

CHAPTER-11**MARKETING MANAGEMENT****CONCEPT SUMMARY**

MARKET: It refers to a place where the buyers and sellers meet each other for sale and purchase of the commodity.

CUSTOMER: Customer refers to the people or organization that seeks satisfaction or their needs and wants.

SELLER OR MARKETEEER: The sellers or marketers offer a variety of entities to customers.

MARKETING: Marketing makes goods and services more useful to the society by creating place, time and possession utilities.

FEATURES OF MAKETING:

- Need and wants
- Creating a market offering
- Customer value
- Exchange mechanism

DIFFERENCE BETWEEN SELLING CONCEPT AND MARKETING CONCEPT:

Points	selling concept	Marketing concept
Starting point	Selling concept	Market
Main focus	Attracting consumers	Consumer satisfaction
Means	Advertising, personal selling and sales promotion	Various marketing activities
Ends	Profit through maximum sales	Profit through consumer satisfaction

MARKETING MANAGEMENT: It deals with planning, organizing and controlling the activities related to the marketing of goods and services to satisfy the consumer's wants.

NATURE:

1. It is goal diverted
2. It determines the appropriate mix if the firm.
3. It is a functional area of management
4. It is a specialized job
5. It is the market concept in action

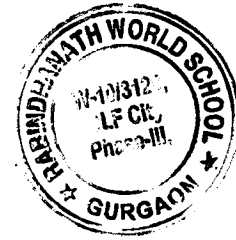
OBJECTIVES:

- a. Creation of demand
- b. Market share
- c. Goodwill
- d. Profitable sales volume through customer satisfaction
- e. To determine marketing mix that will satisfy the needs of the customers
- f. To generate adequate profits for the growth of the business

MARKETING FUNCTIONS:

1. Marketing research
2. Marketing planning
3. Product planning development
4. Buying and assembling
5. Packing and labeling
6. Branding
7. Customer support services

8. Storage and warehousing
9. Transportation
10. Promotion and selling
11. Standardization and grading
12. Pricing
13. Fixing
14. Risk taking



MARKETING MANAGEMENT PHILOSOPHIES/CONCEPTS/ORIENTATIONS

	Production Concept	Product concept	Selling concept	Marketing Concept	Societal concept
1. Meaning	Profits could be maximized by producing at large scale, thereby reducing the per unit cost of production because customers would favour those products which are widely available at an affordable price.	Potential exchange would be realized when the product is of high quality because customers favour those products which are superior in quality, performance and features.	Customers would not buy, or not buy enough unless they are adequately attracted and convinced to do. Therefore, for pushing the sale of products, aggressive selling and promotional efforts should be undertaken.	In the long run, an organisation can achieve its objective of profit maximization by identifying customer needs and satisfying them better than the competitors. The purpose of marketing is to generate customer value at a profit.	The task of any organisation is to identify the needs and wants of the customers and deliver the desired satisfaction in an effective and efficient manner so that the long term well-being of customers as well as the society is taken care of. An activity which satisfies customer needs (e.g., manufacturing a racing car), but is detrimental to

					<p>the interest of the society at large (e.g., pollution created) cannot be justified.</p> <p>Customer's needs and society's well beings.</p> <p>Integrated marketing in respect of product, price promotion and physical distribution.</p> <p>Profit through customer satisfaction and social welfare.</p>
<p>2.Focus</p>	<p>Quantity of product</p>	<p>Quality, performance, features of product.</p> <p>Continuous improvements in the quality, incorporating new features, etc.</p>	<p>Existing product.</p> <p>Aggressive selling and promotional efforts, e.g., advertising, sales, promotion, personal selling, etc.</p>	<p>Customer's needs.</p> <p>Integrated marketing in respect of products, price, promotion and physical distribution.</p>	<p>Market, society.</p>
	<p>3.Means</p> <p>Availability and affordability of product, improving production and</p>	<p>Profit through product quality</p>		<p>Profit through customer satisfaction.</p>	

	distribution efficiency.	improvements.	Profit through sales volume.		
	Profits through large volume of productions.	Factory		Market	
4.Ends			Factory		
	Factory				
Starting Point					

MARKETING MIX, ELEMENTS:

- Product Mix
- Price Mix
- Place Mix
- Promotion Mix

MEANING OF MARKETING MIX:

refers to the combination of four basic elements, product, price, promotion and place known as the four P's of marketing.

PRODUCT: Total number of products and items that a particular seller offers to the market is called market mix.

a). **Branding:-** Branding is the process of giving a name or sign or a symbol etc to product.

