

CLASS : I M.COM

SUBJECT NAME : MARKETING MANAGEMENT

UNIT – I

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MEANING OF MARKETING

The marketing manager is faced with the task of achieving various predetermined objectives. These objectives may relate to profit maximization, customer satisfaction, image building or sales maximization etc. achievement of these objectives requires proper internal arrangement or organization.

DEFINITION OF MARKETING

According to American Marketing Association ,”Marketing is an organizational functions and a set of process for creating, communicating and delivering value to customers and for managing customer relationship in way that benefit the organization and its stakeholder.

EXPLAIN THE NATURE OF MARKETING

- Managerial function
- Human activity
- Economic function
- Both art and science
- Customer centric
- Consumer oriented
- Goal oriented
- Dynamic process
- Creates utility

Managerial function

Marketing is all about successfully managing the product, place, price, and promotion of business to generate revenue.

Human activity

It satisfy the never ending needs and desires of human beings.

Economic function

The crucial second marketing objective is to earn a profit

Both art and science

Creating demand for the product among consumers is an art and understanding human behaviour and psychology is a science.

Customer centric

Marketing strategies are framed with the motive of customer acquisition.

Consumer oriented

It practice market research and survey to know about consumers taste and expectations.

Goal oriented

It aims at accomplishing the sellers profitability goals and buyers purchasing goals.

Dynamic process

Marketing practice keeps on changing from time to time to improve its effectiveness.

Creates utility

It establishes utility to the consumer through four different means time, place, price, promotion.

IMPORTANCE AND SIGNIFICANCE OF MARKETING MANAGEMENT

In the technology arena, marketing management plays a crucial role in a commercial and business enterprise. It is a business discipline that focuses on practical application of marketing orientation technology and methods inside enterprises and organisations and manages the marketing.

- Satisfies the needs of customers.
- Increase market share of the firm
- Increase production of existing products.
- Raises per capita income and demand for the goods
- Provides employment and hence fulfill social obligation
- Launch new product in the market
- Reduces cost of sales and distribution

OBJECTIVES OF MARKETING

- Customer satisfaction
- Ensure profitability
- Building organizational goodwill
- Create demand
- Increase sales volume
- Create time and place utility

Customer satisfaction

The primary motive of a company is to satisfy the needs of a customers.

Ensure profitability

Every business is run for profit and so goes for marketing

Building organizational goodwill

It portrays the product and the companys positive image in front of the consumers.

Create demand

It works for generates the demand for products and services among the customers.

Increase sales volume

It is a rigorous process if increasing the sale of product or service to generate revenue.

Create time and place utility

It makes sure that the product or service is available to the consumers and need it.

EXPLAIN THE DIFFERENCES BETWEEN THE MARKETING MANAGEMENT AND SALES MANAGEMENT

Marketing management

1. It is a modern concept
2. To satisfy consumer needs and wants and then maximize profitability
3. It deals with the problems of buyers.
4. Its scope is wider:

Discovering needs

Customer satisfaction

Demand

5. It includes sales management

Sales management

1. It is an old concept
2. Its objectives is to maximize sales
3. It deals with the problems of sellers
4. Its scope is narrow :

Selling

Sales promotion

5. It is a part of marketing management

CONCEPT OF MARKETING MANAGEMENT

- Planning
- Organizing
- Coordination
- Direction
- Control
- Staffing
- Analysis and evaluation

Planning

After objectives determining the marketing objectives , the important functions of the marketing management is to plan how to achieve those objectives. This includes sales forecast, marketing programmes etc...

Organizing

A plan once formulated needs implementation organizing functions of marketing management involves the collections and coordinations of requires means to implrment a paln and to achieve predetermined objectives .

Coordination

Coordinates refers to harmonious adjustment of the activities of the marketing organizations. It involves coordinates among various activities such a sales forecast, planning, product development, transportation etc...

Direction

Direction in marketing management refers to development of new markets, leadership of employees, motivation, inspiration, guiding and supervisor of the employees.

