

# Marketing for Tourism Managers

By: Pooja Dasani

This reference book can be useful for  
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# CONTENTS

<b>S.No.</b>	<b>Page</b>
1. Introduction to Marketing .....	1
2. Marketing in a Developing Economy .....	5
3. Marketing of Services .....	11
4. Planning Marketing Mix .....	17
5. Market Segmentation .....	23
6. Marketing Organisation .....	30
7. Marketing Research and its Applications .....	37
8. Determinants of Consumer Behaviour .....	43
9. Models of Consumer Behaviour .....	50
10. Indian Consumer Environment .....	55
11. Product Decision and Strategies .....	64
12. Product Life Cycle and New Product Development .....	68
13. Branding and Packaging Decisions .....	73
14. Pricing Policies and Practices .....	80
15. Marketing Communication .....	88
16. Advertising and Publicity .....	93
17. Personal Selling and Sales Promotion .....	99
18. Sales Forecasting .....	106
19. Distribution Strategy .....	111
20. Managing Sales Personnel .....	118
21. Marketing and Public Policy .....	123
22. Cyber Marketing .....	137

# Sample Preview of The Chapter

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# MARKETING FOR MANAGERS

## MARKETING AND ITS APPLICATIONS

1

### Introduction to Marketing

#### INTRODUCTION

One of the most dynamic fields in business and entrepreneurship is marketing. A creative area that involves constant application of skills, innovative methods and intellect, it is exercised by managers in all business organisations. Familiarisation with various aspects of marketing enable managers to accomplish organisational goals and objectives along with satisfaction of consumer needs. A thorough understanding of the various aspects of marketing helps an individual to gain competence in handling the demand and supply in the market profitably. It also gives an insight into the minds of the prospective consumers and thereby increases the success in meeting the objective of profit maximization.

#### CHAPTER AT A GLANCE

##### THE MEANING OF MARKETING

A Layman, in fact, even most individuals engaged in business would immediately relate the term marketing to selling or advertising. Many people tend to regard marketing as synonymous to selling.

What is our perception of marketing? Well, marketing certainly includes selling and advertising, but it is definitely much more than these two activities. Let us clarify the concept of marketing by looking at some of the definitions of this term.

The American Marketing Association defines marketing as “Marketing is the performance of business

activities that direct the flow of goods and services from producer to consumer or user.”

According to Philip Kotler, “Marketing is a social process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others.”

The above definitions of marketing make it evident that marketing starts with determining what is needed and goes on to ensuring that it is provided. In case of advertising agencies or personal selling, however, marketing would start with the product.

**Human Needs and Marketing Concept:** As an entrepreneur you may decide to launch your own brand of mobile phones only once you have analysed the section of population which will be your target market and subsequently identified their requirements so that you can best serve their needs.

Needless to say, the whole concept of marketing revolves around the existence and identification of human needs. Let us go further and define a need. In simple words, simply, a need is a state of felt deprivation which leaves a person dissatisfied. Maslow’s need hierarchy categorises needs into Physiological needs, Safety needs, Social needs, Esteem needs and Self-actualisation needs. Examples are food and shelter for Physiological needs and affection and belonging for Social needs.

Marketing is a highly useful activity because it identifies and satisfies needs lying latent in human beings. A person will move to the next need, once his

2 / NEERAJ : MARKETING FOR MANAGERS

current need has been satisfied. Thus, if the need lying dormant can be identified then a strategy can be developed to convert it into a want thereby leading to the creation of demand for a product.

However, a want will be converted into demand only when the willingness to buy is accompanied by the ability to buy. In other words, a person will buy something only when it can be afforded financially. Marketing thus becomes fruitful when a person decides to satisfy a need and a subsequent exchange takes place. This also clarifies Kotler's definition of marketing discussed earlier.

To conclude, we can say that marketing is essentially a process. The process oriented definition would imply that it is the process of identifying consumer needs, converting them into products or services and ensuring the satisfaction of needs profitably.

Although, it was earlier thought that production was a more important function than marketing, it is now believed that unless a product satisfies a need it will never sell and therefore customer oriented approaches have to be developed.

### THE MARKETING MIX

According to Kotler, "Marketing Mix can be defined as the set of marketing tools that the firm uses to pursue its marketing objectives in the target market."

The **Marketing Mix** of an organisation is the combination of four basic elements: the product, price, promotion and place which are also called the 4Ps of marketing. They are used to develop an effective offer for the consumers.

**Product** refers to what the buyer buys and the seller sells. It can be a Good or a Service. Decisions related to products are very important for any organisation as once a product is developed its ability to satisfy the consumer has to be judged and modifications have to be made if needed.

**Price** is the value of the product or what the seller charges from the buyer. This is an important decision as price provides revenue to an organisation.

**Promotion** refers to all those activities which generate awareness of the product among the consumers and are aimed at informing as well as influencing them to buy the product. An organisation may use advertising, sales promotion or personal selling to communicate with the prospective customers.

**Physical Distribution** refers to decisions that are taken to make the product available to the consumers. It involves deciding upon the channels of distribution as well as the physical distribution of products.

### THE MARKETING STRATEGY

In order to ensure that the marketing mix tools are effectively directed towards the target market, a strategy has to be developed. In other words, a marketing strategy means directing the relevant aspects of product, price, place and promotion towards satisfying consumers. For example: an organisation's marketing strategy will answer questions like who are the consumers? What do they want? Which channel of distribution should be used? What price should be fixed? How to promote the product? etc.

