

Marketing Management

AAT Level II Business Management (BMA)

Susantha Weerakoon
B.Sc. (MIS), MBA (IMS), PHD (Business Psychology)



Business Management

Marketing Management

Lecturer

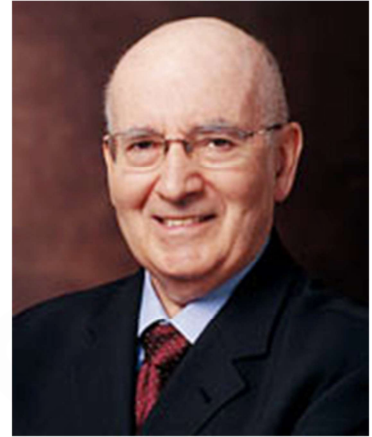
Dr. Susantha Bandara Weerakoon

{BSc(MIS), MBA (IMS), PHD (Business. Psychology)}

Marketing

What is Marketing

marketing as “the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services.”



Phillip Kotler

Marketing

What is Marketing

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large

American Marketing Association AMA

What is Marketing

The management process which identifies, anticipates, and supplies customer requirements efficiently and profitably

Chartered Institute of Marketing CIM

Marketing Concepts

Needs and Wants

Needs are the basic requirements humans require for survival. Items like food, shelter, clothing, water and safety are basic needs. Human survival is not possible without fulfilling these items and when a need in one of these areas arises, it is an indicator of emergency.

Wants are not essential for human survival, but there is a relationship between wants and needs

Marketing Concepts

Needs and Wants

Needs

Food

Clothing

Housing

Education

Wants

Rice | Bread | Noodles | Pizza

Shirt | T-Shirt | Blouse | Saree

Hut | Rented House | Flat | Apartment

Degree | Diploma | AAT | CIMA

Marketing Concepts

Product and Demand

Product

In marketing, a **product** is an object or system made available for consumer use; it is anything that can be offered to a market to satisfy the desire or need of a customer

Demand

In marketing, a **product** is an object or system made available for consumer use; it is anything that can be offered to a market to satisfy the desire or need of a customer

Marketing Concepts

Market

Market

the term **market** refers to the group of consumers or organizations that is interested in the product, has the resources to purchase the product, and is permitted by law and other regulations to acquire the product.

Marketing Concepts

Market share

Market Share

Market share is the percent of total sales in an industry generated by a particular company. **Market share** is calculated by taking the company's sales over the period and dividing it by the total sales of the industry over the same period.

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What is Planning and its Nature, Importance, and Types

Planning is the first of essential managerial functions. Planning is important as by nature it enquires about organizational goals and involves decision making about desired ways and means to achieve goals.

Planning is the process by which managers establish goals and define the methods by which these goals are to be attained. Planning involves selecting missions and objectives and the actions to achieve them; it requires decision making, which is choosing from among alternative future courses of action

Marketing Concepts

Market Growth

Market Growth

Market growth is defined as the rise in the demand for a product or a service in the market. Usually, the market growth happens when a company is in its expansion phase. Companies try to increase the value of the product and promote features and sometimes offer attractive pricing to get more sales.

Marketing Concepts

Market Leader

Market Leader

A market leader could be a product, brand, company, organization, group name which has the highest percentage of total sales revenue of a particular market. Market leader dominates the market by influencing the customer loyalty towards it, distribution, pricing, etc.

Importance of Marketing

Marketing Is an Effective Way of Engaging Customers

It's important for your business to engage its customers. Marketing is a tool to keep the conversation going.

Engaging customers is different from pushing your offers. Engaging involves furnishing your customers with relevant information about your products and your business as well. It's all about creating fresh content.

Importance of Marketing

Marketing Helps to Build and Maintain the Company's Reputation

The growth and life span of your business is positively correlated to your business's reputation. Hence, it's fair to say your reputation determines your brand equity. A majority of marketing activities are geared towards building the brand equity of the company

Importance of Marketing

Marketing Helps to Build a Relationship Between a Business and Its Customers

Businesses need to build a relationship of trust and understanding with their customers. How does marketing establish this relationship? Marketing research segments should be based on demographics, psychographics, and consumer behavior.

Importance of Marketing

Marketing Creates Revenue Options

During the startup phase, your options are sparse since you're mostly cash-strapped. This limits your options.

As your marketing strategies generate more customers and revenue opportunities, you'll begin having options.

