

INTRODUCTION TO MARKETING STRATEGIES

Unit Structure

- 1.0. Objective
- 1.1. Introduction
- 1.2. Marketing Opportunities and Plans
- 1.3. New Marketing Strategies
- 1.4. Summary
- 1.5. Exercise
- 1.6. References

1.0 OBJECTIVES

- To understand marketing strategies and underlying concepts
- To study the evolution of marketing strategies, from conventional to contemporary.
- To examine the importance of marketing strategies for today's firms.
- To understand the methods of identifying market opportunities and thereby developing plan for marketing
- To find essential elements of marketing plan
- To develop an understanding for new concepts of marketing.

1.1 INTRODUCTION

The word Marketing has been derived from a latin word “Mercatus” which means market place or merchant. This word was first used in 1897 in business. Hence, Marketing can conventionally be understood as a process of moving goods from producer to consumer with emphasis on sales and promotion.

The process of Marketing has evolved immensely over the years. Today, it is just not selling product but has 360 degree approach which includes all the stakeholders. It begins before the production of goods or services and continues even after sale. It has undergone a drastic evolution especially after industrial revolution. Today, as we have shifted from need-based economy to desire-based economy, market has moved from product-centric process to customer-centric process.

Hence, **Kotler and Armstrong (2010)** defined Marketing as the social and management process by which individuals and organizations obtain what they need and want through creating and exchanging value with others.

Strategies, on the other hand, is a word which has been derived from ancient Greek word “Strategos” which means general (or leader of an army). This word was originally used in military and warfare and was adopted in business management in 1960s. The word Strategy has been defined in many ways in business management. In simple words, it can be understood as plan of action designed to achieve long-term goals. Few popular definitions of strategies are

According to **Von Neumann & Morgenstern (1947)**, strategies are the series of actions taken by an organization based on the situation.

Peter Drucker (1954) defined strategies as a process of analyzing present situation and changing it as and when necessary. It also help in analyzing what are the resources possessed by the organization and what they should be.

Chandler (1962) defined strategy as a determinant of the long-term goal of an organization. It is accomplished by adopting courses of action and allocation of necessary resources in process of accomplishing these goals.

According to **Newman and Logan (1971)**, Strategies are forward-looking plans that anticipates change and initiate action to take benefit of an opportunity that are integrated within the mission of the firm.

Mintzberg (1998) described strategies as a mediating force between organization and its surroundings.

Strategies operate at four levels: Corporate Level, Business (SBU) Level, Functional Level and Operational Level.

Corporate Level strategies are the plan of actions undertaken by a firm to gain competitive advantage by selecting, managing and eliminating different businesses competing in different product market. The types of corporate level strategies are broadly categorized into four, growth, stability, retrenchment and combination strategies

Business Level strategies on the other hand focuses on a single business dealing with how to create and deliver value to customers while also making sure of competitive advantage.

Functional Level strategies can be born out of business level strategies, but has the scope within a functional area (eg. Marketing, finance, Human resource etc.). Here each functional area (department) determines its own goals based on business goals and align its own resources and their allocation. It is the most detailed strategies.

The functional level strategies to strategies for day to day working of the organization called as operational level strategies. These strategies are also

called as tactical decisions as they are framed for short duration to maintain continuity of work based on functional goals.

The Marketing strategies are a type of functional level strategies.

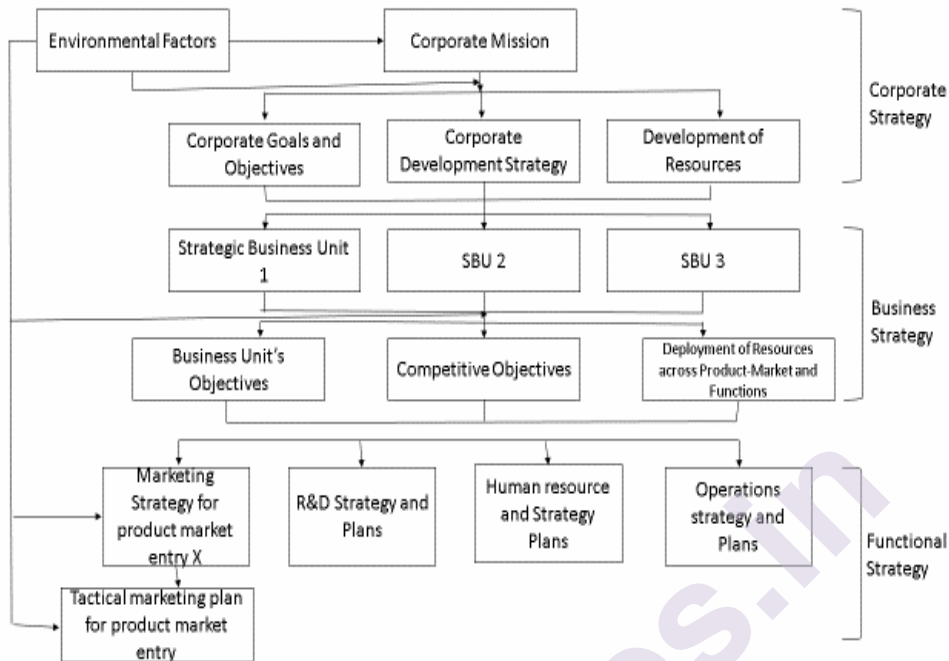


Figure1.1: The Hierarchy of Strategies

Source: *Marketing Strategies A Decision-Focused Approach*, Walker O., Mullins J.

1.1.1. Concept of Marketing Strategies

In very basic terms, the strategies evolved for promoting and selling product or service are said to be Marketing Strategies. The concept of marketing has multiple dimensions so is the case of Marketing Strategies. With the evolution in the concept of marketing, the definitions of Marketing Strategies have also evolved over the years.

According to Baker, Michael John (2008), Marketing Strategy is the process by which a firm acquires sustainable competitive advantage by concentrating its limited resources on the best available opportunities to increase its sales. Marketing strategies help in using marketing as a link between organisation and its customers.

Philip Kotler & Kevin Keller in their book *Marketing Management* define Marketing Strategies as a process to identify target market and value proposition offered to it on the basis of analysis of opportunities available in that market.

Hence, Marketing Strategy can be defined as a comprehensive plan of action formulated for achieving marketing objectives of the organisation.

On one hand, Marketing Strategies deal with choice of action to be taken on the basis of opportunities and challenges imposed by the environment to achieve the goals, Marketing Management deals with implementation of these action plans by arranging resources and coordinating so that the strategy brings out desired results.

Hence, marketing strategies are the building blocks of marketing plans of a firm

1.1.2 Evolution of Marketing Strategies

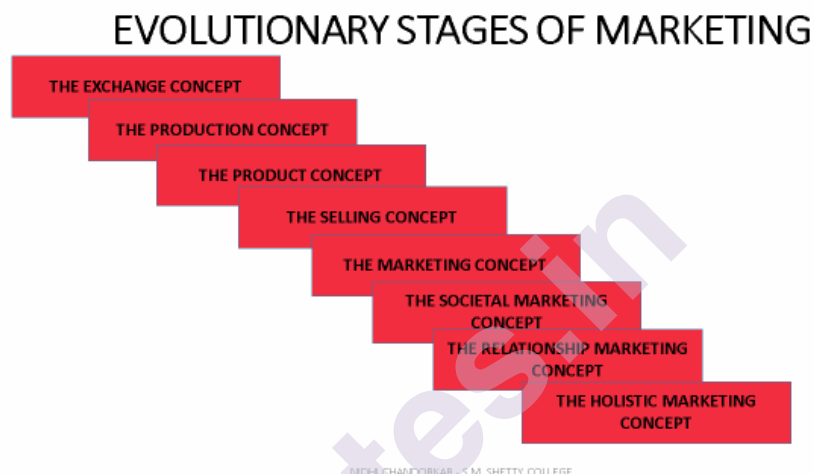


Figure: 1.2 Changes in concepts of Marketing over the years

Marketing has been there since hundreds of years. But during these years it has undergone tremendous changes. The changes can be seen through these concepts.

1. The Exchange Concept:

This was prevalent before industrial revolution. The buyer did not have much choices. The sellers did not have competition as number of firms were very limited. The essence of marketing during this time was the seller used to exchange goods of service against money. Customer did not have choice and had to buy the only product available. Customer's convenience and choice was not taken into consideration. Emphasis was given to profit. The concept of market research, research and development, innovation, after sales service and customer satisfaction was not at all important.

2. The Production Concept:

This concept initiated during and after Industrial revolution. This time was characterized large volume of production and affordability of customers was declining due to economic stress. Hence, the essence of marketing during this time was that the consumer will buy the products which are widely available and are lesser in price. Marketers believed in bringing economies of scale by undertaking large scale production to reduce the cost of production. Therefore, to maximize

profit the management adopted the strategies of large scale production, wide distribution and lowest possible price.

3. The Product Concept:

This concept was based on the fact that consumer prefer to buy products which are better than others. Hence, focus was product excellence. Improvement in products in terms of quality, performance, appearance and features were done to attract the customers. The organizations focused on adding unique features to the product and making it better in terms of utility. But these improvements and betterments were not based on customers' preferences and desires. Neither was it focused on customer satisfaction. Minimal market research was conducted before bringing changes in the products. This concept was suffering with Market Myopia as it did not serve its purpose of profit maximization for long.

4. The Selling Concept:

This concept focused on aggressive promotion and sales. The companies wanted to sell whatever they produced, rather than producing what they can sell. Importance was given on communication to the customers to attract them to buy the products. Many firms suffered with over-capacity and were aggressively looking for opportunities to sell. Many a times the firm spent aggressively on promoting the products which the customers are not willing to buy or which has a saturated market.



Figure 1.3: The Selling Concept in Marketing which focuses on making the product available and luring customers by keeping price low

5. The Marketing Concept:

Finally, in this phase the focus shifted to customers. Attention was paid on providing customers what they want to beat competition.

Research was conducted to understand the customers need and desires and marketing plans were made based on that. Profits were earned by integrated marketing efforts and understanding customer needs.



Figure 1.4: The Marketing Concept of marketing product is designed keeping in mind customer preferences and designing marketing mix based on it

6. The Societal Marketing Concept:

In this the social well-being was also integrated in the concept of marketing. Social well-being includes well-being of not only consumer but also society at large. Marketers do not just market product but also promote the socially responsible behavior exhibited by the company while conducting their businesses. Detailed research is conducted to understand the customers need, want and desire and provide products and service which will give delight to the customers. The firms attain edge over the competitors by having happier customers and better image due to socially responsible behavior.



Figure 1.5: The Societal Marketing Concept does not only provide satisfaction to the customer but also enhances the image of brand by exhibiting socially responsible behavior

7. The Relationship Marketing:

The focus in this concept goes beyond customers. It emphasizes on enduring and sustained relationship with all key people associated with and within the organization. These people can be marketing partners like distributors, retailers, wholesalers and other intermediaries; financial partners like funders, shareholders, financial institutions etc. and employees and management etc. It is believed that all these stakeholders play direct and indirect role in serving the customers better. The organization should develop strategies for creating effective network with all the internal and external stakeholders.

Relationship Marketing Concepts

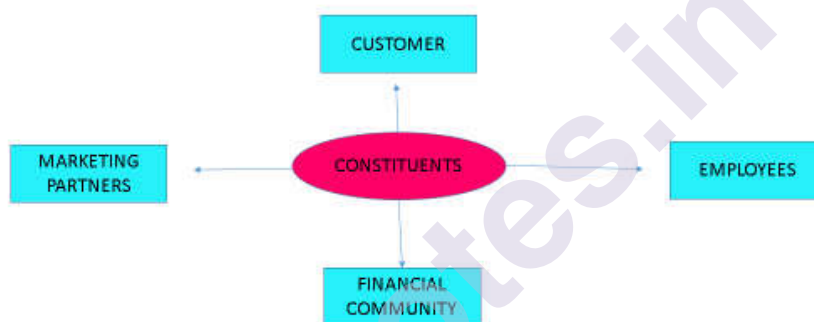


Figure 1.6: The Relationship Marketing works for not only having a satisfied customers by continued relationship with them but also focuses on developing and maintaining healthy relationship with all stakeholders who help serving customers.

8. The Holistic Marketing Concept:

The modern marketing strategists today adopt *Holistic Approach*. They believe that marketing starts within the organisation. Marketing is not solely the job of a dedicated marketing department but all the departments of the organisation need to join hands. This is known as Holistic Orientation. The entire organisation, right from finance to human resource, R& D to production have to work together to deliver right product in price at right place to the customers. To get this result, all the stakeholders of the organisation like employees, suppliers, buyers, shareholders, funders etc. are treated like customers. As they will be able to serve better, if they are served well.

Some key components of Holistic Marketing concept are

- **Internal marketing:** Marketing (coordination and cooperation) between all the departments in an organization

- **Relationship marketing:** Building a better relationship with the customers, internal (employees, management etc.) as well as end customers is beneficial for holistic marketing
- **Performance marketing:** Driving the sales and revenue growth of an organization holistically (by involving all departments and intermediaries) by reducing costs and increasing sales.
- **Integrated marketing:** Products, services and marketing should work hand in hand towards to growth of the organization.



Figure 1.7: Example of Holistic Marketing Strategy – Samsung has adopted holistic marketing by involving various organizational function for providing satisfying service to the customers

1.1.3 Role/ Importance of Marketing Strategies

Marketing strategies are formulated after marketing research. It helps the organisation to make optimum use of its scarce resources. As it is based on environmental analysis and intensive marketing research, it helps the firm to make maximum benefit from the opportunities and protects it by minimizing the impact of threat.

Marketing strategies have the following role in an organisation:

1. **Determining best Marketing Mix Combination:** The firm need to determine the right combination of marketing mix for providing best value to customers. This is done by exhaustively studying the market and customers.
2. **Provides edge over the competitors:** The marketing strategies are designed for ensuring the firm's performance in the market to be better than that of the competitors. It also help in countering the competitors' strategies. The marketing strategies looks at the competitors' weakness as an opportunity for the firm and are designed to take best advantage

of it. Right marketing strategies also help in preventing new-entrants to set their footprints in the market. The marketing strategies help in creating USPs of the product and provides right direction for its promotion. It helps in creating a distinctive identity of the firm.

- 3. Developing Goods or Services for Maximizing Profits:** Ultimate aim of any business firm is profit maximization. Today's firm frame smart strategies like cost leadership, synergistic marketing approaches to keep the cost low, still satisfying customers to the maximum.
- 4. Identifying Opportunities for Organizational Growth:**
Growth of the organization has been depends on the opportunities available in the competitive business world. According to the available resources and capabilities of the organization respective head of the marketing department who look after the development of strategy select the area in which they can use their full potential. Marketing department of the organization grabs the opportunity and if required any changes in the preformed strategy they can be done accordingly so maximum output can be achieved from the selected opportunity.
- 5. Enhances Departmental Coordination:** All the functional strategies are formulated on the basis of business strategies of the firm. Though each department may have their own goals and objectives but all of them in turn help in achieving the firms goals and objectives. Like any other functional strategies, a well-formulated marketing strategies are also designed so as to meet the firm's business objectives and are in line with the firm's business strategies.
- 6. Optimum Utilization of Resources:** Marketing strategies implementation helps in identifying, mobilizing and allocating all the resources (physical, financial and human) accurately. This prevents wastage and helps in best utilization of the scarce resources.
- 7. Determining Scope and Budgeting the marketing activities:** The budget of a department in the organisation is based on their goals and action plans to achieve them. A well-formulated marketing strategies helps in determining the right budget. The right implementation plan of the marketing strategy helps in optimal utilization of assigned budget.
- 8. Identifying New Target Segment:** During formulating the marketing strategies the organisation studies the demographics like income level, educational level, gender etc. of the population which gives an insight on their interests, habits and needs. Based on these information the firm can work upon their offerings and attract new set of customers by promotional initiatives.

1.1.4. Types of Marketing Strategies

The Marketers use the different combination of marketing mix (4Ps to 7Ps) to get advantage over the competitors in the market. The position of the firm in the market plays a major role in deciding the strategies. Following the strategies based on different positions in the market.

1. **Market Leader Strategies:** This is adopted when the firm enjoys maximum share of market. Here the firm focuses on expanding the market size, defending its share and increasing the relative market share. It can be achieved by identifying new segments for sale of product, introducing differentiation (of price and product) to stand apart from the competition and introducing scheme to infuse more sale in the existing market segments. Leaders have to beware of challenger's strategies and continuously work on their weak areas.
2. **Market Challenger Strategies:** The challengers work on identifying the areas where the leader may be weaker like change of technology, dissatisfied customers etc.
 - The challengers can adopt frontal attack strategy by adopting the same features of goods and making choice for consumer difficult
 - The challengers may take up flank attack if frontal is not possible or otherwise too. Here challenger attack where ever the market leader is weak or is caught off-guarded.
 - The encirclement attack can be taken up by adopting both frontal and flank attack at the same time
 - The challengers can take less offensive course by capturing the segments or markets which have not been taken up by leaders and gradually increasing overall market share
 - Guerrilla Strategy can be adopted by constantly engaging the leader in price war or surprising the firm with very unique features of the product to compete.



Figure 1.8: Examples of Market leaders and challengers.

Marketing leaders are the one who have highest relative market share and work on defending its share and expanding it. Challengers are usually second or third in terms of relative market share, but constantly attack the leader for increasing their share or occupying markets where leaders have weaker presence

- 3. Market Follower Strategies:** These firms do not challenge or compete with the leaders. They, in turn, follow the success strategies of leaders and learn from them. The time tested marketing mix strategies are adopted leading to reduced risks.



Figure 1.9: Example of Market Follower.

Dell has been following the marketing strategies of Sony Vaio

- 4. Niche Market Strategies:** It is adopted by small firms which would like to have full control on small segment. This strategy is more cost efficient as product differentiation will be created specially to cater to a small market with predictable demand.

1.1.5 Formulation of Marketing Strategies

The process of development and implementation of Marketing Strategies can be visualized with the help of figure 1.2. The framework depicted in the figure for planning and executing marketing strategies involves many interrelated decisions about what to do, when to do and how to do. These decisions are taken on the basis of various market situations and analytical tools and frameworks.

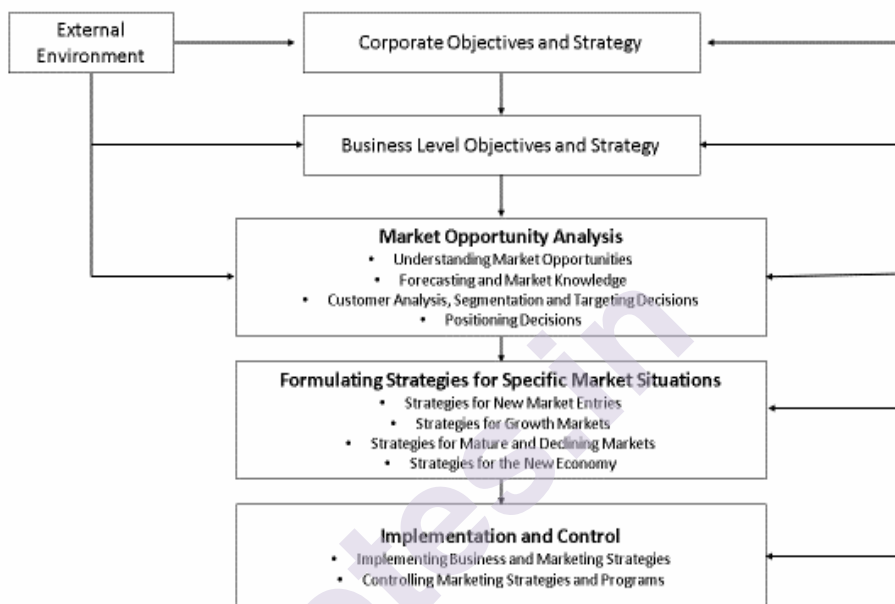


Figure 1.10: The Process of Formulating and Implementing

Source: *Marketing Strategies A Decision-Focused Approach*, Walker O., Mullins J.

As seen in the figure, the business level objectives and strategies are drawn from corporate level strategy and objectives which in turn are formulated after thorough environmental analysis.

The process for formulating and implementing the marketing strategy for specific situation comprises of the following steps:

1. Determining Objectives:

The objectives to be achieved by the marketing strategy are determined on the basis of business objectives and strategy. The business objectives help in determining what the firm wants the marketing department to achieve.

2. Analysis of Marketing Environment:

Before determining the strategies, it is very important to thoroughly analyse customers, competitors and company itself. These factors are highly dynamic. As a result the strategy formulated may get modified during its implementation. The four Cs analysis helps in preparing a good marketing plan. The four Cs include:

- i. The *Company's* Internal Resources: the company's internal resources, capabilities and strategies at different level need to be examined exhaustively to formulate a workable strategy.
- ii. The Environmental *Context*: The macro-external environmental factors like socio-economical factors, political factors, technological factors etc. in which a market exists have to be understood with absolute detail for selecting right strategy for marketing.
- iii. The *Competitors'* Analysis: The trends in competitive environment with close and continuous observation of competitors' strengths and weaknesses help in determining upcoming opportunities. This analysis helps in anticipating future environment in which the strategy has to operate.
- iv. Understanding *Customers*: Characteristics of the current and/or potential customers is the focal point of all different types of market analysis. Customers' needs and wants, desires and demands and details help in developing more realistic market strategies.

3. Integrating Marketing Strategies with other strategies of firm:

The strategies formulated at all levels need inputs from the market of the firm to make it workable. On the other hand, the marketing manager need to frame marketing objectives and strategy for a particular product-market on the basis of available resources and capabilities of the firm. The manager also need to understand first the allocation of these resources done at corporate and business level.

4. Opportunity Analysis of the Market:

The major elements of marketing strategy should be consistent with the firm's realities, that is, the external environment and the firm's own capabilities and resources. Therefore, after understanding the attractiveness and potential of the market through the four Cs analysis, it is important to identify, analyse, measure and utilize the opportunities offered by the market.

- i. **Understanding Market Opportunities:** The environment of the market served and industry to which the firm is a part when examined gives clearer picture of constraints (threats) imposed and opportunities offered by the external micro and macro environment. Appropriate framework to study these factors should be used so that none of the factors go unnoticed.
- ii. **Measurement of Market Opportunities:** After identifying the opportunities it is important to develop an evidence-based forecast for anticipating future environment. During this process, the marketing manager needs to find more sources of data for verifying his own analysis and filling the gap of information.

- iii. **Decisions for Segmentation, Targeting and Positioning:** The customers may have different preferences, personal characteristics, reasons for purchase, circumstances etc. They may have different sources of information and methods of procuring the product. Hence, the manager has to divide the current and prospective customers into distinct subsets on the basis of similarities in their characteristics, called as segments. After dividing the customers into segments the firm needs to examine its strength and weakness in each of them. The segment which offers viable opportunity should be targeted.

After selecting the target segment, the firm should make a decision on how to position the product or service it is offering. For this firm needs to decide on which attribute of the product or service will appeal to the customers of the targeted segment.

5. Formulating Situation-based Marketing Strategies:

The selection or formulation of marketing strategies depend upon demand of production or service, prevailing competitive conditions and life cycle stage the product is in. These three conditions are highly dynamic, therefore, the firm need to frame appropriate strategies for different combinations of these conditions.

6. Implementation, Evaluation and Control of Marketing Strategies:

Success of even a well-framed strategy depends upon its effective implementation. For successful implementation, the manager should examine the resources (including human resources like skill, experience etc.), organisational structure, coordination between different components and control mechanism of the organisation. The manager may have to modify or alter the resources, structure and coordination pattern to make the strategy more effective. The manager should also develop a mechanism to evaluate the implementation and check whether the marketing strategies are helping the organisation to meet its marketing and ultimately its organisational objectives.

7. Developing Marketing Plan:

A formal marketing plan needs to be developed and reviewed so that the loopholes of the plan and ambiguity can be eliminated. A typical marketing plan can be divided into three major parts.

- i. **Assessment and Analysis of the Current Situation:** This part of the plan entails:
- Analysis of Current and Potential Customers
 - Company's relative strengths and weaknesses
 - Competitive Situation and major trends of the industry
 - Major opportunities and threats in the upcoming time
 - Forecast and estimate of sales potential

ii. Details of Strategy:

- Detailing objectives in terms of sales volume, market share, profits, customer base etc.
- Detail of strategy in terms of actions for the 4Ps with their timings and locus.

iii. Resource Implications and Control Measures:

- Requirement of resources for the new strategy with their mobilization and allocation plan
- Developing mechanism to evaluate the effectiveness of strategy implementation and measures to control it
- Developing plans for contingency arising due to sudden changes in competitive scenario or other external environmental factors.

1.2 MARKETING OPPORTUNITIES AND PLANS

The entrepreneurs and marketing managers seek opportunities to either enter or increase the market share of the firm. Opportunities are the favourable conditions that are prevailing, or will prevail in future, in the industry in which the firm is competing. A thorough study of the market conditions is required to answer the following questions which will help in identifying the prevailing opportunities:

- How attractive is or will be the market in which the firm is serving?
- How attractive the industry is or propose to be in which the firm is/will compete?
- Do we have right skills available in the firm to take benefit of the opportunities?

It is important to understand that the difference between Market and Industry before we move further. As mentioned by Walker and Mullins in their book Marketing Strategy, Market comprises of individuals or organisations who are willing to buy goods or services for satisfying their specific need or want. Industry, on the other hand, is a the firms that offer product/ products which are similar or substitute of each other, which will satisfy the need or want of the individuals/ organisations. In short, market comprises of buyers and industry comprises of sellers.

According to Celine R. (2018), Market Opportunity can be defined as Projected potential size of the market and volume of sale. In other words, it is an estimation of how many individual consumers or businesses belong to the target market of a firm and the volume of sale made from them.

1.2.1 Marketing Opportunity Analysis

Market Opportunity Analysis is a tool used by a firm to identify the attractiveness of a business opportunity in terms of its feasibility and viability. This is conducted before undertaking the new product of service

to estimate profit and revenue it can generate in a particular market. The most important factor which is determined during the market analysis of a product is its Forecasted Demand.

Market Opportunity Analysis helps in answering the following question:

- Which is the most profitable segment?
- What is the rate of growth of opportunity?
- What is the density and intensity of competition?
- What is the gap which is not filled by competitors' product?

Market Analysis if carried out properly leads to creation of marketing intelligence which will help us in formulating right marketing strategies for right market segment at right time. It helps in determine how to provide a better product to the market than being currently offered. This will make customers prefer the firm's product over competitors'.

Process of Market Opportunity Analysis:

The process of analysis of market opportunity comprises of the following steps:

1. **Scanning and Analysis Macro Environmental Forces:**

The external environmental factors like economic condition, policies and trends, political environment, legal system, social and environmental pattern and technological trends are studied with a view to determine their possible impact on the business and its market.

2. **Describe the Industry:**

The analysis of industrial environment is done to find its current trend and anticipating its future. Michael Porter Five Forces Model is a popular tool used to determine an industry's long term attractiveness. The five forces which are examined in this model are:

- Rivalry among Existing Competitors:** The firms in the same industry producing products which are close substitute of each other. Factors like investment intensity required to start and sustain the firm, difference in product characteristics, cost of switching from one brand to another etc. are the factors to be studied under this force.
- Threat of New Entrants:** New entrants intensify the competition more. The greater this threat is the less attractive is the industry. The threat increases when it is easy to attain economies of scale, less capital requirement at outset, easy to gain distribution etc.
- Bargaining Power of Suppliers:** the supplier to a firm may have increased bargaining power if the cost of switching the suppliers is high for the firm or substitute are either less in number or are

expensive. If the firm can undertake backward integration the bargaining power supplier become less.

- iv. **Bargaining Power of Buyers:** Factors like price, product quality, added services help. Other factors which may influence the bargaining power of buyers are number of buyers, switching cost for buyers, product's performance and its importance for buyers etc.
- v. **Threat of Substitute Products:** Substitute are the alternative of product types (not the alternative of a brand) that can perform similar function. The more similar is the performance of substitute to the main product, higher is the threat to the firm. Substitute products are generally put barrier to the product by limiting its price.



Figure 1.11: Michael Porter Five Forces Model

Source: www.business-to-you.com

3. Detailed Analysis of Competitors:

The firm has to do a detailed analysis of the competitors in the industry, howsoever big or small, for gaining market intelligence to take right strategic decisions. Some of the factors to be studied are product description, strength and weaknesses (relative), market share, strategies related to pricing, promotion and placing etc.

4. Creating Profile of Target Market:

The firm needs to understand and record the essential features of target consumers and market. The answering the following questions may help the firm to draw a profile sketch of target market:

- Who are the potential customers?
- What is their need? Or what are they looking for?
- When do they need?
- Which distribution channel can help reaching them?
- What are the factors influencing their buying decisions?
- What are the trends?

5. **Set Sales Projections:**

Information collected using different techniques is deployed for forecasting sale of the product. The data also help in anticipating most optimistic and pessimistic scenarios for future. Taking all facts and analysis into account, the most realistic sale projection is recorded for evaluation purpose.

1.2.2. **Future of Marketing**

The concepts of marketing have undergone massive changes since before the Industrial Revolution. Before Industrial Revolution, marketing was merely an activity of exchange of product against money without bothering to know much about consumers' choice and convenience. Industrial Revolution brought a sea change as production increased beyond the buying capacity of consumers. Later, entry of intense competition made the firm realize the importance of consumer preferences and led to consumer centric approach. It was realized relationship with the consumer do not end with purchase of goods, but continued relationship is beneficial for both the parties. The firms realized that the one who purchase the goods are not the only one who are important, but the stakeholders who help in providing the goods to the customers are also equally important for a firm's success. These stakeholders include employees, intermediaries, suppliers etc.

According to Betsy Holden (2014), conventionally marketing was thought of as a communication function, rather than a strategic driver for growth of an organisation. The future of marketing will have following functions:

1. **In depth Knowledge of Customers:** The firm should have detailed information and understanding of its current and prospective consumers. Knowing their decision making style, touch points will lead to better relationship. The firm will enjoy trust and loyalty of the firm for long period of time.
2. **Continuous Improvement in Value Proposition:** In today's time the density and intensity of competition is increasing at a very high speed. Hence, the firm needs to find innovative ways to giving better value to the customers as compared to competitors. The innovation may not be just in product or service the firm is providing but also in the business model.
3. **Use of Technology:** Technologies like machine learning, artificial intelligence and block chain should be incorporated in firms' strategies to stay ahead of competition. The concepts like big data and neuro-marketing should be used to have more satisfied customers.
4. **Imbibing Creativity:** Success in marketing has always been possible by incorporating art and creativity in it. Out of the box ideas have not surprised the customers but have increased the market drastically.

5. **Maintaining Transparency:** The presence of a firm digitally is must today. The customers should be able to acquire information with complete honesty through platforms like website, blogs, social media handles. These open, virtual interactive channels help the organisation to gain trust of the customers.
6. **Real Time Interaction:** “Too little too late” can lead to disaster for a firm. The firm through its online interactive channels should respond accurately and promptly to the customers. This will increase the customer engagement with the product.
7. **Personalized Approach:** Loads of information is available about different product categories on internet. Scanning the target segments searches will help the firm estimate what the customer is looking for and how does the customer make choices. By creating relevant communication and serving them right will be important for the marketers in upcoming time.

1.2.3 Effective Marketing Plan



Figure 1.12: Steps followed in the process of framing an effective marketing plan

Marketing Plan is a part of Business Plan which is based on attractive prospects of market and to determine how to retain existing customers and attract new ones. A good marketing plan should have the following contents:

1. **Objectives of Marketing Plan:** The marketing plan should begin with clearly defined marketing objectives which are time bound and measurable. The metric which can be used for setting the objectives

are market share, number of target consumer, sales volume, penetration rate etc.

2. **Market Research:** The strategies for marketing can be frame only after doing an intensive market research. It includes consumer analysis which give the data related to demographics, loyalty, buying decisions etc. Market analysis provides data like market size, market share, industry structure, competitors analysis etc.
3. **Defining Target Market:** The analysis of target customer provides information like age, gender, race, psychographic profile etc. which helps in creating right marketing plan.
4. **Formulating Marketing Strategy:** The strategies for marketing mix are formulated based on data collected through market research to achieve the objectives determined in the beginning. The firm can decide upon determine the strategies for conventional 4Ps or they can determine their own industry-based marketing mix.
5. **Determination and Allocation of Budget:** Marketing budget is an important element of marketing plan. There are various techniques for determining budget which can be deployed by the firm. The budget may be based on realistic estimation of expenses or it can be on the basis of revenue the firm has earned. Budget is a very critical element as it plays very important role in formulating and implementing marketing strategies.
6. **Continuous Performance Analysis:** For the success of marketing plan, it important to establish various parameters to judge the effectiveness of the plan. The techniques of the measurement of these parameters are also determined. The performance is analysed on regular basis so that corrective actions can be taken timely.
7. **Monitoring the Implementation of Marketing Plan:** The marketing plan executes in a dynamic environment. Therefore, it is important to monitor the environmental changes and make suitable adjustments in the plan.

1.3 NEW MARKETING STRATEGIES

Marketing practices were always there for centuries. But the definition and process of marketing has undergone gigantic change especially after industrial revolution. Last three decades have witnessed a drastic change and tremendous increase in the scope in the activities under marketing. Some of the contemporary forms of marketing are discussed below.

1.3.1 Holistic Marketing Strategies

The new management approach believes that all different aspects of a marketing strategy are inter-related. The process of holistic marketing takes into account the considerations of stakeholders, customers,

employees, suppliers, and the community as a whole when creating and implementing marketing strategies.



Figure: 1.13: The Holistic Marketing Approach involve four dimensional strategy to provide customer satisfaction and thereby maximizing profit

There are four main strategies included in holistic strategy. These four strategies are:

- 1. Relationship Marketing:** It focuses on developing and maintaining relationship with the stakeholders like customers, employees, suppliers, buyers, regulatory agencies etc. All these stakeholders are important for the success of the firm and its strategies. In relationship marketing approach all the stakeholders are considered as customers and are served appropriately to their satisfaction.
- 2. Integrated Marketing:** Integrated marketing strategy uses different tools and channels for marketing like advertising, public relations, direct marketing, social media marketing and other tools like online communications. This strategy is based on the belief that the integrated impact of all the communication and marketing channels will be able to reach maximum current and prospective customers, multiple times. This will help in covering the target market better and will have better recall value.
- 3. Internal Marketing:** Internal marketing is meant to take care of needs of the employees for the firm. This is important for the satisfaction of the employees which will in turn motivate them to perform better and help embed the organisational philosophy in the culture. The strategy helps to get the maximum contribution from each department leading to profit maximization and highest level of customer satisfaction.
- 4. Societal Marketing:** This component focuses on socially-responsible marketing. The organization embeds the element of social well-being in its strategies. The initiatives are taken to bring benefits to the

society and environment, like employing local communities and resources, replenishing natural resources, using green practices and technology, providing benefits to sections of society. This approach helps organization go beyond just customerservice and satisfaction. It considers the fact that the organization is a subset of the society and in healthy society alone can a healthy business survive.

1.3.2 New Brand Marketing Strategies

New Brand strategy is a type of Brand Strategies. This strategy is adopted when a product is expanding its offering to a new product or getting into a new market. For this the company has to make smart choices in identity, in visuals and brand story to attract attention and give huge competitive advantage. There are three phases adopted by marketers for brand strategy:

1. **Phase I - Discovery:** Incase of new brands there is no identity already established, so this phase is not a significant one for them. But if the brand already exists and the firm wants to create a new one, the marketer need to objectively how public perceive the existing brand.It also requires market research and competitors analysis. Sketching a psycho-social profile of the customers.

Nykaa when launched itself it identified itself distinctly with people who are into fashion and make up products and started targeting market comprising of young population. They adopted marketing through social media. With the successful launch of their brand and gaining acceptance from initial target market, Nykaa expanded its product range and target segments too.