Various term of relating Branding :-

- (i). Brand
- (ii). Brand Name
- (iii). Brand Mark
- (iv). Trade Mark

Advantages of Branding:-

To the Marketers:-

- (i). Enables making product of new product
- (ii). Ease in introduction of new product.
- (iii). Differential pricing
- (iv). Helps in advertising and display programmes.

To the Customers:-

- (i). Helps in product identification
- (ii) Status symbol
- (iii). Ensures quality

Characterstics of a Good Brand Name.

- 1). A Brand name should be short, easy to pronounce, spell, recognize and remember, e.g., L.G, NANO, VIP, Rin, Vim etc.
- 2). The brand name should suggest the product's benefits and qualities, e.g Hajmola, Ujjala etc.
- 3). A brand name should be distinctive i.e, Zodiac, Kodak etc.

4). Brand name should have staying power, i.e, it should not get out of date very soon e.g. CoCa Cola, Lux etc.

5)The brand name should be sufficiently versatile to accommodate new products, which are added to the product line, e.g.,Maggie, Colgate,etc.

6). It should be adaptable to packaging or labeling requirements, to different advertising media and to different language e.g the brand name Nova(given to Ambassador car).

7). It should be capable of being registered and protected leagally.

b. **Packaging:-** Packaging refers to the act of designing and producing the container or wrapper of a product.

Levels of Packaging:

1).PRIMARY PACKAGE:- It refers to the product's immediate container, e.g. toothpaste tube

2)SECONDARY PACKAGE:- It refers to additional layers of protection that are kept till the product is ready to use e.g. a Denim Shaving cream tube comes in a card board box.

3) TRANSPORTATION PACKAGE: It refers to further packaging component necessary for storage and transportation.

Functions/importance of Packaging

1).Product identification

2). Product Protection

3) .Product Promotion

4).Product differentiation

5) Easy Handling/Facilitating use of the product

6).Rising standards of health and sanitation

7) Innovational Opportunity



c. **Labelling**;- It refers to designing the label to be put on the package.

Functions/importance of labeling

- 1) Describe the product and specify its contents
- 2) Identification of the product or brand
- 3) Grading of products
- 4) Help in promotion of product
- 5) Providing information required by law.

PRICE MIX: It is the worth of a product or service in monetary terms:

Factors considered before fixing price are

- a) Company objectives
- b) Cost
- c) Competition
- d) Customer demand

FACTORS OF BE KEPT IN MIND BEFORE PRICING

- a. Cost of production
- b. Demand for product
- c. Price if competitive firms
- d. Purchasing power if customers
- e. Government regulations
- f. Objectives

PLACE MIX: It refers to a set of decisions that need to be taken in order to make the product available to the consumers for purchase and consumption.

The two major distribution area under this function or marketing include:

- (i). Decision regarding channels of distribution (like wholesaler, retailers) to be used.
- (ii) physical movement of the product from the place of product to the customers for their consumption to use.

DISTRIBUTION OF GOODS

- a. Transportation
- b. Inventory
- c. Warehousing
- d. Order processing

Channels of distribution:- Channels of distribution mean the path through which the ownership as well as possession of goods passes from the producer to the consumer.

Type/Methods:-

- 1) Direct channel(zero level)- Manufacturer — Customer
- 2) Indirect Channels:-
 - (ii) One level channel
Manufacturer — Retailer — Customer
 - (iii) Two level channels
Manufacturer — Wholesaler — Retailer — Customer
 - (iv) Three level channel:
Manufacturer — Agent — Wholesaler — Retailer — Customer

Factors Determining choice of channels of distribution

1. Market factor

- (i). Size of the market
- (ii). Geographical concentration of potential buyers
- (iii). Size of order

2. Product Related Factor

- (i) Nature of product
- (ii) Perishable vs Non-Perishable Products
- (iii) Unit value of the product
- (iv) Product complexity

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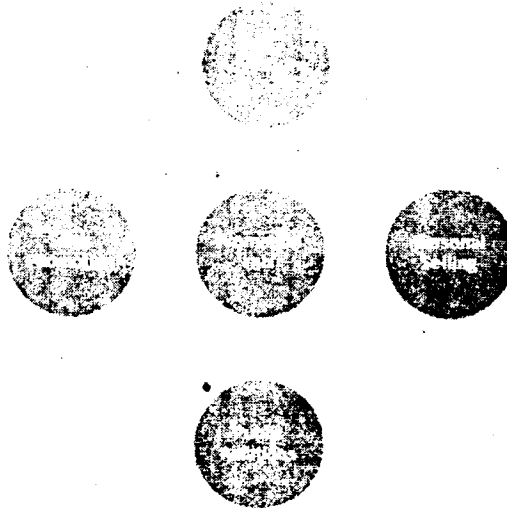
3. Company Characteristics

- (i) Financial strength of the company
- (ii) Degree of Control

4. Competitive Factors

5. Environmental factors like economic condition and legal constraints.

PROMOTION MIX: It is concerned with activities that are undertaken to communicate with both customer and participate in the channel of distribution such that sales goals are realized.



