

FYBBA SEM: II
PRACTICES OF MANAGEMENT
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UNIT 2 MARKETING MANAGEMENT

❖ **INTRODUCTION OF MARKETING**

Marketing is a societal and managerial process where people and organizations (customers) obtain what they need and want by exchanging products and services of value with each other. Marketing focuses on the needs and wants of customers. It is concerned about satisfying customers through supply of goods and services many think marketing is only advertising and selling. But marketing is almost a way of life that everybody needs to know.

❖ **MEANING OF MARKET**

A market is a medium that allows buyers and sellers of a specific good or service to interact in order to facilitate an exchange. This type of market may either be a physical marketplace where people come together to exchange goods and services in person, as in a bazaar or shopping center, or a virtual market wherein buyers and sellers do not interact, as in an online market. Market can also refer to the general market where securities are traded. This form of the term may also refer to specific securities markets and may take place in person or online. The term "market" can also refer to people with the desire and ability to buy a specific product or service.

❖ **MEANING OF MARKETING**

Marketing is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is “meeting needs profitably.” When eBay recognized that people were unable to locate some of the items they desired most, it created an online auction clearinghouse. When IKEA noticed that people wanted good furniture at a substantially lower price, it created knockdown furniture. These two firms demonstrated marketing savvy and turned a private or social need into a profitable business opportunity.

❖ **MEANING OF MARKETING MANAGEMENT**

Marketing management facilitates the activities and functions which are involved in the distribution of goods and services. Marketing management is the directing of an organization’s resources to develop and implement the best possible strategy in order to reach its desired consumer segment with the goal of maximizing sales of a particular product or service. It is concerned with the chalking out of a definite program, after careful analysis and forecasting of the market situations and the ultimate execution of these plans to achieve the objectives of the organisation.

➤ **DEFINITIONS :**

- **According to Chapmen**, “The term **Market** refers not necessarily to a place but always to commodity or commodities and the buyers and sellers of the same who are in direct competition with each other.”

- **According to American Marketing Association**, “Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals.”
- **According to Harold Koontz**, "Management is the art of getting things done through and with people in formally organized groups.”
- **According to Kotler and Keller**, "Marketing management is ‘the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value’”.

❖ **PHILOSOPHIES OF MARKETING**

A marketing philosophy is a foundational idea that becomes a part of all of the work that a marketing department accomplishes for a company or organization. In general terms, most marketing philosophies centre around finding new customers to view their products and services, so a marketing department or firm aims toward that end.

• **The Production Concept**

The production concept is one of the oldest concepts in business. It holds that consumers will prefer products that are widely available and inexpensive. Managers of production-oriented businesses concentrate on achieving high production efficiency, low costs, and mass distribution. This orientation makes sense in developing countries such as China, where the largest PC manufacturer, Lenovo, and domestic appliances giant.

• **The Product Concept**

The product concept proposes that consumers favor products that offer the most quality, performance, or innovative features. Managers in these organizations focus on making superior products and improving them over time. However, these managers are sometimes caught up in a love affair with their products. They might commit the “better-mousetrap”, believing that a better mousetrap will lead people to beat a path to their door. A new or improved product will not necessarily be successful unless it’s priced, distributed, advertised, and sold properly.

• **The Selling Concept**

The selling concept holds that consumers and businesses, if left alone, won’t buy enough of the organization’s products. The organization must, therefore, undertake an aggressive selling and promotion effort. The selling concept is practiced most aggressively with unsought goods, goods that buyers normally do not think of buying, such as insurance and encyclopedias’. Most firms also practice the selling concept when they have overcapacity. Their aim is to sell what they make, rather than make what the market wants.

• **The Marketing Concept**

The marketing concept emerged in the mid-1950s. Instead of a product-centered, “make-and-sell” philosophy, business shifted to a customer-centered, “sense and respond” philosophy. The job is not to find the right customers for your products, but to find the right products for your customers. The marketing

concept holds that the key to achieving organizational goals is being more effective than competitors in creating, delivering, and communicating superior customer value to your chosen target markets.

