrowing, and taxation.

- **Gross Domestic Product**: The national output is an aggregation of all the goods and services produced in a country. A falling **GDP** indicates a poor economic condition, whereas a soaring GDP reflects a healthy **economy**.

- **Employment Levels**: Unemployment and the availability of skilled labour drastically impact **business operations**.

Advantages and Challenges of Macro Environment:

It has the following benefits:

- **Threat Identification**: Businesses study macro factors to identify potential risks arising from the external environment.

- **Future Forecast**: Firms use analytical methods like **PESTLE analysis** to predict future threats and opportunities.

The analysis faces the following challenges:

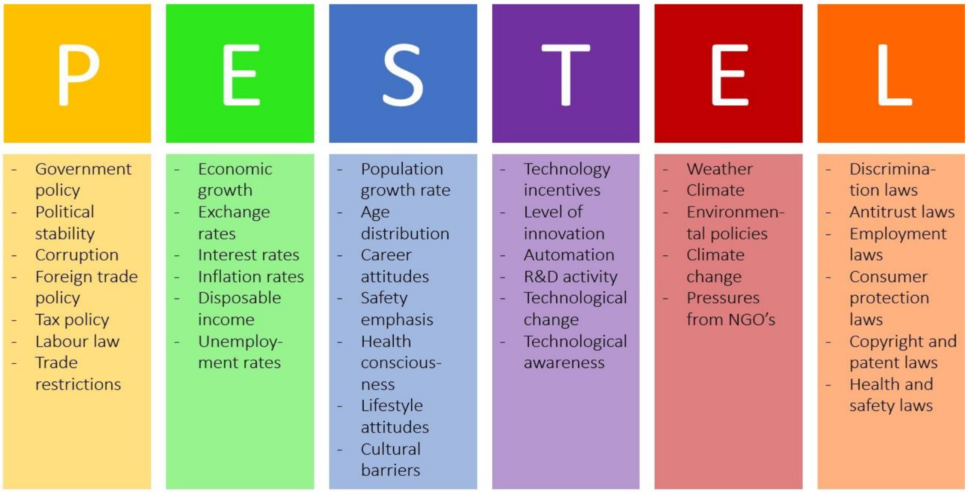
- **Uncontrollable Factors**: Unlike microenvironments, these forces are not under the control of companies and are, therefore, difficult to deal with.

- **Based on Assumption**: The analysis involves the prediction of future possibilities—it is not always accurate.

- **Political Instability**: Amidst political instability, analyzing macro factors becomes difficult.

2.7 PESTLE ANALYSIS

A **PESTEL analysis** is a strategic framework commonly used to evaluate the business environment in which a firm operates. Traditionally, the framework was referred to as a PEST analysis, which was an acronym for Political, Economic, Social, and Technological; in more recent history, the framework was extended to include Environmental and Legal factors as well.



The framework is used by management teams and boards in their strategic planning processes and enterprise risk management planning. PESTEL analysis is also a very popular tool among management consultants to help their clients develop innovative product and market initiatives, as well as within the financial analyst community, where factors may influence model assumptions and financing decisions.

Key points from a PESTEL analysis can be incorporated into other industry and firm-level frameworks, such as Ansoff's Matrix, Porter's 5 Forces, and SWOT Analysis.

1. Political Factors

Broadly speaking, political factors are those driven by government actions and policies. They include, but are not limited to, considerations like:

- Corporate taxation
- Other fiscal policy initiatives
- Free trade disputes
- Antitrust and other anti-competition issues

It's worth noting that even the overhang of potential trade disputes or antitrust issues can present material risks and opportunities for management teams.

Divergent stances on key platform issues between parties on the left and the right can also make run-ups to elections particularly challenging for a firm's management team, as the range of possible outcomes can vary considerably depending on election results.

Political Factor Example: A multinational company closes several facilities in a higher tax jurisdiction in order to relocate operations somewhere with lower tax rates and/or greater state funding and grant opportunities.

2. Economic Factors

Economic factors relate to the broader economy and tend to be expressly financial in nature. They include:

- Interest rates
- Employment rates
- Inflation
- Exchange rates

Many analysts in the financial services sector tend to overweight economic factors in their analysis since they're more easily quantified and modeled than some of the other factors in this framework (which are somewhat qualitative in nature).

Economic Factor Example: Based on where we are in the economic cycle and what Treasury yields are doing, an equity research analyst may adjust the discount rate in their model assumptions; it can have a material impact on the valuations of the companies they cover.

3. Social Factors

Social factors tend to be more difficult to quantify than economic ones. They refer to shifts or evolutions in the ways that stakeholders approach life and leisure, which in turn can impact commercial activity. Examples of social factors include:

- Demographic considerations
- Lifestyle trends
- Consumer beliefs
- Attitudes around working conditions

Social factors may seem like a small consideration, relative to more tangible things like interest rates or corporate taxation. Still, they can have a shockingly outsized impact on entire industries as we know them.

Social Factor Example: Post-pandemic, management at a technology firm has had to seriously reevaluate hiring, onboarding, and training practices after an overwhelming number of employees indicated a preference for a hybrid, work-from-home (WFH) model.

4. Technological Factors

In today's business landscape, technology is everywhere – and it's changing rapidly. Management teams and analysts alike must understand how technological factors may impact an organization or an industry. They include, but are not limited to:

- Automation
- How research and development (R&D) may impact both costs and competitive advantage
- Technology infrastructure (like 5G, IoT, etc.)
- Cyber security

The speed and scale of technological disruption in the present business environment are unprecedented, and it has had a devastating impact on many traditional businesses and sectors .

Technological Factor Example: A management team must weigh the practical and the financial implications of transitioning from on-site physical servers to a cloud-based data storage solution.

5. Environmental Factors

Environmental factors emerged as a sensible addition to the original PEST framework as the business community began to recognize that changes to our physical environment can present material risks and opportunities for organizations.

Examples of environmental considerations are:

- Carbon footprint
- Climate change impacts, including physical and transition risks
- Increased incidences of extreme weather events
- Stewardship of natural resources (like fresh water)

Environmental factors in a PESTEL analysis will overlap considerably with those typically identified in an ESG (Environmental, Social, and Governance) analysis.

Environmental Factor Example: Management at a publicly traded firm must reevaluate internal record keeping and reporting tools in order to track greenhouse gas emissions after the stock exchange announced mandatory climate and ESG disclosure for all listed companies.

6. Legal Factors

Legal factors are those that emerge from changes to the regulatory environment, which may affect the broader economy, certain industries, or even individual businesses within a specific sector. They include, but are not limited to:

- Industry regulation
- Licenses and permits required to operate

- Employment and consumer protection laws
- Protection of IP (Intellectual Property)

Regulation can serve as a headwind or a tailwind for operators. An example headwind might be increased capital requirements for financial institutions; an example tailwind is if regulation is so heavy in a particular industry (let's say food production) that it may serve as a protective moat for established operators, creating an additional barrier preventing potential new entrants.

Example Legal Factors: A rating agency is assessing the creditworthiness of a technology firm that has considerable growth prospects in emerging markets. The analyst must weigh this growth trajectory against the inherent risk of IP theft in some jurisdictions where legal infrastructure is weak. IP theft can severely undermine a firm's competitive advantage.

2.8 MARKETING RESEARCH

Meaning:

Market research is defined as the process of evaluating the feasibility of a new product or service, through research conducted directly with potential consumers. This method allows organizations or businesses to discover their target market, collect and document opinions and make informed decisions.

Market research can be conducted directly by organizations or companies or can be outsourced to agencies that have expertise in this process.

The process of market research can be done through deploying surveys, interacting with a group of people also known as a sample, conducting interviews, and other similar processes.

The primary purpose of conducting **market research** is to understand or examine the market associated with a particular product or service, to decide how the audience will react to a product or service.

American Marketing Association defines marketing research as 'the systematic gathering, recording, and analysing of data about problems relating to marketing of goods and services'.

Kotler and Keller define marketing research as 'the systematic design, collection, analysis, and reporting of data and findings relevant to a specific market situation facing the company'.

FEATURES OF MARKETING RESEARCH

1. **Continuous process:**

   Marketing research is not only continuous but also a scientific and systematic process. It is scientific and systematic because it has well-defined procedures. It is a process of generating and evaluating data, and then refining it. It is professionally organized. It is a continuous process because every firm is faced with problems and opportunities.

2. Wide scope:

Marketing is a specialized activity. It encompasses several functions. Thus, marketing research has a wide scope. It includes product research, market research, consumer research, promotion research, international market research, price research and distribution research.

3. Aid to decision-making:

It helps the managers take practical decisions. Decisions based on experience and research is better than decisions based on intuition. Functions such as description, evaluation, explanation and prediction by the marketing researcher help in practical decision-making. Thus, it an essential tool not only for marketing managers but also for other functional managers.

4. Uncertainty of conclusions:

Consumer is the focal point of marketing research. However, consumer behaviour is difficult to judge precisely. It is not a physical science, but social science. Due to this inherent nature, it suffers from certain levels of inaccuracy.

5. Applied research:

Marketing research is not a fundamental research because it does not reveal conceptual aspects. It is an applied research, as it begins with defining or identifying a problem or opportunity, and ends with a follow-up of recommendations made from research. Moreover, it is related to the commercial aspects.

6. Commercial intelligence:

Marketing research is equivalent of military intelligence. It provides vital insights and information of product, price, place and promotional aspects. It is the soul of modem marketing management.

7. **Statistical tools:**

Various mathematical and statistical tools are used for data analysis and interpretation. Percentages, ratios, averages, z-test, t-test, chi-square tests, etc. are used for presentation and interpretation of findings.

The use of computer software has made it more convenient for in-depth analysis, cross-sectional studies, detection of errors in sampling and questionnaires.

8. **Research approaches**:

   A researcher has several options of research methodology. Methods include the field survey method, the observation method and the experimental research. The choice depends on factors such as time availability, funds, number of respondents to be covered, location of respondents and literacy levels.

9. **Links a company to the consumers and public:**

   Marketing research is a function that links a company to the consumers, customers and public, through information. It evaluates marketing actions, marketing performances and marketing processes. This evaluation results in collection of information that brings company closer to its customer and society.

2.9 IMPORTANCE OF MARKETING RESEARCH

1. **Identifies new products or services**

   Market research can help you to discover what new products or services the market needs and how you can provide that. Key issues with developing a certain product or services can be identified and it can help you to avoid expensive mistakes with its development.

   It also helps you establish the factors that are most important to customers and how you can incorporate those factors into what you want to bring to the market.

2. **Identifies potential customers**

   Demographic data such as gender, age, income, occupation and lifestyle can help you to understand your customer base more in-depth. If you know what your current customers look like, you can now who to market your products or services to in the future.

   Marketing to the wrong type of customer can lead to the product performing poorly.

3. **Establishes viability of a product or service**

   If your company is already planning on bringing a new product or service to the market, you need to first establish whether the market is open to it. Will the product be welcomed? Is the product needed by the customers you are targeting? Will it be viable and what is its potential to succeed?

4. **Anticipates and discovers future market trends**

   By knowing your market and the trends that are arising in the future, you can develop strategies that will help you counteract any downward trends that may affect your business. Upward trends can, in turn, be utilized to progress your business.

5. Keeps your company ahead of competitors

Comparative studies are great for tracking the progress of your competitors in comparison with your company's progress. If they are moving far ahead of you, it is a great opportunity for you to learn what they are doing differently to you. Business strategies can be developed to move ahead of your competitors.

6. Decides best marketing strategy

Research is great for establishing what medium or channel is the best way to reach those who are truly interested in what you have to offer. If you can discover that your customer base frequents a certain medium more than another, it stands to reason that your efforts should be focused there and not somewhere else. Resources are valuable so putting them where success is guaranteed is a no-brainer.

7. Reduces risk and increases profitability

Having the right knowledge can help you reduce the risks your company takes and if need be, help you understand what risks are worth taking based on past information and future predictions of market trends.

Market research helps to establish market viability which reduces the risk of failure. Knowing your customer needs is also essential to reducing risk. Reducing risk also helps to increase profitability at the end of the day.

8. Identifies threats and opportunities

Many of you may have heard of the SWOT analysis. SWOT stands for strengths, weaknesses, opportunities and threats. Market research can help to determine all four of these areas. Where do your company's strengths and weaknesses lie? What opportunities are available for your business on your market? What threats/risks do you need to overcome or avoid in order to be successful?

9. Helps to understand existing customers

Market research can help you to understand existing customers on a deeper level. Your customers are complex and what they may have needed before may not be what they need now. To be successful you need to check the pulse of your customer base regularly. What are their immediate needs? Are there new needs that your company can fulfill? What are their thoughts on your company and products?

Market research also helps to establish customer satisfaction levels. If you discover their satisfaction levels to be low, you can find out why and fix it. If it is high, you can establish why they are high and learn how to maintain that level.

10. Assists in realistic goal setting

Real-time data about your market and your customer base can help you to set goals that are attainable. Establishing a growth pattern over time lets you know what you can expect in the future and what plan you can implement in order to gradually expand that growth in a realistic manner. If you set unattainable goals, you will overexert your resources, fail before you've even started and miss out on goals that are better for your company in the long run.

2.10 TYPES OF MARKETING RESEARCH

1) Primary research

Primary research is research that you collect yourself but going directly to the target market through a range of methods. This method is good for getting the views of a lot of people at one time, especially when time is short, but it comes with its own management issues.

The interviewer must prepare a way to gather answers and record these, while engaging in conversation with many people.

The various forms of Primary Research include :

- Focus Groups
- Surveys
- One to One Interview

2. Secondary research

Secondary research is the use of data that has previously been collected, analysed and published (and therefore you do not own this data). An example of this for market research is:

- **Desktop research** - This can be public domain data from think tanks, government statistics or research centres. It can also include paid for research from research journals, education institutions, and commercial sources like newspapers.

Most information is freely available, so there are less costs associated with this kind of secondary research over primary research methods.

3. Qualitative research

Qualitative market research is the collection of primary or secondary data that is non-numerical in nature, and therefore hard to measure.

Researchers collect this market research type because it can add more depth to the data.

This kind of market research is used to summarise and infer, rather than pin-points an exact truth held by a target market. For example, qualitative market research can be done to find out a new target market's reaction to a new product to translate the reaction into a clear explanation for the company.

4. **Quantitative research**

Quantitative research is the collection of primary or secondary data that is numerical in nature, and so can be collected more easily.

Researchers collect this market research type because it can provide historical benchmarking, based on facts and figures evidence.

There are a number of ways to collect this data — polls, surveys, desk research, web statistics, financial records — which can be exploratory in nature without a lot of depth at this stage.

5. **Branding research**

Branding market research assists a company to create, manage and maintain the company brand. This can relate to the tone, branding, images, values or identity of the company.

Research can be carried out through interviews, focus groups or surveys. For example, brand awareness surveys will ask your participants whether the brand is known to them and whether it is something they would be interested in buying.

Additional areas for brand research is also around brand loyalty, brand perception, brand positioning, brand value and brand identity .

The aim of research will be to understand how to know if:

- Your brand is performing in relation to other competitors
- There are areas to improve your brand activities

6. **Customer research**

Customer market research looks at the key influences on your target customers and how your company can make changes to encourage sales.

The aim of this research is to know your customer inside out, and continuously learn about how they interact with the company. Some themes covered by this include:

- **Customer satisfaction** – Exploring what keeps customers happy, as higher customer satisfaction is more likely to lead to increased customer retention.
- **Customer loyalty** – This looks at what experiences have happened to lead to greater customer loyalty across the customer lifecycle.

- **Customer segmentation research** – Discovering who the customers are, what their behaviour and preferences are and their shared characteristics.

7) **Competitor market research**

Is about knowing who your competition is and understanding their strengths and weaknesses, in comparison to your organisation. It can also be about your competitive offering in the market, or how to approach a new market.

The aim of this research is to find ways to make your organisation stand out and future planning through horizon scanning and listening to customer preferences.

For example, for competitive analysis, researchers would create a SWOT for your business and your competitors, to see how your business compares.

8. **Product research**

Product market research is a key way to make sure your products and services are fit for launching in the market, and are performing as well as they can.

The aim of this research is to see how your product is perceived by customers, if they are providing value and working correctly. Ideas can also be formed about upgrades and future product development.

There are a number of avenues within product research

- **Product branding** – Does the product brand and design attract customers in the intended way?

- **Product feature testing** – this can happen at various stages of development with target markets (in early development, between versions, before product launch, etc.) to check if there are positive reaction to new or improved features

- **Product design thinking** – what solutions would solve your customers' current or future problems?

9. **Sales Control Research**

Comprises substantial proportion of research work conducted by various companies' marketing research departments. This encompasses the marketing studies pertaining to sales forecasting, market potentials, market share analysis, and determination of market characteristics and sales analysis.

10. **Sales Control Research**

Comprises **substantial proportion of research work conducted by various companies' marketing research departments**. This encompasses the marketing studies pertaining to sales forecasting, market potentials, market share analysis, and determination of market characteristics and sales analysis.

11. Production Research

Production research is to gather information on the content of production related issues. Through this type research information is gathered to support producers to make informed decisions. Information on cultivars planted by producers is of utmost importance. The objective of the information is to evaluate the potential of cultivars in different environmental conditions, to finally determine which cultivars are the best adapted in a specific production regions.

