

Course Aim/s:

- The objective of this course is to introduce students to the concepts, analysis, and activities that comprise marketing management. This course is also foundation for advanced electives in marketing.

Learning Outcome/s:

- They will be able to analyze markets and design customer driven strategies and will be able to communicate the decisions towards business development with superior customer value.

Unit-I: Introduction to Marketing

Introduction: Importance - Scope of Marketing - Core Marketing Concepts - Marketing Environment - Marketing Strategies & Plans.

Market Research (MR): Definition of MR - MIS - MR Process - MR Online - MR & Ethics - International MR.

Unit-II: Analyzing Marketing Opportunities, Customer Value and Marketing Mix

Market Analysis and Decision Making: Consumer Decision Making - Creating Customer Value - Analyzing Consumer Markets - Consumer Behaviour - Cultural - Social & Personal Factors. Marketing Mix: Developing Products & Brands - Product Levels - Classifying Products - Product Range - Line & Mix - PLC - New Product Development.

Unit-III: Designing a Customer Driven Strategy

Market Segmentation: Segmentation of Consumer Market - Business Market - Requirement for Effective Segmentation - Market Targeting - Evaluating Market Segmentation - Selecting Target Market Segmentation.

Positioning: Positioning Maps - Positioning Strategy

Unit-IV: Distribution Decisions, Promotion & Communication Strategies

Distribution Decisions: Marketing Channels - Channel Intermediates and Functions - Channel Structure - Channel for Consumer Products - Business and Industrial Products - Alternative Channel - Channel Strategy Decisions.

Promotion: The Promotional Mix - Advertising - Public Relations - Sales Promotion - Personal Selling.

Marketing Communication: Communication Process – Communication Promotion Mix - Factors affecting the Promotion Mix.

Unit-V: Pricing Theory and Practices & Different Types of Marketing

Pricing: Importance of Price - Cost Determinant of Price - Mark-up Pricing - Profit Maximization Pricing - Break Even Pricing - Pricing Strategy - Ethics of Pricing Strategy - Product Line Pricing. Types of Marketing: Word-of-mouth - Rural Marketing - BOP - Relationship Marketing - Digital Marketing - Social Marketing - Services Marketing - Global marketing.

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UNIT I

IMPORTANCE AND SCOPE OF MARKETING

Marketing is defined by the American Marketing Association as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." The term developed from the original meaning which referred literally to going to market with goods for sale. From a sales process engineering perspective, marketing is "a set of processes that are interconnected and interdependent with other functions" of a business aimed at achieving customer interest and satisfaction.

Philip Kotler defines marketing as:-marketing is about Satisfying needs and wants through an exchange process.

The Chartered Institute of Marketing defines marketing as "the management process responsible for identifying, anticipating and satisfying customer requirements profitably." A similar concept is the value-based marketing which states the role of marketing to contribute to increasing shareholder value. In this context, marketing can be defined as "the management process that seeks to maximize returns to shareholders by developing relationships with valued customers and creating a competitive advantage."

The process of marketing is that of bringing a product to market in which includes these steps: broad market research; market targeting and market segmentation; determining distribution, pricing and promotion strategies; developing a communications strategy; budgeting; and visioning long-term market development goals. Many parts of the marketing process (e.g. product design, art director, brand management, advertising, copywriting etc.) involve use of the creative arts.

CORE MARKETING CONCEPTS

The 'marketing concept' proposes that in order to satisfy the organizational objectives, an organization should anticipate the needs and wants of potential consumers and satisfy them more effectively than its competitors. This concept originated from Adam Smith's book *The Wealth of Nations*, but would not become widely used until nearly 200 years later. Marketing and Marketing Concepts are directly related.

Given the centrality of customer needs and wants in marketing, a rich understanding of these concepts is essential:

Needs: Something necessary for people to live a healthy, stable and safe life. When needs remain unfulfilled, there is a clear adverse outcome: a dysfunction or death. Needs can be objective and physical, such as the need for food, water and shelter; or subjective and psychological, such as the need to belong to a family or social group and the need for self-esteem.

Wants: Something that is desired wished for or aspired to. Wants are not essential for basic survival and are often shaped by culture or peer-groups.

Demands: When needs and wants are backed by the ability to pay, they have the potential to become economic demands.

