

Nelkhet Marketing Management (BBAN-302)

Syllabus :-

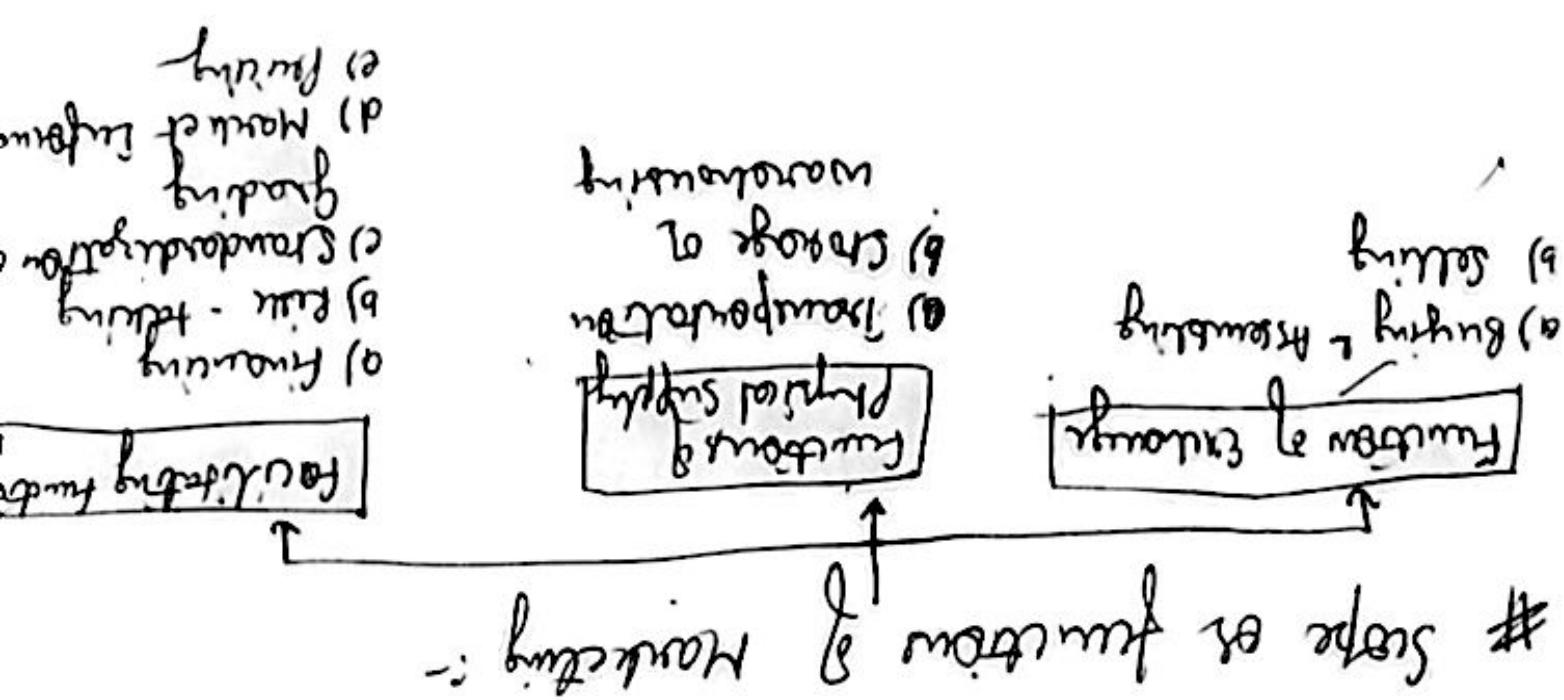
Unit - I

Introduction to Marketing; Difference b/w Marketing & Selling; Core Concepts of Marketing; Marketing Mix; Marketing Process; Marketing Environment.

