

Marketing Analytics – 19DSPEO

Prerequisite

- Predictive Analytics
- Optimization Techniques

Marketing

Market:

A market is a social arrangement that allow buyers and sellers to discover information and carry out a voluntary exchange of goods or services.

In economics, the term market is used to refer to the aggregate demand for commodity and the conditions and forces which determine prices.

In management, on the other hand, market is described as the institution that performs the marketing functions and acts as the intermediary between buyers and sellers.



- Aggregate demand is the **total amount of goods and services** in an **economy** that **consumers** are **willing to pay** for within a **certain period**.

There are two main ways to measure GDP (gross domestic product)

✓ By measuring spending

or

✓ by measuring income.

It's **calculated** as the **sum** of **consumer spending**, **investment spending**, **government spending**, and the **difference between exports and imports**.

Formula for GDP

$$\text{GDP} = C + I + G + (X - M).$$

C - consumer spending,

I - business investment

G - is government spending

(X-M) is net exports

- GDP is a way to **measure a nation's production** or the **value of goods and services produced** in an economy.
- **Quantitatively**, aggregate demand and GDP are the **same**.

Market

Definition:

- ✓ A market is a **place or platform** where **buyers and sellers interact to trade goods, services, or information.**

Components:

- ✓ It involves **demand (buyers)** and **supply (sellers).**

Types:

- **Physical Market:** A physical location like a **farmer's market or a shopping mall.**
- **Virtual Market:** Online platforms like **Amazon or eBay.**
- **Financial Market:** Platforms for trading financial instruments like **stocks and bonds.**

Characteristics:

- ✓ **market size, market share, market trends, and market segmentation.**

Marketing:

Marketing is concerned with the demand stimulated in the market. Marketing is the business process by which products are matched with markets and through which transfer of ownership are effected.

Thus marketing is getting the right goods and services to the right people, at the right place, at the right time, at the right price, with the right communication and promotion.



Marketing

Definition:

- ✓ Marketing refers to the **activities and strategies companies** use to **promote and sell products or services**.

Components:

- ✓ involves **research, advertising, sales, and customer service**.

Key Functions:

- **Market Research:** **Understanding** customer needs and market conditions.
- **Product Development:** **Creating products** that meet market demands.
- **Promotion:** **Advertising and promoting products** to potential customers.
- **Distribution:** **Ensuring products** are available to customers.
- **Sales:** **Techniques and strategies** to sell the products.
- **Customer Service:** **Maintaining relationships** with customers post-purchase.

Market	Marketing
Definition	
A place where buyers and sellers meet to exchange goods and services	Marketing is a method that determines human nature, their demand and a need to satisfy them
Type of Process	
It is a process where the demand and supply fix the price of a commodity	It is a process of researching, analysing, creating and delivering the best to the customer.
Scope of the concept	
Market is a confined concept	Marketing is a comparatively bigger concept that includes a wide range of activities
Variation	
The market varies by product, place, demand	Marketing remains same irrespective of product
Target audience	
Anyone	Specific

Marketing Concepts:

1. Production Concept
2. Product Concept
3. Selling Concept
4. Marketing Concept
5. Customer Oriented Concept

1. Production Concept: It is the oldest concept in business. It holds that consumers prefer products that are widely available and inexpensive.

- Managers Focusing on achieving high production with low cost



2. Product Concept: The product concept holds that consumers favour those products that offer highest quality performance or innovative features



- Managers Focus on making **superior products** with **high quality** with **reasonable price**.
- However a **new or improved product** will not be successful then managers make the product price less, distributed or advertised and sold properly

3. Selling Concept:

This concept holds that consumers and business, if left alone, will ordinarily not buy the products.



- Assumes that the consumers or customers will not normally buy the product unless they are approached and convinced through intensive self promotion like advertising and salesmanship effort done

4. Marketing Concept:

With the emergence of the marketing concept, business shifted to a customer-centred 'sense and respond' philosophy instead of a product-centred 'make and sell' philosophy.



**5. Customer Oriented
Concept:**

Customer oriented concept emphasises the complete satisfaction of customer's needs.



