

Marketing

Marketing Management: - It deals with planning, organizing, directing and controlling the activities related to the marketing of goods and services to satisfy the consumer's wants.

Marketing Management philosophies: -

1. **Production Concept:** Some companies believe that it is easy to sell the products when products are inexpensive and are easily available. So, the firms following production concept focus on lowering the cost of production by means of mass production and distribution but the drawback of this concept is that customers don't always buy products which are inexpensive and available. **Main Focus:** *Large-scale production to decrease the cost.*
2. **Product concept:** Product concept stresses on quality of production rather than quantity of production. Product improvement is considered the key to success under it. **Main Focus:** *Good quality, added features in product.*
3. **Selling Concept:** Selling concept believes that in order to make a customer buy a product he or she need to be convinced and customers can be convinced by undertaking some aggressive selling and promotional efforts. **Main Focus:** *To sell whatever is produced by using intensive promotional technique.*
4. **Marketing Concept:** Marketing concept concentrates on the need of the customers. The concept says that product should be designed and produced keeping in mind the need of the customer and try to satisfy the need better than the competitor's product. **Main Focus:** *Customer satisfaction.*
5. **Societal concept:** Marketing concept is satisfying the needs of customers in the best possible manner but then also it has attracted criticism from people who are concerned about society and environment. They argue that companies should not blindly follow the goal of customer satisfaction. **Main Focus:** *Customer satisfaction with in ethical and ecological boundaries of our society.*

Functions of Marketing: -

1. **Gathering and analysing market information:** Identification of the need of the customer.
2. **Marketing planning:** developing a plan covering all the aspects of the marketing.

3. **Product design development:** design of the product is important as it can improve the performance and give competitive advantage the organisation.
4. **Standardization and grading:** conform to predetermined standards, reduces the need of inspection and testing.
5. **Packaging and labelling:** packaging not only protects the products but can also serve as a promotional tool.
6. **Branding:** helps in creating product differentiation also helps in developing consumer's loyalty.
7. **Customer support services:** leads to marketing success by providing maximum satisfaction to the consumer.
8. **Pricing of products:** as price plays a crucial role in determining the demand of the product in the market.
9. **Promotion & Selling:** informing the consumer about the firm's product and its features.
10. **Physical distribution:** managing inventory, storage and Warehousing and transportation of goods.
11. **Storage and warehousing:** as there are a time gap between the production or procurement, in order to maintain smooth flow of products in their market.
12. **Transportation:** includes decision relate to the mode of transportation.

Marketing Mix: -refers to the ingredients or the tools or the variables which the marketer mixes in order to interact with a particular market to achieve its objectives in the target market.

Elements of Marketing Mix:

1. **Product:** It refer to any product or service or anything for value which can be offered to the market. It also includes all those decisions related to the product such as quality, design, packaging of product etc.
2. **Price:** Amount of money customer have to pay in order to obtain the product.
3. **Place:** Place or physical distribution includes activities that makes firm's products available to the targeted customer.
4. **Promotion:** Activities that communicate availability of the product, feature, merits, etc.

Important components of Product Mix: -

Branding: - Branding is the process of giving a name or a sign or a symbol or both to a product for its identification.

Advantages of Branding:

1. **It helps in product differentiation:** Brand name helps the customers to differentiate it from other products with the help of brand logo, name, etc.
2. **Advertising the product:** brand name makes it easy to convey product qualities and its differences from other products.
3. **Differential pricing:** Branding enables the enterprise to charge different price than price prevailing in its industry, and still remain relevant in market.
4. **Introducing a new product:** Due to Brand image and Brand loyalty it is easy to introduce new product as it gives boost to new product introduced.

Packaging: - refer to the act of designing & producing the container or wrapper, container or bag for the product.

Levels of Packaging-

1. **Primary Packaging:** It refers to the product's immediate container, Like-toothpaste tube.
2. **Secondary Packaging:** It refers to the additional package, which provides additional layer protection to the product. Like- Card board box for toothpaste.
3. **Transportation Packaging:** These are packaging's used for storing or transporting the goods. Like- corrugated boxes used to shift Ruffle Lays etc.

