

Hand out for Business Management.

HS - 1301

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Introduction to MarketingDef<sup>n</sup>:-

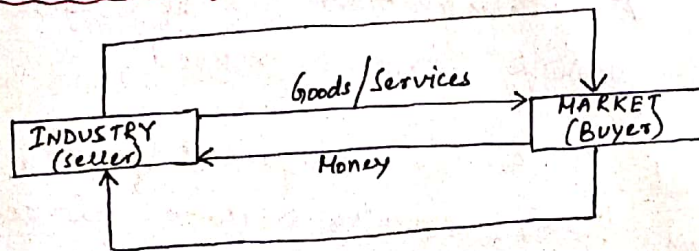
Identifying and meeting human needs profitably.

Marketing Management:-

It is the art & science of choosing target markets and getting, keeping and growing customers through creating, delivering & communicating superior customer value.

What can be Marketed:-

Goods, Services, Events, Experiences, People, Places, Properties, Organizations, Information, Ideas.

A Simple Marketing System:-Few Concepts of Marketing:-

① Need, want, Demand.

Need → Basic Requirements.

Want → Specific object to satisfy the need.

Demand → Specific product's desire backed by an ability to pay.

## Concepts Contd.

### ② STP Concept.

S:- Segmentation

T:- Targeting

P:- Positioning.

### ③ Marketing Mix

The 4Ps :- Product, Price, Place, Promotion.

Extended Ps :- People, Process, Physical Evidence.  
(for Services)

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## PRODUCT

Meaning:- Anything that can be offered to a market to satisfy a want or need.

It includes physical goods, services, experiences, events, persons, places etc.

Product levels:- The Customer-Value Hierarchy.

Marketers addresses 5 product levels.

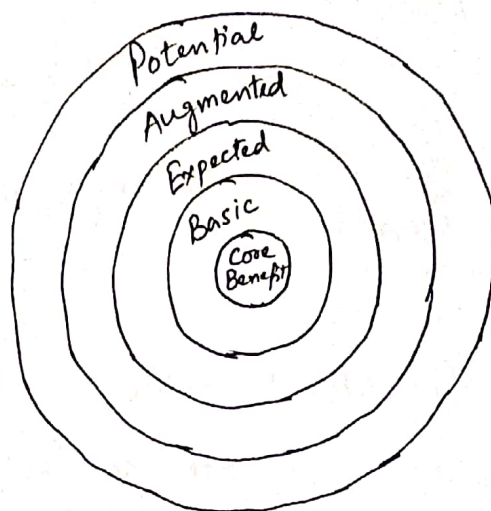


## Levels:-

### Hotel Room

#### 1<sup>st</sup> Level :-

Core Benefit → Fundamental level is the core benefit.  
The service or benefit the customer is really buying.  
Rest & Sleep.



#### 2<sup>nd</sup> Level :-

Basic level → Here marketer turns core benefit to basic product.

Hotel room has bed, bathroom, towel, desk etc.

#### 3<sup>rd</sup> Level :-

Expected level → Here marketer prepares an expected product. A set of attributes and conditions a customer normally expect.

Ex:- clean bed, fresh towel, working lamps, good ambience.

#### 4<sup>th</sup> Level :-

Augmented level → Here marketer prepares an augmented product that exceeds customer expectations.

Ex:- Fridge having wine bottle.

#### 5<sup>th</sup> Level :-

Potential level → A potential product, which encompasses all the possible augmentation and transformation the product or offering might undergo in the future.

It is for the companies to compete.

## Product Classification :-

Based on Durability, Tangibility & Usage.

### Durability & Tangibility :-

① Non Durable Goods → Tangible goods consumed in one or few uses.

Ex:- Soaps, Shampoos, Soft Drinks.

These are purchased frequently, strategies is to make the product available widely, advertise heavily to induce trial & build preference.

② Durable Goods → Tangible goods that survive repetitive or many uses.

Ex:- fan, Computers, AC etc.

These require more of personal selling & services.

③ Services → Intangible, perishable products that requires more quality control, supplier's credibility and adaptability.

Ex:- Haircuts, Legal advice, Repairs etc.



