



DNYANSAGAR ARTS & COMMERCE COLLEGE, BALEWADI 45.

CLASS : FYBBA - 2019 Pattern

SUBJECT : Principles of Marketing -202

Prepared By :

P. S. Shinde

UNIT –I

INTRODUCTION & FUNCTIONS OF MARKETING



IMPORTANCE OF MARKETING

Marketing is important to the business, consumer as well as the society. This is evident from the following points.

(a) Marketing helps business to keep pace with the changing tastes, fashions, preferences of the customers. It works out primarily because ascertaining consumer needs and wants is a regular phenomenon and improvement in existing products and introduction of new product keeps on taking place. Marketing thus, contributes to providing better products and services to the consumers and improve their standard of living.



Objectives of marketing.

(a) Provide satisfaction to customers

All marketing activities are directed towards customer satisfaction. Marketing starts with ascertaining consumer needs and produce goods that satisfy those needs most effectively. Not only that the pricing and distribution functions of marketing are also planned accordingly.

(b) Increase in demand

Through advertising and other sales promotional efforts, marketing aims at creating additional demand for their products. Satisfied customers also help in creating new customers. For example, if you buy a 'gel pen' and feel satisfied, next time also you will buy the same pen and obviously when you tell others about it they will also feel like giving it a try.



(c) Provide better quality product to the customers

This is a basic objective of marketing. The business houses try to update and upgrade their knowledge and technology to continuously provide better products. If they do not do so, they will be phased out through competition.

(d) Create goodwill for the organisation

Another objective of marketing is to build a good public image and create goodwill for the organisation. This helps in maintaining loyalty to the product and accepting new products of the same company.

Table 1.1.3 Functions of Marketing

Marketing function	Description
<i>A. Exchange functions</i> 1. Buying 2. Selling	Ensuring that product offerings are available in sufficient quantities to meet customer demands Using advertising, personal selling and sales promotion to match goods and services to customer needs
<i>B. Physical distribution functions</i> 3. Transporting 4. Storing	Moving products from their points of production to locations convenient for purchasers Warehousing products until needed for sale

C. Facilitating functions

5. Standardizing and grading

Ensuring that product offerings meet established quality and quantity control standards of size, weight and so on

6. Financing

Providing credit for channel members or consumers

7. Risk taking

Dealing with uncertainty about consumer purchases resulting from creation and marketing of goods and services that consumers may purchase in the future

8. Securing marketing information

Collecting information about consumers, competitors and channel members for use in marketing decision making



Facilitating Functions Of Marketing

1. Standardization And Grading

Standardization and grading of products are the other important functions of marketing. Generally, standardization and grading are made with the name of trademark of producer or company. For the goods such as fruits, vegetables, eggs, etc. uniformity in quality and size is not possible. So, standardization of each product should be determined on the basis of the quality, size, type, color etc. After the standard has been determined, they should be sorted out or classified on the basis of the standard. This is called grading. This makes buying and selling easy. In this way, standardization and grading make the buyers and sellers feel easy. Otherwise, the buyers need to inspect all the products intended to buy. This becomes very difficult.

2. Financing

Finance is as necessary in marketing as in production of goods or services. If necessary finance is not managed at cheaper interest rate, functions of marketing cannot be run smoothly. Finance is necessary in the marketing for different reasons. For example, arrangement of adequate finance should be made i\o meet different expenses before selling the products, to meet the changes in fashion and interest, to meet competition in market and changes in demand and meet the ensuing decline in price. Finance is also necessary for storing and transporting goods. Arrangement of adequate finance should be made to face any problem arisen from uncertainty of price, from credit sale, etc.

3. Risk-taking

Risk-taking is the other important facilitating functions of marketing. Business firms or entrepreneurs should take various risks in the course of marketing. Theft, cheating, strike, lock-up, war, over burden of loan, social help, illness, hurt, accident etc. may create personal inability inviting unexpected events in future. Accident may happen while transporting goods from one place to another. Quality of the goods may decline causing decline in price or prices may change. Such events adversely affect the business firms and entrepreneurs. Moreover, the risks related from political reasons etc. make marketing functions and entire business world uncertain.



Media of Advertising. Advertising media is a means through which advertisers communicate their message to prospects to influence them to purchase the product or services advertised.

