

Introduction To Basic

MARKETING CONCEPTS



Dr. Sunil Kulkarni

Kripa Drishti Publications, Pune.

INTRODUCTION TO BASIC MARKETING CONCEPTS

Dr. Sunil Kulkarni

Kripa-Drishti Publications, Pune.

Book Title: **Introduction to Basic Marketing Concepts**

Author by: **Dr. Sunil Kulkarni**

1st Edition

ISBN: **978-93-90847-41-9**



Published: **July 2021**

Publisher:



Kripa-Drishti Publications

A/ 503, Poorva Height, SNO 148/1A/1/1A,
Sus Road, Pashan- 411021, Pune, Maharashtra, India.

Mob: +91-8007068686

Email: editor@kdpublications.in

Web: <https://www.kdpublications.in>

© **Copyright Dr. Sunil Kulkarni**

All Rights Reserved. No part of this publication can be stored in any retrieval system or reproduced in any form or by any means without the prior written permission of the publisher. Any person who does any unauthorized act in relation to this publication may be liable to criminal prosecution and civil claims for damages. [The responsibility for the facts stated, conclusions reached, etc., is entirely that of the author. The publisher is not responsible for them, whatsoever.]

PREFACE

As per Peter Drucker, every business has only two functions, viz; Marketing and Innovation. Marketing as a concept has American Origin. Symbolically, we can say that it entered India, with the formation of the first Management institute/program.

Written in a user-friendly way to ensure the information is accessible, **Introduction to Basic Marketing Concepts** is ideally suited to students that are faced with time-pressures yet need to gain a comprehensive understanding of the main concepts of marketing. The authors focus only on the points that are needed to be able to understand the theory, without the entanglement of additional information. This ensures students do not have to wade through non-essential information to get to grips with the subject. A balance between basic marketing and strategic concepts makes it suitable for all levels. Each chapter contains a series of vignettes to illustrate the theory, with e-marketing perspective evident throughout and a Web-based resource that accompanies the text.

Marketing is indeed an ancient art; it has been practiced in one form or the other, since the days of Adam and Eve. Today, it has become the most vital function in the world of business. Marketing is the business function that identifies unfulfilled needs and wants, define and measures their magnitude, determines which target market the organization can best serve, decides on appropriate products, services and programmes to serve these markets, and calls upon everyone in the organization to think and serve the customer. Marketing is the force that harnesses a nation's industrial capacity to meet the society's material wants. It uplifts the standard of living of people in society.

Dedication

*This Book **“Introduction to Basic Marketing Concepts”***

to dedicate my family

INDEX

Chapter 1: History of Marketing-USA (The Pioneer)	1
1.1 A Short History of Marketing:	1
1.2 Mid-Life Crisis of Marketing:	1
Chapter 2: Understanding the Marketing Environment.....	3
2.1 Meaning and Concepts:	3
2.1.1 Micro-Environment:	3
2.1.2 Macro-Environment:	4
2.2 Responding to the Marketing Environment:	6
2.2.1 Examples of Opportunities Posed by Marketing Environment in India:	6
2.2.2 Examples of Threats Posed By Marketing Environment in India:.....	6
Chapter 3: A) Consumer Behavior	8
3.1(a) Introduction:.....	8
3.1.1(a) Need For Understanding Consumer Behavior:.....	8
3.1.2(a) What Is Consumer Insights?	9
3.2(a) Diversity of Indian Market:	9
3.2.1(a) Changing Pattern of Indian Consumer Behavior-.....	9
3.3(a) Micro-Factors Influencing Consumer Behavior:	9
3.4(a) Attitudes Relate to Buying:.....	10
3.4.1(a) Consumers Use Problem- Solving Process:.....	10
3.4.2(a) Typical Categories of Buyers of New products (Adoption)	10
3.4.3(a) Buyer Behavior Models:	10
3.4.4(a) Buying Roles:.....	11
Chapter 3: B) Industrial (Business) Buyer Behavior	12
3.1(b) Introduction:	12
3.2(b) Types of Business and Organizational Customers:	12
3.3(b) Business Markets Are Different In Terms Of:	12
3.4(b) Major Types of Buying Situations:.....	12
3.4.1(b) Participants in the Business Buying Process:	13
3.4.2(b) Major Influences on Business Buying Behavior:	13
3.4.3(b) the Business Buying Process:	13

