

# Marketing management term paper guidel



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BUSTER**

There he wrote, “ Marketing’ has become a fashionable term. But a gravedigger remains a gravedigger even when called a the cost of the burial goes up. Many a sales manager has been renamed “ marketing vice president”-? and all that happened was that costs and salaries went up. ” He continued his criticism by adding, “ A good deal of what Is called ‘ marketing’ today Is at best organized, systematic selling in which the major jobs-? from sales forecasting to warehousing and advertising-? are brought together and coordinated. But the starting point is still our products, our customers, and our technology.

The starting point is still the inside. 1. 2. Selling The last step in the chain of commerce where a buyer exchanges cash for a seller’s good or service, or the activity of trying to bring this about. 1. 3. Marketing vs.. Selling “ The difference between marketing and selling is more than semantic. Selling focuses on the needs of the seller, marketing on the needs of the buyer. Selling Is preoccupied with the seller’s need to convert his product Into cash; marketing with the idea of satisfying the needs of the customer by means of the product and the cluster of things associated with creating, delivering, and finally consuming it. Theodore Levity The quotation above is not from Trucker but rather from Theodore Levity In his classic 1960 Harvard Business Review article, “ Marketing Myopia,” which differentiated between the selling concept and the marketing concept. This Is one of the more famous business articles and is frequently referenced in modern marketing literature. It was written four years prior to Trucker’s Managing for Results (1964). Another element under Promotion Is Personal Selling. Perhaps Trucker was somewhat

Idealistic when he wrote about marketing eliminating the need for selling if the function was performed well.

In Management (1973) he wrote, “ There will be no need for selling if the product or service fits him and sells itself. ” He expanded on this by saying, “ Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available, i.e., logistics rather than salesmanship, and statistical distribution rather than promotion. Figure 1 . Depicts the cost effectiveness of the various promotional tools available to the marketer, including Personal Selling.

As can be seen, Personal Selling is still the most cost-effective tool in gaining the order along with Sales Promotion. Figure 1 . Cost-Effectiveness of Different Promotional Tools Marketing professionals differentiate how the various promotional tools are used, based on whether the marketer is addressing the consumer or the business market. With respect to the consumer market, marketers spend in order of priority on sales promotion, advertising, personal selling, and public relations, while for the business market they spend on personal selling, sales promotion, advertising, and public relations.

They also noted that personal selling is used more with complex, expensive, and risky goods and in markets with fewer and larger sellers, therefore, business markets. Returning to Trucker’s initial quote then, it is doubtful that regardless of how effective a marketing function performs, it will not

eliminate the need for Personal Selling, particularly in the business or industrial market.

SELLING 1 Emphasis is on the product 2 Company Manufactures the product first 3 Management is sales volume oriented 4 Planning is short-run-oriented in terms of today's products and markets 5 Stresses needs of seller Views business as a good producing process 7 Emphasis on staying with existing technology and reducing costs 8 Different departments work as in a highly separate water tight compartments 9 Cost determines Price 10 Selling views customer as a last link in business

MARKETING 1 Emphasis on consumer needs wants 2 Company first determines customers needs and wants and then decides out how to deliver a product to satisfy these wants 3 Management is profit oriented 4 Planning is long-run-oriented in today's products and terms of new products, tomorrow's markets and future growth 5 Stresses needs and wants of buyers Views business as consumer producing process satisfying process 7 Emphasis on innovation on every existing techno; ago and reducing every sphere, on providing better costs value to the customer by adopting a superior technology 8 All departments of the business integrated manner, the sole purpose being generation of consumer satisfaction 9. Consumer determine price, price determines cost 10. Marketing views the customer last link in business as the very purpose of the business “ There will always be need for some selling. But the aim of marketing is to make selling superfluous(UNNECESSARY). The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy. ”

3. 0. Theoretical Review 3. 1 . Theory 1

(Relating to Marketing) Innovation is leaping from one level of value to creation to an even higher level.

You're marketing (and selling) the value that you create now, but as you're doing so, you're discovering new problems, new challenges, and new opportunities to create even more value in the future. Once you discover ways to create even greater value, o start marketing it. It's a virtuous circle spinning ever upwards and fueling your growth. 3. 2. Theory 2 (Relating to Selling) Creating a Customer is Selling. " Because the purpose of business is to create a customer, the business enterprise has two-? and only two-? basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs. Marketing is the distinguishing, unique function of the business. " A business's ability to create and maintain consumers is directly dependent upon its ability to produce innovative products and/ r services.