Control

Control refers to the effectiveness with which a marketing plan is implemented. It involves the determination of standard, evaluation of actual performance.

Analysis and evaluation

The marketing management involves the analysis and evaluation of the productivity and performs mace of individual employees.

SCOPE OF MARKETING

- Study of consumer wants and needs
- Study of consumer behaviour
- Production planning and development
- Pricing policies
- Distribution
- Promotion
- Marketing control

Study of consumer wants and needs

Goods are produced to satisfy consumer wants.

The study is done to identify consumer needs and wants.

Study of consumer behaviour

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

Production planning and development

Production planning and development starts with the generations of product idea and ends with the product development and commercialization.

Pricing policies

Marketer has to determine pricing policies foe their products. Pricing policies differs form product to product. It depends on the level of competition, product life cycle.

Distribution

Study of distribution channels is important in marketing. for maximize sales and profit of goods are required to be distributed .

Promotion

Promotion includes personal selling, sales promotion, advertising, right promotion mix is crucial in accomplishment of marketing goods.

Marketing control

Marketing audit is done to control the marketing activities.

UNIT II

DEFINITION OF PRICING

Price is a amount of money needed to acquire in exchange of some combined assortment of a product and its accompanying services.

OBJECTIVES OF PRICING DECISIONS

Target return pricing :

Target return on net sales:

Price stabilization

Maintaining or improving share of the market:

Meeting or preventing competition:

Maximizing profits

Short term profit maximization (skim-the-cream-pricing)

FACTORS INFLUENCING PRICING DECISIONS

Objectives of the company

Product characteristics

Customer characteristics:

Cost considerations:

Market policy –channel considerations:

Discount policy

Expected share of the market and its productive capacity:

Competitive reaction

Maximizing profits

Market penetration pricing

KINDS OF PRICING

Psychological pricing

Sellers should consider the psychological of buyer with regard to prices changed on the product.

Odd pricing

Price lining

Prestige pricing

New product pricing

i).Skimming pricing

A very high price is fixed for a new product and gradually price is reduced when competitors enter the market.

ii). Penetrating pricing

this is refers to the practice of fixing very low prices

Geographical pricing

When product have to be shipped or sent by trains or trucks, the freight has a direct bearing on the price quotation.

f.o.b (free on board) pricing

Delivered pricing

Freight adsorption pricing

Dual pricing

This method demote the practice of selling, the same product at two different prices

Administered pricing

Administered prices remain constant over a longer period

Monopoly pricing

This refers to single product fixing the price for the product

Expected pricing

The product is fixing according to the expectation of customer.

Sealed Bid Pricing

Govt. contracts or large contracts of big corporate are awarded under system of a sealed bid pricing

Negotiated pricing

Industrial suppliers adopt negotiated pricing

UNIT-III

CHANNELS OF DISTRIBUTION

MEANING OF CHANNELS OF DISTRIBUTION

A channels of distribution or marketing channels is the structure of inter-company organizations unit and extra-company agents and dealers, wholesale and retail through which a company

Marketing channels function

Research

Promotion

Contact

Matching

Negotiated

Physical distribution

Financing

Risk bearing

Definition of agent middleman

Middleman is one who specialize in performing operations on rendering services that are involved in the purchase and sale of goods in the process.

CHARACTERISTICS OF AGENT MIDDLEMAN

They serve mainly the industrial users

It is uneconomical to have a direct contact with the customers

It is not possible for a direct contact with the multi-millions of potential customers

Opening sales counter at manufactures plant

Door to door sales

Sales by mail order method

Sales through mechanical services

KINDS OF AGENT MIDDLEMAN

Broker

Commission agent

Manufacture agent

Selling agent

Resident agent

Auctioneers

Functions of middleman

The middleman are the connecting link between the sellers and buyers

They direct the flow of goods from the manufacturers to the ultimate consumers

Merchant middleman perform the function of merchandising by making the goods

Middleman is responsible for the flow of goods

Middleman look after advertisement and publicity

Buyers needs are fulfillment by middleman

UNIT-IV

SALES PROMOTION

DEFINITION OF SALES PROMOTION

Sales promotion is an organized effort applied to the selling job to secure the greatest effectiveness for advertisement.

