

Lecture Notes

MARKETING MANGEMENT NOTES

Marketing management is centered on creating, planning, and implementing strategies that will help achieve wider business objectives. These business objectives can involve increasing brand awareness, boosting profits, or entering previously untapped markets.

#Importance of Marketing Management

1. Introduces New Products

In marketing management, you start by identifying your target market and analyzing your market. This helps you understand the needs of your consumers, based on which you can introduce or launch new products with an effective marketing campaign.

2. Boost Sales

Good marketing management helps you match your capabilities and resources with the needs of the consumers. With this, you can plan and implement a successful marketing strategy and then reach out to customers.

3. Builds Reputation

Marketing management ensures that your company's reputation remains unharmed because, without it, your business will struggle to handle PR blunders or remain updated with the latest trends.

Good marketing management can help identify the best opportunities to pursue and threats to steer clear from. It will help you expand to different audiences based on past experience through advertising and customer engagement. This will help improve the reputation of the company

4. Aid in Business Decisions

Having proper marketing management means that you will have an **excellent marketing team** that has insights into consumer behavior, buying patterns, and the latest marketing trends. This helps you make better decisions in the short run and the long run.

5. Helps Compete with Big Companies

If you are a small business in a competitive industry, then good marketing management is all you need to level up to bigger competitor companies.

This is because it analyzes market behaviors and competitor trends and helps your business focus on areas that are being underutilized by other companies or doing something unique and fresh. As a result, your business can stand out and emerge as a solid competitor in your industry, or even surpass them in certain cases.

#The Process of Marketing Management

1. Conduct Market Research

The first step in the **marketing management process** is conducting market research and market analysis. You can do this by gathering consumer data, doing surveys, conducting interviews, assessing the economic patterns, etc.

2. Set Marketing Objectives

No process can ever continue without setting objectives and goals because they set the very foundation of your entire marketing journey. That's why the marketing management process also involves setting achievable marketing objectives or goals and creating a benchmark to measure success.

3. Develop a Marketing Strategy

Now that the market research is done and the marketing objectives are set, the next logical step in a marketing management process is to **develop a marketing strategy**. The decisions made in the strategy focus on which markets to target and how to position your products for existing and new customers in relation to your competitors.

A marketing strategy usually consists of:

- **Segmentation** – Where you segment or divide the market to identify a similar set of customers who are likely to respond to your marketing program.
- **Targeting** – Where the segments are further divided so that you can focus on a very specific target to produce new products and services.
- **Positioning** – Where your brand's image is perceived in terms of quality or price or value and is positioned in the minds of the target market.
- **Marketing mix** – Utilizing the elements of the marketing mix – product, price, place (distribution), and promotion to deliver customer satisfaction and achieve organizational goals.

4. Make a Marketing Plan

Once a marketing strategy is developed, the next marketing management process is to make a written marketing plan. This is to analyze where the company is and where it wants to reach in a given period of time.

With a plan on paper, you can refer to it anytime and analyze whether your marketing management process is on the right path or not, and also keep track of your company's progress.

5. Implement Marketing Program

The next step is one of the most important steps in the marketing management process – Implementation. You can say that it is putting your marketing strategies and plans into action and executing them in a way that you achieve all your marketing objectives and goals.

6. Monitor

The final stage of the marketing management process is to monitor and track the progress of your campaigns. This step requires you to regularly measure and **evaluate the results of your planning** and strategize to make sure that everything is on track.

It includes looking at your revenue, sales, customer satisfaction and feedback, the number of website visitors, etc.

#Corporate Strategic Planning

Corporate Strategic Planning is a companywide approach at the business unit and corporate level for developing strategic plans to achieve a longer-term vision. The process includes defining the corporate strategic goals and intentions at the top and cascading them through each level of the organization.

Why is Corporate Strategy Important?