Advertising: " Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor."

Role of Advertising:-

1. Creates demand
2. Educates consumers and makes shopping easier
3. Enhances consumer confidence
4. Creates better organizational image
5. Facilitates introduction of new products.
6. Creates customer loyalty

7. Provides economics of scale
8. Improves standard of living.

OBJECTIONS TO ADVERTISING/CRITICISMS AGAINST ADVERTISING

1. Add to cost
2. Undermines social value
3. Encourages sale of inferior products
4. Confuses the buyers rather than helps
5. Some advertisements are in bad taste
6. Some advertisements make false claim

PERSONAL SELLING:- it involves face to face interaction between the seller and the prospective buyers.

Features

- (1). Personal interaction
- 2) Two way communication
- 3) Better Response
- 4) Relationship



Qualities of a good sales man:

- 1) **Physical qualities** – personality, stamina, health, tolerance
- 2) **Mental qualities**-mental alertness, sharp memory, initiative, imagination and self confidence
- 3) **Social qualities** –sociability, tact, sound character, sweet nature:
- 4) **Vocational qualities** – knowledge of product, knowledge of competitive products, training and aptitude.

Sales Promotion:-It refers to short term use of incentives or other promotion activities that seek to stimulate interest

- a) Rebates
- b) Refunds
- c) Discounts
- d) Quality Deals

- e) Contents
- f) Packaged premium
- g) Container Premium
- h) Premium Gifts
- i) Sampling
- j) Free in mail premiums

PUBLIC RELATIONS

Meaning: Public relations are the deliberate, planned and sustained effort to establish and maintain understanding between an organization and its public.

ROLE OF PUBLIC RELATIONS

- i) More credible
- ii) Economical Medium
- iii) Image building
- iv) Boosts the sales of the organization.

VARIOUS PUBLIC RELATION TOOLS TO SHAPES THE PUBLIC IMAGE IF THE ORGAINSATION

- a) News
- b) Speeches
- c) Events
- d) Written Materials
- e) Public service activities

VERY SHORT QUESTIONS

Q1. Define market in modern marketing sense.

Q2. Give an example of services which can be marketed.

Hint: Market offer

Q3. Define marketing management in present context.

Q4. " They don't sell what they can make what they can sell." Name the marketing philosophy to which this statement is related.

Q5. which concept of marketing suggest that the organization should earn profit through consumer satisfaction and social welfare?

Q6. Give one function of marketing.

Q7. Give few example of direct channel (zero level).

Q8. What do you mean by product?

Q9. Mention one advantage of branding to consumers.

Q10. What is meant by trade mark?

Q11. Give one function of package.

Q12. State the features of advertising (any one)

SHORT QUESTION ANSWERS.

Q1. What do you mean by trade mark?

Ans.

- ↓ Trade mark is sign, mark or symbol, word or words which distinguishes a product from others.
- ↓ A registered trade mark prohibits the use of that particular brand name etc. by other enterprises.

For example, Parle-g is the registered trade mark of pale g biscuits Pvt Ltd. & hence cannot be used by any other biscuit manufacture.

Q12. Explain any three benefits of packing.

Ans. Packing provides the following benefits:

Product differentiation: unique packing helps in identification of products. Unique shape and size of boxes helps a consumer identify the products easily at the time of purchase.

Product protection: it saves the product from spoilage, breakage, leakage, climatic effect etc. It keeps it fresh and clean.

Self service outlets: it facilitates handling, lifting, conveying information etc. of the products.

Q.7 Outline briefly any three objectives of marketing management.

ANS: (I) Creation of demand: marketing aims at creation of demand by

attracting new customer. The usefulness of the product or services is made known to the targeted customers well in advance. This effort help are In manufacture to create demand .

(ii) Market share: marketing helps an enterprises to capture handsome share in the market by the during various function of marketing

Good will: marketing help to build up the reputation of an enterprise. The image of the enterprise is built by using various image building techniques such as advertising, good qualities products customer care, after sale services etc.

Q.5 Advertising encourage sale of inferior and dubious product. Give three reasons disfavoring this statement.

ANS: Reason disfavoring the statement are as under:

Whether a product is seen as inferior or not depended upon ones economic statue, likes & preference which themselves are not static and change from person to person and form time to time

↓ In every economy, even low priced product is needed by a particular section so what is the harm if a manufacture is producing them and advertising for them.

