CBAT,KUSHTIA

SUB: Principles of Marketing- 2102

Class Note

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Name :................................

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1^{St} Chapter

1. What is marketing?

Marketing : A social and managerial process by which individuals and groups obtain what they need and want through creating aim exchanging products and value with others.

2. What are the difference between need, Want and Demands? (Core marketing concepts)

Human need: The most basic concept underlying marketing is that of human needs. A human need is a state of felt deprivation. Humans have many complex needs. These include basic physical needs for food, clothing, warmth and safety; social needs for belonging and affection.
Human want: The form that a human need takes as shaped by culture and individual personality.
Demands: Human wants that are backed by buying power.
Outstanding marketing companies go to great lengths to learn about and understand their customers' needs, wants and demands.

3. Describe Marketing concepts or philosophy.

production concept : The philosophy that consumers will favor products that are available and highly affordable, and that management should therefore focus on improving production and distribution efficiency.
product concept : The idea that Consumers will favor products that offer the most quality, performance and features, and that the organization should therefore, devote its energy to making continuous produce improve merits.
selling concept : The idea that consumers will not buy enough of the organization's products unless the organization undertakes n large-scale selling and promotion effort.
marketing concept : The marketing management philosophy which holds that achieving organizational goals depends on determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors do.
societal marketing concept: The idea that the organization should determine the needs, wants and interests of target markets and deliver the desired satisfactions more effectively and efficiently than competitors in a way that maintains or improves the consumer's and society's well-being.

4. The elements of Marketing Mix.

product : Anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, persons, place, organizations and ideas.
price : The amount of money charged for a product or service, or the sum of the values the consumers exchange for the benefits of having or using the product or service.
place : All the company activities that make the product or service available to target customers.
promotion: Activities that communicate the product or service and its 'merits to target customers and persuade them to buy.

5. 4Cs

Customer needs and wants : Customers See themselves as buying value or solutions to their problems.
Customer cost: Customers are interested in the total cost of obtaining, using and disposing of a product.
Convenience: Customers want the product and service to be as conveniently available as possible.
Communication: Customers want two-way communication.
Marketers would do well do well to think through the four Cs first and them build the Ps on that platform.

2^{nd} Chapter

6. What is marketing environment?

marketing environment The actors and forces outside marketing that off eat marketing management's ability to develop and maintain successful I transactions with its target customers.

7. deference between Microenvironment and macro environment

Microenvironment : The forces close to the company that affect its ability to serve its customers – the company, market channel firms, customer markets, competitors and publics.

macro environment : The larger societal forces that affect the whole microenvironment demographic, economic, natural, technological, political and cultural forces.

8. Discuss how Macro marketing forces affects the decision of a company?
Demographic forces/ Economic forces/ Natural forces/ Technological forces/ Political forces/ Cultural forces.

9. State how Macro marketing forces affects the decision of a company?
Their success will also be affected by actors in the company's microenvironment. These actors include other company departments, suppliers, marketing intermediaries, customers, competitors and various publics.
The Company: Top management sets the company's mission, objectives, broad strategies and policies.
Suppliers: Firms and individuals that provide the resources needed by the company and its competitors to produce goods and services.
Marketing intermediaries: Firms that help the company to promote, sell and distribute its goods to final buyers; they include physical distribution firms, marketing-service agencies and financial intermediaries.
Customers: The Company must study its customer markets closely.
Competitors: The marketing concept states that, to be successful, a company must provide greater customer value and satisfaction than its competitors do.
public: Any group Chat has an actual or potential interest in or impact on an organization's ability to achieve its objectives.

10. Identify the different types of publics?
We can identify 7 types of publics...
1. Financial publics. Financial publics influence the company's ability to obtain funds. Banks, investment houses and stockholders are the principal financial publics.
2. Media publics. Media publics are those that carry news, features and editorial opinion. They include newspapers, magazines and radio and television stations.
3. Government public: Management must take government developments into account.
4. Citizen action publics. A company's marketing decisions may be questioned by consumer organizations, environmental groups, minority groups and other pressure groups.
5. Local publics. Every company has local publics, such as neighborhood residents and community organizations.
6. General public. A company needs to be concerned about the general public's attitude towards its products and activities.
7. Internal publics: A company's internal publics include its workers, managers, volunteers and the board of directors.