A corporate strategy can focus every employee and resource in a company on the same objectives, and it aims to use them all efficiently. It gives every employee a set of guidelines they can use in their everyday work to move toward certain targets, which promote the vision and mission of the company. Corporate level planning can also improve efficiency within the organization and help identify unseen bottlenecks or pain-points.

1) Competitive Analysis

A competitive analysis needs to be conducted, to understand the trends that could impact the success of your strategy. Common factors that could be analyzed include political, legal, social, environmental, technological.

2) Strategic Goals & Priorities

Once you have completed a competitive analysis, the corporate leadership team will set the overarching strategic goals and priorities for the organization.

3) Communication

Once business unit plans and directions have been set, the information needs to be communicated and shared with leadership inside the business unit so that priorities and plans can be aligned and integrated within a single budget.

The steps involved in the marketing planning process are:

1. Scanning the marketing environment.
2. Internal scanning.
3. Setting the marketing objectives.
4. Formulating the marketing strategy.
5. Developing the functional plans.

The purpose is to find out:

- (i) The favourable and unfavourable factors prevailing in the environment and
- (ii) The specific business opportunities available to the business unit and their relative attractiveness. Study of marketing environment analysis helps to locate marketing opportunities and discover unsatisfied consumer demand.

2. Internal scanning:

Internal scanning is the process of assessing the firm's strength and weaknesses and identifying its core competencies and competitive advantages. While environmental scanning may help to identify the various possible opportunities in areas of interest to the firm, the firm obviously cannot tap all the identified opportunities.

3. Setting Marketing Objectives:

The very purpose of setting objectives is to provide clear cut direction to the business regarding its future course of action. Objectives are set in all the key areas of marketing such as sales volume, market share, market standing, innovation, productivity, profit etc.

4. Formulating Marketing Strategy:

Marketing strategy formulation is the core of marketing planning. Marketing strategy is a set of objectives, policies and rules that guide over time marketing efforts of the concern. Stated in simple terms, marketing strategy is the complete and unbeatable plan designed specifically for attaining the marketing objectives of the firm, the marketing objectives indicate what the firm wants to achieve, and the marketing strategy provides the design for achieving them.

5. Developing Functional Plans:

Once the marketing strategy is formulated, the next step is elaborating the marketing strategy into detailed plans and programmes. The detailed functional plans will emanate from and be in tune with the marketing objectives and marketing strategy of the firm. Even the best marketing strategy may turn out to be a failure in the marketplace, if the detailed functional plans are drawn up in a haphazard manner. A plan may have to be developed for each marketing function.

#Marketing Information System

A marketing information system is a continuing and interacting structure of people, equipment and procedures to gather, sort, analyse, evaluate, and distribute pertinent, timely and accurate information for use by marketing decision makers to improve their marketing planning, implementation, and control".

The Top four components of marketing information system are as follows: 1. Internal record 2. Marketing intelligence system 3. Marketing decision support system 4. Marketing research.

1. Internal record:

Marketing managers rely on internal reports related to customer orders, sales, price levels, cost, inventory levels, receivable and payables. The heart of the internal record system is the order-to-payment cycle. Customers send orders to the firms.

. Marketing intelligence system:

The marketing intelligence system is a set of procedures and sources used by the managers to obtain everyday information about marketing environment.

A company can collect marketing intelligence in the following ways:

i. Sales force:

Sales representatives are trained to pick information and send it to the concerned manager. They can spot and report new developments.

ii. Distributors, retailers and other intermediaries:

A company can motivate the members of the distribution channel to pass information about shoppers. Information is also collected on sales force behaviour.

iii. External networking:

ADVERTISEMENTS:

Managers can attend trade shows, read competitors published reports, talk to employees, and analyse new stories about competitors.

iv. Published data:

A company can take advantage of the government data resources. For instance, census supplies information on changes in population, demographic groups and changing family structure. Similarly, a company can purchase information from professional research agencies such as IMRB, A.C. Nielson Company, etc.

v. Customer feedback:

This is a technique of collecting information at a low cost. The online customer feedback facilities make it more convenient for both the customer and the firm to collect and evaluate information.