Advertising media may be defined as "The physical means whereby a manufacturer or supplier of goods utilities or services tells the consumer about his products or services.

h) Market Research

While undertaking the various marketing activities, various decisions are to be undertaken, These decisions are taken on the basis of information collected through research. This process of collecting information for the purpose of taking marketing decisions is known as 'marketing research' There are many ways and methods in which information can be collected. These ways and methods are known as the techniques of Marketing Research. The techniques generally used are as follows:

1. Factual Survey: Factual surveys are of three types, (a) House to House Enquiry or Personal Interviews. (b) Investigation through the post or mail survey. (c) Telephone Survey. 2. Observation Method.

3 Experimentation method.

4. The Panel Research.



Investigation through the mail: As the name suggests, this technique refers to getting information from the respondents through the post. In this method there is no face-to-face contact with the respondent. A questionnaire is drafted in such a way that the answers to the questions can be given in a quick yes or no. This questionnaire is then posted to the respondent. A cover letter must be sent with this questionnaire, and this letter has to be so drafted that it motivates and induces the respondent to fill the questionnaire and send it back. Usually gifts and competitions are announced in order to motivate people to send back the questionnaire.

(c) Telephone Interview: In this method, the interviewer contacts the respondents on the telephone. The questionnaire for this method will have to be drafted carefully as it cannot be lengthy and nor can it ask for any confidential information. The main hurdle of this method is building a rapport with the respondent so that he answers the questions completely and satisfactorily.

. **Observation Method** Observation implies viewing or noting the act or occurrence. Under this method the observer silently views the behavior of the respondent in an act. The respondent may or may not be aware that he/she is being observed. Thus instead of asking questions, information is got by making observations. For example, if the researcher wants to know the popularity of a particular brand of shampoo he can get this information by observing the behavior of various customers at the sales counter.

3. Experimentation Method Experimental method of research is the procedure of carrying out a small scale trial solution to a problem. The aim is to determine whether the tentative conclusions reached can be proved in actual conditions.



. The Panel Research

In this technique of market research the same group of respondents are interviewed on more than one occasion to find out whether there has been any change in their demand, tastes, preferences, likes, dislikes etc. Thus, above are the various functions of marketing and each and every one of them is important and has to be performed in co-ordination with other functions, if the organization as a whole has to be successful.

The Traditional and Modern Concept of marketing Approaches

1. Production Oriented Concept 1930, the manufacturers were of a view that if a company manufactured a go product it would sell with little or no promotion effort. This concept of marketing Le product is really good and the price is reasonable, no special efforts are required market the product is known as The Production Oriented Concept of Marketing I based on the following assumptions.

(a) A firm should manufacture only certain basic products.

(b) The most crucial task of management is to keep the cost of production relatively low () Anything that can be produced sells. This concept of marketing can successfully exist only in a sellers market, i.e., a market in which supply is limited and demand exceeds supply. Hence after 1930, when the market changed from a sellers' market to a buyers' market this concept was overthrown to be replaced by a new philosophy known as the "Sales Oriented Concept of Marketing."

. **Sales Oriented Concept** After 1930, certain social and economic changes took place which resulted in a shift from agriculture to industry. Transport and communication systems developed and mass production became the order of the day. This resulted in an increase in competition. As more and more competitors entered the area of manufacture, the market slowly turned into a buyer's market, i.e., the supply exceeded demand. It was no longer possible to sell everything that was manufactured. The problems of the manufacturer now focused on how to increase sales. This was mainly because for the same number of customers, now there were many sellers. The purchaser had a choice of products and hence the seller now had to not only manufacture a good product but also convince the purchaser that his product was better than the competitor's product. For this he had to have an effective sales organization, choose the right channel of distribution, concentrate on advertising. Sales promotion and other demand increasing activities.

. **Consumer Oriented Concept** This concept came into existence around the 1950's, when the manufacturers realized that no amount of aggressive selling would force people to buy a product they did not need. This era forced the manufacturers to rethink and realise that the basis of all their marketing efforts should revolve around the need of the customer. It was around this period of time that marketing research became an important function of marketing. This concept concentrates on the consumer rather than the product. It is based on the following assumptions:

(a) The firm should produce only that product which is desired by the customer.

(b) Management should integrate all its activities in order to develop programmes to satisfy consumer wants.

