Introduction:

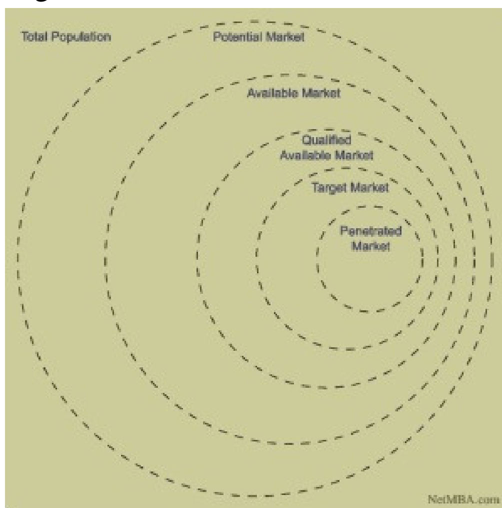
In today's world of marketing, everywhere you go you are being marketed to in one form or another. Marketing is with you each second of your walking life. From morning to night you are exposed to thousands of marketing messages every day. Marketing is something that affects you even though you may not necessarily be conscious of it.

After reading this you'll understand – what exactly the marketing is, different definitions of marketing, and what are the different approaches of marketing.

Market Definition:

In marketing, 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. The market definition begins with the total population and progressively narrows as shown in the following diagram.

Beginning with the total population, various terms are used to describe the market based on the level of narrowing:



Total population

- **Potential market** – those in the total population who have interest in acquiring the product.

- **Available market** – those in the potential market who have enough money to buy the product.
- **Qualified available market** – those in the available market who legally are permitted to buy the product.
- **Target market** – the segment of the qualified available market that the firm has decided to serve (the *served market*).
- **Penetrated market** – those in the target market who have purchased the product.

In the above listing, "product" refers to both physical products and services.

The size of the market is not necessarily fixed. For example, the size of the available market for a product can be increased by decreasing the product's price, and the size of the qualified available market can be increased through changes in legislation that result in fewer restrictions on who can buy the product.

Defining the market is the first step in analyzing it. Since the market is likely to be composed of consumers whose needs differ, market segmentation is useful in order to better understand those needs and to select the groups within the market that the firm will serve.

Marketing Definition :

Marketing is nothing but to Tell about your product and to Sell it. The technical definition is Marketing is the process of planning and executing the concepts, pricing, promotion and distribution of ideas/goods/services to satisfy individual's/organizational.

Marketing is a social and managerial process through which needs and wants of individual/organisation are satisfied by the exchange of goods and services.

NEED: Need can be defined as something that is necessary for survival.

Ex: Drinking water when thirsty is a need.

WANT: It can be called as different ways of satisfying need.

Ex: Drinking coca-cola(or frooti) when thirsty(options avail.)

Selling works on PUSH strategy,whereas marketing works on PULL strategy.

Selling is always a subset of marketing,marketing is a superset.Sales related with short term relations and marketing focuses on long term relations.

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Purpose of selling is to make profit immediately.(Ex: general stores)

Purpose of marketing is to make customer satisfaction and to maintain long term relations.(Ex:DELL service)

There are Several **types of marketing** are there, **some of them are :**

The **Bench Marketing** is nothing but the comparison of the business processes with competitors and improving prevailing ones.

The **Drip Marketing** is nothing but sending promotional items to Clients.

The **Viral Marketing** is nothing but, Marketing by the word of the mouth, having a high pass-rate from person to. The best example for this is Creating a 'buzz' in the industry.

The **Guerilla Marketing** is an Unconventional marketing intended to get maximum results from minimal resources.

(just remember Maximum results from Minimum resources)

Social Media Marketing :

Marketing using online communities, social networks, blog marketing etc is called the social media marketing.