Marketing research, conducted for the purpose of new product development or product improvement, is often concerned with identifying the consumer's *unmet needs*. Customer needs are central to market segmentation which is concerned with dividing markets into distinct groups of buyers on the basis of "distinct needs, characteristics, or behaviors who might require separate products or marketing mixes." Needs-based segmentation (also known as *benefit segmentation*) "places the customers' desires at the forefront of how a company designs and markets products or services." Although needs-based segmentation is difficult to do in practice, has been proved to be one of the most effective ways to segment a market. In addition, a great deal of advertising and promotion is designed to show how a given product's benefits meet the customer's needs, wants or expectations in a unique way.

MARKETING ENVIRONMENT

Marketing Environment is the combination of external and internal factors and forces which affect the company's ability to establish a relationship and serve its customers. The marketing environment of a business consists of an internal and an external environment. The internal environment is company specific and includes owners, workers, machines, materials etc. The external environment is further divided into two components: micro & macro. The micro or the task environment is also specific to the business but external. It consists of factors engaged in producing, distributing, and promoting the offering. The macro or the broad environment includes larger societal forces which affect society as a whole. The broad environment is made up of six components: demographic, economic, physical, technological, political-legal, and social-cultural environment.

–A company's marketing environment consists of the actors and forces outside of marketing that affect marketing management ability to build and maintain successful relationships with target customers|. – Philip Kotler

Components of Marketing Environment

The marketing environment is made up of the internal and external environment of the business. While internal environment can be controlled, the business has very less or no control over the external environment.

Internal Environment

The internal environment of the business includes all the forces and factors inside the organisation which affect its marketing operations. These components can be grouped under the Five Ms of the business, which are:

- Men
- Money
- Machinery
- Materials
- Markets

The internal environment is under the control of the marketer and can be changed with the changing external environment. Nevertheless, the internal marketing environment is as important for the business as the external marketing environment. This environment includes the sales department, marketing department, the manufacturing unit, the human resource department, etc.

External Environment

The external environment constitutes factors and forces which are external to the business and on which the marketer has little or no control. The external environment is of two types:

Micro Environment

The micro component of the external environment is also known as the task environment. It comprises of external forces and factors that are directly related to the business. These include suppliers, market intermediaries, customers, partners, competitors and the public

- **Suppliers** include all the parties which provide resources needed by the organisation.
- **Market intermediaries** include parties involved in distributing the product or service of the organisation.
- **Partners** are all the separate entities like advertising agencies, market research organizations, banking and insurance companies, transportation companies, brokers, etc. which conduct business with the organisation.
- **Customers** comprise of the target group of the organisation.
- **Competitors** are the players in the same market who targets similar customers as that of the organisation.
- **Public** is made up of any other group that has an actual or potential interest or affects the company's ability to serve its customers.

Macro Environment: The macro component of the marketing environment is also known as the broad environment. It constitutes the external factors and forces which affect the industry as a whole but don't have a direct effect on the business. The macro environment can be divided into 6 parts.

1. Demographic Environment: The demographic environment is made up of the people who constitute the market. It is characterized as the factual investigation and segregation of the population according to their size, density, location, age, gender, race, and occupation.

2. Economic Environment: The economic environment constitutes factors which influence customers' purchasing power and spending patterns. These factors include the GDP, GNP, interest rates, inflation, income distribution, government funding and subsidies, and other major economic variables.

3. Physical Environment: The physical environment includes the natural environment in which the business operates. This includes the climatic conditions, environmental change, accessibility to water and raw materials, natural disasters, pollution etc.

4. Technological Environment: The technological environment constitutes innovation, research and development in technology, technological alternatives, innovation inducements also technological barriers to smooth operation. Technology is one of the biggest sources of threats and opportunities for the organisation and it is very dynamic.

5. Political-Legal Environment: The political & legal environment includes laws and government's policies prevailing in the country. It also includes other pressure groups and agencies which influence or limit the working of industry and/or the business in the society.

6. social-Cultural Environment: The social-cultural aspect of the macro environment is made up of the lifestyle, values, culture, prejudice and beliefs of the people. This differs in different regions.

MARKETING STRATEGIES AND PLANS

In every business either on small or large scale marketing forms a major platform of operations. Marketing is the base of successful business and it is due to marketing that a business venture flourishes touching the heights of glory. Marketing and other expert professional have needed an aggressive effort for promoting the product.

There are three steps that are required to promote a product successfully. These steps are segmentation, targeting and positioning also known as STP Process. Lets discuss each step STP Process in detail.

