MARKETING MANAGEMENT

UNIT -I

In today's world of marketing, everywhere you go you are being marketed to in one form or another. Marketing is with you each second of your walking life. From morning to night you are exposed to thousands of marketing messages every day. Marketing is something that affects you even though you may not necessarily be conscious of it.

DEFINITION OF MARKETING

According to American Marketing Association (2004) - "Marketing is an organizational function and set of processes for creating, communicating and delivering value to customers and for managing relationships in a way that benefits both the organization and the stakeholder."

AMA (1960) - "Marketing is the performance of business activities that direct the flow of goods and services from producer to consumer or user."

SCOPE OF MARKETING

1. Study of Consumer Wants and Needs

Goods are produced to satisfy consumer wants. Therefore the study is done to identify consumer needs and wants. These needs and wants motivate the consumer to purchase.

2. Study of Consumer Behaviour

Marketers perform a study of consumer behavior. Analysis of buyer behavior helps marketers in market segmentation and targeting.

3. Production Planning and Development

Product planning and development starts with the generation of product ideas and ends with product development and commercialization. Product planning includes everything from branding and packaging to product line expansion and contraction.

4. Pricing Policies

The marketer has to determine pricing policies for their products. Pricing policies differ from product to product. It depends on the level of competition, product life cycle, marketing goals, and objectives, etc.

5. Distribution

The study of distribution channels is important in marketing. For maximum sales and profit, goods are required to be distributed to the maximum consumers at minimum cost.

6. Promotion

Promotion includes personal selling, sales promotion, and advertising. The right promotion mix is crucial in the accomplishment of marketing goals.

7. Consumer Satisfaction

The product or service offered must satisfy the consumer. Consumer satisfaction is the major objective of marketing.

8. Marketing Control

The marketing audit is done to control the marketing activities

IMPORTANCE OF MARKETING

(1) Marketing Helps in Transfer, Exchange and Movement of Goods:

Marketing is very helpful in transfer, exchange and movement of goods. Goods and services are made available to customers through various intermediaries' viz., wholesalers and retailers etc. Marketing is helpful to both producers and consumers.

(2) Marketing Is Helpful In Raising And Maintaining The Standard Of Living Of The Community:

Marketing is above all the giving of a standard of living to the community. Paul Mazur states, "Marketing is the delivery of standard of living". Professor Malcolm McNair has further added that "Marketing is the creation and delivery of standard of living to the society".

(3) Marketing Creates Employment:

Marketing is complex mechanism involving many people in one form or the other. The major marketing functions are buying, selling, financing, transport, warehousing, risk bearing and standardisation, etc. In each such function different activities are performed by a large number of individuals and bodies.

(4) Marketing as a Source of Income and Revenue:

The performance of marketing function is all important, because it is the only way through which the concern could generate revenue or income and bring in profits.

(5) Marketing Acts as a Basis for Making Decisions:

A businessman is confronted with many problems in the form of what, how, when, how much and for whom to produce? In the past problems was less on account of local markets. There was a direct link between producer and consumer.

(6) Marketing Acts as a Source of New Ideas:

The concept of marketing is a dynamic concept. It has changed altogether with the passage of time. Such changes have far reaching effects on production and distribution. With the rapid change in tastes and preference of people, marketing has to come up with the same.

(7) Marketing Is Helpful In Development Of An Economy:

Adam Smith has remarked that “nothing happens in our country until somebody sells something”. Marketing is the kingpin that sets the economy revolving. The marketing organisation, more scientifically organised, makes the economy strong and stable, the lesser the stress on the marketing function, the weaker will be the economy.

CONCEPTS OF MARKETING

1. Production Concept
2. Product Concept
3. Selling Concept
4. Marketing Concept
5. Holistic Marketing Concept.

1. Production Concept:

It is the oldest concept in business. It holds that consumers prefer products that are widely available and inexpensive. Thus, managers concentrate on achieving high production efficiency, low costs and mass distribution.

2. Product Concept:

The product concept holds that consumers favour those products that offer highest quality performance or innovative features. Thus, managers focus on making superior products. However, a new or improved product will not be successful unless the product is priced, distributed, advertised and sold properly.

3. Selling Concept:

This concept holds that consumers and business, if left alone, will ordinarily not buy the products. Thus, organizations must undertake aggressive selling and promotion efforts. It also believes that the consum- ers have the opportunity to choose from many alternatives.

4. Marketing Concept:

With the emergence of the marketing concept, business shifted to a customer-centred ‘sense and respond’ philosophy instead of a product-centred ‘make and sell’ philosophy. Theodore Levitt drew a difference between the selling and marketing concepts to emphasize on the need to shift to the marketing concept.

5. Holistic Marketing Concept:

New marketing and business practices that have appeared in the last decade have given rise to the holis- tic marketing concept. According to Kotler and Keller, it is an approach to marketing that attempts to recognize and reconcile the scope and complexities of marketing activities.

MARKETING MANAGEMENT TASKS:

With holistic marketing as a backup we can identify a specific set of tasks that make up successful marketing leadership. Some of the essential marketing management tasks are being:

1.Developing Marketing Strategies and Plans:

The first task is to identify the organization long-run opportunities given its market experience and core competences.

2. Capturing Marketing Insights:

Marketers must closely monitor the marketing environment to continually asses market potential and forecast demand.

3.Connecting with the Customers:

The firm must determine how to best create value for its chosen target markets and develop strong, profitable, long-term relationship with customers.

4. Building Strong Brands:

Marketers need to understand how customers perceive their brands strengths and weakness.

5. Shaping the Market Offerings:

At the heart of the marketing program is the product, the firm tangible offering to the market, features, and packaging.

6. Delivering Value:

How can the firm deliver value to its target market? Channel activities are need to make the product offering accessible and available to customers.

7. Communicating Value:

Marketers must adequately communicate to the target market the value embodied by their products and services.

8. Creating Successful Long-term Growth:

The marketing strategy should take into account changing global opportunities and challenges.

MARKETING MANAGEMENT ENVIRONMENT

Marketing environment can be defined as the composition of all the factors affecting the market, marketing system and functions related to marketing.

- Organizational environment
- Marketing environment
- Macro environment

- Micro environment

Organizational Environment

An organizational environment consists of forces or institutions surrounding an organization that affect performance, operations and resources. It includes all of the key elements that exist outside of the company's boundaries and have the potential to affect a portion or all of the organization.

Marketing Environment

The market environment is a marketing term that refers to factors and forces that affect a company's behavior.

By the term company’s behavior, we mean the company’s ability to build and maintain successful relationships with customers, clients and all the people related to it.

Macro Environment

The term macro means large. Macro refers to large factors or vital factors like social factors, for example, male-female ratio, social changes, new lifestyle, or arrival of new thought.

Examples of economic factors are per capital income, balance of payment, balance of trade, inflation rate, and gross domestic product.

Other factors like geographical, cultural, political, demographical and legal factors such as competitions and technology are also included in this environment.

Examples – Geographical distribution, distance from market, age, sex, literacy etc., cultural differences, cultural change, arrival of a new tradition, government decision making, new plans, programs & policies, government support, political disturbances and so on.