2.11 MANAGEMENT INFORMATION SYSTEMS

Meaning:

Is an information system used for decision-making, and for the coordination, control, analysis, and visualization of information in an organization. The study of the management information systems involves people, processes and technology in an organizational context.

MIS is the use of information technology, people, and business processes to record, store and process data to produce information that decision makers can use to make day to day decisions.

The purpose of MIS is to extract data from varied sources and derive insights that drive business growth.

According to Philips Kotler, marketing information system consists of people, equipment, and procedures to gather, sort, analyse, evaluate, and distribute needed, timely, and accurate information to marketing decision-makers.

FEATURES OF MIS

1. Continuous flow:

A well-designed MIS provides a continuous flow of information for decision making. Electronic cash registers and computer systems connect the retailers directly with the suppliers. Thus, continuous consumer purchase data are made available.

2. Decision-making:

MIS is structured to provide information for decision-making. It helps in practical decision-making, as it includes real-time data. It generates regular reports and conducts studies as needed.

3. Use of computer:

Computers are widely used in MIS. they are used as a tool to collect, store and manipulate large amounts of data. They integrate old and new data to provide information and identify trends.

4. Complex process:

Designing and operating a MIS is a complex process, especially with the firms involved in global trade. It requires convincing each unit of the firm about the value of timely and accurate information. Structured reports and control over the information make the process more complicated. Thus, computer specialists are used.

5. Economical:

Creating large database is easy with a computer. However, MIS is concerned with needed and timely information. Hence, only relevant data is stored. This reduces cost and efforts in data collection.

6. Variety:

MIS uses data from a variety of sources both within and outside the organization. Thus, it helps the marketing managers in exploratory research. It uncovers useful relationships and developments. Ordinarily, such meaningful relationships would have been overlooked by the managers.

7. Future-oriented:

Marketing environment is dynamic. Thus, MIS is devised to collect information for solving problems and anticipate future changes. MIS is both present- and future-oriented. Selective: MIS gathers and sorts information that is useful to the firm. It is adjusted according to the manager's decision-making needs. Thus, it is selective.

8. Flexible:

The system should be flexible. New changes should be incorporated easily, quickly and smoothly. Information technology is changing rapidly. When such new techniques are used, accuracy and utility of information improve.

2.12 IMPORTANCE OF MIS

1) Helps In Managing Data

MIS helps in maintaining and managing crucial business data for assisting in complex decision-making by the management. The critical information is stored in an organized manner, and it can be accessed by the administration quickly whenever required.

2) Analyses Trends

Management needs to prepare forecasts for strategic planning and determine future goals. Thus, to create such a strategy, it is essential to have accurate reports on prevailing market trends. MIS uses various mathematical tools for analyzing the current market trend and predicting future trends based on such information.

3) Helps In Strategic Planning

MIS reports play a significant role in the strategic planning of the company. It helps in determining the future needs of the company and assists in formulating goals and strategy based on such information. Management information system report is also helpful in identifying resources required to meet the company's objective. Thus, it is vital that the information provided by MIS and reporting is accurate and reliable.

4) Goal Setting

For any organization, setting up a goal is very crucial matter, and it requires lots of research and development. Since the information provided in MIS reports is based on current data analysis, hence it is considered suitable and material for determining the goal of an enterprise. Also, MIS reporting includes the current market trend analysis and prediction of the future trend. Thus, it is quite difficult for any company to neglect MIS and reporting.

5) Problems Identification

MIS report provides information related to every aspect of activities taking place in the company. Hence, in case any problem arises in front of the management, MIS reports are quite helpful in identifying the source of the problem. Also, MIS and reporting are really useful in finding the solution to such an issue.

6) Increases Efficiency

The relevant information provided by MIS and reporting is utilized in formulating goals and strategy of the company. Also, the performance of the business can be assessed with the help of MIS reports. Hence, MIS plays a vital role in increasing the efficiency of the company.

7) Comparison Of Business Performance

The relevant business data and information of the company is stored and maintained in the MIS database. Since the MIS database can be accessed at any time; hence, the current performance of the firm can be compared with its previous year's achievement to measure the organization's growth.

2.13 CONSUMER BEHAVIOUR

Meaning:

Is the study of individuals, groups, or organizations and all the activities associated with the purchase, use and disposal of goods and services. Consumer behaviour consists of how the consumer's emotions, attitudes, and preferences affect buying behaviour.

The study of consumer behaviour formally investigates individual qualities such as demographics, personality lifestyles, and behavioural variables (such as usage rates, usage occasion, loyalty, brand advocacy, and willingness to provide referrals), in an attempt to understand people's wants and consumption patterns. Consumer behaviour also investigates on the influences on the consumer, from social groups such as family, friends, sports, and reference groups, to society in general (brand-influencers, opinion leaders).

According to Philip Kotler , Consumer Behaviour is defined as " The study of how people buy, what they buy, when they buy and why they buy".

FEATURES OF CONSUMER BEHAVIOUR

1) Influenced by various factors:

- Marketing factors such as product design, price, promotion, packaging, positioning and distribution.
- Personal factors such as age, gender, education and income level.
- Psychological factors such as buying motives, perception of the product and attitudes towards the product.
- Situational factors such as physical surroundings at the time of purchase, social surroundings and time factor
- Social factors such as social status, reference groups and family
- Cultural factors, such as religion, social class—caste and sub-castes.

2) Undergoes a constant change:

Consumer Behaviour is not static. It undergoes a change over a period of time depending on the nature of products.

3) **Varies from consumer to consumer:**

All consumers do not behave in the same manner. Different consumers behave differently. The differences in consumer Behaviour are due to individual factors such as the nature of the consumers, lifestyle and culture.

4) **Varies from region to region and country to county**: The consumer Behaviour varies across states, regions and countries. It may differ depending on the upbringing, lifestyles and level of development.

5) **Information on consumer Behaviour is important to the marketers:**

Marketers need to have a good knowledge of the consumer Behaviour. They need to study the various factors that influence the consumer Behaviour of their target customers. i.e. Product design/model, pricing, packaging, positioning, promotion of product etc.

6) **Leads to purchase decision:**

A positive consumer Behaviour leads to a purchase decision. A consumer may take the decision of buying a product on the basis of different buying motives. The purchase decision leads to higher demand, and the sales of the marketers increase.

7) **Varies from product to product:**

Consumer Behaviour is different for different products. There are some consumers who may buy more quantity of certain items and very low or no quantity of other items.

8) **Improves standard of living:**

The buying Behaviour of the consumers may lead to higher standard of living. The more a person buys the goods and services, the higher is the standard of living. But if a person spends less on goods and services, despite having a good income, they deprives themselves of higher standard of living.

9) **Reflects status:**

The consumer Behaviour is not only influenced by the status of a consumer, but it also reflects it. The consumers who own luxury products like luxury car, watches and other items are considered belonging to a higher status. The luxury items also give a sense of pride to the owners.

2.14 IMPORTANCE OF CONSUMER BEHAVIOUR

1. **Modern Philosophy:**

   It concerns with modern marketing philosophy – identify consumers' needs and satisfy them more effectively than competitors. It makes marketing consumer-oriented. It is the key to succeed.

2. **Achievement of Goals:**

   The key to a company's survival, profitability, and growth in a highly competitive marketing environment is its ability to identify and satisfy unfulfilled consumer needs better and sooner than the competitors. Thus, consumer Behaviour helps in achieving marketing goals.

3. **Useful for Dealers and Salesmen:** The study of consumer Behaviour is not useful for the company alone. Knowledge of consumer Behaviour is equally useful for middlemen and salesmen to perform their tasks effectively in meeting consumers needs and wants successfully. Consumer Behaviour, thus, improves performance of the entire distribution system.

4. **More Relevant Marketing Programme:**

   Marketing programme, consisting of product, price, promotion, and distribution decisions, can be prepared more objectively. The programme can be more relevant if it is based on the study of consumer Behaviour. Meaningful marketing programme is instrumental in realizing marketing goals.

5. **Adjusting Marketing Programme over Time:** Consumer Behaviour studies the consumer response pattern on a continuous basis. So, a marketer can easily come to know the changes taking place in the market. Based on the current market trend, the marketer can make necessary changes in marketing programme to adjust with the market.

6. **Predicting Market Trend:**

   Consumer Behaviour can also aid in projecting the future market trends. Marketer finds enough time to prepare for exploiting the emerging opportunities, and/or facing challenges and threats.

7. **Consumer Differentiation**:

Market exhibits considerable differentiations. Each segment needs and wants different products. For every segment, a separate marketing programme is needed. Knowledge of consumer differentiation is a key to fit marking offers with different groups of buyers. Consumer Behaviour study supplies the details about consumer differentiations.

8. Creation and Retention of Consumers:

Marketers who base their offerings on a recognition of consumer needs find a ready market for their products. Company finds it easy to sell its products. In the same way, the company, due to continuous study of consumer Behaviour and attempts to meet changing expectations of the buyers, can retain its consumers for a long period.

9. Competition:

Consumer Behaviour study assists in facing competition, too. Based on consumers' expectations, more competitive advantages can be offered. It is useful in improving competitive strengths of the company.

10. Developing New Products:

New product is developed in respect of needs and wants of the target market. In order to develop the best-fit product, a marketer must know adequately about the market. Thus, the study of consumer Behaviour is the base for developing a new product successfully.

11. Dynamic Nature of Market:

Consumer Behaviour focuses on dynamic nature of the market. It helps the manager to be dynamic, alert, and active in satisfying consumers better and sooner than competitors. Consumer Behaviour is indispensable to watch movements of the markets.

12. Effective Use of Productive Resources:

The study of consumer Behaviour assists the manager to make the organisational efforts consumer-oriented. It ensures an exact use of resources for achieving maximum efficiency. Each unit of resources can contribute maximum to objectives.

2.15 FACTORS INFLUENCING CONSUMER BEHAVIOUR

The behaviour of consumer is dependent on a number of factors which may be economic or non-economic factors and are dependent upon economic factors such as income, price, psychology, sociology, anthropology, culture and climate. The study of consumer behaviour has proved that following are the main factors which influence the behaviour:

1. **Economic Factors:**

   Price, Income, Distribution of Income, Competition with substitute , utility and Consumer preferences are the factors categorised as Economic factors .

2. **Social Factors:**

   Culture, Attitude of society, social values, Life-style, personality, Size of family, Education, health standards are the factors catagorised as Social factors.

3. **Psychology :**

   It decides the personality, taste, attitudes of individuals or groups, life style, preferences especially on occasions like marriage. The demonstration influence is also dependent upon psychology of an individual.

4. **Anthropology & Geography**:

   Climate, region, history all effect, consumer behaviour. In hot countries like India certain products which keep us cool like squashes, sarbatas, are demanded but they have no demand in cold regions. Culture is also influenced by climate.

5. **Technology**:

   In case of equipment's whether for consumer use or industrial use is affected by technological innovations and features. Even in case of perishable goods the shelf life etc are determined by technological developments. Innovations and introduction of new product also depends upon technological development.

6. **Others:**

   Knowledge-technical or otherwise and information. Government decisions, laws, distribution policies, production policies have also big affect on consumer behaviour.

2.16 QUESTIONS

1) Define the term Marketing. Explain Features & Advantages?

2) What is the scope of Marketing?

3) List out the 4 P's & 4 C's of Marketing?

4) Distinguish Between Marketing v/s Selling?

5) Briefly describe MARKETING Functions?

6) Write a note on PESTLE Analysis?

7) List out the various Orientation of firm?

8) Write a note on different Marketing Channels?

9) Write a note on Macro Environmen?

10) Define the term Marketing Research. Explain Importance?

11) Write a note on MIS?

12) Define the term Consumer Behaviour.Explain factors affecting Consumer Behaviour.

❄❄❄❄❄❄❄

3

MARKETING MIX

Unit Structure :

3.0 OBJECTIVES

After studying the unit the students will be able to:

1. Explain the concept of marketing mix and its components;
2. Discuss the meaning of product and its classification;
3. State the various factors affecting pricing decisions;
4. Describe different methods of pricing;
5. State the meaning of channels of distribution;
6. Identify the various channels of distribution;
7. Discuss the factors affecting choice of a channel of distribution; and
8. Explain the concepts of promotion and promotion mix.

3.1 MARKETING MIX

Numerous activities are involved in marketing. An organization may choose its target consumer base as a starting point. Once the target market has been selected, the product must be introduced to the market using the proper distribution, pricing, and marketing strategies. To reach the marketing objective, these must be merged or mixed in the proper ratio. The term "marketing mix" refers to this combination of the product, pricing, distribution, and promotional activities.

According to Philip Kotler "Marketing Mix is the set of controllable variables that the firm can use to influence the buyer's response". In this context, the four "Ps"—product, price, location (distribution), and promotion—are referred to as the controllable variables. Each business aspires to develop a combination of the four Ps that may satisfy customers to the highest degree while also achieving its own organizational goals. As a result, this mix is put together with the demands of target customers in mind, and it differs from organization to organization based on its resources and marketing goals. Let's quickly review the four elements of the marketing mix.

3.1.1 Components / Elements of Marketing Mix

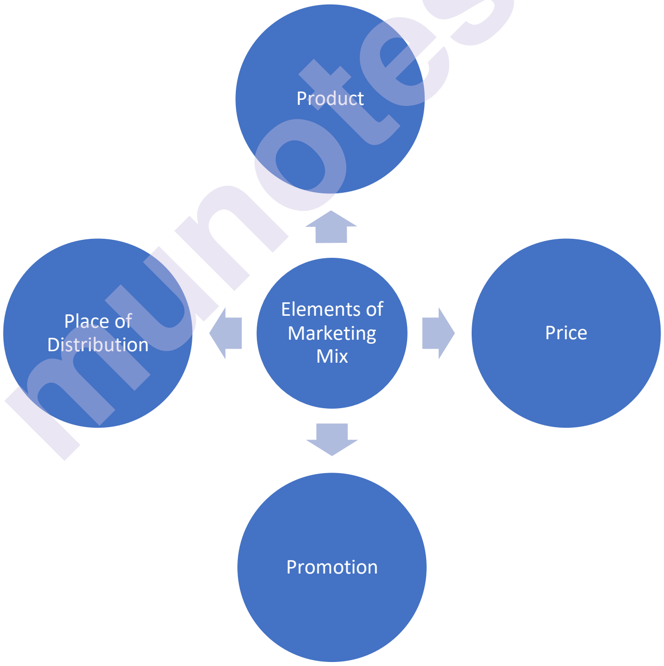
The marketing mix contains four variables. The four variables are also called the 4 P‟s. the four P‟s are:

1) Product

2) Price

3) Promotion

4) Place of Distribution



1) PRODUCT

Product means goods and services. The product is sold by the producer and is purchased by the consumers. the product mix contains the following:

a) Product Line and Range

b) Quality

c) Style, Shape, Size, Design, Color and other Physical features of a product.

d) Brand name and the Trade Mark.

e) Packaging and Labelling

f) After sales services.

Product is the most important variable in the Marketing Mix. It is like the heart in the human body. If the heart fails, then the human body will also fail. Similarly, if the product fails then the company will also fail. But if the product is good then sales will increase. If the sales increase, then the profits will increase. If the profits increase, then the company will become successful. Therefore, the success or the failure of the company depends fully on its product.

The company must do Product Planning and Development. They must make the product very attractive. They must make the product according to the needs and expectations of the consumers. the product must satisfy the wants of the consumers it must solve the problems of the consumers. it must be able to create demand. It must be able to fight competition.

The company must keep on changing the product. i.e. the product must not remain the same. It must change according to the changes in the consumers' needs and expectations. It must also change according to the technological developments and the competitor's strategies. So, in short neglecting product component is as good as neglecting heart in the human body.

2) PRICE

Price is the exchange value of the product. It is the amount, which the seller is willing to take for the product. It is the amount, which the buyer is willing to give for the product.

The Price Mix contains the following:

a) List Price

b) Discounts

c) Credit Period

d) Terms of Credit

e) Terms of Delivery

f) Installment Facilities

g) Maintenance Charges, etc.

Price is very important variable of the marketing mix. It has a direct effect on the Sales and profits of the company. The Marketing Manager uses pricing to fight competition. He also uses pricing to increase sales and to capture the market.

The Price must be reasonable i.e. it must be right. It must not be too high or too low. If the price is too high then the consumers will purchase the competitor product. If the price is too low, then the company will not earn enough profit. Secondly, the consumers feel that if the prices are low then the quality is also low.

Fixing the price is a very difficult job. The marketing manager must consider many factors such as cost, demand, competitor's price, nature of product, nature of consumers, nature of purchase, government regulations, etc. The marketing manager must not keep the price same. He must change it according to the changes in the above factors i.e. cost, demand, etc.

3) PROMOTION

Promotion means,

i) to inform the consumers about the product and

ii) to persuade (encourage) them to buy the product.

Promotion is also used to persuade the dealers i.e. wholesalers and retailers to sell the product.

The Promotion Mix contains the following:

a) Salesmanship

b) Advertising and Publicity

c) Public relations

d) Sales Promotion

e) Direct Marketing.

