**GATE DEGREE AND PG COLLEGE, CHIGURUWADA**

**BBA – SECOND SEMESTER**

**MARKRTING SKILLS**

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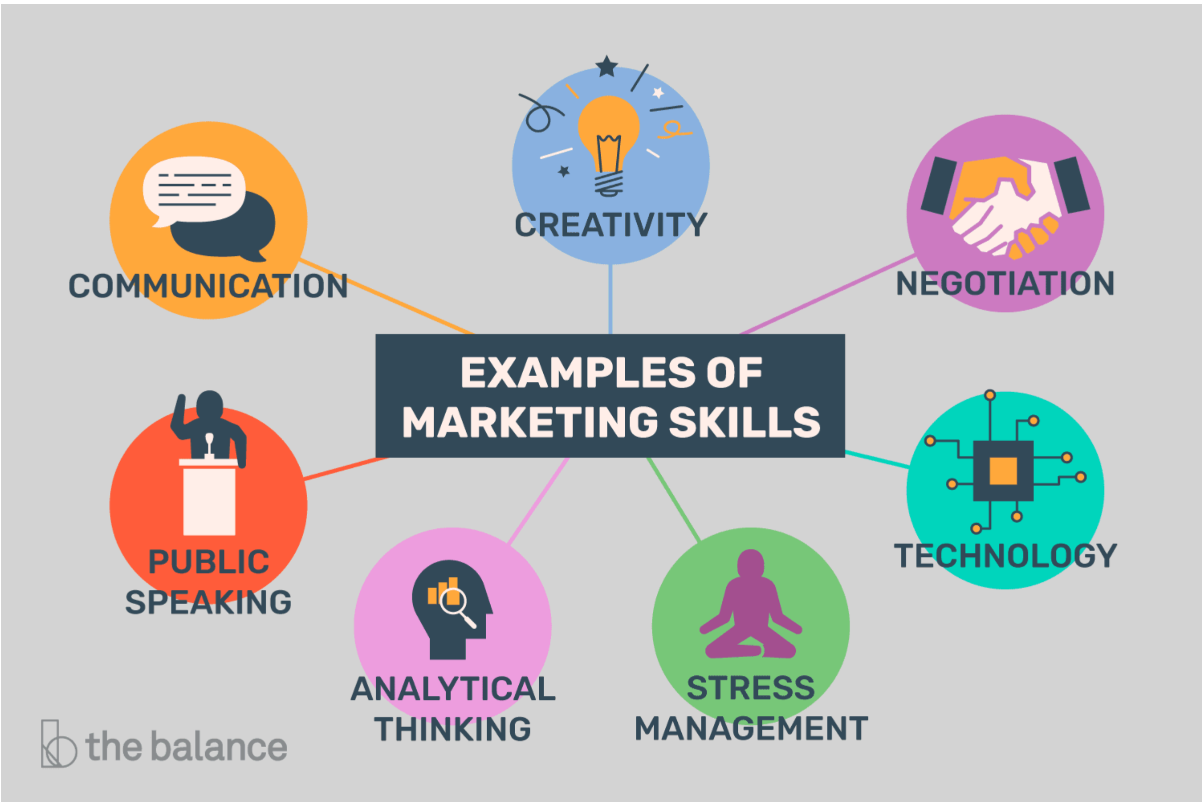

**SRI VENKATESWARA UNIVERSITY: TIRUPATI**
**SYLLABUS**
**BBA – SECOND SEMESTER**
**MARKRTING SKILLS**

**UNIT-I: INTRODUCTION TO MARKETING:**

Marketing Management Tasks
Marketing Environment
Marketing Research and Information
Market Segmentation
Determinants of Consumer Behaviour

**UNIT-II: MARKETING MIX:**

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Attributes of a Good Salesperson
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# UNIT-I

## INTRODUCTION TO MARKETING

Generally, marketing is understood to mean the sale and purchase of goods and services but it is narrow thinking to understand it so. The term ‘Marketing’ is very wide. It does not mean only the sale and purchase of goods and services. It means entire process of satisfying the needs of consumers. It starts with discovery of needs and wants of the consumers, and it continuous, till the need and wants are satisfied.

1. **According to the American Marketing Association** (AMA):

   Board of Directors Accessed 2012, **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.

2. **The Chartered Institute of Marketing (CIM). Accessed 2012:**

   Marketing is the management process for identifying, anticipating and satisfying customer requirements profitably.

3. **Dr. Philip Kotler** defines:

   **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.”

4. **Paul Flanigan** defines:

   Marketing is the act of developing an engaging relationship with every single human being that shows an interest in you.

5. **Julie Barile** defines:

   Marketing is traditionally the means by which an organization communicates to, connects with, and engages its target audience to convey the value of and ultimately sell its products and services. However, since the emergence of digital media, in particular social media and technology innovations, it has increasingly become more about companies building deeper, more meaningful and lasting relationships with the people that they want to buy their products and services. The ever-increasingly fragmented world of media complicates marketers’ ability connect and, at the same, time presents incredible opportunity to forge new territory.

6. **Mary Ellen Bianco** defines:

   Marketing includes research, targeting, communications (advertising and direct mail) and often public relations. Marketing is to sales as plowing is to planting for a farmer—it prepares an audience to receive a direct sales pitch.

7. **Renee Blodgett defines:**

   Marketing is an on-going communications exchange with customers in a way that educates, informs and builds a relationship over time. The overtime part is important because only over time can trust be created. With trust, a community builds organically around products and services and those customers become as excited about the products as you are — they become advocates, loyal evangelists, repeat customers and often, friends. Marketing is a really great way to identify what grabs people and gets them excited about your brand and give it to them, involve them in the process, and yeah, the best part, build great friendships in the process.

8. **Toby Bloomberg** defines:

   Professor Philip Kotler explained that marketing was “meeting the needs of your customer at a profit.” For me that definition extends beyond just communicating product features. Marketers are responsible for a 360-degree experience. For example, in the social media world, a customer’s Twitter needs may differ from her needs to “play with the brand” in terms of a social game promotion. Every customer touch point from customer service to sales to accounting and more are part of the “new marketing.”

9. **Mark Burgess** Defines:

   Marketing is the process by which a firm profitably translates customer needs into revenue.

10. **Andrew Cohen Defines:**

    Marketing is meeting the needs and wants of a consumer.

## IMPORTANCE OF MARKETING


**(1) Marketing Helps in Transfer, Exchange and Movement of Goods:**

Marketing is very helpful in transfer, exchange and movement of goods. Goods and services are made available to customers through various intermediaries' viz., wholesalers and retailers etc. Marketing is helpful to both producers and consumers.

**(2) Marketing Is Helpful In Raising And Maintaining The Standard Of Living Of The Community:**

Marketing is above all the giving of a standard of living to the community. Paul Mazur states, "Marketing is the delivery of standard of living". Professor Malcolm McNair has further added that "Marketing is the creation and delivery of standard of living to the society".

By making available the uninterrupted supply of goods and services to consumers at a reasonable price, marketing has played an important role in raising and maintaining living standards of the community. Community comprises of three classes of people i.e., rich, middle and poor. Everything which is used by these different classes of people is supplied by marketing.

**(3) Marketing Creates Employment:**

Marketing is complex mechanism involving many people in one form or the other. The major marketing functions are buying, selling, financing, transport, warehousing, risk bearing and standardisation, etc. In each such function different activities are performed by a large number of individuals and bodies.

**(4) Marketing as a Source of Income and Revenue:**

The performance of marketing function is all important, because it is the only way through which the concern could generate revenue or income and bring in profits. Buskirk has pointed out that, "Any activity connected with obtaining income is a marketing action. It is all too easy for the accountant, engineer, etc., to operate under the broad assumption that the Company will realise many dollars in total sales volume.

**(5) Marketing Acts as a Basis for Making Decisions:**

A businessman is confronted with many problems in the form of what, how, when, how much and for whom to produce? In the past problems was less on account of local markets. There was a direct link between producer and consumer.

**(6) Marketing Acts as a Source of New Ideas:**

The concept of marketing is a dynamic concept. It has changed altogether with the passage of time. Such changes have far reaching effects on production and distribution. With the rapid change in tastes and preference of people, marketing has to come up with the same. Marketing as an instrument of measurement, gives scope for understanding this new demand Pattern and thereby produce and make available the goods accordingly.

**(7) Marketing Is Helpful In Development Of An Economy:**

Adam Smith has remarked that "nothing happens in our country until somebody sells something". Marketing is the kingpin that sets the economy revolving. The marketing organisation, more scientifically organised, makes the economy strong and stable, the lesser the stress on the marketing function, the weaker will be the economy.

## MARKETING OBJECTIVES

**1. Creation of Demand:**

The marketing management's first objective is to create demand through various means. A conscious attempt is made to find out the preferences and tastes of the consumers. Goods and services are produced to satisfy the needs of the customers. Demand is also created by informing the customers the utility of various goods and services.

**2. Customer Satisfaction:**

The marketing manager must study the demands of customers before offering them any goods or services. Selling the goods or services is not that important as the satisfaction of the customers' needs. Modern marketing is customer- oriented. It begins and ends with the customer.

**3. Market Share:**

Every business aims at increasing its market share, i.e., the ratio of its sales to the total sales in the economy. For instance, both Pepsi and Coke compete with each other to increase their market share. For this, they have adopted innovative advertising, innovative packaging, sales promotion activities, etc.

**4. Generation of Profits:**

The marketing department is the only department which generates revenue for the business. Sufficient profits must be earned as a result of sale of want-satisfying products. If the firm is not earning profits, it will not be able to survive in the market. Moreover, profits are also needed for the growth and diversification of the firm.

**5. Creation of Goodwill and Public Image:**

To build up the public image of a firm over a period is another objective of marketing. The marketing department provides quality products to customers at reasonable prices and thus creates its impact on the customers.

The marketing manager attempts to raise the goodwill of the business by initiating image-building activities such a sales promotion, publicity and advertisement, high quality, reasonable price, convenient distribution outlets, etc.

