

④ Marketing Mix : 4 P's of marketing

1 Point of Production

↓ Marketing : physical flow/information flow.

Point of Consumption

2 Management : →

① Planning
② Organizing

③ Directing (Leadership)
④ Controlling,

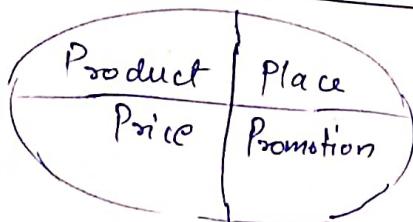
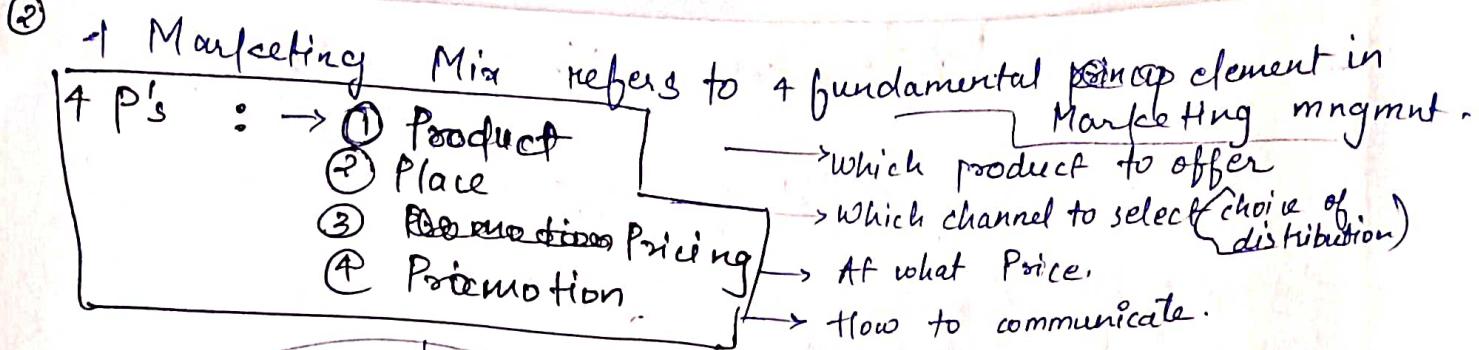
* Marketing

: The word market is derived from word Marcaus, which means to train.

3) Market : It is a place where products or services are exchanged by consumers & sellers in return of price/money.

4) Marketing : Acc. to American Marketing Association, "Marketing is the process of planning & execution of the conception of pricing, promotion and distribution of ideas, goods & services to create exchanges that satisfy individual & organizational goals. In other words, marketing refers to choosing target market, getting keeping & growing customer through creating, delivering & communicating superior customer ~~Deciding~~ value."

5) Marketing Management : When we implement management principles like planning, organizing, directing, leadership, purchasing, motivation & controlling for marketing the goods & services, it is called Marketing Mgmt.



→ Acc. to philip kottler "Marketing mix is a set of marketing tools that the firm uses to pursue marketing goals in target market."

→ 4 C's of marketing :

4P's	4C's
① Product	Consumer's problem sol?
② Place	Convenient
③ Price	Cost
④ Promotion	Communicate

✳ Evolution of Marketing Concept :

- ① Market Exchange
- ② Production
- ③ Exchange Product
- ④ Selling
- ⑤ Market
- ⑥ Societal.

- ① Exchange : oldest (before 120 yrs) : Only seller, buyer, involve.
- ② Production : 100 yrs ago : Availability, (Quantity)
- ③ Product : 80 yrs ago : focussed on quality.
- ④ Selling : Art of selling. (forcefully selling). (aggressive selling).
- ⑤ Market : Consumer (work acc. to need of consumer) Consumer is King.
- ⑥ Societal : Custom marketing

→ Marketing caters to the need of consumer. Therefore Marketing Concepts evolve over period of time.

→ The following are concepts:

① Exchange Concept:

→ Oldest form of marketing.

→ The idea is to exchange ownership of goods b/w. seller and buyer.

→ Over a period of time other considerations like consumer care, value satisfaction, creative selling etc faded this concept.

② Production Concept: Here the marketing strategy is consumer will prefer & buy those products which are widely & easily available, therefore companies gives attention to production efficiency, to achieve wide distribution coverage.

e.g.: Many food, beverages follows this concept.

③ Product Concept: The followers of this concept believe that an enterprise can win marketing only through product excellence, i.e. they believed that product with high quality, good performance & sustainable quality always have buyer in market.

Ex: Siemens, Toyota.