(c) Management should be guided by long term profits rather than quick sales. This philosophy of marketing brought about two major changes: Firstly, it placed the consumer at the crux of all marketing activities, and secondly, it replaced the age old 'caveat emptor, attitude with 'caveat venditor'. This philosophy will continue so long as the customer continues to be the king of the market,

. **Socially-Oriented Marketing** Concept The philosophy of marketing was further refined during the 60's and 70's and a new concept of Social Marketing was coined and accepted by manufacturers all over the world. This concept focuses not only on customer satisfaction but also on customer welfare and social welfare as well. By customer and social welfare is meant a pollution free environment and good quality of human life. Thus, an automobile manufacturer must manufacture not only a good vehicle but one which will reduce pollution or a tobacco manufacturer must manufacture not only good quality tobacco but one which will do the least harm to the environment and health of the consumers. In fact, this concept of marketing goes a step further and says that it is the duty of the manufacturer to awaken those needs in the people, the satisfaction of which will lead to social good. Here the marketers concentrate on satisfying the needs of the society as a whole rather than on individual need satisfaction.

UNIT – II – CLASSIFICATION AND TYPES OF MARKETS



Marketing – Introduction to Green Marketing

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including-

1. Product modification,
2. Changes to the production process,
3. Packaging changes, as well as
4. Modifying advertising.

The term green marketing came into prominence in the late 1980s and early 1990s. The American Marketing Association (AMA) held the first workshop on “Ecological Marketing” in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled “Ecological Marketing”.

Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.

In simple terms green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in itself or produced and/or packaged in an environmentally friendly way.



Types of Digital Marketing

Rogers talked about some of the most popular types of digital marketing, providing a brief overview of each:

Search Engine Optimization (SEO)

The goal of SEO is to get a business to rank higher in Google search results, ultimately increasing search engine traffic to the business's website. To accomplish this, SEO marketers research words and phrases consumers are using to search for information online, and use those terms in their own content. According to leading SEO software company Moz's "Beginners Guide to SEO," SEO encompasses many elements, from the words on your web pages to the way other sites link to you on the web to how your website is structured. An SEO specialist can make around \$59,000, according to Salary.com.



Pay-per-Click (PPC)

Pay-per-click refers to paid advertisements and promoted search engine results. This is a short-term form of digital marketing, meaning that once you are no longer paying, the ad no longer exists. Like SEO, PPC is a way to increase search traffic to a business online.

Pay-per-click can refer to the advertisements you see at the top and sides of a page of search results, the ads you see while browsing the web, ads before YouTube videos and in ads in mobile apps.

Media Marketing

This includes everything a business does via social media channels. Just about everyone is familiar with social media, but marketers must approach social with an integrated and strategic approach. Social media marketing goes far beyond simply creating posts for social channels and responding to comments.

Content Marketing

Content marketing uses storytelling and information sharing to increase brand awareness. Ultimately, the goal is to have the reader take an action towards becoming a customer, such as requesting more information, signing up for an email list, or making a purchase. “Content” can mean blog posts, resources like white papers and e-books, digital video, podcasts, and much more. In general, it should first and foremost provide value to the consumer, not just advertise the brand or try to make a sale. Content marketing is about building a sustainable, trusting relationship with your customers that can potentially lead to many sales over time, not just making a single transaction



Email Marketing

Even with the emergence of social media, mobile applications and other channels, email is still one of the most effective marketing techniques, Rogers said. It can be part of a content marketing strategy, providing value to consumers and over time convert an audience into customers. Email marketing pros not only know how to create compelling campaigns, they also understand optimal audience outreach and are skilled at analyzing customer interactions and data, and making strategic decisions based on that data, according to the American Marketing Association.

Marketing

This digital marketing type is this focused on reaching your target audience on their smart phone or tablet. Mobile marketing reaches people through text messages, social media, websites, email and mobile applications. Marketers can tailor offers or special content to a geographic location or time, such as when a customer walks into a store or enters an event.



TELEMARKETING

Telemarketing is a method of selling products and services over the telephone. It has both advantages and disadvantages. The advantages are it is easy to reach out to customers and it is cost effective if done successfully. The disadvantages are that it has a bad reputation and some of the startup costs are expensive.