Importance of packaging: -

1. **To meet raising standard of health and sanitation:** helps in reducing adulteration.
2. **Innovational Opportunity:** Due recent change in area of packaging the scope for the marketing of such products has increased.

- 3. Product differentiation:** Way of product packaging differs from brand to brand therefore packaging also helps in product differentiation.

Labelling: - Labelling means putting identification marks on the package. Label is the carrier of information which describes the product and specify its contents.

Importance of labelling:

- 1. Describes the product:** Informs the prospective consumer about product like date and time of manufacture, ingredients, instruction for usage, etc.
- 2. Identification of product or brand:** The brand name printed on the label of product help the consumer to identify them.
- 3. grading of product:** With the different labels depicting grade, one can grade the products into different categorises.
- 4. promotes sales:** a good design attracts the consumer and promotes the sales of the products.

Following are the factors affecting the setting up of price:

- 1. Pricing objective:** What is the objective of firm is a very important factor which helps in deciding the price. The pricing objective of a firm may include:
 - a. Price Maximization.
 - b. Obtaining market shares.
 - c. Surviving in a competitive market.
 - d. Etc.
- 2. Product cost:** The price of the product must be able to cover the total cost of product which includes fixed cost, variable cost and semi-variable cost.
- 3. Extend of competition in the market:** A firm fixes price of a product as per the competition faced by them.
- 4. Customer's demand and utility:** When demand of the product is inelastic i.e. no or very less substitute is available than company can fix up high price.
- 5. government and legal regulations:** to protect the interest of general public, the government has all the right to control the prices of various products and services by including the products in the category of essential commodities.
- 6. Marketing methods used:** The price of the product also gets affected by various techniques of method of marketing used to promote the products.

Components of Physical Distribution: -

1. **Order Processing:** it is the first step, where one has to give instructions related to order, Product and Quantity.
2. **Transportation:** delivering making the product available to the consumer.
3. **Warehousing:** Storing the products to full fill future requirements in time.
4. **Inventory Control Channels of distribution:** it refers to maintaining an optimum level of inventory in such a way that, incurring minimum inventory cost yet sufficient inventory to full fill future requirements. It involves sale forecasting.

Types of the distribution channels:

1. Direct Channel (Zero level):



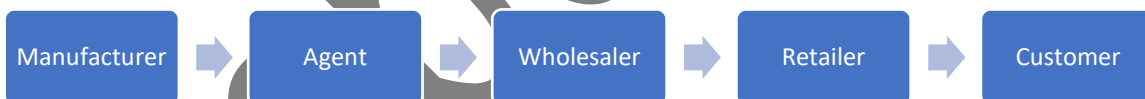
2. One level:



3. Two level:



4. Three level:



Factors determining the choice of the channel:

1. **Product related factors:** some product needs to be shipped to their ultimate consumer as soon as possible or some do not.
2. **Company characteristics:** company's Financial strength, degree of control company wanted on its distribution channel and choice between more of direct or indirect selling.
3. **Competitive factors:** convenience products are always high in demand and competition; hence the firm need to keep its supply high.
4. **Market Factors:** Choice of optimum channel is done considering market size, geological concentration of potential consumers and quantity of goods purchased on an average.

5. Environmental factor: Environmental factors like, Economic conditions and legal constraints also affects the choice of distribution channel.

Elements of Promotion Mix-

- 1. Advertising:** It is defined as any paid form of non-personal presentation and promotion of ideas, goods or services by an Identified Sponsor.
- 2. Personal Selling:** It means selling personally. This involves face-to-face interaction between seller and buyer for the purpose of sale.
- 3. Sales promotion:** It refers to short term use of incentives or other promotional activities that stimulate the customer to buy the product.
- 4. Public relations:** Public relation involves variety of programmes to promote or protect a company's image and its individual products in the eyes of the public.