

What is Marketing?

- *Marketing is the management process involved in identifying, anticipating and satisfying customer wants profitably.* (Institute of Marketing)
- Marketing is not just selling. it is about knowing and understanding your customer
- *'The aim of marketing is to make selling superfluous. The aim is to know and understand the customer so well that the product or service sells itself.'* (Peter Drucker)

What is Marketing?



Marketing covers many areas

Marketing Management Philosophies

Marketing Management Philosophies describe the achievement of organizational objectives with the firm's philosophy on the use of IMB and IMB resources.



5 Basic Marketing Concepts



DEFINITION

- **Digital marketing** is an umbrella term for the advertising of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and sometimes digital media.



DIGITAL MARKETING CONSIST OF



What Is a Digital Marketing Channel?



WHAT IS SEO

- Whenever you enter a query in a search engine and hit enter, you get a list of web results. That means that search lists 10,4th, naturally, that it's what websites that are at the top of the list as they deserve them to be there relevant to the query. If you have ever wondered why some of those websites rank better than the others, then you should know that it is because of a powerful web marketing technique called Search Engine Optimization (SEO).



OPTIMIZATION








The image shows a screenshot of the Google homepage from the year 2000. The layout is clean and minimalist, with a white background and a blue header bar. The Google logo is prominently displayed in the top left corner. Below the logo is a search bar with the text "Find Search AdWords" in a large, bold, yellow font. The search bar is set against a light blue background. To the right of the search bar, there are several links and options, including "Advanced Search" and "Settings". The overall design is simple and functional, reflecting the early stages of the search engine's growth.

WHAT IS SMM

- Social media marketing (SMM) is a hybrid of internet marketing that uses social networking websites as a marketing tool. The goal of SMM is to provide content that users will share with their social network to help a company increase brand awareness and broaden customer reach.



SOCIAL MEDIA MARKETING PLATFORMS

Platform	Target Audience	Key Features	Advertising Options	Key Metrics
	25-34 Millennials	<ul style="list-style-type: none"> Personal profiles Groups Pages 	<ul style="list-style-type: none"> Image ads Video ads Carousel ads 	<ul style="list-style-type: none"> Engagement Reach
	18-29 Millennials	<ul style="list-style-type: none"> Personal profiles Business profiles Reels 	<ul style="list-style-type: none"> Image ads Video ads Story ads 	<ul style="list-style-type: none"> Engagement Reach Impressions
	16-24 Millennials	<ul style="list-style-type: none"> Personal profiles Business profiles Reels 	<ul style="list-style-type: none"> Image ads Video ads Story ads 	<ul style="list-style-type: none"> Engagement Reach Impressions
	25-34 Millennials	<ul style="list-style-type: none"> Personal profiles Business profiles Retweets 	<ul style="list-style-type: none"> Image ads Video ads Text ads 	<ul style="list-style-type: none"> Engagement Reach Impressions
	25-34 Millennials	<ul style="list-style-type: none"> Personal profiles Business profiles Groups 	<ul style="list-style-type: none"> Image ads Video ads Text ads 	<ul style="list-style-type: none"> Engagement Reach Impressions
	18-29 Millennials	<ul style="list-style-type: none"> Personal profiles Business profiles Stories 	<ul style="list-style-type: none"> Image ads Video ads Text ads 	<ul style="list-style-type: none"> Engagement Reach Impressions
	18-29 Millennials	<ul style="list-style-type: none"> Personal profiles Business profiles Channels 	<ul style="list-style-type: none"> Image ads Video ads Text ads 	<ul style="list-style-type: none"> Engagement Reach Impressions



12 Benefits of Social Media Marketing

1 More traffic

2 Global Reach & Visibility

3 Brand Awareness

4 Virality

5 Content Marketing

6 Customer Service

7 Sales, Leads, Conversions

8 Advertising & Retargeting

9 Beat Competition

10 Cost

11 Variety of Strategies

12 Analytics

4 Marketing Challenges



How to identify marketing problems

Sales Funnel

Steps

Possible problems

Attraction →

Conversion →

Sale →

Delight →

→ Wrong persona used

→ Offer with poor differentiation
off-target price

→ Lack of engagement between
marketing and sales

→ Offer not to be repeated

MARKETING CHALLENGES

Marketing Challenges Faced Globally





RURAL MARKETING

Introduction to Rural Marketing: Rural Marketing - Definition, Characteristics and Functions of Rural Markets, Image of Indian Rural Marketing and Approach to Rural Markets of India, Rural Market Profile, Rural Market in India, Size and Scope, Environment of Rural Markets in India, Constraints in Rural Marketing and strategy to overcome the constraints.

DEFINITION

- Rural marketing is the process of developing, pricing, promoting, distributing rural specific goods and services leading to exchange between urban and rural markets, which satisfies consumer demand and also achieves organisational objectives"

Rural Marketing



e-Rural Marketing

ITC's e-Choupni:

- It offers the farmers all the information, products and services they need to enhance farm productivity, improve farm, gate price realization and cut transaction costs.
- Farmers can access latest local and global information on weather, scientific farming practices as well as market prices at the village level through this web portal - all in Hindi.
- It also facilitates supply of high quality farm inputs as well as purchase of commodities at their doorstep.



Definitions of International Marketing

According to **Kotler**, *"Global marketing is concerned with integrating and standardizing marketing actions across a number of geographic markets."*

According to **Cateora**, *"International marketing is the performance of business activities that direct the flow of goods and services to consumers and users in more than one nation."*

Internal marketing

- REQUIREMENT:
Internal Marketing is essential for the requirement of different states and cities of a country
- LANGUAGE PROBLEM:
Language problem does not arise in Internal marketing.
- CURRENCY:
Same currency is followed in Internal marketing

International Marketing

- REQUIREMENT:
International Marketing is necessary for country's economical, technical development and cultural exchange.
- LANGUAGE PROBLEM:
It arises in case of international marketing.
- CURRENCY:
International marketing exchange rate is to be considered.

Industrial marketing is also referred to as business to business (B2B) marketing or business marketing or organizational marketing. Industrial marketing is the marketing of products and services to business organizations. Business organizations include manufacturing companies, educational institutions, hospital, distributors and dealers.

Industrial products are used sometimes as a replacement for other finished goods.

(2) Material and Parts

These goods enter the production process:

- Raw Materials (Basic Products like iron ore, crude oil, rubber, Hides/skins)
- Manufactured Items (Acids, steel, cement, chemicals)
- Components Parts (semi-finished goods like bearings, IC chips, small motors, tires)
- Subassemblies (semi-finished goods like exhaust pipe for motor, etc.)

(2) Capital Items

A capital good is a durable good (i.e. a good that does not quickly wear out) that is used in production of goods or services. These goods are used in production process.

- Light equipment or accessories (hand tools, computers, terminals)
- Industrial machinery (equipment & machines, turbines)
- Plant and buildings (offices, plants, warehouses, steel mills, etc. In the literature, which are not real estate property.)

(3) Supplies and Services

These provide services support the operations

- Supplies — These are essential requirements supplies like fuels, procuring materials, lubricants, parts, maintenance
- Services — Companies receive services of various like legal, consulting, engineering, computer, advertising, research queries

Definition:

Strategic Management Process is defined as the way an organization defines its strategy. It is a continuous process in which the organization decides to implement a selected few strategies, details the implementation plan and keeps on appraising the progress & success of implementation through regular assessment.

What is Strategic Marketing?

- It is a market-driven process of strategy development, taking into account a constantly changing business environment and the need to deliver superior customer value.
- Its link the organization with the environment and views marketing as a responsibility of the entire business rather than a specialized function (Craven & Piercy, 2009).

- Also known as strategic market management.
- It is a system designed to help management both precipitate and make strategic decisions, as well create strategic vision (Aaker, 2001).

Why Strategic Market Management?

- Force long-range view
- Make visible resource allocation decisions
- Aid strategic analysis and decision making
- Provide a strategic management and control system
- Provide horizontal and vertical communication and coordination systems
- Cope with change

Marketing Management Process



Step 1: Setting Marketing Objectives

→ The process of marketing management starts with the activity of setting objectives. The organisational mission provides the priorities for scanning the environment and finding out the opportunities.

Marketing Objectives

- Increase sales volume
- Increase growth rate
- Increase market share
- Increase market penetration
- Maximize Return on Investment
- Promote positive company image
- Promote social responsibility

Step 2: Analysing Marketing Opportunities:

→ This involves analysis of opportunities in the light of company strengths and weakness both internal and external. The task may be to analyse long-run opportunities or short-run opportunities or even medium term.