RETAIL MARKETING'

The distribution of finished products begins with the producer and ends at the ultimate consumer. Between the two of them, there is a middle person—the retailer. Retailing is defined as a set of activities or steps used to sell a product or a service to consumers for their personal or family use. It is responsible for matching individual demands of the consumer with supplies of all the manufacturers. The word 'retail' is derived from the French word retailer, meaning 'to cut a piece of' or 'to break bulk'.



Marketing: Meaning, Features and Importance of Rural and Marketing, Difficulties in Rural Marketing Suggestions for Improvement of Rural Marketing

Rural Marketing Meaning In order to understand the term "Rural Marketing" we have to first understand the term "Rural". There is much confusion associated with the word rural as there is no accepted definition of the term. However there are different perceptions of the term and some of them are: To some, rural means a place with less than one lakh population; others consider the income level of the population to determine the rural segment.

If the income levels are less than 11,000/- per annum then the segment is a rural segment. Yet to some others the term rural means smaller towns and mofussil areas having population of less than 10,000 persons. Even the corporate sector faces this confusion about the term rural. In the absence of any clear concept of the rural area, there will not be a proper understanding of the rural problems and hence the marketing considerations and strategies might tend to go wrong.

Importance of Rural Marketing

- 1. Increase in prosperity and purchasing power:**
- 2. Flow of investment for rural development programs:**
- 3. Shift of a segment of the Urban Population to the Rural areas:**
- 4. Awareness of modern technology due to penetration of media:**

Features of Rural Market

- 1. It is a vast and scattered market:**
- 2. The demand is seasonal:**
- 3. Low standard of living:**
- 4. Unity in diversity:**
- 5. The rural market is a steadily growing market:**



Present Scenario of Rural Market - Problem and Challenges of Rural Market Rural Marketing System, Problems and Solutions

Prima facie the rural markets appear to be virgin lands just waiting for the marketers to move in and cash on them. However getting into the rural market and capturing a sizeable share is not an easy task. It is indeed a lot of hard work. A lot many problems are encountered. These problems of rural marketing can be basically grouped under six different heads.

They are: 1. Problems connected with 'Physical Distribution.

2 Problems related to Channel of Distribution.

3 Problems associated with the Sales Force.

4. Problems of Marketing Communication.

5. Problems of Market Segmentation

. 6. Problems related to Product Management.

UNIT III-

Marketing Environment: Meaning, Features Types and Importance



1. Meaning of 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; whereas, external factors do not fall within its control. The external factors include government, technological, economical, social, and competitive forces; whereas, organization's strengths, weaknesses, and competencies form the part of internal factors.

Marketers try to predict the changes, which might take place in future, by monitoring the marketing environment. These changes may create threats and opportunities for the business. With these changes, marketers continue to modify their strategies and plans.



Types of Marketing Environment:

A marketing environment mostly comprises of the following types of environment:

1. Micro Environment
2. Macro Environment

The discussion of these environments are given below:

1. Micro Environment:

Micro environment refers to the environment, which is closely linked to the organization, and directly affects organizational activities. It can be divided into supply side and demand side environment. Supply side environment includes the suppliers, marketing intermediaries, and competitors who offer raw materials or supply products. On the other hand, demand side environment includes customers who consume products.



. Macro Environment:

Macro environment involves a set of environmental factors that is beyond the control of an organization. These factors influence the organizational activities to a significant extent. Macro environment is subject to constant change. The changes in macro environment bring opportunities and threats in an organization.

i. Demographic Environment:

Demographic environment is the scientific study of human population in terms of elements, such as age, gender, education, occupation, income, and location. It also includes the increasing role of women and technology. These elements are also called as demographic variables. Before marketing a product, a marketer collects the information to find the suitable market for the product.

ii. Economic Environment:

Economic environment affects the organization's costs structure and customers' purchasing power. The purchasing power of a customer depends on the current income, prices of the product, savings, and credit availability.

iii. Natural Environment:

Natural environment consists of natural resources, which are needed as raw materials to manufacture products by the organization. The marketing activities affect these natural resources, such as depletion of ozone layer due to the use of chemicals. The corrosion of the natural environment is increasing day-by-day and is becoming a global problem.



Socio-Cultural Environment:

Socio-cultural environment comprises forces, such as society's basic values, attitudes, perception, and behavior. These forces help in determining that what type of products customers prefer, what influences the purchase attitude or decision, which brand they prefer, and at what time they buy the products. The socio-cultural environment explains the characteristics of the society in which the organization exists. The analysis of socio-cultural environment helps an organization in identifying the threats and opportunities in an organization.

