



Introduction of Marketing :-

Marketing which was once a part of management now becomes an independent subject. Nowadays marketing is an important area of study throughout the world. In every university and professional institution education is imparted in the subject of Marketing.

There is no single answer to the question of what is Marketing.

Different persons understood the meaning of marketing differently depending on their ability, need and environment.

* Consumers consider it as a synonymous to shopping.

* Sellers treat it as selling.

* farmers understood it as Co-operative.

* Engineers consider it as product designing.

* Managers as retailing.

Hence everyone understood marketing in his own way. In short, it may be said that the word marketing is commonly used by us but the word marketing is mostly misunderstood by most of us.

As a matter of fact the term marketing is not confined to shopping, selling, Co-operative marketing, Product designing,

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Advertising, retailing etc. for some persons
"Marketing is what a marketer does."

But the meaning also looks
Clarity in understanding the subject.
Actually speaking, marketing
is a comprehensive term and it includes
all resources and set of business activities
necessary to direct and facilitate the
flows of goods and services from producers
to consumer of user, including product
planning and after sale services, in the
process of distribution.

American Marketing Association
defines - "Marketing as the process of
planning and executive and conception,
pricing, promotion and distribution of ideas,
goods and services to create exchange that
satisfy individual and organisational
objectives."

The father of Modern Marketing
Phillip Kotler defines :-

NOTES "Marketing is a social
and managerial process by which individu-
als and groups obtain what they need
and want through creating offering and
exchanging products of values with others"

To understand marketing one should know the distinct meaning of marketing, market and marketing management.

Meaning of Market:-

For understanding the meaning of marketing one should first understand the meaning of market. The word market is derived from the Latin word **MARKATUS** which means merchandise or stall or a place where business is conducted.

According to Prof. Pyle - "Market includes both place of exchange and region in which buyers and sellers are in free competition with one another."

According to Phillip Kotler - "A market consist of all the potential customer sharing a particular need and who might be willing and able to engage in exchange to satisfy the need."

Marketing:-

Marketing is a comprehensive term and it includes all resources and set of activities necessary to direct and facilitate the flow of goods and services from the producer to consumer. Marketing is the providing

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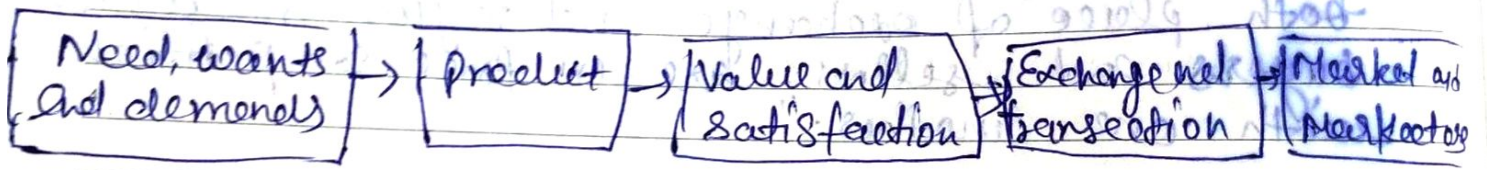
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The right goods and services to the right people, at the right place, at the right time and the right price with the right communication and promotion.

The concept of marketing gives us the concept of marketing. It includes product planning and development, buying and assembling, pricing and discounting, distribution and selling, branding and packaging, promotion and advertising, financing and risk bearing, analysis of market in terms of its present and potential customers.



According to Philip Kotler every human being has endless needs, wants and demands. These wants can be fulfilled by exchanges. Exchange is the act of obtaining a desired product from someone by offering something in return. Market is a place in return-to markets where these exchange can take place.

Marketing means human activities that take place in relation to markets. Hence, marketing means a social process by which individuals and group obtain what they need and want through creating

and exchanging product and value with others.

Marketing Management :-

Management is the art of getting things done through and with the people towards the attainment of the objectives of the firm. Marketing mgmt. is concerned with the direction of these activities which are performed to obtain marketing goals i.e. increasing the customer satisfaction and firm's profit. All mgmt. functions i.e. planning, organizing, directing, coordinating and decision making are also adopted in marketing.

Definition → According to William J. Stanton -
"Marketing management is the Marketing Concept in action."

Hence marketing management is a compound word marketing + management. Marketing is the total system of business activities while mgmt. is the art of getting things done in a co-ordinated and harmonious manner.

Definitions of Marketing Management :-

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Product Oriented Definitions :-

Old definition of marketing are known by various Name such as
(i) traditional definitions (ii) narrow definitions
(iii) Product oriented.

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These definitions are based on the assumption that whatever produced by the manufacturer will be acceptable to the consumer.

It means the producer is concerned only with the production without taking into account the need, choice or behaviour of the consumer.

"Marketing comprise both buying and selling activities" By Pyle.

"Marketing is the performance of business activities that direct the flow of goods and services from producers to consumers."

By American Marketing Assn.

Customer oriented definitions: - New definition

of marketing are also known by various

- Name such as -
- (i) Customer oriented
 - (ii) Broader definitions
 - (iii) Modern definitions

These definitions emphasize on the satisfaction of the consumer. It means only those products are brought forward which can satisfy the wants and taste of the consumer.

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"Marketing is the delivery of standard of a living."
By Paul merzur.

"Marketing is the creation and delivery of standard of living."
By Malcolm Mc Nair.

- 'Nature of Marketing' -

There was a time when marketing activities were concerned only with the flow of goods and services from the producer to consumer. In other words, marketing was concerned with the distribution of goods and services only. However this concept of marketing has now been changed. Actually marketing begins even before the start of actual production and ends after the satisfaction of consumer. That is why it is often said that "Marketing begins (starts) and ends with the consumer."

Nature of mkt has been devolved into two parts.

(1) Nature of mkt as a science or an art.

NOTES (ii) Nature of mkt and various approaches.

Marketing as a science :-

often a controversy

has been raised on the issue whether mkt. 2013

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Is science or an art. Before we answer the controversy let us see what a science is and what an art is. The term science has been derived from the Latin word 'SCIRE' which means 'To know! Knowing a subject means understanding it. Science in a word applied to multitude of different activities carried on by a man as his efforts to understand his environment. prof.

Bacon has pointed out four basic characteristics of science such as

(I) Observation of facts

(II) Measurement of facts

(III) Explanation of facts as a law or theory

(IV) Verification of validity of laws.

Marketing cannot be regarded as a science because it does not conform to the basic characteristics of science. Further the subject of marketing has been very slow to develop as a unique body of theory. Other reason is that most of science have come to develop a systematic approach to their problem which is known as the scientific method. Hypothesis are developed, facts are gathered to support or compute the hypothesis and then test are conducted to see if hypothesis are sound. But this is missing in marketing.

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Marketing as an art:-

Science is a classified and systematized body of knowledge and art is the practical application of knowledge for achieving definite ends.

According to Cassa, Science is concerned with knowing and art is concerned with doing. Hence art means the application of principles and set rules to practice. As an art marketing helps us in the solution of our marketing problems. Its study enables us to know the best methods of achieving marketing objectives.

- (i) It creates profit for the firm.
- (ii) It creates interest in the mind of the consumer or users.
- (iii) It develops the standard of living.
- (iv) It deals with human beings.
- (v) It tries to give maximum satisfaction to the consumer.
- (vi) The success of marketing depends upon the ability of the marketer to solve the marketing problem.
- (vii) It gives solutions of the marketing problems.
- (viii) It solves the marketing problems in realistic situation.

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Some other nature of Marketing:-

- (I) Distribution of Goods and services
- (II) Utility creation
- (III) Revenue Generation
- (IV) Marketing is Consumer oriented
- (V) Marketing starts and ends with the Consumer.
- (VI) Marketing Precedes and succeeds production
- (VII) Marketing is the Guiding elements of business.
- (VIII) Marketing is a science as well as an art
- (IX) Marketing is a system
- (X) Exchange process is the essence of Marketing
- (XI) Marketing is goal oriented
- (XII) Marketing is a process.

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Scope of Marketing

Managerial Activities

functional Activities

(I) Managerial Activities :-

- (I) determining marketing objectives
- (II) planning the marketing functions
- (III) Organising the marketing functions
- (IV) Staffing the marketing functions
- (V) Directing the marketing functions
- (VI) coordinating the marketing functions
- (VII) controlling the marketing functions
- (VIII) Analysing and evaluating the marketing functions.

functional Activities :-

- (I) Marketing Research
- (II) Product planning and development

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- (III) Buying and Assembling
- (IV) Selling
- (V) Transportation
- (VI) Storage and warehousing
- (VII) Standardisation and grading
- (VIII) Branding and Packaging
- (IX) Pricing and discount policies
- (X) financing
- (XI) Advertising
- (XII) After sales services

Corporate Orientation towards the market place:

Companies activities to address the market affects - Organization, customers, society. Interest of each group may be different and in conflicts to each other."

What weightage should an organisation give to each group?