Figure 1.14: Nykaa adopts new brand marketing strategy while introducing its brand

2. **Phase II – Brand Identity:** In this phase, the marketer should begin with defining clearly the core identity. After this, the marketer has determine the strategy for positioning, USP of the product/ service being offered. This will give input for developing brand identity mix and choose the channels to communicate.

Seba Med has in the year 2020 decided to relaunch their soaps as a product for all. It was earlier present in the market but was sold across the counter mainly at pharmacies for people having sensitive skin. It launched itself as a most skin friendly soap by comparing its perfect PH with that of other popular soap brands.

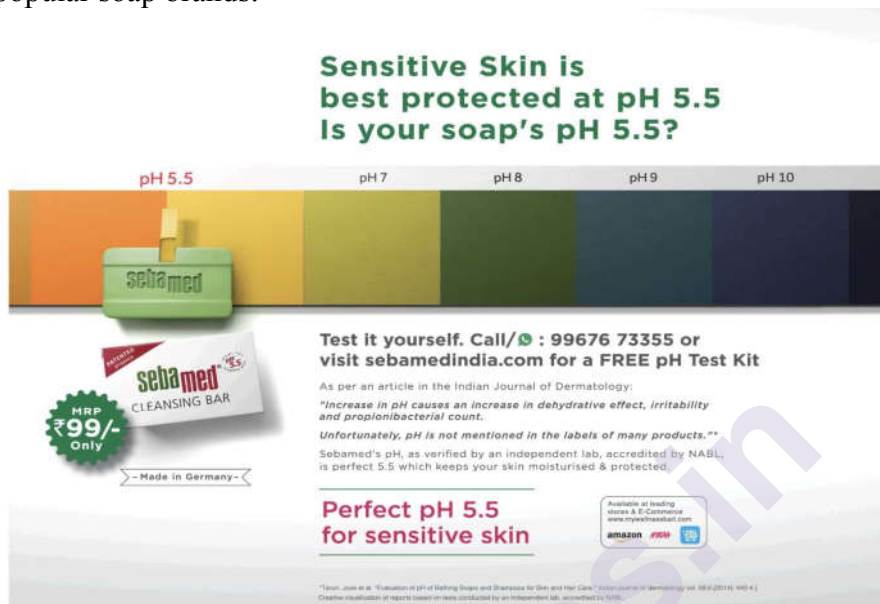


Figure 1.15: Sebamed creates a distinct brand identity by introducing itself as a bath soap having perfect pH for skin which even most popular brands do not have

3. **Phase III – Execution:** It is to be remembered that brand strategy is framed to create an image in the mind of the consumers and have better recall, and not marketing of product. Before the firm start executing the branding in a new set up marketer should be sure whether the branding is in line with the business strategy of the firm. The new brands branding should be so planned that it maintains consistency in all channels and communications. Brand Identity should also resonate with the mind-set of the target market for the firm.

There are few essentials kept in mind while executing the strategy for a new brand:

- The strategy should focus on communicating the brand story not the product.
- Apart from offering best features and best product, it is very important to be different in terms of identity.
- The story of the brand should interesting and consistent. The audience are bombarded with lots of messages, being loud is not sufficient. The branding should be interesting to capture attention and consistent for better recall.

- The approach should be customer-focussed, not company-focussed for establishing new brand.
- Empathize with your customers. Tell them how will you solve their problem or what are you going to do to make their lives better.

Nykaa has never lost its focus from its target market and have never failed to bring delight to them by surprising the consumers interpreting their thoughts aptly and timely

Example of successful brand launching - Nykaa

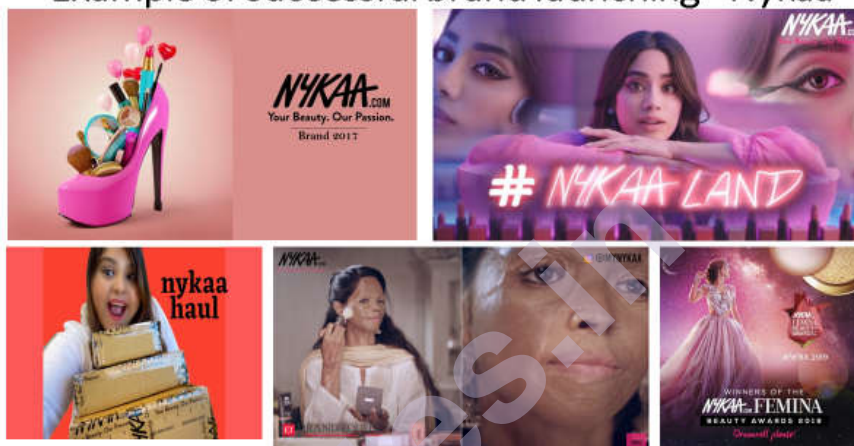


Figure 1.16: Nykaa executed their strategies of creating a distinct brand image stage after stage by connecting itself with common people and their definition of being beautiful. Because of this successful execution the brand has become a household online brand name for fashion products

1.3.3 Service Marketing Strategies

Services, such as telecommunication, banking, medical treatment, hospitality etc, are the part of economy which deals with non-physical and non-tangible entities.

Services are provided to the customers who pay for it. But during the process there is no transfer of ownership. Services cannot be transported or stored.

As service industry is one of the important contributor of any countries GDP, it cannot be ignored. Like organisations providing goods, service industry also uses strategies to attract more customers and increase the market shares.

According to Zeithaml et al, Service Marketing is the marketing process which focuses on delivering processes, experience and intangible entities to the consumers. Services may have many categories like hospitality, health care, transportation etc. Basically services are offering of processes, performances and deeds. Services can also be value addition with products being sold like repair services, customer services etc.

As understood, service marketing is marketing of intangibles, hence it is completely different from conventional marketing approaches for products. To understand service marketing better it is essential to understand its key features:

1. **Marketing of Non-Tangibles:** Services cannot be seen or touched. Hence, service marketing is marketing of those entities which cannot be physically possessed. Services provides satisfaction to the customer through experience. The better the experience is the better is the service.
2. **Ownership is Non-Transferable:** Unlike products, marketing of service does not transfer any ownership. Services are not owned by the provider or by the consumers. The service provider just has infrastructure to provide service. It provides experience to the customers and cease to exist when service is over.
3. **7Ps Marketing Mix for Service Marketing:** The conventional marketing mix for products are the 4Ps – Product, Price, Promotion and Place. But for marketing for service, we require additional three Ps as given by Bernard Boom and Mary Bitner in 1981. The three Ps which are added in service marketing are :
 - **People :** This include aspects related to employees of the organization. The organization need to hire, train and motivate their employees so that they exhibit caring attitude towards consumer and other employees, patience and responsive behaviour. They should develop competence to serve customers better than competitor.
 - **Process:** It includes all the business processes which will help in provide maximum satisfaction to the customers. The process should be comprehensive, customer friendly, convenient and prompt. Right processes at right place will help the organization have embedded system for maximum profitability and customer satisfaction.
 - **Physical Evidence:** Unlike products, services cannot be experienced by the customers by seeing or touching. The organization should provide evidence of good quality service by demonstration using techniques like ambience of outlet, testimonial messages of the consumers and their feedback.



Figure 1.17: In addition to conventional Marketing Mix (4Ps), the extended marketing mix (7Ps) were introduced by Boom and Bitner for service marketing

4. **Consumption and Production are inseparable:**Service providers and service cannot be separated with each other and also service is produced and consumed at the same time. Services cannot be stored for future use. The service is generated and delivered at the same time and is consumed simultaneously by the consumer.
5. **Managerial Function:** Like marketing of product, marketing of service is also a managerial function. Various strategies are designed on the basis of objective and environmental factors in service marketing too. Once the strategies are framed, their implementation is done after meticulous planning and the success of the strategies are monitored through evaluation and control techniques.
6. **Multifold Benefits:** Service Marketing is conducted for various objectives like creating awareness, boosting sale and increasing revenue. Due to marketing of services, the consumer are educated and it thus it helps in improving their standards of living. The marketing activity provides employment directly and indirectly. Any kind of marketing helps in boosting sale and provides support for betterment of economy.

Some of the popular service marketing strategies are:

1. **Word-of-Mouth:** As service can be experienced, so the best way of promoting it is by referrals or word-of-mouth. When one customer is pleased with the service experience they can advocate it to others. To encourage this, firm can introduced schemes like free service for each subscription etc.
2. **Educating Target Segments:** It is important the target segment is informed about the current services or new services being offered by

the firm. The firm can sponsor events, organise seminars and talk-shows, give article in newspaper to grab attention of target customer.

3. **Demonstration:** The customer get opportunity to have real experience of the product using this strategy. They can reduce their resistance and inhibitions for using the services provided.
4. **Use of Social Media:** Social media can be used due many of its benefits like selection of audience, demonstration effect, call discussion or experience sharing through blogs etc.



Figure 1.18: Ford has repeatedly assured its customers that they are not only selling great cars but also providing convenience for servicing. They have been promoting this extensively

1.3.4 Green Marketing Strategies

The marketing of environmentally safe products is said to be Green Marketing. It does not only include selling of green products, but also includes activities like modification of product and production processes, environmental friendly packaging and designing promotional messages. Green marketing is adopted to minimize the impact of marketing of goods and services on the environment, yet being able to satisfy the need of the consumer.

According To American Marketing Association, Green Marketing is the process of producing, providing and selling the products and services by adopting environmentally friendly techniques.

There have been however many different approaches for defining Green Marketing.

Green Marketing, in words of Kinoti (2011), covers wide range of activities which results processes like production, packaging, promotion

are modified to support the environment. Hence, Green Marketing cannot be assumed to be merely sales and promotion of products in an environment friendly way or informing consumer about the product being nature friendly, in fact, it includes the modification of the marketing mix to make it environmental friendly. Green Marketing Strategies can be adopted to both consumer and industrial products or services.

According to Polonsky et al (1997), Green Marketing Mix Strategies including developing green products, using green logistics, engaging in green promotion, green pricing and green consumption.

- 1. Green Based Product Strategies:** This includes designing and developing products which are sustainable, like the products which are more durable, less toxin, recyclable. The strategy may include usage of less packaging material, identifying and using source of raw material, products which are repairable and has environmental friendly disposability.

Pappco Green ware is a brand founded by Anil Agrawal with an intention to bring the products in the market which can replace single use plastic. These products are made of degradable material like plant fibre. These products are now sold in five countries other than Indian subcontinent. They produce eco-boxes, clamshells, plates. The products are absolutely plastic free, made of renewable, plant fibers, safe to carry food, totally compostable and are freezer and microwave safe.



Figure 1.19: Green Products are made of bio-degradable material, re-usable material or recyclable material enjoy more customer attention

Source: Pappco Green ware India

- 2. Green Logistics Characteristics:** One of the most popular Green Logistics Strategies is Reverse Channel System. This strategy helps in dealing with post-consumption recycling issues. In this the firm takes back the product when the consumer is ready to dispose it and uses waste management techniques to prevent ill effect on environment. Other forms of Green Logistics Strategies are using less packaging material, using technology for integrated transportation system etc.



Figure 1.20: VSL Worldwide Logistics is a UK based eco-friendly courier services. They use vehicles which emit less carbon. The company use bicycles, electric van, motor cycles and ultra-low emission vehicles.

Source: VSL Worldwide Logistics

3. **Green Pricing Strategies:** While the assumption that green products are expensive may be true, but the price is not unusually high. The suggested green pricing strategies may including informing the consumer that the companies which are able to sell their products are cheaper price, do not spend on environmental protection initiative. As a result, such products if bought and used continuously will lead of environmental issues very soon. The other way of justifying relatively high price is by informing consumer about benefits of usage of green products for them.



Figure 1.21: Seventh Generation is a brand of personal care and house-hold cleaning products. The target segment comprises of women, especially new-moms. The brand convinces these moms that with little extra price they pay, they make sure that they are giving a safer world to their babies.

Source: www.seventhgeneration.com

4. **Green Promotion Strategies:** Promotion of environmental friendly product should bear following essentials:

Marketing Strategies and practices

- i. Establish relationship between green product and the bio spherical environment.
- ii. Promoting green lifestyle, may not be directly discussing the product.
- iii. Help creating an environment friendly corporate image using different identity tools

Green Promotion also help in education and informing the audience, so that they can chose product which are not only satisfying their needs but also saving environment.



Figure 1.22: Coca Cola Philippines in collaboration of WWF has come up with an eco-friendly billboard in Makati City. The Billboard is a 60×60 feet one and has 3,600 carbon absorbing Fukien tea plants. Each of the 3,600 plants planted on this billboard has the ability to absorb up to 13 pounds of CO₂ each year.

Other notable examples of Green Marketing are :

1. Starbucks uses green materials for producing, packaging, and delivering its product to customers. They are planning to open 10,000 environmentally friendly stores by 2025.
2. Ikea has developed a strategy known as People & Planet Positive, encouraging consumers to be environmentally conscious. It manufactures products through eco-friendly practices. The company uses and encourages people to use renewable energy, it uses safe chemicals. It takes care of forest and farmland which are the sources of its raw material. It inspires and educate its millions of customers to live a more sustainable life at home.

Benefits of using Green Marketing strategies are listed below:

1. Enhances Profits: Green products use less raw material, generates less waste and also save energy.

2. **Brings Competitive Advantage:** The environmental innovations done by an organization enhances its image leading to more trust of the consumers. Green products are better in quality.
3. **Increased Share in the Market:** Once the organisation is able to get trust of the consumer, they become more loyal. Also, consumer are now becoming more and more aware and concerned about environment. They chose products which are less harmful.
4. **Getting more benefits as compared to general products:** The products used make the consumer healthier, less maintenance cost, longer life and also a satisfaction of preventing the environment from getting harmed.
5. **Sustainability:** With increased threat on environment, every organisation need to contribute towards keeping the environment safe for future generations.

However, these strategies may face some backlash because of difficulty in implementing the strategies and unable to substantiate benefits as they are difficult to measure. The processes like recycling, waste management are expensive.

1.3.5 Guerrilla Marketing Strategies

Guerrilla Marketing was introduced in 1984 by Jay Conrad Levinson in his book *Guerrilla Advertising: Secrets of Making Big Profits from Your Small Business*. Guerrilla Marketing is a low-cost marketing techniques but requires high degree of creativity. But it ensure maximum attention and exposure. The term has been used in marketing as it is used as Guerrilla Warfare in battle field. Guerrilla Marketing requires tactics like elements of surprises, ambushes, raids. The strategy works by taking the consumer by surprise, creating lasting impression and a huge buzz on social media. It uses non-conventional marketing strategies and hence always gets attention of consumers.

For the Guerrilla Marketing strategy to be successful, the following elements should be incorporated:

1. **Better Recall:** Guerrilla Marketing should be done cleverly so that it leaves the consumer thinking and mentally rehearsing about it.
2. **Compelling Attention:** The advertisement should get attention and appreciation.
3. **Emotional Response:** Arousal of emotional response of the consumer makes it more memorable.
4. **Invite Interaction:** The advertisement which is interactive either with the people surrounding it or from the consumer, generally leave them talking about it, resulting in making its recall better.

Though, Guerrilla Marketing was originally suggested for small businesses with low budget for promotion. Now, it has been used by big established brands also, like McDonalds, Mr.Clean etc.

There are many types of Guerrilla Strategy for marketing. Some of them are enlisted and briefly explained below:

1. **Street Marketing:** This strategy brings the business promotion on the streets targeting mainly the foot traffic in busy streets. Places like benches and sides of bus stands, zebra crossing, manhole covers, parking spaces etc. are used for advertising. Sometimes, the staff are also asked to interact with walking passer-bys like distributing product samples, communicate or collect information from prospective consumers.
2. **Ambient Marketing:** In this strategy, marketer focuses on surprising the consumers by providing something out of blue. It is done by choosing an unusual locations, innovative way of communicating about product etc. High degree of creativity is required for such types of advertising and marketing. It can also be done by using conventional medium (like billboard) in an unconventional way (making it three-dimensional etc.)

Ambient Marketing



Figure 1.23: Ambient Marketing are designed to use the ambience with an element of surprise

Source: 11 creative advertisements that will definitely grab your attention

3. **Ambush Marketing:** By Ambush in marketing we mean “surprising the competitor(s) by sudden attack”, mainly to reduce the impact of competitors campaign. The term Ambush Marketing was coined by strategist Jerry Welsh while he was marketing for American Express.

Most of the time Ambush Marketing strategy is adopted during some major events or programs like FIFA World Cup, Super Bowl etc. The firm may market their brand or product without being major sponsors by placing trademark and other identity imagery strategically.

To avoid such marketing, some organisers of these mega events have to create clean zones to restrict such advertising attempts.

4. **Experiential Marketing:** It is done for giving an experience of firm's product or service to the consumers. It can be done by making consumer experience your brand in real or real-like situation. It is not only memorable but is also help the consumer take immediate decision.

Food Sampling: It is the most enjoyable form of experiential marketing strategy. It is a form of marketing leaving the consumer pleased and give their reaction immediately. The consumer may not taste the product, but it seldom goes unnoticed.

Other form of Guerrilla Marketing strategies are Wild Posting, Reverse Graffiti, Undercover and Stealth Marketing, Grass Root Marketing etc.

Use of Guerrilla Marketing has increased over the years for multiple reasons. Some of the benefits of Guerrilla Marketing are listed below.

1. **Low Cost Marketing:**

This marketing strategy rely heavily on unconventional techniques. It requires smaller budget but more creativity. Thus, it's a cost effective way to build a brand.

2. **More Chances to Go Viral:**

As this type of marketing strategy leaves striking impressions, it is more likely to get captured and go viral online. The innovative online marketing strategies reaches more and more people if it is able to appear interesting to the consumers.

3. **Better Recall Value:**

These campaigns leave the consumers amazed, impressed and give rise to anxiousness to know more about it and talk about it. This is because of being unconventional and surprising in nature. Hence, the consumer tend to memorize it for longer time and exhibit response to it more frequently.

4. **Building Partnership:**

For such Guerrilla Marketing campaigns to be more effective, it has to relate itself with real situations and real places where you find your current and prospective consumers. Hence, it has to develop partnership with local businesses, institutions, organisations. Due to this collaboration the campaign reached its real audience and provide benefits to both the partnering parties.

5. **Gives Creative Freedom:**

The conventional advertising and marketing have guidelines and norms to be followed. Hence, making it difficult to cut the cluttering with similar ads and standout. While in Guerrilla Marketing, the creator of campaign can apply any innovative techniques which ensures attention of the target market.

6. Spreading of Information using Social Channels:

Interesting information always gets space and attention in social networking platforms like linkedIn, Whatsapp etc. The audiences and consumers love sharing message or imagery which is different and surprising. The Guerrilla Campaigns generally passed on and discussed in such social networking platform. As a result, the campaign's impact reached far beyond the geographical location where it has been executed.

Besides having so many benefits, Guerrilla marketing has some very significant drawbacks like:

- High risk of failure
- Message may get misunderstood as result it may have negative impact on reputation of the firm
- It may not receive support from the location or the government authorities
- Unpredicted weather and locational conditions may lead to failure of campaign.

1.4. SUMMARY

Marketing is just not selling product but has 360 degree approach which includes all the stakeholders. It begins before the production of goods or services and continues even after sale. Strategies in an organisation operates at four levels, namely Corporate Level, Business Level, Functional Level and Operational Level. Marketing strategies are type of functional level strategies. Marketing strategies are deployed in an organisation because of its many fold benefits. It is used to identify the right marketing mix, maximizing profit, communicating and satisfying the need of current consumers, identify new segments etc.

Marketing strategies can be formulated on various criterion, one of them is position in the market. Based on position, special strategies can be framed for market leaders, challengers, followers and nichers. Marketing strategy management process includes phases and steps. It begins with determining the opportunities, doing the environmental scanning and analysis for identifying prevailing and prospective opportunities, identifying the right strategies by using scientific techniques, preparing the organisation for implementation of this selected strategy, implementing the strategy. After implementing the strategy, it becomes utmost important to continuously evaluate the strategies in light of targeted performance and environmental factors and adopting control measures as and when required. Marketing plans are framed are based on these strategies implemented.

Market Opportunity Analysis is a tool used by a firm to identify the attractiveness of a business opportunity in terms of its feasibility and viability. The process of Marketing Opportunity Analysis begins with the analysis of macro environmental factors and then thoroughly studying the industry. Michael Porter Five Forces Model can be deployed for this purpose of industry analysis. The careful examination of competitors strategies and practices are also very important for the understanding the

opportunities in the current market. It is important not only to study the industry, it is also important to study the current and prospective market. In light of all this analysed information, the organisation develops its marketing projection for future.

The marketing strategies have gone a long way and have evolved immensely over the years. The oldest identified marketing strategy is Exchange Concept of marketing and today we are into holistic marketing, which does not only take care of the consumer who buys products, but also of rest of the stakeholders too without which the firm will not be able to serve the customers efficiently. In fact, the definition of consumers is widened and includes both internal and external consumers.

Before Industrial Revolution, marketing was merely an activity of exchange of product against money without bothering to know much about consumers' choice and convenience. Industrial Revolution brought a sea change as production increased beyond the buying capacity of consumers. Later, entry of intense competition made the firm realize the importance of consumer preferences and led to consumer centric approach. It was realized relationship with the consumer does not end with purchase of goods, but continued relationship is beneficial for both the parties.

Effective Marketing Plan begins with setting realistic, yet challenging, objectives. Before designing the marketing strategies, it is important to carry out an extensive research and formulate strategies for the identified target market. Once the strategies are formulated, the budget is prepared for its implementation. Finally, the plan is implemented.

The contemporary marketing strategies include Holistics Marketing, Marketing of New Brands, Service Marketing, Green Marketing and Guerrilla Marketing.

1.5. EXERCISE

FILL IN THE BLANKS:

1. The strategies which involve promoting and selling product or service are said to be _____. (Retrenchment Strategies/ HR Strategies/ Marketing Strategies)
2. The Marketing Strategies are a type of _____ Level of Strategies. (Corporate/ Business/ Functional)
3. _____ brings the business promotion on the streets targeting mainly the foot traffic in busy streets. (Street Marketing/ Green Marketing/ Holistic Marketing)
4. _____ Five Forces Model is a popular tool used to determine an industry's long term attractiveness. (Adam Smith's/ Michael Porter's/ Peter Drucker's)

5. An effective marketing plan begins with _____. (Setting up the Objective/ Preparing budget/ Monitoring the plan)

Answers:

1 - Marketing Strategies, 2 – Functional, 3 - Street Marketing, 4 - Michael Porter's, 5 - Setting up the Objective

MATCH THE COLUMNS:

1. Electronic product which consume less electricity	a. Market
2. Taking marketing beyond just serving customers	b. Guerrilla Marketing
3. A place where exchange or sale of product take place	c. Top most level of strategies
4. Marketing by surprising the customers and competitors	d. Green Products
5. Corporate level strategies	e. Holistic Marketing Approach

Answers:

1 – d, 2 – e, 3 – a, 4 – b, 5 - c

TRUE OR FALSE:

State whether the following statements are true or false:

1. Marketing Strategies are a type of Business Level Strategies
2. Concept of exchange was prevalent in marketing mainly before Industrial Revolution.
3. Opportunities are the favourable conditions born out of internal environment of an organization.
4. Use of technology is not important for future marketing trends.
5. Green products are eco-friendly products which may not be of green colour.

Answers:

1 – False, 2 – True, 3 – False, 4 – False, 5 - True

SHORTS NOTES:

Write short notes on the following:

1. Holistic Marketing
2. Service Marketing
3. Marketing of New Brand
4. Green Marketing
5. Guerrilla Marketing

ANSWER IN BRIEF:

Answer the following questions in brief:

- Q.1 Discuss the stages of evolution of Marketing Strategies.
- Q.2 State different types of Marketing Strategies.
- Q.3 Write the steps involved in formulating and implementing Marketing Strategies.
- Q.4 Define Marketing Opportunity Analysis. Describe its process in brief.
- Q.5 State the essentials for Marketing in Future times.

1.6. REFERENCES

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DEVELOPING MARKETING STRATEGIES AND PLAN

Unit Structure

- 2.0 Objective
- 2.1 Introduction
- 2.2 Marketing Mix
- 2.3 Marketing Plan
- 2.4 Defensive Marketing Strategies
- 2.5 Summary
- 2.6 Exercise
- 2.7 References

2.0 OBJECTIVE

After studying this unit student will be able to understand:

- Understand the concept of Marketing Mix
- Know about Marketing plans and various Strategies
- Explain Strategic Business Unit and SWOT Analysis.

2.1 INTRODUCTION

Marketing is the act of facilitating the exchange of a given commodity for goods, services, and/or money to deliver maximum value to the consumer. Marketing satisfies these needs and wants through both the exchange processes and building long-term relationships. Marketing can be viewed as an organizational function and a set of processes for creating, delivering, and communicating value to customers, and managing customer relationships in ways that benefit the organization and its shareholders. Marketing is the science of choosing target markets through market analysis and market segmentation, as well as understanding consumer buying behaviour and providing superior customer value.

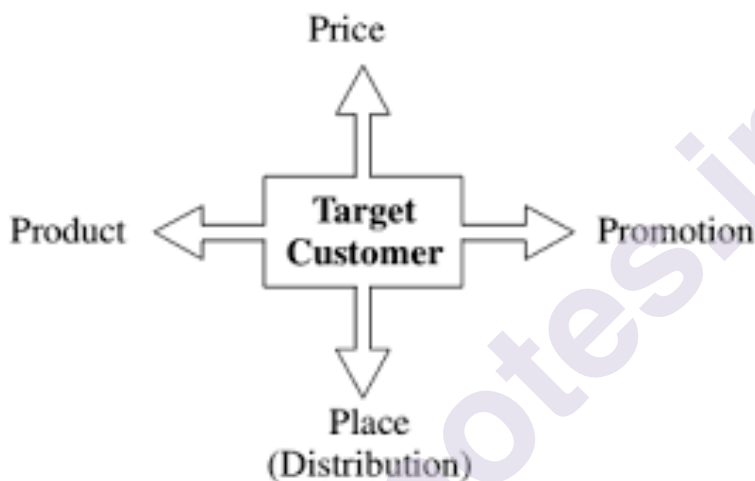
Marketing is made up of four elements: product, place, promotion and price. The elements must be used in a cohesive plan to effectively target the consumer. A product can be either a physical product or service. Place is where the product is purchased. Price is the amount a consumer pays for

the product and promotion consists of the communication tools used to effectively get the company's message out.

2.2 MARKETING MIX

Marketing involves a number of activities. To begin with, an organisation may decide on its target group of customers to be served. Once the target group is decided, the product is to be placed in the market by providing the appropriate product, price, distribution and promotional efforts. These are to be combined or mixed in an appropriate proportion so as to achieve the marketing goal. Such mix of product, price, distribution and promotional efforts is known as 'Marketing Mix'.

MARKETING MIX: A BIRD'S EYE VIEW



2.2.1 MEANING

Marketing decisions generally fall into the following four controllable categories:

- Product
- Price
- Place (distribution)
- Promotion

The term "marketing mix" became popularized after Neil H. Borden published his 1964 article, The Concept of the Marketing Mix. Borden began using the term in his teaching in the late 1940's after James Culliton had described the marketing manager as a "mixer of ingredients". The ingredients in Borden's marketing mix included product planning, pricing, branding, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact finding and analysis.

E. Jerome McCarthy later grouped these ingredients into the four categories that today are known as the 4 Ps of marketing, depicted below



Source: <https://byjus.com/commerce/marketing-mix/>

According to Philip Kotler “Marketing Mix is the set of controllable variables that the firm can use to influence the buyer’s response”. The controllable variables in this context refer to the 4 ‘P’s [product, price, place (distribution) and promotion]. Each firm strives to build up such a composition of 4‘P’s, which can create highest level of consumer satisfaction and at the same time meet its organisational objectives. Thus, this mix is assembled keeping in mind the needs of target customers, and it varies from one organisation to another depending upon its available resources and marketing objectives

2.2.2 Marketing Strategy Implementation

Marketing Strategy Implementation is a key process in the strategic marketing process of the organization. If Marketing Strategy objectives are to lead to performance results then the strategy formulation should lend itself to strategy implementation. This means that the strategy formulation should take into account the implementation obstacles to make the strategy work smoothly. Good strategy followed by good implementation leads to success, while poor strategy followed by poor implementation leads to failure. At the same time poor strategy followed by good implementation leads to average outcomes and causes trouble while good strategy followed by poor implementation leads to ruin. This underscores the importance of good implementation

The components of marketing strategy implementation include

(1) Marketing strategy:

Before an organization can start with the implementation, the strategy first needs to be formulated. The formulation of a strategy starts with the statement of the corporate mission and major corporate goals based on the existing business model. The mission statement of a company consists of 4 different parts, namely the mission, vision, values, and major goals.

The mission, vision and major organizational goals form the basis for further strategic choices on corporate, business, and functional level. To be able to make these strategic choices, the organization first needs to analyze the external environment to identify the opportunities and threats the organization is facing, which may affect the achievement of its mission. Moreover, the organization should identify its strengths and weaknesses through analyzing the internal operating environment. Based on this, so called, SWOT analysis, the organization is ready to make the necessary strategic choices, where it can use its strengths to correct its weaknesses, take the external opportunities, and counter the threats. The strategic choices are the foundation for the new business model of the organization, which should match the demands from the market to the resources and capabilities of the organization, and should lead to realization of the organizational goals

The strategy has been formulated and should be checked against the mission statement to ensure that the chosen strategy is in line with the overall mission statement of the organization

(2) Shared goals and values

The values (including norms and standards) of the organization shape the organizational culture and, with that, the behavior expected from the employees. Values form a strong internal force for controlling how employees execute their tasks and reach their and the organization's goals. Goals are the measurable objectives, as set by management, that the organization is planning to realize based on the mission, vision and values.

Whatever the values and goals of organization, it is very important to be shared within the organization and communicated to the peoples of the organization.

(3) Organization structure

The correct organizational structure is crucial to enable the organization to implement its strategy. To facilitate the achievement of the strategic and organizational objectives, organizational structure coordinates and integrates the tasks executed by all employees in the organization, i.e. employees at all levels, and across all divisions and functions.

Organizational structure determines the departments and functions in an organization, it defines the hierarchy, span of control and reporting relationships, and includes the systems for communication, coordination and integration across these divisions and functions, both vertically and horizontally

First of all, tasks and people need to be grouped in functions. After this, functions can be grouped into divisions to allow the organization to achieve organizational goals effectively and efficiently. Across these divisions and functions authority and responsibilities need to be allocated. A clear hierarchy needs to be defined from the Board of Directors through middle management all the way down to the operational employees. The

hierarchy should clarify the span of control that each of the employees has, i.e. the people and tasks they are responsible for and have authority over. As the organization has been divided into separate functions and divisions, which all together should strive to achieve the same organizational objectives, communication and coordination across these functions and divisions is needed. Through integrating mechanisms, such as direct contact, liaison roles and crossfunctional or divisional teams, information about activities, ideas and problems are efficiently spread across the organization

(4) Systems and processes

The systems, on the one hand, provide incentives and motivation to management and other employees to pursue the right activities towards achievement of organizational goals. On the other hand, systems facilitate monitoring and evaluation of performance and progress on strategic goals. This enables managers to take action to, if necessary, adapt and strengthen the organization's business model. To allow managers to respond to unexpected events, the control system has to be flexible. Moreover, it should provide accurate and timely information on organizational performance to ensure correct decision-making by managers. When designing an effective control system, an organization first determines the targets against which performance will be measured. Control systems should be designed at all levels in the organization, and targets have to be fit to the activities that the employees are responsible for. Moreover, it should be determined, which behavior is rewarded, and how these rewards relate to performance

System and processes should be aligned with organization goals, objectives so that everything in organization runs accordingly to achieve the strategy objective.

(5) Resources

The backbone of any strategic planning process is effective resource allocation. It is so as it helps to make maximum utilization of the existing resources available with the organization. It also enables an organization to be flexible to the upcoming challenges due to better planning.

Resources include both financial and non financial resources. For successful strategy implementation, it's important to properly allocate resources.

(6) People

The human aspects of strategy implementation deal with the people of an organization. It is the employees, who work towards the shared goal of implementing a strategy for their company. So managing the employees is one of the keys to strategy implementation.

We already know that, in order to make sure that we can properly implement a strategy, people are crucial. But two criteria must be fulfilled to get the best out of your people.

1. You need to have sufficient people in your workforce to support your goals.
2. The people in your workforce should be capable, or skillful enough to work for the goal you set for them.

(7) Leadership

We already know that, in order to make sure that we can properly implement a strategy, people are crucial. But two criteria must be fulfilled to get the best out of your people.

1. You need to have sufficient people in your workforce to support your goals.
2. The people in your workforce should be capable, or skillful enough to work for the goal you set for them.

People are ultimately responsible for implementing marketing activities. Therefore, the manager must be good at motivating, coordinating and communicating with all marketing personnel. The quality, diversity and skill of an organization's work force are all important considerations in implementing marketing strategy.

Execution / strategy implementation is a specific set of behaviours and techniques that companies need to master in order to have competitive advantage. Execution is a process. For successful execution, the need for a well-formulated strategy is of utmost importance. Successful execution is said to take place when the three processes – strategy process, people process and operations process are understood well and coherence is established between the three aforesaid processes

2.2.3 Steps

There are several steps you can take to develop a marketing strategy implementation, including these six:

1. Create realistic expectations

Keep in mind it can take up to six months to a year to see a return on investment (ROI) for marketing strategies and efforts. Be sure to set realistic expectations, including for managers and stakeholders, so everyone understands the priorities and when to expect results. You can build space for creativity, experimentation and pivot opportunities by having realistic expectations.

Consider all aspects of your marketing implementation and strategy plans, noting each may have different deadlines, goals and results. For example, your plans may include elements of:

- Social media marketing
- Content creation
- Sales conversions
- Lead generation
- Webinar sessions

2. Know what you need to implement

Because each marketing strategy is different based on company, product, service or goal, naturally your marketing implementation plan also varies. Decide what resources, tools, software and talent you need to help you execute each implementation plan. Through your research and planning, you might learn that your own staff can implement the plan or that you need to hire external help. Here's the difference between in-house and external teams:

- In-house marketing team: You might have a department or team skilled in graphic design, communications, content creation, copywriting or project management within your company. You can save money and resources if the talent matches your needs for the project.
- External consultants, agencies or firms: Depending on the marketing need, hiring an outside source can be beneficial, especially if you need specialized talents, like animation, digital application building or other more technical skills. You can hire firms, agencies and consultants on a project basis or length of time, like an annual contract.

Also, focus on what tools and software elements you need to carry out your marketing implementation plan, such as:

- Video hosting platforms
- Social media management
- Content management
- Project planning tracker
- Search engine optimization (SEO)
- Analytics and reporting
- Marketing dashboards

3. Review your marketing strategy

Review your marketing strategy another time to make sure it's well-defined, actionable and result-driven. Add any additional elements you might discover through building your implementation plan, and be sure to have the following essentials of a marketing strategy:

- Marketing budget
- Target audience
- Brand positioning
- Analytics
- Strengths, weaknesses, opportunities and threats (SWOT) analysis
- Specific, measurable, aspirational, realistic and time-bound (SMART) marketing goals

4. Establish workflows for all content and tasks

You can create task lists and marketing workflows that are easy for people to follow. Consider keeping workflow steps concise, combining elements that make sense to go together. Use action verbs to give a task a clear definition of what needs to be done. Assign tasks to teams or individuals and include a timeline or deadline for each one. Share the workflow with all relevant parties and ask for feedback and input before publishing the final version. Continue to collaborate and delegate throughout the implementation plan for best results.

5. Communicate to the team

Once you establish the marketing strategy and team, workflows and measurement tools, communicate the plan to everyone. Open transparency and team accountability can help boost motivation, productivity and results. The team invests in the goal and understands how their role is a key factor in achieving it. Share with stakeholders and other company departments or teams to help gain approval and support for the team's efforts.

