

## Marketing Management

Marketing can be looked at as an organizational function and a set of processes for creating, delivering and communicating value to customers, and customer relationship management that also benefits the organization.

Marketing is the choosing target markets through market analysis and market segmentation, as well as understanding consumer behavior and providing superior customer value.

From a societal point of view, marketing is the link between a society's material requirements and its economic patterns of response. Marketing satisfies these needs and wants through exchange processes and building long term relationships.

Marketing is management process through which goods and services move from concept to the customer. It includes the coordination of four elements called the 4 P's of marketing:

- (1) identification, selection and development of a **Product**,
- (2) determination of its **Price**,
- (3) selection of a distribution channel to reach the customer's **Place**, and
- (4) development and implementation of a **Promotional** strategy.

### **Examples:**

- **New APPLE** products are developed to include improved applications and systems, are set at different prices depending on how much capability the customer desires, and are sold globally in places where other Apple products (Mac etc.) are also sold. In order to promote the device, the company features its debut at tech events and is highly advertised on the web and on television. **WE HAVE RECENTLY SEEN THE LAUNCH OF NEW iPhone 6 WITH SALES OF 10 MILLION HANDSETS IMMEDIATELY ON LAUNCH.**
- **GHARI** detergent was considered an underdog in the highly competitive detergent market. When Ghari was launched, market was already dominated by big brands like **Surf and Nirma**. Over the years since the launch of Ghari detergent powder, till date there have been introduction of plethora of brands from biggies like HUL and P&G and many local players. It came to limelight in late 2012 when it surpassed HUL's wheel detergent and grabbed top spot in terms of market share. It took almost 25 years for Ghari to be the market leader in detergent market. **In November 2012, Ghari had a 17.4% share compared with Wheel's 16.9%.**
- The Decline and Fall of **NOKIA** from 2006 to 2013, during the upheaval in the mobile device industry caused by newcomers Apple, Samsung and low-cost competitors as they could not feel the pulse of consumer. Key reason is also **lack of innovative marketing.**
- **Micromax** is a well known brand today – in fact, it is **the largest Indian mobile phone company and the 12th largest handset manufacturer in the world** (according to GHVM share report). What's interesting is they have achieved this phenomenal growth in just 5 years time. Micromax got started in a market that was dominated by foreign companies like Nokia and Samsung and how they are giving these multinationals a run for their money by creating their own niches and categories by understanding the pulse of the consumer and delivering products at affordable prices.

### **WHAT IS MARKETING MANAGEMENT?**

## **Market:-**

Market is a place where buyers and sellers meet and goods and services are sold and bought by producers.

## **Marketing:-**

It is a total system of business activities designed to plan, promote and distribute wanted satisfying goods and services to target market.

## **Marketing Management:-**

It can be defined as an art and science of choosing target volume and getting, keeping and growing customer to create, deliver and communicate superior customer value.

Explanation:-

- 1) Science and art
- 2) Choosing target market
- 3) Getting, keeping, growing customer (4 Ps)

### **1) Marketing Management is both a Science as well as an Art:-**

Marketing Management is both a science as well as an art. The science of marketing management provides certain general principles which can guide the managers in their professional effort. The Art of Marketing management consists in tackling every situation in an effective manner. As a matter of fact, science should not be over-emphasized nor should art be discounted. The science and the art of marketing management go together and are both mutually interdependent and complementary. Marketing Management is thus a science as well as an art.

### **2) Choosing target Market:-**

A marketer can rarely satisfy everyone in a market. Not everyone likes the same soft drink, automobile, college, and movie. Therefore, marketers start with market segmentation. They identify and profile distinct groups of buyers who might prefer or require varying products and marketing mixes. Market segments can be identified by examining Geographic, Demographic, Psychographic, and Behavioral differences among buyers. The firm then decides which segments present the greatest opportunity—those needs the firm can meet in a superior fashion.

