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| MARKETING MANAGEMENT |
| I B.B.A – II SEMESTER |
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| SUB.CODE 16CCBB3 |

**Prepared By**

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**UNIT 1 TO 5 -DEFINITIONS**

1. **Define Market**

A market is a physical or a meeting place where buyers and sellers gather to buy and sell products and services. These markets exist for products/services that are daily necessities like fruits, vegetables, fish, garments, electronic goods, etc.

1. **What Is Marketing?**

Marketing is a medium through which the producers anticipates the demand of the consumers and sell the required product or service to satisfy their want. It is a broader platform where activities like brand management, brand promotion, and sales are all clubbed towards reaching the ultimate object of creating and retaining a market.

1. **What Is Marketing Management?**

Marketing Management is a skill of managing the market and consumers. It is an activity in which product is supplied to the consumers and also making new consumers in the market. A marketing manager uses different techniques in order to increasing the sales and promotion of a goods and services.

#### Who are customers?

Customers are individuals or businesses who purchase products and services produced by a business. The purchase of products and services depends upon the willingness and the ability of the customer to pay in accordance to their needs and wants.

1. **What Is Online Marketing?**

Online marketing is a new platform for producers and service providers to sell or market their products and services through the virtual medium of internet. It is also called internet marketing, web marketing and website marketing. This virtual platform enables the seller to directly or indirectly interact with end users. Some of the strategies used are SEO, Email marketing and also online promotions.

1. **What is Marketing Environment?** Marketing Environment is the combination of external and internal factors and forces which affect the company's ability to establish a relationship and serve its customers
2. **What is micro environment ?**

The micro environment in marketing includes all those micro factors that affect business strategy, decision making and performance. It is vital for business success to conduct macro environment and micro environment analysis before decision-making process.

1. **What is [Macro environment?](https://www.marketingtutor.net/macro-environment-marketing-definition-factors-examples/)**

**[Macro environment f](https://www.marketingtutor.net/macro-environment-marketing-definition-factors-examples/)**[actors](https://www.marketingtutor.net/macro-environment-marketing-definition-factors-examples/) include political, economic, social, technological, and legal factors. On the other hand, company micro environment factors include customers, suppliers, competitors, employees, shareholders and media.

#### What is market segmentation?

#### Market segmentation is the process of dividing a market of potential customers into groups, or segments, based on different characteristics. The segments created are composed of consumers who will respond similarly to marketing strategies and who share traits such as similar interests, needs, or locations.

1. **What are the benefits of market segmentation?**

Market segmentation offers the following potential benefits to a business:

* Better matching of customer needs:
* Enhanced profits for business:
* Better opportunities for growth:
* Retain more customers:
* Target marketing communications:
* Gain share of the market segment:

1. **What is demographic segmentation?**

[Demographic](https://www.marketing91.com/demographic-segmentation/) segmentation is one of the simplest and most widest type of market segmentation used. Most companies use it to get the right population in using their products. Segmentation generally divides a population based on variables. Thus demographic segmentation too has its own variables such as Age, gender, family size, income, occupation, religion, race and nationality. To read more, click on this link for [demographic segmentation](https://www.marketing91.com/demographic-segmentation/).

## ****Behavioral segmentation****

This type of market segmentation divides the population on the basis of their behavior, usage and [decision making](https://www.marketing91.com/steps-in-consumer-decision-making/) pattern. For example –  [young people](https://www.marketing91.com/target-youngsters-product/) will always prefer [Dove](https://www.marketing91.com/swot-analysis-of-dove/) as a soap, whereas sports enthusiast will use [Lifebuoy](https://www.marketing91.com/marketing-mix-lifebuoy/). This is an example of behavior based segmentation. Based on the behavior of an [individual](https://www.marketing91.com/individual-marketing/), the product is marketed.

## ****Psychographic segmentation****

[Psychographic](https://www.marketing91.com/psychographic-segmentation/) segmentation is one which uses [lifestyle](https://www.marketing91.com/vals-values-attitude-lifestyle/) of [people](https://www.marketing91.com/people-marketing-mix/), their activities, interests as well as opinions to define a [market segment](https://www.marketing91.com/market-segment-target/). Psychographic segmentation is quite similar to behavioral segmentation. But psychographic segmentation also takes the psychological aspects of [consumer buying behavior](https://www.marketing91.com/5-steps-consumer-buying-behavior/) into accounts.