Micro Environment

Here the word itself describes the meaning – micro means small. So, micro environment is a composition of small factors, inside factors/nearer factors like customers, mediators like wholesaler, retailer, supplier, other stakeholders who demand something from the organization, i.e., shareholders, debenture holders, creditors, debtors, moneylenders, etc.

Micro environment also involves factors like working conditions, employees, purchase groups, local community and pressure groups.

CUSTOMER VALUE

The phrase “Customer Value” is seen from different angles. The possible angles or perspectives can be “customer” and “marketing firm”. From the customer’s angle, value is understood as what he or she is willing to pay and, therefore, customer value refers to the perceived value by the customer for an offer.

These values can be stated as under:

1. Personal:

The personal factors represent demographic variables and the life-style of the customer.

2. Esteem:

Esteem value plays a decisive role in purchase of a product or service. People are prepared to pay premium price for the products because of esteem value. These products are often called as “objects of desire”. That is the price is beyond a layman’s imagination.

3. Utility

Utility speaks of economy dimension of a product or service purchased. Thus, elderly family members might spend bast or the money very economically on goods and services whereas their young sons and daughters spend much more.

4. Quality:

It is also one of the core values of customer decision-making. It is well known, that each customer in-fact pays for quality. He buys only what he wants to buy and not what the company wants him or her to buy.

5. Price:

There is definite relationship between the price, perceived quality and the perceived value. In fact, price is the value expressed in monetary terms. Customers compare quality and price while buying.

6. Social Motive:

Every customer is a social and rational animal. He or she lives in a society as he or she has strong sense of belongingness. Most of his needs, whether wants, comfort and luxuries are the society in which he or she lives.

INDUSTRIAL MARKETING

Industrial marketing happens when one business tries to sell industrial products or services to another.

For clarity, an industrial product or service is anything that helps produce an end product from raw materials.

It's a form of B2B marketing, but because of the nature of what's being sold, an industrial marketing campaign requires a high level of product knowledge.

Features Of Industrial Marketing

It's difficult to give a quick, condensed definition of industrial marketing, without completely downplaying the significance of what it truly is. We like to say that industrial marketing is marketing goods and services to customers. Though, this definition doesn't provide any justice still.

1. It's extremely complex

Industrial marketing requires large orders, long-term relationships which makes the first pitch and sale often more complex. This revolves around the simple fact that businesses are made up of several individuals, which means you have to impress multiple people, with numerous different bits of information.

2. Longer sales cycle

A result of industrial marketing being more complicated is a longer sales cycle. When you pitch to a business, the whole process revolves around calculated decisions, reviewing, analyzing.

This shouldn't be seen as a negative, the outcome of industrial marketing, as you probably imagined, is worth any complexity or lengthy process.

3. The variety of marketing

Industrial marketing can mean that you have a wide range of products. Every single product requires a different marketing strategy, sometimes the difference can be extreme.

4. Low market information

Consumer products have a lot of database information available for them, including customer demographics. In comparison, information revolving around industrial market niches are hard to come by. It actually requires a considerable amount of industrial experience to gather useful market information.

5. Advertising generally doesn't follow trends

When it comes to industrial marketing, advertising and promotion are a bit different. You see, in the grand scheme of things, it is comparatively simple to develop newspaper adverts, billboards, and videos for impulsive consumers.

6. The buyers and their behaviors

As mentioned earlier, industrial marketing is aimed at a team of people, rather than an individual. Thus, the behaviors are varied, follows a specific process and, ultimately, you need to impress multiple people, all of which may have different opinions.

7. Bidding is customary

An individual consumer will buy, or they won't. Bidding isn't a daily scenario in for the average consumer. On the other hand, industrial marketing rarely doesn't revolve around quotes and bids.

8.The geographical and demographical distribution

The average consumer market research generally doesn't work for industrial markets, purely because the samples are just too small. Industrial market research almost has to be simultaneously niche and broad.

SERVICE MARKETING

Service marketing is marketing based on relationship and value. It may be used to market a service or a product. With the increasing prominence of services in the global economy, service marketing has become a subject that needs to be studied separately.

Marketing services is different from marketing goods because of the unique characteristics of services namely, intangibility, heterogeneity, perishabil- ity and inseparability.

Features of Services:

1. Intangibility:

A physical product is visible and concrete. Services are intangible. The service cannot be touched or viewed, so it is difficult for clients to tell in advance what they will be get- ting. For example, banks promote the sale of credit cards by emphasizing the conveniences and advantages derived from possessing a credit card.

2. Inseparability:

Personal services cannot be separated from the individual. Services are created and consumed simultaneously. The service is being produced at the same time that the client is receiving it; for example, during an online search or a legal consultation. Dentist, musicians, dancers, etc. create and offer services at the same time.

3. Heterogeneity (or variability):

Services involve people, and people are all different. There is a strong possibility that the same enquiry would be answered slightly differently by different

4. Perishability:

Services have a high degree of perishability. Unused capacity cannot be stored for future use. If services are not used today, it is lost forever.

5. Changing demand:

The demand for services has wide fluctuations and may be seasonal. Demand for tourism is seasonal, other services such as demand for public transport, cricket field and golf courses have fluctuations in demand.

6. Pricing of services:

Quality of services cannot be standardized. The pricing of services are usu- ally determined on the basis of demand and competition. For example, room rents in tourist spots fluctuate as per demand and season and many of the service providers give off-season discounts.

7. Direct channel:

Usually, services are directly provided to the customer. The customer goes directly to the service provider to get services such as bank, hotel, doctor, and so on. A wider market is reached through franchising such as McDonald’s and Monginis.

GLOBAL MARKETING

The word 'International Marketing' is defined as the exchange of goods and services across national borders to meet the requirements of the customers. It includes customer analysis in foreign countries and identifying the target market.

The major participants in international marketing are as follows –

Multinational Corporations (MNCs) –

A multinational corporation (MNC) is an organization that ensures the production of goods and services in one or more countries other than its home country. Such organizations have their offices, help desks or industrial set-up across nations and usually have a centralized head office where they co-ordinate global management.

Exporters –

They are the overseas sellers who sell products, and provide services across their home country by following the necessary jurisdiction.

Importers –

They are the overseas buyers who buy products and services from exporters by complying with the jurisdiction. An import by one nation is an export from the other nation.

Service companies –

A service company generates revenue by trading on services and not on physical commodities. A public accounting company is the best example of a service company. Revenue here is generated by preparing returns of income tax, performing audit services, and by maintaining financial records

UNIT- 2

MARKETING INFORMATION SYSTEM (MIS)

Marketing Information system is Where a proper and adequate date related to business is collected, analysed interpreted for the purpose of decision making.

Components of Marketing information system

- **Internal Records**
- **Marketing intelligence**
- **Marketing Research**
- **Marketing Decision report system**

Internal Records

The first component of MIS is 'Internal Record' marketing managers get lots of information from Internal-Records of the company.These records provides current information about sales,stock,costs and Inventories

Many companies maintain their computerised internal Records.Inside records help Marketing managers to gain faster access to reliable information.

