

# MAN301T: Entrepreneurship & Management functions

Session 10

<https://sites.google.com/a/iiitdm.ac.in/sudhirvs/courses/entrepreneurship-management>



INDIAN INSTITUTE OF INFORMATION TECHNOLOGY,  
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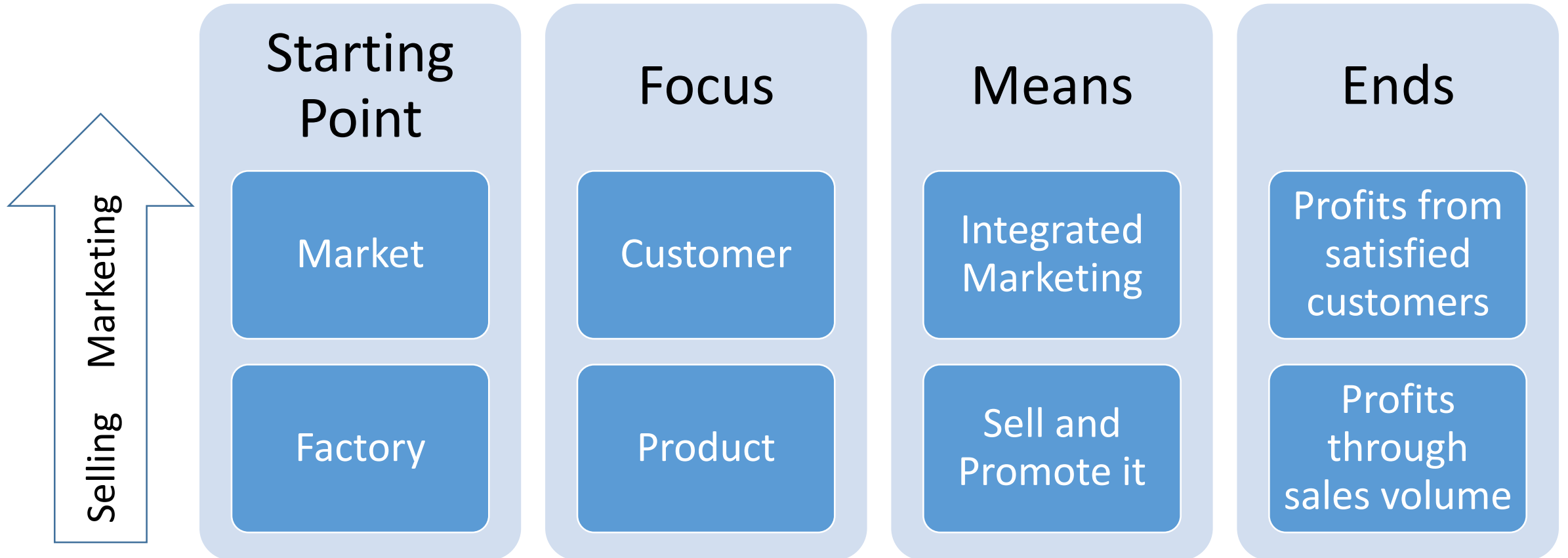
- Sudhir Varadarajan, PhD

# Contents

Introduction to Marketing and Sales

Customer Relationship Management

# Marketing versus Selling – Historical Trends



# Marketing – Definition & Key Functions

- Marketing management 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 – Philip Kotler
- Key functions include
  - Market research – How can we identify and choose profitable market segments?
  - Marketing Strategy – How to differentiate our offering from competition?
  - Marketing Mix (4Ps) – How to satisfy our customers and build brand loyalty?
  - Monitoring – How do we measure and track customer satisfaction & customer value?