Promotion is an important variable of the marketing mix. Promotion helps the company in many ways. It increases the goodwill of the company. It makes the product popular. It improves the relations between the company and the consumers. It creates confidence in the minds of the consumers. It attracts the consumers. it makes them purchase the product. It increases the sales. It captures the market. It also helps the company to fight competition.

The Marketing Manager must use many Sales Promotion techniques for capturing the market. He must advertise the product on TV, Radio, Newspapers, Magazines, Posters, etc. He must use many salesmen for selling his product. He must change the promotion mix according to the situation.

4) PLACE OF DISTRIBUTION

Place of distribution mix contains the following:

a) Distribution Channels

b) Area coverage

c) Transport

d) Inventory

e) Warehousing

f) Manufacturer – Dealer relations, etc.

The Marketing Manager must distribute the product to the right time. He must select a suitable distribution channel for the product. He must select proper wholesalers and retailers to sell the product. He must pay them proper commission. He must maintain very good relations with them. He must arrange for transportation and warehousing of the product. So in short, the Marketing Manager must distribute the product to the places, which are convenient to the consumers.

The 4P‟s are interrelated. If there is a change in one P (Variable) then there will also be a change in the other P‟s for e.g. if there is a change in the product then there will also be a change in the price of the product, the promotion of the product, etc.

The Marketing Manager must mix (combine) the 4 P‟s properly. He must also change the 4P‟s according to market environment consists of the consumers, the competitors, the government, etc.

Check your Progress

1. _______________ is the set of controllable variables that the firm can use to influence the buyer's response.

2. _____________ is the exchange value of the product.

Explain

1. Four Components of Marketing Mix.

2. Importance of Place of Distribution.

Answer the following

1. What are the different elements of Marketing Mix?

3.2 PRODUCT

Product is a key element. Marketing mix planning starts with formulating an offer that brings value to target customers and satisfies their specific needs. A company's market offer often includes both tangible goods and services. Today, some companies are developing and delivering total customer experience. Experiences are memorable, personal and take place in the minds of individual consumers. Examples are visit to theme park, Open space theater, exhibition etc.

3.2.1 Definition

"A product is anything that can be offered to a market for attention, acquisition, use, or consumption and might satisfy a want or need." - **According to Philip Kotler**

3.2.2 Classification of Products

Consumer or industrial goods are the two categories into which products or goods fall. While industrial goods are produced for industrial objectives, consumer goods are produced for the final user's personal use. There are many products that can be categorized as both industrial and consumer items, such typewriters and stationery.

1. Consumer Products: Items purchased by the final consumer for consumption are referred to as consumer's products. It comes in four varieties:

    i. Convenience Items: Customers regularly purchase convenience products since they are typically inexpensive, readily available, and require little to no planning, searching, or comparison shopping. Customers can purchase these goods through numerous distribution methods, including every retail location. Fast-moving consumer goods (FMCG) in this category include things like soap, toothpaste, detergents, and food like rice, wheat flour, salt, sugar, milk, among others.

    ii. Shopping Products: Compared to convenience products, shopping products are more expensive and less frequently used by consumers. When purchasing such goods or services, the consumer invests a lot of time and energy in learning about the item in question. They then make their purchase after carefully weighing the item's price, quality, features, style, and suitability.

        These goods are sold through a few carefully chosen distribution channels. Televisions, air conditioners, automobiles, furniture, hotel and airline services, and tourism services are a few examples.

    iii. Specialty Products: Customers who are convinced that a product is superior to all other competing brands in terms of features and quality are willing to spend a premium price for it. Specialty Products are high-priced branded products and services with distinctive features. These products are sold through one or a small number of exclusive distribution sources and are not regularly purchased—they may only be bought once or twice in a lifetime. Buyers do not contrast specialized goods.

    iv Unwanted Goods: Unwanted products are those that consumers are either unaware of or aware of but do not often consider purchasing. The marketer makes aggressive advertisements, in-person sales, and other marketing efforts in such circumstances. Until the consumer learns about the product through advertising, they are not sought after. Such products come in a range of costs. Cemetery sites, blood donations to the Red Cross, and stem cell banking services for umbilical cords are a few examples of unintended goods.

2. Industrial Products: Business organizations buy industrial products to employ in their operations or for further processing. The distinction between industrial and consumer products is made based on the use for which they are purchased.

   i. Materials and parts: Materials and parts include component parts such as small motors, tyres, and castings as well as raw materials such as agricultural products, crude oil, iron ore, and produced materials such as iron, yarn, cement, and wires. The majority of manufactured goods and components are sold straight to industrial customers. The two primary marketing factors are price and services. Advertising and branding are typically less significant.

   ii. Capital items: Capital items support production or operation and include facilities like offices, factories, fixed equipment like computers, elevators, and generators, as well as supplementary equipment like office supplies and tools.

   iii. Supplies are made up of things like lubricants, coal, paper, pencils, and tools for maintenance and repair like paint, nails, and brooms.

   iv. Services are maintenance and repair services including legal, consulting, and advertising services as well as maintenance and repair services for computers.

Classification of Products Based on Usage, Tangibility, and Durability:

Durability, tangibility, and usage have historically been used by marketers to categories things.

(a) Non-durable goods are tangible items that are typically used just once or twice. Salves, salt, and biscuits are a few examples.

(b) Durable goods: physical items that can typically be utilized for a long time. including refrigerators, washing machines, color televisions, and vacuum cleaners.

(c) Services are immaterial, indivisible, and variable products. For instance, banking services, insurance services, etc.

3.2.3 Product Decision:

1. **Product Mix Decision:** Adding a new product to the product mix, removing an existing product from the product mix, adding a new product line, lengthening an existing line, or introducing new variants of a brand are all examples of decisions that can be made to expand the business and boost profitability. For instance, Hindustan Lever sells a wide range of goods, including food, beverages (coffee, tea), cosmetics, detergents, and other goods. A company's product mix has four key dimensions.

   I. **Product mix width**: The number of distinct product lines that the company carries is referred to as the product mix width. In the categories of fabric and home care, baby care, feminine care, beauty care, health care, etc., Ex-P & G carries more than 250 brands.

   II. Product mix length: The total number of items that the company carries across all of its product lines is referred to as the product mix length.

   III. Product mix depth: Product mix depth, or the number of variants of each product in the line, is another term for product mix. Ex: There are 13 different flavors of P & G Crest toothpaste, including multi-care, cavity protection, sensitivity protection, etc.

   IV. Product mix consistency: It measures how closely related different product lines are to one another in terms of end use, production needs, distribution methods, or other factors.

2. **Product Line Decision:** A product line is a collection of closely related goods produced by a single business. Product line managers make judgments regarding their product lines by taking into account the sales and profits of each item in the line and contrasting their product lines with those of their competitors in similar marketplaces. By adding new products or removing older ones from the line, marketing managers must determine the ideal length of the product line.

   A cosmetic company's makeup product range, for instance, might include concealer, powder, blush, eyeliner, mascara, and lipstick items. They are all part of the same product line because they are all closely related. Other product lines can be available from the same business. For instance, one product line might target youngsters, while another might target women over the age of 50. (ex-. an anti-age product line). Specific considerations regarding each of these product lines are necessary.

A. Line Stretching Decision: The choice to stretch a product line beyond its current scope is known as line stretching. A company can expand its product line both up and down as well as both ways.

1. **Downward stretching** refers to the addition of low-end products to a product line. For instance, Toyota and Honda entered the Indian auto industry after observing Maruti-success Suzuki's in the small vehicle category.

2. **Upward stretching** refers to the addition of high-end products to the product range. Maruti-Suzuki, for instance, first entered the small car category before moving on to higher end.

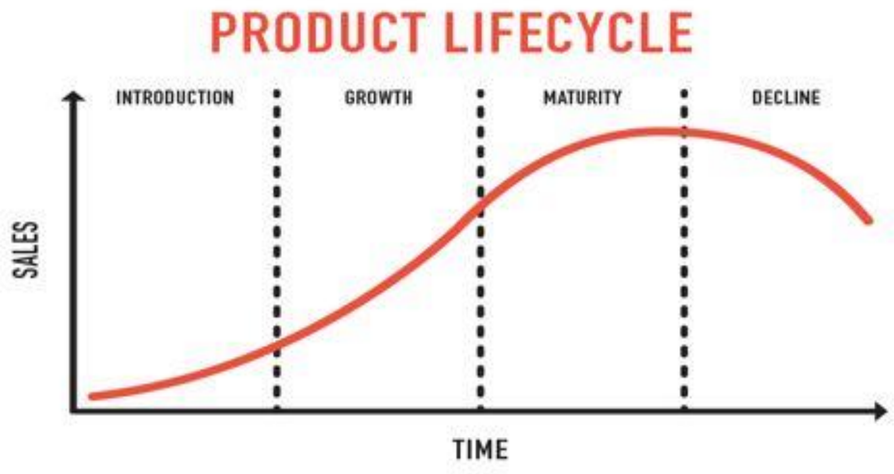
3. **Two-way Stretching:** If a company is in the midst of the market, two-way stretching refers to stretching the line in both ways.

B. Product Line Filling, which involves incorporating new products into the line's current assortment. Line filling is typically done to increase profits, please dealers, make use of spare capacity, and close gaps to keep competitors out. Cannibalism and consumer misunderstanding could occur if line filling is done excessively. The marketer must also make sure that any new products stand out from the competition.

3.2.4 Product Life Cycle:

A product experiences cycles and has a life of its own. Although various items have various life cycles, most products follow the conventional product life cycle.

Knowing where a product is in its life cycle can give you important information about how to place your product in the market in terms of price, advertising, and distribution if you're thinking of entering an industry and producing a product. Four stages commonly occur over a product's lifecycle. Each stage is different and calls for stage-specific marketing tactics.



Introduction Stage: During this phase, customers are introduced to a novel and unheard-of product. Sales are modest, the production method is new, and economies of scale or the experience curve haven't reduced costs yet. The goal of the promotion strategy is to familiarize customers with the product. The pricing strategy is intended to attract new customers and encourage them to try the product.

Growth Stage: Sales increase quickly during this period of growth. Customers are prepared to purchase the product since they are familiar with it. Both new consumers and returning consumers are drawn to the market. The business may need a significant influx of finance and experience to ramp up production quickly. As the company goes down the experience curve and realizes economies of scale, costs are reduced. Profit margins are typically high. Although new competitors may enter the industry, there isn't much competition because it's expanding quickly. To capitalize on the expanding sector, promotion and pricing methods are updated.

Mature Stage: At this point, the market has reached saturation. Production has finally caught up with demand, and the rate of demand increase abruptly decreases. The number of first-time buyers is low. Repeat business is the norm for buyers. When competition is fierce, aggressive pricing and advertising strategies are used to either gain market share from rivals or simply hold onto it. Although size economies and experience curves are reached, aggressive pricing strategies frequently result in lower profit margins. Despite efforts by businesses to differentiate their offerings, the items end up becoming increasingly uniform.

Decline Stage: During this phase, sales decline as customers switch to other items. The competition is fiercely competitive. Due to low profit margins and falling sales, profits dry up. Some companies quit the sector. The remaining companies aim to rekindle consumer interest in the good. If they are prosperous, sales can start to increase. If not, sales will either stabilize or keep declining.

3.2.5 New Product Development:

A new product is one that the company is releasing for the first time, even if it has been produced in the same form by others. For instance, in the market for toilet soaps, the many brands that each firm has produced are, in that sense, new items since they are new to the company.

The following four groups can be used to categories broadly speaking new products:

I. New to the World: These products are novel, inventive innovations that weren't previously available. Many items that are now commonplace and seen as outdated were once novel to the globe. Consider that when they were originally developed, items like the microprocessor, transistor, television, mobile phones, and airplane were new.

ii. New to the Firm: Contrary to what the name of this category might imply, the products in this group are not new to the world, just to the company.

Businesses that want to grow enlarge their product lines, like ITC, which recently added food and ready-to-wear products to its line-up. It includes the addition of new product lines.

iii. Product Line Expansion: Businesses expand their existing product lines with new products to adapt to changing consumer and market conditions. Pepsi, for instance, developed Pepsi Blue to capitalize on a specific cricketing season.

iv. Product Improvement: Because of their novelty, improved items are seen as new. These product improvements are linear. For instance, Maruti introduced new Series engines in its line of automobiles, which provided improved fuel efficiency.

3.2.5 New Product Development Process:

To offer new goods and meet the needs of its customers, a company must participate in the new product development process if it hopes to be successful in the long run. Thousands of new goods are introduced into the process each year, but only a small number make it to the market. Understanding your clients, the state of the market, and your competitors that are selling similar goods is crucial. Each product goes through the new product development process in seven steps.

Stage I	• Idea Generation
Stage II	• Idea Screening
Stage III	• Concept Development & Testing
Stage IV	• Marketing Strategy & Business Analysis
Stage V	• Product Development
Stage VI	• Test Marketing
Stage VII	• Commercialization

New product development means introducing new product in the market. New product development is one important component of product policy and product management. Product modification and product positioning are useful for marketing purpose. New product from the companies point of view can be broadly divided into three groups.

i) New products arising out of technological innovations.

ii) New product arising out of marketing oriented modifications.

iii) New products arising out of limitation of existing competitive products.

WHY IS NEW PRODUCT DEVELOPMENT NECESSARY?

1) New product development is necessary to meet the growing and changing needs of customers.

2) Environmental changes include technological development and social changes. All such changes create new threats and opportunities before marketing firms.

3) One more important reason for new product development is earning additional profit through marketing a new product with promising marketing demand.

STEPS / STAGES IN NEW PRODUCT DEVELOPMENT / PROCESS: -

1) IDEA GENERATION

Discovery of new ideas is possible through the study of problems, difficulties and inconveniences faced by large majority of consumers. New product ideas may also come from customers, dealers, salesmen and research staff working in the organization. Customers suggest new ideas while talking in the shops with the retailer/ salesmen. Such ideas are used for detailed study by the company and the most promising ideas is used for actual production. In addition, company's workforce, newspapers, consumer associations, complaints of consumers regarding existing products, publications of consumer's associations also suggest new ideas which can be used for new product development. Research activities undertaken by companies also suggest new product ideas.

2) IDEA SCREENING

Many ideas are discovered for the introduction of new product. However, all ideas are not equally promising. The best idea is required to be selected through screening process. The screening process facilitates the selection of the most promising product idea by eliminating all others. As a result, the possibility of product failure after its introduction is minimized. The risk in the new product development is reduced considerably. Different questions will be applied in the process of screening of ideas. The basic questions considered in the screening process may be as noted below:

i) Is the new product really needed by large number of consumers?

ii) Is the new product an improvement over an existing product in the product line of the company?

iii) Is the new product close to the existing product line or the existing business of the company?

iv) Will the proposed new product lead to new line of business?

3) CONCEPT DEVELOPMENT & TESTING

In this initial concept testing, an attempt will be made to find out the possible acceptance of the proposed product by consumers. Efforts will be made to find out whether the prospective consumers understand the product idea, whether they are receptive to the proposed product idea, whether consumers actually need such product and whether their psychology is favorable to purchasing / testing such product when actually available in the market. The possible market response is estimated in this product concept testing.

4) MARKETING STRATEGY & BUSINESS ANALYSIS

In this stage, the economic / commercial / financial viability of the new product is studied for final decision on the introduction of new product. The financial and marketing aspects of the new product will be considered in detail in this analysis. The market shares of the product, total investment required profitability of the project, etc. are estimated in this stage by the experts. The impact of the new project / product on the financial position of company is also estimated. The details of marketability of the product are estimated by marketing experts.

5) PRODUCT DEVELOPMENT

At this stage, the decision to introduce new product is finalized at the highest level in the company. The company has decided to introduce the proposed product as the marketing and financial results are promising. In this stage, steps will be initiated for the production and marketing of the new product.

6) TEST MARKETING

Test marketing refers to testing the actual product in one or two test markets on a relatively smaller scale. Testing should not be confined to just one city or market.

Testing in two or more cities provides an opportunity to measure consumer response to different marketing mixes. In one test city, a particular marketing mix can be offered, and in another test city, another marketing mix can be offered to judge the relative effectiveness of the marketing mixes. Test marketing is an experiment that has to be carefully handled.

7) COMMERCIALISATION

If the test results are positive, the marketer can go ahead with the production and marketing on a large scale in a number of potential markets. However, if the test results are negative, the idea of commercial production and marketing of product is to be dropped.

3.2.6 Reasons of Failure of New Product:

A lot of products fail although there is a well-developed product development process. Following are some of the reasons for the same-

- Sometimes a high-level authority pushes his idea without enough feasibility testing.
- The market is overestimated during the research and the actual size of the market is not so big.
- Designing of the product is not proper.
- There is incorrect positioning of the product.
- Product prices are kept higher than customer's expectations.
- Advertising of the product is in-effective.
- The raw material required to manufacture a product is not available in sufficient quantity as suppliers failed to supply it.
- As there is tough competition in the market, the manufacturer needs to spend more on advertising but to make the product competitive in the market, prices have to be reduced.

Therefore, we can conclude that the planning of the product has to be very systematically done.

Check your Progress

1. During _______________ phase, customers are introduced to a novel and unheard-of product.

2. The best _____________ is required to be selected through screening process.

3. A ___________ product is one that the company is releasing for the first time, even if it has been produced in the same form by others.

