

# Key Marketing Dimensions

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# Marketing Ethics

Ethics are code of values and principles that govern the actions of a person regarding what is right versus what is wrong.

Ethics is based on well-founded standards of right and wrong that prescribe what humans must do.

Marketing ethics is an area of applied ethics which deals with the moral principles behind the operation and regulation of marketing.

Marketing ethics enables companies to market their products and services in a more socially responsible way

Marketing ethics can be defined as "**the basic principles and values that govern the business that is engaged promoting products or services to customers.**

## **Ethical values in marketing**

- Honesty
- Responsibility
- Fairness
- Respect
- Transparency
- Citizenship

## **Unethical practices in marketing.**

- **Unethical advertising.**

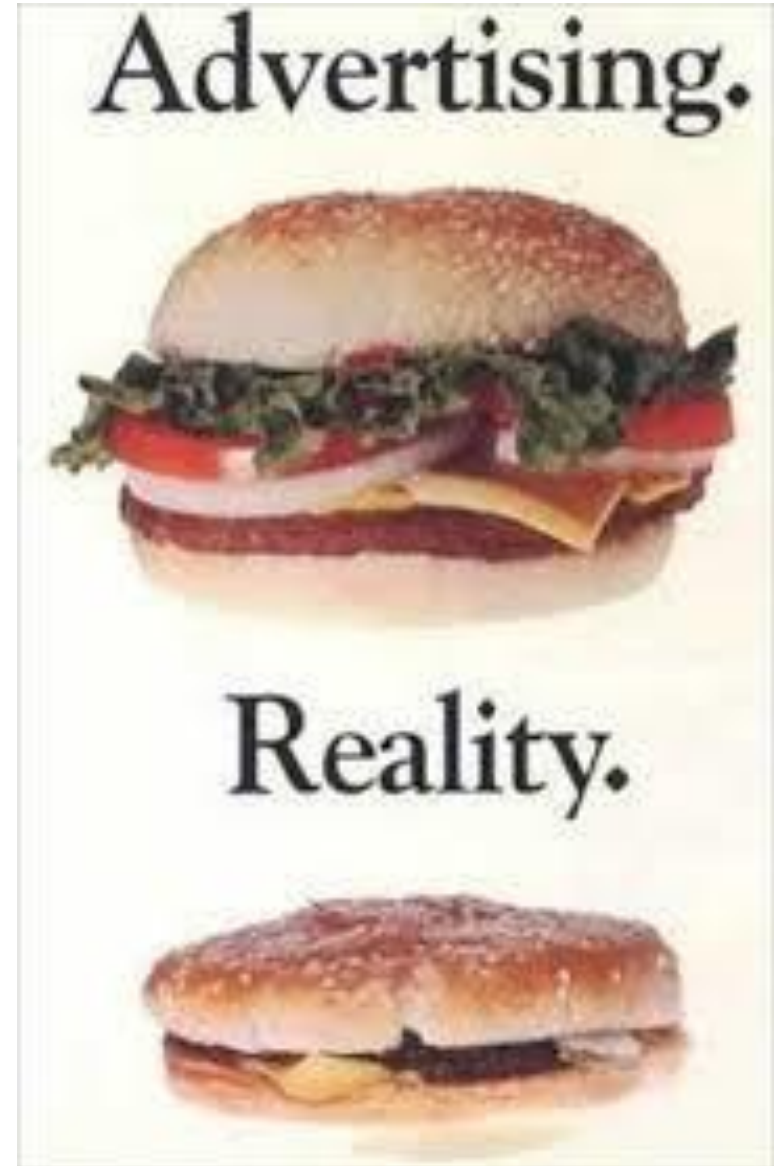
Some advertisers resort to unethical advertising by giving false information, degrading the rival's product, exaggerating claims, against national and public interest, by providing misleading information etc..

- **Unethical pricing**

Some marketers charge exorbitant prices, some sort for price fixing, price discrimination, some companies charge predatory pricing where they charge low price at first in order to drive away competitors or to create barriers to entry for potential new competitors.