Direct Marketing :

If the company directly reaches to the customers on a personal basis (ex : phone calls, private mailings, etc) rather than traditional channel of advertising (like TV, Newspapers, etc) then that type of marketing is called the Direct Marketing. **Types :** There are number of types in direct marketing, Some of them are……

Direct Mail Marketing :

Advertising material sent directly to home and business addresses (This is the most common form of direct marketing)

Telemarketing : It is the second most common form of direct marketing, in which marketers contact consumers by phone.

Email Marketing: This type of marketing targets customers through their email accounts (you might have observed them in your e mails too)

Indirect Marketing :

Distributing a particular product through a channel that includes one or more resellers is called Indirect Markeging (simply we can say that telling about our product indirectly)

Difference between Direct and Indirect Marketings :

In Direct marketing you advertise your own products or services. But in Indirect marketing you advertise somebody else's Product.

Ex : Example of direct marketing is Shivani Sharma… As she markets her blog on her own. Example of Indirect marketing is Katrina Kaif, as she markets LUX but she doesn't own that company

Internet Marketing

Marketing of products or services over the Internet is called Internet Marketing. It is also know as i-marketing, web-marketing, online-marketing, Search Engine Marketing (SEM) and e-Marketing.

Digital Marketing

The marketing which uses digital advertising is called digital marketing. Television, Radio, Internet, mobile etc.

Customer: A customer is the recipient of good/service/idea obtained from a seller.

Consumer: The one who consumed or utilises good/product is called as consumer. A customer may or may not be a consumer. **Ex:** A father purchases a 5star for his son, here father is the customer and son is the consumer.

Types of consumer goods:

Consumer goods (such as bread, milk,paper, sugar) that are bought often and consumed routinely.

Impulse: Purchased suddenly on stimuli(Ex:chocolates kept at billing counter).

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Shopping goods: Goods which are occasionally purchased,cost is moderate. People invest time and efforts.Brand may be considered. **Ex:**Textiles,watches,costumes.

Special goods: Goods which are purchased very rarely as they are very expensive.one or two outlets are available.people are extremely brand conscious. **Ex:** Jewellery,paintings,BMW cars.

Unsought goods: Even though customers are not interested,he/she forced to buy because of some obligations.
Ex: Insurance policies,ice box for the dead.

Niche market: Market which focuses on particular segment and creating distinct image. **Ex:** nano car.

Customised product: Customer requirements are taken into account.

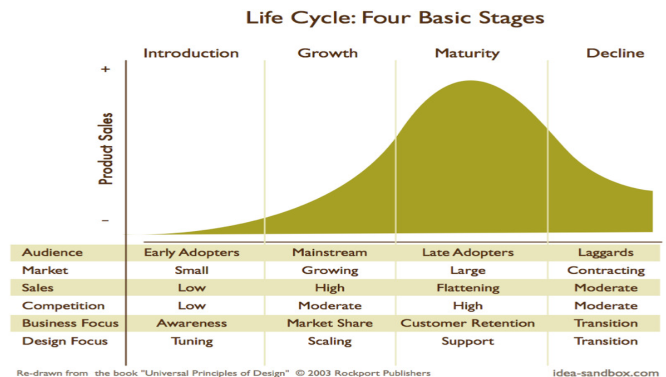
Augmented product: Improvement made by the manufacturer voluntarily.

Potential product: Which may introduce in the future depending on technological and economic resources of the firm.

Unique selling proposition(USP): A quality feature design which is available only in one product which is not in other products. **Ex:** bajaj pulsar,yamaha fz.

