

# Promotion mix strategies of Electronic Companies in Punjab

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## Introduction

Gone are the days when a business proposition used to be traditional or conventional. There was not much economic growth, means of communication and transportation were primitive and rarely was an encounter between the producer and the consumer or the main seller and the individual buyer. Goods were being sold mostly as per J.B. Say's law of markets that "Supply creates its own demand" and modern concept of "marketing" had not come into being. Time has changed, thinking of people has changed demands of people have changed in favour of innovation and they want deviation from the old set of things and as such strategy of the marketers has also changed. There was a time when a village used to be a self – sufficient independent unit catering to all types of demands of villagers consisting of food, clothing, utensils, medicines, credit etc and it used to be in itself a market in miniature. Now a days not only whole of India but the whole of the world has become a scattered market.

Modern market has gone High – Tech fitted with fastest and latest techniques of communication, interaction, finalization of difficult deals, new ways of presenting the products even beyond the national boundaries and breaking the shades of barriers. There is a cut-throat competition in the market and everyone is all out to promote his business to the optimum level. Not one but a series of measures are being taken, wherever suitable for promotion of business which is termed as "Promotional mix". It is a term which is not to be confused with "Marketing mix". The promotional mix describes a blend of Promotional variables chosen by marketers to help a firm reach its goals. It has been identified as a subset of the marketing mix. It is believed that there is an optional way of allocating budgets for the different elements within the promotional mix to achieve best marketing results, and the challenge for marketers is to find the right mix of them. The goal of promotional mix is to inform, persuade and remind the customer about our product or service. Promotional mix is coordination of various marketing activities. Although both the marketing mix and promotional are different but both are important for the business. Marketing mix helps us to determine how to satisfy our customers while the promotional mix focuses on direct customer interaction. Certainly promotion mix leads to improve sales of firm, increase the amount of profit and remind customers of marketing mix of products, goods and services. It is a methodology to establish direct or indirect rapport with the customers. Promotional mix is the marketing function which is concerned with persuasive communication of the components of marketing programme to target audience with the intent to facilitate change

between the marketer and the customer which may satisfy the objectives of the customer and the organization. There are three distinctive characteristics that promotion is concerned with persuasive communication, promotion needs to persuade the audience in the target market to develop a new attitude or change the existing one and promotion needs to engage in a new behaviour. Promotion is directed at the target audiences. For instance the target market for refined cooking oil consists of all health conscious customers. But refined cooking oil marketers also target the promotion to audiences (who hear or see promotion messages but have a preference for “Butter” which is natural product derived from milk), both within and outside the target market. Target audience for refined cooking oil may be those who are prone to developing high cholesterol related diseases. However, audiences outside the target market might influence the consumption of refined cooking oil such as doctors and other health workers. Promotion is goal oriented and the objectives may be to create brand awareness, to educate the consumers, to create a positive image and the ultimate goal is to promote the sale of the product or service.

Promotion mix also includes the communication mix which deals with the personal and impersonal persuasive communication about the product or service of the manufacturer. Though companies communicate with their present and potential customers in a wide variety of ways, the most distinguishable categories are two namely personal and impersonal. Personal communication relate to face to face meeting between the sales – force of the company and the clientele. On the other hand, impersonal communication includes – advertising, sales – promotion and public relations. The promotion mix variables worth considering are personal selling, advertising, sales – promotions, exhibitions and fairs and public relations.

There are many elements of a Promotional mix. No single element is helpful or effective in all product market situations. For example, while advertising is known to deliver results in the soft drinks industry, personal selling is found to be effective in selling personal computers and software. Thus, while in consumer non-durables advertising has a higher role to play, personal selling is a significant matter in consumer durables, industrial products and services marketing. Sales promotion and publicity have an equal significance in all types of products. The factors that guide a marketer’s decision in selecting a promotion mix are as under:

(a) Nature of the product market – That is whether it is a consumer or industrial product.

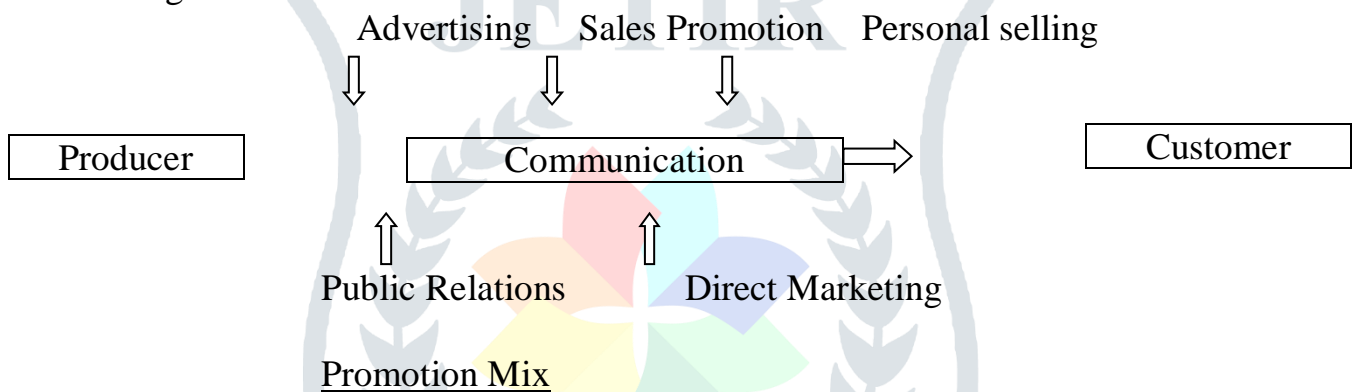
<u>Parameters for consumer goods</u>	<u>Parameters for industrial goods</u>
1. Advertising	Personal Selling
2. Sales Promotion	Sales Promotion
3. Personal Selling	Advertising
4. Public Relations	Public Relations