④ Selling Concept: Many organization believe that the ultimate objective of market is to sell the product. Selling is big push factor to achieve the marketing objective. They uses heavy advertising, hype over personal selling, large scale production, (Art of selling), heavy price discount, and strong publicity are used for promoting the selling concept. Marketing Mayopia (Coloured or crooked perception of marketing, that ignore actual customer needs). In India jio follow this concept.

(4)

- ⑤ Market Concept : This is the modern marketing concept where central focus is customer's actual need. Today Dell designs laptops acc. to need of consumer.



- ⑥ Societal Concepts : Social concept believe in sustainable product.

⇒ focus on Green energy.

3 P's

Product
People
Planet.

⇒ Eg: Nesson ev car.

* Fundamental / Core Marketing

- ① Market segmentation

(Target Market) : No marketer can satisfy everyone in the market. Therefore marketer resort to market segmentation.

⇒ It is process of dividing the market acc. to some demographic profile or economic conditions.

⇒ Target Market means when company chooses on particular segment that offers maximum opportunity.

- ② Market - Market Place - Market space of Meta Market : Traditionally

⇒ Market : was a physical place where buyers & sellers gather to buy or sell goods. Today Market is a collection of buyers & sellers to transact over a particular product or class.

③ **Market Place**: It is a physical place where buyers go to buy products. Eg; Convenient store, mall, hypermarket, supermarket, Departmental store.

Market space: It is digital i.e. Online shopping. Eg: purchase through e-commerce sites.

Meta Market: It is a cluster of services. Eg: Automobile market with its component, after sales service station, spare parts, petroleum products, insurance.

convenient store,	1000 ft ²
Super market (Optmntl store)	10,000 ft ²
Hyper Market	1,00,000 ft ²
Mall	> 1,00,000 ft ²

④ **Needs / Wants / Demands**: Needs: are basic mean requirements, Eg. Food, Health, shelter, cloth.

- Wants: Effective design. Eg: special liking of Arvind shirt.

- Demands: Need + Wants + Ability to pay (purchasing power).

⑤ ~~Product~~ Offering Brand:

- Product is commodity which is combination of tangible & intangible features to satisfy customer's needs.
- Companies address consumer needs by putting forth a value proposition, (a set of benefit they offer to the consumer, to satisfy their needs).

⑥ Offering :-

* The Intangible value proposition is made ~~physical~~ physical by an offering which can be combination of ~~offer~~ services, ~~offer~~ product, informations & experience.

* Brand: It is an offering from a well known source. Eg. McDonalds.

= A brand is created when a customer can recall the product instantly

(6)

- 5 Value and Satisfaction : The offering will be successful only if it delivers value and satisfaction to the target buyers.
- Satisfaction is achieved when the consumer derive maximum utility from a product.
 - Value : as a ratio b/w benefit and cost.
$$\text{value} = \frac{\text{benefit}}{\text{cost}}$$
 - How can we ↑ value →
 - ① Benefit ↑
 - ② Cost ↓
 - ③ Simultaneously rising benefit & declining cost.
 - In time of inflation rise in benefit is greater than rise in cost.

6 Transaction Exchange : A transaction is a process of trade off values b/w 2 parties. It can be either barter or money.
Exchange is change of goods ownership (title to goods).

7 Relationship Network : Building relationship marketing helps in sustaining the business. Relationship marketing has aim of building mutually satisfying long term relation with the key parties - ① customers, ② suppliers, ③ Distributors (wholesellers & traders.) ④ Government
Marketing network consist of the company & its supporting stakeholders.
→ In modern day digital marketing, technology play imp role in building relationship network.

⑧ Competition rivals : competition includes all

the potential or actual offering substitutes that a buyer might consider before choosing his/her buying option.

- ① Brand competition : Tata cars competes with Suzuki not BMW
- ② Industry competition : Tata cars competing with all other competitors in automobile sector.
- ③ Form competitions : Tata cars competes with all type of automobile distributors. (Scooters, cars, bike)
- ④ Generic competition : Tata cars competes with rivals to absorb same target consumer in same compact car (same price)

⑨ Marketing Logistics of supply chain : Marketing logistics

consists of transportation, warehousing, order processing, and inventory management.

- ⇒ But supply chain consists of entire business activity right from procuring raw material till the final production of goods/product.

9/9/22

Marketing StrategyTypes of Demand

1. Falling Demand

→ It is a situation wherein the consumer's demand decreases over a period of time.