THE 4 P_s OF MARKETING



Marketing

4 Ps of Marketing:

- **Product:** What you sell.
- **Price:** How much you sell it for.
- **Place:** Where you sell it.
- **Promotion:** How you tell people about it.

Product

A product is the item offered for sale. A product can be a service or an item. Every product is made at a cost and each is sold at a price.



Place

Place refers to distribution of the product. Key considerations include whether the product is going to be sold through a physical store front, online or made available through both distribution channels?



Four Piece of Marketing

Price

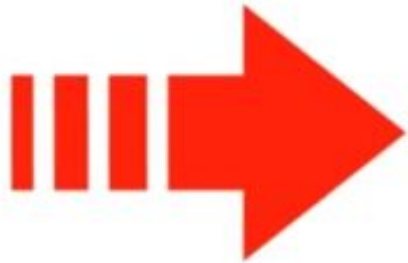
A value that will purchase a finite quantity, weight, or other measure of a good or service.



Promotion

The aim of promotion is to increase awareness, create interest, generate sales or create [brand loyalty](#).





**Importance
of**

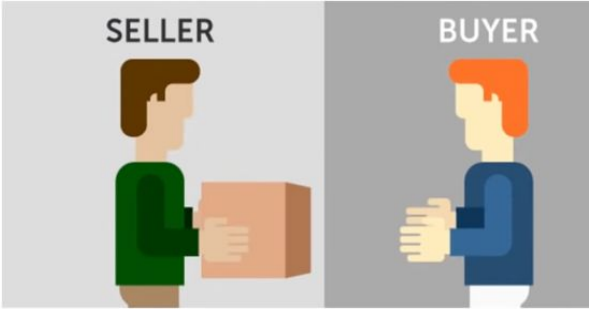
Marketing





- ❖ Marketing helps in transfer, exchange and movement of goods.
- ❖ Marketing is helpful in raising and maintaining the standard of living of the community.
- ❖ Marketing creates employment.
- ❖ Marketing as a source of income and revenue.
- ❖ Marketing acts as a basis for making decisions.
- ❖ Marketing acts as a source of new ideas.
- ❖ Marketing is helpful in development of an economy.

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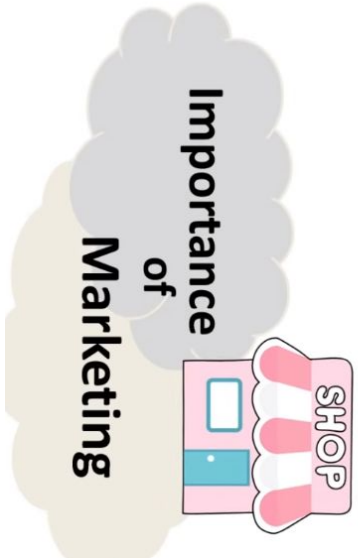
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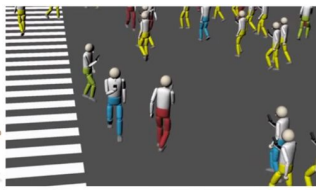
Marketing Practices in India

Marketing Practices in India

Marketing in India

1. Large size and vast potentiality
2. Predominance of the Urban Sector
3. Near-monopoly situation
4. Seller's market
5. Large number of intermediaries
6. Dual system (rural and urban marketing)
7. Poor quality of product

1. Large size and vast potentiality



- ✓ Size of market in India is very large
- ✓ it has simple ground
- ✓ India is the second largest country in the world
- ✓ India has several buyers

2. Predominance of the Urban Sector



70% people live in rural area

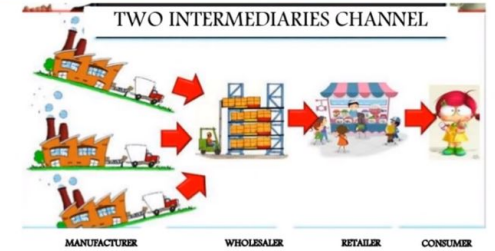
3. Near-monopoly situation



4. Seller's market



5. Large number of intermediaries



6. Dual system (rural and urban marketing)



7. Poor quality of product



Nature of Marketing

- 1. Marketing is an Economic Function**
- 2. Marketing is a Legal Process by which Ownership Transfers**
- 3. Marketing is a System of Interacting Business Activities**
- 4. Marketing is a Managerial function**
- 5. Marketing is a social process**
- 6. Marketing is a philosophy based on consumer orientation and satisfaction.**
- 7. Marketing had dual objectives - profit making and consumer satisfaction.**

Nature of Marketing

1. **Marketing is an Economic Function:** Marketing embraces all the business activities involved in getting goods and services, from the hands of producers into the hands of final consumers. The business steps through which goods progress on their way to final consumers is the concern of marketing.