Product Life Cycle Concept

We have a life cycle, we are born, we grow, we mature, and finally we pass away. Similarly, products also have life cycle, from their introduction to decline they progresses through a sequence of stages. The major stages of the product life cycle are – introduction, growth, maturity, and decline. Product life cycle describes transition of a product from its development to decline.
Product life cycle can be defined as *"the change in sales volume of a specific product offered by an organisation, over the expected life of the product."*



	Introduction	Growth	Maturity	Decline
Audience	Early Adopters	Mainstream	Late Adopters	Laggards
Market	Small	Growing	Large	Contracting
Sales	Low	High	Flattening	Moderate
Competition	Low	Moderate	High	Moderate
Business Focus	Awareness	Market Share	Customer Retention	Transition
Design Focus	Tuning	Scaling	Support	Transition

Stages of the Product Life Cycle

The four major stages of the product life cycle are as follows :-

1. Introduction,
2. Growth,
3. Maturity, and
4. Decline.

Introduction Stage

At this stage the product is new to the market and few potential customers are aware with the existence of product. The price is generally high. The sales of the product is low or may be restricted to early adopters.

Growth Stage

At this stage the product is becoming more widely known and acceptable in the market. Marketing is done to strengthen brand and develop an image for the product. Prices may start to fall as competitors enters the market. With the increase in sales, profit may start to be earned, but advertising cost remains high.

Maturity Stage

At this stage the product is competing with alternatives. Sales and profits are at their peak. Product range may be extended, by adding both withe and depth. With the increases in competition the price reaches to its lowest point.Advertising is done to reinforce the product image in the consumer's minds to increase repeat purchases.

Decline Stage

At this stage sales start to fall fast as a result product range is reduced. The product faces reduced competition as many players have left the market and it is expected that no new competitor will enter the market. Advertising cost is also reduced.

STAGE SALES PROFIT

Types of Pricing:

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Price is the monetary value given by the customer for the exchange of goods and services.

Follow leader: Adjust the prices according to the dominant player in the market.
Ex: apple (smart phones).

Cost plus: Keeping price just above the cost price to recover the operational expenditure.
Ex: R.K.(ramakrishna) MATH spoken english book for 25/- only

Penetration: Keeping prices low initially when a product is released for the first time.
Ex: sakshi paper for only 2/- with full color pages instead of 3/-

Predatory: keeping the prices low to kill competitors and later increasing it after the competitors left the market.
Ex: Stores like Walmart will effect the kirana stores in the same way.

Skimming: opposite of predatory,keeping prices very high initially when there is no competition and later decreasing it to match the competition.
Ex: Iphone.

Psychological pricing: Offering different ranges of prices to give psychological comfort to the buyer.
Ex: 499,299,599/- customer thinks that it is only in 400's,200's & 500's range.

Deceptive pricing: Promotion tactics disguise customer from knowing the actual price.
Ex: Koti market(Hyderabad) goods,initially,seller will tell the price of a luggage bag as 500/-later on bargaining he will give it to 100/-

Promotion: Purpose is to create awareness about a product in the market.

Advertisements: Paid form of impersonal communications.

Publicity: Ads, hoardings, pamphlets.

Direct selling: DSA approaches buyer personally at their doorsteps to know the consumer behaviour.(very effective but expensive too).

Aggressive marketing: Style of promoting a product which is very forceful or energetic due to increase in the competition.

Co-branding: Promotion of two related products through common brand.
Ex: Nike and Apple brought fitness and music together by developing a wireless music kit along with the shoes.

Place: Product should be made available at a convenient location to the customers.

Length of the channel: no. of intermediaries between actual producer and the final consumer.

Push: Forced to buy the goods by keeping offers like buy 1 get 2.

Pull: Pleasure to buy the goods like android mobiles. Cold call: Persuading or motivating a customer to buy immediately who is in dilemma.

Customisation: Modifying basic products as suitable to the customers.

Standardisation: Offering same product of same quality globally.

Consumer black box: What goes on in the minds of the customer actually at the time of buying a product.

Societal marketing: Marketing for a social cause(CSR-corporate social responsibility)

Ethical marketing: Explaining positives and negatives in a realistic manner about a product for the benefit of the customers.
Purpose of marketing research is to identify need and want of the customer through primary and secondary data.
Primary data is collected through survey,secondary data is collected through official record.
Best approach for exploratory research is observation.
Best approach for casual research is experimental.
Best approach for descriptive research is survey.