(b) Over all marketing strategy – That is to be .... the firm wishes to “push” the product or create a “pull” for the product. The push refers to selling the product through the marketing net work and hence involves the critical function of managing the distribution. In this strategy the emphasis is on personal selling and trade promotion. But in the pull strategy the firm creates consumer demand for its product or brand such that the customer demands the brand at the retail outlet. Advertising and consumer promotion go a long way in creating the desired pull for the brand. Often the marketing strategy of a company is a combination of both the strategies. In such

situations it is often a choice of proportion that the firm may like to .....on advertising and sales promotion and other incentive programmes for its dealer network.

- (c) Buyer readiness stage – The choice of different elements of the promotion mix is also dependent upon the buyer’s readiness and awareness of the brand. The promotion mix can be assembled depending upon where the buyer is in the hierarchy of response models. Like advertising will play a major role in creating awareness, demonstration and samples will help bring about a change at the effective and behavioral levels.
- (d) Product life cycle stage – This will also a role in deciding on the promotion mix. For example, at the introduction stage, advertising and publicity are found to have a significant role, and are cost effective, in creating awareness, desire and finally the trail. Even samples play a key promotional role in industrial products. But in the maturity stage, sales promotion and personal selling make the product steer through the competition maze. Thus, it is important to know where the product is in its life cycle.

Almost all the researchers on promotional mix has said that it deals with informing,persuading the customers about the firm’s product. Promotion mix involves blending of advertising, sale promotion, personal selling, public relations and direct marketing as shown below:-



### Factors Influencing Promotion Mix

Designing a proper promotion mix is called promotional strategy. There are many factors which influence promotion mix. These factors are called product-market factors. These are explained below:

- (a) **Nature of the product** – promotion mix will vary according to the nature of the product. Consumer goods like grocery items, drugs etc require mass advertisement. Industrial goods like machine tools require personal selling, advertising, publicity, display at industrial fairs etc. Convenience goods require sales persons to sell. Speciality goods like refrigerators require good amount of personal selling to dealers and retailers. Complex and technical products like computers require personal selling. Simple and non-technical products require advertisement. When a producer is not differentiated from that of competitors, the producer has to depend upon personal selling. If the product brands are differentiated (e.g. ponds and lakme), the producers have to depend upon advertising.
- (b) **Nature of market** – Nature of market and customers determines to a great extent the promotional mix of a firm. For instance, if the customers are concentrated in a particular locality, personal selling is likely to be more effective. But if they are scattered widely in different parts of the country, advertising, publicity, sales

promotion and personal selling – all are necessary to push up a product. Advertisement and publicity are also important to attract the status – conscious customers.

- (c) **Stage of product's life** – The stage of a product's life cycle is an important determinant of promotion mix. During the introduction stage, the customers are to be informed about the availability of the product and educated about its benefits and uses. That is why most of the firms make use of all kinds of promotional activities to launch their products successfully. After the product has been launched, advertisement and publicity are more important to create a good image of the product and its manufacturers and to meet competition in the market. But during the last stage of the product when its sales are declining, it may be decided to make drastic cuts on promotional efforts.
- (d) **Availability of funds** – The allocation of funds by the top management for the promotional activities must be kept in mind by the marketing manager while determining the promotional budget which may be spent on all promotional activities. But a firm with financial constraints will be selective in the use of promotional activities. Personal selling is cheaper and more effective in the short run. Advertising in reputed magazines and journals is very costly, but can attract the status – conscious customers towards the product of the firm.
- (e) **Distribution Strategy** – Companies having market penetration directly depend heavily on personal selling and advertising plays a supporting role. If the product passes through a longer channel of distribution, the marketer will have to give more importance to advertising and less importance to personal selling.
- (f) **Pricing strategy** – Pricing strategy influence the promotion mix in two ways. First, in terms of the price of the competitor's price, personal selling is adopted. If the brand is priced lower than the competitor's price, only little promotion is needed. If the middlemen are motivated to stock and push the brand, then very little advertisement may be required. If profit margin is lower, heavy advertisement will be required.
- (g) **Effectiveness of promotional tools** – Different promotional tools are effective at different stages of buyer readiness. At the awareness stage, advertising and publicity are more effective. At the comprehension stage, advertising and personal selling play a great role. During the conviction stage, personal selling is very effective. Personal selling and sales promotion are highly effective at closing stage of sales. Thus advertisement and publicity are more effective during the early stages of the customer buying decision process, whereas personal selling and sales promotion are more effective during the later stages of the customer buying decision process. 5.

### Review of Literature

1. Market means any body of persons who are in intimate business relations and carry on extensive transactions in any commodity. -----Prof. Jevons.
2. Market includes both the place and region in which buyers and sellers are in free competition with one another. -----Mr. Pyle.
3. In fact the market must be thought of not as a geographical meeting place but as any getting together of buyers and sellers in person, by mail, telephone, telegraph or any other means of communication. -----Prof. H E Mitchel.