3. Marketing is a System of Interacting Business Activities:

Marketing is that process through which a business enterprise, institution, or organisation interacts with the customers and stakeholders with the objective to earn profit, satisfy customers, and manage relationship



2. **Marketing is a Legal Process by which Ownership Transfers:** In the process of marketing the ownership of goods transfers from seller to the purchaser or from producer to the end user.



4. **Marketing is a Managerial function:** According to managerial or systems approach "Marketing is the combination of activities designed to produce profit through ascertaining, creating, stimulating, and satisfying the needs and/or wants of a selected segment of the market." According to this approach the emphasis is on how the individual organisation processes marketing and develops the strategic dimensions of marketing activities.



Nature of Marketing

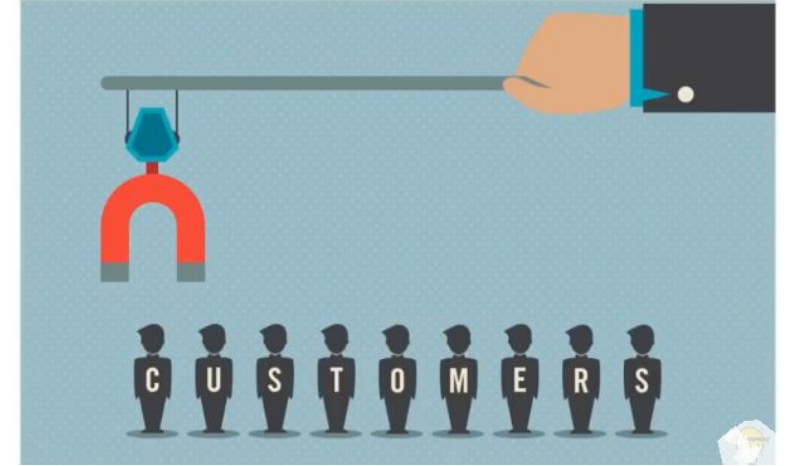
5. Marketing is a social process:

Marketing is the delivery of a standard of living to society. According to **Cunningham and Cunningham (1981)** societal marketing performs three essential functions:-

- Knowing and understanding the consumer's changing needs and wants;
- Efficiently and effectively managing the supply and demand of products and services; and
- Efficient provision of distribution and payment processing systems.



6. Marketing is a philosophy based on consumer orientation and satisfaction.



7. Marketing had dual objectives - profit making and consumer satisfaction.



Scope of Marketing

Scope of Marketing

- 1. Study of Consumer Wants and Needs**
- 2. Study of Consumer behaviour**
- 3. Production planning and development**
- 4. Pricing Policies**
- 5. Distribution**
- 6. Promotion**
- 7. Consumer Satisfaction**
- 8. Marketing Control**

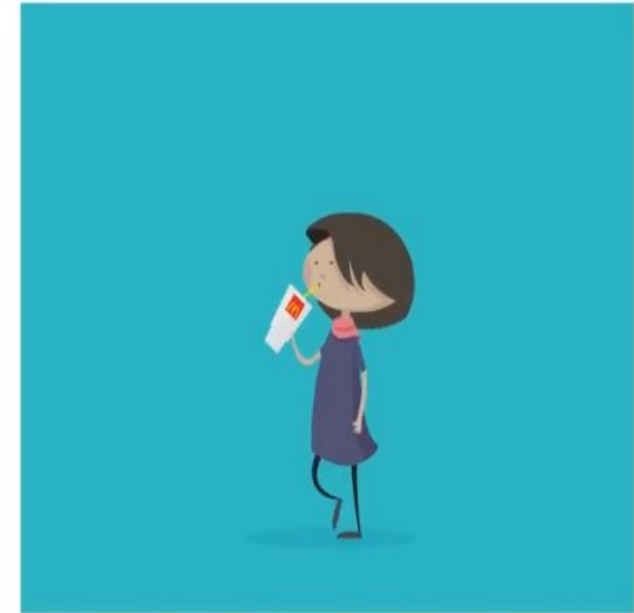
Scope of Marketing

1. Study of Consumer Wants and Needs-

Goods are produced to satisfy consumer wants. Therefore study is done to identify consumer needs and wants. These needs and wants motivates consumer to purchase.