→ This helps the companies to know the needs and wants of their customers, their locations, buying and social practices and so on.

Step 3: Researching and Selecting Target Markets

→ The select target market company needs to know how to measure and attractiveness of any given market. This requires estimating the market's overall size and growth and profitability.

→ The modern marketing divided into major segments, evaluate them, selecting and targeting those market segments that the company can best serve.

→ Company must know techniques for measuring market potential and forecasting future demand.

Step 4: Designing marketing strategies

→ The marketing strategy spells out the game plan for attaining the business's objectives or product/market objective.

→ Marketing strategy defines the broad principles by which the business unit expects to achieve its marketing objectives in the target marketing.

→ It consists of basic decisions on total marketing expenditure, marketing mix, and marketing locations.

Step 5: Planning Marketing Programmes

→ It is not enough to formulate only the board of strategies by which the business expects to achieve its marketing objective but also plan the supporting marketing mix programmes.

→ Decisions have to be taken regarding the features, packaging, branding, servicing policies, etc., of the product.

Step 6 : Organizing , implementing and controlling marketing efforts:

→ The final stage in the marketing management process is organizing the marketing resources and implementing and controlling the marketing plan.

→ Marketing organization is typically headed by marketing Vice-President.

→ The company is required to design a marketing organization that will be able to degenerate the marketing plan up to work, i.e., implementing its effort.

Selecting a Target Market

- Before a marketing mix strategy can be implemented, the marketer must identify, evaluate, and select a target market.
 - ✓ **Market:** people or institutions with sufficient purchasing power, authority, and willingness to buy
 - ✓ **Target market:** specific segment of consumers most likely to purchase a particular product

What is Marketing Mix?

Marketing mix is an important concept of marketing management. The main aim of every business organization is to earn and maximize its profits. For doing so, they concentrate on 4 factors, i.e. Product, Place, Promotion and Price, known as a marketing mix. They are also known as four 'Ps' of the marketing mix.

Elements of Marketing Mix

Marketing Mix:

Product



- Product life cycle
- Branding
- Packaging

Price



- Factors influencing price

Place



- The level of distribution
- The marketing management strategy of distribution

Promotions



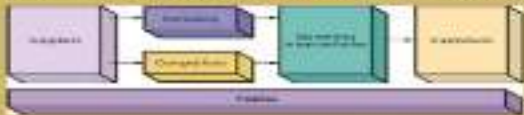
- Advertising
- Personal Selling
- Sales promotion

Marketing Environment

- Two types of marketing environment:
- **Micro-environment**
 - Consists of factors close to the company that affect its ability to serve its customers. The company itself, marketing channels, firms, customer markets & a broad range of public
- **Macro-environment**
 - Consists of the larger societal forces that affect the entire micro-environment.
 - Demographic, economic, natural, technological, political, competitor, and cultural forces

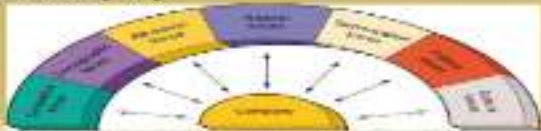
COMPANY'S MICROENVIRONMENT

- Marketing management's job is to build relationships by creating customer value & satisfaction.
- The success of marketing plans requires working closely with the company's microenvironment.



THE COMPANY MACRO-ENVIRONMENT

- The company and all of the other actors operate in a larger macro-environment of forces that shape opportunities and pose threats to the company.



Marketing Research

- *Marketing research* involves collecting, organising, analysing and communicating information that can be used in order to make an informed marketing decision.
- Performing market research will complement your marketing mix strategy as it enables you to make educated decisions regarding selecting markets, your image or branding and products or services.

5 key steps in Marketing Research

1. Define the Problem
2. Collect the Data
3. Analyse and Interpret the data
4. Reach a conclusion
5. Implement your research

Marketing Research Agencies in India

- *IMRB International* (“Indian Market Research Bureau”)
- IMRB has been responsible for establishing the first and television audience measurement system and the first radio panel in the country
- IMRB International's specialised areas are consumer markets, industrial marketing, business to business marketing, social marketing and rural marketing

The Marketing Research Process

1. Identify the problem

- Problem to solve
- Project objectives
- Research questions

2. Develop the research plan

- Information needed
- Sources & research methods
- Sampleable parents

3. Conduct research

- Sampling design issues
- Primary data collection
- Secondary methods & techniques

4. Analyze and report findings

- Data processing & analysis
- Interpretation of results
- Report & recommendations

5. Take action

- Insight implementation
- Evaluation of actions
- Cross adjustment & evaluation

What is Sales Forecasting?

- A sales forecast is a projection of the expected customer demand for products or services at a specific company, for a specific time horizon, and with certain underlying assumptions
- Essential tool used for business planning, marketing, and general management decision making.
- Sales forecasting can help you achieve sales goals.
- Sales forecasting can help drive sales revenue, improve efficiency, increase customer retention and reduce costs.

Factors affecting sales forecasting

External Factors

- Relative state of the economy
- Direct and indirect competition
- Styles or fashions
- Consumer earnings
- Population changes
- Weather

Factors affecting sales forecasting

Internal Factors

- Labour problems
- Inventory shortages
- Working capital shortage
- Price changes
- Change in distribution method
- Production capability shortage
- New product lines

Sales Forecasting Methods

Qualitative

- Executive opinion method
- Delphi Method
- Sales force composite method
- Survey of Buyer's intentions

Quantitative

- Time Series Analysis
- Market Test Method
- Regression Analysis

Executive opinion method

- Most widely used
- Method of combining and averaging views of several executives regarding a specific decision or forecast.
- Leads to a quicker (and often more reliable) result without use of elaborate data manipulation and statistical techniques.

Delphi Method

Process includes a coordinator getting forecasts separately from experts, summarizing the forecasts giving the summary report to experts who are asked to make another prediction, the process is repeated till some consensus is reached.

Sales force composite method

- Also known as "Grassroots Approach"
- Individual salespersons forecast sales for their territories
- Individual forecasts are combined & modified by the sales manager to form the company sales forecast.
- Best used when a highly trained & specialized sales force is used.

Survey of Buyer's intentions

- Process includes asking customers about their intentions to buy the company's product and services
- Questionnaire may contain other relevant questions

Time Series Analysis

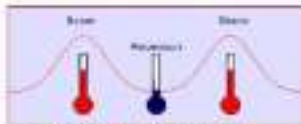
Make forecasts based purely on historical patterns in the data. It has four components

- The Trend component-Gradual upward or downward movement over time.



The Cyclical Component

Sales are often effected by swings in general economic activity as consumers have more or less disposable income available



The Cyclical Component

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★ The Seasonal Component

It is a distinguished pattern to sales caused by things such as the weather, holidays, local customs and general consumer behaviour.



The Seasonal Component

Market Test Method

- Used for developing one time forecasts particularly relating to new products
- A market test provides data about consumers' actual purchases and responsiveness to the various elements of the marketing mix.
- On the basis of the response received to a sample market test, product sales forecast is prepared.

Regression Analysis

- Identifies a statistical relationship between sales(dependent variable) and one or more influencing factors, which are termed the independent variables.
- When just one independent variable is considered (eg. population growth), it is called a linear regression, and the results can be shown as a line graph predicting future values of sales based on changes in the independent variable.
- When more than one independent variable is considered, it is called a multiple regression.

WHAT IS RETAILING TO YOU?

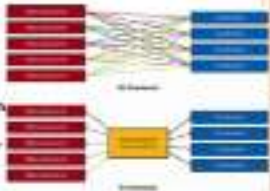
- **Retailing**— a set of business activities that add value to the products and services sold to consumers for their personal or family use

The Four P's of Marketing



HOW DO RETAILERS ADD VALUE?

- **Provide Assortment**
Buy other products at the same time
- **Break Bulk**
Buy it in quantities customers want
- **Hold Inventory**
Buy it at a convenient place when you want
- **Offer Services**
Buy it before you buy; get credit; layaway



RETAIL HAS CHANGED! SO HAS THE CAREER OPPORTUNITIES!



