UNIT–3: ENTERPRISE MARKETING

"Formal education will make you a living; self-education will make you a fortune."

– Jim Rohn

Learning Objectives

The learner will be able to:

- Understand what are goal–setting and SMART goals
- Enlist the various marketing strategies used in a firm
- Understand in detail the 4P's of marketing
- Enlist the various selling strategies used in a firm
- Understand the various concepts like brand, logo and tagline
- Understand the meaning and methods of negotiation
- Understand the importance of customer
- Understand the importance of employee and vendor management in a firm
- Understand the importance of quality in customer satisfaction
- Enumerate the various reasons for business failure

Content

- **Goals of Business; Goal Setting; SMART Goals**
- **Marketing and Sales strategy**
- **Branding - Business Name, logo, tagline**
- **Promotion strategy**
- **Negotiation - Importance and methods**
- **Customer Relations**
- **Employee and vendor management**
- **Quality, timeliness and customer satisfaction**
- **Business failure - reasons**

Case Study-I
Creating Value through Marketing Mix

In increasingly competitive markets, consumers have a greater choice of where they buy their goods and services. For an organisation to meet its business objectives, it has to find out what the consumers require and then identify the best way in which it can satisfy these needs and wants. Creating a competitive advantage can be difficult. A unique marketing strategy with clear objectives is vital to ensure effective promotional activity. Since opening its first store in 1913, Aldi has established itself as one of the most reputable retailers in the global business market by providing great value and quality. Aldi's goal is simple; 'To provide our customers with the products they buy regularly and ensure that those products are of the highest possible quality at guaranteed low prices.'

Aldi's products are sourced from hand-picked suppliers whose products are sold under Aldi's own brand labels. Aldi's main marketing objective is to grow its market share within the UK

grocery market. With the economic crisis came an increased demand for value for money. Market research identified that 80% of Aldi's customer base also shopped at other Supermarkets. These customers spent around £20 billion per year in the other stores. Aldi's marketing strategies therefore focus on generating customer loyalty. Aldi focuses its marketing efforts on encouraging customers that are already familiar with the brand to Shop at Aldi more often.

Another key focus of Aldi's marketing strategy is on demonstrating that Aldi brands are of equal quality to well known brands such as Heinz and Fairy Liquid. To do this Aldi ran blind taste tests amongst a cross section of shoppers. These confirmed that the majority of consumers that liked the famous brands also liked Aldi's brands. These findings formed the basis to Aldi's 'LikeBrands' marketing campaign. This provided Aldi with a platform to communicate its quality and value messages effectively. Aldi's immediate challenge for the 'Like Brands' campaign was to increase market share from 2.3% to 2.5%. Although this sounds very little, the retail grocery market is very large. A single 0.1% is worth an extra £65 million revenue.

This case study focuses on the marketing strategies used by Aldi to increase its market share and encourage loyal customers.

The marketing mix

The chartered institute of marketing describes the term marketing as 'The process responsible for identifying, anticipating and satisfying consumer requirements profitably.' This places consumers at the heart of every organization. The marketing mix is often referred to as the four Ps. It involves creating a unique blend of the right product, sold at the right price, in the right place, using the most suitable methods of promotion. A marketing mix is a complex set of variables. The marketing mix of every business will be different. Aldi's mix focuses on providing high quality products that are cheaper alternatives to famous brands.

Aldi's marketing mix therefore focuses on:

- *Product – high quality 'Like Brands'.*
- *Price – Aldi offers lower prices than its competitors, without compromising on quality.*
- *Place – Aldi outlets are expanding globally.*
- *Promotions – Aldi uses a combination of above-the-line and below-the-line promotions with a focus on its 'Like Brands' and 'Swap & Save' campaigns.*

Balancing the mix

Organisations need a balanced marketing mix to meet the needs of their customers. Aldi's focus is on offering the best possible quality products at the lowest possible prices. Every buyer for

Aldi, from fresh fruits and vegetables to meats and electronics, is an expert in his field. They look for products from around the world. This enables them to get the finest quality products that Aldi then sells under its own brand labels. Selecting the prices is one of the most difficult considerations when developing a marketing mix.

Different pricing strategies that are commonly used include:

- *Market penetration – charging lower prices for new products to help them enter the market and gain market share quickly.*
- *Competitive pricing – pricing at a slightly lower prices than competitors.*
- *Strategic pricing – emphasising the quality or brand positioning of a product to allow a higher price to be charged.*

Competitive pricing is a key strategy for Aldi. Aldi is able to offer quality products at low prices as it buys in great volume. The fact that Aldi buys such large quantities of these products allows great leverage for negotiating the best possible prices with its suppliers.

This is called economies of scale. Buying large quantities of each product allows Aldi to pass these savings to its customers.