2. Study of Consumer behaviour-Marketers performs study of consumer behaviour. Analysis of buyer behaviour helps marketer in market segmentation and targeting.



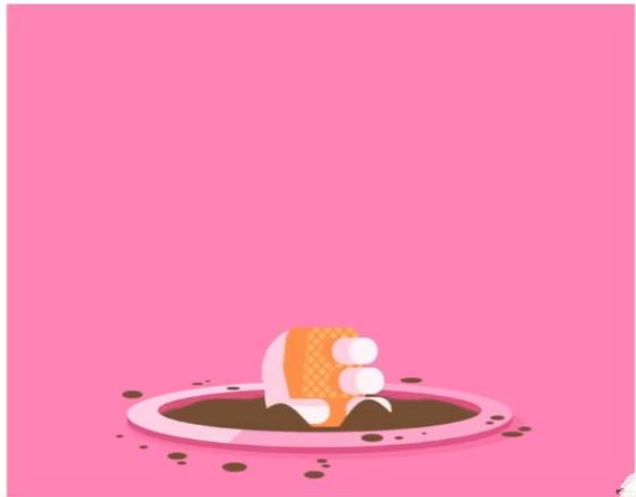
4. Pricing Policies- Marketer has to determine pricing policies for their products. Pricing policies differs form product to product. It depends on the level of competition, product life cycle, marketing goals and objectives, etc.



3. Production planning and development- Product planning and development starts with the generation of product idea and ends with the product development and commercialisation. Product planning includes everything from branding and packaging to product line expansion and contraction.



- 7. Consumer Satisfaction-** The product or service offered must satisfy consumer. Consumer satisfaction is the major objective of marketing.



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- A collage of various social media and digital marketing icons, including Facebook, Twitter, YouTube, LinkedIn, RSS, Digg, and others, arranged in a cloud-like shape.

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Functions of Marketing

Functions of Marketing

1. Gathering and Analysing Market Information
2. Marketing Planning
3. Product Designing and Development
4. Standardisation and Grading
5. Packaging and Labelling
6. Branding
7. Customer Support Service
8. Pricing of Products
9. Promotion
10. Physical Distribution
11. Transportation
12. Storage or Warehousing:



Functions of Marketing

1. Gathering and Analysing Market Information:

Gathering and analysing market information is an important function of marketing. Under it, an effort is made to understand the consumer thoroughly



3. Product Designing and Development: Product designing plays an important role in product selling. The company whose product is better and attractively designed sells more than the product of a company whose design happens to be weak and unattractive.



2. Marketing Planning: In order to achieve the objectives of an organisation with regard to its marketing, the marketer chalks out his marketing plan.



4. Standardisation and Grading: Standardisation refers to determining of standard regarding size, quality, design, weight, colour, raw material to be used, etc., in respect of a particular product. By doing so, it is ascertained that the given product will have some peculiarities.



Functions of Marketing

5. Packaging and Labelling:

Packaging aims at avoiding breakage, damage, destruction, etc., of the goods during transit and storage. Packaging facilitates handling, lifting, conveying of the goods. Many a time, customers demand goods in different quantities.



6. Branding: Every producer/seller wants that his product should have special identity in the market. In order to realise his wish he has to give a name to his product which has to be distinct from other competitors.



7. Customer Support Service:

Customer is the king of market. Therefore, it is one of the chief functions of marketer to offer every possible help to the customers. A marketer offers primarily the following services to the customers: (i) After-sales-services, (ii) Handling customers' complaints, (iii) Technical services, (iv) Credit facilities, (v) Maintenance services

CUSTOMER SERVICE



8. Pricing of Products: It is the most important function of a marketing manager to fix price of a product. The price of a product is affected by its cost, rate of profit, price of competing product, policy of the government, etc.