Eg: HP, Bajaj, Dabur

Marketing Strategy

- Analyze a root cause of falling demand
- Analyze competitor & Rivals.
- Remarketing Strategy

2. Negative Demand

Eg: Maggi

→ Strong & aggressive marketing strategy

→ Counter Strategy

→ Here the marketing strategy is to study why people dislike the product & what new marketing program can change the belief & attitude

3. Latent Demand

Eg: Sugarfree Icecream
(Oruvel)

→ Here there is some segment in the society who share a strong need that cannot be satisfied with existing product.

→ Estimate the size of market

→ Do Target marketing

→ Development marketing strategy

4. No Demand

Eg: Beds tailor made unaware about the product for spine comfort or they are indifferent = Sleepwell (non interested)

→ Here the consumers either

unaware about the product

or they are indifferent

(non interested)

Small Terminology - Supply chain, Market Space

4P.

Evolution

Date _____

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5 Irregular Demand.

Eg 8 to 10 BRTS (full)

12 to 2 no public

- Effective Advertising
- Increase the visibility
- Synchron Marketing Strategy
- synchronous-
- Define → Some companies face demand that varies on a seasonal, daily or hourly basis
- Price difference
- Innovative Marketing
- Maximizing profit during season and minimizing loss during off season.

6 Full Demand

→ Here the product creates substantial demand and the company management is pleased with volume of sales.

→ The marketing strategy is to maintain the current developed demand, preserve the quality & measure consumer satisfaction continuously.

7 Over Full Demand → Here the demarketing strategy

Hyundai withdraws old i10 & launched grand i10
wholly. The old version will be withdrawn and new version will be out soon

8 Unoward

Unwholesome demand → these are not good for the health of the consumer, however, market has huge demand for such products.
→ The marketing strategy is

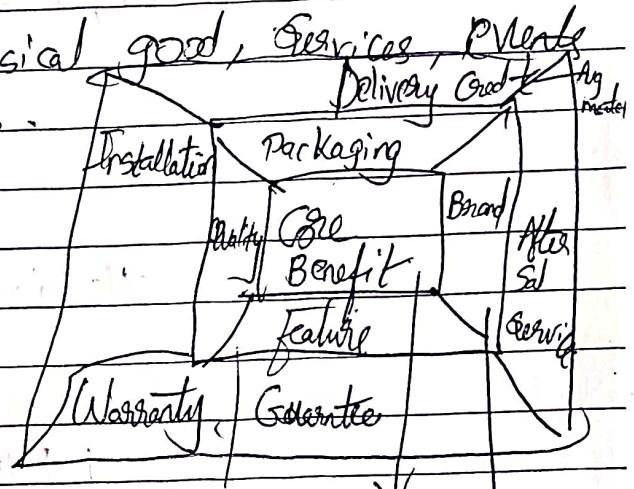
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- ① → Send a - fear message
- ② Reduce the availability
- ③ Price hike

X Product Chapter -2

- Carries the image of the Company
- Product is a powerful weapon that carry a image of a Company.
- A Product is anything that is offered to market to satisfy customers need. Product include Physical good service and innovating ideas.



X For example
How Hotels Compete in market?

Core product Actual prod

- ① Core benefits → rest, good sleep
- ② Basic product → Bed, desk, towel, bathroom
- ③ Expected product → clean bed, fresh towel, working lamp
- ④ Augmented prod. → Freebies (free breakfast)
- ⑤ Potential prod. → Competitor 1 step ahead of rival offering discount coupon in shopping mall.

⑥ Product Mix

- The product mix is the sum of all products and variants offered by a company. It refers to different product line the company carries.

* Product Mix of any company of its origin
Specialization and strategy involved.
① Width ③ Depth
② Length ④ Consistency.

* Width refers to different product lines a company carries. Shows empire of a company - Tata, Power, TCS, Tanishq etc

* Length

→ It refers to the length of no. of products items under each product line.
Harrier, Sumo, Nano

* Depth

→ The no. of variants offered under each product.
Petrol, ev, other models.

* Consistency

→ It refers to how closely the various product lines are in end user, production requirement, distribution channel. (All width of company synchronization)

Width	Length	Depth
Consultancy	Motor Power steel	

Motor sales service

Power
Harrier
Sumo
Nano

* The main task in product Management is product strategy. It means Managing various product line

And answer the following question

- ① how many different product line a firm offers
- ② Within each product line what should be composition
- ③ how to position the product.

→ products are manufactured in factory but are positioned in heart of customers.

④ What should be the brand policy and how to develop brand equity?

⑤ How to plan for new product?

⑥ How to do product differentiation?

⑦ How to manage product quality?

New Product Development

The new product can arise out of technological innovation or out of market oriented modifications

→ Steps for new product development?

