

MAA OMWATI DEGREE COLLEGE

HASSANPUR

EXAM NOTES

SESSION:- ~~2020-21~~ 2020-21

Subject: -Marketing Management

CLASS:- B.B.A 3rd Semester

Teacher's
External Marks: 80
Internal Marks: 20
Time: 3 hrs.

MARKETING MANAGEMENT

PAPER CODE: BBA-302

UNIT-I

Introduction to Marketing; difference between marketing and selling; core concepts of marketing; marketing mix; marketing process; marketing environment

UNIT-II

Determinants of consumer behaviour; consumer's purchase decision process (exclude industrial purchase decision process); market segmentation; target marketing; differentiation and positioning; marketing research; marketing information system

UNIT-III

Product and product line decisions; branding decisions; packaging and labeling decisions; product life cycle concept; new product development; pricing decisions

UNIT-IV

Marketing channels: - retailing, wholesaling, warehousing and physical distribution, conceptual introduction to supply chain management, conceptual introduction to customer relationship marketing; promotion mix:- personal selling, advertising, sales promotion, publicity

marketing management

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Introduction of Marketing :

Marketing
Which was once a part of Management
now become an independent subject.

Now a days marketing is an important
area of study throughout the world.

In every University and Professional
institute education is imparted in
the subject of Marketing.

There is no single answer to the
question of what is marketing.

Different persons understood the
meaning of marketing differently
depending on their ability, need and
environment.

* Consumers consider it as a synonym to shopping.

* Sellers treat it as selling.

* Understood it as co-operative.

* Engineers consider it as product -
designing.

* Managers as retailing.

Hence everyone understood marketing
in his own way. In short, it may
be said that the word marketing is

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commonly used by us but the word marketing is mostly misunderstood by most of us.

As a matter of fact the term marketing is not confined to shopping, selling co-operative marketing, product designing, Advertising, retailing etc. for some persons. "Marketing is what a marketer does".

But the meaning also brings clarity in understanding the subject. Actually speaking marketing is a comprehensive term and it includes all resources and set of business activities necessary to direct and facilitate the flow of goods and services from producers to consumers of users, including product planning and after sale services, in the process of distribution.

American Marketing Association defines - "Marketing as the process of planning and executive and conception pricing, promotion and distribution of ideas goods and services to create exchange that satisfy individual and organisational objectives".

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The Father of Modern Marketing Phillip Kotler defines:-

"Marketing is a social and managerial process by which individuals and groups obtain what they need and what through creating offering and exchanging products of value with others"

To understand marketing one should know the distinct meaning of marketing, market and marketing management.

Meaning of Market :-

For understanding the meaning of marketing one should first understand the meaning of market. The word market is derived from the Latin word **MARKATUS** which means merchandise or trade or a place where business is conducted.

According to Prof. Pyle -

"Market includes both place of exchanging and region in which buyers and sellers are in free competition with one another".

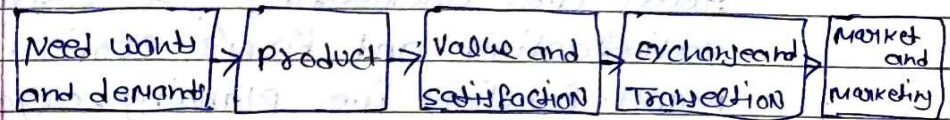
According To Phillip Kotler - "A Market consist of are the potential customer sharing a particular need and who might be willing and able to engage in exchange to satisfy the need."

Marketing :

Marketing is a comprehensive term and it includes all resources and set of activities necessary to direct and facilitate the flow of goods and services from the producer to consumer. Marketing is the providing, **The right goods and services to the right people, at the right place, at the right time and the right price with the right communication and promotion.**

The concept of Marketing gives in the concept of Marketing. It includes product planning and development, buying and assembling, pricing and discounting, distribution and selling, branding and packaging, promotion and advertising, financing and risk bearing, analysis of market in terms of its present and potential

customers.



According To Philip Kotler every human being have endless needs, wants and demands. These wants can be fulfilled by exchange. Exchange is the act of obtaining a desired product from someone by offering something in return. Market is a place where these exchange can take place.

Marketing means human activities that take place in relation to market.

Hence, marketing means a social process by which individuals and group obtain what they need and want through creating and exchanging product and value with others.

Marketing Management :

Management is the art of getting things done through and with the people towards the attainment of the objectives of a firm. Marketing management is concerned with the direction of these activities which

are performed to obtain marketing goals i.e. increasing the customer satisfaction and firm's profit. All mgmt. functions i.e. planning, organizing, directing, coordinating and decision making are also adopted in marketing.

DEFINITION → According to William J. Stanton - "Marketing management is the marketing ~~management~~ ~~marketing~~ is the total concept in action"

Hence Marketing Management is a compound word Marketing + management. Marketing is the total system of business activities while mgmt. is the art of getting things done in a co-ordinated and harmonious manner.

DEFINITION OF MARKETING MANAGEMENT

Product oriented definition :-

* * * * *

definition of marketing are known by various name such as

(1) Traditional definitions

(11.) Narrow Definition.

(iii) product oriented.

These definitions are based on the assumption that whatever produced by the manufacturer will be acceptable to the consumer.

It means the producer is concerned only with the production without taking into account the need, choice or behaviour of the consumer.

"Marketing comprise both buying and selling activities" by Pyle.

Marketing is "Marketing is the performance of business activities that direct the flow of goods and services from producers to consumers" By American Marketing Assn.

CUSTOMER ORIENTED DEFINITION -

definition of marketing are known by various name such as 4. Customer oriented

(11) Broader definitions

(iii) Modern definitions

These definitions emphasise on the satisfaction of the consumer. It means only those products are brought forward which can satisfy the wants and taste of the consumer.

"Marketing is the delivery of standard of a living".

By Paul Malin.

"Marketing is the creation and delivery of standard of living".

By Malcolm Mc. Nair.

Nature of Marketing:-

There was a time when marketing activities were concerned only with the flow of goods and services from the producer to consumer. In other words, marketing was concerned with the distribution of goods and services only. However this concept of marketing has now been changed. Actually marketing begins even before the start of actual production and ends after the satisfaction of consumer.

That is why it is often said that "Marketing begins (starts) and ends with the consumer".

Nature of Mkt has been deviated into two parts.

(i) Nature of Mkt as a science or an art.

(ii) Nature of Mkt and various approaches.

1. Marketing as a science:-

Often a controversy has been raised on the issue whether Mkt. is science or an art. Before we answer the controversy let us see what a science is and what an art is. The term science has been derived from the Latin word 'SCIRE' which means 'To know'. Knowing a subject means understanding it. Science in a word applied to multitude of different activities carried on by a man or his efforts to understand his environment. Prof.

Bacon has pointed out four basic characteristics of science such as.

1. Observation of facts.

(ii) Measurement of facts.

(iii) Explanation of facts as a law or theory.

(iv.) Verification of Validity of Law.

Marketing can not be regarded as a science because it does not confirm to the basic characteristics of science. Further the subject of marketing has been derived very slow to depend as a unique body of theory. Other reason is that most of science have come to develop a systematic approach to their problem which is known as the scientific method. Hypothesis are developed, facts are gathered to support or computer the hypothesis and then test are conducted to see if hypothesis are sound. But this is missing in marketing.

> Marketing as an art:

science is a classified and systematized body of knowledge and art is the practical application of knowledge for achieving definite ends.

According to cossera, science is concerned with knowing and art is concerned with doing. Hence art

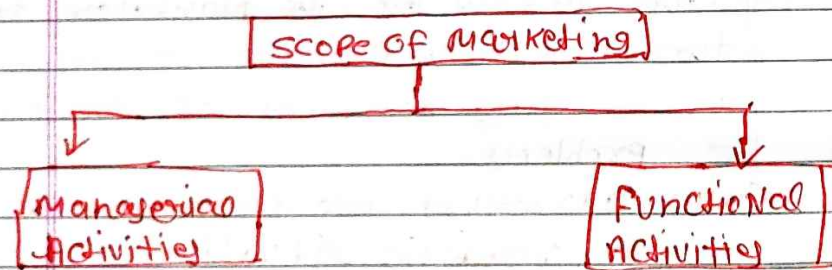
means the application of principles and set rules to practice. As an art marketing helps us in the solution of our marketing problems - its study enables us to know the best methods of achieving marketing objectives.