6. Monitor and measure as you go

Monitor your marketing implementation plan as you move through it, reviewing how tasks are being handled and if deadlines get met. As results come in, compare them against forecasted projections to see if you need to adjust your implementation plan or marketing strategy. Depending on the results, consider adjusting any workflow patterns or project management strategies and ask your team for their input to see if there are actionable suggestions. Set up regular meetings to go over the progress to help reach the goal.

EXAMPLE:

Marketing implementation plan for a single-owner lawn care company

This sample marketing implementation plan outlines the marketing tasks of a small business owner offering seasonal lawn services:

Green Machine Mowing, LLC

A local, teen-run small business specializing in sustainable energy equipment to give high-quality service at affordable prices.

Activities, deadlines and frequencies

All responsibilities and tasks are owned by the founder of Green Machine Mowing unless otherwise stated below.

Pre-launch tasks

- *Gain full funding for marketing materials by February 2022*
- *Design logo graphic with the freelance graphic artist by March 1, 2022*
- *Build QR code for marketing materials by March 5, 2022*
- *Research and design marketing materials, including mailbox flyers, signs and social media, by March 15, 2022*
- *Print flyers and signs by March 30, 2022*
- *Interview and hire two employees by April 1, 2022*

Launch tasks

- *Train and set expectations for employees by April 1, 2022*
- *Educate staff on all discount offerings and pricing materials by April 1, 2022*
- *Distribute flyers in neighbourhood mailboxes by April 8, 2022, repeat the first week of June 2022*
- *Hang signs in the neighbourhood by April 10, 2022, and monitor for replacing*
- *Provide each employee with an electric mower, weed whacker and blower by April 10, 2022*
- *Email existing clients for renewal of seasonal service by April 15, 2022, request returned contracts by May 1, 2022*
- *Launch new social media accounts by April 30, 2022*

Ongoing tasks

- *Use software systems for mowing schedules and client assignments for employees and update weekly*
- *Update all social media accounts at least three times per week and engage with users*
- *Create video content at least twice per month for social accounts and an email recap*
- *Provide payment to employees on a bi-weekly business*
- *Have employees leave customer satisfaction surveys with clients monthly with paper version and digital link*
- *Email clients monthly with updates, service suggestions and survey link*
- *Review customer satisfaction ratings monthly and action any input or suggestions, like new offerings or discount bundles*

End of season tasks

- *Create flyers for fall leaf removal services by October 1, 2022*
- *Print and distribute flyers by October 10, 2022*
- *Monitor equipment sales throughout fall to replace or grow tool inventory below budget*
- *Draft, review and send end of season thank you email for our client list and include satisfaction update survey by November 30, 2022*
- *Issue final payments to employees and close seasonal books by December 15, 2022*
- *Review final customer survey data during the offseason*
- *Draft projections for the following year based on customer survey response by January 30, 2023*

Source: <https://www.indeed.com/career-advice/career-development/marketing-implementation--example>

2.2.4 Marketing Mix 4 P's –

Concept of Marketing Mix

Marketing mix is a set of critical elements used by a brand to build the company's market presence. Although the Ps are interdependent, the marketing specialists can consider each component separately according to the industry and marketing strategy's goal and then combine them to deliver the best value to the customers. Initially, the marketing mix consisted of four groups of variables which are product, price, place, and promotion. E Jerome McCarthy introduced the model in 1960. In 1981, Booms and Bitner added three extra elements, including process, people, and physical evidence, that were more applicable for services marketing.

A marketing mix can help you determine how to bring a new product to the market or test your current marketing strategy. With the help of the model, businesses can develop advantages, minimize drawbacks, improve competitiveness and adaptability and increase collaboration between departments and partners

Let us now have a brief idea about the four components of marketing mix.

Product:

Product refers to the goods and services offered by the organisation. A pair of shoes, a plate of dahi-vada, a lipstick, all are products. All these are purchased because they satisfy one or more of our needs. We are paying not for the tangible product but for the benefit it will provide. So, in simple words, product can be described as a bundle of benefits which a marketer offers to the consumer for a price. While buying a pair of shoes, we are actually buying comfort for our feet, while buying a lipstick we are actually paying for beauty because lipstick is likely to make us look good.

Product can also take the form of a service like an air travel, telecommunication, etc. Thus, the term product refers to goods and services offered by the organisation for sale.

Definitions by famous authors

Product is a set of tangible and intangible attributes including packaging, colour, price, manufacturer's prestige, retailer's prestige and manufacturer's and retailer's services which buyer may accept as offering satisfaction of wants and services". William J. Stanton

"A product is more than just a physical product with its related functional and aesthetic features. It includes accessories, installation, instructions on use, the package, perhaps a brand name, which fulfils some psychological needs and the assurances that service facilities will be available to meet the customer needs after the purchase"

Price:

Price is the amount of money customers have to pay to obtain the product (Philip and Armstrong). Price: refers to the value that is put for a product. It depends on costs of production, segment targeted, ability of the market to pay, supply - demand and a host of other direct and indirect factors. There can be several types of pricing strategies, each tied in with an overall business plan. Pricing can also be used as a demarcation, to differentiate and enhance the image of a product.

Having made decisions about products, the marketer needs to decide how to price them. Price is the amount of money asked in exchange for the product. It must be reasonable so as to enable the consumers to purchase the product. While fixing the price of a product, the management should consider factors such as cost, ability of the consumers, competition, margin of profit etc. Price is what you pay and value is what you get.

Place:

- Goods are produced to be sold to the consumers. They must be made available to the consumers at a place where they can conveniently make purchase. Woollens are manufactured on a large scale in Ludhiana and you purchase them at a store from the nearby market in your town. So, it is necessary that the product is available at shops in your town. This involves a chain of individuals and institutions like distributors, wholesalers and retailers who constitute firm's distribution network (also called a channel of distribution). The organisation has to decide whether to sell directly to the retailer or through the distributors/wholesaler etc. It can even plan to sell it directly to consumers.
- Place is defined as the location where a firm expects to find its customers and consequently, where the sale is carried out. It is the area or location of the consumers and not the place of the business. Place in marketing is also known as physical distribution or channel of

distribution or intermediary. A firm has to understand the place of the consumers and choose adequate distribution network or channel to reach that place. For large-scale distribution, the services of wholesalers, retailers and other marketing intermediaries are required. A firm has to choose a channel which is convenient, economical and suitable for the distribution of a specific product

Promotion:

Promotion is the communication link between the firm and the consumer. Promotional measures are necessary to inform the consumers about a product and its features. Promotion consists of all activities aimed at inducing and motivating customers to buy the product.

According to Stanton, “promotion encompasses all the tools in the marketing mix whose major role is persuasive communication.” Advertising, personal selling, sales promotional programs and publicity are the major promotional tools.

Promotion: this refers to all the activities undertaken to make the product or service known to the user and trade. This can include advertising, word of mouth, press reports, incentives, commissions and awards to the trade. It can also include consumer schemes, direct marketing, contests and prizes. If the product is manufactured keeping the consumer needs in mind, is rightly priced and made available at outlets convenient to them but the consumer is not made aware about its price, features, availability etc, its marketing effort may not be successful. Therefore, promotion is an important ingredient of marketing mix as it refers to a process of informing, persuading and influencing a consumer to make choice of the product to be bought. Promotion is done through means of personal selling, advertising, publicity and sales promotion. It is done mainly with a view to provide information to prospective consumers about the availability, characteristics and uses of a Product.

Example

Apple marketing mix

Apple's marketing is so good that it can turn its customers into loyal supporters who will wait in line for hours to receive each new product the company introduces.

- **Product.** The company is best known for iPhone, iPod, and Macbook with a large selection of additional accessories. Apple's guiding principles include creativity and innovation, so the company creates easy-to-use and stylish products and constantly improves them. The product design is kept secret, and the customers usually expect fresh and exciting solutions.
- **Price.** The company established its image as a premium and luxury brand, so the prices are above average. As Apple invests in R&D and owns the software used in the products, the expenses for

production constitute a major part of the budget. The company charges a high initial price for the products and lowers it overtime to reach the price-sensitive segment of the target audience.

- **Place.** To maintain control over distribution, the company keeps strict standards for the shops allowed to sell their products. Apple distributes the products at Apple Stores, official websites, and via third parties such as authorized and telecommunication sellers.
- **Promotion.** Apple avoids information overload, extensive product feature lists, and distracting effects. The company emphasizes the unique value proposition and rarely shows the price of the products.

2.2.5 Importance of 4P's

The concept of marketing mix is the foundation of modern marketing management. The concept is important on account of the following reasons:

- It provides a valuable guide for resource allocation: The decision of allocating financial and human resources is dependent on the concept of marketing mix. Since these resources are limited and precious, they should be used in the most judicious manner.
- It helps to allocate the responsibilities: The challenging job of marketing is the result of a team work. It means the responsibilities are to be allocated to the members of the marketing team.
- Facilitates communication: Communication is an essential part of marketing mix. Through promotional activities, the firm should inform customers about its products.
- It helps in goal achievement: The goal of the business may be profit maximization. It can be achieved by combining the elements of marketing in proper proportion.
- Promotes customer satisfaction: A properly designed marketing mix can help in delivering maximum satisfaction to the customers by fulfilling the needs and wants of customers.

➤ *It helps in a clean mix creation*

Your marketing mix should have all the P's compatible with each other. The price should be compatible with the placement of the product. The product should be compatible with the promotions. In general, all the P's are intrinsically linked to each other.

As a result, when you are making a marketing mix, it becomes a chain of strong bonds. And these bonds then guide you forward in making

the chain longer. Whenever you are considering adding a new feature or changing existing things, you have to look at the overall picture, which helps in creating a clean marketing mix for the product.

➤ Marketing mix helps in New product development

While designing an existing product, there are any number of ideas which can come up for a related product that can be designed by the company. The pricing, place and promotions might be different for such a product. Nonetheless, it can be classified as a new product and hence while designing the marketing mix, the company can come up with good ideas for New Product Development as well.

Marketing mix helps increase the product portfolio

Whenever you want to increase the product depth or product line and length, you have to make minor changes to the product. In essence, you are making minor changes in the marketing mix itself. You are making changes to the product features, to its pricing and possible to its promotions. As a result, by altering the marketing mix and certain features within it, you can end up with an enlarged product portfolio.

It helps in differentiation

When you analyse the marketing mix of Competitors, there are many different ways that you can differentiate yourself from the competitor. The competitor might have poor promotions and by analysing them, you can create better promotions of your own product.

The competitor might have poor placement of products or he might have the wrong process or the wrong people in place. All this can be improved upon giving you a better marketing mix and therefore a competitive advantage in the market.

2.2.6 Alternative Marketing Mix Propositions

The world is full of uncertainty and challenges including climate change, poverty and inequality

- One thing that today is need of hour is sustainable business strategy.
- The general goal of a sustainable business strategy is to positively impact the environment, society, or both, while also benefiting shareholders.
- One common way to understand a business's sustainability efforts is using a concept known as the triple bottom line which includes Profit, People and Planet.
- The **triple bottom line** is a business concept that posits firms should commit to measuring their social and environmental impact—in addition to their financial performance—rather than solely focusing on generating profit, or the standard “bottom line.”

The Triple Bottom Line Concept (TBL) framework or theory broadens the focus of the business on social and environmental factors and not only on the financial bottom line. The triple bottom line measures a company's degree of economic value, social responsibility and its impact on the environment.

The phrase was coined and introduced in the year of 1994 by John Elkington and later used in his 1997 book "Cannibals with Forks: The Triple Bottom Line of 21st Century Business.

One of the key challenges with the Triple Bottom Line Concept is the difficulty of measuring the social and environmental bottom lines, which necessitates the three separate accounts being evaluated on their own merits and related factors affecting them.

TRIPLE BOTTOM LINE MEANING:

Normally, a company's bottom line on its income statement is its net income, i.e., its profits but in the case of Triple Bottom Line Concept it is intended to advance the objective of sustainability in the overall business practices, in which the focus of companies is extended beyond just higher sales and profits and includes social and environmental issues to measure the total cost of doing business.

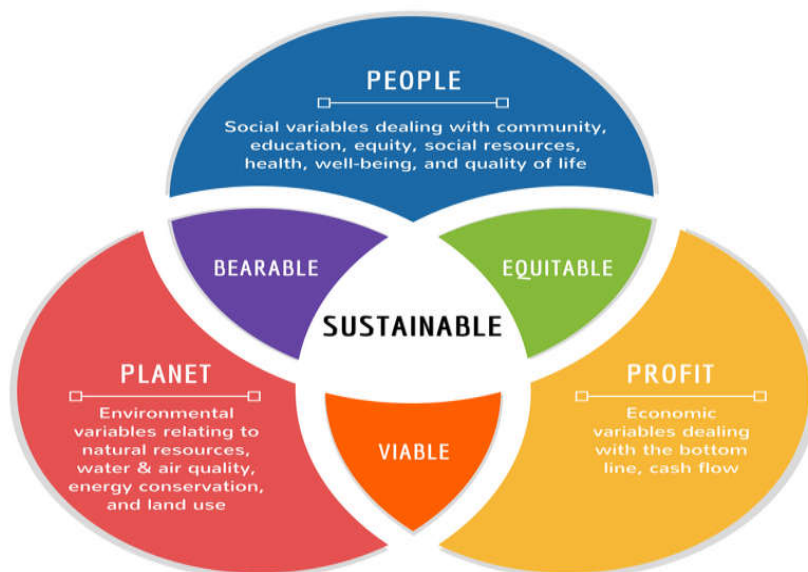
The company that intends to pursue the Triple Bottom Line Concept must consciously consider the social and environmental factors, in addition to the economic bottom line, in making investment and business decisions.

Deploying money and other resources, such as labor to a project or an investment can either contribute to all these three goals or focus on profit at the expense of one or both of the other two.

Some of the repercussions that have come about from ignoring the concept in the name of profits include the destruction of the rainforest, exploitation of labor, and damage to the ozone layer amongst other such crucial effects on the environment and human resources.

The concept has actually changed the way businesses, nonprofits, and government organizations measure the factors of sustainability and the performance of projects or policies. Beyond the foundation of measuring sustainability on three fronts—people, planet and profits—the flexibility of the concept allows the organizations to apply the concept in a manner suitable to their specific needs and requirements and as per the merit of the case.

Though there are certain challenges to putting the Triple Bottom Line Concept into the actual practice. The challenges include measuring each of the three categories, finding applicable data, and calculating a project or contribution to sustainability. However, keeping these challenges aside, the framework allows organizations to evaluate the consequences of their decisions from a truly long-term perspective.



Source: https://www.researchgate.net/figure/The-interconnection-of-the-elements-of-the-Triple-Bottom-Line-concept_fig1_3291854

- **PEOPLE:**

In the triple bottom line concept, the “people” refers to all possible stakeholders. This includes the company’s employees and shareholders, as well as its customers, affected communities and people at every stage of the supply line. It even includes future generations that may feel the impact of the company’s doings. The people, planet and profit theory holds that a business must ensure that all people affected by it will benefit in some way.

Employees are acclaimed as the assets of any organization.

- a) Your labours,
- b) the community in which you work and
- c) the human capital that you utilize need some assurance that you are not only using them but also giving something in return to them.

You can return them in terms of equal opportunity employer, fair distribution of labor wages, and resolving health and poverty issues.

It has been widely recognized and reported that the companies who ignore their people and social good are subjected to higher economic costs and lower profits.

The value in focusing on the people goes beyond the workplace because modern consumers are more interested in supporting companies that align with their beliefs. The importance of doing something for the people is crucial as millennials take over the mantle as the core demographic and the biggest spenders in the market. Millennials will have spent \$1.4 trillion by the end of 2020 and much more than other market segments in the years to come. Also, 83% of

millennials will only support brands that fit their values, which include how companies take care of their employees, community, and the environment. If doing something for the people is important to the biggest segment in the market, it should also be important for your business

- **PLANET:**

A company can also demonstrate its commitment to people, planet and profit by reducing waste, using post-consumer recycled materials and even partnering with suppliers that have established eco-conscious policies.

Companies are using natural resources and raw materials for the manufacturing and production of products all the time. Thus, it is also their duty to pay attention to the conditions of our planet.
If the use of energy resources is not efficient

If greenhouse gas emissions are polluting the environment
If oil spill accidents are contaminating the sea, oceans, and lands, and
If an ecological system gets disturbed because of business operations, then who is responsible?

In contrast, if we perform sustainable activities for the sake of our environment, it gives us an upper hand over our competitors.

PROFIT:

Your organizational activities are also playing some part in maintaining the economic system, not for today only but for future generations as well. So, you can't make it without earning profits for your company. After all, who wants to earn losses!

One of the famous examples is IKEA, a renowned Swedish furniture company. Ikea raised its sales to 37.6 billion dollars in 2016, but it didn't swallow all the profit, it turned the profits in recycling the waste material like the remnants of the tree and exploited that wastage in making some of its top-selling products. IKEA's annual revenue increased from \$44 billion in FY2019 to \$46.7 billion in FY2020, which is impressive, given the uncertainties in the market throughout the period. The company has been attaining high profits even after increasing its investment in renewable energy and sustainable sources of raw materials.

Now, it is recognized as the company that adds "zero waste to landfill."

Hence, the salient point is your economic value promotes and supports the people of tomorrow when you perform all your business operations with the inclusion of the environmental sustainability aspect. The company set ambitious sustainability goals for 2020 and strives to

attain each goal. It has invested more in the production of renewable energy to match its consumption, strives to ensure 90% of its home furnishing products are more sustainable, and seeks to source 100% of its wood, paper, and cardboard from more sustainable sources. In 2020, the furniture brand successfully phased out single-use plastic and replaced it with renewable or recyclable options, which is one of the commitments it made in June 2018. Also, it replaced disposable cups, cutlery, bowls, plates, and straws for all IKEA restaurants and cafés with items made with materials from renewable sources. IKEA is closer to meeting all its sustainability goals and continues to make profits along the way.

2.3 MARKETING PLAN

Planning is deciding in advance what to do, how to do it, when to do it and who is to do it. Planning is simply a rational approach to accomplish an objective. It bridges the gap from where we are & where we want to go. Planning is the first management function to be performed in the process of management. It governs survival, growth and prosperity of any enterprise in a competitive and ever changing environment.

Planning is an analytical process which covers:

1. Analysis of the situation or environment,
2. Assessment of the future opportunities and threats,
3. Determination of objectives and goals in the light of the future environmental forces and
4. Selection of the best strategy or the course of action from among the alternative strategies to achieve the objectives.

Planning is the first and the foremost function of management. Planning precedes all the functions. Marketing planning is the starting point of all marketing and business activities of an enterprise.

Marketing planning is the process of anticipating future events and developing strategies to achieve organisational objectives. It involves designing activities relating to marketing objectives. Marketing planning of an organisation is planning for that organisation's revenue-generating activities.

It must begin with setting down the corporate plans and should be followed through with plans for each separate function:

1. The first step in marketing planning process is setting down marketing objectives and policies.
2. The second step is designing the marketing system. In the marketing system, a company has to design/define each function with its contribution.

3. The third step is to develop separate objectives, programmes, and strategies of each function, so that they can be assessed for the target purpose and the broad objectives. If any function cannot meet its objectives, have to be modified for that functional area.
4. The fourth step is drawing of detailed plans for each function for a shorter period, i.e., a quarter, half a year or a year. It will be helpful in defining responsibilities, timing and costs needed to achieve the short-term objectives.
5. The fifth step is merging the marketing plans into organisational plans.

2.3.1 Marketing Plan Importance

A business firm has to make various marketing decisions. These decisions actually emerge from the complex interaction of a large number of persons carrying out diverse responsibilities in the marketing organisation. Being part and parcel of the over-all management, the marketing executives are deeply involved in the process of planning. Marketing planning defines the role and responsibilities of marketing executives in such a way as to achieve the goals of the firm.

It lays emphasis on the allocation of marketing resources in the best and most economical way. It gives an intelligent direction of marketing operations. Marketing planning involves the preparation of policies, programmes, budgets etc., in advance for carrying out the various activities and functions of marketing to attain the marketing goals.

According to American Marketing Association, “marketing planning is the work of setting up objectives for marketing activity and of determining and scheduling the steps necessary to achieve such objectives.” Planning is the first management function to be performed in the process of management. It governs survival, growth and prosperity of any enterprise in a competitive and ever-changing environment.

The connecting link of markets to marketing is the process and the function of marketing management. Marketing management is the blending factor of markets and marketing. Today the consumer is a complicated, emotional and confused individual. His buying is based on subjectivity and not often backed by objectivity. The introduction of innumerable brands of toilet soaps, talcum powders is examples.

Every company must look ahead and determine where it wants to go and how to get there. Its future should not be left to chance. To meet this need, companies use two systems a strategic planning system and marketing planning system. Strategic planning provides the route-map for the firm. Strategic planning serves as the hedge against risk and uncertainty

Marketing has been described as the railway engine which pulls all the other departmental carriages along. Marketing planning is the interface between the enterprise and its market. We had explained that marketing places the consumer at both the beginning and the end of the business process.

Any firm practising marketing in the proper sense has to identify correctly the needs of the consumer, translate the needs into suitable products and services, deliver those products and services to the total satisfaction of the consumer and through the process generate profits for the firm.

Importance of Marketing Planning:

Marketing planning is a systematic and disciplined exercise to formulate marketing strategies. Marketing planning can be related to the organisation as a whole or to strategic business units (SBU). Marketing planning is a forward looking exercise, which determines the future strategies of an organisation with special reference to its product development, market development, channel design, sales promotion and profitability.

The various importance of marketing planning are :

1. To Face Future Uncertainties:

As the future is always clouded with risk, it is only pertinent that measures are taken as protection against unforeseen risks. An expert marketing manager makes marketing forecast on the basis of careful analysis of present circumstances and trends, and then sets the objectives for the future.

He also takes into account any situation that is likely to arise in the future which may have an impact on the company's marketing plans. For example, a marketing manager may take into consideration the probable entry of new competitors in the same product line while making plans.

2. Provides Focus to Marketing Activities:

Efficient marketing planning helps in focusing the various activities, programmes and operations of the department towards the same direction- achieving the goals of the marketing department in a way that is aligned with the overall business success.

3. Best Utilization of Opportunities:

The future is not just fraught with risks, but it is also full of viable opportunities. Marketing planning helps the organization to identify the opportunities that may arise in future and seize them before the competitors do. Regular monitoring of the business environment throws

light on a number of emerging consumer needs and wants which can be successfully converted into marketing ideas.

4. Determination of the Right Marketing Mix:

The marketing mix is the combination of the various marketing elements like product, price, place, promotion, people, physical evidence, etc. which is used by an organization to influence the demand for its products or services. A good marketing plan helps to determine the appropriate proportion of the various aspects of the marketing mix to create the maximum appeal to customers.

5. Better Coordination:

Marketing plans are basically formulated for the marketing department, but they are aligned with the overall objectives of the company. Therefore it helps to coordinate the activities of all the departments so that coordination is achieved in the performance of the marketing department.

6. Satisfaction of the Customer:

The business exists because of the customer and can operate profitably only through the satisfaction of his wants. Marketing planning entails the study of the customer wants and directs all marketing efforts towards the satisfaction of these needs. A marketing plan which is based on extensive consumer research lays the maximum emphasis on customer satisfaction.

2.3.2 Types

Marketing Planning provides the framework of the advertising and marketing efforts made for the business. It describes the role and responsibilities of a marketing manager to accomplish the objectives of the company. It gives prominence to the distribution of marketing resources pleasantly and economically and provides a creative direction for marketing operations.

Marketing planning consists of the policies, programs, budgets, marketing mix, historical data, current market position and future predictions of the business. However, a good marketing plan also requires a solid marketing strategy as without a proper marketing strategy marketing plan cannot become useful for the business.

Marketing planning can be divided into short-term and long-term. Let's discuss both to give you a more comprehensive understanding of which one (or both) is right for your business objectives.



Source: <https://theinvestorsbook.com/marketing-planning.html>

1. Long -Term Marketing Planning

Long range planning involves tentative determination of the enterprise's broad goals to be achieved and the strategies to be adopted for the purpose over a long period of time. LTMP covers a time which is long enough to provide the marketing management with an opportunity to anticipate future problems and thus to have a greater freedom of action to resolve them in an orderly manner.

According to Peter F. Drucker, "long range planning is not master-minding the future. It does not deal with future decisions. It deals with the futurity of present decisions. It is not an attempt to eliminate risk. Rather it seeks to raise the capacity to take risks." These have great relevance' to a long term planning for marketing also. The goals generally relate to sales, market share, the range of new products, markets to be pursued, the lines of business which the enterprise should go in etc.

Long-term marketing is a strategy that outlays more general objectives for the next 10 years. Although short-term marketing is easier to conceptualize as it focuses on the now; once you have announced a new merger or heralded a new acquisition, what comes next?

Every company needs to have a long-term marketing plan that keeps the brand fresh and relevant in the eyes of the customers. Long term marketing is beneficial to improve on existing messaging, figure out what works and what doesn't and optimize leads and conversions.

Examples of long-term marketing include:

Public Relations (PR)

Social media

Paid search engine optimization (SEO)

2. Short –Term Marketing Planning

Short-term marketing, also known as operational or tactical marketing, is a plan for up to one year. This method is typically implemented to promote sales and promotions, new products and services and other events foreseen in the next month to 12 months

STMP has two objectives:

- (a) Implementation of LTMP through programmes and budgets and
- (b) Improvement of operating performance.

The plans are normally sub-divided into monthly or weekly plans for control purpose. Mostly short term plans are in the form of budgets. Periodically, the budgeted figure is compared with the actual performance, variations are considered for corrective steps.

Short-term marketing, also known as operational or tactical marketing, is a plan for up to one year. This method is typically implemented to promote sales and promotions, new products and services and other events foreseen in the next month to 12 months.

Short-term marketing includes a detailed action plan of the type of marketing (online, print, paid, organic, etc)., who will carry out the strategies, a budget, a sales forecast and expected reach and profit.

Examples of short-term marketing include:

Price promotions

Discounts to certain groups (military, teachers)

Trade shows

2.3.3 Content of Marketing Plan

A marketing plan is the first step in creating a successful marketing program for your new business. Fortunately, it doesn't have to be complicated in order to work. Here are the ten basic components of a marketing plan.

You started a company and now you're thinking about developing a marketing program, you need to begin with a marketing plan. Having been in marketing for more than a decade, I have seen my share of marketing plans. Some are short and to the point, others are hundreds of pages thick and cost thousands of dollars to produce.

The irony is that many of the expensive marketing plans end up on a shelf and rarely get implemented. The simple plans, if researched and implemented effectively, have the greatest impact.

Regardless of the scope of your marketing plan, you must keep in mind that it is a fluid document. Every business needs to begin with a well structured plan that is based in thorough research, competitive positioning and attainable outcomes. Your plan should be the basis for your activities over the coming months. However, you should always be willing to enhance or redirect your plan based on what proves successful.

The various elements of Marketing Plan are:

1. Market Research

Collect, organize, and write down data about the market that is currently buying the product(s) or service(s) you will sell. Some areas to consider:

- Market dynamics, patterns including seasonality
- Customers – demographics, market segment, target markets, needs, buying decisions
- Product – what's out there now, what's the competition offering
- Current sales in the industry
- Benchmarks in the industry
- Suppliers – vendors that you will need to rely on

2. Target Market

Find niche or target markets for your product and describe them.

3. Product

Describe your product. How does your product relate to the market? What does your market need, what do they currently use, what do they need above and beyond current use?

4. Competition

Describe your competition. Develop your “unique selling proposition.” What makes you stand apart from your competition? What is your competition doing about branding?

5. Mission Statement

Write a few sentences that state:

- “Key market” – who you're selling to
- “Contribution” – what you're selling
- “Distinction” – your unique selling proposition

6. Market Strategies

Write down the marketing and promotion strategies that you want to use or at least consider using. Strategies to consider:

- Networking – go where your market is
- Direct marketing – sales letters, brochures, flyers
- Advertising – print media, directories
- Training programs – to increase awareness
- Write articles, give advice, become known as an expert
- Direct/personal selling
- Publicity/press releases
- Trade shows
- Web site

7. Pricing, Positioning and Branding

From the information you've collected, establish strategies for determining the price of your product, where your product will be positioned in the market and how you will achieve brand awareness.

8. Budget

Budget your dollars. What strategies can you afford? What can you do in house, what do you need to outsource.

9. Marketing Goals

Establish quantifiable marketing goals. This means goals that you can turn into numbers. For instance, your goals might be to gain at least 30 new clients or to sell 10 products per week, or to increase your income by 30% this year. Your goals might include sales, profits, or customer's satisfaction.

10. Monitor Your Results

Test and analyse. Identify the strategies that are working.

- Survey customers
- Track sales, leads, visitors to your web site, percent of sales to impressions

By researching your markets, your competition, and determining your unique positioning, you are in a much better position to promote and sell your product or service. By establishing goals for your marketing campaign, you can better understand whether or not your efforts are generating results through ongoing review and evaluation of results.

As mentioned earlier, be sure to use your plan as a living document. Successful marketers continually review the status of their campaigns against their set objectives. This ensures ongoing improvements to your marketing initiatives and helps with future planning.

2.3.4 Strategic Business Unit

If a large organization adopts the SBU strategy, it forms fully functional departments to manage specific products, services, customers or a geographical area. These departments are independent and set up with the objective of increasing profits.

A strategic business unit is a term used to represent such an independent, specialized department or a sub-unit that focuses on a given objective. It has its own vision, course and mission. Planning for a strategic business unit is done separately, its goals are different from that of the parent organization and it focuses on long-term business performance.

An SBU strategy provides working independence to these sub-units, but they're required to submit status reports on performance and processes to the parent organization. Some SBUs may have the power to make crucial business decisions but most have to report to the head office.

One such case is LG, which has a long list of products managed by separate divisions. Each strategic business unit has to not only manufacture and deliver products but also make critical decisions and

manage investments. This way the parent organization can focus on tracking income, costs and profits.

Over the years, organizations like LG and Coca-Cola have redefined the meaning of strategic business units by showing us that SBUs don't have to be small projects. They can be large businesses with strong support functions. They can control marketing, human resource management, training and development. A strategic business unit can be extremely beneficial for an organization in the long run, especially if it has multiple product structures. Organizations that consider SBU in strategic management can quickly and effectively respond to shifts in the market.

Definition: A strategic business unit, popularly known as SBU, is a fully-functional unit of a business that has its own vision and direction. Typically, a strategic business unit operates as a separate unit, but it is also an important part of the company. It reports to the headquarters about its operational status.

Strategic Business Unit Characteristics:

The SBU structure adopted by an organization should play to its strengths and make good use of the opportunities in the industry. Let's look at the characteristics of strategic business unit:

As the meaning of a strategic business unit suggests, it's a strategy to set up a separate unit of business or a group of businesses that are allowed to plan autonomously.

The strategy deals with a homogenous set of markets to minimize diversity. It allows a manager to formulate and implement internally consistent and coherent business strategies

Responsibilities of profitability, strategic planning and performance lie with the heads of the respective business units

Each SBU offers unique products and services. No two SBUs within a firm should compete with the same products for the same customers. Organizations avoid duplication of products and effort to maximize economies of scale within the SBUs

2.3.5 Structure of Strategic Business Unit

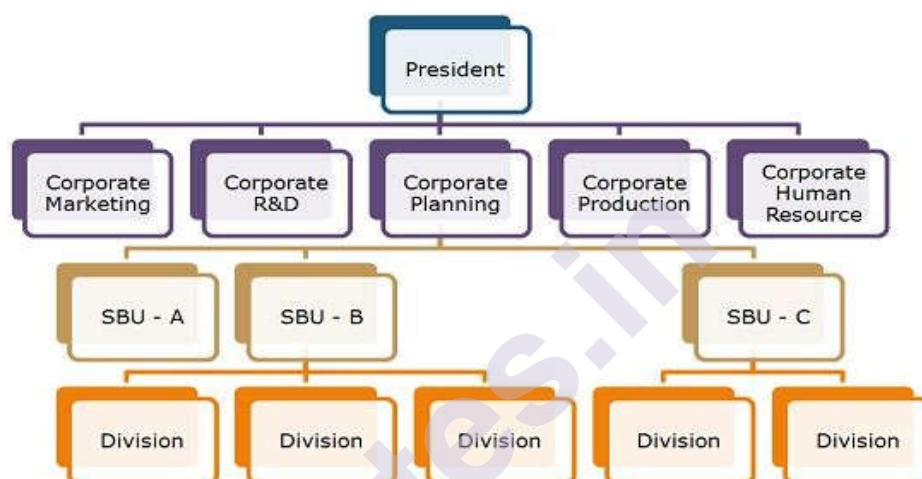
A strategic business unit structure has independent operating units that function as autonomous businesses. Within the structure, top corporate officials assign responsibilities to division owners for business unit strategy and regular operations. The parent officers are tasked with developing and executing comprehensive strategies and managing SBUs with financial and strategic controls. Senior executives make decisions for each unit as the SBU structure connects the units with the related divisions of the business.

There are three levels in a strategic business unit structure:

At the top sits the corporate headquarters that monitors performance and process

The next level has SBU groups that carry their status

At the bottom are divisions assembled according to the similarities with SBUs



Source: <https://businessjargons.com/strategic-business-unit.html>

From a strategic viewpoint, each strategic business unit is an independent business. In this system, a single SBU is considered a profit center led by corporate officials. Parent supervisors don't focus on operational control as it allows divisions to quickly respond to changing industry environments.

Features of Strategic Business Unit

- Strategic Business Unit utilizes a product-market strategy.
- SBU is a part of the organizational structure.
- It is regarded as organizational units that are devoid of individual and independent legal personality.
- They perform activities that are considered the utmost crucial and significant for the entire organization concerning decision making.
- It has a divisional structure determined by its size of production, accounting processes, research and development activities, and marketing function.

- Strategic Business Unit decision-making autonomy comprises production, laboratory testing, finance, production preparation, accounting, and marketing.
- They enable the organization to enjoy autonomous planning functions.
- It is responsible for functions like strategic planning, performance, and profitability of the division.
- Strategic Business Unit has a set of own competitors.

Need of SBU

Following are the needs of SBUs :

- 1) To ensure that each product or product line of the hundreds offered by the company would receive the same attention as if it were developed, produced and marketed by an independent company.
- 2) To provide assurance that a product will not get lost among other products (usually those with larger sales & profits) in a large company.
- 3) SBU's makes the organization in organized form. The first principle of time management is to get organized. Similarly, one of the first things an owner got to do is to see his organization clearly.
- 4) To ensure that a certain product or product line is promoted and handled as though it were an independent business.
- 5) Dividing products into SBU's helps you stay in touch of the market separately for each and every product. Thus a marketing manager/sales manager may be assigned one product at a time and will be responsible for that product itself. Thereby he may give valuable contribution in maintaining the STP of a product in the target market.
- 6) SBUs propagates the correct decision making. The decisions can be at the micro level (managing STP, strategies) or it can be at the macro level (investments from the corporate fund, whether to continue investing?).
- 7) By micro managing each and every product and dividing it into SBU's, an owner can obtain a holistic view of the organization. This view is also used in preparing the financial statements as well as to keep tabs on the investments and returns for the organization from each SBU. Thus the overall profitability of the firm can be decided.
- 8) The best reference for investments in SBU's can be the BCG matrix. In the BCG matrix, the SBU's are divided as per their market share and the market growth rate. Thus depending on the BCG matrix, the

type of investments which each product needs can be decided. This is possible only if each product is treated as a completely different SBU. This SBU may be a composition of one category of product (such as shampoo) or in case of larger organizations it may even be one single type of product (such as LED or LCD televisions).



Source : <https://www.thepowermba.com/en/blog/bcg-matrix>

- 9) Naturally once the organization is organized, the management can micro manage things. For example, large companies like HUL and P&G (the best examples of multi product organizations) have at least 30 different products at all times. Each of them requiring separate manpower, strategies, expenses and returns. Thus this needs micro managing of the highest aspect. Micro managing helps the management to focus on each and every product separately.