Brick and
Mortar
Store

To
Today's
Retailer



Store

Operations

Human

Skills

Local Community

Business

Brand

Reputation/Adverse



WAL-MART'S RETAIL MIX



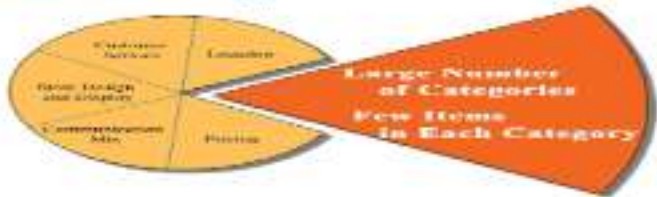
WAL-MART'S RETAIL MIX

Location Strategy

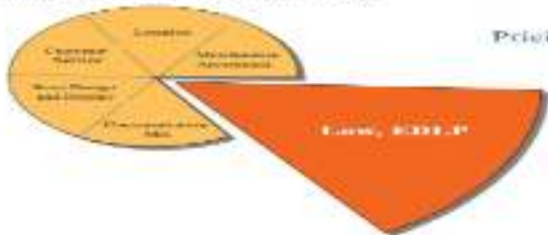


WAL-MART'S RETAIL MIX

Assortment Strategy



WAL-MART'S LEFT-TAIL MIX



Pricing Strategy

WAL-MART'S RETAIL MIX

Communication Mix



WAL-MART'S RETAIL MIX

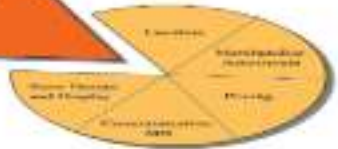
Store Design and Display



WAL-MART'S RETAIL MIX



Customer Service



Marketing Information System

- A marketing information system (MKIS) consists of people, equipment and procedures to gather, sort, analysis, evaluate, and distribute needed, timely and accurate information to marketing decision makers

© Kotler & Armstrong

Marketing Information System

- A marketing information system is a set of procedures and methods for the regular, planned collection, analysis and presentation of information for use in marketing decisions.
 - American Marketing Association

Assessing marketing information needs



MARKETING MANAGERS & OTHER INTERNAL BUSINESS

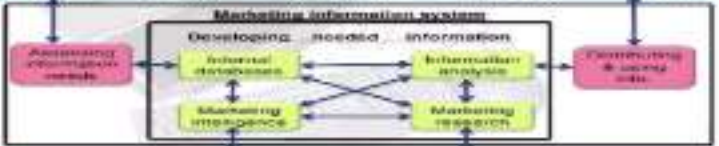
Analysis

Planning

Implementation

Organization

Control



MARKETING ENVIRONMENT

Target markets

Marketing opportunities

competitors

publics

Marketing environment
forces

Components of MKIS

- Internal record system
- Marketing intelligence
- Decision support system
- Marketing research

Components of MKIS

Four Basic or Main Components of Marketing Information System (MIS)

Internal Records

Provides reliable internal or inside information of the company

Marketing Intelligence

Collects information from the external sources

Marketing Research (MR)

Is used to solve specific marketing problems of the company

Marketing Decision Support System

Are tools which helps marketing managers to analyse data & take better marketing decisions

Marketing Intelligence System

- A marketing intelligence system is a set of procedures and sources managers use to obtain everyday information about developments in the marketing environment.
 - Kotler & Armstrong

Sources of Marketing Intelligence

- Marketing Managers
- Sales Forces
- Middlemen
- Specialists
- Outsourcing
- Marketing information section

Marketing Research

- Marketing research is the systematic design, collection, analysis and reporting of data and findings that are relevant to a specific marketing situation facing the company.
- Most large companies have their own marketing research departments.
- Some small companies can hire the services of a marketing research firm or conduct research in creative and affordable ways.

Features of Marketing Research

- Systematic
- Problem oriented
- Objective
- Decision making

Areas of Marketing Research

- Product research
- Advertising research
- Consumer research
- Sales research
- Corporate research
- Competitor research

Marketing Research Process

- Define the problem and research objectives
- Develop the research plan
- Collect the information
- Analyze the information
- Present the findings

CRM: steps to success

Successful organizations use *three* steps to build customer relationships:

- determine mutually satisfying goals between organization and customers
- establish and maintain customer rapport
- produce positive "feelings" in the organization and the customers

Customer Relationship Management (CRM) Information Systems

- Capture, consolidate, analyze customer data and distribute results to various systems and customer touch points (email, phone) across enterprise
 - Provide single-enterprise view of customers
 - Provide analytical tools for determining value, loyalty, profitability of customers
- Assist in acquiring new customers, providing better service and support to customers, customize offerings to customer preferences, provide ongoing value to retain profitable customers
- Provide customers with a single view of the enterprise at touch points (web site). *What would you consider important in the design of this points of contact?*

CRM I.T. software

- Ranges from niche tools to large-scale enterprise applications
- Typically include tools for sales, customer service, and marketing
- CRM I.T. system should include:
 - Partner relationship management (PRM) modules
 - enhances collaboration between company and selling partners
 - Employee relationship management (ERM) modules
 - Deals with employee issues closely related to CRM, e.g. setting objectives, employee performance management

Sales force automation (SFA) module

- Enable focusing efforts on most profitable customers
- Enables sharing customer and prospective customer information (*what other type of application/technology may be used in conjunction with this*)
- Helps reduce cost per sale and cost of acquiring, and retaining customers

Customer service modules

- Assigning and managing customer service requests
- E.g. managing advice phone lines, Web site support

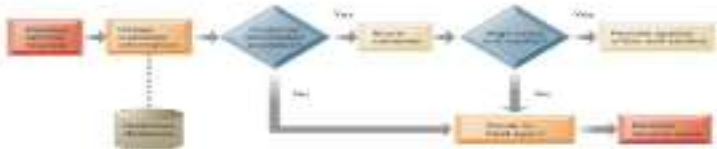
Marketing modules

- Capturing prospect and customer data,
- Providing product and service information
- Qualifying (determining) leads for targeted marketing
- Scheduling and tracking direct-marketing mailings or e-mail

Analysing customer and marketing data

- Identifying profitable and unprofitable customers
- Designing products and services to satisfy specific customer needs and interests (niche products)
- Identifying opportunities for cross-dressing

Customer Loyalty Management Process Map



Two main categories of CRM

- **Operational CRM**

- Customer-facing applications, e.g. tools for sales force automation, call centre and customer service support, marketing automation

- **Analytical CRM**

Applications that analyse (BI/AF, data mining, etc.) customer data

- Based on data warehouses consolidating data from operational CRM systems and customer touch points
- One important output: Customer lifetime value (CLTV)
- Value based on revenue produced by a customer, expenses incurred in acquiring and servicing customer, and expected life of relationship between customer and company

Analytical CRM data warehouse



Customer Engagement and

Today's Digital and Social Media

- The digital age has spawned a dazzling set of new customer relationship-building tools, from *websites, online ads and videos, mobile ads and apps, and blogs* to online communities and the major social media, such as *Twitter, Facebook, YouTube, Snapchat, and Instagram*.

Customer Engagement and Today's Digital and Social Media

- Yesterday's companies focused mostly *on mass marketing* to broad segments of customers at arm's length.
- By contrast, today's companies are using *online, mobile, and social media* to refine their targeting and *to engage customers* more deeply and interactively.

Customer-engagement Marketing

- *Customer-engagement marketing* is making the brand a meaningful part of *consumers' conversations* and lives by fostering direct and continuous *customer involvement* in shaping brand *conversations, experiences, and community*.
- Customer-engagement marketing goes beyond just selling a brand to consumers.
- Its goal is to make the brand a meaningful part of consumers' conversations and lives.

Customer-engagement Marketing

- Thus, marketers are now implementing not only customer relationship management but also *customer-managed relationships*, in which customers connect with companies and with each other to help and share their own brand experiences.

Consumer-Generated Marketing

- This might happen through **uninvited** consumer-to-consumer exchanges in blogs, video-sharing sites, social media, and other digital forums.
- But increasingly, companies themselves are **inviting** consumers to play a more active role in shaping products and brand content.

Abbreviated *SFA*, **sales force automation** is a technique of using software to automate the business tasks of sales, including order processing, contact management, information sharing, inventory monitoring and control, order tracking, customer management, sales forecast analysis and employee performance evaluation.

PURPOSE OF SFA

- Increase Revenue
- Reduction in Cost of Sales
- Customer Retention due to Company, Not Product or Service
- Sales Force Increasing Mobility
- Easy Available Customer information with Single View



SFA: THE TECHNOLOGY

Combination of functionality and the flexibility of Technology makes SFA successful

Data Synchronization:

➤ Data synchronization technologies are designed to synchronize a single set of data between two or more devices, automatically copying changes back and forth.

➤ Data synchronization can be *local synchronization* where the device and computer are side-by-side and data is transferred or *remote synchronization* when a user is mobile and the data is synchronized over a mobile network.