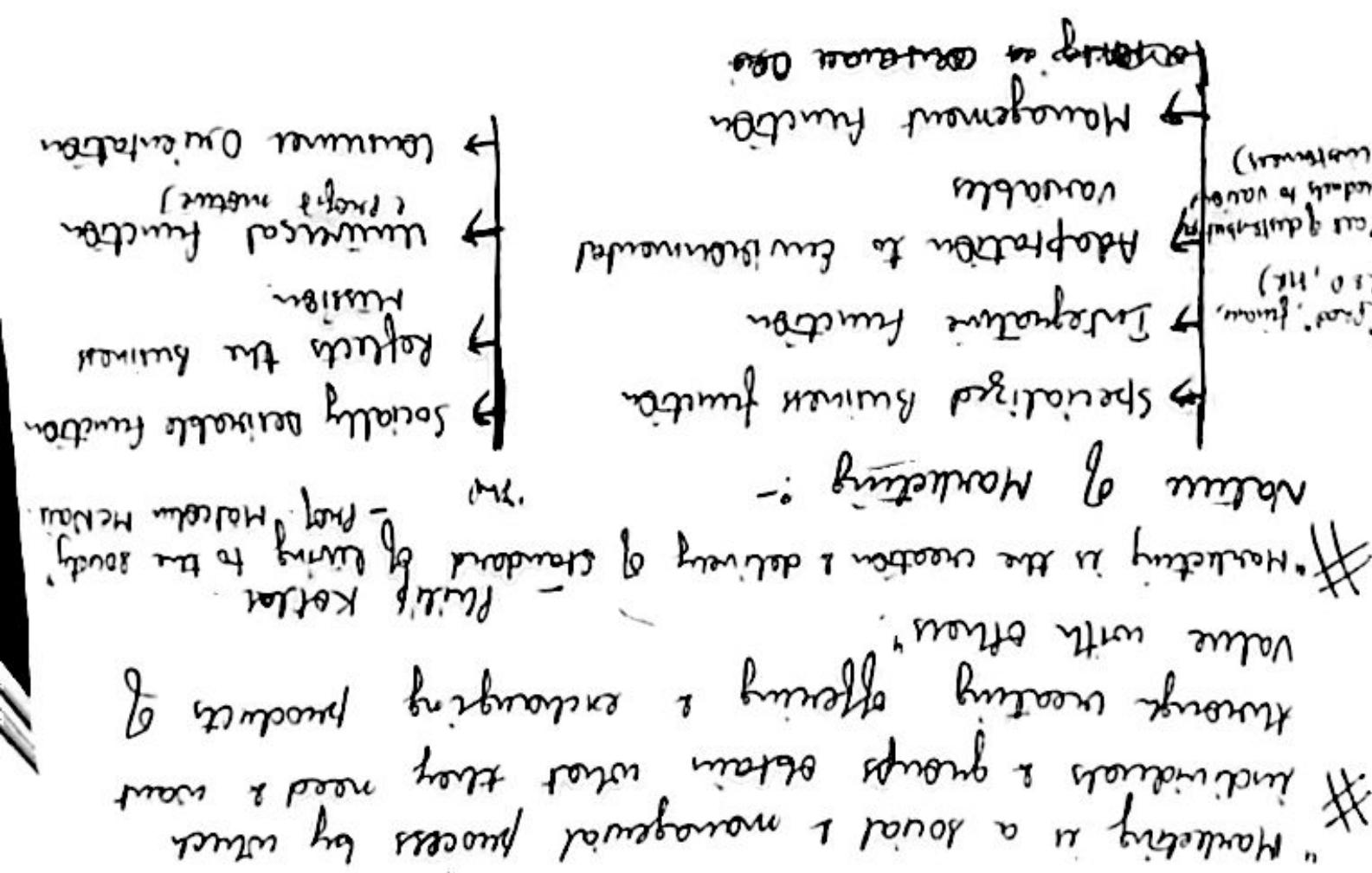
- ⇒ Market is understood as the place where buyers & sellers meet & transact in goods & services.
- ⇒ Acc. to Philip Kotler, "A market consists of all potential customers sharing a particular need or want who might be willing & able to engage in exchange to satisfy that need and/or want."

Types of market:-

1. On the basis of area - local, national, international, rural & urban markets
2. On the basis of volume - wholesale & retail markets
3. On the basis of commodities - commodity market, capital mkt, stock exchange, bullion mkt
 ↓
 (Purchase & sale of gold, silver)
 (Sale/purchase of equity shares, debentures, bonds, mutual funds, etc)
 ↓
 (Leather exchange mkt at Kanpur; exchange of machinery)
4. On the basis of type of transaction - spot market (on spot sale & purchase of goods); future market (Contracts are made over the price for future delivery)



Steps of Marketing :-



Nature of Marketing :-

Marketing is the creation & delivery of products & services to the body.

Marketing is a social & managerial process by which individuals & organizations obtain their need & want through creating, offering & exchange products & services with others.

H. L. Thomas - "In this expanding the world"

Marketing is the process of discovering & developing needs & wants of people for those products & services & returning them to the world for future products & services. It creates & wants the products & services, identifies needs & wants of people & discovers the products & services to meet these needs & wants.

Marketing :-

Transportation of goods, movement of goods, movement of labour
& movement of capital, import & export, foreign exchange
in form of raw material, fuel & labour & capital for further production
& finally in form of goods for market & import
increases the value of goods by the creation of new wealth
of future transportation either a good return or loss
- Transporation creates costs on economic &
- holding & physical factors

control the output in its domain
but then all movement will be affected with
the cost factor. By doing so there is a difference of
costs. The price of it is due to the products
of selling & buying & each

A door is built
that are built

Sources

Information about the goods produced from different
sources! Various sources of information about
the goods. [Buying source of consumer & retailing
producer. Assessing the goods after the goods have already been
purchased.

Goods store various types of goods
from manufacturer to the consumer
& transportation from manufacturer to consumer
by road, rail & air
- Buying & assessing
functions of Exchange:-

Manufacture → Wholesaler → Retailer → Consumer

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words, looks, suddenly pain also help to be removed.
Finally disease "of this" "localization", etc. Also when
matter "of" :- divided structures of many depends upon could
shape, weight, size, etc.
Standardized great progress unfortunately like
providing certain basic qualities to the goods for future
graduation:- It is a specification which is used in
these will also be the standard, applied to such a
class in all of fine, good, bad defect, etc. is also possible.
of goods, management, etc.
drawings to goods, physical tests, changes in electronic value
3. Price - Economy; - In many, there are two parts -
1. Quality; - Quality is simple & it directly affects the profit
depends partly on price, large per unit, great profit
partly quality and cost of the product, better
drawn. Several factors to be kept in mind in determining
drawn. Some factors are difficult to determine
such factors are difficult to determine + low
quality for lower - than finance, model with form + low
commercial success, competitive market Society & government
commercial success, adequate & cheap finance.
1. Planning; - Planning activities are difficult to do without
the following factors:-

