Marketing Management – I Semester

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Marketing Management

- Marketer
- Need – stated, real, unstated, delight, secret
- Want
- Demand
- Product
- Value
- Exchange
- Outsourcing
- Customer satisfaction
- Marketing channels
- Prospect
- Supply chain
- Market segmentation
- Target market

5 concepts /Orientations of marketing

- There are 5 competing concepts under which organisations conduct marketing activities.

Concepts/Orientations of Marketing

1. The Production concept
2. The Product concept
3. The Selling concept
4. The Marketing concept
   - Target market
   - Customer need
   - Integrated marketing
   - Profitability
5. Societal marketing concept

Marketing

- Is a societal process by which an individual and groups obtain what they need and want through creating ,offering and freely exchanging of goods and services of value with others.

Marketing management

- American marketing association,

  is the process of planning & executing the conception, pricing, promotion and distribution of ideas, goods & services to create exchanges that satisfies individual and organizational goals.

DIFFERENCES between

TRADITIONAL MARKETING

- Physical movement of goods
- No scope for market research
- Aim was to satisfy small group of people
- Producer, as he was in direct contact with the customer.

MODERN MARKETING

- Customers
- Tremendous scope
- Large population with complex needs
- Market research dept. collect information & pass it to top magt.

SELLING V/S MARKETING

- Activity designed to meet seller's need
- Concentrates on sales volume
- Short term goals
- Ends with the transfer of goods from seller to buyer
- Product is the prime concern

- Function designed to customer need
- Quality & customer satisfaction and hence volume
- Long term goals
- Starts with producing , as per customer requirements
- Consumer & their preference

Service

Any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.

CATEGORIES OF SERVICE MIX

1. Pure tangible good.
2. Tangible good with accompanying service.
3. Hybrid.
4. Major service with accompanying minor goods.
5. Pure service.

Some generalizations of services

- Equipment based or people based.
- Some service requires clients presence &some do not.
- Services differ as to whether they meet a personal need or business need.
- Service providers differ in their objectives & ownership.

Characteristics of services

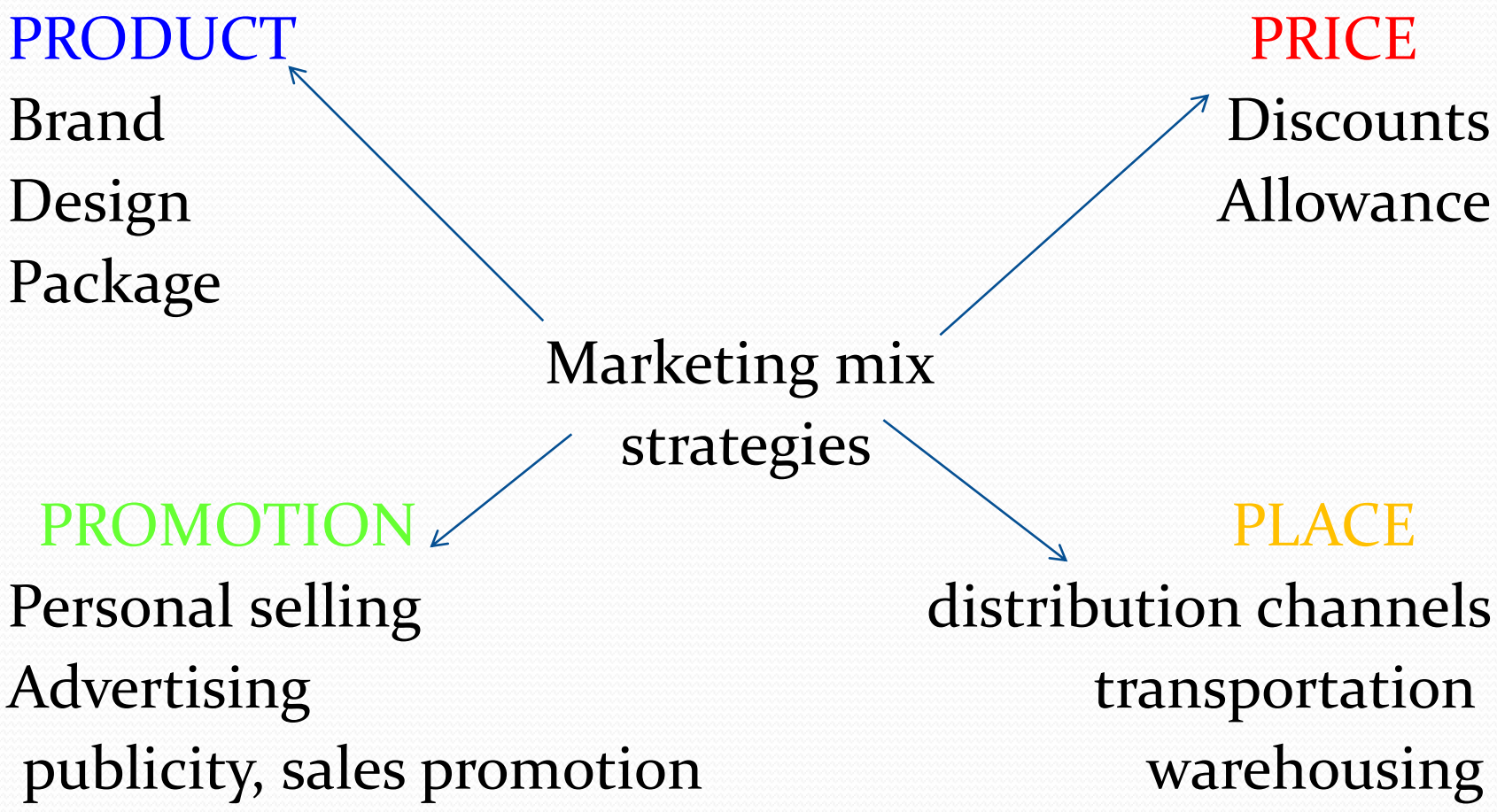
- Intangibility
- Inseparability
- Variability
- Perishability

PRODUCT

A Product is any offering that can satisfy a need/want.