3. *Marketing decision support system:*

A growing number of organizations are using marketing decision support system to help the managers in taking better decisions. It is a system supported by software and hardware to gather information from business and environment.

It helps managers in providing evidence for the decisions taken by them. The current marketing software programs assist in designing marketing research studies, market segmentation, selling prices, budget, analysing media, and planning sales force activity.

4. *Marketing research:*

It acts as a tool for accurate decision-making in marketing. It is useful for studying and solving different marketing problems. Marketing research techniques are used by manufacturers, exporters, distributors and service organizations. Marketing research is an applied knowledge. Hence, it provides alternative solutions to deal with a specific problem.

#Market Segmentation and Targeting

Product Differentiation

Product differentiation is the characteristic or characteristics that make your product or service stand out to your target audience. It's how you distinguish what

you sell from what your competitors do, and it increases brand loyalty, sales, and growth.

#Product line decisions

Product decisions are **decisions about a company's product or service to meet customer demand and ensure business success**. Product quality, feature, and design are product attribute decisions. Product attributes, branding, packaging, labeling, and support services are individual product decisions.

New Product Development process

1. Idea Generation
2. Research
3. Planning
4. Prototyping
5. Testing
6. Product Development
7. Commercialization

1. Idea Generation

The new product development process begins with idea generation, where you brainstorm an idea (or ideas) that will help you solve an existing customer problem in a new and innovative way. As you're coming up with ideas that will help you solve customer needs, it's important to have a robust understanding of your target market and the pain points they have that you want to solve.

2. Research

- **Market research** to understand the current sentiment in your industry and if there are any holes that your product will fit into, and if there will even be demand for it.
- **Competitor analysis** to understand if customers think there are things your competitors' products or services lack that you can incorporate into your product to better fit your target market's needs.

Planning

The third stage is planning, where you formulate a final product idea/definition based on your initial idea and research and begin coming up with your plans to bring it to life.

When you define your final product, you'll want to begin planning for what you'll need in order to create it. For example, if you're creating a physical product, you'll need to source the necessary materials or find production partners that will assist in manufacturing.

4. Prototyping

The prototyping phase is when you come up with a sample product that is a mockup of what will be created during mass production.

This prototype is often referred to as a minimum viable product (MVP), which is a basic version of your tool, still similar to your final product, that will help you get a sense of how it functions and identify any areas that need to be improved.

. Testing

Before launching your product you need to test it to ensure it will work as advertised and effectively solve your customer needs. So, during this stage, you'll share your prototypes with target audiences and ask for actionable feedback on how the product works.

6. Product Development

This stage involves creating the final product that will be commercialized once completed. You'll use the insights gained from testing your MVP to make final touches to your prototype, and begin mass production.

Depending on your type of business, you'll likely have a different process for product development. For example, if you're a SaaS business, your internal software development or programming teams will likely work to finalize code. If you create a physical product, you may outsource labor for certain components and assemble final products in your warehouse.

7. Commercialization

The final stage of your new product development process is commercialization, where you introduce your products to market. This is the culmination of your brainstorming, research, iteration, where your audiences can finally make use of what you created.

You'll enact your marketing plans to make your audiences aware of your new product, and enact campaigns that will entice them to become customers.

#Pricing Decisions

Five main objectives of pricing are: (i) **Achieving a Target Return on Investments** (ii) **Price Stability** (iii) **Achieving Market Share** (iv) **Prevention of Competition** and (v) **Increased Profits!** Before determining the price of the product, targets of pricing should be clearly stated.

#Factors affecting pricing Decisions:

Customers

How will buyers respond? Three important factors are whether the buyers perceive the product offers value, how many buyers there are, and how sensitive they are to changes in price. In addition to gathering data on the size of markets, companies must try to determine how price sensitive customers are.

