

The background features abstract, overlapping green geometric shapes in various shades, primarily on the left and right sides, framing a central white area. The shapes include triangles and polygons, creating a modern, dynamic feel.

# Marketing Management

# Definition of sales and sales management

- ▶ When one person gives money to another person in exchange of goods or services in return is called sales.
- ▶ According to American Marketing Association, sales management means , “the planning, direction and control of personal selling including recruitment, selecting, equipping, assigning, routing, supervising, paying and motivating of sales force.”

# Meaning of Market

- ▶ ‘Market’ is derived from Latin word ‘Marcatus’. It means ‘merchandise, trade or a place where business is conducted.
- ▶ The term ‘market’ stood for the definite place where buyers and sellers gathered to exchange their goods and services. E.g. cloth market, vegetable market.
- ▶ According to Philip Kotler, “A market is the group of actual and potential buyers of a product.”

# Meaning of Marketing

- ▶ According to the Committee of the American Marketing Association: “Marketing consists of the performance of business activities that direct the flow of goods and services from producer or supplier to the consumers or end-users.”
- ▶ Harry L. Hansen holds that, “Marketing is the process of discovering and translating consumer needs and wants into product and service creating demand for these products and services and then in turn expanding this demand.”
- ▶ According to Philip Kotler, “Marketing is human activity directed at satisfying needs and wants through exchange processes.”

# Meaning of marketing management:

- ▶ According to Philip Kotler, “Marketing management is the analysis, planning, implementation and control of the programme designed to create, build and maintain beneficial exchanges with target buyers for the purpose of achieving organizational objectives.”

# Characteristics of Marketing:

- ▶ Marketing is an economic function
- ▶ Marketing is a legal function.  
The ownership vests with the final consumers and the seller loses ownership.
- ▶ Marketing consists of various activities like sales planning, product development, market research, price determination, sales promotion, etc.
- ▶ Marketing is a system

- ▶ Satisfaction of consumers is an important function of marketing.
- ▶ It is useful to non-business units like educational institutions, hospitals, etc.
- ▶ Marketing is a social process. It is the delivery of a standard of living to the society.

# Functions or scope of marketing management

- ▶ Market research:

To undertake research regarding likes, dislikes, changing fashion, trend, etc.

- ▶ Sales planning:

To decide the sales target and to organize different activities to achieve the target.

- ▶ Sales organization:

Creating different departments in marketing department like advertisement department, market research department, etc.

- ▶ Inspecting raw material:

Inquiry and inspection regarding quality, quantity, etc. to be made.

- ▶ Product decision:

Decision regarding product design, shape, size, colour, packing, etc. is to be made.

- ▶ Pricing:

Different factors like cost of production, competitors price, purchasing power of customer etc. have to be taken into consideration while fixing price.

- ▶ To determine distribution channel:

It can be determined on the bases on type of product, types of customer, product demand, etc.

- ▶ Advertisement and publicity:

It is required to launch a new product or to make customers aware about the product.

- ▶ Sales promotion:

Various programmes like special discount offer, sales competition etc. are undertaken to attract the customers.

- ▶ After sales service:
  - ▶ Listening to customer grievances and provide different after sales service.
- ▶ To prepare budget for various marketing activities
- ▶ To manage sales force effectively
- ▶ Market control
- ▶ To prepare market strategy

# Difference between selling and marketing

## Selling

- ▶ Used in narrow sense
- ▶ Exchange of a product is given importance
- ▶ It is a goods producing process
- ▶ Short term objective
- ▶ Converts commodities into cash
- ▶ Main activity between 1875 and 1945

## Marketing

- ▶ Used in broader sense
- ▶ Customer satisfaction is given importance
- ▶ It is a customer-satisfying process
- ▶ Long term objective
- ▶ Converts customer needs into products
- ▶ Main activity after 1950

# Importance of marketing

- ▶ Industrial development:

  - Rapid development of industries is possible due to product planning and product development.

- ▶ Conversion of potential needs into effective demand.

- ▶ Development of managers and entrepreneurs

- ▶ Development of small scale industries

- ▶ Large scale consumption

  - Consumption can be raised through marketing which in turn increase production. Benefit of large scale economies is available.

