

INTRODUCTION TO MARKETING: Part I

TRANSCRIPT OF VIDEO LECTURE:

MARKETING: Concepts, Planning, Applications (Part - 1)

Marketing Concept

Consumers realize that we don't want to be fooled every time. Because many a times when we buy a product out of incentive, out of motivation we may not like them or we may need them or we may not use them. Therefore we will favor only those products which are able to satisfy my needs or wants or they are able to fulfill my expectations. So that's how the concept of marketing emerged. In a formal manner and it is described as identifying customers needs and wants and then accordingly you create your product or you price them or make them available and then see that the customers are satisfied. As you are operating in a competitive market. Your offering needs to be superior or better than the competitor only then any company will be able to sell their product. And we find that FMCG market is considered more competitive market. We find number of brands whether it is soap, toothpaste or anything. Even Indian automobile market as we are witnessing now as compared to a decade ago or two decades ago we have got so many brands. Ultimately a consumer who has so many choices identifies that okay which product, which automobile or which toothpaste or which soap is able to satisfy set of my benefits in a better manner. Then they buy. And that's what a marketer needs to consider and understand their needs wants accordingly design product or service they are offering and then they need to offer it. And this helps in creating long term customer relationship and both the parties they are benefited. Customers are benefitted by right kind of product and company also benefitted by getting continuous sales. I was referring to the social dimension or social value. One customer feels that they are happy and satisfied with the product they feel that they own something to nature. They own something to country therefore they should favor those products which are offering some societal advantages also. That creates a kind of understanding among the marketers also. They should not only fulfill the needs and wants of individual but should also design products which help any society or any country or any part of the world in fulfilling or in a way improving or enhancing social welfare or social well-being. For example one product may be available in plastic packet and the same product is available in other packet which is more eco-friendly made up of paper bag or cotton bag or any other kind of jute bag which is easily recyclable so in this case even if the other product which is known as a green product is available at a little higher price customer will favor to buy those products. And marketers need to adopt eco-friendly or country-friendly or social-friendly activities so that it also acts onto society along with fulfilling customer needs and wants. So that has led to evolving on societal marketing concept. In the recent past it is very interesting to note that marketing is considered as entire business function. Many people go to extend of saying that marketing is everything and everything is marketing. Actually they want to refer that all the activities which are performed within the organization they are customer focused. Therefore all the activities they need to be integrated they need to be interdependent so that at the end when organization develops its offering and giving it to customers it is focused around customer it is often said that even a single security guard or a peon or a sales representative or HR or accounts person or even backend team they are marketing people because all of them are involved in creating a value

ultimately for consumer. They may not be facing customers directly but they are R&D people sitting thousands of miles away from the market. They are actually marketing people continuously making a product. Holistic marketing as a new concept has got 4 different dimensions. One is Internal Marketing then Relationship Marketing then Integrated Marketing and fourth dimension of holistic marketing is Performance Marketing. Now as we look at the first part internal marketing refers to identifying and developing those kinds of people who are committed motivated with a positive attitude to serve customers. So if you have got team of those people who have got attitude to serve customer will be able to create a better value. Then comes relationship marketing it refers to the orientation towards building long term relationship with customers. And the third dimension integrated marketing refers to integrating all the activities which are performed to create value. So that we create a synergy and it will produce a greater impact. Rather than sum total of all individual activities. And fourth dimension refers to performance dimension that all the activities must towards the end will lead to performance. It may be in terms of measureable directly quantifiable or qualitative benefits. So performance can be in marketing can be measure in terms of sales or market share or customer satisfaction or it can even be in terms of how many new products have been launched and how many new marketers are been entered or captured in. so performance marketing refers to what kind of returns are we getting out of marketing expenses. So return on marketing effectiveness or marketing investment is primarily focus of performance marketing. Returns receive by the supplier. So that's how we understand that marketing has evolved through a long journey of focusing on manufacturing or focusing on products, distribution, on selling and focusing on societal marketing and now on marketing because everything is marketing and marketing is everything. Ultimately they all are interrelated or interdependent. So it's a very comprehensive concept now days. It may evolve in future and it may take a great shape in marketing future. But it will be more comprehensive but it will stay as customer oriented concept.