Importance of Marketing

Marketing Helps the Management Team to Make Informed Decisions

Every business is confronted with problems such as to what, when, for whom and how much to produce. A complex and tedious process determine your business's survival. As a result, businesses heavily rely on marketing mechanisms to make these decisions.

Marketing Orientation / Philosophies

Production

Availability and Price

Product

Product quality | innovation

Selling

company should sell the products that they have already produced rather than creating and **selling** new products

Marketing

company being more effective than competitors in creating, delivering, and communicating customer value to its selected target customers

Societal Marketing

Focused on society | CSR

Marketing Mix



The 7 Ps of marketing

The 7 Ps are a set of recognised marketing tactics, which you can use in any combination to satisfy customers in your target market. The 7 Ps are controllable, but subject to your internal and external marketing environments. Combining these different marketing tactics to meet your customers' needs and wants is known as using a 'tactical marketing mix'.

Product

Product refers to what you are selling, including all of the features, advantages and benefits that your customers can enjoy from buying your goods or services. When marketing your product, you need to think about the key features and benefits your customers want or need, including (but not limited to) styling, quality, repairs, and accessories.

You can use [research and development](#) to inform the development of new products in your business.

Price

This refers to your pricing strategy for your products and services and how it will affect your customers. You should identify how much your customers are prepared to pay, how much mark-up you need to cater for overheads, your profit margins and payment methods, and other costs. To attract customers and retain [your competitive advantage](#), you may also wish to consider the possibility of discounts and seasonal pricing.

Learn more about [pricing your products](#).

Promotion

These are the promotional activities you use to make your customers aware of your products and services, including advertising, sales tactics, promotions and direct marketing. Generally these are referred to as marketing tactics.

Learn more about [promotional activities](#).

Place

Place is where your products and services are seen, made, sold or distributed. Access for customers to your products is key and it is important to ensure that customers can find you.

You can set yourself apart from your competition through the [design of your retail space](#) and by using effective [visual merchandising techniques](#). If you are not a retail business, place is still an important part of your marketing. Your customers may need a quick delivery turnaround, or want to buy locally manufactured products.

If you are starting a new business, [finding the right business location](#) will be a key marketing tactic.

People

People refer to the staff and salespeople who work for your business, including yourself. When you provide excellent [customer service](#), you create a positive experience for your customers, and in doing so [market your brand](#) to them. In turn, existing customers may spread the word about your excellent service and you can win referrals.

Give your business a competitive advantage by [recruiting the right people](#), [training your staff](#) to develop their skills, and retaining good staff.

Process

Process refers to the processes involved in delivering your products and services to the customer. It is also about being 'easy to do business with'.

Having good process in place ensures that you:

repeatedly deliver the same standard of service to your customers

save time and money by increasing efficiency.

Learn more about [business processes, procedures and standards](#).

Physical evidence

Physical evidence refers to everything your customers see when interacting with your business. This includes:

the physical environment where you provide the product or service

the layout or interior design

your packaging

your branding.

Physical evidence can also refer to your staff and how they dress and act

STP Marketing

Segmentation

divide your customers into groups of people with common characteristics and needs. This allows you to tailor your approach to meet each group's needs cost-effectively

Targeting

decide which segments to target by finding the most attractive ones.

Use PESTEL and SWOT

Positioning

Apply Marketing mix

4Ps or 7Ps

to divide your customers into groups of people with common characteristics and needs. This allows you to tailor your approach to meet each group's needs cost-effectively, and this gives you a huge advantage over competitors who use a "one size fits all" approach. There are many different ways to segment your target markets. For example, you can use the following approaches:

Demographic – By personal attributes such as age, marital status, gender, ethnicity, sexuality, education, or occupation.

Geographic – By country, region, state, city, or neighborhood.

Psychographic – By personality, risk aversion, values, or lifestyle.

Behavioral – By how people use the product, how loyal they are, or the benefits that they are looking for.

Target Your Best Customers

Next, you decide which segments to target by finding the most attractive ones. There are several factors to consider here.

First, look at the profitability of each segment. Which customer groups contribute most to your bottom line?

Next, analyze the [size and potential growth](#) of each customer group. Is it large enough to be worth addressing? Is steady growth possible? And how does it compare with the other segments? (Make sure that you won't be reducing revenue by shifting your focus to a niche market that's too small.)

