

What is Marketed???

- Goods
- Services
- Events
- Persons
- Organizations
- Places
- Properties

Definition of Marketing

1. The Chartered Institute of Marketing
 - ***“The management process responsible for identifying , anticipating and satisfying customer requirements profitably”***
2. Philip Kotler defines marketing as ‘
 - **satisfying needs and wants through an exchange process'**

Core Marketing Concept

1. Needs:- Basic Human Requirements like, air, food, water, clothing, shelter

Different people have different needs some of them are as follows:

- Physical needs: This types of need is related to food, clothing and shelter.
- Safety needs: Under this need, people want protection from physical harm and economic threat.
- Social needs: Under this need, they want love, friendship and belongingness.
- Ego needs: Under this need, they want status recognition and self-esteem.
- Self development needs: They want knowledge, achievement and creativity.

2. Wants :- Needs become want when they are directed to specific objects that may satisfy need.
3. Demand: they are wants for specific products backed by an ability to pay

Difference between Selling & Marketing

Selling	Marketing
Emphasis on Product	Emphasis on Consumer needs , wants
Company manufacture product first and then sell it	Company first determine customer needs &s wants first , then decide on how to deliver a product to satisfy want
Management is sales volume oriented	Management is profit oriented
Planning is short-run oriented, in terms of today's product & markets	Planning is long-run oriented, in terms of new product & tomorrow's markets, future growth
Views business as a good producing process	Views business as a Consumer Satisfy ing process
Emphasis is on staying with existing technology & reducing cost	Emphasis is on innovation in every sphere, on providing better value to the customer by adopting a superior technology

Marketing Concepts

1. The Production Concept

- The more we make, the more profitable we become
- Basic proposition:- Customer will choose products & Services that are widely available and are of low cost
- Intensive Distribution Strategy
- Can lead to poor quality of service & higher level of impersonalization

2. The Product Concept

- Consumers will favor those products that offers attributes viz- performance & innovative features
- Technology Push Model
- Focus on developing superior products & improving the existing product lines over a period of time.
- Managers forget to read consumers mind & launch product based on their own technology research
- Innovative enters a market before the market is ready for product
- Innovative products are launched before educating customer
- Onida (Golden Eye Technology)

3. The Selling Concept

- Applicable in unsought goods like-life insurance, vacuum cleaner, fire equipments as they strong network of sales force
- Goal is to sell what they produce rather what consumer wants
- Breeds the misconception that marketing is all about selling
- Assumption- customer will certainly buy the product after persuasion and if dissatisfied will not complain

4. The Marketing Concept

- Target market
- Customer need
- Integrated marketing communication
- Profitability

“Selling focuses on need of the seller and Marketing focuses on the Buyer”

5. The Societal Marketing

- Cause Related Marketing

Trends in Marketing

- Reengineering:-Appointing teams to manage customer-value building process & break down walls between departments
- Outsourcing:- Buying more goods & services from outside domestic or foreign vendors
- Benchmarking:- studying “best practice companies” to improve performance
- Supplier Partnering:-Partnering with fewer but fewer value-adding suppliers
- Customer Partnering:- working more closely with customers to add value to their operations
- Merging:- Acquiring or merging with firms in the same or complementary industries to gain economies of scale & scope

- Globalizing:- Increase effort to “think global” and “act global”
- Focusing:- Determine the most profitable business & customer & focusing on them
- Empowering:- Encouraging & empowering personnel to produce more ideas & take more initiative

Segmentation

Market Segmentation is a process of dividing a market into groups of segmentation having similar set of needs & wants.

Bases of Segmentation

1. Geographic Segmentation

Marketers divide the target market into different geographical units such as nations, states and regions

2. Demographic Segmentation

Demographic variables include factors like age, gender, family size, family life cycle, income, occupation, educational, marital status, religion, race, generation, nationality, Social Class.

- Age:-
- Life Cycle:- Different stages of life cycle are:
 - Childhood
 - Bachelorhood
 - Young
 - Married Couples without children
 - Couple with grown up kids
 - Couples with Children living away from parents
 - Single Nest(where one is dead)

- Gender:- Male, Female (Lakme for females)
- Social Class:-
 - Lower-Lower Class
 - Upper-Lower Class
 - Lower-Middle Class
 - Upper-Middle Class
 - Working Class
 - Lower-Upper Class
 - Upper-Upper Class

3. Psychographic Segmentation

Psychographic is the study of lifestyle of individuals. It reflects the person's living as a combination of his actions, interests and opinion.

- People with higher resources:-
 1. Innovators:- people who are sophisticated , successful, active, self –esteem, prone to accept new innovations, niche
 2. Thinkers:- people who are mature , satisfied, often motivated by values , ideals. Choose durable and functional products
 3. Achievers:- people who are successful & are always goal oriented. Prefer high priced products which reflects their success & achievements
 4. Experiencers:- people who are young, enthusiastic , impulsive and look for variety & excitement. Spend on fashion, ent, personal care products

People with lower resources:-

- Believers:- Favor popular & familiar products and are often loyal to many brands
- Strivers:- Favor Stylish Product that emulate or copy the products used by resourceful segments.
- Makers:- Favor American Brands
- Survivors:- they are found to be loyal to their age-old brands.