The place element of the marketing mix involves identifying where the product or service will be sold. Aldi keeps its store layouts simple to limit waste and keeps the costs down. This means Aldi can focus on offering its customers the lowest possible prices for its products. When considering new store locations, Aldi takes into account:

- *the number of people visiting an area as well as the demography of the area – for example, the population of the area should be more than 30,000 people*
- *the position of store – Aldi focuses on edge of the town centre locations with good visibility from a main road and not too much competition*
- *the accessibility of the store and its public transport links*
- *the number of parking spaces available.*

Above-the-line promotion

For Aldi to achieve its objective of increasing its market share, it had to ensure its promotional activity demonstrated the balance of its marketing mix. For example, to increase customer loyalty it had to communicate its key quality and value messages. Promotion helps to:

- *increase awareness and improve brand recognition*
- *increase demand for products*
- *improve brand image*
- *highlight the superiority of products and services.*

Above-the-line promotions are paid-for advertising aimed at a mass audience. These include the media such as television, radio, magazines and newspapers that reach a large number of people. This form of promotion can be costly. It can also be difficult to target specific audiences. Aldi uses a range of above-the-line methods to reach its customers and potential customers.

These include:

Advertising on TV. The 'Like Brands' campaign features 20 second TV adverts which focus on a particular product. The adverts show a famous brand as a benchmark for quality side-by-side *with an Aldi brand product. They use the slogan 'Like Brands, Only Cheaper'. This reinforces the message that Aldi products are cheaper than leading brands but equal in terms of quality. The adverts provide personality to the Aldi brand use humour which helps to build trust and an emotional connection with target audiences.*

Printed leaflets are distributed within stores (1 million copies printed per week) and also to customers living in areas surrounding the stores. These leaflets help to reinforce the 'Like Brands' campaign. They also showcase products with limited availability and seasonal offers available in stores.

Newspaper adverts extend the 'Like Brands' campaign and help to showcase a variety of product categories. They also communicate Aldi's 'Swap and Save' message. This campaign demonstrates the amount that shoppers could save if they swapped their weekly shop to Aldi. They compare Aldi products to famous brands to demonstrate Aldi's value for money message.

In–store posters are also used to highlight the 'Swap and Save' message. Below-the-line promotion uses different ways to engage with customers. These methods can be more easily targeted to specific audiences than above-the-line methods. They offer organisations a greater level of control over their communications.

Aldi uses a range of below-the-line methods. These include:

- *social media*
- *targeted e-mails to customers*
- *3rd party endorsement and awards*
- *public relations and media relations*

Aldi's Facebook and Twitter pages encourage two-way communication with customers. These social media channels provide a platform through which Aldi can interact with customers. It can then assess their opinions about the brand. One objective of this form of promotion is to create 'Aldi Advocates'. These are consumers who recommend Aldi to others, through stimulating interactions about the high quality and low prices of Aldi products. For example, the 'I Love Aldi' campaign asked fans to send a virtual Aldi Valentines card to a Facebook friend. This was encouraged by providing rewards. The campaign gave consumers the chance to win a £10 voucher. They could also win a box of Aldi chocolates for their Valentine. The campaign also encouraged consumers to complete the sentence 'I love Aldi because...' directly onto Aldi's Facebook page to encourage positive brand feedback.

Aldi also uses direct e-mails. These e-mails allow Aldi to communicate a variety of messages to target customers. For example, they can convey the 'Swap and Save' message as well as to promote seasonal messages such as products associated with Pancake Day. Aldi's website is an integral part of its below-the-line promotion. It features all of Aldi's key promotional messages as well as additional content to engage consumers. Examples include recipe ideas and weekly offers. Aldi developed the www.likealdi.co.uk micro-website to further encourage brand engagement with the 'Like Brands' TV campaign. The site provides consumers with the opportunity to upload their ideas for the next Aldi TV campaign.

Aldi also uses a dedicated recruitment website to promote its employer brand messages and career opportunities.

A further below-the-line method used to highlight the quality of Aldi's products is positive 3rd party endorsements. Aldi has entered over 1,000 of its products into awards such as Grocer Golds, Pizza and Pasta Awards (PAPA) and the British Frozen Food Federation Awards. In 2012 Aldi was awarded 'Best Supermarket' by Consumer Watchdog. It beat competition from Marks & Spencer and Waitrose. Further positive endorsements for production TV and in the press reaffirm the message that Aldi products are of the highest quality and also are great value for money. For example, Aldi's Christmas pudding was awarded runner-up and acknowledged as a 'bargain' in a taste test comparison in Good Housekeeping magazine. Effective public and media relations help to create positive press exposure. Aldi has secured record coverage through hard working and innovative media relations. Journalists from newspapers such as The Grocer, The Financial Times and The Times were invited for exclusive interviews with Aldi's Group of Managing Directors. They discussed record breaking sales results.

Aldi: Creating value through the marketing mix

Further coverage was gained through targeting key media at specific times with seasonal promotional messages. The 'Swap and Save' campaign highlighted the savings available through shopping at Aldi at times when value for money is high on the agenda. This was particularly relevant with its 'Back to School' and Christmas products.

