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MARKETING MANAGEMENT

EXAM REVISION NOTES

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MODULE I

NATURE, EVOLUTION, AND CORE CONCEPTS OF MARKETING

Nature, Evolution, and Core Concepts of Marketing: Marketing represents the core organizational function and commercial philosophy that connects an enterprise to its dynamic marketplace.

Core Marketing Concepts and the Value Equation: Professional marketing practice is built upon fundamental theoretical constructs:

- **Needs, Wants, and Demands:** Needs are basic human requirements for physical survival and social belonging (food, clothing, shelter, security).
- **Target Markets, Positioning, and Segmentation (STP):** Marketers cannot satisfy everyone.
- **The Customer Value Equation:** Customer Perceived Value (CPV) is the difference between prospective customer evaluation of all the benefits and all the costs of an offering relative to perceived alternatives: Customer Perceived Value = Total Customer Benefits (Functional + Economic + Psychological) - Total Customer Costs (Monetary Price + Time + Energy + Psychic Cost).
- **The Marketing Mix (The 4Ps, 7Ps, and 4Cs):** The classic tactical toolkit comprising Product, Price, Place, and Promotion.

The Services Marketing Extension: The 7Ps Framework: The traditional 4Ps framework was engineered for tangible physical manufactured products. Services possess unique operational characteristics—Intangibility, Inseparability (production and consumption occur simultaneously), Variability (quality depends on human delivery), and Perishability (cannot be stored in inventory).

- **People:** All human actors who play a part in service delivery and influence customer perceptions (front-line service personnel, customer support agents, flight attendants).
- **Process:** , flight check-in workflows, restaurant order routing, hospital patient intake).
- **Physical Evidence:** , modern bank branch architecture, premium hotel room decor, professional corporate stationery, clean uniforms).

The Marketing Environment — Micro, Macro, PESTLE, and SWOT Analysis: An enterprise does not operate in an isolated vacuum. The marketing environment consists of internal and external actors and environmental forces that affect management's ability to develop and maintain successful relationships with target customers.

The Macro-Marketing Environment: PESTLE Architecture: The macro-environment encompasses broad societal forces that influence the entire industry and micro-environment across six PESTLE dimensions:

- **Political Environment:** Government policy stability, tax regimes, import-export tariffs, trade restrictions, and antitrust legislation.
- **Economic Environment:** Macroeconomic indicators including consumer disposable income, interest rates, inflation rates, unemployment figures, and foreign exchange currency volatility.
- **Socio-Cultural Environment:** Fundamental values, demographic shifts, lifestyle trends, cultural norms, and consumer habits.
- **Technological Environment:** Rapid technological disruptions, artificial intelligence adoption, 5G wireless connectivity, automated supply chains, and e-commerce platforms.
- **Legal Environment:** , Consumer Protection Act 2019 in India), intellectual property rights, data privacy mandates (GDPR, DPDP Act 2023), and advertising ethics codes (ASCI guidelines).

Marketing Information Systems (MIS) and the Research Process: Modern marketing leadership requires empirical factual intelligence rather than subjective intuition. A Marketing Information System (MIS) consists of people, equipment, and procedures dedicated to gathering, sorting, analyzing, evaluating, and distributing timely, accurate information to marketing decision makers.

The Formal Six-Stage Market Research Process: Executing professional marketing research requires adherence to a disciplined scientific process:

Strategic Marketing Planning, BCG Matrix, and Ansoff Growth Matrix: Strategic marketing planning is the managerial process of developing and maintaining a viable fit between an organization's objectives, skills, and resources, and its changing market opportunities.

The Boston Consulting Group (BCG) Growth-Share Matrix: Developed by Bruce Henderson of the Boston Consulting Group, the 2×2 Growth-Share Matrix plots an enterprise's portfolio of SBUs along two quantitative axes: Market Growth Rate (vertical axis, representing industry attractiveness) and Relative Market Share (horizontal axis, serving as a proxy for competitive strength and cost advantage derived from the experience curve):

- **Stars (High Growth, High Relative Market Share):** Market leaders in rapidly expanding industries.
- **Cash Cows (Low Growth, High Relative Market Share):** Dominant market leaders in mature, slow-growing industries.
- **Dogs (Low Growth, Low Relative Market Share):** Business units holding weak market share in stagnant or declining industries.