Explain

1. Idea Generation.

2. Growth Stage.

3. Product Line Decision.

Answer the following

1. Classification of Products.
2. Product Life Cycle.
3. Reasons of Failure of New Product.

3.3 BRANDING

"A brand is a name, word, sign, symbol, or design, or a mix of these, that is designed to identify the products and services of one business or group of businesses and to distinguish them from those of competitors."

A trademark serves as a sign for a combination of tangible and intangible qualities known as branding, which, when used effectively, can influence consumers and increase value. In order to set a company's goods and services apart from those of its rivals, it uses brands. There is a tonne of evidence that shows consumers will pay a hefty price premium for a solid brand and stick with it. Therefore, it is crucial to comprehend what brands are and their significance.

3.3.1 Importance of Branding:

(i) It aids in product identification and lends a product "distinctiveness."

(ii) It implies the caliber or standard of a thing subtly.

(iii) It stops product imitation, which is iii).

(iv) It guarantees the product's legal rights.

(v) It aids in packaging and advertising efforts.

(vi) It promotes and maintains brand loyalty for a specific product.

(vii) It aids in product pricing differentiation.

(viii) It aids the maker in properly recognizing the product.

(ix) It increases the efficiency of product marketing and advertising. It is simple to build a product identity, which facilitates repeat sales.

(x) It aids in boosting and managing market share. A brand may be more accepted than a nearly identical competition because of its unique image and personality.

(xi) The expansion of the product mix is facilitated by a well-known brand, which also facilitates the launch of new products.

3.3.2 Advantages of Branding:

Advantages of Branding:

The marketers draw the following benefits from branding:

(i) Distinctiveness or Product Differentiation: A brand name leaves clients with a memorable impression. For instance, despite the fact that soap is the same regardless of brand, people may have various perceptions of "Cinthol," "O.K.," "Lux," "Pears," "Vigil," etc. A branded product therefore has a unique or independent identity.

(ii) Market Segmentation: Branding aids in market segmentation based on benefits offered and requested by clients. For instance, Videocon is well-known in the electronics sector for offering value for money to business travelers. For the middle class market, it introduced the Bazooka version of TV in 1995.

(iii) Promotion and Advertising: A brand name gives its owner easy access to promote his or her product. People remember a brand name for a very long time once it gets well-known.

(iv) Large Market: Branded goods enjoy widespread popularity. The promoted branded products are easily handled by wholesalers and merchants.

(v) Customer Loyalty: Building a strong brand guarantees greater quality at reasonable rates. Branded goods are offered at the same pricing across the nation. Customers are more likely to develop brand loyalty as a result of this. They ask for the products by their brand names, such as Tata (for iodized salt), Natraj (for pencils), Nescafe (for coffee), Taj Mahal (for tea leaves), etc.

(vi) Protection from Imitation: A registered brand name and mark offers protection from other producers' imitation.

(vii) Price Control: A manufacturer can simply regulate the costs of branded goods. He has the ability to establish the prices and print them on the packets carrying the branded goods. Retailers are not permitted to overcharge their customers.

(viii) Check for Adulteration: Branded goods are properly packaged and sealed, preventing traders from tampering with them. Customers are thus guaranteed better-quality goods.

As will be mentioned below, branding is also useful from the perspective of customers.

(i) Product Recognition: Branding aids consumers in recognizing products. For instance, if a person is satisfied with a specific brand of a product, such as Lux beauty soap or Taj Mahal tea leaves, he need not conduct a thorough inspection each time he has to purchase that product. Therefore, branding encourages consumers to buy the products again.

(ii) Ensures Quality: Branding guarantees a specific degree of product quality. Customers can purchase branded products with trust as a result of their high quality.

(iii) Ensures Shopping: Shopping is made simpler by branding because consumers are aware of the products they should purchase. For instance, if someone wants to purchase a Sony television, they can visit a Sony authorized retailer and purchase the desired model.

(iv) Psychological Satisfaction: Customers who purchase differentiated brands express psychological satisfaction in addition to physical satisfaction with the product or service. An individual will feel more psychologically satisfied if they purchase a three door refrigerator with the BPL Brand, for instance, if they have already used a BPL washing machine without any issues.

(v) Status Symbol: Some brand names receive extensive advertising, which fosters a sense of status consciousness among customers. Customers that are status conscious are more satisfied with well-known brands.

(vi) Uniform Price: A branded product's retail price is listed on the packet. As a result, dishonest traders cannot defraud customers. Additionally, the cost is the same at all retail locations.

(vii) Packaging: Branded items are typically packaged in appropriate wrappers or containers that make them easier for customers to handle. Additionally, packaging shields the products from heat, moisture, etc.

3.3.3 Packing and Packaging:

Because they are so important in the world of marketing and are used to cover or wrap the product for safe storage and delivery, the words packing and packaging frequently cause us to get perplexed. While packing focuses more on protection, packaging emphasizes the product's beautiful design and look.

Therefore, packaging refers to a set of activities that involves designing a proper cover for the product, which not only stores the product and protects it from any damage, but also attracts customers with its appearance and encourages them to buy it. In contrast, packing implies the act of covering up the item or product to protect it from any damage. You will learn about the significant distinctions between packing and packaging in this article.

Packing

Packing is a component of packaging that involves placing packed goods in sizable boxes or containers in order to prepare them for storage, transit, handling, and delivery. According to their nature, the products are packaged. It seeks to maintain the product neatly organized, shield it from damage, leakage, breakage, theft, and other issues, and make it simple to transport it.

The term "packing" is typically associated with the shipping sector. It entails weatherproofing, cushioning, sealing, and other procedures that safeguard the product from loss and prepare it for storage and transit. Foam, bubble wrap, boxes, a packing tray, and packaging tape are some of the materials used to package the product.

Packaging

Packaging is a marketing strategy that involves arranging goods in appealing containers for the convenience of the consumer. It includes all the steps involved in creating an appropriate container for the product in order to assure both its safety and aesthetics.

A package informs the consumer of the necessary details regarding the item or substance it contains and its contents. It is created in a way that initially attracts the consumer's attention by its attractiveness.

Because it is the first thing a client sees, a product's packaging is extremely important to its overall market sales. Therefore, packaging might be thought of as a silent salesperson. It can influence consumers to acquire a product by acting as an advertisement for it by identifying the brand, conveying specific information, facilitating shipping and protection, assisting with at-home storage, and making the product easier to use. Three levels of packing are available:

- **Primary Package**: The initial container in which the product is distributed; examples include a polythene bag, tube, cane, etc.
- **Secondary Package**: In addition to the primary packing, the product is given a second package to ensure its security. You may have noticed a cardboard box with the merchandise covered inside of it.
- **Final Packing:** Final packaging is mostly used for storage and transportation. You may have observed that when a product is delivered in bulk, from one location to another, numerous products are placed in cartons, and in this way, the product is transported using several cartons to protect them from any harm.

3.4 PRICING

Any good or service's exchange value is represented by its price. A key component of the marketing mix is price. The four key marketing mix components are pricing, venue, product, and promotion. Except for price, every other component of the marketing mix causes the organization to lose money. Price is the only component of the marketing mix that brings in money for the business. Price includes all expenses incurred by the business in producing the product and bringing it to market for the consumer. Company constantly set prices so that they would receive a return on their investment and avoid losses. The costs incurred by the company include those for production, administration, selling, and distribution. All of these expenses can be met by reasonable pricing. The price a company charges shouldn't be excessively high or low. If the price paid is excessively high, the client will switch to a competing offering. If the price charged is too low, it will be challenging for the business to recover its start-up costs, raising concerns about its viability.

3.4.1 Objective of Pricing:

1. **Survival**

   Pricing's first goal must be survival. The business relies on sales to meet expenses. The manager of the company is constantly looking for price solutions that will ensure the long-term viability of the company. Price contributes to the existing business' stability and progress toward expansion.

2. **Return on investment**

   A company should price its goods so that they provide a minimum return on investment. Every business has a specific goal to have a minimal return on investment. The company should make at least INR 75 lakhs annually if it has invested INT 5 crore in the business overall and expects a 15% return on investment. Companies should define their product pricing strategies while keeping ROI in mind.

3. **Increase market share**

   Pricing is a key factor in a company's ability to grow its market share. If a corporation believes that its market share in the industry is poor, it should adjust its pricing tactics in order to attain the desired market share in the sector. As an illustration, if a company is in the FMCG sector and has a low market share, it should either cut prices or extend offers to customers.

4. **Competition**

   Pricing is a barrier to entry for new competitors in industries similar to our own. The business changed its price policies to counter the rival. A corporation should consider the price of its rivals when setting the price for its goods. Sometimes a business would even sell its products for less to keep a rival off the market.

5. **Customer Satisfaction**

   The customer is the product's ultimate user. Customer happiness enables the business to expand its market share. A fair pricing policy aids the business in gaining the confidence and trust of its clients. Once a company has the customer's trust in its product, they may expand more quickly and provide the client with greater services.

6. **Corporate image**

   An effective pricing strategy can affect a company's reputation in the marketplace. By setting acceptable prices, businesses help consumers form positive perceptions of them. A positive customer perception can help the business gain more clients and expand more quickly.

7. Launching of new product

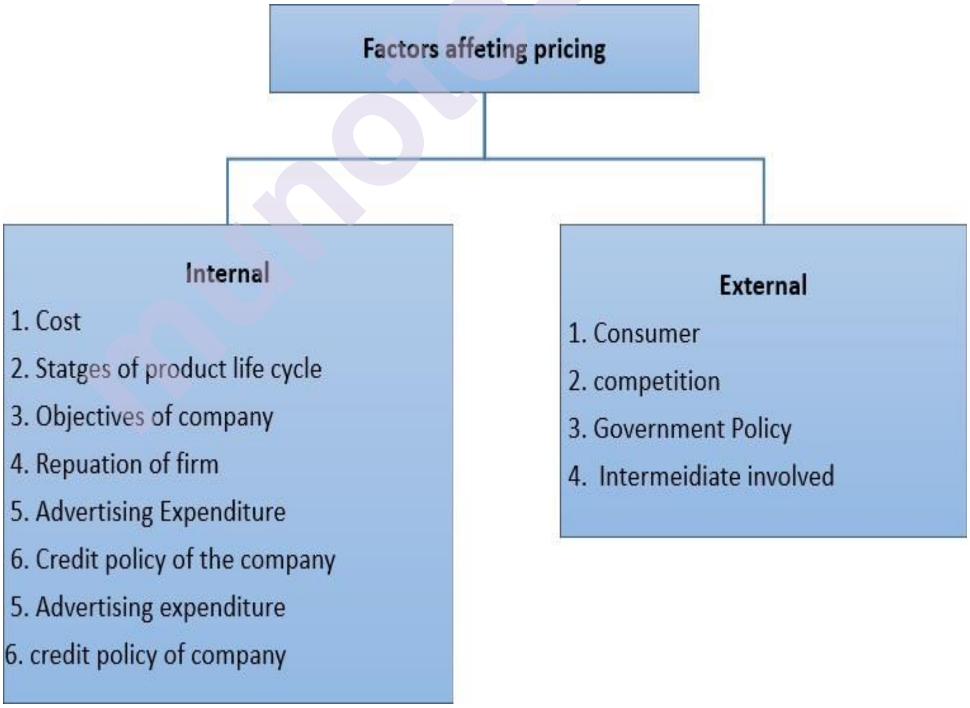
When introducing a new product to the market, an effective pricing plan is crucial. To build a clientele and gain customers' trust, a corporation should normally charge a low price for its goods, as stated in the introduction. The corporation has a low pricing approach for new products to entice customers to buy them.

8. Stability in pricing

Companies that charge steady prices for their goods are more favored by consumers in the marketplace. The majority of the corporation bases its seasonal price fluctuations on the product. Stable pricing has aided in attracting more potential customers throughout the year. To eliminate seasonal price fluctuations, the company should use pricing methods.

3.4.2 Factors affecting Pricing Policy:

It is difficult to determine the final pricing for any commodity or service since a number of internal and external factors must be taken into account. The factors listed below influence pricing decisions.



A. INTERNAL FACTOR

1. Cost

Cost refers to any type of expense that a business makes when producing a good. The corporation incurs a variety of variable as well as fixed costs to produce the goods. The corporation must pay both its fixed and variable costs before setting the price for any commodity.

2. Stages of product lifecycle

Every product must go through different product lifecycle stages. The stage that the product is in has an impact on price as well. In general, companies charge less when a product is first introduced, more as it grows, and more when it is in its decline stage of life. The company once more lowers the price of its goods.

3. Objective of company

The organization's pricing strategy also depends on what the company wants to achieve. If a corporation wants to increase market share, it will sell its products cheaper; if it wants to increase return on investment, it will price its products higher.

4. Reputation of the firm

The company's pricing strategy is also impacted by the goodwill of the business. The corporation will be able to charge more for its items if it has a solid reputation in the market. For instance, the Amul company, which enjoys a solid name in the market, charges a high price for its dairy goods.

5. Advertising expenditure

The company's advertising and marketing budget has an impact on pricing strategy. The price will be higher if the corporation spends more on these operations than it does on the things it sells, and vice versa.

6. The company's credit policy.

Every business offers a credit period to the wholesaler or retailer so they can pay back the price they were charged. If a corporation has a policy of extending its credit terms, its prices will be higher. The price paid will be cheaper if the credit period is given for a shorter amount of time.

B. External Factor

1. Customer

Over time, customer preferences and tests change. Therefore, before setting the pricing for its products, the corporation must evaluate a number of aspects related to its clients. Customer criteria like purchasing power, income level, etc. must be taken into account.

2. Competition

Prior to selecting the price for a product, it is crucial to research the pricing strategies of the competition. If market competition is fierce, the corporation should reinstate lower pricing for its items to gain a competitive edge. When there is a monopoly or little competition, businesses charge more for their goods.

3. ***Government policy***

Government rules and regulation are very important before finalizing price of the product. For certain category of goods and services government may announce predetermined price and all companies dealing in such kind of goods and services has to follows the norms of the government.

4. ***Intermediaries involved***

To travel goods from company to consumer many intermediaries are involved. Larger the number of intermediaries in supply chain higher will be the price of product and if number of intermediaries is less than price of the product will be less.

3.4.3 Pricing Strategy:

The corporation uses a variety of pricing techniques to meet its varied goals, which include increasing sales, market share, and profit margins. Pricing approaches are distinct from these strategies. In the case of pricing methods, the cost of the company's product is estimated and fixed based on demand, supply, competition, and other factors, whereas in the case of pricing strategies, various planning is done to ensure the product's success in the market.

1. **Skimming pricing strategy.**

When a new product is introduced to the market, this pricing technique is typically adopted. In order to maximise profits during the early phases of a product's lifespan, high-priced goods or services are introduced to the market. Prior to any competitors entering the market with a similar product at a lower price, the company's primary goals are to recoup its initial investment and make a profit on the product. High pricing during the beginning of the product lifecycle, with price reductions over time based on customer response to the company's offerings.

Skimming pricing schemes come in two different varieties.

There are two types of skimming pricing strategies.

a. **Rapid skimming pricing**: In this technique, the corporation spends a lot of money on advertising and promotion in order to charge a high price for the product.

b. **Slow skimming pricing**: This method involves introducing a product at a higher price to the market while spending less of the company's budget for advertising and promotion.

2. **Penetration pricing strategy:**

This method involves introducing a product at a higher price to the market while spending less of the company's budget for advertising and promotion.

There are two types of penetration pricing strategy:

a. **Rapid penetration pricing**: This technique introduces the product at a lower price but spends a lot of money promoting it.

b. **Slow penetration pricing**: A product is introduced at a reduced price under this technique, but it is promoted with less money spent on advertising.

3. **Uniform pricing strategy:**

A consistent pricing approach is used by businesses to charge the same prices in both urban and rural markets. However, it appears to be highly challenging because prices rely on a number of variables and because normal pricing policies don't apply in both rural and urban settings. In general, rural markets charge cheaper prices whereas urban markets charge higher prices.

4. **Psychological pricing strategy:**

This pricing strategy takes into account the customer's emotional state. In an effort to influence customers psychologically, it actively encouraged them to purchase the goods. For instance, the company can fix the price of a product at INR 4,999 just in order to entice customers to purchase it.

5. **Value based pricing:**

Businesses whose products offer greater gains to customers utilise this pricing technique. Customer value gain will be taken into account, and the corporation will increase the price of its product in line with this. As an illustration, Apple mobile phone charged a higher price for its smartphone since there were no alternatives available to compete with Apple and because Apple offered the customer greater value. Therefore, a corporation raises the price of its product while taking the value gain to the customer into account.

6. **Transfer pricing strategy:**

When transferring goods or services to other subsidiaries under the same holding company, different subsidiaries of Multinational Companies (MNCs) adopt this pricing technique. Transfer pricing lessens the effect of consumer obligations. While the buying company makes money and the transferring firm loses money in its books of accounts because they move items at a lower cost, the balance sheet of the holding company as a whole is unaffected.

7. **Flexible price strategy:**

In this pricing strategy, the business gives its devoted customers a discount. As an illustration, when a corporation introduces a new product, it gives its devoted customers a discount compared to other regular customers. Shopkeepers typically charge their regular customers less than their new customers.