Technological Environment:

Technology contributes to the economic growth of a country. It has become an indispensable part of our lives. Organizations that fail to track ongoing technological changes find it difficult to survive in today's competitive environment.

vi. Political and Legal Environment:

Political and legal environment consists of legal bodies and government agencies that influence and limit the organizations and individuals. Every organization should take care of the fact that marketing activities should not harm the political and legal environment prevailing in a country. The political and legal environment has a serious impact on the economic environment of a country. For example, in some regions of Uttar Pradesh, Reliance Fresh had to shut down its stores because of the lack of political support.

Market Segmentation

Market segmentation is one of the most efficient tools for marketers to cater to their target group. It makes it easier for them to personalise their campaigns, focus on what's necessary, and group similar consumers to target them in an effective manner.

The process is being practised by marketers since the late 1900s. Simple though it may be, it is of vital use to forming any marketing plan.



Types Of Market Segmentation

Geographic Segmentation

Geographic segmentation divides the market on the basis of geography. This type of market segmentation is important for marketers as people belonging to different regions may have different requirements. For example, water might be scarce in some regions which inflates the demand for bottled water but, at the same time, it might be in abundance in other regions where the demand for the same is very less. People belonging to different regions may have different reasons to use the same product as well. Geographic segmentation helps marketer draft personalized marketing campaigns for everyone.

Demographic Segmentation

Demographic segmentation divides the market on the basis of demographic variables like age, gender, marital status, family size, income, religion, race, occupation, nationality, etc. This is one of the most common segmentation practice among marketers. Demographic segmentation is seen almost in every industry like automobiles, beauty products, mobile phones, apparels, etc and is set on a premise that the customers' buying behaviour is hugely influenced by their demographics.

Behavioral Segmentation

The market is also segmented based on audience's behaviour, usage, preference, choices and decision making. The segments are usually divided based on their knowledge of the product and usage of the product. It is believed that the knowledge of the product and its use affect the buying decision of an individual. The audience can be segmented into –

- ❑ Those who know about the product,
- ❑ Those who don't know about the product,
- ❑ Ex-users,
- ❑ Potential users,
- ❑ Current Users,
- ❑ First time users, etc.

People can be labelled as brand loyal, brand-neutral, or competitor loyal. They can also be labelled according to their usage. For example, a sports person may prefer an energy drink as elementary (heavy user) and a not so sporty person may buy it just because he likes the taste (light/medium user).



Psychographic Segmentation

Psychographic Segmentation divides the audience on the basis of their personality, lifestyle and attitude. This segmentation process works on a premise that consumer

buying behaviour can be influenced by his personality and lifestyle. Personality is the combination of characteristics that form an individual's distinctive character and includes habits, traits, attitude, temperament, etc. Lifestyle is how a person lives his life.

Personality and lifestyle influence the buying decision and habits of a person to a great extent. A person having a lavish lifestyle may consider having an air conditioner in every room as a need, whereas a person living in the same city but having a conservative lifestyle may consider it as a luxury.



Marketing Mix 4P's

A marketing expert named E. Jerome McCarthy created the Marketing 4Ps in the 1960s. The marketing mix definition is simple. It is about putting the right product or a combination thereof in the place, at the right time, and at the right price.

The difficult part is doing this well, as you need to know every aspect of your business plan.

Marketing environment

Internal Environment – The Internal Marketing Environment includes all the factors that are within the organization and affects the overall business operations. These factors include labor, inventory, company policy, logistics, budget, capital assets, etc. which are a part of the organization and affects the marketing decision and its relationship with the customers. These factors can be controlled by the firm.

Microenvironment- The Micro Marketing Environment includes all those factors that are closely associated with the operations of the business and influences its functioning. The microenvironment factors include customers, employees, suppliers, retailers & distributors, shareholders, Competitors, Government and General Public. These factors are controllable to some extent.





Micro Environment

Definition: Micro Environment, refers to the environment comprising of all the actors of an organization's immediate environment which influences the performance of the company, as they have a direct bearing on the firm's regular business operations.

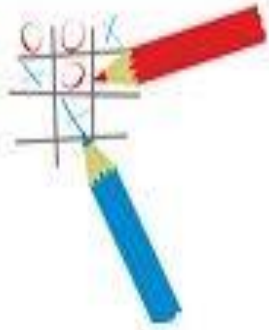
The micro environment is popularly referred to as task environment or operating environment.