Source: “Marketing Management “by CN Sonatakki.

4. Marketing in free economy is the skill of selecting and fulfilling consumer desires so as to maximise the profitability per unit of capital employed in the enterprise.

Professor. Glasser.

5. Marketing is the business process by which products are matched with market and through which transfers of ownership are affected. -----Professor Cundiff and still.
6. Marketing is setting and keeping the customer. -----Theodore Levitt.
7. Marketing includes all those activities having to do with effecting changes in ownership and possession of goods and services. It is that part of economics which deals with creation of time place and possession utilities and that phase of business activity through which human wants are satisfied by the exchange of goods and services for some valuable considerations. -----American Marketing Association.
8. Marketing is the creative management function which promotes trade and employment by assessing consumer needs and interacting Research and development to meet them .It coordinates the resources of Production and distribution of goods and services and determines and determines and directs the nature and scale of the total efforts required to seek maximum production to the ultimate user. \_\_\_\_\_United Kingdom institute of marketing.
9. Marketing is the process of determining consumer demand for the product or service, motivating its sale -----Brech.
10. Marketing is concerned with the creation and maintenance mutually satisfying exchange relationships\_\_\_\_\_Babar.
11. Marketing is the business function that identifies the current unfulfilled needs and wants defines and measures their magnitude determines which target market and organisation can best serve and decide on appropriate products, services and programmes to serve these markets. Thus, marketing is a link between a society’s need and its pattern of Industrial response. -----Kotler.
12. Bloch et al.(1996) looked at sources of value of electronic commerce for a company and explored its effects along with its potential for competitive advantage. Electronic commerce offers a cost advantage through less expensive product promotion, less expensive distribution channel and direct savings. It helps the company to differentiate itself through Price, Product innovation, time to market and customer service. It enables the company to implement customer focus relationships.
13. Benjamin and Wigand (1995) supported that electronic marketing gives consumers increased access to a vast selection of products but on the other hand causes a

restructuring and redistribution of profits among the stake holders along the value chain.

14. Malone et al (1989) there is an evolution away from single –source electronic sales channels towards electronic markets “which include many suppliers offerings.
15. Marketing management is the process of planning , organising , directing , coordinating , communicating , motivating and controlling marketing efforts to bring about fruitful exchange –Profit to the marketer and satisfaction to the consumer .-----Mr. Johan Bull.
16. The aim of marketing is to meet and satisfy consumer’s needs and wants. The field of consumer behaviour studies how individuals, groups and organisations select, buy use and dispose of goods, services, ideas or experiences to satisfy their needs and desires. Understanding consumer behaviour and knowing customers are never simple. Customers may say one thing but does another .They may respond to in flames which change their mind at last minute”.
17. The field of consumer behaviour is rooted in the marketing concept , a business orientation that evolved in 1950s through several alternative approaches towards during business referred to respectively , as the production concept , selling concept and the societal concept.
18. Today marketing should be looked beyond the 4 P’s i.e. Product , Price, Place and Promotion. Marketing mix is just not sufficient to survive in today ‘s critical business scenario because each company tries to offer the best quality ,the best price , the best packaging ,the best delivery , the best service and so on .18

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16. Kotler Philip (1999) “Marketing Management “The Milenium Ed. New Delhi.PP 160.

17. ibid PP-16-26.

18. M.Setu (2002) ownership Marketing : A strategy for the New Millenium management and labour studies , Vol.27 No 4 PP 301,302.

19. Most of the studies indicate the consumer sophistication, strength of organised consumerism and increased competition with high stake in retaining organising market shares have been the compelling forces in adoption of marketing concept.
20. A consumer buying behaviour is influenced by cultural, social, Personal and Psychological factors. Cultural factor exert the broadest and deepest influence.20
21. An automobile, a TV, a refrigerator, an air conditioner, a facial at beauty parlour, a pop music are all products. We define product as follows: “A product is anything that can be offered to a market to satisfy a want or need “.
22. Business strategic planning is a three tiered process. It starts with the business strategic plan, then or functional plan and ends with specific plans for each part of the function. For marketing then, the business might have specific plans for

advertising or product development. Naturally each plan depends on plan that precedes it.22

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19. S. Neelamegham “Marketing in India – cases and readings “, Vikas Publishing house Pvt. Ltd News.

20. Kotler Philip (1999) “Marketing Management “The millennium Ed. New Delhi: PP 160-178.

21. iluid PP 394-396.

22. Donald Parente “Advertising Campaign Strategy – A guide to marketing communication Plans “. The Dryden Press, 2<sup>nd</sup> Edition . P.21.

23. Sonattaki (2003) has given a practical in sight in to the formulation of marketing strategy. He has studied the tools and techniques that are related with the market, marketing research , solving the problems of consumers and all those involved in converting valuable inputs into value added outputs matching to the needs and expectations of the consumers. 23.

24. According to a Paper Published in International Journal of Business and Social Science , it was concluded that in todays competitive and globalised world the importance of consumer who is recognised as the focal point of modern marketing, is increasing day to day.24

25. East (1977) has highlighted issues related to consumer behaviour in context with the changing Economic Pattern. The author has laid emphasis on various researches done on consumer processes and issues with a mere behavioural orientation. What makes concept clear is the fact the studies done by the author that introduce the fundamentals of consumer behaviour , their brand loyalty , brand equity and brand extension issues, the impact of price and sales promotion , the attitudes, the beliefs and intentions that drive consumer purchase and how to predict them.25

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23. Sonatakki C.N. “Advertising and sales Promotion “by Ajit Pinters , Delhi 2003.