1. **Geographic segmentation**

This type of market segmentation divides people on the basis of geography. Your potential customers will have different needs based on the geography they are located in. In the article on [geographic segmentation](https://www.marketing91.com/geographic-segmentation-segmenting-geography/),

1. **Buying motive** is the urge or motive to satisfy a desire or need that makes people buy goods or services. Behind every purchase there is a buying motive
2. **Buyer motivation** is the set of psychological factors behind a consumer’s decision to make a particular purchase.
3. **A buying process** is the series of steps that a consumer will take to make a purchasing decision. A standard model of consumer purchase decision-making includes recognition of needs and wants, information search, evaluation of choices, purchase, and post-purchase evaluation
4. **What is AIDA?** AIDA is an [acronym](https://en.wikipedia.org/wiki/Acronym) that stands for Attention or Awareness, Interest, Desire and Action. The AIDA model is widely used in [marketing](https://en.wikipedia.org/wiki/Marketing) and [advertising](https://en.wikipedia.org/wiki/Advertising) to describe the steps or stages that occur from the time when a consumer first becomes aware of a product or brand through to when the consumer trials a product or makes a purchase decision.
5. **The marketing mix** refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. The 4Ps make up a typical marketing mix - Price, Product, Promotion and Place.

#### Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

#### New product planning and development embraces all activities which start with the idea generation and ends with its full-scale commercialization in the market, or modification of existing products to add stability

#### The product life cycle is the process a product goes through from when it is first introduced into the market until it declines or is removed from the market. The life cycle has four stages - introduction, growth, maturity and decline.

#### What is price?

#### Price is the monetary value of a good, service or resource established during a transaction.

### Odd Pricing

When the price of a product is an odd number, such a pricing method is known as odd pricing. Example: Conventionally, Some Shoe Company fix the price of shoes and chappals by the method of odd pricing, e.g., Rs.399.95 Ps. The reason for fixing the price as an odd number is quite obvious. Rs.399.95 Ps sounds better than Rs.400.

### Psychological Pricing

When the price of a product is a round number, such a method of pricing is known as psychological pricing. For example, a product may be priced Rs.10 or Rs.15. Such a method is preferred by those marketers who do not believe in the technique of odd pricing.

### Price based on the prevailing or ruling price

Such a method is followed by those marketers who want to fall in line with their competitors. They keep the same price as decided already by their rivals. Example: Manufacturers of cement follow a uniform price policy (Oligopoly market).

### Prestige Pricing

This method is followed by those who deal in luxury goods. Such marketers, generally, keep the price of goods high for they think that customers will judge quality by the price. Example: Those who sell cosmetic items, leather goods, electronic items, etc., follow prestige pricing.

### Customary Prices

By custom or convention, certain products are sold almost at the same price by different marketers. Example: Milk, butter, coffee powder, soft drinks, etc.

### FOB (Free on Board) Pricing

Such a pricing has relevance when goods are to be transported to the buyer’s place. In case of FOB origin, the transit charges will be born by the buyer himself and in the case if FOB destination, he need not pay the transit charges.

### CIF (Cost, Insurance and Freight) Price

In the case of CIF price quotation, the price paid by the buyer (may be an importer) includes cost, insurance and freight charges.

### Dual Pricing

It refers to the practice of some marketers who quote two different prices for the same product, one may be for bulk buyers and one for small quantity buyers.

### Administered Pricing

The price determined by a marketer based mainly on personal considerations is known as administered pricing. Factors like cost, demand and competition are ignored.

### Monopoly Pricing

The price fixed by a marketer who has no competition in the market is known as monopoly pricing.

### Price Lining

In this case, the price, once determined, remains unchanged for a fairly longer period of time.

### Expected Pricing

The price fixed for a product based on the expectations of the consumers is known as expected pricing.

