

Marketing Basics

COPYRIGHT © BELONGS TO THE AUTHOR

Table of Contents

Foreword	04
Chapter 1	05
1. Marketing Fundamentals	05
1.1. Definition of Marketing	05
1.2. The Basics of Marketing	07
1.3. 4 Ps of Marketing	12
Chapter 2	32
2. Traditional Marketing	32
2.1. Description of Traditional Marketing	32
2.2. Types of Traditional Marketing	37
2.3. Appropriate Application of Tr. Marketing	47
Chapter 3	52
3. Internet Marketing	52
3.1. Definition of Internet Marketing	52
3.2. Types of Internet Marketing	59
3.3. Strategic Application of Online Marketing	74
3.4. Advantages of Internet Marketing	81
Chapter 4	85
4. Developing a Marketing Plan	85
4.1. Market Research	85
4.2. Drawing the Marketing Plan	92
4.3. Application of Marketing Plan	100
Bibliography	109

Foreword

The purpose of the ebook is to provide an overview on Marketing Basics, the two key Marketing Strategies-Traditional and Internet. All the examples used in the ebook are based on personal perception and understanding, hence no names have been used or fictitious names have been created when citing examples. The advertisements in the print category are based on real examples. Any example that specifically states the names of company is accurate to the best of my knowledge.

The purpose of the ebook is only to provide high-level understanding of various topics covered and should not be used as the only basis for creating marketing plans and basing marketing decisions.

We hope you enjoy reading the book and walk away at the end of it feeling a little more enlightened on the topics addressed. The views expressed are solely of the author and reader discretion is advised in matters of implementation of some of the ideas discussed.

CHAPTER 1

1. MARKETING FUNDAMENTALS

1.1 Definition of Marketing

www.m-w.com defines Marketing as:

a: the act or process of selling or purchasing in a market

b: the process or technique of promoting, selling, and distributing a product or service

c: an aggregate of functions involved in moving goods from producer to consumer

Marketing is the most critical business function for any product or service, as it determines the tone of the product or service and how the consumer/customer will interpret and understand the product/service. It is essentially the process of communicating the value of a product or service, the link that connects the consumers to the products/services and enables them to make weighted decisions about the same.

A good marketing strategy is the first step towards building a lasting relationship between the social needs of a society and the economic response. Marketing strategy chooses the target market segments using various tools of marketing analysis and segmentation and then basis the

data formulates appropriate strategies to gain maximum output. The first usage of marketing can be traced back to 1561, while the age of the internet has enabled the expansion of user reach. Marketing is no longer a monologue, it has become a dialog with the end user participating in the conversation, but marketing as a function has been known to exist in one form or the other for a long time.

The consumer today holds the key to any marketing initiative they research the internet before making an educated decision, they pay attention to detail, it is no longer a generation that was influenced by broadcast by way of television or print media. This generation is willing to ask questions, contribute in dialogs by means of various forums they want to share their experiences with the larger community. It is imperative to set the right tone for marketing and the fundamental that determines this is the honesty with which a product/service presents itself to the customer. There is a big market and there are several options available to the end user today, if marketing is not honest the product/service will soon be eradicated from the market, a consumer is not willing to take a chance once they have been cheated.

A marketer's primary focus would be to get an in-depth understanding of the customer and their needs and then facilitate the positioning of the product/service in a way such that it addresses the particular need of the customer. Marketing is not the same as selling and the two have a fundamental difference, a sale is primarily just about providing a product/service in exchange for cash whereas marketing addresses the principles of business understanding with the key players being understanding the market, positioning the brand and building a mutually trustworthy relationship with the customer. Hence it goes beyond the realm of just making a sale, it aims to achieve the larger picture by building a relationship and creating a market for a product/service.

1.2 The Basics of Marketing

Marketing is a vast field and the trends, activities and organizations are constantly changing and evolving so it would not be wise to define preset guidelines to the basics of marketing.

It is essentially the positioning of a product, which a customer needs in a particular place at a price that the customer sees value for money for the product/service.

