LECTURE NOTES ON MARKETING MANAGEMENT

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UNIT -I

Marketing Management- Introduction, objectives, Scope and Importance

In today's world of marketing, everywhere you go you are being marketed to in one form or another. Marketing is with you each second of your walking life. From morning to night you are exposed to thousands of marketing messages every day. Marketing is something that affects you even though you may not necessarily be conscious of it. After reading this post you'll understand – What exactly the marketing is, to whom it is beneficial for, and what are the nature and scope of marketing.

Definition of Marketing

According to American Marketing Association (2004) – "Marketing is an organisational function and set of processes for creating, communicating and delivering value to customers and for managing relationships in a way that benefits both the organisation and the stakeholder." AMA (1960) – "Marketing is the performance of business activities that direct the flow of goods and services from producer to consumer or user."

According to Eldridge (1970) – "Marketing is the combination of activities designed to produce profit through ascertaining, creating, stimulating, and satisfying the needs and/or wants of a selected segment of the market." According to Kotler (2000) – "A societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others."

Nature of Marketing

1. Marketing is an Economic Function Marketing embraces all the business activities involved in getting goods and services, from the hands of producers into the hands of final consumers. The business steps through which goods progress on their way to final consumers is the concern of marketing.

2. Marketing is a Legal Process by which Ownership Transfers In the process of marketing the ownership of goods transfers from seller to the purchaser or from producer to the end user.

3. Marketing is a System of Interacting Business Activities Marketing is that process through which a business enterprise, institution, or organization interacts with the customers and stakeholders with the objective to earn profit, satisfy customers, and manage relationship. It is the performance of business activities that direct the flow of goods and services from producer to consumer or user.

4. Marketing is a Managerial function According to managerial or systems approach – "Marketing is the combination of activities designed to produce profit through ascertaining, creating, stimulating, and satisfying the needs and/or wants of a selected segment of the market." According to this approach the emphasis is on how the individual organization processes marketing and develops the strategic dimensions of marketing activities.

5. Marketing is a social process Marketing is the delivery of a standard of living to society. According to Cunningham and Cunningham (1981) societal marketing performs three essential functions:- Knowing and understanding the consumer's changing needs and wants;

- efficiently and effectively managing the supply and demand of products and services; and
- Efficient provision of distribution and payment processing systems.

6. Marketing is a philosophy based on consumer orientation and satisfaction

7. Marketing had dual objectives – profit making and consumer satisfaction

Scope of Marketing

1. Study of Consumer

Wants and Needs Goods are produced to satisfy consumer wants. Therefore study is done to identify consumer needs and wants. These needs and wants motivates consumer to purchase.

2. Study of Consumer behavior

A marketer performs study of consumer behavior. Analysis of buyer behavior helps marketer in market segmentation and targeting.

3. Production planning and development

Product planning and development starts with the generation of product idea and ends with the product development and commercialization. Product planning includes everything from branding and packaging to product line expansion and contraction.

4. Pricing Policies Marketer has to determine pricing policies for their products. Pricing policies differs from product to product. It depends on the level of competition, product life cycle, marketing goals and objectives, etc.

5. Distribution

Study of distribution channel is important in marketing. For maximum sales and profit goods are required to be distributed to the maximum consumers at minimum cost.

6. Promotion

Promotion includes personal selling, sales promotion, and advertising. Right promotion mix is crucial in accomplishment of marketing goals.

7. Consumer Satisfaction

The product or service offered must satisfy consumer. Consumer satisfaction is the major objective of marketing.

8. Marketing Control Marketing audit is done to control the marketing activities.

Marketing Management: objectives and Importance The basic purpose of marketing management is to achieve the objectives of the business. A business aims at earning reasonable profits by satisfying the needs of customers. Objectives of marketing management as follows:

1. **Creation of Demand**

The marketing management's first objective is to create demand through various means. A conscious attempt is made to find out the preferences and tastes of the consumers. Goods and services are produced to satisfy the needs of the customers. Demand is also created by informing the customers the utility of various goods and services.

2**. Customer Satisfaction**

The marketing manager must study the demands of customers before offering them any goods or services. Selling the goods or services is not that important as the satisfaction of the customers' needs. Modern marketing is customer- oriented. It begins and ends with the customer.

3. Market Share

Every business aims at increasing its market share, i.e., the ratio of its sales to the total sales in the economy. For instance, both Pepsi and Coke compete with each other to increase their market share. For this, they have adopted innovative advertising, innovative packaging, sales promotion activities, etc.

4. Generation of Profits

The marketing department is the only department which generates revenue for the business. Sufficient profits must be earned as a result of sale of want-satisfying products. If the firm is not earning profits, it will not be able to survive in the market. Moreover, profits are also needed for the growth and diversification of the firm.

5. Creation of Goodwill and Public Image

To build up the public image of a firm over a period is another objective of marketing. The marketing department provides quality products to customers at reasonable prices and thus creates its impact on the customers. The marketing manager attempts to raise the goodwill of the business by initiating image building activities such a sales promotion, publicity and advertisement, high quality, reasonable price, convenient distribution outlets, etc.

7 Major Importance of Marketing Management

(1) Marketing Helps in Transfer, Exchange and Movement of Goods

Marketing is very helpful in transfer, exchange and movement of goods. Goods and services are made available to customers through various intermediaries' viz., wholesalers and retailers etc. Marketing is helpful to both producers and consumers. To the former, it tells about the specific needs and preferences of consumers and to the latter about the products that manufacturers can offer. According to Prof. Haney Hansen "Marketing involves the design of the products acceptable to the consumers and the conduct of those activities which facilitate the transfer of ownership between seller and buyer."

