

## UNIT – I

Marketing –Definition, Classification of markets, Objectives of Marketing, Functions of marketing, Difference between marketing and selling – New trends in marketing – Relationship marketing, SMS Marketing. Meaning of e- Business, Tele marketing, automatic vending, e- banking, e-trading, e-auctioning.

### 2 marks:

1. What is marketed?

»Goods-tangibleproduct,Services-intangibleproduct,Experience,Event,Person,Place,Property  
,Information ,Organization , Idea.

3. What is international market?

We are live in an era of liberalization and globalisation.We have access to most international brands of goods. A product which is marketed throughout the world is said to be an international market.

4. Who is buyer?

A buyer is a person who pays to acquire a courier or service. For example, a "buyer" is a person who purchases finished goods, typically for resale, for a firm, government, or organization while a person who purchases material used to make goods is sometimes called a purchasing agent.

5. Define e- banking.

e-banking as the delivery of Banks' information and. services by banks to customers via different delivery. platforms that can be used with different terminal. Devices such as a personal computer and a mobile. Phone with browser or desktop software, telephone etc.

6. Define Marketing.

According to American marketing Association "marketing is concerned with the people and the activities involved in the flow of goods and services from the producer to the consumer ".

7. What is meaning of e- business?

E-business is a general term that encompasses all forms of using digital information and communication technologies to support and optimize business processes. In contrast, e-commerce describes only the online trading of products and services, and is therefore only a subsection of e-business.

8.How are markets classified according to geographical area?

\* Local market - when the market for a product is restricted to a particular town or state such a market is called a local market.

\* National market-when the market for a product extends to the whole country such a market is called a national market.

\*International market - have access to most international brands of goods A product which is marketed throughout the world is said to be having an international market.

### 5 mark

1.What are Classifications of market?

***Local Markets:***

In such a market the buyers and sellers are limited to the local region or area. They usually sell perishable goods of daily use since the transport of such goods can be expensive.

***Regional Markets:***

These markets cover a wider area than local markets like a district, or a cluster of few smaller states

***National Market:***

This is when the demand for the goods is limited to one specific country. Or the government may not allow the trade of such goods outside national boundaries.

***International Market:***

When the demand for the product is international and the goods are also traded internationally in bulk quantities, we call it an international market.

***Very Short Period Market:***

This is when the supply of the goods is fixed, and so it cannot be changed instantaneously. Say for example the market for flowers, vegetables. Fruits etc. The price of goods will depend on demand.

***Short Period Market:***

The market is slightly longer than the previous one. Here the supply can be slightly adjusted.

***Long Period Market:***

Here the supply can be changed easily by scaling production. So it can change according to the demand of the market. So the market will determine its equilibrium price in time.

***Spot Market:***

This is where spot transactions occur, that is the money is paid immediately. There is no system of credit

***Future Market:***

This is where the transactions are credit transactions. There is a promise to pay the consideration sometime in the future.

***Regulated Market:***

In such a market there is some oversight by appropriate government authorities. This is to ensure there are no unfair trade practices in the market. Such markets may refer to a product or even a group of products. For example, the stock market is a highly regulated market.

***Unregulated Market:***

This is an absolutely free market. There is no oversight or regulation, the market forces decide everything

**2. What is Indian standards institution (ISI) and their function?**

» The ISI was established in the year 1947. It has been renamed as the 'Bureau of Indian Standards'. Its main objective is to lay down quality standards for consumer and industrial goods.

» A producer who wants to adopt a standard for his product has to obtain a license from the ISI under its marking scheme. He has to adopt certain procedures for quality control as prescribed by the license.

» If any customer has complaints against the quality of ISI marked products, he can inform the ISI officials regarding the same. The ISI will take prompt action on any such specific complaint.

» If any producer is found to be using the ISI mark fraudulently, he will be liable for punishment. For the purpose of testing products, the ISI has set up laboratories in different parts of India. In addition to these

*Source: Marketing Management – Dr. J. Jayasankar*

activities, the ISI also furthers India's interest in the field of international standardization by working closely with the International Standards Organization (ISO).