11. Discuss how companies can react to the marketing environment?
Companies can passively accept the marketing environment as an uncontrollable element to which they must adapt, avoiding threads and taking advantage of opportunities as they arise or they can take a proactive stance, working to change the environment rather than simply reacting to it.

3rd Chapter

12. Consumer buying behavior.
The buying behavior of final consumer’s individuals and households who buy goods and services for personal consumption.

13. Models of Consumer Behavior?
(a) Marketing and other stimuli : (i) Marketing (product, Price, Place, promoting) (ii) Other (Economic, Technological, Political, cultural) (B) Buyer’s black box : (i) Buyer Characteristics (ii) buyer decisions process, (C) Buyer responses: (i) Product choice (ii) brand choice (iii) Dealer choice (iv) Purchase timing (v) Purchase amount.

14. The Buyer Decision Process.
need recognition: The first stage of the buyer decision process in which the consumer recognizes a problem or need.

Information search: The stage of the buyer decision process in which the consumer is aroused to search for more information.
Alternative evaluation: The stage of the buyer decision process in which the consumer uses information to evaluate alternative brands in the choice set.
purchase decision : The stage of the buyer decision process in which the consumer actually buys the product.
Post purchase behavior : The stage of the buyer decision, process in which consumers take further action after purchase based on their satisfaction or dissatisfactions.

15. The Buyer Decision Process for New Products
Consumers go through five stages in the process of adopting a new product:
1. Awareness: The consumer becomes aware of the new product, but lacks
Information about it.
2. Interest: The consumer seeks information about the new product.
3. Evaluation: The consumer considers whether trying the new product makes
Sense.
4. Trial: The consumer tries the new product on a small scale to improve his
or her estimate of its value.
5. Adoption: The consumer decides to make full and regular use of the new
Product.

16. Discuss the brief the individual differences in innovativeness for a new product.
The characteristics of the new product affect its rate of adoption. For example, consider the characteristics of the Mini Disc in relation to the rate of adoption:
(I) Relative advantage: the degree to which the innovation appears superior to existing products.
(ii) Compatibility: the degree to which the innovation fits the values and experiences of potential consumers.
(iii) Complexity: the degree to which the innovation is difficult to understand or use.
(iv) Divisibility: the degree to which the innovation may be tried on a limited basis.
(v) Communicability: the degree to which the results of using the innovation can be observed or described to others.

17. Characteristics Affecting Consumer Behavior.
Cultural Factors: Cultural factors exert the broadest and deepest influence on consumer behavior. The marketer needs to understand the role played by the buyer's culture, subculture and social class.
Social Factors : A consumer's behavior is also influenced by social factors, such as the consumer's small groups, family, and social roles and status.
Personal Factors: A buyer's decisions are also influenced by personal characteristics such as the buyer's age and life-cycle stage, occupation, economic situation, lifestyle, and personality and self-concept.
Psychological Factors: A person's buying choices are further influenced by four important psychological factors motivation, perception, learning, and beliefs and attitudes.

4th Chapter

18. Discuss the Three stapes of target Marketing?
Directing a company's effort towards serving one or more groups of customers sharing common needs or characteristics.
Market segmentation: Dividing a market into distinct groups of buyers with different needs, characteristics or behavior, who might require separate produces or marketing mixes.
Market targeting: The process of evaluating each market segment's attractiveness and selecting one or more segments for enter.
market positioning: Arranging for a product to occupy a clear, distinctive and desirable place relative to competing products in the minds of target consumers. Formulating competitive positioning for a product and a detailed marketing mix.

19. The major segmentation for business market.

Consumer and business marketers use many of the same variables to segment their markets. Business buyers segment geographically or by benefits sought, user status, usage rate, loyalty status, readiness state and attitudes.
Yet business marketers also use some additional variables which, include business customer demographics (industry, company size); operating characteristics; buying approaches; situation a ! factors; and personal characteristics.21 The table lists important questions that business marketers should ask in determining which customers they want to serve. By going after segments instead of the whole market, companies have a much better chance to deliver value to consumers and to receive maximum rewards for close attention to consumer needs.