- (i) It creates profit for the firm.
- (ii) It creates interest in the mind of the consumer or user.
- (iii) It develops the standard of living.
- (iv) It deals with human beings.
- (v) It tries to give maximum satisfaction to the consumer.
- (vi) The success of marketing depends upon the ability of the marketer to solve the marketing problem.
- (vii) It gives solutions of the marketing problems.
- (viii) It solves the marketing problems in realistic situation.

Some other nature of marketing :-

- (i) Distribution of goods and services.
- (ii) Utility creation.
- (iii) Revenue Generation.
- (iv) Marketing is consumer oriented.

- (V.) Marketing starts and ends with the consumer.
- (VI.) Marketing processes and succeeds production.
- (VII.) Marketing is the Guiding element of business.
- (VIII.) Marketing is a science as well as an art.
- (IX.) Marketing is a system.
- (X.) Exchange process is the essence of marketing.
- (XI.) Marketing is goal oriented.
- (XII.) Marketing is a process.



1. > Managerial Activities :

- I. Determination Marketing Objective.
- II. Planning the marketing function.
- III. Organising the marketing function.
- IV. Staffing the Marketing function.

- V. Directing the marketing function.
- VI. Coordinating the marketing function.
- VII. Controlling the marketing function.
- VIII. Analysing and evaluating the marketing function.

2. Functional Activities :

- (I.) Marketing Research
- (II.) Product Planning and development.
- (III.) Buying and Assembling.
- (IV.) Selling.
- (V.) Transportation.
- (VI.) Storage and Warehousing.
- (VII.) Standardisation and Grading.
- (VIII.) Branding and Packaging.
- (IX.) Pricing and discount policies.
- (X.) Financing.
- (XI.) Advertising.
- (XII.) After sales services.

Corporate orientation towards the market place :-

Companies activities do address the market affects - organization, customers, society. Interest of each group may be different and in conflict to each other."

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What weightage should an organisation give to each group?

company should choose its orientation towards market place. oriented could be

- (i) Production Concept.
- (ii) Product Concept.
- (iii) selling concept.
- (iv) marketing concept.
- (v) Societal concept.

→ Building and delivering customer value and satisfaction :

Building and delivering customer value and satisfaction requires the action on the following points.

(i) Design and develop products/services which are fitting absolutely into demand framework of customers.

- (ii) Ensure availability all demands point.
- (iii) Attach prestige/status value with products on services.
- (iv) Ensure timely feedback on performance of product or services.

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(v) Incorporation of feedback in design of products or services.

→ Retaining customers :

- (i) Attach prestige/status value with products and services.
- (ii) Ensure timely feedback on performance of product or services.

(iii) Incorporation of feedback in design of products on services.

(iv) offer your customer best deal on price and discount.

(v) Facilitate and acknowledge the old customer on public platform.

→ Key To customer retention :

- (i) stay longer.
- (ii) Buy more of the company and its product introduces new product and upgrade current ones.

III. Talks favourable about the company and its products.

IV. Pays less attention to competing brands and advertising and is less sensitive to price.

V. Offers products or services ideas to the company.

→ Two ways to strengthen customer retention :-

(1) Customer development process, suspect prospects, first time consumer etc.

(2) Five level of investment in customer relationship building - Basic, reactive mkt, Accountable mkt, Proactive mkt, Partnership mkt.

Customer value :-

(1) Customer delivered value is the difference between total customer value and total customer cost.

(2) Total customer cost :- The bundle of

benefits customer expects from a gained product or services.

(b) Total customer cost :- The bundle of cost customers expect to incur in evaluating, obtaining, using and disposing of the product or services.

Four sources of customer value :-

1. Product
2. Services
3. Personnel
4. Image

Four sources of total customer cost :-

1. Monetary cost.
2. Buyer's time.
3. Buyer's energy.
4. Buyer's psychic cost.

CUSTOMER SATISFACTION :-

A person's feeling of pleasure or disappointment resulting from comparing a product performance in relation to his or her expectation.

Satisfaction a function of perceived performance and expectation.

if all the performance falls short of expectation the customer is dissatisfied.

if all performance matches the expectation the customer is satisfied.

if the performance exceeds expectation the customer is highly satisfied or delighted.

High satisfaction or delight creates an emotional bond with the brand not just a rational preference. The result is high customer loyalty.

The key is generating high customer loyalty is to deliver high customer value.

BUILDING CUSTOMER SATISFACTION :-

In this world of extreme competition, companies must understand importance of customer satisfaction and then build process around it. A satisfied customer will be a loyal customer.

There are large offering of product and services available in the market then why the customer should choose a given company's product.

According to various researches and students, it has been confirmed that consumer will purchase product which gives them maximum perceived value. This value like brand image, corporate brand, sales, personal image and functional image. This value converts to total cost by including purchase cost associated with purchase, perceived and otherwise. If after this purchase product performs as expected then customer is considered satisfied, a completely satisfied customer.

Building delivering customer value and satisfaction:-

Introduction :-

To succeed, or simply to survive, companies need a new philosophy. To win in today's market place, companies must be customer centered; they must deliver superior value to their target customers, not just building products.

customer value is the satisfaction of customers requirements at the lowest cost of acquisition ownership, and we creating and delivering better customer value is the only route by which firms implement the marketing concept.

CHARACTERISTICS OF CUSTOMER VALUE

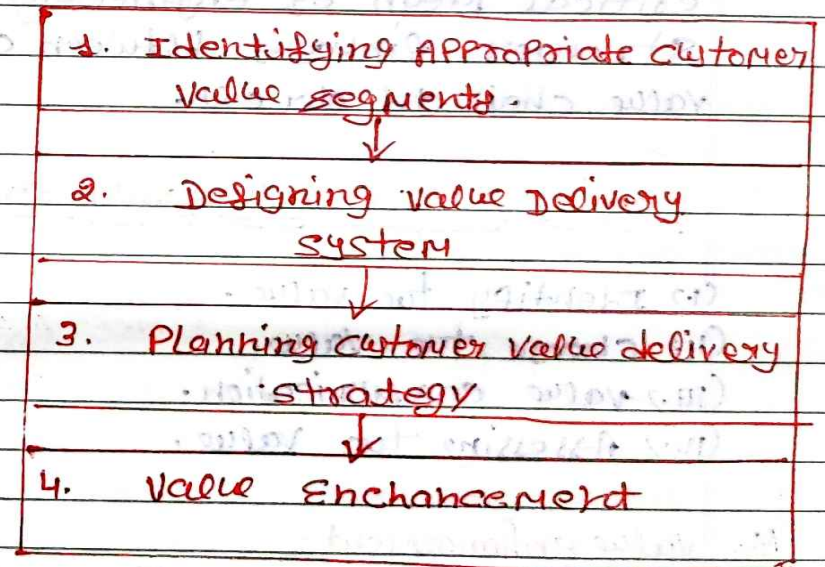
1. customer defined.
2. contextual

3. Multi-dimensional

4. Trade-off

Value-delivery Process :-

Value delivery process includes four key steps which are as follows:-



1. Identifying appropriate customer value segments :- Every customer has different value requirements and perception. So, here we identify the

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customers who have same requirements values - with many techniques. we can segmented on the basis of demographics or socio-economic variables.

2. Designing Value delivery system:

In this step, we view the design of the value delivery system as a critical mean of engineering stronger linkage between customer value chain and our own.

3. Planning customer value delivery strategy

- (i) Identify the value.
- (ii) Choose the value.
- (iii) value communication.
- (iv) Assessing the value.

4. Value enhancement:

The firm also continuously and productively enhances the value. It collects feedback from the consumers about his satisfaction level with the product and upgraded value. It

is actually is a non-stop job for the firm to search to the customer.

Retaining Customers:

It is difficult to exactly define customer retention as it is a variable process. A basic definition could be customer retention is the process when customers continue to buy, predict and service within a determine time period.

Levels of Retention Strategies

1. Discount coupons
2. Gifts
3. Membership benefits

1. Integrating system with customers
2. Making joint invest on technology
3. sharing process or equipment

continuously quality
Derive to
Customers

1. Special attention
2. Informing customers about new service
3. Wishing customer on their anniversaries

1. Personalizing service
2. offering a combination of services, that suit customer's specific needs.

There are some specific strategies and tactics used by firms to build relationships and tie customers closer to firm.