Porter's Generic Competitive Strategies: Harvard economist Michael Porter demonstrated that competitive advantage stems from how a firm positions itself within an industry relative to competitors.

- **Overall Cost Leadership:** , Walmart, Ryanair).
- **Differentiation:** , Apple, BMW).
- **Focus / Niche Strategy:** Concentrating exclusively on a narrow customer segment, geographic market, or specialized product line, executing either Cost Focus or Differentiation Focus within the narrow target.

MODULE II

MARKET SEGMENTATION BASES AND PROFILING FRAMEWORKS

Market Segmentation Bases and Profiling Frameworks: Modern markets are heterogeneous aggregates comprising millions of individual consumers with diverse purchasing powers, cultural backgrounds, aesthetic preferences, and buying motivations.

Criteria for Effective Market Segmentation (MASDA Framework): Not all market segmentations are operationally viable. To be commercially useful, a segment must satisfy five fundamental criteria:

- **Measurable:** The physical size, purchasing power, and demographic profile of the segment can be accurately calculated.
- **Accessible:** The segment can be effectively reached and served through available communication media and distribution logistics channels.
- **Substantial:** The segment is sufficiently large and profitable to warrant designing and executing a dedicated marketing program.
- **Differentiable:** The segments are conceptually distinguishable and respond differently to disparate marketing mix elements.
- **Actionable:** Effective programs can be formulated for attracting and serving the segments within the organizational resources and capabilities of the enterprise.

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B2B Market Segmentation: The Nested Approach (Bonoma & Shapiro): While consumer segmentation relies on demographic and psychographic criteria, business-to-business (B2B) markets require specialized frameworks.

- **Demographics (Outer Nest):** Industry sector (SIC/NAICS codes), corporate company size, and geographic facility locations.
- **Operating Variables:** Customer technology architecture, user vs.
- **Purchasing Approaches:** Purchasing function organization (centralized vs.
- **Situational Factors:** Urgency of order fulfillment, specific application requirements, and order size requirements.
- **Personal Characteristics (Innermost Nest):** Buyer-seller cultural similarity, executive risk attitudes, and purchasing agent loyalty.

Evaluating and Selecting Target Market Segments: In evaluating disparate market segments, management analyzes three structural dimensions:

- **Segment Size and Growth Potential:** Evaluating whether the segment possesses sufficient current sales volume and prospective growth velocity to warrant investment.
- **Segment Structural Attractiveness (Porter's Five Forces):** A segment may possess attractive size, yet be commercially unviable if it is saturated with aggressive competitors, if entry barriers are low, if substitute products threaten margins, or if buyers possess overwhelming price-bargaining power.
- **Company Objectives and Resource Competence:** The segment must align with the firm's long-term mission and core competencies.

Brand Positioning Framework: Points-of-Parity and Points-of-Difference: Positioning is the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market.

Empirical Case Study: Brand Repositioning of Tata Motors Passenger Vehicles: The transformation of Tata Motors in the Indian automotive market illustrates strategic positioning and perceptual mapping in action:

- **The Historical Legacy Trap (1998–2014):** While the Tata Indica and Indigo achieved massive volume, they became heavily associated with commercial taxi fleets and perceived as budget, utilitarian, and technologically unrefined.
- **Perceptual Map Diagnostics:** Perceptual mapping revealed Tata was trapped in the low-price, low-aspiration quadrant, while competitors (Hyundai, Maruti Suzuki) occupied the modern, aspirational lifestyle spaces.
- **The "New Forever" Strategic Pivot:** 0); and (3) Pioneering mass-market electric vehicle adoption (Nexon EV).
- **Strategic Outcome:** 8% to over 14% within six years.

The Stimulus-Response Model of Buyer Behavior (The Black Box Model): The classical behavioral model conceptualizes the consumer as an analytical system operating across three stages:

- **Marketing and Environmental Stimuli (Inputs):** The consumer is exposed to marketing stimuli governed by the enterprise (Product design, Pricing tiers, Retail distribution channels, and Promotional messages), alongside macro-environmental forces (Economic fluctuations, Technological innovations, Political events, and Cultural movements).
- **The Buyer's Black Box (Processing):** Stimuli enter the consumer's cognitive system, comprising two interacting components: Buyer Characteristics (cultural, social, personal, and psychological makeup) and the Buyer Decision Process (how information is searched, evaluated, and decided).
- **Buyer Responses (Outputs):** The resulting overt commercial behaviors: product choice, brand selection, dealer/retailer choice, purchase timing, purchase quantity, and post-purchase brand advocacy or complaints.