- 1. Market Segmentation**
- 2. Market Targeting**
- 3. Market Positioning**



Market Segmentation

'Market Segmentation' is one of the most important pillars of marketing strategy. Segmenting can be defined as –dividing the whole market into different smaller groups of buyers with distinct needs, characteristics, or behavior that might require separate products, services, market mix and marketing strategies. Suppose, Sony Ericson designs mobiles for boys and girls, airlines offer both business and economy classes. There are four common types of segmentation:

- Geographic segmentation
- Demographic segmentation
- Psychographic segmentation
- Behavioral segmentation

Market Targeting

After dividing the market into different segments the next step is to choose one or more segments to enter in the market. For this purpose the marketer analyzes the segment to see whether it is beneficial for the long run or not, this evaluation and selecting of segments is called targeting. Simple definition of segmenting is –process of evaluating each market segment's attractiveness and selecting one or more segments to enter. We can also say that targeting is actually cutting up the market pie into different parts. Segmentation means that, instead of sending your message to a crowded hall, a company should pitch their product to a group of attentive listeners in a quiet room.

Steps of Segmenting

Evaluate Market Segments

1. Segment size & growth
2. Segment attractiveness
3. Company's objectives & resources

Selecting Target Market segment

1. Undifferentiated or Mass marketing
2. Differentiated marketing
3. Niche marketing
4. Micro marketing

Market Positioning

Once the market is divided into smaller and more manageable categories, in the next step companies carve out a position within each market segment. Positioning defines as –the process by which marketers try to create or build an image (identity) of their products or services in the mind of their targeted segment. This means determining the perception of company's product or service in the target segment or this is the way to understand that why a customer should prefer your product or service instead of competitors. There are two types of market positioning.

1. **Re-positioning** involves changing the identity of a company's product or service relative to competitors. This is called changing own product image.
2. **De-positioning** involves attempting to change the identity of competitor's products or services. This is called changing competitors product image.

When a company fails to carve out its own position, then the company is pushed into a restrictive corner by the rest of the competition, which can be hard to reverse once it has occurred. A company must consider these elements of market choices to develop market position of their product or service.

1. Pricing
2. Quality
3. Service
4. Packaging

MARKET RESEARCH

Marketing research: is "the process or set of processes that links the producers, customers, and end users to the marketer through information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications."

It is the systematic gathering, recording, and analysis of qualitative and quantitative data about issues relating to marketing products and services. The goal of marketing research is to identify and assess how changing elements of the marketing mix impacts customer behavior. The term is commonly interchanged with market research; however, expert practitioners may wish to draw a

distinction, in that *market* research is concerned specifically with markets, while *marketing* research is concerned specifically about marketing processes.

Marketing research process

Step 1: Problem Definition

The first step in any marketing research project is to define the problem. In defining the problem, the researcher should take into account the purpose of the study, the relevant background information, what information is needed, and how it will be used in decision making. Problem definition involves discussion with the decision makers, interviews with industry experts, analysis of secondary data, and, perhaps, some qualitative research, such as focus groups. Once the problem has been precisely defined, the research can be designed and conducted properly.

Step 2: Development of an Approach to the Problem

Development of an approach to the problem includes formulating an objective or theoretical framework, analytical models, research questions, hypotheses, and identifying characteristics or factors that can influence the research design. This process is guided by discussions with management and industry experts, case studies and simulations, analysis of secondary data, qualitative research and pragmatic considerations.

Step 3: Research Design Formulation

A research design is a framework or blueprint for conducting the marketing research project. It details the procedures necessary for obtaining the required information, and its purpose is to design a study that will test the hypotheses of interest, determine possible answers to the research questions, and provide the information needed for decision making. Conducting exploratory research, precisely defining the variables, and designing appropriate scales to measure them are also a part of the research design. The issue of how the data should be obtained from the respondents (for example, by conducting a survey or an experiment) must be addressed. It is also necessary to design a questionnaire and a sampling plan to select respondents for the study.

More formally, formulating the research design involves the following steps:

1. Secondary data analysis
2. Qualitative research
3. Methods of collecting quantitative data (survey, observation, and experimentation)
4. Definition of the information needed
5. Measurement and scaling procedures
6. Questionnaire design
7. Sampling process and sample size
8. Plan of data analysis

Step 4: Field Work or Data Collection

Data collection involves a field force or staff that operates either in the field, as in the case of personal interviewing (in-home, mall intercept, or computer-assisted personal interviewing), from an office by telephone (telephone or computer-assisted telephone interviewing), or through mail (traditional mail and mail panel surveys with prerecruited households). Proper selection, training, supervision, and evaluation of the field force help minimize data-collection errors.