## MARKETING MANAGEMENT TASK

**Marketing Management Tasks:**

1. Developing Marketing Strategies and Plans
2. Capturing Marketing Insights
3. Connecting with the Customers
4. Building Strong Brands
5. Shaping the Market Offerings
6. Delivering Value
7. Communicating Value
8. Creating Successful Long-term Growth

**1. Developing Marketing Strategies and Plans:** The first task is to identify the organization's long-run opportunities given its market experience and core competencies.

2. **Capturing Marketing Insights:** Marketers must closely monitor the marketing environment to continually asses market potential and forecast demand.

**3. Connecting with the Customers:** The firm must determine how to best create value for its chosen target markets and develop strong, profitable, long-term relationships with customers.

**4. Building Strong Brands:** Marketers need to understand how customers perceive their brands' strengths and weaknesses.

**5. Shaping the Market Offerings:** At the heart of the marketing program is the product, the firm tangible offering to the market, features, and packaging.

**6. Delivering Value:** How can the firm deliver value to its target market? Channel activities are needed to make the product offering accessible and available to customers.

**7. Communicating Value:** Marketers must adequately communicate to the target market the value embodied by their products and services.

**8. Creating Successful Long-term Growth:** The marketing strategy should take into account changing global opportunities and challenges.

## MARKRTING ENVIRONMENT

A company's marketing environment consists of the factors and forces outside of marketing that affect marketing management ability to build and maintain successful relationships with target customers". – **Philip Kotler**

Marketing Environment is the combination of external and internal factors and forces which affect the company's ability to establish a relationship and serve its customers.

The marketing environment of a business consists of an internal and an external environment. The internal environment is company specific and includes owners, workers, machines, materials etc. The external environment is further divided into two components: micro & macro. The micro or the task environment is also specific to the business but external. It consists of factors engaged in producing, distributing, and promoting the offering. The macro or the broad environment includes larger societal forces which affect society as a whole. The broad environment is made up of six components: demographic, economic, physical, technological, political-legal, and social-cultural environment.

**Components of Marketing Environment:**

The marketing environment is made up of the internal and external environment of the business. While internal environment can be controlled, the business has very less or no control over the external environment.


**1. Internal Environment:**

The internal environment of the business includes all the forces and factors inside the organisation which affect its marketing operations. These components can be grouped under the Five Ms of the business, which are:

- Men

- Money
- Machinery
- Materials
- Markets

The internal environment is under the control of the marketer and can be changed with the changing external environment. Nevertheless, the internal marketing environment is as important for the business as the external marketing environment. This environment includes the sales department, marketing department, the manufacturing unit, the human resource department, etc.

**2. External Environment:**

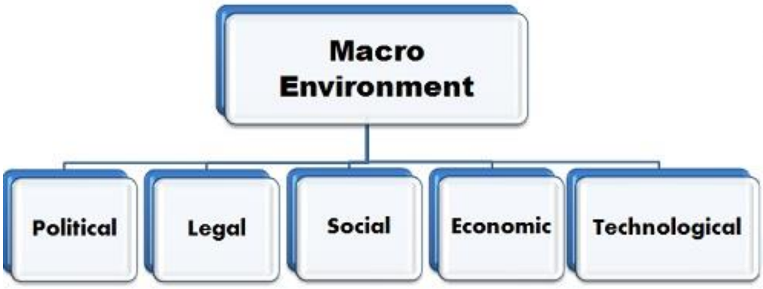
The external environment constitutes factors and forces which are external to the business and on which the marketer has little or no control. The external environment is of two types:

**i) Micro Environment:**


The micro component of the external environment is also known as the task environment. It comprises of external forces and factors that are directly related to the business. These include suppliers, market intermediaries, customers, partners, competitors and the public

- **Suppliers** include all the parties which provide resources needed by the organisation.
- **Market intermediaries** include parties involved in distributing the product or service of the organisation.
- **Partners** are all the separate entities like advertising agencies, market research organisations, banking and insurance companies, transportation companies, brokers, etc. which conduct business with the organisation.
- **Customers** comprise of the target group of the organisation.
- **Competitors** are the players in the same market who targets similar customers as that of the organisation.

- **Public** is made up of any other group that has an actual or potential interest or affects the company's ability to serve its customers.




**ii) Macro Environment:**

The macro component of the marketing environment is also known as the broad environment. It constitutes the external factors and forces which affect the industry as a whole but don't have a direct effect on the business. The macro environment can be divided into 6 parts.

- **Demographic Environment:** The demographic environment is made up of the people who constitute the market. It is characterised as the factual investigation and segregation of the population according to their size, density, location, age, gender, race, and occupation.
- **Economic Environment:** The economic environment constitutes factors which influence customers' purchasing power and spending patterns. These factors include the GDP, GNP, interest rates, inflation, income distribution, government funding and subsidies, and other major economic variables.
- **Physical Environment:** The physical environment includes the natural environment in which the business operates. This includes the climatic conditions, environmental change, accessibility to water and raw materials, natural disasters, pollution etc.
- **Technological Environment:** The technological environment constitutes innovation, research and development in technology, technological alternatives, and innovation inducements also technological barriers to smooth operation. Technology is one of the biggest sources of threats and opportunities for the organisation and it is very dynamic.
- **Political-Legal Environment:** The political & Legal environment includes laws and government's policies prevailing in the country. It also includes other pressure groups and agencies which influence or limit the working of industry and/or the business in the society.
- **Social-Cultural Environment:** The social-cultural aspect of the macro environment is made up of the lifestyle, values, culture, prejudice and beliefs of the people. This differs in different regions.

**Marketing environment impact on marketing decisions:**

Every business, no matter how big or small, operates within the marketing environment. Its present and future existence, profits, image, and positioning depend on its internal and external environment. The business environment is one of the most dynamic aspects of the business. In order to operate and stay in the market for long, one has to understand and analyse the marketing environment and its components properly.

- **Essential for planning:** An understanding of the external and internal environment is essential for planning for the future. A marketer needs to be fully aware of the current scenario, dynamism, and future predictions of the marketing environment if he wants his plans to succeed.
- **Understanding Customers:** A thorough knowledge of the marketing environment helps marketers acknowledge and predict what the customer actually wants. In-depth analysis of the marketing environment reduces (and even removes) the noise between the marketer and customers and helps the marketer to understand the consumer behaviour better.
- **Tapping Trends:** Breaking into new markets and capitalizing on new trends requires a lot of insight about the marketing environment. The marketer needs to research about every aspect of the environment to create a fool proof plan.
- **Threats and Opportunities:** A sound knowledge of the market environment often gives a first mover advantage to the marketer as he makes sure that his business is safe from the future threats and taps the future opportunities.
- **Understanding the Competitors:** Every niche has different players fighting for the same spot. A better understanding of the marketing environment allows the marketer to understand more about the competitions and about what advantages do the competitors have over his business and vice versa.

## MARKETING RESEARCH

"The systematic gathering, recording and analysis of data about problems relating to the marketing of goods and services" —The American Marketing Association. "The systematic objective and exhaustive research for and study of the facts relevant to any problem in the field of marketing." —Richard Crisp

**Objectives of Marketing Research:**

- **To Provide Basis for Proper Planning:** Marketing and sales forecast research provides sound basis for the formulation of all marketing plans, policies, programmes and procedures.
- **To Reduce Marketing Costs:** Marketing research provides ways and means to reduce marketing costs like selling, advertisement and distribution etc.
- **To Find out New Markets for The Product:** Marketing research aims at exploring new markets for the product and maintaining the existing ones.
- **To Determine Proper Price Policy:** Marketing research is considered helpful in the formulation of proper price policy with regard to the products.
- **To Study in Detail Likes and Dislikes of the Consumers:** Marketing research tries to find out what the consumers, (the men and women who constitute the market) think and want. It keeps us in touch with the consumers, minds and to study their likes and dislikes.
- **To Know the Market Competition:** Marketing research also aims at knowing the quantum of competition prevalent in the market about the product in question. The company may need reliable information about competitor's moves and strategies which are of immense significance for further planning.
- **To Study the External Forces and Their Impact:** Marketing research provides valuable information by studying the impact of external forces on the organisation. External forces may include conditions developing in foreign markets, govt, policies and regulations, consumer incomes and spending habits, new products entering in the market and their impact on the company's products. Prof. Gilies has rightly pointed out that, "The basic objective of marketing research is to supply management with information which will lead to a fuller understanding of the distribution habits and attitudes of present and potential buyers and users, and their reactions to products, packing, selling and advertising methods".

## MARKETING INFORMATION SYSTEM

**Meaning:**

Marketing information system collects, analyses, and supplies a lot of relevant information to the marketing managers. It is a valuable tool for planning, implementing and controlling the marketing activities.

The role of MIS is to identify (find out) what sort of information is required by the marketing managers. It then collects and analyses the information. It supplies to the information to the marketing manager at the right time. MIS collect the information through its subsystems. These subsystems are called components.

**Components of Marketing Information System:**

The Top four components of marketing information system are as follows:

- Internal record
- Marketing intelligence system
- Marketing decision support system
- Marketing research.

An MIS should provide updated information. Hence, it is necessary to use new techniques for speed and accuracy in the MIS. Thus, various subsystems are used to develop information. Following are the four components of MIS:


**1. Internal records:**

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. The sales department prepares invoices and transmits copies to various departments. The billing department sends invoices as quickly as possible. It is the order from the customer that sets the internal record keeping. This record becomes a vital source of information for analysis of sales, inventory levels, profit margins, credit policy to customers, etc.

**2. 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:**

- **Sales force:**

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

- **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.

- **External networking:**

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

- **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.

- **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

**Definition:**

Segmentation is the first stage of the STP- Segment, Targeting, Position process According to Philip Kotler, “Market segmentation is the sub-dividing of market into homogeneous sub-sections of customers, where any sub-section may conceivably be selected as a market target to be reached with a distinct marketing mix.”

According to Stanton, “Market segmentation consists of taking the total heterogeneous market for a product and dividing it into several sub-markets or segments, each of which tends to be homogeneous in all significant aspects.”

**Basis of Market Segmentation:**

- **Gender:** The marketers divide the market into smaller segments based on gender. Both men and women have different interests and preferences, and thus the need for segmentation.

  Organizations need to have different marketing strategies for men which would obviously not work in case of females. A woman would not purchase a product meant for males and vice a versa.