4. Behavioral Segmentation

Behavioral Variables-

- User Status:- Nonusers, Ex-Users, Potential Users, First time Users, Regular Users
- Occasions:- Valentine Day, Birthday, anniversaries, festivals.
- Usage Rate:- Light, Medium & Heavy Product Users
- Loyalty Status:- Hard Core Loyal, Split Loyal, Shifting Loyal, Switchers
- Attitude:- enthusiastic, Positive, Negative

5. Benefit Segmentation

Advantages of Segmentation

1. Homogenous Market
2. Clear Distinction between Segments
3. Competitive Situation in each of segments

Target Marketing

Target Market is defined as a set of buyers sharing common needs or characteristics that the company decides to serve.

Types of Target Market

1. Single Segment Concentration:-

Ex:-Jonson-Johnson only for kids.

2. Selective Specialization:- Separate product for separate market segment

Ex:- Nescafe coffee for late nighters

3. Product Specialization:- One product for all markets.

Ex:- Mahindra Jeeps, Nilkamal (plastic furniture)

4. Market Specializations:- Different products in single market.

Ex:- Lakme

5. Full Market:- HLL, Tata

Positioning

“The act of developing a product offer and selecting an image to occupy a distinctive place in the minds of the target Market”

Al Ries & Jack Trout

Positioning Errors

1. Under Positioning:- Crystal Clear Pepsi
2. Over Positioning:- Diamonds
3. Doubtful Positioning:- Frutti"Green Mango"
4. Confused Positioning:-Next Desktop Computers

Different Positioning Possibilities

1. Attribute Positioning:- Dabur, Disney land
2. Benefit:- Bournvita
3. Application:- Harpic
4. User:- Bajaj Pulsar(for males)
5. Competition:- Pepsi/Coke
6. Product Category:- Bajaj Alliance
7. Quality/Price:- Dove

Product

“ A product is anything, which is offered to the market to satisfy consumer needs and wants.”

Layers of the product

- Core Layer:-

explain the reason for which customer is making purchase. This explains the reason “why” of buying product. Ex:-Hotel for rest and sleep

- Basic Product Layer:-

Consumer looks at basic utilities, like physical features, tangible elements of product Ex:- hotel room includes bed,towel,bathroom,desk

- Expected Product Layer:-

It is a set of attributes and conditions and conditions buyers normally expect out of product. Ex:-Hotel guest expects clean bed, fresh towel, relative degree of quiet

- Augmented Product Layer:-

is the associate services and cues, which help the product to deliver beyond the expectation level of consumer.

- Potential Product Layer:-

Here all the possible augmentations and transformations the offer may undergo in near future.

Classification of Products

1. Durability and Tangibility

- Non-Durable goods
- Durable goods
- Services

2. Consumer Goods

- Convenience goods
- Shopping goods
- Specialty goods
- Unsought goods

3. Industrial goods

- Material and parts
- Capital items
- Supplies and business services(include maintenance & repair services ex:-window cleaning, advertising , legal, management consultancy)

Classification on the basis of Durability and Tangibility

“Durability explains the average life of the product available for consumption.”

“Tangibility explains the physical attributes of the product.”

1. Non-durable goods:- They are purchased frequently and consumed very often. Smooth distribution & intensive availability. Ex:- FMCG
2. Durable goods:- these product need more personal selling, after sales service, they offer higher margin & backed up by guarantee & warranty. Ex:- TV, Freeze.

Classification on the basis of Consumer Goods(on the basis of shopping habits)

1. Convenience Goods:- these are goods frequently purchased. They often buy in frequent consumption situation and purchased with minimum efforts. EX:- soaps, news papers, burnol, chocolate.
2. Shopping Goods:- these are goods that the consumer purchase by undergoing a comparative process of selection & purchase on base like price, suitability, style , quality. Ex:- furniture, electrical appliances.
3. Specialty Goods:- There is hardly any comparison as each brand is unique and different. Buyer is ready to spend more time & effort while purchasing. Ex:- Clothing.
4. Unsought Goods:-Goods the consumer does not know about or does not normally think of buying. They need advertising, personal selling. Ex:- insurance, fire alarms

Convenience Goods

- Staple Goods:- Consumer purchase on regular basis. Ex:- Tooth Paste & Soap
- Impulse Goods:- Consumer Purchase without any planning or search effort. Ex:- Magazine, Chocolate
- Emergency Goods :- Consumer purchase on urgent need. There is no previous decision to buy them but consumer is force to buy due to emergency situation. Ex:- Umbrella, antiseptic cream

Classification on the basis of Industrial goods

1. Material and Parts:- are goods that enter the manufacturer's product completely. They are of two types namely raw & manufactured materials.

a. Raw Materials(farm & natural products) like rice, maize, cotton and fish, petroleum gas, iron viz.

Long term supply contracts are common phenomena in this category

b. Manufactured Material(yarn ->cloth, small motor, tires, cement)

2. Capital Items:- they are long –lasting goods that facilitate developing or managing the finished products .(factories , offices, generators, computers, elevator)

Packaging

“Packaging is define as all the activities of designing & Producing the container for a product.”