# Market Research – Understanding demand

## Types of Markets

- Consumer markets
- Business markets
- Government / Non-profit markets

## Market Share Analysis

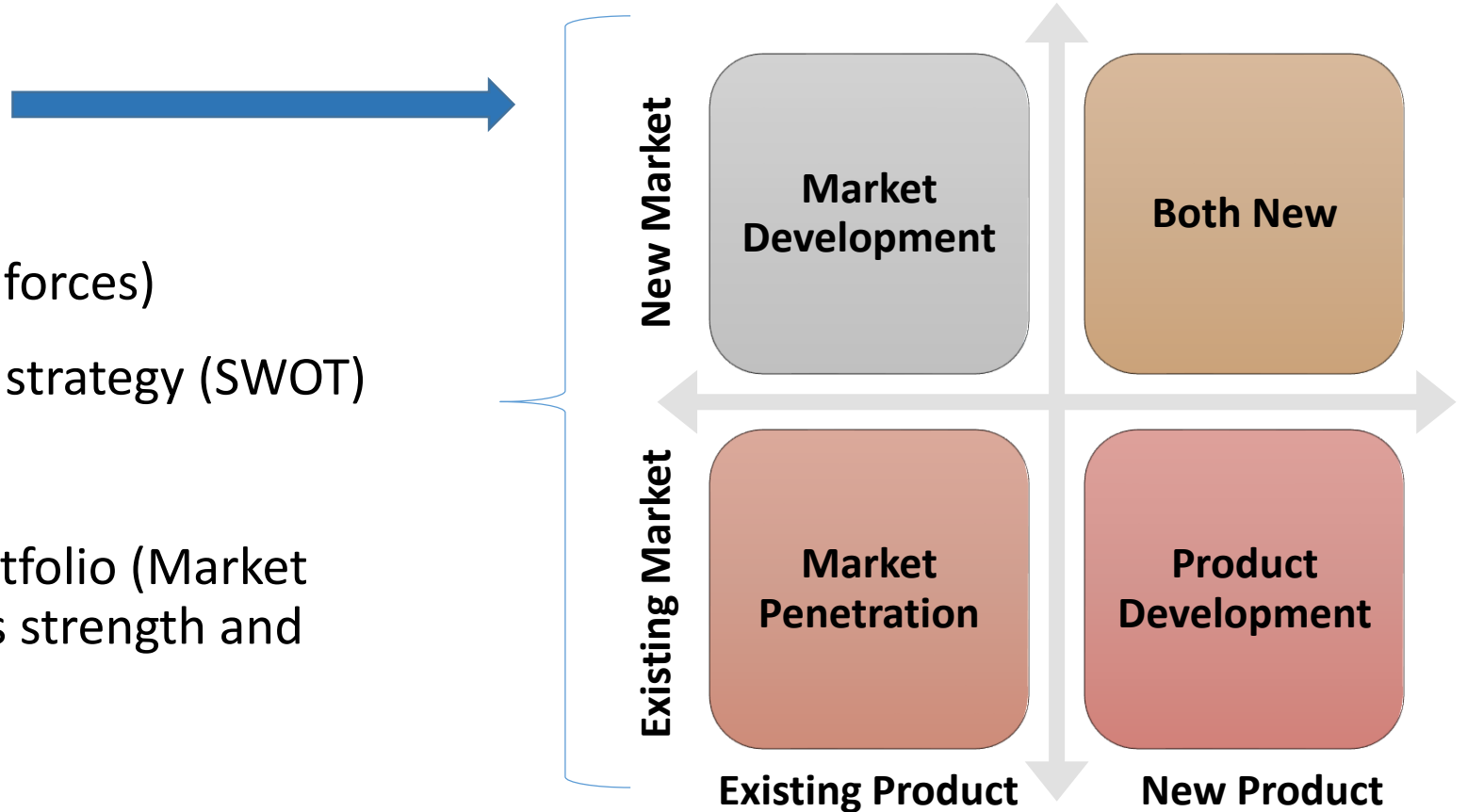
- Competition
- Segments
  - 16-25 Age group (Millennials)
  - Lifecycle stage & demand (25-34 or 55-64)
  - Social groups
- Market Penetration

## Market Trends

- Growth in self-employment
- Changes in the no. & structure of households
- Increasing home ownership
- Rich-poor divide
- Demographics
- Consumer debt

# Marketing Strategy

- Growth strategies
- Competitive strategies (5 forces)
- Matching environment & strategy (SWOT)
- Selecting the product portfolio (Market attractiveness vs business strength and Product lifecycle)
- Market segmentation