Conclusion

Aldi has a distinct approach to retailing that has given it a competitive advantage in a crowded marketplace. Aldi's unique balance of the marketing mix enables it to provide high quality, own branded products at the lowest possible price. Aldi's innovative 'Like Brands' and 'Swap & Save' marketing campaigns are improving brand perceptions. They are aiding the achievement of Aldi's marketing objectives. The campaigns have increased Aldi's sales per store by +100% over 3 years through creating more loyal customers. Its multi-channel promotional activity is engaging consumers and creating positive feedback.

Courtesy: The Times 100 Business Case Studies

A. What is the goal of business?

Fundamental goal of business is to make **profit;** this always need not be in terms of money but improved customer relations, goodwill etc.,

What is goal setting?

Definition of goal setting:

"Establishing short or long term objectives, usually incorporating deadlines and quantifiable measures."

Why is goal setting important?

- Goal Setting is an important exercise for ensuring the appropriate performance.

- Goal setting ensures clarity of vision, alignment to the organisational goals, clarity of purpose and higher probability of achieving the goals.
- Goal setting allows us to be proactive, instead of just being reactive.

However, goal setting isn't enough. Goal setting is just the first step to achievement. Imagine, for instance, that your goal is to lose weight. Knowing that goals need to be specific if you're going to have any chance of success, you decide that you will lose 15 pounds by a date set four months from now. Time passes. Four months later, you get on the scale. Are you surprised to discover that you haven't lost any weight?

Goals need action

Without a goal setting strategy, or series of actions, that you are going to use to work towards the goal, whether or not you achieve the goal you have set is just a matter of blind chance. And blind chance is no way to run a successful business. To be successful, you need to make things happen, not just let things happen.

Like setting personal goals, setting business goals provides us with direction and motivation. But only if we set the right goals, goals that will keep our business on track rather than derail it. How do we know that we're setting the right business goals?

Rules for goal setting:

1) **Business goals need to be relevant.**

   Business owners sometimes make the mistake of choosing business goals that are pointless. To be relevant, a business goal has to be profitable in some fashion. That's not to say that every business goal has to be measurable in rupees, but it does have to possess a clear advantage or benefit to the specific business.

2) **Business goals need to be actionable.**

   An even more common mistake when setting business goals is to choose business goals that are too vague or abstract. When you're setting business goals, be sure that you have developed them from general statements, such as in the example above, to specific actions that can be performed and evaluated. Goals without action plans are just pretty words.

3) **Business goals need to be achievable stretches.**

   The purpose of business goals is to move the businesses forward. So we have to position the bar very carefully when we're setting business goals. If the bar is set too high, we set ourselves up for failure and disappointment and many of us, recognising this in advance, will just stop trying.

   On the other hand, if the bar is set too low, and all we have to do is step over it, we might not bother to do it as we won't get enough satisfaction or recognition from the accomplishment. A goal has to stretch us to be worth doing. Recognize that a business goal has to 'feel' worthwhile and set business goals that will accomplish the dual purpose.

What are smart goals?

S.M.A.R.T. is an acronym for the 5 steps of specific, measurable, achievable, relevant, and time-based goals. It's a simple tool used by businesses to go beyond the realm of fuzzy goal-setting into an actionable plan for results.

Specific: Great goals are well-defined and focused. "Obtain 2 crore worth corporate clients in the Delhi property insurance market" is more meaningful to mobilize your team than "Get more business." The moment you focus on a goal, your goal becomes a magnet, pulling you and your resources towards it. The more focused your energies, the more power you generate."

Measurable: A goal without a measurable outcome is like a sports competition without a scoreboard or scorekeeper. Numbers are an essential part of business. Put concrete numbers in your goals to know if you're on track.

Attainable: Far too often, small businesses can set goals beyond reach. No one has ever built a multi–crore business overnight. Venture capitalists and angel investors discard countless business plans of companies with outlandish goals. Dream big and aim for the stars but keep one foot firmly based in reality. Check with your industry association to get a handle on realistic growth in your industry to set smart goals.

Relevant: Achievable business goals are based on the current conditions and realities of the business climate. You may desire to have your best year in business or increase revenue by 50%, but if a recession is looming and three new competitors opened in your market, then your goals aren't relevant to the realities of the market.

Time-Based: Business goals and objectives just don't get done when there's no time frame tied to the goal-setting process. Whether your business goal is to increase revenue by 20% or find 5 new clients, choose a time-frame to accomplish your goal.

B. Marketing Strategy

Marketing strategy is defined by David Aaker as "a process that can allow an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable competitive advantage."

What does the Marketing strategy of a company include?

Marketing strategy includes all basic and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company.

It also includes the formulation, evaluation and selection of market-oriented strategies and therefore contributes to the goals of the company and its marketing objectives.

A marketing strategy is composed of several strategies for growth as well as interrelated components called the marketing mix. At the school level, we will limit it to the components of marketing mix.

The marketing mix refers to the ingredients or the tools on the variables which the marketing mixes in order to interact with a particular market.