(2) Marketing Is Helpful In Raising and Maintaining

The Standard Of Living Of The Community Marketing is above all the giving of a standard of living to the community. Paul Mazur states, "Marketing is the delivery of standard of living". Professor Malcolm McNair has further added that "Marketing is the creation and delivery of standard of living to the society". By making available the uninterrupted supply of goods and services to consumers at a reasonable price, marketing has played an important role in raising and maintaining living standards of the community. Community comprises of three classes of people i.e., rich, middle and poor. Everything which is used by these different classes of people is supplied by marketing. In the modern times, with the emergence of latest marketing techniques even the poorer sections of society have attained a reasonable level of living standard. This is basically due to large scale production and lesser prices of commodities and services. Marketing has infact, revolutionised and modernised the living standard of people in modern times.

(3) Marketing Creates Employment

Marketing is complex mechanism involving many people in one form or the other. The major marketing functions are buying, selling, financing, transport, warehousing, risk bearing and standardization, etc. In each such function different activities are performed by a large number of individuals and bodies. Thus, marketing gives employment to many people. It is estimated that about 40% of total population is directly or indirectly dependent upon marketing. In the modern era of large scale production and industrialization, role of marketing has widened. This enlarged role of marketing has created many employment opportunities for people. Converse, Huegy and Mitchell have rightly pointed out that "In order to have continuous production, there must be continuous marketing, only then employment can be sustained and high level of business activity can be continued".

(4) Marketing as a Source of Income and Revenue

The performance of marketing function is all important, because it is the only way through which the concern could generate revenue or income and bring in profits. Buskirk has pointed out that, "Any activity connected with obtaining income is a marketing action. It is all too easy for the accountant, engineer, etc., to operate under the broad assumption that the Company will realise many dollars in total sales volume. However, someone must actually go into the market place and obtain dollars from society in order to sustain the activities of the company, because without these funds the organization will perish." Marketing does provide many opportunities to earn profits in the process of buying and selling the goods, by creating time, place and possession utilities. This income and profit are reinvested in the concern, thereby earning more profits in future. Marketing should be given the greatest importance, since the very survival of the firm depends on the effectiveness of the marketing function.

(5) Marketing Acts as a Basis for Making Decisions

A businessman is confronted with many problems in the form of what, how, when, how much and for whom to produce? In the past problems was less on account of local markets. There was a direct link between producer and consumer. In modern times marketing has become a very complex and tedious task. Marketing has emerged as new specialized activity along with production. As a result, producers are depending largely on the mechanism of marketing, to decide what to produce and sell. With the help of marketing techniques a producer can regulate his production accordingly.

(6) Marketing Acts as a Source of New Ideas

The concept of marketing is a dynamic concept. It has changed altogether with the passage of time. Such changes have far reaching effects on production and distribution. With the rapid change in tastes and preference of people, marketing has to come up with the same. Marketing as an instrument of measurement, gives scope for understanding this new demand pattern and thereby produce and make available the goods accordingly.

(7) Marketing Is Helpful In Development Of An Economy

Adam Smith has remarked that "nothing happens in our country until somebody sells something". Marketing is the kingpin that sets the economy revolving. The marketing organization, more scientifically organized, makes the economy strong and stable, the lesser the stress on the marketing function, the weaker will be the economy.

Types of Market

The types of market you are in determine the type of business strategy you need to have. Strategies for consumer markets are completely different from that of industrial markets. Industrial markets deal in bulk product selling whereas consumer products generally involve breaking the bulk. Costing and marketing is a critical function for both types of markets. Furthermore, with the rise of globalization, companies have themselves gone global and thus their marketing strategies have adapted accordingly. There are several factors which **are added to normal business strategies when you are considering going global. And last but not the least, the Government and Institutional business which are the real revenue generators because of their huge orders. Lets discuss each of these type of markets one by one.**

Types of market

(1) Consumer Markets

As the name suggests, the consumer market involves marketing of consumer goods such as Television, Refrigerator, Air conditioners etc. As awareness and knowledge of consumers rises, marketing of consumer goods gets tougher. Today a lot of focus has shifted to consumer goods marketing because a consumer has a lot of choices. The brand loyalty is at its lowest and the worst fear a brand can face now is a high rate of brand defection. Along with the branding part, the costing part too needs to be considered in the consumer market. The cost of operations is too high with various departments and specialties coming together to form a consumer goods companies. There is inventory management, logistics, manufacturing, promotions, strategies and whatnot. The presence of a tangible product increases the importance of proper planning without which a consumer goods company is sure to fail. Consumer durable market is characterized by the presence of high competition, penetration pricing, dynamics of channel management and finally a high expense on manufacturing and distribution.

(2) Business Markets

Similar to consumer markets, nowadays even the organizational buyer has numerous options in his kitty. Just at the number of software and hardware services providers in the Market. For software there's IBM, Accenture, Oracle and several other top brands. For hardware there's Microsoft, Dell, and others. The competition is increasing. Furthermore, the organizational buyer will think 4–5 times before purchasing a product because of the cost involved. An order for computers for a multinational company's office will probably go in crores. Because of the cost involved, Organizational buyers make it a point to be much more knowledgeable than any average customer. Organizational buyers have a group of dedicated people who form the "Purchase department". These people are responsible for buying at the lowest possible price they can. The other characteristics of business markets are the time taken to close the deal. Business markets involve selling of projects too. Projects take time to be analyzed and to fix up a price as they consider the cost of inflation while the project is in progress. Thus they need proper planning else the cost of the project would take a hit on the profits for the company. Finally, In case of business markets, the sales force, the price and the product have a much upper value than the promotions. This is absolutely opposite to consumer markets where promotions make a huge difference to the consumer buying process. Some services such as Accenture and Intel hardly advertise their products nowadays. They just advertise their presence in the market. The rest is done by the quality of products they have. Same goes for Microsoft. Of the 4 P's of the marketing mix, promotions are the most ignored in case of business markets.

(3) Global Markets

The changes in the cost of transportation, government policies and the overall need for expansion have given an impetus to globalization. The strategies of global market companies may differ from each other but the core concept is the same. Most global marketing companies work on one fundamental. "Think local, act global". The company which comes at the top of my mind is McDonalds and Coca Cola. Both known for their global presence as well as for the way they customize their message based on the country they are in. Companies may be global on the basis of both – business to business as well as business to consumers. The challenges faced by global companies are much more than those faced by local companies.