• showing a lot of emotions or the very long time without any work	the last will be society's members to businesses	8. culture
highly committed and working on a common development path of living strong & good & strong future growth power, framework outlook, in future power, in long-term	good planning process with no planning or a lot of decisions but several ways of a better planning & more powerful, in future outlook but, as well as difficult.	7. planning
not in physical - emotional but also a broad way to develop a broader to have decided how to work much & work in an emotional relationship	decided to do it powerful, first & then long-term orientation in the product as well as different	6. public administration
Marketing	selling	5. need planning
Marketing	marketing	4. planning

Marketing	Marketing	Marketing	Marketing	Marketing	Marketing
Marketing for business Marketing for society Marketing for culture	Marketing Promotion Selling & selling	Selling Marketing Promotion	Marketing Selling	Selling Marketing	Selling Marketing
Marketing	Marketing	Marketing	Marketing	Marketing	Marketing
Different b/w Mkt & selling	Standardized	Standardized	Standardized	Standardized	Standardized

- At. to Philip Morris, Mr. Mkt. is the process of planning and executing the conception, pricing & promotion of products & services that satisfy user needs:- by advertising sales promotion activities, etc. to attract new customers & existing ones using:-
a) Effective & marketing management:-
b) Satisfying the needs of users:- by advertising community standards before hand
c) Encouraging the participation of business:- by the help of advertising media
Mkt. diff. is the only determination which guides the market for all following the demand of living of the people. fully. full
d) Following the marketing mix:- it refers to the advertising methods, its helps to know the different promotional & physical distribution & promotion of various goods which can be used to sell the product.
e) Distinguishing the marketing mix:- it refers to the advertising methods, its helps to sell the product.
f) Allowing of people

Marketing is the art of getting things done through marketing & organizational effort of goods, & services & ideas to create exchanges with the market and will the people towards the attainment of their goals.

Marketing management:-

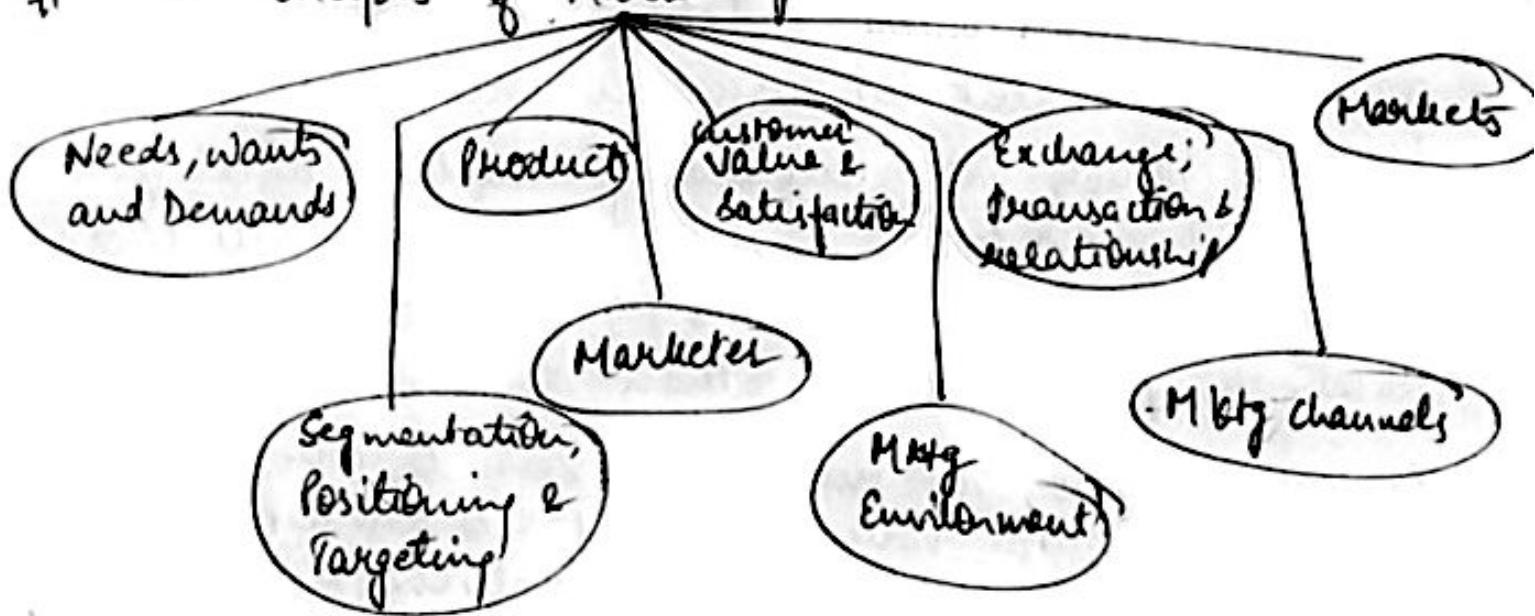
- ↳ four main stages by which marketing concept is followed.
1. Production ~~product~~ concept :- belief in & speciality with a product which can be sold to consumer market.
 2. Product concept :- the product can be sold to consumer market with all offshoots of products and its quality & availability.
 3. Selling concept :- only future fast consumer will buy quality products.
 4. Marketing concept :- the marketing products more through distribution & selling a quality word from word to people more through advertising & promotion.
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↳ four main stages by which marketing concept is followed.