- **Bad mouthing rival products**

In order to attract customers some company's emphasis on the dark side of the rival's product. Many marketers make use of comparative advertising with a strategy to present the company's product or service as superior compared to that of competitors.





- **Product counterfeiting.**

It is a form of consumer fraud. It involves the sale of fake products which are deliberately made to look genuine.

- **Marketing research**

it is the responsibility of the researcher to keep the collected information as a secret. marketers misuse this information and share it's with other companies without the explicit permission of the customers.

- **Celebrity endorsement**

celebrities are often used by marketers to endorse their products. celebrity endorsements can drive consumers to purchase a product that they might not otherwise buy. celebrities do not use a product or offers a dishonest opinion which is misleading to the consumers





ORIGINAL PRODUCT	LOOKALIKE PRODUCT









- **Promotion of unhealthy products**

some companies manufacture and sell harmful products like alcoholic beverages and cigarettes. some products might be harmful and though consumers may consume them. some companies undertake surrogate advertising to promote a product or service.

- **Targeting children**

It was not ethical to target children with advertisements and promotions. It encourages children to be materialistic. Advertisements easily persuade children, and they force parents to buy products. It also makes parents of children who cannot afford them appear inferior. advertisements of unhealthy products encourages children to consume fatty sugary and salty food which creates obese and unhealthy youngsters.

- Gifts or price offers that are given free of charge, but the cost of gift is covered by the price paid by the consumers.
- Hoarding or refusal to sell the goods to raise the price of those related goods.
- Selling products which have crossed the expiry date by re packing with a new expiry date providing poor after sales services.



Image credit: istockphoto.com/alubalish



# Role of Consumer Organizations

- Consumer organizations are advocacy groups that seek to protect people from corporate abuse like unsafe products predatory lending false advertising pollution etc..
- The aim of consumer organizations is to establish and to attempt to enforce consumer rights.





# **Role of consumer organizations are**

## **Consumer awareness or educating consumers**

- Using of print media to educate the consumers about their rights and responsibilities
- Arranging conferences seminars and workshops in order to focus on the issues faced by the consumers.
- Providing education to women about consumerism
- Encouraging consumers to follow desirable consumption standards.

## **Quality tests**

Organizations collect quality tests of different products from time to time and release the result. They provide information to consumers about the authenticity of the product and protect them. Organizations also conduct investigation or research on consumer problems.

## **Legal assistance and filing petitions**

- Consumer bodies help the consumer by providing legal advice to them or any aid required.
- Act as medium to file a petition in the court of law on behalf of the consumer to get justice
- Voluntary complaint centers for the guidance of consumers

## **Organizing protests**

Organize protests on various issues which could hamper a consumer

Issues include adulteration, hoarding, black-marketing, under-weight, unnecessary rise in price and so on.

## **Promoting network of consumer associations**

Covering all regions

## **Extending support to government**

Inform the government bodies unfair trade practices such as adulteration, artificial scarcity, inferior quality products etc..

## **Boycotting goods**

Organizations ask consumers to boycott the goods that are defective or unhealthy



# Strategies to Face Competitors

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## **Marketing Strategies for market leaders**

Market leader has the largest market share in the relevant product in the industry. It has a dominant position in the market.

Few market leaders have monopoly in the market, and they will need to be alert all the time to maintain their leader position.

Marketing strategies for leaders include

- **Expanding total market**
- **Defending current market share**
- **Expanding market share**

# Expanding total market

## New users

The leader firm must try to add new users by convincing non-users to use the product, adding more users in user class, winning competitors' customers, selling the product in other markets.



## Discover new uses

To expand the total market the company can discover and promote new users of the existing product. The R&D department must try to discover new uses of the product and the company must communicate the new users of the product.

## More usage

The company must try to make the existing users to use more of the product or increase the frequency of using the product.

## **Defending current market share**

**Some defense strategies include**

### **Position defense**

Occupying the most desirable space in the minds of customers and making it extremely difficult for other competitive brands to impeach upon the space created.