Company should choose its orientation towards market place.

Orientation could be

(i) Production Concept

(ii) Product Concept

(iii) Selling Concept

(iv) Marketing Concept

(v) Societal Concept

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→ Building and delivering customer value and satisfaction.

Building and delivering customer value and satisfaction requires the action on the following points.

(i) design and develop products/services which are fitting absolutely into demand framework of customers.

(ii) Ensure availability at all demands points.

(iii) Attach prestige/status value with products or services.

(iv) Ensure timely feedback on performance of product or services.

(v) Incorporation of feedback in design of products or services.

→ Retaining customers :-

(i) Attach prestige/status value with products and services.

(ii) Ensure timely feedback on performance of product or services.

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(III) Incorporation of feedback in design of products on services.

(IV) offer your customer best deal on price and discount

(V) facilitate and acknowledge the old customers on public platform.

→ Key to customer retention: -

- (i) Stay longer
- (ii) Buy more as the Company introduces new product and upgrade current ones
- (iii) Talks favourable about the Company and its products
- (iv) Pays less attention to competing brands and advertising and is less sensitive to price
- (v) offers products or services ideas to the Company.

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→ Two way to strengthen customer retention :-

(1) Customer development process, suspects, prospectus, first time consumer etc.

(3) five level of Investment in Customer relationship building - Basic, reactive mpt, accountable mpt, proactive mpt, partnership mpt.

Customer Value :-

(1) Customer delivered value is the difference between total customer value and total customer cost

(2) Total Customer Cost :- The bundle of benefits customer expects from a given product or service.

(3) Total Customer Cost :- The bundle of cost customer expects to incur in evaluating, obtaining using and disposing of the product or services.

four sources of customer value :-

1. Product
2. Services
3. Personal
4. Image

four source of Total customer cost:-

- (i) Monetary cost
- (ii) Buyer's time
- (iii) Buyer's energy
- (iv) Buyer's psychic costs

Customer Satisfaction :-

A person's feeling of pleasure or disappointment resulting from comparing a product performance in relation to his or her expectations.

Satisfaction a function of perceived performance and expectation.

If all the performance falls shorts of expectations the customer is dissatisfied.

If the performance matches the expectations the customer is satisfied.

If the performance exceeds expectations the customer is highly satisfied or delighted.

High satisfaction or delight creates an emotional bond with the brand not just a rational preference. The result is high customer loyalty.

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The key is generating high customer loyalty is to deliver high customer value.

Two factors delivering High customer value:-

1. value proposition
2. value delivery system

Methods or tools tracking and measuring customer satisfaction :-

- Complaint and suggestion system
- Customer Satisfaction survey
- Ghost shopping
- Lost customer analysis

Value :-

A value chain is a tool for identifying ways to create more customer value. Every firm is a collection of activities that are performed to design, produce market, deliver and support its product.

Value creating activities :-

1. primary activities :-

1. In bound Logistics - a sequence of bringing material into the business.
2. operations - converting raw material into finished goods.
3. Outbound Logistics - shipping out final products
4. Marketing
5. Services

2. Support Activities :-

1. procurement
2. Technology development
3. Human Resource Management
4. firm Infrastructure.

The firm task is to examine its costs and performance in each value creating activity and to look for ways to improve it. The firm should estimate its competition cost and performance as bench mark against which to compare its own cost and performance.

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Building Customer Satisfaction:

In this world of extreme competition, companies with a total focus on customer, are going to be the winner. Companies must understand importance of customer satisfaction and then build process around it. A satisfied customer will be a loyal customer.

There are large offering of product and services available in the market then why the customer should choose a given company's product.

According to various researchers and students it has been confirmed that consumer will purchase product which given them maximum perceived value. This value like the brand image, corporate brand, sales, personnel, image and functional image. This value converts to total cost by including purchase cost associated with purchase, perceived and otherwise. If after this purchase product performs as expected then customer is considered satisfied. A complete satisfied customer.

Building and delivering customer value and satisfaction:-

Introduction

To succeed, or simply to survive, companies need a new philosophy. To win in today's marketplace, companies must be customer centered; they must deliver superior value to their target customers. They must adopt an attitude of building customers, not just building products.

Customer value is the satisfaction of customer requirements at the lowest cost of acquisition, ownership, and use. Creating and delivering better customer value is the only route by which firms implement the marketing concept.

Characteristics of Customer Value

1 Customer-defined

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2 Contextual

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3 Multi-dimensional

4 Trade-off

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5 Relative

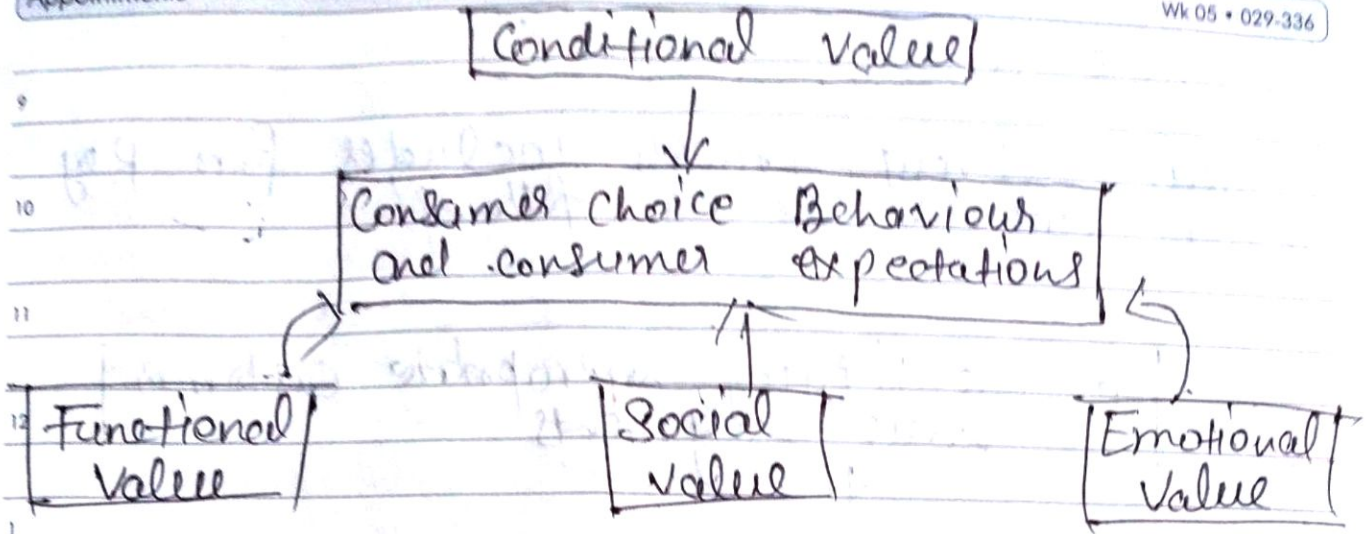
6 Mindset

Classification of Customer Value:

Concept of Value can be classified as the net of customer's expected benefits over the cost of the product. The three central propositions behind this classification include the following:

- 1 Consumer choice is a function of a small number of consumption values.
- 2 Specific consumption values make differentiated contributions in any given choice of situations.
- 3 All the consumption values are independent of each other.

1 Social Value: The social value of a choice is the perceived utility acquired because of the associations between one or more specific social group and consumer choice.



2 Functional Value

The functional value of a consumer choice is the perceived functional, utilitarian or physical performance utility received from the choice attributes.

3 Emotional Value

The emotional value of a choice is the perceived utility acquired from its capacity to stimulate the consumer's emotions or feelings.

4 Conditional Value

Conditional value of a choice is the perceived utility acquired by a choice as an outcome of some particular situation or circumstances facing the customer, products associated with a particular time or even like coffee & breakfast.

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Value - delivery process :-

value - delivery process includes four key steps which are as follows :-

1. Identifying appropriate customer value segments



2. Designing value delivery system



3. Planning customer value delivery strategy

4. Value Enhancement

Identifying appropriate customer value segments :-

Every customer has different value requirements and perception. So, here we identify the customers who have same requirements & values - with many techniques. We can segment on the basis of demographic or socio-economic variables.

2 Designing value delivery system!

In this step, we view the design of the value delivery system as a critical means of engineering stronger linkages between customer's value chain and our own.