Step 5: Data Preparation and Analysis

Data preparation includes the editing, coding, transcription, and verification of data. Each questionnaire or observation form is inspected, or edited, and, if necessary, corrected. Number or letter codes are assigned to represent each response to each question in the questionnaire. The data from the questionnaires are transcribed or key-punched on to magnetic tape, or disks or input directly into the computer. Verification ensures that the data from the original questionnaires have been accurately transcribed, while data analysis, guided by the plan of data analysis, gives meaning to the data that have been collected. Univariate techniques are used for analyzing data when there is a single measurement of each element or unit in the sample, or, if there are several measurements of each element, each RCH variable is analyzed in isolation. On the other hand, multivariate techniques are used for analyzing data when there are two or more measurements on each element and the variables are analyzed simultaneously.

Step 6: Report Preparation and Presentation

The entire project should be documented in a written report which addresses the specific research questions identified, describes the approach, the research design, data collection, and a data analysis procedure adopted, and presents the results and the major findings. The findings should be presented in a comprehensible format so that they can be readily used in the decision making process. In addition, an oral presentation should be made to management using tables, figures, and graphs to enhance clarity and impact.

For these reasons, interviews with experts are more useful in conducting marketing research for industrial firms and for products of a technical nature, where it is relatively easy to identify and approach the experts. This method is also helpful in situations where little information is available from other sources, as in the case of radically new products.

Secondary data analysis

Secondary data are data collected for some purpose other than the problem at hand. Primary data, on the other hand, are originated by the researcher for the specific purpose of addressing the research problem. Secondary data include information made available by business and government sources, commercial marketing research firms, and computerized databases. Secondary data are an economical and quick source of background information.

Qualitative research

Information, industry experts, and secondary data may not be sufficient to define the research problem. Sometimes qualitative research must be undertaken to gain a qualitative understanding of the problem and its underlying factors. Qualitative research is unstructured, exploratory in nature, based on small samples, and may utilize popular qualitative techniques such as focus groups (group interviews), word association (asking respondents to indicate their first responses to stimulus words), and depth interviews (one-on-one interviews which probe the respondents' thoughts in detail). Other exploratory research techniques, such as pilot surveys with small samples of respondents, may also be undertaken.

Online market research shares the same goal as traditional market research - to gather as much knowledge/information about a target audience, product or target market as possible: because of its velocity, high research performance and internationalization, online market research is still on advance. Like market research, online market research aimed as well getting as much knowledge your target group, product or market.

ONLINE MARKET RESEARCH

Definition of online market research

Online market research can be interpreted in three different ways.

- Internet as a method of research
- Internet as a object of research
- Internet as a medium of research

This article focused on the first topic „Internet as a method of research—. In that case the internet is the instrument of research. The methods of online market research are the same methods used in the traditional market research: interview, observation, case studies and focus groups.

Methods of online market research

Similar to market research, online market research falls into primary and secondary research as well. Secondary research is not build on own data, it falls back to pre-existing data on the internet. For example search engines, databases or information sites. Primary research on the other hand builds its own data. Holger Lütters, expert for online market research and author, varies regarding primary research in reactive a non-reactive methods. Reactive methods in the context of online market research are online surveys, online observations and online focus groups. Online case studies and online panels belong to non-reactive methods.

1. Online survey

The participant fills out a survey featured by the medium internet. The survey is programmed and the processing occurred through local browsers. Online surveys have different advantages such as the possibility of a comfortable, program-controlled filtering error or the access to a target group that is difficult to reach offline (e.g. young men or visitors of specific websites). But there are also existing different disadvantages such as the missing possibility to control the situation of the survey (similar to normal surveys, researchers can check the time to fill out the survey. If it is far below the average, the researcher has to take into consideration that the information provided might not be as sufficient as surveys provided by other members of the group)

2. Online Observation

Via online observation, market researchers basically examine the reaction of users about companies, organizations, products or services. The behavior of the user is for example analyzed by log file-analysis, cookies or click stream-analysis. Market researchers can also use blogs, for example, to inform about the users opinion.

