

# Overview of Marketing Management

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## Need - Want - Demand

- Need : Food – Not created by society / marketer
- Want : Desire for specific satisfier –
  - WB / Orissa : Rice, Punjab /UP : Roti, US: Burger
  - Shaped by Social force / Institution
- Demand = Want + Willingness + Capacity



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# Marketing

- *Marketing is about Satisfying needs & wants through an exchange process.*
- *Marketing Management is the conscious effort to achieve desired outcomes with target markets.*



Marketing is managing profitable customer relationships. The twofold goal of marketing is to attract new customers by promising superior value and to keep & grow current customers by delivering **satisfaction**.

*Marketing is not the art of finding clever ways to dispose of what you make. It is the art of creating genuine customer value.*

## Value and Satisfaction

- The product or offering will be successful if it delivers value and satisfaction to the target buyer.
- The buyer chooses between different offerings on the basis of which is perceived to deliver the most value.
- Value is the ratio between what the customer gets and what he gives. The customer gets benefits and assumes costs.

$$\text{Value} = \frac{\text{Benefits}}{\text{Costs}}$$

$$= \frac{\text{Functional benefits} + \text{emotional benefits}}{\text{Monetary costs} + \text{time costs} + \text{energy costs} + \text{psychic costs}}$$

Kotler (2000), Marketing Management, Millenium Edition, Chapter

## Marketing & Selling

- Selling focusses on needs of seller
- Marketing on needs of buyer
- Selling is preoccupied with seller's need to convert product into cash
- Marketing involves
  - ✓ Creation
  - ✓ Delivery
  - ✓ Consumption
  - ✓ Desired outcome

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## Marketing & Selling

| Parameter                 | Marketing                                                                  | Selling                                             |
|---------------------------|----------------------------------------------------------------------------|-----------------------------------------------------|
| <b>Objective</b>          | Profit → Organisation<br>Satisfaction → Customers<br>Market → Market Share | Achieve Sales Target →<br>Quantity & Value          |
| <b>Focus</b>              | Customers' Needs                                                           | Company' Product                                    |
| <b>Time Window</b>        | Long Term : Product –<br>Market Interaction →<br>PLC, BCG                  | Sales of Targeted Quantity<br>→ Defined Time Period |
| <b>Product</b>            | Create                                                                     | Influence                                           |
| <b>Price</b>              | Decide                                                                     | Influence                                           |
| <b>Place</b>              | Decide → Macro Level                                                       | Decide → Micro Level                                |
| <b>Promotion</b>          | Design                                                                     | Execute                                             |
| <b>Customer Relations</b> | Need Based                                                                 | Active Involvement → KAM                            |

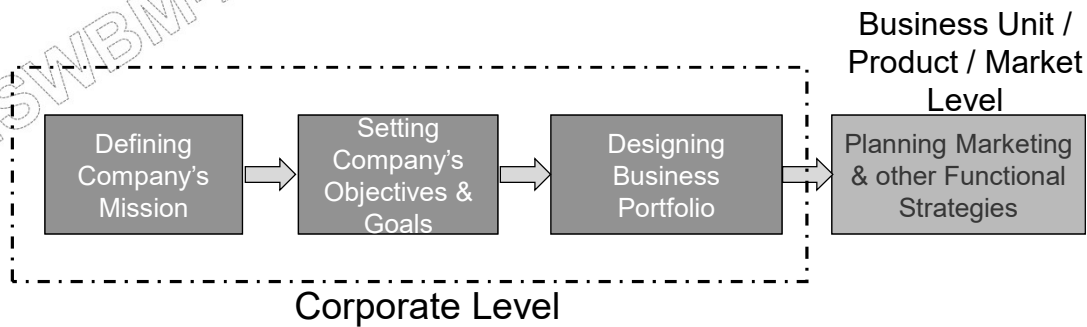
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# Marketing Strategy



Kotler & Armstrong (2021), Principles of Marketing, Chapter 2, P59

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# Marketing Mix

With the marketing strategy chosen, the company constructs an integrated marketing program comprising of four marketing mix elements, the four Ps that transforms the marketing strategy into real value for customers.



Products are developed that create strong brand identities. Pricing of these products is done to create customer value, and they are distributed to make them available to target consumers. Promotional programs engage target customers, communicate the value proposition, and persuade customers to act on the market offering.