  The segmentation of the market as per the gender is important in many industries like cosmetics, footwear, jewellery and apparel industries.
- **Age Group:** Division on the basis of age group of the target audience is also one of the ways of market segmentation. The products and marketing strategies for teenagers would obviously be different than kids.
  - Age group (0 - 10 years) -Toys, Nappies, Baby Food, Prams
  - Age Group (10 - 20 years) - Toys, Apparels, Books, School Bags
  - Age group (20 years and above) - Cosmetics, Anti-Ageing Products, Magazines, apparels and so on
- **Income:** Marketers divide the consumers into small segments as per their income. Individuals are classified into segments according to their monthly earnings.

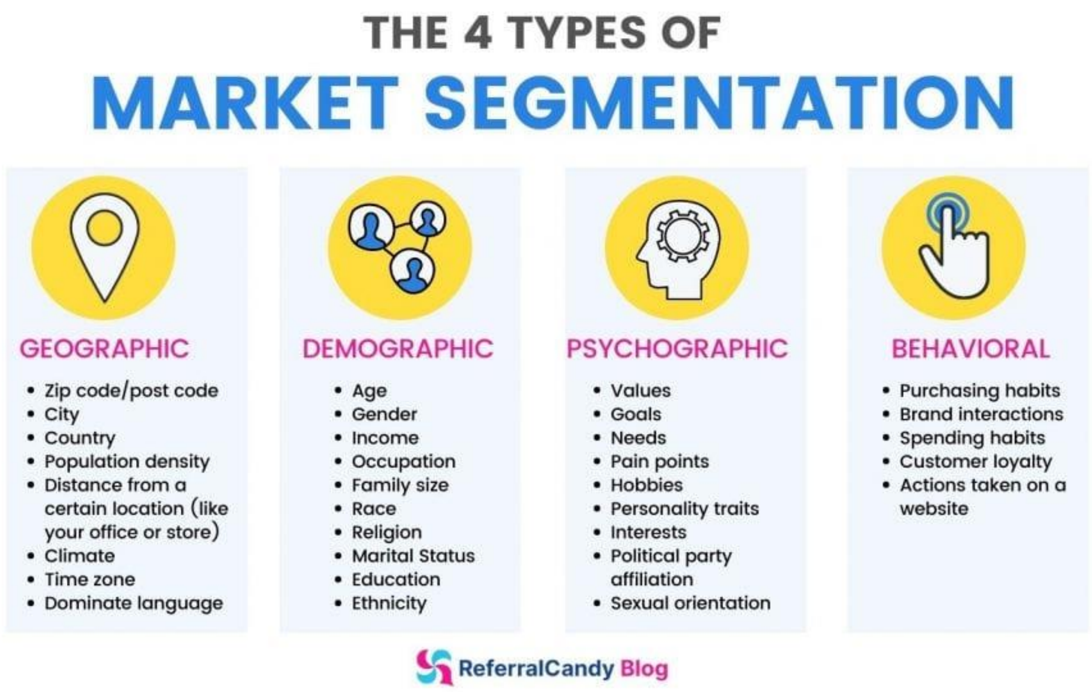
  The three categories are:
  - High income Group
  - Mid Income Group
  - Low Income Group

  Stores catering to the higher income group would have different range of products and strategies as compared to stores which target the lower income group.

  Pantaloon, Carrefour, Shopper’s stop target the high income group as compared to Vishal Retail, Reliance Retail or Big bazaar who cater to the individuals belonging to the lower income segment.
- **Marital Status:** Market segmentation can also be as per the marital status of the individuals. Travel agencies would not have similar holiday packages for bachelors and married couples.
- **Occupation:** Office goers would have different needs as compared to school / college students. A beach house shirt or a funky T Shirt would have no takers in a Zodiac Store as it caters specifically to the professionals.

- **Place:** The place where the target audience lives affect the buying decision the most. A person living in mountains will have less or no demand for ice cream than the person living in a desert.
- **Usage:** Product usage also acts as a segmenting basis. A user can be labelled as heavy, medium or light user of a product. The audience can also be segmented on the basis of their awareness of the product.
- **Lifestyle:** Other than physical factors, marketers also segment the market on the basis of lifestyle. Lifestyle includes subsets like marital status, interests, hobbies, religion, values, and other psychographic factors which affect the decision making of an individual.

**Types of Market Segmentation:**




**1. Geographic Segmentation:**

Geographic segmentation divides the market on the basis of geography. This type of market segmentation is important for the marketers as people belonging to different regions may have different requirements. For example, water might be scarce in some regions which inflate the demand for bottled water but, at the same time, it might be in abundance in other regions where the demand for the same is very less.

People belonging to different regions may have different reasons to use the same product as well. Geographic segmentation helps marketer draft personalized marketing campaigns for everyone.

**2. Demographic Segmentation:**

Demographic segmentation divides the market on the basis of demographic variables like age, gender, marital status, family size, income, religion, race, occupation, nationality, etc. This is one of the most common segmentation practice among the marketers. Demographic segmentation is seen almost in every industry like automobiles, beauty products, mobile phones, apparels, etc and is set on a premise that the customers' buying behaviour is hugely influenced by their demographics.

**3. Behavioural Segmentation:**

The market is also segmented based on audience's behaviour, usage, preference, choices and decision making. The segments are usually divided based on their knowledge of the product and usage of the product. It is believed that the knowledge of the product and its use affects the buying decision of an individual. The audience can be segmented into –

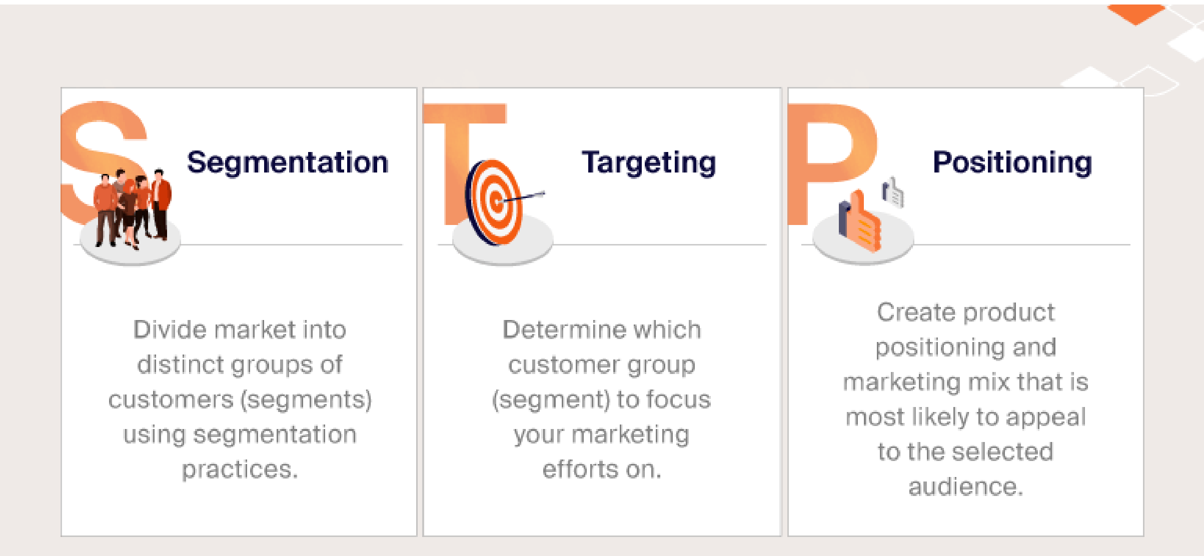
- Those who know about the product,
- Those who don't know about the product,
- Ex-users,
- Potential users,
- Current Users,
- First time users, etc.

People can be labelled as brand loyal, brand-neutral or competitor loyal. They can also be labelled according to their usage. For example, a sports person may prefer an energy drink as elementary (heavy user) and a not so sporty person may buy it just because he likes the taste (light/medium user).

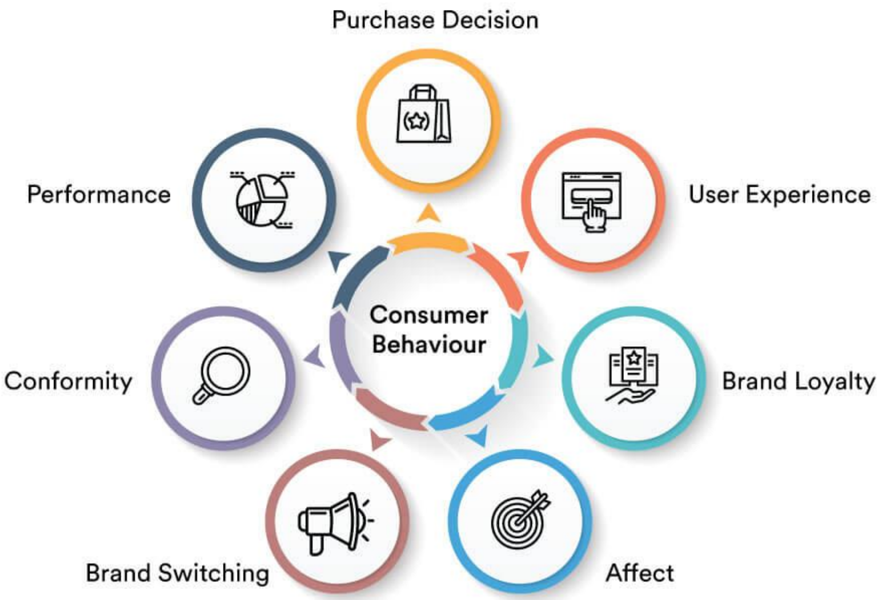
**4. Psychographic Segmentation:**

Psychographic Segmentation divides the audience on the basis of their personality, lifestyle and attitude. This segmentation process works on a premise that consumer buying behaviour can be influenced by his personality and lifestyle. Personality is the combination of characteristics that form an individual's distinctive character and includes habits, traits, attitude, temperament, etc. Lifestyle is how a person lives his life.

Personality and lifestyle influence the buying decision and habits of a person to a great extent. A person having a lavish lifestyle may consider having an air conditioner in every room as a need, whereas a person living in the same city but having a conservative lifestyle may consider it as a luxury.