20. Segmenting Consumer Markets
There is no single way to segment a market. Here we look at the major geographic, demographic, psychographic and behavioral variables.
geographic segmentation : Dividing a market in to different geographical units such as Tuitions, states, regions, counties, cities or neighborhoods.
demographic segmentation: Dividing the marksc into groups based on demographic variables such as age, sex, family size, family life cycle, income, occupation, education, religion, race and nationality.
Psychographic segmentation: Dividing a market into different groups bused on social class, lifestyle or personality characteristics.
behavioral segmentation: Dividing a market into groups based on consumer knowledge, altitude, use or response to a product.

21.The deferent target marketing strategies?
The firm can adopt one of three market-coverage strategies: undifferentiated marketing, differentiated marketing and concentrated marketing.
undifferentiated marketing: A market-coverage strategy in 'which a firm decides to ignore market segment differences and go after the whole marker 'with one offer.
differentiated marketing: A marker-coverage strategy in which a firm decides to target several market segments and designs separate offers for each.
Concentrated marketing: A market-coverage strategy in which a firm goes after a large share of one or a few submarkets.

22. Requirements for Effective Segmentation.
To be useful, market segments must have the following characteristics:
measurability: The degree to 'which the size, purchasing pries and profits of a market segment can be measured.
accessibility: The degree to which a market segment can he reached and served.
substantiality: The degree to which a market segment in sufficiently large or profitable.
action ability: The degree to –which effective programmers can be designed/or attracting and serving a given market segment.

23. Evaluating Market Segments
In evaluating different market segments, a firm must look at two dimensions; segment attractiveness and company fit.
The company must first collect and analyze data on current sales value, projected sales-growth rates and expected profit margins for the various segments. Some companies will want to target segments with large current sales, a high growth rate and a high profit margin. However, the largest, fastest-growing segments are not always the most attractive ones for every company. Smaller companies may find that they lack the skills and resources needed to serve the larger segments, or that these segments are too competitive. Such companies may select segments that are smaller and less attractive, in an absolute sense, but that are potentially more profitable for them.

5^{th} Chapter

24. what is product and service?

product: Anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a -want or need. It includes physical objects, services, persons, places, organizations and ideas.
services: Activities, benefits or satisfactions that are offered for sate.

25. three levels of product.

Product planners need to think about the product on three levels.
core product: The most basic level is the core product, which addresses the question: What is the buyer really buying?
actual product: The product planner must next build an actual product around the core product.
augmented product: Finally, the product planner must build an augmented product around the core and actual products by offering additional consumer services and benefits.

26. Classifications of consumer product.

A product bought by final consumers for personal consumption.
Convenience product: A consumer product that the customer usually buys frequently, immediately, and with a minimum of comparison and buying effort.
shopping product: A consumer produce that The customer, in the process of selection and purchase, characteristically compares -with others on such bases as suitability, quality, price and style.
specialty product: A consumer product with unique characteristics or brand identification for which a significant group of buyers is 'willing to make a special purchase effort.
unsought product: A consumer product that the consumer either does not know about or knows about but does not normally think of buying.
industrial product: A product bought by individuals and organizations for further processing or for use in conducting a business.

27. Development of brand?

A company has four choices when it comes to brand strategy.
line extension: Using a successful brand name to introduce additional items in a given product categories.
brand extension: Using u successful brand name to launch or modified produce in a new category.
multi brands strategy: A strategy under a seller develops products or more brands in the same product category.
New brands: Firms that power a multi brand approach are likely to create a new brand to differentiate a new product, whether it is introduced into an existing or a new-product category.

28. Deferent dimensions of product mix.

These product-mix dimensions provide the handles for defining the company's product Strategy. The company can increase its business in four ways:
1. It can add new product lines, thus widening its product mix. In this way, its new lines build on the company's reputation in its other lines.
2. The company can lengthen its existing product lines to become a more fullline company.
3. It can add more product versions of each product and thus deepen its product mix.
4. The company can pursue more product line consistency, or less, depending on whether it wants to have a strong reputation in a single field or in several fields.