8. Competitive pricing:

The price that the company charges for its goods is based on the prices that its rivals charge. However, if the quality of the product differs from that of the competition, this technique might not always be successful.

9. Differential pricing strategy:

This pricing method charges a varied price for the same product in several markets. This tactic can be generally divided into the following four categories:

a. **Customer segment pricing**: Some businesses charge various consumer segments different prices for the same product. This pricing variation results from factors like order size, payment terms, etc.

b. **Time based pricing**: Businesses that deal in seasonal goods or services typically employ this pricing method. Here, pricing strategy is adjusted in accordance with market supply and demand. For instance, hotels that offer accommodation and boarding facilities charge their customers more during the busy season and less during the slower season.

c. **Area pricing**: Businesses in various markets charge various prices for comparable goods. For instance, a corporation can offer a new product at a discounted price in a specific location to draw customers.

d. **Product form pricing**: Different prices are charged in accordance with the weight and proportion of the product in this pricing strategy. For instance, if the cost of a 250 ml soft drink is INR 15, the cost of a 500 ml soft drink won't be double that at INR 30, but rather less, like INR 25. This is because customers will pay a different price when purchasing a larger quantity.

Check your Progress

1. Businesses that deal in seasonal goods or services typically employ this pricing method -
2. In this technique, the corporation spends a lot of money on advertising and promotion in order to charge a high price for the product -
3. Any good or service's exchange value is represented by its –

Explain

1. Psychological pricing strategy.
2. Slow skimming pricing.
3. Return on Investment.

Answer the following

1. Pricing Strategy.
2. Internal Factors affecting Price.
3. Difference between Packing and Packaging.

3.5 DISTRIBUTION

3.5.1 Meaning

A company produces a variety of items and services, bringing all of them to the attention of the consumer through a variety of promotional activities including advertising and publicity, among others. It is not sufficient to simply inform people about the arrival of a new product; the product must also be usable by the eventual consumer. Every business' success is based on how quickly it can deliver its products to customers for use. The company's distribution network is crucial in this regard. The distribution channel includes a number of middlemen that help the business get closer to the client. The cost to the corporation increases as more intermediaries are used in the distribution process, but it is important to remember that quick product delivery to the client is essential. Every effort made by the company in the form of promotional activities will be ineffective if the company reduces the intermediaries in the distribution channel to lower the cost of distribution and the product does not reach the customer on time. This is because the demand will increase but the supply will be insufficient due to the improper distribution channel.

3.5.2 Definition of Distribution Channel:

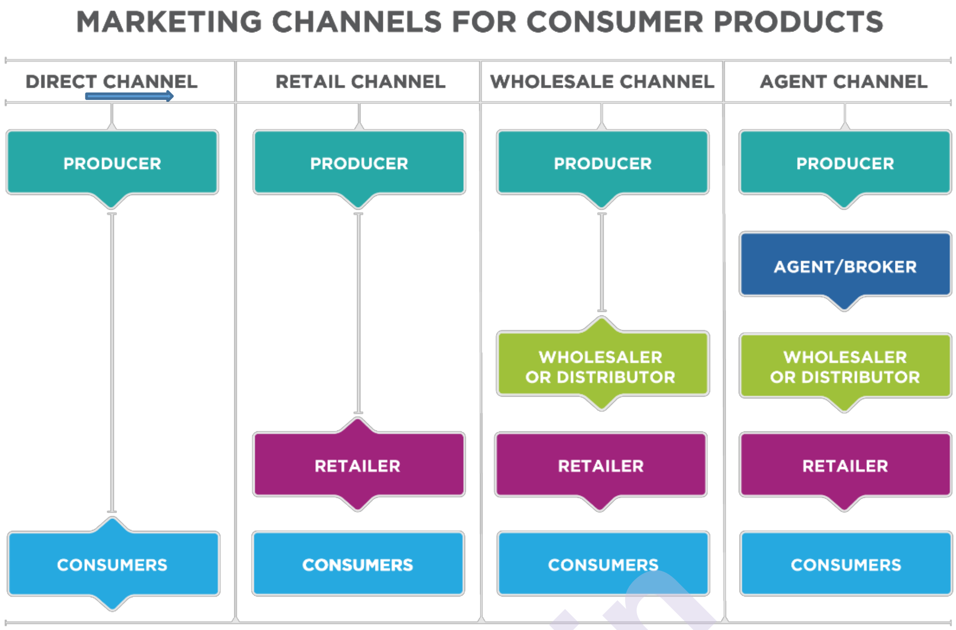
According to Philip Kotler – “Every producer seeks to link together the set of marketing intermediaries is called the marketing Channel also Trade Channel or Channel of Distribution”.

According to Mc Carthy – “Any sequence of institution from the producer to the consumer including one or any number of middlemen is called Channel of Distribution”.

3.5.3 Channels of Distribution:

The route used by the business to deliver the items to customers quickly and conveniently is known as a distribution channel. This route from business to client involves a number of middlemen, including wholesalers, retailers, etc.

Distribution channels are divided into four groups.



Channel of distribution 1.

Producer ------------ Consumer

This distribution route is additionally known as a direct route. As the producer or maker sells the goods or services directly to the final consumer without the assistance of any intermediaries, this is the simplest and shortest channel of distribution. For the businesses, this is incredibly cost-effective because they avoid paying middlemen's commissions. Manufacturing companies are better positioned to manage the distribution chain. Direct mail or providing door-to-door service to customers are two ways the producer sold the items. Some producers have their own retail locations where they sell their products to customers directly. As an illustration, the Bata company sells its footwear from its Bata showroom.

Channel of distribution 2

Producer Retailer ⟶ Consumer ⟶

Because there is just one middleman, a retailer, involved in this distribution channel, it is also known as the "retail channel." In this channel, businesses sell their products or services to large retailers who then handle the logistics of getting the products to the final consumer. Consumer durables are typically distributed through this distribution route. Example Vijay Sales.

Channel of distribution 3

Producer Wholesaler ⟶ Retailer ⟶ Consumer ⟶

This is a very popular and often used distribution route. Two middlemen—a wholesaler and a retailer—are involved in this distribution channel. In this channel, wholesalers buy products in bulk from producers and resell them to various retailers. The wholesaler sells the goods to retailers, who then sell them to the final customer. This channel enables the business to expand its market share and quickly deliver a variety of goods across the industry. The cost of the business rises as the number of intermediaries does, but at the same time, the company's sales volume increases, increasing income.

Channel of Distribution 4

Producer Agent → Wholesaler → Retailer → Consumer →

Agents, wholesalers, and retailers are the three intermediaries that make up this distribution chain. Here, the agent is in charge of distributing the products to a chosen wholesale dealer, who then provides the products to the retailer, who then makes them available to the final client. This method is typically used to distribute goods and services more widely across the country.

3.5.4 Factors Affecting Channels of Distribution:

Every firm faces a difficult issue when deciding which distribution channel is best for their products and services. The goal of every business is to reduce expenses and increase revenue. The corporation can achieve this by using a distribution channel with fewer middlemen. Before choosing the best channel of distribution for its goods and services, a company should take into account a number of variables.

A. Product-related factor: Before choosing a channel of distribution for the product, several product attributes must be taken into account.

   a. Cost of product: If the cost of the product is particularly high, a small distribution channel is used. Example: The corporation chooses a modest distribution channel for a product like jewellery or watches.

   b. Perishable nature: Perishable goods are typically delivered using a narrow distribution route, but FMCG products like soap, shampoo, and other items produced in large quantities are typically sent using a longer distribution channel.

   c. Customized or standardize product: Customized products are manufactured to the specifications of the customer and need a direct sales channel for distribution. Standardized items have identical characteristics, are produced in large quantities, and need a longer distribution channel.

   d. Technical nature: Technical products typically need a channel of distribution that is close to the consumer. For instance, electronic devices and vehicles.

B. Company related factor: These factors are related to internal environment of the company.

a. Goodwill: A company's goodwill has an impact on the channel of distribution. If a company has a strong reputation in the market, it won't need to rely on middlemen to boost sales because they can sell their products directly to customers.

b. Ambition to control distribution channel: Businesses that wish to do so in order to lower costs and prices typically do not rely on intermediaries.

c. Financial strength: Businesses with adequate financial standing create their own channels of distribution, whereas financially fragile businesses must rely on middlemen.

C. Market related factor: These factors are related to features of particular target group.

a. Number of buyers: If there are many customers who are interested in the firm's goods, the company should use intermediary services to connect with them.

b. Types of buyers: Buyers are typically divided into two groups, such as industrial buyers and general buyers. For general category commodities, more intermediaries will be involved if there are more buyers. However, industrial products need to be sold directly, thus there aren't as many intermediaries needed.

c. Buying quantity: If clients are making a single purchase of a product, distribution through intermediaries is required.

d. Size of market: A larger distribution channel is used when a company's customers are dispersed geographically and it is necessary for middlemen to distribute its goods.

D. Competitive factor: The choice of distribution channel is influenced by the level of market rivalry. Sometimes a corporation will follow a competitor's strategy. For a competitive edge, several businesses employ different distribution strategies than their rivals.

E. Environmental factor: These factors are related with external environment in which company operates.

a. Economic condition: Economic conditions, which are present in the market, influence the selection of the distribution route. Longer channels of distribution are desired during economic booms when income is higher and inflation is lower. The length of the distribution channel decreases while the nation is in a recession.

b. Legal restrictions: The company's distribution channel is also influenced by some legal limitations. According to the MRTP Act, which prohibits businesses from establishing monopolies in the supply and distribution channels

c. Competitors' channels: In order to reduce the risk of excessive distribution costs, most businesses choose to adopt their rivals' distribution strategies.

d. Fiscal structure: A country's fiscal structure reveals its financial situation, which reflects its economic development. The cost of distribution is impacted by periodic changes in the fiscal landscape across the nation.

3.6 PROMOTION

3.6.1 Meaning

The use of promotion as a marketing tool helps suppliers and buyers communicate with one another. By doing this, the vendor seeks to persuade and influence customers to purchase their goods or services. It helps to inform consumers about the company, its goods, and its services. This procedure is used by the business to enhance its reputation. This marketing strategy piques clients' curiosity and has the potential to turn them into devoted patrons.

The marketing mix, which consists of the four Ps of product, price, location, and promotion, is fundamentally incomplete without promotion. It is also a crucial component of any promotional strategy or mix, which may also include publicity for direct marketing, trade exhibitions, events, and self- and sales promotion.

A few techniques used in this process include an offer, coupon discounts, sample distribution for free, a trial offer, a buy-two-get-one-free deal, a contest, festival discounts, etc. Because customers' responses to discounts and offers are impulsive, product promotion is crucial to helping businesses increase their sales. In other words, promotion is a marketing strategy that entails informing consumers about the products and services that a business provides.

3.6.3 Tools of Promotion Mix:

1. **Advertising**

   The advertising is any paid form of non-personal presentation and promotion of goods and services by the identified sponsor in the exchange of a fee. Through advertising, the marketer tries to build a pull strategy; wherein the customer is instigated to try the product at least once. The complete information along with the attractive graphics of the product or service can be shown to the customers that grab their attention and influences the purchase decision.

2. **Personal Selling**

   This is one of the traditional forms of promotional tool wherein the salesman interacts with the customer directly by visiting them. It is a face to face interaction between the company representative and the customer with the objective to influence the customer to purchase the product or services.

3. **Sales Promotion**

The sales promotion is the short term incentives given to the customers to have an increased sale for a given period. Generally, the sales promotion schemes are floated in the market at the time of festivals or the end of the season. Discounts, Coupons, Payback offers, Freebies, etc. are some of the sales promotion schemes. With the sales promotion, the company focuses on the increased short-term profits, by attracting both the existing and the new customers.

4. **Public Relations**

The marketers try to build a favorable image in the market by creating relations with the general public. The companies carry out several public relations campaigns with the objective to have a support of all the people associated with it either directly or indirectly. The public comprises of the customers, employees, suppliers, distributors, shareholders, government and the society as a whole. The publicity is one of the form of public relations that the company may use with the intention to bring newsworthy information to the public. E.g. Large Corporates such as Dabur, L&T, Tata Consultancy, Bharti Enterprises, Services, Unitech and PSU's such as Indian Oil, GAIL, and NTPC have joined hands with Government to clean up their surroundings, build toilets and support the swachh Bharat Mission.

5. **Direct Marketing**

With the intent of technology, companies reach customers directly without any intermediaries or any paid medium. The e-mails, text messages, Fax, are some of the tools of direct marketing. The companies can send emails and messages to the customers if they need to be informed about the new offerings or the sales promotion schemes.

E.g. The Shoppers stop sends SMS to its members informing about the season end sales and extra benefits to the golden card holders.

Thus, the companies can use any tool of the promotion mix depending on the nature of a product as well as the overall objective of the firm.

7. **Online promotion:** This consists of practically all of the promotion mix's components. starting with pay per click advertising for online promotion. sending emails or newsletters as direct marketing. It helps to outspread a word or awareness, promote any newly launched service, goods or an organization. The company uses advertising as a promotional tool as it reaches a mass of people in a few seconds. An advertisement is communicated through many traditional media such as radio, television, outdoor advertising, newspaper or social media. Other contemporary media that supports advertisement are social media, blogs, text messages, and websites.

Check your Progress

1. The _____________ is any paid form of non-personal presentation and promotion of goods and services by the identified sponsor in the exchange of a fee.

2. Every firm faces a difficult issue when deciding which _____________ is best for their products and services.

3. The route used by the business to deliver the items to customers quickly and conveniently is known as a _____________.

Explain

1. Direct Marketing.
2. Promotion.
3. **Name** different channels of Distribution.

Answer the following

1. Factors affecting Channels of Distribution.
2. Tools of Promotion Mix.
3. Channels of Ditribution.

3.7 SUMMARY

In order to create a successful marketing mix, businesses must first understand what it is and what it includes. A marketing mix includes all the elements that go into marketing a product or service. These elements can include product, pricing, branding, distribution, promotion, and more. It's important to create the right mix for your business. Mixes that are too simple or too complex won't work as well as those that are in the right range. In order to find the right mix, businesses should first consider the purpose of the mix.

The marketing mix is important for a business to understand as it can help to determine the best product to offer and the right promotion strategy to use. The mix includes product, pricing, branding, distribution, and promotion. Product is the most important element of the marketing mix. The product should be of high quality and meet the needs of the target market. Pricing should be appropriate for the market and consistent with other products in the same category. The branding should be appealing and consistent with the product.

Product marketing is the process of developing, launching, and managing a product. It includes developing a product strategy, creating a product, and marketing the product. Current market trends are important to consider when developing a product. Trends can influence the way a product is marketed and sold. Buyers are the people who purchase a product. They have different needs and wants, which can influence the way a product is marketed and sold. Buyer needs are the specific needs of buyers. They can influence the way a product is marketed and sold. Exchanges are the places where buyers and sellers of products meet. They can influence the way a product is marketed and sold. Price products at a reasonable price.

Promotion is the process of getting the attention of potential customers and driving them to take a desired action. Ps refers to the price of a product or service. Service price is the price at which a service is provided. Price place is the place where a product or service is sold. Key factors are the things that affect the price of a product or service. Give refers to providing a product or service at a lower price than the competition. Framework refers to a set of principles or guidelines that help you create a marketing plan.

A company's branding, distribution, and promotion all play an important role in creating customer demand for its products or services. The main ingredient in a company's marketing mix is its brand. A company's brand is the name, logo, or other symbol that identifies it to the public. The marketing mix consists of the main ingredients in a company's marketing strategy. The marketing mix includes everything from the company's advertising strategy to its sales and distribution methods. The masses are the people who a company is trying to reach with its marketing messages.

There are a lot of great marketers in the business world today, and it seems like there are always new hot topics to discuss when it comes to marketing. One of the most important things that a business can do to ensure success is to develop a well-planned business plan. This will help identify the goals that the company wants to achieve, and it will also provide guidance on how to achieve them. Once the company has a good understanding of its goals, it can start developing an end product that will reflect those goals. Great content is one of the most important aspects of any successful marketing campaign, and it's important to make sure that the content that is being produced is of the highest quality.

3.8 EXERCISES

State whether following statements are True or False :

1. Decisions on all other elements of marketing mix depend on product.
2. The relation between demand and price is inverse.
3. In going rate pricing company follow the pricing strategy used by its competitors.
4. The use of promotion as a marketing tool helps suppliers and buyers communicate with one another.
5. A company should price its goods so that they provide a minimum return on investment.

Select the most appropriate option from the given :

1. Which of the following is a name, term, sign, symbol, design, or a combination of these, that identifies that maker or seller of a product or service?

(a) Label

(b) Co-brand

(c) Brand

(d) Product

2. Any item or service you sell to satisfy a customer's need or want is a __________ .

(a) Product

(b) Pace

(c) Positioning

(d) Price

3. The Product life cycle has four stages - introduction, growth, maturity and

(a) Decrease

(b) Decline

(c) Dipping

(d) Destruction

4. ________________ is an external factor affecting pricing.

(a) Cost

(b) Credit policy of the company

(c) Objective of the company

(d) Competition.