① Generation of New ideas

 ↳ Idea Screening

 ↳ Concept Testing

 ↳ Business Analysis

 ↳ Prototype Actual product

 ↳ Commercialisation



Teacher's Signature:



 ↳ Test Marketing

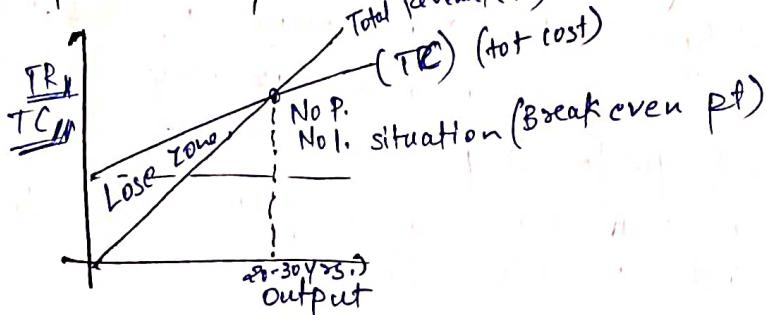
* Generation of new Idea Product :

① Generation of new idea.

② Idea Screening : In this stage the new product ideas are evaluated.

③ C.B.A : Cost Benefit Analysis.

→ Breakeven Analysis : No profit - No loss



④ Survey

⑤ Capital

Cost of capital
Supply of capital
Capital Rationing (Pesa udana)

⑥ Working Capital (liquidity) :

⑦ Excess Capacity (idle capacity)

↳ How new product development done using idle capacity.

⑧ How to procure Raw material

⑨ Are there any patent infringement.

⑩ What is the approximate size of market for - I.P.R (Intellectual Prop. rights)

⑪ New product.

⑫ Concept Testing : After the new product idea passes through screening test, a very product concept is tested,

Q/A.

Q-1|| Whether the prospective consumer understand the production idea?

Q-2|| Whether they actually not such product.

Q-3|| Is it a ~~real~~ me too product.
(same)

④ Business Market Analysis : This stage is very important wherein large no. of analysis is done

- 1) Financial Analysis
- 2) Economic "
- 3) Marketing "
- 4) Technical "

⑤ Prototype (Actual Development of Product)

- Since market acceptance is very difficult, companies do not go for large scale production straight away.
- They turn the new product idea into a physical product on pilot basis.

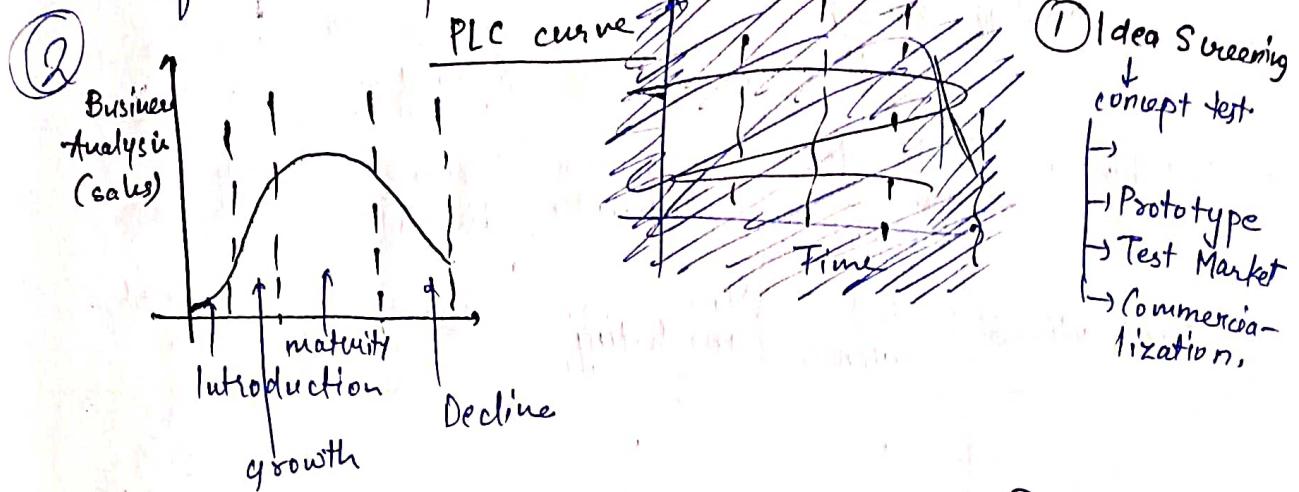
⑥ Test Marketing : It is actual product offering in real situation market. If test marketing succeeds then company approves for large scale production

⑦ Commercialization :

This is last stage of new product development. If the company management gives approval for large scale production

CH-3 // Product life cycle (PLC)

The innovation of new product and the regeneration of common product.