Package is buyer’s first encounter with the product & is capable of turning the buyer on or off.

- Package might include up to 3 level of material:
 - Primary Package (cool water comes in bottle)
 - Secondary Package (in cardboard box)
 - Shipping Package (in corrugated box containing six dozen boxes)

Functions of Packaging

- Identify the brand.
- Convey descriptive & persuasive information
- Facilitate product transportation & Protection
- Assist at Home Storage
- * Aesthetic Consideration relate to package size, Shape, Color, text & graphic. Blue is cool, red is active & lively, yellow is medicinal & weak, pastel colors for feminine and dark for masculine

Labeling & Trade Mark

- Label may be a simple tag the attached to the product or an elaborately designed graphic that is a part of package. It may carry only brand name or great deal of information(who made it, when it was made, where it was made, how is to be used, what it contains)
- Trademark is a name, symbol or other device identifying a product officially registered & legally restricted to the use of the owner or manufacturer.

Ex:- Onida- Devil, Maharaja- Airline

Price

“ Price is the amount of money or other items with utility needed of acquire a product”

By W.J Stanton,M.J.Etzel

“Price is equal to the total product offering”

By B.J.Walker

“Pricing is the art of converting value in quantative or monetary terms.

or

Pricing is the function of determining the product or service or idea value in monetary terms by the marketing manager before it is offered to the target consumer for sale.

Types of Information Required for Pricing Decisions

Type of Information	Details of Information
Product Information	<ul style="list-style-type: none">•Details of Product Cost•Excise Duties•Floor Price & Ceiling Price Regulations•Packaging Requirement•Product Guarantee & After Sales services
Market Information	<ul style="list-style-type: none">•Major Competitors•Product statistics•Consumption Pattern- Seasonal variation if any•Brand image, Brand Loyalty & Consumer Preferences•Sales Promotion Requirements, including media cost•Channel of Distributions
Micro Level Information	<ul style="list-style-type: none">•Market Share of the firm•Product capacity of firm

Importance of Pricing

1. Price is the Pivot of an Economy:-
2. Price regulates demand:-To increase the demand reduce the price and increase the price to reduce the demand. It may defame even a good product & fame well a bad product too.
3. Price is competitive weapon:-
4. Price is the determinant of profitability:-
5. Price is a decision input:-

- Cash Discount:- A price reduction to buyers who pay bill promptly. Ex:- “2/10, net 30” means that payment is due within 30 days and that the buyer can deduct 2% by paying the bill within 10 days.
- Quantity Discount:- A price reduction to those who buy large volumes, it must be offered equally to all customers and must not exceed the cost savings to seller. They can be offered on each order place or on the number of units ordered over a given period of time.
- Seasonal Discount:- A price reduction to those who buy merchandise or services out of season. Hotels, airlines offer seasonal discounts in slow selling periods.

- **Functional Discount:-** also called trade discount offered by manufacturer to trade-channel members if they will perform certain functions such as selling, storing.
- **Allowances:-** An extra payment designed to gain reseller participation in special programs. Trade-in allowances are granted for turning in an old item when buying a new one. Promotional allowances reward dealers for participating in advertising and sales support programs.

Factors Influencing Pricing

A. Internal Factors:-

1. Organizational Factors
2. Marketing Mix:- Pricing decision must be seen not in isolation but as a part of total marketing strategy & should avoid conflict with other elements (Product, Place, Promotion)
3. Product Differentiation:- It is the ability of a manufacturer to make his product distinct from others in market. This can be package design, color, smell, advertising theme. Ex:- Toilet Soap
4. Product Cost
5. PLC

6. Pricing Objective:- It provides the focus for framing policies & strategies. There are 9 objectives which are:-

- a) Survival :- It is a short run or temporary goal and is insisted only when the firm faces a survival crisis. Once , it turns the corner, it shifts to other objective.
- b) Target Return on Investment:- This objective expects a certain predetermined rate of return on capital employed on period of time. That is sales revenue arrived at the end of financial year is enough to cover all the costs & leave desired margin equal to the rate of return.
- c) Market Share:- It is normally expressed as a percentage of total industry sale.

- d) Price & Profit Stabilization:- Stabilizing price & profits can be a long term objective of a firm. Fluctuating prices having fluctuating profits brings into play unwanted force affecting the firms economic health and status in market place. Stable price helps in preventing price wars amongst the competitors.
- e) Resource Mobilization:- Price are deliberately set high in certain products so as to make not more profits but to generate more surplus for the purpose of reinvestment in the same firms or other. Ex:- Petrol
- f) Meeting Killer Competition

- g) Profit maximization:- It can be a long term objective because at the early stage of PLC, there is need for building up minimum market share, sales volume which is possible with a lower prices & lower margin. However, a long run profit maximization is very difficult to estimate because, the environment is hard to predict beyond the short run.
- h) Maintaining the image:- It is the sum total of the impression that the people have about the firm. It is about the products-packages-trademarks-brand name and the marketing programme.