6. ____________ is an internal factor affecting pricing.

(a) Customer

(b) Reputation of the company

(c) Government Policy

(d) Intermediaries involved.

Write short notes on :

1. Explain the stages of the product life cycle using a diagram.
2. What do brands mean to you? What are your favourite brands and why?
3. What are the reasons for failure of new product development?
4. Explain the pricing strategies adopted by organizations?
5. Define channels of distribution with its meaning.

Give brief answers :

1. What do you mean by pricing? Explain the objectives of pricing.
2. Explain the importance of channels of distribution.
3. What are the promotional decisions?
4. What is promotion mix? Explain the tools of promotion mix.
5. What are the factors contributing for new product development?

Match the columns :

Column 'A'	Column 'B'
i) Cost	a) Growth
ii) Skimming pricing	b) Internal factor
iii) Product	c) Higher price at the introduction
iv) Brand	d) Goods and Services
v) Second Stage of PLC	e) name, word, sign, symbol, or design

References:

K. Ashwathappa, Business Environment for Strategic Management, Himalaya Publishing House, Mumbai.

Francis Cherrunilam, Business Environment, Himalaya Publishing House, New Delhi.

S.K. Misra and V.K. Puri, Indian Economy, Himalaya Publishing House, New Delhi.

B.B. Tandon and K.K. Tandon, Indian Economy, Tata McGraw Hill, New Delhi.

Namakumari S, and Ramaswamy, V.S., “Marketing Management”, MacMillan Publishers, New Delhi.

Skinner, J., S. Steven, “Marketing”, Houghton Miami Company, Boston.

Dawn Iacobucci, “Marketing Management”, Cengage Learning

Kotler, P., Keller, K. L., Ang, S. H., Tan, C. T., & Leong, S. M. (2018). *Marketing management: an Asian perspective*. Harlow: Pearson.

Saxena, R. (2005). *Marketing management*. Tata McGraw-Hill Education.

Karunakaran, K. (2008). *Marketing management*. Himalaya Publishing House.

Kotler, Philip, “Marketing Management - Analysis, Planning, Implementation, and Control”, PHI, New Delhi.

Namakumari S, and Ramaswamy, V.S., “Marketing Management”, MacMillan Publishers, New Delhi.

Desai, V.,(2004). Management of Small Scale Enterprises. New Delhi: Himalaya Publishing House.

Gupta, C.B. & Nair N.R. (2009) Marketing Management. New Delhi: Sultan Chand & Sons

Jain, S. (2000) Marketing: planning & strategy Cincinnati: Thomson learning,

Mamoria, C.B., Suri, R.K., &Mamoria, S., (2011). Marketing Management. Allahabad: Kitab Mahal

Martz, W. Marketing Channel Strategy and Management, from http://homepages.wmich.edu/~wmartz/assets/08-distribution.pdf

Nair, N.R. & Nair, S.R. (1993). Marketing. New Delhi: Sultan Chand &Sons

Rudani, R. B., (2009). Basics of marketing management. New Delhi: S. Chand & company Ltd.

Wilkinson, I., (2001 March 9). A history of network and channels thinking in marketing in the 20th Century. Australian journal of marketing http://homepages.wmich.edu/~wmartz/assets/08- distribution.pdf

Cho, J., Ozment, J. and Sink, H. 2008. Logistics capability, logistics outsourcing and firm performance in an e-commerce market. [online] Available at: http://www.emeraldinsight.com.ezproxy-f.deakin.edu.au/doi/full/10.1108/09600030810882825

Bakos, Y. 2001. The Emerging Landscape for Retail E-Commerce. [online] Available at: http://www.jstor.org.ezproxy-f.deakin.edu.au/stable/2696540

Dawn Iacobucci, ―Marketing Management‖, Cengage Learning

❄❄❄❄❄❄❄

4

SEGMENTATION, TARGETING AND POSITIONINHG AND TRENDS IN MARKETING

Unit Structure :

4.0 OBJECTIVES

After studying the unit, the students will be able to:

1. Define the concept of Segmentation.
2. Understand the Importance of Segmentation.
3. Know the basis of Market Segmentation.
4. Describe Targeting and its types.
5. Illustrate the role of Positioning and its Strategies.
6. Discuss various new trends in Marketing.
7. Elaborate on Social Marketing / Relationship Marketing.

4.1 SEGMENTATION

4.1.1 Segmentation – MEANING:

The process of segmenting a market into smaller groups or segments of consumers with notably similar needs or characteristics has an impact on various products and marketing strategies. There are numerous factors to consider, so there is no one best way to segment a market. Three significant market segmentation topics are covered in this section: segmenting consumer markets, segmenting online consumers, and segmenting business markets.

4.1.2 Importance of Market Segmentation:

1) Ensures Customer-Oriented Marketing

The market, or consumers, are separated into useful categories with similar traits as a result of market segmentation. Each segment's needs and expectations are taken into account while adjusting the marketing mix. Additionally, it is modified to meet the needs of a certain group of consumers. Marketing becomes customer-oriented as a result. Consumers benefit from its enjoyment and welfare.

2) Make IT Easier to Introduce Appropriate Marketing Mix

Market segmentation offers details on several segments, as well as the characteristics, wants, and expectations of consumers within each group. This gives the marketer the ability to precisely alter his marketing mix to suit the requirements of each segment's customers.

3) Ensures Product Strategy is Introduced with ease

Market segmentation helps customers of various categories understand their requirements and expectations for products. The manufacturer can modify his production in light of the demands and expectations of each market segment thanks to this information.

All consumer group needs will be met by the merchandise. Both the producer and the customer win from this. As a result, it is possible to introduce a proper product strategy.

4) Ensures the Selection of the Best Markets

Market segmentation makes it easier to identify the submarkets that the company can best serve with its limited resources. Due to segmentation technique, a company can focus its efforts on the most profitable and productive areas of the overall market.

5) Ensures Efficient Marketing Opportunities are selected

Market segmentation aids producers by assisting in the identification of prospective market prospects. The ability to differentiate between different client groups within a particular market is helpful to the marketer. He can then choose his target market thanks to this. Additionally, it enables the marketer to efficiently use the existing marketing resources.

6) Ensures Appropriate Marketing Program Selection

Due to the availability of adequate information regarding the needs of customers in the target market, market segmentation enables the marketing professional to design his marketing strategy on a predictable and dependable basis. Even marketing strategies can be employed successfully in a tiny, niche market.

7) Gives Marketing Eforts the Correct Direction

Correctly defined, market segmentation is the tactic of "splitting the markets in order to dominate them." Due to segmentation, a company can focus exclusively on a few attractive sectors and avoid markets that are unproductive or unnecessary for its marketing objectives.

8) Enables efficial Advertising

Because only the media that effectively reach the segments may be used, advertising media can be used more efficiently. In short, market segmentation makes advertising more result-oriented.

9) Gives Small Firms Special Benefits

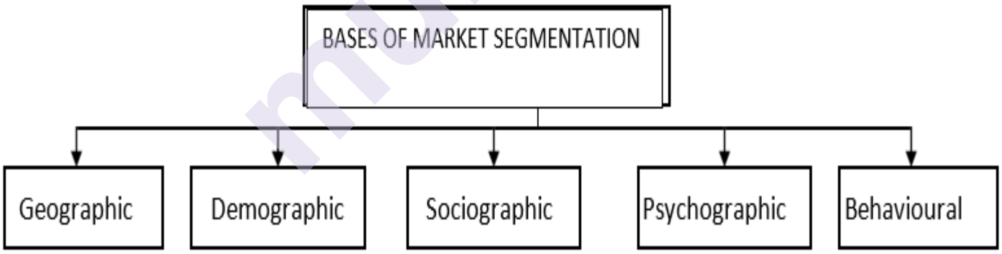
Small businesses have few resources at their disposal and are relatively new to the market. For better marketing results, these businesses can choose a good market segment and concentrate all of their efforts there.

10) Ensures effective use of Resources

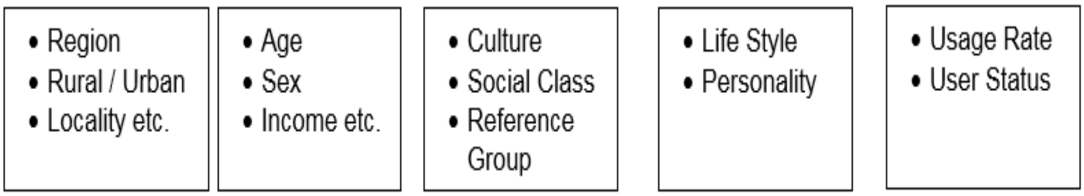
A marketing company can deploy its marketing resources (people, organisation, etc.) in the chosen target market in the most effective way by using market segmentation. The company will benefit most from this in terms of sales, profits, and customer support..

4.1.3 Bases of Market Segmentation:

There are many bases or techniques or methods or ways of market segmentation.They are shown in the following diagram:



- Region
- Rural/Urban
- Locality etc.



1) **Geographic Segmentation**

Here the market (consumers) is segmented (divided) on the basis of Area.

Region

The market can be segmented into cities, districts, states, regions, nations, etc. Geographic Segmentation is done because different regions have different demand. For e.g. the demand for a product in North India is different from the demand for the product in South India, etc.

Urban / Rural

The market can be segmented into urban and rural. Consumers from urban areas prefer Western styles. Consumers from Rural areas prefer traditional styles. So the product, price and promotion (ad messages) will be different in urban and rural areas.

Locality

The market can be segmented into localities. This is because the buying behavior of consumers is different in different localities. For e.g. the buying behavior of consumers from Parel and Bandra are different although both localities are in Mumbai City.

2) **Demographic Segmentation**

Here, the market can be divided on the basis of demographic factors like age, sex, income, education, etc.

Age

The market can be divided on the basis of age i.e. Teenage Consumers, Middle Age Consumers, Old Age Consumers, etc. The needs and wants of each age group are found out and satisfied.

Sex

The market can be divided on the basis of sex i.e. Male Consumers and Female Consumers. The Female Consumers are further divided into College Students, Working Women, Housewives etc. Male Consumers can also be further sub divided. Watches, Clothes, Shoes, etc. are different for Males and Females.

Income

The market can be also divided on the basis of income i.e. Higher Income Group, Middle Income Group and Lower Income Group. A different marketing mix is used for each income group.

Education

The market can be divided on the basis of Education i.e. SSC or less, Under graduate, Graduates, Post graduates, etc. Highly educated people spend more on Housing, Clothing Recreation, etc. Compared to less educated people.

Family Life Cycle

The market can be divided on the basis of Family Life Cycle i.e. Bachelors, Newly Married Couples, Married with grown up children, Older Married Couples, etc. This segmentation used for selling LIC Policies, tours and vacations, etc.

Race and Religion

The market can be divided on the basis of Race and Religion I.e. Roman Catholics, Protestants, Hindus, Muslims, etc. Different religious groups have different consumption patterns.

Family Size

Some companies sell their product according to the family size. For e.g. Ice cream companies sell Family Packs. The family packs are more economical compared to Individual packs.

The market can also be divided on the basis of Occupations, Language, Nationality, etc.

3) Sociographic Segmentation

Here, the market is segmented on the basis of Sociographic factors:

Cultural Influence

The market can be segmented on the basis of Cultural Influences i.e. urban (modern) culture consumers and rural (traditional) culture consumers. The urban culture consumers copy the Western culture, they wear western clothes, they eat fast food, they watch MTV, etc. The rural culture consumers believe in respect for the elders, hard-work, social hierarchy, etc. These two types of consumers are totally different. Therefore, we cannot use the same marketing mix for both these segments (groups).

Influence of Social Class

The market can be segmented on the basis of social class i.e. Labor Class, Middle Class and Upper Class. It can be further divided into Lower –lower Class, Upper- lower Class, Lower-middle Class, Middle-middle Class, Upper-middle Class and Upper-upper Class. All these social classes have different buying behavior. Therefore, we must have different marketing mixes for each social class.

Influence of Reference Groups

A reference group is a group of people who influence a person's attitude, values and behavior. For e.g. Family, Religious groups, Labor Unions, A circle of close friends or neighbors, etc. The buying behavior of a person is influenced by his reference group. So the full market can also be segmented on the basis of Reference Groups.

4) Psychographic Segmentation

Here, the market is divided on the basis of Psychographic factors.

Life Style

The full market can be divided on the basis of Life Style of the consumers. Different consumers have different life styles. For e.g. College students are more fashionable, office goers are soberer, etc. The companies producing readymade garments, shoes, etc. must pay special attention to the life style of their consumers. They must produce different products for different life styles.

Personality

The market can be divided on the basis of personality i.e. self-confidence consumers, Ambitious consumers, Aggressive consumers, Sociable consumers, Independent consumers, Masculine consumers, Impulsive consumers, etc. The buying behavior of a consumer is influenced by his personality.

5) Behavioural Segmentation

Here, the market is segmented on the basis of their response to the product.

Usage Rate

The market can be segmented on the basis of usage i.e. Heavy users of the product, Medium user, Light user and Non user. The company must try to increase the consumption of the users. They must also encourage the Non users to become

„Users".

User Status

The market can be segmented on the basis of User Status i.e. Non-user, Ex-user, Potential user, First Time User, Regular user, etc.

Readiness Stage

The market can also be segmented on the basis of people's readiness to buy the product. Some people do not know about the product, some people know about the product, some are well informed, some are interested and some want to buy the product.

Buying Motives

Buying motives are those factors which make the consumer purchase the product.For e.g. Economy, Convenience, prestige, Fear, etc. The market can be segmented on the basis of Buying Motives. Different ads are made for different Buying Motives.

Check your Progress

1. Life style is the bases of ____________Market Segmentation.

2. _____________ Segmentation divided market on the basis of age, sex, income, education.

Explain

1. Behavioural Segmentation

2. Meaning of Segmentation.

Answer the following

1. Importance of Market Segmentation.

2. Bases of Market Segmentation.

4.2 MARKET TARGETING

A target market is a group of customers with whom a business chooses to do business and who have similar wants or traits. The target market that the business selects to service must be carefully chosen since knowing how consumers make decisions, what criteria they use to purchase items, and what the target market's traits and lifestyles are will help marketers design effective marketing strategies. Every marketing plan involves marketing costs and the program's return on investment. If we are able to identify the target market for which the marketing programme is intended, this can be done. Research has shown that a large portion of marketing spending is essentially a waste of money because it targets non-buyers. So the marketer will be able to generate more results on a marketing programme by having a better understanding of the nature and features of the target market. The marketer will be able to adjust and build new marketing programmes for the success of the firm as a whole with the aid of knowledge about the target market's growth and changes in attitude. Therefore, a major marketing decision is to comprehend the target market and gauge their attraction.

4.2.1 Market Targeting Strategies:

The targeting strategy will be heavily influenced by the future product market coverage that the company chooses. This decision on product market coverage is influenced by the resources, capacities, and intentions of the individual businesses. Concentrated marketing, differentiated marketing, and undifferentiated marketing are the three primary categories used to describe product market penetration tactics. Let's get to know them in depth.

Concentrated Marketing: Companies use a concentrated marketing approach when their resources are constrained and the market is saturated with competitors, forcing the marketing manager to stretch the market budget. Instead of competing for a little portion of a vast market, the company chooses to fill a significant niche. It is a great technique for small producers who can stay more in touch with the market and meet the changing demands of close-loop clients. As a result, they are better able to compete with powerful and well-established rivals in tiny marketplaces. Due to their increased familiarity with their target market and their unique reputation, businesses can establish themselves as leaders in the segments or niches they service through concentrated marketing. Medi Mix was a regional brand with a significant following in South India, which aided them in later plans for a national launch. Due to their specialisation in manufacturing, distribution, and promotion, businesses can benefit from operating economies, which can increase investment returns. A concentrated marketing strategy entails some risk as well. Large competitors may opt to enter this market based on the profit potential, which could ultimately result in a takeover offer from the major player in the industry.

Differentiated Marketing: With a differentiated marketing approach, marketers create unique offerings for each market segment they are aiming to reach. With a diverse marketing offer tailored to each segment's needs, they target a number of niches or segments. As a car manufacturer, Maruti is notable for offering products for many market categories. While the Baleno, Ciaz, and Alto are targeted at the middle class and upper middle class, respectively, and the Eeco Omni is focused at large families, the Baleno is intended at the upcoming middle class. The main goal of providing a variety of marketing offers is to appeal to various market segments and increase sales with a commanding position in each one. More total sales are generated by strengthening one's position inside each market segment than by employing a mass marketing approach across all markets. The added expense for marketing research, product creation, various forecasting models, diversified sales analysis, promotion planning, and channel management represents the risk associated with this type of marketing strategy. A bigger promotion expenditure is required when attempting to reach different market segments with various promotion plans. The marketing manager must therefore weigh the benefits of the higher cost and the increased sales brought on by such a plan.

Undifferentiated marketing: Marketers may elect to sell the product to the entire market in defiance of the concept of a segmented market. Here, the marketing manager creates a marketing plan for the entire market, disregarding the idea of differentiating segment characteristics. This strategy reduces total marketing expenses and facilitates managing and evenly tracking market forces. Instead of concentrating on the contrasts, the marketer here seeks to identify the similarities between the segments. With a mass distribution and mass advertising programme, the company creates a marketing offer and a marketing programme that will appeal to the greatest number of consumers. Finding a common product and marketing plan that would appeal to a big number of customers with diverse traits and interests is the strategy's main challenge. Here, the marketer finds it tough to compete against business players that are laser-focused.