# Marketing mix (4Ps)

Product(s)

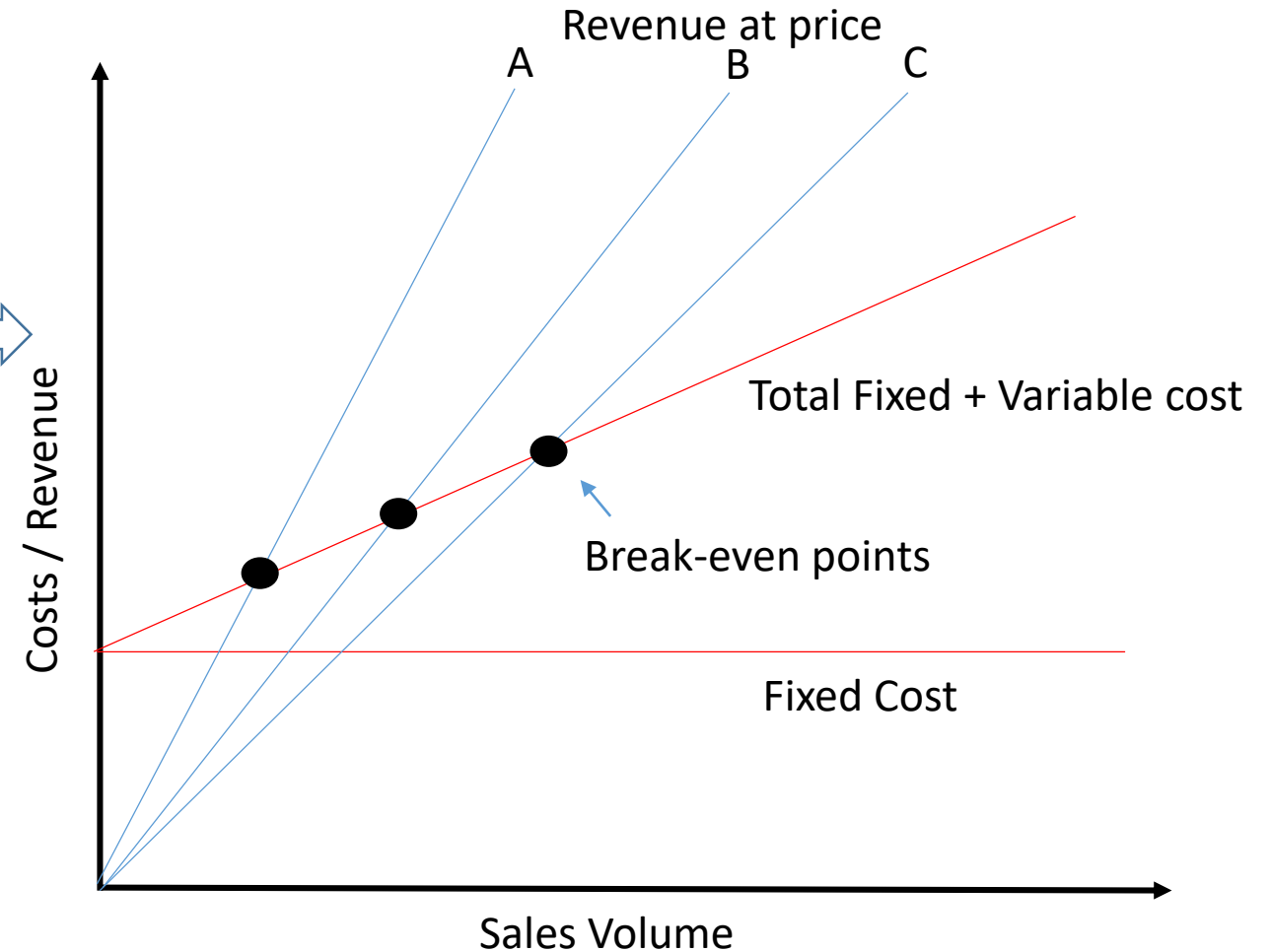
Pricing

Place /  
Distribution

Promotion

# Considerations in Price Setting

- Pricing and regulations
- Pricing and competition
- Sales/Price relationships

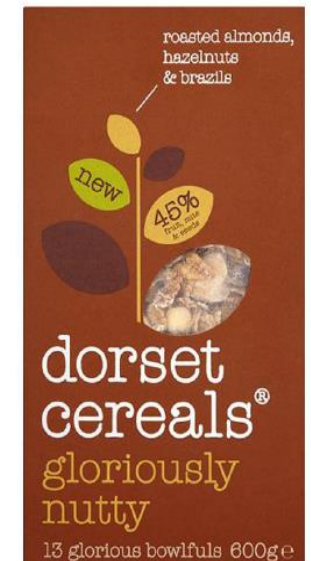
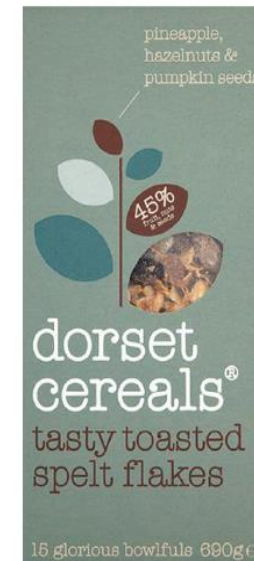
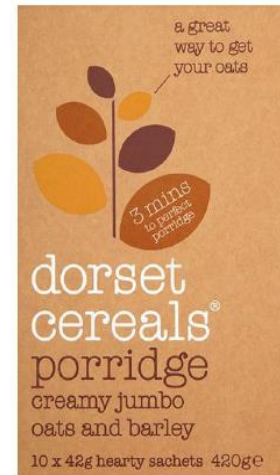




# Promotion & Advertising

- Who is the target audience
- What is the message content
- How much budget
- What is the right promotional mix
  - Advertising (media/packages)
  - Publicity (press coverage)
  - Promotion (coupons)
  - Personal selling

## Idea of Honesty



# Place / Distribution

## Direct Distribution

- Databases, Direct mail, Contact Centres, Retail outlets
- Direct sales force
- Multi-channel integration (online, mobile, contact centre, branch)

## Indirect Distribution

- Retail / Distribution Partners (Intensive, Selective)
- Ecommerce

# Challenges with Direct Sales Force

- Hiring & Training: Core skill - communicative interaction
- Rewarding
  - Commission only
  - Quota based systems
  - Basic salary (small) with commission potential (high)
- Retention of sales force

# Different ways to structure the marketing function

- Marketing as one of the functions (apart from Operations, Finance, HR)
- Marketing as a more important function compared to others
- Marketing as a major function with customer at the centre