Any product/service that is able to address the above has successfully marketed itself. The list might seem relatively simple but there are several contributors that lead to a seemingly simple desirable outcome and it takes extensive research and accurate analysis of the data targeted and created in the demographic basis which the pricing is determined. It is worthwhile to note that marketing is the study of several factors and there are times when the most expensive marketing fails to return value for money, on close inspection it would not be hard to find that one or more of the primary contributors have been overlooked.

How marketing is approached can broadly be classified into one of the two categories mentioned below.

Most often companies create a product that they think the customer needs and then spend money and crucial budget on getting the customer to accept the product/service. It is not about what they think the customer needs, it is about knowing what the customer demand is and then working on it. There is no use creating a beautiful garden which might not flourish in the climatic conditions of the target market:

Inbound Marketing: This type of marketing works on the principle of understanding specific customer groups, with specific needs. This then forms the basis of research that leads to product design. The other players that form major contributors are packaging for the specific demographics and its pricing thereof. How does one describe a product such that the customer understands the product/service and its differentiators from the competitors, if any. The most important part is determining the personality of the product and what language should it communicate in to the customers.

Outbound Marketing: This is the traditional method of marketing where the company initiates a conversation with the intent of sending a message out to the customer. Outbound Marketing is the opposite of Inbound Marketing and follows the traditional approach to marketing using offline methods such as trade shows, direct mails and customer calling. It intends to interrupt what you are doing or following and instigates the customer to change their current course of action or thought process. For instance, If it is an email promotion for an upcoming webcast or a banner ad showing how much money your business can potentially save, a marketer is interrupting you and asking you to move on to

something else. This is what makes this form of marketing less effective as compared to Inbound Marketing since it attempts to bring out a change and resistance to change is always a tough phenomenon to overcome. While this may be the conventional method of marketing but it is also less effective as compared to Inbound Marketing.

Inbound Marketing is also in line with how the society today views its marketing needs, a company shouting its needs is not really something that we want anymore, we want a company to be able to pass a message in an organic way, non intrusive and un-obstructive where a customer still feels that they are in control of the decision process and they are not forced into making a decision by a brand that shouts its value.

The rise of the internet has given rise to the concepts of Inbound Marketing, the consumer is no longer reliant on billboards and TV ads to learn about products. The web has empowered a new generation of users and marketers, it has bridged the gap that separated the two and made it possible to reach a wider audience, speaking the language that they do. It has opened a whole new world of finding, buying, researching brands and products. The two way dialog now facilitated by social media has

revolutionised the way marketers approach customers and how customers understand a brand. The basis being that this type of marketing is trying to earn a customer's respect and not buy it, it is finding the right communication strategy that will bring the customer to the brand and incite them to engage in a conversation. Some of the most common tools to achieve this are done using social media, creating content that engages the user such as blogs, podcasts.

To tabulate the difference between the two:

Inbound Marketing	Outbound Marketing
Two-way Communication	One-way Broadcast
Customer will seek out the brand	Customer sought by the brand
Methods used: Social Media, Referrals &etc	Methods used: Print, TV, Banners, cold calls, etc
Marketers are the value ad	Marketers not much value
Brand building by education	Education is not the primary
Earns its way into customer's life	Forces itself on to customers

1.1 4 Ps of marketing

Unravelling the mystery of Marketing, it can actually be summed up by targeting the 4 P's that define the principles and basics of marketing. These are also referred to as the 'Marketing Mix', a term coined by Neil Borden in the 1950's, the knowledge of the 4 Ps is considered to be the very basis on which Marketing Strategy for a company should be defined, in order to ensure that it is successful and impactful

- Product: The right Product
- Place: Sold at the right place
- Price: At the right place
- Promotion: Using the most suitable promotion

Product: A Product is a collectively used to describe the goods or services that the business provides to a target market. Products are the tangible goods and a service is often the intangible commodity being targeted in the program. Tangible products can be consumer goods such as Soaps, Toothpaste, Toothbrushes etc, they can be consumer durables such as iPods, Phones, Watches etc. Intangible services can be IT based services such as Social Media Marketing, Consultancy services etc