Chapter 4: Marketing Research 15

4.1 Introduction: 15
4.2 Objectives and Importance of Marketing Research: 15
 4.2.1 Research Proposal -Questions to Be Addressed: 17
 4.2.2 Characteristics of a Good Research: 17
4.3 Categories of Marketing Research Firms- 20
 4.3.1 Major Market Research Agencies in India: ORG-MARG-Operations
 research group-marketing research group 20
 4.3.2 Limitations of Marketing Research: 21
 4.3.3 Ethics in Marketing Research: 21
4.4 AMA (American Marketing Association) Code of Conduct: 22

Chapter 5: Demand Measurement and Sales Forecasting 23

5.1 Sales Forecast: 23
5.2 Measures of Market Demand: 23
5.3 Major Concepts in Demand Measurement: 23
5.4 Steps in Forecasting: 24
5.5 Methods of Sales Forecasting: 24
5.6 Limitations: 26

Chapter 6: Segmentation, Targeting and Positioning (STP) 27

6.1 Introduction: 27
6.2 Market: 27
6.3 Segmentation: 27
 6.3.1 Segmentation -3 Phase Process: 28
 6.3.2 Need for Segmentation: 28
 6.3.3 Requirements for Effective Segmentation: 28
 6.3.4 Benefits of Segmentation: 28
 6.3.5 Segmentation Types: 29
 6.3.6 Process of Segmentation: 29
 6.3.7 Segmenting Consumer Goods Market: 29

Chapter 7: Product (Policy)-First P 30

7.1 Introduction: 30
7.2 Services: 30
 7.2.1 Three Levels of Products: 30
 7.2.2 Product Features: 30
 7.2.3 Product Style and Design: 30
 7.2.4 Differences in Goods and Services: 31
7.3 Product: 31
 7.3.1 Product and Service Decisions Are Made At 3 Levels- 31
 7.3.2 Levels of Product: (5 levels) 31
 7.3.3 The Product Hierarchy-Six Levels: Example-Coca-Cola: 32

7.3.4 Classification of Products:.....	32
7.4 Consumer Products can be Further Classified into:	33
7.5 Material and Parts-Includes Raw Materials and Parts:	34
7.6 Other Special Products:	35
7.7 Product Decisions:.....	35
7.7.1 Product Attributes:	35
7.7.2 Branding:	36
7.7.3 Packaging:	36
7.7.4 Labelling:.....	37
7.8 Product-Line Decisions:	37
7.8.1 Product-Line Stretching:	38
7.9 Product-Mix Decisions:.....	38
7.10 Brand Concept:.....	39
7.10.1 Brand-Strategy Decisions:.....	40
7.10.2 Brand-Positioning:.....	40
7.10.3 Brand-Name Selection:	40
7.10.4 Brand Logo Selection:.....	41
7.10.5 Brand Sponsorship-4 types:.....	41
7.10.6 Brand Development Strategies:.....	42
7.10.7 Brand Rejuvenation:.....	43
7.10.8 Brand Relaunch:	43
7.11 Product Differentiation:.....	44
7.11.1 Product Differentiation Factors:	44
Chapter 7: a-Product Life Cycle concept.....	45
7.1.1(a) Introduction Stage:.....	45
7.1.2(a) Growth Stage:	46
7.1.3(a) Maturity Stage:.....	46
7.1.4(a) Decline Stage:	47
b- New Product Planning/Development	49
7.1(b) Introduction:	49
7.2(b) Ethical Issues in New Product Policy:.....	49
7.2.1(b) Organizational New Product Development Process Is Critical: ...	50
7.2.2(b) Reasons for New Product Failures:	50
7.3(b) New Product Development Success Factors:	53
7.3.1(b) New product development-A total company effort:	54
Chapter 8: PRICING-Second P	55
8.1 Introduction:	55
8.1.1 One-Price Policy:	55
8.1.2 Flexible Price Policy:	55
8.2 A Changing Price Environment:	56
8.2.1 Consumer Psychology and Pricing:	57