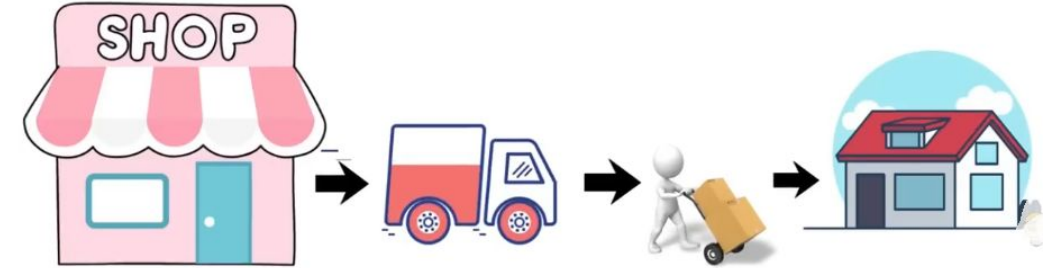


Functions of Marketing

9. Promotion: Promotion means informing the consumers about the products of the company and encouraging them to buy these products. There are four methods of promotion: (i) Advertising, (ii) Personal selling, (iii) Sales promotion and (iv) Publicity.



10. Physical Distribution: Under this function of marketing the decision about carrying things from the place of production to the place of consumption is taken into account. To accomplish this task, decision about four factors are taken. They are: (i) Transportation, (ii) Inventory, (iii) Warehousing and (iv) Order Processing. Physical distribution, by taking things, at the right place and at the right time creates time and place utility.

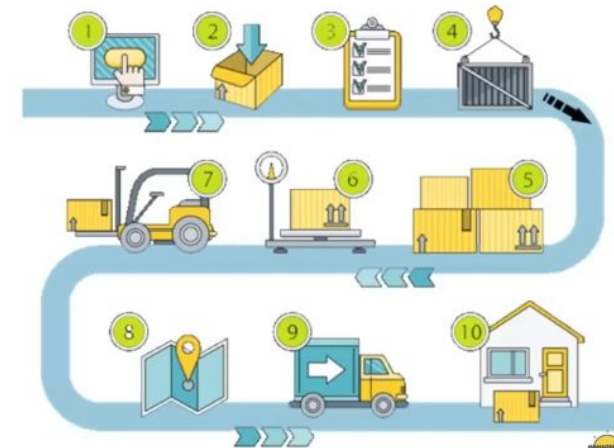


11. Transportation: Production, sale and consumption-all the three activities need not be at one place. Had it been so, transportation of goods for physical distribution would have become irrelevant. But generally it is not possible. Production is carried out at one place, sale at another place and consumption at another place.



12. Storage or Warehousing:

There is a time-lag between the purchase or production of goods and their sale. It is very essential to store the goods at a safe place during this time-interval. Godowns are used for this purpose. Keeping of goods in godowns till the same are sold is called storage.



Perspective of Marketing

Four Perspectives of Marketing:

(1) Economic Perspective:

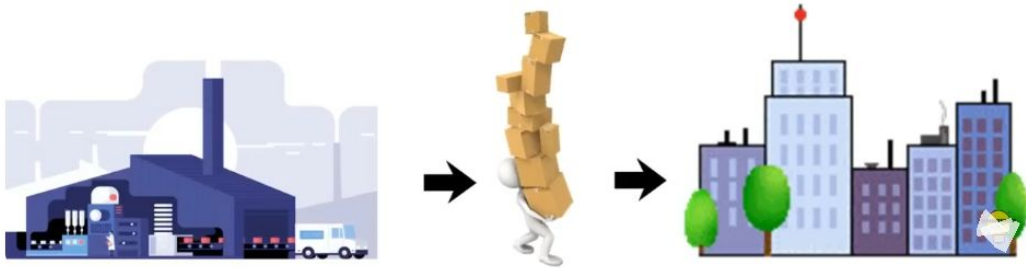
(2) Business Perspective:

(3) Customer Perspective

(4) Social Perspectives



(1) Economic Perspective: The economic perspective explains the flow of goods and services from the producers to the consumers so as to match supply and demand and thereby accomplish the objectives of society. Here the economist emphasises two specific marketing functions promotion and distribution.