5. Societal Mktg concepts:- This concept says that ~~marketeer~~ product should be done by making good mktg decisions by ~~labour~~ considering consumer wants, company's requirements & Not society's long-term interests. It is closely related with the principles of Corporate Social Responsibility (CSR) & Sustainable Development.

Core Concepts of Marketing :-



1. Needs, wants & Demands :- Needs are basic human requirement. Eg:- food, air, water, shelter & clothing. Needs become wants when they are satisfied. These are desires for specific satisfiers of these deeper needs. Human wants are unlimited & the resources are limited. Thus they want to choose products that gives them max. satisfaction.

Demands are wants for specific products backed by an ability to pay.

Ability to buy + willingness to buy

= demand of a commodity.

Narrow concept

↳ a product is a bundle of physical or chemical properties which has some utility. It means an object that satisfies the needs of the customer.

Wider concept

↳ all brands, all the colours, all the packaging or all the designs of a product is taken to be as different products.

3. Customer Value & Satisfaction :-

Value means worth or importance.

Customer perceived value = $\frac{\text{Benefits derived from a product}}{\text{Cost of acquiring the product}}$

4. Exchange, Transaction & Relationship :-

The essence of mktg. is a transaction → an - exchange intended to satisfy human needs & wants.

- Mktg. message Exchange is the act of obtaining a desired product from someone by offering something in return.
- When the exchange is completed, it is called a transaction.
- When a transaction is successfully completed, it builds a good relationship b/w a seller & a buyer.

5. Markets :- Beginning with the total population, various terms are used to describe the market based on the level of narrowing

- Potential Market → Those who have enough money to buy the product.
- Available Market → Those is the potential market which is available for exchange of goods.

- Qualified Available Market :- Those in the market who are legally permitted to buy the product.
- Target Market :- The segment of the qualified market the firm has decided to serve. (The served mkt.)
- Penetrated mkt :- Those in the target mkt, who have purchased the product.

6. Marketers :- One that sells good or services in or to a market, especially one that markets a specified commodity.

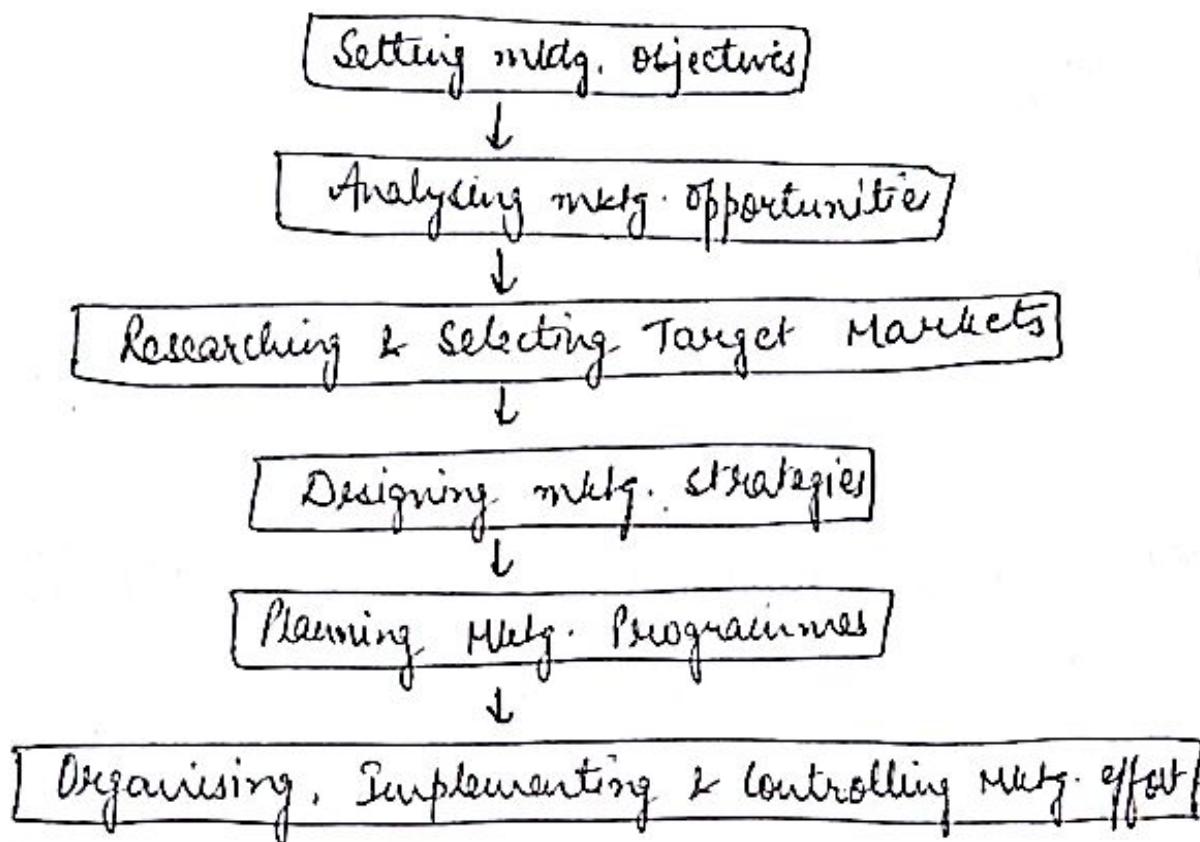
7. Marketing Channels :-

In order to reach a target market, the marketers use 3 types of channels :-

- Commⁿ channels :- newspapers, magazine, radio, TV, mail, Telephone, Internet, etc.
- Distribution channels :- Direct → (internet, mail, mobiles)
Indirect → (distributor, Wholesales, retailers & agents or middlemen).
- Service channels :- In order to carry out transaction with potential buyers, the marketers also uses service channels → warehouses, transportation companies, bank & insurance companies.