7. Functional Position

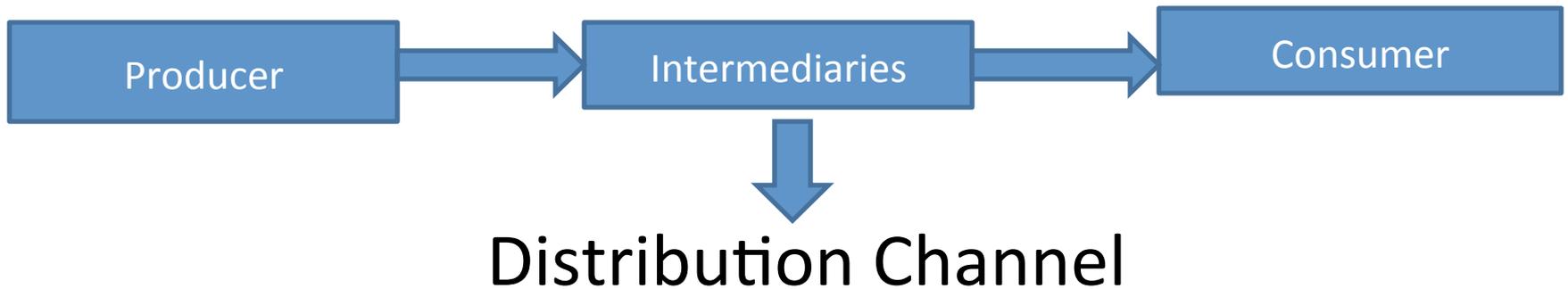
B. External Factors:-

1. Product Demand
2. Competition
3. Economic Conditions
4. Buyer Behavior

Place

“ This involves process to place the finished goods from a manufacturer to a customer for final consumption and usage”.

“ Channel intermediaries are those organization , which connect the manufacturer with the consumer and help in distribution of the product”



- Intermediaries are involved in taking physical ownership of the product, collecting payments and offering after sales services. They act as a middleman between consumer and producer in the distribution system.

Levels of Channels

(how many intermediaries are there between consumer & producer)

1. Direct Marketing or Zero level Channel:-

It has no intermediaries. In this, distribution system, the goods go from producer direct to consumer, co use their own sales force to reach consumer.

Ex:- Eureka Forbes



Indirect Marketing Channel

Here third part is involved in the distribution of products and services of a firm.

- a. One Level Channel: There is only one intermediary, it can be retailer or a distributor.



Ex: washing machine, Refrigerator

b. Two Level Channel:-

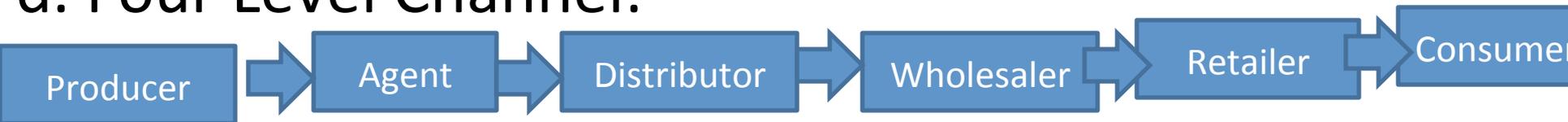


c. Three Level Channel:-



Ex:- Convenience Products (newspaper, chocolates, cigarette)

