

S.Y. B. Com. **NEW SYLLABUS**

# MARKETING MANAGEMENT

Dr. SHAILA BOOTWALA



**NIRALI**  
PRAKASHAN  
MANAGEMENT & TECHNOLOGY

**A Book Of**

# **MARKETING MANAGEMENT**

**For Second Year B. Com.  
As Per New Revised Syllabus  
Effective from June 2014**

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## **Dedication ...**

This one is for “Mehreen T. Khan”.

Welcome to India.



## **Preface ...**

This book is intended to serve as a text book for the second year B. Com. students of Marketing of Savitribai Phule Pune University. This book is prepared as per the new syllabus applicable from Academic Year 2014-15.

Marketing is an environment specific subject, and as the current business environment is full of volatility and change, the study of marketing today has gained increased importance. The radically changing times, the increased competition and changing patterns of consumer behaviour make the study of marketing a necessity not just for the students of commerce and management but for any person who wishes to operate around a consumer. Thus, Marketing Management as a special subject of study for B. Com. students is of great importance.

The endeavour in writing this book has been to put forward the basic concepts of marketing and present them to the students in such a way that it delivers to the students a capacity to understand and analyse marketing activity in today's uncertain environment.

I thank **Shri Dinesh bhai Furia** and **Shri Jignesh Furia** of Nirali Prakashan for giving me an opportunity to write this book. I also would like to express my gratitude towards Supriya Singh, Prasad Chintakindi, Akbar Shaikh, Chaitali Takale and Ravindra Walodare of Nirali Prakashan for their hard work and constant support in the process of publishing this book.

Last but not the least my sincere appreciation and gratitude to our esteemed readers. Do feel free to share your views on this book. I look forward to it.

**Dr. Shaila Bootwala**



# Syllabus ...

## FIRST TERM

### **Unit 1: Elements of Marketing Management (Lectures 16)**

Meaning, Nature and Scope of Marketing Management - Components of Marketing Management - Marketing Management Philosophy - Marketing Characteristics in Indian Context - Marketing Management Process - Marketing Planning.

### **Unit 2: Current Marketing Environment in India (Lectures 10)**

- (A) With special reference to Liberalisation, Globalisation and Privatisation - Economic Environment- Demographic- Technological - Natural - Political - Socio cultural.  
(B) Change in Market Practices - Global Marketing - Case Studies.

### **Unit 3: Marketing Communications (Lectures 12)**

Meaning, Definition and Objectives - Marketing Communication Mix - Traditional Media - New Age Media - Marketing Communication through Product Cues - Different forms of Appeal for Communication.

### **Unit 4: Services Marketing (Lectures 10)**

Unique Features of Services - Classification of Services - Growth of Services: The Global and the Indian Scene - New Generation Services - Tasks involved in Services Marketing.

## SECOND TERM

### **Unit 5: E-Marketing (Lectures 14)**

Meaning, Definition and Utility of e-marketing. Advantages, Limitations and Challenges before e-marketing. Online and Offline Marketing, Present Status of e-marketing in India, Scope for e-marketing in Indian scenario - Online Marketing Strategies.

### **Unit 6: Rural Marketing (Lectures 12)**

Introduction - Basic Features - Contemporary Rural Marketing Environment - Problems, Challenges and Marketing Strategies - Present Status of Rural Marketing in India.

### **Unit 7: Green Marketing (Lectures 12)**

Meaning, Definition and Importance - Role of Marketing Manager in Green Marketing - Marketing Mix of Green Marketing - Principles of success of Green Products - Case Studies.

### **Unit 8: Consumer Behaviour and Buying Decision Process (Lectures 10)**

Definition - Consumer Behaviour and Marketing - Factors influencing Consumer Behaviour and Buying Decision - Various Buying Motives - Stages involved in Buying Decision.

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## Chapter **1** ...