4.3 PRODUCT POSITIONING

Product positioning refers to how consumers describe a product based on key characteristics and the position it has in comparison to rival items in their minds. Therefore, a product's ranking indicates significant qualities that customers assign to it. Customers frequently express their opinions about certain product qualities in regard to the product's location in their minds' perceptual spaces in relation to those of competitors' products. Product positioning is influenced by market structure, the firm's competitive position, and the ideas of product replacement and competition.

Most of the characteristics of the word position are reflected in product positioning. For instance, a product's location in the market, its ranking in terms of how it compares to its rivals on various evaluative dimensions, and its mental attitude—that is, the consumer's cognitive, effective, and action tendencies—are all examples of places. Therefore, it is important to measure consumer perceptions and organizational buyer preferences for the product in respect to its rivals when evaluating product positioning.

Brand positioning entails ingraining in customers' minds the brand's distinctive advantages and peculiarities. In the Indian market, Maggi noodles are positioned as a quick meal that can satisfy the growing children's frequent eating needs. Dove soap is marketed as a high-end brand with a lot of moisturizers that can also be used as a face cleanser. Vicks Vapo-rub is marketed as a rub that is only used to treat colds and coughs.

4.3.1 Importance of Product Positioning:

1. Making the entire organization more market-focused:

   The larger marketing theory includes product positioning. It focuses on recognizing superior product features and pairing them with customers more successfully than rivals. The whole company becomes market-oriented thanks to this philosophy.

2. To adapt to changes in the market:

   The manager's job is not done until the product has been successfully positioned. He has to keep an eye on the market continually. New competitive advantages should be found, developed, or recognized in response to market developments in order to meet shifting consumer expectations. It makes the manager dynamic, active, and vigilant.

3. To fulfil buyer expectations:

   The expectations of the target customers are typically used as the basis for choosing the benefits to be communicated. Therefore, product positioning can assist in meeting consumer expectations.

4. To encourage customer loyalty and goodwill

   The company's identity, its product, and its brand are reinforced through systematic product positioning. It increases brand recognition. The business can acquire customers' loyalty and cultivate goodwill.

5. To create a marketing plan:

   It is possible to create advertising programmes with greater depth. The best ways to market the product are chosen based on the benefits that should be presented.

6. Gaining the Interest and Attention of Customers

   The placement of a product refers to its benefits that matter to consumers. Consumers are undoubtedly interested and attentive when such benefits are advertised in an effective manner.

7. To Draw Different Consumer Types:

   The expectations that customers have for the goods vary. Some people desire longevity, others distinctive qualities, others novelty, safety, low cost, and so on. A business can draw in different types of customers by advertising various competitive advantages.

8. Competitor Situation:

   The main application of product positioning is this. The business can react aggressively to its rivals. It can strengthen its ability to compete.

9. Successfully launching new products requires:

   A corporation may benefit from product positioning when launching a new product. It can position the product's innovative and superior benefits and quickly break into the market.

10. To Communicate Future Additions of New and Diverse Features:

    When a business alters the characteristics and/or features of its current goods, these advancements can be compared to those of the rivals' offerings. Product positioning increases a company's ability to compete. Consumers typically think about a product's benefits before purchasing it. Therefore, product positioning shows that a company's offerings are superior to those of rivals. Additionally, it might aid customers in selecting the best product.

4.3.2 Strategies in Product Positioning:

1) IDENTIFY COMPETITIVE DIFFERENTIATION

The marketer should identify the competitive differences of his product or service. Thepossible differentiation in the area of

a) Product b) Services c) Personnel and d) Image

a) Product differences such as features, design, packaging, etc.

b) Service differences such as delivery, after sale service, etc.

c) Personnel (salespeople, service technicians, etc.) differences such ascompetence, nature / manners, etc.

d) Image differences such as the goodwill of the producer, brand name, brandprice, brand advertising, etc.

2) SELECTING DIFFERENCES FOR PRODUCT POSITIONING

It is important to emphasize the differences, which are likely to benefit the consumers. Such differences must be distinctive and should not be found in the product of competitors. Superior and profitable differences must be selected and communicated as it is likely to build an improved image of the manufacturer. Such differences which distinguish a manufacturer's offer from that of competitors must be selected. These differences must be made to occupy valued and pleasant image in the minds of the buyers. This is nothing but positioning.

3) DEVELOPING POSITIONING STRATEGY

The marketer should then make efforts to develop positioning strategy. The marketermay position the brand by following any of the following positioning strategy:

a) Using specific product feature

b) Positioning by Price

c) Positioning by Use

d) Positioning by Competitor, etc.

4) COMMUNICATING THE COMPANY'S POSITIONING

The marketer should select proper media to communicate the company's positioning. The right media must be selected to communicate the image of the brand.

5) FOLLOW UP OF POSITIONING

It is important for every manufacturer to obtain feedback about how his product positioning has worked in the market. In case, the product positioning is not well takenby the consumers, the manufacturer must re-position his product and revive its sales.

Check your Progress

1. The ______________strategy will be heavily influenced by the future product market coverage that the company chooses.

2. ___________________ refers to how consumers describe a product based on key characteristics and the position it has in comparison to rival items in their minds.

Explain

1. Developing Positioning Strategy.

2. Differentiated Marketing.

Answer the following

1. Strategies in Product Positioning.

2. Market Targeting Strategies.

4.4 NEW TRENDS IN MARKETING:

The importance of technology in today's corporate world is rising. The corporate sector develops more sophisticated technology over time. Innovation is the lifeblood of business, and since technology makes innovation possible, we could say that businesses need technology to succeed.

Technology has changed every facet of how organisations function, and businesses now operate at breakneck pace. How can your company stay abreast of the most recent technological advancements? You don't need to rewrite your company's founding documents. All that's left to do is determine how technology impacts your company and how to use it to your advantage. One cannot overstate the importance of technology in business. Transactions are now quicker, more effective, and more easy thanks to the new and better company management style brought about by technology in recent decades. Accounting, data collecting, logistics, and other business sectors are all undergoing change as a result of technology advancements.

Businesses may now stay linked at all times because to developments in information and communication technology, which has improved their productivity, efficiency, and problem-solving capabilities. Regardless of your sector, business size, or primary activity, technology enables you to maximise management and output. In terms of operational efficiency, small businesses may now compete with larger ones thanks to technological advancements and digital tools. Technology helps us keep sensitive data safe and less exposed to assaults. The expansion of e-commerce, which has added a new dimension to business globalisation, has been made possible by technology. Manufacturing networks are now less expensive and simpler to administer thanks to the development of information technology, which has been essential to the economic globalisation process. Global connections have become faster, allowing for real-time business and collaboration, which has contributed to a growth in international trade.

4.4.1 E-Marketing:

E-marketing is a general term that refers to many different Internet-related activities. Examples include the development and marketing of websites, consumer communications, email marketing, and newsgroup advertising. However, over the past ten years, the term "e-marketing" has expanded to refer to a far wider range of activities, with the use of social media for online advertising being one of the most well-known examples. E-marketing is the term used to describe the planned process of creating, distributing, promoting, and pricing goods for specific target audiences in the online virtual environment. The best way to understand e-marketing is as a broad concept that has grown in recent years with the advent of smart phones and tablets like the iPad. Since the Internet already consists of a large array of platforms, the ideal definition of "e-marketing" is "the creation, distribution, promotion, pricing, and communication of goods over the entire Internet."

4.4.2 Digital Marketing:

Any marketing effort that makes use of technology or the internet is referred to as digital marketing. To communicate with present and potential customers, businesses use digital platforms including search engines, social media, email, and their websites. The core of marketing has always been creating the right connections with the right people at the right moment. This means that since they already spend a lot of time online, you will have to meet them there. Here we have digital marketing, which includes all facets of online promotion. Digital marketing is the practise of engaging with customers online, where they spend the bulk of their time, using a variety of digital strategies and platforms. The term "digital marketing" refers to a broad range of strategies, including web design and online branding tools including email marketing, digital ads, and online brochures.

4.4.3 Experimental Marketing:

A marketing strategy called experiential marketing, often called engagement marketing, involves customers with a product to a great extent. To put it briefly, experiential marketing enables consumers to not only purchase but also use a brand's goods or services. Emotional connections between the brand and the customer are created via memorable and distinctive experiences. Client interaction is not only necessary for experiential marketing, but it is typically enhanced by it as well.

4.4.4 Hospitality Marketing Management:

Any firm that wants to establish a strong brand and engage customers must have a comprehensive marketing strategy. In the hospitality industry, nothing has changed. Due to the fact that many hospitality businesses rely on repeat business and brand advocates for the majority of their revenue, client loyalty is frequently essential to success in restaurants and hotels. Up to 40% of a store's or hotel chain's revenue may come from returning consumers.

A hospitality marketing plan might include a variety of activities, from digital assets like content marketing to overt advertising campaigns, much like any other promotional effort. The marketing efforts of many hotels include offline and online activities. A restaurant, for instance, might run an online promotion promising devoted customers a special discount when they buy a particular dish from one of their physical locations.

Hospitality businesses priorities "experiences" when marketing to customers. This makes using experience-based advertising in their marketing campaigns necessary. Businesses will prosper in the hospitality sector if they can show that they can produce the most memorable moments.

4.5 SOCIAL MARKETING

The use of marketing to bring about social change is known as social marketing. By utilising various marketing and advertising strategies, social marketing can be used to achieve specific societal behavioural objectives. Social marketing refers to the use of marketing and its strategies for the benefit of the public as opposed to the firm. Social marketing has benefited a variety of causes that have benefited society as a whole, including environmental issues, health, safety, ethics, law, human rights, and peace.

Social marketing is the methodical use of marketing, along with other ideas and strategies, to achieve particular behavioural objectives for a social good. Examples of this include warning individuals not to smoke in public areas, requiring them to use seat belts, or enforcing speed limits.

While "money gain" is the main objective of commercial marketing, "social benefit" is the main objective of social marketing. This is not to say that business marketers can't assist individuals in achieving social good.

4.5.1 Importance of Social Marketing:

Social marketing aims to accomplish a variety of objectives, such as educating society about a specific topic, increasing awareness, offering solutions, influencing behaviour, bringing attention to current problems, increasing awareness of aid programmes, and promoting charitable organisations. Negative social marketing campaigns that increase public awareness of problems are also quite successful, as demonstrated by the use of tobacco box designs in India that feature images of oral cancer and ulcers to discourage smoking. Social marketing takes advantage of these feelings to revive the notions and feelings of doing good for society because it is fundamental to human nature to care for nature and society. It consults experts to develop marketing strategies for campaigns, uses public funds and has pertinent cost analyses and return on investment in terms of behaviour influence, and uses media tools to disseminate the message to the general public. It also employs a variety of statistical tools to forecast and analyse demand and consumption patterns for specific products and services.

Social marketing and social media marketing are two different types of marketing that shouldn't be mixed up. Social marketing is only done for charitable causes, unlike social media, which may or may not be used for financial gain.

Businesses benefit from social marketing because it increases consumer awareness of their brands. A firm may explain social marketing to a big audience by having a competent social marketing plan, which will not only build curiosity among people but also increase advertising.

Social marketing is more cost-effective than conventional forms of marketing since target audiences may be easily identified based on their public performances. Through social marketing, one may quickly reach their target audiences. In comparison to other forms of social marketing, there will be less research and development.

Similar to commercialization, social marketing is crucial for influencing people. Additionally, commercialization would be lacking without social marketing because every business needs to use it to convey to the public that their goal is to better society.

One of the most approachable marketing strategies is social media marketing since it makes it simple to communicate with the general public. They only need to ensure that the products they are advertising support our wishes to the wider public and stimulate societal reforms.

Social marketing, which supports good health care, encourages people to select a fit and healthy lifestyle. Additionally, it teaches people the importance of being aware of societal behavioural shifts and leading fulfilling lives in their neighbourhoods. Social media marketing can quickly achieve great advertising by promoting it on a variety of platforms, including social media, by posting photographs, blogs, and videos.

Being able to reach millions of clients worldwide, social media is swiftly rising to the top of the list of essential components of digital marketing. Furthermore, if you're not utilising this profitable resource, you're passing up a great marketing opportunity because it makes it simple to spread the word about your goal and product.

Improved brand awareness

Social networking is one of the least time-consuming and effective digital marketing strategies for boosting the visibility of your business. To get started, make social media accounts for your business and start networking. Implementing a social media plan could significantly increase your brand's recognition. With only a few hours per week invested, more than 91 percent of marketers claimed that their social media campaigns significantly increased their brand visibility and improved user experience. Without a doubt, having a social media presence for your brand may help your business, and with regular use, it might quickly build a sizable following for your organisation.

Cost-effective

Using social media marketing to develop an advertising strategy may be the most economical option. Almost all social networking sites allow free account creation and registration. If you do decide to use paid social media advertising, start out slowly so you know what to anticipate. Being economical is essential since it enables you to maximise your return on investment and devote more resources to other marketing and business costs. By spending only a little money and time, you may significantly increase your conversion rates and, as a result, get a return on the money you initially invested.

Communicate with your clients

Social media can be used to interact and engage with customers. Your audience is more likely to convert if you interact with them frequently. To better understand your target audience's needs and cater to their interests, establish a two-way communication channel with them. Additionally, one of the best ways to grab clients' attention and convey your brand message is through communication and engagement with them. As a result, your brand will easily establish itself and reach a broader audience.

Improved brand loyalty

Your customers will find you and interact with you more easily if you have a social media presence. You're more likely to increase consumer loyalty and retention if you interact with them on social media. Because one of the most crucial goals of practically any organisation is to develop a loyal customer base. Brand loyalty and customer satisfaction are frequently related. Establishing a relationship with your clientele and staying in touch with them frequently are essential. In addition to being a great platform for showcasing your items, social media is also an excellent place to roll out marketing initiatives. These platforms are viewed by customers as service avenues that allow them to communicate with the business directly.

Healthier customer satisfaction

Social media is an essential tool for communication and networking. By utilising these channels, you can offer your business a voice that will support the development of your whole brand identity. Customers prefer a personalised response versus a generic response when they leave comments on your page. A business that values its clients spends the time necessary to develop a unique, uplifting statement.

Marketplace awareness

One of the best ways to understand your clients' requirements and objectives is through market knowledge rather than by speaking with them directly. It is regarded as social networking's most important advantage. If you don't have a social media presence, you wouldn't know what consumers are interested in or what they think until you looked at the activity on your profile. As an addition to conventional research, social media can assist you in gathering data and improving your understanding of your company. Once you've amassed a sizable following, you may utilise a variety of tools to investigate the various demographics of your customers.

More brand authority

Brand loyalty and customer satisfaction are crucial aspects in business growth, but it all Customer happiness and brand loyalty are important factors in corporate growth, but communication is the key. When customers see your company on social media, especially when they see you responding to their queries and posting original content, they form a favourable mental image of you. Regular client contact demonstrates that you and your business care about them. You might think about letting real consumers who like your product or service to do the advertising for you once you have a few happy customers who are outspoken about their fantastic purchasing experience.

Increased traffic

Social networking also aids in boosting website visitors, which is another perk. The likelihood that consumers will visit your website will increase if you publish your material on social media. You will get more inbound traffic and conversion opportunities when you share more high-quality content on social media.

Enhanced SEO rankings

Social media presence is a factor that is growing more and more important in ranking websites. The SEO requirements to achieve a high ranking are always changing. As a result, just optimising your website and maintaining a consistent blog posting schedule is no longer sufficient. Businesses that post material to social media give search engines a signal about the validity, integrity, and consistency of their brand.

4.5.2 Online Marketing:

Online marketing is also known as internet marketing, online marketing, online advertising, and e-marketing. It is the marketing and promotion of goods and services on the internet. Examples include blogs, web banners, search engine results, social network ads, email marketing, and online classified ads.

The aforementioned strategies, along with several others, are employed in internet marketing on an integrated platform. Included are Facebook, MySpace, and other social networking platforms.

Here are just a few instances of the various types of online marketing strategies:

Email marketing is the practise of contacting clients through electronic mail (email). There are several ways to use email marketing, which is frequently combined with data mining, to influence clients. In general, email marketing is a more sophisticated, digital form of conventional direct mail marketing. Using email to communicate promotional or fundraising messages to a particular audience is known as email marketing. Email marketing might be defined broadly as any email sent to a potential or existing customer. Email marketing should be a part of your overall marketing strategy and business plan.

Email Service: A wide range of businesses offer email services. Marketing professionals might improve the success of their attempts by concentrating on the most well-liked. Based on how frequently their emails are opened, the following email clients are ranked.

Blog: Using Blogging as a Marketing Tool

Although blogging has changed throughout the years, it is still a useful and effective marketing strategy. Keeping up with the most recent changes is necessary if you want to keep your blogging strategies and marketing campaigns current. Similar to how digital marketing techniques evolve to meet changing expectations, blogging tactics and strategies also do the same.