Advantages of Strategic Business Units

The advantages of SBUs are as follows:

1) Decentralization of Authority:

Decentralization of authority is caused because it reduces the span of control. Decentralization has its own effect on the organizational effectiveness and motivation system. The juniors feel more honoured and empowered.

2) Better Co-ordination:

There is perfect co-ordination between different divisions because they are similar strategic units. There will be more complementary than competition.

3) Fast Formulation and Effective Implementation of Strategies:

The strategy formulation is rendered easier and cosier as similar SBUs are under one manager who reports back to General Manager and the CEO. The message that comes from CEO leads to effective implementation. Each division has the participation in both planning and implementation.

4) Assured Accountability:

Each division that comes under a SBU manager is accountable for its performance under, normal or over. Similarly each SUB is accountable to the general manager and so on.

Disadvantages of Strategic Business Units

The disadvantages of SBUs are as follows:

1) Increase in Operating Costs:

The operation costs increase because this structure increases one more layer in the organizational structure. Administrative overheads paid-up.

2) Gap between Divisions and Head Office:

This gap is created because extra layer that comes in between the head office and the SBUs. This gap reduces direct links with the divisions. This delays the communication process which is a must for twoway flow of information for decision-making and assessing the performance.

3) Reduced Flexibility:

In order to achieve one thing another is to be sacrificed in part it not in goal. The decentralization dilutes the degree of flexibility which encourages slow movement of information.

4) Dirty Politics and Unwanted Competition:

Under this structure SBUs are at the top where there is going to be clamour for resources and foul play of politics because all SBUs are not cash cows or stars or dogs or even question marks. This categorization leads unhealthy competition.

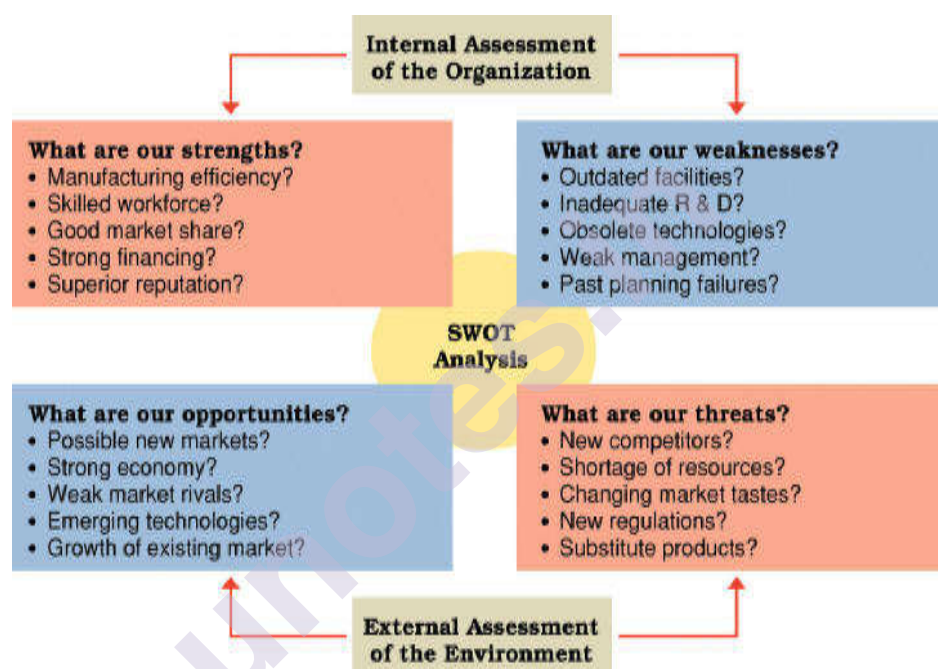
2.3.6 SWOT Analysis

SWOT is an acronym for Strengths, Weaknesses, Opportunities and Threats. By definition, Strengths (S) and Weaknesses (W) are considered to be internal factors over which you have some measure of control. Also, by definition, Opportunities (O) and Threats (T) are considered to be external factors over which you have essentially no control.

SWOT Analysis is the most renowned tool for audit and analysis of the overall strategic position of the business and its environment. Its key purpose is to identify the strategies that will create a firm specific

business model that will best align an organization's resources and capabilities to the requirements of the environment in which the firm operates.

In other words, it is the foundation for evaluating the internal potential and limitations and the probable/likely opportunities and threats from the external environment. It views all positive and negative factors inside and outside the firm that affect the success. A consistent study of the environment in which the firm operates helps in forecasting/predicting the changing trends and also helps in including them in the decision-making process of the organization.



Source: http://www.cbpp.uaa.alaska.edu/afef/swot_analysis.html

An overview of the four factors (Strengths, Weaknesses, Opportunities and Threats) is given below-

1. **Strengths** - Strengths are the qualities that enable us to accomplish the organization's mission. These are the basis on which continued success can be made and continued/sustained.

Strengths can be either tangible or intangible. These are what you are well-versed in or what you have expertise in, the traits and qualities your employees possess (individually and as a team) and the distinct features that give your organization its consistency.

Strengths are the beneficial aspects of the organization or the capabilities of an organization, which includes human competencies, process capabilities, financial resources, products and services, customer goodwill and brand loyalty. Examples of organizational

strengths are huge financial resources, broad product line, no debt, committed employees, etc.

2. **Weaknesses** - Weaknesses are the qualities that prevent us from accomplishing our mission and achieving our full potential. These weaknesses deteriorate influences on the organizational success and growth. Weaknesses are the factors which do not meet the standards we feel they should meet.

Weaknesses in an organization may be depreciating machinery, insufficient research and development facilities, narrow product range, poor decision-making, etc. Weaknesses are controllable. They must be minimized and eliminated. For instance - to overcome obsolete machinery, new machinery can be purchased. Other examples of organizational weaknesses are huge debts, high employee turnover, complex decision making process, narrow product range, large wastage of raw materials, etc.

3. **Opportunities** - Opportunities are presented by the environment within which our organization operates. These arise when an organization can take benefit of conditions in its environment to plan and execute strategies that enable it to become more profitable. Organizations can gain competitive advantage by making use of opportunities.

Organization should be careful and recognize the opportunities and grasp them whenever they arise. Selecting the targets that will best serve the clients while getting desired results is a difficult task. Opportunities may arise from market, competition, industry/government and technology. Increasing demand for telecommunications accompanied by deregulation is a great opportunity for new firms to enter telecom sector and compete with existing firms for revenue.

4. **Threats** - Threats arise when conditions in external environment jeopardize the reliability and profitability of the organization's business. They compound the vulnerability when they relate to the weaknesses. Threats are uncontrollable. When a threat comes, the stability and survival can be at stake. Examples of threats are - unrest among employees; ever changing technology; increasing competition leading to excess capacity, price wars and reducing industry profits; etc.

Advantages of SWOT Analysis

SWOT Analysis is instrumental in strategy formulation and selection. It is a strong tool, but it involves a great subjective element. It is best when used as a guide, and not as a prescription. Successful businesses build on their strengths, correct their weakness and protect against internal weaknesses and external threats. They also keep a watch on their overall business environment and recognize and exploit new opportunities faster than its competitors.

SWOT Analysis helps in strategic planning in following manner-

- It is a source of information for strategic planning.
- Builds organization's strengths.
- Reverse its weaknesses.
- Maximize its response to opportunities.
- Overcome organization's threats.
- It helps in identifying core competencies of the firm.
- It helps in setting of objectives for strategic planning.
- It helps in knowing past, present and future so that by using past and current data, future plans can be chalked out.
- SWOT Analysis provide information that helps in synchronizing the firm's resources and capabilities with the competitive environment in which the firm operates.

EXAMPLE

SWOT Analysis of Google

Introduction:

Google is probably the world's best-known company for pioneering the search engine revolution and providing a means for the internet users of the world to search and find information at the click of a mouse. Further, Google is also known for its work in organizing information in a concise and precise manner that has been a game changer for the internet economy and by extension, the global economy because corporations, individuals, and consumers can search and access information about anything anywhere and anytime.

Strengths

- Market Leader in Search Engines

Perhaps the biggest strength of Google is that it is the undisputed leader in search engines, which means that it has a domineering and lion's share of the internet searches worldwide. Google has more than 65% of the market share for internet searches and the competitors do not even come close to anywhere that Google does.

- Ability to Generate User Traffic

Google is a household brand in the world, its ability to drive internet user traffic is legendary, and this has helped it become one of the most powerful brands in the world. Indeed, Google averages more than 1.2 Billion hits a month in terms of the unique searches that users perform on the site. This gives it an unrivaled and unparalleled edge over its competitors in the market.

- Revenue from Advertising and Display

Its revenue model wherein it garners humungous profits through partnerships with third party sites has held the company in good stead as far as its ability to mop up resources and increase both its top-line as well as bottom-line is concerned. This is another key strength of the company that has helped it scale greater heights.

- Introduction of Android and Mobile Technologies

The last of the strengths discussed here relates to its adoption of Android and Mobile technologies, this has resulted in it becoming a direct competitor of Apple as far as these devices, and operating systems are concerned.

Weaknesses

- Excessive Reliance on Secrecy

Google does not reveal its algorithm for searches or even its basic formula as far as internet searches are concerned leading to many experts slamming the company for being opaque and hiding behind the veneer of secrecy. However, in recent years, Google has taken steps to redress this by providing a bare bones version of its unique search engine algorithm.

- Falling Ad Rates

In recent years and especially in 2013, the company has been faced with declining revenues from ads and as a result, the profitability of the company has taken a hit. This is partly due to the ongoing global economic slowdown and partly because of competitors snapping at its heels in a more aggressive manner. Indeed, Apple has already taken steps to garner search engine revenues in its devices and hence, Google must be cognizant of the challenges that lie ahead.

- Overdependence on Advertising

Google's business model relies heavily on advertising and the numbers reveal that it gets more than 85% of its revenues from ads alone. This means that any potential dip in revenues would cost the company dearly (literally as well as metaphorically). The point here is that Google has to devise a more robust business model that embraces e-commerce and mobile commerce along with its current business model that is based on ad revenues alone.

- Lack of Compatibility with next generation devices

Another weakness for Google is that it is not compatible with many next generation computing platforms including mobile and tablet computers and this remains an area of concern for the company.

Opportunities

- Android Operating System

Perhaps the biggest opportunity for Google lies in its pioneering effort in providing the Android OS (Operating System) which has resulted in its becoming a direct competitor to Apple and Samsung.

- Diversification into non-Ad Business Models

As discussed earlier, the company has to diversify into non-ad revenues if it has to remain profitable and current indications are that it is adapting itself to this as can be seen from the push towards commercial transactions using its numerous sites like Google Books, Google Maps etc.

- Google Glasses and Google Play

The introduction of Google Glasses and Google Play promises to be a game changer for Google and this is a significant opportunity that the company can exploit. Indeed, this very aspect can make the company take the next evolutionary leap into the emerging world of nano-computing.

- Cloud Computing

Cloud Computing remains a key opportunity for Google as it is already experienced in providing storage and cloud solutions. Indeed, if not anything, it can move into the enterprise market using the cloud-computing paradigm.

Threats

- Competition from Facebook

The advent of Social Media has seriously threatened Google's dominance in the internet world and the company has to pull an ace to deal with the increasing features available on Facebook and Twitter.

- Mobile Computing

Another threat to Google is from the emerging area of mobile computing that threatens to pass the company by as newer companies seize the opportunity to ramp up their mobile computing presence.

2.4 DEFENSIVE MARKETING STRATEGIES

Defensive marketing strategy began to be used in the late 1990's, and has been considered as a better alternative to offensive marketing, based on the traditional saying that precaution is better than cure.

Speaking about defensive marketing sounds like a war strategy, and it is not far from the truth. Every time a new product is launched, four to five brands / firms must prepare to defend their share of the market. The defensive marketing strategy can be described as a set of tactics and actions being used by the leader of an industry, or the top market shareholders in an industry, to protect their own market share, profitability, product positioning and mind share against emerging competitors.

It applies to any kind of industry where we have a leader in the market and possible new entrants aiming to compete for the top position. Defensive marketing can also be used by the second or third highest market share holder. Any company which has its market share threatened by a competitor, can use defensive marketing strategies.

Defensive marketing tactics depend on the category of the products where they are applied. For example, if we speak about products that are purchased frequently such as FMCG, cosmetics, personal hygiene, etc, then defensive strategy will mostly target existing customers via a flurry of different tactics.

However, in the case of products which are purchased less frequently such as electronics, clothes, etc, then defensive strategy will be more long term and will address both, existing as well as potential new customers.

The basic question related to defensive marketing strategy is, how should companies react to the launch of a competitive new brand? Once you acknowledge that there is a potential new entrant in the market who will eventually compete for the same position as you, you can take several measures as part of a defensive strategy.

However, first you have to decide the intensity of competition. If the new company, or a company which is a close competitor, is really innovative and soon to take over your market share, then you need to start using defensive marketing strategies

Employed by market leaders, defensive marketing strategies are implemented any time a new threat to market share appears. The type of industry doesn't matter. For example:

Google is the market leader in "cloud" technology services. To stay ahead of new competitors, the company actually attacks itself by producing new products that force their old ones into obsolescence. It thus presents a moving target for new competitors, who end up competing primarily against the old Google products

Tesco was the market leader in general merchandising when Wal-Mart began to move in, threatening to attract their customers with lower prices. Tesco responded with lowering the price on many items, while simultaneously improving the personalization of coupons and promotions. In so doing and despite Wal-Mart's ongoing success, Tesco kept hold of its customer base in many cities.

Tylenol was the market leader for non-aspirin pain relievers when Daitril tried to challenge them. Tylenol's response was so massive and effective that it actually awoke a "sleepy" market for aspirin alternatives. As a result, Tylenol is now the market leader for all OTC pain relievers, including aspirin.

Starbucks was not the first coffee shop or restaurant to offer free Wi-Fi, and to promote that fact to customers; but it started doing so in order to protect its market share from other businesses that were doing just that.

Facebook, the market leader for social media, updated their options for friends' lists as a direct response to the "circles" offered on Google+. This allowed users to establish different levels of involvement in their social media contacts.

In a free-market economy, industry leadership can quickly change, and even long-established companies can be displaced. So any company with a dominant market share must constantly be on its guard for new competition, and be quick to respond with the right strategy

2.4.1 Importance

It is unnecessary to discuss the need for defensive marketing. The following are some points that will give you a sense of how crucial marketing is.

1. When a company has a big market share in an industry and multiple competitors are continually challenging the leaders, this marketing is essential.

Leaders cannot disregard their competition, no matter how little, in today's volatile business environment.

Any new competitor joining the sector puts everyone's market share in jeopardy, not just the leaders. That is why a defensive marketing strategy is crucial.

2. "Change is the only constant," says an adage. As a result, client expectations are rapidly evolving. This is why marketing is so important for businesses since they want to stay relevant by meeting their customers' requirements
3. For an established company with a wide customer base, defensive marketing focused on position defense is a useful strategy. The company doesn't have to actively work to generate customer interest in

its products and can simply reinforce its product messages with consumers. A well-built reputation through quality products makes it difficult for a new competitor to enter the market and attack the established company's customer base. The established company simply uses its defensive marketing to reinforce customer confidence in its products and swat the newcomer away.

4. Defensive marketing allows the company to improve the product, increase customer loyalty, maintain its market share, and may more.
5. Primary Purpose is to make possible attacks unattractive or discourage competitors.
6. It is a developed to protect market share, position and profitability.
7. It is a strategy that can be used to keep up top position in local and existing market.
8. This strategy is most successful to keep up the customer's confidence which no new competitor can disturb.
9. The purpose of Defensive Strategy is to make a possible attack unattractive and discourage potential challengers from attacking another firm.
10. Incumbents try to shape the challenger's expectations about the industry's profitability and convince them that the return on their investment will be so low.
11. Incumbent needs to take timely action to discourage a challenger from making any substantial commitment

2.4.2 Types of Defensive Marketing Strategies

The means used by companies in market leadership positions to defend their market share from attacks by challengers; six common defence strategies are position defence, flanking defence, pre-emptive defence, counter-offensive defence, mobile defence and contraction defence

1. Position Defence

The existing position of the respective company in the market is to be maintained at any cost. One of the most important strategies applied is the deepening of all old bonds catering to customer satisfaction. This one is more prone to be the victim of offensive players.

Mostly, a single best-selling product is set as the focus. Accordingly, other parameters are modified to suit the economic conditions while building the brand name continuously.

Example of Position Defence

The automobile giant Mercedes prefers to stick to the same routine, irrespective of similar attempts being made by Toyota.

On the other hand, Apple does not focus on increasing the RAM of iOS devices by copying other brands. **This helps the tech-savvy people rely on the quality.**

Ultimately, the standards remain high and the position does not plummet at all.

2. Mobile Defence

A lot of changes are made in the direction of “**not losing the current position**”. The steps taken are mostly for backing up the company so that the diversity in products helps in compensating at all levels. The changes include broadening the target market, enhancing promotional mechanisms, adding more products to the catalog, and altering market segments each time.

Example of Mobile Defence

The widely known Indian Tobacco Company (popularly abbreviated as ITC) forms the best example for this category of developmental defense marketing. ITC has spread its scope to food ventures (the daily essential Aashirvaad wheat), and other significant commodities. Agribusiness is also a new inclusion, leading to even more profits with the increase in demand.

3. Counter-Offensive Defence

It is not just an exclusive type of marketing, but also another way of promoting defensive strategies. The simplest way to defend the position is to **nullify the various downgrading attempts made by attacking companies**. Mainly, the attack is dodged in such a way that it turns beneficial for the recipient company. Prices are reduced and products are improved.

Example of Counter-Offensive Defence

Almost all beauty brands have incorporated organic products in order to suppress the increasing popularity of purely organic brands. This increases the range and helps them grow at the same time. If the organic companies begin including synthesized products to tackle this attack, this would be regarded as a counter-offensive move in the direction of probable profits.

4. Contraction Defence

The contraction defense is the least desirable defense because it involves retreating from markets. If a business doesn't believe it can successfully defend those markets, however, then it can be the best option. This allows redeploying the resources into other areas.

For example, imagine that you manufacture two products: liquid soap and bar soap. If you find that you can no longer compete in the bar soap market, then it makes sense to retreat from that market and focus on liquids.

5. Flanking defence

Flanking marketing is a type of marketing in which one company tries to displace its competitors in a peripheral market and try to capture the market segment, which is not well served by the competitor.

The company performing flanking marketing try different strategies to perform the same, and outperform their competitors.

It can also be said as an indirect market strategy aiming to capture the market share and segment of its competitors.

The company does this by attacking the weak aspects of the competition and trying to gain an advantage by performing better on those points.

Example:

Absolut v. Smirnoff – Absolut went into the Vodka market pricing themselves almost 50% more than their rivals Smirnoff and flanked the competition in the premium vodka space.

6. Preemptive defence:

A Pre-emptive Defense Strategy is an approach businesses can take when they sense a threat from a competitor. The idea is to launch an attack on that company before it is able to attack you.

A more aggressive action, in this case first attacked the competitor. Another is to achieve broad market envelopment that signals competitors not to attack.

Pros and Cons of Defensive Marketing

Pros of Defensive Marketing

The quality is top-notch due to reduced modifications.

Customer satisfaction is ensured at all levels.

The scope of devaluation is increased.

Cons of Defensive Marketing

It is difficult to match up with the emerging trends.

The strategy might backfire due to lack of funds.

Customers might switch over to newer ventures in search of something novel

2.4.3 Offensive V/S Defensive Marketing Strategies

Offensive Marketing Strategies:

The offensive marketing strategy is employed when more than one company in a market offers the same kind of product; therefore each

company only receives a percentage of all sales of that category of product. Each company has a market share and any company that takes extra ordinary efforts to gain more market share against competition by directly attacking the competitors business plan, and taking away its market is actually described as the offensive marketing strategy.

One of the most successful **examples of offensive marketing** in history is the fight of Harley Davidson against Japanese manufactured motorcycles, so as to gain massive market share in USA. In the 1960's, Harley Davidson emerged from near bankruptcy to dominate the market with an aggressive business strategy based on cheaper, faster bikes from foreign manufacturers. The company has turned the image of a tough looking leather clad man on a motorcycle into an icon for the company itself. They managed to do this by concentrating on the unique features of its products while pointing out what the competitors product lacked.

Example of offensive marketing – Burger king taking on McDonald's directly in this print ad As Americans were using Japanese products which were described as sleek, fast and cheap, the Harley Davidson company initiated an offensive marketing maneuver and decided to focus selectively on their own unique selling proposition and gain the market share without focusing on cheaper alternatives. Thus, Harley Davidson directly attacked

We can see the offensive marketing plan especially in politics when there are new elections and not only in the business sector. In politics, candidates are continuously trying to plot attacks against their competitors in order to gain the votes of their opponents.

Any type of company can use this strategy, whether it is small-medium sized companies or large corporations. The only requirement is that an organization has to be in direct competition with another one, in order to be able to employ this strategy. Moreover, the strategy is focusing on reaching customers who already prefer a competing company or customers who are undecided which products they become loyal to.

This strategy can be seen as a complex strategy as it has to communicate the appeal of its own products but must also understand the strengths and weaknesses of the competitor's products / offerings. Therefore, the first step in pursuing this kind of strategy is to identify competitor's advantages and disadvantages.

In order to analyze the effects of the strategy upon their own business, business should closely monitor the effects of offensive marketing campaigns and survey the customers for their views of the campaign.

Besides the Harley Davidson example of company successfully employing the offensive marketing strategy, there are plenty of other such examples such as Samsung versus Apple, Pepsi versus Coca Cola

The strategy also implies the use of both direct and indirect attacks. In the following the different types of attacks are being mentioned and described.

- **Frontal attack:** Attack with similar products, price quality promotions and distribution. It is considered to be highly risky unless attacker has a clear advantage. Likewise, it is focused on competitor's strengths rather than weaknesses.
- **Flank attack:** Attacking the competitor on the weak point or blind spot. It is less risky than the previous kind of attack as it follows the path of least resistance where competitor is incapable of defending.
- **Bypass attack:** Also known as the leap frog strategy, it involves overtaking the competitors by introducing new strategies as well as diversifying the products.
- **Guerilla attack:** Small hit and run attacks to destabilize the competitor. The attacks can take various forms.

The above strategies are very similar to Market challenger strategies. The main purpose of the offensive strategy is to destabilize the leader, acquire market share and realize a boost in sales.

Difference between Offensive and Defensive Marketing Strategies:

Offensive and defensive marketing strategies have distinct benefits, depending on the status of your small business and how successful you are in your local market. An offensive strategy provides a means for your new business to hit the market strong and establish a presence, whereas a defensive strategy can help keep you at the top of your local industry.

Each type of marketing requires careful planning and resource allocation to reach the largest number of consumers.

- **Responds to Challengers**

A defensive marketing strategy is largely reactive to the competition or perceived occurrences in the market, according to the website for the Massachusetts Institute of Technology. A defensive strategy seeks to counter product claims made by the competition or to stem the tide of a perceived competitor advantage. A company that highlights the effectiveness of its products in the wake of competitor claims of product inferiority is using a defensive marketing strategy.

A company may also seek to introduce products into the market that are better than its existing offerings as part of a defensive marketing strategy. Another ploy is to emphasize distinctive qualities of a popular product that sets it apart from competitors. For example, Tylenol fended off competitors by differentiating itself as the most gentle analgesic. Excedrin positioned itself as the most effective pain reliever and Bufferin found a niche in the middle

- **Defends Product Position**

For an established company with a wide customer base, defensive marketing focused on position defense is a useful strategy. The company

doesn't have to actively work to generate customer interest in its products and can simply reinforce its product messages with consumers. A well-built reputation through quality products makes it difficult for a new competitor to enter the market and attack the established company's customer base. The established company simply uses its defensive marketing to reinforce customer confidence in its products and swat the newcomer away.

- **Launches Aggressive Business Strategy**

An offensive marketing strategy seeks to attack the market by targeting the weaknesses of the competition. Offensive approaches emphasize the company's strengths in comparison. Offensive marketing does not seek to challenge an industry leader's strengths since that would only play to the leader's defensive marketing capabilities.

Offensive strategy attacks the industry leader where the company is at its most vulnerable. An offensive marketing strategy may target an established industry leader's shaky product safety record by emphasizing the safety of its own products, for instance.

Many high powered companies routinely wage offensive strategies. For example, behemoth Walmart takes on all potential competitors by undercutting prices and dominating markets. When Harley Davidson was losing market shares to smaller, sleeker Japanese imports, the company embraced its heavy weight reputation and became the motorcycle of choice for burly, rugged bikers around the world.

- **Exploits Competitor Weakness**

The marketing attack from an offensive-minded company must be as focused as possible. A focused attack hammers home the company's product message to consumers and casts doubt on the industry leader's weakest areas.

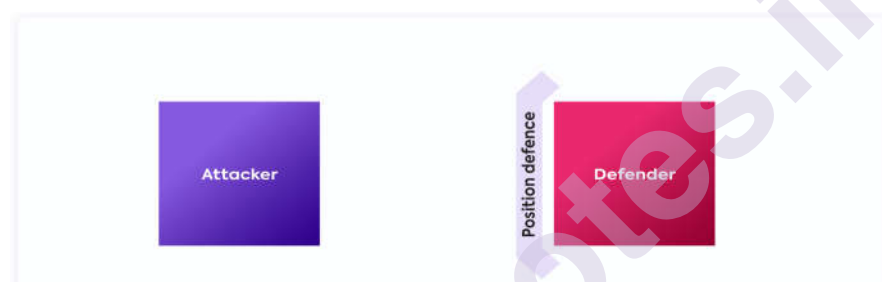
A marketing attack that is too broad risks its message losing focus with consumers. This may also mean a company using an attacking strategy will introduce only one product at first to clearly establish it as a challenger to the industry leader's own product. Emphasis is placed on superior qualities that distinguish their brand from subpar products of rivals.

Offensive Marketing Strategies	Defensive Marketing Strategies
Offensive strategy is focused on achieving competitive advantage.	Defensive strategy is focused on attacking/responding the competitor in order to take him off
Primary Purpose is to make possible attacks unattractive or discourage competitors	Improving own position by taking away market share of competitors.

It is a developed to protect market share, position and profitability.	Involves direct & indirect attack
It is a strategy that can be used to keep up top position in local and existing market.	Retaliatory in nature
Example McDonalds v. Burger King or Coke v. Pepsi	Example – Samsung vs. Apple

2.4.4 POSITION DEFENSE STRATEGY

When a company adopts a Position Défense Strategy, they are focused on keeping a firm hold on their strong brand perception within the market. This strategy is focused on customer loyalty and consumer awareness. It's about maintaining and defending your position in the minds of your customer base and prospects in the face of a competitor threat.



Source: <https://getlucidity.com/strategy-resources/position-defense-strategy-guide/>

The position defense is the simplest defensive strategy.

- It simply involves trying to hold your current position in the market.
- To do this, you simply continue to invest in your current markets and attempt to build your brand name and customer loyalty.
- Only negative aspect of this strategy is that it can make you a target for new entrants to the market

When Would You Use a Position Défense Strategy?

This can be an effective defense strategy when you firmly occupy the best position in the minds of your audience. If you're highly regarded by consumers in your market and have built up a strong brand perception and loyalty, then that is potentially one of your strongest assets and defending it to the hill is a good plan.

When you are the premier brand in the market, a challenger company is going to have a job on their hands to unpick the way customers think about your business, organization or product/service, and then an even bigger job to take that mindshare for themselves.

If you are choosing to adopt a Position Defense Strategy, you are recognizing the importance of a strong brand perception and putting the focus in place to ensure nothing derails that. You are building a fortress around your brand.

Example:

The UK supermarket giant Tesco deployed an effective Position Defense Strategy when Walmart made a challenge to their dominance in the UK market. Tesco launched defensive marketing initiatives that included highly personalized discount offers and rewards to their customers based on their extensive customer data.

This level of data on their customers was a clear strategic advantage for Tesco and by taking action on those insights they were able to offer their customers a level of service that Walmart, or indeed any new player to the market, could not compete with.

They undertook a new and concerted effort to reinforce their customer loyalty in the face of a threat from Walmart.

2.5 SUMMARY

The *marketing mix* refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. The 4Ps make up a typical marketing mix - Price, Product, Promotion and Place. However, nowadays, the marketing mix increasingly includes several other Ps like Packaging, Positioning, People and even Politics as vital mix elements.

To successfully implement any marketing plan, there is need of marketing strategies to survive in the business and outcast competitors by using several defensive or offensive marketing strategies.

2.6 EXERCISE

Fill in the blanks

1. The concept of the marketing mix was developed by_____.

- a. N. H. Borden
- b. Philip Katter
- c. Stanton
- d. W. Anderson

Answer: a

2. In SWOT analysis, which one is internal factor?

- a) Technology
- b) R & D
- c) Customer trends
- d) Industry/market structure

Ans: b

3. A marketing plan does not have to be _____

- a. Simple
- b. Clear
- c. Complex
- d. Lengthy
- e. Both (a) and (b)
- f. Both (c) and (d)

Ans: f

4. Short-range marketing plans cover

- a. four years or less.
- b. three years or less.
- c. two years or less.
- d. one year or less.

Ans : d

5. A runner-up firm that wants to hold its 73 % share in an industry without rocking the boat

- a. Market leader
- b. market follower
- c. market niche
- d. market challenger

Ans : b

Match the column

Column A	Column B
Product Mix	The strategy that a company will use to market its products to customers
SBU	Multi product businesses
Marketing Mix	Product, place, price and promotion
Marketing plan	position defence, flanking defence, pre-emptive defence, counter-offensive defence, mobile defence and contraction defence.
Defensive marketing strategy	Product assortment

True and false

1. The Marketing process is continuous in nature. True.
2. Marketing mix refers to the marketing variables that combine to sell a product to the target market. True.
3. Philip Kotler popularized the concept of 4ps in his book "Basic Marketing". False

4. SBU concept was developed by General Electric. True
5. Marketing mix is not influenced by environmental factors. False.

Short notes

1. Short note on marketing plan.
2. Write a short note on position marketing strategies.
3. Short note on SWOT analysis.
4. Write a short note on Offensive marketing strategies
5. Short note on product, price , place and promotion.

Answer in brief

1. Define SBU. What are characteristics and advantages of SBU?
2. Explain Marketing mix with an example.
3. What is SWOT analysis? Explain with the help corporate example.
4. Differentiate between offensive and defensive marketing strategies with suitable examples.
5. What do you understand by long term plan and shortterm plan? Explain marketing plan importance.

2.7 REFERENCE

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MARKETING ENVIRONMENT TRENDS AND BUILDING CUSTOMER VALUE

Unit Structure

- 3.0. Objective
- 3.1. Introduction
- 3.2. Environmental Analysis
- 3.3. Customer Value
- 3.4. Customer Loyalty
- 3.5. Summary
- 3.6. Exercise
- 3.7. Reference

3.0. OBJECTIVE

After studying the unit the students will be able:

1. To understand the concept of marketing environment
2. To discuss the internal and external environment analysis
3. To discuss various theories of Environment scanning i.e Porters five forces, VRIO analysis, PESTLE analysis
4. To understand concept and importance of Customer value, Customer relationship management and thereby customer satisfaction
5. To examine the consumer buying behaviour and its process.

3.1. INTRODUCTION

A company's marketing system is influenced by a range of external forces. Some of them are under your control, while others are beyond your power. It is the marketing manager's obligation to adapt the company's policies to the changing environment. The term "market environment" is used in marketing. It refers to the variables and dynamics that influence a company's capacity to develop and maintain strong customer connections. A marketer's profession requires them to stay one step ahead of their customers. It is critical to appreciate the marketing environment in order to comprehend the worries and motivations of consumers and to change the product to meet their needs. Marketers employ marketing environmental scans, a procedure that continuously gathers data about events occurring outside the organisation in order to discover trends, opportunities, and risks to a company.

3.2. ENVIRONMENTAL ANALYSIS

The marketing environment encompasses all internal and external aspects that influence the organization's marketing decisions, either directly or indirectly. An organization's internal factors are under its control; but, external factors are outside its control. Government, technological, economic, social, and competitive pressures are examples of external elements; internal aspects include an organization's strengths, limitations, and capabilities. Marketers study the marketing environment to predict changes that may occur in the future. These changes may pose both a threat and an opportunity to the company. Marketers continue to adjust their strategies and plans in response to these shifts.

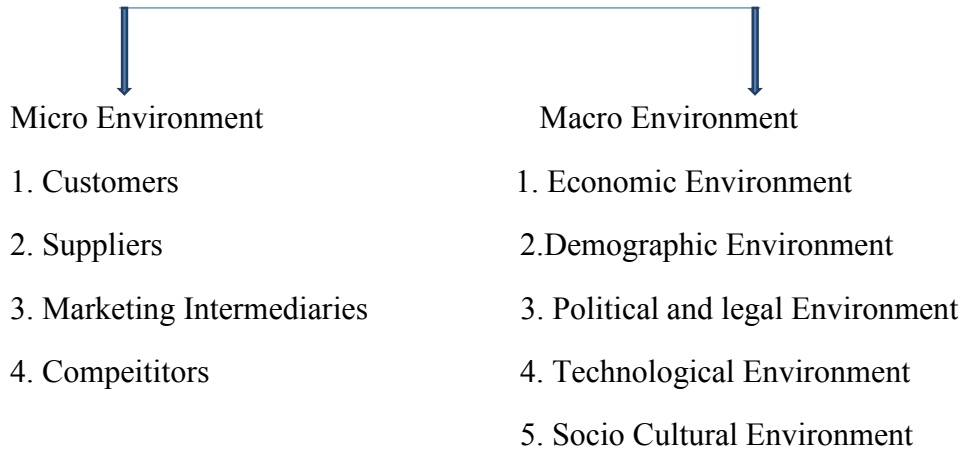
The marketing environment is full of opportunities as well as dangers. Successful businesses understand how critical it is to continually match and adapt to the changing environment. The marketers of a corporation are in charge of spotting significant changes in the environment. Marketers, more than any other group in the firm, must be trend spotters and opportunity searchers. Although every management in an organisation must keep an eye on the outside world, marketers have two distinct abilities! They follow a set of rules. 2 marketing intelligence and marketing research 2 or the gathering of marketing-related information

3.2.1. DEFINITION OF MARKETING ENVIRONMENT

According to Philip Kotler: "A company's marketing environment consists of the internal factors & forces, which affect the company's ability to develop & maintain successful transactions & relationships with the company's target customers."

Growth in terms of sales and market penetration is dependent on marketing operations, which are in turn dependent on the marketing environment. The marketing environment is made up of forces that are outside an organization's control but have an impact on its marketing efforts. The marketing climate is ever-changing.

As a result, a business must stay current to adapt its marketing efforts to the needs of the marketing environment. Any change in the marketing environment is both a threat and an opportunity for the company. An examination of these changes is necessary for the organization's long-term sustainability.



The following types of environments commonly make up a marketing environment:

I. Micro Environment

II. Macro Environment

A. MICRO ENVIRONMENT

The micro environment is the environment that is intimately related to the company and has a direct impact on its operations. There are two types of environments: supply side and demand side. Suppliers, marketing intermediaries, and competitors who provide raw materials or goods make up the supply side environment. Customers who consume things, on the other hand, make up the demand side environment. The internal or task environment is another name for the micromarketing environment. It includes all internal environmental aspects that are directly relevant to the business. As a result, it has a direct impact on the business.

The forces of Micro Environment are as follows:

Customers:

Customers buy the product of the organization for final consumption. The main goal of an organization is customer satisfaction. The organization undertakes research and development activities to analyze the needs of customers and manufacture products according to those needs.

Competitors:

It helps an organization to differentiate its product to maintain its position in the market. Competition refers to a situation where various organizations offer similar products and try to gain market share by adopting different marketing strategies.

Marketing Intermediaries:

It assists businesses in developing a relationship with their clients. They assist in product promotion, sales, and distribution. The following are examples of marketing intermediaries:

I. Resellers: They buy things from businesses and resell them to customers.

Wholesalers and retailers are examples of resellers.

II. Distribution Centers: These facilities assist businesses in storing their goods. A distribution centre is an example of a warehouse.