Price elasticity, or people's sensitivity to price changes, affects the demand for products. Think about a pair of sweatpants with an elastic waist. You can stretch an elastic waistband like the one in sweatpants, but it's much more difficult to stretch the waistband of a pair of dress slacks. Elasticity refers to the amount of stretch or change

Competitors

How competitors price and sell their products will have a tremendous effect on a firm's pricing decisions. If you wanted to buy a certain pair of shoes, but the price was 30 percent less at one store than another, what would you do? Because

companies want to establish and maintain loyal customers, they will often match their competitors' prices.

The Economy and Government Laws and Regulations

Pricing decisions are affected by federal and state regulations. Regulations are designed to protect consumers, promote competition, and encourage ethical and fair behavior by businesses.

#The 5 most common pricing strategies

- Cost-plus pricing. Calculate your costs and add a mark-up.
- Competitive pricing. Set a price based on what the competition charges.
- Price skimming. Set a high price and lower it as the market evolves.
- Penetration pricing. ...
- Value-based pricing.

#Personal selling

Personal selling is also known as face-to-face selling in which **one person who is the salesman tries to convince the customer in buying a product**. It is a promotional method by which the salesperson uses his or her skills and abilities in an attempt to make a sale.

Seven personal selling strategies

- Present the product's benefits. A product's benefits are often its most persuasive selling point. ...
- Demonstrate the product. ...
- Encourage a conversation. ...
- Act as a consultant. ...
- Emphasize customer satisfaction. ...
- Tell a story. ...
- Respond to consumer behavior.

#Advertising, sales promotion, public relation and direct marketing.

Promotion looks to communicate the company's message across to the consumer. **The four main tools of promotion are advertising, sales promotion, public relation and direct marketing.**

#Supply Chain Decison

An economic activity involved in manufacturing or distribution is linked to a complex system of suppliers and customers, which must be supported by a transport

Channel Management Decisions: Top 5 Steps

- Step # 1. Selecting Channel Members: The first priority for any company is choosing the right channel members. ...
- Step # 2. Training Channel Partners: ...
- Step # 3. Motivating Channel Members: ...
- Step # 4. Evaluating Channel Members: ...
- Step # 5. Modifying Channel Arrangements:

Green Marketing

. Green marketing **focuses on selling products and services based on their environmental benefits.** Its features include adopting sustainable business practices, creating eco-friendly products, implementing eco-friendly packaging, communicating the environmental benefits of the product, etc.

Event Marketing

This event marketing guide will explain what event marketing is, how to create a winning strategy, and how to carry that strategy out to improve your events program.

Network Marketing

Network marketing is **a business model that depends on person-to-person sales by independent representatives, often working from home.** A network marketing business may require you to build a network of business partners or salespeople to assist with lead generation and closing sales.

Buzz marketing

Buzz marketing is **a viral marketing technique focused on maximizing the word-of-mouth potential of a campaign or product.** These strategies can spur conversations among consumers' family and friends or larger-scale discussions on social media platforms.

Customer relationship management

Customer relationship management (CRM) is the combination of practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle. The goal is to improve customer service relationships and assist in customer retention and drive sales growth. CRM systems compile customer data across different channels, or points of contact, between the customer and the company, which could include the company's website, telephone, live chat, direct mail, marketing materials and social networks. CRM systems can also give customer-facing staff members detailed information on customers' personal information, purchase history, buying preferences and concerns.

Why CRM benefits businesses

The use of CRM systems can benefit organizations ranging from small businesses to large corporations, through:

- Having customer information such as past purchases and interaction history easily accessible can help customer support representatives provide better and faster customer service.
- Collection of and access to customer data can help businesses identify trends and insights about their customers through reporting and visualization features.
- Automation of menial, but necessary, sales funnel and customer support tasks.

Components of CRM

At the most basic level, CRM software consolidates customer information and documents it into a single CRM database so business users can more easily access and manage it.

Over time, many additional functions have been added to CRM systems to make them more useful. Some of these functions include recording various customer interactions over email, phone, social media or other channels; depending on system capabilities, automating various workflow automation processes, such as tasks, calendars and alerts; and giving managers the ability to track performance and productivity based on information logged within the system.