3. State the Functions of ISI:

1. To prepare standards for commodities, materials and processes.
2. To help in the production of quality goods.
3. To certify industrial goods.
4. To circulate information relating to standardization
5. To promote general standards both at the national and international levels.
6. To protect the consumers by assuring them good quality and product performance.
7. To eliminate unnecessary varieties.
8. To cut down the cost of production.

4. Difference between marketing and selling:

Marketing	Selling
Emphasis is on customer	Emphasis is on Needs and wants the product
Marketers identify the Needs and wants of A product to satisfy Customer.	organisation makes the customer and delivers product and when figures out how to sell it.
Profit oriented through Customer satisfaction.	profit oriented through sales Volume.
Long term planning	short term Planning
Focus is needs On consumer	focus is needs on seller
Create from time Possession and Place utility	only possession utility
It is a system of Integrated and the Inter related Function	it is the part of marketing process

5. Objectives of marketing?

- \*To satisfy the needs and wants of the customer
- \*To identify what is demanded in the market
- \*To plan and develop goods and services according to customer demand
- \*To spread awareness and disseminate information about a product or services
- \*To increase sales and profit of an organisation
- \*To enhance the brand and goodwill of the organisation
- \*To organize direct and control all marketing activities
- \*To establish a reporting and a feedback mechanism to develop new products and marketing informed decisions.

10 mark

1.Functions of marketing?

1. Selling:

It is core of marketing. It is concerned with the prospective buyers to actually complete the purchase of an article. It involves transfer of ownership of goods to the buyer. Selling plays an important part in realizing the ultimate aim of earning profit. Selling is enhanced by means of personal selling, advertising, publicity and sales promotion

2. Buying and Assembling:

It involves what to buy, of what quality, how much from whom, when and at what price. People in business buy to increase sales or to decrease costs. Purchasing agents are much influenced by quality, service and price.

The products that the retailers buy for resale are determined by the needs and preferences of their customers. A manufacturer buys raw materials, spare parts, machinery, equipment's, etc.

### 3. Transportation:

Transportation is the physical means by which goods are moved from the places where they are produced to those places where they are needed for consumption. It creates place, utility. Transportation is essential from the procurement of raw material to the delivery of finished products to the customer's places. Marketing relies mainly on railroads, trucks, waterways, pipelines and air transport.

### 4. Storage

It involves holding of goods in proper (i.e., usable or saleable) condition from the time they are produced until they are needed by customers (in case of finished products) or by the production department (in case of raw materials and stores); storing protects the goods from deterioration and helps in carrying over surplus for future consumption or use in production. Storing assumes importance when production is regional or consumption may be regional. Retail firms are called "stores".

### 5. Standardization and Grading:

The other activities that facilitate marketing are standardization and grading. Standardization means establishment of certain standards or specifications for products based on intrinsic physical qualities of any commodity. This may involve quantity (weight or size) or it may involve quality (colour, shape, appearance, material, taste, sweetness etc.) Government may also set some standards, for example, in case of agricultural products. A standard conveys a uniformity of the products

### 6. Financing:

It involves the use of capital to meet financial requirements of agencies dealing with various activities of marketing. The services to provide the credit and money needed, the costs of getting merchandise into the hands of the final user is commonly referred to as finance function in marketing.

In other words; various kinds of finances are short-term finance, medium-term finance, and long-term finance.

### 7. Risk Taking:

Risk means loss due to some unforeseen circumstances in future. Risk bearing in marketing refers to the financial risk interest in the ownership of goods held for an anticipated demand including the possible losses due to a fall in prices and the losses from spoilage, depreciation, obsolescence, fire and floods or any other loss that may occur with the passage of time. They may also be due to decay, deterioration and accidents, or due to fluctuation in the prices caused by changes in their supply and demand. The various risks are usually termed as price risk, time risk and physical risk.

