

DegreeLive

MARKETING MANAGEMENT

BBA Semester 1 – Calicut University

MODULE 1: BASIC CONCEPTS OF MARKETING

Marketing: Nature, Scope and Importance

1. Marketing is the process of identifying customer needs and satisfying them profitably.
2. It connects producers with consumers.
3. Marketing begins before production and continues even after sale.

Nature

1. Customer-oriented.
2. Goal-oriented.
3. Continuous process.
4. Dynamic and adaptable.
5. Creates value for customers.

Scope

1. Product planning.
2. Pricing.
3. Promotion.
4. Distribution.
5. Customer relationship management.
6. Market research.

Importance

1. Increases sales.
2. Builds customer satisfaction.
3. Creates competitive advantage.
4. Helps business growth.

Marketing Concepts

Production Concept

1. Customers prefer products that are widely available and affordable.
2. Focus is on large-scale production and efficiency.
3. Example: Mass-produced basic goods.

Product Concept

1. Customers prefer products with better quality and features.
2. Focus is on product improvement.

Selling Concept

1. Customers will not buy enough unless aggressively promoted.
2. Focus is on selling and advertising.

Marketing Concept

1. Success comes from understanding and satisfying customer needs better than competitors.
2. Customer satisfaction is the main focus.

Remember: Modern businesses mainly follow the Marketing Concept.

Marketing vs Selling

Marketing	Selling
Starts with customer needs	Starts with product
Customer-focused	Product-focused
Long-term relationship	Short-term sales
Creates customer value	Pushes products to customers
Profit through satisfaction	Profit through volume

1. Marketing asks: "What does the customer need?"
2. Selling asks: "How can we sell this product?"

Marketing Environment

Economic Environment

1. Income levels.
2. Inflation.
3. Employment.
4. Economic growth.

Political Environment

1. Government policies.
2. Political stability.
3. Tax regulations.

Social Environment

1. Culture.
2. Lifestyle.
3. Education.
4. Population trends.

Legal Environment

1. Consumer laws.
2. Competition laws.
3. Labour regulations.

Technological Environment

1. Innovation.
2. Automation.
3. Internet and digital technology.

Changes in the environment affect marketing decisions.

Portfolio Approach

BCG Matrix

Used to classify products based on market growth and market share.

1. **Stars:**
 - a. High market share.
 - b. High market growth.
 - c. Example: Popular smartphone models.

2. Cash Cows:

- a. High market share.
- b. Low market growth.
- c. Example: Established soft drink brands.

3. Question Marks:

- a. Low market share.
- b. High market growth.
- c. Example: New products in emerging markets.

4. Dogs:

- a. Low market share.
- b. Low market growth.

- c. Example: Declining products.

GE McKinsey Matrix

Evaluates products using:

1. Industry attractiveness.
2. Business strength.

Strategy

1. Invest in strong businesses.
2. Maintain medium performers.
3. Exit weak businesses.

MODULE 2: CUSTOMER-DRIVEN MARKET STRATEGY

Market Segmentation

1. Dividing a large market into smaller groups with similar needs.

Levels of Segmentation

1. Mass Marketing.
2. Segment Marketing.
3. Niche Marketing.
4. Individual Marketing.

Bases of Segmentation

1. **Geographic:** Country, Region, Climate.
2. **Demographic:** Age, Gender, Income, Occupation.
3. **Psychographic:** Lifestyle, Personality, Values.
4. **Behavioral:** Usage, Loyalty, Benefits sought.

Targeting

1. Selecting the segment(s) a company wants to serve.

Targeting Strategies

1. **Undifferentiated Marketing:** One offer for the entire market.
2. **Differentiated Marketing:** Different offers for different segments.
3. **Concentrated Marketing:** Focus on one specific segment.
4. **Micromarketing:** Customized marketing for individuals or local markets.

Differentiation

1. Making a product appear different from competitors.

Importance

1. Creates competitive advantage.
2. Increases customer preference.
3. Supports premium pricing.
4. Builds brand identity.

Ways to Differentiate

1. Product quality.

2. Features.
3. Service.
4. Design.
5. Brand image.

Positioning

1. Creating a distinct place for a product in the customer's mind.

Positioning Strategies

1. Based on product features.
2. Based on quality.
3. Based on price.
4. Based on benefits.
5. Based on user category.

Examples: Volvo → Safety, Apple → Premium innovation.

Consumer Behaviour

Consumer

1. Person who purchases or uses goods and services.

Consumer Behaviour

1. Study of how consumers select, buy, use and dispose of products.

Importance

1. Helps understand customer needs.
2. Improves product development.
3. Supports better marketing strategies.

Consumer Buying Decision Process

1. Need Recognition.
2. Information Search.
3. Evaluation of Alternatives.
4. Purchase Decision.
5. Post-Purchase Behaviour.