- **The Customer Concept**

Many companies are today moving beyond the marketing concept to the customer concept. These companies shape separate offers, services, and messages to individual customers, based on their individual preferences. They hope to achieve profitable growth through capturing a larger share of each customer's expenditures by building high customer loyalty and focusing on customer lifetime value. One-to-one marketing has become possible through advances in factory customization, computers, the Internet and database marketing software. Examples: Barbie Dolls, Levi's Jeans, Dell Computers.

- **The Societal Marketing Concept**

The societal marketing concept holds that the organization's task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and societies long-term well-being. Sustainability has become a major corporate concern in the face of challenging environmental forces. Firms such as Hewlett-Packard have introduced recyclable computers and printers and reduced greenhouse emissions. The societal marketing concept calls upon marketers to build social and ethical considerations into their marketing practices. They must balance and juggle the often conflicting criteria of company profits, consumer want satisfaction, and public interest.

- **The Holistic Marketing Concept**

Today's best marketers recognize the need to have a more complete, cohesive approach that goes beyond traditional applications of the marketing concept. "Marketing memo: Marketing right and wrong" suggests where companies go-wrong- and how they can get it right- in their marketing.

The holistic marketing concept is based on the development, design and implementation of marketing programs, processes, and activities that recognizes their breadth and interdependencies.

- ❖ **FUNCTIONS OR SCOPE OF MARKETING MANAGEMENT**

In today's world marketing has become almost indispensable for the success of an organization. Therefore, it is of utmost importance to study the scope of marketing. The spectrum of marketing covers the following:

1. **Marketing Research:**

Market Research is a tool used for decision making about the marketing mix's elements. Research has to be carried out in order to identify the customer's needs, their tastes and preferences, their interests, economic position, their paying capacity and effectiveness of certain advertisements. For this purpose, data is collected, tabulated, codified, analyzed, and presented through knowledgeable techniques crafted to reveal what customers will buy, why they will buy it, and how much they will pay for it. Market research aims at adapting products to the desires of buyers. Often a questionnaire is used to obtain feedback from the customers. Marketing managers must play an active role in the research process if the input is to be useful to them.

2. Pricing:

Pricing is extremely important since it directly affects an organization's sales and profits. While deciding the price of the product a number of factors have to be kept in mind like the cost of production, paying capacity of the customer, industry demand, competitor's prices and the target profit margin. Price knits together the elements of the marketing mix and pays for their respective contributions. Therefore, the marketing manager must analyze and reconcile the various elements of those variables which influence price, and must then decide on an optimal price policy. A good pricing policy is a significant factor to attract the customers.

3. Advertising and Sales Promotion:

In this era of tough competition, the sales promotion and advertisements have become almost an inbuilt part of the marketing. It helps to make the customer aware about the product, makes him curious about the product and thus promotes sales. There are ample sources of sales promotion and advertisements taking the decision about which source to be selected is also an imperative part in the sphere of marketing management. Through advertising marketers are able to position their products in the minds of the customer using various media like newspapers, magazines, television, radio, hoardings, window display and internet etc. Marketing managers must blend the methods of 1) face-to-face personal selling, 2) mass selling to large numbers of customers through advertising and 3) sales promotion, to inform the target market about the "right" product.

4. Channels of Distribution:

Bringing together the buyer and seller and facilitating their exchange is the essence of marketing. Distribution channels are an integral part of a complex system that has evolved from cultural and social patterns in order to facilitate exchange transactions. Marketers must decide what methods are best for distributing their particular products. There are various media of distribution like the retailers, the wholesalers, department stores, chain stores, super markets etc. Marketers may choose to sell directly to the customers, to the customers through sales agents, to jobbers, directly to retailers, or to retailers through sales representatives. They must also determine as to how much long shall be its channel of distribution. A number of factors have to be borne in mind while selecting the medium of distribution like perishability, price of the product, size and weight, after sales service etc.