Marketing Planning

Now when we look at marketing planning process it can be referred as any marketing planning process or any other management planning process. Same set of activities are performed which any manger perform which deals with analysis planning implementation and control. So those major basic managerial functions are performed in this case also. Here we analysis Marketing Environment or our market for which product is going to be offered or value preposition is going to be created. The second stage deals with Defining Marketing Objectives in very clear terms that what is going to be the focus objective of marketing activities then we talk about segmentation targeting and positioning. So this is something unique to marketing function will talk about this and then a developing suitable marketing mix that is the offerings with which we are going to serve our customers then its implementation dimension and we move onto its control related activities. When we analysis market we need to be focus primarily on four C's. It is said that 4 C's to be considered and then we can consider other dimensions also. Now this 4 c's refers to the Company's internal dimension company Customer Competitors and Context. Company because we are dealing with our own product and services. We are in specific kind of business. So we need to know about our own internal dimensions we need to know about our target customers we need to know about our competitors. We need to know about our immediate environmental factor. Whether they are political factor socio economy technological or natural whatever the number of micro and macro analogical factors which directly or indirectly influences business operations. When we do an analysis it actually helps in

developing strength and weakness opportunity threat profile which we call SWOT analysis. Strength weakness on our internal analysis and opportunity on the basis of external analysis. When we do a complete analysis able to get very clear and complete picture of what is the market which exist what is the market potential and can we forecast demand for a successful period of time. Once we have the understanding of the market potential we can think of developing STP that is segmentation targeting and positioning so that is done later. Now in the light of market analysis we can very clearly set our objectives. Now these objectives as we discussed as earlier also may be quantifiable or they may be qualitative also. some of the qualitative objectives which are very commonly used in developing business in different organizations they are sales profit margin market share cost productivity and they can be broken down in specific products because a company offers it very wide range of product so it can be product wise also it can regional marketwise also. or qualitative objectives may be related to enhancing brand equity and brand image of customer satisfaction developing word of mouth communication attitude preferences' etc. but one needs to be very clear that what are objective and we need to set the priorities that this is going to be 1st objective and 2nd and 3rd. time frame in the extend to which we allow a particular team or effort to work on and achieve their goals and objective. if this is to be achieved in a week or in a month or in an financial year. So that's how we need to define. ones we know that these are the objective. we move onto the heart of marketing that is STP.

we need to very clear in defining who is our customer. for example: if I am a toothpaste manufacturer I need to know whether my customer our kids or they belong to all age group or my customer our women, people who have got some dental problem some oral hygiene problem so the same toothpaste may be perceived as a tasty toothpaste or a colorful toothpaste, or bright color or good packaging toothpaste or by parents it may be a germ fighting or a fighting with cavities or making teeth stronger or for 3rd group of people it may be perceived as refreshing or a lot of confidence. Fourth group of people it may be fighting with some sensitive problem so the same set of a product may offer different set of benefits based upon target customer. so we need to be clearly define that who my customer is segment is and this customer segment can be developed on the basis of geographical parameters or on the basis of demographic parameters or even lifestyle and personality which are part of psychological parameters they are also being used and behavioral parameters. And these segments may be very broad or large in nature or that may be very micro or very narrow in nature. For example we may develop a customize product only for let us say very high end customer or we any produce a low cost product for lower cost of pyramid segment which is very large segment. so it is can be a very large segment or very micro. Many cars which are available at very few lacs of rupees. they may be for large number of people. Cars which are available in corers of rupees they may for small group of people they are customize also. Targeting refers to primarily decision which are related with segmenting after segmenting we come across no. of segments. evaluating and selecting that out of all the segments how many segments can be catered. that depends on its overall attractiveness or in terms of size profit growth accessibility measurability etc. so it can be one segment to which a company decides to cater or it can be number of segments depending upon overall strength of the company. If a company is small company it can take decision to serve one or few. Or if a company is a big company it has got enough amount of resources think of serving more number of segments. Usually we find local companies catering few segment and big multinational companies catering into very large number of segment. now once we are clear