## CONSUMER BEHAVIOUR




**Meaning of consumer behaviour:**

Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

**Definition of consumer behaviour:**

**1. According to Engel,** Blackwell, and Mansard, 'consumer behaviour is the actions and decision processes of people who purchase goods and services for personal consumption'.

**2. According to Louden and Bitta,** 'consumer behaviour is the decision process and physical activity, which individuals engage in when evaluating, acquiring, using or disposing of goods and services'.

## DETERMINENTS OF CONSUMER BEHAVIOUR

The consumer behaviour or buyer behaviour is determined by several factors or forces. They are:

1. Internal or Psychological factors
2. Social factors
3. Cultural factors
4. Economic factors
5. Personal factors

**1. Internal or psychological factors:**

The buying behaviour of consumers is influenced by a number of internal or psychological factors. The most important ones Motivation and Perception.

- **Motivation:** A need becomes a motive when it is aroused to a sufficient level of intensity. A motive is a need that is sufficiently pressing to drive the person to act. There can be of types of needs:
  - ✓ **Biogenic needs:** They arise from physiological states of tension such as thirst, hunger
  - ✓ **Psychogenic needs:** They arise from psychological states of tension such as needs for recognition, esteem
- **Perception:** Human beings have considerably more than five senses. Apart from the basic five (touch, taste, smell, sight, hearing) there are senses of direction, the sense of balance, a clear knowledge of which way is down, and so forth.

**2. Social factors:**

Man is a social animal. Hence, our behaviour patterns, likes and dislikes are influenced by the people around us to a great extent. We always seek confirmation from the people around us and seldom do things that are not socially acceptable. The social factors influencing consumer behaviour are a) Family, b) Reference Groups, c) Roles and status.

- **Family:** There are two types of families in the buyer's life viz. nuclear family and Joint family. Nuclear family is that where the family size is small and individuals have higher liberty to take decisions whereas in joint families, the family size is large and group decision-making gets more preference than individual.
- **Reference group:** A group is two or more persons who share a set of norms and whose relationship makes their behaviour interdependent. A reference group is a group of people with whom an individual associates. It is a group of people who strongly influence a person's attitudes values and behaviour directly or indirectly.
- **Roles and status:** A person participates in many groups like family, clubs, and organisations. The person's position in each group can be defined in tern of role and status. A role consists of the activities that a person is expected to perform. Each role carries a status. People choose products that communicate their role and status in society. Marketers must be aware of the status symbol potential of products and brands.

**3. Cultural factors:**

Kotler observed that human behaviour is largely the result of a learning process and as such individuals grow up learning a set of values, perceptions, preferences and behaviour patterns as the result of socialisation both within the family and a series of other key institutions.

Cultural factors consist of a) Culture, b) Sub culture and c) Social class.

- **Culture:** Culture is the most fundamental determinant of a person's want and behaviour. The growing child acquires a set of values, perception preferences and behaviours through his or her family and other key institutions. Culture influences considerably the pattern of consumption and the pattern of decision-making.
- **Sub-Culture:** Each culture consists of smaller sub-cultures that provide more specific identification and socialisation for their members. Sub-culture refers to a set of beliefs shared by a subgroup of the main culture, which include nationalities, religions, racial groups and geographic regions.

- **Social class:** Consumer behaviour is determined by the social class to which they belong. The classification of socioeconomic groups is known as Socio-Economic Classification (SEC). Social class is relatively a permanent and ordered division in a society whose members share similar value, interest and behaviour.

**4. Economic Factors:**

Consumer behaviour is influenced largely by economic factors. Economic factors that influence consumer behaviour are

- Personal Income,
- Family income,
- Income expectations,
- Savings,
- Liquid assets of the Consumer,
- Consumer credit,
- Other economic factors.

**5. Personal factor:**

Personal factors also influence buyer behaviour. The important personal factors, which influence buyer behaviour, are a) Age, b) Occupation, c) Income and d) Life Style

- **Age:** Age of a person is one of the important personal factors influencing buyer behaviour. People buy different products at their different stages of cycle. Their taste, preference, etc also change with change in life cycle.
- **Occupation:** Occupation or profession of a person influences his buying behaviour. The life styles and buying considerations and decisions differ widely according to the nature of the occupation. For instance, the buying of a doctor can be easily differentiated from that of a lawyer, teacher, clerk businessman, landlord, etc.
- **Income:** Income level of people is another factor which can exert influence in shaping the consumption pattern. Income is an important source of purchasing power. So, buying pattern of people differs with different levels of income.
- **Life Style:** Life style to a person's pattern or way of living as expressed in his activity, interests and opinions that portrays the "whole person" interacting with the environment. Marketing managers have to design different marketing strategies to suit the life styles of the consumers.

## UNIT-II
## MARKETING MIX

### ELEMENTS OF MARKETING MIX (OR) 4 P'S OF MARKETING


**What is a Marketing Mix?**

A marketing mix usually refers to E. Jerome McCarthy's 4-P classification for developing an effective marketing strategy. The four Ps are product, price, placement (distribution), and promotion. Depending on the industry and the target of the marketing plan, marketing managers may take various approaches to each of the four Ps.

**Definition:**

- The marketing mix definition is simple. It is about putting the right product or a combination thereof in the place, at the right time, and at the right price.
- The 4Ps of marketing is a model for enhancing the components of your "marketing mix" – the way in which you take a new product or service to market. It helps you to define your marketing options in terms of price, product, promotion, and place so that your offering meets a specific customer need or demand.

**What is the marketing mix?**

Then in summary these 4 variables comprise the Marketing mix.

1. **Product –** What the company is manufacturing?
2. **Price –** What is the pricing strategy used by the company?
3. **Place –** Where is the company selling?
4. **Promotions –** How is the company promoting the product?

**1) # Marketing Mix – Product:**


The first thing you need, if you want to start a business, is a product. Therefore Product is also the first variable in the marketing mix. Product decisions are the first decisions you need to take before making any marketing plan. A product can be divided into three parts. The core product, the augmented product and the tertiary product. Before deciding on the product component there are some questions which you need to ask yourself.

- What product are you selling?
- What would be the quality of your product?
- Which features are different from the market?
- What is the USP of the product?
- Whether the product will be branded as sub brand or completely new?
- What are the secondary products which can be sold along with primary (Warranty, services)

Based on these questions, several **product decisions** have to be made. These product decisions will in turn affect the other variables of the mix. For example – You plan on launching a car which will have the highest quality. Thus the pricing, promotions and placing would have to be altered accordingly. Thus as long as you don't know your product, you cannot decide any other variable of the marketing mix. However, if the product features are not fitting in the mix, you can alter the product such that it finds a place for itself in the marketing mix.

**Characteristics of Product:**

- What does the customer want from the product /service? What needs does it satisfy?
- What features does it have to meet these needs?
  - Are there any features you've missed out?
  - Are you including costly features that the customer won't actually use?
- How and where will the customer use it?
- What does it look like? How will customers experience it?
- What size(s), colour(s), and so on, should it be?

- What is it to be called?
- How is it branded?
- How is it differentiated versus your competitors?
- What is the most it can cost to provide and still be sold sufficiently profitably? (See also Price, below.

**2) #Marketing mix – Price:**


Pricing of a product depends on a lot of different variables and hence it is constantly updated. Major consideration in pricing is the costing of the product, the advertising and marketing expenses, any price fluctuations in the market, distribution costs etc. Many of these factors can change separately. Thus the pricing has to be such that it can bear the brunt of changes for a certain period of time. However, if all these variables change, then the pricing of a product has to be increased and decreased accordingly.

Along with the above factors, there are also other things which have to be taken in consideration when deciding on a pricing strategy. Competition can be the best example. Similarly, pricing also affects the targeting and positioning of a product. Pricing is used for sales promotions in the form of trade discounts. Thus based on these factors there are several pricing strategies, one of which is implemented for the marketing mix.

**Characteristics of Price:**

- What is the value of the product or service to the buyer?
- Are there established price points for products or services in this area?
- Is the customer price sensitive? Will a small decrease in price gain you extra market share? Or will a small increase be indiscernible, and so gain you extra profit margin?
- What discounts should be offered to trade customers, or to other specific segments of your market?
- How will your price compare with your competitors?

**3) #Marketing mix – Place:**


Place refers to the distribution channel of a product. If a product is a consumer product, it needs to be available as far and wide as possible. On the other hand, if the product is a *Premium consumer product*, it will be available only in select stores. Similarly, if the product is a business product, you need a team which interacts with businesses and makes the product available to them. Thus the place where the product is distributed depends on the product and pricing decisions, as well as any STP (segmentation targeting and positioning) decisions taken by a firm.

Distribution has a huge affect on the profitability of a product. Consider a FMCG company which has national distribution for its product. An increase in petrol rates by 10 rs will in fact bring about drastic changes in the profitability of the company. Thus supply chain and logistics decisions are considered as very important costing decisions of the firm. The firm needs to have a full proof logistics and supply chain plan for its distribution.

**Characteristics of Place:**

- Where do buyers look for your product or service?
- If they look in a store, what kind? A specialist boutique or in a supermarket, or both? Or online? Or direct, via a catalogue?
- How can you access the right distribution channels?
- Do you need to use a sales force? Or attend trade fairs? Or make online submissions? Or send samples to catalogue companies?
- What do your competitors do, and how can you learn from that and/or differentiate?

**4) #Marketing mix – Promotions:**


Promotions in the marketing mix includes the complete integrated marketing communications which in turn includes ATL and BTL advertising as well as sales promotions. Promotions are dependent a lot on the product and pricing decision. What is the budget for marketing and advertising? What stage is the product in? If the product is completely new in the market, it needs brand / product awareness promotions, whereas if the product is already existing then it will need brand recall promotions.

Promotions also decide the segmentation targeting and positioning of the product. The right kind of promotions affect all the other three variables – the product, price and place. If the promotions are effective, you might have to increase distribution points, you might get to increase the price because of the rising brand equity of the product, and the profitability might support you in launching even more products. However, the budget required for extensive promotions is also high. Promotions are considered as marketing expenses and the same needs to be taken in consideration while deciding the costing of the product.