Social Factors Influencing Consumer Behavior: Human beings are social creatures whose purchasing habits are heavily mediated by interpersonal relationships:

- **Opinion Leaders and Word-of-Mouth (WOM):** Individuals within a reference group who exert disproportionate social influence due to specialized knowledge, personality, or status.
- **The Family:** The most important consumer buying organization in society.

The Five-Stage Consumer Buying Decision Process: The consumer buying decision process is not a momentary transactional act occurring at the cash register. It is an extensive cognitive and behavioral journey that begins long before the actual purchase and extends long after the transaction is completed.

The Five Stages of the Consumer Buying Decision Journey: The classical normative consumer decision model outlines five sequential stages:

- **Expectancy-Value Model:** The consumer processes competitive brand information to arrive at value judgments.

MODULE III

PRODUCT CONCEPT, CLASSIFICATION, AND PRODUCT PORTFOLIO DECISIONS

Product Concept, Classification, and Product Portfolio Decisions: In marketing theory, a product is far more than a physical commodity manufactured in an industrial plant. Philip Kotler defines a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or a need.

Taxonomy and Classification of Products: Marketers categorize products based on buyer durability, tangibility, and customer shopping behavior:

- **Nondurable Goods:** , packaged soap, salt, soft drinks).
- **Durable Goods:** , refrigerators, machine tools, clothing).
- **Services:** , commercial airline flights, accounting audits, legal defense).
- **Convenience Goods:** Purchased frequently, immediately, and with minimal cognitive shopping effort.
- **Specialty Goods:** , Rolex watches, Leica camera systems, high-end sports cars).

Product Mix (Portfolio) Architecture and Strategic Dimensions: A Product Mix (also called a Product Assortment) is the set of all products and items a particular seller offers for sale to buyers.

- **Width (Breadth):** Refers to how many different product lines the enterprise carries.
- **Length:** Refers to the total number of items in the mix.
- **Depth:** , offering a shampoo in four different formulations—anti-dandruff, volumizing, dry hair, normal hair—across three packaging bottle sizes yields a depth of 12 variants).
- **Consistency:** Refers to how closely related the various product lines are in end use, production requirements, distribution channels, or other ways.

Product Life Cycle (PLC) Dynamics and New Product Development (NPD): Products, like biological organisms, have finite commercial lifespans. The Product Life Cycle (PLC) concept asserts that products pass through distinct stages, each posing different challenges, opportunities, and risks to the enterprise.

Non-Standard PLC Trajectories: Styles, Fashions, and Fads: Not all products conform to the classical S-shaped PLC curve:

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- **Style:** , styles of homes: colonial, modern; styles of art: abstract, realist).
- **Fashion:** , business casual attire, minimalist interior aesthetics).
- **Fad:** , fidget spinners, pet rocks).

The Diffusion of Innovations (Everett Rogers): Consumers do not adopt new products simultaneously. Everett Rogers proved that innovation adoption follows a bell-shaped normal curve categorized across five adopter segments:

- **Innovators (2.5%):** Venturesome, technology enthusiasts willing to take high financial risks; comfortable with initial technical bugs.
- **Early Adopters (13.5%):** Respectable opinion leaders who embrace new ideas carefully; vital for bridging the gap between niche adoption and mass market acceptance (the "chasm").
- **Early Majority (34.0%):** Deliberate, pragmatic consumers who adopt new technology only after it has been proven by early adopters.
- **Late Majority (34.0%):** Skeptical, price-sensitive consumers who adopt only after the majority has tried it and prices have dropped.
- **Laggards (16.0%):** Tradition-bound consumers suspicious of change, adopting only when the old technology is completely obsolete or discontinued.