### **Flank defense**

The companies tried to protect weak sides or fronts. Flank defense consists of protecting the company from being attacked on the weak fronts. It also helps to counterattack. The company can improve the quality, lower the prices or adapt aggressive sales force, it can also attack the competitors through product innovation, attractive public campaigns road shows and public relations.

### **Preventive defense**

The marketer must attack before the competitor can strike.



# **Market challengers**

## **Marketing Strategies for market challengers**

Market challengers are known as runner up firms. market challengers are capable to attack the leader and other competitors

### **Frontal attacks**

It is a direct attack wherein the market challenger matches with competitor's product, price, advertising and promotion activities.

### **Flank attack**

The challenger attacked the competitor on his weak areas in terms of two strategic dimensions that is geographic and segmental. The challenger spots the segments which the competitor has left untapped and try to cover the segment through its products and services

### **Encirclement( all round) attack**

Attacking the market leader or a competitor from all the fronts simultaneously. It is a combination of frontal and flank attack.

### **Bypass attack**

It is an indirect attack where the market challenger does not attack the leader directly but broaden its market share by attacking the easier markets.

### **Guerrilla attack**

It is the intermittent attack imposed by the challenger to demoralize the competitor by adopting both conventional and unconventional means of attack. Guerrilla attacks include selective price cuts, intense promotional effort, more attractive service offers, occasional legal attacks, etc.

## **Counter offensive defense**

It involves responding to the competitors attack with a counterattack.

## **Mobile defense**

It involves the leader broadening and expanding its area over new territories that can serve as future centers for the defense

## **Contraction defense**

Large companies can also not defend all territories. In such situation the best strategy is plant contraction, it means giving up weaker territories or concentrating on stronger territories

## **Expanding market share**

The market leader makes efforts to increase the market share. The market share can be expanded by adding new product lines, expanding existing ones, improving product quality, improving distribution system, aggressive promotion etc..



## **Market followers**

Marketing strategies for market followers

### **Counterfeiter or fraudster**

It is a simple way to follow the leader. The follower duplicates the leader's product as well as package and sells it in the market. The product seems exactly similar to the original product except basic quality and features. Products are marketed secretly to avoid legal complications.

### **Cloner or emulator**

It is making the same product as that of market leader but with very subtle difference. The production and the packaging may be identical to that of the leader, but the brand name is slightly different.

### **Imitator**

Some followers prefer to copy some aspects from the leader's product but maintain differentiation in terms of packaging and other factors. such products are sold at low price

### **Adaptor**

Some followers prefer to adapt the leader's product and improved them. They make improvements in the original products and develop little different products. The adapter may prove to sell the products in different markets to avoid direct confrontation with the leader.

## **Market Nichers**

Marketing strategies for market nichers

They are small firms that target small markets. They produce highly customize products, services which serve oh natural market range.

- ✓ **End user specialist**
- ✓ **Vertical level specialist**
- ✓ **Customer size specialist**
- ✓ **Specific customer specialist**
- ✓ **Geographic specialist**
- ✓ **Product or product line specialist**
- ✓ **Event specialist**



# Rural Marketing

Rural markets has changed drastically.

Saturation and stiff competition in the urban marketers has led to shift the focus to rural markets.

Go rural is the marketer's new slogan

Rural market is blossoming in the 21<sup>st</sup> century.

70% of population is in rural areas.

It is larger than the urban markets.

For every consumer in an urban area there are three of them in rural area.

**According to T.P. Gopaldaswamy,**

**“Rural Marketing is a two-way marketing process. Its content now encompasses inflow of products into rural areas for production or consumption purposes and also outflow of products to urban areas.**

# **Why Companies Go Rural ?**

## **Large Population.**

Rural population is about 70% of total population and it is scattered over a wide range of geographical area.

## **Changing Lifestyle.**

Lifestyle of rural consumer changed considerably.

## **Rising Rural Prosperity.**

Average income level has improved due to modern farming practices, contract farming, industrialization, migration to urban areas and remittance of money by family members settled abroad.