5. Financing:

It is difficult to perform various marketing activities without the availability of adequate and cheap finance. It has been rightly remarked "Money or Credit is the lubricant that facilitates the operation of the marketing machine as modern marketing requires vast resources." The term financing includes decisions like budgeting for marketing activities, obtaining the necessary funds needed for operations and providing financial assistance to customers so they can purchase the business products and services. In the era of global competition, financing of customer purchasing has become an important part of marketing. Marketers have to offer different finance schemes to their customers to increase the volume of sales. There are various sources of marketing finance like commercial banks, cooperative credit society, government agencies etc. The modern business is constructed on the foundation of trade credit.

6. After-Sales Service:

The furnishing of after sales service is very critical for the satisfaction of the customers. The free repairs, the return or exchange of the product during the guarantee period if the product proves defective or worthless, etc. are included in after sales service. Marketers must aim at maintaining cordial relationships with customers, and must attend their queries and solve their problems.

❖ MARKETING MIX



Some of the most important elements of marketing mix are as follows: **1. Product, 2.Price, 3.Promotion, 4.Place, 5.Process, 6.People, 7. Physical evidence.**

1. Product

Product refers to a physical product or a service or an idea which a consumer needs and for which they are ready to pay. Physical products include tangible goods such as grocery items and garments. Services are intangible products which are offered and purchased by consumers.

In a narrow sense, a product is a tangible good, such as a book, a soft drink and a car, which a seller sells and a buyer buys. In fact, people do not buy products that are simply visible or touchable. People buy solutions to their problems. They buy benefits, satisfactions and fulfillment of their needs.

A product is a set of tangible and intangible attributes that lead to customer satisfaction. A product includes both tangible goods and intangible services. However, it is to be noted that a product may be purely intangible or purely tangible. For instance, a person who buys psychiatric counseling receives nothing tangible.

This product is a totally intangible service. At the other extreme, a person who buys a packet of paper clips receives nothing intangible. This product is a totally tangible good. However, a person who buys a lunch at a restaurant receives a combination of intangible service and a tangible goods. Most of the products have a combination of tangible and intangible attributes.

When a tangible good alone cannot satisfy the customer's want, the marketer must enhance its value by providing the added intangible services. Products that are marketed include physical goods, services, experiences, events, persons, places, properties, organization's information and ideas. Therefore, product is a general term for ideas, goods and services.

According to Philip Kotler, 'a product is anything that can be offered to a market to satisfy a want or need'. Product is the key element of any marketing mix.

The decisions concerning product may relate to the following:

1. Product attributes
2. Branding
3. Packaging and labeling
4. Product support service
5. Product mix

2. Price

Price is an element of marketing mix. It is the exchange value. Developing a right pricing strategy is critical to an organization's success. Price is a significance variable. In many cases, it is the main factor affecting consumer choice. Its significance is further emphasized as it is the only element of marketing mix that generates revenues and the other product costs.

Thus, price is the amount charged for a product or service. It is the consideration paid by consumers for the benefit of using any product or service. Price fixation is an important aspect of marketing. Pricing decisions of a company are affected by both internal and external factors.

3. Promotion

Promotion is one of the four elements of marketing mix. It is a communication link between the seller and the buyer for the purpose of influencing; informing or persuading a potential buyer's purchasing decisions. Promotion has been defined as the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea.

While implicit communication occurs through the various elements of the marketing mix, most of the organization's communications with the marketplace take place as a part of a carefully planned and controlled promotional program.

According to William Stanton, promotion is defined as 'the element in an organization's marketing mix that is used to inform, persuade and remind the market regarding the organization and/or its products'. Promotion not only helps to persuade consumers but also gives a proper justification of the price charged and the returns obtained by them.