Level 1 - Financial Bonds

At level 1 customer is tied to the firm primarily through financial incentives. Lower price for greater value purposes. Cross selling by services like tie-up of airline industry with hotel chains and credit card companies.

Level 2 - Social Bonds

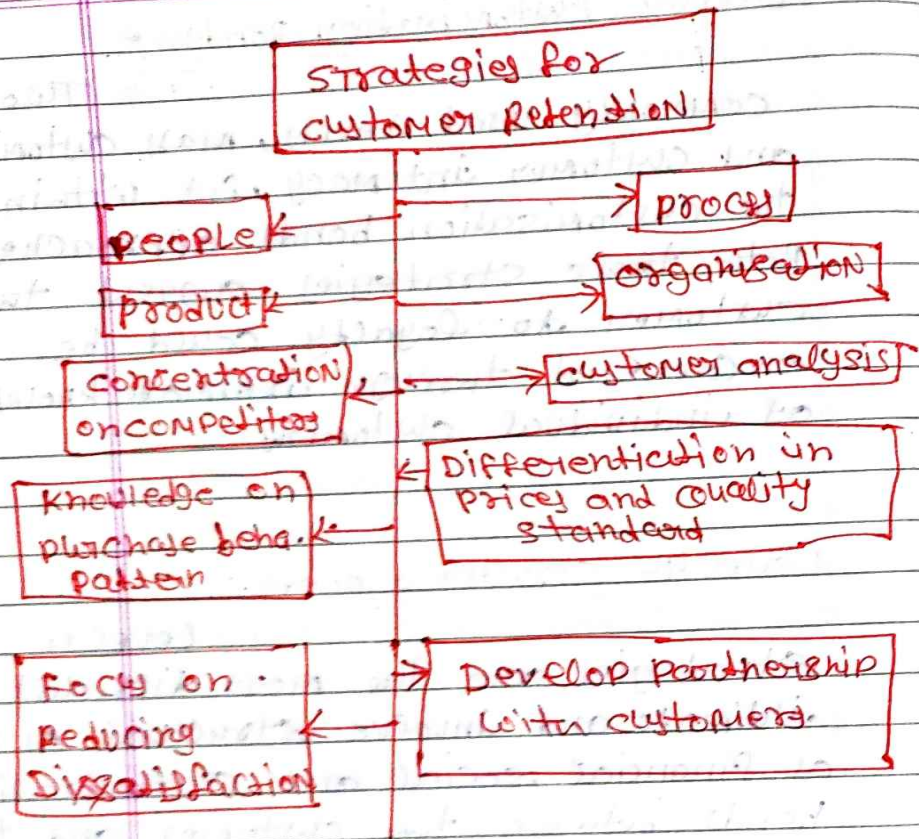
This strategies bonds the customers to the firm more than financial incentives. Customers are viewed as clients rather than mere customers. The clients are the individuals whose wants and needs the firm tries to understand and design the product accordingly.

Level 3. Customisation Bonds

Two commonly used terms, mass customisation and customer intimacy, fit within the customisation bonds approach. Both these strategies suggest that customer loyalty could be encouraged through intimate knowledge of individual customers.

Level 4 - Structural Bonds

Level 4 strategies are the most difficult to intimate and involve structural as well as financial, social and customisation bonds between the customer and the firm. Structural bonds are created by providing services to the client that are frequently designed right into the service delivery system for the client.



1. People: People with the organisation have the basic role in the developing and maintaining relationship with customer.

2. Process: Process involves a logical sequence of activities right from the need identification of potential customers to need

fulfilment. The process has to be derived from the customer's view point.

3. Product: The product offered must constantly provide value addition. The expectations of the customers may always be on the increase due to various reasons.

4. Organisation: In order to build customer relationship an organisation should be aware of the technology advancements and provide quality services in tune with the customer's expectations.

5. Concentration on Competitors: An organisation must focus constant attention on competitors' performance, their strategy and style of operations and compare same with its own performance.

6. Customer analysis: Customer referred to customers consuming the products of the present.

an consuming the products of competitors.

7. Knowledge on purchase behaviour pattern

organisation should have a thorough knowledge of the purchase behaviour pattern of their customers.

8. Differentiation in price and quality standards

An organisation may come forward to offer services or brands of different varieties with price variations to meet a particular need, these or few brands of varied quality and at differentiating price level must be available.

9. Focus on Reducing dissatisfaction:-

All dissatisfaction customers will not come forward to show their displeasure.

10. Develop Partnership between customers:-

This type of partnership understanding may be in the form of buy back arrangement.

Significance of customer retention

1. possibility of repeat business:-

This is probably the most obvious advantage of customer retention. Effective services that lead to customer satisfaction will make the customer coming back to individual again.

2. Reduced costs for customer acquisition

Acquiring a customer has certain associated costs. These include the costs associated with advertisement, following up, sales demos, travel and meeting costs.

3. Fostering Greater interaction between business and customers:-

Today's market are increasingly moving away from mass produced standard products and services

Towards a more customised specific requirement.

4. Having more delighted customers : Effective customers retention strategies allow individual to move from the zone of customers.

⇒ Marketing Environment

Meaning :

Marketing activities of a business firm are affected by a large number of environment factors that surrounds the company. These factors and forces influence the decision making capabilities of the enterprise. The factors or forces are collectively called marketing environment.

DEFINITION :

"Marketing environment refers to external factors and forces that affect the company's ability to develop and maintain

successful relationship with its target customers".

The market environment across India is changing rapidly and business leaders are under increasing pressure to cope with this dynamic Macro - environment.

1. Internal Marketing Environment :

Internal env. refers to factors existing within a marketing firm. The internal factors are generally regarded as controllable factors or elements because of the firm's control over these factors. There are a number of internal forces or which influence the marketing decision - as follows.

Types of Marketing Environment

1. Internal environment controllable elements

1. Top Management

2. Finance and accounting

3. Research and development

4. Manufacturing

5. Purchasing

6. Company image and brand equity

2. External env. uncontrollable elements

Micro env.

1. Suppliers
2. Customers
3. Competitors
4. Market intermediaries
5. Public

Macro env.

1. Demographic env.
2. Economic env.
3. Physical env.
4. Technical env.
5. Social-cult. env.
6. Political and legal env.
7. International env.

1. Top Management :

The organisational structure, the composition of the board of directors, extent of professionalisation of management are important factors influencing business decision.

2. Finance and Accounting :

Finance is concerned with finding and using funds to carry out of the marketing plan. Financial position and capital structure are also important internal environment affecting business performance.

3. Research and development :

The R&D focuses on designing safe and attractive products. R&D and technological capabilities determine's ability to innovate and compete.

4. Manufacturing :

Manufacturing is responsible for producing the designed quality and quantity of products.

5. purchasing :-

purchasing worries about getting supplies and materials purchasing means procurement of goods and services from some external dependor.

6. company image and Brand Equity :-

The image of the company matters while raising finance, forming joint ventures or others alliances, soliciting marketing intermediaries, entering purchase or sales contracts.

External Marketing Environment :-

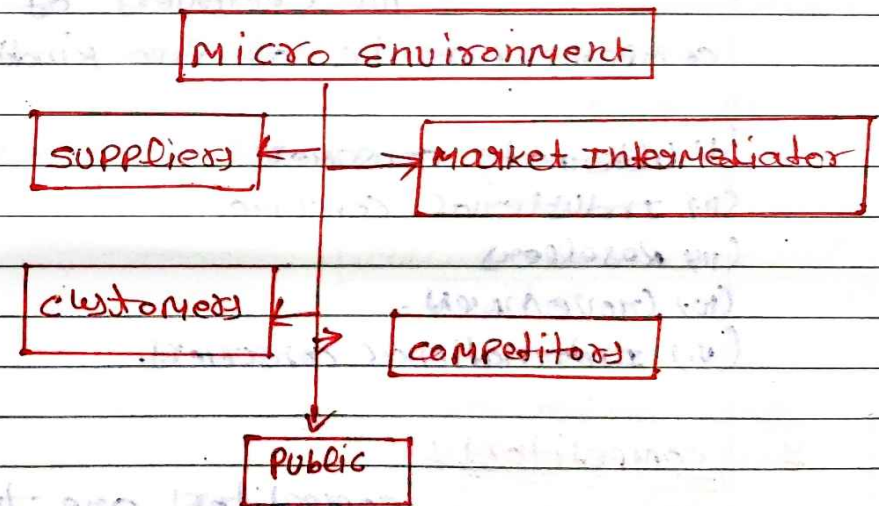
The external marketing environment refers to the factors existing outside the marketing firm. The external or environmental factors such as the economic, socio-cultural factors and legal factors.