The marketing strategy will begin with market segmentation or identifying the target market so that there is no wastage of effort as the potential customers are clearly defined. For example: If an organisation decides to introduce a moisturizer for working women in their middle ages then it will develop the product according to the target market. Since it is a product for middle aged women an anti aging treatment will be preferred. The price will be fixed keeping in mind the economic status of the target market along with other factors. Then, a suitable media for promotion will have to be chosen like women's magazines. Last, but not the least a decision regarding where to sell the product from will have to be taken, say, shopping malls.

It can be clearly seen that marketing is a broad term which encompasses many aspects and affects the entire organisation. Essentially it emphasises on satisfaction of customer wants and needs so that the long-term survival of business can be ensured.

### SELF-ASSESSMENT QUESTIONS

**Q. 1. Do you agree with the definitions of marketing given by Kotler and American Marketing Association text? Give your comments. Identify at least 20 products and services that are being currently marketed in India.**

**Ans.** Yes, the definitions of marketing as given by AMA and Kotler provide a comprehensive view of the concept of marketing. They clearly indicate that marketing is much more than mere selling or advertising. In fact marketing includes all those activities that are involved in ensuring the satisfaction of consumer wants. Examples of products and services being marketed in India are: Reynolds pens, Nokia mobiles, Reader's Digest magazine, Samsung Television, Godrej locks, Videocon Washing machine, Delhi Transport

Corporation, Raj tours and travels, Bata Shoes, Reliance Communication, Bajaj Scooters, Maruti Cars, HCL Computers, Natraj Pencils, Airtel Network, Radio Taxi, Sony Stereo, Atlas Cycles, Ramashwar Caterers and Gitanjali Jewellery.

**Q. 2. Fill in the information under the following heads keeping a product launch as a guideline:**

- (a) What precedes a product decision?
- (b) What are the various marketing activities?
- (c) What happens once the product reaches the consumer?

**Ans.** Let us assume that you are launching a new mobile.

- (a) **What precedes a product decision?**  
Market survey, Identifying consumer needs, Study available alternatives, Evaluate strength of competition.
- (b) **What are the various marketing activities?**  
Production, Branding, Labeling, Packaging, Distribution, Promotion and selling.
- (c) **What happens once the product reaches the consumer?**  
Profitable sale, after-sales services.

**Q. 3. (i) Write down the characteristics of a group of customers for whom you wish to market perfumes.**

**(ii) Can you describe the bottle you would use?**

**Q. 4. Define Marketing and distinguish it from selling.**

**Ans.** According to the American Marketing Association, “Marketing is the performance of business activities that direct the flow of goods and services from producer to consumer or user.”

**(iii) As against this, had you selected men as your customer, what type of bottle would you have selected?**

**(iv) In connection with promotion list the magazines and newspapers that you would use.**

**(v) What would be your advertisement line?**

**(vi) Suppose the total cost per unit is Rs. 6, at what price would you offer this product? Suppose the margin of profit which would satisfy you is Rs. 2, would you offer this at Rs. 8?**

**Ans. (i)** Women, High Income, Metro cities, Young, Working in MNC, Active social life.

**(ii)** Cylindrical, Small sized, transparent glass bottle, pearl coloured bottle cap suggestive of delicacy.

**(iii)** Rectangular, Medium sized, black painted glass, steel coloured cap.

**(iv)** Elle, Cosmopolitan, Marie-Claire, Delhi Times, Metro Now.

**(v)** Smell fresh, Feel fresh.

**(vi)** Yes, because the price can't be too low as we have to attract working women of large cities who will want an exclusive product. It also satisfies our profit requirements. Lastly, price of competitors will have to be surveyed and care has to be taken that it is not much higher or lower than their products. Too high a price will decrease demand and too low a price might harm the exclusive image of the product.

Basis	Marketing	Selling
Scope	Marketing is a wider term that includes selling and aims to satisfy the needs of customers.	Selling is a narrow term and is that part of marketing which is concerned with persuading the customer to buy the product and converting it into revenue.
Focus	Marketing focuses on profit through customer satisfaction.	Selling focuses on profit through sales volume.
Start of activity	Marketing starts with the need of the consumer.	Selling starts with the product.
Strategy	Marketing uses integrated marketing efforts.	Selling uses persuasion and pressure.
Demand	Marketing focuses on creation and maintenance of consumer demand.	Selling presupposes the existence of demand of the product.

4 / NEERAJ : MARKETING FOR MANAGERS

**Q. 5. As an illustration, take the consumer item 'after-shave lotion'. Design your marketing strategy, describing the steps in the marketing process starting with defining of the 'Four Ps' in Marketing and ending with the ultimate objectives of marketing.**

**Ans.** The marketing process starts with defining the target market. Suppose the After-shave lotion is targeted at young professionals in metro cities. The market segmentation would probably be men below forty who are professionals and live in large cities.

**Product:** The product would be strong and spicy in fragrance. It would be in an opaque bottle with a convenient dispenser. Colour of the bottle may be white, grey or black.

**Price:** The price would be Rs. 50 to cover the cost price of Rs. 35 and the competitor's average price which is that Rs. 45. Since it is aimed at professionals, it is assumed salary brackets will be at a higher end and having a price slightly higher than the competitor's will be acceptable if the product promises certain exclusive features.

**Place:** The lotion can be sold through retailers at leading chemists and departmental stores across all major cities.

**Promotion:** Magazines like GQ, India Today, Autocar, Business World can be used. The Economic Times and The Times of India are popular newspaper alternatives for promotion.



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