In order for a company to maintain its market share, it must continue to outthinking and out-produce its competitors not only in terms of the selection of products and services that it offers but also in terms of its prices. In essence, all companies must continually strive to discover how they can better satisfy the needs and wants of consumers. 3. 3. Theory 3 (Integrating both Marketing and Selling) Trucker used the word marketing where I would have used sales, but then, we're not squeamish about who we are and what we do here, are we? Marketing (and selling) is bout sharing your ability to create value with the people that might benefit from what you do.

One of the most difficult and expensive challenges for any business is sharing their message, sharing how they create value (although for some us, the new digital tools make it easier, cheaper, and more effective than at any time in history). It is about creating a customer. It's about client acquisition. You only create the customer by creating value for them. This is where the game is won or lost. The last thing you want to do in this disruptive age is to become complacent. You can't ever stop marketing and acquiring new clients. You can't ever stop innovating and discovering new ways to create value for your clients (if you want to keep them anyway). The path to growth always runs through greater efforts to sell (or market, if you must).

The path to sustained growth is through innovating and developing more compelling value. 4. 1 . Understanding the Customer “ The customer rarely buys what the business thinks it sells him. One reason for this is, of course, that nobody pays for a ‘ product. ‘ What is paid for is satisfaction. But nobody can make or supply satisfaction as such-? at best, only the means to attaining hem can be sold and delivered. ” This might be somewhat of a generalization on the part of Trucker, which needs to be further investigated, as he suggested when he said, “ What the people in the business think they know about customers and market is more likely to be wrong than right.

Only by asking the customer, by watching him, by trying to understand his behavior can one find out who he is, what he does, how he buys, how he uses what he buys, what he expects, what he values and so on. ” For Trucker, profitability should not be the main focus of a business. The customer should be; the market should be. He didn't consider marketing as one of many tools to generate profits. Rather, he viewed marketing as the

driving force of business, a philosophy for defining and capturing the most enriching customer opportunities. Providing unique insight into the mind of one of the twentieth century's greatest thinkers, Trucker on Marketing is an essential read for both marketing professionals and fans of Peter Trucker. 4. 2.

Marketing to the Customer Whether your company targets consumers or businesses, here's what to keep in mind to successfully market to customers as their spirits rise and their wallets start to open again. Take advantage of pent-up desire. According to Time magazine, one indicator of the improving economy is that sales of men's underwear are up. During tough times, you see, consumers put off restocking even the necessities, like boxers and briefs. Whether you sell discretionary items like cosmetics and tablet computers, or necessities like underwear and copy paper, chances are your customers have been scrimping on it for the past few years, and they're eager to let loose and buy. Realize customers are still seeking value.

A pent-up desire to buy doesn't mean customers are going to go crazy with their budgets. During the past few years, businesses and consumers alike have learned to make do, do without, and shop around for the best value. Keep in mind that best value doesn't always mean lowest price. If your marketing messages can show customers how your product or service will last longer, save them money or time, or otherwise make their lives easier, they'll be willing to spring for it even if your price isn't the lowest in town. Focus on rewards. Customers don't want to seem or feel overindulgent or greedy, but they do believe they deserve some reward for the past few years of scrimping, saving and sensible spending.

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Marketing messages that portray your products or services as a well-deserved treat, reward or indulgence will go a long way toward convincing customers to buy. Keep in mind, though, that since we're just coming out of a recession, small splurges will sell best at first until consumers and businesses gain more confidence. Prepare for change. With a shift in the economy underway, businesses and consumers alike will be more open to making changes in products, services and vendors. They'll be ready to trade "make-do" service providers for ones that offer better quality, services or read time to work on capturing new leads and pursuing old ones you may have given up on.

Emphasize optimism. Americans are an optimistic people and we like positive messages in our advertising. Even fear-based products like burglar alarms sell better with positive messages ("Protect your family"). Show how your product or service will make the customer's life, family or business better, stronger, happier. Use positive words and uplifting images. Coming out of a tough few years, people are ready to spend to achieve the positive. Keep pace with technology. Consumers and genuineness alike have become expert at seeking out the best products, services and prices using tools like mobile phones, tablets, review and ratings sites and local search engines.

Make sure your business is taking advantage of this new approach to shopping by listing your business on search engines, rating and review sites, and optimizing your business website for mobile use so customers can find you wherever and whenever they're looking for what you have to sell. 4. 3.

Selling to the Customer 1. Get prepared – then ask! Make sure you've built a range of products that complement each other. So if you sell antique



furniture, get some good quality wood-polish in stock ready for a last-minute cross-sell. (Travel sites like Asset and Expedite are masters of this on a larger scale – if you search for a flight, they offer you hotels, travel insurance, car rental. ) Then it really is as simple as just remembering to ask customers whether they want the extra item. Your cross-sell item should be cheaper than the original product, and something that only takes a quick buying decision.