Marketers uses the best combination of above 3 channels

Process of Marketing Management:-



Step 1:- Setting mktg. objectives :-

The mktg. obj. mission provides the priorities for scanning the env. & finding out the opportunities.

Step 2:- Analysing mktg. opportunities :-

Analysing the company's strengths & weaknesses
Knowing the needs & wants of their customers, their location,
buying & social practices.

Step 3:- Researching & Selecting Target mkt. :-

Modern mktg. concepts calls for dividing the markets into smaller segments, evaluating them, selecting & targeting certain ones & deciding on the company's positioning on each mkt.

Step 4:- Designing Mktg. Strategies:-

It consists of basic decisions on total mktg. exp., Marketing mix & mktg. allocation.

4Ps → Product, Price, Place & Promotion.
(proper research).

Step 5:- Planning mktg. Programmes :-

Decisions regarding features, packaging, branding, servicing, policies etc has to be made.
Also total mktg. budget has to be decided.

Step 6:- Organising, Implementing & Controlling mktg. effort:-

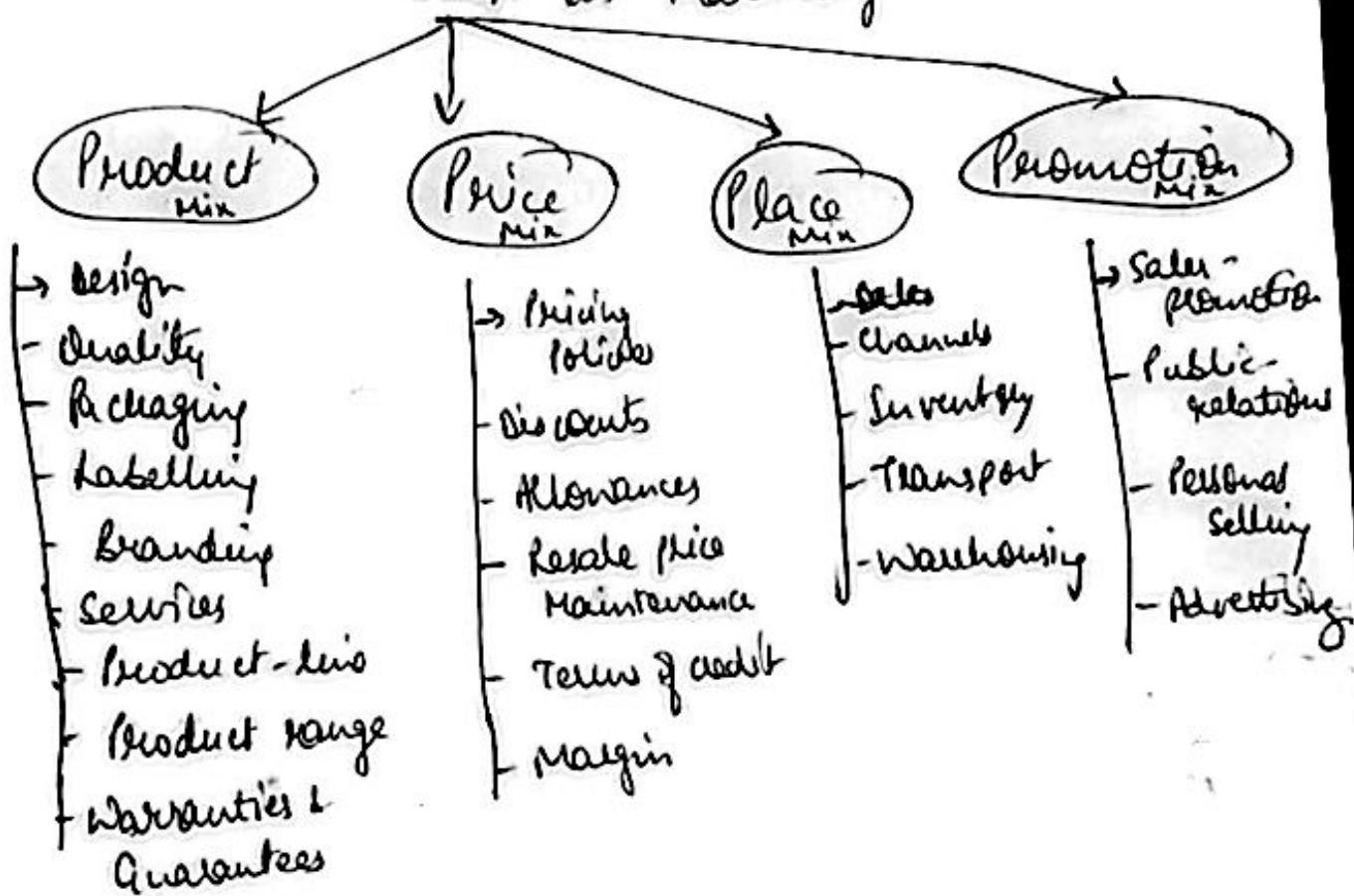
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Marketing Mix :-

"Marketing mix is a set of controllable variables that a firm can use to influence buyer's response"

- Philip Kotler.

