Role of marketing

Marketing is all efforts made from the development of a product to the sale of product
Marketing identifies the needs and wants of customer
Marketing department conducts market research
Marketing department develops the product

Market oriented business

There is a market research conducted to find out whether people need or want the product
If a demand exists then the product is made
E.g
Businesses making changes in existing products and services

Market research to business

Marketing department conducts the market research
The following questions are answered in the market research

- What the consumer wants?
- At what price does he/she wants it?
- At what place would it be sold?

Primary research

Primary research is a data conducted first hand or personally
The information is generated by personally without referring to previous sources, often referred to as fresh information
Eg.
Interviews

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Advantages and disadvantages of Primary research

Advantages of primary research

- New and updated information generated
- Very low chances of error

Disadvantages of primary research

- Very expensive
- Some people might not answer seriously

Secondary research

Secondary research is a research conducted by using information of already published data

Eg.

Newspapers

Advantages and disadvantages of secondary research

Advantages of secondary research

- Costs less money

Disadvantages of secondary research

- Data might be outdated

How market research can be carried out

Interview

Questionnaire

Giving the people samples

Observation

Factors that influence accuracy of market research

The attitudes of the people questioned

Money

Kind of questions (simple or difficult)

Number of people being questioned

Presentation and use of results

There are many ways to show the results of market research:

Pie chart

Bar chart

Line graph

Pictogram

Market segmentation according to

Age

Socio-economic groupings

Location

Sex

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Importance of segmentation

By the process of segmenting people with similar needs, wants or tastes are formed into a group

The company can market its products more efficiently after the segmentation has been done

Selection and justification of a method of segmentation

Mass marketing

Mass marketing is selling of products and services to the entire population.

There is no segmentation done in mass marketing

Niche marketing

Selling the products and services to a small group of people

There is segmentation done in niche marketing

Marketing mix

Product

Price

Place

Promotion

What is Product in the marketing mix?

A good or service being sold by the company

What is Price in the marketing mix?

The price charged by the business for the good or service

What is Place in the marketing mix?

The different places where the product or service will be available for the people to buy

What is Promotion in the marketing mix?

Informing and persuading the people to buy the product or service

Importance of packaging

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Packaging provides the following benefits:

Attractive colors
Safety for the product inside
Information regarding the product
Strong brand name

Influence of brand name on sales

Brand names aim to build customer loyalty
The help the customers remember the brand name along with the product
Building a strong brand name results in an increase sales

Stages of product life cycle

Development
Introduction
Growth
Maturity
Saturation
Decline

Awareness of extension strategies

The main aim of the extension strategies is to extend the maturity phase. This can be done by doing the following things

- Selling product in new market
- Selling product to new group
- Making changes in the product

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Methods of pricing

Cost plus
Competitive
Psychological
Penetration
Price skimming

Cost plus pricing

The total cost of producing a product is calculated, and after that a mark-up is added to calculate the price

Competitive pricing

The price is calculated after keeping in view the price of competition.
Competitive price is normally kept just below the price of competition

Psychological

This is also known as "playing with mind price".
For example keeping $5.99 price instead of $6

Penetration pricing

Penetration pricing is when a low price is charged in order to attract customers

Price skimming

A high price is charged for a product or service because it either new or of high quality

Difference between price elastic and inelastic demand

Price elastic
A change in price has a great impact on the quantity demanded
e.g expensive watched
Price inelastic
A change in price has very low impact on the quantity demanded
E.g gas

Distribution channels

Producer, wholesaler, retailer,consumer
Producer, wholesaler, consumer
Producer, RDC, retail branch, consumer
Producer, consumer
Producer, agent, consumer
Producer, sole agent, retailer, consumer

Aims of promotion

To increase the sales
Provide information about the product
Inform people about the existence of product

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Different forms of promotions

Coupons
Deals
Samples
Rebates
Point of purchase displays
Sweepstakes

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