Elements of Micro Environment

The elements of the micro environment are closely associated with the company and they do not affect all the companies operating in the industry, in a similar manner, as some factors are specific to the firm.

So we can say that the micro environment is one which the firm addresses in its specific arena, such as the industry or the strategic group.

Given below are some important elements of micro environment: micro environment



Competitors



Suppliers



Customers



Intermediaries



Shareholders



Employees



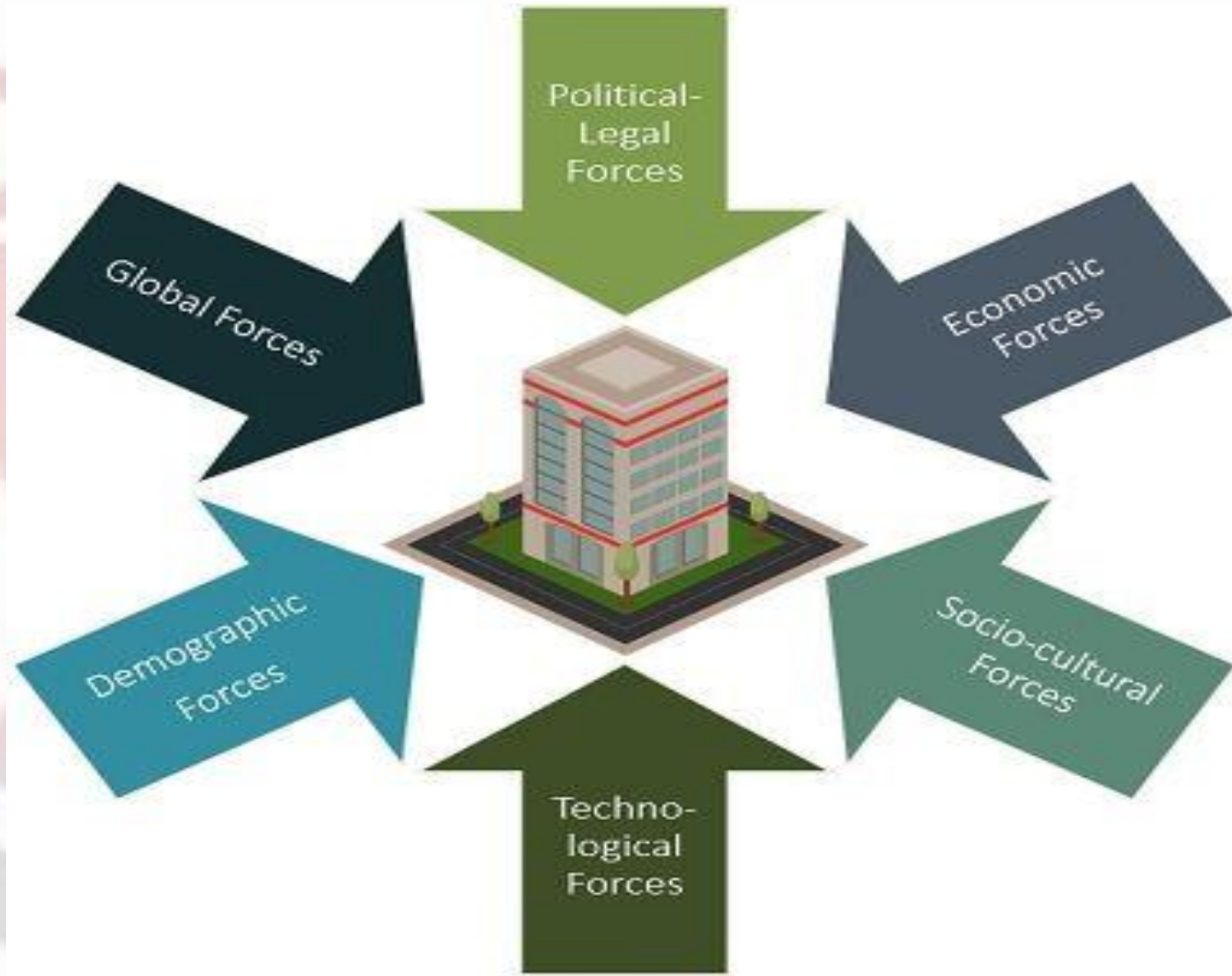
Media



Macro Environment

Definition: Macro Environment can be described as the collection of those factors and conditions, which has the capability of influencing the business positively or negatively.