### **3) Marketing Mix:-**

Marketers use numerous tools to elicit the desired responses from their target markets. These tools constitute a marketing mix. Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market. McCarthy classified these tools into four broad groups that he called the four Ps of marketing:

Product,  
Price,  
Place, and  
Promotion.

## **NATURE & IMPORTANCE**

It would be difficult to imagine the world without marketing. But it may be equally difficult to appreciate the importance effective marketing plays most aspect of our lives. We take for granted the media that are largely supported by advertising. The vast assortment of goods distributed through stores close to your homes, and the ease with which we can make purchases. Lets consider for a moment how marketing plays a major role in the global economy and socio-economic system in any individual organization and in our lives:

### **1) Globally:-**

Profit and growth objectives are most likely to be achieved through a combination of domestic and international marketing rather than solely from domestic marketing. Through the 1980s more foreign firms developed attractive products, honed their marketing expertise, and then successfully entered global markets. Products in some industries, such as office equipment, autos, apparel, watches and consumer electronics, have been very successful.

### **2) Domestically:-**

Aggressive, effective marketing practices have been largely responsible for the high standard of living. The efficiency of mass marketing – extensive and rapid communication with customers through wide variety of media and a distribution system that makes products rapidly available- Combined with mass production brought the cost of many products within reach of most customers.

A customer purchases a product because it provides satisfaction. The Want satisfying power of a product is called its utility and it becomes in many forms. It is through marketing that much of a products utility is created.

### **3) Organizationally:-**

Marketing consideration should be integral part of all short and long range planning in any company. Here's why:

The success of any business comes from satisfying the wants of its customers which is the social and economic basis for the existence of all organizations.

Although many activities are essential to a company's growth, marketing is the only one that produce revenue directly.

### **4) Personally:-**

Consider how many marketers view you as a part of their market. With people like you in mind, firms such as HUL, Godrej, Nike, Strabucks, Microsoft have designed products, set prices, created advertisement and chosen the best methods of marketing their product available to customers. In response customers watches TV / other means of promotions and with its commercials buy various articles over internet and in stores etc.

Marketing occupies a large part in our daily life. Studying marketing will make you better informed. You will have a better idea for why some firms are successful and other seemingly run business fail. More especially you will discover how firms go about deciding what products to offer, and what price is to charge. Marketing will help you understand the many forms of promotion and how they are used to inform and persuade customers. And it will help you the modern miracle of efficient distribution that make product available when and where

buyers want them.

## **NATURE OF MARKETING MANAGEMENT**

### **Marketing as a process:-**

Marketing is a process that marketing managers execute. In a number of instances, a marketing manager does not manage people, but manages the marketing process. A product manager is an example of such a marketing manager; s/he manages the marketing process for a product within a larger marketing organization. We, as consumers, see the results of that process in the form of products, stores, shopping malls, advertisements, sales pitches, promotions, prices, etc. This process usually involves four phases.

**Analysis:** Markets must be understood, and this understanding flows from analysis. Marketing managers spend weeks analyzing their markets before they undertake the development of marketing plans for influencing those markets.

**Planning:** Once a market is understood, marketing programs and events must be designed for influencing the market's customers and consumers, and even the firm's competitors.

**Execution:** The marketing events are executed in the markets: advertisements are run, prices are set, sales calls are made, etc.

**Monitoring:** Markets are not static entities and thus must be monitored at all times. After events execute, they need to be evaluated. The planning assumptions upon which the upcoming events are based must be continually tested; they are not longer true then the events may need modification.

### **THE "D" ROLES OF A MARKETING MANAGER:-**

Marketing managers play many roles, and we can describe them with words that begin with the letter D:

#### **Detective:-**

The marketer is charged with understanding markets, and thus must spend considerable time learning about consumers, competitors, customers, and conditions in the markets. This learning takes many forms: formal marketing research studies, analysis of market data, market visits, and discussions with people in the markets. The result of these studies include insights about market conditions, and the identification of problems and opportunities in the various markets.