Firstly lets look at the options they have for modes of entry. How do they enter a country?

Do they partner with some local company? Do they export their product?

Or they shift a part of their operations in the country to directly establish their presence?

Multiply these questions with the cost of operations involved as well as the amount of information which needs to be accessed. Now you know the difficulties!! Nonetheless, Global expansion is an excellent option for any company provided it has deep pockets to sustain the initial expenditure required to establish yourself in another country.

(4) Government or Nonprofit Market

The government market mainly involves Government offices, ordnance factories, army, navy and other government departments. The non profits on the other hand may involve groups based on different beliefs some of which really have an excellent brand name and are recognized by several companies. Both of these entities have a limited purchasing budget and hence the price of products is important. Accordingly the purchase process is organized. Most government and non- profit organizations involve the issuance of tenders and bids. The one to bid the lowest is known as L1 and the one to bid the highest is known as H1. Naturally, L1 wins the bid. There are several companies which have modified their products specifically for the government markets to come L1 in these tenders and bids. The products may be a bit inferior, nonetheless they do meet the government's requirement and that is what matters in the end.

Each of these markets can be tapped separately by companies. In fact, some consumer durable companies have different departments for corporate sales and government sales. Tapping each of these markets provides an avenue for the company to expand their market share and overall revenue generated by the company.

Functions of Marketing

12 Important Functions of Marketing Marketing is related to the exchange of goods and services. Through its medium the goods and services are brought to the place of consumption. This satisfies the needs of the customers.

The following activities are undertaken in respect of the exchange of goods and services:

1. Gathering and Analyzing Market Information Gathering and analyzing market information is an important function of marketing. Under it, an effort is made to understand the consumer thoroughly in the following ways:

(a) What do the consumers want?

(b) In what quantity?

(c) At what price?

(d) When do they want (it)?

(e) What kind of advertisement do they like?

(f) Where do they want (it)?

(g) What kind of distribution system do they like?

All the relevant information about the consumer is collected and analysed. On the basis of this analysis an effort is made to find out as to which product has the best opportunities in the market.

2. Marketing Planning

In order to achieve the objectives of an organization with regard to its marketing, the marketer chalks out his marketing plan. For example, a company has a 25% market share of a particular product. The company wants to raise it to 40%. In order to achieve this objective the marketer has to prepare a plan in respect of the level of production and promotion efforts. It will also be decided as to who will do what, when and how. To do this is known as marketing planning.

3. Product Designing and Development

Product designing plays an important role in product selling. The company whose product is better and attractively designed sells more than the product of a company whose design happens to be weak and unattractive. In this way, it can be said that the possession of a special design affords a company to a competitive advantage. It is important to remember that it is not sufficient to prepare a design in respect of a product, but it is more important to develop it continuously.

4. Standardization and Grading

Standardization refers to determining of standard regarding size, quality, design, weight, colour, raw material to be used, etc., in respect of a particular product. By doing so, it is ascertained that the given product will have some peculiarities. This way, sale is made possible on the basis of samples. Mostly, it is the practice that the traders look at the samples and place purchase order for a large quantity of the product concerned. The basis of it is that goods supplied conform to the same standard as shown in the sample. Products having the same characteristics (or standard) are placed in a given category or grade. This placing is called grading. For example, a company produces commodity – X, having three grades, namely A'. 'B' and 'C', representing three levels of quality; best, medium and ordinary respectively. Customers who want best quality will be shown 'A' grade product. This way, the customer will have no doubt in his mind that a low grade product has been palmed off to him. Grading, therefore, makes sale-purchase easy. Grading process is mostly used in case of agricultural products like food grains, cotton, tobacco, apples, mangoes, etc.

5. Packaging and Labelling

Packaging aims at avoiding breakage, damage, destruction, etc., of the goods during transit and storage. Packaging facilitates handling, lifting, conveying of the goods. Many a time, customers demand goods in different quantities. It necessitates special packaging. Packing material includes bottles, canister, plastic bags, tin or wooden boxes, jute bags etc. Label is a slip which is found on the product itself or on the package providing all the information regarding the product and its producer. This can either be in the form of a cover or a seal. For example, the name of the medicine on its bottle along with the manufacturer's name, the formula used for making the medicine, date of manufacturing, expiry date, batch no., price etc., are printed on the slip thereby giving all the information regarding the medicine to the consumer. The slip carrying all these is details called Label and the process of preparing it as Labelling.

6. Branding Every producer/seller wants that his product should have special identity in the market.

In order to realise his wish he has to give a name to his product which has to be distinct from other competitors. Giving of distinct name to one's product is called branding. Thus, the objective of branding is to show that the products of a given company are different from that of the competitors, so that it has its own identity. For instance, if a company wants to popularise its commodity – X under the name of "777" (triple seven) then its brand will be called "777". It is possible that another company is selling a similar commodity under AAA (Triple 'A') brand name. Under these circumstances, both the companies will succeed in establishing a distinct identity of their products in the market. When a brand is not registered under the trade Mark Act, 1999, it becomes a Trade Mark.

7. Customer Support Service

Customer is the king of market. Therefore, it is one of the chief functions of marketer to offer every possible help to the customers. A marketer offers primarily the following services to the customers: (i) After-sales-services (ii) Handling customers' complaints (iii) Technical services (iv) Credit facilities (v) Maintenance services

Helping the customer in this way offers him satisfaction and in today's competitive age customer's satisfaction happens to be the top-most priority. This encourages a customer's attachment to a particular product and he starts buying that product time and again.

8. Pricing of Products

It is the most important function of a marketing manager to fix price of a product. The price of a product is affected by its cost, rate of profit, price of competing product, policy of the government, etc. The price of a product should be fixed in a manner that it should not appear to be too high and at the same time it should earn enough profit for the organization.