## Promotion Strategies used by Electronic Companies in Punjab

Every commodity, product or service either in consumer goods area or industrial goods category has its favourable or unfavourable factors in respect of its promotional mix. While few strategies may be very useful and others may not have any impact in the promotion of a particular product. Here, our subject of research is confined to the promotion mix strategies of electronic companies in Punjab. In India position of Punjab in production of electronic goods is not very prominent because most of the named and famed electronic companies are based in other parts of India, particularly metros like Delhi, Chennai, Mumbai, Kolkata, Hyderabad, Bangalore and other cities. Moreover, imports of cheap electronic goods from China in bulk is also hampering the promotional efforts of indigenous companies whose products are comparatively more qualitative and durable. In Punjab production of electronic goods is restricted to Mohali, Jalandhar, Pushpa Gujral Science City of Kapurthala, Rajpura and Ludhiana etc. There are several products which fall in the ambit of goods produced by Electronic companies like TV sets, refrigerators, washing machines, water heaters, transistors, radio sets, mobiles, music systems, children playing instruments, light and sound systems, photo cameras, photo stat machines, inter communication sets, VCRs, VCPs, Multi faceted TV viewing sets, electronic decorations in marriage palaces, mixers, electric toys and many other items used in kitchens & homes like electronic cattles, milk boilers, fans, ACs, Room Coolers, etc.

Electronic companies may be producing those goods also which are called consumer goods or house hold goods but basically these are produced in the workshops and industrial houses, so these are called industrial goods. When we contemplate to go for promotional mix as an electronic company, we need to adhere to following fundamentals:

1. **Advertising management** – Advertising is multidimensional. The American marketing Association, Chicago defines advertising as “any paid form of non-personal presentation of ideas, goods and services by an identified sponsor”<sup>5-A</sup>. Advertising is one element of marketing mix. It is different from publicity though purpose of both is the same. Advertising plays a significant role in awareness creation and attitude formation. It can even generate a trial and purchase as long as all other elements of the marketing mix play a contributory role. It has also been found that people are generally biased against advertisement and believe it to be a wastage of organizational resources. John E. Kennedy said that “Advertising is a salesmanship in Print (1905) and Sidney Bernstein (1990) said “Advertising is a substitute for human salesman”<sup>5-B</sup>

According to institute of Practitioners in advertising, “Advertising presents the most persuasive possible selling message to the right prospects for the product or service at the lowest possible cost”.

The advertiser is facilitated by advertising agencies and the media and hence companies making them find easy to translate goals into action. Product manager or sales Manager is a strategist who is responsible for developing communication goals for the product or brand. While all the large advertisers depend upon advertising agencies to develop the campaign, smaller advertisers have to depend upon their own internal sources or take the freelance advertising personnel. The goal or strategy of advertisers is also influenced by government policy. For example, cigarette and liquor can't be advertised in mass media. Therefore Government rules and regulations

and electronic media (TV, video, cable TV and radio) policies play a dominant role in decision making of the advertiser. 6.

Advertising is the paid presentation and promotion of ideas, goods or services by an identified sponsor in a mass medium and its examples are print advertisements, radio, television Bill Board, direct mail, brochures, sign boards, posters, mobile apps, motion pictures, web pages, banners, newspapers, magazines, journals. 7.

Advertising is one of key promotional tools. The role of advertising has changed from just informational to strategic in the sense that today it plays a key role in brand positioning, brand personality and even brand and corporate revivals. Its growing significance is reflected by usage in multi-dealer marketing and even for marketing financial instruments. Advertising decisions involve objective setting, copy decision, budgeting and media planning. In all these areas there is an increasing use of technology like computers. It is paid for mass communication in which a sponsor is identified. Its role is to create awareness and even generate trial purchase. It has also to create positive preferences for the brand. It is the most economical communication alternative to promote the brand in a large market like India. Marketing research agencies facilitate advertising decisions and advertiser's decisions are influenced by Govt. policy, industry structure and intensity of competition within the industry. 8

### Customer value and Satisfaction

There are a variety of Products and services for the customer to choose from the market at different prices. Rationality of a customer guides him in estimating that which product at the given Price will give him maximum satisfaction and highest value. Every customer want to get real value for his money. A given product will be successful if it delivers value and satisfaction to the target buyer. A buyer chooses between different offerings on the basis of which is perceived to deliver the maximum value. Value is the ratio between what a customer gets and what he pays for it. The customer gets benefits and therefore, pays cost. The costs comprise money, time, energy and psychic costs. The equation value can be

Value = Benefits/costs.

= Functional Benefits/Monetary costs+ Time costs.

= Emotional Benefits/ Enag Costs+ Psychic costs.

A wise marketer can increase the value to the customer by increasing the benefits reducing costs.

## Concepts used in Marketing

The following types of concepts have been recently conceptualised, challenged debated and crystallised.