The more complex the product and the way you need to explain it, the more difficult your cross-sell will be. Make sure staff are familiar with all your products and that they know which go hand-in-hand, and teach them how to master the cross-sell too. 2. Position wisely Learn from supermarkets and newsagents the world over: there's a reason they always have gum, chocolate bars and magazines by the check-out. Placing a cheap impulse purchase where people queue is enough in itself to prompt a purchase. Aim to use the cheapest items most likely to complement your best-selling products. To mimic this effect on your website, see the next point. 3. Gear up your website The great thing about cross-selling online is that you have so much data to work with.

You can even automate your cross-selling opportunities, using data on what other buyers have bought (more on which in the point below). If that's out of your budget, just showcase your products with common sense – if someone searches for 'tomato seeds', offer a seedling tray, compost and cellophane cover alongside. Use the 'site overlay' function on Google Analytics to see which products work best together (according to how customers click from one to the other), and use your sales data wisely – it reveals which products

customers are already buying at the same time. Make sure it's easy for buyers to find out the info they need on extra purchases without navigating away from the original.

Every page should be maximized to encourage cross-selling opportunities, though check-out is a particularly fertile one. Good shopping carts to use on your site include Prestos. Com, commerce. Com and X-Cart. Com – they've all been designed with cross-selling in mind. 4. ' Other people In 2006, Amazon reported that a whopping 35% of the year's sales came from cross-sells. Their introduction of ' Customers who bought this item also bought' and Frequently bought together' is nothing short of cross-selling genius. It plays on your trust in the tastes of people with tastes like yours. This leads neatly into a cross-sell without it seeming like Amazon has had anything to do with the recommendation at all, and thus absolving them from any whiff of a hard sell.

And it is of course showing you products you're likely to enjoy. You can replicate this effect on your website by automating the recommendations as Amazon does (which will cost you), or you can just manually upload items to the relevant places on your site under the ' Also bought' adding (which is significantly cheaper, though more time-consuming). Use your sales data on what items get bought together, or just semi-cheat by using common sense. Use this technique in person by casually referring to other customers with similar tastes and what they bought recently. 5. Incentives Tempting offers such as ' free postage on orders more than EYE' incentives customers to just buy that little bit more.

You might also try a discount or gift voucher for orders over a certain amount, or, the reward card favorite, double loyalty points (or similar) for a certain spend. The techniques above and below should be used in conjunction to give customers that extra little push needed. 6. Bundle up Meal deals – where would we be without them? A lot slimmer and slightly richer, probably. But they work because they bundle together products that fit naturally together at an attractive price point. The consumer feels like they're making a saving on stuff they would possibly buy – or at least want – anyway. Find that golden price tag that feels like a bargain buy while still earning you a tidy profit. Then make the offer glaringly obvious to customers and place all the products included right next to ACH other. 7.

On-product copy If you've ever absent-minded read the back of a shampoo bottle in the shower (who hasn't? ), you may recall that old cosmetics and beauty marketing staple: ' For best results, use in conjunction with [insert same-brand product of choice]'. If you've got your own-branded product line, this is a no-brainer. 8. Expert recommendations If you don't have any control over the copy on the products you sell, leverage expert opinion on which two or three products are most effective when used together. The expert can be you if needed: you know your niche better than your customer hopefully! ), so cite that knowledge. Or use quotes from other experts and articles you've read.

Steal the idea so well implemented by small wine shops and bookshops, of hand- written cards explaining employees' favorites, but Just apply the descriptions to two products rather than one. As in: ' Julies favorite: I've got this violet candle in my home – it smells heavenly and fresh. I like propping it

on the darkroom candle-stand when I have friends over for dinner – so much quirkier looking than flowers’. Personal If you’re pitching to a customer face-to-face, whether in the meeting room or from the cosmetics counter of a department store, you get the chance to plant your cross-sell seeds early. In the early stages of the pitch, as you draw out your prospect’s pain points (read more on this here), keep mental notes on everything even as you focus your pitch around one big issue.

When you get to the close, throw those early pain points back in with products you have to fix them – with a bit of a discount thrown in for good measure, if you like. 10. Discounted second buy The ‘bolt-eons’ and ‘add-eons’ that have become so De arguer among mobile phone companies in the last few years work because they offer desirable (non-essential) additional products, made yet more attractive by a bit of a discount. It feels like you’re getting a deal – even though the company makes a better profit by selling you two services rather than one, and you probably would have never bought the second item if it wasn’t for that deceptive EI – Aloof. The Boots favorite ‘Buy two get third free’ has the same idea behind it, though the financial are more daring.