8.2.2 Possible Consumer Reference Prices:	57
8.2.3 Importance of Pricing:.....	58
8.2.4 Objectives of Pricing:	59
8.3 Factors Influencing Pricing Decisions:	59
8.3.1 Marketing Objectives:	59
8.3.2 Marketing Mix Strategy:	59
8.3.3 Costs:	60
8.3.4 Organizational Considerations:	60
8.3.5 External Factors:	60
8.3.6 Environmental Factors:	60
8.3.7 Pricing Strategies:	60
8.3.8 Steps in Setting the Price:.....	64
8.4 Special Pricing Strategies:.....	69
8.5 Penetration Pricing Strategy:.....	69
Chapter 9: Place (Distribution) Concept-Third P	70
9.1 Introduction:	70
9.2 Channel Design Decisions:	72
9.3 Innovative Marketing Channels:	73
9.4 Terms and Responsibilities of Channel Members:	73
9.5 Channel Management Decisions:.....	73
9.6 Functions of Channels:.....	75
9.7 Types of Inter-Mediaries and Numbers:	76
9.8 Types of Wholesalers:	79
9.9 Marketing Decisions of Wholesalers:	79
Chapter 10: Integrated Marketing Communications (IMC)-Fourth-P	81
10.1 Introduction:	81
10.1.1 The Changing Marketing Communication Environment:.....	81
10.2 Classification of Advertising Objectives- a. to Inform, b. Persuade, c. Remind or d. Rein-Force:	82
10.2.1 Developing the Advertising Campaign:	82
10.3 The IMC Process:	82
10.3.1 Types and Tools of Sales Promotion:	84
10.3.2 Complications in Communication Process:	85
10.3.3 An Ideal Campaign Would Ensure that:	85
10.4 Factors Determining Promotion Mix:	86
10.5. Developing Effective Advertising Program:	87
10.5.1 Design the Communications:	87
10.6 Five-Ms of Advertising:	88
10.6.1 Mission:	88
10.6.2 Money (Budget Setting):.....	89
10.6.3 Message:.....	89
10.6.4 Media:.....	89

10.6.5 Measurement-Two Types of Research Studies:.....	90
10.7 Product Adoption Process can Guide Promotion Planning:.....	91
10.8 Market Introduction:.....	92
10.8.1 Market Growth:	92
10.8.2 Market Maturity:	92
10.8.3 Sales Decline:	93
10.8.4 Setting the Promotion Budget:	93
10.8.5 Other Common Methods:.....	93
10.8.6 Celebrity Endorsements as a Strategy-(Risks):.....	93
10.8.7 Measuring Communication Results:	93
10.9 Implementing IMC:.....	94
10.9.1 How to Integrate IMC Program?.....	94

Chapter 11: Implementing and Controlling Marketing Plans..... 95

11.1 Introduction:	95
11.2 Building Quality into the Implementation Effort:.....	95
11.3 Control Provides Feedback to Improve Plans and Implementation:	95

Chapter 12: Delivering Marketing Strategies and Plans..... 98

12.1 Introduction:	98
12.2 Dartmouth’s Fredrick Webster View Marketing in Terms of:.....	98
12.3 Core-Business Processes:	98
12.3.1 Core Competencies-(Areas of Special Technical and Production Expertise)-3 Characteristics:	99
12.4 Becoming a Vigilant Organization (Wharton’s George Day):.....	99
12.4.1 Evaluating the Present:	99
12.4.2 Envisioning the Future:	99
12.4.3 Business Re-alignment (Steps):.....	99
12.5 Value-Exploration- -Relationship between 3 Spaces:.....	100
12.5.1 Value-Creation-Skills for Marketers Include:.....	100
12.5.2 The 3 Key Areas of Strategic Planning:.....	100
12.5.3 Strategic Planning Levels:.....	101
12.6 All Corporate HQs Undertake 4 Planning Activities:.....	101
12.7 Ansoff’s Product-Market Expansion Grid:	103
12.8 Organization and Organizational Culture:	103
12.8.1 Managing Changes in an Organization-5 Key Strategies:	103
12.8.2 Creative Innovative Marketing:.....	104
12.9 Goal Formulations:.....	105
12.9.1 Trade-offs in Goals:.....	105
12.9.2 Strategy Formulation:.....	105
12.9.3 Porter’s Generic Strategies:.....	106
12.9.4 Program Formulation and Implementation:	107
12.10 Feed-Back and Control:.....	107