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- ▶ High Living standard
  - ▶ Development of business standards
  - ▶ Division of labour and specialization
  - ▶ Growth of Exports
  - ▶ Employment generation

# Various concepts

1. Production concept
2. Product concept
3. Selling concept
4. Marketing concept
5. Societal marketing concept

# Production concept

Customers would purchase whatever is produced, so no need to identify their needs and preferences.

Management should focus on improving producing and distribution efficiency.

# Assumptions

1. Consumers are interested in goods of low prices
2. Consumers have knowledge of price charged by rival firms.
3. Consumers do not take into account other differentials except price

# Product Concept

Consumers want those products which are best in quality.

Producers should focus on improving the quality of the products

# Assumptions

1. Consumers purchase quality products.
2. Consumers interested in high quality only.
3. Consumers are aware of the differences in quality of different products and selects the product which is superior in quality.

# Selling concept

Sales can be increased if sufficient selling and promotion efforts are made by the company.

Management should strengthen its sales organisation and focus on sales promotion efforts.

# Assumptions

1. Consumers does not buy goods if they do not need.
2. Consumers can be induced to buy more through various sales promotion efforts.

# Marketing concept

According to Philip Kotler, “ The marketing concept is a management orientation that holds that the key task of the organisation is to determine the needs and wants of target markets and to adapt the organisation to delivering the desired satisfaction more effectively and efficiently than its competitors.”

The main aim here is to give maximum satisfaction to the consumers.

# Characteristics

1. Consumer oriented philosophy
2. Emphasis on research
3. Goal of profit to both parties
4. Market oriented organisation
5. Changes according to market environment
6. Integrated marketing policy.

# Societal marketing concept

Marketing policies should be framed in such a way that consumers needs are satisfied, the company makes profit and interests of the society are protected.

This concept puts stress on social well being along with the consumer satisfaction.

# Assumptions

1. Consumers needs are not always consistent with the long run interests of themselves and the society.
2. Consumers favour those firms which give consideration to their needs as well as taking care of consumer and societal well - being in the long run.

## Examples:

1. Use of carry bags made of cloth instead of plastic.
2. Use of CNG as a fuel in vehicles which generates less pollution as compared to petrol.
3. Use of vehicles run with electricity which generates zero pollution.

# Retail Marketing

- ▶ According to Philip Kotler, “Retailing includes all activities involved in selling goods or services directly to the final consumers for their personal, non-business use.
- ▶ Any organization that does this selling- whether a manufacturer, wholesaler, or retailer is doing retailing.

# Types of Retailers:

- Types of retailers
  - Stores retailing
  - Non-store retailing

# Stores retailing

- ▶ 1. Convenience stores

These stores are situated near the residence of the customers and kept open for a long period of time.

- ▶ 2. Speciality stores

These stores sell special types of products made or manufactured by different companies.

e.g. garments shop, furniture shop, etc.

▶ 3. Departmental stores

Such stores provide goods to meet the requirements of the families such as garments, toys, etc.

Different goods are sold through separate departments in the store and each department is under the supervision of the expert with specialized knowledge relating to that product.

▶ 4. Super market

Such stores have been established to supply household maintenance products on a large scale. Customers themselves select the goods they want to buy.

▶ 5. Discount stores:

These are the stores where standard quality goods are always sold at prices lower than those charged at other stores.

▶ 6. Off-price retailers:

These retailers buy second quality goods from the factory or unsold goods lying in bulk at the factory or entire stock of goods from the shop or factory and sell these goods to the customers at less than retail prices.

- ▶ 7. Super store:

The retail shops selling goods on a larger scale than that of super market are known as super stores.

- ▶ 8. Catalogue showrooms:

These stores sell most saleable branded goods at prices lower than those stated in the catalogue.

# Non-store retailing

- ▶ 1. Direct Selling

Retailer himself or his salesman go to the residence or to the office of the customers to sell their goods.

- ▶ 2. Automatic vending

It is a system of obtaining goods after inserting coins in the machine. Machines providing newspapers, tea, coffee, cold drinks, etc have been installed at offices, railway stations, etc.