Manufacturers have not only to communicate but also to work on the things such as how to

communicate when to communicate and through which medium to communicate. In today's world of technology, various promotional tools are available to the firm which includes advertising, personal selling, sales promotion, direct marketing and public relations. Each tool has its own advantages as well as disadvantages. The success of promotional campaign depends on the selection of right blend of promotional mix.

4. Place

Place is another important element of marketing mix. Once the goods are manufactured, packaged, priced, and promoted, they must be made available to consumers. Activities related to placing the products are covered under this element of marketing mix.

It consists of decisions relating to channels of distribution and physical distribution. Channels of

distribution refer to the individuals and organizations which facilitates in moving the goods from manufactures to consumers.

It is important that regular and smooth flow of goods is maintained so that products are not spoilt and supplies are not delayed. To ensure this, various facilitating services such as transportation, warehousing, inventory control and order processing need to be arranged. These are known as components of physical distribution.

❖ **ROLE OF MARKETING MANAGER**

A marketing manager is the hub of sales administrative. He occupies a place of pivotal importance. He is that person who embraces all those functions—POSDCORB, so far as sales organisation is concerned. The role of a marketing manager varies widely from company to company, depending upon the size and nature of business.

1. Planning For Future:

A marketing manager has to plan for the long range sales activities. It involves decisions regarding the area of marketing, nature and number of products to be distributed and the sales policy to be adopted. Sales budgeting help in providing information of expected sales, revenues & expenses.

2. Advising the Top Management:

Actual office operations are to be brought to the notice of top management, as to what exactly is going on in his department. He is to give ideas about expansion programmes and his contributions as to how to make the programme a success. He is to enlighten the men at the helm of the affairs about the past, present and future prospects of his department.

3. Selection and Placement of Salesmen:

“Right men for the right jobs” are the watchwords for a dynamic manager. Scientific selection is negative process involving weeding out unsuitable candidates followed by placement of candidates. Marketing manager is to consult his assistants as to the number of posts, job specification etc., to undertake scientific selection.

4. Training the Sales Force:

Marketing manager, along with training departmental heads, is to plan for training new employees and continuing training in the form of refresher courses for the existing employees for providing information about operation of business viz., house policies, house customers, employee’s plan of pay and benefits, mechanics of making sales, credit and collection procedures, etc.

5. Compensating the Sales Personnel:

The marketing manager is to decide the compensation policy that is attractive and workable. Promotions, transfers form the part of this compensation programme. Thus, cordial employer—employee relations act as the basis for the success of sales organisation.

6. Organising the sales organisation:

A marketing manager is expected to draw an organisation chart which explains clearly as to vertical, horizontal, intra and inter-departmental relations. Organising is to study the unit division of it for viable working, fixing responsibilities of men of different position and delegation of authority to subordinates.

7. Direction and Co-Ordination:

A marketing manager has to select band of sales executives, assistants, salesmen, clerical staff, who may not be doing well in absence of direction and co-ordination. Coordination promoted by the marketing manager helps in minimising conflict and bringing about unity in diversity.

8. Controlling the Activities of Employees:

Control of sales activities occupies a central place in the programme of marketing management. Direct contact with the salesmen becomes indirect by correspondence. Control procedure includes defining authority, timing his activities, rendering of accounts and their audit, fixing of sales quota etc. Such a control with least interference will lead to the development of loyal staff that would always be ready to work for the organisation.

9. Designing Viable Sales Policy:

Formulation of sales policy calls for the divergent factors that decide the exact nature of it. It is the foundation for the marketing of goods. A sales policy should take into account discount, price, terms of payment, way of distribution & extent of publicity, type of products, etc. as they are responsible for its effective implementation. Much depends on the efficiency of marketing manager to make it so.

10. To Meet Challenging Tasks of Publicity & Display:

Marketing manager should devaluate the existing publicity approaches as to media, so that scientific selection is made to avoid or minimise the waste, getting publicity budget prepared, reviewing and approving it in the light the light of company situations. Again, it

calls for display both internal and external and the other aspects such as services to dealers, sales correspondence, giving incentives to dealers and consumers etc.