9. Promotion

Promotion means informing the consumers about the products of the company and encouraging them to buy these products. There are four methods of promotion: (i) Advertising (ii) Personal selling (iii) Sales promotion (iv) Publicity. Every decision taken by the marketer in this respect affects the sales. These decisions are taken keeping in view the budget of the company.

10. Physical Distribution

Under this function of marketing the decision about carrying things from the place of production to the place of consumption is taken into account. To accomplish this task, decision about four factors are taken. They are: (i) Transportation, (ii) Inventory, (iii) Warehousing and (iv) Order Processing.

Physical distribution, by taking things, at the right place and at the right time creates time and place utility.

11. Transportation

Production, sale and consumption-all the three activities need not be at one place. Had it been so, transportation of goods for physical distribution would have become irrelevant. But generally it is not possible. Production is carried out at one place, sale at another place and consumption at yet another place. Transport facility is needed for the produced goods to reach the hands of consumers. So the enterprise must have an easy access to means of transportation. Mostly we see on the road side's private vehicles belonging to Pepsi, Coca Cola, LML, Britannia, etc. These private carriers are the living examples of transportation function of marketing. Place utility is thus created by transportation activity.

12. Storage or Warehousing

There is a time-lag between the purchase or production of goods and their sale. It is very essential to store the goods at a safe place during this time-interval. Godown is used for this purpose. Keeping of goods in godown till the same are sold is called storage. For the marketing manager storage is an important function. Any negligence on his part may damage the entire stock. Time utility is thus created by storage activity.

Selling Concept

Selling concept was developed after production and product concepts of marketing. The product concept could not be fully successful in the business sector. Despite production of quality goods, there appeared serious problem in selling. As a result, selling concept was developed. This concept believes that the consumers do not buy the product until they are motivated through sales promotion efforts. In other words, the consumers do not buy products with their own initiative rather they should be motivated. More quantity of products can be sold to the consumers by creating need and arousing interest in them through different promotional activities.

Selling concept of marketing focuses attention on the needs of seller but not on consumers'. It aims to increase sales volume and earn profit through different promotional activities. This concept became very popular during 1930-1950. That period is called 'Ideal Sales Era'. During that period, except during the second World War period, supply became more than demand. The premise of the product concept that the ' customers easily buy quality goods of low price' could not work. As a result, many firms appointed sales employees, and focused attention on advertisement and sales promotional activities. On order to attract customers' attention, the techniques such as advertisement, decoration and display of goods, publicity, exhibition or trade fair etc were started. Even then the management would give more emphasis to the product rather than to the customers' need. Some firms are found to believe in selling concept even today. Life Insurance companies, Encyclopedia Publications etc. gives emphasis to selling concept. Such companies give arguments that use of 'hard sell techniques' can help to identify needs of customers and motivate them to buy. This technique believes that efforts should be made the customers realize needs and so that they can buy products. Selling concept emphasis to sell products but does not care for the after-sale services.

Features of Selling Concept of Marketing

1. **Selling-orientation**

Selling concept of marketing gives emphasis to fulfillment of needs of the sellers, it believes that product must be sold out.

2. **Aggressive Selling and Promotion**

Aggressive sale promotional activities should be conducted to attract customers. Only care is taken to increase sales quantity in the market.

3. **No Concern with Consumers' Needs**

Selling concept is not concerned with the consumers' needs. It lays emphasis on how to sell goods but not on what kind of goods should be produced for the customers.

4. Customer Persuasion It persuades customers to buy goods convincing them about the high quality and price of the products. Modern Marketing Concept Modern approach to marketing is referred to as the marketing concept which has developed gradually passing through different stages called Marketing Management Philosophies 1. The Production Concept This concept lays emphasis on production and assumes that consumers will always respond to products that are made available to them. This concept developed when there was a period of manufacturing dominance and there was no competition. It was producers market and hence production problems were of more importance than anything else. The major task of the management was to strive constantly to increase production and there were no selling or marketing problems. The production concept may boost the sales in the initial stages but it invites the criticism that it is impersonal in its approach and ignores the interests of the consumers.

2. The Product Concept With the passage of time, it was realized that it is not only the quantity of production but also the quantity of the product that is important. The product concept assumes that the consumers will respond favourably to the best quality products that are reasonably priced and hence the major task of the management is to improve the quality of the product it offers to successfully attract and hold customers. Enterprises which rely too much upon the product concept may face difficulties due to the tendency on the part of such enterprises "to look to often in a mirror when they should be looking out of the window."

3. The Sales Concept With the development in technological field, the competition had grown and the market had become more complex. During 1920's and 30's the selling activity became more important and marketing was regarded merely as a selling activity, giving rise to the sales concept. The selling concept assumes that the consumers will generally not buy enough of the firm's products unless their interest is stimulated in its products through substantial selling and promotional activities. In this

concept the focus is on the product, the means are selling and promoting and the objective is maximization of profits through sales volume. The drawback of the sales concept is that it ignores the customer's interest and a firm which follows this concept may face difficulties in the long run.

4. The Marketing Concept

The modern approach to marketing is referred to as the marketing concept. The essence of the marketing concept is that the customer and not the product is the centre of entire business activity. It is also referred to as the customer-oriented approach to business. This concept explains the rationale for a firm's existence in terms of its ability to satisfy some aspects of consumer needs and recognizes the purpose of the business as to 'create a customer'. In the words of Stanton, "the marketing concept is a philosophy, an attitude, or a course of business action. The customers want satisfaction in the economic and social justification of a company's existence. Consequently all company's activities in production, engineering and finance, as well as marketing, must be devoted to, first, determining what the customers wants are and then, satisfying these wants while making a reasonable profit. According to the marketing concept, the main task of the enterprise is: (i) To determine the actual needs, wants and preferences of customers, and (ii) To adopt the enterprise in such a way so as to deliver the desired satisfaction more effectively and efficiently than its rivals. In this concept, the focus is on the customer needs, the means are integrated marketing and the objective is maximization of profits through customer satisfaction.