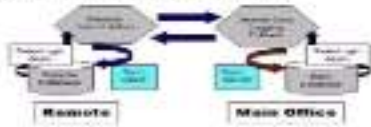
Availability and Performance of Data Synchronization



➤ High-performance synchronization requires powerful database capabilities and performance, currently available only in databases such as Microsoft SQL Server or Oracle.

➤ Each user or office can also be given only the slice of information that is relevant for their work. Partitioning the data reduces the bandwidth required to synchronize databases across a network. You can also use partitioning to increase data security by limiting access without requiring all data to be stored in a single secure location.

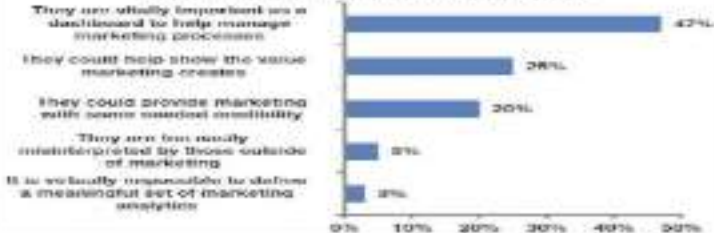
➤ The synchronization engine must be database independent to allow different database systems to reside on remote and local systems.



Defined

- *Marketing analytics* is the process of identifying metrics that are valid indicators of marketing's performance in pursuit of its objectives, tracking those metrics over time, and using the results to improve how marketing does it work.
- *Analytics* are both the process and the collective output of that process -- performance information with the ideal use as a management tool.
- *Metric*s are the "atomic unit" of analytics. The marketing analytics process consists of creating a series of metrics or measurements in specific areas.

Attitudes Toward Marketing Analytics



Marketing Analytics Process

• Step 1: Identify Metrics

- Social media gives us likes, shares, posts, tweets, and other metrics.
- Email marketing generates opens, bounces, click-through, subscribes, and more.
- Websites let us track visits, unique visits, referral sources, search terms, and much more.
- There are conversion rates, content downloads, views, and a seemingly endless stream of metrics at the disposal of the modern marketing team.
- Identifying meaningful metrics is very difficult if there is no marketing strategy or set of related objectives.

Step 2: Data Collection

- **DATA TYPES**

- **Contact information** (name, email, mobile)
- **Demographic indicators** such as age, gender, address, marital status.
- **Behavioral indicators** such as purchase preferences, preferred medium of communication & brand engagement, etc.

- **DATA SOURCE**

- Website

- Social media

- Landing pages

- In-store tablets

- Marketing tools capturing user behavior

Step 3: DATA PREPARATION

- **DATA CLEANING**

- Remove duplicate data
- Ensure consistency in formatting of the data
 - Age is defined in same units – years/months
 - Gender is Male/Female across the file
- Update missing data
- Contact customer and get missing information
- Find similar profiles in your database and estimate
- Analyze outlier data separately

Step 4: Analyze the Metrics

- **ANALYTICAL TECHNIQUES**
- **RFM (Recency, Frequency, Monetary)**
 - Will help you identify your best customers
- **LTVC (Life Time Value of a Customer)**
 - Will help you evaluate customer cost of acquisition
- **Segmentation**
 - Will help you run targeted marketing campaigns

RFM (Recency, Frequency, Monetary)

RFM analysis is a marketing technique used to determine your best customers quantitatively by using information about:

- Recency - How recent was the purchase
- Frequency - How often does the customer purchase
- Monetary - How much has the customer spent

INTRODUCTION

"Consumer behaviour may be defined as the behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products, services and ideas which they expect will satisfy their needs."



Factors Affecting Consumer Behavior



CULTURAL FACTORS

- **Culture** — It is a set of customs, beliefs and values of members of a particular society.
- **Racial Class** — There are permanent groups in the society whose members have common lineage.



SUB CULTURE



Sub Culture = Subcultures are part of culture consisting of geographic regions, religions, multicultural and racial groups. The values of these groups are different from each other.

- Religion
- Geographical location
- Gender (Male/Female)



SOCIAL CLASS

- Relatively permanent and ordered divisions in a society members share similar interests and behavior.



SOCIAL FACTORS

- **Reference Groups** - "Individuals compare and contrast their attitudes, beliefs, and behaviors with those of others in order to evaluate their own attitudes, beliefs, and behaviors."
- **Family Members**
- **Relatives**
- **Role in the Society**
- **Status in the Society**



PERSONAL FACTORS

- Occupation
- Age
- Economic Condition
- Lifestyle
- Personality



PSYCHOLOGICAL FACTORS

- Perception
- Learning
- Beliefs and Attitude
- Motivation



Who influence a consumer?



MEANING

A Buying decision process is the process a customer goes through when buying a product. It can be seen as a particular form of a cost-benefit analysis.

A buying process is the series of steps that a consumer will take to make a purchasing decision.

STAGES OF CONSUMER BUYING DECISION PROCESS

The five stages framework remains a good way to evaluate the customer's buying process.

1. Problem recognition

2. Information search

3. Evaluation of alternatives

4. Purchase decision

5. Post-purchase behavior

1. NEED RECOGNITION

A purchase cannot take place without the recognition of the need. The need may have been triggered by internal stimuli such as hunger or thirst or external stimuli such as advertising.

According to Maslow's hierarchy, only when a person has fulfilled the needs at a certain stage, can he or she move to the next stage.

2. INFORMATION SEARCH

This is the buyer's effort at searching the internal and external business environments to identify and observe sources of information related to the focal buying decision.

Internal search refers to recalling past experiences with the product.

External search is conducted when customer tries to seek information from personal sources (family, friends), commercial sources (advertisements, sales people) or public sources (newspapers, television).

3. EVALUATION OF ALTERNATIVES

At this stage, consumers evaluate different products/brands on the basis of varying product attributes, and whether these can deliver the benefits that the customers are seeking.

A factor that heavily influences this stage is the customer's attitude.

Involvement is another factor that influence the evaluation process.

4. PURCHASE DECISION

In this stage, the Purchase takes place. The final purchase decision can be disrupted by two factors:

- ↳ Negative feedback from other customers and the level of motivation to comply or accept the feedback.
- ↳ The decision may be disrupted due to anticipated situations.

5. POST-PURCHASE BEHAVIOUR

At this stage, customers will compare products with their previous expectations and will be either satisfied or dissatisfied.

This can greatly affect the decision process for similar purchases from the same company in the future, having a knock-on effect at the information search stage and evaluation of alternatives stage.

Introduction

Industrial buying is a complex process of Decision-making and communication. It involves several members and considerations. Need recognition is the first step while making a purchase decision. Increase in economy results into creation of demand for Industrial goods & services, Industrial buying different from consumer buying involves buying like machinery, Packaging material & services such as Insurance consultation & transportation, few buyer of industrial goods.

Industrial Products Involves

- **Raw Materials**
- **Fabrication parts & Material**
- **Installation of Machinery**
- **Operating Suppliers**
- **Equipments**

PARTICIPANTS IN BUYING BEHAVIOUR



INDUSTRIAL BUYING BEHAVIOUR

Meaning:

Industrial buying behaviour refers to the study of the motives and actions of, and influences upon, industrial buyers while engaged in the purchasing of goods and services.

Industrial Buyers

Industrial buyer is an individual business, government agencies are associations who make purchase decisions regarding services, raw materials, product components are finished goods are called organizational buyers.

Industrial Buying Process

Product Specific Factors

Company Specific Factors

Time Pressure

Perceived Risk

Type of Purchase

Organization Size

Organization Orientation

Degree of Centralization

Definition

Market Segmentation:

- **Dividing a market into distinct groups with distinct needs, characteristics, or behavior who might require separate products or marketing mixes.**

Segmenting Consumer Markets

Geographical segmentation

Demographic segmentation

- Most popular segmentation

Psychographic segmentation

- Lifestyle, social class, and personality-based segmentation

Behavioral segmentation

Geographic Segmentation Variables

- **World region or country**
- **U.S. region**
- **State**
- **City**
- **Neighborhood**
- **City or metro size**
- **Density**
- **Climate**

Demographic Segmentation Variables

- **Age**
- **Gender**
- **Family size**
- **Family life cycle**
- **Income**
- **Occupation**
- **Education**
- **Religion**
- **Race**
- **Generation**
- **Nationality**

Behavioral Segmentation Variables

- Occasions
- Benefits
- User Status
- Attitude Toward the Product
- User Rates
- Loyalty Status
- Readiness Stage

Segmenting Business Markets

Demographic segmentation

- Industry, company size, location

Operating variables

- Technology, usage status, customer capabilities

Purchasing approaches

Situational factors

- Urgency, specific application, size of order

Personal characteristics

- Buyer-seller similarity, attitudes toward risk, loyalty

Segmenting International Markets

Geographic segmentation

- Location or region

Economic factors

- Population income or level of economic development

Political and legal factors

- Type / stability of government, monetary regulations, amount of bureaucracy, etc.