* What are diff. Marketing strategy?

* Marketing strategy across product life cycles?

Action / features	Intro	Growth	Maturity	Decline
Consumer	Innovators (Early adopters)	Mass market	Retaining mass market	Loyal Customer ↳ laggards
Competition	Few	Growing	stable	Loss
Sales	Low	Rapidly Rose Rising	Peak	Decline
Cost	High cost per customer	Avg. cost per customer	Low cost per customer	Low lost per customer
Profit	Low	Rapidly rising	stable	Declining

Marketing Strategy :

Action/Features	Intro	Growth	Maturity	Declining
1) Price	Cost Plus	Penetration	Competitor price	Price cut
2) Product strategy	offer a basic product	Growth warranty service	Diversification (widen the product mix)	Phase out weak prod.
3) Distribution	build selective distribution	More intensive distribution	Intensive distribution	Selective distribution.
4) Advertisement	product awareness	Mass marketing	stress band	Retain loyal customer

Diff. btw Price Skimming

Price penetration.

(i) Mean

Here the price of product is very high & gradually price will high.

Eg: ~~20k~~ 2000 Iphones

Here the strategy is to penetrate the price sensitive market & then gradually rise the market.

Eg: Jio.

(ii) Product Nature:

Ideal for super luxurious product with innovation & technologically advance features.

Ideal for mass consumer product. lot of substitutes available.

(iii) Consumer Surplus:

High
↳ Am not available with consumers

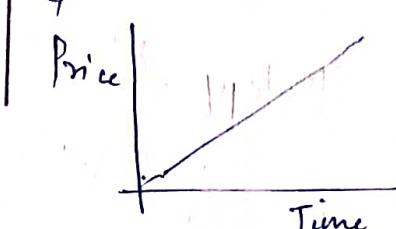
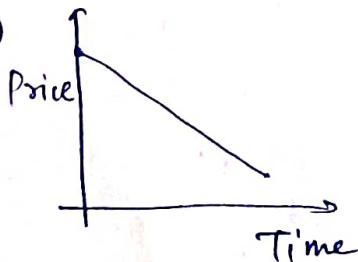
Low

(iv) Target Market:

Rich, Upper class

Poor (mass), lower class.

(v)

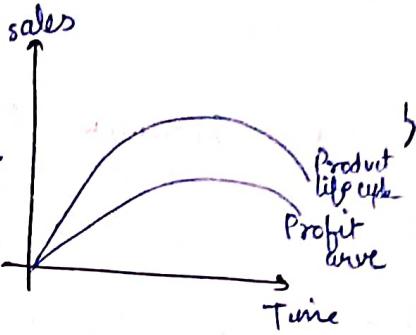


1st P

* Product life cycle & profit curve:

=> This 2 curves helps the firm to analyse:

- ① To analyse the product capacity category.
- ② To analyse sales growth & profit level.
- ③ _____ different pricing strategy.
- ④ _____ the type of customers.



- ① Innovators
- ② Who are ready to try out new products
- ③ Early adopter (they are the opinion leaders)
- ④ Early majority (they are the in approach)
- ⑤ Late majority (they are sceptical in approach)
- ⑥ Laggard (they are traditional & choose new product after wide market acceptance)

Product life cycle Conclusion: Introduction is period of low sales growth & low profit.
Growth is period of rapid market acceptance & substantial profit. marketing.
Majority is period of slow down in sales growth when profit is less.
And finally product is less of profit. Eode.

Consumer Behaviour and STP:

↓
Segmentation Targeting position

- studying buyer behaviour is basic to marketing.
- In consumer behaviour the marketer has to answer following ~~difficult~~ questions:
 - Q1: How do consumer characteristics influences by consumer behaviour?
 - Q2: What are factors that influence buyer behaviour?
 - Q3: What major psychological process influence consumer response to marketing program?
 - Q4: How do consumers make purchasing behaviour?
 - Q5: How do marketers analyse consumer decision making?
 - Q6: Why consumer shift from one brand to other

