

MARKETING MANAGEMENT

CHARTERED INSTITUTE – 2018

MGT 20325

Course Code : MGT 20325

Course Title : Marketing

Credit Value : 2.5

Year and Semester : Year 2 Semester I

No of Contact Hours : 30 hours of Lectures and 15 hours of tutorials

Syllabus Content

- A. Introduction to Marketing
- B. Marketing Environment
- C. Marketing information system
- D. Creating customer value and satisfaction
- E. Consumer behavior
- F. Segmentation, targeting and positioning
- G. Product strategy and new product development
- H. Pricing strategy
- I. Placing
- J. Marketing communication and advertisement
- K. Retaining and direct marketing
- L. Service marketing

INTRODUCTION TO MARKETING

- Marketing is profit through customer satisfaction.
- Marketing is managing profitable customer relationships.

Simplest definition of Philip Kotler

- Marketing is a managerial and societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others.

Philip Kotler

- Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals.

American Marketing Association

- Marketing Management is the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value.
- Social and Managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.

- **CIM Definition**

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CORE CONCEPTS OF MARKETING

To understand the definition of marketing it is important to identify following concepts.

(1) Needs, Wants and Demand

Needs - Basic human requirements.

Eg. - Food, air, water, clothing, shelter, recreation, education

Wants - Way of satisfy needs. (The form taken by a human need as shaped by culture and

individual personality. Needs become *wants* when they are directed to specific objects that might satisfy the need.

Eg. - Coca-Cola, Fast food

Demand –Want of a specific product backed by ability to pay, willingness and authority.

(2) Target Markets and Segmentation

Practically marketers cannot offer their product or service to the mass market. So they divide market in to sub similar groups called segmentation. Differences in needs, behavior, demographics or psychographics are used to identify these segments.

Geographic Segmentation

Demographic segmentation

Psychographic segmentation

Behavioral segmentation

Targeting means focus one or more segments to promote their product or service. The market offering is customized to the needs of the target market.

(3) Marketing Offer and Brands

Some combination of products, services, information or experiences offered to a market to satisfy a need or want.

A **brand** is a specific offering from a known source.

(4) Customer value & Satisfaction

Value is the difference between what customer gain by owning and using the product and what customer gives as cost.

Customer satisfaction is the extent to which the product's performance matches with the buyer's expectation.

(5) Exchange & Transaction

Exchange is the act of obtaining a desired object from someone by offering something in return.

For an Exchange to Occur following conditions should be met.

- There must be at least two parties
- Each party has something that might be of value to the other party
- Each party is capable of communication and delivery
- Each party is free to accept or reject the exchange offer
- Each party believes it is appropriate or desirable to deal with the other party

Transaction is a trade of values between two parties.

(6) Market

A **market** consists of all the potential customers sharing a particular need or want who might be willing and able to engage in exchange to satisfy that need or want

(7) Relationship and Network

Marketer should build relationship rather than transaction marketing. Most marketing companies in the world like to retain and grow their business by giving superior value to their loyal customers. The ultimate goal of the relationship marketing is to create strong marketing network.

(8) Marketing channels

Channel is a way of reaching to target market.

Distribution Channel - Display or deliver the physical products or services to the buyer / user.

Communication Channel - Deliver messages to and receive messages from target buyers.

Service channels - Carry out transactions with potential buyers by facilitating the transaction.

(9) Supply Chain

Supply chain describes a longer channel stretching from raw materials to components to final products that are carried to final buyers.

(10) Competition

Competition includes all the actual and potential rival offerings and substitutes that a buyer might consider.

(11) Marketing Environment

Marketing Environment consist with

Micro environment

Macro environment

Changes of these environmental factors should be taken in to consideration by marketers.

(12) Marketing mix

Marketing mix include all elements which can be changed by the marketer in order to achieve objectives of the firm.

Product - *provides customer solution*

Price - *represents the customer's cost*

Place - *customer convenience is key*

Promotion - *communicates with customer*

In addition to above 4Ps another 3Ps are included in to the service marketing sector.

People

Process

Physical Evidence