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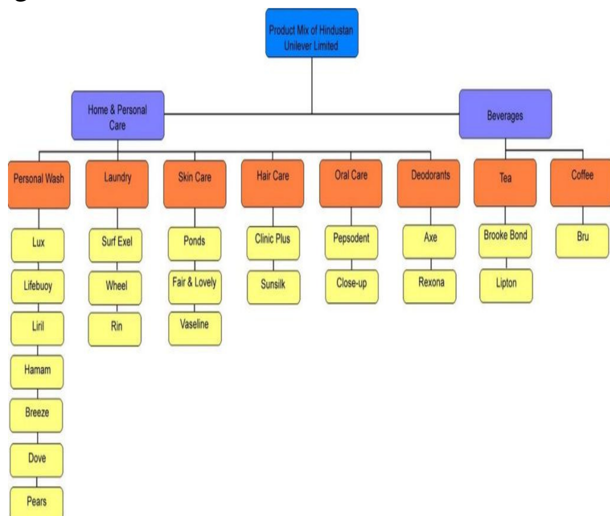
Meaning of Product Mix

Product mix or product assortment refers to the number of product lines that an organisation offers to its customers. **Product line** is a group of related products manufactured or marketed by a single company. Such products function in similar manner, sold to the same customer group, sold through the same type of outlets, and fall within a same price range .



Product mix consists of various product lines that an organisation offers, an organisation may have just one product line in its product mix and it may also have multiple product lines. These product lines may be fairly similar or totally different, for **example** – *Dish washing detergent liquid* and *Powder* are two similar product lines, both are used for cleaning and based on same technology; whereas *Deodorants*and *Laundry* are totally different product lines.

An organisation's product mix has following four dimensions :-

1. Width,
2. Length,
3. Depth, and
4. Consistency.
5.

Product width: No. of categories in a product mix.
Ex: hair care,skin care etc.

Product depth: No. of alternatives in each category.
Ex: soap category:lux,cinthol,pears,lifebuoy.

Marketing Mix :

Marketing mix is a tool in the hand of marketer, which is a mixture of several ideas and plans, to promote a particular product. Different models of marketing mix:

Four P model–

This is also known as producer oriented model. It was proposed by EJ McCarthy in 1960.

Elements:
(a) Product – The thing which is offered
(b) Price – High/low, stable/fluctuating
(c) Promotion – Brand recognition and positioning
(d) Place – Convenient for consumers

Seven P model

It was proposed by Booms and Bitner in 1981.
Elements:

(a) Physical evidence – Interior
(b) People – Human resources
(c) Process – Quality

Four C model

It is a consumer oriented model. It was proposed by Lauterborn in 1993.
Elements:
(a) Product – Consumer
(b) Price – Cost
(c) Promotion – Communication
(d) Place – Convenience/channel for consumers

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Seven C model Elements:

(a) Consumers
(b) Cost
(c) Communication
(d) Convenience/channel
(e) Corporation
(f) Commodity
(g) Circumstances

Some Basic Banking Terms:

1) RBI – The Reserve Bank of India is the apex bank of the country, which was constituted under the RBI Act, 1934 to regulate the other banks, issue of bank notes and maintenance of reserves with a view to securing the monetary stability in India.

2) Demand Deposit – A Demand deposit is the one which can be withdrawn at any time, without any notice or penalty; e.g. money deposited in a checking account or savings account in a bank.

3) Time Deposit – Time deposit is a money deposit at a banking institution that cannot be withdrawn for a certain "term" or period of time. When the term is over it can be withdrawn or it can be held for another term.

4) Fixed Deposits – FDs are the deposits that are repayable on fixed maturity date along with the principal and agreed interest rate for the period. Banks pay higher interest rates on FDs than the savings bank account.

5) Recurring Deposits – These are also called cumulative deposits and in recurring deposit accounts, a certain amounts of savings are required to be compulsorily deposited at specific intervals for a specified period.