There are 4 variables/^{Elements} in Marketing Mix:-



(1) Product Mix variables :-

- Product design :- A product's design properly enhances their utility, attractiveness, safety, etc. A product design is influenced by :-
external appearance designed determined by size, shape, colour, utility, distinctiveness.
- easy maintenance, durability, lower cost, higher reliability
- ability of the company to make design economic & profitable.
- competitor's design of a product.

→ Product Quality :- In this case, the manufacturer of the product faces the problem of changing the quality of a product to suit to the market. Even if the quality of a product is good, it is not enough to retain the customer for a long time. Hence quality should be improved with successful raised prices.

→ Product Packaging :- Packaging is the container used to protect the product. Packages protect the product against deterioration, preserve freshness & flavour, protect from climatic changes, diminishes loss from handling. For consumers, packaging keeps products clean & makes easy storage & handling.

A manufacturer must consider certain things while packaging:-

- nature of the product
- cost of packaging
- advertising value of packaging
- size & price
- legal requirements

→ Product Labelling :- Labels are fixed to products to identify them & to describe their ingredients, quantity, quality & other characteristics. It may be descriptive or informative or both.

- Details of manufacturer / company
- Place of manufacturing
- Date of manufacture
- Expiry date
- Batch no., etc.

→ Product Branding :- A brand is a symbol, a mark, a name which brings about an identity of a given product. It is a product image, a quality, a value, a personality. Products are identified & labelled with trademarks or brands. A good brand is the one which is easy to remember, pronounce, describe the product or its use, suggests product quality etc. Eg:- Usha fans, Brand name & the manufacturer is Tay Engg. which nobody knew.

① Net
Character

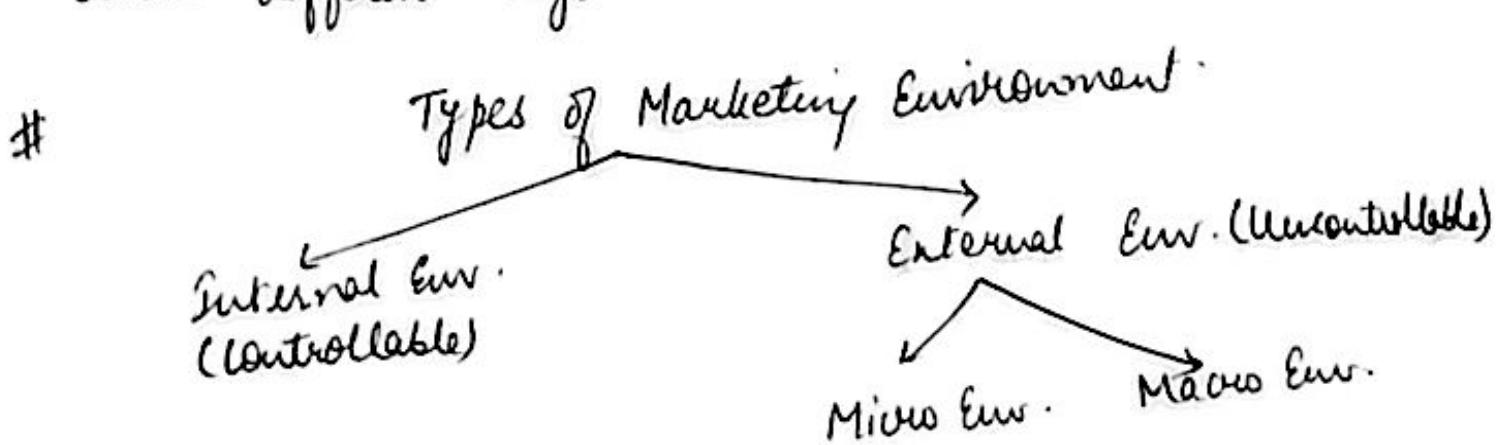
Marketing Environment

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According to Philip Kotler, "Mktg. env. refers to external factors and forces that affect the company's ability to develop & maintain successful relationship with its target customers".

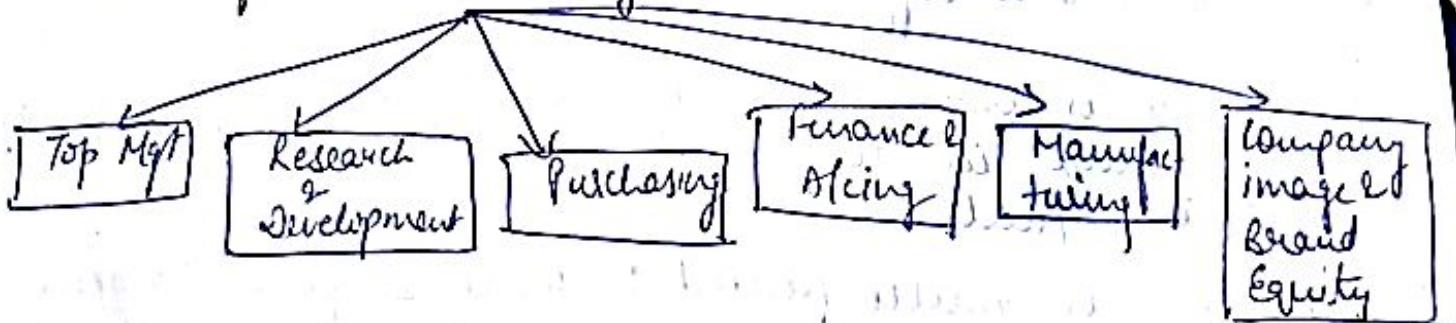
Characteristics / Features of Marketing Env. :-