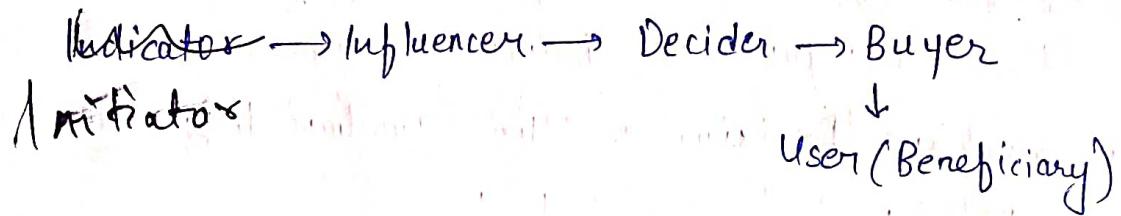
Case: Once there was a company called R.P. India Ltd. The company asked production & R&D Dept to work tentatively with marketing Dept. The CEO visited the company & asked the marketing manager to design a new product that captures to marketing needs. The production & R&D people didn't cooperate with marketing Dept. The CEO told that he will visit 1 year later & asked the production & R&D dept to cooperate with marketing manager. One year later company CEO visited. The CEO after inspecting product design mailed following remarks:

I don't want to see prototype anymore in lab.
el there this what the CEO meant was the approval in new product.

* Factors that influence Consumer behaviour

<u>① Individual factor</u>	<u>② Social factors</u>	<u>③ Information</u>	<u>IV Environmental factor</u>	<u>V Interpersonal factors</u>	<u>VI Organizational factors</u>
1) Personal 2) Cultural 3) Psychological ↗ Community ↗ Society ↗ Family 3) Influence of friends.	1) Influence of intimate group. 2) Hoardings. 3) Sales man's Suggestions 3) Influence of friends.	1) Advertisement 2) Hoardings. 3) Sales man's Suggestions	1) Economic development outlook. 2) Technological change 3) Political Regulation set up 4) Competitive Environment	1) Authority 2) Status 3) Empathy 4) Persuasiveness	1) Objectives 2) Policies 3) procurement procedure 4) Organization structure 5) System.

* 5 Roles of consumer



* 11 Steps in Consumer buying process

Every consumer goes through following steps in market:

1) Problem Recognition: The buying process starts when the buyer recognises a problem or a need. At this stage buyer feels himself or herself the need triggered internal or external stimuli.

e.g.: Hunger, Thirsty, Moving 1-place to other.

2) The R&D dept. invests heavily on such problem recognition & then develops prototype of pbm.

- ② Information Search : At this stage, the consumer basee may seek additional info. above the product which he seeks useful to satisfy his/her needs.
- The info may be related to ① price@brand,
 - ③ quality, ④ Technology &, ⑤ Discount offer, &
 - ⑥ Substitutes.

③ Evaluation of Alternatives :

[Gem portal & (Govt. e-commerce portal) where vendor & supplier can connect directly till particular amount].

- ⇒ Once the buyer has gather the info, the next step is to evaluate the pros & cons, the +ve & -ve aspects of each alternative available in the market, the belief/trust created by the brand, the utility of the product before the purchase decision is made.

④ Purchase Decision : The purchase decision is economic

- It depends upon situational factors, that effects the purchase decision
- Sometimes the attitude & opinion of other who strongly influence to buy product.
Eg. Children are dependent on parents to change their choice.

⑤ Post Purchase Behaviour : The expectation of buyer effects most purchase behaviour.

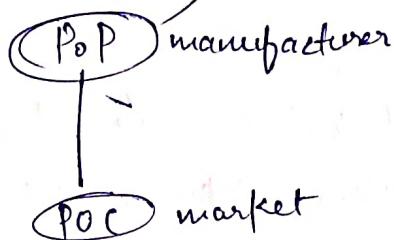
- When product gives assure performance, consumer is satisfied. If he/she is satisfied then repeat purchase; If he/she is dissatisfied review or return [Eg. Amazon]

④ STP (segmentation, Targeting, Position) :
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4/11/2022 H 0 DISTRIBUTION (Place : 2nd P)

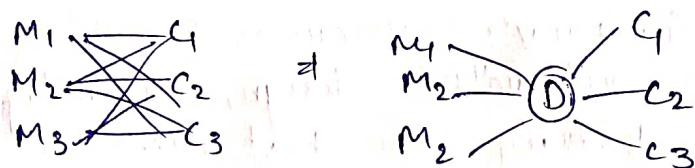
Ques-11 What do you mean by distribution channel?

- = Distribution channel is a set of marketing institution participating in the marketing activities, i.e. flow of goods & services from the point of production (PoP) to point of consumption (PoC).