- I. **Social Concept:** It was developed by Prof. Philip Kotler and his team. According to him, “The societal marketing concept calls for a consumer orientation backed by integrated marketing aimed at generating customer satisfaction and long term consumer welfare as the key to attract long run profitable volume.” This concept has all ingredients of modern marketing concept.
- II. **Meta Marketing concept :** Prof E.J Kelly had used this concept for the first time, 'Meta' means more comprehensive. According to Prof. Kelly “Meta marketing is to designate a new although related discipline which deals critically with marketing as a discipline “. The purpose of meta- marketing is to bring the whole of scientific, social, ethical and managerial experience to bear on marketing.
- III. **De marketing:** De marketing is a recent marketing concept applicable to under developed countries. It deals with discouraging customers or certain class of customers in particular on either a temporary or permanent basis. Management of excess demand is as much a marketing problem as that of excess supply. There is no danger in damaging customer relations in any de marketing strategy.
- IV. **Macro marketing concept:** This concept has been given by Prof. R Meyer who says , “The study of marketing within the context of entire economic system with special emphasis on its aggregate performance is macro marketing”. It studies the aggregate role of the different components of marketing mix employed by different marketers operating within the economic system and the way in which they interact with the socio economic life of society at length.
- V. **Remarketing concept:** Remarketing is a concept which speaks of extension of strategic marketing. It tells about alternate uses of things. This brings optimum utilization of resources and greater satisfaction to the customers. It tells about alternate users of the things. This brings optimum utilisation of resources and greater satisfaction to the customers. It is the re writing the core benefits of brands and delivering them in unique manner. Value addition is the key to build consumer loyalty .It speaks more of quality than of price.
- VI. **Over marketing:** The companies engaged in over marketing focus their attention on increasing sales by all possible means. It may even neglect the quality control and production efficiency. It is a case of down trading, reducing the quality standard for increasing the sales. In fact company might gain but society is bound to suffer the loss.
- VII. **Synchro-marketing:** Demand for variety of goods , especially seasonal fluctuates greatly causing an imbalance making the parties to suffer or gain. The most common items are water proof products used during rainy season and woollen

clothes used in winter season. The supply conditions can be adjusted through Price adjustments and special offers.

- VIII. Counter marketing : Counter marketing is a deliberate attempt to damage or totally rise the demand for the goods and services because they are known for harmful effects on the consumers, the suppliers and the people engaged in making available these products and services. In case of such products, the demand is virtually killed or an attempt is made to kill by supplying safe alternatives. For example, use of DDT is totally banned which was widely used in 1950 s and 1960 s in eradicating malaria. Similarly Penculin products are also banned in view of long term effects of it.
- IX. Mega Marketing: It is that set of strategies where closed markets are opened up. These strategies where closed markets are opened up. These strategies may to economic, psychological, political, public relations skills, getting cooperation of rival groups. There can't be better example than that of coca cola and Pepsi cola, and also entered allow Parle company to sell Products like Limca and Gold spot. Pepsi started selling Pepsi Cola and slowly slowly introduced coca cola says "Thanda matlab Coca Cola " and "Enjoy coca cola job hi ho jaye ".
- X. Event Marketing: It is related to exploiting the happening of an event in every walk of social life, wise marketers have designed certain promotional tools to introduce, popularise and expand the demand for their products and services. Entertainment and sports are the most common areas where event marketing is fully exploited. Cricket, football, tennis and other sports fully exploited. Cricket , football , tennis and other sports which have cups and trophies being sponsored by rich and famous companies like Sahara , LG , Wills , Titan , Reliance etc. Many events are organised on New Year day, Diwali and other festivals.
- XI. Speed Marketing: Often called "Turbo marketing "it is an attempt to give importance to time value. Everyone has realised that life span is short lived and everyone is thinking in terms of speed in making money , having possessions and do speed marketing . Turbo marketing is generally found in five areas i.e. innovation, manufacturing, logistics, retailing and services. First element is of top importance and others follow automatically.
- XII. One to one marketing: Every person has his own likes and dislikes and modern customers are more worried about their status, life styles, and show manships. When a customer buys a cycle, it should be according to his specifications which stand out one to one marketing implies that if there is only one customer and producer and dealers are at his command in meeting all the marketing mix variables because consumer is king of the market.
- XIII. Word of mouth marketing: There is no better and effective way of marketing than through personal communication. This is the latest trend. Today consumers are in state of utter confusion as there is influx of competitive products in each area. This word of mouth marketing is supported by other techniques of marketing namely,

Personal marketing, image marketing, relationship marketing , concept marketing , direct marketing , network marketing , internet marketing and so on.

- XIV. Business to business marketing: It is also called reciprocal marketing. Marketing dealings takes place on statement, “If you look at me I will look at you “. Reciprocal buying is applicable both in industrial goods marketing and consumer goods marketing. However, business to business marketing is the marketing of goods and services to commercial enterprises govt. Departments and even non profit making organisations that use these goods and services.
- XV. Green marketing: According to the American marketing Association, Green marketing is marketing of products that are presumed to be environmentally safe. It has a broad range of activities including product modification changes in product process, packaging changes but it is not easy to define green marketing. These are eco-friendly offerings. These can save water reduce green house permissions, cut toxic pollution, clean in door air, use greener marketing.
- XVI. Internet Marketing : It is also known as web marketing , online marketing , web advertising or e- marketing , market done via e mail or wireless media. Digital customer data and electronic customer relationship management systems are also grouped together under internet marketing. It is a strategy through which a small company utilizes the internet marketing. It is a strategy through which a small company utilizes the internet and find out the ways to promote marketing. It uses tools such as social media marketing, Local Directory listing online sales promotion.