The important thing to keep in mind is how the product/service relates to the needs of the end user. The product spectrum includes not only the product itself but also the supporting elements such as warranties, guarantees and after sales support for the product. When developing a product the key elements to keep in mind are quality, design, features, packaging, customer service and the after sales service. For a successful product to hit the market and gain significant share it is important that each one of these aspects is given focus and detailed analysis by experts in the respective fields. If a product is high quality, but is not packaged well it might still grow to create a market share, might not become a major market share holder but can sustain since word of mouth for a good quality product can be very effective. But if a product is sub standard and lacks quality, packaging cannot rescue it, a first time user might be tempted to pick it up but as word gets around the product will lose market share and face value. Hence it is important to understand how much weight-age should be provided each one of the product elements, an imbalance can lead to a disastrous product which no amount of marketing can salvage.

Marketing can only create awareness about a product in a target market, it needs to have a substantial product that actually leads to sales and good advertising.

When designing a product what are the essential things to keep in mind:

- What does the consumer want?
- What are the product features needed to provide the customer what they want?
- What is the usage pattern of the product, as in where and how is the consumer going to use the product?
- The physical attributes of the product
- What will the physical design of the product be, as in how does it look?
- How will the product be branded?
- What are the differentiators that set it apart from competitors, what is the uniqueness quotient?

Some companies that have redefined great products coupled with great marketing leading to a series of successful product launches:

- Apple: They almost always know what the consumer want even before they do! The focus group that creates the marketing strategy is internal and they deliver a game changer in the marketplace, each time!

- Samsung: From being a close second to Sony, it has crept up slowly and steadily and taken over a major segment of the electronics market by delivering the product with all its features, at a price that was unbeaten.

Then there were the good products with bad marketing that lead to their downfall

- Quiznos: For those of you who have tried it, I am sure you would agree that the product is great. At a time when Subway was making waves, they launched an ad campaign showing disfigured singing rodents!!! It's hara-kiri to see a brand using rodents!!! The ad elicited disgust and soon the product lost major market share.

- Blackberry: In trying to change their market presence as a cellphone brand for the corporate users to the preferred brand for the youth, they ended up making a mockery of their loyal customers and this did not help the corporate users or the targeted youth!

A bad product with good marketing cannot carry it far, and a good product with bad marketing will not capture the audience and the market share either. It is important to have a good product backed by good marketing to ensure its success.

Price: This is the amount a customer pays for a product. It is the key factor that will determine a company's profitability and consequently its survival. The methods of pricing a product fall in the spectrum of Pricing Art and it can determine the success or failure thereof. The art of pricing includes several factors:

- Fixed and Variable costs
- Proposed positioning strategies
- Retail Price
- Target audience and its willingness to pay
- Discounts and wholesale pricing
- Seasonal Pricing
- Offer Bundling
- Flexibility in price

Among other things such as location, pricing mark-ups by the distributors and discounts it is also important

to maintain a balance with competitor pricing. A product which does not conform to the basic market pricing of its competitors targeting the same product segment and market will not be able to sustain as the consumer will be unwilling to pay a higher price for the same product even if the brand promises better perks such as after sales support etc. Having said that the pricing should also be indicative of the product features that are being priced, consumers sometimes look at under priced products suspiciously as they might feel that the quality has been compromised to offer a price that would appeal to the consumers. A consumer attaches benchmarks to the product it wishes to buy and they use the competitor pricing to come up with the figure most often. If a product is priced above the competition in the market segment, the consumer should understand the value it pays for the added price, are they tangible or intangible, is there any method of validating the same and this is especially true for the intangible benefits promised by the company.

There are several types of pricing strategies a company uses to determine the price of a product:

- Penetration Pricing: The Company prices its product at a low affordable price, so as to increase sales

Thank You for previewing this eBook

You can read the full version of this eBook in different formats:

- HTML (Free /Available to everyone)
- PDF / TXT (Available to V.I.P. members. Free Standard members can access up to 5 PDF/TXT eBooks per month each month)
- Epub & Mobipocket (Exclusive to V.I.P. members)

To download this full book, simply select the format you desire below