3 Planning customer value delivery strategy

- (i) Identify the value
- (ii) Choose the value
- (iii) Value creation
- (iv) Value communication
- (v) Assessing the value

4 Value Enhancement

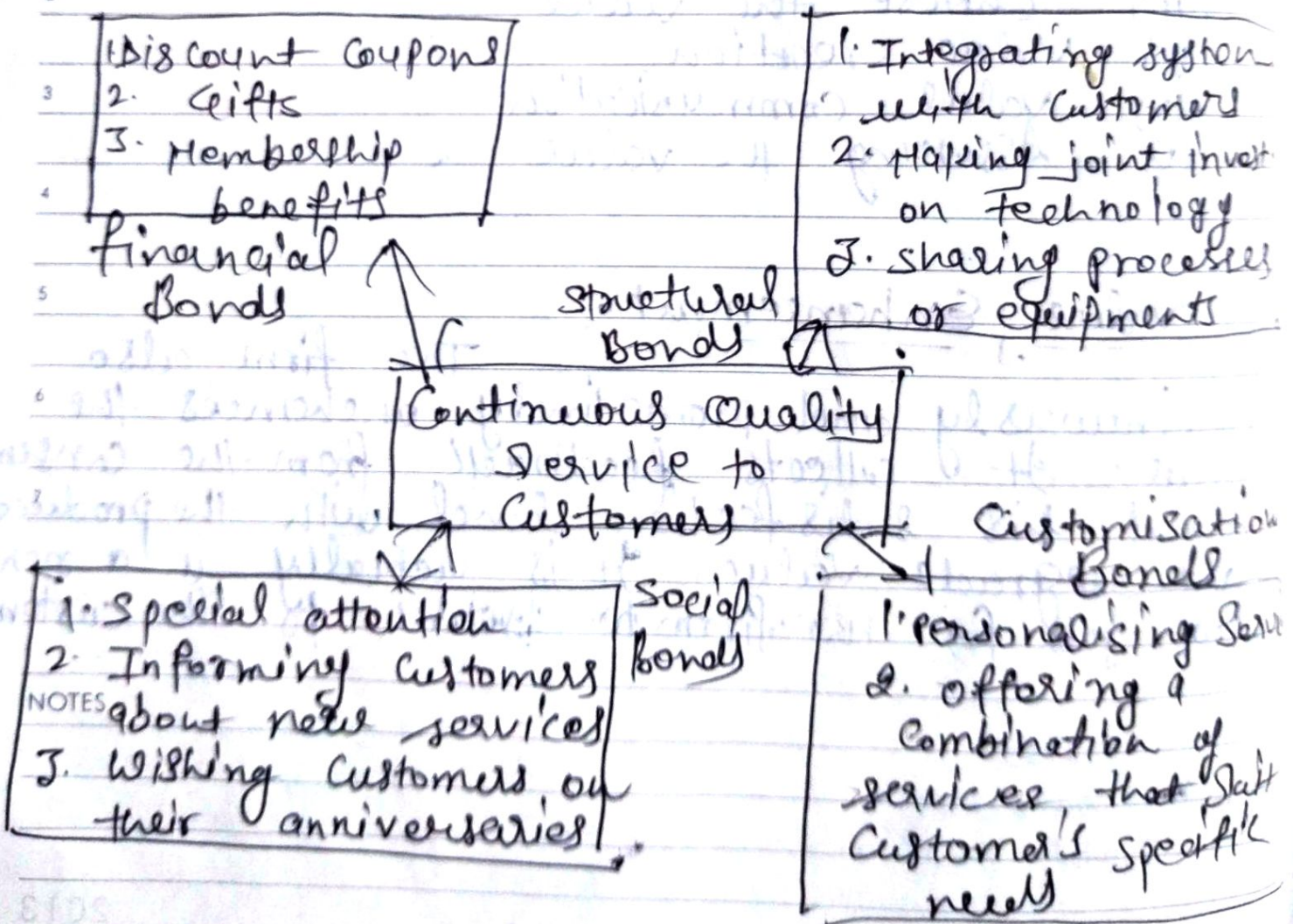
The firm also continuously and proactively enhances the value. It collects feedback from the consumer about his satisfaction level with the product and upgrade value. It is actually a non-stop job for the firm to search for the customer

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Retaining Customers!

It is difficult to exactly define customer retention as it is a variable process. A basic definition could be customer's retention is the process when customers continue to buy products and services within a determine time period.

Levels of Retention Strategies



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There are some specific strategies and tactics used by firms to build relationships and tie customers closer to firms.

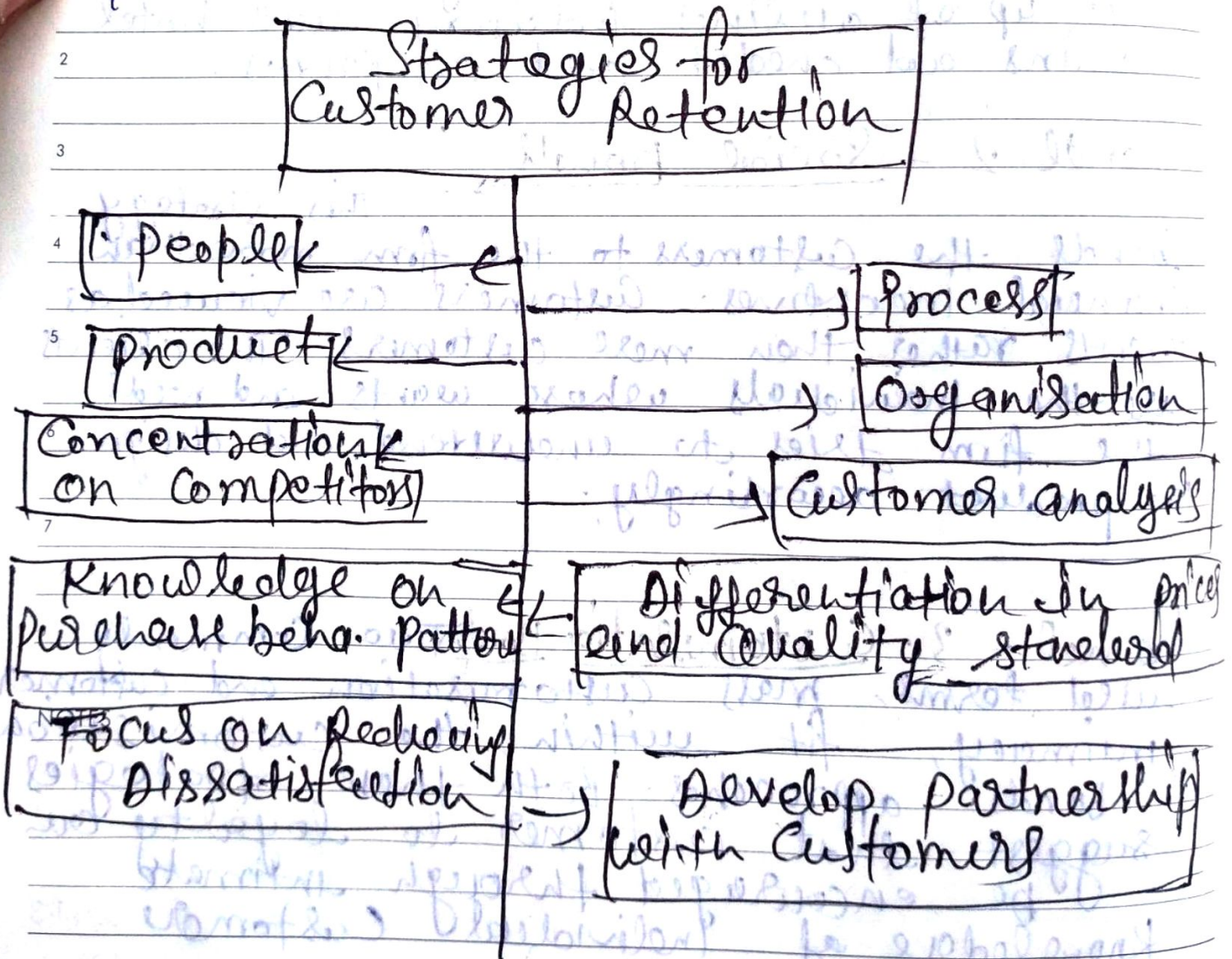
Level 1 - Financial Bonds! At level 1, customer is tied to the firm primarily through financial incentives, lower price for greater volume purchases. Cross selling of services, like tie-up of airlines industry with hotel chains and credit card companies.

Level 2 - Social Bonds! This strategy bonds the customers to the firm more than financial incentives. Customers are viewed as clients rather than mere customers. The clients are the individuals whose wants and needs the firm tries to understand and design the product accordingly.

Level - 3. Customisation Bonds. Commonly used terms, mass customisation and customer intimacy, fit within the customisation bonds approaches. Both these strategies suggest that customer loyalty can be encouraged through intimate knowledge of individual customers.

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Level 4 - Structural bondshere 4 strategies are the most difficult to intimate and involve structural as well as financial, social and customisation bonds between the customer and the firm. Structural bonds are created by providing services to the client that are frequently designed right into the service delivery system for the client.



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1. People - People with the organization have the basic role in the developing and maintaining relationship with customers.

2. Process - process involves a logical sequences of activities right from the need identification of potential customers to need fulfillment. The process has to be derived from the customer's view point.

3. Product - The product offered must constantly provides value addition. The expectations of the customers may always be on the increase due to various reasons.

4. Organisation - In order to build customer relationship, an organisation should be aware of the technology advancements and provide quality services in tune with the customer's expectations.