Macro Environment is the type of external business environment in which the firm and its micro-environmental forces exist which gives opportunities or pose threats to the firm. It comprises of the elements which are uncontrollable, dynamic and unpredictable.



UNIT – IV MARKETING MIX



In designing the internal marketing programme the following factors have to be considered:

i. Internal Marketing Objectives and Strategy:

ii. Segmenting the Internal Market:

iii. Develop an Internal Marketing Mix Product:

iv. Important Skills Needed in Implementing the Internal Marketing Plan:

v. Negotiation:

vi. Persuasion:

vii. Co-Operation:



3. Project Management:

Implementation of a marketing plan must take the route of project management to achieve success lest even the best of all plans will remain as plans. A project can be defined as an undertaking that has a beginning and an end and is carried out to meet established goals within cost, schedules and quality objectives.

4. Examples of Projects:

- i. Management – Holding of an important national conference, conducting a major trade exhibition etc.
- ii. Marketing – Setting up a new distribution network, implementing a promotional campaign etc.

Process of Marketing Planning:

Philip Kotler, has pointed out that while preparing marketing plan the following situation should be considered:

Process of Marketing Planning:

Philip Kotler, has pointed out that while preparing marketing plan the following situation should be considered:

(i) Diagnosis:

The planning process begins with an attempt by the organization to size up the present market situation and the factors responsible for it. In simple words, diagnosis consists of where the company stands and why. The size up requires developing data on absolute levels of company's sales; market share and their recent trends, by-products etc. Certain supplement data like – marketing cost, plant utilization; profit level etc. are also required for diagnosis.

ii) Prognosis:

Only diagnosis of present position is not sufficient for good marketing planning. The company must also estimate where it likely to go if present market trend continues. What sales and profit it makes in long- run. Prognosis helps in indicating future of the company i.e. bright or dark. If it seems to be bright, the present policy should be continued, but if future is dark, the planning needs modification so as to achieve objectives set.

(iii) Objectives:

If the prognoses indicate that there is no possibility of future sales and profit for company, then the company should decide upon fresh objectives so as to maintain sales and profit in future.

(iv) Strategy:

Strategy lays down the broad principle by which company secures an advantage over its rivals or attracts buyers and fully exploits its resources.

(v) Tactics:

How to use the company's strategies to achieve the objectives is done by tactics. In other words, tactics are the methods for carrying out the strategies.

(vi) Control:

Control is the essential part of the marketing planning. Without control it is not possible to know whether objectives are going to be achieved or not. Often new events occurs that challenge some of the basic assumptions in plan. The control helps in countering these challenges. Through control variations are discovered and new changes are made in plan to remedy the shortfall if any.



What is Marketing Information Systems

All businesses are operating under conditions of risk and uncertainty. The success or failure of any firm or company depends on many factors like economic situation, the changing tastes of customers, the extent and nature of competition and competitive activities and more. Business decisions and especially marketing decisions, are actually the decisions about the future of a company. The management of successful companies always focuses on each of the aspects of their business in order to make achievable decision. Marketing is usually that area of a company which requires lots of attention. Company sales depend on marketing so company must use adequate solutions for the more effective promotion of their products. For this purpose companies rely on marketing information system. Marketing information system allows a company to use all relevant information for developing its marketing strategies more effectively.

Steps of Marketing Information System

In order to use marketing information, companies have to focus on three main steps of marketing information systems.

- Assessing Information Needs
- Developing Information
- Distributing Information



MARKETING RESEARCH

Successful marketers will always try to seek information and identify newer ways to create, communicate and deliver value to their target markets. Good information can be obtained through marketing research. A brief history on marketing research will throw light on how marketing research has evolved overtime.

Marketing research is relatively new field of exertion and a new social science. Research in medicine, physics, and chemistry has been carried on for many centuries, but in the application of research to marketing problems on any extensive scale is largely a development of the last fifty years. In comparison to the physical or natural sciences, marketing research should be considered new as still its frontier days.