Components of marketing mix:

Definition

According to W. J. Stanton, "*Marketing mix is the term used to describe the combination of the four inputs which constitute the core of a company's marketing system: the product, the price structure, the promotional activities, and the distribution system.*"

According to Philip Kotler, "*A Marketing mix is the mixture of controllable marketing variables that the firm uses to pursue the sought level of sales in the target market.*"

The 4Ps that make up a typical marketing mix are – Price, Product, Promotion and Place. However, nowadays, the marketing mix increasingly includes several other Ps like Packaging, Positioning, People and even Politics as vital mix elements. We will be concentrating only on the typical 4Ps.

Product: This refers to the item actually being sold. The product must deliver a minimum level of performances, otherwise even the best work on the other elements of the marketing mix won't do any good. The product will typically look into the following factors:

Product/service

- What does the customer want from the product/service? What needs does it satisfy?
- What features does it have to meet these needs?
    - o Are there any features you've missed out?
    - o Are you including costly features that the customer won't actually use?
- How and where will the customer use it?
- What does it look like? How will customers experience it?
- What size(s), color(s), and so on, should it be?
- What is it to be called?
- How is it branded?
- How is it differentiated from the competitors?

The components of Product mix are: Branding, Labelling and Packaging.

Branding

Introduction

We know, a product is anything that can be offered to a market for attention, acquisition, or consumption. It includes physical objects, services, personalities, places, organisations and ideas.

The character of the product may be seen differently by the buyer and the seller.

As a product is any tangible and/or intangible offering that is required to satisfy the needs or aspirations of a consumer, thus it is important to understand:

a) the "underlying motives" behind "buying" of the product,

b) to ascertain whether the buyer is really satisfied by having the same product.

Alternatively, one may say that, a product satisfies a 'generic' requirement. Generic requirement is the core benefit, a product offers to the customer. For example: a refrigerator offers the generic benefits of storing, preserving and cooling food or similar items. Also, the cell phone is a device used to facilitate communication. You can also refer to the case study of Satya Barta Dey - SHREE LEATHERS Unit 2, 'sub head' **Satya's business philosophy develops** where the importance of a good quality product is discussed.

If products were sold by generic names, it would be very difficult for the marketers to distinguish their products from that of competitors. Therefore, most marketers give a "name" (brand) to their products, which helps in identifying and distinguishing their products from that of the competitors. Thus, branding is an effective differentiation strategy commonly adopted by marketers when dealing with the products which cannot be easily distinguished in terms of tangible features.

As we know that the entrepreneur has to take a look at the total product mix and decide whether it is balanced in terms of contents, profit, risk and growth or not. The development of the product mix is a key element of marketing strategy. Thus, product mix will be a futile attempt if it doesn't discuss the following most crucial components.

1. Branding
2. Logo and tagline
3. Labelling
4. Packaging

Branding as a Concept

"BRANDR", Norwegian word meaning "to burn" led to the origin of the word "Brand". In olden days, the farmers used to put some kind of an identification mark (using burning hot iron) on the body of the livestock to distinguish their possession from that of others.

Similarly, marketers started resorting to branding in order to distinguish their offerings from that of their competitors.

Thus, a brand is "a name, term, sign, symbol, or design or a combination of them which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of the competitors."

Ponder over this	
Generic Name	**Brand Names**
Detergents	Nirma, Suf, Ariel, Rin etc.
Pen	Parker, Rottomac, Cello, Reynold etc.
Car	BMW, Honda, Maruti, etc.
Refrigerator	LG, Whirlpool, Godrej, etc.
Television	Sony, LG, Videocon, Samsung, etc.
Milk products	Amul, Saras, Mother Diary etc.
Cosmetics	Ponds, Lakme, Revlon, etc.

So, the minute a brand name is used, identification of the product becomes easy.

Various terms relating to branding

Definition: 'Branding' is a process, a tool, a strategy, an orientation whereby a name, a sign, or a symbol etc. is given to a product by the entrepreneur so as to differentiate his/her product from the rival products. Once a brand name is established in the market, then it becomes difficult to compete with it.

Common terms related to branding are:

Brand

'Brand' is a comprehensive term. It is used to denote a name, term, sign, symbol, design or combination of them to:

1) Identify the products of one firm, and
2) Differentiate them from those of the competitors.

Brand has three components

a) Brand name

A brand name is "that part of a brand which can be vocalized i.e. can be spoken. It is like naming a newborn child. Mercedes, Woodland, Asian Paints, Pepsi, Maggie, Uncle Chips etc. are few examples of the brand names.

b) Brand mark

A brand mark is that part of a brand which can be recognized but cannot be vocalized i.e. is non-utterable. It appears in the form of a symbol, design or distinct colour scheme. For example:

'Girl' of Amul, 'Maharaja' of Air India, 'Ronald' of McDonald etc.

c) Trade mark

A brand or part of a brand that is given legal protection against its use by other firms is called a trade mark. Thus, a trade mark is essentially a legal term, protecting the seller's exclusive right to use the brand name/mark.

Qualities of a good brand

A good brand name should basically possess qualities of distinctiveness. It should have the capability to stand out amongst a host of competing names.