5. Concentration on Competitors - An organisation must focus constant attention on competitor's performance, their strategy and style of operations and compare same with its own performance.

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6. Customer Analyst's: - Customers referred here include the present customers consuming the products of an organisation and those consuming the products of competitors.

7. Knowledge on purchase behaviour pattern: - Organisations should have a thorough knowledge of the purchase behaviour pattern of their customers.

8. Differentiation in prices and quality standards: - An organisation may come forward to offer services or brands of different varieties with price variations. To meet a particular need, three or four brands of varied quality and at different price levels must be available.

9. Focus on Reducing dissatisfaction: - All dissatisfied customers will not come forward to show their displeasure.

10. Develop partnership with customers: - This type of partnership understanding may be in the form of buy back arrangements.

Significance of Customer Retention

1. Possibility of repeat business: This is probably the most obvious advantage of customer retention. Effective services that lead to customer satisfaction will make the customer coming back to individual again.

2. Reduced costs for customer acquisition

Acquiring a customer has certain associated costs. These include the costs associated with advertisement, following up, sales demos, travel and meeting costs.

3. Fostering greater interaction between business and customers! -

Today's market are increasingly moving away from mass produced standard products and services, towards a more customised specific requirement.

4. Having more delighted customers! - Effective customer retention strategies allow individual to move from the zone of customers.

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Marketing Environment

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Meaning :-

Marketing activities of a business firm are affected by a large number of environmental factors that surround the company. These factors and forces influence the decision-making capabilities of the enterprise. The factors or forces are collectively called marketing environment.

Definitions :- "Marketing environment refers to external factors and forces that affect the company's ability to develop and maintain successful relationship with its target customers."

The market environment across India is changing rapidly and business leaders are under increasing pressure to cope with this dynamic macro-environment.

1. Internal Marketing Environment

Internal env. refers to factors existing within a marketing firm. The internal factors are generally regarded as controllable factors or elements because the company has control over these factors. There are a number of internal forces or factors which influence the marketing decision as follows :-

Types of Marketing Environment

1. Internal environment / Controllable elements

2. External env. / uncontrollable elements

1. Top management

2. Finance and accounting

3. Research and development

4. Manufacturing

5. Purchasing

6. Company image and brand equity

Micro env.

Macro env.

- 1. Suppliers
- 2. Customers
- 3. Competitors
- 4. Market Intermediaries
- 5. Public

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- 1. Demographic Env.
 - 2. Economic env.
 - 3. Physical env.
 - 4. Technical env.
 - 5. Social-cult. env.
 - 6. Political and legal env.
 - 7. International env.

1. Top Management: - The organisational structure, the composition of the board of director, extent of professionalisation, of management are important factors influencing business decisions.

2. Finance and Accounting: - Finance is concerned with funding and using funds to carry out the marketing plan. Financial factors like financial policy, financial position and capital structure are also important internal environment affecting business performances.

3. Research and development: - The R&D department focuses on designing safe and attractive products. R&D and technological capabilities determine a company's ability to innovate and compete.

4. Manufacturing: - Manufacturing is responsible for producing the desired quality and quantity of products.

5. Purchasing: - Purchasing worries about getting supplies and materials. Purchasing means procurement of goods and services from some external agencies.

6 Company Image and Brand Equity 1-

The image of the company matters while raising finance, forming joint ventures or other alliances, soliciting marketing intermediaries entering purchase or sales contract.

External Marketing Environment!

The external marketing environment refers to the factors existing outside the marketing firm. The external or environmental factors such as the economic, socio-cultural factors and legal factors.

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

1. Micro Environment 1-

Micro environment refers to the company's immediate environment those environmental factors that are in its proximity. These factors influence the company's non-capability to produce and serve the market.

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Micro Environment

Suppliers

Market Intermediaries

Customers

Competitors

Public

Suppliers :- The suppliers to a firm can also alter its competitive position and marketing capabilities. There are raw material suppliers, energy suppliers of labour and capital.

Market Intermediaries :- Normally, every producer has to appoint a number of intermediaries in assisting him in promoting, selling and distributing the goods and services to ultimate consumers.

Customers :- The Customers of a Company may be of five kinds:

- (i) Ultimate Consumers
- (ii) Industrial Consumer
- (iii) Resellers
- (iv) Government
- (v) International Customers.

Competitors :- Competitors are those who sell the goods and services of the same and similar description in the same market. Apart from competition on price factors, there are other forms of competition like product differentiation.

Public :- It is the duty of the Company to satisfy the people at large along with its competitors and the consumer. It is necessary for future stay and growth.

Macro Environment - Macro environment refers to those factors which are not concerned to the immediate environment. These are external to the company and are quite uncontrollable.

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Macro Environment



1. Demographic Env.
2. Economic Env.
3. Physical Env.
4. Technical Env.
5. Social-cultural Env.
6. Political & legal Env.
7. International Env.

1. Demographic Environment -

The first macro-environment force that marketer monitor is population because people make up markets.

2. Economic Environment - The economic environment consist of macro-level factors related to the means of production and distribution of wealth that have an impact on the business of an organisation. It is necessary that a marketer examine the following

factors in a greater detail.

- (i) GDP & GNP
- (ii) per capita income of the population.
- (iii) Balance of payment position.
- (iv) Consumers buying and financial power.

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

4 Technological Environment. The technological environment consists of those factors related to knowledge applied, and the materials and machines used in the production of goods and services.

5 Political and legal Environment Sunday 17

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In political and legal field greatly affect the marketing decisions. Sound marketing decision cannot be taken without taking into account developments.

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6 Social and Cultural Environment

Social responsibility concept has crept into marketing literature as an alternative to the marketing concept. The social forces attempt to make the marketing socially responsible.

7 International Environment

The international environment is particularly important for industries directly dependent on imports or exports and import-competing industries.

Process of Marketing Environment

Step 1: Monitoring the nature of the environment - It is useful to take a view of the nature of the marketing environment in terms of how uncertain it is. It is relatively static or does it show signs of change, and in what ways.

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Step 2: Audit Environment - mental influences. The aim is to identify which of the many different environmental influences have affected the organization's development.

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Process of Marketing Environment

1. Monitoring the nature of environment

2. Audit Environment Influences

3. Identify key competitive forces through structural analysis

4. Identify strategic position

5. Identify key opportunities and threats

Steps - Identify key competitive forces through structural analysis

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It aims to identify the key forces at work in the immediate or competitive environment and why they are significant.



Step 4 -

Identify Start position. It is mean to analyse the organisation's strategic position & how it stands in relation to those other organisations competing for the same resources, or customers. This may be done in numbers of ways!

1) Competitor analysis

2) Strategic group analysis, in terms of similarities and dissimilarities of the strategies they follow.

3) The analysis of market segments and market power,

4) Attractiveness analysis.

Step 5: Identify Key opportunity and threats. Develop and understanding of opportunities which can be built upon the threats which have to be overcome or circumvented. An understanding which needs to be considered in terms of the resources base of the organisation. Choice is very important.

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(Marketing Research)

Meaning

Marketing research is defined as the objective and formal process of systematically obtaining, analyzing and interpreting data for actionable decision-making in marketing.

The American Marketing Association (AMA) has defined marketing research as: "Marketing research is the function which links the consumer, customer and public to the marketer through information used to identify and define marketing opportunities."

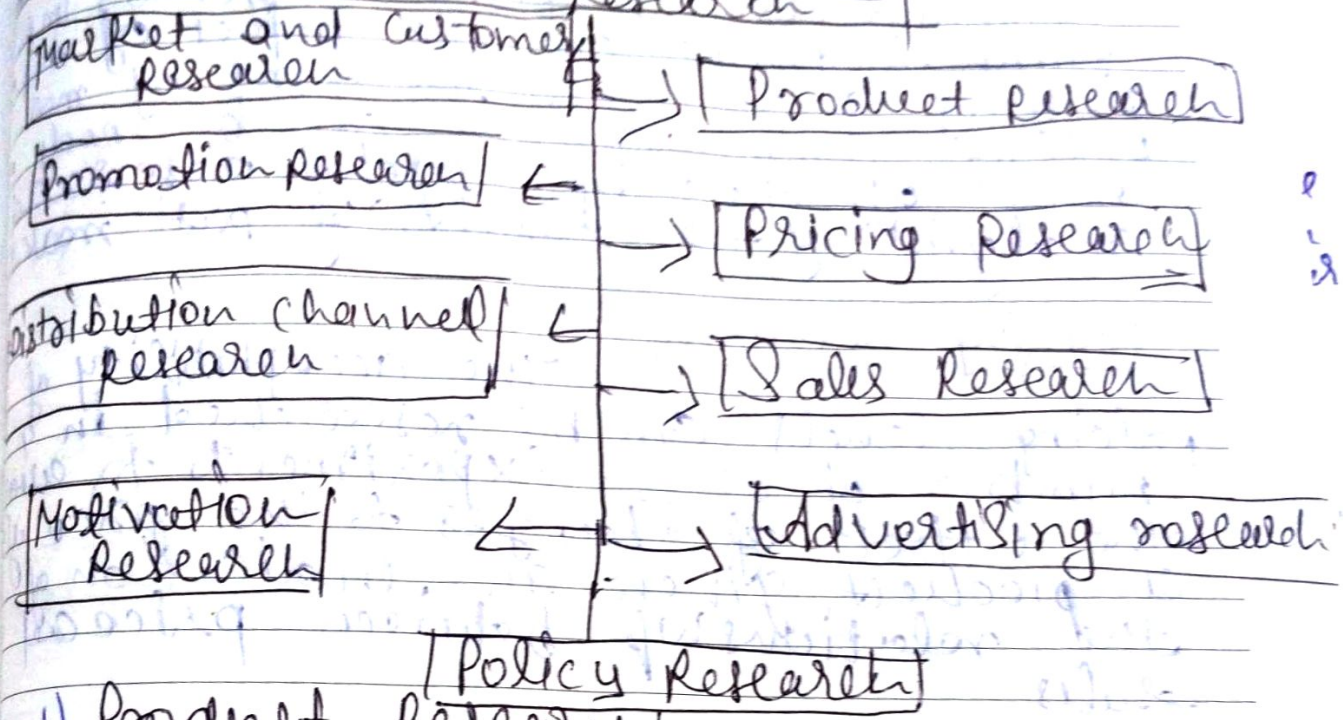
According to Palmer! -
Definition! - "Marketing research is about researching the whole of a company's marketing process"