4. **The Social Marketing Concept** In the words of Philip Kotler, the social marketing concept is a management orientation that holds that the key task of the organization is to determine the needs and wants to target markets and to adopt the organization to delivering the desired satisfaction more effectively and efficiently than its competitors in a way that preserves or chances the consumer's and society's well being. The societal marketing concept aims at serving the target markets in such a way as to deliver not only maximum customer satisfaction, but also long-run individual and social benefits. It must concentrate on customer's needs and interests in addition to their wants and desires. Thus, this concept lays more emphasis on the social responsibilities of business as the latest trend in marketing.

Marketing Vs Selling

The marketing process includes the planning of a product's and service's price, *promotion* and distribution. This article will help you understand all the important points that distinguish the two words.

What is Selling?

The selling theory believes that if companies and customers are dropped and detached, then the customers are not going to purchase enough commodities produced by the enterprise.

The notion can be employed argumentatively, in the case of commodities that are not solicited, i.e. the commodities which the consumer doesn't think of buying and when the enterprise is functioning at more than 100% capacity, the company intends at selling what they manufacture, but not what the market requires.

In the sales process, a salesperson sells whatever products the production department has produced. The sales method is aggressive, and customer's genuine needs and satisfaction is taken for granted.

What is Marketing?

The marketing theory is a business plan, which affirms that the enterprise's profit lies in growing more efficient than the opponents, in manufacturing, producing and imparting exceptional consumer value to the target marketplace.

Marketing is a comprehensive and important activity of a company. The task generally comprises recognising consumer needs, meeting that need and ends in customer's feedback.

In between, activities such as production, packaging, pricing, promotion, distribution and then the selling will take place. Consumer needs are of high priority and act as a driving force behind all these actions. Their main focus is a long run of business ending up with profits.

It depends upon 4 elements, i.e. integrated marketing, target market, profitability customer and needs. The idea starts with the particular market, emphasises consumer requirements, regulates activities that impact consumers and draws gain by serving consumers.

This article is a ready reckoner for all the students to learn the difference between Selling and Marketing.

Top Difference Between Selling and Marketing

Selling	**Marketing**
Definition	
The selling theory believes that if companies and customers are dropped detached, then the customers are not going to purchase enough commodities produced by the enterprise. The notion can be employed argumentatively, in the case of commodities that are not solicited.	The marketing theory is a business plan, which affirms that the enterprise's profit lies in growing more efficient than the opponents, in manufacturing, producing and imparting exceptional consumer value to the target marketplace.
Related to	
Constraining customer's perception of commodities and services.	Leading commodities and services towards the consumer's perception.
Beginning point	
Factory	Marketplace
Concentrates on	

Product	Consumer needs
Perspective	
Inside out	Outside in
Business Planning	
Short term	Long term
Orientation	
Volume	Profit
Cost Price	
Cost of Production	Market ascertained

What is Marketing Mix?

Marketing Mix is a set of marketing tool or tactics, used to promote a product or services in the market and sell it. It is about positioning a product and deciding it to sell in the right place, at the right price and right time. The product will then be sold, according to marketing and promotional strategy. The components of the marketing mix consist of 4Ps Product, Price, Place, and Promotion. In the business sector, the marketing managers plan a marketing strategy taking into consideration all the 4Ps. However, nowadays, the marketing mix increasingly includes several other Ps for vital development.

What is 4 P of Marketing

Product in Marketing Mix:

A product is a commodity, produced or built to satisfy the need of an individual or a group. The product can be intangible or tangible as it can be in the form of services or goods. It is important to do extensive research before developing a product as it has a fluctuating life cycle, from the growth phase to the maturity phase to the sales decline phase.

A product has a certain life cycle that includes the growth phase, the maturity phase, and the sales decline phase. It is important for marketers to reinvent their products to stimulate more demand once it reaches the sales decline phase. It should create an impact in the mind of the customers, which is exclusive and different from the competitor's product. There is an old saying stating for marketers, "what can I do to offer a better product to this group of people than my competitors". This strategy also helps the company to build brand value.

Price in Marketing Mix:

Price is a very important component of the marketing mix definition. The price of the product is basically the amount that a customer pays for to enjoy it. Price is the most critical element of a marketing plan because it dictates a company's survival and profit. Adjusting the price of the product, even a little bit has a big impact on the entire marketing strategy as well as greatly affecting the sales and demand of the product in the market. Things to keep on mind while determining the cost of the product are, the competitor's price, list price, customer location, discount, terms of sale, etc.,

Place in Marketing Mix:

Placement or distribution is a very important part of the marketing mix strategy. We should position and distribute our product in a place that is easily accessible to potential buyers/customers.

Promotion in Marketing Mix:

It is a marketing communication process that helps the company to publicize the product and its features to the public. It is the most expensive and essential components of the marketing mix, that helps to grab the attention of the customers and influence them to buy the product. Most of the marketers use promotion tactics to promote their product and reach out to the public or the target audience. The promotion might include direct marketing, advertising, personal branding, sales promotion, etc.

What is 7 P of Marketing:

The 7Ps model is a marketing model that modifies the 4Ps model. As Marketing mix 4P is becoming an old trend, and nowadays, marketing business needs deep understanding of the rise in new technology and concept. So, 3 more new P's were added in the old 4Ps model to give a deep understanding of the concept of the marketing mix.

People in Marketing Mix:

The company's employees are important in marketing because they are the ones who deliver the service to clients. It is important to hire and train the right people to deliver superior service to the clients, whether they run a support desk, customer service, copywriters, programmers…etc. It is very important to find people who genuinely believe in the products or services that the particular business creates, as there is a huge chance of giving their best performance. Adding to it, the organisation should accept the honest feedback from the employees about the business and should input their own thoughts and passions which can scale and grow the business.

Process in Marketing Mix:

We should always make sure that the business process is well structured and verified regularly to avoid mistakes and minimize costs. To maximise the profit, Its important to tighten up the enhancement process.

Physical Evidence in Marketing Mix:

In the service industries, there should be physical evidence that the service was delivered. A concept of this is branding. For example, when you think of "fast food", you think of KFC. When you think of sports, the names Nike and Adidas come to mind.