III. Marketing Agencies: They promote an organization's products by informing clients about their benefits. A marketing agency, for example, is an advertising agency.

IV. Financial Intermediaries: These companies provide funding for business transactions. Banks, credit organisations, and insurance companies are examples of financial intermediaries.

Suppliers:

They supply raw materials for the manufacture of goods and services. Because the price of raw materials dictates the final price of the product, suppliers might have an impact on an organization's profit. Organizations must monitor suppliers on a frequent basis in order to be aware of supply constraints and changes in input prices.

For example: For a car manufacturer, the micro environment will consists of Car dealers (Marketing Intermediaries), Potential buyers who want to buy car (Customers), and suppliers like Tools and spare part vendors, tyre manufacturers etc.

B. MACRO ENVIRONMENT

A macro environment involves a set of environmental factors that is beyond the control of an organization. These factors influence organizational activities to a significant extent. Macro environment is subject to constant change. The changes in macro environment bring opportunities and threats in an organization.

The following elements of Macro Environment are given below:

DEMOGRAPHIC ENVIRONMENT:

The scientific study of the human population in terms of characteristics such as age, gender, education, occupation, income, and location. It also takes into account the growing role of women and technological advancements. Demographic variables are another name for these factors. Before marketing a product, a marketer gathers data to determine the product's target market. It studies

I. Individuals' interests and inclinations

II. purchasing behaviours,

III. Location of Buyers

Marketing Environment Trends
and Building Customer Value

Which are influenced by their demographic context. Changes in the demographic environment lead a company to update its marketing techniques to meet changing client needs. For Example, For a toy manufacturer, age group of customers is very important who are kids and tiny toddlers . In rural markets, mostly the agriculture is predominant occupation, so the marketers sell agricultural inputs like chemical fertilizers, irrigation based tools etc.

ECONOMIC ENVIRONMENT

The economic environment is another facet of the macro environment. This refers to potential customers' purchasing power and how they spend their money. The economic environment is made up of macro-level variables such as means of production and distribution that have an impact on an organization's business. There are two types of economies in this area: subsistence and industrialised. Agriculture is more important in subsistence economies, and they eat their own industrial production. Markets in industrial economies are diversified and carry a wide range of products. Each is significant to the marketer since they have vastly diverse spending patterns and wealth distributions. In short, it is a sum total of:

- Economic Policies of the Government
- Economic System of the country
- Economic Condition prevailing in the market.

For example, economic environment will encompass inflation, GDP, Interest rates etc.

TECHNOLOGICAL ENVIRONMENT:

A country's economic progress is aided by technology. It has become an unavoidable part of our daily routine. In today's competitive market, organisations that fail to keep up with ongoing technology advances will struggle to thrive. Technology is a continually evolving force that provides marketers with new opportunity to gain market share. Marketers may use technology to build and offer items that fit their clients' lifestyles. As a result, marketers must keep track of evolving technological trends.

The technical advancements that affect the marketing environment are explained in the following points:

a. The rate of technological change: It causes quick product obsolescence. Organizations must adjust their products as needed if technological development is occurring at a quick pace. If, on the other hand, technology

does not evolve at a rapid rate, the company does not need to make regular improvements to the product.

b. Research and Development: This contributes to an organization's ability to grow. To bring innovation to their products, many companies have created a dedicated R&D staff. Many marketing companies put a lot of money into research and development.

c. Regulations : This refers to government restrictions that prohibit the sale of dangerous products. Marketers should be aware of these rules in order to avoid breaking them. The Drugs Controller of India, which sets the criteria for drug manufacture, requires approval from every pharmaceutical company.

SOCIO-CULTURAL ENVIRONMENT:

The socio-cultural environment is made up of forces like society's fundamental values, attitudes, perceptions, and behaviour. These forces aid in understanding what kind of products clients prefer, what factors influence their buying attitude or choice, which brand they prefer, and when they acquire the products. The characteristics of the society in which the organisation exists are explained by the socio-cultural environment. An investigation of the socio-cultural environment aids in the identification of dangers and possibilities in a company. Women are now seen as contributing members of the family who work. When all members of a family are employed, the family has less time to go shopping. This has resulted in the growth of shopping malls and supermarkets, where people can acquire everything they need under one roof and save time.

for example, People's Lifestyles are always changing in urban cities based on social mobility, increase in standard of living.

THE POLITICAL AND LEGAL ENVIRONMENT :

It is made up of legal bodies and government agencies that influence and limit organisations and individuals. Every company should be conscious of the fact that marketing activities should not jeopardise a country's political and legal climate. The political and legal environment of a country has a significant impact on its economic environment.

3.2.2. THEORIES OF ENVIRONMENT SCANNING

A. PESTLE ANALYSIS

A PESTLE analysis is a framework or method for analysing and monitoring the external environment aspects that affect a company. The outcome is used to identify threats and vulnerabilities, as well as strengths and opportunities, all of which can be examined or employed in a SWOT analysis.

PESTLE is an acronym for the several factors that are used to assess the impact of the external environment. It's an acronym for:

T – Technological, **P** – Political, **E** – Economic, **S** – Social,
T – Technological

Marketing Environment Trends
and Building Customer Value

L – Legal **E**- Environmental

i. Political Environment

All of this has to do with how and to what extent the government intervenes in the economy. Government policy, political stability or instability in foreign markets, foreign trade policy, tax policy, labour legislation, environmental law, trade restrictions, and so on are all examples of this. Political issues clearly have an impact on organisations and how they do business, as evidenced by the list above. Organizations must be able to modify their approach and policy in response to current and expected future legislation.

ii. Economic Environment

Economic variables have a big influence on how a company runs its business and how profitable it is. Economic growth, interest rates, exchange rates, inflation, consumer and business disposable income, and so on are all factors. These elements are further divided into macroeconomic and microeconomic aspects. Macroeconomic considerations are concerned with how demand is managed in a given economy.

iii. Social environment

They are the areas that incorporate the population's shared beliefs and attitudes, and are also known as socio-cultural aspects. Population increase, age distribution, health consciousness, career preferences, and other factors are among them. These variables are particularly intriguing since they have a direct impact on how we see customers and what motivates them.

iv. Technological Environment

We're all aware of how quickly the technological world changes and how this affects how we conduct business. Technological elements influence how we conduct business in a variety of ways, including new methods of creating and delivering goods and services, as well as new ways of interacting with target customers.

v. Environmental factors

These issues have just recently gained prominence in the last fifteen years or so. They have become more important as a result of increasing scarcity of raw materials, pollution targets, conducting business ethically and sustainably, and government-set carbon footprint targets (this is a good example of a factor that can be classified as both political and environmental). These are just a few of the problems that business leaders encounter when it comes to this component. Consumers are increasingly

expecting that the things they buy be supplied ethically and, if feasible, sustainably.

vi. Legal environment

Health and safety, equal opportunity, advertising standards, consumer rights and regulations, product labelling, and product safety are all legal considerations. It is obvious that in order to trade successfully, businesses must understand what is and is not lawful. When a company deals internationally, this becomes a very difficult topic to master because each country has its own set of rules and regulations.

Example:

PESTLE analysis of Ola Cabs will include:

Political and Legal factors include Road traffic management rules of country, Drivers insurance and authenticity, Minimum wages act of country etc.

Social Factors include user friendly rides, Quick pick up, Cordial behaviour of drivers .

Economic factors include Affordable fares, Job opportunities and self employments

Technological factors include Mobile apps and website interface, Usage of social media for promotion of rent a car service.

B. VRIO ANALYSIS

VRIO Analysis is a powerful analytical technique for assessing a company's resources and, as a result, its competitive advantage. VRIO is an acronym from the initials of the names of the evaluation dimensions: **Value, Rareness, Imitability, Organization.**

The **VRIO Analysis** was developed by **Jay B. Barney** as a way of evaluating the resources of an organization (company's micro-environment) which are as follows:

Financial resources

Human resources

Material resources

Non-material resources (information, knowledge)

VRIO is ideal for assessing the company's resources. Knowing your resources will help you better grasp your competitive advantages and disadvantages. The VRIO evaluates the following questions (called evaluation dimension) for each type of resource, both for your organisation and for your competitors. VRIO has the following dimensions:

Value - How much does the resource cost, and how easy is it to get it (buy, lease, rent, etc.)?

Rareness - What is the resource's rarity or scarcity?

Imitability - How hard is it to duplicate the resource?

Is the resource supported by any current arrangements, and can the organisation use it properly?

A VRIO analysis can be used in conjunction with a PESTLE analysis (which assesses the macro-environment). VRIO is used to examine the situation within an organisation (enterprise) - its resources, their competitive implications, and possibilities for improvement in a specific area or a certain resource. Such an evaluation is then employed, for example, in the strategic management of development in various sectors, or in making decisions about the benefits of an external or internal process, as well as in securing service (e.g. outsourcing decision).

For example: Amazon E commerce business enjoys core competency as brand name, distribution network, human resource management factors are valuable, Rare, Inimitable, and organized.

C. PORTERS COMPETITIVE MODEL

Any company seeking to grow and profit in its current market, or exploring diversification into a new industry, must carefully analyse its prospects. Then, to attain its objectives while maintaining a defensible market position, a competitive strategy to shape developing competition forces must be devised.

Businesses make money by outperforming competitors in terms of generating and delivering value to customers over time. True success necessitates that the company:

1. Provides good value for money;
2. Maintains a competitive edge in delivering that value; and
3. Runs smoothly

The short-term balance of supply and demand for a product, as well as the long-term structure of an industry, will determine its profit potential. Long-term profitability will be determined by the strength of five fundamental competitive forces that influence the distribution of the firm's added value.

Michael Porter, in his books *Competitive Strategy* (1980) and *Competitive Advantage* (1985), provided the five-forces model of industry structure. This is summarized in Figure 3.1.

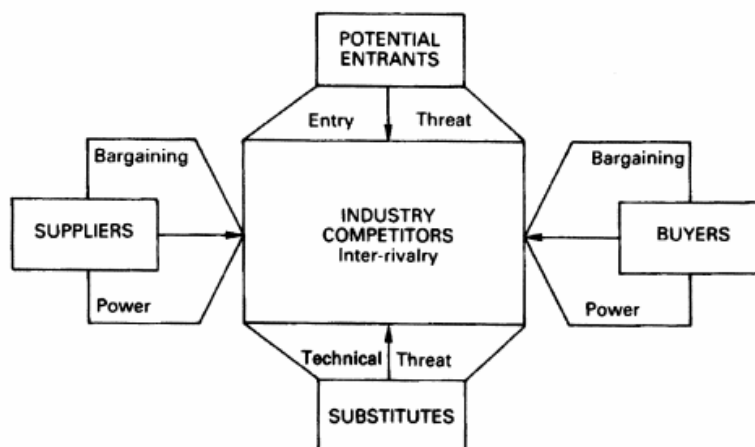


Figure 3.1 The five-forces model Source: Adapted from M.E. Porter, *Competitive Strategy*, The Free Press, 1980: # The Free Press/Macmillan

If marketers are to profitably utilise their competitive environment, they must first comprehend it. They must determine what drives competition and understand that the combined strength of these five elements will determine the current and future level of market competitiveness. This will decide the industry's profit potential, though each participating firm will aim to position itself to gain the most competitive edge possible. This technique, unlike market structure models, offers marketers with a foundation for analysing the complexities of their unique industry situation. Although the method is less rigorous, it may be more useful in determining the impact of structural and environmental change over time.

Inter-rivalry

Rivalry can range from non-existent (for example, a powerful monopoly position protected by high entry hurdles) to a price war. Between gentlemanly understandings (collusive oligopoly) and standard marketing-based cut and thrust, which often involves advertising and promotion, new product development, and customer service enhancements, are located gentlemanly understandings (collusive oligopoly). Rivalry may either succeed in extending the total market and profitability by attracting new consumers or increasing the amount purchased, or it may fail to do so by diminishing margins or raising marketing expenditures while merely redistributing static sales among the fighters.

Threat of substitutes

An industry is a collection of businesses that produce goods or services that are almost identical. In actuality, substitutability is complicated, as a plethora of very disparate offerings fights for a finite amount of discretionary purchasing power that can only be spent once at any one time. Package vacations compete with conservatories and new computer systems in the transportation fleet upgrade. The threat could take many different forms, such as new materials, alternative technology, or a new distribution channel. Vinyl records, for example, have been partially

replaced by cassette tapes, which have been replaced by compact discs, which are now threatened by digital mini discs and the Internet (despite recent efforts by US record labels to file lawsuits against 'pirates' who illegally download and share copyrighted music). Another example is e-business, which provides electronic connectivity to a large number of potential suppliers.

Relative price/performance ratio of the substitute (e.g. glass v metal v plastic containers).

Switching costs for customers to the substitute (e.g. switching from branch to home banking).

Buyer willingness to search out substitutes.

The rule of thumb to apply here is the higher the price and profitability, the greater the incentive to search for and develop substitutes

Threat of new entrants

If major entry occurs, long-term profitability and market share will be harmed. Increased supply capacity will put downward pressure on margins, while increased competition for inputs will bid up costs. Any prosperous industry is vulnerable to this threat, especially if its profits have recently improved. The competitive process' characteristics ensure that forces are set in action to finally return profitability to levels that are no longer attractive to new entrants. However, as Porter noted, there are circumstances that may cause this conclusion to be delayed or even prevented, which are referred to as barriers to entry. Their capabilities will differ depending on the industry. The threat of entry will be modest if barriers are high (e.g. nuclear reprocessing), but the threat will be constant if they are almost non-existent. The following are some of the factors to think about:

i. Economies of Scale: Scale economies are a type of economy that occurs when a large number of people work together to Due to capital costs (e.g., a modern microprocessor plant costs \$1 billion), research and development expenditure (e.g., pharmaceuticals), or promotional spending, an entrant's minimum economic scale or break-even point will be high (e.g. branding in detergents). Bulk discounts, spreading fixed expenditures (such as advertising) over big sales volumes, and hiring specialists are all examples of marketing economies.

ii. Brand loyalty and product differentiation - For incumbent businesses, promotional spending over time creates goodwill and consumer loyalty. A proliferation of products could also fill the available product space. It becomes difficult to position a new entrant's brand, and significant investment is necessary to build a fresh brand image.

iii. Capital requirements - Risks may deter newcomers, even if the potential benefits are higher.

iv. Buyer switching costs - When choosing an alternate computer operating system, for example, the customer must evaluate retraining expenses, equipment and knowledge redundancy, inconvenience, time lags, as well as the dangers associated with adopting an untested product and supplier connection. These expenditures must be countered by potential advantages.

v. Access to distribution channels - Existing businesses may have a monopoly on certain channels (e.g. longterm contracts).

vi. Absolute cost advantages — Established companies have more experience and may own good locations, patents, or crucial talents.

Potential competitors must carefully consider this high-risk strategy, especially in areas where start-up losses are large and reactions are unpredictable. Existing businesses can strengthen entry barriers and lessen competitiveness by merging, as GlaxoWellcome and SmithKlineBeecham did in the pharmaceuticals industry for £107 billion. Because of the high obstacles to entry, new entrants into concentrated markets are not as common as you might imagine. Cross-entry by a well-funded business in a nearby industry or one using similar techniques and distribution channels is the most serious threat. Another option is for a foreign corporation to buy an existing company and use it as a foundation for future market share expansion.

Bargaining Power of Suppliers

The rate of profit in an industry will be squeezed where suppliers' relative power is significant and their behaviour hostile. The capacity to establish some commensurate control over supply, on the other hand, will strengthen the hand of industry businesses. The following are the primary factors that influence relative power:

- The number of suppliers and their proportional size.
- The ability to switch to competing suppliers and the associated costs.
- The value of insignificance — the lower the supply cost as a percentage of overall cost, the greater the bargaining power.
- The threat of forward integration by suppliers, such as Kuwait's Q8 retail gasoline brand.

Bargaining power of Buyers

Buyer power has a tendency to reduce profitability, and it is influenced by two main factors:

1. Price responsiveness – This price elasticity of demand is determined by factors such as (a) the product's importance as a percentage of the buyer's total purchases; (b) the buyer's emphasis on product differentiation and branding; and (c) the buyer's profitability, which may dull (or vice versa) their price sensitivity.

2. Buyer leverage – This is influenced by a number of factors, including:

- (a) Buyer concentration and size
- (b) Purchase volume and importance to the seller
- (c) Practicality and costs of switching to alternative suppliers for the buyer
- (d) Market knowledge and information available to buyers
- (e) Existence of substitutes and/or threat of backward vertical integration

Strategic and marketing implications of Porters' five Forces model

A five-force analysis is useful to the marketer as

1. A means of determining the attractiveness of an industry and its ultimate profit potential
2. A framework for examining relationships in their micro-environment
3. An evaluation of the probable degree of rivalry, now and in the future
4. A justification for continuous monitoring of the micro-environment
5. The basis for formulating strategy.

As Kotler suggests 'companies succeed as long as they have matched their products or services to today's marketing environment'.

Strategy is the match an organization makes between its own resources/competences and the risks and opportunities created by its external environment.

Competitive strategy is a search for sustainable advantage through a favourable market positioning which achieves above average profitability over time. Porter saw a choice of generic strategies between the following:

- o Broad cost leadership – But with parity or proximity in product features. Such a strategy would emphasize efficient scale of operations and tight control of costs and margins, for example Ryanair, the largest of Europe's 50 budget airlines.

- o Broad differentiation – With proximity in cost terms. This creates a product or service perceived as unique and desirable by customers in terms of design (e.g. Gucci), brand image (e.g. Coca-Cola) and/or customer service (e.g. Virgin Airlines). High marketing costs are offset by insulation from rivalry and mitigation of buyer power, while high margins cushion supplier power.

- o Cost or differentiation focus – On a narrow segment that is least vulnerable to competition. This strategy is vulnerable to imitation or structural decline in demand. Broader-based competitors may overwhelm the segment, for example in-store specialists within multiple grocers and their pressure on W H Smith/Boots.

D. CUSTOMER PERCEIVED VALUE

The set of benefits that customers expect from a product or service is known as customer value. Customers purchase things that they believe provide the best value to them. They are maximizers of value. The perceived visible and intangible benefits and costs to the customer are reflected in the value. It can be thought of as a combination of three factors: quality, service, and price. The customer value trinity is what Kotler refers to it as (QSP). Quality and services add value to a product, whereas pricing detracts from it. A major marketing notion is a value. Marketing can be defined as the process of identifying, creating, communicating, delivering, and tracking customer value.

MEANING

The importance of value in the marketing process cannot be overstated. It is the customer's perception of value that matters, not the company's. As a result, a company's customer analysis is critical in determining the client's worth. Customers frequently estimate felt value rather than correctly and objectively judging value and cost.

“Customer perceived value is a customer's assessment of the difference between all of a marketing offer's benefits and expenses in comparison to those of rival offers.” – Kotler, Philip

The bundle of concrete and intangible benefits that a consumer considers/imagines in a product/offer is referred to as customer perceived value.

For example, while buying a mobile gadget, the customer perceived values will be its battery power, memory limit, appearance and styling, other mobile features etc.

Components of Customer Values

There are two types of customer value components: tangible (quantifiable values) and intangible (unquantifiable benefits) (non quantifiable and psychological values).

A. Tangible Benefits The following are examples of tangible values:

1. Functional Values refer to the basic component of the product and its capacity to meet a specific client requirement. To boost their functional merits, marketers frequently employ variables such as reliability, usability, durability, performance, resale value, and upkeep.
2. Aesthetic/Sensory Values refers to the product's artistic, visual aspect that appeals to the customer.
3. Convenience values pertain to the product's easy availability, usability, and application. Microsoft's success was attributed to their Windows software, which was widely regarded as user-friendly.

4. Economic values are those that are thought to benefit the client due to a pricing advantage. Intangible Values

The following are examples of intangible values:

1. Social Values refer to the value of a product that reflects a product that is socially desired and acceptable. Environmentally friendly items are frequently associated with social value.
2. Status Values refer to a product's ability to meet the esteem and prestige of its clients. The majority of products aimed at the luxury market place a premium on the product's status worth in order to increase consumer value.
3. Sentiment Values refer to a product's ability to elicit certain feelings, emotions, or memories when used.
4. Belief Values are the values that the product expresses following the beliefs and sentiments of the customer. Anchor toothpaste's 'vegetarian' claim helps people believe in the brand. In the process of establishing customers' perceived value, both tangible value and intangible perception are equally crucial.
5. Service Values refer to the perceived value of a service's promptness and quality.

3.3. CUSTOMER VALUE

Customer value is the respect that something is held in; it is the importance, worth, or utility of anything. Merit, worth, utility, practicality, advantage, desirability, benefit, gain, profit, good, service, help, helpfulness, assistance, effectiveness, efficacy, avail, importance, significance, point, sense are synonyms.

Customer Value refers to how much a customer thinks a product or service is worth in comparison to other options. Worth refers to whether the customer believes he or she received more benefits and services for the money paid.

3.3.1. APPLYING CUSTOMER VALUE

Customers buy a product which they perceive or expect to have the highest customer value. Value reflects and includes the tangible and intangible benefits in comparison to the cost of the product. Marketing involves following events for applying customer values:

- Creation of value: It involves all product related strategies like product mix, product design, packaging decisions, branding and labeling, product positioning etc.
- Capturing value: It involves basically pricing strategies, taking into consideration pricing factors, pricing methods etc.
- Communicating value: It includes Advertising, promotion, publicity and integrated marketing communications to promote the products.

- Delivering value: It involves physical distribution and logistics, warehousing functions, inventory management and material handling and customer order processing.
- Monitoring value: It includes Satisfaction surveys, Suggestions schemes and Customer focussed groups for a feedback mechanism.

3.3.2. CUSTOMER SATISFACTION

Consumer satisfaction is a metric that measures how well an organization's whole offering meets a set of customer requirements. It's a metric for how customers rate a company's performance. – Alexander and Hill

Customer satisfaction refers to a person's feelings of happiness or disappointment as a result of comparing a product's perceived performance to expectations. – Kotler, Philip

Customer expectations are influenced by: • previous purchases (product and service performance) • experience • friends' recommendations and influence

- Information and promises from marketers and competitors
- Customer retention

In the words of Peter Drucker, "The objective and purpose of every firm should be to serve the customer." A delighted customer provides the organisation with a number of advantages. The following are the details:

- 1) They are less price sensitive
- 2) Attitude toward goods purchases that is positive
- 3) Promote the company and its products to others in a positive light.
- 4) Improving your image
- 5) Increasing your profits

Customer satisfaction is a marketing aim as well as a goal for achieving the goals. Customer satisfaction must be measured in order to be effectively managed. If you can't measure it, you can't manage it, as the saying goes. Customer satisfaction measurement aids in the provision of trustworthy data, the monitoring of performance, and the facilitation of successful decision-making.

Measuring Customers' satisfaction: Measuring customer satisfaction is required for achieving goals and it provides reliable data and results in choosing right strategies which are customer oriented. Following are the ways of measuring it:

- Client satisfaction survey: Customer satisfaction surveys are a good way to track customer satisfaction. Customer satisfaction is measured using a self-completion questionnaire based on a representative sample at the point of sale or consumption.

- **Internal benchmarking:** Internal benchmarking can aid in the appropriate interpretation of survey results. Internal benchmarking aids in the discovery of accurate information on the company's actual performance. Survey findings mostly represent customer perceptions, and internal benchmarking aids in the discovery of trustworthy information on the company's actual performance. It aids in determining whether the low ratings are due to genuine issues or misunderstandings.
- **Mystery shopping:** Mystery shopping is a technique used in the retail industry to track consumer satisfaction. A mystery shopper is a researcher who dresses up as a regular consumer and purchases goods and services. The main goal is to keep track of the staff's behaviour and friendliness, which has an impact on customer happiness, as well as to report on the shopping experience when purchasing the company's and competitors' items.
- **Complaints:** Complaints are a good way to track client satisfaction. They are a reflection of customer feedback. It serves as a warning sign that consumer happiness is declining. It is critical to encourage customers to communicate with the company about their performance, whether positive or poor.

3.3.3. CUSTOMER RELATIONSHIP MANAGEMENT

CRM is all about acquiring, developing, and keeping happy, loyal consumers, as well as driving long-term growth and adding value to a company's name. CRM enables businesses to better understand, build, and nurture long-term brand relationships, as well as retain existing customers. The most significant step a company can take toward CRM is to build an inter-disciplinary team to assess how it communicates with each client and determine ways to deepen and expand the relationship.

Shorter sales cycles, integrated customer evaluations, improved contact, response, customer knowledge, higher efficacy, better customer monitoring, enhanced customer satisfaction, and increased loyalty are just a few of the benefits CRM provides.

3.3.4. DEFINITION

According to Philip Kotler and Gary Armstrong, 'CRM is concerned with managing detailed information about individual customers and all customer "touch points" to maximize customer loyalty.

In 1954 Peter Drucker's, *The Practice of Management*, he stated that "The purpose of a business is to create and keep a customer" which is a great definition of Customer Relationship Management (CRM)

3.3.5. CONCEPT

The idea is simple. CRM is a framework that allows a firm to better understand the expectations and behaviours of its customers. It provides

dependable communication structures and procedures with customers and strengthens customer connections.

The method assists the company's assimilation of data on customers, sales, marketing efficiency, response, and market trends. Data is frequently utilised to acquire insight into consumer behaviour and the value of retaining those customers.

The entire operation is designed to cut expenses and increase profits by maintaining client happiness.

The aspects of Customer Relationship Management (CRM) are as follows:

- Identifying and targeting new clients, maintaining marketing tactics, and creating high-quality leads are all tasks that need to be completed.
- Streamlining existing procedures and improving information communicated by multiple corporate personnel (for example, accepting orders using mobile devices) to improve telesales, account, and revenue management.
- Enabling the development of personalised client relationships in order to boost customer satisfaction.
- Providing employees with the resources and procedures they need to get to know their customers, consider and identify their interests, and build effective relationships between the company, its consumers, and distribution partners.

Customer Relationship Management (CRM) goals include:

- To make the marketing and sales process easier.
- To make call centres more efficient.
- To improve the level of service provided to customers.
- To find new customers and increase revenue from existing ones.
- To boost the efficiency of cross-selling products

3.3.6. IMPORTANCE OF CRM

1) Facilitates discovery of new customers

CRM systems are useful in identifying potential customers. They keep track of the profiles of the existing clientele and can use them to determine the people to target for maximum clientage returns. New customers are an indication of future growth. However, a growing business utilizing CRM software should encounter a higher number of existing customers versus new prospects each week. Growth is only essential if the existing customers are maintained appropriately even with recruitment of new prospects.

2) Increases revenue:

CRM data ensures that marketing campaigns are coordinated effectively. It's feasible to filter the data so that promotions don't get to people who have already bought certain things.

Businesses can also utilise the information to create loyalty programmes that help them retain more customers. No company appreciates offering a similar product to a consumer who has recently purchased it. Customer data is coordinated by a CRM system, which ensures that conflicts do not arise.

3) Assists the sales team in closing deals more quickly.

By permitting faster and more efficient replies to customer leads and information, a CRM system aids in the closing of speedier deals. When customers receive timely responses to their enquiries, they are more likely to convert their inquiries into sales. Organizations that have adopted a CRM system successfully have seen a significant reduction in response time.

4) Increases the effectiveness of product cross-selling and up-selling.

Cross-selling is providing clients with complementary products based on their previous purchases. Upselling, on the other hand, entails providing premium products to customers in the same category. Cross-selling and up-selling can be accomplished in minutes using a CRM system by cross-checking accessible data. Apart from allowing staff to make faster offers to clients, the two types of selling assist staff in obtaining a better grasp of the demands of their customers. They may always anticipate connected purchases from their customer as time goes on.

5) Processes of sales and marketing are simplified.

A CRM system makes it easier to create more effective communication channels. Websites and interactive voice response systems are examples of technological integrations that can make sales people' and the organization's jobs easier. As a result, firms that use CRM may give a variety of services to their clients.

6) Customer loyalty is improved.

CRM software can help you measure customer loyalty at a lower cost. In the vast majority of cases, devoted consumers become professional recommendations for the company and its services. As a result, the company can use testimonials from satisfied consumers to market their services to prospective customers. In many cases, testimonials are more persuasive than giving theoretical frameworks to prospective prospects. With CRM, it might be challenging to elicit loyal customers and make them feel valued for their unwavering support.

7) Creates a foundation for efficient internal communication.

A CRM strategy is effective in establishing effective internal communication. Different departments can share client data through the

internet, which improves teamwork. Working independently with no connections across corporate departments is preferable to this method. It improves the profitability of the company because employees no longer have to physically move around while looking for essential consumer data from other departments.

8) Facilitates optimized marketing

CRM allows a company to better understand its consumers' requirements and behaviours. This enables them to determine when the best time is to sell their items to buyers. Sales reps can use the software to get ideas for the most profitable customer groups. This type of data is useful for identifying certain prospects who are likely to benefit the company. Optimized marketing makes the most of a company's resources.

3.3.7. TECHNIQUES OF CRM

a. Customer Data management:

Every firm relies on customer data. Through an in-depth understanding of customers, the firm's sales, service, and marketing teams may target specific customers with accurate customer information. It's crucial to conduct a thorough and consistent study of client interaction points. Take, for example, a retail store. Customers' data is collected by retailers through an ever-increasing number of technologies. Due to the large number of customers and their continuously changing personal and transactional information, managing customer data is tough for retailers. For data to stay of high quality and useful to the business, it must be managed on a regular basis.

Effective data management has a number of commercial advantages, including increased sales due to a better understanding of client needs, by removing duplication and unnecessary data collecting, business operations have become more efficient, Increased compliance and data security as a result of data standardisation and centralization. Effective customer data management doesn't require a massive master data management platform. Customer Data Management (CDM) is a subset of Master Data Management (MDM) that refers to the practice of synchronizing and standardizing customer data. Effective CDM is not just about having integrated, clean customer data, it's about leveraging data to increase revenue and profitability

1) Data Mining:

The process of uncovering genuine, new, potentially helpful, and eventually understood patterns in data is called data mining. Organizations are experiencing information overload as a result of the extensive usage of databases and their tremendous expansion in size. For all businesses, the difficulty of successfully utilising these large volumes of data is becoming a big issue. Traditionally, we've used data to query a dependable database repository through a well-defined application. While this kind of engagement is suitable for a wide range of applications, there are a number of others that require exploratory data analysis. Data mining techniques enable data exploration to be done automatically. Data mining

seeks out patterns and trends in data and infers rules based on these patterns. Data mining began when corporate data was first kept in computers and technologies were developed to allow users to traverse through the information.

2) Data Warehousing:

A data warehouse is a computer database programme that collects, combines, and saves data for an organisation in order to produce accurate and timely information management and support for analysis techniques such as data mining. It is a data repository for an organisation, where the organization's informational assets are stored and maintained to support various activities such as reporting, analysis, and decision-making, as well as other activities such as support for organisational operational process optimization.

An enterprise data warehouse is the only historical record of almost all transactions and significant operational events that occur during the life of a company. This information is eventually saved and catalogued for immediate and future use in a variety of ways, such as application deployment.

3) Suggestions Schemes:

Marketers might create recommendation schemes to help improve a product or service. For example, one store that implemented a "mistake pointer" programme that rewarded consumers for pointing out product or service errors not only improved service but also increased customer loyalty. Customers were overjoyed to find that the errors they had pointed out were quickly corrected.

4) Special Gifts and offers on special occasions:

Some firms will give their frequent clients special presents on certain occasions, such as a birthday cake or greeting. For example, the Quinn supermarket chain (mentioned previously) keeps a database of regular customers' birthdays. When a regular customer checks out and the computer detects that it is his or her birthday, a signal appears on the display panel. The word gets out that a birthday cake with the customer's name on it will be delivered to the customer's door after he or she leaves.

5) Premium Offers:

Some marketers may provide premium deals on occasion to entice customers away from competitors. Premium deals include free additional quantities of the same product. This is feasible, particularly in the case of fast-moving consumer goods such as toiletries, food, and other similar commodities. Premium deals, on the other hand, may not excite clients if the majority of competitors follow suit at the same time.

6) One-to-One Marketing: One-to-one marketing is used by some businesses. Customers are treated as partners by such companies, especially in B2B marketplaces. Customers are enlisted to assist

companies invent new items or improve existing service. If a customer becomes involved with the company, he is more likely to stay with it.

7) **Loyalty Programs:** To keep customers, businesses can use a number of loyalty programmes. Airlines, for example, may provide a particular rate to frequent flyers. Customers that are loyal to a company may receive gifts and other rewards. However, not all lucrative customers must be loyal, and not all loyal customers must be profitable. As a result, the company must be selective. To improve marketing effectiveness, a company must determine which of its clients are worth keeping and which are not; which consumers should be given special attention. In other words, the company must identify the worth of its consumers and focus on MVCs as a result.

8) **After-Sale-Service:** Nowadays, great after-sale-service aids in gaining a competitive edge and maintaining excellent client relationships. In terms of technology, the majority of items are now standardised. As a result, providing effective after-sale support, particularly in the case of durables, office equipment, and machinery, can make a significant difference.

To provide outstanding after-sale support, a corporation must engage in the following activities:

- Finding the right people to provide after-sales service.
- Providing after-sale-service workers with training to improve their skills.
- Providing timely and suitable incentives to motivate after-sale service.

9) **Sales Force Automation:**

Organizations compete intensely for customers in today's global marketplace. Technology is becoming increasingly vital in the acquisition, servicing, and retention of clients. Sales-related technology is being used by executives looking to improve sales processes and increase profits within the broader landscape of strategic information management. As a result, in order to satisfy corporate growth targets, there is an increasing focus on sales success measures. For many sales firms, sales force automation (SFA) tools have become the backbone. SFA encompasses a wide range of sales and information technology-related tasks. "Sales force automation entails transforming manual sales activities to electronic processes via the use of various combinations of hardware and software applications," according to the most generally accepted definition.

3.4. CUSTOMER LOYALTY

In today's competitive market, the king of the market is the customer, and in order to keep him, the whole supplier's value package must better match the client's requirements than anything given by competitors.

Getting a new customer is expensive while maintaining an existing customer is cost-effective. This reality has been recognised by more

businesses, resulting in the introduction of loyalty programmes. Bonus points, prizes, and other incentives may be offered as part of loyalty programmes. Among the techniques to improve loyalty are:

1. Provide a product guarantee
2. attainable goals
3. pay attention to client issues and respond quickly
4. Continually develop new goods
5. Establish a positive relationship with your customers. Relationship marketing is the key to retaining customers. Customer retention will be increased if customer happiness is maximised.

3.4.1. DEFINITION

Customer loyalty is described as the proclivity for customers to stick with one firm over competing offers.

3.4.2. IMPORTANCE

Attracting new clients is projected to cost five times as much as keeping existing customers pleased.

1. **Profit:** The primary motivation for running business is to make money. Customers are willing to spend more for a product that meets their needs. A devoted consumer is more likely to make repeat purchases, suggest the product or service to others, and has lower price sensitivity. It is critical to understand and execute well in areas that are most important to customers.

2. **Higher prices:** Satisfied and loyal clients are generally willing to pay a higher price for a service or product they trust, rather than risking non-performance or product deterioration by making tiny savings.

3. **Lower advertising costs:** Satisfied and loyal consumers are the most cost-effective. They can spread word of mouth which is in one sense is publicity without charges.

4. **Reduces customer complaints:** Because loyal customers are often satisfied, there are less complaints. Customer happiness increases when customer complaints decrease, resulting in increased customer loyalty.

5. **Less exposed to rival moves:** Satisfied and loyal customers are less likely to notice any competition moves. They are confident in their current products and services, which they believe will suit their long-term needs.

6. **Improves the firm's reputation:** Loyal consumers help to improve the brand image and, as a result, the firm's reputation. Harley Davidson is a famous example of customer loyalty, with customers acting as ambassadors for the company's products. Dissatisfied Customers not only move their business elsewhere, but they are also likely to tell others about their bad experiences, tarnishing the company's image.