## Product classification based on Usage:-

(5)

### ① Consumer - Goods Classification:-

① Convenience Goods:- Its purchase is frequent and immediate and with minimal effort.

Ex:- Purchase of Soaps, Newspaper, Staples.

Two types:-

a) Impulse Goods:- Purchased without planning.  
Ex:- Chocolate, Candies, chips etc.

b) Emergency goods:- Purchased when need is urgent.

Ex:- Medicine, Umbrella etc.

② Shopping Goods:- Consumer compares on the basis of suitability, quality, price & style.

Ex:- Furniture, clothing & Appliances.

Two types:-

a) Homogenous Shopping Goods:- Same quality but different price.  
Ex:- Branded & Non Branded shirt.

b) Heterogenous Shopping Goods:- Differs in the product features and services that may be more imp. than price.

Ex:- Kitchen appliances.

## Usage, Consumer good classification contd.

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### (iii) Speciality goods:-

Have unique characteristics or brand identification for which enough buyers are making a special purchase effort.

Ex:- Audi, BMW cars.

These goods don't require much comparisons.

### (iv) Unsought goods:-

These are the goods about which consumers don't know much, or normally don't think of buying.

Ex:- Smoke detector; Ref. Books, Encyclopedia, Cremation ground etc.

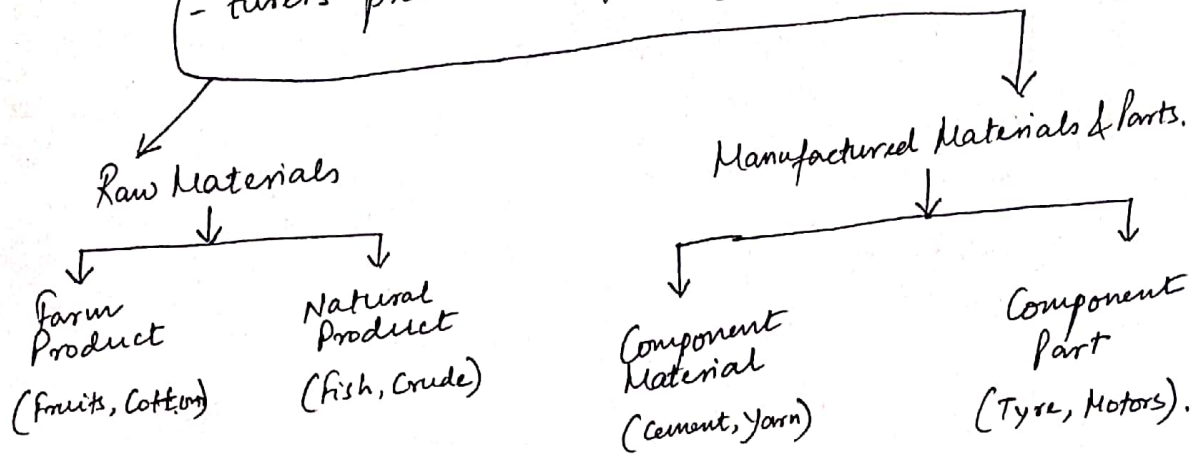
They require advertising & personal selling support.



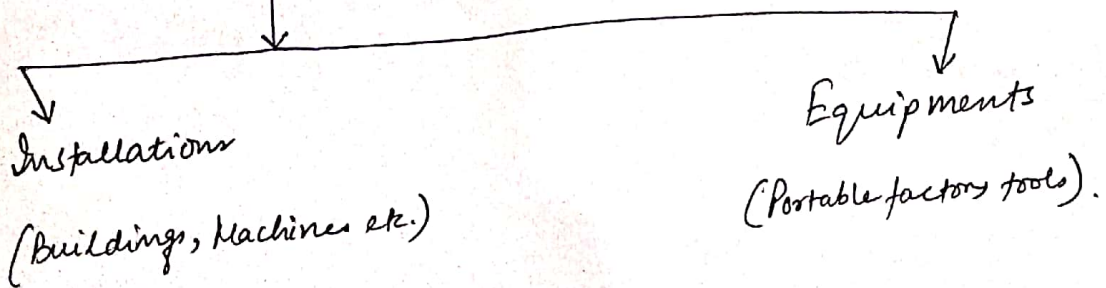
## Product classification based on Usage Contd. (7)

### (2) Industrial - Goods Classification :-

(i) Materials & Parts :- Goods that enters the manufac-  
- turers product completely.