Customer-Based Brand Equity (CBBE): Keller's Resonance Pyramid: Professor Kevin Lane Keller formulated the Customer-Based Brand Equity (CBBE) Pyramid, tracing how brand power emerges through four ascending cognitive tiers:

- **Tier 1: Brand Salience (Identity - Who Are You?):** Relates to aspects of brand awareness: how often and easily the brand is evoked under various purchase or consumption situations.
- **Tier 2: Brand Performance and Brand Imagery (Meaning - What Are You?):** Performance relates to the functional attributes, reliability, durability, and service effectiveness of the product.
- **Tier 3: Brand Judgments and Brand Feelings (Response - What About You?):** Judgments focus on customer personal opinions regarding brand quality, credibility, and superiority.
- **Tier 4: Brand Resonance (Relationships - What About You and Me?):** The Sum of mit of the pyramid.

Strategic Branding Decisions: Architectures and Extensions: Enterprises structure their brand portfolios across distinct architectural paradigms:

- **Individual Branding:** , Procter & Gamble marketing Tide, Ariel, Pampers, and Pantene separately).
- **Blanket Family / Umbrella Branding:** , Tata, Virgin, General Electric).
- **Sub-Branding (Hybrid):** , Apple iPhone, Sony PlayStation, Ford Mustang).
- **Brand Extensions:** Using an established brand name to launch a new product.

Co-Branding, Ingredient Branding, and Brand Licensing: Organizations frequently partner with external brand assets to accelerate equity transfer:

- **Co-Branding (Dual Branding):** , Apple Watch Nike+ edition, Uber partnered with Spotify).
- **Ingredient Branding:** , Intel Inside microprocessors, Gore-Tex water-resistant fabrics, Dolby Atmos audio processing).
- **Brand Licensing:** , Disney licensing Marvel characters to toy manufacturers and apparel retailers).

The Six-Step Pricing Procedure: Enterprise pricing strategy follows a systematic six-step decision process:

- **Markup (Cost-Plus) Pricing:** Adding a standard percentage markup to the product's unit cost: Unit Cost = Variable Cost + (Fixed Costs / Unit Sales) | Markup Price = Unit Cost / (1 - Desired Return on Sales).
- **Target-Return Pricing:** Determining the price that yields a target rate of return on invested capital (ROIC).
- **Perceived-Value Pricing:** Setting price based on customer perceptions of value rather than seller cost.
- **Value Pricing (EDLP vs. High-Low):** Charging a fairly low price for a high-quality offering.
- **Going-Rate Pricing:** Setting prices based largely on competitors' prices, paying less attention to own costs or demand.

MODULE IV

MARKETING CHANNELS OF DISTRIBUTION, INTERMEDIARY DYNAMICS, AND CHANNEL CONFLICT

Marketing Channels of Distribution, Intermediary Dynamics, and Channel Conflict: Marketing channels are sets of interdependent organizations participating in the process of making a product or service available for use or consumption.

Channel Levels and Structural Configurations: Marketing channels are structured across varying tiers of intermediary length:

- **Zero-Level Channel (Direct Marketing):** , door-to-door sales, manufacturer factory outlet showrooms, corporate e-commerce platforms like Dell or Apple online).
- **One-Level Channel:** , Manufacturer → Retailer → Consumer).
- **Two-Level Channel:** , Manufacturer → Wholesaler → Retailer → Consumer).
- **Three-Level Channel:** , Manufacturer → C&F Agent → Wholesaler → Retailer → Consumer).

Vertical, Horizontal, and Multi-Channel Marketing Systems: Traditional conventional marketing channels consist of independent producers, wholesalers, and retailers, each pursuing self-interested profit maximization with minimal coordination.

- **Corporate Vertical Marketing System (VMS):** , Zara owns the textile mills, design studios, logistical hubs, and flagship retail stores, enabling rapid two-week design-to-rack turnaround).
- **Administered VMS:** , Walmart or Procter & Gamble dictating shelf displays, electronic inventory protocols, and pricing rules to trade partners).
- **Contractual VMS:** Consists of independent firms at different levels of production and distribution integrating their programs on a legal contractual basis.
- **Horizontal Marketing System:** , supermarket chains hosting bank branch kiosks or Starbucks outlets inside retail stores).
- **Multi-Channel and Omnichannel Networks:** Utilizing multiple channels (physical stores, mobile applications, website storefronts, third-party marketplaces) to reach diverse customer segments, seamlessly synchronizing inventory and customer service across touchpoints.

Integrated Marketing Communications (IMC) and the Promotional Framework: Integrated Marketing Communications (IMC) is a strategic business process used to plan, develop, execute, and evaluate coordinated, measurable, persuasive brand communication programs over time with consumers, prospects, employees, and other relevant external and internal audiences.