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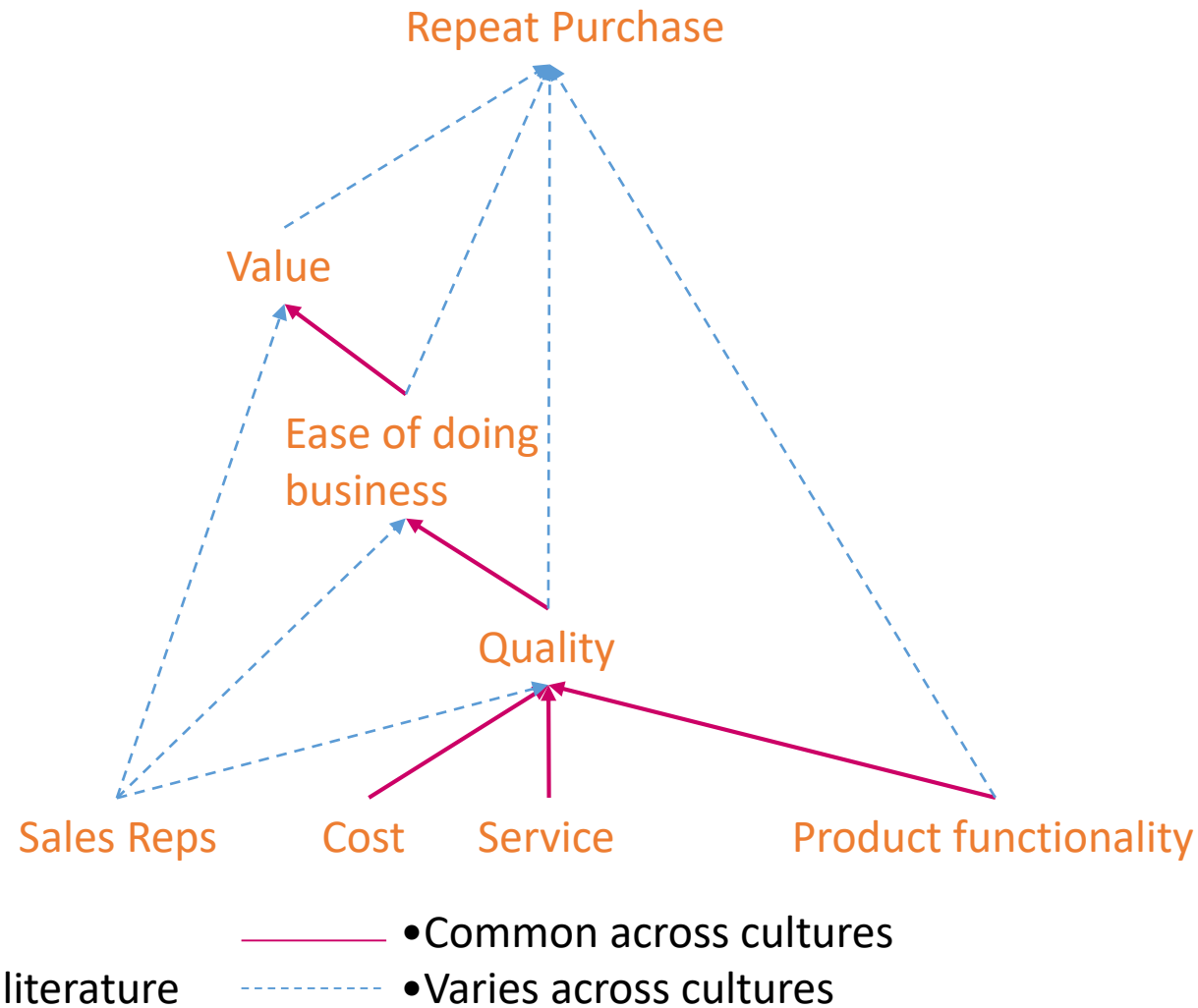
Introduction to Marketing & Sales

Customer Relationship Management

# Exercise: Construct your model of marketing – what leads to repeat purchase?



# Models of customer value



Source: summary from marketing literature

# Understanding the customer

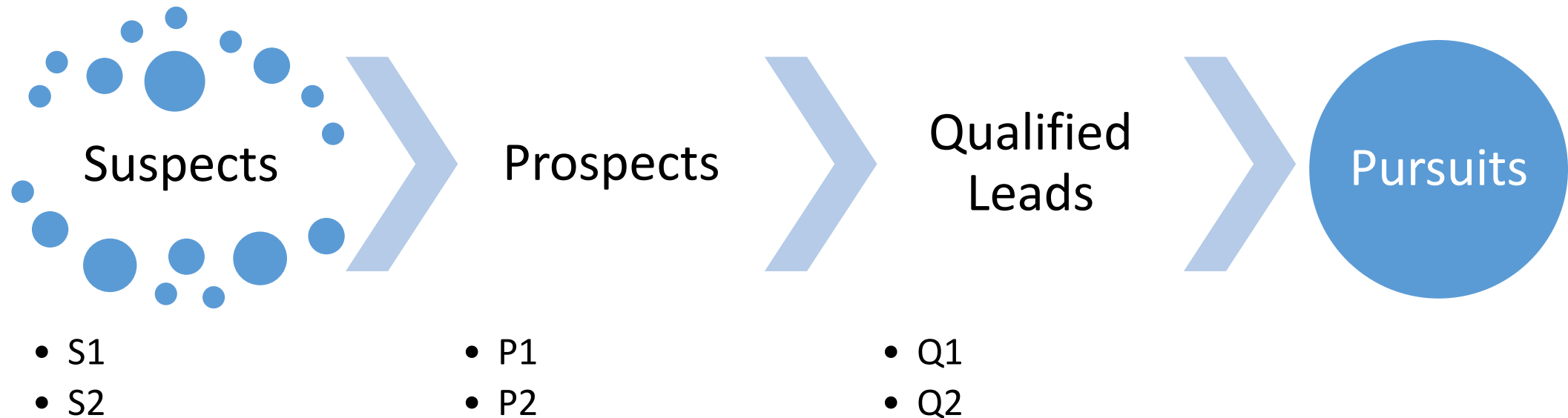
- Who is the customer?
  - Consumers, Businesses or Government?
- What is the buying behavior?
  - How customers choose a particular product & brand?