▶ 3. Buying Service Selling:

Under this method some buying service institutions enroll employees of the large organization as their members and then provide goods at a discount price.

▶ 4. Direct marketing:

When a producer himself directly sells his goods to the final consumers it is called direct marketing.

It includes

[1] Direct mail marketing

[2] Selling through television

[3] Selling through postal correspondence or telephone

# Retail Organisations:

- ▶ 1. Company Chain stores:

A company under this organization set up its stores in the same city or in a number of cities.

- ▶ 2. Voluntary Chain:

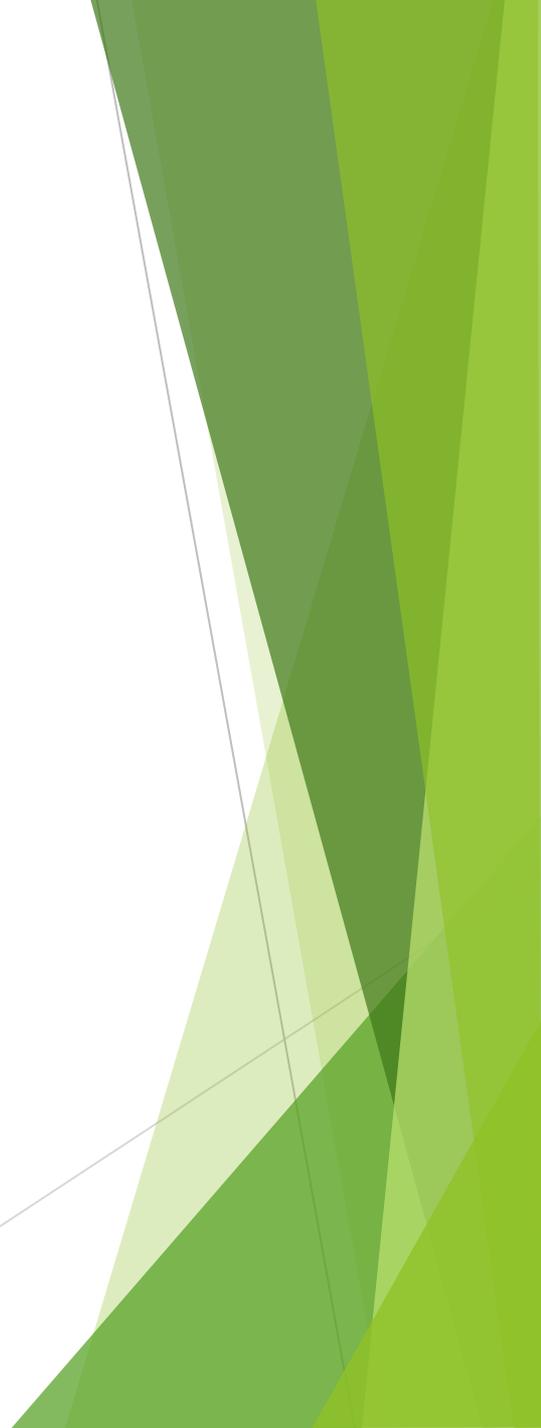
The wholesaler forms a union of the retailers through a voluntary chain store and purchases a product on a large scale on behalf of all.

▶ 3. Consumer Cooperatives:

When a group of people feels that they have to pay higher price in purchasing them from the retailers, they set up a cooperative society which purchases goods directly from the producers and sells these goods to its members at a price lower than its current price.

▶ 4. Franchise Organisation:

When a well reputed company intends to increase its sale, it confers on the retailers in different localities and cities a right to sell its goods. This right to sell is known as Franchise.



- ▶ 5. Merchandising Conglomerate

Such company set up stores to sell number of different products.

# Importance of retailing

- ▶ Direct contact with the customers is made possible.
- ▶ The customer gets ample opportunities for selection.
- ▶ To make a proper control on the distribution.
- ▶ It creates time and place utility.
- ▶ To take care of facilities of customers.

- ▶ The manufacturer are not required to keep huge stock on hand.
- ▶ The sales can be increased by incurring less administrative expenses.