### 8. Market Information:

The importance of this facilitating function of marketing has been recognized only recently. The only sound foundation on which marketing decisions may be based is correct and timely market information. Right facts and information reduce the aforesaid risks and thereby result in cost reduction. Modern marketing requires a lot of information adequately, accurately and speedily. Marketing information makes a seller know when to sell, at what price to sell, who are the competitors. Marketing information and its proper analysis has led to marketing research which has now become an independent branch of marketing.

## 2. What are the new trends in marketing?

### 1. More Emphasis on Quality, Value, and Customer Satisfaction:

Today's customers place a greater weight to direct motivations (convenience, status, style, features, services and qualities) to buy product. Today's marketers give more emphasis on the notion, "offer more for less."

### 2. More Emphasis on Relationship Building and Customer Retention:

Today's marketers are focusing on lifelong customers. They are shifting from transaction thinking to relationship building. Large companies create, maintain and update large customer database containing demographic, life-style, past experience, buying habits, degree of responsiveness to different stimuli, etc., and design their offerings to create, please, or delight customers who remain loyal to them. Similarly more emphasis is given to retain them throughout life. Marketers strongly believe: "Customer retention is easier than customer creation."

*Source: Marketing Management – Dr.J.Jayasankar*

### 3. More Emphasis on Managing Business Processes and Integrated Business Functions:

Today's companies are shifting their thinking from managing a set of semi independent departments, each with its own logic, to managing a set of fundamental business processes, each of which impact customer service and satisfaction. Companies are assigning cross-disciplinary personnel to manage each process.

### 4. More Emphasis on Global Thinking and Local Market Planning:

As stated earlier, today's customers are global, or cosmopolitan. They exhibit international characteristics. This is due to information technology, rapid means of transportation, liberalization, and mobility of people across the world. Companies are pursuing markets beyond their borders. They have to drop their traditions, customs, and assumptions regarding customers. They have to adapt to their offering as per the cultural prerequisites. Decisions are taken by local representatives, who are much aware of the global economic, political, legal, and social realities. Companies must think globally, but act locally. Today's marketers believe: "Act locally, but think globally."

### 5. More Emphasis on Strategic Alliances and Networks:

A company cannot satisfy customers without help of others. It lacks adequate resources and requirements to succeed. Company needs to involve in partnering with other organisations, local as well as global partners who supply different requirements for success.

### 6. More Emphasis on Direct and Online Marketing:

Information technology and communication revolution promise to change the nature of buying and selling. Companies follow direct channel in term hiring salesmen, setting own distribution network, designing network marketing, applying online marketing, and contracting with giant shopping/retailing malls. People anywhere in the world can access the Internet and companies' home pages to scan offers and order goods. Via online service, they can give and get advice on products and services by chatting with other users, determine the best values, place orders, and get next-day delivery. As a result of advances in database technology, companies can do more direct marketing and rely less on wholesale and retail intermediaries. Beyond this, much company buying is now done automatically through electronic data interchange link among companies. All these trends portend a greater buying and selling efficiency.

### 7. More Emphasis on Services Marketing:

As per general survey, about 70% people are, either directly or indirectly, involved in service marketing. Because services are intangible and perishable, variable and inseparable, they pose additional challenges compared to tangible good marketing. Marketers are increasingly developing strategies for service firms that sell insurance, software, consulting services, banking, insurance, and other services.

### 8. More Emphasis on High-tech Industries:

Due to rapid economic growth, high-tech firms emerged, which differ from traditional firms. High-tech firms face higher risk, slower product acceptance, shorter product life cycles, and faster technological obsolescence. High-tech firms must master the art of marketing their venture to the financial community and convincing enough customers to adopt their new products.

### 9. More Emphasis on Ethical Marketing Behaviour:

The market place is highly susceptible to abuse by those who lack scruples and are willing to prosper at the expense of others. Marketers must practice their craft with high standards. Even, governments have imposed a number of restrictions to refrain them from malpractices. Marketers are trying to sell their products by obeying and observing moral standards or business ethics.