about what is our segment and how many segments are we going to serve we need to be clear in terms of how are we going to create our own image and identity in the minds of customers. Now this decision is referred as positioning. Positioning is described as an act of creating image in the minds of customer and that how we shape perception whether we perceived as a economical product or going to be perceived as luxury product or as lifestyle product or personality type product that all depends upon how we are going to create our product image. And this usually done with very phenomena know as pop and pods point of parity that is the essential features which must be present in every product for example soap must help in bathing properly. but one may be different from other here comes pod point of difference one soap may be colorful other may be of different shape and size third soap may offer you fragrances fourth soap may have some unique kind of fragrance these are known as pod which are being use to create different kind of images in the mind of customers and these are communicate various marketing communication techniques primarily advertising. because that a mass communication tool with the help of which any organization communicate with its end users once we are clear that this is our market segment and we are going to serve a number of market segments or specific strategy we are going to adopt to create an image we need to now work on the details of that marketing plan. Now details are worked out in process called marketing mix the marketing mix is referred as set of all the controllable marketing elements then the control of any organization which are offered to the market satisfy their need or wants. The classical marketing mix consisted of four elements which are known as four Ps of market i.e. product price pay and promotion. That is a product which has got a distinct form of comfort at monitory value offered at a place and time which is convenient for the people to buy it and with kind of communication which inform or persuade or make the people perceived product or a brand in a particular manner. later on it was found that for some services it was not sufficient to market products with four Ps they added three more Ps to it three additional Ps are extending marketing mixes known as consisting of people that is the service providers there employee of service providers process the detailed outline or sequence of activities with the help of which service will be rendered and then physical evidence the tangible and intangible elements with the help of which any service will be delivered. For example the aircraft crew of aircraft is people part the way people get inside the aircraft after than they board themselves which is known as process part ticketing reservation etc. Aircraft may the tangible element here itself is evidence. These four plus three seven P's they make a comprehensive marketing mix with the help of any organization is able to serve his very well defined group of customers. Now these elements they are coordinated and integrated in a proper manner and then they are ready for offering as a value preposition or as offering for marketers. Now the plan needs to be implemented. In order to implement we need a very clearly defined set of people based at different hierarchical levels based at different geographical locations responsible for specific product and services so we create organizational structure financial resources they are also allocated and other type of material and transportation and other type of resources they are allocated. Basically marketing implementation refers to clearly developing which elements we are going to use developing those marketing mix elements. Creating the right kind of marketing organizations structure so that we have a right kind of people to perform at right place from right kind of job. And they have requisite amount of resources so that the task can be successfully and effectively completed. And we also use the concept of budgeting for the purpose of financial resources allocation. Now once we are clear that the details of implementation dimension we move onto the control dimension. Once activity which is to be implemented is needs to be controlled also.

So the control dimension refers to reviewing all activities in the light of objectives which had been defined earlier. So here we clearly defined what are going to be the parameters against which we are going to review our marketing performance. In most of the cases we do different type of audits in marketing. Marketing audits may refer to analysis of performance or related to sales analysis. Sometimes we do market share analysis. Sometimes we also calculate the cost of serving customer or generating certain amount of sales or we may also get into analyzing how much amount of profits is being generated. Because ultimately we need to work on generation of profits and then we also take customer feedback or customer complain. Then we try to see how it is offered. So that's how marketing process is implanted. All the practice to be fully ethical and marketing as such deals with ethics because unless and until any business organization provides right kind of products and services. The marketer will not be able to win the trust of customer. And until customer trust the organization relationship cannot be developed. And most of companies which are looking for long term performance market their practices are highly ethical so that they are able to win the trust of the customer and they are able to develop mutual beneficial relationship and that is required for long term sustainability of business.

Marketing Applications

Moving onto the next topic we were talking about the implementation part now once we have all the details that how it has been implemented then we need to have a very clear set of instructions which we are going to review during performance. So we see that every plan needs to be clearly defined as in light of analysis then we need to have very clear objectives then we need to have very clear strategy in terms of segmentation targeting positioning. Then we develop our marketing mix then we go for implementation details and then we work on its control dimensions. Moving onto its applications as we talking earlier marketing is everything and everything is marketing. It can be applied in all possible situations for example all types of organization. It can deal with consumers as well as industrial products also. It can be applied to services idea and we see country is being promoted. Even political parties they use marketing in a big way to promote their candidates. NGO they are using it for social cost. Let say drive safely or say no to drugs or stop tobacco and alcoholic consumption so this is the concept which is widely used with all types of organization whether they are goods manufacturing or services manufacturing organization. Or they are profit making or nonprofit making organization. For example a individual may like tobacco or alcohol or may driving rash but in larger interest of that individual and in the larger interest of society company and government also need to warn or give a caution that you should not do this and if you do this may harm you and others who are associated with it. Now marketing can be context specific it can be referred as rural marketing application of marketing in a rural areas or we market across the boundary we call it international marketing or it can be business or marketing or various type of marketing. Context based application of marketing as well. So in a way we summarize marketing as process which ultimately leads to provide right kind of prepositions' and right kind of value set. Again the ethical dimension comes as liked by appreciated by a particular customer so providing right product to the right people in the right manner at right kind of place with right kind of communication which is again ethical in nature socially acceptable in nature within the prescribed code of conduct. And that how since it is a customer's based productivity we say that marketing is all about reading and responding to customers mind. Ultimately we shape perception change perception create value prepositions. Thank you.