Kotler & Armstrong (2021), Principles of Marketing, Chapter 1, P48

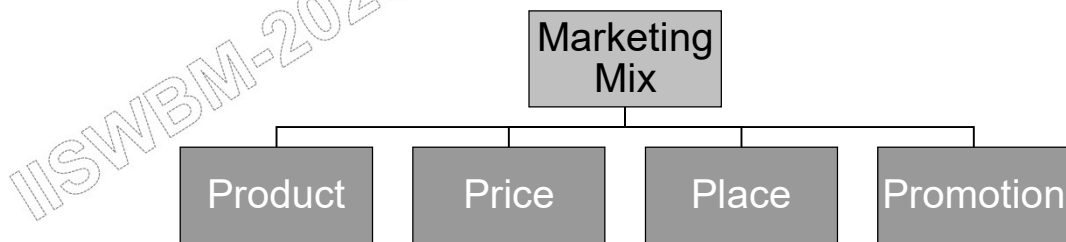
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## Marketing Mix: 4 Ps (McCarthy, 1960)



The marketing mix represents the set of controllable, tactical marketing tools that an organization blends to produce the desired response from its target market.

The concept originated with Neil Borden and was later structured into the foundational 4 Ps framework by E. Jerome McCarthy.

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## Microenvironment



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# Microenvironment

Customers are the most important factors in the company's microenvironment. The aim of the entire value delivery network is to serve target customers & create strong relationships with them. The company might target any or all of five types of Customer Markets

- ✓ Consumer Market
- ✓ Business Market
- ✓ Reseller Market
- ✓ Government Market
- ✓ International Market

Company must provide greater customer value & satisfaction than its competitors do. Marketers must do more than adapting to the needs of target consumers. They must gain strategic advantage by positioning their offerings strongly against competitors' offerings in the minds of consumers.

A public is any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives.

- ✓ Financial
- ✓ Media
- ✓ Govt.
- ✓ Consumer Organisation
- ✓ Localities
- ✓ General
- ✓ Internal



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# Microenvironment

Top management sets the company's mission, objectives, broad strategies, and policies. Marketing managers make decisions within the broader strategies & plans working closely with other departments. With marketing taking the lead, all departments share the responsibility of understanding customer needs & creating customer value.

Suppliers provide resources needed to produce goods & services. Supplier problems affects marketing. Marketing managers must watch supply availability shortages / delays, & costs. Supply labour strikes, natural disasters can adversely affect sales & customer satisfaction. Increased costs may force price increases that can harm the company's sales volume.



Marketing intermediaries promote, sell, & distribute its products to final buyers. They include resellers, physical distribution firms, marketing services agencies & financial intermediaries. Resellers are distribution-channel firms that sell to customers.

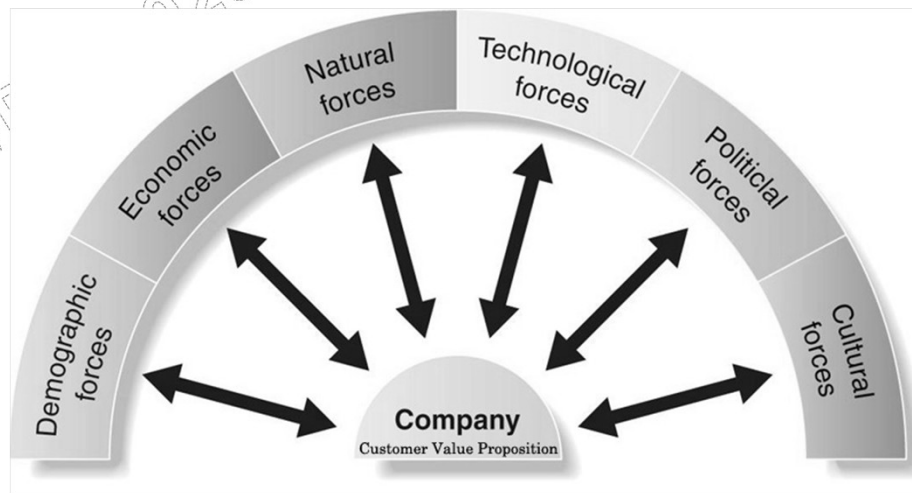
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# Macroenvironment



Kotler & Armstrong (2021), Principles of Marketing, Chapter 2, P86

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# Macroenvironment

**Natural environment :** Natural resources that are needed as inputs by marketers or that are affected by marketing activities

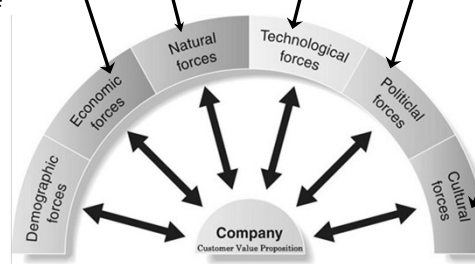
**Economic factors** e.g., employment, inflation, recession affect consumer purchasing power and spending patterns.