### 10. Other issues:

i. Craze for international standards and emphasis on quality, value and customer satisfaction. Application of TQM (even, Six Sigma) in every aspect of marketing management.

ii. Changed attitude toward competition. They compete not for maximum gains but for maximum offers to customers.

iii. Relationship marketing at both levels at internal functions of organisation and at outside with service providers, to satisfy customers.

iv. Concept of global and complex customers.

v. Marketing department is placed in the center of management. It enjoys unique and dominant status in organisation.

*Source: Marketing Management – Dr.J.Jayasankar*

- vi. Use of latest technology for survey and research.
- vii. More emphasis on after-sales services.
- viii. Entertaining value in advertising, etc.

### 3. What are the merits of railway transport?

#### 1. Less Investment:

Roads need less capital than the railways. Laying of railway line needs much capital than road. So it is cheaper.

#### 2. Door to Door Service:

Railways have the drawback that they cannot go to each village while road transport provides door to door service. So it is more beneficial.

#### 3. Flexibility in Service:

Unlike railways, the road transport provides flexible service to men and materials.

#### 4. Employment:

Road transport provides employment to many persons directly and indirectly.

#### 5. Useful for Small Distances:

While railways are useful in long distances, road transport is useful in small distances.

#### 6. Complementary to Rail Transport:

Road transport is helpful to rail transport. People reach railway station taking the help of road transport so it provides feeder service to rail transport.

#### 7. Personal Service:

Rail transport is managed by Govt. alone while road transport has private and public carriers. So there is completion in road transport. Even people have their own vehicles. So it is also a kind of personal service.

#### 8. Helpful in Production of Perishable Goods:

Road transport is helpful in production of perishable goods as it facilitates the distribution of perishable goods from point of production to point of consumption.

#### 9. Beneficial to Industries:

Industries which are situated away from railway links, the road transport helps them a lot. It facilitates the mobility of men and materials for these industries.

### 4. Distinguish between grading and standardisation?

#### GRADING:

» Grading is done on the bases of quality of the product. For eg: Tea (quality of the leaf, size and shape), Oil Seeds (edible copra and ball copra)

» As people are not much aware of the grading system of the product there is lack of awareness. (in rural as well as urban areas)

For eg: Grading of an agricultural commodity.

» It is not easy to understand due to different types of table format or different types of grading.

For eg: Grading of an Oranges.

» As grading depends upon the taste and preference of the customers which helps to improve the quality of the product.

» There is no uniformity in the quality of the product as it depends upon the satisfaction or taste and preferences of the customers.

#### STANDARDISATION:

» There is lack of standardization as due to lower literacy, lower standard of living and lack of knowledge of the product. (in rural areas)

For eg: 555 Tikiya, Vagbakri Chai.

» In case of rural areas there is lack of standardisation and in urban areas people look out for the standard product.

» It is easy to understand because they are given different standards for different product.

*Source: Marketing Management – Dr. J. Jayasankar*

For eg: ISO, ISI , AGMARK , etc.

»There is no encouragement in standardisation. (it depends upon the condition i.e. changes in price of the commodity or due to tuff competition.)

»There is uniformity in the quality of the product.

## **UNIT – II**

Marketing Management – definition, Importance, Objectives, Functions. Marketing planning process, Importance of marketing planning, Types of Demand. Marketing mix. Marketing environment.

### **2 marks**

1. What is negative demand?

Negative demand is a type of demand which is created if the product is disliked in general. The product might be beneficial but the customer does not want it. Example of negative demand is -Dental work where people don't want problems with their teeth and use preventive measures to avoid the same.

2. What are the types of external environment?

Economic environment, Legal environment, Competitive environment, Technological environment, Social environment, Global environment.

3. What are the types of internal environment?

Men, Machine, Material, Money.

4. What are organizational plans?

An organizational plan is made up of several separate hierarchies and catalogs that are related to one another. These hierarchies and catalogs are also consisting of relationships between and lists of organizational objects. Thus, you can depict your enterprise in all its complexity.