6) Savings Account – Savings account is an account generally maintained by retail customers that deposit money (i.e. their savings) and can withdraw them whenever they need. Funds in these accounts are subjected to low rates of interest.

7) Current Accounts – These accounts are maintained by the corporate clients that may be operated any number of times in a day. There is a maintenance charge for the current accounts for which the holders enjoy facilities of easy handling, overdraft facility etc.

8) FCNR Accounts – Foreign Currency Non-Resident accounts are the ones that are maintained by the NRIs in foreign currencies like USD, DM, and GBP etc. The account is a term deposit with interest rates linked to the international rates of interest of the respective currencies.

9) NRE Accounts – Non-Resident External accounts are the ones in which NRIs remit money in any permitted foreign currency and the remittance is converted to Indian rupees for credit to NRE accounts. The accounts can be in the form of current, saving, FDs, recurring deposits. The interest rates and other terms of these accounts are as per the RBI directives.

10) Cheque Book – A small, bound booklet of cheques. A cheque is a piece of paper produced by your bank with your account number, sort-code and cheque number printed on it. The account number distinguishes your account from other accounts; the sort-code is your bank's special code which distinguishes it from any other bank.

11) Cheque Clearing – This is the process of getting the money from the cheque-writer's account into the cheque receiver's account.

12) Clearing Bank – This is a bank that can clear funds between banks. For general purposes, this is any institution which we know of as a bank or as a provider of banking services.

13) Bounced Cheque – when the bank has not enough funds in the relevant account or the account holder requests that the cheque is bounced (under exceptional circumstances) then the bank will return the cheque to the account holder.

14) Credit Rating – This is the rating which an individual (or company) gets from the credit industry. This is obtained by the individual's credit history, the details of which are available from specialist organisations like CRISIL in India.

15) Credit-Worthiness – This is the judgement of an organization which is assessing whether or not to take a particular individual on as a customer. An individual might be considered credit-worthy by one organisation but not by another. Much depends on whether an organization is involved with high risk customers or not.

16) Interest – The amount paid or charged on money over time. If you borrow money interest will be charged on the loan. If you invest money, interest will be paid (where appropriate to the investment).

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17) Overdraft – This is when a person has a minus figure in their account. It can be authorized (agreed to in advance or retrospect) or unauthorized (where the bank has not agreed to the overdraft either because the account holder represents too great a risk to lend to in this way or because the account holder has not asked for an overdraft facility).

18) Payee – The person who receives a payment. This often applies to cheques. If you receive a cheque you are the payee and the person or company who wrote the cheque is the payer.

19) Payer – The person who makes a payment. This often applies to cheques. If you write a cheque you are the payer and the recipient of the cheque is the payee.

20) Security for Loans – Where large loans are required the lending institution often needs to have a guarantee that the loan will be paid back. This takes the form of a large item of capital outlay (typically a house) which is owned or partly owned and the amount owned is at least equivalent to the loan required.

21) Internet Banking – Online banking (or Internet banking) allows customers to conduct financial transactions on a secure website operated by the bank.

22) Credit Card – A credit card is one of the systems of payments named after the small plastic card issued to users of the system. It is a card entitling its holder to buy goods and services based on the holder's promise to pay for these goods and services.

23) Debit Card – Debit card allows for direct withdrawal of funds from customers bank accounts. The spending limit is determined by the available balance in the account.

24) Loan – A loan is a type of debt. In a loan, the borrower initially receives or borrows an amount of money, called the principal, from the lender, and is obligated to pay back or repay an equal amount of money to the lender at a later time. There are different kinds of loan such as the house loan, auto loan etc.

25) Bank Rate – This is the rate at which central bank (RBI) lends money to other banks or financial institutions. If the bank rate goes up, long-term interest rates also tend to move up, and vice-versa.