- **Marketing automation.** CRM tools with marketing automation capabilities can automate repetitive tasks to enhance marketing efforts at different points in the lifecycle for lead generation. For example, as sales prospects come into the system, it might automatically send email marketing content, with the goal of turning a sales lead into a full-fledged customer.
- **Sales force automation.** Sales force automation tools track customer interactions and automate certain business functions of the sales cycle that are necessary to follow leads, obtain new customers and build customer loyalty.
- **Contact center automation.** Designed to reduce tedious aspects of a contact center agent's job, contact center automation might include prerecorded audio that assists in customer problem-solving and information dissemination.

Various software tools that integrate with the agent's desktop tools can handle customer requests in order to cut down on the length of calls and to simplify customer service processes. Automated contact center tools, such as chatbots, can improve customer user experiences.

- **Geolocation technology, or location-based services.** Some CRM systems include technology that can create geographic marketing campaigns based on customers' physical locations, sometimes integrating with popular location-based GPS (global positioning system) apps. Geolocation technology can also be used as a networking or contact management tool in order to find sales prospects based on a location.

Global marketing

A global marketing strategy is **an overall marketing strategy to expand a business into markets across the world**. It's the reference for localized marketing plans to reach various regions and new markets. A global marketing strategy doesn't only cover selling products across borders.

Bottom of the pyramid

bottom of the pyramid (BOP), also called base of the pyramid, term in economics that refers to the poorest two-thirds of the economic human pyramid, a group of more than four billion people living in abject poverty.

Digital Marketing

Experts define digital marketing strategy as using online resources to reach the target customer.

Identifying where, why, and how a company makes a profit is one of the building blocks of a digital marketing strategy. It helps formulate a marketing plan that aligns with the business goals and customer requirements.

A brand has to evaluate owned, paid, and earned media while formulating a digital marketing strategy. While owned media consists of the organisation's communication channels, earned media and paid media are external communication channels.

Digital Marketing Strategy Vs Digital Marketing Tactics

Digital marketing strategy is the process of identifying a company's goals, and a digital marketing campaign is the process of actualising these goals. The success of a company's marketing plan relies heavily on the proper implementation and completion of digital marketing tactics.

What is the Importance of Digital Marketing Strategy?

1. Competitive advantage over peers

Digital marketing strategy helps businesses take over their business peers. It suggests ways to evoke creativity and innovation in product design, development, and promotion, eliminating competition.

2. Staying relevant

In the current business milieu, staying relevant is the number one priority of business organisations as it helps them (the company) to keep on top of new competition.

Digital marketing strategy helps companies achieve that will the help of modern tools and techniques.

3. Reaching a global audience

Digital marketing channels connect brands to a global audience by giving them the medium and exposure required to expand their business.

How To Create A Digital Marketing Strategy?

Here are some key components or steps you can undertake while creating a digital marketing strategy.

- **SWOT analysis**

Most of the digital marketing strategy formulation starts with SWOT (strength, weakness, opportunities, threats) analysis. It is a process that helps businesses test the viability of a strategy.

- **SMART business goals**

SMART is a popular business acronym widely used while formulating a

business strategy. SMART stands for business goals that are specific, measurable, attainable, relevant, and timely.

- **Market segmentation**

Market segmentation refers to segregating buyers into groups or segments for convenient targeting. The segmentation is based on the similarities they possess.

This process helps devise a plan that matches the needs of the groups. As a result, it increases a digital marketing strategy's effectiveness and helps gain more traction.

- **Buyer's persona**

Understanding the buyer's persona is another step in creating a marketing strategy. This process helps understand the audience's likes, dislikes, motivations, requirements, and more.

- **Budget constraints**

Managers must ascertain an appropriate budget to develop an effective digital marketing strategy. A successful marketing strategy depends on adequate and regular cash flow, and understanding the budget constraints helps formulate a plan unaffected by fluctuations.