5. What is marketing mix?

A marketing mix includes multiple areas of focus as part of a comprehensive marketing plan. The term often refers to a common classification that began as the four Ps: product, price, placement, and promotion. Effective marketing touches on a broad range of areas as opposed to fixating on one message.

6. Definition of marketing management.

Marketing management is the organizational discipline which focuses on the practical application of marketing orientation, techniques and methods inside enterprises and organizations and on the management of a firm's marketing resources and activities.

7. What is marketing environment?

The market environment or business environment is a marketing term and refers to factors and forces that affect a firm's ability to build and maintain successful customer relationships. External Micro environment – small forces external the company that affect its ability to serve its customers.

8. What are the marketing planning processes?

A systematic approach to the achievement of marketing goals. Steps in the process include situation analysis; setting of objectives; strategy formulation; development of action programs; implementation; and control, review and evaluation.

### **5 mark**

*Source:Marketing Management– Dr.J.Jayasankar*

## 1. Who is a debtors and creditors?

### **Debtor:**

At it's most basic, a debtor is a party that owes money to another party. Who that party is can vary dramatically? It can be a single person, it can be a small business, it can be a big business, it can even be a government. If money is owed, the party owing that money is known as the debtor – they have the debt. Money is loaned, usually in a lump sum. Repayments are then made over a pre-determined period of time until the loan is paid off. Usually, in addition to the value of the loan, there will be interest in addition. This is where the incentive comes to loan money: the interest can be considered profit on the transaction. It's quite possible to be a debtor and to have debtors at the same time, particularly as a small business.

### **Creditors:**

A creditor is a party who has loaned the money to the debtor. It doesn't have to be cash: a loan can comprise anything that has perceived or practical value, for example, stocks, or equipment. Creditors are generally comprised of banks, building societies, and other financial institutions. However, there is a rising trend for alternatives, such as peer-to-peer lending. There may be other businesses or even government institutions that might lend to businesses. The term "creditor" is not exclusive to any one particular field or institution. It's very possible that you, as a small business, might find yourself being the creditor to a debtor.

## 2. What are the characteristics of marketing planning?

- » Provide a strategy to accomplish the mission statement of the enterprise;
- » Be based on facts and valid assumptions;
- » Provide for the use of existing resources;
- » Describe how an organisation is going to implement the plan;
- » Provide for continuity;
- » Be simple and short;
- » Be flexible;
- » Specify a performance criterion that can be monitored and controlled.

## 3. Explain the importance of marketing planning.

Marketing planning is a systematic and disciplined exercise to formulate marketing strategies. Marketing planning can be related to the organisation as a whole or to strategic business units (SBU). Marketing planning is a forward looking exercise, which determines the future strategies of an organisation with special reference to its product development, market development, channel design, sales promotion and profitability.

1. It helps in avoiding future uncertainties.
2. It helps in management by objectives.
3. It helps in achieving objectives
4. It helps in coordination and communication among the departments.
5. It helps in control.
6. It helps the customers in getting full satisfaction.

A business firm has to make various marketing decisions. These decisions actually emerge from the complex interaction of a large number of persons carrying out diverse responsibilities in the marketing organisation. Being part and parcel of the over-all management, the marketing executives are deeply involved in the process of planning. Marketing planning defines the role and responsibilities of marketing executives in such a way as to achieve the goals of the firm.

## 4. State the Importance of marketing management.

1. It enables the marketers to know the tastes and preferences of the customers and accordingly make the product. As a result they are able to sell their goods easily.
2. It fulfils the needs of the buyers by giving them what they want the buyers get their money's worth.
3. Innovations in marketing have given the buyers superior goods at affordable prices.

4. Marketing today has developed to such an extent that the buyers are able to get international brands of goods at their doorstep.
5. In the past the buyers had to buy what was available the growth of marketing has now given the buyers very many alternatives the buyers are now in a position to select the best from among the many alternatives.
6. It has eliminated outdated or obsolete products over the years it has updated the technology in tune with the needs.
7. It guides the marketers in determining the correct price for their products by taking into account the various price determinants like cost profit and so on.
8. It helps the marketers in the matter of selection of the right promotional tool.
9. It also guides the manufacturers in selecting the correct channel of distribution for their products.
10. Marketing provides employment opportunities to many there are brokers commission agents truck operators salesmen in the field of marketing.