## **Growth in Consumption.**

With increasing demands among the rural population and growth in purchasing power has led to growth in consumption.

## **Life Cycle Advantage.**

The products, which have attained the maturity stage in urban market, is still in growth stage in rural market.  
E.g., popular soaps, skin cream, talcum powder, etc.

## **Market Growth Rate Higher than Urban.**

As per the survey made by NCAER the growth rate of FMCG market and durables market is higher in rural areas.  
The rural market share is more than 50% for products like body talcum powder, toilet soaps cooking oil, hair oil etc.

## **Rural Marketing is not Expensive.**

To promote consumer durables inside a state costs  
Rs one crore while in urban areas it will costs in millions.

## **Features of Rural Marketing in India.**

**Large and scattered market:** About 70% population reside in rural areas and it is scattered over a wide range of geographical area.

**Large number of consumers:** For every one consumer in urban area there are three consumers in rural area.

**Diverse socio-economic background:** This is different in different parts of the country and brings diversity in rural markets.

**Changing demand pattern:** Demand pattern of rural customer is fast changing due to increasing in income and credit facilities offered by banks like 'kisan credit card'.

**Major income comes from agriculture:** About 60% of the rural income is from agriculture and hence the demand for consumer goods is high during harvesting season.

**Traditional outlook:** Rural customer values old customs and traditions.

**Saving habits:** Rural consumer is now having saving habits due to the efforts of co-operative and commercial banks.

**Low standard of living:** Rural consumer have low standard of living because of low literacy, low per capita income and social backwardness.

**Poor infrastructure facilities:** Facilities like roads, warehouses, communication system, etc. are inadequate in rural areas. Hence physical distribution becomes costly.

**Media reach:** The reach of print media is 10% followed by TV 31%, radio 31% and cinema 33%.

**Communication:** As per Indian Express report about 6 lakhs villages are without telephone facilities.

**Electrification:** About 88% of villages have been electrified and rest will soon get electricity by “Rural Electricity Corporation”.

# 4 A's of Rural Marketing

## **Availability.**

The first challenge in rural marketing is to ensure availability of the product or service. India's 7,00,000 villages are spread over 3.2 million sq km; 700 million Indians may live in rural areas, finding them is not easy. They are highly dispersed. Given the poor infrastructure, it is a greater challenge to regularly reach products to the far-flung villages. Marketer should plan accordingly and strive to reach these markets on a regular basis. Marketers must trade off the distribution cost with incremental market penetration.

## **Affordability**

The second major challenge is to ensure affordability of the product or service. With low disposable incomes, products need to be affordable to the rural consumer, most of who are on daily wages.

## **Acceptability**

The next challenge is to gain acceptability for the product or service. Therefore, there is a need to offer products that suit the rural market.

## **Awareness**

Building awareness is another challenge in rural marketing. A large part of rural India is inaccessible to conventional advertising media



# Strategies for effective Rural Marketing

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## **Product Strategies**

### **Small Unit Packaging.**

Small packs are preferred due to the following reasons:

- Small packs help the rural consumer to pick the product at affordable price.
- Individual use products like shampoo, toilet soaps, etc. and are bought in smaller size.
- Small packs are easy to display, and they increase the visual appeal.
- Small packs are convenient to retailer to do his business.

### **New Product Design**

The products are designed as per the rural lifestyle.

### **Sturdy Products.**

Sturdiness of a product is an important factor for rural consumers. The rural consumers believe that heavier the item, higher the power and durability.

### **Utility Oriented Products.**

Rural consumers are more concerned with the utility of the product and its appearance.

### **Brand Name.**

Rural consumers are more brand loyalists than urban consumer. The brand name should instantly be understood by the rural consumers.

## **Pricing strategies.**

### **Low Cost Products.**

Rural customer is price conscious mainly because of low income. The price can be kept low, by low unit packaging. This is a common strategy adopted by many companies marketing in rural areas.

### **Refill / Reusable Packaging.**

Refill packs benefits the rural consumers in terms of price and also the packaging material should be reusable in rural areas.