**Characteristics of Promotion:**

- Where and when can you get your marketing messages across to your target market?
- Will you reach your audience by advertising online, in the press, on TV, on radio, or on billboards? By using direct marketing mailshots? Through PR? On the internet?
- When is the best time to promote? Is there seasonality in the market? Are there any wider environmental issues that suggest or dictate the timing of your market launch or subsequent promotions?

- How do your competitors do their promotions? And how does that influence your choice of promotional activity?

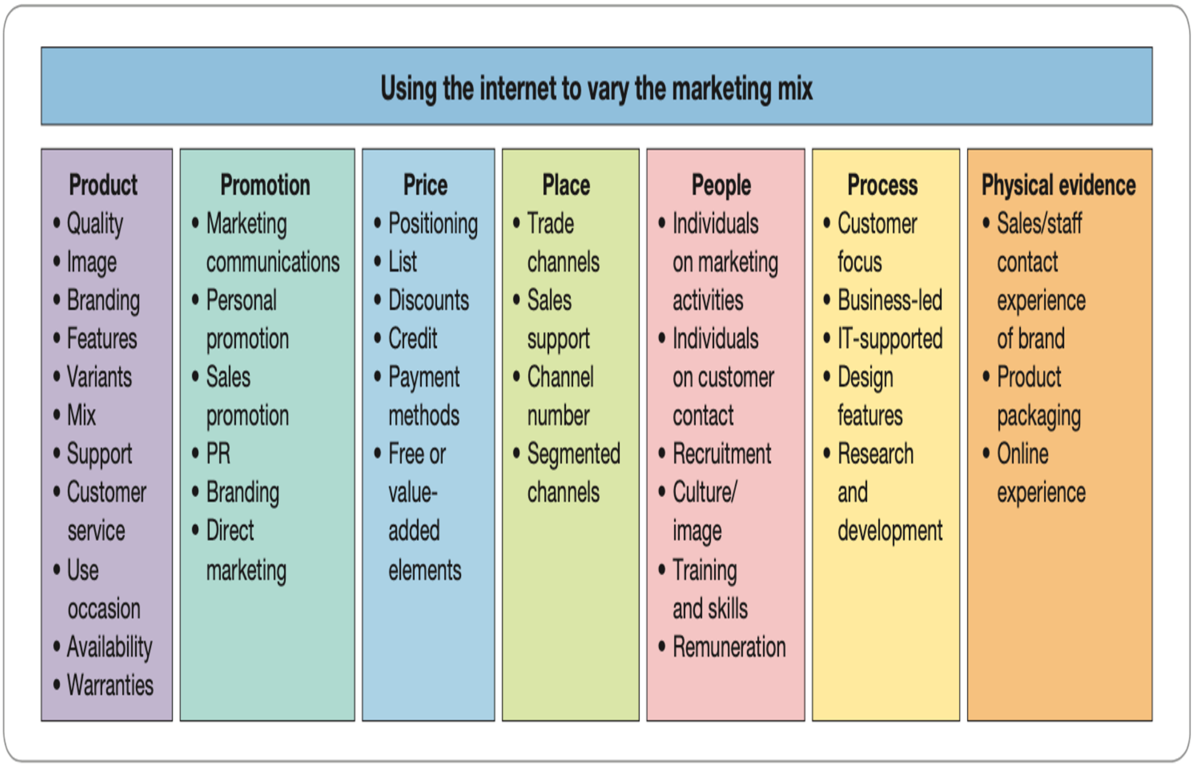
**Promotion is a very important component of marketing as it can boost brand recognition and sales. Promotion is comprised of various elements like:**

**Elements of promotion:**

- Personal selling
- Public Relations
- Advertising
- Sales Promotion

## 7P'S OF SERVICE MARKETING

**Figure 5.1** The seven elements of the marketing mix




**What is Service Marketing?**

Service marketing is a specialized branch of marketing that focuses on promoting and selling services rather than tangible products. It involves strategies to create demand, communicate benefits, and deliver exceptional customer service experiences. Service marketing emphasizes building strong customer relationships by understanding their needs, offering tailored services, ensuring satisfaction, and maintaining engagement to encourage loyalty and repeat business. The goal is to create customer value and ensure a positive and memorable service experience that differentiates the business from competitors.

**The first four elements in the services marketing mix are the same as those in the traditional marketing mix**. However, given the unique nature of services, the implications of these are slightly different in case of services.

1. **Product:** In case of services, the 'product' is intangible, heterogeneous and perishable. Moreover, its production and consumption are inseparable. Hence, there is scope for customizing the offering as per customer requirements and the actual customer encounter therefore assumes particular significance.

   However, too much customization would compromise the standard delivery of the service and adversely affect its quality. Hence particular care has to be taken in designing the service offering.
2. **Price:** Pricing of services is tougher than pricing of goods. While the latter can be priced easily by taking into account the raw material costs, in case of services attendant costs - such as labour and overhead costs - also need to be factored in.

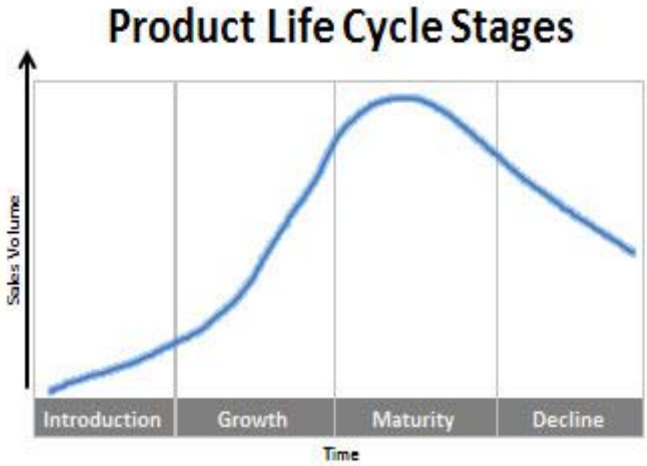
Thus a restaurant not only has to charge for the cost of the food served but also has to calculate a price for the ambience provided. The final price for the service is then arrived at by including a mark up for an adequate profit margin.

3. **Place:** Since service delivery is concurrent with its production and cannot be stored or transported, the location of the service product assumes importance. Service providers have to give special thought to where the service would be provided.
   Thus, a fine dine restaurant is better located in a busy, upscale market as against on the outskirts of a city. Similarly, a holiday resort is better situated in the countryside away from the rush and noise of a city.
4. **Promotion:** Since a service offering can be easily replicated promotion becomes crucial in differentiating a service offering in the mind of the consumer.
   Thus, service providers offering identical services such as airlines or banks and insurance companies invest heavily in advertising their services. This is crucial in attracting customers in a segment where the services providers have nearly identical offerings.

**We now look at the 3 new elements of the services marketing mix - people, process and physical evidence - which are unique to the marketing of services**.

5. **People:** People are a defining factor in a service delivery process, since a service is inseparable from the person providing it.
   Thus, a restaurant is known as much for its food as for the service provided by its staff. The same is true of banks and department stores. Consequently, customer service training for staff has become a top priority for many organizations today.
6. **Process:** The process of service delivery is crucial since it ensures that the same standard of service is repeatedly delivered to the customers. Therefore, most companies have a service blue print which provides the details of the service delivery process, often going down to even defining the service script and the greeting phrases to be used by the service staff.
7. **Physical Evidence:** Since services are intangible in nature most service providers strive to incorporate certain tangible elements into their offering to enhance customer experience.
   Thus, there are hair salons that have well designed waiting areas often with magazines and plush sofas for patrons to read and relax while they await their turn. Similarly, restaurants invest heavily in their interior design and decorations to offer a tangible and unique experience to their guests.

## PRODUCT LIFE CYCLE




As consumers, we buy millions of products every year. And just like us, these products have a life cycle. Older, long-established products eventually become less popular, while in contrast, the demand for new, more modern goods usually increases quite rapidly after they are launched.

Because most companies understand the different product life cycle stages, and that the products they sell all have a limited lifespan, the majority of them will invest heavily in new product development in order to make sure that their businesses continue to grow.

**Stages of product life cycle:**

The product life cycle has 4 very clearly defined stages, each with its own characteristics that mean different things for business that are trying to manage the life cycle of their particular products.

**Stage 1: Introduction Stage:**

This stage of the cycle could be the most expensive for a company launching a new product. The size of the market for the product is small, which means sales are low, although they will be increasing. On the other hand, the cost of things like research and development, consumer testing, and the marketing needed to launch the product can be very high, especially if it's a competitive sector.

**Stage 2: Growth Stage:**

The growth stage is typically characterized by a strong growth in sales and profits, and because the company can start to benefit from economies of scale in production, the profit margins, as well as the overall amount of profit, will increase. This makes it possible for businesses to invest more money in the promotional activity to maximize the potential of this growth stage.

**Stage 3: Maturity Stage:**

During the maturity stage, the product is established and the aim for the manufacturer is now to maintain the market share they have built up. This is probably the most competitive time for most products and businesses need to invest wisely in any marketing they undertake. They also need to consider any product modifications or improvements to the production process which might give them a competitive advantage.

**Stage 4: Decline Stage:**

Eventually, the market for a product will start to shrink, and this is what's known as the decline stage. This shrinkage could be due to the market becoming saturated (i.e. all the customers who will buy the product have already purchased it), or because the consumers are switching to a different type of product. While this decline may be inevitable, it may still be possible for companies to make some profit by switching to less-expensive production methods and cheaper markets.

## SALES PROMOTION


Sales promotion refers to short term use of incentives or other promotional activities that stimulate the customer to buy the product. Sales promotion techniques are very useful because they bring:

- Short and immediate effect on sale.
- Stock clearance is possible with sales promotion.
- Sales promotion techniques induce customers as well as distribution channels.
- Sales promotion techniques help to win over the competitor.

**Sales Promotion Techniques for Customers:**

Some of the sales promotion activities commonly used by the marketer to increase the sale are:

**(i) Rebate:**

It refers to selling product at a special price which is less than the original price for a limited period of time. This offer is given to clear off the stock or excessive inventory for example; coke announced 2 liter bottles at Rs 35 only.