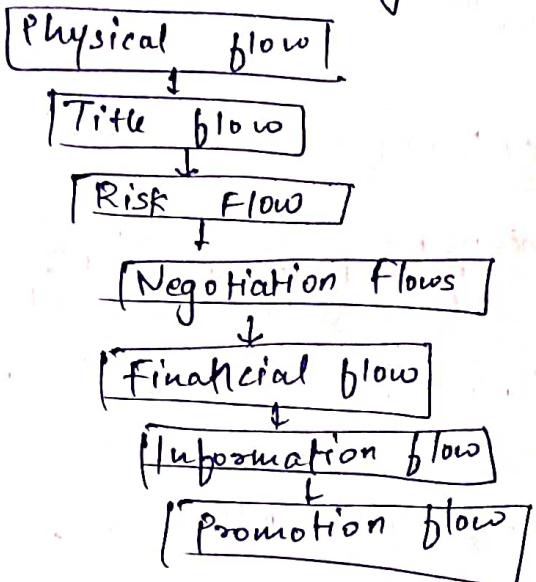
- The distribution channel takes care of the functions
- = The distribution channel performs following functions :-
 - ① transportation
 - ② warehousing
 - ③ inventory management.

- = Distribution channel performs following functions :-
 - ① It provides physical movement of goods & services
 - ② It minimizes no. of contracts.



- ③ It helps to break the bulk & cater to tiny requirements.
- ④ It supplies the product in suitable assortment (size).
- ⑤ It provides salesmanship & helps launching new product.
- ⑥ It helps in price mechanism.
- ⑦ The marketing channel act as change agent & helps in market intelligence.

It helps in following set of flows.



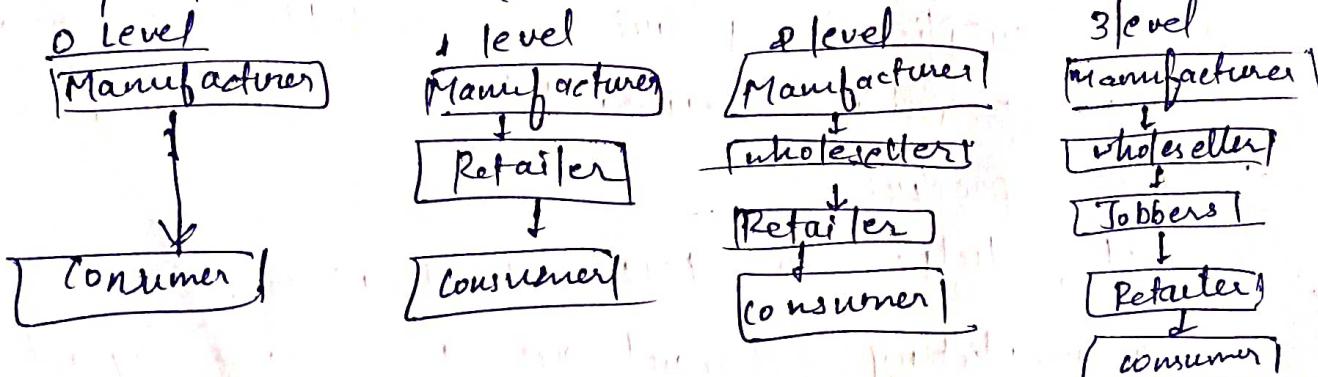
Ques: over don

Ques II How do you design distribution channel?

=> Designing the channel system depends upon the following factors:

- ① Formulating the channel objectives.
- ② Identifying fns to be performed by the channel
- ③ Analysing the product & linking the channel design to product attributes.
- ④ Evaluating distribution environments including legal aspects
- ⑤ Evaluating competitor's channel design
- ⑥ Evaluating company's resources & matching channel design.
- ⑦ Generating alternative design, Evaluating them & selecting the best one.

=> The choice of design depends upon consumer product or Industrial product



Ques-3 || What choice are the factors that determine the choice of distribution channel

→ following are diff. factors that determine the choice of distribution channel

① Customer company (itself) ② Product ③ Intermediary ④ Competition ⑤ Marketing environment

→ ① Customer : following pts to be considered in it:

(a) No. of customers : larger no. of customer longer would be the channel. eg: ready made garments.

(b) Geographical disposal : longer channels are required if customers are scattered

(c) Purchasing pattern : If customer purchase smaller quantity more frequently, then product should be made available at more places. eg: Provisional items

(d) Buying habits : eg: Buyers sometimes prefer to buy from several types of outlets. eg: watches of titan (only from showroom)

→ ② Product :

(a) Product Nature : If product is of very perishable nature eg like fish, meat, vegetable etc, then producer prefers very shortest channel.

→ If product is heavy then producer prefers " "

→ If product is of high value then producer prefers shortest channel.

(b) Servicing : Producer prefers to authorized dealer if product requires after sales services, eg: automobiles

→ ③ Intermediaries : Channel design also depends upon strength and weakness of different types of intermediaries.

eg: If product needs aggressive promotion like coldrines like fridge could be provided by wholesellers, but small retailer cannot afford.