29. Nature and Characteristics of a Service.

A company must consider five main service characteristics when designing marketing programmers: intangibility, inseparability, variability, perish ability and lack of ownership. We will look at each of these characteristics in the following sections.
service intangibility: A major characteristic of services - they cannot he .seen, tasted, felt, heard or smelted before they are bought.
service inseparability: A major characteristic of services - they are produced and consumed at the same time and cannot he separated from their providers, whether the providers are people or machines.

service variability: A major characteristic of services their quality may vary greatly, depending on –who provides them and when, where and how.
service perish ability: A major characteristic of services - they cannot be scored for Inter sale or use.

30. Marketing Strategies for Service Firms.
Thus successful service companies focus their attention on both their employees and customers. They understand the service-profit chain, which links service firms' profits with employee and customer satisfaction. This chain consists of five links:
1. Healthy service profits and growth: superior service firm performance, which results from...
2. Satisfied and loyal customers: satisfied customers who remain loyal, repeat purchase and refer other customers, which results from ...
3. Greater service value: more effective and efficient customer value creation and service delivery, which results from...
4. Satisfied and productive service employees: more satisfied, loyal and hard-working employees, which results from...
5. Internal service quality: superior employee selection and training, a quality work environment and strong support for those dealing with customers.

31. The new-product development process.
The new-product development process for finding and growing new products consists of nine main steps.
idea generation: The systematic search for new-product ideas.
Internal Sources: Many new-product ideas come from internal sources within the company.
idea screening: Screening new-product ideas in order to spot good ideas and drop poor ones as soon as possible.
product concept: A detailed version of the new-product idea stated in meaningful consumer terms.
concept testing: Testing new product concepts with a group of target consumers to find
out if the concepts have strong consumer appeal.
marketing strategy: The marketing logic by TC/MC/I the business unit hopes to achieve its marketing objectives.
business analysis: A review of the sales, costs and profit projections for a new product to find out whether these factors satisfy the company's objectives.
product development: Developing the product concept into a physical product in order to ensure that the product idea can be turned into a workable product.
test marketing: The stage of new product development where the product and marketing programmed are tested in more realistic market settings.
Commercialization: Introducing a new product into the market.

32. Product Life-Cycle Strategies
The .product life cycle has five distinct stages:
1. Produce development begins when the company finds and develops a new-product idea.
2. Introduction is a period of slow sales growth as the product is being introduced in the market, Profits are non-existent in this stage because of the heavy expenses of product introduction.
3. Growth is a period of rapid market acceptance and increasing profits.
4. Maturity is a period of slowdown in sales growth because the product has achieved acceptance by most potential buyers.
5. Decline is the period when sales fall off and profits drop.

6th chapter

33. Factors to considering setting prices Or, Approach prices?
Value Based pricing: Setting prices based on buyers perceptions of value rather than on the sellers cost.
Good-value pricing: Offering just the right combination of quality and good service at a fair price.
Value-added pricing: Attaching value-added features and services to differentiate a companies offers and to support charging higher prices.
Cost-based pricing: Setting prices based on the costs of producing distributing and selling the product plus a fair rate of return for effort and risk.

34. Adjusting prices.
the segmented pricing must he legal.
psychological pricing: A pricing approach that considers the psychology of prices and not simply the economics; the price is used to say something about the product.
promotional pricing: Temporarily pricing products below the list price, and sometimes even below cost, to increase short-run sales.
value pricing: Offering just the right combination of quality and good seroice at a fair price.
geographical pricing: Pricing bused on where customers are located.
International price: escalation: a pair of Luvs selling/or S30 in the United States goes for over Tk.60 in a Levi's boutique in Korea and other Pacific Rim countries.

7th Chapter

35.Channel members add value.
Members of the marketing channel perform many key functions. Some help to complete transactions:
• **Information:** Gathering and distributing marketing research and intelligence information about actors and forces in the marketing environment needed for planning and facilitating exchange.
• **Promotion**: Developing and spreading persuasive communications about an offer.
• **contact:** Finding and communicating with prospective buyers.
• **Matching:** Shaping and fitting the offer to the buyer's needs, including such activities as manufacturing, grading, assembling and packaging.
• **Negotiation:** Reaching an agreement on price and other terms of die offer, so that ownership or possession can be transferred.
Others help to the completed transactions:
• **Physical distribution:** Transporting and storing goods.
• **Financing:** Acquiring and using funds to cover the costs of the channel work.
• **Risk taking:** Assuming the risks of carrying out the channel work.