**(ii) Discounts:**

This refers to reduction of certain percentage of price from list price for a limited period of time. The discounts induce the customers to buy and to buy more. Generally at the end of season big companies offer their products at discounted price to clear off the stock e.g., season's sale at Snow-White Jain Sons, Paul Garments, Bhuvan Garments, etc.

**(iii) Refunds:**

This refers to refund or part of price paid by customer on presenting the proof of purchase for example, Rs 2 off on presentation of empty pack of Ruffle Lays.

**(iv) Premiums or Gifts/or Product Combination:**

These are most popular and commonly used promotion tool. It refers to giving a free gift on purchase of the product. Generally the free gift is related to product but it is not necessary for example, Mug free with Bourn vita, Shaker free with Coffee, Toothbrush free with Toothpaste, etc.

**(v) Quantity Deals:**

It refers to offer of extra quantity in a special package at less price or on extra purchase some quantity free for example, buy three get one free e.g., this scheme of buy three get one free scheme is available on soaps.

**(vi) Samples:**

It refers to distribution of free samples of product to the customers. These are distributed when the seller wants the customer must try the product. Generally when a new product is launched for example, when Hindustan Level launched Surf Excel it distributed the samples as it wanted the customers to try it.

**(vii) Contests:**

It refers to participation of consumers in competitive events organised by the firm and winners are given some reward for example, Camlin Company organizes painting competition, Bourn vita quiz contest and some companies organise contest of writing slogans and best slogan is awarded prize.

**(viii) Instant Draws and Assigned Gifts:**

It includes the offers like 'scratch a card' and win instantly a refrigerator, car, T-shirt, computer etc.

**(ix) Lucky Draw:**

In this draws are taken out by including the bill number or names of customers who have purchased the goods and lucky winner gets free car, computer, A.C., T.V., etc. Draw can be taken out daily, weekly, monthly, etc.

**(x) Usable Benefits:**

This includes offers like 'Purchase goods worth Rs 5000 and get a holiday package' or get a discount voucher, etc.

**(xi) Full Finance @ 0%:**

Many marketers offer 0% interest on financing of consumer durable goods like washing machine, T.V. etc. e.g., 24 easy installments 6 paid as front payment and remaining 18 with post-dated cheques. In these types of scheme customers should be careful about the file charges etc.

**(xii) Packaged Premium:**

In this type of sales promotion the free gift is kept inside the pack. The gift is kept in limited products but the excitement of getting the gift induces the customer to buy the product for example, gold pendant in soap, gold coin in Tata tea etc.

**(xiii) Container Premium:**

This refers to use of special container or boxes to pack the products which could be reused by the customer for example, Pet Bottles for Cold Drinks. This bottles can be used for

Steering Water, Plastic Jars for Bourn vita, Maltova, etc. which can be reused by the housewives in kitchen.

**(xiv)Demonstrations:**

Product demonstrations are organized by many a manufacturers, to teach the customers how to use the product. These demonstrations can be organized in person or through videos. Sometimes, celebrities may be invited to such demonstrations, in order to ensure that maximum potential customers attend the event.

**(xv)Coupons:**

Coupons are one of the best promotion techniques for inducing trial for the company's products. Free coupons are generally included in the print advertisements. Consumers can carry these coupons and avail discount on buying the company's product or service, by showing it to the retailers while making a purchase. These days mobile coupons are becoming very popular too.

**(xvi)Event Sponsorship:**

Companies sponsor a popular event, like a football match or a rock concert. The attendees are already in a positive mood at such events. When they see the brand flashed all over the event venue, it invokes positivity towards the brand too, thus resulting in high sales.

**(xvii)Price Pack Deal:**

The consumers are given something "extra" at the same price. For instance, on 1000 ml shampoo pack, 200 ml extra is given free i.e. at the same price.


**Merits of Sales Promotion:**

- **Attention Value:** The incentives offered in sales promotion attract attention of the people.
- **Useful in New Product Launch:** The sales promotion techniques are very helpful in introducing the new product as it induces people to try new products as they are available at low price or sometimes as free sample.
- **Synergy in Total Promotion Efforts:** Sales promotion activities supplement advertising and personal selling efforts of the company. Sales promotion adds to the effectiveness of advertisement efforts.

- **Aid to other Promotion Tools:** Sales promotion technique makes other promotion techniques more effective. Salesmen find it easy to sell products on which incentives are available.

**Demerits of Sales Promotion:**

- **Reflect Crisis:** If firm is offering sales promotion techniques again and again it indicates that there is no demand of product which can create crisis situation.
- **Spoil Product Image:** Use of sales promotion tool may affect the image of product as buyer feel that product is of low quality that is why firm is offering incentives.

## SOCIAL MEDIA MARKETING


Social media marketing uses online platforms like Facebook, Twitter, and LinkedIn to build relationships and interact with potential and current customers.

Today, social media marketing is essential to any successful marketing strategy.

Many influencers and marketing professionals have built careers by helping businesses grow their social media presence.



Social media marketing is a form of digital marketing that involves promoting products, services, or brands through social media platforms such as Facebook, Instagram, Twitter, LinkedIn, and others. Social media marketing aims to reach and engage with target audiences on social media channels by creating and sharing content that is relevant, informative and entertaining.

**Definition of social media marketing:**

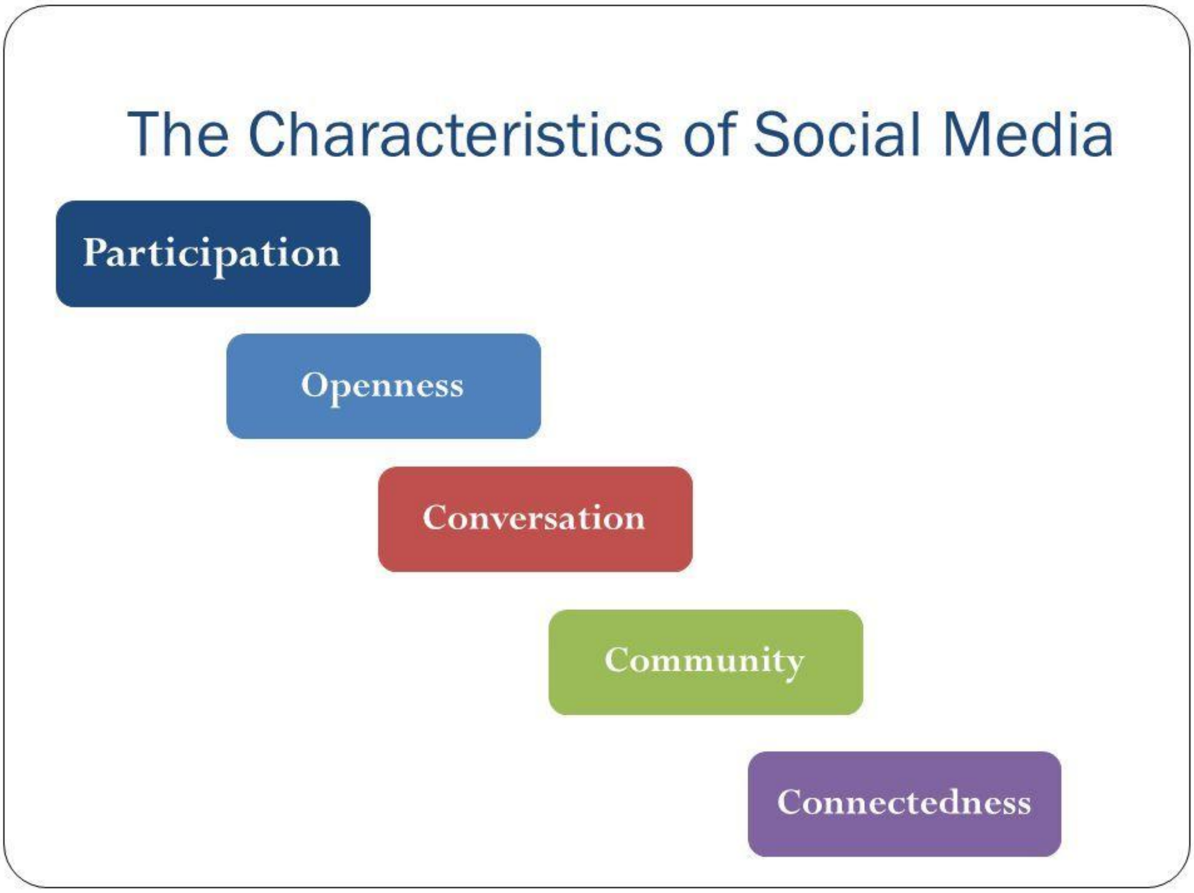
**According to Philip Kotler and Kevin Lane Keller,** "Social media marketing is a form of internet marketing that involves creating and sharing content on social media platforms to achieve marketing and branding goals."

Social media marketing (SMM) is the process of using social networking platforms to increase your brand awareness and customer leads.

Social media marketing happens most commonly on these social networking sites:

- Facebook
- Instagram
- LinkedIn
- Twitter
- Pinterest
- Snapchat
- Reddit
- Youtube

**Characteristics of social media marketing:**




- **Participation:** Social media marketing involves actively engaging and participating in social media platforms by creating and sharing content, responding to comments and messages, and joining conversations. It's not just about broadcasting messages but also actively interacting with the audience.
- **Openness:** Social media marketing thrives on transparency and openness. It involves sharing authentic and genuine content that reflects the brand's values and culture. It encourages open communication, feedback, and the ability to address customer concerns openly.
- **Build relationships:** Social media marketing focuses on building and nurturing relationships with the audience. It's about creating connections and fostering a sense of trust and loyalty. By engaging with followers, responding to their comments, and addressing their needs, social media helps build lasting relationships with customers.
- **Reliability:** Social media marketing requires maintaining consistent presence and delivering reliable information. Brands need to provide accurate and up-to-date content, ensuring that the information they share is trustworthy and reliable. This helps establish credibility and trust with the audience.
- **Build communities**: Social media platforms provide an opportunity to build communities of like-minded individuals who share common interests or affiliations with the brand. Social media marketing involves creating and nurturing these communities, fostering a sense of belonging and encouraging engagement among the community members.