In planning marketing offering, marketer needs to think through 5 levels of the product.....

Marketing Mix



BRAND

- According to American marketing association ; A Brand is a name, term sign, symbol or design or a combination of them intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

It conveys six level of meaning

- Attributes
- Benefits
- Values – producer's value
- Culture – represents certain culture
- Personality – can project-object, person…
- User- kind- who can use or buys

ADVANTAGES

- ✓ Co., will enjoy reduced marketing costs because of consumer brand awareness & loyalty

Cont……

- Co., have more trade leverage in bargaining with distributors & retailers because customers expect them to carry the brand
- Co., can charge higher price than its competitors
- Co., can more easily launch extensions.

Features of a Good Brand Name

- It should be unique / distinctive.
- It should be extendable.
- It should be easy to pronounce, identified and memorized.
- It should give an idea about product's qualities and benefits (- Swift, Quick fix, Lip guard).
- It should be easily convertible into other languages.

Con t

- It should be capable of legal protection and registration.
- It should suggest product/service category (Newsweek).
- It should indicate concrete qualities.
- It should not portray bad/wrong meanings in other categories. (NOVA is a poor name for a car to be sold in Spanish country, because in Spanish it means “doesn’t go”).

Desirable qualities of brand name are…..

- It should suggest something about the product benefit
- It should suggest something about product qualities
- It should be easy to pronounce, recognize & remember
- It should be distinctive
- It shouldn't carry poor meaning in other countries and languages.

Cont.....n

- Be adaptable to additions to the product line
- Be capable of registration and legal protection.

Types of brand names

I. Descriptive – describes function literally, unregister able….
II. Suggestive – benefit or function
III. Compounds – combination of two or more, often unexpected
IV. Classical – based on latin, greek, sanskrit
V. Arbitrary – real words with no obvious tie in to company
VI. Fanciful – coined words with no obvious meaning… Rin

Business market

- Consists of all the organisations that acquire goods & services used in the production of other products or services that are sold, rented or supplied to others.

BUSINESS MARKET

CHARACTERISTICS

- ✓ fewer buyers
- ✓ large buyers
- ✓ Close customer supplier relationship
- ✓ Geographically concentrated
- ✓ Derive demand
- ✓ Inelastic demand
- ✓ Fluctuating demand
- ✓ Professional purchasing
- ✓ several buying influences
- ✓ Multiple sales call
- ✓ Direct purchasing
- ✓ Reciprocity
- ✓ leasing

STAGES IN THE BUSINESS BUYING DECISION PROCESS (BUY PHASES)

1. Problem/ need recognition
2. General need description
3. Product specification
4. Supplier search
5. Proposal solicitation
6. Supplier selection
7. Order routine specification
8. Performance review

1. Problem recognition

- Co., may decides to develop a new product & needs new equipment or material
- A machine breaks down and requires new parts
- Purchased material turns out to be unsatisfactory & the co searches for another supplier
- A purchasing manager may get an opportunity to obtain lower prices or better quality
- Buyer may get an idea, seeing advertising.....

2. General need description

- Determines the needed item general characteristics
- Reliability, durability, price & other attributes
- Business marketers can assist buyers by describing how their products would meet the buyer's needs

3. Product specification

- Technical specification
- PVA- product value analysis engineering team to the project – is an approach to cost reduction in which components are carefully studied to determine if they can be redesigned or standardized or made by cheaper methods of production.

4. Supplier search

- Buyer can examine trade directories, do a computer search, phone other co., for recommendations, watch trade advertisements & attend trade shows
- Suppliers who qualifies, may be visited by buyers agents
- After evaluating each co., the buyer will end up with a short list of qualified suppliers

5. Proposal solicitation

- Buyer will now invite qualified suppliers to submit proposals
- After evaluating the proposals, the buyer will invite a few suppliers to make formal presentations
- Business marketers must be skilled & they should inspire confidence

6. Supplier selection

- Buying center will specify desired supplier attributes and indicate their relative importance
- Rate suppliers on attributes, identify most attractive suppliers.
- Prime supplier and the rest with secondary suppliers
- Co., s expect their suppliers to work closely with them during product development & they value their suggestions

7.Order routine specification

- Buyer negotiates the final order, listing the technical specifications, quantity needed, expected time of delivery, return policies, warranties and so on
- Buyers may move toward blanket contracts rather than periodic purchase orders.(stock less purchase plans)

8. Performance review

- Buyer periodically reviews the performance of the chosen supplier(s)
- The performance review may lead the buyer to continue, modify or end the relationship with the supplier.