

Lesson-1

Marketing, as a discipline, has travelled a long distance in the last four decades. It is a craft of linking the producers of goods and services with the existing and potential customers. The changes in the consumer behaviour, market place, channels of distribution, the merchandizing, display and almost anything have been tremendous in the past few decades. The speed of change is stupendous. Major shopping malls, the range of choices, the buying pattern from personal to internet buying, credit cards etc has taken long strides towards difference and has totally changed business outlook. The demand for more sophisticated products has emerged almost in every field. Products have today very close similarities. The research has created nearly the same kind of services and customer aids. Marketers are today faced with tough decisions. One wrong decision or delayed decision can completely put business back and give competitors edge over the market place, which in itself is a tough situation to face. Today, we call it “marketing for the millennium” which is self-explanatory and challenging. Students must learn to deal with advances in technology and its impact on marketing. Website today is perhaps as important as packing.

One marketing specialist said it all

“The future isn’t ahead of us. It has already happened”.

Marketing is typically seen as the task of creating, promoting and delivering goods and services from producers to consumers.

It has been so since long and perhaps marketing sounds easy if we closely look at the situation. But only when we analyze, we learn how many changes have taken place in each sector of this creating, promoting and delivering. The markets have expanded from cities to international; the mode of transport has changed.

Internet and satellite communication has made the globe shrink to almost a few seconds now. In fact all things have changed. Marketing itself has incorporated many facets. Marketing today is difficult because of awareness and exchange of information.

The Marketing task is not only to deliver the product. In fact, it entails much more than just promotion and delivery. Marketing now is:

“Right product for the Right people at the Right time at the Right place at a Right price with Right services”.

The marketing challenges are to find what is Right?. Marketing task is to stimulate demand for company’s product. Marketing task is to manage demand, just as production and logistics professional are responsible for supply management. For demand management., Marketing involves comprehensive understanding of product (goods and services), experiences, events, the consumers, the places, information, Ideas, properties and even its own organization to be able to answer what is right, for whom, where, when and how?

Marketers are said to be Managers of Demand. They have to know much more than just their own product as it used to be.

To be able to answer questions more correctly, marketers must understand first the true import of some of these terms:

CONSUMER

This is a term, which has many facets. But in business field we use this term to mean that individual who derives direct utility of the product. Consumer has his or her budget, and he or she tends to derive maximum utility within that budget. That is why we are keen to study his or her preferences, choices, sensitivity and interests with a view to maximizing his utility. We need to study Consumer Behaviour and to harness and educate consumer to make our product successful.

CUSTOMER

This term connotes that individual who actually makes a decision in selecting a certain product. He or she may and may not directly consume the product. But he or she takes a buying decision. A housewife for example buys cooking oil for her household- she is a customer. The entire family is a consumer.

Two kinds of customers: Internal and External.

*Internal are those, who work in the organization.

*External are those who are individuals, business people and groups outside.

CONSUMER MARKETS

Selling of mass consumer goods and services such as soft drinks, tooth pastes, TV sets etc. Great time is spent in establishing superior brand image to be successful in consumer product marketing. It requires clear understanding of target consumers, the product, which meets their needs, communicating brand positioning more forcefully and creatively etc. All this will help them establish number one or two positions.

BUSINESS MARKETS

Selling goods and services to consumers who are skilled in evaluating competitive offerings. An effective sales force, prices and companies or brands reliability and quality is required to deal with such markets/products.

GLOBAL MARKETS

This is when we talk beyond frontiers; marketers are faced with tougher decisions for global markets. Export of product is in itself a major undertaking. Which country to enter? How to enter? How to Price? How to communicate? are just a few important and underlying decisions. Legal system, styles of negotiation; currency situation, political situation etc a few others to be considered by the marketer.

NON-PROFIT AND GOVERNMENTAL MARKETS

Selling to Non-Profit Organizations, such as charitable organizations, missions, universities, etc is yet another challenge to marketers. Governments call for bids, tenders etc for its purchase. It is yet another way to sell goods and services. Price, timely delivery and marketing their schedules are some of the important challenges in this sector. Participation in tender bids, in-time offering, meeting time schedules etc are some of the logistics in handling such a market.

MARKETING VIEWPOINT

Marketing continues to be a social process by which individuals or groups obtain what they need or want through creating, offering and freely exchanging goods and services of value. Traditionally, that remains marketing function; but it is noteworthy that although the functions remain the same, stupendous challenges have come about. Due to changes in offering and delivering newer methods and ways through progressive technology have complicated the situation and have posed challenges of enormous difficulty for marketers today. Above all, there is hardly a room for complacency, wrong and delayed decisions. Previously, one mistake used to cause loss of one customer or market or a situation. Today, one mistake can cause a total disaster for the business. Marketers have to be very vigilant and careful therefore in making strategic decisions. Competition is replete.

There are two kinds of environment now which surround us

- 1) The task environment
- 2) The broad environment

Task environment involves immediate actors, such as suppliers, distributors, dealers and consumers etc, involved in production, distribution and promotion.

Broad environment consists of; demographic, natural, economic, technological, political-legal and socio-cultural environment.

Marketers have to decide on what is called Marketing Mix and create an ideal situation.

As said earlier the Right Product has to be determined

Right Product

The decisions regarding each of the following items give below:

- a. Product Variety and range
- b. Quality
- c. Designs
- d. Features
- e. Brands
- f. Packaging
- g. Sizes
- h. Models
- i. Services
- j. Warranties
- k. Returns

Right Price

- a. List Price
- b. Discounts and conditions of discounts
- c. Allowances
- d. Payment Period

Right Place

1. Channel
2. Coverage / Reach
3. Location
4. Inventory
5. Transport
6. Assortments

Right Promotion

- a. Advertising
- b. Announcements
- c. Public Relation
- d. Direct Marketing

Of course in addition to that Marketers have to take decisions on WHEN?? This is vital for product growth and offering.