Marketing Mix Example:

This article will go through a marketing mix example of a popular cereals company. At first, the company targeted older individuals who need to keep their diet under control, this product was introduced. However, after intense research, they later discovered that even young people need to have a healthy diet. So, this led to the development of a cereals product catered to young people. In accordance with all the elements of the marketing mix strategy, the company identified the product, priced it correctly, did tremendous promotions and availed it to the customers. This marketing mix example belongs to

Honeycomb, one of the most renowned companies in the cereal niche. Following these rules clearly has managed to make the company untouchable by all the other competitors in the market. *This makes Honeycomb, the giant we know and love today to eat as morning breakfast!*

Marketing Mix Product

All products can be broadly classified into 3 main categories. These are :

1. **Tangible products:** These are items with an actual physical presence such as a car, an electronic device, and an item of clothing or a consumer good.
2. **Intangible products:** These are items that have no physical presence but can be felt indirectly. An insurance policy is an example of this. Online items such as software, applications or even music and video files are also intangible products.
3. **Services:** Services are also intangible products but they are the result of an economic activity that does not result in ownership. It is a process that creates benefits for customers. Services depend highly on who is performing them and remain difficult to reproduce exactly.

Importance of Marketing Mix

The marketing mix is a remarkable tool for creating the right marketing strategy and its implementation through effective tactics. The assessment of the roles of your product, promotion, price, and place plays a vital part in your overall marketing approach. Whereas the marketing mix strategy goes hand in hand with positioning, targeting, and segmentation. And at last, all the elements, included in the marketing mix and the extended marketing mix, have an interaction with one another.

What Is a Marketing Environment?

A marketing environment encompasses all the internal and external factors that drive and influence an organization's marketing activities.

Marketing managers must stay aware of the marketing environment to maintain success and tackle any threats or opportunities that may affect their work.

In this article, we'll explore the components of the marketing environment, their influence on marketing decisions, and how businesses can navigate these complexities for successful campaigns.

As we delve into the complexities of the marketing environment, you can unlock a free trial with Wrike. From workflows to real-time communication, Wrike can help you streamline your marketing operations in one platform.

Why is a marketing environment important?

A marketing environment is vast and diverse, consisting of controllable and uncontrollable factors. A good grasp of your marketing environment helps to:

- **Identify opportunities**: Understanding your marketing environment helps you notice and take advantage of market opportunities before losing your edge. For example, say your marketing team sees an uptick in digital buying over in-shop sales. You may decide to allocate more resources to your online marketing funnel to drive more sales.

- **Identify threats**: Studying your marketing environment alerts you to potential threats which may affect your marketing activities. For example, a market leader could diversify their product portfolio to compete with your organization. Foreknowledge of this can help you restrategize your marketing efforts to maintain and grow your market share.

- **Manage changes**: Paying attention to the marketing environment also helps manage changes and maintain growth in a dynamic economy. Marketing managers can forecast and determine timely marketing campaign strategies by monitoring their marketing environment.

Features of a marketing environment

The features of a marketing environment are typically:

- **Dynamic**: The factors that affect marketing environments constantly change over time. These could be technological advancements, industry regulations, or even customer tastes.

- **Relative**: Marketing environments are relative and unique to each organization. A specific product from your company may sell quicker in the U.S. than in Europe because of distinctions in the marketing environment.

- **Uncertain**: Market forces are unpredictable. Even with constant study, you may face unexpected threats or opportunities in your marketing operations. Adept marketers must be able to learn, pivot, and strategize quickly to achieve their goals.

- **Complex**: The many internal and external forces in a marketing environment make it complex, with various essential moving parts. For example, you must coordinate your team's ability and resources with stakeholder expectations, customer satisfaction, and other ethical and environmental concerns.

Types of marketing environments you should know

There are two significant types of marketing environments:

- Internal marketing environments

- External marketing environments

You can break down the external marketing environment further into:

- Micromarketing environment

- Macro marketing environment

What is an internal marketing environment?

An internal marketing environment consists of factors that fall within your control and impact your marketing operations, including your organization's strengths, weaknesses, uniqueness, and competencies.

Think of essential marketing elements such as your people and teams, the quality of your product or service, capital assets and budgets, and company policy. Internal marketing environment factors are **controllable**.

What is an external marketing environment?

The external marketing environment includes all factors that do not fall within your organization's control, including technological advancements, regulatory changes, social, economic, and competitive forces.

These factors may be controllable or uncontrollable, but defining and studying their changes and trends gives your business and marketing team some power to stay the course. The external marketing environment can be broadly categorized into micro and macro marketing environments.

What is a microenvironment in marketing?

The microenvironment in marketing is closely linked to your business and directly affects marketing operations. It includes factors like customers, suppliers, business partners, vendors, and even competitors. Microenvironment factors are controllable to some extent.

What is a macro marketing environment?

Your macro marketing environment is made up of all the factors beyond the control of your organization. An easy way to remember these factors is by using the PESTLE acronym, which stands for:

- **P**: Political factors
- **E**: Economic factors
- **S**: Social and demographic factors
- **T**: Technological advancement factors
- **L**: Legal and regulatory factors
- **E**: Environmental factors

These factors are **uncontrollable** and can impact your business and marketing operations to a significant extent. Political changes, for example, may have a massive effect on how you can market and conduct your business in certain regions.

Your macro marketing environment is continually changing. It's vital to keep a close watch to identify potential threats or opportunities to your business. For instance, an unpredictable environmental change, like the COVID-19 pandemic in 2020, can significantly change the way we work, market, and do business globally.

While it's true that the macro marketing environment can overwhelm a business and cause it to fail, it can also lead to growth. A curious perspective and healthy company culture that empowers employees and teams to share ideas, collaborate, and take creative risks will position your business for success.

Examples of a marketing environment

To help you understand the effects of different marketing environments, let's look at some examples.