Hierarchy of Effects Models (AIDA & Lavidge-Steiner): Promotional communications guide prospective buyers through sequential cognitive, affective, and behavioral stages:

- **AIDA Model:** Proposes that promotional messages must capture Attention (Cognitive), arouse Interest (Affective), stimulate Desire (Affective), and induce Action (Behavioral).

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- **Lavidge-Steiner Hierarchy:** Traces six ascending stages: Awareness → Knowledge (Cognitive realm); Liking → Preference → Conviction (Affective realm); and Purchase (Conative/Behavioral realm).

Push versus Pull Promotional Strategies: The relative allocation of the promotional mix across channel partners versus end consumers reflects two distinct operational orientations:

- **Push Strategy:** Directs marketing efforts (primarily personal selling and trade sales promotions) at channel intermediaries (wholesalers and retailers) to induce them to order, carry, and aggressively promote the product to final consumers.
- **Pull Strategy:** Directs promotional investments (primarily consumer advertising and consumer sales promotions) toward final consumers to induce them to demand the product from channel intermediaries.
- **Advertising:** Non-personal; one-way broadcast/digital; Low to moderate; High; message and schedule controlled; Broad awareness; brand image building
- **Personal Selling:** Interpersonal; dynamic dialogue; Extremely high; Moderate; depends on individual sales rep; Complex negotiations; relationship closing

Advertising Management: The 5 Ms Framework: Developing an effective advertising campaign requires structured decision-making across five core dimensions, known as the 5 Ms of Advertising:

- **2. Money (Budget):** Factors influencing budget decisions include PLC stage (new products need larger budgets), market share and consumer base, competition and clutter, advertising frequency, and product substitutability.
- **3. Message (Creative Strategy):** Formulating the core value proposition.
- **4. Media (Channel Selection):** Deciding on Reach (percentage of persons exposed to the ad during a given period), Frequency (number of times an average person is exposed), and Impact (qualitative value of an exposure through a given medium).
- **5. Measurement (Evaluation):** Assessing communication effects (copy testing, recall tests, brand tracking) and sales effects (historical econometric modeling and experimental test marketing).

Public Relations (PR) and Corporate Publicity: Public Relations encompasses a variety of programs designed to promote or protect a company's image or individual products.

- **Press Releases and Press Conferences:** Distributing news stories and holding media briefings regarding corporate milestones, new product launches, and scientific breakthroughs.
- **Event Sponsorship and Experiential Marketing:** , Red Bull extreme sports events).
- **Corporate Social Responsibility (CSR) and Cause-Related Marketing:** Demonstrating civic commitment through philanthropic contributions, ethical sourcing, and environmental sustainability initiatives.
- **Crisis Communication Management:** Rapid, transparent, and empathetic public messaging deployed during product recalls, accidents, or executive scandals to protect brand equity.

Direct Marketing, Digital Ecosystems, and Sustainable Marketing Trends: The contemporary marketing paradigm has been transformed by ubiquitous connectivity, algorithmic personalization, mobile commerce, and heightened ecological awareness.

The Digital Marketing Ecosystem: Digital marketing utilizes online and electronic channels to build brands, drive customer acquisition, and maximize customer lifetime value (CLV):

- **Search Engine Marketing (SEM & SEO):** Search Engine Optimization (SEO): Designing and optimizing web architectures, quality backlinks, and keyword richness to achieve high organic (unpaid) placement on search engine results pages (SERPs).
- **Search Advertising (Pay-Per-Click / PPC):** , Google Ads) where advertisers pay only when a user clicks the sponsored ad link.
- **Content Marketing and Inbound Strategy:** Creating and distributing valuable, relevant, and consistent educational content (blogs, whitepapers, instructional videos, podcasts) to attract and engage a clearly defined audience, positioning the firm as a thought leader rather than an intrusive advertiser.
- **Social Media Marketing (SMM):** Leveraging social platforms (LinkedIn, Instagram, YouTube, X) for brand awareness, community dialogue, and peer amplification.
- **Email and Marketing Automation:** Sending automated, behavioral-triggered email sequences (onboarding flows, abandoned cart reminders, personalized re-engagement offers) based on real-time user browsing telemetry.

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