Marketing Intelligence

Second component of MIS is marketing intelligence. It Collect information from external sources. It Provides information about current marketing environment and changing conditions in the market. The information can be easily gathered from external sources like magazines, business journals, commercial press and so on

Marketing Research

The Third Important component of MIS is marketing research MR is conducted to solve Specific marketing problems of the company. It collects data about the problem. The data is tabulated analysed and conclusions are drawn.Then the recommendations are given for solving problems.

Marketing Decision Report System

The fourth component of MIS is "Marketing decision support system" these are the tools which help to the marketing managers to analyse data and to take better marketing decisions.

MARKETING RESEARCH

Marketing research can be defined as the development, interpretation and interaction of decision-oriented information to be used in all phases of marketing process.

Marketing Research Process:

Marketing research helps in arriving at the decision or solutions for various marketing problems.

The research process involves different stages which are:

1. Problem Formulation:

Formulation of the problem is the first step in the marketing research process. Unless and until the problem is well defined, there is no use of the research work. Well defined and formulated problems can be solved very easily and appropriately. The problem should be defined neither too broadly nor too narrowly. Problems may be of different type i.e. operating (recurring) problem or non-operating (non- recurring) problem.

2. Research Design:

A research design is the framework or blue print for conducting the market research project. Once the specific research objective has been defined, it is essential to arrive at the correct hypothesis, data collection method, sampling plan and research design instrument.

Formulating a research design involves following steps:

i. Define the information which is required.

ii. Analysis of the secondary data.

iii. Qualitative research.

iv. Method of collecting data.

v. Measurement and scaling procedure.

vi. Questionnaire design.

vii. Sampling process and sample size.

viii. Plan of data analysis.

3. Data Collection:

Data can be collected from both primary and secondary sources. Primary data is the data which is collected for the first time with research purpose in mind. It is the first hand information. Secondary data is the data already collected by some other person for some other research problem. Primary data can be collected through different method – observation method or communication method. Interviews may be conducted either personal or through telephone or any other method to collect the required information.

4. Data Analysis:

Analysis of the raw data is very essential to arrive at the conclusion.

This analysis involves three phases, they are:

i. Classifying the data

ii. Data summarization

iii. Advanced data analysis tools and techniques to highlight inter- relationship and quantitative significance.

i. Classifying the Data:

Classification of data includes editing, coding, transcription and verification of data. The most commonly used techniques here are quantitative, qualitative, geographical and chronological.

ii. Data Summarization:

For summarization of data various techniques are there like mean, median, mode, range, variance, standard deviation, mean deviation.

iii. Advanced Data Analysis Tools and Techniques:

This includes advanced method for analysing the data like factor analysis, discriminate analysis, correlation, regression, multiple regression.

5. Report Presentation and Recommendations:

A normal report includes the following:

(1) Title of the report

(2) Summary of conclusion

(3) Sample and characteristics

(4) Findings and observations

(5) Questionnaire

(6) Appendices

(7) Recommendation made may be accepted or rejected.

CONSUMER BEHAVIOUR

Consumer behavior refers to the purchasing behavior of final customer or individual or household who buys goods & services for personal use. Customer behavior is very important as it supports product positioning, development of effective marketing strategy and enhancement of long-term customer relationship.

Consumer Behaviour

Consumer Behavior supports customer belief for performance, determines product features, formulates pricing policy and appreciates new product decision.

Factors Influencing Consumer Buying Behavior

There are some factors that influence the buying behavior of a customer or what we can say as the customer's preference for buying a product.

Consumer behavior is basically dependent on the following four key factors –

Cultural factor –

Cultural Anthropology is the study of human beings in society. It explores the development of central beliefs, values and customs that individuals inherit from their parents, which influence their purchasing patterns.

Factors like culture, sub-culture, and social class.

Social factor –

Sociology is the study of groups. When individuals form groups, their actions are sometimes relatively different from the actions of those individuals when they are operating individually.

Factors like reference group, secondary reference group, and family.

Personal factor –

Social Psychology is a combination of sociology and psychology. It explains how an individual operates in a group. Group dynamics play an important role in purchasing decisions. Opinions of peers, reference groups, their families and opinion leaders influence individuals in their behavior.

Factors like age, sex, lifestyle, occupation, and financial status.

Psychological factor –

Psychology is a discipline that deals with the study of mind and behavior. It helps in understanding individuals and groups by establishing general principles and researching specific cases. Psychology plays a vital role in understanding how consumers behave while making a purchase.

Factors like motivation, perception, belief, and attitude

Consumer Buying Behavior

Consumer buying behavior is the study of an individual or a household that purchases products for personal consumption.

The process of buying behavior is

Stage 1 – Needs / Requirements

It is the first stage of the buying process where the consumer recognizes a problem or a requirement that needs to be fulfilled. The requirements can be generated either by internal stimuli or external stimuli. In this stage, the marketer should study and understand the consumers to find out what kinds of needs arise, what brought them about, and how they led the consumer towards a particular product.

Stage 2 – Information Search

In this stage, the consumer seeks more information. The consumer may have keen attention or may go into active information search. The consumer can obtain information from any of the several sources.

This include personal sources (family, friends, neighbors, and acquaintances),

industrial sources (advertising, sales people, dealers, packaging),

public sources (mass media, consumer-rating and organization), and

experiential sources (handling, examining, using the product). The relative influence of these information sources varies with the product and the buyer.

Stage 3 – Evaluation of Alternatives

In this stage, the consumer uses information to evaluate alternative brands from different alternatives. How consumers go about evaluating purchase alternatives depends on the individual consumer and the specific buying situation.

Stage 4 – Purchase Decision

In this stage, the consumer actually buys the product. Generally, a consumer will buy the most favorite brand, but there can be two factors, i.e., purchase intentions and purchase decision.

Stage 5 – Post-Purchase Behavior

In this stage, the consumers take further steps after purchase based on their satisfaction and dissatisfaction. The satisfaction and dissatisfaction depend on the relationship between consumer's expectations and the product's performance.

ORGANIZATIONAL BUYING BEHAVIOUR

Organizational buying behavior (OBB) can be defined as the process of how companies or organizations buy goods and services. The buying behavior of an organization is a step-by-step process. It is not a one-night journey to launch a product and change the market behavior. It is a time-consuming procedure and is done in a synchronized manner.

Steps of OBB

Organizational buying is not an easy activity as most people think of it. The process of OBB consists of the following steps

- Problem recognition
- General need
- Product specification
- Searching for potential supplier
- Value analysis
- Vender analysis
- Order routine specification
- Performance Reviews

Stages in Organizational Buying Process

Problem Recognition –

It is the first stage of the business buying process. In this stage, someone in the organization recognizes an issue or need that can be met by acquiring a good or a service.

General Need Description –

At this stage of business buying process, the organization briefs the general features and quantity of a needed product.

Product Specification –

At this stage of the business buying process, the buying company decides on the item and specifies the best technical product features for a needed item.

Value Analysis –

This stage involves an access to cost reduction, in which elements are studied carefully to select if they can be redesigned, standardized or made by less costly methods of production.