- **Internal marketing environment:** Your internal company culture has an impact on how your employees behave, which in turn affects your marketing operations. An organization that emphasizes teamwork and collaboration, for example, will have more engaged employees. This, in turn, will help the organization perform better than competitors who do not share these values.

- **Micro marketing environment:** Say your business relies on a network of suppliers, distributors, and retailers to get your products to the customer. It's wise to build good relationships with these vendors, as any changes can influence your marketing strategy.

- **Macro marketing environment:** The shockwaves from the COVID-19 pandemic are still hitting marketers — first, social distancing and remote work changed how we market goods and services. Now, inflation and the rising cost of living loom large over the macro marketing environment.

Benefits of monitoring your marketing environment

The marketing environment is continuously evolving. Your team may bring in new members, customer tastes and needs change, or, as we saw in 2020, a worldwide pandemic can turn the working world upside down.

Monitoring your marketing environments empowers your business to make strategic marketing decisions before it's too late. Other benefits of tracking your marketing environment include:

- Being more prepared for micro- or macro-environmental changes — you work from a place of power when you have data that positions your business marketing for success

- Gaining useful, qualitative information about your marketing environment, which helps develop successful marketing campaign strategies

- A better understanding of your customers' needs, resulting in a more satisfactory product or service

- Having the correct information to create marketing campaigns that do not cross legal and regulatory policies
- More effective budgeting and allocation of marketing resources
- The ability to recognize potential threats within your marketing environment and prepare good marketing strategies in time
- The ability to identify and leverage opportunities before your competitors
- Improving any weaknesses in your organization's marketing setup, processes, and operations
- Leveraging your unique strengths to build company reputation and successful marketing campaigns

What are the challenges of defining a marketing environment?

We can't downplay the benefits of defining and monitoring your marketing environment. Still, there is only so much we can accurately predict. Even with technological advancements, predictive software tools, and a keen eye on the marketing environment, some changes can't be forecasted or controlled.

Techniques that work in one marketing environment may not work in the next. For businesses operating in multiple regions, this may prove a considerable challenge. The speed of change in the macro marketing environment may make it seem unnecessary to monitor and predict the environment.

Business and marketing teams must stay nimble, accept changes quickly, and leverage their customer service and satisfaction strengths to maintain business success and a positive marketing environment.

Meaning of Organisation

An organisation is a group of people that is structured and managed to achieve a common goal. Every organisation have a defined structure that determines relationship between its members, and assigns their roles, responsibilities, and authority.

Meaning of Marketing Organisation

Marketing organisation is a group of marketing persons brought together to make decisions on marketing areas like product, price, place, and promotion. Marketing organisation is the foundation of effective sales planning for systematic execution of plans and policies. Marketing organisation provides a system of relationships among various marketing functions to be performed by proper coordination among marketing persons.

Definition of Marketing Organisation

"Marketing organisation can be defined as a formal or informal group of individuals working together to reach quantitative and qualitative marketing objectives by making decisions on product, price, place, and promotion."

Types of Marketing Organisations

Marketers must have knowledge of what type of marketing organisation they have in place; and what type of marketing organisation the company actually needs. Following are the different types of marketing organisation that commonly exists today :-

- Functional Type of Marketing Organisation;
- Product Oriented Marketing Organisation;
- Market/Territory Oriented Marketing Organisation;
- Customer Oriented Marketing Organisation;

In **functional type of marketing organisation** the different marketing activities are grouped on the basis of functions to be performed like - product planning, market research, advertising, sales, or promotion. Each main function is further divided to sub-functions to be performed to achieve marketing objectives. Each sub function is managed by separate manager under the control of marketing manager.

Product oriented marketing organisation is common where organisation is producing or marketing wide variety of products. For each product or group of products a separate product manager is assigned and made responsible for marketing decisions for that particular product or group of products.

Market oriented marketing organisation is common in big organisations serving large number of customers spreading over large territories. Depot manager, district manager, area manager, zonal manager, divisional manager, etc., are assigned to manage each territories.

Customer oriented marketing organisation is common in organisations engaged in providing specialised services to different class of customer.

2.1.Market Segmentation, Introduction: Market consists of buyers and buyers differ in on or more respects. They may differ in the wants, resources, geographical, location, buying attitudes and buying practices. Any of these variable can be used to segment a market. Each buyer is potentially a separate market because of unique needs and wants. Ideally a seller management design a separate product and or marketing program for each buyer. Most sellers will not find it worth wile to "customize". Their product to satisfy each specific buyer. Instead the saver identifiers broad classes of buyers who differ in their product requirement and or marketing responses. As a market is segmented using more characteristics such as age, income, etc., the seller achieves finer precision but at the price of multiplying the no. of segments and thinking gout the population of the segments.

Types of market segmentation:

1.**Homogeneous preferences**: A market where all consumers have roughly the same preference. We would predict the existing brands would be similar and located in the center of the preferences as shown in the below.

. 2. **Clustered preference**: The market might reveal district preference cluster, called natural market segments. The first firm in this market has three options. It might position is self in the center hoping to appeal to all the groups (undifferentiated marketing). It might position itself in the largest market segment (consummated marketing). It might marketing several brands, each positioned in a different segment (differentiated marketing) clearly if it is developed only one brand, competition would enter and introduce brands in other segments.

4. **Diffused preferences**: As the other extreme consumer preferences can the scattered throughout the space showing that consumer differ in what they want from the product. If one brand exists the market, it is likely to be positioned in the center minimizes sum of total consumer dissatisfaction. A new competitor could take step to the first brand and fight for market share of the competition could locater in a center to win over a customer group that not satisfied with the center brand. If several brands are in the market, they are likely to be positioned throughout the space show real differences to march consumer preference difference.
   Bases for segmenting consumer market:
   Geographic segmentation
   Demographic segmentation
   Psychographics segmentation
   Behavioral segmentation
   1. Geographic segmentation: - Geographical segmentation for dividing the market into different geographical units such as nations, states, regions, countries, citizen of neighbor hoods. The company can decide to operate in one or a few demographic areas of operate in all but pay attention to variations in geographic needs and preferences. Ex: General foods Maxwell house ground coffee is sold nationally but is flavored regionally. Its coffee is flavored stronger in the west than the east

2. Demographic segmentation: -Demographic segmentation consists of dividing the market into groups on the basis of demographic variables such as age, sex, family size, family life cycle, income, occupation, education, religion, race and nationality. Demographic variables are the most popular bases for distinguishing customer groups.