Thus, in selecting a brand name, entrepreneur should ask himself/herself what he/she wants to achieve from it. While selecting a brand name, entrepreneur should choose a name which is :

a) Short, simple and easy to pronounce.
b) Noticeable, easy to recognize and remember.
c) Pleasing, impressive when uttered.
d) Neither obscene, negative, offensive or vulgar.
e) Adaptable to packaging, labelling requirements, to different advertising media and languages.
f) Linked to product, symbolically eye catching.
g) Contemporary, capable of being registered and protected legally.

Short, sweet and catchy!!!!!

Brand names like, Lux, Vim, Rin, VIP, Amul, Titan, Konica, Sx, Liv52, Quickfix, Band-aid, Sunflame, Surf, Dalda and many more have earned a reputation for good quality.

Entrepreneur's perspective on brand name

Entrepreneur can follow different policies in choosing brand name keeping in mind the range of products offered by him/her. The new product is given a name so that it can get public attention. Thus, as, the whole meaning and direction of a company can be explained through its brand management strategy, an entrepreneur should be very careful in deciding/in choosing its brand strategy. Various types of brands available are:

1) Individual brand name

Here entrepreneur can choose distinct names for each of his offering, i.e. every product is promoted on the basis of a separate brand name.

Hindustan Unilever Ltd. has been concentrating on its core business areas i.e. soaps and detergents, and has emerged as the clear leader in the toilet soap industry. The company has launched many line extensions and variants to ***LEVERAGE THE HIGH BRAND EQUITY*** *of its* ***POWERFUL BRAND NAMES****, viz....*

Lifebuoy	–	*brand standing for 'Good health' Lifebuoy liquid, Lifebuoy Personal, Lifebuoy Plus and Lifebuoy Gold to cover various price sub-segments in the health segment.*
Liril	–	*brand name with the "freshness" concept.*
Lux	–	*brand name for "beauty soap for film stars"*

Thus, HUL has ensured for itself a presence in all segments using new brand launches.

2) Family brand name

Entrepreneur can opt to use a common or successful family name for their several products. Either the entrepreneur's name or the company's name may be used for all the products. It is even referred as Umbrella branding.

PONDS, *is a mother brand name used for shampoos, talcum powder, cold creams, soaps etc.*

MAGGI, *is brand name for noodles, sauces, masalas etc.*

AMUL, *has been used to market a large variety of dairy products viz. milk, ghee, butter, chocolates etc.*

3) Corporate names

Entrepreneur can choose to utilise their corporate name or logo together with some brand names of individual products for example, Godrej, Tata, Bajaj, etc.

4) Alpha-numeric names

In many industrial products, an alpha-numeric name often signifies its physical characteristics, thus creating a distinctive identify of the product. Entrepreneur has an option available to brand his/her products alpha-numerically too. For example, SX4, Liv52, ANX Grindlay, i10, i20, etc.

Popular brands are susceptible to imitation. Thus, to be on the safer side, the entrepreneur should legally protect his/her brand name or mark through trade mark. A trade mark is meant to guard against ditto imitations.

The best way for a new brand to succeed is to carry the mantle from the old brand, if any.

Logos and tag lines

> *McDonald's golden arch (M) is a famous logo. When people see the golden (yellowish) arches, they expect fast service, inexpensive prices, and a specific type of food around the corner.*
>
> *This logo gives McDonald's restaurants a competitive advantage over less recognizable restaurants. Customers head for the golden arches because they know what to expect there.*

The entrepreneur, through his diverse and coordinated actions, tries to influence and impart a distinct identity to his own brand, to make it stand out among the competitors. For this, he/she strongly makes use of:

a) Logo

b) Tagline

a) Logo

'Logo' (Short for Logotype) is an identifying symbol for a product or business. It can be any distinctive design, mark, sign which stands associated with the entrepreneur's offering. 'Logo' is an important feature or part of branding.

Thus, a logo is a graphic mark or emblem commonly used by commercial enterprises, organisations and even individuals to aid and promote instant public recognition. Logos are either purely graphic (symbols/icons) or are composed of the name of the organisation (a logotype or word mark).

Purpose

1) Logos are a critical aspect of business marketing. As the company's major graphical representation, a logo anchors company's brand.

2) Corporate Logo are intended to be the "Identity" of an enterprise because of displaying graphically enterprise's uniqueness.

3) Through a set color combination, fonts, images, impression and/or pattern, logos provide essential information about a company that allows customers to relate with the enterprise's core brand.

4) Enterprises normally resort to logos' as a short path for advertising and other marketing materials.

5) Logos act as the key visual component of an enterprise's overall brand identify.

b) Tagline

Magical Slogan

Balsara Hygiene products, launched their 'Promise toothpaste in 1978 and took an aggressive stand against all multinationals and Colgate Palmolive in particular.

Soon, it commanded the second highest market share. Could you assess the reason – It was the slogan (tagline) - "The unique toothpaste with time-tested clove-oil."

As clove oil in India is a traditional and herbal remedy for the prevention of dental ailments and toothaches. This powerful connotation succeeded.

'Tagline', 'tag line' and 'tag' are American terms. In U.K., they are called 'end lines', 'endlines', or 'straplines'. Germans call them as 'Claims', French refer them as 'Signatures' while, Belgians call them 'baselines'.