d. Four Level Channel:-



Ex:- Consumer durables

Functions of Marketing Channels

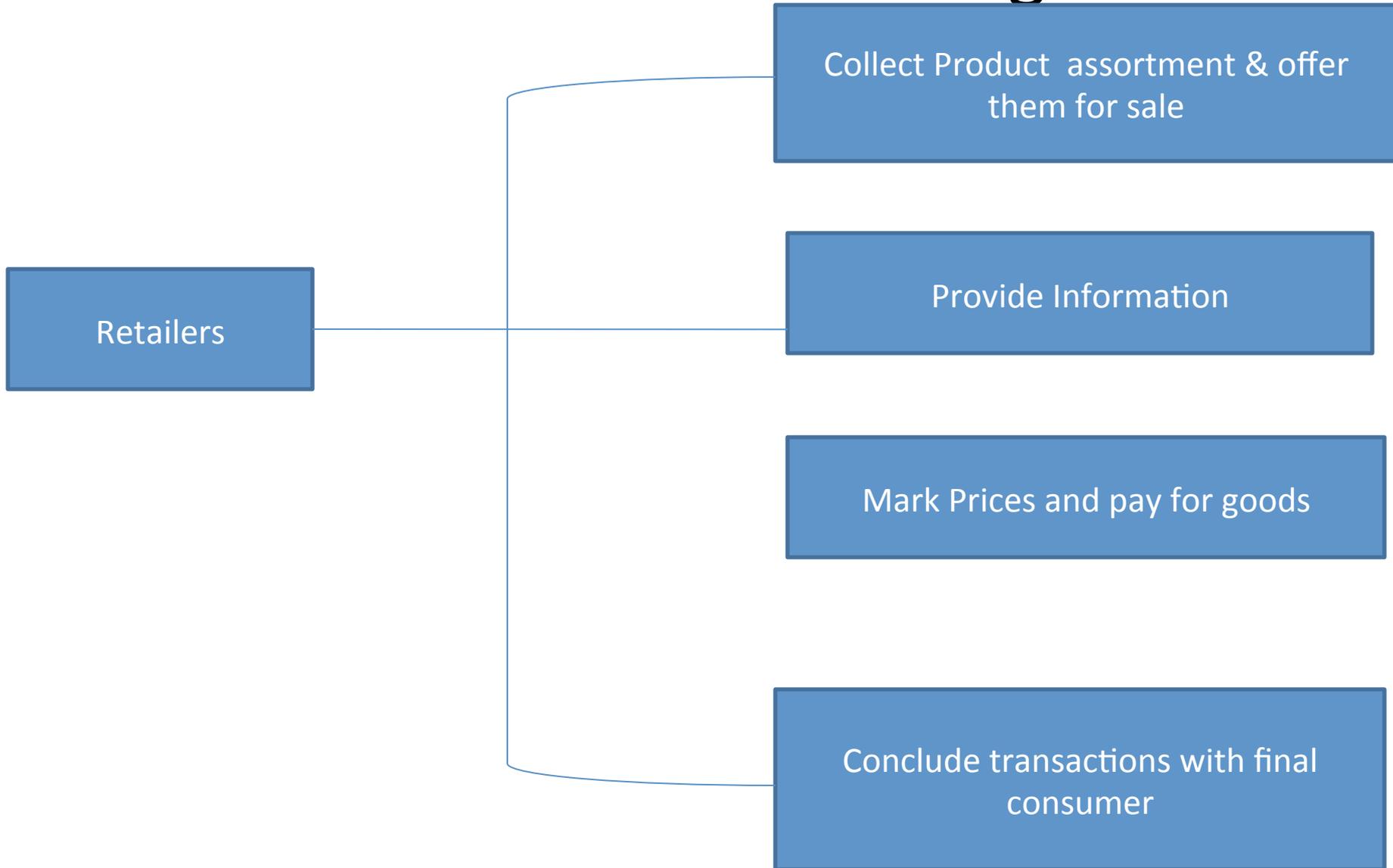
Functions	Descriptions
Buying	Purchasing a broad assortment of goods from the producer or other channel members.
Carrying Inventory	Assuming the risks associated with purchasing and holding an inventory
Selling	Performing activities required for selling goods to consumer or other channel member
Transporting	Arranging for the shipment of goods to the desired destination
Financing	Providing funds required to cover the cost of channel activities
Promoting	Contributing to national & local advertisement engaging in personal selling efforts
Negotiating	Attempting to determine the final price of goods & the terms of payment & delivery
Marketing Research	Providing information regarding the needs of consumers

Types of Intermediaries

1. **Company Sales Force:-** Company uses its own sales force for direct marketing. The manager can assign sales quota for each territory and sell products directly.
2. **Middlemen:-** It refers to just about anybody acting as intermediary between the producer & consumer
3. **Agent or Broker:-** Agents generally work for producers continuously , Whereas broker may be employed for just any deal.
4. **Wholesaler:-** are organizations that buy from producer & sell to retailer & organizational customers.
5. **Retailer:-** They sell directly to final customer.

6. Distributor:-They perform functions like including inventory management, personal selling & financing. The agent works on commission basis, distributor deal on their own account.
7. Dealer:- same as distributor, but some says that dealer as those intermediaries who sell only to final customer no to other intermediaries
8. Value Added Resellers:- they buy basic product from the producer and add value to it or depending on the nature of product modify it, and then resell it to final customers
9. Carrying & Forwarding Agents:- they assist the flow of products and information's to marketing channels including banking & insurance functions. Assistance is required in service like transportation & Storage (C& F Agent), risk coverage (insurance) & financial Services.

Functions of Retailing



Consumer Behavior

Is the study of how individual, groups, and organizations select, buy, use and dispose of goods, service, ideas or experience to satisfy their needs and wants.

Consumer buying behavior is influenced by:-

1. Cultural
2. Social
3. Personal Factors

Cultural Factors

Culture is defined as a complex of values, ideas, attitudes and other meaningful symbols created by man to shape human behavior and the artifacts of that behavior as they are transmitted from one generation to the next.

Ex:- Swastika is a sacred symbol of Hindus whereas its slight modified version represents a symbol of hatred in Europe.

Subculture provides more specific identification & socialization for their members. It includes religions, racial groups and geographical regions.

Social Factors

It includes reference groups, family and social role and status affect our buying behavior.

- a. A reference group are all the groups that have a direct (face to face) or indirect influence in their attitudes on behavior. Groups having direct influence are called **membership group**.

Primary groups are those with whom the person interacts fairly continuously and informally such as friend, family.

Secondary group , such as religion, professional which are more formal & require less interaction. **Aspirational Groups:-** people are influenced by group to which they do not belong.

Dissociative groups:- are those whose values or individual rejects

b. family:- defined as two or more people related by blood, marriage or adoption that reside together.