- In B2B - Who is the decision maker, who is the influencer, who is the detractor?



# Sales pipeline management

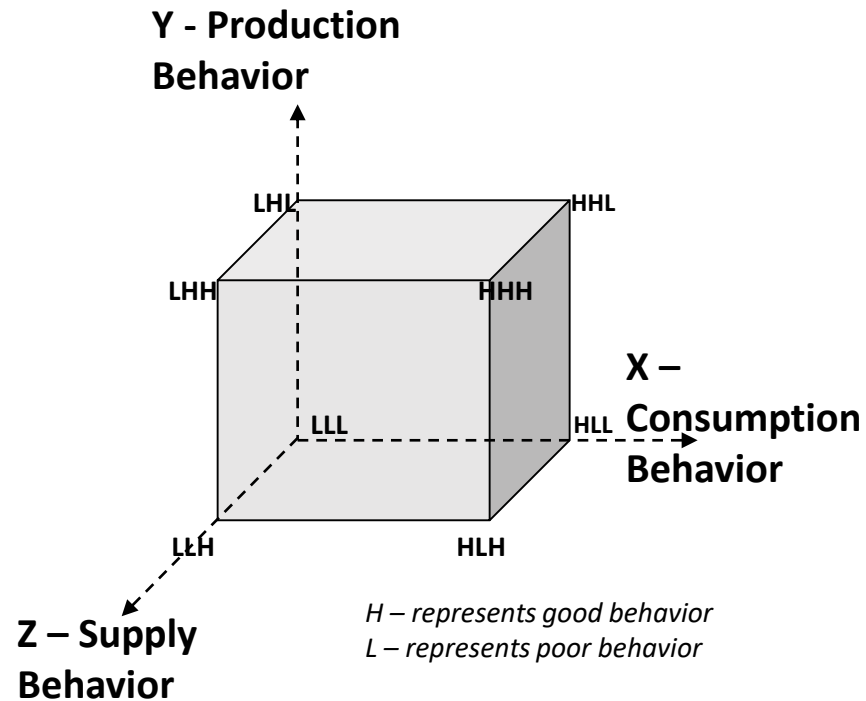


Each opportunity will have a probability of win, the deal size and estimated value

# Key Account Management & Demand Creation

- When supply exceeds demand & the nature of requirements become complex?
- Traditional sales skills will not apply – need for knowledge-intensive sales
- Sales force in an advisory role – consultative marketing & tighter integration between Operations, Technology / Practice (R&D) and Marketing

## A deeper understanding of customer behaviors



## Types of Customers

HHH - Very good ... **MUST HAVE ACCOUNTS**

*HLH - They give business & help penetrate the industry or market, but are difficult to work with*

*HHL - They consume and produce, but do not actively help penetration in the industry or market*

*LHH – They don't consume much, but are easy to work with & can help penetration in the industry or market*

*HLL - They consume, but are not easy to work with or helpful in expanding business*

*LHL – They are easy to work with, but do not consume or help grow business*

*LLH – They are willing to help you grow, but do not consume much, nor very easy to work with (highly unlikely except in cases where senior mgt link is strong)*

*LLL - Inactive customers (or very new)*

# Things to do before the next class

Define your customer segment and  
marketing strategy