#### Types of internet marketing

- Display advertising.
- Search Engine marketing.
- Search engine optimisation.
- Social media marketing.
- E- mail marketing.
- Referral marketing.
- Affiliate marketing.
- In bound marketing.

7. Marketing by Mohit Aggarwal , Arihant Publications Page 212.

8. i bid page 214.

## Marketing management and its process.

Marketing management means managing the marketing function. It includes planning, organising, directing and control of the activities which facilitate exchange of goods and services. From the management point of view, the term marketing has been defined as “the process of planning and executing the conception , pricing , promotion and distribution of ideas , goods and services to create exchanges that satisfy individual and organisational goals”by American Management Association Philip Kotler said ,”Marketing management is that art and science of chosing target markets and getting, keeping and growing customers through creating , delivering and communicating superior customers value of management. “

The process of management of marketing involves : -

- 1) Choosing a target market, say a producer of readymade garments of children up to 5 years of age.
- 2) To create customers for the product and increase their number; keep the customers satisfied with the product and attract more customers and tap the new packets of customers.
- 3) To create superior value for his customers and persuade them to buy his products.
- 4) To go on re shaping , redesigning his product as per the needs and wishes of his customers satisfied with the Product and attract more customers and tap the new pockets of customers.
- 5) To face the on slaught from his competitors also by managing the price level, demand level and satisfaction level of his product by adopting innovative methods.

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“Marketing management “by K. Kundan , BSC Publishing Co. Pvt. Ltd. Delhi Page 4.

Difference Between Physical Goods and Services

Table

S.No	Physical Goods	Services
1	Tangible Nature	In tangible nature
2	Homogeneous Element	Hetrogeneous element
3	Production and distribution separated from consumption.	Production , distribution and consumption are simultaneous process.
4	A thing or a Product	An activity or Process
5	Core value Produced in a Factory/Industry	Core Value Produced in Buyer/Seller interactions
6	Customers don't participate in the Production process.	Customers participate in the production or delivery process.
7	Can be kept in stock or be stored.	Cant be kept in stock or be stored.
8	There is transfer of ownership possible.	No possibility of its transferability.
9	There is element of in seperability.	Not seperable.
10	Not always perishable.	Absolutely Perishable.

10. "Marketing Management" by Mac Millan Indian Institute of Banking and Finance, Mumbai. Page 364.

The present state of Punjab came into existence as on 1<sup>st</sup> November 1966 when all Punjabi speaking areas of east while Punjab were included in it and Hindi speaking areas were transferred to Haryana and Himachal Pradesh. Basically, Punjab is an agricultural state called "Granery of India" and it has never been industrial state. Successive governments have taken some steps to set up 'Small scale units at Mohali , Ludhiana ,Jalandhar Science city Kapurthala, Bathinda , Patiala and other districts but it primarily remain an agricultural state. If we go by the production of electronic goods in Punjab it is mostly confined to Mohali . It is a hub for Production of Home used electrical appliances, electric Tubes , bulbs computers , Laptops , music systems ,Kitchen ware, washing machines , Mobiles , mixies , Air conditioners of different sizes inter com systems electronic, Barring few all are I.S.O certified electronic goods having here. The market of electronic goods at Mohali is facing tough competition from China whose electronic goods are very cheap. Although the quality of China made goods is very low yet most of the consumers of electronic goods are buying them due to low Price.

By and large Electronic goods are not perishable goods but their life span depends upon the quality of the Products. While the electronic goods like TV Sets , Refrigerators , washing machines , Table fans , ceiling fans , Laptop have four / five years life span the life of electronic bulbs, tubes c's not more than 2 years . Marketing strategies for electronic goods therefore have to be such that producers and marketers must feel to stay in the business and earn enough so as to maintain, sustain and retain their position in the market and even emerge stronger players than Chinese competitors. An “electronic market place “is created when an information system can serve as intermediary between buyers and selling in vertical market. ( Bakos 1991,1997) such electronic market systems typically reduces the information ( search) costs for buyers ( i.e. costs related to information about product offerings and price in the market ) consequently affecting market efficiency and competitive behaviour.

The emergence of electronic market is associated with three major effects of the use of information technology. ( Malone etal 1987)

- a) Electronic communication effect: IT dramatically decreases the costs of communication.
- b) Electronic brokerage effect : through a central data hase, the number of product alternatives that consumers consider increases along with the quality of alternative selected by them and the cost of entire product selection process decreases.
- c) Electronic integration effect : A supplier and a producer use it to create joint processes at the interface between value added stages; as a result, time is saved and errors are avoided ( since data need only to be entered once ).

Information technology developments enable retailers in particular to focus their marketing efforts on managing their customers more effectively ( Mulhern, 1977). However, Phelan (1996) argues that the internet as a marketing tool has occurred so quickly that it has not been subject to typical scrutiny in academic marketing forums. Phelan goes as far as claiming that the internet has greater value as promotional device for manufacturing and whole sellers than as direct sales channel.

### Strategic Marketing Planning

In the modern corporate environment, dramatic changes take place in IT and its business applications. The socio demographic composition of markets has significantly changed and consumer behaviour is not the same as before. In addition, new forms of competition emerge. All these changes along with increased uncertainty, head inevitably market boundaries and compressed product consequences of all those trends is that strategic planning helps modern companies to successfully comfort the business environments dramatic changes and compete in the market. Strategic planning is a

process which includes; the evaluation of the company is the definition of its basic long term objectives, the identification of quantified objectives, the development of appropriate strategies for the satisfaction of objectives and necessary resource allocation in order to implement the strategies. The essence of strategic planning lies with the consideration of current alternative strategic decisions, given possible threats and opportunities.

