

Marketing Management

Session I



Session Goals

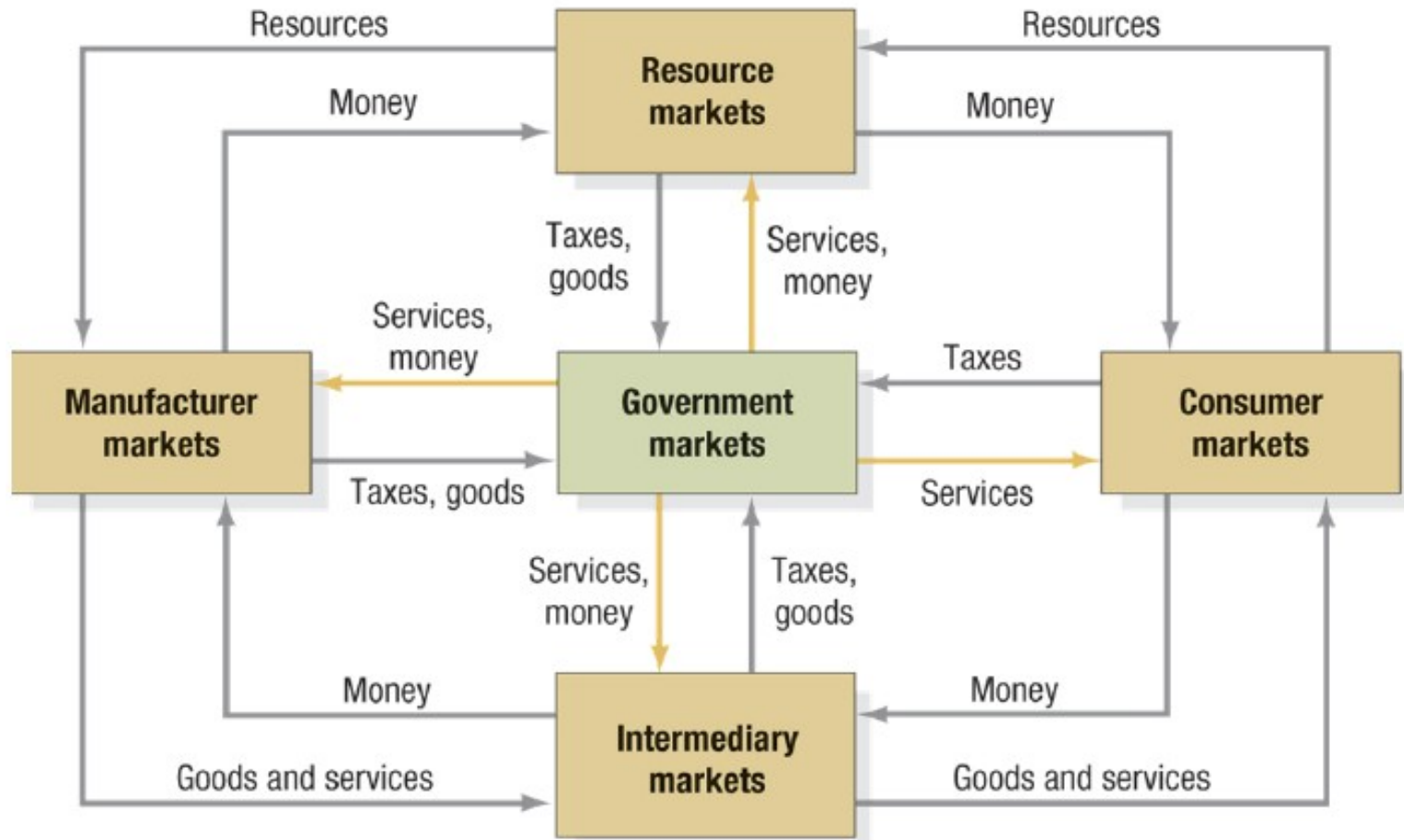
- Ch I- Basics of Marketing
 - Concept of Markets
 - What is Marketing
 - Core Concepts of Marketing
 - Value Delivery Process



Market

- Set of all actual and potential buyers (prospects) of a product or services by providers (Marketers)

Structure of Flows in a Modern Exchange Economy





Three types of market

- Marketplaces
- Marketspaces
- Metamarkets- cluster of complementary products / services held in customer's mind

What is Marketing?