Uncontrollable factors are those which are outside

of an organization and affect a marketer's ability to develop and maintain its marketing strategies.

1. Micro Environment :-

Micro environment refers to the company's immediate environment those environment factors that are in its proximity. These factors influence the company's non-capability to produce and serve the market.



1. Suppliers :-

The supplier to a firm can also alter its competitive position and marketing capabilities. These are

raw material suppliers energy suppliers of labour and capital

2. Market Intermediaries:

Normally energy producer has to appoint a number of intermediaries in assisting him in promoting, selling and distribution the goods and services to ultimate consumers.

3. Customers:

The customers of a company may be of five kinds.

- (i) Ultimate consumers
- (ii) Industrial consumer
- (iii) Resellers
- (iv) Government.
- (v.) International consumers.

4. Competitors:

competitors are those who sell the goods and services of the same and similar description in the same market. Apart from competition on price factors there are other forms of

competitors like product differentiation

5. Public:

It is the duty of the company to satisfy the people at large along with its competitors and the consumer. It is necessary for election stay and greater.

Macro Environment:

Macro environment refers to those factors which are not concerned to the immediate environment. These factors are external to the company and are quite uncontrollable.

Macro Environment



1. Demographic Ence.
2. Economic Ence.
3. Physical Ence.
4. Technical Ence.
5. Social cultural Ence.
6. Political & legal Ence.
7. International Ence.

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1. Demographic Environment:-

The first macro-environment force that marketer monitor is population because people make up markets.

2. Economic Environment:-

The economic environment consist of macro-level factors related to the means of production and distribution of wealth that have an impact on the business of an organisation. It is necessary that a marketer examine the following factors in a greater detail.

- (i) GDP and GNP
- (ii) Per capita income of the population
- (iii) Balance of payment position.
- (iv) Consumers buying and financial power.

3. Physical Environments:-

Components of earth's natural renewal forces are resources. Natural renewal forces are forests food products

from agriculture or sea etc.

4. Technological Environment:-

Components of logical environment consists of those factors related to knowledge applied and the materials and machines used in the production of goods and services.

5. Political and legal Environment:-

Development in political and legal field greatly affect the marketing decisions. Sound marketing decision can not be taken without taking into account.

6. Social and cultural Environment:-

Social responsibility concept has crept into marketing literature as an alternative to the marketing concept. The social forces attempt to make the marketing socially responsible.

7.

1. International Environment:-

The international environment is particularly important for industries directly depend on imports or export and import-competing industries.

Process of Marketing Environment

Step: 1 Monitoring the nature of the environment:- It is useful to take a view of the nature of the marketing environment in terms of how uncertain it is. It is relatively static or does it show signs of change and in what ways.

Step: 2 Audit Environment Influences:-

The aim is to identify which of the many different environmental influences have affected the organisation development.

Process of Marketing Environment



1. Monitoring the nature of environment

2. Audit Environment Influences

3. Identify key competitive forces through structural analysis

4. Identify strategic position

5. Identify key opportunities and threats

Step: 3:- Identify key competitive forces through analysis:-

It aims to identify the key forces at work in the immediate or competitive environment

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and why they are significant.

Step 4:- Identify strategic position:-

It is mean to analysis the organisation strategic position i.e. how it stands in relation to three other organisations competing for the same resources or customers. This may be done in numbers of ways:-

- 1.) Competitors analysis
- 2.) Strategic group analysis in terms of strategies they follow.
- 3.) The analysis of market segments and market power.
- 4.) Attractiveness analysis.

Step 5:- Identify Key opportunities and threats

Develop and understanding of opportunities which can be built upon the threats which have to be overcome or circumvented. An understanding which needs to be considered in terms of the resources base of organisation which will contribute to

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strategy choice is very important.

(Marketing Research)

Meaning:-

marketing research is defined as the objective and formal process of systematically obtaining, analysing and interpreting data for actionable decision making in marketing.

The American Marketing Association (AMA) has defined marketing research as the function which links the consumer, customer and public to the marketer through information used to identify and define marketing opportunities.

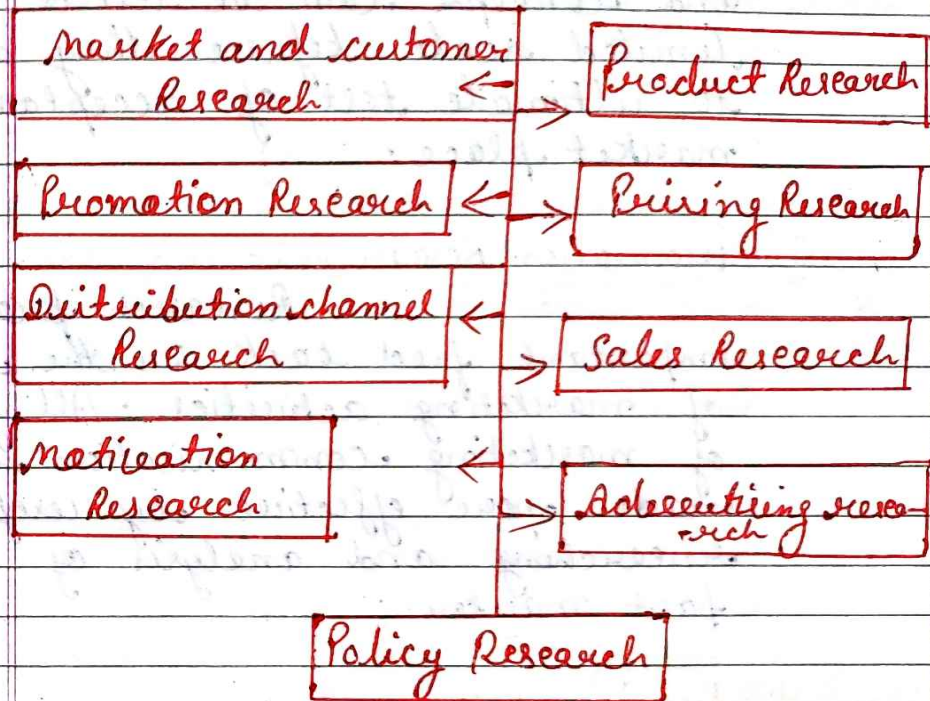
According to Palmer:-

Definition:- Marketing research is about researching the whole of a company's marketing process.

Scope of Marketing Research

Marketing research encompasses all the spheres of marketing right from the idea generation for a new product to after sales services.

Scope of Marketing Research



1.) Product Research:-

Market and customer research looks at the size and structure of a particular market place and the behaviour of buyers or operations within that market. First, business must determine the size and structure of the market place.

2.) Product Research:-

New product ideas and concepts can be tested on a limited scale before they are put to ultimate test of acceptance in market place.

3.) Promotion Research:-

Research provides important feed back on the impact of marketing activities. All forms of marketing communication can be made more effective by useful researching and analysis of the past market.

4.) Pricing Research:-

The acceptability of pricing tends can be researched in a number of ways. Experiments to assess the effect of changes to the price of a product given an indication of the relationship between price and sales.

5.) Distribution channel Research:-

Research can

provide crucial information affecting the physical distribution of goods and services or intangible channel to market such as internet.

6.) Sales Research:-

Sales research covers the problems relating to the sales of products of a given firm. It attempts to find out sales potential to improve the existing level.

7.) Motivation Research:-

Motivation research is qualitative that answers why? ~~by~~ that is, why do people buy or do not buy a particular product? It is not only the ability to pay for but the motives or the attitudes.

8.) Advertising Research:-

Advertisement research is to do with communication mix, the problems involved and the solution possible.