7. Increased market share: Loyal consumers help the company grow its market share not just by promoting the product to others, but also by expanding their own share of wallet. As a result, businesses should devote more resources to retaining customers, increasing customer loyalty, and increasing their share of purchase.

8. Assists in the introduction of new items: For a corporation with a reasonable base of devoted customers, introducing new products is less of a burden because it is easily accepted by the customers and also cost effective.

3.4.3. CONSUMER BEHAVIOUR

The study of how individual customers, groups, or organisations pick, buy, use, and dispose of ideas, commodities, and services to meet their needs and wants is known as consumer behaviour. It refers to the consumer's actions in the marketplace and the motivations behind those actions.

Marketers expect to be able to decide which products are needed in the marketplace, which are outmoded, and how best to offer the commodities to consumers by understanding what motivates people to acquire specific goods and services.

Consumer behaviour refers to an individual's psychological, social, and physical characteristics that influence his purchasing decisions and purchasing style.

3.4.4. DEFINITION

Prof. Philip Kotler defines Consumer behaviour as “**the study of how individuals, groups and organisation select, buy, use and dispose of goods and services, ideas or experiences to satisfy their needs and wants.**”

Consumer buyer behaviour is considered to be an inseparable part of marketing and Kotler and Keller (2011) state that consumer buying behaviour is the study of the ways of buying and disposing of goods, services, ideas or experiences by the individuals, groups and organizations in order to satisfy their needs and wants.

3.4.5. FACTORS AFFECTING CONSUMER BEHAVIOUR

a) PERSONAL FACTORS-

- (i) Age-A person's age has a significant impact on his purchasing behaviour since he perceives demand for different products at different ages.
- (ii) Occupation-A person's occupation has a significant impact on his purchasing decisions.
- (iii) Life Style-A person's life style refers to how they live, spend their time, and spend their money.

- (iv) **Income**-A person's purchasing power is determined by his or her income. As a result, every individual considers his or her economic level while making purchasing decisions.
- (v) **Situation**-
 - **Physical Conditions**- Physical conditions can sometimes influence purchasing decisions. The weather, for example, influences a person's decision to buy an umbrella or a shawl.
 - **Time**: Time has a number of effects on purchasing behaviour. For example, time may be required to learn about a product; a product may be purchased on a working day or during a vacation; and sufficient time may be required to acquire a product.
 - **Purpose**—A person's purchasing behaviour may be influenced by the purpose for which a thing is being purchased. The character of a product for personal use, for example, may differ from that of a presentation.
 - **Previous purchase history**—When making a purchasing decision, a buyer may think about his previous purchases.

b) SOCIAL FACTORS

- (i) **Family**-A family's purchasing decisions are made by the members of the family. In our country, the family's head of household may make the purchasing decision alone or jointly with his wife.
- (ii) **Reference groups**-A reference group is any group that has a direct or indirect influence on a person's attitude, values, or behaviour. Every person has multiple reference groups for various topics that influence his purchasing behaviour in various ways.
- (iii) **Roles and Status**-A consumer's buying behaviour is influenced by his or her role and status. Every individual purchases a product in order to fulfil a specific job, and while doing so, he considers his social status.

c) CULTURE

- (i) **Culture**- Culture is a set of taught ideas, values, attitudes, practises, habits, and patterns of behaviour that are shared by the people of a society and passed down from generation to generation.
- (ii) **Sub-culture** – Each culture is made up of smaller sub-cultures that offer individuals with distinct identification and socialisation.
- (iii) **Social Class**-In contemporary society, there are primarily three social classes. There are three classes: upper, medium, and lower. The socioeconomic class to which a person belongs influences their purchasing habits.

d) PSYCHOLOGICAL FACTORS

A variety of psychological factors influence customer purchasing decisions.

- (i) **Motivation**-It is a driving force that propels a person to act in order to meet his or her requirements. In other words, motivation influences people's purchasing decisions. The saying from Maslow's hierarchy of needs theory can be mentioned in this connection. According to this hypothesis, a person feels higher level needs after satisfied a lower level need. That is, consumers make purchasing decisions based on the hierarchy of requirements.
- (ii) **Perception**-The ability to see, hear, or become aware of anything through the senses is referred to as perception. At the same time, various people view the same object in different ways. Because of these differences in perceptions, different people make various purchasing judgments.
- (iii) **Learning**-Consumers gain knowledge about various items through commercials, salespeople, acquaintances, and family. As a result, this knowledge influences their purchasing decisions in a variety of ways.
- (iv) **Attitudes**-Attitudes have a substantial impact on consumer behaviour. A consumer with a strong unfavourable attitude about a product, for example, not only avoids purchasing the goods but also encourages his friends and relatives to do so.
- (v) **Personality**-Personality has an impact on customer purchasing behaviour since each consumer chooses products based on his or her own personality.
- (vi) **Self-concept**-Self-concept refers to a person's thoughts or feelings about himself or herself. It also has an impact on consumer purchasing decisions.
- (vii) **Risk and uncertainty**-Risk and uncertainty is one of the most important psychological elements influencing consumer buying behaviour, since many customers evaluate risk and uncertainty while making purchasing decisions.

3.4.6. STAGES IN CONSUMER BUYING DECISION BEHAVIOUR

1. Need Arousal or Problem Recognition-The source of the problem is people's needs, and unmet demands produce tension and discomfort in the thoughts of customers. Consumers can obtain and consume goods and services to meet their requirements. For example, need for food arises when hunger strikes.

2. Information/ Knowledge Search- When a consumer's demand is great enough, he or she will try a readily available product to meet his or her

needs, but in many circumstances, the aroused consumer will go in search of information.

- (a) Improved attention—In this scenario, the consumer becomes more responsive to information about the product that may meet his demands. The hunt for information is passive in this case.
 - (b) Active information search—In this case, the consumer is the information seeker, and he gathers information from a variety of sources. For example, information search is little in case of buying pizza than buying a computer.
3. **Alternatives Evaluation-** At this stage, the consumer will compare and contrast different products or brands based on alternative product qualities that have the ability to provide the benefits the customer is looking for.
 4. **Purchasing choice-** After assessing several items or brands based on various product qualities, the consumer makes a purchase decision based on his or her preferred brand. The choice of brand is dependent on various factors such as quality, price etc.
 5. **Post-purchase behaviour:** The consumer may be satisfied or unsatisfied with the product after acquiring it. The buyer's happiness or dissatisfaction is determined by the buyer's expectations and the product's perceived performance.

Stage	Stage Name	Description
1	Problem recognition	Stage where a person recognizes his need for a product
2	Information search	Stage where a person intends to obtain more information on a product
3	Evaluation of alternatives	Stage where a person evaluates a product based on the information acquired
4	Decision of purchase	Stage where a person decides to purchase the product based on his evaluation
5	Post-purchase behavior	Stage where a person evaluates the product he purchased

Source: Philip KotlerThe five stage model in consumer behaviour'
Kotler (2012)

3.5. SUMMARY

The marketing environment encompasses all internal and external aspects that influence the organization's marketing decisions, either directly or indirectly. An organization's internal factors are under its control; but, external factors are outside its control.

The micro environment is the environment that is intimately related to the company and has a direct impact on its operations.

A macro environment involves a set of environmental factors that is beyond the control of an organization.

A PESTLE analysis is a framework or method for analysing and monitoring the external environment aspects that affect a company. VRIO is an acronym from the initials of the names of the evaluation dimensions: **Value, Rareness, Imitability, Organization.**

The set of benefits that customers expect from a product or service is known as customer value. Customers purchase things that they believe provide the best value to them. They are maximizers of value. The perceived visible and intangible benefits and costs to the customer are reflected in the value.

Consumer satisfaction is a metric that measures how well an organization's whole offering meets a set of customer requirements.

CRM is a framework that allows a firm to better understand the expectations and behaviours of its customers. It provides dependable communication structures and procedures with customers and strengthens customer connections. In today's competitive market, the king of the market is the customer, and in order to keep him, the whole supplier's value package must better match the client's requirements than anything given by competitors.

Getting a new customer is expensive while maintaining an existing customer is cost-effective. This reality has been recognised by more businesses, resulting in the introduction of loyalty programmes.

Consumer behaviour refers to an individual's psychological, social, and physical characteristics that influence his purchasing decisions and purchasing style so marketers study the process of consumer buying behaviour in order to know consumers' needs and wants at various stages.

3.6. EXERCISE

FILL IN THE BLANKS

1. The _____ environment is made up of forces like society's fundamental values, attitudes, perceptions, and behaviour. (a. Technological b. Legal c. Socio Cultural)
2. _____ component of VRIO analysis depicts the duplicability of resources. (a. Rare b. Imitability c. Value)
3. _____ takes place when product performance matches customer expectations. (a. Customer Loyalty b. Customer value c. Customer satisfaction)
4. Providing rate concession to frequent or regular buyers is example of _____ technique of CRM. (a. Data Management c. Cross selling c. Loyalty programmes)

5. At ____ stage, the consumer will compare and contrast different products or brands based on product qualities (a. Need arousal
b. Evaluation of Alternatives c. Purchase decision)

Marketing Environment Trends
and Building Customer Value

Answers: (1- c, 2- b, 3-c, 4-c, 5-b)

MATCH THE COLUMNS

A	B
1. Micro Environment	a. Michael Porter
2. PESTLE analysis	b. Suppliers
3. Five forces model	c. Tangible benefits
4. Customer value	d. Data mining
5. CRM	e. External factors

(i-b, ii-e, iii-a, iv-c, v-d)

TRUE OR FALSE

- A. R stands for rareness in VRIO analysis.
- B. Minimum wages act is example of Political environment
- C. Age and Occupation is the Personal factor influencing consumer behaviour. .
- D. CRM aims at decreasing sales.
- E. High bargaining power may be due to more buyers.

True: A, C

False: B, D, E

SHORTS NOTES

- i) PESTLE analysis
- ii) Michael porter's Forces Competency model
- iii) Techniques of CRM
- iv) Customer Perceived value
- v) Factors influencing consumer behaviour

ANSWER IN BRIEF

- Explain the Elements of Macro Environment .
- Discuss VRIO analysis
- Write a note on Customer satisfaction.
- Discuss the importance of CRM
- What are the stages of Consumer buying behavior process with relevant examples?

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Module IV

Recent Trends in Marketing Strategies

4

EMERGING STRATEGIES

Unit Structure

4.0 Objectives

4.1 Introduction

4.2 Emerging Strategies

4.3 Summary

4.4 Exercise

4.0 OBJECTIVES

After studying this unit, you will be able to

- Explain the Marketing Strategy significance
- Outline the 21st Century Marketing Strategy Trends
- Compare the Global Marketing Strategies
- Comprehend the role of Marketing Strategies in exploring the Emerging Markets

4.1 INTRODUCTION

Marketing is a discipline that involves a company's attempts to recruit customers and maintain relationships with them. Thank you notes, golfing with prospective clients, swiftly returning phone calls and emails, and meeting with clients for coffee or a meal are all examples of networking with future or shifts in consumer.

At its most fundamental level, marketing tries to match a company's products and services with people who want to use them. Product-to-client matching ensures profitability. Marketing is a corporate function that encompasses creating, supplying, and conveying value to customers, as well as managing customer relationships, all of which benefit the company and its stakeholders.

Marketing is also the science of identifying target markets through market analysis and segmentation, as well as a thorough understanding of purchasing behaviour, with the goal of providing the best customer value. Marketing, on the other hand, is only effective when an organization's mission, vision, tasks, and ability to harness technology are all in sync and complement one another, as well as the business as a whole.

Although marketing is often regarded as a measure of a company's success, this is a question of perception.

4.1.1 MARKETING STRATEGY

The term 'strategy' has made its way into the management area from the military services, where it refers to the application of forces against an opponent in order to win a war. The word "strategy" is derived from Greek words "strategos," which means "general".

"The art of so moving or positioning the instrument of warfare as to impose onto the opponent, the place, time, and conditions for combat by oneself," according to the dictionary definition of strategy.

In management, the term "strategy" is used in a broader sense. In simple terms, strategy is determining what the organisation wants to become in the long run and putting in place a plan to get there.

It is both an art and science to develop a strategy. Strategy is an art because it takes creativity, critical thinking, and the ability to envision the future, as well as the ability to motivate and link individuals who will implement the strategy. Strategy is a science because it necessitates analytical abilities, the ability to organise and analyse data, and the ability to make well-informed decisions. An organisation is useless and vulnerable to changes in the business environment without a plan. A company's strategy serves as a form of road map for its continuing development. The company's strategy gives it a sense of direction and tells it what it needs to do to survive, expand, and profit.

4.1.2 CONCEPT AND SIGNIFICANCE OF MARKETING STRATEGY:

Marketing strategy means the game plan' that the market will use in attaining the objectives of the business.

“Basically, a company’s overall marketing strategy is its competitive posture in the market place. Formulating an overall marketing strategy requires integration of all dimensions of the marketing effort”. — *Cundiff, Still and Govoni*

“Marketing strategy is the basic approach that the business unit will use to attain its goals and which comprises of elaborate decisions (strategies) on largest markets, market positioning and mix and marketing expenditure allocation. Moreover, the marketer should take care of the other two strategic aspects, viz., expected environment and competitive conditions while determining the marketing strategy”. — *Prof. Philip Kotler*

In its most basic form, marketing strategy is a plan to sell services or products in such a way that any firm can achieve long-term profitable growth. It functions as a road map for any brand, indicating where it should go and the best route to take to get there. Marketing strategy is

used by successful firms to provide their services to clients and make a lasting impression. Emerging Strategies

As a result, "Marketing Strategy" is defined as "an organization's strategy that unifies all of its marketing objectives into a single complete plan."

It provides a roadmap for reaching these marketing goals. Every marketing plan starts with a marketing strategy. A effective marketing plan involves in-depth market research and a focus on the optimal product mix to reach maximum profit potential and maintain the business. A marketing strategy helps a business focus its limited resources on the most promising opportunities in order to meet its objectives.

How to build marketing strategy?

To develop a marketing strategy that benefits your company, you should concentrate on the following factors:

1. Choosing the appropriate target market: Choosing the target market refers to the possible purchasers of a company's specialised products or services. Not all market niches are advantageous to a company. While some market niches can ensure quick profits, others may have a lot of potential yet have significant entry hurdles. As a result, the company must make a thorough selection. To do so, the company must conduct in-depth marketing research to discover the buyer's characteristics and specific needs, as well as those of the target market.

2. Gathering the marketing mix: The marketing mix refers to how the company wants to offer its goods or services. The organisation should do this by combining the four P's of marketing (described below) in the appropriate order.

The Marketing Mix, often known as "The Four P's," is a set of four components that make up a marketing strategy.



1.Product– Products and their packaging must maintain a brand's position. To communicate product profits, design and functionality must be carefully examined and developed.

2. Price- Organizations providing a premium product might set prices that are higher than the average. To gain a competitive advantage, brands that wish to be known as pricing leaders should provide lower costs.

3. Location - The distribution channel chosen must be consistent with the brand's positioning. To improve product value, a high-end product must be coupled to a high-end distribution channel.

4. Promotion– The brand's USP is included into all of the messaging in the promotion strategy. All of the brand's marketing objectives should be included, and specific measures should be developed to counteract them. This includes things like key communication point recall, brand awareness, preference shifts, and more.

Significance of Marketing Strategy

1. Helps Win over the Market

A marketing strategy can assist a business in gaining a competitive advantage in the marketplace. Using the right marketing strategy, businesses can get an advantage over competitors and even newbies wanting to build a name for them in the industry.

With a well-defined marketing strategy, businesses may promote their brand's USPs, as well as the features and benefits of their products and services. Businesses can demonstrate how their brand and offerings are superior to those of their competitors by employing inventive, intelligent, and well-thought-out approaches. By implementing a comprehensive and consistent marketing plan, brands may establish a distinct identity in an ever-changing, competitive industry.

2. Raise Public Awareness

People remember what they find interesting and unique, so having a well-curated market strategy that interacts directly with the consumer will help them remember your brand. Start by emphasising and advertising your USPs, qualities, and legacy, then move on to your products and services.

3. Expand Your Customer Base Each and every time

What is your major goal as a business? To enhance your sales by attracting more clients. True! To do this, each company's marketing team must comprehend the significance of marketing strategy.

Brands may learn about their customers' interests, requirements, and other demographics such as income, location, and age by developing the correct marketing plan. All of this data aids them in improving their services and attracting new clients through regular advertising efforts.

4. Make a marketing budget plan.

As you may be aware, every department in any organisation is given a budget for a specified period of time or for all of the tasks required in reaching a set of objectives. So, if you have a well-thought-out marketing

strategy, you can ensure that the budgeted funds aren't wasted on ineffective promotional efforts that yield little or low returns. It also assists you in ensuring that you are utilising your money efficiently and effectively in order to achieve your marketing as well as company goals and objectives.

5. Ensure that everyone is on the same page.

This is an important part of any marketing strategy. It means that a company's marketing plan should be understood by all departments. Your social media department will be responsible for daily social media postings, while your Facebook paid advertisements team will be in charge of preparing the weekly campaign.

An organization's ability to successfully utilise the skills of its employees and even stakeholders is enhanced when everyone is on the same page. It also saves your time and money by preventing you from wasting time and money on inefficiently performing daily duties (duplication).

When everyone in your company is on the same page, everything works together, including your traditional and digital marketing campaigns.

In a nutshell, a marketing plan is crucial because:

- It gives a company a competitive advantage.
- It assists in the development of products and services with the greatest profit potential.
- Assists in the development of an organisational plan to meet client needs.
- It aids in identifying the areas impacted by a brand's expansion.
- It aids in determining the appropriate price for an organization's services.
- Assists you in making the most of your resources in order to deliver a sales message to your target market.
- It aids in the Aids planning of the advertising budget.
- It helps in the development of a method to determine the scope of the marketing plan.

4.1.3 TYPES OF MARKETING STRATEGY

There are four main categories of Marketing Strategy,

Horizontal Integration Marketing Strategy

Aggressiveness Strategies

Market Dominance Based Marketing Strategy

Innovation Based Marketing Strategy

1. Horizontal Integration

The ownership and control paradigm underpins horizontal integration. This technique is used by a company that tries to sell a single type of product in multiple markets. A number of smaller subsidiary companies are being formed for this purpose. Each subsidiary company sells the main organization's goods to a specific market or geographical area.

Horizontal integration is the term used to describe the entire process. In horizontal integration, the company has a number of plants in several places that create identical products. Horizontal marketing is carried out in the same way as horizontal production is carried out. The following are examples of horizontal integration.

Vertical Integration

Vertical integration is based on a theory that describes how people own and control things. For all the hierarchically combined organisations, there is a single common owner. Each member of the hierarchy produces different types of products in order to meet a common demand. Vertical integration is further subdivided into the three types listed below.

Backward Vertical Integration, in which those subsidiaries are combined with the organization that provides inputs to the organization for the manufacturing of its product.

Forward Vertical Integration, in which those subsidiaries are linked with the organization that markets, distributes or even uses the product of the organization by them.

Balanced Vertical Integration, in which those subsidiaries are combined with the organization that both distribute the product as well as provide the inputs.

2. Aggressiveness Strategies

The degree of aggressiveness serves as the foundation for categorising the company's tactics. Product innovation, risk propensity, marketing assertiveness, speed of decision making, financial leverage, and organisational metrics of aggressiveness are used to grade aggressiveness methods. Normally, aggression strategies are divided into the following categories.

Prospector Strategy

Prospector Method is the most aggressive strategy for new markets. It involves expanding active programmes to create new prospects. Additional market share can be gained by aggressively challenging competitors and producing new items. With analysis or study, a firm that uses an aggressive prospector strategy responds quickly to any market change. New markets and products account for a significant amount of the company's revenue. The likelihood of market rejection and product failure is relatively significant. Sales promotion, advertising, and personal selling are the primary sources of revenue.

Defender Strategy

The organisation does not seek the market actively with this strategy. The organisation strives for and maintains a safe and reasonably steady market in defence strategy. The following tactics are used by the organisation to maintain a stable market.

- Keep prices low
- Lowering the advertising & other promotional costs
- Engage in vertical integration
- Offer better quality products
- Offer a limited range of products

Analyser Strategy

The analyst is sandwiched between the defence and the prospector. They make fewer mistakes and take less risks than prospectors. However, the analyst's commitment to stability is weaker than the defender's. By repositioning themselves as a second or third entity in the industry, many organisations are falling into the analyst category. As a result, these businesses expand their operations beyond their established core competencies. By analyst, current markets are typically extended rather than completely new markets. Furthermore, firms in this category maintain a well-balanced product selection.

Reactor Strategy

For reactors, there is no proactive plan. The reactors react as the event unfolds. Most of time macro environmental pressures drive reactors to respond in some way. Reactor methods are lacking in direction and focus. Because of this, they are less effective than the others.

3. Market Dominance Strategies

The following criteria are used to categorise market dominance tactics.

Market Leader

The company with the largest market share is the market leader. A high number of distribution channels with merchants and a large market share are among the advantages of the market leader. New product and business model innovations are frequently initiated by the market leader. Although the market leader has some influence on price and output. When it comes to designing this marketing strategy, the market leader is the most adaptive in the industry. Some of the options available to the market leader are as follows.

- New uses and users of the product for expansion of market
- Increased usage of product on every occasion for expansion of market
- New ideas of product development for securing an existing market share
- Improving customer service for securing an existing market share
- Improvement in effectiveness of distribution for securing an existing market share
- Cost reduction for securing an existing market share
- Targeting competitors for expanding market share
- Keep safety from the regulations of the government in the process of expansion of market share.

Market Challenger

The market follower is a company that has a strong position in the sector and uses an aggressive strategy to gain market share. The market challenger primarily targets the industry's market leader, although it can also attack smaller businesses. The market challenger, on the other hand, adheres to the following key concepts.

The strength of the targeting competitor is assessed by market challengers. Single competitor is targeted by the organization at one time.

- The weakness of the target is ascertained so that the weak point can be attached.
- The attack is kept in front and narrower.
- Also the attachment is launched quickly & soon after which consolidation is made.
- Moreover, the market challenger has the following options.
- Price cutting or price discounts
- Introduction of new products
- Improve services
- Line extensions
- Changing of distribution channels
- Reduction in the quality of product
- Improvement in the quality of product.
- Boosting the promotional activity

Market Follower

- When the organization tries to maintain its existing strong position in the industry is called the market follower. Some of the advantages associated with the marketing strategies of market followers are as follows:
- Avoiding expensive Research and Development failures
- Avoiding risk of bad business model
- Establishing best practices in advance
- The capitalization of the promotional activities of the market leader
- Reduction in the risk of being attacked by the competitors
- Saving money by avoiding war with the market leader

Market Niche

Market niche refers to enterprises of a smaller scale that focus on one or more market areas. The market niche employs the concentrating strategy, which involves tailoring the marketing mix to the specific needs of only one or two sectors of the market. In this approach, the market niche outperforms its larger competitors in terms of satisfying its target customers. As a result, the market niche's most distinguishing trait is its modest size, which protects it from competitor attacks while still allowing it to become lucrative. As a result, the market niche gains a competitive edge through effectiveness rather than efficiency. The following are some

of the features of the market niche: High margins of profits are obtained through serving as a value-added organization Emerging Strategies

- Specific market segment is focused by the market niche
- Premium pricing strategy is used by market niche by marketing high end products
- The operating expenses are reduced by less spending on advertising, R&D and personal selling

4. Innovation Strategies

Innovation strategies are marketing strategies that are based on new product development as well as an innovative company strategy. The company that implements this set of strategies will be at the forefront of innovation and technology. The types of organisations that use these tactics are listed below.

Pioneers

- Close Followers
- Late Followers
- Aside from the marketing tactics described above, there are a few additional essential strategies that firms use successfully.

Cost Leadership Strategy

In this form of marketing strategy, efficiency is stressed in a cost leadership plan in which the firm manufactures a huge volume of standard items. As a result, the primary goal of this strategy is to take advantage of economies of scale as well as the implications of the experience curve. This method, on the other hand, is best suited to a company that provides a simple product at a low cost. Further, for a large number of consumers, in increasing quantity. As a result, by producing large quantities of product, the cost is decreased. As a result, this strategy necessitates tight access to inputs such as raw materials and labour, as well as a substantial market share. Some of the advantages of this effective method are listed below.

Possession of engineering skills

The manufacturing easement is focused during the designing of the product

- Labour is closely supervised
- Cost is tightly controlled
- The quantitative targets provide the basis for incentives
- Inexpensive capital is accessed.

Differentiation Strategy

The organisation produces the unique product in this form of marketing strategy. Furthermore, the company provides unique features or benefits with its products that might assist provide higher value to clients. When customers examine the unrivalled & unequal attributes of the differentiated product, brand loyalty is boosted by a drop in price elasticity of demand. As a result, product differentiation protects the competition.

As a result of the increased expenses, the premium pricing strategy is effective for this category of items. As a result, the following are the prerequisites for a successful implementation of this marketing approach.

- The research & development Skills required to be stronger
- Stronger skills of product engineering
- Stronger skills of creativity and marketing
- The distribution channels should be effectively co-operated
- The subjective measures should provide the basis for incentives
- Creative & highly skilled people should be attracted
- The characteristics of the differentiating products can be communicated effectively
- There should be strong emphasis on continuous improvement & innovation.

4.2 EMERGING STRATEGIES

Marketing strategy has played very important role in the growth and development of the product and services. Marketing manager has assigned a team of experts who look after the development of best and effective marketing strategy. With help of the selected marketing strategy marketer can be effectively positioned their prospective product or services to the target customers and able to achieve desired objectives.

4.2.1 21st Century Marketing Strategies

SOCIAL NETWORKS AND VIRAL MARKETING

The purpose of social media marketing is to give people with useful content that they will want to share throughout their social networks, increasing visibility and traffic. Shared content, videos, and photos on social media can aid SEO by enhancing relevancy in search results on social media platforms such as Facebook, Twitter, YouTube, and Instagram, as well as search engines such as Google and Yahoo.

PAID MEDIA ADVERTISING

Paid media is a strategy of increasing website traffic through the purchase of adverts. One of the most prevalent methods is to use pay-per-click (PPC) links. When people search for terms related to a company's product or service, the firm buys or "sponsors" a link that appears as an ad in search engine results (this process is commonly known as search engine marketing, or SEM). For each visitor who clicks on the ad, the company pays a small fee to the search engine (or another third-party host site) — a literal "pay per click."

INTERNET MARKETING

Internet marketing, often known as online marketing, involves promoting and driving e-commerce sales through the use of the internet and email. Social media networks may be used to increase brand visibility and

advertise products and services. Traditional advertising media such as radio, television, and print are commonly coupled with these initiatives. Online evaluations and opinions have a lot to offer as well. Individuals who have positive things to say about your product or service have nothing to gain from spreading the word, so word-of-mouth advertising is free, natural, and incredibly powerful. A referral from a friend, co-worker, or family member has built-in credibility, and it can produce dozens of prospects eager to have a positive experience with your business.

EMAIL MARKETING

For nurturing and converting customers, email marketing is a strong tool. It is not, however, a game of chance whether or not your communication gets captured in spam filters. Email marketing, on the other hand, is a computer-assisted technique for influencing individual prospects and consumers' purchasing decisions. Because open rates and click-through rates are used to gauge the effectiveness of email marketing, strategy is crucial, especially when it's part of a larger internet marketing effort.

DIRECT SELLING

Direct selling is exactly what it sounds like: it markets and sells products to individuals directly. In this strategy, sales representatives build face-to-face relationships with consumers by demonstrating and selling products outside of retail settings, usually at the customer's home. (e.g., Amway, Avon, Herbalife, and Mary Kay).

POINT-OF-PURCHASE MARKETING (POP)

POP marketing (Point-of-Purchase Marketing) sells to a captive audience of shoppers who are already in the store and ready to buy. Product displays, on-package coupons, shelf talkers touting product benefits, and other attention-getting "sizzle" can impact shelf purchases by making an offer simply too tempting — and too obvious — to pass up.

COBRANDING, AFFINITY, AND CAUSE MARKETING

A marketing technique in which two or more organisations collaborate to advertise and sell a single product or service is known as co-branding. When companies lend their collective reputation to increase perceptions of the product or service's worth, consumers are more likely to purchase and willing to pay more at retail. Co-branding, on the other hand, may deter private label manufacturers from duplicating the product or service. Affinity marketing, on the other hand, is a collaboration between a corporation (supply) and an organisation that brings together people who share like interests, such as a coffee shop that sells goods from a local bakery.

There are plenty of co-branding alliances out there, but a few recent instances stand out, like the daring GoPro and Red Bull, the elegant BMW and Louis Vuitton, and the fashion-forward Alexander Wang and H&M.

CONVERSATIONAL MARKETING

Conversational marketing is just that: a conversation. Using a Chatbot or live chat to communicate with prospects and customers in real time puts the correct information in front of them at the right time, allowing them to self-serve and get questions answered quickly. Personalised, relevant engagement improves the user experience significantly. B2C companies benefit from conversational marketing because it scales customer service and decreases the amount of time customers spend in the sales funnel. Conversions happen more quickly because relationships are built more quickly.

Because it is conversational, conversational marketing is effective:

- Provides a true, personal consumer experience by removing impersonal lead collection levels.
- Encourages clear communication - because the request is contextualised, customers may express their needs more clearly, and businesses can better understand and assist.
- Bots can also recommend new materials or items to clients based on their previous behaviour, which helps to improve relationships.

EARNED MEDIA/PR

Earned media (sometimes called "free media") is publicity that is earned without the use of paid advertising. Earned media can take many forms — a social media testimonial, word-of-mouth, a television or radio mention, a newspaper story or editorial — but one thing is constant: it is unpaid and can only be acquired organically. Traditional advertising cannot be purchased or possessed in the same manner.

STORYTELLING

To generate emotional responses from customers, brand storytelling leverages a well-known communication structure. Rather than simply repeating statistics and figures, storytelling allows you to tell a captivating story about what your company is, what it does, how you solve problems, what you value, and how you interact with and contribute to your community and the general public.

4.2.2 Introduction to Global Marketing Strategies

'Think globally, act locally,' is the favourite Marketing strategy phrase and it indicates a common technique that is becoming increasingly important in a worldwide environment where there are no barriers to the flow of commodities or the provision of global marketing services? It is now clear that corporations can no longer protect themselves from global marketing competition by sticking to their home markets or a few select areas.

McDonald's, Coca-Cola, Domino's Pizza, Red Bull energy drink, KFC, Nike, and Starbucks are just a few of the global brands that have done it successfully. Because the four P's – Product, Price, Place, and Promotion – are relevant in every market, global marketing follows the same process as local marketing tactics.

It is not always possible or desirable to implement a global marketing plan that completely globalises all marketing activities (differentiated globalization). Global marketing strategies were thought to be of one type alone in the early stages of development, giving the same marketing approach all over the world. Many more forms of global marketing tactics emerged as marketers gathered more experience. Some of them were far less difficult, exposing only a small part of a marketing plan to globalisation. A more usual way is for a corporation to localise distribution and marketing communication while globalising its product strategy (product lines, product designs, and brand names).

Integrated Global Marketing Strategy

Most parts of a marketing plan have been globalised when a corporation adopts an integrated global marketing strategy. Not only the product, but also the marketing strategy, price, and distribution, as well as strategic components like segmentation and positioning, are all part of globalisation. Companies that deal with truly worldwide consumers may benefit from such an approach. It also implies that the way a given industry operates is remarkably consistent across countries, allowing a corporation to implement its strategy in a consistent manner. Coca-Cola is one corporation that exemplifies an integrated global marketing strategy to a considerable extent. That corporation has developed a global marketing strategy that encompasses practically all aspects of its marketing programme, including segmentation, positioning, branding, distribution, bottling, and advertising.

Completely integrated worldwide marketing strategies will continue to be the norm, according to reality. However, there are many other types of partially globalized marketing strategies; each may be tailored to specific industry and competitive circumstances.

Global Product Category Strategy

The global product category strategy is maybe the least integrated sort of global marketing strategy. Leverage can be achieved by competing in the same category in multiple countries, and it can take the shape of product technology or development costs. When a corporation chooses a global product category, it means that the company will explore targeting different sectors within that category or changing the product, advertising, and branding to meet local market demands. Companies operating in the multi-domestic mode usually use a global category strategy and leverage market expertise without pursuing standardisation. When there are major disparities between markets and only a few segments are present in each area, this technique works best. Several classic multinational firms have been transitioning towards the global category after decades of pursuing a multi-domestic marketing approach, customising marketing strategies to local market conditions and allocating management to local management teams.

Nestle, Unilever, and Procter & Gamble are three big international consumer goods firms involved in the food and household goods industries.

Global Segment Strategy

A global segment strategy is used by a corporation that decides to target the same segment in multiple countries. The corporation may have a better grasp of its consumer base and use that knowledge all around the world. When a corporation develops an in-depth grasp of a niche or segment in the consumer or industrial industries, important knowledge is gained. Even if some standardisation is expected, a pure global segment approach will allow for diverse items, brands, or advertising. The options could include always competing in the top or middle section of a consumer market or for a specific technological use in an industrial segment. In the world of global marketing, segmentation tactics are relatively new.

Global Marketing Mix Element Strategies

These strategies focus on individual marketing mix factors including pricing, distribution, location, promotion, communications, and product to achieve globalisation. They are partially globalised marketing tactics that allow a business to tailor other components of its marketing strategy. The most essential strategies are global product strategies, global advertising strategies, and global branding strategies, while other sorts of strategies may be used. Those marketing mix parts that are exposed to particularly powerful global logic factors are typically globalised by firms. When faced with strong global purchasing logic, a company's account management techniques or pricing approach may be globalised. Another company that faces strong global information logic will need to globalise its communications strategy.

Global Product Strategy

A corporation that pursues a global product strategy has largely globalised its product offering. While the product may not need to be totally standardised over the world, critical parts or modules may be. Product use conditions, expected features, and required product functionalities must be generally same throughout all global product strategies, with little differences or revisions required. Companies interested in pursuing a global product strategy want to take advantage of the fact that all of the necessary investments for producing and developing a product have already been made. Global strategies will generate more volume, making the initial expenditure more justifiable.

Global Branding Strategies

Global branding strategies consist of using the same brand name or logo worldwide. Companies want to leverage the creation of such brand names across many markets, because the launching of new brands requires a considerable marketing investment. Global branding strategies tend to be advisable if the target customers travel across country borders and will be exposed to products elsewhere.

When target clients are exposed to advertising from all around the world, global branding strategies become even more vital. This is frequently the case for industrial marketing consumers who read international trade and industry periodicals. Global branding is becoming increasingly significant for consumer products, as cross-border advertising via foreign TV channels is becoming more popular. Even before the liberalisation of the economies in the early 1990s, many customers in some countries, such as Eastern Europe, were familiar with Western European brands. A company's global branding allows them to capitalise on existing goodwill. Luxury goods marketers, for example, who often face a substantial fixed outlay for the worldwide promotion of a product, may pursue global branding tactics.

Global Advertising Strategy

The usage of the same brand name all around the world is commonly connected with globalised advertising. However, a business can desire to employ different brand names for historical reasons. Many multinational corporations have undertaken acquisitions in other countries, leading in the creation of a slew of local brands. These regional brands have their own distinct market, and changing their names could be harmful. Instead, the corporation might seek to capitalise on a specific subject or advertising strategy that was produced as a consequence of some global customer research. When a company wants to sell to customers that are looking for similar benefits all over the world, global advertising themes are the best option. When the purchasing reasons are found to be similar, a common theme can be developed to address them.

Composite Global Marketing Strategy

The previous descriptions of numerous global marketing models give the idea that businesses are only employing one of the general strategies. However, reality reveals that few businesses stick to a single strategy over time. Companies are more likely to adopt multiple general worldwide strategies and run them in parallel. A corporation may pursue a global brand strategy for one aspect of its business while operating local brands in other areas. Many businesses are a mash-up of many methodologies, hence the term composite.