Given that strategic planning in corporate all business functions, it includes the function of marketing , as well. Marketing is contribution is very important because of the necessary “Market orientation “that the modern corporation should have and because of marketing decisions which deals with the selection of its Product market combinations. Marketing is orientation to the last two define the “Strategic marketing concept” Strategic market planning offers several advantages. It is a future and externally oriented process. It focuses on seeking differential competitive advantages. It deals with decision making regarding corporate resource allocation. It is finally, a synthetic and integrative process. As such, strategic marketing planning offers invaluable help to the strategic planning process of the entire company. More specially its contributions include the following: -

- a) Corporate mission definition.
- b) Evaluation of the company’s competitive position.
- c) Identification of alternative investment opportunities.
- d) Determination of emphasis that should be placed in new product or market expansion based on existing products.
- e) Internal development or external acquisition of resources.
- f) Diversification and product mix decisions.
- g) Identification of market opportunities in future marketing environment.

In the strategic plan, there should first be a mission statement objectives should be well explained in the mission statement and a series of strategies should be laid down for achieving the objectives. These strategies first relate to specific target markets and these should then be developed to meet target customers like price and service levels, promotion etc. The strategic plan is defined as grand design or blue print for ensuring success in all of the organisation’s business endeavours.

#### Value Creation in Electronic marketing:

Value is the basic motive for the generation of exchange processes. However, sellers compete for buyers, especially in cases in which a buyer has sellers. In such instances, the buyer selects the product which has greatest value. In the opposite

case of various products offering the same value, the buyer and seller can implicate themselves in some form of negotiation process or the exchange will materialise between the buyer and seller who offers the product at the lowest price than those of competitors. The entire way of value creation for the customers should be reconsidered by companies in market space

( Weiher and Kollmann ) Porter's (1985 , p59) value chain can be used in virtual market as highlighted by the work of Ray part and Sviokla (1994,1995) Weiher and Kollmann (1988)support that by information functioning as source of competitive advantage in its own right , virtual value creation activities can emerge in the market space, independent of physical value chain. The virtual value creation activities take the form of the collection, systemisation, selection , combination and distribution of information.

### Marketing Strategy

Marketing Strategy describes how objectives will be achieved. Alternative strategies should be considered as well as customer targets, competitions targets and the company's core strategy (differential advantage) . Each alternative strategy should be presented separately along with pros and cons. Potential combinations of alternative strategies should also be presented as separate alternatives with their pros and cons. After all the alternatives are presented, marketer should select one of them, based on conclusions from various parts of the situation analysis and justify thoroughly that selection. Market programmes are then developed for the selected strategy of program objectives refer to specific objectives concerning marketing Programmes. (Customer services, efficiency, cost reduction etc) whose achievement will lead to achievement of the company marketing objectives. These should be compatible with overall marketing objectives, quantified and also have time tables. Marketing programmes are detailed reports of how marketing program objectives will be accomplished through tactical action programmes (Pricing, advertising and promotion, sales, distribution etc.) Marketing strategy also includes contingency plans which should be outlined along with the conditions under which should be obtained along with the conditions under which these would be implemented. Contingency plans are implemented when something unexpected happens and overturns any of planning assumptions based on which entire marketing plan was developed.

According to Alfered D. Chembler , “A strategy is a fundamental pattern of present and planned objectives , resources deployment and interactions of an organisation with market competitor and other environmental factors “. 11

Marketing strategies for electronic goods are not much different than strategies for ordinary goods as these include both industrial goods as well as consumer goods. Some of these are discussed here below:

- Consumer Behaviour: Marketer must be able to read and change the behaviour of the consumers buying electronic goods. Is he already a tried and tested customer or he needs some sort of convincing, persuasion or motivation. If he is not used to your products, he will have to be oriented to be brought in your fold. He should be made to use your product. Once satisfied he will become your life time consumer and he will also be an ambassador to recommend your products to other people in his circle. It has been seen that some people nurse grudge against your goods without any rhyme or reason. Such people are a great danger to your future prospects because they spread rumours to others. They should be handled carefully and their mind set should be changed by brain wash.

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11. Reddy, K. Malika Juna (1998) "Consumer Behaviour and Marketing strategies of Electronic Firms. A study of selected Consumer Products".

Phd thesis (unpublished) P. 137.