- (i) The regularly agencies and different consumer organization are doing well to control the sale of dubious product anyway. After all, a captain is held responsible for the performance dubious of his team. And advertising is just member of the team that discourages dubious products.
- (ii) Infarct, these regulatory agencies keep a tab on the quality of ads too; so the responsible for success of dubious products lies more on them than any single component like advertising.

Q10. Explain any three function of 'Labeling'.

Ans: - (i) Complete description of a product

It provides complete information about price, quantity, contents, expiry, uses, and caution

In use etc. of a product.

(ii) Identification of the product

It helps in identifying the product from among various products available market.

(iii) Grading of product

It helps in grading the product into different categories.

(iv) Promotion of product

A carefully designed label helps in attracting the customers and induces them to purchase the product.

(v) Providing information required by law

Labeling provides information required by law such as statutory warning like 'Smoking of cigar rate is injurious to health' on the packet of cigarettes.

LONG QUESTION ANSWERS.

Q.1 What do you mean by branding? How does it help the markets?

ANS: The process of assigning a unique name, sign or a symbol to a product is known as branding.

- Branding helps in creating a distinct image of the seller in the market.

↳ Advantages to markets;

It creates product differentiation.

It helps in advertising.

It helps in differential pricing.

It helps in introduction of new product.

Q2. What are the essentials of a good brand name?

Or

Explain any three qualities of a good brand name?

ANS: Essentials of a good brand name:

- ↓ It should be distinctive & attractive. For example, surf.
- ↓ It should be short, simple & easy to pronounce. For example lux.
- ↓ It should suggest benefit and qualities of the products. For example glucose 'D'
- ↓ It should be sufficiently versatile to accommodate new products in the product line. For example Series.
- ↓ It should not contain any terms or symbol that is offensive.
- ↓ The brand should have staying power. For example roohafza, Colgate etc. are such type of brand as have been there for years and are likely to do so in times to come too.

Q3. Define advertising. Explain its role in marketing goods and services.

Q4. Explain any six sales promotion techniques which a business house may use to promote its products.

Q5. Explain the role of public relations in marketing.

Q6. 'Advertising is a social waste as it adds to cost determines social values and confuses the buyer.' Explain how.

Q7. Advertising is unnecessary and wasteful.' Explain how by giving any three reasons.

Q8. "Money spent on advertisement is not a waste but an investment. Do you agree with this view? Give reasons in support of your answer.

Hots

1. Aftab is scared of a facing people. Is he good sales man? What qualities are required to become a good salesman?

Ans. No, Aftab is not a good salesman as he is not confident and is scared of facing people

1. A mobile company is launching a new tech mobile phone in the market. Which department is going to look into the techniques of promoting it?

Ans. public relation department

Q.6 You have been appointed as a brand manager of ford motors. The company is to introduce a compact small car in the Indian market. The name of the car is yet to be decided. You have been asked to chair a brain storming session. Before the suggestion comes forward you have to briefly explain the participants as to what constitutes a good brand name with the help of suitable example.

ANS: In this case, competitive events are organized by the companies for promoting their product, for sample, bournvita quiz contest etc.

- (i) It should be short, easy to pronounce, spell, recognize and remember e.g. NANO, VIP, and VIM.
- (ii) It should be suggest the product benefits and qualities likes – genteel, promise, Safi, duracell, kleenfloor, Eveready.
- (iii) It should be distinctive like-zodiac, Kodak, zer0x.
- (iv) It should have a staying power, i.e should be out of date, like lux, coca cola etc.

VALUE BASED QUESTION

Q1 identifies the type of product in the following Q.1 Nisha, a schoolbag manufacturer, decided to improve the product for profit maximizaing and thus added a water bottle holder to the existing design.

- (i) Identify the marketing management philosophy adopted by Nisha.
- (ii) Explain this philosophy on the basis of (a) main focus and (b) means attends.

ANS. (i) Product concept/philosophy.

(a)MAIN FOCUS of this concept is on quality, performance and features of the product.

(b)MEANS: PRODUCT IMPROVEMENT.

(c) END: Profit through product quality.

Q.2 A salesman need not possess and personal quality to sell the product is good, it would automatically make its place in the market. Comment.

ANS. A good product also requires personal selling. A salesman can identify the prospective customer. Sales talk and tailored sales presentation lead to actual sale.

A salesman can provide invaluable feed - back to top management about the fashion, taste, attitude and behavior of the customer. This helps in designing and developing product according to the needs of the market.

In light of above, it can be concluding that a salesman must possess personal quality to sell a product too require personal selling.