Competitive Global Marketing Strategies

We are particularly interested in two types of methods. For starters, there are a number of heavily contested global marketing battles in which two companies compete across the entire global chessboard. The second game sets a worldwide corporation against a local company, which is a scenario that occurs frequently in many markets.

The war for market supremacy between Coca-Cola and PepsiCo, the world's two major soft drink firms, is one of the most long-running conflicts in global rivalry.

Global corporations might use their expertise and market position in one area to help another. As a result, a worldwide firm is frequently a more formidable opponent than a local corporation.

Despite their greater resources, multinational corporations often become rigid after a number of successful market entrances and prefer to stick to typical approaches when flexibility is required. In general, the strongest local competitors of global corporations are those who keep a close eye on them and learn from their manoeuvres in other nations. Local competitors in some areas can take advantage of such advance warning by developing defences or launching a pre-emptive attack on the same segment, as some global corporations require several years before a product is offered in all markets.

4.2.3 STRATEGIES FOR ENTERING THE EMERGING MARKETS

The term "emerging markets" refers to an economy that has had significant economic growth and has some, but not all, of the features of a developed economy. Emerging markets are countries that are in the process of changing from "developing" to "developed" status.

Characteristics of Emerging Markets

The features of emerging markets are depicted in the diagram below.

1. Market turbulence

Political unrest, external price changes, and/or supply-demand shocks caused by natural disasters all contribute to market volatility. It exposes investors to the risk of exchange rate and market performance variations.

2. Potential for growth and investment

Foreign investors are often drawn to emerging countries because of the high rates of return they may provide. Due to a lack of indigenous capital, countries that are transitioning from an agriculture-based economy to an industrialised economy sometimes require a huge injection of capital from foreign sources.

Taking advantage of their competitive edge, such countries concentrate on exporting low-cost items to richer countries, which enhances GDP growth, stock prices, and other economic indicators.

3. High rates of economic growth

Emerging market governments are more likely to pursue policies that promote industrialisation and rapid economic expansion. Lower unemployment, higher disposable income per capita, increased investments, and improved infrastructure are all benefits of such policies. Developed countries, on the other hand, such as the United States, Germany, and Japan, have modest rates of economic growth due to early industrialization.

4. Income per capita

Emerging Strategies

Due to their reliance on agricultural industries, emerging markets typically have a low-middle income per capita in comparison to other countries. Income per capita rises in tandem with GDP as the economy pursues industrialization and manufacturing activity. Lower average incomes also



act as a motivator for increased economic growth.

Fig 1.6.1 Brazil, Russia, India, China, and South Africa are the biggest emerging markets in the world

MARKETING STRATEGIES FOR THE EMERGING MARKETS:

Enter Low and Middle End Segments of the Market

Many multinationals have discovered that catering to the lower and middle market sectors is where they locate their sweet spot in emerging nations. In other words, contrary to popular belief, multinational corporations have discovered that selling to various sectors is far more profitable than focusing solely on the top segment. A case in point is the experience of Japanese corporations that focused on the top segment in numerous emerging economies and discovered that they were not successful. As a result, Japanese automakers have turned their attention to the lower and middle market segments in a number of Asian countries, notably India, where they have had significant success.

Take the Merger and Acquisition Route:

The restrictive bureaucracy and political involvement in many emerging economies deter Western multinationals, making them hesitant to expand their businesses. In this instance, they can form partnerships with local businesses and merge or acquire local enterprises. This makes sense

because local company executives are familiar with the local bureaucracy, and their familiarity and knowledge may be used to deal with policy paralysis and the logjam that many emerging economies have experienced in recent years. Another benefit of this method is that multinational corporations can develop inorganically when organic growth is no longer practicable.

Display Commitment and Send Senior Talent:

Many multinational corporations do not treat emerging areas with the same seriousness that they do industrialised countries. This means they don't send high-potential employees or senior executives to run their operations in these countries. As a result, they are short on talent to manage their operations in these countries. Of course, many Western expats find it challenging to work and live in growing markets such as India, Brazil, and Russia. This should not, however, stop them from demonstrating dedication. When it comes to commitment, many multinationals lose interest in emerging markets after a few years, especially if the returns aren't up to par. Many western multinationals are pulling out or selling their assets in countries where political risk and societal hurdles are limiting their expansion. The crucial point here is that, because western companies have vast coffers, they can afford to do so.

Multinationals have little choice but to expand into emerging markets, as the developed world's growth has slowed to approximately 2%, while even the most underperforming emerging nations are growing at 5%. As a result, multinationals should employ a combination of the techniques outlined above, as well as a greater focus on the next "Breakout Nations," such as Vietnam, Algeria, and Mexico. It will be interesting to examine how effectively western multinational corporations adapt to the local conditions in these countries.

Case Study: Life's Good for LG

LG Electronics India's market share dropped in January 2005—for the first time since the company was set up in 1997. But Managing Director Kwang-Ro Kim isn't worried. "The dealers must have met their targets in December itself, so they took it easy in January," he explains. Were it any other company, the managing director's insouciance would appear to border on foolhardiness. But this is LG, a company that can afford to take it easy. Even after the blip in sales in January—LG's market shares in refrigerators fell fractionally from 28.6 per cent the previous month to 28.1 per cent—the Korean consumer electronics brand is still the preferred white goods brand in India—across categories and sub-categories. Whether it is refrigerators, air-conditioners, washing machines or colour televisions—LG's dominance over the white goods market is complete.

In volume terms, LG is No. 2 player.

Refrigerators	27.22 -	1.2 (Whirlpool)
Colour TVs	25.5 -	15.1 (Samsung)
Microwave ovens	41.4 -	19.7 (Samsung)
Washing machines	34.0 -	13.8 (Whirlpool)

That's pretty decent going for a company whose first experience in the Indian market was nothing short of disastrous. In its earlier avatar, the Korean company came to India as Lucky Goldstar.

This was in the early 1990s, and the rules at the time didn't permit foreign companies to start independent ventures. So Lucky Goldstar took on not one, but two joint venture partners. The first partnership ended acrimoniously while the second one never got off the ground.

In 1997, the Foreign Investment Promotion Board finally gave the Korean company permission to set up its own factory to make washing machines and refrigerators. Re-christened LG Electronics, the new company—a 100 per cent subsidiary of the Korean chaebol—swung into action and set up a state-of-the-art manufacturing facility at Greater Noida, Uttar Pradesh.

There's been no looking back since then. In October 2004, LG set up a second manufacturing facility at Ranjangaon, near Pune, which makes white goods as well as cellular phones—the first GSM handset manufacturing facility in India.

Another facility, exclusively for GSM handsets, is being set up and will start operations in August. Turnover is also on the upswing: starting from ` 150 crore in 1997, LG registered a turnover of ` 6,500 crore last year and is targeting ` 9,000 crore in 2005.

So, what went right?

Perhaps the most important step was to leave behind the baggage of the past.

As Lucky Goldstar, the company's biggest fault was that it did precisely what other white goods brands of the 1990s were doing: some half-hearted advertising and pushing the products only when the consumer entered the store.

Activities that "pulled" potential buyers into showrooms were conspicuous by their absence. Once it got the permission to operate as a wholly owned subsidiary, though, all that changed. Within just five months, LG products were available across the country compared to the average two years competitors took for a nationwide launch.

An advertising blitzkrieg followed. And the momentum hasn't let up since. LG is one of the most aggressive advertisers in the white goods industry, spending close to 5 per cent of its revenue on marketing activities—that's ` 130 crore last year.

A close tie up with cricket ensured the brand building exercise would score well on consumer recall—apart from signing on leading Indian cricketers, LG also launched a cricket game on one of its television models. Points of sales promotions were also extensively advertised to ensure customers were tempted to visit the stores.

Importantly, for LG, a nationwide launch meant just that. A penetrative distribution strategy ensured that products were available even in smaller towns and cities, breaking the chain of urban dependency that plagues whitest goods manufacturers.

More than 65 per cent of last year's ` 6,500 crore revenue came from non-urban sources; up from under 60 per cent the previous year. And what was the industry average? It was between twenty-five to 30 per cent. Add the fact that the rural markets accounted for a remarkable 30 per cent of total sales and it's clear that LG's strategy is working. "We push rural marketing," agrees Kim.

How does it do that? LG reaches into the hinterland through a pyramidal sales structure. Branch offices in larger cities set up central area offices (CAOs) in smaller towns; these in turn reach out to even smaller towns and villages through remote area offices (RAOs)—at last count, the company had 51 branch offices, 87 CAOs and 78 RAOs.

Each RAO has servicing, marketing and sales teams at its disposal and an individual budget for marketing activities in its territory. The executive in charge has independent decision-making powers—he can decide the tenor and scale of brand promotions in his area, without having to cross check every little detail from the head office.

Technology, too, is being used to the hilt to ease their jobs. The RAOs and CAOs are all electronically connected through a V-SAT and Intranet network.

And where earlier decisions about putting up large hoardings could be approved only after a visit from the head office, LG has provided all its branch managers digital cameras—now they just click images of suitable locations and get them approved electronically.

For customers, though, the direct approach is preferred. The advantage of an extended distribution network is that marketing executives can keep a finger on the pulse of the market. Promotions and finance schemes are designed to suit the needs of local customers.

In a small town in Uttar Pradesh, for instance, last year LG offered select households a free 15-day trial of a 50-inch flat screen television during the cricket season. The TV set costs close to ` 1 lakh, but several families took the bait and considered buying the TV—at which point the showroom staff offered them carefully planned finance schemes.

Of course, it's not just the finance schemes that are tailor-made. LG has been careful right from the start to offer customers a "value-plus" proposition.

Explains KSA Technopak Principal Harminder Sahni, “LG has always taken the stand that “We’re selling the AC, not the remote. The remote comes as part of the package.” “Which is why, he adds, the company does not qualify as a “budget “models company.” “LG does not sell no-frills products; it gives you all the bells and whistles,” Sahni says.

LG recognised the need to do that early on. Kim—who’s been with LG India since 1997— points to a basic characteristic of Indian consumers: “They are very price sensitive. They want the best quality at reasonable prices.” Accordingly, LG introduced its economy range in the country, which Kim predicted would be “easily accepted”.

The company was ready to do battle on two flanks: it offered modern, features-packed products, at the same time keeping its margins wafer-thin. Even competitors accept the merit of the tactic.

“LG has been a price warrior while retaining its brand equity,” points out Ajay Kapila, vice president, sales and marketing, Electrolux India. “Our success is the result of hard work and commitment. There’s no miracle involved,” says Kim.

The hard work was on the features, which were carefully chosen—and adapted—to appeal to Indian audiences. For instance, Kim points out that, consumers in southwest India prefer big sound and big bass outputs.

Accordingly, LG India created Ballad, a flat screen television model that sells only in the subcontinent and comes equipped with 2,000 watt speakers.

Similarly, refrigerators in India have smaller freezers and big vegetable compartments— Indians prefer fresh food and a significant proportion are vegetarian. Colours, too, are chosen keeping market preferences in mind. White refrigerators, for instance, don’t sell well in Kolkata and Punjab— while the sea air in Bengal corrodes the paint, the masalas used in Punjabi cooking discolour the fridge.

So LG offers a range of bright colours in these markets. The cricket game in TV sets wasn’t the only “go local” innovation: LG also offered on-screen displays in five languages and large capacity semi-automatic washing machines that would suit Indian families.

The research for these adaptations and innovations is done in-house. LG invests significantly in local R&D—last year the company spent over ` 100 crore on research.

“We want to be independent of Korea,” states Kim. It’s working towards that: already 70 per cent of its product line is produced locally, with the rest imported from China, Korea and Taiwan. In refrigerators, 95 per cent of the components are localised. All of which also help keep prices down.

But that was in the past. “Economy” and “value-for-money” are no longer going to be the cornerstones of LG’s India strategy. In the next five years, says Kim, the company will concentrate on building itself as a premium brand, targeting 10 per cent of its earnings from super-premium products. That includes products like the Whisen range of wall-mounted air-conditioners (₹ 50,000 and above), Dios refrigerators (₹ 65,000 and above) and X-canvas plasma TVs (₹ 1 lakh and above).

LG has already set up 75 exclusive showrooms for these products, which were launched earlier this year, with more in the pipeline. This year it will spend upward of ₹ 20 crore promoting the super-premium sub-brands. “High-end products need high-end outlays,” smiles Kim.

Perhaps, but industry analysts have their doubts whether exclusive showrooms for such big-ticket items will bring in the bucks. “When it comes to consumer durables, people prefer comparison shopping. I will be surprised if the stores make money,” comments KSA’s Sahni. Meanwhile, there’s the imminent departure of the man who built up LG India to its present height. Kim, who was last year promoted as head of LG South West Asia, is likely to move up within the parent organisation sometime soon. “I am preparing to leave,” he admits. Will that make a difference to LG’s growth curve? Kim doesn’t think so.

“The system is working, so things will continue as they are,” he says. That thought finds an echo in Sahni, who points out “Kim may be leading from the front, but LG couldn’t have achieved what it has without a strong team.”

The challenge now will be to integrate the new incumbent’s working style with the existing culture of the organisation—and work on the new marketing strategy. If LG meets that head on, then, like its tagline says, Life’s Good.

Questions

1. Study the case and identify significant issues.
2. Conduct a SWOT analysis of LG.
3. What marketing strategies did LG adopt to be so successful in India?

Source: www.bsstrategist.com April 5, 2005.

4.3 SUMMARY

Marketing strategies has been drastically changed. To be survive and grow in the present scenario of market, marketer need to acquire and accommodate new marketing strategies. In the traditional marketing period big hoardings, pamphlets, banners are used in large scale for dissemination of product or services but in the 21st century internet has changed whole pattern of marketing. If one has decide to stay away or in isolation of these new age marketing strategies with few exception they

may only survive but could not grow as compare to the fellow marketers product or services. To enter in the world market and sustain in the competition from the similar product or services, marketer need to strategically adopt the emerging marketing strategies.

4.4 EXERCISE

Short Answers:

1. Define the concept of Vertical Integration Strategy. State the advantages associated with the Vertical Integration.
2. What are Emerging Markets? State its characteristics.
3. Why marketing strategies plays an important role in defining Brand equity for the organization?
4. Enumerate the steps to build the Marketing Strategies.
5. *Discuss the classification of the Market Dominance Strategies.*

Long Answers

1. Why marketing Strategy is called as a Game Plan?
2. How 21st Marketing Strategies are different from the traditional marketing Strategies?
3. Give the explanation for any 5 Global Marketing Strategies.
4. Describe the significance of entering in the Emerging Market by the Global Organization?
5. Explain the different types of Marketing Strategies.

B. MULTIPLE CHOICE QUESTIONS

1. _____ strategy is used by a company that tries to sell a single type of product in multiple markets.
 - Horizontal Integration
 - Vertical Integration
 - Aggressiveness Integration
 - Market Dominance Integration
2. Defense strategy is suitable for the organization that wants to _____
 - Increase Market Share
 - Maintain steady market share
 - Decrease Market Share
 - Tap new market
3. Stronger skills of product engineering is a pre-requisite for
 - Cost Leadership Strategy
 - Market Challenger
 - Market Follower
 - Differentiation Strategy

4. What involves tailoring the marketing mix to the specific needs of only one or two sectors of the market?

- Market Propagator
- Market Leader
- Market Niche
- Market Bumper

5. In _____ when keywords linked to a company's product or service are searched, a corporation buys or "sponsors" a link that displays as an ad in search engine results.

- SEO
- SEM
- POP
- Co-Branding

Answers: 1 – a; 2 – b; 3 – d; 4 – c; 5 – b;

C: Fill in the blanks

1. An organisation is useless and vulnerable to changes in the business environment without a _____.

2. _____ is a plan to sell services or products in such a way that any firm can achieve long-term profitable growth

3. To gain a _____, brands that wish to be known as pricing leaders should provide lower costs

4. _____ may create a distinct identity in the ever-changing, competitive market by following a comprehensive and consistent marketing strategy.

5. _____ is a computer-assisted procedure that targets individual prospects and consumers in order to influence their purchasing decisions.

Answers: 1 – plan; 2 - marketing strategy; 3 - **competitive advantage**, 4 – **Brands**; 5 - Email marketing

D. State whether the following given statements are True 'T' or False 'F'.

1. To maximise brand visibility and promote products and services, social media networks may be included in the Internet Marketing.

2. The corporation pays a heavy charge to the search engine (or another third-party host site) for each visitor who clicks on the ad – a literal "pay per click."

3. Conversational marketing is particularly beneficial for B2C organisations because it scales customer service and reduces the amount of time consumers spend in the sales funnel.

4. Earned media is publicity generated with the use of paid advertising. Emerging Strategies
5. A global segment strategy is used by a corporation that decides to target the same segment in same countries

Answers: 1 – T; 2 – F; 3 – T; 4 – F; 5 – F;

E. Match The following:

A	B
1. The distribution channel	a. Brand Story Telling
2. Sell a single type of product in multiple markets	b. Global Brand Strategy
3. Marketing strategy in which two or more companies collaborate to promote and sell a single product or service	c. Co-Branding
4. Employs a well-known communication structure to elicit emotional responses from customers	d. Location
5. Strategies that use the same brand name or logo worldwide	e. Horizontal Integration

Answers: 1 – d; 2 – e; 3 – c; 4 – a; 5 – b



E- MARKETING

Unit Structure

5.0 Objectives

5.1 Introduction

5.2 E-Marketing

5.3 Social Marketing

5.4 Summary

5.5 Exercise

5.0 OBJECTIVE

After studying this unit, you will be able to

- Explain the significance of E-Marketing for business organization
- Outline the features of Digital Marketing
- Explain the concept of Social Marketing
- Discuss the Barriers of Social-Marketing

5.1 INTRODUCTION

Technology is becoming increasingly vital in today's corporate sector. With the passage of time, the corporate sector becomes more technologically advanced. Business lives on innovation, and since technology facilitates it, we could say that businesses require technology to thrive.

Every aspect of how businesses operate has been altered by technology, and firms today run at a breakneck speed. How can your business keep up with the latest technology developments? The foundation of your business does not need to be rewritten. Now all you have to do is figure out how technology affects your business (for better or worse) and how to take advantage of it. Technology's role in business cannot be emphasised. In recent decades, technology has ushered in a new and improved approach to corporate management, making transactions faster, more efficient, and more convenient. As a result of technological improvements, accounting, data collection, logistics, and other business sectors are all changing.

Advances in communication and information technology have enabled businesses to be connected at all times, boosting their efficiency, production, and ability to respond to problems. Technology allows you to

optimise management and output regardless of your industry, business size, or core activity. Thanks to technical equipment and digital tools, small businesses may now compete with larger firms in terms of operational efficiency. Technology assists us in keeping critical data secure and less vulnerable to attacks. Technology has aided the growth of e-commerce, which has given the globalisation of enterprises a new dimension. The growth of information technology has made manufacturing networks less expensive and easier to manage, and it has been critical to economic globalisation. International trade has increased as a result of the increased speed of global communications, which has enabled real-time commerce and collaboration.

5.2 E- MARKETING

E-marketing is a broad phrase that encompasses a wide range of Internet-related activities. Website creation and promotion, consumer communications, e-mail marketing, and newsgroup advertising are all examples. However, during the last decade, the word "e-marketing" has come to embrace a far broader variety of activities, one of the most prominent of which is the use of social media to advertise online. The strategic process of generating, distributing, promoting, and pricing items for targeted clients in the virtual world of the Internet is referred to as e-marketing. E-marketing is best understood as a wide notion that has expanded in recent years with the introduction of smart phones and tablets like the iPad. As a result, "e-marketing" is best defined as "the production, distribution, promotion, pricing, and communication of things over the entire Internet and the vast array of platforms that presently comprise the Internet."

5.2.1 E-MARKETING ADVANTAGES

Advantages of E – Marketing are as follows:

1. **Immediate response:** Internet marketing has a rapid response rate; for example, if you upload something, it goes viral almost immediately. Then, in a matter of hours, it would reach millions of people.
2. **Cost-Efficient:** It is substantially less expensive than other forms of advertising. If you use the free methods, you will spend almost little money.
3. **It's less dangerous:** What one has to lose when the cost is low and the instant rate is large. There is no danger at all.
4. **Improved data collection:** You'll be able to collect a broad variety of items this way.
5. **Interactive:** One of the most crucial features of internet marketing is how engaging it is. People can write comments, which can provide you with feedback from your target market.

6. **Achieving Personalized Marketing:** With the correct preparation and marketing approach, clients can be made to feel as if the advertisement is speaking directly to them.
7. **Product will be exposed to a larger audience.** Going viral with a single post can help your product or service gain more exposure.
8. **Accessibility.** The beauty of the internet and e-marketing is that it can be accessed from anywhere on the planet.

5.2.2 DISADVANTAGES OF E-MARKETING

Some of the disadvantages of the E-Marketing are as follows:

1. **Reliant on technology.** E-marketing is fully reliant on technology and the internet; even a minor outage might damage your entire operation.
2. **Global Competition.** Because your product is accessible from everywhere, you will face worldwide competition when you offer it online.
3. **Privacy and Security Concerns** Because your data is accessible to everyone, privacy and security concerns are significant; as a result, one must be extremely cautious about what they post online.
4. **Price Competition and Greater Transparency** When privacy and security concerns are strong, being transparent requires a significant investment. With more transparency, there is also more price competition.
5. **The cost of maintenance** In today's fast-changing technical environment, you must always advance with the pace of technology, and maintenance costs are very costly.

5.2.3 DIGITAL MARKETING:

Digital marketing refers to any marketing campaign that uses an electronic device or the internet. Businesses use digital platforms such as search engines, social media, email, and their websites to communicate with current and future customers. Making the right connections with the right people at the right time has always been at the heart of marketing. That means you'll have to meet them online, where they already spend a lot of their time. Enter digital marketing, which encompasses all forms of internet advertising. Digital marketing is defined as the use of a multitude of digital tactics and platforms to communicate with customers where they spend the majority of their time: online. Digital marketing encompasses a wide range of tactics, from the website itself to a company's online branding assets - digital advertising, email marketing, online brochures, and more.

For Example: Nike #MakeItCount Campaign

In early 2012, Nike introduced its #MakeItCount on social media website, it was a digital campaign. The campaign kickoff began YouTuber

subscribers Casey Neistat and Max Joseph launching a YouTube video, where they traveled 34,000 miles to visit 16 cities in 13 countries. They promoted the #makeitcount hashtag, which millions of consumers shared via Twitter and Instagram by uploading photos and sending tweets. The #MakeItCount YouTube video went viral and Nike saw an 18% increase in profit in 2012, the year this product was released. It was a voyage that included stops in Zambia, Doha, Bangkok, and many other places. E-Marketing



Source: <http://www.footy-boots.com/files/2012/01/nike-make-it-count-rio-ferdinand.jpg>

Figure 5.3 Nike#MakeitcountCampaign

5.2.4 FEATURES OF DIGITAL MARKETING:

Segmentation:

The behaviour in terms of choices and preferences in Social Media is explored in Digital Marketing, which focuses on a more precise approach. The advertisement is tailored to certain segments of the audience based on demographic factors.

With just a few clicks, a firm or organisation may sell its products or services all over the world. A PPC ad campaign, for example, can simply target a certain city, state, or country anywhere on the planet.

Cost:

When compared to traditional marketing, digital marketing provides a significantly better return on investment. Digital Marketing is preferred by small businesses in particular because of its cost effectiveness and increased return on investment.

Advertising on television, radio, billboards, and mailers is far more expensive than advertising on social media, blogging, and content marketing. Furthermore, not only are these solutions cost-effective, but they are also permanent; they will remain in place until you remove them.

Defining the Target Audience

Advertisers can use digital marketing tactics to offer their items to a specific audience depending on a range of characteristics.

Pay Per Click and Social Media Ads can be tailored to a certain demographic based on their age, gender, location, interests, choices, and preferences. People that learn about a company through strategies like content marketing and SEO will go online and look for related keywords.

Buying intent

On the other hand, digital marketing seeks to target potential clients based on their preferences. This means that people who find your product or service on the internet are there because they are ready to buy or are actively looking for a solution to their problem at the time.

As a result, digital marketing has a far greater conversion rate than traditional marketing.

Customer Engagement

The goal of digital marketing (online marketing) is to start a dialogue that is valuable initially. Digital marketing is an unbounded technique that attracts customers to a company. When we're trying to reach out to a younger demographic who uses social media and other online channels, digital marketing is a good option.

Longevity

There are a variety of digital marketing tactics, such as Search Engine Optimization and Email Marketing, that can be beneficial to your organisation in the long run. Video marketing, social networking, blogging, and content creation are all tools that can help you grow your online presence and, eventually, your business.

Because the majority of these internet strategies have a cumulative effect, your website or business will continue to attract new visitors and consumers for months, if not years.

Measuring Profitability:

All social media and corporate websites nowadays employ tools and plugins to track visitors and determine what they came for and what actions they took.

Google Analytics is a service that allows you to track overall customer behaviour. By assessing the impact of a certain ad or any marketing approach, digital marketing will offer you with enough data to better understand your customer.

5.2.5 EXPERIMENTAL MARKETING:

Experiential marketing, often known as engagement marketing, is a marketing technique that immerses or deeply involves customers in a product. In a nutshell, experiential marketing allows customers to not only buy but also experience a brand's products or services. Memorable and

unique experiences generate emotional connections between the brand and the consumer. Experiential marketing not only entails client engagement, but it also frequently improves it. E-Marketing

5.2.6 FEATURES OF EXPERIMENTAL MARKETING:

1. It Finds People Where They Happen to Be

Assume you operate a company that sells organic pet treats. People and their pets may sample your product without having to travel out of their way by setting up a pop-up store at a local animal charity function.

You avoid "interrupting" consumers by placing experiential consumer marketing in strategic locations at key times. This allows you to engage them where they are.

2. Partnerships can provide excellent opportunities for experiential marketing.

Consider collaborating with other brands for an immersive marketing campaign. Perhaps you sell document control solutions to businesses, while another business in your building sells accounting software. What if you rented out a local café for a day to give "advisory speed dating" to assist local businesses in locating key business services? Both brands and consumers, as well as the venue, profit.

3. It may include both online and offline components.

Because individuals are more likely to share their experiences online, it's a good idea to think about how experiential marketing may combine the online and offline worlds. You may hand out business cards with a QR code that users can scan with their phones to complete a survey and receive a voucher when handing out free samples of a new product. Similarly, allowing participants to share their experiences by setting up a "selfie booth" can help you get your message out wider than if the event was entirely offline.

4. It can be used by small businesses and B2B firms.

While many of the experiential branding achievements you read about are from larger B2C businesses, smaller businesses and B2B businesses can also benefit from experience consumer marketing. When a brand experience teaches customers anything in a fun and engaging way, it may have a big impact.

5. It's Still Important to Set Goals and Track Results

Experiential marketing can be entertaining and engaging, but it must be profitable. As a result, it's critical for brands to define specific goals and determine how they'll track achievement before embarking on an experiential marketing campaign. If you want to "increase brand awareness" through an immersive consumer marketing campaign.

For example, you may track your brand's social media activity in the days leading up to and following the campaign.

Tracking results not only ensures a successful consumer marketing campaign, but it also makes executive buy-in for the next one easier.

5.2.7 HOSPITALITY MARKETING MANAGEMENT:

A solid marketing plan is essential for any business to develop a strong brand and engage customers. It's no different in the hospitality sector. Customer loyalty is frequently critical to success in restaurants and hotels, as many hospitality businesses rely on repeat customers and brand advocates for the majority of their revenue. Repeat customers can account for as much as 40% of a store's or hotel brand's income.

A hospitality marketing strategy, like any other promotional endeavour, can encompass a wide range of activities, from digital assets such as content marketing to direct advertising efforts. Many hotel companies blend their offline and internet marketing efforts. For example, a restaurant might conduct an online campaign offering loyal consumers a special discount when they purchase a specific dish from one of their physical locations.

Customers are sold "experiences" by hospitality firms above all else. This necessitates the use of experience-based advertising in their marketing initiatives. If businesses can demonstrate that they can create the most memorable moments, they will succeed in the hospitality industry.

The important reasons for companies to have the right hospitality marketing plans are as follows:

1. Enhance word-of-mouth marketing

Many hospitality firms will have a customer base made up of previous clients and guests to some extent. Modern businesses, on the other hand, may ensure that they're making the most of their prospects by using the right hospitality marketing and advertising techniques.

For example, social media advocacy campaigns can encourage past hotel guests to submit evaluations on a social media outlet that attracts new visitors. Customers can leave reviews in local review forums and on Yelp pages. For years, hospitality businesses have depended primarily on word-of-mouth marketing and social proof to fuel their growth. The fires of these already-successful campaigns are stoked by a hospitality marketing approach.

2. Outshine the competition

Companies need a fresh approach to identify themselves and outshine the competition as the hospitality business transforms with smartphone apps, Airbnb, and UberEats, among other things. Hospitality marketing is a wonderful approach to highlight your company's unique selling characteristics. You may, for example, use case studies and reviews from your most satisfied customers to demonstrate to your consumers that you provide the greatest possible customer service.

You may even tour people around your premises with an offline marketing campaign, allowing them to see first-hand how they'll have an outstanding time with you. For example, an online competition to win a free hotel stay gets people talking about your business while also providing you with some great user-generated content in the form of a review from the winner.

3. Adapt to the changing landscape

Businesses who can remain ahead of the curve will thrive as digital marketing trends continue to advance. Developing a hospitality marketing plan forces companies to evaluate their current promotional activities and make adjustments depending on what they know their customers want. You may improve your strategy and ensure that your marketing initiatives are long-lasting with a competitive analysis and insight from a professional branding firm.

For example, approximately 6 out of 10 clients choose their hotel based on information found on the internet. Any of your clients' pressing inquiries could be answered with the help of content marketing methods. However, if you remain silent online, you may be increasing the likelihood that your target audience may seek lodging elsewhere.

When it comes to great hospitality marketing management, there are a few things to keep in mind.

1. Start with a sensational site

It's quite rare that your marketing approach doesn't already include a digital component. However, if you don't, you'll be missing out on a huge pool of potential clients. Building a website that communicates to your target audience is the first step in "getting digital." The goal is to make a website that is as warm and appealing as your hotel. Guests must be able to envision the delectable meal they will enjoy at your establishment, or they will not return.

Include as much branded images as you can, and invest on a professional video tour if you can. Remember that your website must do more than simply "look" good; it must also function properly. Make sure your content is clear, consistent, and simple to navigate.

2. Develop a great social presence

In practically every industry, social media has become an integral aspect of many marketing efforts. It's especially critical to have a good social media presence in the hotel industry, since the connections you build with your clients are crucial.

Determine which channels your clients like to use. Visual channels such as Pinterest and Instagram are especially effective for hospitality firms such as hotels and restaurants since they allow you to showcase your meals, rooms, and other interesting events. Take a look at Airbnb's Instagram account, which is full with amazing destinations that travellers can visit.

3. Manage your reputation

As previously said, many clients in today's digital age rely on word-of-mouth and evaluations to determine which hospitality companies they should partner with. When it comes to picking an experience that's right for them, customers are more likely to believe the opinions of other individuals with whom they connect.

While you have no influence over what others say about your company, you can manage and preserve your reputation. Check out what others are saying about you on review sites, and reply to bad feedback by offering to fix the problems your customers are describing. Don't forget to urge your satisfied customers to post positive evaluations as well, so that any negative feedback is drowned out by positive feedback.

4. Educate your guests with content marketing

Content marketing is without a doubt one of the most beneficial methods to include in your hospitality marketing strategy. You can enthuse and engage your audience with content while also increasing your chances of higher rankings in search engine result pages. Making sure you distribute the proper content is crucial to your success. The best way to increase your chances of selling is to create keyword-rich, insightful content that speaks directly to your target audience.

Just have a look at the Hotel Indigo in Durham's blog page. Interviews with hotel directors, recommendations for which art museums to visit while in Durham, and more can all be found on the site.

Just keep in mind that content marketing is a long-term plan, and you shouldn't expect to see immediate results. If you want to succeed, you'll need to stick to a regular posting schedule for blogs, videos, and other content.

5. Optimise for search engines

Finally, check to see if your digital hospitality marketing approach is search engine friendly. While there are numerous methods to engage with hospitality clients in today's technologically enhanced world, establishing a strong organic presence is one of the most vital. After all, when your consumers are looking for somewhere to dine or stay, they will most likely use their computer or smartphone to search for possibilities.

When people search for words and phrases that are linked to you, search engine optimization is your means of ensuring that you appear near the top of the search results.

According to research, the top Google result receives approximately 33% of all clicks. There are numerous strategies to improve your SEO approach, including:

Obtaining relevant company backlinks: Reach out to relevant people in your industry and request a link back to your company or a link back to yourself via a guest post on their website. E-Marketing

Choosing the appropriate keywords: The use of a mix of long and short-form keywords that mirror your target audience's language increases your chances of getting good search results.

Improving the look of your website: A quick website with interesting pages that persuade visitors not to leave shows Google and other search engines that you are deserving of a top ranking.

Example:

Four Seasons: Online magazine

For businesses of all sizes, blogs and articles are a traditional type of content marketing. An online magazine can be a terrific approach to attract the attention of clients seeking for ideas on which restaurant to visit or where to go on their next trip in hospitality marketing.

The Four Seasons digital magazine is an interactive web campaign packed with helpful information to help you plan your trip. You may learn about the best meals in different regions of the world, as well as read stories from brave people. With a simple call-to-action button in the top right-hand corner, you can book a hotel reservation for any destination that catches your eye as you read through the magazine.

Marriott: Films (video marketing)

Finally, video marketing has become an important component of many advertising campaigns in recent years, and it is especially beneficial to the hospitality business. There are plenty of fantastic experiences that you may show off through film with businesses that run hotels, recreational facilities, and restaurants. When Marriott Hotels debuted their short film promotion, they took advantage of this aspect.

Marriott was able to show guests what to expect from their hotel stays while also emphasising the unique quality of their brand personality through short films. Similarly, films may be used for everything from behind-the-scenes tours to one-on-one interviews in the hotel industry.

5.3 SOCIAL MARKETING

Social marketing is the use of marketing to effect social change. Social marketing can be used to attain particular societal behavioural goals by utilising various marketing and advertising tactics. Social marketing is the application of marketing and its strategies to benefit the general public rather than the firm. Environmental issues, health, safety, ethics, law, human rights, peace, and other causes that have benefited society as a whole have all benefited from social marketing.

The systematic application of marketing, together with other concepts and approaches, to attain specified behavioural goals for a social good is known as social marketing. For example, urging people not to smoke in public places, requiring them to wear seat belts, or requiring them to adhere to speed restrictions are all examples of this.

The major goal of social marketing is 'social benefit,' whereas the primary goal of commercial marketing is 'money gain.' This isn't to say that commercial marketers can't help people achieve social good.

5.3.1 DEFINITION

The International Social Marketing Association definition states:

“Social Marketing seeks to develop and integrate marketing concepts with other approaches to influence behaviour that benefit individuals and communities for the greater social good.

Social Marketing practice is guided by ethical principles. It seeks to integrate research, best practice, theory, audience and partnership insight, to inform the delivery of competition sensitive and segmented social change programmes that are effective, efficient, equitable and sustainable”.

To "sell" healthy behaviours, social marketing employs the same set of tactics that are used to "sell" jeans. Commercial marketing is based on four fundamental principles. They're known as the "4 Ps."

P1 - Product is the thing you're trying to sell. A behavior change or a shift in attitude is the product of social marketing. A campaign might be created to encourage adolescents to use condoms or to persuade them that spreading rumors is bad or dangerous.

P2 - Price is the cost. Price is the cost of altering behavior in social marketing. When an individual commit to a new habit that has been described as uncomfortable, time consuming, and embarrassing, it is difficult to quantify the personal costs of using a condom. The purpose of social marketing is to reframe the recommended behavior change so that the consumer sees that the advantages outweigh the effort or cost of change.

P3 - Place is the location and method of reaching the prioritized demographic. Place in social marketing refers to any efforts to make changing a consumer's behavior as simple as feasible. It could entail providing free or low-cost condoms at handy locations (such as schools, pubs, or restrooms) or rescheduling a clinic to accommodate busy students.