Chapter 13: Creating Customer Value, Satisfaction and Loyalty..... 108

13.1 Introduction: 108

- 13.1.1 Steps in Customer Value Analysis: 108
- 13.1.2 Choice and Implications: 108
- 13.1.3 Implications: 109
- 13.1.4 Delivering High Customer Value: 109

13.2 Total Customer Satisfaction: 109

- 13.2.1 Measurement Techniques: 110
- 13.2.2 Customer Complaints: 110
- 13.2.3 Product and Service Quality: 110
- 13.2.4 Maximizing Customer Life-Time Value: 111

13.3 Ideal Strategy: 112

- 13.3.1 Customer Relationship Management: 112

13.4 Retention Dynamics: 114

- 13.4.1 Customer Retention Facts: 114
- 13.4.2 Forming Strong Customer Bonds: 114
- 13.4.3 Activities to Improve Loyalty and Retention: 115
- 13.4.4 Six tips for Marketing Evangelism: 115
- 13.4.5 Developing Loyalty Programs: 115

13.5 Successful Clubs: 116

13.6 Customer Data-Base and Data-Base Marketing: 116

- 13.6.1 Customer Databases: 117
- 13.6.2 Five Ways to Use Data-Base: 117
- 13.6.3 Examples of Data-base Marketing: 117
- 13.6.4 Down-Side of Data-Base Marketing: 118
- 13.6.5 Who uses Data-Base Marketing? 118

13.7 CRM Success: 118

Chapter 14: New Trends in Marketing 119

14.1 Retailing: 119

- 14.1.1 Functions of Retailing: 119
- 14.1.2 Retail Management Strategy: 119
- 14.1.3 Retail Management Activities: 120

14.2 Relationship Management: 120

- 14.2.1 Four Factors to Consider: 120

14.3 Retail Organization Structure: 122

- 14.3.1 Reasons for Growth of Organized Retail in India: 123
- 14.3.2 Growth of High-Way Retailing: 123

14.4 Major Retailer Types: 123

- 14.4.1 Levels of Service: 124

14.5 Buying Service: 124

- 14.5.1 The New Retail Environment: 124

Chapter 15: (a) New Trends in Marketing	125
15.1(a) E-Marketing:	125
15.1.1(a) Role of Internet:	125
15.1.2(a) Evolution of the Internet:	126
15.1.3(a) Growth of the Internet:.....	126
15.2(a) Types of E-Markets:	127
15.2.1(a) Types of Internet Sites:	127
15.2.2(a) Marketing Mix in E-Marketing:.....	127
15.3(a) Advantage of E-Marketing:	128
15.4(a) Limitations of E-Marketing:	129
Chapter 16: Global Marketing.....	130
16.1 Global Marketing:	130
16.1.1 Three Basic Principles of Marketing:.....	130
16.2 Global Marketing V/S Domestic Marketing:	131
16.2.1 Importance of Global Marketing:.....	131
16.2.2 The Role of Orientations:	131
16.3 Theories of International Trade:.....	132
16.3.1 Factors Affecting Global Marketing-a) Driving Forces (Favorable), b) Restraining Forces (Unfavorable).....	132
16.4 Global Economic Environment:	133
16.5 Global Marketing Strategy Decisions:	135
16.5.1 Global Marketing Entry Strategies:.....	137
Chapter 17: Event Marketing	140
17.1 Events (Defined By Philip Kotler):	140
17.1.1 Event Management Involves:	140
17.1.2 Importance of Event Marketing:	140
17.1.3 Concept of Market in Events:.....	141
17.2 Revenue-Generating Customers:.....	141
17.2.1 The Clients Include:	141
17.2.2 The Target Audience:	142
17.3 Non-Revenue Generating Customers:.....	142
17.4 Market Segmentation and Targeting:	142
17.5 Targeting:	142
17.6 Positioning:.....	143
17.7 Product Concept:	143
17.8 Classification:	143
17.8.1 Competitive Events:	144
17.8.2 Artistic Expression:	144
17.8.3 Cultural Celebrations:.....	144
17.8.4 Exhibition Events:	144
17.8.5 Charitable Events:	145
17.8.6 Special Business Events:	145