The areas of advertising research are:-

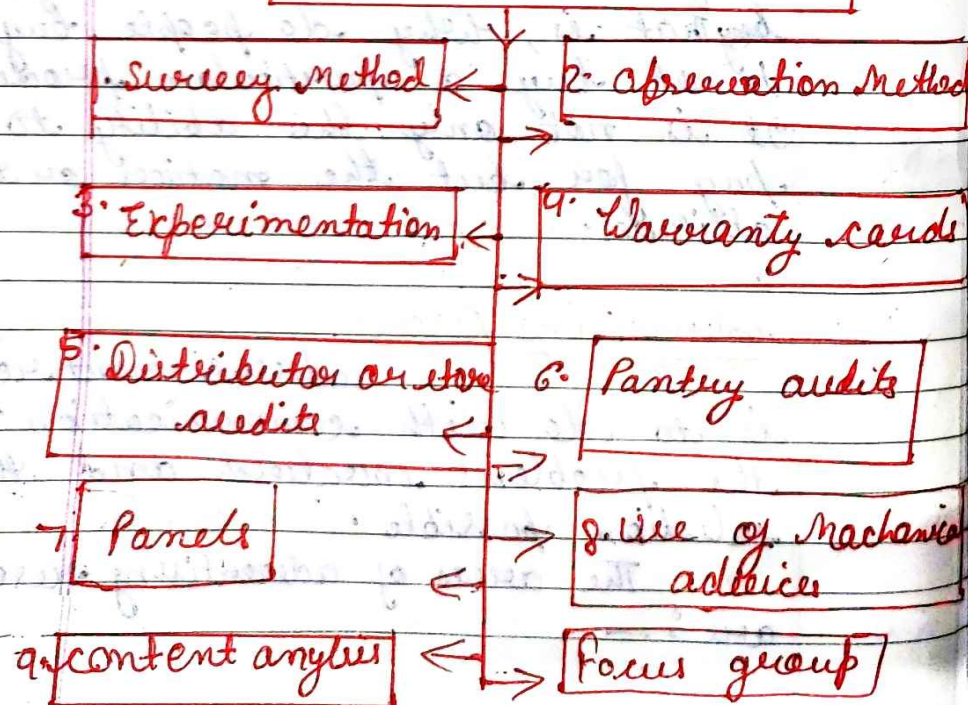
1) Determining the advertising messages and appeals in the limelight of research findings.

(ii) Evaluating and

9) Policy Research:-

Policy research is to do with the study of all the policies in all the areas of an organisation and their past operative effects on marketing vice-versa.

Techniques of Marketing Research



Field Trials

1.) Survey Method:-

It includes direct interaction with respondents. In research survey are most commonly used and most abused means of collecting primary data.

(i) Interview method

(ii) Questionnaire method

2.) Observation Method:-

Observation method is an activity of a person which senses and assimilates the knowledge of the phenomenon or the recording of data using instrument. It can be also referred as datum collected during this activity.

3.) Experimentation:-

Experiment involves manipulating the independent variable to determine how it affects the dependent variable. Experiments

require one or more experimental groups that are exposed to experimental treatment a control group that is not exposed.

4.) Warranty cards:-

Warranty cards are usually postal size cards, which are used by dealers of consumer durable to collect information regarding their products. The information sought is printed in the form of questions on the warranty cards - which is placed inside the package along with product with a request to consumer to fill in the card and post it back to the dealer.

5.) Distributor or store audits:-

~~Pantry~~
Distributor or store audits are performed by distributors as well as manufacturers through their sales men at regular intervals.

6.) Pantry Audits:-

Pantry audit technique is used to estimate consumption of the basket of goods at the consumer level. In this type of audit the investigator collects an inventory of types, quantity and prices of commodities consumed.

7.) Panel:-

This form of data collection method is now a days increasing used for syndicated research. A panel is a group of study unit that exist over time and from which data is collected on a regular interval of time.

8.) Use of mechanical devices:-

Use of mechanical devices has been widely made to collect information by way of indirect means eye camera, pupilometric camera, psychogalvanometer, mostly in the developed world.

9.) Content Analysis :-

Content analysis consist of analyzing the content of documentary material such as books, magazines, newspapers and the contents of all other verbal material which can be either spoken or printed.

10.) Focus Group :-

Focus group studies are generally conducted to evaluate the potential of a new product idea or concept. A focus group comprises several persons, who are led by a trained moderator. Once focus group observation and recommendations are obtained the information is evaluated by the moderator.

11.) Field trials :-

Placing a new product in selected stores to test customer response under real life selling conditions can help individuals with information regarding

product modification, price, adjustments or package improvement. Building rapport with local store owners and web sites can help small business owner test their products.

Process of Marketing Research

1. Identifying and defining research problem

2. Extensive literature survey

3. Formulation of Hypotheses

4. Preparing the research design

5. Determining sample design

6. Collecting the data

7. Execution of the Project

8. Analysis of data

9. Testing of hypothesis

10. Creation and Interpretation

11. Preparation of the report on the ^{thesis}

1. Identifying and defining research problem:-

The initial step in the research process is the identi-

-fication of the problem or opportunity. A research problem refers to some difficulting which a researcher experiences in the context of either a theoretical or conceptual situation and wants a solution for it.

2. Extensive literature survey:-

Once the problem is formulated, the next step is to write down a brief summary. For this the researcher should undertake extensive literature survey connected with the problem.

3. Formulation of hypothesis:-

Now the researcher here should state in clear terms the working hypothesis. Working hypothesis is tentative assumption made in order to draw out and test its logical or empirical consequences.

4. Preparing the research design:-

Researcher design is the conceptual structure with in which research should be conducted. A research design specifies the methods and procedures the conducting a particular study.

5. Determining sample design:-

All the items under consideration in any field of inquiry constitute a 'universe' or 'population'. As a census inquiry.

6. Collecting the data:-

The next step is to determine the sources of data to be used. The researcher has to decide whether he has to collect primary data or depend exclusively on secondary data.

7. Execution of the project:-

The researcher should see that project is executed in a systematic manner and in time. If the survey

is to be conducted by means of structured, questionnaire data can be readily machine processed.

8. Analysis of data:-

After the data have been collected the researcher turns to the task of analysing them. The analysis of data requires of number of closely related operations.

9. Testing of hypothesis:-

After analysing the data the researcher has to test the hypothesis, various tests, such as chi-square test, χ^2 -test, F-test have been developed by statisticians for the purpose.

10. Generalisation and interpretation:-

If a hypothesis is tested and upheld several times, it may be possible for the researcher to arrive at generalisation, to build a theory.

11. Preparation of the Report or the Thesis:-

Report writing need some skill, which can be developed with practice. There should be objectivity, conciseness, clarity in the presentation of report.

Importance of Marketing Research:-

Marketing Research being as the profound tool for marketing planning has key importance.

- 1) Decision-making tool
- 2) Management planning
- 3) Problem solving
- 4) Control technique
- 5) Large scale production
- 6) Complete market
- 7) Pattern of consumption
- 8) Market complex
- 9) Suitable marketing operation
- 10) Pricing
- 11) Marketing strategy
- 12) Distribution
- 13) Sales promotion

Marketing Information Systems:-

Marketing information system is an integrated combination of information, information processing and analysis equipment and tools and information specialist who analyses and interpret the collected information and provide it to decision maker to serve their analysis, planning and control needs.

Component of MTS

1. Marketing Environment

- a) Target market
- b) Suppliers
- c) Competitors
- d) Distributors
- e) Economy
- f) Technology
- g) Government

Internal Marketing Information

Marketing Intelligence system

Marketing System

Analysis and processing of information

Marketing decision making

- 1) Planning
- 2) Execution
- 3) Control

Marketing decision and communication

- 1) Internal Marketing Information
- 2) Marketing Intelligence System
 - a) Unfocused Scanning
 - b) Semi-focused Scanning
 - c) Informal Search
 - d) Formal Search

Importance of MIS:-

- 1) Help understand customer's needs and wants.
- 2) Help assessing needs of customers.
- 3) Capture interaction b/w firms and customers.
- 4) Attracts potential customers
- 5) Helps assessing customer's buying behaviour.

Unit-2

Analyzing consumer market

Introduction to consumer market:-

The term consumer end user, individual buyer and individual user refer to the same, a buyer who buys product and services for end use.

In economics, market is used in a wide perspective.