Cultural factors

- Language, religion, values, attitudes, customs, behavioral patterns

Requirements for Effective Segmentation

Measurable

- Size, purchasing power, and profile of segment

Accessible

- Can be reached and served

Substantial

- Large and profitable enough to serve

Differentiable

- Respond differently

Actionable

- Effective programs can be developed

Target Marketing

Evaluating Market Segments

- Segment size and growth
- Segment structural attractiveness
 - Level of competition
 - Substitute products
 - Power of buyers
 - Powerful suppliers
- Company objectives and resources

Target Marketing

Selecting Target Market Segments

- Undifferentiated (mass) marketing
- Differentiated (segmented) marketing
- Concentrated (niche) marketing
- Micromarketing (local or individual)

Positioning

Positioning:

- **The place the product occupies in consumers' minds relative to competing products.**
- **Typically defined by consumers on the basis of important attributes.**
- **Involves implanting the brand's unique benefits and differentiation in the customer's mind.**
- **Positioning maps that plot perceptions of brands are commonly used.**

Choosing a Positioning Strategy

Topics

Identifying possible competitive advantages

Choosing the right competitive advantage

Choosing a positioning strategy

Differentiation can be based on

- Products
- Services
- Channels
- People
- Image

Market Segmentation

Topics

Identifying possible competitive advantages

Choosing the right competitive advantage

Choosing a positioning strategy

- How many differences to promote?
 - Unique selling proposition
 - Several benefits
- Which differences to promote? Criteria include:
 - Important
 - Distinctive
 - Superior
 - Communicable
 - Preemptive
 - Affordable
 - Profitable

Market Segmentation

Topics

Identifying possible competitive advantages
Choosing the right competitive advantage
Choosing a positioning strategy

- Value propositions represent the full positioning of the brand
- Possible value propositions:
 - More for More
 - More for the Same
 - More for Less
 - The Same for Less
 - Less for Much Less

Customer Lifecycle Marketing

Acquisition

Retention

Reactivation

Churn

Engagement

Referral

Advocacy

Delight

Customer Lifetime Value



Product Portfolio Management

Strategic Business Unit (SBU) / Division

Development, Production and Portfolio Management

Strategy



Strategy

Financial Management

Strategic Business Unit (SBU) / Division

Product Decisions

- Marketing mix describes **how a business uses and manipulates the 4ps** to market their product.
- Businesses employ different strategies when marketing products compared to services.
- As a physical product, marketers need to consider packaging, labelling and branding involved in marketing the overall product.

Type Of Decisions

- **Product Design Decisions.**
- **Production decisions.**
- **When and Where to Launch decisions.**
- **Product Mix And Product Line**

Product Design Decision

- **Initial design**

- More unique design less competitors* hence more profitability
- Uniqueness based on the technology.

- **Change in existing design**

- From Standardization to Adaptation
- For improving the current prospects of sales
- Design decisions also culturally bound



Production Decisions

- The key question is, can we ensure continuity production and supply?
- Decision may involve
 1. Product manufacturing process
 2. Batch flow line
 3. Technology to use,
 4. Product Quality

(Where to Launch)

1. Local products - seen as only suitable in one single market.
2. International products - seen as having extension potential into other markets.
3. Multinational products - products adapted to the perceived unique characteristics of national markets.
4. Global products - products designed to meet global segments.

Product Items, Lines, and Mixes

Product Item

(Individual product)



A specific version of a product that was designed as a distinct offering among an organization's products.

Product Line

(Group of products)



A group of closely related product items. Categories of product

Product Mix

(All products)



All products that an organization sells.

Product Mix Decisions

Product mix is the total suite of products or the different product lines of a company. It is a group of similar and consistent products marketed by a company.

Dimensions of Product Mix:

Width of Product Mix – how many product lines a company has.

Depth of Product Mix – how many products are there in a each product line. It is measured by the sizes, colors and models offered within each product line.

Consistency of Product Mix – how closely related the product lines are in end use (similarities in different product lines).

Inconsistency of Product Mix – It refers to heterogeneity of product lines of a company. A marketing company producing textiles, cement, minerals and steel can be termed a company having inconsistency in product mix.

Gillette's Product Lines & Mix

Depth of the product lines

Width of the product mix



Branding



- Branding is a practice of giving a specified name to a product or group of product of one seller.
- Branding is the process of finding and fixing the means of identification.
- Example – Rolex watch.



Definition of Branding



- **In the words of PHILIP KOTLER** – A brand is defined as a "name, term, sign symbol (or a combination of these) that identifies the maker or seller of the product".

Major Assets Of Brand Equity :



- Brand awareness
- Perceived quality
- Brand loyalty
- Brand personality

Branding Strategies:



1. Line extension:

- This is where an organisation adds to its current product line by introducing versions of its products with new features, an example could be a crisp/chips manufacturer extending its line by adding more exotic flavours.



2. Brand extension

- If your current brand name is successful, you may use the brand name to extend into new business areas.
- For example Virgin Group extending its brand from records, airlines, mobiles and banking.

3. Multi Branding

- The company decides to introduce more brands into an existing category.
- Procter & Gamble (P&G) — Is an American consumer goods company, that sells 23 different brands. For example Tide, Pampers, Gillette, Afta, Head & Shoulders, etc.

4. New Brands

- An organisation may decide to launch a new brand into a market. A new brand may be used to compete with existing rivals and may be marketed as something 'new and fresh'.

Packaging

- Packaging includes the activities of designing and producing the container of the product .
- Packaging can be defined as the wrapping material around a consumer item that serves to contain, identify, describe, protect, display, promote, and otherwise make the product marketable and keep it clean.
- Packaging is the outer wrapping of a product.

Types Of Packaging

1. **Transport packaging**: The product entering in to the trade need to be packed well enough to protect against loss damage during handling, transport and storage.
 - Example: fiberboard, wooden crate etc.
2. **Consumer Packing**: This packaging holds the required volume of the product for ultimate consumption and is more relevant in marketing.
 - Example: beverages, tobacco etc.

Purpose Of Packaging

- Product protection
- Product attractiveness
- Product identification
- Product convenience



Packaging Strategies



- 1. Packaging the product line
- 2. Multiple packaging
- 3. Changing the package



Labelling

- Label is a part of product, which carries verbal information about the product or seller. It may be a small slip or printed statement.
- The seller must label the products.
- The label might carry only the brand name or a great deal of information.



Type Of Labelling :



Brand label

Descriptive label

Grade label

Brand Label



Grade Label



Functions Of Labelling:



- It enable; the producer to give a clear instruction about the users of a product.
- Price variation caused by middleman are avoided because of price is maintained and printed.
- It encourages producer to make only standard products .
- Buyers can easily identify the product.

New product.

- A product is anything that can be offered to a market to satisfy needs and wants.
- A New product is any product which is perceived by the customer as being new.

New product Categories:

- 1: New to the world.
- 2: New to the product lines.
- 3: Additions to the existing product line.
- 4: Improvements & revisions of existing products.
- 5: Repositioning.
- 6: Cost reductions.



New Product development Process

New Product Development is the development of original products, process improvements, product modifications, and new brands through the firm's R & D efforts. This process consist of following steps.

1. New Generation.
2. Idea Screening.
3. Concept Development & Testing.
4. Marketing Strategy Development.
5. Business Analysis.
6. Product Development.
7. Market Testing.
8. Commercialization.

Idea Generation

- Idea generation is continuous, systematic search for new product opportunities.
- Idea form using creativity generating techniques and generated through firm's **Internal Sources** & **External Sources**.



2. Idea Screening.

- Filtering the ideas to pick out good ones & dropping the poor ones.
- It involves a preliminary evaluation process in which a large number of product ideas are screened in terms of the organization's objectives, political, technical feasibility, and financial viability.
- Total ideas are categorized into three groups. They are, promising ideas, marginal ideas and rejected ideas.
- In screening ideas, the companies normally face 2 serious errors & they need to try to avoid these mistakes.
 1. DROP ERROR
 2. GO ERROR

3. Concept Development & Testing

a. Here, the Product Idea is converted into **product concept**.

a. **Product Idea** means feasible product that company may offer to the market.

a. **Product concept** is a detailed version of the idea stated in meaningful consumer terms.

a. When developing product concept following criteria should be considered:

• Who will use the product?

• What primary benefit should this product provide?

• When will this product be consumed?

b. **Concept Testing** means presenting the product concept to target consumers, physically or symbolically, and getting their reactions.

4. Marketing Strategy Development

After concept testing, for concepts that qualify a preliminary marketing strategy is created to introduce new product into market.



5. Business Analysis

- This stage will decide whether from financial as well as marketing point of view, the project is beneficial or not.
 - In Business Analysis ,
 - Estimate likely selling price based upon competition and customer feedback.
 - Estimate sales volume based upon size of market.
 - Estimate profitability and break even point.
- If above are match with the company's objectives, then the new product concept moves to product development stage.

6. Product Development

- Up to now, the product has existed only as a word description, a drawing
- The company will now determine whether the product idea can translate into a technically and commercially feasible product.

Produce a
physical prototype

Test the
product

Quantify the
profitability

Make
adjustments

2. Market Testing.

- Now the product is ready to be branded with a name, logo, and packaging and go into a preliminary market testing.
- Marketing Testing involves placing a product for sale in one or more selected areas and observing its actual performance under the proposed marketing plan.
- Methods for market testing:
 1. Sales wave research.
 2. Simulated test marketing.
 3. Controlled testing marketing.
 4. Test markets.

II. Commercialization.

- After successful market testing, new product comes to commercialization stage.
- During this stage, production of new product on a commercial basis is started, built up and implementing a total marketing plan.
- For formally launching a New Product, the following decisions to be taken:
 - a) When to launch (Timing)
 - b) Where to launch (Geographic Strategy)
 - c) To Whom (Target Market/Prong(s))
 - d) How to launch (introductory Market Strategy)



DEFINITIONS

- Acc to Philip Kotler:

"The Plc is an attempt to recognize the distinct stages in the sales history of the product."

- Acc to William J. Stanton:

"The Product life cycle concept is the explanation of the product from its birth to death as a product exists in different stages & in different competitive environments"

STAGES OF PRODUCT LIFE CYCLE

Product Life Cycle



INTRODUCTION STAGE

- It is the 1st stage, wherein the product is launched in the market with full scale production & marketing programme.
- The product is a new one. It means "a product that opens up an entirely new market, replaces an existing product or significantly broadens the market for an existing product."
- In this stage sales grow at a very lower rate because it is not an effective demand.

GROWTH STAGE

- Once the market has accepted the product, sales begin to rise & product enter its 2nd stage.
- The product achieves considerable & widespread approval in the market. The sales & profits increases at an accelerated rate.
- In this effective distribution, advertising & sales promotion are considered as the key factors.

MATURITY STAGE

- Market becomes saturated because the household demand is satisfied & distribution channels are full. The product has to face keen competition which brings pressure on prices. Though the sales of the product rises but at a lower rate. Profit margin however decline due to keen competition.

DECLINE STAGE

- This is the final stage, sooner or later actual sales begin to fall under the impact of new product competition & changing consumer behavior. The sales & profits fall down sharply & the promotional expenditure has to be cut down drastically.

PRODUCT LIFE CYCLE FOR STYLISH PRODUCTS



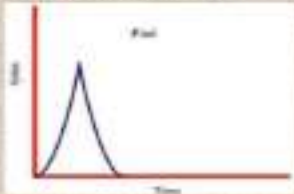
- A style is the manner in which a product is presented and certain styles come and go.
- Acc to Kotler:
 - A style is a basic & distinctive mode of representation
- E.g., Furniture, automobile, clothing, shoes.
- The current style for mobile phone is touch screen and this style will last until a new technology style appears. So the shape of a style life cycle is like a wave, as one style fades out, another appears.

PRODUCT LIFE CYCLE FOR FASHION PRODUCTS



- A fashion refer to a currently accepted style in a specific field. It is a current trend which can have a long or short life cycle.
- Fashion tends to grow slowly, remain popular for a while, then decline slowly
- The demand for the product increases at a faster rate, reaches to its top & with the change in fashion the product life enter to decline stage.
- E.g., readymade garments, purses, handbags, shoes, etc.

PRODUCT LIFE CYCLE FOR FAD PRODUCTS



- Fads are fashions that enter quickly with great zeal, peak early & decline very quickly.
- A fad is a product that is around for a short period.
- E.g., garments, CDs, hair style, music albums, films & other fashion products.

What is Price?

The amount of money expected, required, or given in payment for something.

A business can use a variety of pricing strategies when selling a product or service. The Price can be set to maximize profitability for each unit sold or from the market overall. It can be used to defend an existing market from new entrants, to increase market share within a market or to enter a new market. Businesses may benefit from lowering or raising prices, depending on the needs and behaviors of customers and clients in the particular market. Finding the right pricing strategy is an important element in running a successful business.

What Is Pricing Strategy?

A business can use a variety of pricing strategies when selling a product or service. The Price can be set to maximize profitability for each unit sold or from the market overall. It can be used to defend an existing market from new entrants, to increase market share within a market or to enter a new market. Businesses may benefit from lowering or raising prices, depending on the needs and behaviors of customers and clients in the particular market. Finding the right pricing strategy is an important element in running a successful business.

Factors Affecting Pricing



Market Skimming Pricing

- High Price low volume
- Skim the Profit from the Market
- Suitable for the products that have short life cycle or Which will face competition at some point in future
- Examples: Play Station, Digital Technology & DVD etc.



Value Pricing

- Based on customer Perception.
- Price charged according to the Customer's Perception.
- Price set by the company as per the perceived value.
- Example: Status Products, Exclusive Products.



Loss Leader Pricing

- Great retailers deliberately sell below cost to encourage sales elsewhere
- Typical in supermarkets, e.g., at Christmas, selling bottles of gin at £1 in the hope that people will be attracted to the store and buy other things
- Purchases of other items more than makes "loss" on item sold
- e.g., "free" mobile phone when taking on contract package



Psychological Pricing

- Used to play on consumer perceptions
- Classic example - 99¢ instead of 1.00¢
- Links with value pricing - high value goods priced according to what consumers THINK should be the price

	14 GB	24 GB	44 GB
WiFi	\$499	\$599	\$699
WiFi + 3G	\$629	\$729	\$829

Going Rate Pricing

- In case of price leader, rivals have difficulty in competing on price – too high and they lose market share, too low and the price leader would match price and force smaller rival out of market
- May follow pricing leads of rivals especially where 1 firm rivals have a clear dominance of market share
- Where competition is limited, 'going rate' pricing may be applicable – banks, petrol, supermarkets, electrical goods – find very similar prices in all outlets

Tender Pricing

- Many contracts awarded on a tender basis
- Firms (or firms) submit their price for carrying out the work
- Purchaser then chooses which represents best value
- Mostly done in secret



Price Discrimination Pricing

- Charging a different price for the same goods/services in different markets
- Requires each market to be segmentable
- Require different price elasticity of demand in each market
- Prices for rail travel differ for the same journey at different times of the day



Penetration Pricing

- Price set to "penetrate the market"
- "Low" price to secure high volumes
- Typical in mass market products - consumer items, food stuffs, household goods, etc.
- Suitable for products with long anticipated life cycles
- May be useful in launching into a new market



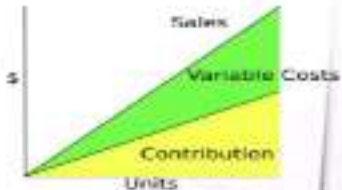
Cost Plus Pricing

- Cost-plus pricing is a pricing strategy that is used to maximize the rates of return of companies.
- Cost-plus pricing is also known as mark-up pricing where $\text{cost} + \text{mark-up} = \text{selling price}$.
- In practice, most firms use either value-based pricing or cost-plus pricing.



