

Marketing Management

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ABSTRACT

Marketing management facilitates the activities and functions which are involved in the distribution of goods and services. Marketing management is the organizational discipline which focuses on the practical application of marketing orientation, techniques and methods. This is applicable inside enterprises, organizations and on the management of a firm's marketing resources and activities. It relies heavily on designing the organisations offering in terms of the target markets needs and desires and using effective pricing, communication and distribution to inform, motivate and service the market. Marketing management is concerned with the chalking out of a definite programme, after careful analysis and forecasting of the market situations and the ultimate execution of these plans to achieve the objectives of the organisation. To be good in marketing management, companies also need to pay attention to management. Managing the Marketing process requires the four marketing management functions- analysis, planning, implementation, and control. The Organisation first develops company-wide tragic plans and then translates them into marketing and other plans for each division, product, and brand. Through implementation, the organisation turns the plans into actions. Control consist of measuring and evaluating the results of marketing activities and taking corrective action where needed. Finally, marketing analysis provides the information and evaluation needed for all the other marketing activities. The strategic plan defines the company's overall mission and objectives. Guided by marketing strategy, the company defines an interaged marketing mix made up of factors under its control-product, price, place, and promotion. Through these activities, the company watches and adapts to the actors and forces in marketing environment.

Keyword: - *analysis, planning, implementation, control, strategy, marketing mix*

1. Marketing Analysis

The marketing analysis is to determine the attractiveness of the market and to understanding to its evolving opportunities and threats. It should analyse the company strengths and weaknesses as well as current and possible marketing actions to determine which opportunities bin the environment. To measure the role that a brand plays in driving demand for services in the markets in which it operates and hence to determine what proportion of Earnings from Intangibles are attributable to the brand. Through all of these analyses, the strengths, weaknesses, opportunities and threats (SWOT) of a company can be identified. Finally, with the help of a SWOT analysis, adequate business strategies of a company will be defined. Strengths include intestinal capabilities, resources, and positive situational factors that may help the company serve its costumer and achieve its objectives. Weakness includes internal limitations and negative situational factors that may interfere with company's performance. Opportunities are favorable factors or trends in external environment that the company may be able to exploit to its advantages. And thefts are

unfavorable external factors or trends that may present challenges to performance. The following dimensions of a market analysis:

1.1 Market Size

The size of the market can be evaluated based on present sales and on potential sales if the use of the product were expanded.

1.2 Market Growth Rate

A simple means of forecasting the market growth rate is to extrapolate historical data into the future. While this method may provide a first-order estimate, it does not predict important turning points. A better method is to study growth drivers such as demographic information and sales growth in complementary products. Such drivers serve as leading indicators that are more accurate than simply extrapolating historical data. Important inflection points in the market growth rate sometimes can be predicted by constructing a product diffusion curve. The shape of the curve can be estimated by studying the characteristics of the adoption rate of a similar product in the past. Ultimately, the maturity and decline stages of the product life cycle will be reached. Some leading indicators of the decline phase include price pressure caused by competition, a decrease in brand loyalty, and the emergence of substitute products, market saturation, and the lack of growth drivers.

1.3 Market Profitability

While different firms in a market will have different levels of profitability, the average profit potential for a market can be used as a guideline for knowing how difficult it is to make money in the market. Michael Porter devised a useful framework for evaluating the attractiveness of an industry or market.

1.4 Industry Cost Structure

The cost structure is important for identifying key factors for success. To this end, Porter's value chain model is useful for determining where value is added and for isolating the costs. The cost structure also is helpful for formulating strategies to develop a competitive advantage. For example, in some environments the experience curve effect can be used to develop a cost advantage over competitors.

1.5 Distribution Channels

The following aspects of the distribution system are useful in a market analysis:

- Existing distribution channels - can be described by how direct they are to the customer.
- Trends and emerging channels - new channels can offer the opportunity to develop a competitive advantage.
- Channel power structure - for example, in the case of a product having little brand equity, retailers have negotiating power over manufacturers and can capture more margins.

1.6 Market Trends

Changes in the market are important because they often are the source of new opportunities and threats. The relevant trends are industry-dependent, but some examples include changes in price sensitivity, demand for variety, and level of emphasis on service and support. Regional trends also

may be relevant.

1.7 Key Success Factors

The key success factors are those elements that are necessary in order for the firm to achieve its marketing objectives. It is important to consider that key success factors may change over time, especially as the product progresses through its life cycle.

The two major brands of Nestle are a very high contributor to its Brand equity – Nescafe and Maggi. These are two brands sold across India in small as well as big shops and super markets. There have been many competitors for these products, like Bru for Nescafe and Top ramen and Sunfeast Yippie against maggi.



Good Food, Good Life

Image 1: Nestle Logo

The appreciable factor in Nestle is that quality maintenance of products is upto mark and there are hardly any complaints about Nestles products in the market. This is a major achievement for a company which relies majorly on food products.