- **Customer service:** Social media has become a popular channel for customer service interactions. Brands use social media platforms to address customer queries, complaints, and provide support. Social media marketing involves actively monitoring and responding to customer inquiries promptly, offering a personalized and efficient customer service experience.
- **Avoid spamming:** Effective social media marketing requires avoiding spamming tactics. Spamming involves excessive self-promotion, repetitive messaging, or irrelevant content that overwhelms users. Instead, social media marketing focuses on delivering valuable and relevant content that adds value to the audience's experience. It respects users' time and preferences, avoiding excessive promotional activities that can harm the brand's reputation.
- **Adaptability:** Social media marketing requires the ability to adapt and evolve with the ever-changing landscape of social media platforms and user preferences. It involves staying up-to-date with trends, algorithm changes, and new features to effectively reach and engage the target audience.
- **Analytics-driven:** Social media marketing utilizes analytics and data to measure the effectiveness of campaigns, track user engagement, and gain insights into audience behaviour. By analyzing metrics such as reach, engagement, click-through rates, and conversions, marketers can make data-driven decisions and optimize their strategies.
- **Visual storytelling:** Visual content plays a crucial role in social media marketing. It includes using compelling images, videos, info graphics, and visual elements to tell stories, evoke emotions, and capture the attention of users in a crowded social media feed.
- **Influencer partnerships:** Social media marketing leverages influencer partnerships to expand reach, increase brand visibility, and tap into the influencer's engaged audience. Collaborating with influencers who align with the brand's values and target market can help amplify the brand's message and build credibility.
- **Viral potential:** Social media marketing capitalizes on the viral nature of social media platforms. It aims to create content that has the potential to go viral, generating widespread attention and engagement. This can significantly amplify the brand's reach and exposure.



**Social media markeingg types:**

- **Content Marketing:** Content marketing is about creating and sharing valuable content that attracts and engages your target audience. Content marketing aims to build trust and credibility with your audience so they're more likely to buy from you in the future. To be successful with content marketing, you need to create high-quality blog posts, info graphics, videos, and other types of content that are relevant to your audience. It's also important to share your content regularly and to promote it through social media and email marketing.
- **Social Media Advertising:** Social media advertising is paid marketing that allows you to promote your products and services on social media platforms. The most common form of social media advertising is Facebook Ads, which lets you target specific demographics, interests, and behaviors. Twitter, LinkedIn, and Instagram also offer paid advertising options, which can be highly effective if used correctly.

  How About Facebook Marketing? Facebook is the largest social networking site in the world, with over 1 billion active users. This makes it an ideal platform for businesses to connect with potential and current customers. There are many benefits of marketing on Facebook, including the ability to target specific demographics, the option to use paid advertising, and the large reach of the platform. In addition, Facebook is constantly innovating and introducing new features that can be used for marketing purposes. For example, Facebook Live and Facebook Messenger are two recent additions that businesses can use to connect with their audiences in new and exciting ways.
- **Influencer Marketing:** Influencer marketing is a type of social media marketing that involves partnering with influencers who have Influencer marketing is social media marketing that involves working with influencers to promote your products and services. An influencer is someone who has a large following on social media and who is considered to be an expert in their field. To be successful with influencer marketing, you need to find relevant influencers to your target audience and who will be interested in promoting your products or services. You can then work with the influencer to create sponsored content, such as blog posts, videos, or social media posts.
- **Social Media Engagement:** Social media engagement is all about interacting with your target audience on social media and building relationships with potential and current customers. Social media engagement aims to create a community around your brand and build trust and loyalty with your audience. To be successful with social media engagement, you need to post interesting and engaging content and to respond to comments and questions promptly. You should also consider running social media contests or giveaways, which can greatly increase engagement and build relationships with your target audience.

**How to Use Social Media to Grow Your Business:**

**1. Use social media to create valuable content:** Content is still king when it comes to social media marketing. If you want to attract and engage your target audience, you need to create high-quality blog posts, info graphics, videos, and other types of content that are relevant to your audience. In addition, you need to share your content regularly and promote it through social media and email marketing.

**2. Use social media to connect with potential and current customers:** Social media is all about building relationships. To grow your business, you need to connect with potential and current customers on social media and build relationships with them. You can share valuable content, respond to comments and questions, and run social media contests or giveaways.

**3. Use social media to stay up-to-date with industry trends:** Social media is a great way to stay up-to-date with industry trends. You can use social media to follow the latest news in your industry and learn about new products and services relevant to your business. In addition, you can use social media to connect with thought leaders in your industry and to get insights into the latest industry trends.

**4. Use social media to generate leads and sales:** Finally, you can use social media to generate leads and sales for your business. To do this, you must use social media to create valuable content and promote your products and services to your target audience. You can also use social media to connect with potential customers and build relationships with them.

**Advantages of Social Media Marketing:**

- **Increased Brand Visibility:** Social media platforms allow businesses to reach a vast and diverse audience, increasing brand exposure.
- **Cost-Effective Advertising:** Compared to traditional marketing channels, social media advertising often provides a more cost-effective way to promote products and services.
- **Audience Engagement:** Social media facilitates direct communication with customers, encouraging engagement through likes, comments, and shares.
- **Targeted Advertising:** Platforms like Facebook and Instagram offer sophisticated targeting options, ensuring ads reach the most relevant audience.
- **Data Analytics**: Social media platforms provide insights and analytics, enabling businesses to track performance and refine their marketing strategies.

**Disadvantages of Social Media Marketing:**

- **Time-Consuming:** Managing multiple social media accounts and creating engaging content can be time-intensive.
- **Negative Feedback:** Negative comments or feedback can harm a brand’s reputation and require careful handling.
- **Algorithm Changes:** Social media algorithms can change frequently, affecting the visibility of content.
- **Ad Saturation:** As more businesses turn to social media advertising, it can become saturated, making it harder to stand out.
- **Privacy Concerns:** Data privacy issues can lead to mistrust among consumers if not handled transparently.

## UNIT-III
## NATURE AND ROLE OF SELLING

### DEFINITION OF SELLING

Selling is the process of persuading potential customers to buy some goods or services or ideas so that certain interests of buyers can be satisfied and the seller gets paid.

Selling comprises all those personal and impersonal activities involved in finding, securing and developing a demand for a given product or service.

**According to William J. Stanton** "Selling is informing and persuading a market about a product or service. It is a function of promotion."

**According to Still, Cundiff and Govoni,** "Selling in its broad sense, is not only the making of sales, that is, effecting ownership transfers; but also is identifying prospective consumers, stimulating demands and providing information and service to buyers."

### NATURE OF SELLING

- **Core of marketing:** It is the central point of marketing. The main object of marketing is the creation of customers and satisfying the wants of people, which would be possible through selling only.
- **Basis of exchange:** Selling is the source for establishing relations between a seller and a buyer and it is the exchange of goods for a value.
- **Centres around salesmanship:** There are many selling techniques. Salesmanship is one of them. The salesmanship is the process under which the desires and wants of customers are identified, created and efforts are made to satisfy the wants for mutual interests.
- **Means of promotion:** In the words of Stanton, salesmanship is one of the forms of sales promotion. Personal selling sales promotion, advertising and publicity are specific parts of salesmanship. In the words of Kirkpatrick, "Promotion is a persuasive communication."
- **Creative function:** Selling generates new needs and desires, new demands, newer products and markets. It is the selling which enable to explore new markets.
- **Social character:** Selling is a form of social behaviour and action. It is a combination of various practices, activities and motives. In the words of Edmond Spencer, "Selling is the means of social cultivation and growth."
- **Ingredient of marketing programme:** The scope of marketing is too wider, which includes pricing, development of product, distribution channels and promotional activities. Sales promotion is the basis for formulating marketing politics and programme.
- **Perpetual function:** Selling is a continuous and regular function of a business. It is basis of all other functions of business. The success of selling is therefore, the basis for all other functions of an enterprise.
- **Productive function:** It is through selling the source of income and profits are made available. It is a wealth producing activity. The operational and other expenses of an enterprise are met out from the income generated by selling.

## IMPORTANCE OF SELLING

- **Revenue Generation:** Revenue and sales are closely related. It is the cash that customers give the company in exchange for goods or services. Without income, a business cannot pay its bills, pay its workers, invest in expansion, or even stay afloat. Revenue provides financial support for all business activities.
- **Business Survival:** The survival of a business depends on sales. No matter how cutting-edge a product or service is, there would be no market or demand for it without successful strategies. It guarantees that a company will remain valuable, relevant, and competitive.
- **Market Expansion:** Successful sales enable companies to investigate new markets and clientele. This growth may be geographic, reaching out to new areas, or demographic, focusing on various customer types. By reducing reliance on a single market, customer base diversification lowers risk.
- **Employment Possibilities:** A successful sales department generates numerous job opportunities. To support the process, several positions outside of sales are required, including those in marketing, customer service, logistics, and production. The economy will grow as a result of this job creation.
- **Innovation and Research:** Sales interactions offer insightful information about customer preferences, behaviours, and new trends. Businesses can stay ahead of the curve by innovating and creating new products or services that cater to customer needs by understanding their wants and needs.
- **Marketing Alignment**: Marketing strategies are improved by effective feedback. It aids marketing teams in honing their messaging, determining their target markets, and customizing campaigns to reach prospective clients more. This alignment ensures the conversion of marketing efforts into fruitful leads.
- **Customer Relationships:** When interacting with customers personally, salespeople serve as the company’s public face. These connections are based on mutual understanding, meeting customer needs, and trust. Strong connections result in repeat business, customer loyalty, and favourable word-of-mouth recommendations.
- **Brand Visibility:** Sales efforts introduce Potential customers to a company’s goods or services. Successful marketing initiatives increase brand recognition and visibility, improving brand recall in consumers’ minds.
- **Competition and Innovation:** Competition pushes companies to improve. Companies innovate to outperform competitors, enhancing customer experiences.
- **Economic Growth:** Businesses boost economic growth by selling goods and services. Economic activity generates taxes, jobs, and consumer spending.
- **Partnerships and Alliances:** Sales can lead to business partnerships. These alliances allow companies to share strengths, expand their reach, and offer complementary products or services.
- **Feedback Loop:** Sales interactions provide a valuable feedback loop. Experts ask customers about product performance, satisfaction, and improvement. Feedback refines and develops products and services.