❖ **DIGITAL MARKETING**

Digital marketing, also called online marketing, is the promotion of brands to connect with potential customers using the internet and other forms of digital communication. This includes not only email, social media, and web-based advertising, but also text and multimedia messages as a marketing channel. It refers to all marketing efforts that occur on the internet. Businesses leverage digital channels such as search engines, social media, email, and other websites to connect with current and prospective customers. This also includes communication through text or multimedia messages.

DIGITAL MARKETING TECHNIQUES:

- 1. Search Engine Optimization (SEO) :** This is the process of optimizing your website to "rank" higher in search engine results pages, thereby increasing the amount of organic (or free) traffic your website receives. The channels that benefit from SEO include websites, blogs, and infographics.
- 2. Content Marketing:** This term denotes the creation and promotion of content assets for the purpose of generating brand awareness, traffic growth, lead generation, and customers.
- 3. Social Media Marketing:** This practice promotes your brand and your content on social media channels to increase brand awareness, drive traffic, and generate leads for your business. If you're new to social platforms, you can use tools like HubSpot to connect channels like LinkedIn and Facebook in one place. This way, you can easily schedule content for multiple channels at once, and monitor analytics from the platform as well. On top of connecting social accounts for posting purposes, you can also integrate your social media inboxes into HubSpot, so you can get your direct messages in one place.
- 4. Pay per Click (PPC):** PPC is a method of driving traffic to your website by paying a publisher every time your ad is clicked. One of the most common types of PPC is Google Ads, which allows you to pay for top slots on Google's search engine results pages at a price "per click" of the links you place.
- 5. Affiliate Marketing:** This is a type of performance-based advertising where you receive commission for promoting someone else's products or services on your website. Affiliate marketing channels include:

- Hosting video ads through the YouTube Partner Program.
- Posting affiliate links from your social media accounts.

This is part of the relatively new wave of influencer marketing. Creating a campaign with the use of influencers can be a highly effective form of affiliate marketing. Finding the right content creators can take your digital campaign to the next level.

6. Native Advertising: Native advertising refers to advertisements that are primarily content-led and featured on a platform alongside other, non-paid content. Buzz Feed-sponsored posts are a good example, but many people also consider social media advertising to be "native" — Facebook advertising and Instagram advertising, for example.

7. Marketing Automation: Marketing automation refers to the software that serves to automate your basic marketing operations. Many marketing departments can automate repetitive tasks they would otherwise do manually, such as: Email newsletters, Social media post scheduling, Campaign tracking and reporting etc.

8. Email: Marketing Companies use email marketing as a way of communicating with their audiences. Email is often used to promote content, discounts and events, as well as to direct people toward the business's website.

9. Online PR: Online PR is the practice of securing earned online coverage with digital publications, blogs, and other content-based websites. It's much like traditional PR, but in the online space. The channels you can use to maximize your PR efforts.

10. Inbound Marketing: Inbound marketing refers to a marketing methodology wherein you attract, engage, and delight customers at every stage of the buyer's journey. You can use every digital marketing tactic listed above, throughout an inbound marketing strategy, to create a customer experience that works with the customer, not against them.

11. Sponsored Content: With sponsored content, you as a brand pay another company or entity to create and promote content that discusses your brand or service in some way. One popular type of sponsored content is influencer marketing. With this type of sponsored content, a brand sponsors an influencer in its

industry to publish posts or videos related to the company on social media. Another type of sponsored content could be a blog post or article that is written to highlight a topic, service, or brand.

12. Search Engine Marketing (SEM): When a potential lead is searching for a product or business that is related to yours, it's a great opportunity for a promotion. Paid advertising and SEO are two great strategies for promoting your business to capitalize on those future leads. Search engine marketing is another way to increase website traffic by placing paid ads on search engines. The two most popular SEM services are Bing Ads and Google Ads. These paid ads fit seamlessly on the top of search engine results pages, giving instant visibility. This is also an example of effective native advertising.