(ii) Capital Items :- Long lasting goods that facilitates  
developing or managing the finished  
product.



(iii) Supplies & Business Services :-

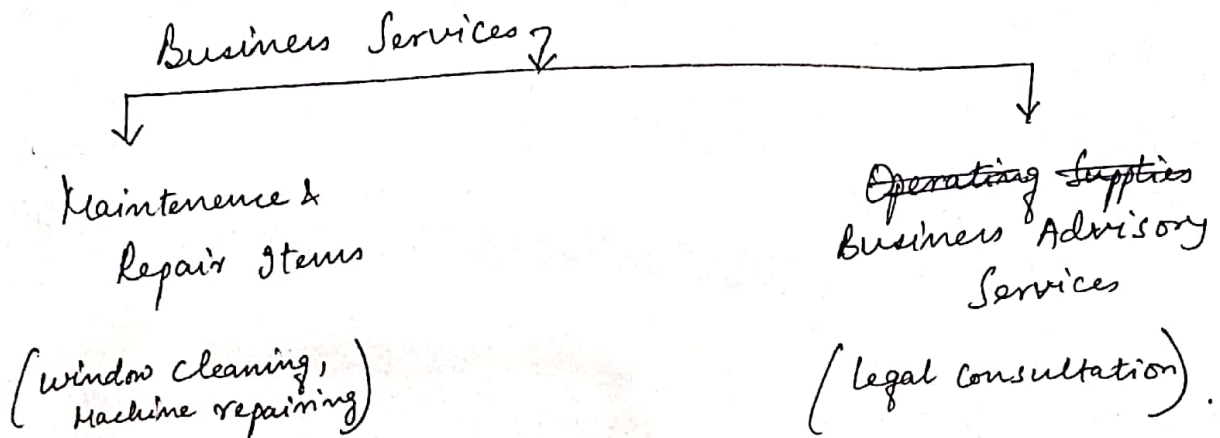
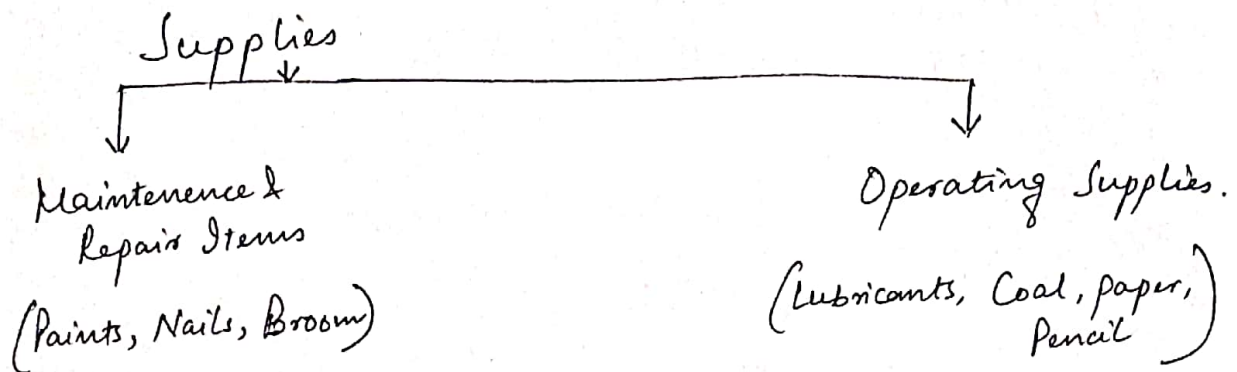
Short term goods & services that facilitate  
developing or managing the finished product.

P.T.O



## Usage, Industrial good Classification Contd.

(ii) Contd.



NB:- Refer "Marketing Management" - By Philip Kotler.

This material is made for simple understanding purpose. Refer Book or get in touch for any doubts. For in depth understanding one must have to follow Books & Articles.