10 Mark

## 1. What are the Functions of marketing management?

### 1. **Assessing the Marketing Opportunities:**

Determination of marketing objectives and assessment of the marketing opportunities for the firm is an important function of marketing management. The constantly changing market conditions and opportunities make it imperative for the marketing management to come out with planned programmes to meet the challenges, and reap the opportunities.

### 2. **Planning the Marketing Activities:**

Planning is an important managerial function. Planning of marketing activities is a crucial task and involves numerous steps. It involves planning effective strategies to achieve the desired marketing objectives. It is concerned with formulation of policies relating to product, price, channels of distribution, promotional measures, forecast of target sales etc. Planning provides the basis for an effective marketing for the enterprise.

### 3. **Organising the Marketing Activities:**

Another significant function of marketing is organising it implies determination of various activities to be performed and assigning these activities to right person, so that marketing objectives are achieved. In the light of the changing concept of marketing, it is necessary that the organisation structure is flexible and accommodative. This will help in better interaction between organisation and environment.

### 4. **Co-Ordinating Different Activities of Enterprise:**

Even the best of planning will not be rewarding if there is improper coordination between different activities of the organisation. Marketing involves various activities and these are inter-related and interdependent. Product decisions, pricing strategies, channel structure research activities all require proper coordination. Only then the objectives can be achieved.

### 5. **Directing and Motivating the Employee:**

A good direction is a must for effective performance of marketing functions. Direction helps in rightful performance of the work. Different leadership style is practiced to guide the subordinates. A leader directs his subordinates and ensures through effective supervision, that the performance is as per planned specification. At the same time, it is necessary that employers are properly motivated. Motivation not only helps in better performance by the employee but also holds him back to the organisation for longer periods.

### 6. **Evaluating and Controlling Marketing Efforts:**

In order to have a profitable venture, marketing manager must on a continuous basis, evaluate the marketing efforts. This will help him in knowing the deficiencies if any, which can be corrected beforehand only and proper adjustments can be made with the changing environment. Controlling is a managerial function concerned with comparison of actual performance with the standard performance and locating the shortcomings if any, finally corrective measures are taken to overcome the shortcomings.

## 2. Explain the different Types of demand.

### 1) Negative Demand

*Source: Marketing Management – Dr.J.Jayasankar*

- 2) Unwholesome demand
- 3) Non-Existing demands
- 4) Latent Demand
- 5) Declining demand
- 6) Irregular demand
- 7) Full demand
- 8) Overfull demands
- 1) NEGATIVE DEMAND:

The first type of demand is Negative demand. Negative demand occurs when a product is disliked by all its target customers in general. The product is good in quality, affordability and many other things but its demand is going negative because the customer doesn't need it. Some of the major reasons for this type of demand are defective, irritating market campaigns like advertising through pop up ads; no customer likes to pop up ads due to which the customer generates a negative brand image in their mind resulting in negative demand.

2) UNWHOLESOME DEMAND:

The second type of demand in economics is unwholesome demand. If negative demand is the head, unwholesome demand is the tail. Another face of negative demand is unwholesome demand. They both have almost same elements except there is a single difference between the two which is in negative demand, a consumer doesn't feel the urge or requirement to buy the product but in unwholesome demand consumer badly wants the product but shouldn't desire or take the decision to buy it.

3) NON-EXISTING DEMAND:

The third type of demand in economics is known- existing demand. This demand can be very harmful to any brand if the market research is not accurate. In this type of demand, a marketer thinks that there is a demand for the product in the market but in reality, there is no demand for the product. In many cases, companies lose their market value by not analyzing this demand.

