



DADABHOY INSTITUTE OF HIGHER EDUCATION

Sohail

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Marketing Management

Mid Term

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Question No: 01

Scope of Marketing:

The scope of marketing is determined by the marketing offering of an organization. Market offering is a combination of goods, services, ideas, persons, places, information, etc. offered to a market to satisfy specific needs and wants of people. Market offerings are not limited to physical goods.

The term “Marketing” is derived from “Market”, which can be defined as – “a place where buyers and sellers gather to buy and sell the products”. But Marketing is not only about selling; because in order to sell the product we must know the needs (basic requirements) of the customers.

“Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products and services of values with others.” – ‘Social Definition’

“Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individual and organizational goals.” – ‘The American Marketing Association.’

Nature & Scope of Marketing:

Thus Marketing is all about identifying the needs of the customers and satisfying those needs profitably with the help of the product.

For example – Procter & Gamble (P&G) has identified that people need tasty but low calorie food and introduced Olestra (Oats).

Marketing people are involved in marketing ten types of entities given as follows:

- 1) Goods – Goods can be defined as anything which tangible which can be offered to the customers in order to satisfy their wants, (e.g., Maggi noodle)
- 2) Services – Services can be defined as anything which can be offered by one party to another which is intangible, variable and perishable in nature, (e.g., medical services, defense, etc.)
- 3) Experiences – Experience can also be marketed as a product. By using several services and goods, a firm can create stage and market experiences, (e.g., Walt Disney World’s

Kingdom represents experiential marketing – Customers visit a fairy kingdom, a pirate ship, or a haunted house)

- 4) Events – Marketers promote and market time-based events as well, (e.g., Sports events like IPL etc.)
- 5) Persons – Incidentally through our actions or inactions each one of us as individual are marketing ourselves and at marketing efforts are supplemented by family and friends. Celebrity or famous personality marketing is a major business. Today every film star has an agent or a public relation officer in order to get help for marketing, (e.g., Sachin Tendulkar)
- 6) Place – Places-cities, states, regions and nations-compete actively to attract tourists, companies etc., (e.g., tour packages etc.)
- 7) Properties – Properties are bought and sold and this requires marketing. Properties are intangible rights of ownership of either real property (e.g., real estate) or financial property (e.g., stocks and bonds).
- 8) (Viii) Organization – Organizations actively work to attract their stakeholders. They work to build a strong and positive image in the minds of their stakeholders with the help of public relations, (e.g., free dental checkup campy by Colgate and Indian Dental Association).
- 9) Information – Information can be produced and marketed as a product, (e.g., Research and Development services, Encyclopedias)
- 10) Idea – Ideas can also be produced and marketed as well. In fact, idea generation is the first step of the new product development. Every market offering includes a basic idea, (e.g., Business ideas, etc.)

Question No: 02

Marketing Strategies for Various Types of Demand:

Marketing management has the task of influencing the level, timings and composition of demand in a way that will help the organization to achieve its objectives. Also, a marketer has to take into consideration different types of demand for his product before he comes up with a strategy. Here are some effective marketing strategies for various types demand

Negative Demand:

Most or even all important segments in a market dislike the product, even to the extent of being prepared to pay a price to avoid it - for example, some people have a negative demand for dental care, and others have a negative demand for air travel.

Marketing Strategy:

The task of marketing in this situation is generally to identify the cause of negative demand and attempt to counter it. For example, if the product has a poor reputation or image, or its features or performance are inadequate, then marketing managers will need to consider how to alter the reputation of the product, whether to change its features and generally determine how to ensure that the correct image is created for that product. The marketing task is to **analyze**, why the market dislikes the products?

No Demand:

This usually covers products with no perceived value in a particular market. In relatively crime free areas, for example, there may be no demand for security systems because consumers may not appreciate the need for such products.

Marketing Strategy:

The marketing task is to find ways to connect the benefits of the products to the person's natural needs and interests. The task of marketing then becomes one of stimulating demand for that product. In practice, this often means persuading consumers to buy or use a particular product or service. This element of persuasion means that stimulation marketing is often subject to criticism for being manipulative, but of course we must remember that it may be beneficial in many cases such as encouraging vaccination and encouraging health screening.

Latent Demand:

one of the demand states that company may face in certain situations. This happens because consumers may share a strong need that cannot be satisfied by any existing product. There is a strong latent demand for a specific product.

Marketing Strategy:

The marketing task is to measure the size of the potential market and develop effective goods and services that would satisfy the demand.

Declining Demand:

In this case, the demand for a product is declining and this decline represents something more serious than a temporary drop in sales. Examples might include rail travel in the US, vinyl records or mechanical watches.