- **Company Culture:** An ethical, customer-focused culture can impact the entire company. Customer-centricity encourages collaboration, innovation, and value delivery.

## ATTRIBUTES OF A GOOD SALES PERSON


- **Physical Qualities:** A salesman should be healthy and should possess an attractive personality. For creating a favourable impression on the customers, good appearance, posture, sound health, pleasing voice. etc., are required. As a salesman is required to travel a lot, he should be physically capable of travelling.
- **Knowledgeable:** A salesman should have complete knowledge of the product and its features, knowledge about the organisation, its philosophy, policies, motto, customers, competitors, etc.
- **Mental Attributes:** A high degree of intelligence and imagination are essential qualities for a successful salesman. He should be in a position to understand customers and read their minds quickly. For effective selling, he should have a creative imagination, keen observation, sharp memory, and good judgement ability.
- **Vocational Attributes:** The salesperson should be highly ambitious and enthusiastic, as salesmanship is a highly skilled vocation. He should be optimistic and should have creative ability and an urge for excellence.

- **Courtesy:** In order to win the trust of customers, a salesman should be polite, sympathetic and courteous. If the language of the salesman is polite, then he can win the buyer's confidence.
- **Tactfulness:** As a salesman has to deal with humans, who differ in aptitudes, viewpoints, requirements, etc., he must be tactful. He must have the ability to adjust to the circumstances and needs of the customers.
- **Self-confidence:** Self-confidence is an essential quality to be a successful salesman. He should have firm determination and take every objection or obstacle as a challenge.
- **Enthusiastic:** A salesman should be enthusiastic and should work with zeal. He should focus on achieving the selling objectives by accepting the challenge of making a positive sale to the customer.
- **Honesty:** The policy of honesty should be practiced by the salesman. He should not try to win customers through false and misleading representations.
- **Persistent:** A salesman should be persistent. He should try to convince the prospects with persistent efforts. He should not give up on the customers soon. Regular and willing customers for the company can be won by the persistent efforts of the salesman.
- **Good Communication Skills:** The success of the sales depends upon the communication skills of the salesman, as selling is a two-way communication process. The salesman should have a controlled voice and demand over the language. He should clearly communicate what he wants to communicate. Moreover, he should not be only a good speaker but also a good listener.

## PERSONALITY AND PHYSICAL CHARACTERSTICS OF SALES PERSON

There are a few natural skills that are of great benefit if they already exist within those that want to be successful in sales. Without these, success will take a longer time but it can still be achieved. If there is no desire and dedication to learning or developing these skills, then the selling will be much more difficult and often very stressful.

**1. Physical Qualities:**

- **Sound Health:** Just like a normal human being, a salesperson Must also be of sound health. A salesperson would be mentally and physically fit only if he has a good health. For a sound health, a salesperson must eat well, sleep well and exercise regularly.
- **Good Appearance:** Good Appearance always attracts people. A salesperson must not be too fat or thin. He must carry his body well.
- **Cheerful Disposition:** A scholar has rightly said that smile is like plague. If the salesperson is cheerful and happy he can make his customer cheerful and happy, which directly helps to have a good conversation and chances of sales increases.
- **Agile:** A good salesperson should always be agile. A lazy and boredom salesman can never attract customers.
- **Postures:** the gestures and postures of a salesman are also crucial in influencing customers. Unnecessary hand-eye movements, shoulder movements etc. Creates wrong impression in the mind of prospective buyers.
- **Cleanliness:** No person likes to sit around and listen to a dirty fellow. A good salesman must have a good hair style, must be well shaved, must have clear nails etc.
- **Clothing:** A well-dressed salesman often attracts customers very easily. He should wear a formal suit with tie. Dressing sense of a salesperson often increases his confidence and likability by the customers.

**2. Speaking Qualities:**

- **Clear Pronunciation:** A salesperson should have clear pronunciation. Otherwise, prospects may misinterpret things. A person without good pronunciation can never become a good salesman.
- **Proper Vocabulary:** While giving presentations, proper choice of word is very important. A salesman must have a good vocabulary to create a lasting impression with words. A salesman must use those words which are easy to understand and easy to pronounce. Technical jargons must be avoided.
- **Effective delivery:** Many times, ‘how we speak’ is more important than ‘what we speak’. If the delivery style is not good, a salesperson may not be able to persuade the customer with good pronunciation and vocabulary.

**3. Mental Qualities:**

- **Resourcefulness:** A resourceful person is one, who understands and behaves according to the changing circumstances. A good salesperson changes his behaviour according to different customers and situations.
- **Intelligence:** A salesperson must be intelligent. A good salesperson could handle objections carefully and easily with his intelligence.
- **Sharp Memory:** To be successful, a salesperson must have a sharp memory. He must be able to remember previous meetings with customers, likes and dislikes of the customers along with various offers being provided by the company.

- **Maturity:** A salesperson must be mature enough to understand his duties and obligations. He must have a sense of what he is talking about and how it will affect the sales of the company.
- **Self-confidence:** Self-confidence is a thing which could help a person to tackle any kind of situation. A good salesman should confident be confident in his presentations skills and objection handling techniques.
- **Ability to Observe and Judge:** The success of a salesperson depends highly on his ability to observe the conditions around him and his ability to take prompt decisions.

**4. Social Qualities:**

- **Sociable:** A good salesperson must be sociable. He must treat everyone equally and meet with them frequently. He must have contacts with everyone whether rich, poor, middle-class people etc.
- **Courtesy:** It is said that courtesy has no cost but has high impact. The salesperson must deal with everyone with courtesy.
- **Co-operative:** A salesman himself needs cooperation from various people. So, he must be cooperative with other members of the sales force, sales managers, customers etc.
- **Convincing Conversationalist:** Salesman must be a good conversationalist. He must have the ability to speak complicated things in a clear and concise manner. He must be able to influence others with his communication skills.
- **Patience:** A salesman has to meet with various kinds of people. Some people deliberately try to annoy the salesperson. Many times sales presentations do not result in effective sales. In such a situation a salesman must remain patient and do not lose his calm.



**5. Moral / Ethical Qualities:**

- **Honesty:** It is said that "honesty is the best policy". A salesperson should not lie to his customers and deliver according to his promises. A dishonest salesperson can never become successful in the long run.
- **Loyalty:** To be successful, a salesperson must be loyal towards his company, sales manager, fellow salespersons and customers.

**6. Professional Qualities:**

- **Educated and trained:** Well-educated and trained salesman could increase sales turnover of the company by his ability to engage with customers. Training helps a salesman to tackle different situations with proper care.
- **Knowledge about the institution:** A salesman must know each and every minute details about the company for which he is working and ever present performances, types of product being offered, the credit policies of the company Etc. Must be known to the salesperson.
- **Knowledge of product:** Ernest and Da Vall have rightly said that 'nothing is important to the salesman than knowing his product salesman must know all the features and ingredients of the product he is offering. He must also know about the different varieties of the same products.

- **Communication Skills:** It is said that personal selling involves a two-way communication between salesman and customer. It is the communication skill of salesman which helps in persuading the customer to buy the product. Good communication skill enables a salesperson to communicate well with seniors, peers and customers.
- **Knowledge of Customers:** A good salesman must have Information's about demographics, buying motives, likes and dislikes etc. Of the customers.

## COMMUNICATION SKILLS FOR SALES PERSON

Strong communication skills are essential for closing deals faster. Having good communication is not only about being able to understand the customer's needs and wants, but also about being able to clearly explain the product or service's benefits and value.

Good communication skills also help in the negotiation process. Being able to successfully negotiate a deal requires strong communication between both parties involved in the sale. A successful negotiation depends on both parties agreeing on a mutually beneficial outcome. Good communicators can quickly identify areas of agreement, find common ground, and make sure that everyone's interests are satisfied. This leads to faster deals and happier customers.

**Communication Skills crucial for Salesperson:**

- **Nonverbal Communication:** Nonverbal cues, such as body language and facial expressions, play a significant role in conveying messages. A successful salesperson is attentive to both verbal and nonverbal signals, adapting their approach based on the client's reactions. Maintaining eye contact, using open body language, and mirroring the client's gestures can build trust and rapport.
- **Active Listening:** True communication is a two-way street. Active listening involves fully concentrating, understanding, responding, and remembering what the client says. By demonstrating genuine interest, paraphrasing, and asking clarifying questions, a sales professional can establish a deeper connection with clients and uncover valuable insights about their needs.
- **Clarity is Paramount:** In sales, clarity is king. A salesperson must convey their message clearly and concisely, avoiding jargon or overly complex language. A client should easily understand the value proposition, product benefits, and how it addresses their specific needs.
- **Be Straightforward:** Honesty and transparency build trust. Being straightforward about the product's features, pricing, and potential limitations establishes a foundation for a lasting client relationship. Clients appreciate sincerity, and it sets the stage for long-term Partnerships.
- **Continue Researching:** A successful salesperson never stops learning. Staying informed about industry trends, competitor products, and client backgrounds demonstrates commitment and professionalism. In-depth knowledge allows a salesperson to tailor their pitch and provide relevant solutions to the client's challenges.
- **Avoid Assumptions:** Assumptions can lead to misunderstandings and missed opportunities. Effective sales communication involves asking questions and seeking clarification rather than making assumptions about a client's needs, preferences, or challenges.
- **Always be Persistent:** Persistence is a vital trait in sales, and effective communication fuels this persistence. Follow-ups, timely responses, and consistent engagement convey dedication and determination. A persistent but respectful approach keeps the lines of communication open and reinforces the salesperson's commitment to the client.

- **Learn to be Comfortable with Silence:** Silence can be a powerful tool in communication. Allowing a moment of silence after presenting a key point or proposal gives the client time to process information and express their thoughts. Comfort with silence demonstrates confidence and gives the client space to share their perspective.
- **Stay Positively Curious:** Maintaining a positive and curious mind-set fosters a continuous desire to learn and understand. Curiosity encourages asking insightful questions, exploring new angles, and adapting strategies based on client feedback. A positive attitude also creates an inviting environment for clients to engage in open and constructive conversations.

# THANK YOU