3. Online focus groups

Another subset of the methods of online market research is online groups. Online focus groups have between 8 and 10 participants and last usually from 60 minutes up to 90 minutes. The online focus group is lead by a moderator who uses predetermined questions and unscripted probes.

4. Online panel

An online panel is a group of users, who confirmed participating in constant online studies. Advantages of online panels are the costs, because online panels are much cheaper than the conducting of real panels, and the researcher has more flexibility in conducting the online panel. Because of the own decision to participate at the panel, the biggest problem of online panels is the missing representativeness. This causes the sample not to be fully representative of the target audience.

MARKETING RESEARCH ETHICS

Marketing research has experienced resurgence with the widespread use of the Internet and the popularity of social networking. It is easier than ever before for companies to connect directly with customers and collect individual information that goes into a computer database to be matched with other pieces of data collected during unrelated transactions. The way a company conducts its market research these days can have serious ethical repercussions, impacting the lives of consumers in ways that have yet to be fully understood. Further, companies can be faced with a public backlash if their market research practices are perceived as unethical.

1. Deceptive Practices

The ease with which a company can access and gather data about its customers can lead to deceptive practices and dishonesty in the company's research methods. This type of ethical problem can run the gamut — from not telling customers that information is being collected when they visit a website to misrepresenting research results by changing database numbers. Any action that uses lies and deception to find out or establish information about consumers falls under this category.

2. Invasion of Privacy

One of the most serious ethical considerations involved in market research is invasion of privacy. Companies have an unprecedented ability to collect, store and match information relating to customers that can infringe on a person's right to privacy. In many instances, the customer does not know or understand the extent of the company's infiltration into his life. The company uses this information to reach the customer with targeted advertising, but the process of targeting can have a chilling affect on personal freedom.

3. Breaches of Confidentiality

Another significant ethical consideration involved in market research involves breaches of confidentiality. Companies regularly share information about customers with partners and affiliates, requiring the customer to opt-out of the sharing if he doesn't want to be involved. Some companies sell information they have gathered on customers to outside companies. Ethically, any unauthorized disclosure of customer information is problematic.

4. Objectivity

Marketing and advertising have a significant impact on public perceptions. Market researchers have an ethical obligation to conduct research objectively, so that available data allows for the development of a balanced or reality-based picture. Researchers who allow their own prejudices to skew their work tend to contribute to the perpetuation of stereotypes in advertising, the development of destructive social constructs and the enabling of unjust profiting from poverty. For example, a market researcher with a one-dimensional view of minorities could do a fair amount of harm if allowed to shape an advertising campaign based on skewed data collection.

INTERNATIONAL MARKET RESEARCH

The 3 basic steps of international market research are: screening markets, assessing their potential, and drawing conclusions.

1. Screen potential markets

- Collect statistics related to your sector that show product or service exports to various countries.
- Identify 5 to 10 large and fast-growing markets for your product or service. Look at them over the past 3 to 5 years. Has market growth been consistent year-to-year? Did import growth occur even during periods of economic recession? If not, did growth resume with economic recovery?
- Consider smaller emerging markets that may hold ground-floor opportunities for you. If the market is just beginning to open up, there may not be as many competitors as in an established market.
- Target a few of the most promising markets for further study.

2. Assess target markets

- Examine trends that could influence demand for your product or service. Calculate the overall consumption of products or services like yours and identify the amount imported.
- Study the domestic and international competition. Look at each competitor's Canadian market share.
- Identify what affects the marketing and use of the product or service in each market, such as channels of distribution, cultural differences and business practices.
- Find out if you will encounter any trade barriers (tariff or non-tariff) in your potential market, as well as any Canadian barriers (such as export controls) affecting exports to the country.
- Search for Canadian or foreign government incentives to promote the export of the product or service.

3. Draw conclusions

- Analyzing the data you have collected should help you decide which markets to go after, and assist in the development of your export plan and marketing strategy.
- If you are new to exporting, experts recommend that you focus your energy on no more than one or two countries at a time.

UNIT II

CONSUMER DECISION MAKING

There are five Step of the Consumer Decision Making Process. They are:

- Problem recognition - Recognizing the need for a service or product.
- Information search - The consumer gathers information
- Alternatives evaluation - weigh choices against comparable alternatives
- Purchase decision - Consumer makes actual purchase
- Post-purchase evaluation - reflection from both the consumer and seller



1. Problem/Need Recognition

Recognition of need or a problem is the first stage of the model. According to Bruner (1993) recognition of a problem arises in the situation where an individual realizes the difference between the actual state of affairs and desired state of affairs. Neal and Quester (2006) further state that the recognition of a problem or need depend on different situations and circumstances such as personal or professional and this recognition results in creation of a purchasing idea. For instance, consumer may recognize the need to buy a laptop when there is need to carry it use it in different places which is convenient compared to a desktop computer.