Scope of Marketing Research

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Marketing research encompasses all the spheres of marketing, right from the idea generation for a new product to after sales services.

Scope of Marketing Research



1) Product Research -

Market and Customer research looks at the size and structure of a particular marketplace and the behaviour of buyers or operators within that market. First business must determine the size and structure of the marketplace.

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Product Research

Most product ideas and concepts can be tested on a limited scale before they are put to ultimate test of acceptance in marketplace.

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3) Promotion Research: research provides important feedback on the impact of marketing activities. All forms of marketing communications can be made more effective by useful research and analysis of the results of past marketing.

4) Pricing Research: The acceptability of pricing levels can be researched in a number of ways. Experiments to assess the effect of changes to the price of a product give an indication of the relationship between price and sales.

5) Distribution Channel Research - Research can provide crucial information affecting the physical distribution of goods and services or intangible channels to market such as internet.

6) Sales Research - Sales research covers the problems relating to the sale of products of a given firm. It attempts to find out sales potential to improve the existing level.

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Motivation Research

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That is, is qualitative, that answer why? why do people buy or do not buy a particular product? It is not only the ability to pay for but the motives or the attitudes.

Advertising Research

Advertisement Research is to do with communication mix, the problems involved and the solution possible. Two areas of advertising research are:

i) Determining the advertising messages and appeals in the limelight of research findings.

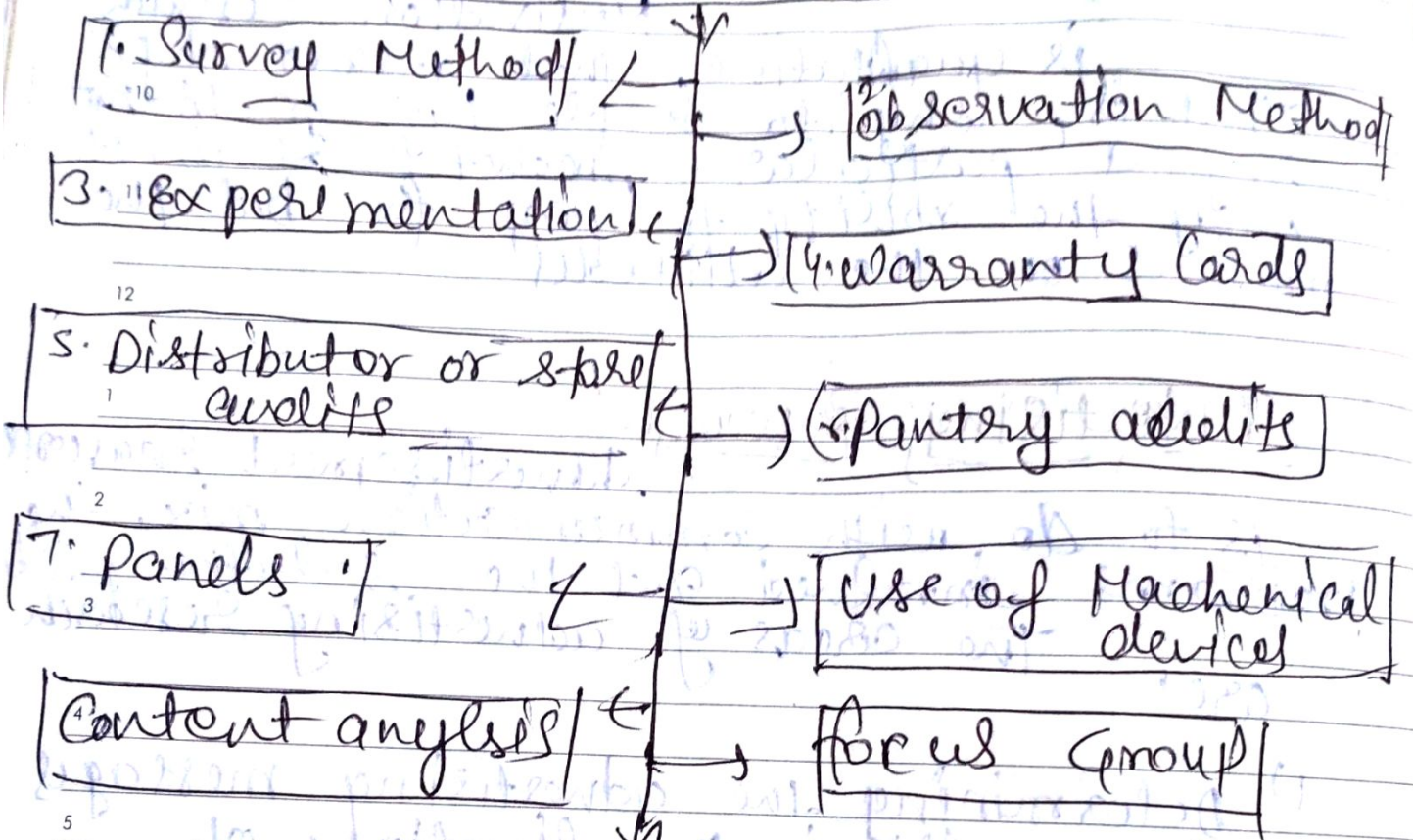
ii) Evaluating and selecting the media.

Policy Research

Policy research is to do with the study of the policies in all the areas of an organisation and their post-operative effects on marketing and vice-versa.

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Techniques of Marketing Research



Field Trials

1. Survey method includes direct interaction with respondents. In these surveys are most commonly used and most abused means of collecting primary data.

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- (i) Interview method
- (ii) Questionnaire method

Observation Method -

Observation method is an activity of a person which senses and assimilates the knowledge of the phenomenon or the recording of data using instruments. It can be also referred as datum collected during this activity.

Experimentation -

Experiments involve manipulating the independent variable to determine how it affects the dependent variable. Experiments require one or more experimental groups that are exposed to experimental treatment & a control group that is not exposed.

Warranty Cards -

Warranty cards are usually postal sized cards, which are used by dealers of consumer durable to collect information regarding their products. The information sought is printed in the form of question on the Warranty cards which is placed inside the package along with product with a request to consumer to fill in the card and post it back to the dealer.

Appointments

Distributor or store audits -

Distributor or store audits are performed by distributors as well as manufactures through their sales men at regular intervals.

6) Pantry Audits -

Pantry audits technique is used to estimate consumption of the basket of goods at the consumer level. In this type of audit the investigator collects an inventory of types, quantity and prices of commodities consumed.

7) Panel -

This form of data collection is nowadays increasingly used for syndicated research. A panel is a group of study units that exist over time and from which data is collected on a regular interval of time.

8) Use of mechanical devices - Use of mechanical devices

has been widely made to collect information by way of indirect means. Eye camera, pupilometric camera, Psycho-galvanometer, mostly in the developed world.

Content Analysis

Content analysis consists of analyzing the content of documentary materials such as books, magazines, newspapers and the contents of all other verbal materials, which can be either spoken or printed.

Focus Group :- Focus group studies are generally conducted to evaluate the potential of a new product idea or concept. A focus group comprises several persons, who are led by a trained moderator. Once focus group observation and recommendations are obtained, the information is evaluated by the moderator.

Field trials :- placing a new product in selected stores to test customer response under real life selling conditions can help individual with information regarding product modifications, price adjustments or package improvements. Building rapport with local store owners and web sites can help small business owners test their products.