By whatever name they are referred, taglines are basically simple but powerful messages that help to communicate an enterprise's goals, mission, distinct qualities and so much more. Thus, a 'tagline' is a small amount of text which serves to clarify a thought and is designed with a dramatic effect. They can come in the form of:

- Questions
- Statements
- Exclamations

The whole idea behind the concept is to create a memorable dramatic phrase that will sum up the product.

They do interest us

Amul's message – "A gift for someone you love."

Rasna – "I love you, Rasna."

"I'm lovin it" – McDonald

Weekender – "Wear your attitude."

Raymond's Suiting – "The complete man."

Yamaha Bike – "The rugged personality."

Savdhan India – "India fights back."

State Bank of India	रा.कै.को NCC एकता और अनुशासन
इंडियनऑयल IndianOil	CBSE Continuous and Comprehensive Evaluation KNOW - AS YOU GROW
AADHAAR	MOTHER DAIRY
दिल्ली विश्वविद्यालय ◆ UNIVERSITY OF DELHI निष्ठा धृतिः सत्यम्	भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA

Packaging

Packaging is often the key element in assisting, mainly consumer goods companies, to achieve a comparative advantage.

The critical decisions that must be made on the package are concerned with the functions, the product pack will perform as well as with the mix of packaging components best able to perform in different degrees, the particular functions of the packaging.

Labelling

It is the display of information about a product on its container, packaging, or the product itself.

Importance of Intellectual Property for an entrepreneur

An entrepreneur whilst selecting a product keeping in mind the above mentioned factors should also understood that he should take care of intellectual property rights.

Intellectual property (IP) rights are the legally recognized exclusive rights to creations of the mind. Under this law, owners are granted certain exclusive rights to a variety of intangible assets.

Common types of intellectual property rights include copyrights, trademark, patents, industrial design rights and trade secrets.

Patents

It grants an inventor the right to exclude others from making, using, selling, offering to sell, and importing an invention for a limited period of time, in exchange for the public disclosure of the invention.

Inventions patentable

- Art, Process, Method or Manner of manufacture;
- Machine, Apparatus or other Articles;
- Substances produced by Manufacturing
- Computer Software which has Technical application to Industry or is used with Hardware

Product Patent for Food/Chemical/Medicines or Drugs

Copyright

It gives the creator of original work exclusive rights to it, usually for a limited time. It means apply to a wide range of creative, intellectual or artistic forms or work. For example, musical composition, literary work such as poems, plays etc.

Industrial design

It protects the visual design of objects that are not purely utilitarian. It can be a two or three dimensional pattern used to produce a product, industrial commodity or handicraft.

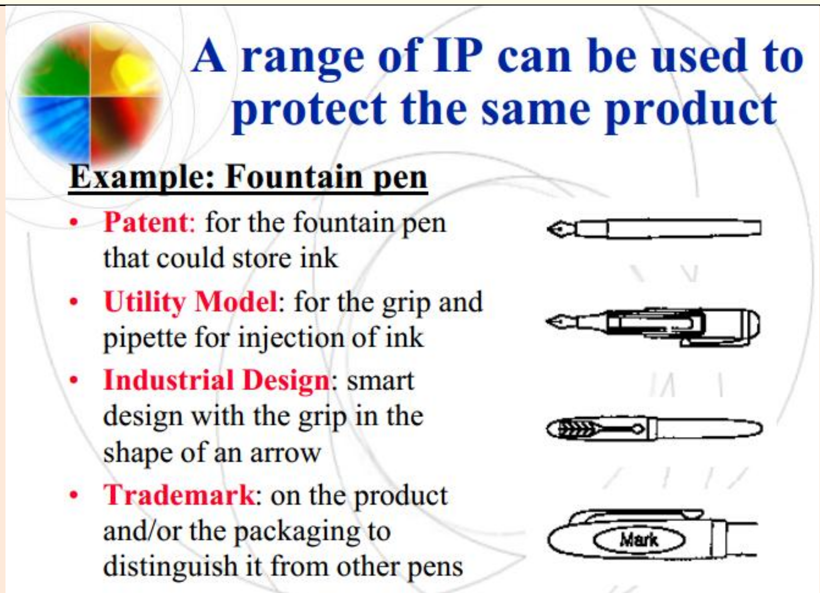
Trademark

It is a recognizable sign, design or expression which distinguished products or services of a particular trades from the similar products or services of other traders.

Trade Secret

Any confidential business information which provides an enterprise a competitive edge may be considered a trade secret.

For example, Coca-Cola formula



Source: http://www.wipo.int/edocs/mdocs/sme/en/wipo_ip_bak_03/wipo_ip_bak_03_www_34147.pdf

Price

Price refers to the value that is put on a product. It depends on cost of production, segment targeted, ability of the market to pay, supply - demand and a host of other direct and indirect factors. There can be several types of pricing strategies, each tied in with an overall business plan. Pricing can also be used as a demarcation, to differentiate and enhance the image of a product.