- ① Mktg. env. is very complex :- It contains of large no. of factors, which are interrelated & interdependent. Any change in one factor may generate changes in other factors. Therefore predictability of env. becomes a difficult exercise.
- ② Mktg. env. is dynamic :- Mktg. env. is constantly changing in nature. Change in technology, competitor's strategy, etc make it difficult to react at sometimes.
- ③ Mktg. env. is multi-faceted :- what shape & character a mktg. env assumes depends on the perception of the observer. A particular change in the env. or a new development, may be viewed differently by diff. observers.
e.g. 1 new tech may be viewed as a good thing by one company & a threat by another firm.
- ④ Marketing Environment has a far-reaching impact :- The growth & profitability of an orgⁿ depends critically on the environment. Change has an impact on the org in several different ways.



internal Marketing Environment :-
It refers to factors existing within a mktg. firm. internal factors are generally regarded as controllable because a company has control over these factors. The orgⁿ can alter or modify such factors as its physical facilities, orgⁿ means - mktg mix to suit the env.

Following are the internal factors or controllable elements which influence the mktg. decisions :-



1. Top Management :- The orgⁿ structure, the CEO, etc. are imp. factors influencing business decisions. The pr business policy, business philosophy, direction of development are guided by the mission & objectives of the company.
2. Finance and Accounting :- finance is concerned with finding & using funds to carry out mktg. plan. financial factors like financial policies, financial position & capital structure are also imp internal env. affecting business performances, strategies & decisions.
Accounting has to measure revenue & costs to help mktg know how well it is achieving its objectives.
3. Research & Development :- R & D focuses on designing safe & attractive products. R & D and technological capabilities, determine a company's ability to innovate & compete.

¹³
Manufacturing :- Manufacturing is responsible for producing the desired quality & quantity of products. Physical assets & facilities like the prodⁿ capacity, tech, distribution logistics, etc. are the factors which influence the competitiveness of a firm.

5. Purchasing :- It means procurement of goods & services from some external agencies. Success of every business activity depends upon the materials & parts, stores & supplies, machines & equipments available in proper quantity with proper quality at proper place & time and at proper price.
6. Company Image and Brand Equity :- The image of the co. matters while raising finance, forming joint ventures or other alliances, launching new products, etc.

2. External Marketing Environment

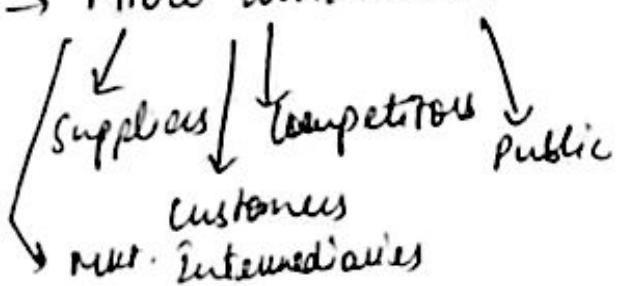
It refers to the factors existing outside the mktg firm. They are beyond the control of a company, hence are known as uncontrollable factors or elements.

Uncontrollable factors are those which are outside of an orgⁿ and affect a marketer's ability to develop & maintain its mktg. strategies.

