Marketing Management

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Core Concepts of Marketing

- **Needs, Wants and Demands**

- **Product**

- **Value, Cost and Satisfaction**

- **Exchange and Transaction**

- **Relationship and Networks**

- **Market**

- **Marketers and Prospects**

- **Competition**

- **Marketing Environment**

- **Supply Chain Management**

Segmentation, Targeting and Positioning

Bases for Segmenting Consumer Markets:

- **Geographic:** Region, City, Rural and Semi-urban areas

- **Demographic:** Age, Family size, Gender, Income, Occupation, Education, Socio-Economic Classification (SEC)

- **Psychographic:** Lifestyle, Personality

- **Behavioral:** Occasions, Benefits, User status, Usage rate, Loyalty status, Readiness stage, Attitude towards product

Major Segmentation Variables for Consumer Markets

Geographic	
Region	
City	South, West, North, East
	Class-I cities, class-II cities, metros, cities with a population of 0.5 million to 1 million, cities with a population of over 1 million
Rural and semi-urban areas	
Demographic	Rural villages with a population of over 10,000, semi-urban areas, small towns with a population between 20,000 and 50,000
Age	
Family size	Under 6 years, 6–11 years, 12–19 years, 20–34 years, 35–49 years, 50–60 years, 60+ years
	Young, single; young, married, no children; young, married, youngest child under 6; young, married, youngest child under 6 or over; older, married, with children; older, married, no children under 18; older, single; other
Gender	
Income	Male, female
	Low (up to ₹40,000 p.a.), lower middle (₹40,001–80,000 p.a.), middle (₹80,001–120,000 p.a.), upper middle (₹120,001–160,000 p.a.), and high (above ₹160,000 p.a.)
Occupation	
	Unskilled workers, skilled workers, petty traders, shop owners, businessmen/industrialists, self-employed (professionals, clerical/salespersons, supervisory levels, officers/junior executives, middle/senior executives)
Education	
	Illiterate, school up to 4 years, school between 5 and 9 years, SSC/HSC, nongraduate, graduate/postgraduate (general), graduate/postgraduate (professional)
Socio-Economic Classification (SEC)	A1, A2, B1, B2, C, D, E1, E2
Psychographic	
Lifestyle	
Personality	Culture-oriented, sports-oriented, outdoor-oriented
Behavioral	Compulsive, gregarious, authoritarian, ambitious
Occasions	
Benefits	Regular, special
User status	Quality, service, economy, speed
Usage rate	Nonuser, ex-user, potential user, first-time user, regular user
Loyalty status	Light, medium, heavy
Readiness stage	None, medium, strong, absolute
Attitude toward product	Unaware, aware, informed, interested, desirous, intending to buy
	Enthusiastic, positive, indifferent, negative, hostile

Bases for Segmenting Business market:

Industrial customers tend to be fewer in number and purchase larger quantities. Many of the consumer market segmentation variables can be applied to industrial markets. Industrial markets might be segmented on characteristics such as:

1) Location
2) Company type
3) Behavioral characteristics

Major Segmentation Variables for Business Markets

Demographic

1. *Industry:* Which industries should we serve?
2. *Company size:* What size companies should we serve?
3. *Location:* What geographical areas should we serve?

Operating Variables

4. *Technology:* What customer technologies should we focus on?
5. *User or nonuser status:* Should we serve heavy users, medium users, light users, or nonusers?
6. *Customer capabilities:* Should we serve customers needing many or few services?

Purchasing Approaches

7. *Purchasing-function organization:* Should we serve companies with a highly centralized or decentralized purchasing organization?
8. *Power structure:* Should we serve companies that are engineering dominated, financially dominated, and so on?
9. *Nature of existing relationship:* Should we serve companies with which we have strong relationships or simply go after the most desirable companies?
10. *General purchasing policies:* Should we serve companies that prefer leasing? Service contract? Systems purchases? Sealed bid?
11. *Purchasing criteria:* Should we serve companies that are seeking quality? Service? Price?

Situational Factors

12. *Urgency:* Should we serve companies that need quick and sudden delivery or service?
13. *Specific application:* Should we focus on a certain application of our product rather than all applications?
14. *Size or order:* Should we focus on large or small orders?

Personal Characteristics

15. *Buyer-seller similarity:* Should we serve companies whose people and values are similar to ours?
16. *Attitude toward risk:* Should we serve risk-taking or risk-avoiding customers?
17. *Loyalty:* Should we serve companies that show high loyalty to their suppliers?

Source: Adapted from Thomas V. Bonoma and Benson P. Shapiro, *Segmenting the Industrial Market* (Lexington, MA: Lexington Books, 1983).

Targeting:

Target Marketing involves breaking a market into segments and then concentrating your marketing efforts on one or a few key segments. Target marketing can be the key to a small business's success.

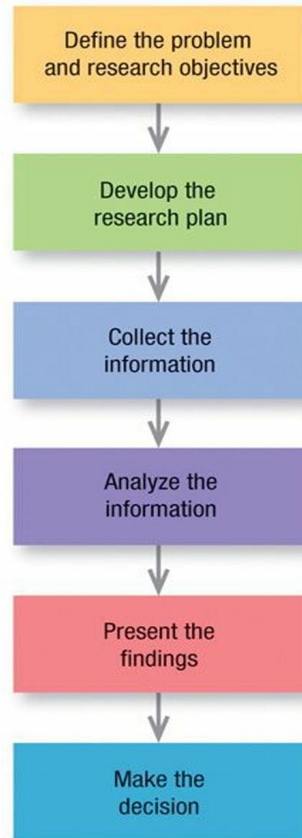|	P1	P2	P3
M1			
M2			
M3			

Target Market strategies:

- Single segment concentrated strategy

- Selective specialization

- Product specialization

- Market specialization

- Full market coverage

Positioning:

The position of a product is the sum of those attributes normally ascribed to it by the consumers – its standing, its quality, the type of people who use it, its strengths, its weaknesses, any other unusual or memorable characteristics it may possess, its price and the value it represents.
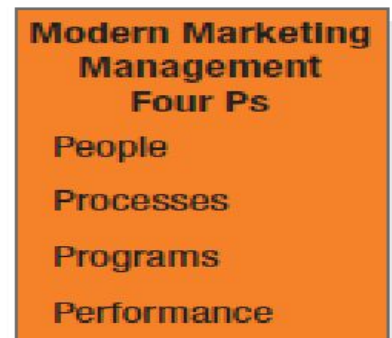
-Perception

Marketing Research

Define the problem and research objectives

Develop the research plan

Collect the information

Analyze the information

Present the findings

Make the decision

The Marketing Research Process

Four Ps

Marketing mix

Product
Product variety
Quality
Design
Features
Brand name
Packaging
Sizes
Services
Warranties
Returns

Price
List price
Discounts
Allowances
Payment period
Credit terms

Promotion
Sales promotion
Advertising
Sales force
Public relations
Direct marketing

Place
Channels
Coverage
Assortments
Locations
Inventory
Transport

Marketing Mix Four Ps	Modern Marketing Management Four Ps
Product	People
Place	Processes
Promotion	Programs
Price	Performance

Reference: Marketing Management by Philip Kotler el al. any latest edition.

Preferably - South Asian edition

Thank You

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