P4 - Promotion is the method of informing the public about the change messages. One way to attain this goal is through advertising. In order to reinforce the message on numerous levels, a marketing campaign

comprises inserting messaging about the required behaviour change into all current community initiatives. E-Marketing

P5 - The goal of policy is to influence policy that isn't punitive but promotes positive behaviour change.

5.3.2 Importance of Social Marketing

Social marketing aims to achieve a number of goals, including educating society about a particular topic, raising awareness, providing solutions, influencing behaviour, highlighting current issues, raising awareness about assistance schemes, and spreading the word about social organizations. Negative social marketing initiatives that raise public awareness about issues are also quite effective, such as the use of images of oral cancer and ulcers on tobacco boxes in India to reduce smoking usage. The basic human nature is to do good to nature and society, and social marketing capitalizes on these emotions to resurrect the thoughts and feelings of doing good to society. It employs a variety of statistical tools to forecast and analyses demand and consumption patterns for specific products and services, consults experts to develop marketing strategies for campaigns, employs public funds and has relevant cost analysis and return on investment in terms of behaviour influence, and employs media tools to broadcast the message to the general public.

Both social marketing and social media marketing are distinct marketing ideas that should not be conflated. While social media may or may not be utilized for monetary gain, social marketing is purely for charitable purposes.



Fig 5.2.2 Importance of Social Marketing

Both social marketing and social media marketing are distinct marketing ideas that should not be conflated. Social marketing is strictly for charitable purposes, whereas social media may or may not be utilised for monetary gain.

One of the most effective strategies to persuade people to take social action and work on behavioural change is through social marketing. Various social marketing efforts can quickly capture the public's interest. With the tactics used for social marketing, one can easily target their target audience.

Audience perceptions are positively influenced by social marketing. Social marketing is most effective when programmes for the target audience are tied to their understanding of society, which is not only more productive but also more effective.

Social marketing is beneficial to businesses since it raises brand awareness among the general public. 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 easily reach their target audiences. In comparison to other forms of social marketing, there will be less research and development.

Social marketing, like commercialization, plays an important function in influencing individuals. And commercialization is incomplete without social marketing, as every company must engage in social marketing in order to communicate to the public that their purpose is to improve society.

Social marketing is one of the most accessible marketing initiatives, as it allows one to readily reach out to the general population. They can simply encourage societal changes and ensure that the things they are promoting support our desire to the general public.

People are influenced to choose a fit and healthier lifestyle by social marketing, which promotes proper health care. It also informs people that they must be conscious of societal behavioural changes and live a quality life in the community. By promoting it on numerous channels such as social media, posting images, blogs, and videos, social marketing can swiftly reach amazing advertising.

Social media is quickly becoming one of the most important aspects of digital marketing, offering incredible benefits that allow businesses to reach millions of customers around the world. And if you're not taking advantage of this lucrative resource, you're missing out on a fantastic

marketing opportunity, as it makes it simple to get the word out about your product and mission. E-Marketing

Improved brand awareness

One of the most stress-free and profitable digital marketing tools for increasing your company's visibility is social media. Create social media profiles for your company and begin networking with others to get started. You may greatly boost your brand recognition by implementing a social media strategy. Over 91 percent of marketers reported that their social media initiatives considerably boosted their brand visibility and heightened user experience by spending only a few hours each week. Having a social media presence for your brand can undoubtedly benefit your business, and with regular use, it may quickly generate a large following for your company.

Cost-effective

Social media marketing is possibly the most cost-effective technique to implement an advertising strategy. Almost all social networking platforms offer free registration and account creation. However, if you decide to employ paid social media advertising, start modestly to have a sense of what to expect. Being cost-effective is vital since it allows you to achieve a higher return on investment and allocate more funds to other marketing and company expenses. You may greatly enhance your conversion rates and, as a result, earn a return on investment on the money you initially invested by simply investing a little money and time.

Engage with your customers

Customers can be engaged and interacted with through social media. The more you communicate with your audience, the more likely it is that they will convert. Set up a two-way communication channel with your target audience so that you can easily understand their needs and cater to their interests. Furthermore, communicating and engaging with customers is one of the most effective ways to capture their attention and express your brand message. As a result, your brand will reach a larger audience and establish itself without difficulty.

Improved brand loyalty

When you establish a social media presence, you make it simple for your clients to find you and engage with you. If you connect with your customers on social media, you're more likely to enhance client retention and loyalty. Because building a loyal customer base is one of the most important aims of almost any business. Customer satisfaction and brand loyalty are often linked. It's crucial to keep in touch with your clients on a regular basis and establish a relationship with them. Social media is not only a terrific way to showcase your products, but it's also a great area to launch promotional campaigns. Customers see these platforms as service channels through which they can interact directly with the company.

Healthier customer satisfaction

Social media is a crucial tool for networking and communication. With the use of these platforms, you can give your company a voice that will help you build your entire brand image. When customers post comments on your page, they like to receive a personalised answer rather than a generic statement. A company that cares about its customers takes the time to create a personalised statement that is organically positive.

Marketplace awareness

Instead of directly connecting with your clients, market awareness is one of the finest ways to learn about their needs and goals. It is also recognised as the most valuable benefit of social networking. By looking at the activity on your profile, you can see what consumers are interested in and what they think, something you wouldn't know otherwise if you didn't have a social media presence. Social media can help you obtain information and gain a better understanding of your business as a supplement to traditional research. You can use different tools to explore your consumers' various demographics once you've built up a big following.

More brand authority

Brand loyalty and customer satisfaction are crucial aspects in business growth, but it all comes down to communication. Clients build a positive mental image of you when they see your business on social media, especially when they see you reacting to their questions and providing original material. Interacting with customers on a regular basis shows that you and your firm are concerned about them. Once you have a few satisfied customers who are vocal about their wonderful purchasing experience, you may consider allowing genuine clients who appreciated your product or service to do the advertising for you.

Increased traffic

Another benefit of social media is that it helps to increase the traffic to your website. If you share your content on social media, users will be more inclined to visit your website. The more high-quality content you share on social media, the more inbound traffic you'll receive and the more prospects for conversion you'll have.

Enhanced SEO rankings

In establishing rankings, the presence of social media is becoming increasingly crucial. In order to attain a high position, SEO requirements are always evolving. As a result, just optimising your website and regularly updating your blog is no longer adequate. Businesses who publish their content on social media provide a signal to search engines about their brand's authenticity, integrity, and consistency.

5.3.3 BARRIERS OF SOCIAL MARKETING

1. Failure to develop a strong strategy:

Not having a clear strategy is one of the most dangerous and fundamental marketing difficulties.

You'll need to know what your mission is, what your goals are, and what you want to achieve along the route. Many social media marketers begin with such zeal that they neglect the finer points of the industry. As a result, there are even more marketing obstacles. E-Marketing

2. Not knowing what is the target Demographic:

You'll want to know who you'll be speaking with ahead of time. What are the interests of your target audience? What issues are significant to the people you're talking to?

Marketing automation can also be used to customise your marketing. This automation software is effective and assists you in staying in touch with your target market. It also allows you to devote more time to promoting your business or cause.

3. Engaging in the same manner on all social platform:

You'll need reliable methods for determining whether or not your social media approach is effective. Should you use the same criteria to see if your Facebook approach is successful as it is with Instagram? What might be the differences?

Different social media sites have different functions. Make sure you're familiar with the main platforms, which include: Twitter, Pinterest, Instagram, Facebook, Blogging

4. Creating yourself as the centre of everything:

We might sometimes get into the trap of focusing too much on our own points of view as writers and marketers. While there is a time and place for no-holds-barred honesty, you'll generally want to sidestep this marketing challenge by being politer. Remember to consider your target audience's needs and talk to them.

Case Study

Nutella – Incredible content that makes you salivate

Each post makes you want to eat Nutella. There are a lot of people (including me) who take photos of their food before they eat it. Nutella does the same and it works. Nutella isn't afraid to be fun and creative with different ingredients. Nutella is just a chocolate spread yet they manage to have fun with it. Do you, or could you, have a bit more fun with your brand?

Here are some ideas for having fun with your brand:

Are you on different social media channels? If you're B2B you might not think that Instagram is for you, but it can be a great way to demonstrate your brand values by telling a story. Fedex is a great example of this, showing images of their trucks always on the move. This tells a story that they are always delivering and that is the key message we take away.

Key influencers/bloggers can be a great way to different types of content and to see how they have fun with your brand (if this is new to you, read our post on the rise of the social media influencer).

Instead of posting behind-the-scenes photos at your head office, can you encourage your followers to share their experiences with your brand? Maybe host an event or go out and meet them.

Source: <https://ostmarketing.com/5-outstanding-social-media-marketing-case-studies/>

5.3.4 TRENDS IN MARKETING PRACTICES IN INDIA AND ACROSS GLOBE

In July 1995, Amazon.com launched as the "world's largest bookstore." It promised to revolutionise commerce when it was founded by Jeff Bezos as a virtual bookstore with no physical books. To achieve the same goal, Amazon constructed individualised storefronts for each consumer, delivering more relevant information and options than a conventional neighbourhood bookshop. It made a name for itself as an online marketplace. It is frequently updated, has excellent material, and a wider audience. It focuses mostly on the platform's technological aspects and numerous products.

In the list of current marketing trends, digital marketing is undoubtedly the most essential and notable. This trend has quickly grabbed on to reach out to diverse communities relevant to virtual marketing for an organisation. Companies are always developing new, innovative, and eye-catching methods. New ones are made by the hour, and old ones are replaced or altered before they have had enough of the day's light. Digital marketing is the trend of the future, thanks to the expansion of e-commerce and technological advancements. Its reach will expand as the user base grows at an exponential rate, thanks to its capacity to transcend geographic and financial restrictions.

The youngsters place a high value on the digital realm. It is a certain approach to reach out to them in ways that are tailored to the users' needs and interests. Some of them work on a multi-dimensional level and overlap within the sub-categories. The number of subcategories under this heading is rising by the day, therefore compiling an entire list is impossible. The opportunities for integrated trends are also prospering within the digital trends. Integration of social media with a company's website, integration of blogs and social media, and so on.

The following are some of the most important and consistent digital marketing trends:

Online Marketing

Online advertising, internet marketing, online advertising, and e-marketing are all terms used to describe online marketing. It is the online marketing

and promotion of items or services. For instance, blogs, online banners, search engine results, social network advertising, e-mail marketing, and online classified advertising are all examples. E-Marketing

In internet marketing, the tactics stated above, as well as many others, are used on an integrated platform. Facebook, MySpace, and other social media sites are included.

The following are just a few examples of different methods of online marketing:

Email marketing is the use of electronic mail to target customers (email). Email marketing, which is often coupled with data mining, can be used to influence customers in a variety of ways. Email marketing, in general, is a more advanced, digital version of traditional direct mail marketing. Email marketing is a type of direct marketing that involves sending commercial or fundraising messages to a target audience via email. Every email sent to a potential or current consumer might be considered email marketing in the broadest sense. Your overall marketing strategy and business plan should include an email marketing strategy.

Email Service: There are a variety of companies that provide email services. By focusing on the most popular, marketers can increase the success of their initiatives. The following email clients are ranked by the number of times their emails are opened.

iPhone - 20% ,Outlook - 18% , Yahoo Mail - 13% , Apple Mail - 8%, Hotmail - 8% , iPad - 8% , Android - 7% , Gmail - 5% , Web Version - 5% , Windows Live - 3% , Other - 3% , AOL - 1%

Provider of well-known e-marketing services

Over the last 15 years, the email marketing sector has expanded. Companies spent \$1.51 billion in 2011 on email marketing. To capitalise on this trend, a number of organisations have begun to offer email marketing services to both large and small enterprises.

Some of the most well-known service providers are as follows:

1. Contact, Benchmark Email, Constant Contact, Pinpointe, Get Response, Mailgen.
2. Display advertising: Companies utilise banner ads, web banners, and other forms of advertising on websites that allow it. The goal here is to get people to go to their (advertiser's) website from this one.
3. Affiliate marketing: In this strategy, a company pays an affiliate for each visitor or customer acquired through the affiliate's marketing efforts.

4. Content marketing: It is a strategy of creating specialised content like as blogs, eBooks, articles, and infographics, among other things. The material piques people's curiosity and drives traffic.
5. Video marketing: In this case, videos are developed and posted in order to attract customer viewers and persuade them to purchase a product or service adding fresh content videos should be used from time to time to generate more engaging ideas with clients in order to maintain their loyalty.
6. SEM (Search Engine Marketing): It's a simple sort of web marketing in which businesses try to boost their visibility when visitors use search engines to find them.

This can be accomplished through techniques such as paid placement, contextual advertising, and so on.

Blog -

Using Blogging as a Tool for Marketing

Although the world of blogging has evolved over the years, the format remains a helpful and relevant marketing tool. Being current in your blogging techniques and marketing initiatives requires staying on top of the latest developments. Blogging tactics and strategies grow in the same manner that digital marketing practises do to match new expectations.

Investigate the latest trends in the blogosphere before launching a successful internet marketing strategy. Once we know which blogging methods are current and effective, we can fine-tune our digital marketing campaigns to incorporate what we've learned.

The term "blog" refers to a web log. It is the gathering, displaying, and debate of information on a variety of themes chosen by the blogger and the visitors. The blogger is the person who developed the blog, regularly updates it with new content, and allows internet visitors to view and comment on it. The majority of the time, each blog discusses a specific topic. As a result, blogs can cover as many topics as feasible. The Content Marketing Institute provides a list of the top blogs and the topics they cover. As a result, the top-rated blog has been identified as Convince and Convert.

MABs, or Multi Author Blogs, are professionally edited and created with input from various authors. Newspapers, professionals, universities, and other sources are all possibilities.

Visitors to blogs can offer their ideas in the form of comments, questions, and admiration, among other things. Anyone who wants to create and write a blog can do so and fill it with information relevant to their interests. Traffic refers to the number of people who visit a website. The more visitors there are, the more traffic there will be.

Different types of blogs can be stated as follows:

Personal blogs are created by individuals who write about whatever they wish. Individuals can choose their own subjects.

Corporate Blogs: A corporate blog is one that is produced for a company. They can be created for either internal or external use. Internal blogs are mostly used for staff communication and engagement, whereas external blogs are primarily used for marketing, customer contact, public relations, branding, and other purposes.

Microblogging is the practise of publishing little amounts of digital content on the internet. Text, images, videos, and other media are used to create the content. In this category, Facebook is a good example.

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

Mobile marketing -

It refers to all activities that use mobile devices and networks to link advertisers with consumers. Phones, PDAs, media devices, portable game consoles, tablet computers, and, of course, devices that serve as all of the above are all considered mobile devices. Some mobile devices enable only a few advertising channels (for example, a basic cell phone can receive text messages), while others support many more, such as mobile Internet access, video messaging, and the ability to actively initiate and interact with advertising (for example, by scanning a QR code).

Reliance Fresh, for example, will send text alerts about the newest bargains on veggies, snacks, hygiene care, and other products sold in the store. This allows the customers to quickly gain in any offers they find relevant from time to time.

Marketing on Social Media

Companies like Facebook dominate the social media sector by providing a virtual platform that allows users to engage with an entire community at the same time.

Due to customer acceptability and creative user interface technologies introduced for the purpose, this internet marketing trend has grown in a relatively short period of time. The goal of this marketing technique is to increase website traffic or attention by using social media networks. Anyone with an internet connection can simply access it. Organizational communication improves brand recognition and, in many cases, customer service. Furthermore, social media provides a relatively low-cost platform for businesses to launch marketing efforts.

Advertisers on social media employ communication methods that are both accessible and scalable. If the communication is web-based, it can even be turned into an interactive mobile communication.

The popularity of social media can be attributed to the fact that smartphones and tablets have made it easier to use and have simplified the user interface. According to research, over 38 million people use their mobile phones to access social media. The trend indicates that mobile devices have surpassed PCs in terms of usage.

The five characteristics listed below help to illustrate the complicated concept of social media:

1. **Participation:** Users should be able to participate in chats, online activities, and any other feature of the system that keeps it together.
2. **Accessibility:** People of all interests must be able to access it whenever and wherever they choose, regardless of geographic or time constraints.
3. **Interactive:** A platform must be accessible and participatory in order to be interactive. The ability to communicate and collaborate among many parties on the medium employed is referred to as interactive.
4. **Digital space:** Digital space encompasses all of these characteristics. That is, it must take place through the internet.
5. **Connectivity:** Interested parties must be able to access the internet and engage regardless of their location.
Social media includes blogs, podcasts, forums, microblogging, and networks, among other things. The following is an explanation of how social media works, grows, and is important:
 1. It offers a one-of-a-kind approach to learn what customers genuinely think about a product, service brand, or company.
 2. It enables widespread communication via a digital platform.
 3. Its low expenses have allowed even tiny businesses to enter this arena in order to acquire visibility and stay in touch with their customers.
 4. It aids in the projection of newer approaches that will be necessary in the future to keep up with present events.
 5. It enables marketers to understand and assess how change is induced in real time.
 6. It not only enables one to comprehend what marketers are attempting to promote, but it also provides insight into what the market requires.

Viral Marketing -

What is the definition of word-of-mouth marketing?

The most powerful media on the earth is Word of Mouth Marketing (WOMM). It's the act of two or more consumers giving their thoughts about a product or service. It's what occurs when people naturally become

brand ambassadors. Marketers, CEOs, and entrepreneurs consider it the golden standard since it has the power to create or kill a product. Its success is due to its honesty and naturalness. E-Marketing

What is viral marketing and how does it work?

Viral marketing is an attempt to spread a marketing message among consumers fast and exponentially. These days, it's usually in the form of an email or a video. Viruses aren't bad, contrary to popular belief. It isn't unnatural or dishonest. It's word-of-mouth enabled at its best, and it's just another interruptive commercial message at its worst.

Viral marketing is a type of promotion that relies on the free spread of ideas through word of mouth. When you like something, it's natural to want to tell someone you like about it. You enjoy sharing something cool you've discovered with others, whether it's with friends, relatives, or co-workers. Those with whom you share something will, in turn, share it with their network of friends.

The ultimate goal of marketers who want to create successful viral marketing programmes is to create viral messages that appeal to people with high social networking potential (SNP) and that have a high chance of being presented and spread by these people and their competitors in their communications with others in a short amount of time.

Characteristics of viral marketing:

Distribution: Viral material spreads like a virus, in an ever-expanding loop that may never stop. Spreading content endlessly from person to person is a superior way for a web marketer to promote content at a fraction of the time and cost required by traditional marketing techniques.

Reach: A effective viral marketing campaign can exponentially enhance the reach of your communications by putting you in touch with thousands of prospects who would otherwise go unnoticed if you used standard communication methods.

Awareness: More individuals who see your material will be aware of who you are, what you do, and what services you can provide to clients. Not only will you establish yourself as an authority in a given industry by sharing knowledge on that topic, but people will naturally come to you for guidance and recommendations.

Cost: Viral marketing is reasonably inexpensive because you do not need to set aside a large budget to promote your products or launch campaigns that cater to all of your potential clients' wants. When your content goes viral, your supporters become your most effective marketing agents.

GUERRILLA MARKETING -

It's a marketing approach that focuses on low-cost, non-traditional marketing tactics that get the best outcomes. Jay Conrad Levinson created the word in his book 'GUERRILLA ADVERTISING' in 1984. He is

generally referred to as a Guerrilla Marketing guru. Guerrilla marketing is a word inspired by guerrilla warfare, a type of irregular warfare in which armed people deploys small strategy methods. Ambushes, sabotage, raids, and elements of surprise are all used in several of these techniques. Guerrilla marketing, like guerrilla warfare, employs similar methods in the marketing profession.

Guerrilla marketing is all about surprising the customer, leaving an indelible impression, and generating a lot of social chatter. In comparison to more traditional types of promotion and marketing, it leaves a considerably more positive impact on customers. This is because most guerrilla marketing efforts want to connect with customers on a more intimate and memorable basis. Guerrilla marketing has a number of advantages, one of which is that it is unexpected. It takes a customer off surprise and elicits an emotional response, such as laughter, astonishment, or despair. It's simple to see why marketers would prefer their customers didn't know how they're utilising guerrilla marketing. They may simply cease responding if they are aware of their secrets.

Guerrilla marketing began as a strategy geared at tiny enterprises with limited resources, but this hasn't stopped large corporations from adopting the same philosophy. To supplement their advertising operations, larger corporations have turned to unusual marketing. Guerrilla marketing strategies can also be considerably riskier for a large corporation. Their guerrilla stunts can sometimes backfire and turn into a public relations nightmare. Smaller firms aren't as vulnerable because most people will dismiss it as another unsuccessful stunt.

Advantages of Guerrilla Marketing:

- i. Execution is inexpensive: Guerrilla marketing is far less expensive than traditional advertising, whether it's done with a basic stencil or a large sticker. Guerrilla marketing offers a significant benefit to small enterprises on a limited budget.
- ii. Makes it possible to think creatively: Guerrilla marketing necessitates a high level of creativity and inventiveness. Originality and never-before-seen concepts are always beneficial in this form of marketing.
- iii. Increases as a result of word-of-mouth: Guerrilla marketing is mainly reliant on word-of-mouth marketing, which is often regarded as one of the most effective marketing tools. It only suits the business's purpose when individuals start talking about a product/service promotion on their own.
- iv. Publicity has the potential to snowball: Some particularly noteworthy or innovative guerrilla marketing tactics will be picked up by local (and perhaps national) news outlets, resulting in a powerful PR effect that marketers lust after.

Cons of Guerrilla Marketing:

- i) Involvement of the authorities: Some types of guerrilla marketing, such as no permission public graffiti, might cause authorities to become irritated.
- ii) Unpredicted obstacles: Many guerrilla marketing strategies are vulnerable to inclement weather, miscalculated timing, and other little mishaps that can rapidly derail a whole campaign.
- iii) Potential backlash: Businesses that are employing guerrilla marketing tactics that they don't approve of may be called out by savvy audiences. This is especially true in covert marketing campaigns: be prepared to face the consequences if you're caught.

GREEN MARKETING -

The term 'green' denotes purity in this situation. Green denotes high quality and fairness or justice in dealings. Green advertising, for example, refers to advertising that has no negative impact on society. The term "green message" refers to facts that have been matured and are free of hyperbole or ambiguity. Green marketing is a hotly disputed topic among everyone from laypeople to professionals.

Definition:

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

The concept of green marketing is concerned with environmental protection. Many issues have arisen as a result of modern marketing. Rapid economic growth, mass production using advanced technology, a comfortable and luxurious life, style, fierce competition, the use of unhealthy marketing tactics and techniques to attract customers, exaggeration in advertising, liberalisation and globalisation, the creation of multinational companies, retailing and distribution by giant MNCs, and other factors all contributed to several other issues.

Department stores, specialty stores, and shopping malls are bursting at the seams with both needed and useless items. All of these causes have put people's well-being and ecological equilibrium at jeopardy. Giant factories, in particular, have been a source of several pollutions. Many products have negative environmental consequences during their production, usage, and disposal.

Excessive pollution has aroused Nature, causing it to behave in unnatural 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). Economic growth based on production and consumption endangers human existence on the planet. Green marketing is an effort to protect consumer welfare and the

environment (nature) by producing, consuming, and discarding environmentally friendly items.

Green marketing is primarily concerned with three aspects:

1. Encourage the creation and consumption of pure/high-quality goods.
2. Dealing with consumers and society in a fair and reasonable manner, and
3. Protection of ecological environment.

Global ecological imbalance and global warming (also known as global cooling) have prompted environmentalists, scientists, social organisations, and concerned citizens to take tangible steps to prevent further environmental degradation. The World Bank, the SAARC, the United Nations, the World Health Organization, and other globally powerful organisations have begun to advocate and implement green marketing. The world environment conference in Copenhagen (2009) was a huge event that demonstrated the gravity of the ecological imbalance.

The 5th of June has been declared as World Environment Day to raise awareness. Green marketing emphasises the protection of customers' and society's long-term welfare through the development and use of pure, useful, and high-quality products that have no negative impact on the environment. The media has begun a crusade to safeguard the environment from further deterioration. Natural water resources are being conserved around the world.

As a result, green marketing is a marketing strategy that encourages the manufacture and sale of pure (environmentally friendly) products while maintaining ecological balance. Green marketing entails a variety of actions. Green marketing promotes the creation of pure products using pure technology, energy saving, environmental preservation, minimal use of natural resources, and the consumption of natural foods rather than processed meals. Green marketing refers to people's, social organisations', businesses', and governments' activities in this area.

Green marketing speaks out against the manufacture, consumption, and/or disposal of items that affect consumers, society, and the environment in some way. It is critical that businesspeople and consumers avoid dangerous items.

Impacts or Importance of Green Marketing:

Green marketing has a good impact on people's health and the environment. People are aware of pure items as well as pure manufacturing, use, and disposal procedures. It also fosters collaborative efforts for purity in both production and consumption.

1. People are now demanding pure products based on organic farming, such as edible items, fruits, and vegetables. Vegetarian cuisine is becoming increasingly popular.
2. Reducing the usage of plastics and things made from plastic.

3. Increased use of herbal items rather than processed foods.
4. Leafs should be used instead of plastic pieces, and jute and cloth bags should be used instead of plastic carrying bags.
5. Increasing the use of bio-fertilizers (produced from agro-waste and wormy-composed) rather than chemical fertilisers (i.e. organic farming) and reducing pesticide use.
6. Efforts to recycle garbage from consumer and industrial items around the world.
7. More herbal medicines, natural therapy, and yoga are being used.
8. Strict safeguards for forests, flora and fauna, as well as pollution-free rivers, lakes, and seas
9. International bans on the manufacturing and use of hazardous weapons, as well as atomic tests, etc. Many organisations from various countries have drafted provisions to safeguard the ecological balance.
10. Producers' social and environmental accountability should be emphasised more.
11. Imposing strict pollution control regulations. When giving IS), ISO 9000, or ISO 14000 certificates and other accolades, pollution control initiatives and eco-technology are taken into account.
12. The 5th of June has been declared as World Environment Day.
13. Strict legislative restrictions on duplication and adulteration.
14. Establishing a number of national and international institutions to monitor business firms' efforts and actions in regard to pollution management and the creation of environmentally friendly products.

CHALLENGES IN GREEN MARKETING

Need for Standardization:

It has been discovered that only 5% of marketing statements from "Green" efforts are totally factual, and there is a lack of standardisation to verify these claims. There are no standards in place to verify these assertions. There is currently no norm in place for certifying a product as organic. There will be no verifiable means unless certain regulatory agencies are involved in issuing the certifications. For such labelling and licencing, a standard quality control board is required.

The public is dubious of green claims to begin with, and if a green claim is revealed to be incorrect or contradicted by a company's other products or practises, it can substantially harm a company's brand and sales. GREENWASHING is the practise of portraying a product or service as green when it is not. Many hotels in the United States, for example, include a sign requesting clients to reuse towels rather than washing them

to save the environment. This isn't correct. As a result, it's a case of greenwashing.

New Concept:

Due to the different demands, economic situations and political dilemmas, unhealthy lifestyles, unstable governments, and selfish interests of large corporate houses/ economy, the concept faces challenges in reaching out to all. Green products are becoming more popular among literate and urban consumers. However, for the general public, it is still a novel concept. Environmental threats must be taught and made known to the customer. The new green movements will need to reach out to the majority, which will require time and effort.

Patience and perseverance:

Investors and corporations must regard the environment as a big long-term investment opportunity, while marketers must consider the long-term benefits of the new green movement. It will take a lot of patience and there will be no quick results. Because it is a novel notion and idea, it will go through its own time of acceptance.

Avoiding Green Myopia:

The first guideline of green marketing is to concentrate on customer advantages, or the main reason why people buy particular things in the first place. If you do it well, you may persuade customers to switch brands or even pay a premium for the greener option. It won't help if a product is developed that is completely green in every way but fails to meet customer satisfaction criteria. Green myopia will result as a result of this. Furthermore, if green products are priced too costly, they may lose market acceptance.

EXAMPLES OF GREEN MARKETING IN INDIA:

i. Indian Railways' Digital Tickets - The Indian Railways Catering and Tourism Corporation (IRCTC) has permitted its customers to carry the PNR number of their E-Tickets on their laptops and mobile phones. Customers are no longer required to carry their printed tickets.

ii. No Polythene carry bags for free: -The Forest and Environment Ministry of India has instructed retail stores such as Big Bazar, Pantaloons, More, Central, D-Mart, and others to only supply polythene carry bags to clients who are willing to pay for them.

iii) Wipro's Green Machines: - Wipro InfoTech was the first firm in India to introduce eco-friendly computer peripherals. Wipro has introduced Wipro Green ware, a new line of desktops and laptops for the Indian market. These products comply with the RoHS (Restriction of Hazardous Substances) directive, reducing e-waste in landfills. Wipro's Green Machines: - Wipro InfoTech was the first firm in India to introduce eco-friendly computer peripherals. Wipro has introduced Wipro Green ware, a new line of desktops and laptops for the Indian market. These

products comply with the RoHS (Restriction of Hazardous Substances) E-Marketing directive, reducing e-waste in landfills.

DE-MARKETING

De-marketing is a strategy or tool used to lower or limit demand for a specific product or service, either permanently or temporarily. De-marketing can be used to lower or eliminate total demand, as well as specific sorts of demand and applications, in relation to a specific stage of supply. As a result, de-marketing can be used for both corporate and public sector objectives. Manufacturers and distributors may occasionally advertise harmful products to consumers. As a result of this fact, the government and private sector must apply a de-marketing strategy to deal with these circumstances.

Efforts aimed at reducing (rather than eliminating) demand for a product that (1) a company cannot sell in large enough numbers (2) does not want to supply in a particular region where high distribution or promotion costs enable only a small profit margin.

For example, many airlines raise ticket prices during peak periods such as the December holidays, causing consumers who are more price-conscious to book their vacations during off-peak times.

For example, Indian oil companies (HPCL, BPCL, Indian Oil) do not advertise much since managing demand at the low price they sell it for would be difficult. The more fuel they sell (petroleum, diesel, and liquefied petroleum gas), the greater losses they experience. As a result, they employ De Marketing tactics.

REMARKETING

According to research, keeping an existing customer is significantly easier than finding a new one. It's also budget-friendly. Another intriguing finding from the research is that customers frequently discover new aspects or uses of a product/brand that are not advertised.

In reaction to diminishing sales, businesses take steps to reintroduce a product or service to the market. The corporation remarkets the product as improved in order to rekindle interest and, hopefully, increase sales. For example, if a newer system is offered in the market, a technology company may remarket their machine with new features in order to boost sales. The success of remarketing is determined by what factors caused the shift in demand and how the organization responds to it.

5.4 SUMMARY

"The creation, distribution, promotion, pricing, and communication of things via the entire Internet and the vast array of platforms that make up the Internet today" is how "e-marketing" is best defined." Unit has been discussed about Digital marketing. The arisen and growing use of digital

marketing has changed whole perspective of marketer. Social marketing now become a word of every mouth its far reach impact could not be negated, there are advantages as well as disadvantages of the same. Global trend of marketing has drastically changed. Development of new age technologies e.g. 5G, metaverse has been widen marketing avenues as well as challenges so its required more cautious decision about the selection of best out of the increase choices of marketing tools.

5.5 EXERCISE

A. DESCRIPTIVE QUESTIONS:

Short Answers:

1. Explain Hospitality Marketing Management.
2. Discuss the features of Digital marketing.
3. What are the different types of E-Marketing?
4. Why Technology is considered as an accelerator for today's business?
5. State the reason for Social Media being the popular mode of Digital Marketing.
6. Define Social Marketing.
7. Discuss "Social media marketing is the most cost-effective technique to implement an advertising strategy".
8. Write a note on Social media is a crucial tool for networking and communication
9. What do you mean by Remarketing?
10. Explain- Importance of Green Marketing

Long Answers

1. Discuss the role of E-Marketing.
2. Write a note on Digital Marketing.
3. How technology has impacted the Hospitality Sector?
4. Justify Digital marketing empowers a company or an organization to market its business globally with a few clicks.
5. Compare the advantages and disadvantages of the E-Marketing.
6. Explain some of the digital marketing trends.
7. What do you mean by Blog? Also discuss the various types of blogs.
8. What is Viral marketing? Explain its characteristics.
9. Explain the Pros and Cons of Guerrilla Marketing.

B. MULTIPLE CHOICE QUESTIONS

E-Marketing

1. The response rate of internet marketing is _____
 - a. Slow
 - b. Steady
 - c. Instantaneous
 - d. Static
2. Why E-mail marketing is considered as very efficient?
 - a. Database of target customers is available.
 - b. Because of increase in IT infrastructure
 - c. More usage of social media
 - d. Increase in E- business
3. _____ is the process of promoting some products of certain brands and earning your commission out of every sale.
 - a. E-Mail marketing
 - b. Article Marketing
 - c. Video Marketing
 - d. Affiliate Marketing
4. Traditional marketing is _____ more expensive than content marketing
 - a. 60%
 - b. 62%
 - c. 85%
 - d. 50%
5. What are referred as a classic form of content marketing for companies of all kinds?
 - a. Blogs and articles
 - b. Keywords
 - c. Websites
 - d. Backlinks

Answers: 1 – c; 2 – a; 3 – d; 4 – b; 5 – a;

C. Fill in the blanks

1. The strategic process of generating, distributing, promoting, and pricing items for targeted clients in the virtual world of the _____ is referred to as e-marketing.
2. Going viral with a _____ can help your product or service gain more exposure.
3. When privacy and security concerns are strong, being transparent requires a _____.
4. _____ is a continuous process of providing high-quality material to your readers.

5. _____ is preferred by small businesses in particular because of its cost effectiveness and increased return on investment.
6. denotes high quality and fairness or justice in dealings.
7. is a strategy or tool used to lower or limit demand for a specific product or service, either permanently or temporarily.
8. Social marketing is beneficial to businesses since it raises awareness among the general public.
9. The 5th of June has been declared asto raise awareness.
10. The concept of green marketing is concerned with protection

Answers: 1 – Internet; 2 – single post; 3 - significant investment; 4 – Article marketing; 5 - Digital Marketing, 6 – Green; 7 – De-marketing; 8 - brand; 9 – World Environment Day; 10 - environmental

D. State whether the following statements are True 'T' or False 'F'

1. Internet marketing has an instantaneous reaction rate.
2. When product is accessible from everywhere through internet, then company will not face worldwide competition.
3. Advertising on television, radio, billboards, and mailers is far more inexpensive than advertising on social media, blogging, and content marketing.
4. Google Analytics is a service that allows you to track overall customer behaviour.
5. Customers are sold "experiences" by hospitality firms.
6. Social marketing is less cost-effective than conventional forms of marketing.
7. One of the most stress-free and profitable digital marketing tools for increasing your company's visibility is social media.
8. Social media is a crucial tool for networking and communication.
9. Guerrilla marketing is the trend of the future, thanks to the expansion of e-commerce and technological advancements.
10. Online advertising, internet marketing, online advertising, and e-marketing are all terms used to describe online marketing

Answers: 1 – T; 2 – F; 3 – F; 4 – T; 5 – T, 6 – F; 7 – T; 8 – T; 9 – F; 10 – T

E. Match the following:

A	B
1. Communicate directly with your customers and raise product awareness.	a. Cost Effective
2. Technique of promoting particular brands' items while earning a commission on each transaction.	b. Video marketing
3. Advertising on social media	c. Social Media Marketing
4. Showing a video clip about the product	d. Marketing
5. Reliant on technology and the internet	e. Affiliate Marketing

Answers: 1 – c; 2 – e; 3 – a; 4 – b; 5 – d

A	B
1. Email marketing.	a. Banner ads, web banners
2. Display advertising.	b. Blogs, eBooks, articles
3. Content marketing	c. Search Engine Marketing
4. Personal blogs	d. Created by individuals who write about whatever they wish
5. SEM	e. Affiliate Marketing

Answers: 1 – d; 2 – a; 3 – b; 4 – d; 5 – c

