

MARKETING PRACTICES FOR LOGISTICS MANAGERS UNIT-I

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MARKETING- DEFINITIONS

- According to the **American Marketing Association**, “Marketing is the performance of business activities that direct the flow of goods and services from producer to consumer or user”.
- According to **Philip Kotler**, “Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with other”.

CORE CONCEPTS OF MARKETING

- Needs
- Wants
- Demand
- Customer Value
- Exchange
- Customer and Consumer
- Customer Satisfaction
- Customer Delight
- Customer Loyalty
- Marketing vs Market

- **Needs-** Basic requirements – Food, Water, Shelter
- **Wants-** Something that is desired by the person- Pizza, Cooldrinks,
Bungalow
- **Demand** – Ability and Willingness to pay
- **Customer Value-** Customer value is the perceived benefit a consumer views a product or service as compared to its cost. It includes all the costs and benefits associated with a product or service, such as price, quality, and what the product or service can do for that person. Consumers may also consider the monetary, time, energy, and emotional costs when evaluating the value of a purchase.
- **Exchange-** The act/ process of obtaining a desired product from someone by offering something in return.
- **Transaction-** Event that happens at the end of an exchange. Exchange is a process towards an agreement. When an agreement is reached, we say a transaction has taken place.
- Customer and Consumer
- Customer Satisfaction
- Customer Delight
- Customer Loyalty
- Marketing vs Market

MARKETING CONCEPTS

- Production Concept
- Product Concept
- Selling Concept
- Marketing Concept
- Societal Marketing Concept

PRODUCTION CONCEPT

- Management should focus on improving production and distribution efficiency.
- Mass Production
- Reduced Cost
- Increased Efficiency
- Assembly line techniques
- Eg:-**Henry Ford's Model T Car**



PRODUCT CONCEPT

- Business should focus on creating products that are superior in quality
- Optimize customer satisfaction by producing superior quality products
- Apple i phone



SELLING CONCEPT

- The focus in the selling concept is more on selling the products of the company to consumers without comprehending the market needs and increasing sales transactions rather than building and enhancing relationships with customers.
- Eg:-Insurance companies that promote the benefits of buying insurance for everyone.



MARKETING CONCEPT

- The marketing concept focuses on finding out what your target market wants, understanding their requirements, and satisfying them as efficiently as possible.
- This is often known as the “customer-first mentality.”
- Digital marketing is one of the latest
- The marketing concept is used when a company wants to maintain long-term relationships with its cus



THE SOCIETAL MARKETING CONCEPT

- The Societal Marketing Concept puts Human welfare on top before profits and satisfying the wants. ▶ iedunote.com/societal-marketing-concept
- Societal Marketing emphasizes social responsibilities and suggests that to sustain long-term success, the company should develop a marketing strategy to provide value to the customers to maintain and improve both the customers' and society's well-being better than the competitors.
- Eg:- Tesla's EV



Societal Marketing Concept



MARKETING FUNCTIONS



Clark and Clark divided the marketing functions under three major groups - functions of exchange, functions of physical supply and facilitating functions. All the essential functions are included. It is an accepted classification. The Classification is shown above:

FUNCTIONS OF EXCHANGE

- Buying
- Assembling
- Selling

Buying and Selling



Assembling



FUNCTIONS OF PHYSICAL DISTRIBUTION

- Transportation
- Inventory
- Warehousing
- Material Handling

Transportation



Inventory



Warehousing



Material Handling



FUNCTIONS OF FACILITIES

- Financing
- Risk Taking
- After Sales Service

Financing



Risk Taking



After Sales Service



Scope Of Marketing

**MARKET
RESEARCH**

**PRODUCT
DEVELOPMENT**

BRANDING

**ADVERTISING
AND
PROMOTIONS**

**SALES AND
DISTRIBUTION**

**DIGITAL
MARKETING**

**CUSTOMER
RELATIONSHIP
MANAGEMENT**

**PUBLIC
RELATIONS**

**CONTENT
MARKETING**

**SOCIAL MEDIA
MARKETING**

**ANALYTICS AND
REPORTING**

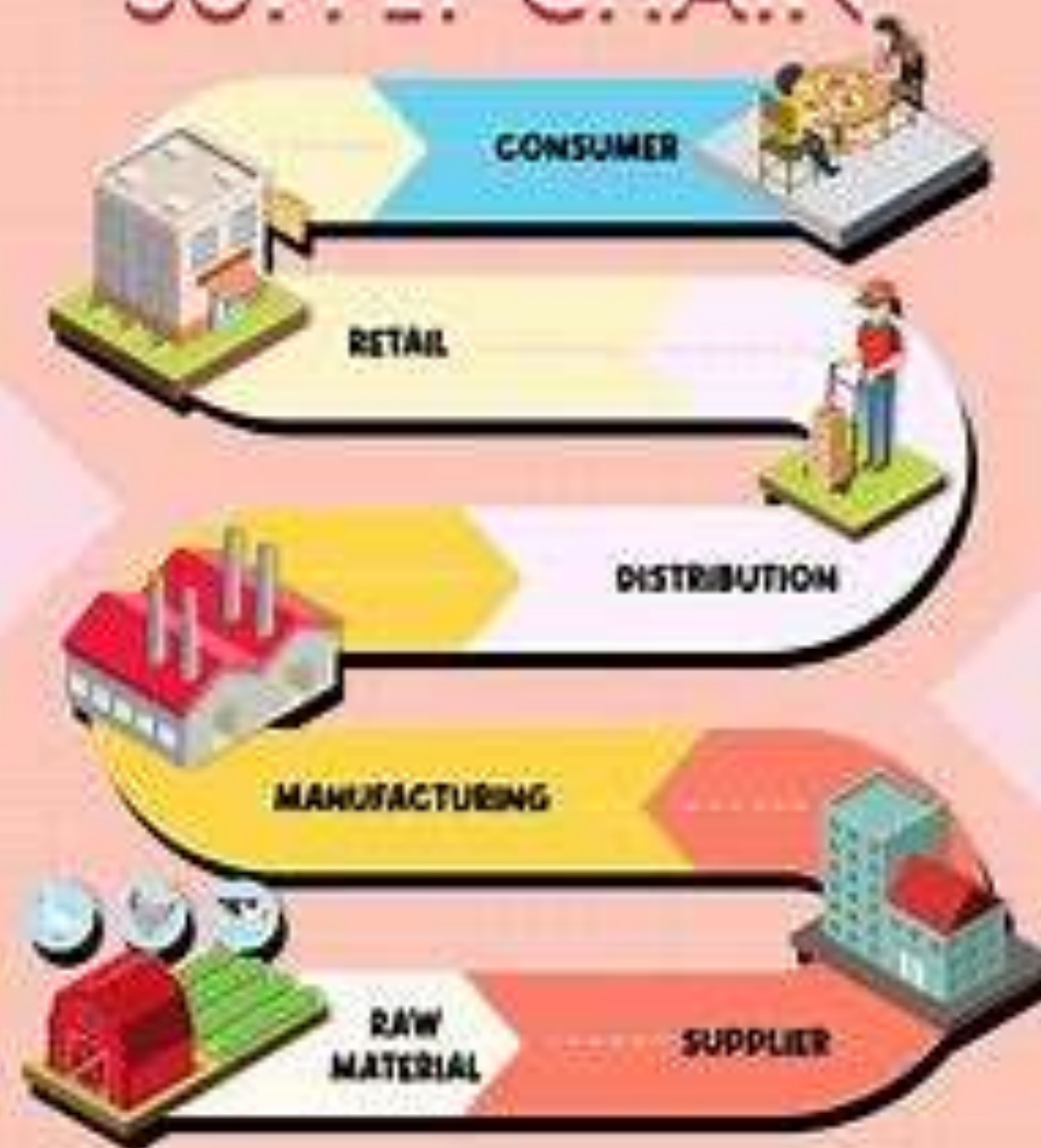
Difference between Selling and Marketing