13. Instant Messaging Marketing: Marketing your products through messaging platforms is a fast way to reach potential leads, even for those who haven't offered up their cell phone number. It's a simple way to let your audience know about flash sales, new products, or updates about their orders. If your customers have questions or need more information, it's also a convenient way for them to connect to customer service. You can choose to send messages directly to a mobile phone by text or through messages on platforms like Facebook Messenger or WhatsApp.

❖ **DIGITAL MARKETING VS. TRADITIONAL/CONVENTIONAL MARKETING**

Digital marketing refers to any form of marketing that takes place through digital channels, such as the internet, email, or mobile devices. It's become increasingly popular in recent years due to the proliferation of digital devices and the rise of online networking. Traditional marketing, on the other hand, refers to any form of marketing that takes place offline, such as print advertisements, television commercials, or radio ads. It's still a popular method of marketing, especially for larger businesses with more resources.

	<u>Traditional Marketing</u>	<u>Digital Marketing</u>
Definition	Conventional methods of approaching customers using print marketing, outdoor marketing, broadcasting, referral marketing, one-to-one marketing, etc	Connecting with customers through electronic media and social media platforms
Communication	One-way	Two-way communication feeding relationships and credibility

Value of trend	The trend has to be remembered	The trend can be easily identified by the customer
Targeting	Demographics	Based on the attitude of customers
Targeting difficulty	Difficult to target	Easy to target
Seller buyer Interaction	Very less or Nil	High
Being viral	Depends on effective presentation	Based on trustful content and features
Content-type	Created by experts, limited	Mixed content (audio, video, blogs, posts)
Opinion Leadership	Experts have the major say	Users and customers' opinions are important
Nature	Static	Dynamic
Conversion	Slow	Quick
Engagement	low	High
ROI	Cannot be measured easily	Easily tracked
Tweaking	Impossible once the ad is published	Possible any time
Results	Delayed results	Quick results and impacts
Interruptions	Cannot be ignored	Ad blockers and premium services might prevent from reaching customers
Cost	Expensive	Comparatively cheap and affordable

1. Target Audience: When it comes to traditional marketing, it is easy to reach out to the local target audience. The world is your oyster when it comes to digital marketing as you can target people from all over the world. It is easier to target certain demographics, interests and attributes with digital marketing.

2. Consumer interaction: Traditional marketing has a more personal approach since the interaction with the consumer is more direct. When it comes to digital marketing, the physical presence of the marketer is not required. The interaction is mainly online in the form of comments, replies, etc.

3. Costs: Traditional marketing is more expensive as there is printing involved, radio and television ads, etc. and is harder to scale. Online marketing is more affordable as one can set budgets and is much easier to track results with real-time marketing results.

4. Speed of Results: It can take weeks or months to track results when it comes to traditional marketing. With digital marketing, it is much easier to track results with real-time results with the use of reports and web analytics. There are more metrics available as well such as views, clickthrough rate, etc.

5. Strategy: As traditional marketing efforts do not have real-time results, it takes longer to strategize with limited data available. Strategy improvisation is much easier for digital marketing campaigns as the results are easily available.

6. Sustainability: Traditional marketing heavily depends on hard copies (magazines, newspapers, etc.) describing the product or service. Various digital platforms provide product/ service information in softcopy format through their website, social media platform, etc. This is accessible to the user at any point in time.

7. Feedback: It is easier to track and analyze feedback to a particular campaign through digital marketing as there is an open line of communication involved. In traditional marketing, marketers are simply hoping they don't get negative feedback. This is why time and energy are spent on focus groups and market research. It is easier to fix a glitch in digital marketing as opposed to traditional marketing.

8. Communication: Traditional marketing has a one-way communication approach. Digital marketing involves a two-way interaction between the user and marketer.