04

March
Monday

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Appointments

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Process Marketing of Research

1. Identifying and defining Research problem

2. Extensive Literature Survey

3. Formulation of Hypotheses

4. Preparing the Research design

5. Determining Sample design

6. Collecting the data

7. Execution of the project

8. Analysis of data

9. Testing of hypothesis

10. Generalisation and Interpretation

11. Preparation of the report or the thesis

1. Identifying and defining Research problem

The initial step in the research process is the identification of the problem or opportunity. It refers to some difficulty or theoretical or conceptual situation and wants a solution for it. A researcher which a researcher

2. Extensive Literature Survey

Once the problem is formulated, the next step is to write down a brief summary. For this the researcher should undertake extensive literature survey connected with the problem.

3. Formulation of hypothesis

Now the researcher should state in clear terms the working hypothesis. Working hypothesis is tentative assumption made in order to draw out and test its logical or empirical consequences.

4. Preparing the Research design

Research design is the conceptual structure within which researcher should be conducted.

NOTES

2013

A research design specifies the methods and procedures for conducting a particular study.

5 Determining Sample Design: All the items under consideration in any field of inquiry constitute a 'universe' or 'population' as a census inquiry.

6 Collecting the data: The next step is to determine the sources of data to be used. The researcher has to decide whether he has to collect primary data or depend exclusively on secondary data.

7 Execution of the project: The researcher should see that project is executed in a systematic manner and in time. If the survey is to be conducted by means of structured questionnaires, data can be readily machine processed.

8 Analysis of data: After the data have been collected, the researcher turns to the task of analyzing them. The analysis of data requires a number of closely related operations.

9 Testing of hypothesis:

After analyzing the data the researcher has to take the test of the hypothesis, various tests, such as chi-square test, t-test, f-test, have been developed by statisticians for the purpose.

10 Generalisation and Interpretation:

If a hypothesis is tested and upheld several times, it may be possible for the researcher to arrive at generalisation, to build a theory.

11 Preparation of the Report or the Thesis:

Report writing needs some skill, which can be developed with practice. There should be objectivity, coherence, clarity in the presentation of report.

Importance of Marketing Research

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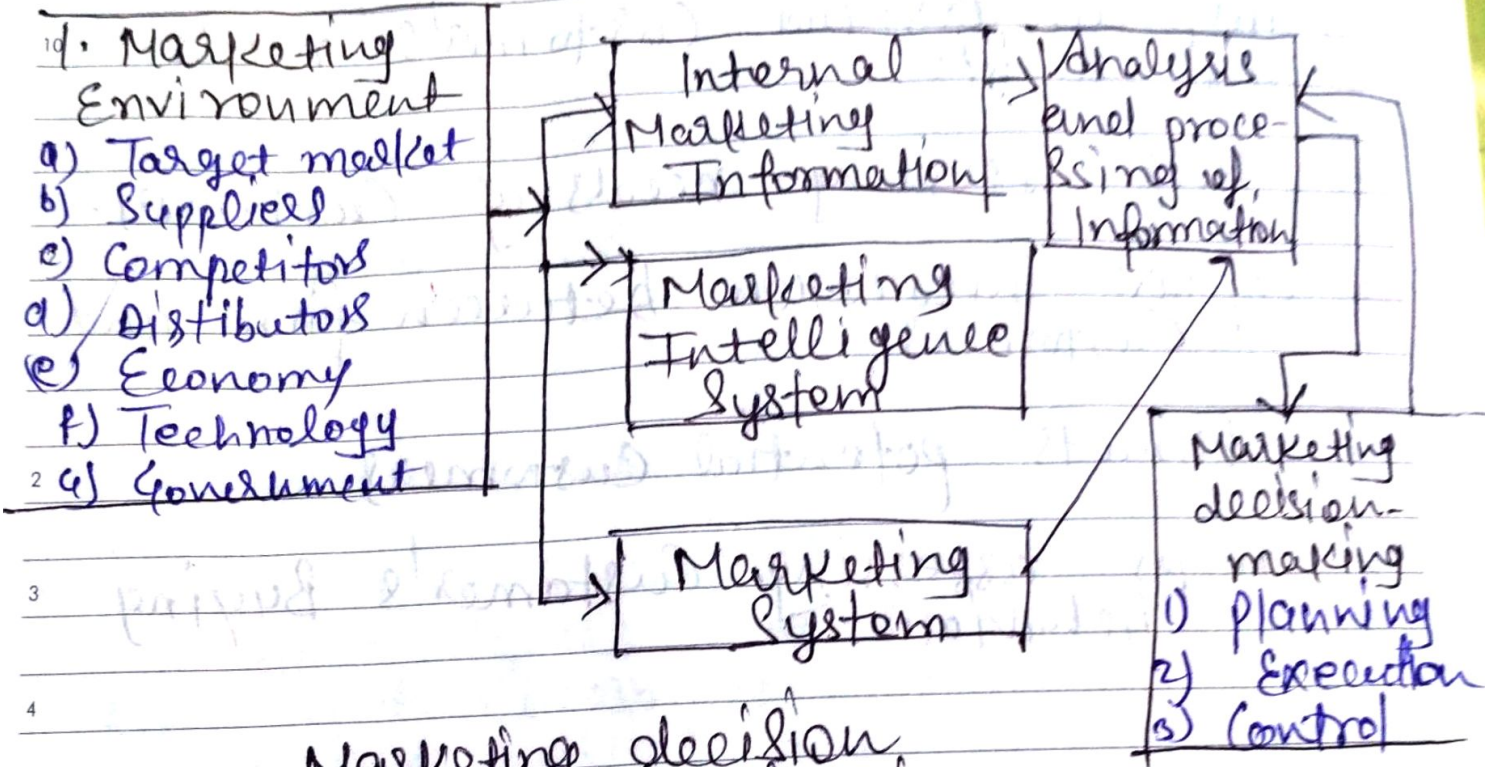
Marketing research, being as the profound tool for marketing planning has key importance.

- 1) Decision-making tool.
- 2) Management planning
- 3) problem solving
- 4) Control technique
- 5) large scale production
- 6) complex Market
- 7) pattern of consumption
- 8) market complex
- 9) Suitable marketing operations
- 10) Pricing
- 11) Marketing strategy
- 12) Distribution
- 13) Sales promotion.

Marketing Information System

Marketing Information System is an integrated combination of information, information processing and analysis equipment and tools and information specialists who analyse and interpret the collected information and provide it to decision-makers to serve their analysis, planning and control needs.

Components of MIS



Marketing decision and communication

- 1) Internal Marketing Information
- 2) Marketing Intelligence System
 - a) Unfocused Scanning
 - b) Semi-focused Scanning
 - c) Informal Search
 - d) formal Search

Sunday 10

NOTES

Importance of HIS:-

- 1) Help understand customer's needs and wants
- 2) Help assessing needs of customer.
- 3) Capture interaction between firm and customer
- 4) Attracts potential customer
- 5) Helps assessing customer's buying behaviour.

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Unit 2

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ointments

Analysing Consumer Market

Introduction to consumer market

The term Consumer end user, individual buyer and individual user refer to the same, a buyer who buys product and services for end use.

In economics, market used in a wide perspective.

Specifically definition

According to Prof. R. Chapman, "The term market refers not necessarily to a place but always to a commodity and the buyers and sellers who are in direct competition with one another."

Analysis of consumer market involves understanding consumer buying behaviour, consumer sales, factors influencing consumer behaviour and other psychic processes take place into consumer's mind.

Appointments

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Characteristics of Consumer Market

1. Largest numbers of buyers and sellers



2. Wide variety of heterogeneous products

3. Small size of each individual purchase

4. Wide geographic dispersion

5. Channels of distribution

6. Communication Media

7. Transaction Time

Consumer buying behaviour

Meaning of consumer buying

Consumer behaviour is the study of why, how and where people buy a product. It is derived from psychology, sociology, economics. It attempts to study the buyer decision-making process, both individually and in groups.

Definition of studying consumer behaviour for marketers :-

1. Production policies :- The study of consumer behaviour affects production policies of the enterprise. Consumer behaviour affects all spheres the habits, tastes and preferences of consumers and such discovery enables an enterprise to plan and develop its product.

2. Price policies :- The buyer behaviour is equally important in having price policies.

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Importance of studying consumer behaviour for marketers

1. Production policies

2. Price policies

3. Decision regarding channels of distribution

4. Exploiting marketing opportunities

5. Implementing the marketing concept

NOTES
The buyer of some products purchase only because particular articles are cheaper than the competitive articles available in the market.

3 Decision regarding channels of distribution

The goods, which are sold and purchased solely on the basis of low price, must have cheap and economical distribution channels.

4 Exploiting marketing opportunities

Study of consumer behaviour helps the marketer to understand the consumer's needs, aspirations, expectations, problems etc.

5 Implementing the marketing concept

This calls for studying the consumer behaviour, as customer's needs have to be given priority.