Nuclear Family:- husband & wife and one or more children

Extended Family:- nuclear family together at least one grand parent living.

c. Role & Status:- A role consist of the set of activities a person is expected to perform. Each role carries a status

Personal Factors

a. Age & stage in the life cycle:-

Stage	Characteristics	Buying Patterns
Bachelorhood	Young People not living at home	Fashionable & Recreation goods
Newly Married Couples	Young People without Children	Fashionable & leisure articles, furnishings, utensils
Full Nest Stage I	Begin with the birth of first child in family	Childs cloth, food & medical expenses
Full Nest Stage II	Youngest child at least 6 yrs old	Child's toy to bicycle & education of children
Full Nest Stage III	Teenaged or college going children	Educational expenses
Empty Nest I Stage	Older married couples without any dependent children living with them	Travel or home improvement Medical expenses
Solitary Stage	Death of a life partner	Special needs for attention, loving care & security

b. Occupation & economic Circumstances:

A blue collar- worker will buy clothes, work shoes whereas C.E.O will buy dress suit, air travel country club membership

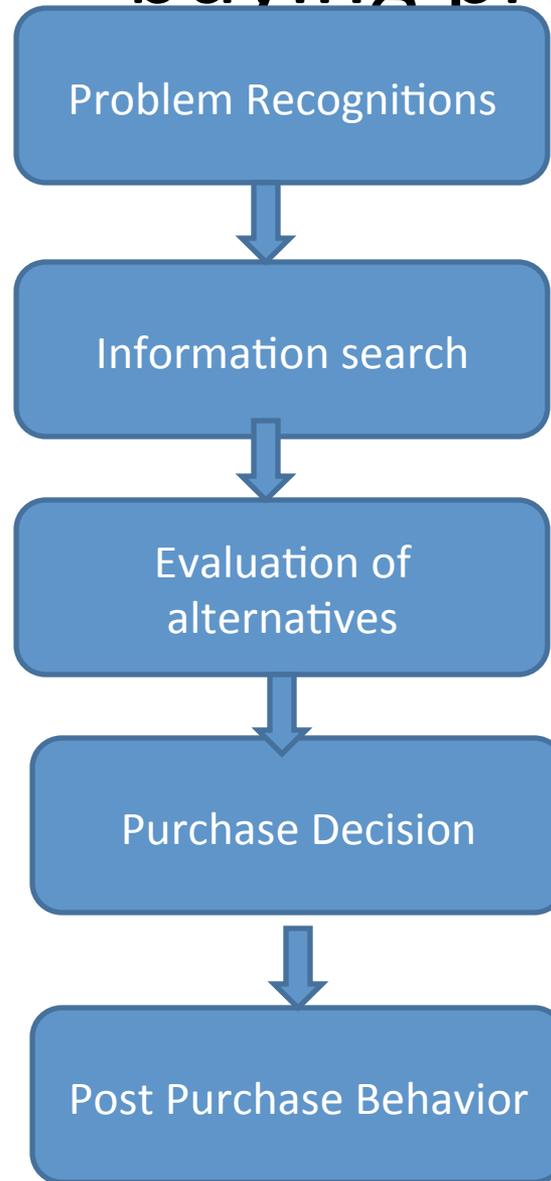
c. Personality & Self Concept:- It refers to a person's consistent way of responding to a wide range of situations. It also explains totality of a person's make up rather than focusing on specific action that one will take in particular situation

Ex:- Raymond's, Santoor

Consumer often choose & use brands that have a brand personality consistent with their own **actual self concept**(how we view ourselves),**ideal self concept**(how we would like to view ourselves), **Self concept**(how we think other see us) used to develop brand personality

d. Lifestyle:- A lifestyle is a person's pattern of living in the world as expressed in activities, interests, & opinions. It portray the " whole person" interacting with his environment. They are shaped partly by whether consumer are money or time constrained

Five Stage model of the consumer buying process



Types of consumer

1: Personal Consumer:

Personal consumer is that consumer who purchases goods and services for his own personal consumption or uses. We can say that consumer is also called to be the ultimate or final person because when the marketer produces the goods then he hand over the goods to personal consumer for final consumption.

2: Organizational Consumer:

Organizational consumer consists of the government agencies, business organization, non governmental organization (NGO), firms and different types of manufacturing companies who purchases the goods and services in order to run the business of the firm or business concern or business organization.

Customer Loyalty

- Customer loyalty can be defined as the totality of feelings or attitudes that would incline a customer to consider the re-purchase of a particular product, service or brand or re-visit a particular company, shop or website. Customer loyalty has always been critical to business success and profitability.
- Major factors that negatively affect customer loyalty:
 - the customer moves out of the service area
 - the customer no longer has a need for the products or service
 - more suitable alternative providers become available
 - poor handling of a critical episode

Promotion

- Promotion is a process of communication involving information, persuasion, and influence. The term 'selling' is often used synonymously with promotion. But promotion is wider than selling. Selling is concerned only with the transfer of title in goods to the purchaser, whereas promotion includes techniques stimulating demand.
- Promotion is essentially the sales efforts of a business enterprise and includes the function of informing, persuading and influencing the purchase decision of the existing and prospective consumers with the object of increasing sales volume and profits.
- Promotion is the communication with the customers to persuade them to buy the product. There are more than one type of tools used to promote sales. The combination of these tools with a view to maintain and create sales is known as [promotion mix](#). Promotion mix is the name given to the combination of methods used in communicating with customers. There are seven tools of promotion mix. These are called elements of promotion mix.