The prominent features marketing research are as follows:

Feature # 1. Function of Marketing Management:

The information generated through marketing research can be used to determine most appropriate marketing mix. Marketing research operations helps the marketing executives to keep abreast with the environmental changes by providing right information on dynamic environments to facilitate decision-making.

The marketing environment consists of customers, competitors, suppliers, distributors, etc. Therefore, marketing research is a well recognised and very important function of marketing management.



Feature # 2. Integrated Effort:

For carrying out marketing research activities in any organisation, a group effort is needed. Research objectives are organized by planning executives and data requirement for the accomplishment of these objectives are determined by the data analyst. The data processor should be familiar with the nature and location of available data to retrieve and process it at the desired time. Therefore, marketing research is an integrated effort.

Feature # 3. Systems Approach:

A number of activities viz., collection, recording, tabulating, evaluating, analysing and interpretation of information are included in marketing research. Each of these activities is performed by some experts who are supervised by marketing management executives. Therefore, marketing research constitutes a systems approach from start to finish.

Feature # 4. Inter-Disciplinary Process:

Marketing research involves collection of data and information from various fields such as psychology, sociology, economics etc. Similarly, study of consumer behaviour involves psychological and sociological study. Furthermore, various statistical and mathematical techniques are used to process the information. Therefore, it is regarded as inter-disciplinary process.

Feature # 5. Imperfect Science:

A group of prescribed procedures for establishing and connecting general laws to enhance knowledge by developing concepts, collecting and analysing meaningful data and the critical study of concepts and premises is termed as scientific method and hence marketing research is a science.



What is Marketing Research – Important Objectives: To Discover the New Markets, To Hold the Greater Market Share, To Minimise the Cost of Marketing and a Few Others

Objective # 1. To Discover the New Markets:

The most important objective of marketing research is to discover the new market for the product. These can be discovered by advertising, market survey, effective salesmanship, etc.

Objective # 2. To Hold the Greater Market Share:

An important objective of marketing research is to enable the organisation to capture greater market share. Market share refers to that region of a particular industry's total sale which a firm aims to achieve.

Objective # 3. To Evaluate Tastes and Preferences of Customers:

Marketing research analyses tastes and preferences of customers. Helps in analysing the likings and disliking of the consumers. The marketing department should make an analysis of the demand and preference of product from time-to-time.

Objective # 4. To Anticipate the Future Sales Volume:

Marketing research is targeted at studying and understanding the consumer behaviour. It smooth the way in determining the probable future sales volume that can be achieved either by creating new markets or by adding new lines of production.

Objective # 5. To Minimise the Cost of Marketing:

Reducing the cost of marketing is an important objective of marketing research. The cost of marketing is inclusive of selling, advertising, promotion and distribution of products. Marketing research here assists in determining the methods by which excessive (unnecessary) sales and advertisement expenditure can be reduced to minimum possible extent.



Objective # 6. To Improve the Quality of Product:

Improving the quality of the product is another objective of marketing research. The main objective of marketing research is to identify the needs, wants and demands of the target customer, so that the firm can introduce changes in the product according to the important requirements. It is this quality of product that helps to create brand loyalty of the customer toward the firm's product.

Objective # 7. To Assist in Formulation of Suitable Price Policy:

Marketing research renders valuable information to the management about competitive prices. Price is the amount of money charged for a product or services that consumers exchange for the benefits of product or service. This information also shows the packaging, quality and discounts of competitive products.

Objective # 8. To Effectively Face Cut Throat Competition:

Facing cut throat competition is also an important objective of marketing research. In modern time, no firm can survive without facing competition in the market. Since any reaction of the competitors firm can affect the demand of the firm, hence, the firm should also take proper action in response to the strategy of competitor.

Objective # 9. To Make Liaison with Ultimate Consumers:

Consumer is a human being and his behaviour is never static. Consumers are neither so simple that they do not require to be studied, nor so complex that their study is not possible. Marketing research helps the firm to be in touch with the consumers, behaviour and as a result, the management may take appropriate decisions in relation to production policies, pricing policies, channels of distribution, sales promotion activities and finally to face the competition.

Objective # 10. To Analyse the External Environment:

External environment refers to the present government policies and regulations. An important objective of marketing research is to study the effect of external environment on decision-making by the firm. It also provides information regarding the probable development in the foreign markets, new products and substitutes, emergence of new competitors and their future impact on firm's output.



THANK YOU!