#### **Designer :-**

Once a problem or opportunity has been identified, the marketer turns her/his attention to designing marketing programs that solve the problems and/or capture the opportunities.

#### **Decision maker:-**

Marketing is a group process that involves many different people, each of whom may be designing marketing programs and events. Thus the marketer must make decisions about which programs to execute.

### **Decision Influencer:-**

Marketers exist in corporate structures that require higher level executives to approve the marketing plans, programs, and events that come out of the marketing group's work. Thus the marketer must influence the decisions of these senior executives.

### **Diplomat:-**

Marketers design marketing events that others must execute: the sales force must execute the sales plan; the advertising agency must execute the advertisements, etc. These units do not usually "report to" the marketing managers, and they are undertaking tasks given to them by multiple marketing managers. Thus, each manager must play a diplomatic role while inducing these units to execute his/her program in a timely and high quality way.

### **Discussant:-**

All of these roles require considerable discussion among many parties within and outside the company. Thus the marketing manager spends most of his/her time in discussions with others.

## **MANAGING THE MARKETING MIX:**

Marketing managers can control or influence four aspects of the firm's output: its products, promotions, prices, and the places that all of these are offered.

### **Product**

Product management involves the design of the physical product along with its packaging and warranties, the positioning of that product in terms of the benefits it delivers, and the development of the product's brand identity.

### **Promotion**

It is generally not true that consumers will beat a path to your door if you have a superior product; they must be told about it and induced to buy it ... thus the need for promotion. Promotion includes personal selling, advertising, sales promotions, and public relations.

### **Price**

Pricing strategies and tactics must be determined for the product, and then followed to set prices for all the sizes and variants of the product. The result is usually a price schedule that includes the regular price, volume discounts, payment terms, seasonal prices, introductory prices, etc.

### **Place**

Marketing managers are involved in decisions about where the product is offered to the consumer in terms of the channels of distribution.

## **OPERATING WITHIN (C) CONSTRAINTS:-**

Marketing managers must undertake all of the above activities within various constraints, all of which start with the letter C. None of these constraints are under the direct control of the marketing managers; some can be influenced; all can be understood.

**Competition:-**

Other companies are competition for the same consumers and channels of distribution.

**Channels:-**

Retail stores, electronic markets, communications media exist to serve the marketer. In the short run, they must be accepted as constraints; in the long run, the marketer can exert some control over them ... even vertically integrate into the channels.

**Consumers:-**

Consumers have needs and wants. The marketers must understand those needs before they can design marketing programs aimed at impacting consumer wants.

**Conditions:-**

Markets are not static but in constant evolution under the influences of the economy, changing tastes and fashions, population dynamics, etc.

**Company:-**

Company policies, procedures, practices, and cultures place constraints upon the marketing resources and programs that the marketer can deploy.

**Collaboration:-**

The nature of marketing requires marketing managers and professionals to work together on all aspects of marketing. It is common for the marketing manager to be at the center of a set of activities being worked on by people within the company (sales force, promotion manager, product development teams, etc.) and outside the company (ad agencies, consultants, marketing research firms, etc). Thus marketing managers must spend considerable time in consultation and collaboration with other people.

**NATURE and FUNCTION of MODERN MARKETING**

If you ask different people what marketing is, the chances are that you would get different definitions. Marketing is, after all, such a vast field.

Marketing deals with products. A product can be a good, service or an idea. Marketers thus need to be very careful when approaching to customer.

Following are the features of modern marketing which marketer should know very well

**Consumer Focused:** Marketing is consumer dependent. What goods a producer produces he should keep in mind the customer needs and wants. Business exists in order to fulfill customer demands.

**System:** Marketing is a system consisting of several inter-depending activities. These activities are

sales, demand forecasting, market research, production, etc.