3. Psychographics segmentation: -In psychographics segmentation, buyers are divided into different groups on the basis of their social class life style and or personality characteristics. People with in the same demographic groups can exhibit very different Psychological profiles.

4.Behavioral segmentation: - In behavioral segmentations buyers are divide into groups on the basis of their knowledge attitude use and response to a products many marketers believe that behavioral are best starting point for constructing market segments. A). Occasions: - B). Benefits: - C). User status: - D). Usage rate: - E). Loyalty status: - F). Buyer readiness stage

2.2 Introduction: TARGETING : Once the firm has identified its market-segment opportunities, it has to decide how many and which ones to target.

1. Single-segment Concentration:

The company may select a single segment. Volkswagen concentrates on the small-car market and Porsche on the sports car market. Through concentrated marketing the firm gains a strong knowledge of the segment’s needs and achieves a strong market presence. Furthermore, the firm enjoys operating economies through specializing its production, distribution, and promotion. If it captures segment leadership, the firm can earn a high return on its investment.

2. Selective specialization :

   Here the firm selects a number of segments each objectively attractive and appropriate. There may be little or no synergy among the segments, but each segment promises to be a money market. This multi segment coverage strategy has the advantage of diversifying the firm’s risk.

3. Product specialization :

Here the firm specializes in making a certain product it sells to several segments. An example would be a microscope manufacturer that sells microscope to university laboratories, government laboratories, and commercial laboratories. The firm makes different microscopes for different customers groups but does not manufacturer other instruments that laboratories might use. Through a product specialization strategy, the firm builds a strong reputation in the specific product area. The downside risk is that the product may be supplanted by an entirely new technology.

4. Market specialization

Here the firm concentrates on serving many needs of a particular customer group. An example would be a firm that sells an assortment of products only to university laboratories, including microscopes, oscilloscopes, Bunsen burners, and chemical flasks. The firm gains a strong reputation in serving this customer group and becomes a channel for further products that the customer group could use. The downside risk is that the customer group may have its budgets cut.

5. Full market coverage

Here a firm attempts to serve all customer groups with all the products they might need. Only very large firms can undertake a full market coverage strategy. Examples include I B M, General Motors, and Coca-Cola. Large firms can cover a whole market in two broad ways: through undifferentiated marketing or differentiated marketing.

2.3. Positioning,

Introduction: Positioning is the act of designing the company's offering and image to occupy a distinctive place in the target market's mind.

1. Under positioning: Some companies discover that buyers have only a vague idea of the brand. The brand is seen as just another entry in a crowded marketplace. When Pepsi introduced its clear Crystal Pepsi in 1993, customers were distinctly unimpressed. They didn't see "clarity" as an important benefit in a soft drink.

2. Over positioning: Buyers may have too narrow an image of the brand. Thus a consumer might think that diamond rings at Tiffany start at $5,000 when in fact Tiffany now offers affordable diamond ring starting at $1,000.

3. Confused positioning: buyers might have a confused image of the brand resulting from the company's making too many claims or changing the brand's positioning too frequently. This was the case with Stephen job's sleek and powerful next desktop computer, which was positioning first for students, then for engineers, and then for businesspeople, all unsuccessfully.

4. Doubtful positioning: Buyers may find it hard to believe the brand claims in view of the product's features, price, or manufacturer. When GM's Cadillac division introduced the Cimarron, it positioning the car as a luxury competitor with BMW, Mercedes, and Audit. Although the car featured leather seats, a luggage rack, lots of chrome, and a Cadillac logo stamped on the chassis, customers saw the car as merely a dolled-up version of Chevy's Cavalier and Oldsmobile's firenza. Although the car was positioned as "more for more", the customers saw it as "less for more". The theme park company can now recognize the different positioning strategies that are available.

Attribute positioning: A company positions itself on an attribute, such as size or number of years in existence. Disneyland can advertise itself as the largest theme park in the world.

Benefit positioning: The product is positioned as the leader in a certain benefit. Kott's Berry Farm may try to position itself as a theme park that delivers a fantasy experience, such as living in the old west. ÿ Use or application positioning: Positioning the product as best for some use or application. Japanese Deer Park can position itself for the tourist who has only an hour to catch some quick entertainment. ÿ **User positioning**: Positioning the product as best for some user group. Magic Mountain can advertise itself as best for "thrill seekers".

Competitor positioning: The product claims to be better in some way then a named competitor. For example, Lion Country safari can advertise having a great variety of animals than Japanese deer park.

Product category positioning: The product is positioned as the leader in a certain product category. Mainland of the pacific can position itself not as a "recreational theme park" but as an "educational institution.

Quality or price positioning: The product is positioned as offering the best value. Busch Gardens can position itself as offering the "best value" for the money.

2.4 New Product Development, Introduction:

The new product development is process of eight sequential stages. "New product" includes original products, improved products, modified products and new brands that the firm develops through its own R&D efforts. New products include

New-to-the-word products: - New products that create an entirely new market.

New-product lines: - New products that allow a company to enter an established market for the first time.

Additions to the existing product lines: - New products that supplement a company's establishment product lines.

Improvements are to existing products: – New products that provide improved performance or greater perceived value and replace existing products.

Repositioning: - Existing products that are targeted to new markets of market segments.

Cost Reductions: - New products that provide similar performance at lower cost.

Why New Product Fail:

A high level executive pushes a favorite idea in research findings.

The idea is good, but the market size is over estimated.

The product is not well designed.

Development costs are higher than expected.

Competitors fight bat harder than expected.

Bases for New Product Development: