

Marketing

Class 12 - Business Studies - Ch 11

Concept

Set of activities thro which a firm creates, communicates & ~~sells~~ delivers value to customers - all aimed at satisfying their needs & wants.

Marketing = Identify need + create offering + exchange

<-broader than selling

Features (5)

1. Needs & Wants of consumers .
2. Creating a market offering .
3. Customer Value (perceived benefits) .
4. Exchange Mechanism .
5. Customer satisfaction = loyalty .

Mktg vs Selling

Mktg : customer-focused, profit thro satisfaction, longer view, integrated effort.

Sell : product-focused, profit thro vol, short view, isolated effort, pushy push .

Functions of Marketing

Nine activities* a marketer carries out :

1. Gathering & analysing market info.
2. Marketing planning (objectives, strategy) .
3. Product designing & development .
4. Standardisation & Grading .
5. Packaging & Labelling .
6. Branding (brand name + brand mark) .
7. Customer ~~ignoring~~ support service .
8. Pricing of the product .
9. Promotion (ads, sales promo, etc) .

Mktg Mgmt Philosophies

1. Production Concept : more = better.
Focus on efficient production .
2. Product Concept : best quality wins.
Continuous product improvement .
3. Selling Concept : push hard, sell more.
Aggressive ads & personal selling .
4. Mktg Concept : customer is king.
Identify needs -> satisfy -> profit .
5. Societal Mktg : customer + society.
Eco-friendly + long-term welfare .

Evolution : Prod'n -> Product -> Sell -> Mktg -> Societ

Marketing Mix (4 Ps)

Product + Price + Place + Promotion

Product (1st P)

Anything that can be offered to a market for attention, acquisition, use or consumption.

3 Levels :

- (a) Core product - basic benefit
- (b) Actual product - features, brand
- (c) Augmented - warranty, after-sales

Elements : Branding, Labelling, Packaging .

Price (2nd P)

Amount of money paid by buyer for a product . Sets revenue & profitability .

Factors :

- (1) Cost of the product .
- (2) Utility & demand .
- (3) Competition .
- (4) Govt regulation .
- (5) Mktg methods used .

Methods : Cost-plus Going-rate * <-4 methods

Penetration Skimming pricing .

Place & Promotion

Place (3rd P)

Activities that make the product available to the customer at the right place & time .

Channels of Distribution :

- (a) Zero level : Mfr \rightarrow Cust (direct)
- (b) One level : Mfr \rightarrow Retailer \rightarrow C
- (c) Two level : Mfr \rightarrow W'saler \rightarrow Ret. \rightarrow C
- (d) Three level : + Agent in between .

Physical Distribution = transport + storage
+ inventory + order processing .

Promotion (4th P)

Informing & persuading the buyer .

Promotion Mix (5) :

1. ~~Branding~~ Advertising - paid, non-personal .
2. Personal Selling - face-to-face .
3. Sales Promotion - short-term offers .
4. Publicity - un-paid news mention .
5. Public Relations - good-will .

A - P S - S P -

P&S elements P R

Used as a mix - rarely just one .

Choice depends on : product, budget, market .