Objectives of sales promotion

To increase buying response at the customers level

To attract the new customers

To inform the public about the new product

To capture the major share of the market

To simplify the job of middleman

To meet the competition of the other firm

To effect off-season sales to boost-the sales

To keep the money alive

To create brand image

To motivate sales force

To encourage repeat sales

To block competitors moves

ADVANTAGES OF SALES PROMOTION

It stimulates in the consumers an attitudes towards the product

It creates a better incentive in the consumer to make a purchase

It gives the direct inducement to the consumers

It is flexible

Sales promotion leads to low unit-cost to large scale productions

PERSONAL SELLING

MEANING

The personal or impersonal process of persuading customer to buy a commodities or services and to act favorably upon an idea that has commercial significance to the seller

Objectives of personal selling

To do the entire job

To serve the existing customer

To search out and obtain new customer

To secure and maintain consumers

To keep customers informed of changes in the product line

To provide the technical advice

To collect and report of the market information

To obtain a specific sales volume

DUTIES OF A SALESMAN

The principal duty is to make sales of product

He has to do the assigned duty

He has to make collection of bills

All complainants must be satisfied peacefully

To develop a goodwill for the firm

He must have cooperative habits

To main a goods relating with the customer

UNIT-V

ADVERTISING

DEFINITION

Advertising is a mass communication of information intended to persuade buyers as to maximize profits

BASIC FEATURES OF ADVERTISING

Matter of record

Non-personal communication

Persuasion of buyers

Paid form of publicity

Identifiable with the sponsor

DIFFERENCES BETWEEN THE ADVERTISING AND SALESMANSHIP

Advertising	Salesmanship
1.It is an impersonal nature of selling	Personal or direct contact exists in selling-salesman to consumers
2.it is concerned with the public in general	It is concern with specific individual
3.it is less costly	It is costly
4.it is not flexible	It is flexible
5.it create an interest in buyers in a general way	It creates an interest according to the needs of individual buyers

DIFFERENCE BETWEEN THE ADVERTISING AND SALES PROMOTION

Advertising	Sales promotion
1.It is of long or short term, to create a good image of the company	It is a short term, to arrest decline in sales
2.The media include pres, audio – visual, television, film etc..	Media includes premium, prizes, sampling, trading stamps etc..
3.it appears often long term and cumulative in nature	It appears usually to achieve a specific marketing objectives
4.It plays its role in pre and post-transaction	It plays its role in the transaction

OBJECTIVES OF ADVERTISING

- To do the entire selling job
- To introduce a new product
- To force middleman to handle the product
- To build a brand preference
- To remind users to buy the product
- To popularize some change in marketing strategy
- To combat or neutralize competitors advertising
- To improve the morale of dealers
- To secure leadership in the field

QUALITIES OF A GOOD ADVERTISEMENT COPY

- It must be simple
- It must be informative
- It must be concise and complete
- It must be Enthusiastic
- It must be honest
- It creates an urge

ELEMENTS OF AN ADVERTISEMENT COPY

Attention value

People are busy. They find time rarely. Almost all the people, who are able to make a purchase, do not have enough time

- To handle must be good with a proper border
- It must have a pleasing colourful presentation
- The slogans must be lively
- The coupons must be part of the advertisement

Suggestive value

The message advertised should have some suggestive and useful value to those who go through the advertisement

Conviction value

To be more effective, the statement in the advertisement must be genuine and accurate.

Sentimental value

The sentimental value feelings or the attitudes of the reader should not be affected by the advertiser

Educative value

The product are manufactured for first time, it is the duty of the producer, through advertisement to draw the attention of the people and to tell them the use, merits, ingredients, special features etc..