Factors influencing Consumer behaviour

Consumer do not make their decisions in a vacuum. A consumer's buying behaviour is influenced by cultural, social, personal and psychological factors.

1) Cultural factors

- (a) Culture
- (b) Subculture
- (c) Social class

2) Social factors

- (a) Reference group
- (b) Family
- (c) Roles and statuses

3) personal factors

- (a) Age and stage in the life cycle
- (b) Occupation and economic circumstances
- (c) Lifestyle
- (d) Personality

4) psychological factors

- a) Motivation
- b) Perception
- c) Learning
- d) Beliefs
- e) Attitudes

Consumer buying process

1. Problem Recognition

2. Pre-purchase Information Search

3. Evaluation of alternatives

4. Purchase decision

5. Post purchase Behaviour

Consumer purchase decision making process

Decision making is a process of selecting an appropriate option from two or more alternatives. A customer enjoys the freedom of choosing a particular brand or product when there is more than one brand or product to choose from.

1) Problem Recognition :- The buying process starts when the buyer recognises a problem or need. The need can be triggered by internal stimuli. They can develop marketing strategies that trigger consumer interest.

2) Pre-purchase Information Search :- An aroused consumer will be inclined to search for more information. One can distinguish between two levels of arousal. At the next level the person may enter active information search.

3) Evaluation of alternatives :- There is no single evaluation process used by all consumers or by one consumer in all buying situations. They see the consumer as forming judgments largely on a conscious and rational basis.

- NOTES
- (a) Evaluative Criteria
 - (b) Beliefs
 - (c) Attitudes
 - (d) Intentions

4) Purchase Decision

In the evaluation stage, the consumer forms preferences among the brand in the choice. The consumer may also form an intention to buy the most preferred brand. However, two factors can intervene between the purchase intention and the purchase decision.

5) Post-purchase Behaviour - what determines whether the buyer will be highly satisfied, somewhat satisfied or dissatisfied with a purchase?

(Analysing Business Markets)

The business market consists of all the individuals or organisations who acquire goods and services that enter into the production of other products or services that are sold, rented or supplied to others.

Definitions:-

NOTES

According to Philip Kotler "The Industrial market consists of all the organisations that acquire goods and services that are sold, rented or supplied to others."

Characteristics of Business Market



1. Geographical Concentration

2. Fewer, Larger buyers

3. Vertical or horizontal Markets

4. Derived demand

5. Inelastic demand

6. Fluctuating demand

7. Group Involvement

8. Professional Technical knowledge

Types of business Markets

- 1) Producer
- 2) Reseller
 - (i) Wholesalers
 - (ii) Retailers
- 3) Organisations
 - (i) Government
 - (ii) Non-profit organisations

Business Buying Process

The buying decision in a firm are not taken by individuals but by the group of individuals, therefore organisational buying decision process differs a lot from the consumer buying decision process.

Sunday 24

Business Buying Process

↓
[Problem Recognition]

↓
[General need description]

↓
[product specification]

↓
[Supplier Search]

↓
[proposal solicitation]

↓
[Supplier Selection]

↓
[Purchase Routine Selection]

↓
[Post purchase Evaluation]

Appointments

W 13 • 085-280

Target Marketing & TP approach

It is the responsibility of the marketers to create awareness of their products amongst the consumer. It is essential for the individual to be aware of the particular products and services offered to them.

A product cannot satisfy the needs of all consumer groups, thus companies often develop different marketing strategies to satisfy different consumer segment needs. The process is known as target marketing (often abbreviated as STP - Segmentation, Targeting and positioning) and involves the following steps:

Determining demand pattern → Identifying market Segm.

Establish possible basis of Segmentation

Identify potential market Segmentation

Develop measures to gauge Segment attractiveness

Selecting Target

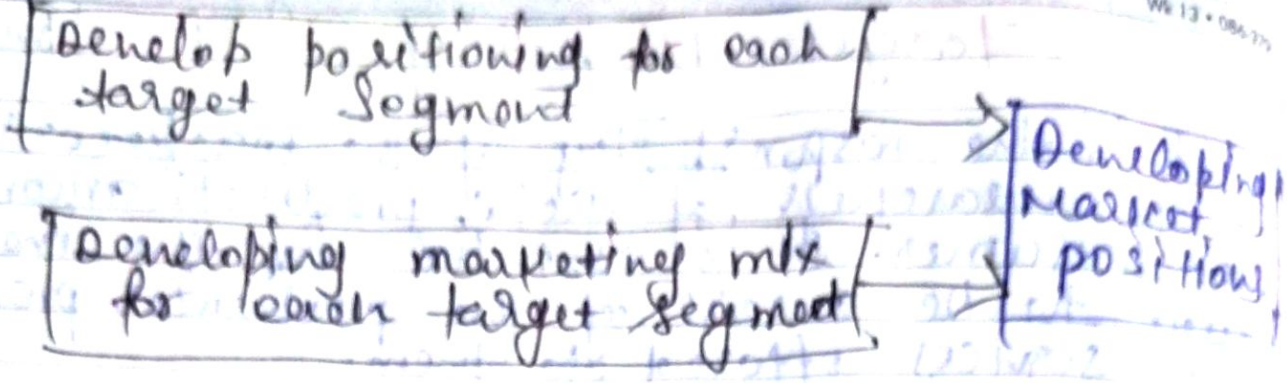
Select the target segment

Market

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Appointments

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Steps in target marketing

1. Identifying market segments
2. Selecting target market
3. Developing market positions

Market Segmentation

The concept of market segment is based on the fact that the markets of commodities are not homogeneous but they are heterogeneous. Markets represent a group of customers having common characteristics but two customers are never common in their nature, habits, hobbies and etc.

Definition according to Phillip Kotler "The purpose of market segmentation is to determine difference among them or marketing to them."

Levels of market segmentation

1. Segment marketing :- A market segment consist of a large identifiable group within a market with similar wants, purchasing power, geographical location, buying attitudes.
2. Niche Marketing :- A niche is a more narrowly defined group, typically a small market whose needs are not well served. Marketers usually identify niche by dividing a segment into sub segment or by defining a group.
3. Local Marketing :- Target marketing is leading to marketing programmes being tailored to the needs and wants of local customer groups.
4. Individual marketing :- The ultimate level of segmentation lead to segments to segment "one" customised marketing or one to one marketing. For centuries, consumers were served as individual - the tailor made the suit and the cobbler designed shoes for the individual.

Basis for market Segmentation

Consumer market can be segmented into various segments by using different basis. Basis of consumer market Segmentation can be broadly divided into Four broadly which are as follows

1. Geographic Segmentation
2. Demographic Segmentation
3. Psychographic Segmentation
4. Behavioural Segmentation

Requirements of Sound market Seg.

1. Measurable - The size of segment can be measured. There are auto-mobile buyers who want high performance, styling, status and luxury model.

2. Substantial - It is the degree to which the proposed segments are large from consumer demand and profitable to the marketer.

3 3. Accessible - It is the degree to which the proposed seg. can be effectively reached and served.

4 4. Differentiable - Each segment of the market should be different from others in terms of its needs and wants. Each segment requires different marketing strategies because it responds to different strategies.

5 5. Actionable - A segmentation variable should help marketers develop effective marketing programmes to attract and serve potential customers effectively.

Benefits of market Segmentation

- 1) Adjustment of product and marketing appeals
 - 2) Better position to spot marketing opportunities
 - 3) Allocation of marketing budget
 - 4) fighting competition effectively
 - 5) Benefits to the consumers
 - 6) Higher market shares
- NOTES Targeted marketing
- 8) Minimising aggregation risk

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Appointments

Targeting the market:

Market Segmentation reveals the firm's market segment opportunities. The firm now has to evaluate the various segments and decide how many and which ones to target.

Market targeting is a broad term that is used to describe the process of identifying groups of consumers who are highly likely to purchase a specific good or service. There are several different approaches to this process, with some of them allowing for a broad cultivation of a market.

Market targeting differs from target marketing in that a product is already established and decisions must be made as to which market is most appropriate for it. In target marketing, a company finds a market, it wants to serve and then develops a product appropriate for that market.

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Evaluating Market Segments to target

while evaluating market segments in which few are to be targeted by firm, a firm must first evaluate the segment and also its potential of the segment and also its own ability to target.

In evaluating different market segments, a firm must look at three major factors!

1) Segment size and growth & Estimating segment potential is essentially a forecasting task requiring one or more of the forecasting techniques. The sum of the estimates for each segment should be equal to the estimate for the entire product market as shown!

$$MP = \sum_{i=1}^n SP_i$$

where

MP = Market potential for the product market
 SP_i = Segment potential in the i^{th} segment,
 n = Number of segments formed for the

Segment Structural attractiveness

Company also needs to examine major structural factors that affect long-run segment

attractiveness. A segment may be less attractive if it contains powerful suppliers who can control prices or reduce the quality or quantity of ordered goods and services.