2. Marketing planning

Marketing is a process of developing and implementing plans to identify and satisfy customer needs and wants with the objective of customer satisfaction and profits making. The main elements of marketing planning are - market research to identify and anticipate customer needs and wants; and planning of appropriate marketing mix to meet market demands. "Marketing Planning is the process of developing marketing plan incorporating overall marketing objectives, strategies, and programs of actions designed to achieve these objectives. "Marketing Planning involves setting objectives and targets, and communicating these targets to people responsible to achieve them. It also involves careful examination of all strategic issues, including the business environment, the market itself, the corporate mission statement, competitors, and organisational capabilities. Marketing planning process is a series of stages that are usually followed in a sequence. Organisations can adapt their marketing plan to suit the circumstances and their requirements. Marketing planning process involves both the development of objectives and specifications for how to achieve the objectives. Following are the steps involved in a marketing

plan.

2.1 Mission

Mission is the reason for which an organisation exists. Mission statement is a straightforward statement that shows why an organisation is in business, provides basic guidelines for further planning, and establishes broad parameters for the future. Many of the useful mission statements motivates staff and customers.

2.2 Corporate Objectives

Objectives are the set of goals to be achieved within a specified period of time. Corporate objectives are most important goals the organisation as a whole wishes to achieve within a specified period of time, say one or five years.

2.3 Marketing Audit

Marketing audit helps in analysing and evaluating the marketing strategies, activities, problems, goals, and results. Marketing audit is done to check all the aspects of business directly related to marketing department. It is done not only at the beginning of the marketing planning process but, also at a series of points during the implementation of plan.

2.4 Opportunities and Threats analysis

The factors outside the organisation which are beyond the direct control of an organisation. Festive season can be an example of opportunity to make maximum sales, whereas increasing FDI in a nation can be the example of threat to domestic players of that nation.

2.5 Marketing Assumptions

A good marketing plan is based on deep customer understanding and knowledge, but it is not possible to know everything about the customer, so lot of different things are assumed about customer.

2.6 Marketing Objectives and Strategies

After identification of opportunities and challenges, the next step is to develop marketing objectives that indicate the end state to achieve. Marketing objective reflects what an organisation can accomplish through marketing in the coming years. Objective identifies the end point to achieve. Marketing strategies are formed to achieve the marketing objectives. Marketing strategies are formed to determine how to achieve those end points. Strategies are broad statements of activities to be performed to achieve those end points.

2.7 Forecast the Expected Results

Marketing managers have to forecast the expected results. They have to project the future numbers, characteristics, and trends in the target market. Without proper forecasting, the marketing plan could have unrealistic goals or fall short on what is promised to deliver.

2.8 Create Alternative Plan

An alternate marketing plan is created and kept ready to be implementing at the place of primary marketing plan if the whole or some part of the primary marketing plan is dropped.

2.9 Marketing Budget

The marketing budget is the process of documenting the expected costs of the proposed marketing plan. One common method to allocate marketing budgeting is based on a percentage of revenue. Other methods are - comparative, all you can afford, and task method.

2.10 Implementation and Evaluation

At this stage the marketing team is ready to actually start putting their plans into action. This may involve spending money on advertising, launching new products, interacting with potential new customers, opening new retail outlets etc.

Starbucks is the world largest coffee company. The company now operating worldwide was initiated in 1971 by Jerry Baldwin, Jerry Baldwin, and Gordon Bowker in Seattle, Washington.



Image 2: Starbucks Logo

“Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world, operating in more than 50 countries,” (Starbucks Corporation).

3. Marketing Implementation

Strategy formulation, marketing planning, and programming, allocating and budgeting all lead to marketing implementation. Implementation means different things to different people in the organization. To the salesperson, it means going through all of the steps of the selling process, while to the sales manager, it might mean reorganizing the whole sales force. Because of the relatively short time frame involved in most implementation activities, monitoring and auditing are generally easier than for the longer-term strategies and plans. Implementation is very people-oriented. The results of implementation are manifested in people doing things – buying, selling, training, reorganizing, etc. Marketing implementation is unique compared to implementation in most other functional areas because the primary focus of marketing is outside the company. Thus marketing implementation focuses on prospects, customers, distributors, retailers, centres of influence (who are the influencers in a buying decision – they specify but do not purchase). But marketing implementation also includes dealing with other functional areas to gain support and to develop coordination. For example, product managers must implement their plans and programs through product development, production, service and logistics personnel in other

functional areas. Marketing implementation involves a very interesting tension between the structures the firm puts in place to guide marketing efforts and the skills of the managers doing the marketing job. In most firms, what happens is that over time the structures become rigid and dysfunctional to changing marketplace needs, which guides the firm to destinations it does not want to reach! It is only by the timely intervention of the marketers, using their personal skills to 'subvert the organization toward quality' that good marketing actions result.

Commentators are forever saying how dumb corporate name and logo changes are. Well, they're clueless. As with anything else, name changes range from dumb to brilliant and everything in between.



Image 3: Fedex Logo

Adopting the viral conjunction "FedEx" allowed Federal Express (FDX) to capitalize on its leadership in express mail while diversifying into ground and other business services. It was brilliant. And its advertising has been groundbreaking, as well.