Before beginning an effective internet marketing campaign, research the most recent weblog trends. Once we are aware of the most recent and efficient blogging techniques, we may adjust our digital marketing strategies to take what we have learnt into account.

A web log is referred to as a "blog." It is the gathering, presenting, and discussion of data on a range of topics selected by the blogger and the audience. The blogger is the person who created the blog, maintains it frequently with fresh material, and makes it available for internet users to see and comment on. Most of the time, each blog discusses a certain subject. Blogs can therefore cover as many subjects as is practical. The top blogs and the subjects they cover are listed by the Content Marketing Institute.

Convince and Convert has thus been named as the most popular blog.

Visitors to blogs can contribute their ideas by leaving comments, inquiries, and other expressions of admiration. Anyone who wants to can start a blog, write for it, and post content that is related to their interests. The quantity of users who visit a website is referred to as traffic. There will be greater traffic as there are more visitors.

Different types of blogs can be stated as follows:

Personal blogs: Individuals that write about whatever they choose build personal blogs. People are free to select their own subjects.

Corporate Blogs: Blogs published for a firm are referred to as corporate blogs. Both internal and external uses can be made for them. While exterior blogs are largely used for marketing, customer contact, public relations, branding, and other purposes, internal blogs are mostly utilised for staff engagement and communication.

Microblogging The act of posting brief summaries of digital content on the internet is known as microblogging. The content is made up of text, pictures, videos, and other types of media. Facebook is a wonderful example of this type of website.

Media blogs, blogs by genre, blogs by device, and reverse blogs are just a few examples.

Mobile marketing -

Mobile marketing is the umbrella term for any initiatives that connect consumers and advertising using mobile networks and devices. Mobile devices include phones, PDAs, media players, portable gaming consoles, tablet computers, and, of course, gadgets that are all of the above. Some mobile devices support a limited number of advertising channels (a basic cell phone, for instance, can receive text messages), while others support many more, including mobile Internet access, video messaging, and the capacity to actively begin and interact with advertising (for example, by scanning a QR code).

For instance, Reliance Fresh would inform customers about the most recent discounts on fruits, vegetables, snacks, personal care items, and other items available in the store. Customers can benefit swiftly from any deals they deem pertinent from time to time thanks to this.

Marketing on Social Media

By offering a virtual platform that enables users to engage with an entire community at once, businesses like Facebook dominate the social media market.

This internet marketing strategy has developed quickly because it is widely accepted by consumers and uses innovative user interface technologies. By utilising social media networks, this marketing strategy seeks to raise website traffic or attention. It is easily accessible to everyone with an internet connection. Organizational communication enhances customer service and, in many circumstances, brand identification. Additionally, social media offers firms a relatively inexpensive venue to start their marketing campaigns.

Social media marketers use scalable and easily available communication techniques. Web-based communications can even be transformed into interactive mobile communications.

Smartphones and tablets have made social media easier to use and have streamlined the user interface, which has contributed to its growth. Over 38 million people use their mobile devices to access social media, according to study. The pattern suggests that usage of mobile devices has surpassed that of PCs.

Viral Marketing -

What does "word-of-mouth marketing" mean?

Word-of-mouth advertising is the most effective form of media there is (WOMM). It involves two or more customers discussing their opinions about a good or service. It's what happens when brand advocates emerge naturally. Since it has the ability to either make or break a product, marketers, CEOs, and business owners view it as the gold standard. Its authenticity and naturalness are what make it successful.

How does viral marketing operate? What is it?

The goal of viral marketing is to rapidly and exponentially distribute a marketing message among consumers. Nowadays, it frequently takes the shape of an email or a video. Contrary to popular opinion, viruses aren't harmful. It's neither strange nor dishonest. At its best, it promotes word-of-mouth, and at its worst, it is just another intrusive marketing message.

Viral marketing is a form of advertising that depends on the uninhibited spread of concepts by word-of-mouth. It's only natural to want to share something you like with someone you like. You appreciate telling others about something interesting you've found, whether it's with friends, family, or coworkers. When you share something with someone, they will in turn spread it among their friends.

Create viral messages that appeal to people with high social networking potential (SNP) and have a high likelihood of being presented and spread by these people and their rivals in their communications with others in a short amount of time are the ultimate goals of marketers who want to create successful viral marketing programmes.

GUERRILLA MARKETING -

It's a marketing strategy that emphasises low-cost, unconventional marketing techniques that produce the best results. The term was coined in 1984 by Jay Conrad Levinson in his book "GUERRILLA ADVERTISING." He is frequently referred to as a master of guerilla marketing. The term "guerrilla marketing" was used to describe a style of irregular warfare in which armed individuals use low-tech tactics. Many of these strategies make use of ambushes, sabotage, raids, and elements of surprise. Guerilla marketing uses comparable tactics to guerrilla warfare in the field of marketing.

Guerrilla marketing focuses on surprise the consumer, creating a lasting impression, and stirring up a lot of social media discussion. It has a noticeably more favourable effect on customers than more conventional forms of promotion and marketing. This is so that consumers may connect with guerrilla marketing campaigns in a more personal and lasting way. The fact that guerilla marketing is unexpected is just one of its many benefits. It throws the consumer off guard and provokes an emotional reaction, such as amusement, surprise, or despair. It's understandable why marketers would prefer that their clients were unaware of their use of guerrilla marketing. If they know their secrets, they may just stop replying.

Small businesses with low resources were the target audience for guerrilla marketing at first, but large organisations have since adopted the same methodology. Larger companies have resorted to unconventional marketing as a supplemental strategy to their advertising efforts. Guerrilla marketing techniques can also be much risky for a big company. Sometimes their guerrilla tactics backfire and become a public relations nightmare. Smaller businesses are less vulnerable since most people will write it off as another failed prank.

GREEN MARKETING -

In this context, "green" refers to purity. Green represents excellence and justice in business operations. Advertising that has no detrimental effects on society is referred to as "green advertising," for instance. The phrase "green message" refers to information that has developed and is clear of exaggeration or ambiguity. Green marketing is a strongly debated topic among professionals and laypeople alike.

Definition:

Definition according to American Marketing Association - "Green marketing is the marketing of products that are presumed to be environmentally safe."

Environmental protection is central to the idea of green marketing. Modern marketing has caused a lot of problems. Numerous other problems were influenced by factors such as rapid economic growth, mass production using cutting-edge technology, a comfortable and luxurious lifestyle, style, fierce competition, the use of questionable marketing strategies and techniques to draw customers, exaggerated advertising, liberalization and globalization, the creation of multinational corporations, retailing and distribution by massive MNCs, and other factors.

Department stores, specialty shops, and shopping centers are overflowing with both necessary and pointless goods. All of these factors have threatened both human welfare and ecological balance. Particularly large factories have contributed to a number of pollutions. Numerous products have harmful effects on the environment during production, use, and disposal.

Overly polluted environments have agitated nature, forcing it to act in unusual ways (in the form of global warming vs. global cooling, copious rains vs. draught, and other natural disasters such as frequent earthquakes and tsunamis, cyclones, diseases, and so on). Production- and consumption-based economic expansion threatens the viability of human habitation on the earth. In order to protect consumer welfare and the environment (nature), green marketing promotes the production, consumption, and disposal of environmentally friendly products.

Three main issues are the focus of green marketing:

1. Promote the production and use of pure/high-quality products.

2. Being fair and reasonable when dealing with customers and society, and

3. Environmental ecological protection.

De-Marketing

De-marketing is a tactic or instrument used to temporarily or permanently reduce or limit demand for a certain good or service. In respect to a particular stage of supply, de-marketing can be used to reduce or eliminate both overall demand as well as certain types of demand and applications. De-marketing can therefore be applied to corporate and governmental goals. Consumers may occasionally see dangerous products advertised by manufacturers and distributors. Because of this, both the public and private sectors must use a de-marketing approach to address the situation.

Actions taken to lessen (as opposed to completely eliminate) the demand for a product that a business (1) cannot sell in sufficient quantities or (2) does not wish to supply in a specific location where high distribution or promotion costs allow only a modest profit margin.

During instance, many airlines increase ticket rates during busy times, like the holidays in December, which prompts more budget-conscious customers to plan their vacations for off-peak times.

For instance, Indian oil businesses (HPCL, BPCL, Indian Oil) do not advertise frequently since it would be challenging to manage demand at the cheap price they sell it for. They lose more money the more fuel (petroleum, diesel, and liquefied petroleum gas) they sell. They therefore use De Marketing strategies.

Remarketing

According to studies, maintaining an existing customer is far simpler than acquiring a new one. It is also reasonably priced. Customers regularly learn about new features or applications of a product or brand that are not promoted by advertising, which is an additional fascinating research finding.

Businesses take action to reintroduce a product or service to the market in response to declining sales. The company remarkets the item as enhanced in an effort to pique attention and, ideally, boost sales. For instance, a technology business may remarket its product with new features if a newer system is introduced to the sell in an effort to increase sales. What circumstances led to the change in demand and how the company reacted to it will decide whether remarketing is successful.

Check your Progress

1. The use of marketing to bring about social change is known as -

2. _____________ marketing focuses on surprise the consumer, creating a lasting impression, and stirring up a lot of social media discussion.

Explain

3. De-Marketing.

4. Green Marketing.

Answer the following

1. Different types of Blogs.

2. Social Marketing.

4.6 SUMMARY

Market segmentation is the process of segmenting a market into smaller groups or segments of consumers with notably similar needs or characteristics. This gives the marketer the ability to precisely alter his marketing mix to suit the requirements of each segment's customers. There is no one best way to segment a market, so there are numerous factors to consider. Market segmentation is the tactic of "splitting the markets in order to dominate them". A marketing company can deploy its marketing resources in the chosen target market in the most effective way.

The company will benefit most from this in terms of sales, profits, and customer support. The market can be divided on the basis of Education i.e. Highly educated people spend more on Housing, Clothing Recreation, etc. Compared to less educated people. Different religious groups have different consumption patterns.

Some companies sell their product according to the family size for e.g. Family Packs. The market can be divided on the basis of usage i.e. Heavy users of the product, Medium user, Light user and Non user. The buying behavior of a consumer is influenced by his personality.

Buying motives are those factors which make the consumer purchase the product. A major marketing decision is to comprehend the target market and gauge their attraction. Companies use a concentrated marketing approach when their resources are constrained and the market is saturated with competitors. With a differentiated marketing approach, marketers create unique offerings for each market segment they are aiming to reach. The main goal of providing a variety of marketing offers is to appeal to various market segments.

More total sales are generated by strengthening one's position inside each market segment. Finding a common product and marketing plan that would appeal to a big number of customers is the strategy's main challenge. Brand positioning entails ingraining in customers' minds the brand's distinctive advantages and peculiarities. For instance, Maggi noodles are positioned as a quick meal that can satisfy the growing children's frequent eating needs. Dove soap is marketed as a high-end brand with a lot of moisturizers that can also be used as a face cleanser.

A business can draw in different types of customers by advertising various competitive advantages. Product positioning shows that a company's offerings are superior to those of rivals. Consumers typically think about a product's benefits before purchasing it, and product positioning may aid customers in selecting the best product. Businesses need technology to succeed. Transactions are now quicker, more effective, and more easy thanks to the new and better company management style brought about by technology.

E-marketing is the term used to describe the development and marketing of websites, consumer communications, email marketing, and newsgroup advertising. The ideal definition of e-marketing is "the creation, distribution, promotion, pricing, and communication of goods over the entire Internet". A marketing strategy called experiential marketing involves customers with a product to a great extent. Hospitality businesses rely on repeat business and brand advocates for the majority of their revenue. The use of marketing to bring about social change is known as social marketing.

By utilising various marketing and advertising strategies, social marketing can be used to achieve specific societal objectives. Examples of this include warning individuals not to smoke in public areas or requiring them to use seat belts, or enforcing speed limits. Social marketing and social media marketing are two different marketing strategies that shouldn't be mixed up. Businesses benefit from social marketing because it increases consumer awareness of their brands. Social media marketing can quickly achieve great advertising by promoting it on a variety of platforms, including social media.

Using social media marketing to develop an advertising strategy may be the most economical option. Your customers will find you and interact with you more easily if you have a social media presence. You're more likely to increase consumer loyalty and retention if you interact with them on social media. If you don't have a social media presence, you wouldn't know what consumers are interested in or what they think. Social networking also aids in boosting website visitors.

Businesses that post material to social media give search engines a signal about the validity, integrity, and consistency of their brand. Email marketing is the practise of contacting clients through electronic mail (email). There are several ways to use email marketing, which is frequently combined with data mining, to influence clients. Blogging has changed throughout the years but is still a useful and effective marketing strategy.

4.7 EXERCISES

State whether following statements are True or False :

1. Any marketing effort that makes use of technology or the internet is referred to as digital marketing.
2. The goal of viral marketing is to rapidly and exponentially distribute a marketing message among consumers.
3. Individuals that write about whatever they choose build personal blogs.
4. Green marketing is the marketing of products that are presumed to be environmentally safe.
5. Email marketing is the practice of contacting clients through electronic mail (email).

Select the most appropriate option from the given :

1. When a company identifies the parts of the market it can serve best and most profitably, it is practicing ________.

   a. Concentrated marketing

   b. Mass marketing

   c. Market targeting

   d. Segmenting

2) What are the four steps, in order, to designing a customer-driven marketing strategy?

   a. market segmentation, differentiation, positioning, and targeting

   b. positioning, market segmentation, mass marketing, and targeting

   c. market segmentation, targeting, differentiation, and positioning

   d. market alignment, market segmentation, differentiation, and market positioning

3. In effective target market, marketers should focus on:

   a) Market segmentation

   b) Market Targeting

   c) Market positioning

   d) All of the above

4 Division of market on the basis of variables like gender, income, occupation, education are called as——

a) demographic segmentation

b) geographic segmentation

c) socio – economic segmentation

d) psychographic segmentation

5. Green marketing——-

a) making environmental friendly product

b) making more products with natural ingredients

c) make use of more green colours in packages

d) educate marketers about the importance of natural environment.

Write short notes on:

1. What is the Importance of Market Segmentation?
2. Explain briefly Target Marketing.
3. What is Product Positioning?
4. Explain Social Marketing.
5. Difference between De-Marketing and Remarketing.

Give brief answers:

1. What are the bases of Market Segmentation?
2. Elaborate Target Marketing Strategies.
3. Describe Product Positioning Strategies.
4. What is the Importance of Green Marketing?
5. Discuss the difference between Viral Marketing and Guerrilla Marketing.

REFERENCES:

Mamoria, C.B., Suri, R.K., &Mamoria, S., (2011). Marketing Management. Allahabad: Kitab Mahal

Martz, W. Marketing Channel Strategy and Management, from http://homepages.wmich.edu/~wmartz/assets/08-distribution.pdf

Nair, N.R. & Nair, S.R. (1993). Marketing. New Delhi: Sultan Chand &Sons

Rudani, R. B., (2009). Basics of marketing management. New Delhi: S. Chand & company Ltd.

Wilkinson, I., (2001 March 9). A history of network and channels thinking in marketing in the 20th Century. Australian journal of marketinghttp://homepages.wmich.edu/~wmartz/assets/08-distribution.pdf

Cho, J., Ozment, J. and Sink, H. 2008. Logistics capability, logistics outsourcing and firm performance in an e-commerce market. [online] Available at: http://www.emeraldinsight.com.ezproxy-f.deakin.edu.au/doi/full/10.1108/09600030810882825

Bakos, Y. 2001. The Emerging Landscape for Retail E-Commerce. [online] Available at: http://www.jstor.org.ezproxy-f.deakin.edu.au/stable/2696540

Dawn Iacobucci, ―Marketing Management‖, Cengage LearningK. Ashwathappa, Business Environment for Strategic Management, Himalaya Publishing House, Mumbai.

Francis Cherrunilam, Business Environment, Himalaya PublishingHouse, New Delhi.

S.K. Misra and V.K. Puri, Indian Economy, Himalaya PublishingHouse, New Delhi.

B.B. Tandon and K.K. Tandon, Indian Economy, Tata McGraw Hill,New Delhi.

Namakumari S, and Ramaswamy, V.S., “Marketing Management”, MacMillan Publishers, New Delhi.

Skinner, J., S. Steven, “Marketing”, Houghton Miami Company,Boston.

 Dawn Iacobucci, “Marketing Management”, Cengage Learning

Kotler, P., Keller, K. L., Ang, S. H., Tan, C. T., & Leong, S. M. (2018). *Marketing management: an Asian perspective*. Harlow: Pearson.

Saxena, R. (2005). *Marketing management*. Tata McGraw-HillEducation.

Karunakaran, K. (2008). *Marketing management*. Himalaya Publishing House.

Kotler, Philip, “Marketing Management - Analysis, Planning, Implementation, and Control”, PHI, New Delhi.

Namakumari S, and Ramaswamy, V.S., “Marketing Management”, MacMillan Publishers, New Delhi.

Desai, V.,(2004). Management of Small Scale Enterprises. NewDelhi: Himalaya Publishing House.

Gupta, C.B. & Nair N.R. (2009) Marketing Management. New Delhi: Sultan Chand & Sons

Jain, S. (2000) Marketing: planning & strategy Cincinnati: Thomson learning,

❄❄❄❄❄❄❄