Price is the only revenue generating element among the four Ps, the rest being cost centres. Some methods of pricing which are used in pricing decisions are as follows:

1. Cost-plus pricing

The most common technique is cost-plus pricing, where the manufacturer charges a price to cover the cost of producing a product plus a reasonable profit. The cost-plus method is simple, but it does not encourage the efficient use of resources.

Cost-plus pricing is typically based on a manufacturing estimate. Estimates of the costs associated with manufacturing tasks are made for many reasons. For example, to:

- justify planned capital expenditure

- determine likely production costs for new or modified products
- focus attention on areas of high cost

In principle, estimates are made of the resources required (For example, materials, labour and equipment), the cost of those resources and the time for which they will be used. From these factors, an estimate of the costs of carrying out a manufacturing process is made. Accounting methods are usually used for depreciation and cash-flow analysis when capital-expenditure justifications are to be made.

Advantages of cost plus pricing

1. Biggest advantage of this is that company knows exactly the amount of expenditure that has incurred on making a product and therefore they can add profit margin accordingly which helps in achieving the desired revenue for a firm. So, for example if a company has incurred expenses of ₹ 1000 and they want to earn profit margin of 10 % than the company will sell the product at ₹ 1100.
2. It is the simplest method to decide the price for a product because one has just to add up all the cost and then add profit which you want to earn which will give the price for a product.
3. Since the company is using its own data for deciding cost which makes it easier for a company to evaluate the reasons for escalations in expenses and therefore it can take corrective action immediately.

Disadvantages of cost plus pricing

1. This method does not take into account the future demand for a product which should be the base before deciding on the price of a product and therefore a serious limitation of this method.
2. It also does not take into account the competitors actions and their effect on pricing of the product, because in today's competitive world if one solely depends on cost plus pricing it can lead to failure of company's product in the market.
3. It can result in the company overestimating the price of a product because this method includes sunk cost and ignores opportunity cost also while calculating cost there is an element of personal bias while deciding the profit margin which is to be added to a product.

2. Penetration pricing

Penetration pricing is a pricing strategy where the price of a product is initially set at a price lower than the eventual market price to attract new customers. The strategy works on the expectations that customers will switch to the new brand because of the lower price. Penetration pricing is most commonly associated with a marketing objective of increasing market share or sales volume, rather than to make profit in the short term. The price will be raised later once this market share is gained. For example, toothpaste sold in a remote rural area.

The advantages of penetration pricing to the firm are:

- It can result in fast diffusion and adoption. This can achieve high market rates quickly. This can take the competitors by surprise, not giving them time to react.
- It can create goodwill among the early adopters segment. This can create more trade by word of mouth.
- It creates cost control and cost reduction pressures from the start, leading to greater efficiency.
- It discourages the entry of competitors. Low prices act as a barrier to entry
- It can create high stock turnover throughout the distribution channel
- This can create critically important enthusiasm and support in the channel.

Disadvantages or penetrating price method:

- The main disadvantage with penetration pricing is that it establishes long–term price expectations for the product and image preconceptions for the brand and company. This makes it difficult to eventually raise prices. Some commentators claim that penetration pricing attracts only the switchers (bargain hunters), and that they will switch away as soon as the price rises. There is much controversy over whether it is better to raise prices gradually over a period of years (so that consumers don't notice), or employ a single large price increase. A common solution to this problem is to set the initial price at the long term market price, but include an initial discount coupon. In this way, the perceived price points remain high even though the actual selling price is low.
- Another potential disadvantage is that the low profit margins may not be sustainable long enough for the strategy to be effective.

3. Creaming or skimming

In most skimming, goods are sold at higher prices so that fewer sales are needed to break even. Selling a product at a high price, sacrificing high sales to gain a high profit is therefore "skimming" the market. Skimming is usually employed to reimburse the cost of investment of the original research into the product commonly used in electronic markets when a new range, such as smart phones, are firstly dispatched into the market at a high price. This strategy is often used to target "early adopters" of a product or service. Early adopters generally have a relatively lower price-sensitivity. This can be attributed to their need for the product outweighing their need to economics, a greater understanding of the product's value, or simply having a higher disposable income.

This strategy is employed only for a limited duration to recover most of the investment made to build the product. To gain further market share, a seller must use other pricing tactics such as economy or penetration. This method can have some setbacks as it could leave the product at a high price against the competition.

Advantages of skimming price

1. Price skimming helps the company in recovering the research and development costs which are associated with the development of a new product.

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2. If the company caters to consumers who are quality conscious rather than price conscious, then this type of strategy can work in a great way for a company.

Disadvantages of skimming price

1. This strategy can backfire if there are close competitors and they also introduce same products at lower price then consumers will think that the company always sells the products at higher prices which will result in consumers abandoning other products of the company also.
2. Price skimming is not a viable option when there are strict legal and government regulations regarding consumer rights.
3. If the company has history of price skimming then consumers will never buy a product when it is newly launched, they would rather wait for a few months and buy the product at lower price.