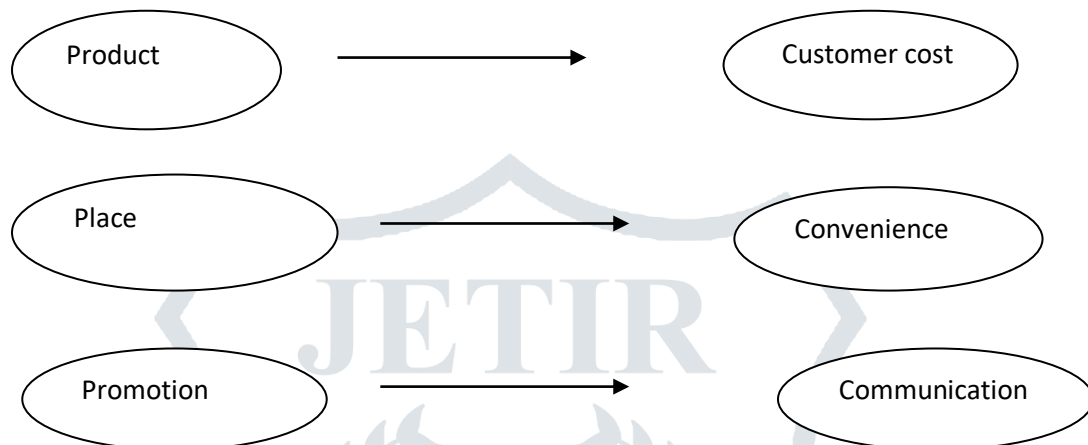
- As a very strong marketing strategy, one should expand his base and create proper environment that only the existing customer gets added satisfaction more and more customers should come to your fleet of customers. They should be given some gifts incentives and others should also come to your fold.
- King of market is very customers are so important for the health of business that no one can ignore the wishes of them. Consumers buy so many electronic goods that their satisfaction must be ensured. Buying pattern of them indicates that how many customers have shifted from middle class to upper class and the goods can be Air conditioner, Refrigerator and T.V. set for the purpose of assessment.
- Marketing strategies also include key functional aspects of Analysis, planning, implementation and control. There is need to understand customers, their needs in present and future, your competitors' business trends in electronic goods and changes in environment for drawing effective marketing plan. You need to do short term and long term planning keeping in view the resources at your disposal and what will be shape of your goals, implementation involves adequate start, allocation of tasks and responsibilities, financial and offer resources needed for the purpose. To have effective control over the entire

endeavour, one must use qualitative and quantitative techniques including budgetary control, control of marketing mix and also marketing audit.

- A customer is not dependent on us we are dependent on him. Winning companies are those who care for perfect matching of four C's of buyers as rightly pointed out by Professor Robert Lauterhorn and there is "customer value" or "value chain" as under :

Sellers Four P's

Buyers Four C's.



- SWOT analysis is also very important for making marketing strategies. The business concern must be aware of its strength, weaknesses, opportunities and threats. It must fully exploit its strength which can be hard working and trained staff, adequate capital, technical knowhow, sound base, a very vast market, best and latest infrastructure, a brand name and so on. It can also have some weaknesses like strong competitors, bleak future out work, worn out plant and machinery, had debts etc. Among the opportunities can be emergence of new township in the area and more demand for electronic good, export opportunities for the product, increase in the efficiency of work force, lack of competitors etc. Among depletion of funds, recovery of sale proceeds becoming difficult, consumer adopting substitute goods or discarding the products of your company and so on. So there should be well in advance strategy to tackle all the matters involved in SWOT.
- Marketing strategies should be conducted or performed or executed by a person having the qualities of perfect leadership. Leadership must have the qualities of head and heart. Leaders should be able to lead his team to success by using motivation, encourage men and persuasion and by discipline. There should be a system of rewards for best performers and counselling for low performers and those who fail to come should be shown the door. Some people are born great or leaders and others become leaders by doing extra ordinary wonderful things for others to emulate. Success of marketing strategies depends upon the team leader having acquisition of leadership.
- With ever increasing complexity of marketing and business activities, the collection, analysis and interpretation has become much more intricate warranting the services of

specialised skills and refined techniques . This urgent need has given birth to market research as a unique function of modern marketing. Research is any systematic objective and organised enquiry undertaken to provide information for making sound and timely decisions. According to Professor PE Green and Professor D.S Tull ,”The systematic and objective research for analysis of information relevant to the identification and solution of any problem in the field of marketing in their title Research for marketing decisions.

- The marketing excellence achieved by a firm bears a direct relationship to the way it manages marketing information. A M/s consists of people, equipment and procedures to gather, sort, analyse information to marketing related decisions makers. It relies internal company records, marketing intelligence activities and marketing research. 13.
- Analysing consumer markets means understanding the consumer behaviour. It is study how consumer select, buy, use and dispose off goods to satisfy their needs and wants . A consumer is buyer behaviour is influenced by four factors namely cultural factors , social factors , Personal factors and Psychological factors. While making marketing strategies , care should be taken that all factors are satisfied.

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12. “Marketing Management, Text and cases by Dr. C N Sonatakki”. Page 1.110.

13. “Management “written by Mohit Aggarwal , Arihant Publications. Page 215,216.

- Market targeting is very important from the point of view of marketing strategies business firm must decide as to which segment of market is to be targeted and what opportunities that segment offers. What Product is going to market to its customers. A product is a bundle of utilities consisting of various product features and accompanying services which buyer may accept as offering satisfaction of wants and needs. Without deciding a product, no firm can decide its business activity. There will then be minimum risk of product failure. It is very much applicable in case of production of electronic goods.
- Linked with marketing strategies is also the brand of the product. Brand name is a part of Brand consisting of a word, letter , group of words comprising a name which is intended to identify the goods or services of a seller and to differentiate then from those of competitors. Branding is the management process or trade mark.

It can, in the nut shall be said that marketing strategies are countless and varied. If any effort is a success it becomes a strategy .But same thing can fail elsewhere if it succeeds anywhere. All depends upon the time place, situation and conditions for a marketing strategy to be success or failure . It is the wisdom or business acumen of the marketer which matters much.