Solomon et al (2006) classifies the human needs into two different categories depending on their nature. The following categories are mentioned: *psychological* and *functional* or *physical* needs. The authors state that the psychological needs are the outcome of emotional feeling of consumers whereas functional or physical needs are usually the results of necessity.

According to Tyagi (2004) need recognition at various levels often occurs during the process of encountering with the product at various circumstances. In other words, Tyagi (2004) convincingly argues that an individual might not be aware of the need for a specific product until he or she encounters with the product as a result of engaging in 'window-shopping', media advertisements, or in a range of other circumstances.

The human need has no limit therefore; the problem recognition is a repetitive in nature. According to Maslow theory, human being is always dissatisfied, when an individual's one need is satisfied another one will come out and this trend continues repetitively.

2. Information Search

The next stage of the model is information search. Once the need is recognized, the consumer is likely to search more product-related information before directly making a purchase decision. However, different individuals are involved in search process differently depending on their knowledge about the product, their previous experience or purchases or on some external information such as feedback from others.

Search of information process itself can be divided into two parts as stated by Oliver (2011): the internal search and external search. In internal search, the consumers compare the alternatives from their own experiences and memories depending on their own past experiences and knowledge. For example, searching for fast food can be an example for internal search because customers often use their knowledge and tastes to choose the right product they need rather than asking someone for an advice. On the other hand, external search ends to be for bigger purchases such as home appliances or gadgets. For instance, consumers who wish to buy new furniture or a mobile phone tend to ask friends' opinion and advices or search in the magazines and media before making a purchasing decision.

Winer (2009) argues that with the enhancing role of internet in professional and personal lives of people, increasing numbers of individuals are turning to various resources in internet when searching for information about product categories or specific brands. The author specifically highlights the role of online user reviews and forums in terms of their significant impact upon information search stage of consumer decision making process among internet users.

Colleagues, peers, friends and family members are highlighted as another important source of information by Kahle and Close (2006). Moreover, according to Kahle and Close (2006) the nature of influence of peers, friends and family members upon information search and consumer decision making process in general depends on a range of factors such as the nature of relationships, the level of personal influence, the extent of 'opinion leadership' associated with specific individuals etc.

3. Evaluation of Alternatives

After gathering enough information at the first stage the consumer gets into comparing and evaluating that information in order to make the right choice. In this stage the consumer analyzes all the information obtained through the search and considers various alternative products and

services compares them according to the needs and wants. Moreover, another various aspects of the product such as size, quality, brand and price are considered at this stage. Therefore, this stage is considered to be the most important stage during the whole consumer decision making process.

Furthermore, according to Ha et al (2010), the process of evaluation of alternatives can sometimes be difficult, time consuming and full of pressure for a consumer. This is because it is quite hard to find an ideal product or service that satisfies the needs of the customer as there are numerous factors that hinder the consumer purchasing decision making process. For instance, when it comes to online hotel reservation or furniture purchasing evaluation process, it can be quite complex. Several factors and aspects need to be considered before making a purchasing decision. Factors such as age, culture, taste and budget have all impact on the evaluation process by the consumer. For example, when purchasing a furniture, the young people consider the factors such as convenience and price where as the old people are likely to consider the quality and design.

Moreover, celebrity endorsement is seen as another factor with great potential impact on evaluation of alternatives stages of consumer decision making process. Cant et al. (2010) explain the effectiveness of celebrity endorsements with perceived greatness people associate with their idols and the willingness and desire to become like their idols.

4. Purchase Decision

Once the information search and evaluation process is over, the consumer makes the purchasing decision and this stage is considered to be the most important stage throughout the whole process. In this stage, the consumer makes decision to make a final purchase as he or she has already reviewed all the alternatives and came to a final decision point. Purchased further can be classified into three different types: planned purchase, partially purchase and impulse purchase (Kacen, 2002).

Kacen's view is further supported by Hoyer and Macinnis (2008) stating that there are a number of factors that can affect the purchasing process. For example, the desired product may not be available at the stock. In this case the purchase process is delayed and consumer may consider buying the product through online stores rather than visiting traditional physical stores.