### **Application of Value Engineering.**

The aim of value engineering is to reduce the value of the product so that a larger segment of population can afford it to buy.

### **Discounts**

In order to motivate the rural retailer to sell more, a discount of 5-10% is given on the MRP particularly in case of FMCG .

### **Promotional Schemes.**

Rural consumer normally buys household articles during festivals like Diwali, Eid, and Christmas etc. special promotional schemes could be introduced on such occasions like exchange offers, special discounts, etc.



## **Promotional strategies.**

- Print and electronic media.
- Mobile advertising.
- Fixed location advertising.
- Personal selling and opinion leaders.
- Music demonstration and intelligent advice.
- Special campaigns.

## **Distribution Strategies.**

- Physical transportation modes.
- People involved.
- Retail outlets.



# Digital Marketing

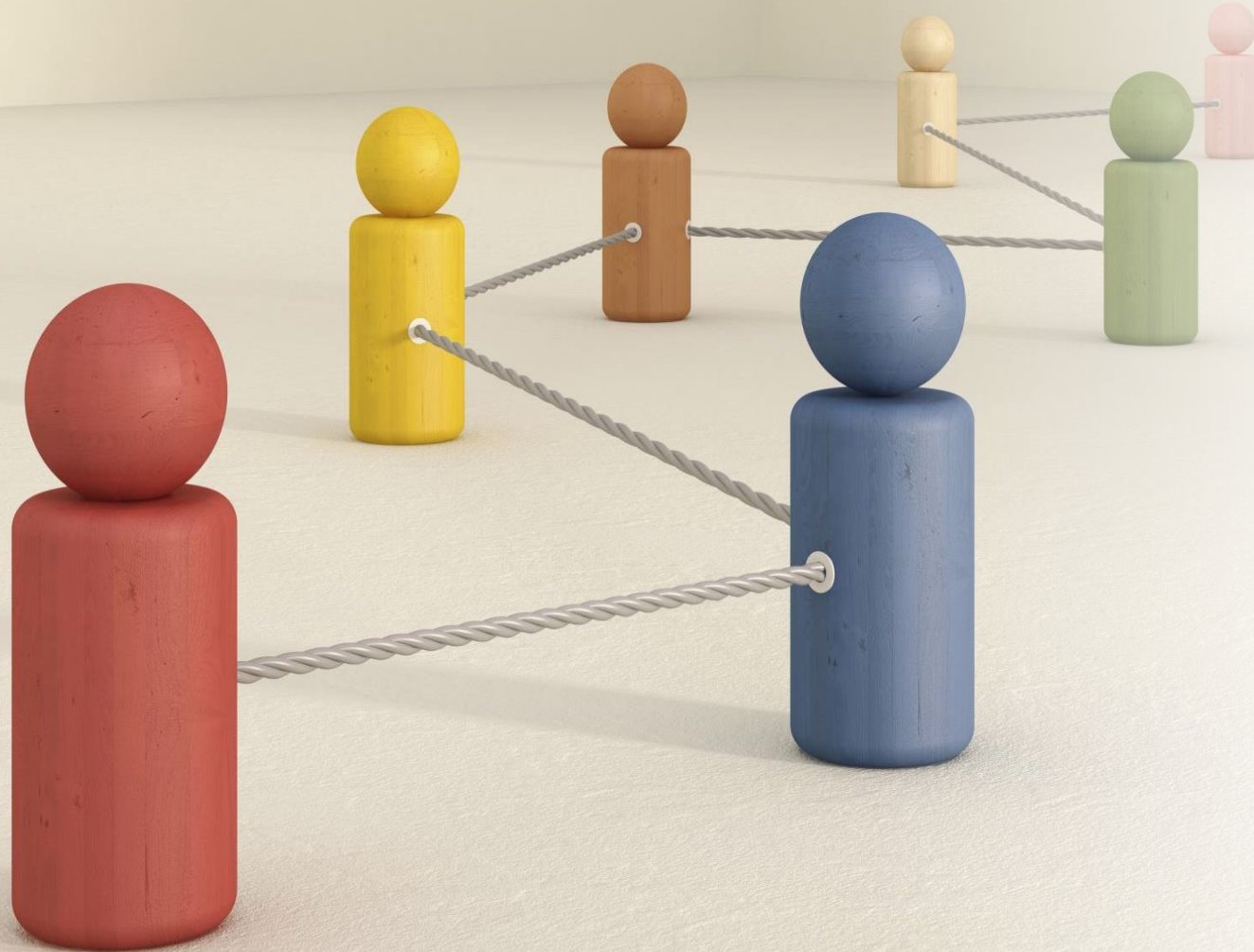
# Forms of Digital Marketing

- Internet marketing
- Social media marketing
- Viral marketing
- Telemarketing
- Mobile marketing

# Trends in Digital Marketing

- Social media marketing
- Content marketing
- Search engine optimization
- Pay-per click
- Affiliate marketing
- Mobile marketing
- Artificial Intelligence
- Chat boxes
- Live video

# Challenges faced by Marketing Managers in 21st Century



- **Challenges of global market**