(2) Business Perspective: The business perspective also emphasises the same view point as economic perspective. It refers to designing a product or service, setting a price, promoting and distributing. A business firm utilises all these four functions in order to satisfy the customers.



(3) Customer Perspective: Customer perspective emphasises that marketing is more concerned with the stand point of customer i.e. his needs and wants, the price he is required to pay, the service, and the utilities, etc.

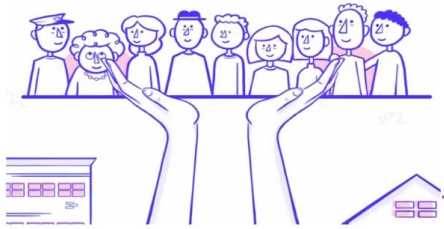
The marketing specialists and executives opine that any product or service that is produced must add 'value' to a customer in relation to the price he pays. Marketing attaches importance to the customer first and then organises the resources of a company to satisfy customers' needs at a profit



(4) Social Perspectives: Stanton stated very succinctly that profitable sales volume and not just sales volume, market orientation, and integration of all marketing activities such as sales, advertising, marketing research, promotion are very important elements of total marketing. Marketing concept calls for a high degree of social responsibility which may be characterised as "societal marketing".



Modern Marketing Concept



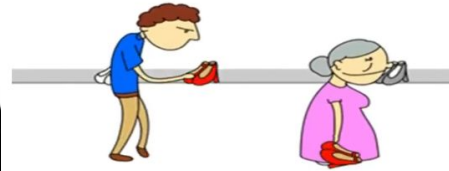
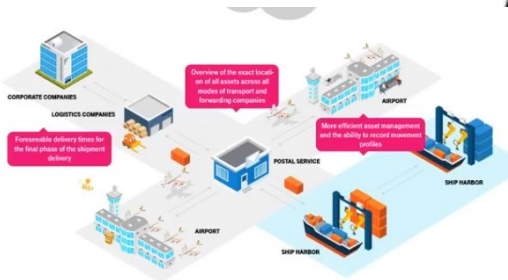
**Target
market**

**Need of
Customers**

**Modern Marketing
concept**

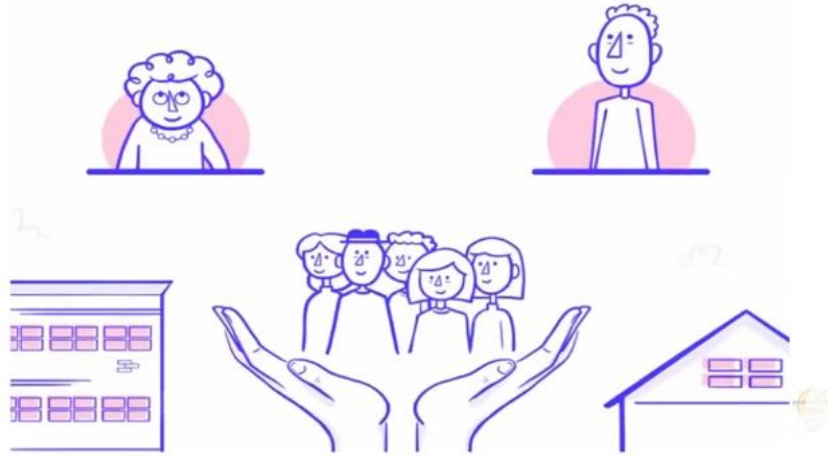
**Coordinating
Marketing**

Profitability



Modern Marketing concept

Target market



Modern Marketing concept

Need of Customers



Modern Marketing concept

Coordinating Marketing



Modern Marketing concept

Profitability



Types of Marketing

- **Digital Marketing:**
 - Using digital channels like **social media, email, and search engines** to reach **customers**.
- **Content Marketing:**
 - Creating valuable content to **attract and engage customers**.
- **Inbound Marketing:**
 - Attracting customers through **content and interactions** that are relevant and helpful.
- **Outbound Marketing:**
 - Reaching out to customers through **traditional methods like advertising and cold calling**.
- **Relationship Marketing:**
 - Building long-term relationships with customers to **encourage loyalty and repeat business**.
- **Social Media Marketing:**
 - Using social media platforms **to engage with customers and promote products**.
- **Affiliate Marketing:**
 - Partnering with other **businesses or influencers** to promote products.