**Demographic environment** is of major interest to marketers because it involves people & people make up markets. Demographics is the statistical characteristics of human populations in terms of age, income, gender, occupation, location, race etc.

**Technological environment** involves forces that create new technologies, creating new product and market opportunities. Technological developments in IT, Telecom, AI, Robotics, EV etc., are shaping the business.

**Political environment:** Laws, government agencies & pressure groups that influence and limit various organizations and individuals in each society.

**Cultural environment:** Institutions & other forces that affect a society's basic values, perceptions, preferences & behaviours. People grow up in a particular society that shapes their basic beliefs and values.



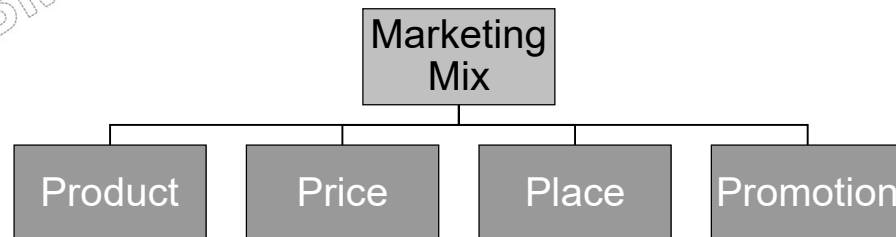
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## Marketing Mix : 4Ps



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## Product

Product: Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need.

Service: Services are a form of product that consists of activities, benefits or satisfaction offered for sale that is **essentially intangible** and does **not result in the ownership** of anything.

Broadly defined, products also include services, events, persons, places, organizations, and ideas or a mixture of these. Products include more than just tangible objects, such as cars, clothing, or smartphones.

Kotler &amp; Armstrong (2021), Principles of Marketing, Chapter 8, P234

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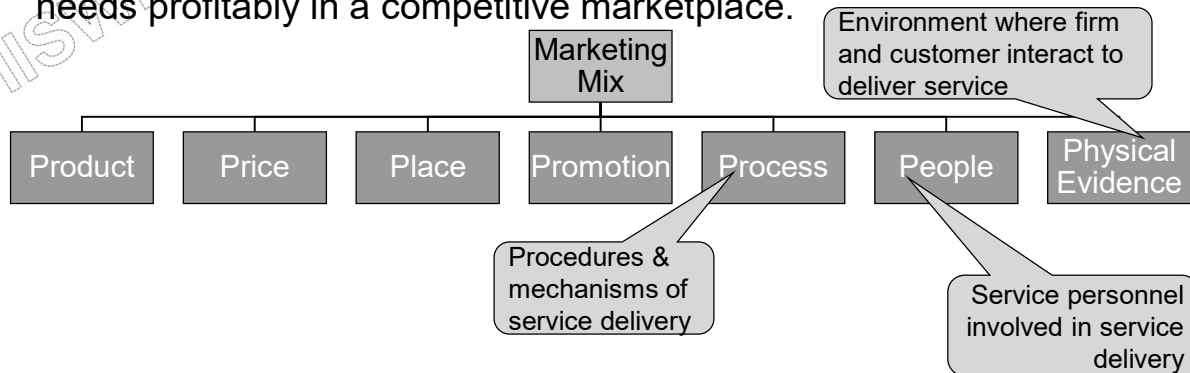
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## Marketing Mix: Service - 7 Ps

(Booms & Bitner, 1981)

4Ps are Inadequate, 7 Ps” of services marketing represent the ingredients required to create viable strategies for meeting customer needs profitably in a competitive marketplace.



Ref. Services Marketing by Lovelock & Wirtz, Chapter 1

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## Consumer & Industrial Goods

- Consumer goods are the products purchased by buyers for consumption and are not for resale.
  - Durable : Appliances, Furniture, TV
  - Non-Durable: Cosmetics, Food, Clothing, Shoes
  - Services: Salon, Home painting, Electronic repairs
- Consumer goods are produced or manufactured to satisfy the needs of the consumers, and it comprises the last stage in the supply chain when reaches the retailers for direct sale to consumers.
- Industrial goods are those used for industrial and business purposes. At the same time, consumer products are ready for use and satisfy human wants. Machinery, plants, and raw materials are some examples of industrial goods.

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