Emphasis is on the product	Emphasis on consumer needs and wants
Company manufactures the product first and then decides to sell it	Company first determines customers' needs and wants and then decides on how to deliver a product to satisfy these wants
Management is sales volume oriented	Management is profit oriented
Planning is short-run-oriented, in terms of today's products and markets	Planning is long-run-oriented, in terms of new products tomorrow's markets and future growth
Stresses needs of seller	Stresses needs and wants of buyers
Views business as a goods producing process	Views business as consumer satisfying process
Emphasis is on staying with existing technology and reducing costs	Emphasis is on innovation in every sphere, on providing better value to the customer by adopting a superior technology
Different departments work in highly separate water tight compartments	All departments of the business operate in an integrated manner, the sole purpose being generation of consumer satisfaction
Cost determines price	Consumer determines price, price determines cost
Selling views customer as the last link in business	Marketing views the customer as the very purpose in business.

Creating Marketing Plans

- Begin with an Executive Summary
- Mention Company's Values, Vision, and Mission
- Market and Competition Identification
- Identify your Target Customer
- Define your marketing goals
- Present Marketing Strategy
- Identify your marketing budget

SUPPLY CHAIN

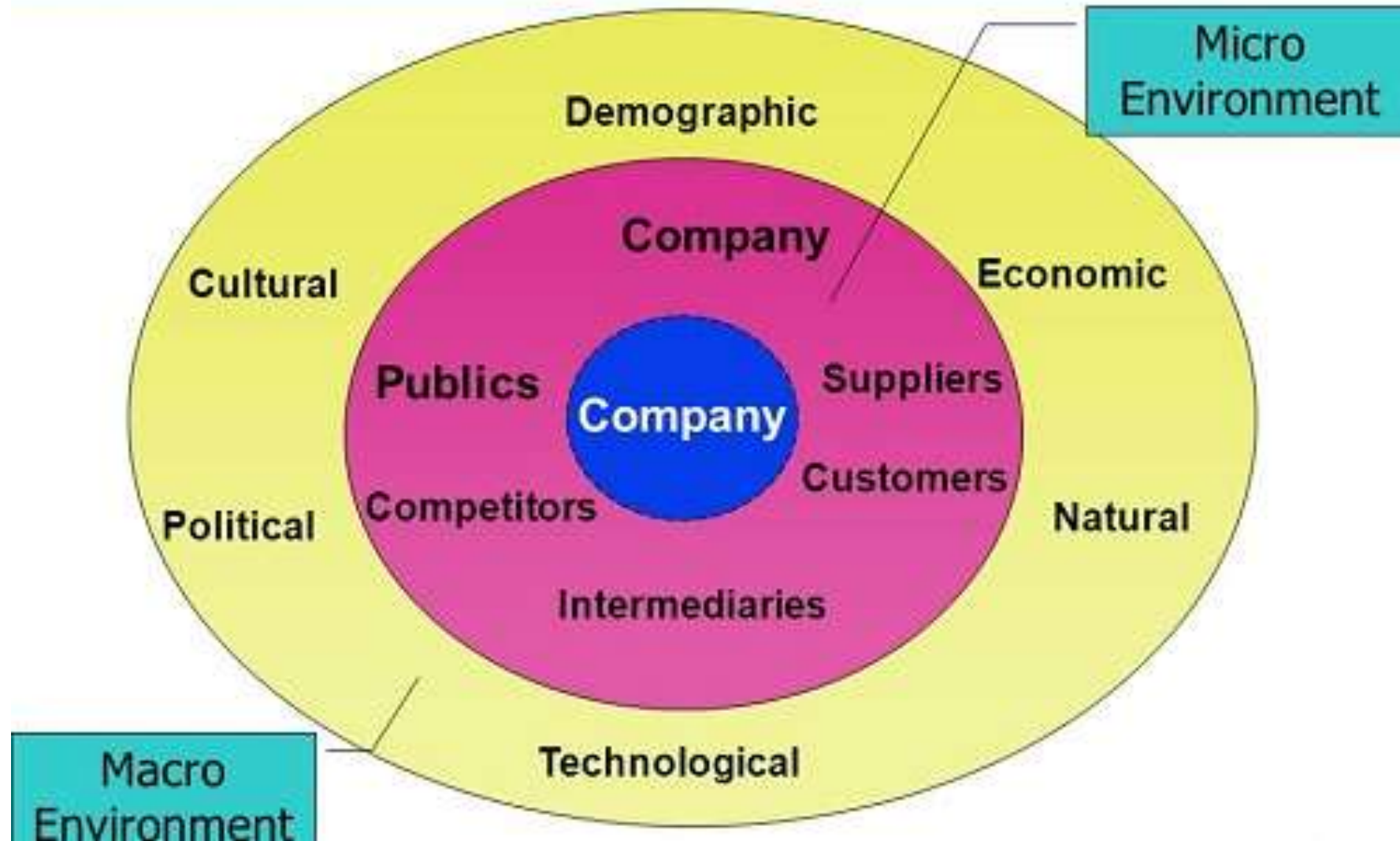


SUPPLY CHAIN

- A supply chain is a network that includes all the necessary activities and resources to produce goods and services and ensure that these goods and services reach the consumer.
- It comprises different stages, such as procurement of the raw materials, manufacturing, storage, and, ultimately, the delivery of the finished product.

- Customer Satisfaction
- Cost Efficiency
- Inventory Optimization
- Lead Time Reduction
- Flexibility and Responsiveness

Marketing Environment



MARKETING ENVIRONMENT

- The marketing environment refers to all internal and external factors, which directly or indirectly influence the organization's decisions related to marketing activities.
- Internal factors are within the control of an organization.
- Organization's strengths, weaknesses, and competencies form the part of internal factors.
- External factors do not fall within the control of an organization
- The external factors include government, technological, economical, social, and competitive forces

Economic Factors