Elements of external mktg. env. :-

→ Micro Environment

→ Macro Environment

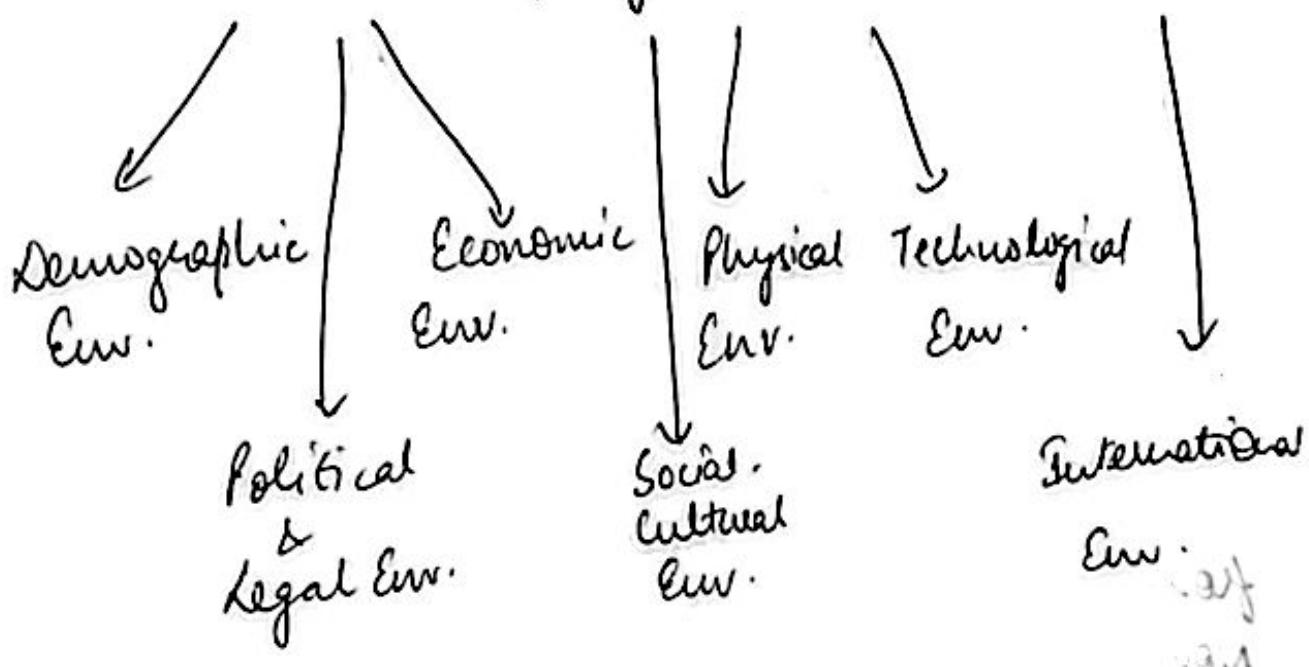


1. Suppliers :- The suppliers of a firm can also alter competitive position and marketing capabilities. These are people who supply raw material supplies, energy supplies, supply of labour & capital. There should be a positive relation b/w supplies & the firm.
2. Market Intermediaries :- Every producer has to choose no. of intermediaries in assisting them in producing, selling & distributing goods & services to ultimate consumers. These intermediaries are middleman (wholesaler, retailer, agents, etc); distributing agency, market service agencies & financial institutions.
3. Customers :-
- a) ultimate customers → individuals or households.
 - b) Industrial customers → These are org's which buy goods & services for producing other goods & services.
 - c) Resellers → These are intermediaries who purchase goods with a view to resell them at a profit. They may be wholesalers, retailers, distributors, etc.
 - d) Govt. and Other Non-Profit Customers :- These customers purchase goods & services to those for whom they are produced, for their consumption in most of the cases.
 - e) International Customers :- These are individuals & org's of other countries who buy goods & services either for consumption or industrial use. They may be consumers, producers, resellers & govt.
4. Competitors :- They are those who sell the goods & services of the same & similar description, in the same market.

Public Relations: It is the duty of the company to satisfy the people at large along with its competitor & the customers. Public relations are certainly a broad subject which must be fully taken care of.

→ Macro Environment.

↳ Refers to those factors which are not concerned to the immediate env. They are also uncontrollable and outside the company.



1. Demographic Env.: - Population → People make up the markets. Marketers are keenly interested in the size & growth rate of population in different regions, age distribution & ethnic mix, regional characteristics, educational levels, etc. These things affect the organisation. When population increases, supply of the goods should also increase.

2. Economic Env.: - Means of prod" & distribution, P.D. & wealth that have an impact on the business & org". Economic factors effect the spending power of people. Eco. development & growth affects the prod. choice of customers.

Eg → If inflation occurs i.e. prices of raw-materials, labours, electricity increases, the marketer will have no choice but to recover these from the customer in form of price hike.

∴ marketer should know:-

- Per-Capita Income
- Gross National Product, etc

3. Physical Environment :- Components of physical forces are earth's natural renewal & non-renewal resources. Natural renewable forces are → forests, food products from sea or agriculture, etc.

Non-renewable sources are → oil, coal, minerals, etc. Both these components affect the type of resources available to a marketer for prod".

Ex → India does not have enough petroleum reserves & imports petrol & other products. If a war occurs, India will be in trouble & import of petrol from Arabian countries - gulf countries would be limited.

4. Technological Environment:- Contains factors related to knowledge applied, & the materials & machines used in the prod" of goods & services that have an impact on the business of an org".

⑩
⇒ Political & legal Env.; - Development in political & legal field greatly affect the mktg. decisions. Govt. mktg. decisions cannot be taken without taking into Ac the govt. agencies, political party in power & in opposition, etc. Laws affect prodⁿ capacity, capability, product design, pricing & promotion.

Govt. has enacted laws:-

- To protect consumers
- To protect the society
- To prevent monopoly & restrictive trade policies & promotes competition.

6. Social & cultural Env.; - Social responsibility concept has come into emergence as an alternative for mktg. concept.

Firms should not produce harmful products for society (eg → cigarettes or wine) & produce only what is beneficial to the society.

1:- It is necessary to view of the nature of environment as to how uncertain it is.

is it static or dynamic? Simple or complex?

These help us deciding what focus of the rest of the analysis is to take.

Step 2:- Analyzing environment helps to identify which of the many environmental influences have affected the organisation's development in the past. Help for future analysis'

Step 3:- Identifying key competitive forces through structural analysis helps to identify the key force at work in the immediate or competitive environment & their significance

Step 4:- Identifying strategic position means to analyse the organisation's strategic position i.e how is the relation with the competitors.
It is done in following ways:-

- competitor analysis
- strategic group analysis, in terms of similarities & dissimilarities of the strategies they follow
- The analysis of market segments & market power
- Building on growth analysis
- Attractiveness analysis.

Step 5:- Identifying key opportunities & threats helps to make strategies & key opportunities should be overcome

Objectives of Analysing the Mktg. Environment:-

(13)

- 1) Knowledge of Marketing environment is central to marketing management.
- 2) Strategic response to environment is possible only with proper Environment Analysis.
- 3) Spotting the Opportunities and Threats
- 4) Task involved in marketing environment analysis:-
It is the process of gathering, filtering and analysing information relating to the mktg. environment.

Process of Marketing Environment Analysis :-