Elements of Promotion

- Personal Selling.
- Sales Promotion.
- Public Relations.
- Direct Mail.
- Events
- Advertising.
- Sponsorship.

Advertising

“ Any Paid form of non-personal persuasion & promotion of ideas, goods and services by an identified sponsor”

By American Marketing Association

Objectives of Advertising:-

1. Generating Awareness(Informing)
2. Creating Favorable attitude
3. Managing Customer Loyalty

Advertising Goals

- Launch of New Product or Services:- 3g technology
- Expanding market to include new use

Ex:-Milkmaid was originally promoted as substitute of milk & now advertise for making sweets, Johnson Shampoo

- Announcing a Product Modification:- Ex: Airtel
- Announcement of a special Offer:- to promote sales, like fans, air-conditioner.
- Announce Stockist & Dealer Location
- To Educate Customer: AIDS, Polio

- Reminder Campaign:-FMCG Products, “Dil Maange More” during Cricket Matches.
- Create Brand Preferences

Sales Promotion

Sales Promotion, a key ingredient in marketing campaign, consist of collection of incentive tool, mostly short term, design to stimulate quicker or greater purchase of a product or services by consumers or trade.

Objectives of Sales promotion

1. Increase Sales Volume
2. Speed up the sales for slow moving
3. Check the fluctuations of the sale
4. Attract New Customer
5. Increase Trial
6. Encourage Repeat Purchase:- Nescafe activity
7. Motivate Dealers
8. Gain advantageous shelf-space
9. Motivate Sales Force
10. Supplement advertising & personal selling effort

Consumer Promotion Tool

- Prize Scheme
- Fair & Exhibitions
- Free Samples
- Correspondence
- Catalogues
- Sales Contest
- Price Off
- Refund
- Coupons
- Premiums
- Free trial

Events

- Designing or developing a 'live' themed activity, occasion, display, or exhibit (such as a sporting event, music festival, fair, or concert) to promote a product, cause, or organization

Event Objective:-

1. To enhance corporate image
2. To create experience and evoke feelings
3. To increase awareness of company or product name
4. To entertain key clients or reward key employees
5. To permit merchandising or promotional opportunities
6. To identify with a particular target market or lifestyle
old Spice sponsor college sport

Public Relations

Public Relations is defined as *'the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its publics'*

Objectives

- *Presenting a favorable image and its benefits*
- *Promotion of products or ideas*
- *Goodwill of employees, stockholders, dealers*
- *Prevention or solutions of problem*
- *Overcoming misconceptions or prejudice*
- *Ability to attract personnel*
- *Education of public in the use of product or service*

Direct Marketing

Direct Marketing is the use of consumer-direct channels to reach and deliver goods and services to customer without using marketing middleman.

Direct Marketers use various channels to reach customer viz:

Direct Mail: Financial industry

Catalog marketing: Avon

Telemarketing

Website

Mobile Device

Advantage of Direct Marketing

- Focused Approach
- Cost Effective for Niche Products
- Measurable & Attributable
- Immediate & Flexible
- Easy International reach
- Alternative Distribution Channel
- Opportunity to build a database

Personal Selling.