# **Elements of Marketing Management**

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### **Learning Objectives ...**

- To be aware of the meaning of marketing management
- To be able to discuss the scope and components of marketing management
- To examine the marketing management philosophies
- To explore the marketing characteristics in Indian context
- To look at the process of marketing management
- To understand the process and importance of marketing planning

## 1.1 Marketing Management

### 1.1.1 Meaning and Definitions of Marketing Management

Marketing is a very important and strategic area in business management. When the management approach to marketing is taken, it considers marketing to be a purely management function. As a pure management function its base is in the decision-making process. Marketing management considers that the changes in marketing take place because of the changes in the environment.

Changes in the environment are brought about due to various factors. Some of these factors are controllable whereas the others are uncontrollable. Uncontrollable factors include factors like economic, social and political forces. The changes brought about by these factors in marketing conditions are beyond the control of a business organisation. Controllable factors are those market forces which an organisation can control. These include adjustment in prices, the product design and line, promotion policy, distribution channel etc.

Thus marketing management involves several points of decision-making. These points of decision-making pertain to the four P's of Marketing, for a manufacturing organisation and the 7 P's of Marketing, for a service organisation. Marketing managers have to take major decisions such as what features to design in a new product, what prices to offer the consumers, how much to spend on advertising and sales. Marketing management undertakes all major and minor decision affecting the 4P's/ 7 P's of Marketing. Thus Marketing Management lays emphasis on the application side of Marketing.

The **American Marketing Association** has defined Marketing Management as *"Marketing Management is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individuals and organisational objectives."*

**Phillip Kotler and Kevin Keller** has defined Marketing Management as *"The art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value"*.

### 1.1.2 Nature of Marketing Management

- 1. Marketing management is a functional area of management:** As a managerial function, it includes analysis, planning, implementation and control of activities concerned with development and distribution of products to satisfy the needs of the customers.
- 2. Marketing management is goal oriented:** It attempts to satisfy the needs of customers by offering them satisfying products and generate revenue for the business.

- 3. Marketing management determines the appropriate marketing mix of the firm:** Product design, promotion, pricing and its distribution are properly, harmonised so that goods are accepted by the customers.
- 4. Marketing management is a specialised job:** Efficient handling of marketing activities require specialised knowledge of markets, products, consumer's, tastes and behaviour, government policies and business environment.
- 5. Marketing management is the marketing concept in action:** It includes all activities which are necessary to know the needs of customers and supplies goods and services to satisfy the needs of the customers. The marketing concept is based on the philosophy that all activities of the business enterprises should be oriented towards the satisfaction of requirements or needs of the customers.
- 6. Marketing Management is a Business Process:** Marketing management is a business process that manages marketing activities in both profit and nonprofit organisations at different levels of management, i.e. supervisory, middle-management, and executive levels. Marketing management decisions are based on a thorough knowledge of marketing functions and also on a clear understanding of supervisory and managerial techniques. Marketing managers and product managers are there to execute the processes of marketing management. Customers, see the results of such process in the form of products, prices, advertisements, promotions, etc.
- 7. Marketing Management is Both a Science and an Art:** "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." Marketing management is a science because it follows general principles that guide the marketing managers in decision-making. The Art of Marketing Management consists in tackling every situation in a creative and effective manner. Marketing Management is thus a science as well as an art.

### **1.1.3 Scope of Marketing Management**

The primary thrust of marketing management is a coordinating activities that satisfy customers needs and fulfill the organisational goal. It has a broader scope because the activities are all-pervasive. The scope of marketing management can be explained with reference to three areas – customer analysis, company analysis and competitor analysis. Let us discuss them under the following points.

- 1. Customer Analysis:** Marketing management aims at creating and delivering the best customer value. It looks after the utilisation of resources and performance of activities, with the aim of retaining existing customers and acquiring new ones. The scope is very large because it includes in its dominion the development of a new

product, in addition to its continuous improvement. Using customer analysis, the market is broken down into different types of customer having varied characteristics with reference to geographic; demographic and behavioural patterns. The marketer tries to determine the perception of each group of customers about the products desired by them.