### Sealed Tender Pricing

In case of contracts involving heavy outlay, e.g., construction contracts, sealed tenders will be invited from interested parties. The work is then assigned to the one who has quoted the minimum price.

### Negotiated Pricing

Manufacturers of industrial goods, who need components from suppliers, negotiate with the latter before finalizing the price. This becomes necessary in view of the high cost of the components.

### Mark-up Pricing

It refers to the price arrived at by a retailer by adding a certain percentage (towards his margin of profit) to the manufacturer’s price. It is only at this price that he sells the goods to the consumers.

### Skimming Pricing

It refers to the practice of setting a very high price for a product, when it is introduced into the market for the first time and to reduce the same gradually as competitors enter the market. This has been explained by William J. Stanton as ‘Skim-the-Cream-Pricing’Skimming pricing approach is followed when the marketer is not sure of the correct price for the product and decides to ascertain the same by trial and error. When a high price is set initially and the response of the buyers is good (because they are satisfied with the product quality), it may indicate that the marketer’s pricing strategy is correct..

1. **Penetration Pricing**

Setting a low initial price for the product is what is penetration pricing. It has been given such a name because it enables the product to penetrate (pierce or go into) the market to find a place. Such a pricing is resorted to when the market for the product is very sensitive to price and the product faces threat from competition always. In the case of penetration pricing, although, profits are sacrificed in the initial years, profits are expected to accrue in the long-run.

1. **Marketing channel**

#### A marketing channel is the people, organizations, and activities necessary to transfer the ownership of goods from the point of [production](https://en.wikipedia.org/wiki/Production_(economics)) to the point of [consumption](https://en.wikipedia.org/wiki/Consumption_(economics)). It is the way products get to the [end-user](https://en.wikipedia.org/wiki/End-user), the [consumer](https://en.wikipedia.org/wiki/Consumer); and is also known as a [distribution channel](https://en.wikipedia.org/wiki/Distribution_(business)).[[](https://en.wikipedia.org/wiki/Marketing_channel#cite_note-MBA_&_Company-1)

#### Wholesaler

#### A wholesaler will sell his product in bulk quantities to retailers, allowing the retailer to take advantage of a lower price than if he were to buy single items. The wholesaler will typically buy goods direct from the manufacturer, but could also buy from a reseller.

#### Retailer: A person or business that sells goods to the public in relatively small quantities for use or consumption rather than for resale.

#### Logistics is generally the detailed organization and implementation of a complex operation. In a general business sense, logistics is the management of the flow of things between the point of origin and the point of consumption to meet the requirements of customers or corporations.

#### The Promotion Mix is the integration of Advertising, Personal Selling, Sales Promotion, Public Relations and Direct Marketing. The marketers need to view the following questions in order to have a balanced blend of these promotional tools.

#### Personal selling is where businesses use people (the "sales force") to sell the product after meeting face-to-face with the customer. The sellers promote the product through their attitude, appearance and specialist product knowledge.

#### Define sales promotion

#### Sales promotion refers to a traditional element of marketing communication. It is used to increase the sales of a product by offering incentives, gifts, and schemes provided to customers at the time of purchase.

1. **Advertising** is the attempt to influence the buying behavior of customers or clients with a persuasive selling message about products and/or services. In business, the goal of advertising is to [attract new customers](https://www.thebalancesmb.com/budget-friendly-business-promotion-2948441) by defining the [target market](https://www.thebalancesmb.com/target-marketing-2948355) and reaching out to them with an effective ad campaign.
2. A **target market** refers to a group of potential customers to whom a company wants to sell its products and services. This group also includes specific customers to whom a company directs its [marketing efforts](https://www.investopedia.com/terms/m/market-orientation.asp). A target market is one part of the total market for a good or service.
3. **Publicity**: The giving out of information about a product, person, or company for advertising or promotional purposes.
4. **Public relations (PR)** is the practice of deliberately managing the release and spread of [information](https://en.wikipedia.org/wiki/Information) between an individual or an [organization](https://en.wikipedia.org/wiki/Organization) (such as a business, government agency, or a nonprofit organization) and the [public](https://en.wikipedia.org/wiki/General_public).