Marketing Strategy:

The task of marketing is to identify causes of decline and to reassess the nature of the product, its features, its target market and the marketing campaign with a view to either reviving demand for the product or deleting it. We should perhaps note that attempts to revive a product go beyond simply relying on large scale advertising and promotional efforts since these often act as an indication to the consumer that the particular product is experiencing difficulties.

Irregular Demand:

Irregular demand is arguably one of the most common situations facing anyone involved in marketing in the service sector. It involves a situation where the pattern of demand is based on seasonal factors or other sources of volatility such as short term economic fluctuations. There are many examples of this type of demand in food markets, holiday markets and travel markets.

Marketing Strategy:

The task of marketing management in this situation is concerned with attempting to synchronise demand and supply. Marketing may tend to focus primarily on the demand side by discouraging use when demand is at its strongest, encouraging use when demand is at its weakest or finding alternative markets with counter cyclical patterns of demand. However, there may need to be some consideration of the supply side and the potential to which supply can be increased by the holding of larger stocks, improved distribution or increased output.

Full Demand:

Demand is currently at a desirable level and one that is consistent with the existing corporate and marketing objectives.

Marketing Strategy:

The main concern in this situation is to maintain this level of demand by continuously monitoring and adjusting marketing campaign as and when attitudes change or competitive threats appear.

Over Full Demand:

Some organizations face a demand level that is higher than they can or want to handle. Marketing task is De-marketing which requires finding ways to reduce the demand temporarily or permanently.

Marketing Strategy: The marketing task is to reduce but not remove demand - perhaps

by making the product less available to less attractive market segments or by making it generally less available by reduced promotions, increased price or limited distribution.

Unwholesome Demand:

Any positive level of demand is regarded as excessive because of the undesirable qualities of the product. This situation is probably most commonly associated with 'vice' products such as drugs, smoking and other 'social cause' products. However, counter-marketing may also be relevant in the business community when it may be used to phase out firms existing products. This may involve ending promotions, raising price or even, for some products, the implementation of legal restrictions.

Marketing Strategy:

These categories of demand demonstrate that the task of marketing management is much broader than simply creating and maintaining demand - rather it involves responding to and managing patterns of demand within the market place. However, it is important to stress that this demand management does not take place in isolation. Marketing must manage demand more effectively than the competition in order to be successful and must be prepared to respond and react to what happens in the marketplace, not only in terms of existing and potential consumers but also in terms of competitor's activities.

As markets become more and more competitive and customers become more sophisticated and quality conscious, the adoption of a marketing orientation becomes increasingly important in ensuring organizational success. This marketing orientation requires that the consumer be seen as central to the business and that the organization focuses its attention on identifying and responding to consumer needs as they are at present, as well as trying to anticipate future needs. However, the type of products which can be developed will be affected by the organization's own capabilities. The key principle of marketing is to be able to meet consumer needs more effectively than competitors.

Question No: 03

Simple Marketing System:

Concept of Marketing System brings one full circle to concept of marketing.

Simple marketing system comprises of different actors and factors as product/service, producer/seller something valuable to the exchange in return of the product/service (money), consumer/customer, communication procedure to have two way communication like to provide information regarding or service or product to or consumer or customer and to have feedback in same regard from the customer. Given fig presents an instance of a very simple marketing system. Marketing system contain following basic activities:

Sellers have to search for buyers, recognize their needs, design good products and services, fix prices for them, promote them, and store and deliver them.

A modern marketing system includes all elements essential to bring buyers and sellers together. This may include such activities as research, product development communication, pricing, distribution & service.

Each of major actors in the marketing system adds value for next level of the system.

Market System:

A market system is the network of buyers, sellers and other actors that come together to trade in a given product or service.

The participants in a market system include:

- Direct market players such as producers, buyers, and consumers who drive economic activity in the market
- Suppliers of supporting goods and services such as finance, equipment and business consulting
- Entities that influence the business environment such as regulatory agencies, infrastructure providers and business associations

A market system can be specific to a product (coffee, mangoes, dairy) or a cross-cutting sector (finance, labor, business development services). A market system's strength depends on how well the participants obtain financing, launch businesses and adopt new technologies and best practices.

One example where Techno Serve has experience is the poultry market system:

Direct Market Players

Producers: The farmers who grow chicken and eggs for sale. The market system may include small-, medium- and large-scale producers.

Buyers: In many market systems, the product will change hands before reaching the consumer. The poultry market system will likely have intermediaries who buy and sell before the chickens and eggs reach consumers.

Consumers: The people who eat the chickens and eggs after buying them from a retailer or restaurant