Supplier Search –

At this stage of the business buying process, the consumer tries to find the best sellers.

Proposal Solicitation –

In this stage of the business buying process, the buyer invites qualified suppliers or producers to submit the proposals or options they have.

Supplier Selection –

In this stage of the business buying process, the buyer reviews plans and chooses a supplier or suppliers.

Order-routine Specification –

This is the stage of the business buying process in which the buyer writes the final order with the selected supplier(s), enlisting the technical specifications, quantity required, expected time of delivery, return policies, manufacturing date and warranties.

Performance Review –

In this stage of the business buying process, the buyer rates his satisfaction with suppliers, deciding whether to continue, develop or drop them.

MARKET SEGMENTATION

Market segmentation can be defined as the subdivision of the market into compatible subsections of customers where any subsection may be selected as a market target to be reached with a unique marketing mix.

Objectives of Marketing Segmentation

- To label potential customers
- To avail additional privileges for their customers
- To acknowledge the convenient place to purchase
- To pay additional benefits willingly
- To pay proper attention to some precise area
- To ensure proper database marketing usage
- To acknowledge real competition in the market
- To enhance productivity

Levels of Market Segmentation

- Segment marketing
- Individual marketing
- Niche marketing
- Local marketing

Segment Marketing
In segment marketing, we divide the entire marketing into a bunch of customers with respect to some common characteristics. That common characteristics may be taste, preference, choice etc. Segmenting this market is a very complex process as there are no criteria for the above attributes.

Individual Marketing
In this case, the customers are targeted individually by e-mail, SMS, calls etc. However, in order to make this marketing successful, we have to reduce the degree of heterogeneity.

Niche Marketing
In this type of segmentation, the small markets are targeted taking into consideration customer taste, preference, income and purchasing power.

Local Marketing
In this type of segmentation, generally the local markets are targeted.Marketing segment are determined depending on the targeted consumer groups for particular products.

steps in market segmentation -

Identify the Target Market
Identifying the target market means choosing the group of audience who could be a potential customer for the product. By identifying the target group, the marketing strategies can be prepared and products can be shaped.

Identify Expectations of Target Audience
Expectations of different audience vary as per their requirement from the product. The demand and requirement of the target consumer changes and the company should keep a track of it and change its strategy as needed. For example, Instant noodles are designed for consumers who don’t have much time to cook.

Create Subgroups
Creation of subgroup specifies the group it is targeted at and consumers from that group can easily relate to the product. This gives the product an edge in market over other products. For example, Face wash has created subgroups such as men and

women and advertisements are made accordingly.

Review the Needs of the Target Audience

It's important to review the needs of the target audience for upgrading the product or shaping the product as per the requirement of the audience. Consumers' demands change from time to time and the product has to adapt as per the changes in demand.

Name Your Market Segment

Segments should be given an appropriate name so that the products in that segment can be easily identified.

Marketing Strategies

Marketing strategies are meant to promote and advertise the product. They change as per the segment. Advertisements should be for the target audience so that there is a link between the product and the consumer.

Review the Behavior

The review of target consumer gives an insight into the product. Demands vary differently at a particular time of the year and perception of product changes. By taking review of these behaviors, marketing can be planned accordingly.

Size of the Target Market

It's important to acquire information about the market size and have relevant data for sales planning and forecasting. These steps have to be considered for segmentation of marketing and targeting the product at the potential customer.

UNIT-3

MARKETING DEVELOPMENT STRETAGIES

Market development is a growth strategy that identifies and develops new market segments for current products. A market development strategy targets non-buying customers in currently targeted segments.

Here are a few popular market development strategies:

Geographic expansion -

One way to reach a new audience with your product is by geographic expansion. For example, If you're currently only targeting US customers, research what it might take for your company to expand your audience on a global level. Or, if you're currently only serving tech companies in New York City, research whether or not it would make sense to target San Francisco tech companies as well.

Upselling to existing customers -

If all, or some, of your current customer base, could benefit from your new product offering, consider using your relationship with them as a gateway to introducing your new solution.

Attracting non-users -

Along with (or separate from) upselling to current customers or clients, you can also develop a plan to target non-users of your product. This can be achieved through a variety of methods, including offering free trials, cold outreach, advertising, etc.

Attracting competitors' customers -

Who else is making a product like yours? And how can you convince their customers to migrate to you? Maybe you can adjust your pricing, offer incentives or discounts, use lookalike audiences in advertising, or deliver a superior

NEW PRODUCT DEVELOPMENT PROCESS

If a company needs to launch a new product in the market, there is a different development process to be considered. The following are the factors contributing to new product development –

Demand in market

Acceptance of a product in the market

Acceptance of company strategy in market

Economic viability of the product

Changing the product as per consumer preference

Adapting as per technological development

Consideration of Government Policy

The development process has to consider these different perspectives for product development and has to adapt as per the market demand.

Stages of New Product Development

Stage 1 – Generation of new product ideas

Stage 2 – Screening and evaluation of ideas

Stage 3 – Development and testing of concept

Stage 4 – Development of advertisement and promotion strategies

Stage 5 – Analysis of business

Stage 6 – Development of product

Stage 7 – Testing product in market

Stage 8 – Commercialization of the product

Development of a new product follows a long process, from the generation of an idea to the commercialization of the product in the market.

PRODUCT LIFE CYCLE

Product life cycle is the timeline of demand for the product from its initial stage of introduction.Let us now discuss the various stages of a product, starting from its innovation to its decline stage.

Stages of Product Cycle

Product life cycle can be defined as the life cycle of the product. It means the various stages a product sees in its complete life span.Product life cycle comprises of the following four stages –

- ★ Introduction or innovation
- ★ Growth
- ★ Maturity
- ★ Decline

Let us start by describing the first stage we have in the product life cycle, that is, the introduction stage.

Introduction Stage

The product is introduced in the market in this stage; it is the initial stage of the product.

- Sales of the product are low in this stage because there may not be a need of the product in the market.
- The product may undergo brand trouble.
- In this stage, there is very little or no profit.
- The demand for the product is created and developed in this stage.

After this initial stage, the next stage of the product is the growth stage.

Growth Stage

In this stage, the demands and market share increases as well as competition emerges in the market.

- Generally, the price remains constant in this stage.
- Marketing and promotional expenses increase.
- There is rapid increase in sales.
- The manufacturing cost decreases so there is increase in profit margin.
- It penetrates other market segment.
- In the growth stage, there is a boom in the demand of the product and the profit increases substantially.

Maturity Stage

The price of the product is comparatively low, but the advertisement and promotion cost increases in this stage.

- This stage remains for a comparatively longer duration.
- In this stage, there is high competition.
- Profit is decreased.
- Sales growth can be divided into the following three categories in the maturity stage –
- Growth
- Stability
- Decay

In growth, there is an increase in the demand of the product. In stability, the demand of the product remains constant. In decay, there is a slight decrease in the demand.

Decline Stage

- There is a decrease in sales in this stage. Demand of product also decreases.
- There is decrease in the price of the product.
- Margins are lowered.
- There is introduction of new product in market.
- New strategies are implemented.