4. Marketing Control

Marketing Control can be defined as "the process of measuring and evaluating the results of marketing strategies and plans, and taking corrective action to ensure that marketing objectives are achieved. "Marketing Control can also be defined as "the set of practises and procedures employed by firms to monitor and regulate their marketing activities in achieving their marketing objectives." Developing and implementing marketing plan is not enough to reach marketing objectives; marketing plans and strategies are required to be monitored, evaluated, and adapted to meet the changing market environment, needs, and opportunities. Marketing control ensures performance improvement by minimising gap between desired results and actual results. If the actual results are found deviated from the expected results, plans and strategies are adapted to bring the results back to the desired level.

4.1 Marketing objectives.

Resources are scarce and costly so it is important to control marketing plans. Controlling marketing plan is not a onetime activity, it is a series of actions, and it is required to be done regularly. Marketing control process starts with the review of the marketing objectives.

4.2 Set Performance Standards

After defining/redefining marketing objectives, performance standards are set. Performance standards provide benchmarks to enable managers and employees to decide how they are progressing towards achieving objectives.

4.3 Compare Results against Standards

Actual results are compared against standards. If the actual results are in direction to the expected results, there is no problem in marketing plan and its execution.

4.4 Corrections and Alterations

If actual results are deviated from the expected results, there is requirement to correct and alter marketing plan to bring the results back to the desired level.

Apple (AAPL) stands as the one technology company that truly gets marketing. It defines the next big thing and creates game-changers in existing markets before people themselves even know what they want. It doesn't use focus groups or research; Apple is its own focus group.



Image 4: Apple Logo

It controls its channel and message better than any company on earth. Not to mention the 1984 Super Bowl, Think Different, and iPod silhouette ad campaigns.

5. Marketing Strategy

An organization's strategy that combines all of its marketing goals into one comprehensive plan. A good marketing strategy should be drawn from market research and focus on the right product mix in order to achieve the maximum profit potential and sustain the business. The marketing strategy is the foundation of a marketing plan. Marketing strategy has the fundamental goal of increasing sales and achieving a sustainable competitive advantage. Marketing strategy includes all basic, short-term, and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies that contribute to the goals of the company and its marketing objectives.



Image 5: PEST analysis

Strategic planning begins with a scan of the business environment, both internal and external, this includes understanding strategic constraints. An understanding of the external operating environment, including political, economic, social and technological which includes demographic and cultural aspects, is necessary for the identification of business opportunities and threats. This analysis is called PEST, it stand for Political, Economic, Social and Technological.

- Political – Here government regulations and legal factors are assessed in terms of their ability to affect the business environment and trade markets. The main issues addressed in this section include political stability, tax guidelines, trade regulations, safety regulations, and employment laws.
- Economic – Through this factor, businesses examine the economic issues that are bound to have an impact on the company. This would include factors like inflation, interest rates, economic growth, the unemployment rate and policies, and the business cycle followed in the country.
- Social – With the social factor, a business can analyse the socio-economic environment of its market via elements like customer demographics, cultural limitations, lifestyle attitude, and education. With these, a business can understand how consumer needs are shaped and what brings them to the market for a purchase.
- Technological – How technology can either positively or negatively impact the introduction of a product or service into a marketplace is assessed here. These factors include technological advancements, lifecycle of technologies, the role of the Internet, and the spending on technology research by the government.

Coca-Cola takes ‘One Brand’ marketing strategy global with ‘Taste the Feeling’ campaign



Image 6: Coca-Cola Advertisement

Coca-Cola is launching its first global marketing campaign in more than a decade as it takes its ‘One Brand’ strategy global with the introduction of the new ‘Taste the Feeling’ strapline.

6. Marketing Mix

The marketing mix definition is simple. It is about putting the right product or a combination thereof in the place, at the right time, and at the right price. The difficult part is doing this well, as you need to know every aspect of your business plan.

As we noted before, the marketing mix is predominately associated with the 4P's of marketing, the 7P's of service marketing, and the 4 Cs theories developed in the 1990s.



Figure – 1: Marketing Mix

Here are the principles used in the application of the right marketing mix:

- Product - The Product should fit the task consumers want it for, it should work and it should be what the consumers are expecting to get.
- Place – The product should be available from where your target consumer finds it easiest to shop. This may be High Street, Mail Order or the more current option via e-commerce or an online shop.
- Price – The Product should always be seen as representing good value for money. This does not necessarily mean it should be the cheapest available; one of the main tenets of the marketing concept is that customers are usually happy to pay a little more for something that works really well for them.
- Promotion – Advertising, PR, Sales Promotion, Personal Selling and, in more recent times, Social Media are all key communication tools for an organization. These tools should be used to put across the organization's message to the correct audiences in the manner they would most like to hear, whether it be informative or appealing to their emotions.

CONCLUSIONS:

The above presented data and information with regards marketing management; the basic steps of marketing management are analysis, planning, implementation, and control. The marketing strategy and marketing mix play vital role in the appropriate managing. The marketing management is major thing in today's world of enterprenership, it the success key of every brand and company.

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