Contribution Pricing

- Contribution = Selling Price - Variable (direct) costs
- Prices set to ensure coverage of variable costs and a contribution to the fixed costs
- Similar in principle to marginal cost pricing
- Break-even analysis might be useful in profit calculations



Target Pricing

- Setting price to "target" a specified profit level
- Evaluation of the cost and potential revenue at different prices, and how the trade-offs have to be made, to determine the markup
- Markup = $\frac{\text{Profit/Cost} \times 100}{1}$



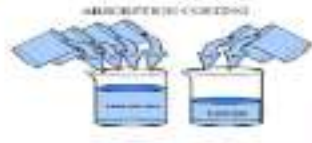
Marginal Cost Pricing

- Marginal cost – the cost of producing ONE extra or ONE fewer items of production
- MC pricing – allows flexibility
- Particularly relevant in transport where fixed costs may be relatively high
- Allows variable pricing structures – e.g. on a flight from London to New York – providing the cost of the extra passenger is covered, the price could be varied a great deal to attract customers and fill the aircraft

$$MC = \frac{\Delta \text{Total Cost}}{\Delta \text{Output}} = \frac{\$80}{2} = \$40$$

Absorption Cost Pricing

- Full Cost Pricing – attempting to set price to cover both fixed and variable costs
- Absorption Cost Pricing – Price set to 'absorb' cover all the fixed costs of production



Destroyer Pricing

- Deliberate price cutting re offer of "loss gifts/products" to force rivals (normally smaller and weaker) out of business or prevent new entrants.
- Anti-competitive and illegal if it can be proved.



Influence of Elasticity Pricing

- Price Inelastic
- % change in $Q <$ % change in P
- e.g. a 1% increase in price would be met by a fall in sales of something less than 1%
- Revenue would rise
- A 1% reduction in price would lead to a rise in sales of something less than 1%
- Revenue would fall



What is Promotional Mix?

- + The Promotional mix is a combination of the different types of promotion.
- Promotion keeps the product in the minds of the customer and helps stimulate demand for the product.
- The ongoing activities of advertising, sales promotion, Public Relations, personal selling and direct marketing are often considered aspects of promotion.



**Ingredients
of the
Promotion
Mix**

Advertising

Sales Promotion

Public Relations

Personal Selling

Direct Marketing

Integrated Marketing Communications

Mobile
Marketing

Advertising

Brand/Star
Associations

Full
Marketing
Campaigns

Public
Relations

Marketing

Direct
Marketing

Social
Media





Develop integrated marketing communications programs



Integrate and implement the IMC communications strategies

Monitor, evaluate and control IMC programs

Integrated Marketing Communications



Integrated marketing communication (IMC) is an approach to brand communications where the different media work together to create a seamless experience for the customer and are presented with a similar tone and style that reinforces the brand's core message.

The goal is to make all aspects of marketing communication such as advertising, sales promotion, public relations, direct marketing, personal selling, online communications and social media work together as a unified force, rather than permitting each to work in isolation, which in turn maximizes their cost effectiveness.

➤ Managing the sales force involves two key personal selling decisions which are:

- Size of sales force
- Selling styles

➤ This task starts with job analysis, followed by job description, job specification, recruitment, selection, training and controlling.

➤ Sales force management activities work as a system, faulty decision relating to one activity results in complications for other activities.

ACTIVITIES INVOLVED IN HUMAN RESOURCE MANAGEMENT:-

JOB ANALYSIS

JOB DESCRIPTION

JOB SPECIFICATION

RECRUITMENT

SELECTION

TRAINING

MOTIVATION PLANS

PERFORMANCE EVALUATION

Selection~



It is the process of choosing from among the candidates from within the organization or from the outside, the most suitable person for the current position or for the future position~

KOONTZ

Definition is the process of choosing qualified individuals who are available to fill the positions in organization



Selection process



Training~



□ "Training is the act of increasing the knowledge of an employee for doing a particular job" – EDYARD M FLIPPY

□ Importance of Training

1. Respond to technology changes affecting job requirements.
2. Respond to organizational restructuring .
3. Adapt to increased diversity of the workforce.
4. Support career development.
5. Fulfill employee need for growth

Training methods-

A. On-the-job Training Methods:

1. Coaching
2. Mentoring
3. Job Rotation
4. Job Instruction Technology
5. Apprenticeship
6. Understudy

B. Off-the-Job Training Methods:

1. Lectures and Conferences
2. Vestibule Training
3. Simulation Exercises
4. Sensitivity Training
5. Transactional Training

Motivation and compensation plans~



□ Motivation is derived from Latin word "movere", which means "to move"

□ "It means a process of stimulating people to action to accomplish desired goals." – **W. D. SCOTT**

□ Motivation is the effort the salesperson makes to complete various activities of the sales job

□ Majorly of salespeople are not adequately motivated

□ Importance of motivating salespeople is recognized, because financial performance of the company depends upon the achievement of sales volume objective

DISTRIBUTION MANAGEMENT

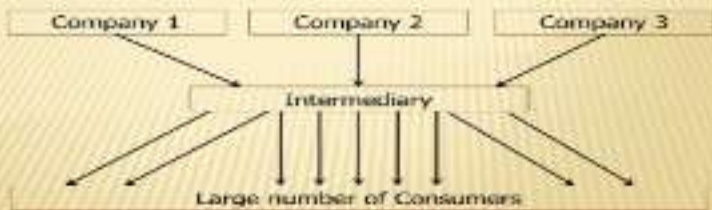
Distribution management ensures that:

- a product is made available to a consumer at a retail shop close to his residence, thus, providing the "place" utility;
- a product is available at the retail counter at a chosen time of the consumer, thus, providing the "time" quality;
- a consumer can pay for a product and take it home whereby he becomes the owner of it, thus, the "possession" utility has also been provided for.

DISTRIBUTION MANAGEMENT DEFINITION

- Management of all activities which facilitates movement and co-ordination of supply and demand in creation of time and place utility in goods.
- Art and science of determining requirements, acquiring them, distributing them and finally maintaining them in an operationally ready condition for their entire lives.
- Broad range of activities concerned with the efficient movement of finished products from the end of the production line to the consumer and it also includes the movement of raw materials from the source of supply to the beginning of the production line.

ROLE OF AN INTERMEDIARY



DISTRIBUTION CHANNEL STRATEGY

Corporate Strategy



Marketing Strategy



Distribution Strategy

DISTRIBUTION CHANNEL STRATEGY

- **Corporate Strategy.** Spells out the overall strategy and direction.
- **Marketing Strategy.** Part of the overall business plan of the company and corporate strategy. Outlines how the overall strategy is achieved using company products and its distribution network.
- **Distribution Strategy.** Forms a critical part of the marketing strategy which cannot be frequently changed as it requires building a network over an area and long-term relationships. Part of it involves organizing and managing the distribution function.

DISTRIBUTION CHANNEL STRATEGY

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Conflict Management

- Conflict is neither good nor bad. It's inevitable.
- All unresolved conflict decreases productivity & lowers performance.
- To manage the conflicts in the organization is termed as conflict management.



Types Of Conflict

**Functional
conflicts**



**Dysfunctional
conflicts**



Five essential characteristics

- When it involves clear involvement of people.
- When it leads to growth.
- When relationships are clearly defined.
- When it provides an outlet for stress, anxiety, frustration, anger.
- When it leads to cohesion within the group.

Try to understand consequences

When it keeps people from getting work done

When it interferes with professional life
- destroys confidence and trust

When it becomes personal: feelings are hurt

When it dictates conformity:
people are forced to do things



Outcome of Conflict

High

Win/Win

Win/Lose

Low
High
Low

Win/Lose

Win/Win

High

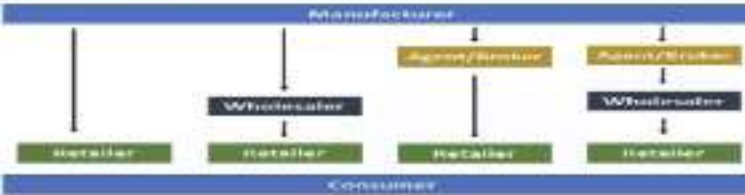
High

Low
High
Low



STYLES OF CONFLICT MANAGEMENT

Channel Structure for Consumer Product



Channel structure for industrial product



Marketing Channel System

- Vertical channel system
- Horizontal channel system
- Multi-channel system

Vertical Channel System

- A vertical marketing system (VMS) is one in which the main members of a distribution channel—producer, wholesaler, and retailer—work together as a unified group in order to meet consumer needs.

Types of Vertical Channel System

- Corporate vertical channel system
- Contractual vertical channel system
- Administered vertical channel system

Corporate vertical channel system

- In a corporate VMS, one member of the distribution channel owns the other members.
- Although they are owned jointly, each company in the chain continues to perform a separate task.

Contractual vertical channel system

- Contractual VMS consists of independent firms joined together by contract for their mutual benefit.
- One type of contractual VMS is a retailer cooperative, in which a group of retailers buy from a jointly owned wholesaler.
- Another type of contractual VMS is a franchise organization, in which a producer licenses a wholesaler to distribute its products.

Administered vertical channel system

- In an administered VMS, one member of the channel is large and powerful enough to coordinate the activities of the other members without an ownership stake.