4) LATENT DEMAND:

It means that the demand for which the product is not available or is not developed to date. In today's time, there are very fewer needs for which any product hasn't been made or developed. But still, there are many needs of the people which are unseen by the marketer, the products which are invented or developed during this type of demand gain almost all of the market of that product as it is new to everyone.

5) DECLINING DEMAND:

Declining demand as the name suggests means the demand for the product whose demand is declining with time. It depends on product to product. It may be due to a new invention in that particular product field, bad brand marketing or decreasing the quality of the product. There are various products like technological products in which the coming of new technology results in declining of previous tech or methods.

6) IRREGULAR DEMAND:

This is the demand due to which a company has to change its marketing strategy from time to time repeatedly. In this type of demand, the sales of a product or service fluctuate too much i.e. sometimes it goes to the extreme top, sometimes it goes to zero. This happens because of the seasonal or time-based needs of the product.

7) FULL DEMAND:

If a company is having full demand, it is the golden period for that company. It is the state of the market where the supply is equal to the demand. It means that the customers for that product are loyal to the brand, the brand also makes sure that each customer is happy with their product. It can also be called as full market coverage as most of the market demand has been completely fulfilled by the company.

8) OVERFULL DEMAND:

This demand generates when there is a limited manufacturing capacity of the company for a product, but the demand for it is more than the manufacturing capacity. It means that demand is more but supply is less. The brand equity of the company is highly affected in this type of demand due to which sometimes companies use De-marketing techniques to decrease the demand for their product so that the sales can match the demand.

3. Explain the various based for marketing mix.

The original marketing mix, or 4 Ps, as originally proposed by marketer and academic E. Jerome McCarthy, provides a framework for marketing decision-making.[6] McCarthy's marketing mix has since become one of the most enduring and widely accepted frameworks in marketing.

**Product:**

Product refers to what the business offers for sale and may include products or services. Product decisions include the "quality, features, benefits, style, design, branding, packaging, services, warranties, guarantees, life cycles, investments and returns".

**Price:**

Price refers to decisions surrounding "list pricing, discount pricing, special offer pricing, credit payment or credit terms". Price refers to the total cost to customer to acquire the product, and may involve both monetary and psychological costs such as the time and effort spent in acquisition.

**Place:**

Place is defined as the "direct or indirect channels to market, geographical distribution, territorial coverage, retail outlet, market location, catalogues, inventory, logistics, and order fulfillment". Place refers either to the physical location where a business carries out business or the distribution channels used to reach markets. Place may refer to a retail outlet, but increasingly refers to virtual stores such as "a mail order catalogue, a telephone call centre or a website. Example, firms that produce luxury goods like Louis Vuitton employ an intensive placement strategy by making their products available at only a few exclusive retailers. In contrast, lower priced consumer goods like toothpaste and shampoo; typically employ an extensive placement strategy by making their products available to as many different retailers as possible."

**Promotion:**

Promotion refers to "the marketing communication used to make the offer known to potential customers and persuade them to investigate it further". Promotion elements include "advertising, public relations, direct selling and sales promotions."

4. State the steps involved in the marketing planning process.

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

We shall briefly discuss these steps:

1. Scanning the Marketing Environment:

First, a firm scans its marketing environment.

The purpose is to find out:

(i) The favorable and unfavorable 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. It also undertakes customer sensing, reactions of the customer to its products and tries to locate the causes of the customers patronage of a particular brand and who remain closest to the customer, and why.

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. It has to be selective and decide on the opportunities it has to tap and the business it has to pursue. It also has to build defenses against impending problems.

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

*Source: Marketing Management – Dr.J.Jayasankar*

standing, innovation, productivity, profit etc. The business unit has to develop its marketing objectives after weighing the opportunities available in the environment, the threats, the forces of competitions, the resources and capabilities of the unit and its marketing organisation.

#### 5. List out the marketing objectives.

1. The distribution costs per unit of the product will be reduced by 10% in the current financial year.
2. Market share of the product will be increased by 10% during the next financial year.
3. The sales volume of the product will be increased by 15% during the coming financial year.

#### 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.