This is the final stage of the product. There is a decrease in demand and sales of the product.

PACKAGING

Packaging is a method used to protect the product from external factors during transportation or storage. Depending of the nature of product, the packaging can differ.

Packaging

At the same time, packaging creates a first impression on the consumer so it should be designed accordingly.

Characteristics of Packaging

The characteristics or different features of packaging can be listed as follows –

- Attractive packaging
- Identity of product
- Development
- Sustainability of product
- Looks genuine
- Reveals image of brand

Packaging gives an overview of the product so these characteristics should be considered during the design of packaging.

AIDAS Formula

AIDAS theory is a very popular marketing technique. It states that a consumer goes ssthrough the following five stages before showing satisfaction for a product.

A – Attention

I – Interest

D – Desire

A – Action

S – Satisfaction

These stages are to be evaluated and kept in perspective during the packaging design of the product.

Packaging Strategies

The design of packaging can provide an advantage in the market over similar category product. The following are the different strategies for effective packaging –

- Packaging of product line
- Multiple packaging
- Changing the package

Proper execution of packaging strategies can increase the attractiveness and durability of the product.

Labeling

Labeling is the process of marking an identity on the product. The information used for labeling contains the following details –

- Name and address of the manufacturer
- Name and address of the distributer
- Maximum Retail Price (MRP) of the product
- Manufacturing date of the product
- The method used to manufacture
- Ingredients used
- Precaution details
- Quantity
- Expiry date

The information provided in labeling is important because of various reasons like tracing the origin of the product, genuinity of product, etc.

Product Mix

Product mix refers to all the products offered by a particular company. As an example, Reliance Industries has products like cellular service, power, entertainment, etc. Hence, a strategy should be planned such that the uniqueness of the product can be established.

Positioning the Product

It includes positioning in relation to competition, positioning with attributes, and positioning in relation to price and quality of other products in the segment. The product has to be positioned as per these factors in their respective sectors.

Product Mix Expansion

It includes Product depth and product line. These are the dimension of the product mix. It depends on the number of products manufactured by a company.

Planned Obsolescence

Planned obsolescence is a strategy to create space for a new product with the help of advertisements showing an existing product to be out of date or fashion. This strategy is therefore considered controversial. However, it creates a void, which can be filled with a new product satisfying the thirst of newness.

Planned obsolescence is of the following two types –

- Technological obsolescence
- Style obsolescence

These strategies are used to create a void for a newer product

PRODUCT LINE AND DECISIONS

A product line is a group of products that are closely related because they function similarly, are sold to the same customer groups, are marketed through the same types of outlets, or fall within given price ranges.

Types of product line decisions are;

- Product Line Expansion or Filling (Width, Depth, Dual).
- Product Line Reposition (Product Modification, Product Trading).
- Product Line Contraction (Harvest, Continuation, Concentration).

1. Product Line Expansion

The marketing executive would consider the opportunities for product line expansion once a product has achieved market success, adding related products to the line to increase the target market. A product line can be expanded lengthened by adding more items within its present range. Reasons for filling product. lines are;

- earning an extra profit,
- satisfying intermediaries,
- utilizing excess capacity,
- emerging as the leading full-line company, and
- capturing parts of the market that would otherwise be lost to the competitors.

Thus, Sony added solar-powered and waterproof walkmans in its walkman line.

However, product line filling is unjustified if it results in the disappearance of one or more existing items and customer confusion. It should be ensured that new items are easily distinguishable from the existing ones.

Product Line Expansion Methods

- The expansion of the product is typically implemented by adding greater width or depth to the line. The intent is to expand the target market.
- An example of adding width might be drug chains selling motor oil and other non-drug items.
- Increasing the depth of the product adds more variations to the original product – different sizes, colors, styles, qualities, etc.
- The intent is to appeal to present nonbuyers by offering something for everybody. The strengths and weaknesses of depth extension are nearly the opposite of those for width extension.
- Extending depth maintains greater consistency within the mix, but it increases the risks by concentrating its offerings in one market.
- The other method of increasing the line extension is the combination of both width and depth extension known as dual extension.
- This strategy uses the advantages of both approaches while nullifying some of the other individual weaknesses. It requires sufficient funds to support the extensive market efforts necessary to make all of its products successful.

2. Product Line Reposition

Product repositioning is a strategy that changes the target market for a given product. The critical difference between product extension and repositioning is that with repositioning, no new products are necessarily added to the line.

- Here the marketing executive places the product into another market segment.
- Three main reasons are there for adopting a repositioning strategy.
- First, if the product was incorrectly positioned initially, the marketing executive could modify the product to fit the existing market or find a new market.
- Second, the original market segment may not show much future growth potential or be as viable as initially expected. Changes in consumer demography, buying patterns and preferences, and more intense competition within the segment can reduce the attractiveness of any target market.
-

3. Product Line Contraction

The third reason for repositioning occurs when the product has achieved all it can in the original market segment.

- Major product line decisions show the two major decisions a marketing executive must make to reposition a product:
- Product Modification(Modernization of Product): Should there be any modification in the tangible product?
- Product Line Stretching(Product Trading Up, Down, or Across): Should the product be traded up, traded down, or traded across?
- Let us look at each of the above two in turn:
- Product Modification: Modernization of Product
- Although a company's product line length may seem to be adequate, it may require modernization. For example, a company's toiletries line developed in the 1980s may be lost out to better packaged competitors' lines.

PRODUCT MIX

Product mix, also known as product assortment or product portfolio, refers to the complete set of products and/or services offered by a firm. A product mix consists of product lines, which are associated items that consumers tend to use together or think of as similar products or services.

Dimensions of a Product Mix

1. Width

Width, also known as breadth, refers to the number of product lines offered by a company. For example, Kellogg's product lines consist of: (1) Ready-to-eat cereal, (2) Pastries and breakfast snacks, (3) Crackers and cookies, and (4) Frozen/Organic/Natural goods.

2 Length

Length refers to the total number of products in a firm's product mix. For example, consider a car company with two car product lines (3-series and 5-series). Within each product line series are three types of cars. In this example, the product length of the company would be six.

3 Depth

Depth refers to the number of variations within a product line. For example, continuing with the car company example above, a 3-series product line may offer several variations such as coupe, sedan, truck, and convertible. In such a case, the depth of the 3-series product line would be four.

4 Consistency

Consistency refers to how closely related product lines are to each other. It is in reference to their use, production, and distribution channels. The consistency of a product mix is advantageous for firms attempting to position themselves as a niche producer or distributor. In addition, consistency aids with ensuring a firm's brand image is synonymous with the product or service itself.

PRODUCT DIFFERENTIATION

Product differentiation serves as a catalyst in a consumer's purchase decision-making process. It basically sets one product apart from the rest and serves as the deciding factor in purchase decisions.

Breaking Down Product Differentiation

The product differentiation process may be as simple as redesigning of packaging to introducing a brand new functional feature in a product. The different factors through which the process is implemented include:

1. Price differentiation

Products in the market are differentiated solely on the price factor. This establishes a price hierarchy for a particular product from lower to higher costs.