**Goal:** Like any other business activity, marketing seeks to achieve some useful result. The ultimate goal of the marketing is to generate profits through satisfying customer needs and demands.

**Exchange:** Marketing activities involves exchange process. Exchange may be of goods and services, exchange of information, idea, feedback or it may be transactions.

**Multi-disciplinary:** Marketing is inter-disciplinary in nature. It has borrowed heavily from economics, statistics, law, sociology, etc.

**Process:** It comprises a series of function which are inter-related. It is a dynamic process because it keeps on adjusting to the changes in the sense that it is concerned with human needs.

**The BASIC / CORE CONCEPTS on which marketing is based on is explained below:**

**Need, Wants and Demand:** Marketing begins with human needs and wants. Needs are feelings of deprivation of some satisfaction. People need food, air, water, shelter to survive. Wants are desire for satisfies of needs. Wants which are backed by the purchasing power become demand

**Products (Goods, Services and Ideas):** A product is anything that can be offered to satisfy a need or want. A product may consist of three components- physical goods, services and ideas.

**Value, Cost and Satisfaction:** Value means the customer's estimate of the product's overall capacity to satisfy his/her needs. Cost is the price which a customer pays the products. Satisfaction is inner felling.

**Exchange and Transaction:** Exchange is the process of obtaining a desired product from someone by offering something in return. Exchange leads to transactions.

**Relationship and Networks:** Relationship marketing refers to the process of building long-term satisfying relationship with customer, distributors and suppliers.

**MARKETING ENVIRONMENT:**

Marketing environments are divided into two parts. **Internal environment** includes customer, suppliers, managements, employees, productions, etc. On the other hand **external environment** includes sociocultural environment, political, technological, economic environment, etc.

**Competition:** Competition may come in many forms. A firm always competes with the existing player. Threat of potential competitor is also taken in consideration. Substitute product is also a competitor to firm.

**Supply Chain:** Supply chain is a longer channel includes backward and forward logistic. It stretches from raw materials to delivery of finished goods to the ultimate consumer. Capturing higher value of supply chain gives firm competitive advantage over competitor firms.

**EVOLUTION OF MARKETING CONCEPT**

Old concept of marketing was to make goods available so that people who had needs can buy. But as human needs changes and many players offering same goods, the concept changes from making available to satisfying needs.

The core concept of marketing “exchange process “have stated since human civilization and it has transforms through many phases into modern marketing management today.

**Exchange oriented Stages:** After the stages of nomads people started to settle on the banks of rivers and engaged in agriculture and other economic activities. Then the problem of deficit and surplus in production came into existence. In order to have smooth exchanges “Barter System” came into existence. This is the starting point of marketing activities.

**Production oriented Stages (1760-1830):** This stage came with the dawn of industrial revolution which started during 1760. The concept behind this stage was if you can offer products with reasonable price and quality, nothing can prevent you from selling and making profits. Here producer gave more emphasis on their production not on the customer requirements.

**Sales oriented Stage:** Technological development, improving living standard, development in communication and transportation lead people to believe that they can demand more quality goods from the producers than they were offering. Producers started realizing consumers will normally not buy enough unless approached with a substantial selling and promotional efforts. Under this concept the greater emphasis was on increasing the sales than on customer satisfaction.

**Marketing oriented Stages:** As the consumer demand and producer’s supply came into equal positions, the producers were forced to rethink over the selling concept and thus it leads to introduction of marketing concepts. Moreover, intense competition in the market made producers realize that products could not be sold without having a strong understanding of consumer needs and preferences.

**Consumer oriented Stage:** This stage have totally opposite view than the other stages above. Here producers started producing products keeping in mind the requirement of the customer. Production process are adjusted and re-adjusted in order keep align with ever changing needs of customers. Competition becomes a keen factor here.

**Management oriented Stages:** This is the present stage of the evolution of marketing concept. Consumer marketing became an accepted marketing philosophy. Today marketing is the most crucial in business planning and decision-making.