36. Channel Management Decisions
Channel management calls for selecting and motivating individual channel members and evaluating their performance over time.
Selecting Channel Members: Producers vary in their ability to attract qualified marketing intermediaries. Some producers have no trouble signing up channel members.
Motivating Channel Members: Channel members must be continuously motivated to do their best. The company must sell not only through the intermediaries, but to them. Most producers see gaining intermediary co-operation as the primary problem.
Evaluating and Controlling Channel Members: The producer must regularly monitor the channel's performance against agreed targets such as sales quotas, average inventory levels, customer delivery time, treatment of damaged and lost goods, co-operation in company promotion and training programmers, and services to the customer.

37. Channel Design Decisions.
Designing a channel system calls for:
• **Analyzing customer service needs :** Marketing channels are viewed as customer value delivery systems in which each channel member adds value for the customer.
• **Defining the channel objectives and constraints:** Channel objectives should be stated in terms of the desired service level of target customers.
• **Identifying the major channel alternatives:** Having defined its channel objectives, the firm then identifies its major channel alternatives in terms of the types and number of intermediaries to use and the responsibilities of each channel member.
• **Evaluating those alternatives :** Suppose a company has identified several channel alternatives and wants to select the one that will best satisfy its long-run objectives.

38. Types of Identifying the major channel alternatives.

• **Direct marketing:** A number of direct marketing approaches can be used, ranging from direct-response selling via advertisements in print media, on radio or television, by mail order and catalogues to telephone and Internet selling.
• **Salesjbrce:** The company can sell directly through its own salesjjyrce or deploy another firm's sales force, as Glaxo did with its best-selling anti-ulcer drug. Zantac.
• **Intermediaries :** These arc independent organizations that will carry out a number of activities.

39. Types of intermediaries.
A firm should identify the types of channel members available to carry out its channel work.
Company Sales force : Assign outside sales people to territories and have them contact all prospects in the area.
Manufacturers agency: Manufacturers' agents or representatives arc the most common type of agent. They represent two or more manufacturers of related lines.
Industrial distributors: Find distributors in the differed regions or industries who will by and carry the new line.

Evaluating the Main Alternatives: Suppose a company has identified several channel alternatives and wants to select the one that will best satisfy its long-run objectives. The firm must evaluate each alternative against economic, control and adaptive criteria. To be considered, a channel involving long-term commitment should be greatly superior on economic or control grounds.

8th Chapter

40. what is promotion mix?
The specific mix of advertising, personal setting, sales promotion and public relations that a company uses to pursue its advertising and marketing objectives.

41. Consider in setting marketing promotion mix strategics?
Let us define the four main promotion tools:
advertising: Any paid form of non personal presentation and promotion of ideas, goods or sen-was by an identified sponsor.
Personal selling: Oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales and building customer relationships.
• **Sales promotion:** Short-term incentives to encourage the purchase or sale of a product or service.
• **Public relations:** Building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image1, and handling or heading off unfavorable rumors, stories and events.

42. Steps in Developing Effective Communication?
Let us address each of these steps in turn.
Identifying the Target Audience: A marketing communicator starts with a clear target audience in mind.
Determining the Communication Objectives: Once the target audience has been defined, the marketing communicator must decide what response is sought.
Designing a Message : Having defined the desired audience response, the communicator turns to developing an effective message.
Choosing Media: The communicator must now select channels of communication.
Collecting Feedback: After sending the message, the communicator must research its effect on the target audience.

43. Selecting Sales Promotion Tools.
Many tools can be used to accomplish sales promotion objectives. Descriptions of the main consumer and trade promotion tools follow.
Consumer Promotion Tools: Sales promotion tools used to urge short-term customer buying or to enhance long-term customer relationships.
Sales Promotions in Europe : The sales promotion industry is significantly more developed in the United States than in Europe.

Trade Promotion Tools: Trade promotion can persuade retailers or wholesalers to can a brand, give it shells pace, promote it in advertising and push it to consumers.
Business Promotion Tools: These business promotions are used to generate business leads, stimulate purchases, reward customers and motivate salespeople.