2) Company objects and services - If a

segment has right size and growth and is structurally attractive, the company must consider its own objectives and resources in relation to that segment.

Selection of target Market: Targeting Strategies ⇒

After evaluating different segments, the company must now decide which and how many segments to serve. This is the problem of target market selection.

Alternative segments targeting strategies or types can be classified into two parts: -

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- (1.) limited coverage market targeting &
- (2.) Full market coverage targeting.

Limited Market Coverage Targeting ⇒

When only one or few segments are selected as market targets it is called limited coverage market segmentation. This strategy requires fewer resources and therefore effective for small companies or in the introduction stage of a company trying to compete against the giants of the industry.

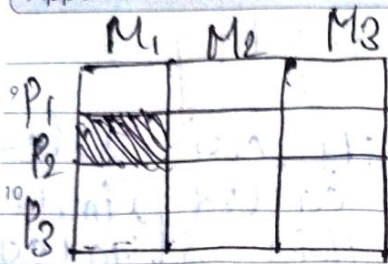
Limited coverage-market targeting can take any of the following forms:

1) Single-Segment Concentration ⇒ Company may select a single segment. Through concentrated marketing, the firm gains a strong knowledge of the segment's needs and achieves a strong market presence.

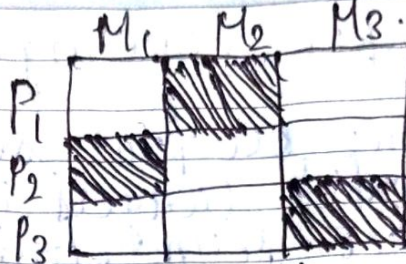
2) Selective Specialisation ⇒ Here the firm selects a number of segments, each objectively attractive and appropriate. There may be little or no synergy among the segments, but each segment promises to be a money-maker.

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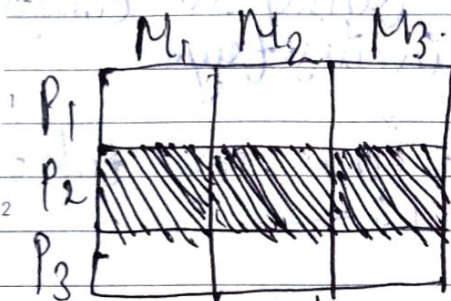
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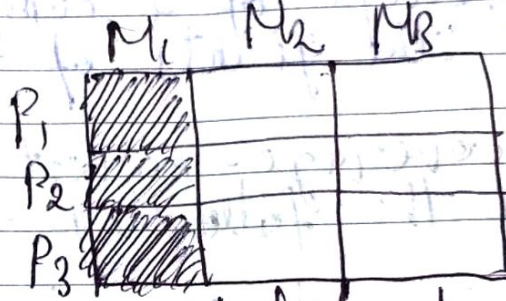
(a) single segment



(b) Selective specialisation.



(c) Product specialisation



(d) Market specialisation.

Product Specialisation ⇒ Here the firm specialises in making a certain product that it sells to several segments.

Market Specialisation ⇒ Here the firm concentrates on serving many needs of a particular customer group. An example would be a firm that sells an assortment of products only to university laboratories, including microscopes, burner burners & chemical flasks.

Full Market Coverage Targeting ⇒

Here a firm attempts to serve all customer groups with all the products they might need. Examples include IBM (computer market) & Coca-Cola (drink water).

Large firms can cover the whole market in two broad ways:-

Undifferentiated Marketing ⇒ In undifferentiated marketing, the firm ignores market-segment differences and goes after the whole market with one market offer.

This strategy is also known as standardisation. In this strategy the firm offers the same product to different market segments.

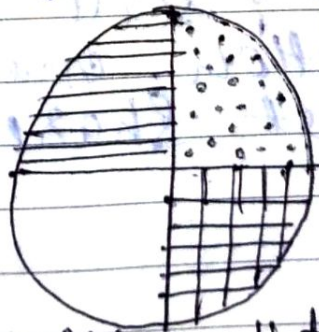
Undifferentiated marketing is also called mass marketing. In this strategy, an organisation treats its total market as a single market. The classical example is of soft drink firms like coke and Pepsi, who retain the same flavour, advertising, packaging etc.

Sunday 07

NOTES



(a) Undifferentiated Marketing



(b) Differentiated Marketing



(c) Concentrated Marketing



Appointments

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2.) Differentiated Marketing \Rightarrow In differentiated marketing, the firm operates in several market segments and designs programmes for each segment. General Motors does this & says that it "produces a car for every" "Purse, Purpose & Personality."

This strategy is also known as selective marketing. This is just the opposite of the above mentioned strategy.

3.) Concentrated method / A third market coverage strategy

Concentrated marketing is especially appealing when company resources are limited. This strategy is also called focal marketing. This is a combination of standardisation and differentiation is made to take his account specific customer group requirements.

This strategy helps the firm enjoy the economies of scale as well as higher market penetration, and consequently a higher market share.

Positioning the product

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Positioning is a platform for the product or brand. It facilitates the brands to get through to the target consumers. Positioning is the act of fixing the locus of the product offer in the minds of the target consumers.

Definition -

According to Kotler "Positioning is the act of designing the company's offering and image to occupy a distinctive place in the target market's mind."

Importance of Positioning

- 1) Putting product in pre-determined orbit
- 2) Connects product offerings with target market.
- 3) Product cannot be "Everything to Everyone"
- 4) Brand seeks a locus in space through positioning
- 5) Providing competitive advantage

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Positioning Strategies, Ways to position products

- 1) Attribute positioning
- 2) price positioning
- 3) application positioning
- 4) product uses positioning
- 5) usage and use time positioning
- 6) product class positioning
- 7) Category positioning
- 8) Benefit positioning
- 9) Competitive positioning
- 10) price-quality positioning

Risks in positioning

- 1) obvious aspects
- 2) Living in the future
- 3) Under positioning
- 4) Over positioning
- 5) Short-term gains
- 6) Confused positioning
- 7) Double positioning

Appointments

Product Differentiation

In marketing, differentiation is the process of distinguishing the differences of a product or offering from others, to make it more attractive to a particular target market.

Differentiation is a source of competitive advantage. Although research in a niche market may result in changing your product in order to improve differentiation.

The objective of differentiation is to develop a position that potential customers see as unique. A positioning and differentiation strategy is one of the most important factors in marketing a business.

Reasons for Product Differentiation

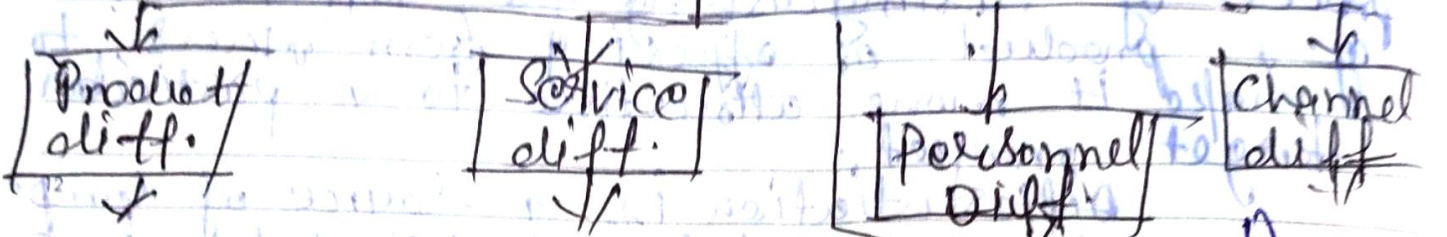
1) To simulate product preference in the mind of customers

2) To distinguish the product from the other products marketed by competitors.

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3) To secure or cover the market better

Tools/methods to product differentiation



- Product diff.**
- 1) form
 - 2) features
 - 3) performance
 - 4) conformance
 - 5) Durability
 - 6) Reliability
 - 7) reparability
 - 8) style
 - 9) design

- Service diff.**
- 1) ordering ease
 - 2) delivery
 - 3) Installation
 - 4) consumer se.
 - 5) customer consulting
 - 6) repairs

- Personnel Diff.**
- 1) Competence
 - 2) Courtesy
 - 3) Credibility
 - 4) Reliability
 - 5) responsibility
 - 6) Communication

- Channel diff.**
- 1) Coverage
 - 2) Speed
 - 3) Flex

Image Diff.

- 1) Symbol
- 2) media
- 3) atmosphere
- 4) events

NOTES

Appointments

1) Product Differentiation!

i) Form - Many products can be differentiated in form, size, shape or physical structure of product.

ii) Features - Most products can be offered with varying features, characteristics that supplement the product's basic function.

2) Service Differentiation!

When the physical product can not easily be differentiated, the key to competitive success may lie in adding valued services and improving their quality.

i) Ordering ease! - ordering ease refers to how easy it is for the customer to place an order with the company.

ii) Delivery - delivery refers to how well the product or service is delivered to the customer. It includes speed, accuracy, and all attending the delivery process.

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