According to Wiedmann et al. (2007) department store sales assistants play in integral role in terms of impacting consumer purchase decision in a positive way from a business point of view. At the same time Wiedmann et al. (2007) warn that this impact must not be done in a pushy manner, in which case it can prove to be counter-productive.

5. Post-Purchase Evaluation

The final stage in the consumer decision making process is post-purchase evaluation stage. Many companies tend to ignore this stage as this takes place after the transaction has been done. However, this stage can be the most important one as it directly affects the future decision

making processes by the consumer for the same product. Therefore this stage reflects the consumer's experience of purchasing a product or service. This view is further supported by Ofir (2005) mentioning that the consumer decision making process is a repetitive action and a good experience is vital in reducing the uncertainty when the decision to purchase the same product or service is considered the next time.

The opinions of peers, friends and family regarding the purchases made is specified as one of the most important factors affecting the outcome of post-purchase evaluation by Perrey and Spillecke (2011). This point is further expanded by Trehan and Trehan (2011), according to whom peer opinions regarding product evaluations tend to impact customer level of satisfaction regardless of their level of objectivity.

Brink and Berndt (2009) also highlights the importance of the post-purchase evaluation stage. According to the authors, the consumer may either get satisfaction or dissatisfaction depending on the evaluation of the purchase and comparison of their own expectations. The outcome forms the experience of the customer and this experience is believed to have a direct impact on the next decision of the consumer to purchase the same product from the same seller.

Simply, if the consumer is satisfied with the purchase it is likely that the purchase may be repeated while if they have a negative experience from the purchase it is unlikely that the consumer may make the decision to buy the same product from the same seller or even may not buy the product at all.

CREATING CUSTOMER VALUE.

Definition of Customer Value

According to *Woodruff (1997, p. 142)* - "**Customer value** is a customer's perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations".

Customer value is the difference between the values the customer gains from owning and using a product and the cost of obtaining the product.

Customer value is the difference between total customer value and total customer cost. Total customer value is the sum of product value, service value, personnel value, and image value. Total customer cost is the sum of monetary cost, time cost, physics cost, and energy cost.

Types of Value

Functional Value: It is concerned with the extent to which a product is useful, has desired characteristics, and performs a desired function.

- Appropriate features and characteristics - quality, aesthetics, creativity, and customization.

- Appropriate performance - performance quality, reliability, and service-support outcomes.
- Appropriate outcomes - effectiveness, operational benefits, and environmental benefits.

For example - Apple focus mainly on creating appropriate features and attributes. Ford focus on performance, and Pfizer focus on appropriate outcomes and consequences.

Experimental Value: It is concerned with the extent to which a product creates appropriate feelings, experiences and emotions for the customer. For example - most restaurants focus on sensory values like aesthetics, aromas, ambiance, feel or tone. Organizations in travel or entertainment focus on creating emotional values like - pleasure, fun, excitement adventure, or humour.

Symbolic or Expressive Value: It is concerned with the extent to which customers associate psychological meaning to a product. Some products appeal to customer's self-concept and self-worth. Branded products like BMW, Rolex, etc are purchased because of their status, prestige, and image.

ANALYZING CONSUMER MARKET

Marketing practices are linked with satisfaction of targeted customers and to fulfill their emerging needs and wants in efficient way as compared to business rivals. Marketers are involved in analyzing rising customer trends that suggest new marketing opportunities. It is imperative to adopt a holistic marketing orientation in order to understand customers and the bases for their choices. A consumer market is a marketplace that comprises of household consumers who buy goods for individual or family utilization. It is dissimilar than a business market, in which businesses trade goods and services to other companies.

The consumer market pertains to buyers who buy goods and services for consumption rather than resale. It is asserted that all customers do not have similar choices, preferences and buying habits because of different characteristics that can differentiate certain consumers from others. These particular consumer characteristics consist of various demographic, psychographic, behaviouralistic and geographic traits. Marketers usually characterize these consumer characteristics through market segmentation, the process of separating and recognizing prime customer factions.

Demographic Characteristics of consumer markets are based on demographics such as dissimilarities in gender, age, ethnic background, income, occupation, education, household size, religion, generation, nationality and social class. Companies often categorize these demographic characteristics through market research surveys. From survey results, companies used to discover which demographic groups comprise the majority of their customer base. Companies can then focus their advertising towards these demographic groups.