Specifically Definitions

According to prof. R. Chapman, "The term market refers not necessarily to a place but always to a commodity and the buyers and sellers who are in direct competition with one another."

Analysis of consumer market involves understanding consumer buying behaviour consumer roles, factors influencing consumer behaviour and other psychic processes take place into consumer's mind.

characteristics of consumer market



1) Largest numbers of buyers and sellers



2) Wide variety of heterogeneous products

3) Small size of each individual purchase

4) Wide Geographic Dispersions

5) Channels of distribution

6) Communication media

7) Transaction items

Consumer & buying behaviour

Meanings of consumer buying behaviour :-

Consumer behaviour is the study of when, why, how and where people do or do not buy a product. It blends elements from psychology, social and economics. It attempts to understand the buyer decision-making process, both individually and in groups.

Definition of studying consumer behaviour for marketer :-

1. Production policies :-

The study of consumer behaviour affects production policies of the enterprise. Consumer behaviour affects decisions the habits, tastes and preferences of consumers and such discovery enables and enterprise to plan and develop its product.

2. Price policies :-

The buyer behaviour

is equally important having price policies.

Importance of studying consumer behaviour for marketers

↓
1. Production policies

↓
2. Price policies

↓
3. Decision Regarding channels of distribution

↓
4. Exploiting marketing opportunities

↓
5. Implementing the marketing concept

The buyer of some products purchase only because particular articles are cheaper than the competitive articles available in the market.

3. Decision regarding channels of distribution :-

The goods, which are sold and purchased solely on the basis of low price, must have cheap and economical distribution channels.

4. Exploiting marketing opportunities

A study of consumer behaviour helps the marketers to understand the consumers needs, aspiration, expectation, problem etc.

5. Implementing the marketing concept :-

They call for studying the consumer behaviour, as customers needs have to be given priority.

Factors Influencing consumer behaviour:

Consumer do not make their decision in a vacuum. A consumer buying behaviour is influenced by cultural, social, psychological factors.

1) Cultural factors

- (a) cultural.
- (b) subcultural.
- (c) social class.

2) Social factors

- (a) Reference group.
- (b) Family.
- (c) Role and status.

3) Personal factors

- (a) Age and stage in life cycle.
- (b) occupation and economic circumstances.
- (c) life style.
- (d) personality.

4) Psychological factors

- (a) Motivation.
- (b) Perception.
- (c) Learning.
- (d) Beliefs.
- (e) Attitudes.

Consumer buying process

1. Problem Recognition

2. pre-purchase information search

3. Evaluation of alternatives

4. Purchase decision

5. Post purchase Behaviour

Consumer purchase decision making process

Decision-making is a process of selecting an appropriate option from two or more alternatives. A customer enjoys the freedom of choosing a particular brand or product when there is more than one brand or product to choose from.

1. Problem Recognition:

The buying process starts when the buyer recognizes a problem or need. The need can be

triggered by internal stimuli. They can develop marketing strategies that trigger consumer interest.

2. Pre-purchase information search:-

An aroused consumer will be inclined to search for more information. One can distinguish between two levels of arousal. At the next level the person may enter active information search.

3. Evaluation of alternatives:-

There is no single evaluation process used by all consumers or by one consumer in all buying situations. They see the consumer as forming judgement largely on a conscious and rational basis.

(a) Evaluative criteria

(b) Beliefs

(c) Attitudes

(d) Intentions

4. Purchase Decision:-

In the evaluation stage, the consumer forms preferences among the brands in the choice. The consumer may also form an intention to buy the most preferred brand. However, there is an inference between the purchase intention and the purchase decision.

5. Post-purchase behaviour:-

What determines whether the buyers will be highly satisfied, somewhat satisfied or dissatisfied with a purchase.

Analysing Business Markets

The business market consists of all the individuals or organisations who acquire goods and services that enter into the production of other products or services that are sold, rented or supplied to others.

Definition:-

According to Philip Kotler "The industrial market consists of all the organisations that acquire goods and services that are sold, rented or supplied to others."

Characteristics of Business Market

1. Geographical Concentration

2. Fewer, Larger buyers

3. Vertical or Horizontal Market

4. Derived Demand

5. Inelastic Demand

6. Fluctuating demand

7. Group involvement

8. Professional Technical Knowledge

Type of Business Market

1.) Producer.

2.) Reseller.

1) Wholesaler

1) Retailer

3.) Organisations

1) Government

1) Non-profit organisations

Business Buying Process

The buying decision in a firm are not taken by individuals but by the group of individuals therefore organisational buying decision process deals a lot from the consumer buying decision process.

Business Buying Process

Problem Recognition

General need description

Product Specification

Supplier Search

Proposal solicitation

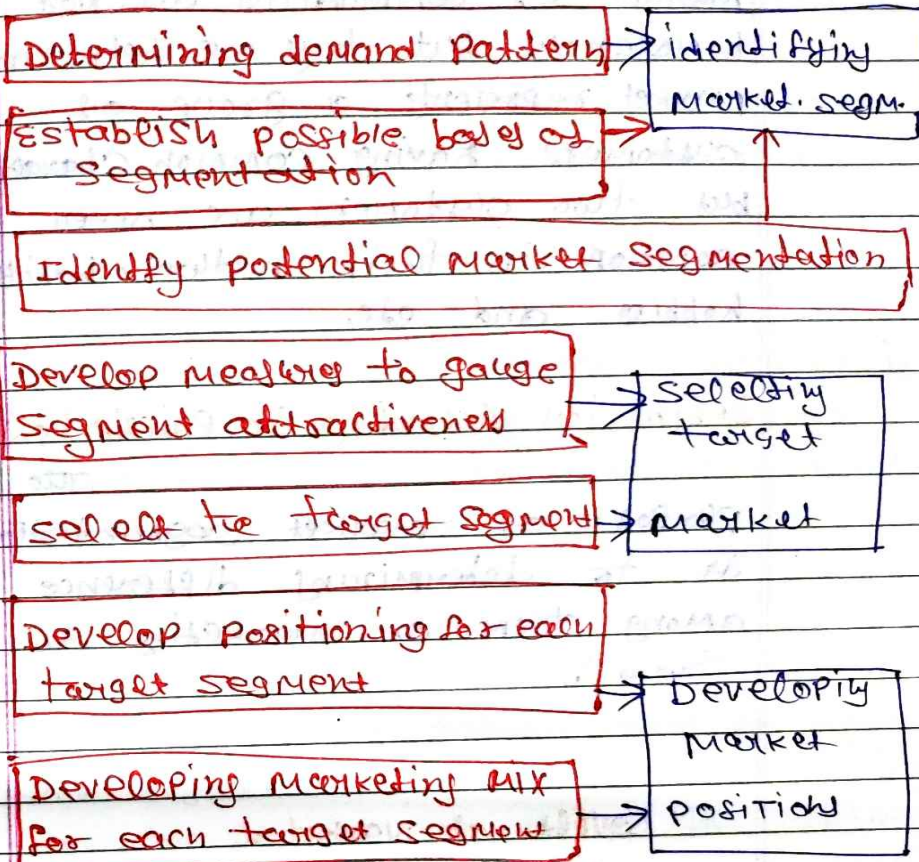
Purchase decision selection

Post purchase evaluation

Target Marketing STP approach

It is the responsibility of the marketer to create awareness of their products amongst the consumer. It is essential for the individual to be aware of the particular product and services offered to them.

A product cannot satisfy the needs of all consumer groups, this company often develop different marketing strategies to satisfy different consumer segment needs. The process is known as target marketing. Often abbreviated as STP - Segmentation, Targeting and positioning and involve the following steps:



Steps in target marketing

1. Identifying market segments.
2. selecting target market.
3. Developing market position.

Market Segmentation:

The concept of market segment is based on the fact that the

Market of commodities are not homogenous but they are heterogeneous. Market represents a group of customers having common characteristics but two customers are never common in their nature, habits, hobbies and etc.

Definition According to Phillip Kotler

The purpose of market segmentation is to determine difference among them or marketing to them.

Levels of market Segmentation :-

1. Segment Marketing :-

A market segment is a large identifiable group within a market with similar wants, purchasing power, geographical location, buying attitudes.