Importance of Marketing

- **Customer Acquisition:**

- Attracting new customers to grow the business.

- **Brand Awareness:**

- Increasing visibility and recognition of the brand.

- **Customer Retention:**

- Keeping existing customers engaged and loyal.

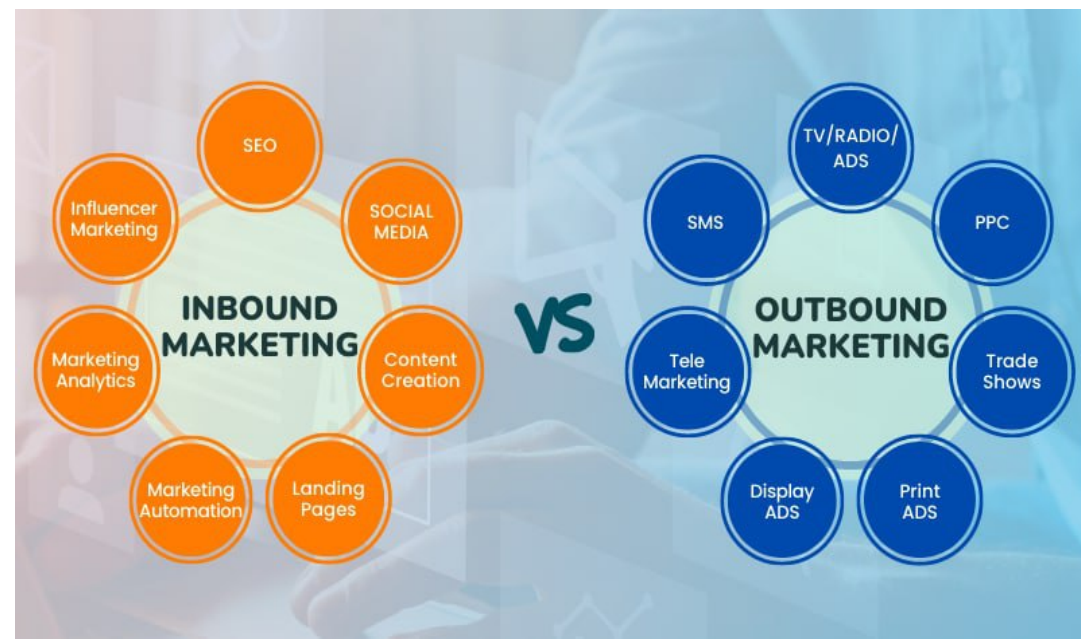
- **Competitive Advantage:**

- Differentiating the product or service from competitors.

- **Revenue Generation:**

- Driving sales and profitability.

Inbound Marketing	Outbound Marketing
Attracts customers through valuable content and interactions.	Reaches out to potential customers directly, often regardless of their interest.
SEO, content marketing, social media, blogs.	Cold calling, direct mail, TV/radio ads, billboards.
Pulls interested customers in.	Pushes messages out to a broad audience.
Build relationships and engage customers.	Generate immediate sales.
Easier to measure with digital analytics.	Harder to measure directly, relies on estimates.



QUIZ

1. What are the 4 P's of the Marketing Mix?

- A. Price, Place, Privacy, Promotion
- B. Promotion, Podcasting, Place, Product
- C. Product, Price, Payment, Promotion
- D. Product, Place, Price, Promotion

2. The process of communicating the value of a product or service to customers, for the purpose of selling that product or service

- E. Marketing
- F. Selling
- G. Distribution
- H. Retailing

3. A market consists of _____ or _____ with _____ or _____ & the _____ & _____ to buy.

- I. people, organizations, money, credit, ability, willingness
- J. businesses, organizations, needs, wants, ability, willingness
- K. people, organizations, needs, wants, ability, willingness
- L. producers, consumers, needs, wants, inability, unwillingness

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