- Identifying and meeting human and social needs 'profitably'



FOUNDED 1943 – 301 stores – 37 countries

AMA on Marketing

- *“Marketing is an organisational function and a set of processes for **creating, communicating and delivering value** to customers and for managing **customer relationships** in a way that it benefits the organisation and its stakeholders.”*

Marketing Management

- “The art and science of choosing **target markets** and getting, keeping, and growing customers through creating, delivering and communicating **superior customer value**.”
- TATA ACE
- TATA MAGIC





Defining Marketing for the 21st Century

- Marketing is all around us;
- Good marketing is key to success;
- Marketing affects our daily life;
- Marketing is behind everything we use, everything we do, everything we experience;
- Marketing is too important to be left just to marketers.

1969

- **Surf : Rs 15.00 /kg**
- **KarsanBhaiPatel's yellow powder at Rs 3.50 /kg**
- **Early 1970's this yellow powder introduced as NIRMA. HLL rejected it as a competitor.**
- **In 1990's it had 38% market share for detergents.**
- **Largest manufacturer of detergents.**



Marketing Management

- A social and managerial process whereby individuals and groups obtain what they need and want through creating and exchanging products and value with others.

Core Concepts of Marketing

- **Needs, Wants & Demands**
- *Needs: Hunger*
- *Wants: Dosa*
- *Demands: Money to satisfy want*

- **Needs & Wants are not Simple**

Five Types of Needs

- Stated Needs – inexpensive mobile
- Real Needs –with long battery life
- Unstated Needs - trouble free service
- Delight Needs –simfree with handset
- Secret Needs – brand should depict high standard

Marketer's Manage Demand

- Marketer's influence level, timing and composition of demand. Demand states are:
 - *Negative Demand*
 - *Nonexistent Demand*
 - *Latent Demand*
 - *Declining Demand*
 - *Irregular Demand*
 - *Full Demand*
 - *Overfull Demand*
 - *Unwholesome Demand*

Segmentation, Target Marketing & Positioning



800



ZEN ESTILLO



WAGON R



ALTO



A STAR



RITZ



DEZIRE



SWIFT



GYPSY

STP defined

- **Market Segmentation-** Dividing market (heterogeneous) into distinct (homogenous) group.
- **Target Marketing-**Process of evaluation each segment attractiveness and selecting one segment over another.
- **Market Positioning-**Arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers.


Marketing Channels

- Target market reached through:
 - 1.Communication channel
 - 2.Distribution channel
 - 3.Service channel

Offerings & Brands

- Needs addressed through **Value Proposition** i.e. set of benefits
- Product + Service + Information + Experiences = makes VP physical
- Brands carry **association** in customer's mind. *Disneyland associated with fun, children, outings, picnics, entertainment*
- Strive for strong brand building

Value & Satisfaction

- Success through  delivering value & satisfaction
- Buying decisions based on **delivered perceived value**

Cont...

- **Value**= sum of perceived tangible / intangible benefits & cost
- Value is combination of quality, service & price
- **Satisfaction**= performance \div expectations

Marketing Mix

- 4 P's 4 C's
- Product Customer Solution
- Price Customer Cost
- Place Convenience
- Promotion Communication

Marketing Mix - Product

- *Variety*
- *Quality*
- *Design*
- *Features*
- *Brand*
- *Packaging*
- *Sizes*
- *Services*
- *Warranties*



Marketing Mix - Price

- *List price*
- *Discounts*
- *Allowances*
- *Payment period*
- *Credit terms*



Marketing Mix - Promotion

- *Sales promotion*
- *Advertising*
- *Sales force*
- *Public relations*
- *Direct marketing*



Marketing Mix - Place

- *Channels*
- *Coverage*
- *Assortments*
- *Locations*
- *Inventory*
- *Transport*





Marketing Environment

- **Micro Task Environment:** Company, Suppliers, Marketing Intermediaries, Customers, Competitors, etc.
- **Macro Environment:** demographic, economic, physical, technological, political-legal and socio-cultural environments.



Marketing Process

- The process of:
- Analyzing market opportunities
- Selecting target markets
- Developing the marketing mix
- Managing the marketing effort



Thank You