26) CRR – Cash reserve Ratio (CRR) is the amount of funds that the banks have to keep with RBI. If RBI decides to increase the percent of this, the available amount with the banks comes down. RBI is using this method (increase of CRR rate), to drain out the excessive money from the banks.

27) SLR – SLR stands for Statutory Liquidity Ratio. This term is used by bankers and indicates the minimum percentage of deposits that the bank has to maintain in form of gold, cash or other approved securities. Thus, we can say that it is ratio of cash and some other approved to liabilities (deposits). It regulates the credit growth in India.

28) ATM – An automated teller machine (ATM) is a computerised telecommunications device that provides the clients with access to financial transactions in a public space without the need for a cashier, human clerk or bank teller. On most modern ATMs, the customer is identified by inserting a plastic ATM card with a magnetic stripe or a plastic smart card with a chip, that contains a unique card number and some security information such as an expiration date or CVV. Authentication is provided by the customer entering a personal identification number (PIN)

29) REPO RATE: – Under repo transaction the borrower places with the lender certain acceptable securities against funds received and agree to reverse this transaction on a predetermined future date at agreed interest cost. Repo rate is also called (repurchase agreement or repurchase option).

30) REVERSE REPO RATE: is the interest rate earned by the bank for lending money tothe RBI in exchange of govt. securities or "lender buys securities with agreement to sell them back at a predetermined rate".

31) CASH RESERVE RATIO: specifies the percentage of their total deposits the commercial bank must keep with central bank or RBI. Higher the CRR lower will be the capacity of bank to create credit.

32) SLR: known as Statutorily Liquidity Ratio. Each bank is required statutorily maintain a prescribed minimum proportion of its demand and time liabilities in the form of designated liquid asset.

OR

"Every bank has to maintain a percentage of its

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demand and time liabilities by way of cash, gold etc".

33) BANK RATE: is the rate of interest which is charged by RBI on its advances to commercial banks. When reserve bank desires to restrict expansion of credit it raises the bank rate there by making the credit costlier to commercial bank.

34) OVERDRAFT: It is the loan facility on customer current account at a bank permitting him to overdraw up to a certain agreed limit for a agreed period ,interest is payable only on the amount of loan taken up.

35) PRIME LENDING RATE: It is the rate at which commercial banks give loan to its prime customers.

36) IFSC: IFSC stands for Indian Financial System Code. It is an alpha-numeric code that uniquely identifies a bank-branch participating in the NEFT system.

ii. This is an 11 digit code with the first 4 alpha characters representing the bank, The 5th character is 0 (zero) and the last 6 characters representing the bank branch.

iii. IFSC is used by the NEFT system to identify the originating / destination banks / branches and also to route the messages appropriately to the concerned banks / branches.

For ex: SBIN0015986 :

(a) First 4 character SBIN – refers to State Bank of India.

(b) 0 is a control number.

(c) Last six characters (015986) represents the SBI branch name.

37) MICR : MICR stands for Magnetic Ink Character Recognition. MICR Code is a 9 numeric digit code which uniquely identifies a bank branch participating in the ECS Credit scheme. MICR code consists of 9 digits e.g 400229128

i. First 3 digits represent the city (400)

ii. Next 3 digits represent the bank (229)

iii. Last 3 digits represent the branch (128)

The MICR Code allotted to a bank branch is printed on the MICR band of cheque leaves issued by bank branches.

38) Cheque Truncation:

i. Truncation is the process of stopping the flow of the physical cheque issued by a drawer at some point with the presenting bank en-route to the drawee bank branch.

ii. In its place an electronic image of the cheque is transmitted to the drawee branch by the clearing house, along with relevant information like data on the MICR band, date of presentation, presenting bank, etc.

iii. Cheque Truncation speeds up the process of collection of cheques resulting in better service to customers, reduces the scope for clearing-related frauds or loss of instruments in transit, lowers the cost of collection of cheques, and removes reconciliation-related and logistics-related problems, thus benefiting the system as a whole.

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