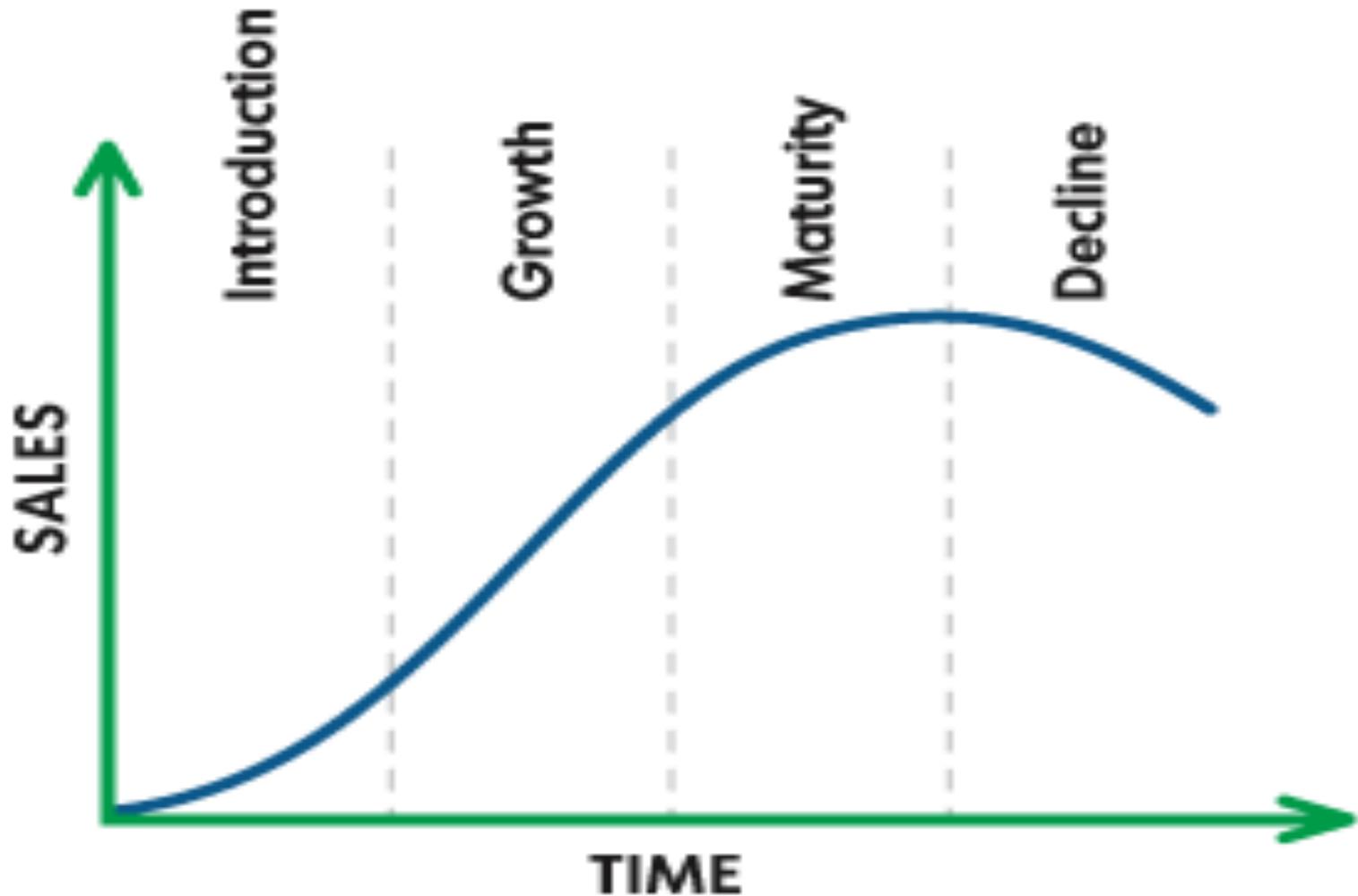
- Personal Selling is an effective way to manage personal customer relationships. The sales person acts on behalf of the organization. They tend to be well trained in the approaches and techniques of personal selling. However sales people are very expensive and should only be used where there is a genuine return on investment.

Sponsorship.

Sponsorship is where an organization pays to be associated with a particular event, cause or image. Companies will sponsor sports events such as the Olympics or Formula One. The attributes of the event are then associated with the sponsoring organization.

Product Life Cycle

Product Life Cycle Curve



Introduction Stage

- Product Awareness & Acceptance among prospective customers are minimal
- Sales are low, High Promotional Cost
- Spend more on advertising, sales promotion or other forms of promotion
- Only Innovative Customer buy the product
- Do not have a perfect competitor
- Length of this stage depend on complexity of product, its degree of newness

Growth Stage

- Product begin to make rapid sales gain
- High and Sharp Rising Profit
- Increase profit Level
- Competitor Grow in number are followers
- Early Adopters

Maturity Stage

- Sales growth Continues but at a diminishing rate
- No improvement in product but changes in selling effort are common
- Profit Margin slip despite sales due to higher cost in acquiring new customer
- Many Competitor in Market

Decline Stage

- Sales begin to diminish absolutely as the customer begin to get bored with the product
- Co can drop the declining brands or may plan to reduce brands with product modification
- Profit is low
- Customers are laggards.
- Low cost per consumer
- Ex:- Petrol Jeep

Marketing Strategies at Introduction Stage

- Marketer can follow **high Price and low promotion** strategy , when competition and market size are limited
- OR
- Marketer can follow **low Price and heavy promotion** strategy , when market size is big are buyers are sensitive to price
 - Ex: Hyundai premium brand “ Sonata” at low price

Marketing Strategies at Growth Stage

- It has 2 sub stage early & late Growth
- Early Growth:- Sales increase at an increased rate
- Late Growth:-Sales increase at an decreasing rate
- Increase Market Share
- Intensive Distribution
- Improving or adding features will expand market
- Price should not raised due to competition
- Increase on promotion to educate the market & to meet challenges of competition

Marketing Strategies at Maturity Stage

- Market Modification:- Co. have a goal to increase consumption, Co look for new users, new market segments & increase usage among present customers.
- Product Modifications:- Product characteristics like improvements in quality, feature and style.
- Ex: Power Steering in Maruti Esteem
- Retention of higher self-space
- Build loyal consumers

Marketing Strategies at Decline Stage

- Maintain: maintain its position in the market and most likely in the territories where it is doing well.

Ex:- Modi, Global, Xerox dropped the fax machine but Panasonic didn't.

- Harvest: Reducing the overall cost including production, maintenance, advertising and sales force management cost.

Ex: Hindustan Motor's Ambassador

- Drop: End of the line for a product. It can sold to another company if there is a corporate buyer and new buyer can run the company with a profit.

Ex:Carona dropped Puma shoes in Indian Market.

Case Study

Introduction

SWOT Analysis

Conclusion

Questions & Answers