(3)

* The channel that generates the largest sales ~~most volume~~ and lowest unit cost will be given top priority.

* Similarly if ~~to~~ t & C set by wholesellers are not met, then manufacturer himself act as wholeseller.

→ ④ Competitions: The choice of channel design also depends upon the pattern followed by competitors.

* They follow almost same design. egs: pepsi & coca cola

→ ⑤ Company: Company size, company's financial strength, product mix, overall marketing facilities influence the channel design.

* A large company has a wider market & it can easily be the cooperative of intermediaries.

for eg: Tata grp wants to enter new market, it can still obtain market intermediary % of its reputation.

* Company's budget also matters, so larger the budget, better the quality of distributors available in the market.

→ ⑥ Marketing environment: It also influence the channel design. During recession, softer channel is advisable, during prosperity and boom the company can choose large no. of outlets.

* Function of Wholeseller:

Diff. between Wholeseller & Retailer:

Wholesellers are in B2B model of business

Wholesellers differ from the retailers in

following activities:

1) Wholeseller pays less attention to promotion & location because they are dealing with business rather than customer.

2) Their transactions are large both in physical & monetary terms.

3) Wholeseller covers large trade area than retailers.

4) Govt. deals with wholeseller & retailer differently in terms of legal regulations & taxation.

* Function of Wholesellers

(4)

- => Penetration of market : Wholesellers setups sales goals.
- => They helps manufacturer to find out small business customers at relatively low cost. Since they have more contact.
- => Paying & assortment building : Wholesellers are able to select items & built assortments acc. to customer need, saving considerable time.
- => Bulk Breaking : They achieve savings for their business customer through buying in large quantity & breaking the bulk in small unit.
- => Warehousing & Inventory : They hold Warehouses inventory cost to retailers, & thereby reducing
- => Transportation : They can provide transportation, and enhance cost delivery.
- => Financing : They finance retailers by granting bills.

* RISK Bearing

- => Wholeseller absorb lot of risk by taking title & bearing cost of damage, spoilage & obsolescence.
- => Market Information & Intelligence : They supply market information to both manufacturer & Retailers regarding commodity activities, new product development, pricing and so on.

RETAILER : It includes all activity in selling good & service directly to final consumer. Eg B2C Business model

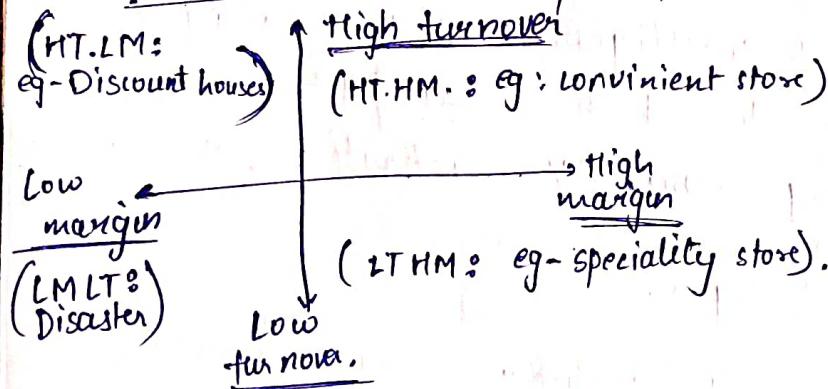
- ⑧ * The level of service, retailers can position themselves
any one of following 4 levels:
- 1) self service : Self service is the cornerstone of all discount operation. Many consumers are willing to carry out their own "locate, compare select" process to save money.
 - 2) Self selection : here consumers find their own good in sophisticated modern retail format, in mall, department store or hypermarket.
 - 3) Limited service : here retailers carry more shopping good & customer need more information.
 - 4) Full service : here retailer offers 24x7 service at every stage of consumer need.

* Retailer Functions:

- 1) choosing the store location
- 2) sourcing, buying & vendor partnership.
- 3) Visual merchandising, (attractive display) particularly in modern retail format.
- 4) Sales promotion
- 5) Inventory management
- 6) real estate development
- 7) Innovative store operation

Margins ~~turnover~~ ~~turnovers~~.

* Retailers are very open to margin turnover framework.



* Advantage of Retailers:

- 1) Retailer facilitates better customer service,
- 2) Retailer facilitates building brand loyalty
- 3) " better control over outlets
- 4) " are more appealing to visual merchandising.
- 5) Awareness about company of Brand.

* Reasons for Rapid spread of Retailing:

- 1) quality product low price
- 2) Improved shopping standard
- 3) Convenient shopping & display
- 4) Shopping blended with environment.
- 5) Innovative floor management (co-operative)