- **Compressed product lifecycle**
- **Increasing customer awareness**
- **Technology boom**
- **Social media**
- **Social and ethical issues in marketing**
- **New marketing skills**
- **Competition**



# Career options in marketing

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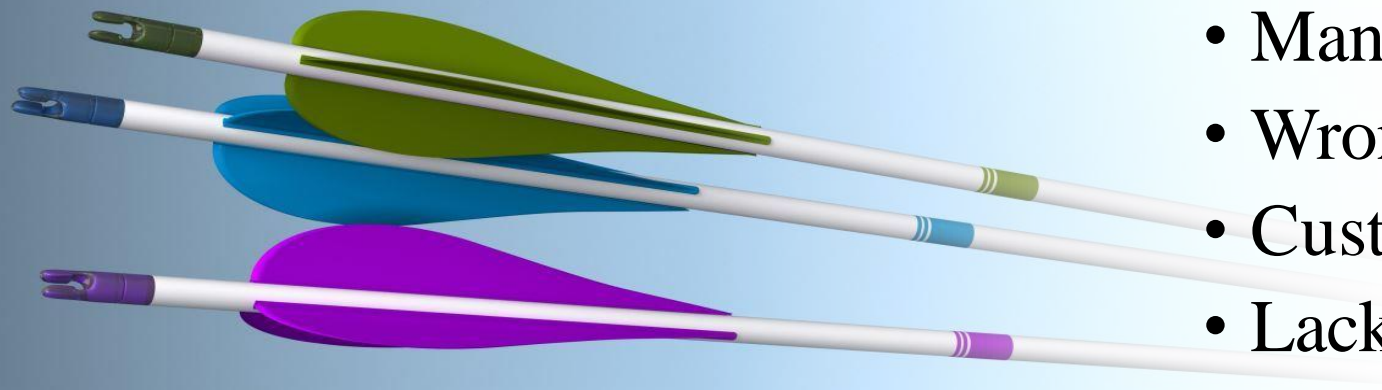
- Marketing managers
- Account director or supervisor
- Account executive
- Copywriter
- Market research analysts
- Social media executives
- Web content writer
- Sales positions
- Others

## **Skill sets required for effective marketing**

- Communication
- Creativity
- Analytical thinking
- Negotiation
- Stress management
- IT skills
- Interpersonal skills
- Problem solving skills
- Decision making skills
- Others

# Reasons for failure of brands in India

- Poor product
- High price
- Increase in competition
- Irrelevancy
- Imitation of brands
- Too much expansion with few resources
- Management issue
- Wrong target audience
- Customer dissatisfaction
- Lack of customer response
- Over marketing
- Others



# Factors contributing to success of Brands in India

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- Quality
- Wide range of products
- Innovativeness
- Reasonable price
- Creative advertising campaigns
- Uniqueness
- First mover advantage
- Consistency
- Positioning