Eg:- During economic recessions, consumers tend to reduce discretionary spending and prioritize essential goods and services. As a result, luxury brands and non-essential businesses may experience a decline in sales.

During the Great Recession of 2008-2009, luxury brands saw a **decline in sales** of up to **20%**. This was due to a number of factors, including job losses, a decline in consumer confidence, and a shift in spending habits.

In 2012, the European debt crisis led to a slowdown in the luxury market in Europe.



Social and Cultural Factors

Nike's "Just Do It" campaign is an exemplary illustration of aligning marketing efforts with social values.

The campaign inspired consumers to be active, pursue their dreams, and embrace a can-do attitude, resonating with a wide audience and solidifying Nike's position as a leader in the sportswear industry.



Technological Factors

- The rise of social media platforms has revolutionized [marketing strategies](#).
- Brands like Wendy's have gained attention and built strong engagement by leveraging humor and quick-witted responses on Twitter, showcasing the importance of digital communication in [brand building](#).



Political and Legal Factors

The tobacco industry faces strict advertising regulations in many countries due to health concerns related to smoking.

- As a result, tobacco companies have shifted their marketing efforts toward tobacco harm-reduction products like e-cigarettes and smokeless tobacco.



Environmental Factors

- Starbucks' commitment to sustainability is evident through its efforts to promote ethical sourcing of coffee beans, reduce waste through recycling initiatives, and develop eco-friendly store designs.



Competitive Factors

- The rivalry between Apple and Samsung in the smartphone market has led to continuous innovation and aggressive marketing campaigns.
- Both companies strive to differentiate their products and create unique brand identities to attract and retain customers.



Demographic Factors

- Gerber, a baby food brand, tailors its products to cater to the specific nutritional needs of infants and toddlers.
- By targeting parents with young children, Gerber focuses its marketing efforts on those who are most likely to purchase its products.



Technological Disruptions

- The emergence of ride-sharing services like Uber and Ola disrupted the traditional taxi industry.
- Uber's user-friendly app and cashless payment system appealed to consumers, leading to a shift in consumer behavior towards these on-demand transportation services.



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