2. Niche Marketing :-

A niche is a more

typically a small market whose needs are not well searched. Marketers usually identify niche by dividing a segment into sub segment or by defining a group.

3. Local Marketing :-

Target marketing is leading to marketing being tailored to the needs and wants of local customer group.

4. Individual Marketing :-

The ultimate level of segmentation lead to segments to segmentation. Customised marketing or one to one marketing. For centuries consumers were as individual the tailor made the suit and the cobbler designed shoes for the individual.

Basis for Market Segmentation :-

Consumer market can be segmented into various segments by using different basis. Basis of consumer market segmentation can be broadly divided into four broadly are as follows.

- Page: _____
1. Geographical segmentation.
 2. Demographic segmentation.
 3. Psychographic segmentation.
 4. Behaviour segmentation.

Requirement of Sound Market Seg:

1. Measurable:

The size of segment can be measured. There are auto mobile buyers who want high performance, styling, status and luxury model.

2. Substantial:

It is the degree to which the proposed segments are large from consumer demand and profitable to the marketer.

3. Accessible:

It is the degree to which the proposed seg. can be effectively reached and served.

4. Differentiable:

Each segment of the market should be different from others in terms of its needs and wants. Each segment requires different marketing

strategies because it respond to different strategies.

5. Actionable:

A segmentation should help marketers develop effective marketing programmes to attract and serve potential customer effectively.

Benefits of market segmentation.

1. Adjustment of product and marketing appeals.
2. Better position to spot marketing opportunities.
3. Allocation - market budget.
4. Fighting competition effectively.
5. Benefits to the consumers.
6. Higher market share.
7. Targeted marketing.
8. Minimizing aggregation risk.

Targeting The Market:

Market Segmentation reveals the firm's market segment opportunities. The firm now has to evaluate the various segments and decide how many and which one to target.

Market targeting is a broad term that is used to describe the process of identifying groups of consumers who are highly likely to purchase a specific good or service. There are several different approaches to this process, with some of them allowing for a broad cultivation of a market.

Market targeting differs from target marketing in that a product is already established and decisions must be made as to which market is most appropriate for it. In target marketing a company finds a market it wants to serve and then develops a product appropriate for that market.

Evaluating Market Segments to target.

While evaluating market segments in which few are to be targeted by firm, a firm must first evaluate the potential of the segment

and also its own ability to target.

In evaluating different market segments a firm must look at three major factors.

1) Segment Size and Growth:

Estimating segment potential is a essentially a forecasting task requiring one or more of the forecasting techniques. The sum of the estimates for each segment should be equal to the estimate for the entire product market as shown:

$$MP = \sum_{i=1}^n SP_i$$

Where

MP - Market-Potential for the product market.
 SP_i = segment potential in the ith seg-
 n = number of segments formed for the.

2) Segment Structural Attractiveness:

Company also needs to examine major structural factors that affect long-run segment attractiveness. A segment may be less attractive if it contains powerful suppliers who can control prices or

reduce the quality or quantity of ordered goods and services.

3.) Company objects and services ⇒

If a segment has right size and growth and is structurally attractive the company must consider its own objectives and resources in relation to that segment.

Selection of target market: Targeting ⇒ ⇒ strategies ⇒

After evaluating different segments the company must now decide which and how many segments to serve. This is the problem of target market selection.

Alternative segments targeting strategies or types can be classified into two parts:-

1. Limited coverage market targeting
2. Full market coverage targeting.

Limited Market Coverage Targeting ⇒

When only one or few segments are selected as market targets it is called limited coverage market segmentation. This strategy requires fewer resources and therefore is effective for small companies or in the introduction stage of a company trying to compete against the giants of the industry.

Limited coverage - market targeting takes any of the following forms:-

(1) Single-segment concentration ⇒

Company may select a single segment. Through concentrated marketing the firm gains a strong knowledge of the segment needs and achieves a strong market.

2. Selective specialisation ⇒

Here the firm selects a number of segments objectively attractive and appropriate. There may be two segments, but each segment promises to be a money-maker.

Product Differentiation

Product differentiation is an attempt to match the demand with the supply conditions. That means, the manufacture can exercise control over demand, price. Product may be differentiated by colours, size, shape and brand name. Some economist view a product may be differentiated if it is perceived by some buyers to similar priced rival brands on the ground of difference in the following:

- Physical aspects of the product.
- Services offered.
- Convenience in using or buying the product.
- Image projected.

It is a question of adjusting product and market efforts to the need of the consumers.

It means the marketing organisation tailors its offering to fit the carefully defined need of specific group.

Product Positioning

Product positioning represents the activities taken by a marketer to create an image of his product in the minds of customers. The term 'positioning' indicates the place, the brand or product occupies in a given market. Operationally it refers to a certain mental perception of the offerings. One brand may be considered better depends upon the perception of consumers that determines their respective positions. Positioning is a conscious attempt on the part of the marketer to accentuate his natural tendency and in the process, impart a distinct identity to his own brand to make it stand out among the competitors.

Marketing Research

The systematic gathering, recording and analysing of data about problems relating to the marketing of goods and services. Such research may be undertaken by impartial agencies or by business firms or their agencies for the solution of their marketing problems and the inclusive term which embraces all research activities carried on in connection with the management of marketing research.

Marketing research should be:

- ① Systematically carried out.
- ② Considered as one involving a series of steps or a process.
- ③ Based on data made available from different sources.

It is a systematic, objective and exhaustive search by and study of the facts relevant to any problem.

Marketing Research Process

Marketing research is a scientific and systematic exercise consisting of the following steps:

- 1) Define the problem and Research objectives.
- 2) Decision on fact gathering procedure.
- 3) Data Collection.
- 4) The marketing Sample.
- 5) Data Evaluation.
- 6) Interpreting the Data.
- 7) Report Preparation.
- 8) Executive Report.
- 9) Technical Report.

Elements of Marketing Research

- ① Market Research.
- ② Sales Research.
- ③ Product Research.
- ④ Packaging Research.
- ⑤ Advertising Research.
- ⑥ Export Marketing Research.

Marketing Information System

It is a structural, interacting complex of persons, machines and procedures designed to generate an orderly flow of continuous information, collected from both internal and external firm sources, for use as the basis for decision-making in specific responsibility areas of marketing management. Marketing management system is a part of management information system.

Types of Marketing Information System

Basically, there are three kinds of system which are adopted for this purpose:

- ① Marketing Control System.
- ② Marketing Planning System.
- ③ Marketing Research System.

Product

Product is the key element of marketing programme. According to Philip Kotler, "A product is anything that can be offered to a market for attention, use or consumption and that might satisfy a want or need. It includes physical objects, services, persons, place and idea."

Product Objectives and Strategies

Product objectives should be derived from marketing objectives which in turn originate from corporate objectives. The corporate objective invariably aims at growth and is usually measured by sales income. One major management aspect involved in product policy is the decision concerning product mix. It is also an element in the product policy.

Product Line

Product line refers to a group of products that are closely related because they satisfy a class of need.

1. Product Modification

It can be defined as a deliberate alteration in the physical attributes of product.

2. Product Elimination

The profitable alternative would be to withdraw the product.

3. Product line contraction

The decision to reduce the product items might be due to the purposeful act of the management to suspend the production.

4. Product line Expansion

It is to utilise the marketing opportunities a firm may have to expand breadth and depth of its product line.

Branding Decisions

Philip Kotler has listed various questions to be considered for marketing brand decisions.

1. Branding Decision

Today there is hardly any product that goes unbranded. Generics or unbranded products that are plainly packed are relatively less expensive - almost 20% - 30% less than branded products.

2. Brand Sponsor Decision

The brand can be sponsored by the manufacture such as HMT, Godrej, Tata, Sony etc.

3. Brand Name Decision

The manufacture gives different names to each of their offering. For example, Hindustan Lever Limited has policy of giving name to each its product.

Packaging

The major purpose of any package is to influence control of the location of product storage within the marketing channels.

This function is closely linked with the labelling also. The various functions of packages are:

- ① Protecting the product.
- ② Promoting the product.
- ③ Facilitating the use of product

Packing plays a unique role of object and tool in the selling process.

Packaging Decisions

When a manufacture wants to decide about the packaging of any product, he has following points:

- ① Package Design Decision.
- ② Package Size Decision.
- ③ Package Cost Decision.
- ④ Package Test.
- ⑤ Packaging Criteria.