2. Non-price differentiation

Products, in this case, are differentiated by form, shape, feature, function, color, customization, durability, quality, services, etc

Types of Product Differentiation

1. Vertical Differentiation

Vertical differentiation focuses on differentiation in a product based on quality. In any market, a quality hierarchy exists for a particular type of product that ranks products of one kind from a position of low quality to the highest quality product.

2. Horizontal Differentiation

Horizontal differentiation is when products are differentiated according to a specific feature. The differentiation can be about colors, packaging, shapes, flavors, etc.

BRAND MANAGEMENT

Brand management is an art of creating a brand and maintaining it. It is nothing but developing a promise to the consumer, materializing that promise, and maintaining the same for a product, a group of products, or services.

Brand management helps to manage the tangible and intangible characteristics of a brand. A competent Brand Management includes building brand identity, launching the brand, and maintaining the brand position in the market. Brand management builds and maintains the corporate image of a business.

There are seven contributing elements of brand essence –

Authenticity – If the brand makes a promise and fails to keep, then it is rejected. The consumers expect the sellers to be genuine and truthful.

Consistency – The essence of a brand is lost if it is not consistent in providing what it promised to the consumer. Also, a brand should use its logo consistently over time.

Durability – The brand essence remains same over time. Even if packaging and logos change, the essence does not change.

Experience –It is the consumers experience with the brand.

Uniqueness – It is how different a brand is from its competitors.

Relevance – It is the relevance of a brand to the consumer.

Single mindedness – It is sticking to only one thing about the brand which keeps the brand focused.

PRICING STRETAGIES AND PROGRAMS

Pricing is the process of determining what a company will receive in exchange for its product or service. A business can use a variety of pricing strategies when selling a product or service.

1. Cost Plus Pricing

2. Below Cost Pricing

3. Competition-Oriented Pricing

4. Follow the Leader Pricing

5. Penetration Pricing

6. Skimming the Cream Pricing

7. Discriminating Pricing

8. Loss-Leader Pricing and Others.

1. Cost Plus Pricing:

It is the most common method of pricing followed by manufacturers, wholesalers and retailers.Under it, management works out the cost of goods manufactured or purchased for resale and adds a percentage of profits to it – to determine the selling price.

2. Below Cost Pricing:

It is sometimes desirable to sell the goods at a price less than the cost. This method is used to sell perishable goods to save the firm from excessive losses due to deterioration in quality with the passage of time. This method is also used to sell goods which may become obsolete due to changes in fashion. The philosophy behind this method of pricing is that sale at any price is better than no sale at all.

3. Competition-Oriented Pricing:

The market is highly competitive, and As such, under competition-oriented pricing strategy, same price is fixed by all competitive producers. For example, Coca-Cola and Pepsi, manufacturers fight each other everywhere in India or abroad, charging the same price for their product.

4. Follow the Leader Pricing:

Under this policy, one firm i.e. the price leader with dominant market share sets the price; and other firms in the industry follow that price. Followers match price cuts or price rises, as initiated by the leader. Some firms, however, may match price cuts but not price rises initiated by the leader; when recessionary conditions prevail in the market.

5. Penetration Pricing:

As per this strategy, a manufacturer sets a low price for his product; so as to penetrate into a new market for popularizing his product; and capture a large market share over a period of time, by establishing goodwill as 'low-price seller'.

6. Skimming the Cream Pricing:

This pricing strategy in just opposite to penetration pricing. Under this strategy, a manufacturer sets a very high initial price for his product; as so to make maximum profits.

7. Discriminating Pricing:

Price discrimination is possible when customers are separated from each other, on the basis of their (market) location. For example, such kind of price discrimination is found in case of seating in cinema halls, in airline services etc.

8. Loss-Leader Pricing:

This pricing strategy is favorite among retailers. They sharply cut prices on one or few popular items (even below its cost) to attract customers. The items on which prices are cut are called loss leaders.

SETTING PRICE OF A PRODUCT

A firm must set a price for the first time when it develops a new product, when it introduces its regular product into a new distribution channel or geographical area, and when it enters bids on new contract work.

When setting the price of a new product, marketers must consider the competition's prices, estimated consumer demand, costs, and expenses, as well as the firm's pricing objectives and strategies.

Here are the steps on how to set a price products:

6 Essential Steps In Setting Price For A Product

Step 1: Selecting the Pricing Objective

The company first decides where it wants to position its market offering. The clearer a firm's objectives, the easier it is to set price. Five major objectives are:

- Survival
- Maximum current profit
- Maximum market share
- Maximum market skimming
- Product-quality leadership

Step 2: Determining Demand

Each price will lead to a different level of demand and have a different impact on a company's marketing objectives. The normally inverse relationship between price and demand is captured in a demand curve. The higher the price, the lower the demand.

- Surveys
- Price experiments
- Statistical analysis

Step 3: Estimating Costs

For determination the price of product company should estimate the cost of product.

Variable and Fixed Cost :

Price must cover variable & fixed costs and as production increases costs may decrease. The firm gains experience, obtains raw materials at lower prices, etc., so costs should be estimated at different production levels.

Differential Cost in Differential Market :

Firms must also analyze activity-based cost accounting (ABC) instead of standard cost accounting. ABC takes into account the costs of serving different retailers as the needs of differ from retailer to retailer.

Target Costing :

Also the firm may attempt Target Costing (TG). TG is when a firm estimates a new product's desired functions & determines the price that it could be sold at. From this price the desired profit margin is calculated. Now the firm knows how much it can spend on production whether it be engineering, design, or sales but the costs now have a target range. The goal is to get the costs into the target range.

Step 4: Analyzing Competitors' Costs, Prices, and Offers

The firm should benchmark its price against competitors, learn about the quality of competitors offering, & learn about competitor's costs.

Step 5: Selecting a Pricing Method

- Various pricing methods are available to give various alternatives for pricing.
- Markup Pricing: a 20% markup
- Target Return Pricing: this is based on ROI
- Perceived-Value Pricing: buyers perception of the product is key, not cost so what is the product worth to consumer sets the price.
- Value Pricing: more for less philosophy
- Going Rate Pricing: charge what everyone else is
- Auction-Type Pricing: companies bid prices to get a job

Step 6: Selecting the Final Price

Pricing methods narrow the range from which the company must select its final price. In selecting that price, the company must consider additional factors.

- Impact of other marketing activities
- Company pricing policies
- Gain-and-risk-sharing pricing
- Impact of price on other parties

ADAPTING THE PRICE

Companies adapt the price to varying conditions in the marketplace. There are the following price adaption strategies:

Geographical pricing

where the company decides how to price to distant customers.

Price discounts and allowance

where the company establishes cash discounts, quantity discounts, functional discounts, seasonal discounts, and allowances.

Promotional pricing

where the company decides on loss-leader pricing, special-event pricing, cash pricing, low-interest financing, and psychological discounting.

Discriminatory pricing

where the company establishes different prices for different customer segments, product forms, brand images, places, and times.

Product-mix pricing

where company decides on the price zones for several products in a product line and on the pricing of optional features, captive products, byproducts, and product bundles.