2. **Company Analysis:** In company analysis, the marketers highlight the cost structure and the constrained resources of the company in relation to the competitors. Marketing managers can work with the accounting department to analyse the profit that the firm is generating from various offerings and from different groups of customers. Brand audit can be done to know the strengths of the different brands offered in the market.
3. **Competitor Analysis:** This is done to build a detailed profile of each player operating in the related field. Marketing managers analyse the competitors' cost structure, sources of profits and resources, competencies, product positioning and product differentiation to ascertain the relative strengths and weaknesses of the players operating in the market.

#### **1.1.4 Components of Marketing Management**

Marketing is one of the main aspects of business management. It is also one of the most powerful in that it has the potential to significantly impact the entire business management process that few of the other aspects of business management can match. Marketing and its management is almost as diverse a field as business management itself. The main components of marketing consist of analysis, planning, implementation and control. These are the components no matter what the kind of industry or service the target of marketing might be.

1. **Situational/Strategic Analysis:** Strategic analysis is mainly about analysing the strengths of organisation and the external factors that can influence the business position. It is necessary to understand the current environment before defining specific marketing activities. It involves assessing what a particular organisation's position is with respect to its customers, how the business is functioning within and its competition outside. Various qualitative and quantitative methods of data collection are used for marketing research to be carried out. Sources of data will consist of primary and secondary, with the secondary ones being those that are already available i.e. reports, journals, articles, etc and the primary sources being surveys, questionnaires to the target audience, etc., that will reveal product specific or service specific information at the desired time period. Analysis is also required of the external conditions to take account of the changes in technology, changes in governmental policies that could impact the industry, etc. Customer analysis is

- equally important which includes customer buying trends, continual assessment of the target customers to increase the base of potential customers. Various tools that can be used to carry out the analysis are: PEST analysis, scenario planning, SWOT analysis, market segmentation and so on.
- 2. Strategy Planning:** The situation following in depth analysis and data gathering leads to one that requires intense planning and simulation. Due to knowledge of the opportunities and risks gathered from the analysis stage the company must now plan its actions based on its objectives that will involve long-term strategic decisions, tactical decisions that affect mid-term goals and operational decisions that affect daily operations of a company. By rigorous cost and profit estimates on various models of action, the company will be best able to judge which model to choose. The model chosen might require that necessary changes be made in the existing organisational structure or a complete revamp in some cases to help achieve the goals and objectives set. It is also imperative that at this point in time, the company comes out with alternative plans in order to meet its goals and objectives in case the primary plan does not work out.
  - 3. Strategy Implementation and Control:** These are probably the most important phases in the marketing plan since no matter how much effort is put into the analysis and planning phases, the implementation needs to be carried out according to plan with appropriate control. The implementation should be carefully carried out since often times it is found that plans are hardly adhered to. The implementation and control must also allow for adequate flexibility for tackling with unexpected and undesired situations. Strategy implementation directly affects everybody associated in an organisation. By frequent monitoring and control of the implemented plans, the company can gauge the effectiveness of a particular plan or change it accordingly based on the effects it is having.
  - 4. Marketing Management and other Aspects of Business Management:** As mentioned above marketing is an important part of the overall business management and plays an important role in the organisations success. An organisations success depends on how it can satisfy its customers through its products and services. This is where marketing plays an important role. It is the marketing plan of an organisation that decides how an organisation goes by in making its products and services available to its customers. Also marketing plan is what decides in which market the organisation is going to compete and what are the steps to be taken to meet and satisfy the customer's needs.  
Hence, the success of all other aspects of business management is directly or indirectly dependent on the success of the marketing strategy. For example, staffing and production are a part of the business management. So these factors are directly

# Marketing Management



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