Psychographic Characteristics: In consumer market, Psychographic characteristics can also be found that include interests, activities, opinions, values and attitudes. Consumer activities can include partaking in martial arts or basket weaving. Opinions and attitudes can be both precise

and general. A company may better recognize consumer opinions and attitudes after conducting a focus group, and can use that information to modify advertising or marketing campaigns. Consumer values can affect to how a group of individuals feels about some social issues, which can be of interest to non-profits or charitable organizations.

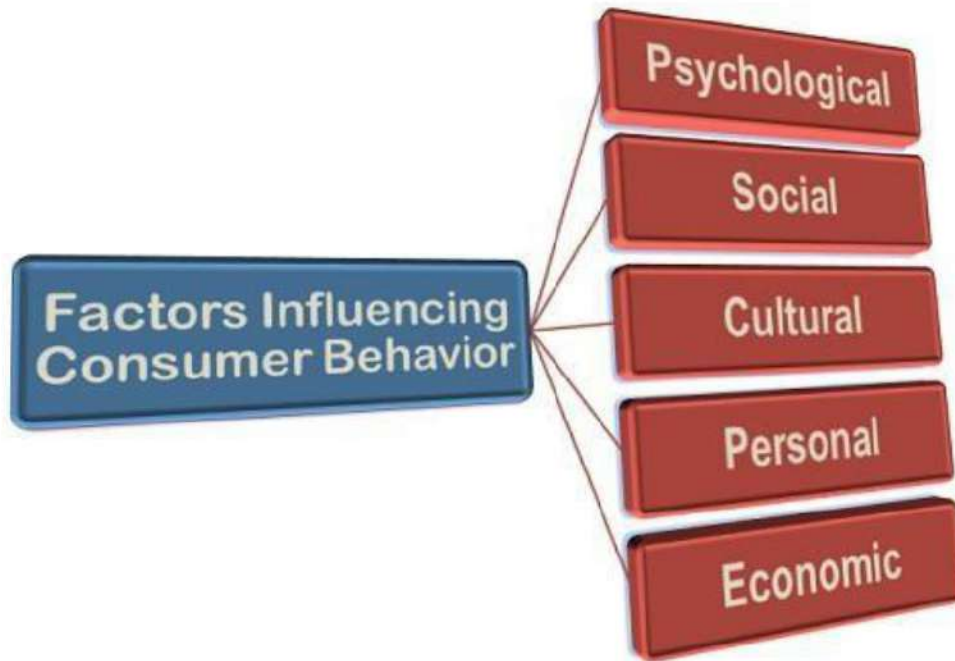
Behavioralistic Characteristics can also be gained through marketing research. Behavioralistic characteristics of consumer markets include product usage rates, brand loyalty, user status or how long they have been a customer, and even benefits that consumers seek. Company marketing departments usually try to differentiate between heavy, medium and light users, whom they can then target with advertising. Marketers interested to know which customers are brand loyalists, as those consumers usually only buy the company's brand.

Geographic Characteristics: Consumer markets also have diverse geographic characteristics. These geographic characteristics are often based on market size, region, population density and even climate.

It is well established in marketing studies that Consumer behavior is the study of how individuals, groups and organizations select but use and dispose goods services, ideas or experiences to gratify their requirements. A marketer must be fully knowledgeable of both theory and reality of consumer behavior. Consumers make many buying decisions each day. Majority of companies investigate consumer buying decisions to explore the needs of consumers and their buying pattern such as where they buy, how and how much they buy, when they buy and why they buy. A consumer buyer's behavior is affected by cultural, social and personal factors.

FACTORS AFFECTING CONSUMER BEHAVIOUR

The marketers try to understand the actions of the consumers in the marketplace and the underlying motives for such actions. These motives are the factors that influence the consumer behavior. These are:



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Psychological Factors: The human psychology plays a crucial role in designing the consumer's preferences and likes or dislikes for a particular product and services. Some of the important psychological factors are:

- Motivation
- Perception
- Learning
- Attitudes and Beliefs

Social Factors: The human beings live in a complex social environment wherein they are surrounded by several people who have different buying behaviors. Since the man is a social animal who likes to be acceptable by all tries to imitate the behaviors that are socially acceptable. Hence, the social factors influence the buying behavior of an individual to a great extent. Some of the social factors are:

- Family
- Reference Groups