INITIATING RESPOND TO PRICE CHANGES

Internal or external forces often lead an organization to change its prices. Price changes are often initiated by the organization. The organization also has to design its strategy to deal with price changes initiated by competitors.

INITIATING PRICE CHANGES

An organization may initiate price changes to deal with new forces arising within the organization or the market. The price change may occur at both directions: increasing price or lowering prices.

(i) Increasing Price

Increasing price of a product is an attractive proposition for every business organization, since a small increase in the price results in huge increase in the revenue and profits. If an organization feels that the sales volume will not be affected by a small price increase, it may always be tempted to increase the price.

(ii) Lowering Price

Several situations lead an organization to reduce the price of its products. Organizations with excess capacity try for extra sales in order to achieve higher capacity utilization rates. In such a situation, it may find lowering price the most easy method of achieving higher sales volume.

- Lowering price is very risky strategy. It usually invites sharp reactions from competitors and often results into a price war. Care less prices cuts may lead an organization into the following traps:
- Low quality trap: An organization initiating price cuts may fall in a low quality trap when consumers associate the new low prices to a poorer quality product.
- Fragile market trap: It may fall into a fragile market trap when price sensitive consumers wait for further price cuts or search for cheaper products.
- Shallow pocket trap: It may fall into the shallow pocket trap if financially strong organizations react by huge price cuts to counter the price cuts initiated by a weak organization.

RESPONDING TO PRICE CHANGES

An organization faces a strategic decision situation when competitors initiate price changes. Responding to the price change, particularly in the case of price cuts is a difficult question. The organization has to consider the objective and time frame of the price change. The following clues are important in responding to price changes:

- If the price cut has been initiated in order to use excess capacity or to cover rising costs, it does not warrant any response.
- If the price change is temporary or short term, initiated to clear old stocks, there is no need for response.
- If the objective is to dominate the market and the price change is long term, the organization has to respond quickly and effectively.
- The organization should also evaluate the consequences of non response to the price change.
- If the price change does not seriously affect it current sales and market share, there is no need for response.
- Before showing any response, it should carefully watch how other competitors react to the price change.

If the price cut is expected to seriously hurt the market share and profit situation, the leader organization may take one or more of the strategic options:

Option 1: Increase customers perceived value of the product by increasing promotional level.

Option 2: Increase the price complemented by an improvement in quality and features of the product. This requires a re-positioning strategy to establish the brand at a higher price position.

Option 3: Add a new lower price brand to the current product line and position it directly with the attacker's brand. This trading down strategy helps the organization to maintain high quality image for the old brand.

Option 4: As a last option, reduce the price to off set the negative effects of the price attack.

Designing and Managing Value Networks and Marketing Channels

A normal way of functioning for a company is to procure raw materials, use its expertise in creating the product and then distribute to the customer. Companies have to convert this supply chain into a value network as to develop and maintain partnership with different stakeholders.

Value Network and Marketing Channel

A network which creates partnership and value in purchase, production and selling of products is referred to as value network. Value network looks at the whole supply chain system players as partners rather than customers.

Marketing Channels

Core competency for a company lies in developing a product which satisfies a particular need of the market. A company if it decides to sell a product on its own than it is diverting from main line business resulting in operational difficulties. Marketing channel is ears and eyes of companies in the marke

Marketing Channel Design, Management, Evaluation and Modification

In designing marketing channel companies analyze customer needs and preference for a given product. Further marketing channel should fall in line with overall objectives of the company in cost and desired output level. Companies then need to explore various marketing channels like direct marketing, tele-marketing, direct mail, etc. to find the right fit to reach the customer.

New Trends in Marketing Channels

Companies are looking forward to innovating business functioning as to stand up to the competition and changing market scenario. This has seen rise different types of marketing channel. In a vertical marketing channel, the traditional producer-wholesaler-retailer becomes one functional unit.

Conflict Management in Marketing Channels

In vertical channel conflicts are between members of same channel. In horizontal channel conflicts are between similar service providers in a different channel. In multi-channel conflict arise when a different channel serves the same market. The first step in conflict resolution is to identify the cause for the conflict. Next step is to manage the conflict.

CHANNELS OF DISTRIBUTION

A distribution channel is the route through which goods or services move from the company to the customer or the transfer of payment happens from the customer to the company.

Distribution channels can mean selling of products directly or selling through wholesalers, retailers etc. The same applies for payment transfer from customers to company; it can move through a path or can be sent directly to the company.

Functions of Distribution Channels

- Distribution channels basically function to deliver goods from the manufacturer to the customer.
- The following are the functions of distribution channels –
- Facilitate selling by being physically close to customers
- Gather information about potential and current customer competitions, other factors and forces of the environment
- Provide distributional efficiency by bridging the gap between the manufacturer and the user efficiently and economically
- Assemble products into assortments to meet buyers' needs
- Match segments of supply with segments of demand
- Assist in sales promotion
- Assist in introducing new products
- Assist in implementing the price mechanism
- Assist in developing sales forecast
- Provide market intelligence and feedback
- Maintain records
- Take care of liaison requirements
- Standardize transaction

Objectives of Distribution Channels

Objectives of a distribution channel are planned as per the target of the enterprise and executed respectively. The following are the various objectives behind the planning of distribution channels –

- To ensure availability of products at the point of sale
- To build channel member's loyalty
- To stimulate channel members to put greater selling efforts
- To develop management efficiency in channel organization
- To identify the organization at the level
- To have an efficient and effective distribution system for making the products and services available readily, regularly, equitably and fresh.

Major Channels of Distribution

Here is a list of some of the major channels of distribution –

Manufacturer → Consumer

Manufacturer → Retailer → Customer

Manufacturer → Wholesaler → Customer

Manufacturer → Wholesaler → Retailer → Customer

Manufacturer → Agent → Retailer → Customer

Manufacturer → Agent → Wholesaler → Customer

Manufacturer → Agent → Wholesaler → Retailer → Customer

Profit distribution decreases as the channel length increases.

UNIT-5

MARKETING COMMUNICATION

marketing communications are the means by which firms attempt to inform, persuade, and remind consumers - directly or indirectly - about the products and brands that they sell." (Kotler and Kellter).

Personal and non personal communication channels can be used for marketing communications.

Within both of them there are many sub channels. The marketing communications mix is now thought of as consisting six major modes or types of communication alternatives.

1. Advertising
2. Sales promotion
3. Events and experiences
4. Public relations and publicity
5. Direct marketing
6. Personal selling

ADVERTISING

Advertising and Marketing Communications is an art and technique of developing and communicating messages to promote the products/services/ideas. It is creative, demanding, rewarding, exciting, and also challenging.

, is derived from the Latin word “Advertere” which literally means “to turn the minds of … towards…”. Advertisement promotes and supplements selling of products, services, and ideas to a great extent. The most interesting part of an advertisement is – it carries factual information with fascinating emotional appeal. Hence, without a proper advertisement no business can prosper.