LABELLING

It is defined as a part of a product which carries a verbal information about the product of the seller. According to Mason and Rath, "The label is an information tag, wrapper or seal attached to a product or product's package."

Functions of Labelling

- ① It gives definitions to the product and therefore, the identification of a product is easy.
- ② It stresses the standard and other special features of the product.
- ③ It enables the manufacture to give clear instructions to the consumer.
- ④ Price is recorded, registered and maintained.
- ⑤ It encourages to produce only standardised and quality product.

Product Life - Cycle

This life cycle of product has four stages:

1. Introduction Stage

Under this stage, competition is almost non-existent, prices are relatively high, markets are limited.

2. Growth Stage

In this stage, the demand expands rapidly, price falls, competition increases, and distribution is greatly widened.

3. Maturity Stage

Under this stage profits come down because of stiff competition, and marketing expenditures etc.

4. Decline Stage

In this stage the product's promotion has to be cut down drastically.

New Product Development

Product development is very important for the enterprise.

According to Chester R. Wasson

"It is difficult to determine any product as new because of high power of imaginations for the prospective buyers and a successful demonstration in the sellers are most necessary for such determination."

Development of new product means to find out whether the new concept can be implemented in practice or not from technical.

Process of NPD

The process consists six steps:

- ① Generation of New Product Ideas.
- ② Screening of Ideas.
- ③ Business Analysis.
- ④ Product Development.
- ⑤ Test Marketing.
- ⑥ Commercialisation of the Product.

Pricing Decisions

Price represents the money which the buyers pay to the sellers for a product. A seller prices a combination of the physical product plus several other services and benefits along with the product including warranty promise, repair facilities, package etc.

Objectives of Pricing

- 1 Return on Investment.
- 2 Market Share.
- 3 Meeting Competition.
- 4 Profit.

Kinds of Pricing Decision

- 1 Odd Pricing.
- 2 Customary Pricing.
- 3 Price Limiting.
- 4 Dual Pricing.
- 5 Monopoly Pricing.

Marketing Channel

A channel of distribution is a group of individuals and organisations that direct the flow of product from producers to customers. According to Philip Kotler, "Marketing channels can be viewed as set of interdependent organisations involved in the process of making product or service available for use."

Retailers

It can be defined as "the sale of goods in small quantities to ultimate consumers." The word retailer is of French origin, meaning 'to cut again'. Retail trade is one that cuts off smaller (products) portions lots are cut and distributed through retailers.

Wholesaling

Wholesaling occupy a predominant position in the channels of distribution. This more so in a widespread economy, where the wholesaling function is vital importance. They assemble merchandise from many sources, warehouse it, and regroup the goods for convenient buying by retailers, and they are often in a position to provide local market information.

Physical Distribution

Physical distribution strategy is concerned with good and services is an important distribution strategy of any firm. It is concerned with the actual storage of product after their production and before their consumption and

also their transportation to the consumers. According to Phillip Kotler, "Physical distribution involves planning, and controlling the physical flow of materials and final goods from points of origin to point of use to meet customer needs at a profit."

Warehousing

A warehouse is a place where surplus can be kept safely for future use. Modern warehouses are equipped with latest equipments and facilities for the safety of goods from theft, sun, moisture, rats etc. Warehousing has removed the obstacle of time in the smooth flow of trade. It helps in storage of goods until they are demanded for further use or sale.

Supply Chain Management Concept

Supply chain management is concerned with the management of physical distribution of materials, parts and finished inventory from suppliers through the firm and on to customers. It has always been a central and essential feature of all economic activities. Supply chain management deals with all activities that facilitate product flow from the point of raw material to the point of final product.

It is based on a total system view of material and goods flow activity from the source of supply through the final point of consumption.

Concept of Customer Relationship Marketing (CRM)

Consumer relationship are the lifeblood of every good company. Relationship between a company and their customers, distributors, employees are vital to continued, sustained growth and stability. Loyal relationship with these valued individuals made a strong base for companies.

Therefore, companies focus on customers relationship marketing. It is essential for companies to develop a good relationship program that takes into consideration both customer relationship marketing. Every customer want to heard, and they will reward companies who show interest in building strong client relationships.

Following steps may be taken for relationship marketing :

- ① Identify the key customers describing relationship marketing.

- Page: _____
- ② Assign a skilled relationship manager to each key customer.
 - ③ Develop a clear job description for relationship managers.

Brand Loyalty - The Basic for CRM

CRM demands that we should consider the price for brand versus the benefits of brand building. The goal of CRM is to win and keep loyal customers. The goal is not only to attract the customers. It is to attract and retain customer loyalty. Customer relationship marketer must perform the following activities to develop customer loyalty:

- ① Know the value of your customers.
- ② Get the marketing mix right.
- ③ Sell on quality not on price.
- ④ Recognize the reward CRM.
- ⑤ Focus on brand loyalty.

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Promotion Mix

Promotion is basically a communication process. Without proper flow of information and effective communication from the producer to the customers either along with the product or well in advance of the information of the product in the market, no sale is possible today. The various communication mix elements designed for this purpose are also referred to as "Communication Mix." Promotion Mix refers to the combination of various promotional tools used by a business firm to create, maintain and increase demand. It involves an appropriate integration of advertising, personal selling, sales promotion and publicity. Various activities come into vogue. All these activities are known as 'Promotional Activities'.

{Kinds of Promotion}

1. {Informative Promotion}

Information promotion is more prevalent during early stages of product life cycle. It is a necessary ingredient for creating primary demand.

2. {Persuasive Promotion}

The basic purpose of promotion is to persuade people to buy. Many do not accept this goal. As it involves high-pressure selling.

3. {Reminder Promotion}

This goal is adopted when the product reaches maturity stage. Insisting and emphasising brand names.

4. {Buyer Behaviour Modification}

The effect of promotion is measured through the modification in consumer behaviour.

{Personal Selling}

Personal selling is a marketing process with which customers are personally persuaded to buy goods and services by a salesperson. According to Pederson and Wright, "Salesmanship is the process whereby the seller ascertains and activates the needs or wants of the buyer and satisfies the needs or wants to mutual continuous advantage of both the buyer and seller."

{Features of Personal Selling}

From the above discussion, we can derive the following basic features of salesmanship.

- ① It involves persuasion of customers.
- ② Salesmanship involves winning buyer's confidence.

- ③ It involves providing information.
④ It aims at mutual benefit.

Kinds of Salesmanship

There are two types of salesmanship:

1. Creative Salesmanship

Whatever salesmanship requires creative thinking, imagination and resourcefulness, it takes the form of creative salesmanship. Creating new markets for an old product or a market for a new product requires creative relationship.

2. Competitive Salesmanship

Consequent upon the changes in production and the appearance of substitutes in the market, creative relationship is very often replaced by competitive salesmanship.

Advertising

Advertising is used for communicating business information to the present and prospective customers. It usually provides information about the advertising firm, its product qualities, place of availability of its products, etc.

It is more important for the sellers. The American Marketing Association has defined advertising as, "Any paid form of non-personal presentation and promotion of goods, services or ideas by an identified sponsor."

Features of Advertising

Following are the features of advertising:

- ① It is a paid form of communication.
- ② It is a non-personal presentation of message.
- ③ Advertisement is issued by an identified sponsor.

Sales Promotion

Sales promotion is an important method of promotion which has been developed in recent years to supplement and coordinate personal selling and advertising efforts.

According to American Marketing Association, "Sales promotion includes those marketing activities, other than personal selling, advertising and publicity. It stimulate consumer purchasing and dealer effectiveness, such as displays."

Function of SP

Followings are the functions of sales promotion:

- ① Low Unit Cost.
- ② Effective Sales Support.
- ③ Increased Speed of Product Acceptance.
- ④ Better Control.

Publicity

Publicity is an effort to make available certain information to the public. According to Association of Teachers of marketing and Advertising of America, 'Publicity' is 'any form of non-personal presentation of goods, service or ideas to a group, such presentation may be or may not sponsored only by the one responsible for it and it may or may not be paid for'. Publicity are having such similarities in regard of advertising:

- ① They convey the information regarding product, service.
- ② They present the information to the audiences impersonally.
- ③ All Advertising is publicity but all publicity is not advertising.