17.9 Pricing:	146
17.10 Marketing Planning:	146
17.10.1 Steps in Marketing Planning Process:	146

Chapter 18: Consumerism..... 148

18.1 Introduction:	148
18.2 History (USA):	148
18.3 Rights of Traditional Sellers:	149
18.3.1 The Traditional Buyer’s Rights:	149
18.3.2 Consumer Activist’s Additional Consumer Rights:	149
18.4 1983-The UN Guidelines Cover:	150
18.5 Consumer Movement in India:	150
18.6 Ways of Exploitation:	150
18.7 Unique Problems of Indian Consumers:	151
18.8 Ways to circumvent these Problems:	151
18.9 Selected Consumer Groups in India:	152
18.9.1 Government Support to Consumers:	152
18.9.2 Consumer Campaign (2005-2007):	152
18.10 The Consumer Protection Act 1986:	153
18.10.1 Objectives of the Act:	153
18.10.2 The salient Features of the Act:	153
18.11 Infrastructure:	154
18.12 Quality Standards Certification Procedure in India:	154

Chapter 19: Services Marketing 155

19.1 Introduction:	155
19.2 Reasons for the Growth of Service Sector:	156
19.2.1 Increasing Affluence:	156
19.2.2 More Leisure Time:	156
19.2.3 Higher % of Women in Labor Force:	156
19.2.4 Greater Life Expectancy:	156
19.2.5 Greater Complexity of Products:	156
19.2.6 Increasing Complexity of Life:	156
19.2.7 Greater Concern about Ecology and Resource Scarcity:	156
19.2.8 Increasing Number of New Products:	157
19.3 Categories of Service Mix:	157
19.3.1 Intangibility:	157
19.3.2 Inseparability:	157
19.3.3 Variability:	158
19.3.4 Perishability:	158
19.3.5 Ownership:	158
19.4 Marketing Mix in Services Marketing:	158
19.5 Reasons for Customer Switching of Service Providers:	158
19.6 Product or Service, Experience is Key:	159

19.7 Service Quality:	160
19.7.1 Determinants of Service Quality:	161
19.8 SERVQUAL Attributes:	161
19.9 Assessment of Service Quality-(11 dimensions):	162
19.10 Developing Brand Strategies for Services:	162
19.10.1 Choosing Brand Elements:	162
19.10.2 Establishing Image Dimensions:	162
19.10.3 Devising Branding Strategy:	163
20. References:	164

About the Author

Dr. Sunil Kulkarni is in the field of management education since last 2 decades. During this period, he has seen the changes in indian society/economy; both before and after liberalization (1991). He is now witnessing the changes due to the intervention of technology in management education field and its impact on the millennial generation.

He has conceptualized/published/reviewed/presented about 100 research papers/articles/reviews in various local and international academic events. He is also the supervisor for doctoral degree of mumbai university(management)and two scholars have completed their doctoral studies under him.



Kripa-Drishti Publications
A-503 Poorva Heights, Pashan-Sus Road, Near Sai Chowk,
Pune - 411021, Maharashtra, India.
Mob: +91 8007068686
Email: editor@kdpublications.in
Web: <https://www.kdpublications.in>

Price: ₹ 275

ISBN: 978-93-90847-41-9