Objectives of Advertisements

The fundamental idea behind advertisement is to increase the business by selling goods/services. Besides, there are many other objectives of advertisement, significant of them are –

- To promote newly launched products among the potential customers.
- To promote personal selling program.
- To create awareness among maximum people about your business in a short period of time.
- To enter national or even international market and motivate new group of customers.
- To enhance the goodwill and build credibility among the customers by promising to provide better quality of products and services.

Sales promotion

Sales promotion is one of the elements of the promotional mix. The primary elements in the promotional mix are advertising, personal selling, direct marketing and publicity/public relations. Sales promotion uses both media and non-media marketing communications for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability. Examples include contests, coupons, freebies, loss leaders, point of purchase displays, premiums, prizes, product samples, and rebates

Traditional sales promotions techniques include:

- Price deal: A temporary reduction in the price, such as 50% off.
- Loyal Reward Program: Consumers collect points, miles, or credits for purchases and redeem them for rewards.
- Cents-off deal: Offers a brand at a lower price. The price reduction may be a percentage marked on the package.
- Price-pack/Bonus packs deal: The packaging offers a consumer a certain percentage more of the product for the same price (for example, 25 percent extra).
- Coupons: Coupons have become a standard mechanism for sales promotions.
- Loss leader: The price of a popular product is temporarily reduced below cost in order to stimulate other profitable sales
- Free-standing insert (FSI): A coupon booklet is inserted into the local newspaper for delivery.
- Checkout dispensers: On checkout, the customer is given a coupon based on products purchased.
- Mobile couponing: Coupons are available on a mobile phone. Consumers show the offer on a mobile phone to a salesperson for redemption.
- Online interactive promotion game: Consumers play an interactive game associated with the promoted product.
- Rebates: Consumers are offered a money-back if the receipt and barcode are mailed to the producer.
- Contests/sweepstakes/games: The consumer is automatically entered into the event by purchasing the product.

Direct Marketing

Direct marketing is a form of marketing in which a single customer is approached for advertisement of the product.

It attempts to acquire and retain customers by contacting them without the use of an intermediary. The objective of direct marketing is to garner a direct response, which may take one of the following forms –

- ❖ A purchase over the telephone or by post
- ❖ A request for a catalogue or sales literature
- ❖ An agreement to visit a location / event (e.g., an exhibition)
- ❖ Participation is some form of action (e.g., joining a political party)
- ❖ A request for a demonstration of a product
- ❖ A request for a sales person's visit
- ❖ Forms of Direct Marketing

The following are the different forms of direct marketing –

- ❖ Catalogue marketing
- ❖ Direct mail marketing
- ❖ Telemarketing
- ❖ Teleshopping /home shopping
- ❖ Database marketing
- ❖ Kiosk marketing

Difference between Direct Marketing and personal selling

The main difference between direct marketing and personal selling is that directing marketing is the action of selling products or services directly to the public, rather than through retailers, whereas personal selling is a type of selling where a salesperson tries to persuade customers to buy a product.

Direct marketing and personal selling are two methods of selling products and services. Moreover, in both methods, the company directly approaches the customers without a third party.

DIRECT MARKETING

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DIRECT MARKETING	PERSONAL SELLING
Directing marketing is the action of selling products or services directly to the public rather than through retailers	Personal selling is a type of selling where a salesperson tries to persuade customers to buy a product
Involves mail, email, brochures, catalogues, flyers, database marketing, newsletters, coupons, social media, and texting campaigns	Involves salespeople using their skills and abilities to convince the customers to buy products
Can reach a massive audience	Can only reach a limited number of customers
The message is not personalized for each customer	The message can be personalized for each customer
Mainly about instant gratification; customers may not build a trusting relationship with the brand since there is no personal touch	Revolves around building a personal relationship with customers

EVENTS AND PUBLIC RELATIONS

Public relations is a strategic communications process that helps build and maintain mutually beneficial relationships between organizations and its publics. Event management (which requires detailed logistics and appealing aesthetics) is one component, enhancing the public relations efforts of an organization. An event in it self is a project which requires project management skills.

- Attract attention to a company and raise its visibility in a competitive market niche
- Generate interest in and enthusiasm for a company's goods and or services
- Create "buzz" in the form of new products or services trend on social media or in social circles
- Enhance the credibility of a company and polish its image
- Defuse a crisis if and when it occurs, minimizing its potential damage
- The introduction of a new product or service
- An executive's promotion or retirement
- The opening or closing of a manufacturing plant or retail outlet
- The acquisition or sale of subsidiaries or new firms
- Company sponsorship entirely or partially—of a charity event or fundraiser
- Funding college or university scholarships
- Demonstrations of new, complex products (for example, phones with new applications)
- Free services for seniors, children, veterans, or any special group of people, to build traffic and introduce potential customers to a business
- Contests related to a specific business
- Special events tied to a specific business

COMPETITIVE MARKETINGI STRETAGIES

Cost leadership strategy.

It suits large businesses that can produce a big volume of products at a low cost, and that is why Walmart implemented this strategy. It means that companies using a cost leadership strategy are the lowest price sellers on the market.

Differentiation leadership strategy

. This is a killer strategy that allows brands to stand out among competitors. It requires identifying a unique quality that makes a company different. With this strategy, businesses become superior to their rivals on the market, which allows them to charge more for their products. Starbucks and

Apple belong to brands using this strategy.

Cost focus strategy.

This strategy is similar to the cost leadership strategy in terms of providing customers with the lowest price. The only difference is that a cost focus strategy implies targeting a specific market segment with its unique needs and wants.

Differentiation focus strategy.

Companies using this strategy also focus on specific market segments, but their driving force is the unique value. While cost focus strategy means providing the lowest price in a small niche, differentiation focus strategy means improving the product with the help of unique features that will make your company stand out on the market.

EMERGING TRENDS IN MARKETING

Network marketing is basically a medium of marketing that manufacturers use to expand their sales. Manufacturers use them when they have to deal with several distributors to push out their products. Sometimes, these distributors might have sub-distributors. As a result, this leads to a “network” of distributors that operate at various levels of the distribution chain.

Ambush Marketing:marketing technique inwhich advertisers work toconnect their product with a particular event in the minds of potential customers, without having to pay sponsorship expenses for the event. An example of ambush marketing might involve selling music merchandise just outside the grounds of a concert without the consent or awareness of the concert promoters, relying on association with the concern to drive sales.

GURELLA Marketing: A marketing tactic in which a company uses surprise and/or unconventional interactions in order to promote a product or service. Guerrilla marketing is different than traditional marketing in that it often relies on personal interaction and has a smaller budget, and it focuses on smaller groups of promoters that are responsible for getting the word out in a particular location rather than on wide-spread media campaigns.

GREEN MARKETING: Marketing products and services based on environmental factors or awareness. Companies involved in green marketing make decisions relating to the entire process of the company's products, such as methods of processing, packaging and distribution.

Viral marketing or viral advertising is a business strategy that uses existing social networks to promote a product mainly on various social media platforms. Its name refers to how consumers spread information about a product with other people, much in the same way that a virus spreads from one person to another.[1] It can be delivered by word of mouth, or enhanced by the network effects of the Internet and mobile networks