Last, think carefully about how well your organization can service this market. For example, are there any legal, technological or social barriers that could have an impact? Conduct a [PEST Analysis](#) to understand the opportunities and threats that might affect each segment.

Position Your Offering

In this last step, your goal is to identify how you want to position your product to target the most valuable customer segments. Then, you can select the [marketing mix](#) that will be most effective for each of them.

First, consider why customers should purchase your product rather than those of your competitors. Do this by identifying your [unique selling proposition](#), and draw a [positioning map](#) to understand how each segment perceives your product, brand or service. This will help you determine how best to position your offering.

Next, look at the wants and needs of each segment, or the problem that your product solves for these people. Create a [value proposition](#) that clearly explains how your offering will meet this requirement better than any of your competitors' products, and then develop a marketing campaign that presents this value proposition in a way that your audience will appreciate.

Segmentation

	Demographic	Geographic	Psychographic
Product 1	Male	Asia	Job position
Product 2	Female	Europe	Lifestyle
Product 3	Hindu	African	Social status
Product 4	Buddhist	American	Values

Target Market

	S1	S1	S3
P1			
P2			
P3			
P4			

Single segment
Specialization

	S1	S1	S3
P1			
P2			
P3			
P4			

Single segment
Specialization

	S1	S1	S3
P1			
P2			
P3			
P4			

Product
Specialization

	S1	S1	S3
P1			
P2			
P3			
P4			

Segment
Specialization

	S1	S1	S3
P1			
P2			
P3			
P4			

Full Market
Coverage

to divide your customers into groups of people with common characteristics and needs. This allows you to tailor your approach to meet each group's needs cost-effectively, and this gives you a huge advantage over competitors who use a "one size fits all" approach. There are many different ways to segment your target markets. For example, you can use the following approaches:

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Branding

Branding Concept

Branding is a marketing practice in which a company creates a name, symbol or design that is easily identifiable as belonging to the company. This helps to identify a product and distinguish it from other products and service



Branding Concept

Brand image

Brand image is the current view of the customers about a brand. It can be defined as a unique bundle of associations within the minds of target customers. It signifies what the brand presently stands for. **It is a set of beliefs held about a specific brand.**

Brand Equity

Brand equity refers to a value premium that a company generates from a product with a recognizable name when compared to a generic equivalent.

Branding Concept

Brand Positioning

The act of designing the company's offering and image to occupy a distinctive place in the mind of the target market

Brand awareness

the degree of consumer **recognition** of a product by its name. Creating **brand awareness** is a key step in promoting a new product or reviving an older **brand**.

Brand Recognition

Brand recognition is the extent to which a consumer can correctly identify a particular product or service just by viewing the product or service's logo, tag line, packaging or advertising campaign

Branding Concept

Brand attributes

Brand attributes are the functional and emotional associations which are assigned to a brand by its customers and prospects. They are the basic elements for establishing a brand identity

Brand Ambassador

Person who represent the brand or product.

Requirements for Branding

Relevance: Positioning of brand must focus on benefits that are important to people or reflect the character of the product.

Clarity: Brand should be positioned in such a way that it is easy to communicate and quick to comprehend.

Coherence: A brand should speak with one voice through all the elements of the marketing mix.

Commitment: Management should be committed to the position it has adopted. Once a position is adopted, it takes commitment to see it through.

Patience: Patience plays an important role in the success of brand as branding is not a one-day wonder – it takes years to position a brand in consumers' mind.

Importance of Branding

1. Branding improves recognition
2. Branding creates trust
3. Branding supports advertising
4. Branding builds financial value
5. Branding inspires employees
6. Branding generates new customers

Digital Marketing

Digital marketing is the use of the Internet, mobile devices, social media, search engines, and other channels to reach consumers. Some marketing experts consider digital marketing to be an entirely new endeavor that requires a new way of approaching customers and new ways of understanding how customers behave compared to traditional marketing.

Digital Marketing Methods

Search Engine optimization (SEO)

Content Marketing

Social Media Marketing

Pay Per Click (PPC)

Marketing Automation

Email Marketing

Ethical Marketing

Ethical marketing refers to the process by which companies market their goods and services by focusing not only on how their products benefit customers, but also how they benefit socially responsible or environmental causes.

To put this another way, ethical marketing isn't a strategy; it's a philosophy.

Importance of ethical Marketing

- **Customer Loyalty**
- **Long term gains**
- **Builds Credibility**
- **Enhance Brand value**
- **Attains Financial goals**

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