MODULE 3: MARKETING MIX DECISIONS

Product Decisions

Product

1. Anything offered to satisfy a need or want.

Product Classification

1. **Consumer Products:**
 - a. Convenience Products.
 - b. Shopping Products.
 - c. Specialty Products.
2. **Industrial Products:**
 - a. Used for business purposes.

Product Mix

1. Total range of products offered by a company.

Components of Product Mix

1. Width.
2. Length.
3. Depth.
4. Consistency.

Product Life Cycle (PLC)

1. Describes the journey of a product from launch to decline.

1. **Introduction Stage:**
 - a. Product launched.
 - b. Sales low.
 - c. Promotion high.
2. **Growth Stage:**
 - a. Sales increase rapidly.
 - b. Profits rise.
3. **Maturity Stage:**
 - a. Sales stabilize.
 - b. Competition intense.
4. **Decline Stage:**
 - a. Sales decrease.
 - b. Product may be withdrawn.

PLC Strategies

1. Promotion during introduction.
2. Expansion during growth.
3. Differentiation during maturity.
4. Cost control during decline.

Pricing Decisions

Pricing

1. Process of determining the price of a product.

Determinants of Price

1. Cost.
2. Demand.
3. Competition.
4. Customer perception.
5. Government regulations.

Pricing Strategies

1. **Cost-Based Pricing:** Price based on production cost.
2. **Value-Based Pricing:** Price based on customer value.
3. **Competition-Based Pricing:** Price based on competitor pricing.
4. **Penetration Pricing:** Low price to enter market.
5. **Skimming Pricing:** High initial price for new products.

Value Proposition

1. Clear statement explaining why customers should buy a product.

Good Value Proposition Should Explain

1. What problem is solved.
2. Benefits provided.
3. Why the product is better than alternatives.

Example

Food Delivery App:

1. Fast delivery.
2. Affordable prices.
3. Wide restaurant choice.

Promotion Decisions

Promotion

1. Activities used to inform and persuade customers.

Promotion Mix

1. Advertising.
2. Sales Promotion.
3. Public Relations.
4. Publicity.
5. Personal Selling.

Factors Affecting Promotion Mix

1. Budget.
2. Product type.
3. Target market.
4. Competition.
5. Stage of product life cycle.

Marketing Communication Mix

1. **Advertising:** Paid non-personal communication.
2. **Sales Promotion:** Short-term incentives to increase sales.
 - a. Examples: Discounts, Coupons.
3. **Public Relations (PR):** Building positive public image.
4. **Publicity:** Unpaid media coverage.
5. **Personal Selling:** Direct interaction between salesperson and customer.

Distribution

Distribution

1. Making products available to customers.

Levels of Distribution

1. **Zero-Level Channel:** Producer → Consumer

2. **One-Level Channel:** Producer → Retailer → Consumer
3. **Two-Level Channel:** Producer → Wholesaler → Retailer → Consumer

2. Retailers.
3. Agents.
4. Distributors.

Types of Intermediaries

1. Wholesalers.

MODULE 4: MARKETING OF SERVICES

Product vs Services

Product	Service
Tangible	Intangible
Can be stored	Cannot be stored
Ownership transferred	Ownership not transferred
Produced before consumption	Produced and consumed together

Examples

1. Product: Mobile phone.
2. Service: Banking.

Marketing Strategies for Services – 7P's

Traditional Marketing Mix

1. Product.
2. Price.
3. Place.
4. Promotion.

Additional 3 P's for Services

1. **People:** Employees delivering service.
2. **Process:** Steps involved in service delivery.
3. **Physical Evidence:** Physical environment and appearance.

Complete 7P's

1. Product.
2. Price.
3. Place.
4. Promotion.
5. People.
6. Process.
7. Physical Evidence.

Emerging Trends in Marketing

Digital Marketing

1. Marketing through websites, social media and online platforms.

Sustainable Marketing

1. Meeting customer needs while protecting environment and society.

Affiliate Marketing

1. Individuals earn commission by promoting products of other companies.

Integrated Marketing Communication (IMC)

1. Coordinating all communication channels to deliver a consistent message.

Benefits

1. Stronger brand image.
2. Better customer understanding.
3. Improved marketing effectiveness.

Examples

1. Same brand message across TV, social media and websites.

AI Marketing

1. Use of Artificial Intelligence to improve marketing activities.

Applications

1. Customer recommendations.
2. Chatbots.
3. Predictive analytics.
4. Personalized advertising.

Developing an AI Marketing Strategy

1. Define objectives.
2. Collect customer data.
3. Choose AI tools.
4. Implement AI solutions.
5. Monitor and improve results.

Benefits

1. Better customer experience.
2. Faster decision making.
3. Improved targeting.
4. Higher marketing efficiency.