Horizontal Channel System

- A horizontal marketing system is a distribution channel arrangement whereby two or more organizations at the same level join together for marketing purposes to capitalize on a new opportunity.

Horizontal Channel System

- In this marketing system, the collaboration can be between:
 - *Two or more Manufacturers*- With an objective of making optimum utilization of scarce resources.
 - *Two or more Wholesalers* With the objective of covering a larger area of the distribution of goods and services.
 - *Two or more Retailers*- With the objective of providing bulk quantities in a particular area.

Multichannel System

- Multichannel marketing refers to the practice by which companies interact with customers via multiple channels, both direct and indirect, in order to sell them goods and services

Channel Power

- The Channel Power refers to the ability of any one channel member to alter or modify the behavior of other members in the distribution channel, due to its relatively strong position in the market.

Sources of Channel Power

- Reward power
- Coercive power
- Legitimate power
- Referent power
- Expert power

INTRODUCTION

Consumer Protection Act 1986

- An important Act in the history of the consumer movement in the country
- It was drafted to provide the better protection and promotion of consumer rights through the establishment of consumer councils and quasi-judicial machinery.
- Mile stone in the history of socio-economic legislation and directed towards public welfare and public benefits.

HISTORY

Continued protection during the Mughal times and especially during the time of Khilji.

J.N.Sarkar (1952), *Mughal Administrators, Calcutta, 1952*, p. 10-11

British regime (1765-1947), (Colonial Era). Government's economic policies in India were concerned more with protecting and promoting the British interests than with subsidizing the welfare of the native population.

Principal statutes there were the Indian Penal code, 1860, the salt and opium act, 1930, the dangerous drugs act, 1930 and the drugs and cosmetics act, 1954

J.N.Sarkar (1952), *Constitutional Law of India, Allahabad, Central Law Agency, pp 1-18.*

FEATURES OF CPA 1986

CPA (1986) was enacted for the promotion and prevention of the consumers



- Right of redressal
- Right to information
- Right to choose
- Right to be heard
- Right to safety

CONSUMER MOVEMENT IN INDIA

It took many years for organisations in India and around the world to create awareness amongst people. In India, this movement manifested as a social force originated with the necessity of protecting and promoting the interests of consumers against unethical and unfair trade practices. Rampant food shortages, hoarding, black marketing, adulteration of food and sale of gram curds to the consumer movement in an organised form in the 1970s. Till the 1970s, consumer organisations were largely engaged in writing articles and holding exhibitions. They formed consumer groups to bring their misgivings to public notice and campaigning in the mass passenger transport. More recently, India witnessed an upsurge in the number of consumer groups. Result of all these efforts, the movement manifested in bringing pressure on business firms as well as government to correct business conduct which may be unfair and against the interests of consumers at large. A major step taken in 1986 by the Indian government was the enactment of the Consumer Protection Act 1986, popularly known as CTPRA.



NATIONAL CONSUMER MOVEMENT DAY - National Consumer Rights Day was observed across India on 29 December 2012. The day is being observed on 29 December, since the Consumer Protection Act, 1986 was enacted on this day in 1986.

WORLD CONSUMER RIGHTS DAY - Every year 15th March is observed as "World Consumer Rights Day". It commemorates the signing of the United Nations (U.N.) Convention on the Protection of the Rights of the Consumer in 1980. World Consumer Rights Day is an annual occasion for individuals and societies worldwide to celebrate consumer awareness. It is observed globally by promoting the basic rights of all consumers, reminding that these rights are respected and fulfilled, and promoting about the market always and its regulations to the consumers.



Right to
non-discrimination

Right to
information

Individuals
rights

Right to
privacy

Right to
data portability
& erasure

Right to
access
rectification

Right to
object

RIGHT TO BE HEARD



Right to be heard means that consumers' interests will receive due consideration at appropriate forums. It also includes right to be represented in various forums formed to consider the consumer's welfare. The consumers should form voluntary and non-commercial consumer-organisations which can be given representation in various committees formed by the Government and other bodies in matters relating to consumers.

RIGHT TO INFORMATION



The consumer has the right to be informed about the quality, quantity, potency, purity, standard and price of goods so as to protect the consumer against unfair trade practices. Consumers should insist on getting all the information about the product as a consumer before making a choice or a decision. Consumers can then complain and ask for compensation or replacement if the product proves to be defective in any manner. This enables the consumer to act wisely and responsibly and also enable him to avoid from falling prey to high pressure selling techniques.

RIGHT TO CHOOSE

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The consumer has right to be assured, whenever possible of access to variety of goods and services at competitive prices. In case of monopolies, it means right to be assured of satisfactory quality and service at a fair price. It also includes right to lease goods and services. This is because unrestricted right of the minority to choose can mean a denial for the majority of its fair share. This right can be better exercised in a competitive market where a variety of goods are available at competitive prices. Any consumer who receives a service in whatever quantity, regardless of age, gender and nature of service, has the right to choose whether to continue to receive the service.



RIGHT TO SAFETY



**SAFETY
FIRST**

**THE SAFE WAY IS
THE BEST WAY**



The consumer has the right to be protected against the marketing of goods and services which are hazardous to life and property. Producers must be strictly liable for required safety rules and regulations. There are many goods and services which are products that require special attention for safety. For example, producers must have a safety system which if it is defective, can cause a serious accident. The manufacturers of the safety system have to ensure high quality. The professional goods and services involved in electrical work have their own special needs, but also require being well regulated. Right consumers consumers should focus on the quality of the products as well as on the protection of the products and services. They should preferably purchase quality marked products such as CE, AENOR, etc.

RIGHT TO SEEK REDRESSAL



Consumers have the right to seek redressal against unfair trade practices or unreasonable exploitation. It also includes right to fair treatment of the consumer grievances of the consumer. Consumers must never complain for their genuine grievances. Many a times their complaints may be of small value but its impact on the society as a whole may be very large. They can also take the help of consumer organisations in seeking redressal of their grievances. A consumer can always complain for damage caused by any product or service. The CSRs can file a case in the consumer court against the manufacturer or service provider.

RIGHT TO CONSUMER EDUCATION



The right to acquire the knowledge and skill to be an informed consumer throughout life. Ignorance of consumers, particularly of rural consumers, is mainly responsible for their exploitation. They should know their rights and must exercise them. The government or other organization should make attempts to educate citizens about various aspects of consumer welfare. Only that real consumer protection can be achieved with success.

WHY CONSUMER EDUCATION IS IMPORTANT



It provides the person with the basic knowledge to handle consumer problem. He/she becomes a discriminating buyer by taking rational decisions, and thus not fall prey to advertisements or persuasions. Technological developments have flooded the market with a variety of products, goods and services. It is therefore important that a person possesses basic knowledge and skills to judge the product. School children are mostly dependent on their parents. It is therefore important that they make the best use of their pocket money.

Consumer education can alert the pupils to the corporate dumping of dangerous pharmaceuticals and similar products.

The collage consists of four distinct images arranged horizontally. From left to right: 1. A logo for 'KIDZ WORLD' with the tagline 'LIFE IS A JOURNEY' below it. 2. A photograph of a young boy with a joyful expression, holding a brown teddy bear. 3. A cartoon illustration of a girl with red hair, wearing a yellow shirt and a red tutu, appearing to dance or cheer. 4. A poster titled 'Know Your CONSUMER RIGHTS' which features a grid of text and icons, though the details are not clearly legible.

MORE TO KNOW

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While buying many commodities on the cover you might have seen a logo with the letters ISI, Agmark, Hallmark. These logos and certifications help consumers get assured of quality while purchasing the goods and services. The organisations that monitor and issue these certificates allow producers to use their logos provided

APPROVED BY



WHERE SHOULD CONSUMER GO TO GET IT

JUSTICE

Consumer has the right to seek redress against unfair trade practices and exploitation in the consumer market. If any damage or loss is sustained, he or she has the right to get compensation depending on the degree of damage. The consumer movement in India has led to the formation of various organizations locally known as consumer forums or consumer protection councils. They guide Consumers on how to file cases in the consumer court, in many instances they also represent individual consumers in the consumer court.

Under COPRA a three-tier system is set up at the district, state and National level for redressal of consumer disputes. Various claims are dealt with by these courts as given below :

- ✦ District level : Up to Rs 20 Lakhs.
- ✦ State level : Between Rs 20 Lakhs and Rs 1 Crore.
- ✦ National level : Exceeding Rs 1 Crore.

If a case is dismissed in district level court, the consumer can appeal in the state and then in the National level court.