4. Variable price method

Variable pricing is a marketing approach that permits different rates to be extended to different customers for the same goods or services. The approach is often employed in cultures where dickering over the price of goods is considered the norm, or potential buyers are allowed to participate in a bidding situation, such as in an auction. Even in countries where fixed pricing is the standard, variable pricing may come into play when the customer is committing to the purchase of large volumes of goods or services. When this is the case, the customer must usually comply with specific criteria in order to enjoy pricing that varies from the standard cost.

One of the classic examples of the use of variable pricing has to do with street vendors who sell various types of small goods. Often, there is a standard price posted for each item on sale. If the vendor really wants to sell an item, and determines that a prospective buyer is not willing to pay the posted price, he or she may engage the individual in a negotiation of the sale price. Sometimes referred to as dickering, the buyer and seller make offers back and forth until they can settle on a price that both believe is fair. Throughout the process, the buyer tries to drive the price down as much as possible, while the seller attempts to obtain the highest possible return from the sale.

The real estate market also functions with the use of variable pricing. Prospective home–owners will often submit bids for properties that are less than the posted asking prices, in the hopes that the owners will accept a smaller amount. This often leads to a series of offers and counteroffers that sometimes results in a sale taking place. At other times, the two parties are unable to come to terms, and no sale takes place.

Examples:

1. Difference in order size by the customers

   The soft drink bottle of 200 ml of a company is placed at Rs. 8, while a 2000 ml/2 litre bottle is placed at ₹ 55.

2. Difference in the anticipated business from different customers

   The school fee for the second child and other siblings are charged at a lower rate by the schools.

3. Difference in the bargaining power of the customer

   The price of unbranded/assembled items of computers are charged differently depending upon the awareness and bargaining power of the customers.

4. Difference in the ability of the consumers to pay

   Different price is charged by the public distribution shops run by the government for wheat, rice and other variety of food items depending on the income groups.

Variable pricing does provide some benefits, but also has the potential for drawbacks. On one hand, sellers can use this pricing strategy to move goods or services that have failed to perform as originally anticipated, allowing them to earn a modest profit or at least recoup their investment in the products. A possible down side to variable pricing is that it can lead to losing other customers who paid full price for their purchases, if they find out that a more recent customer was able to receive a lower price.

Place: refers to the point of sale. In every industry, catching the eye of the consumer and making it easy for her to buy is the main aim of a good distribution or 'place' strategy. Retailers pay a premium for the right location. In fact, the mantra of a successful retail business is 'location, location, location'.

Place mix (distribution)

A channel of distribution or trade channel is defined as the path or route along which goods move from producers or manufacturers to ultimate consumers or industrial users. In other words, it is a distribution network through which the producer puts his products in the market and passes it to the actual users. This channel consists of: producers, consumers or users and the various middlemen like wholesalers, selling agents and retailers (dealers) who intervene between the producers and consumers. Therefore, the channel serves to bridge the gap between the point of production and the point of consumption thereby creating time, place and possession utilities.

A channel of distribution consists of three types of flows:

- Downward flow of goods from producers to consumers
- Upward flow of cash payments for goods from consumers to producers
- Flow of marketing information in both downward and upward direction i.e. Flow of information on new products, new uses of existing products, etc from producers to consumers. And flow of information in the form of feedback on the wants, suggestions, complaints, etc from consumers/users to producers.

An entrepreneur has a number of alternative channels available to him for distributing his products. These channels vary in the number and types of middlemen involved. Some channels are short and directly link producers with customers whereas other channels are long and indirectly link the two through one or more middlemen.

These channels of distribution are broadly divided into four types:

- **Producer-customer (Direct channel-zero level)**: This is the simplest and shortest channel in which no middlemen is involved and producers directly sell their products to the consumers. It is fast and economical channel of distribution. Under it, the producer or entrepreneur performs all the marketing activities himself and has full control over distribution. A producer may sell directly to consumers through door-to-door sales persons, direct mail or through his own retail stores. Big firms adopt this channel to cut distribution costs and to sell industrial products of high value. Small producers and producers of perishable commodities also sell directly to local consumers. Can also refer to the case study of Satya Barta Dey - SHREE LEATHERS Unit 2, sub–heading '**Cut out the middle man**' to understand the importance of zero level channel of distribution.

  Producer → Customer

- **Producer-retailer-customer (Indirect-one level)**: This channel of distribution involves only one middlemen called 'retailer'. Under it, the producer sells his/ her product to big retailers (or retailers who buy goods in large quantities) who in turn sell to the ultimate consumers. This channel relieves the manufacturer from burden of selling the goods himself and at the same time gives him control over the process of distribution. This is often suited for distribution of consumer durables and products of high value.

  Producer → Retailer → Customer

- **Producer-wholesaler-retailer-customer (Two levels)**: This is the most common and traditional channel of distribution. Under it, two middlemen i.e. wholesalers and retailers are involved. Here, the producer sells his product to wholesalers, who in turn sell it to retailers. And, retailers finally sell the product to the ultimate consumers. This channel is suitable for the producers who have limited finance, narrow product line and need expert services and promotional support of wholesalers. This is mostly used for the products with widely scattered market.

  Producer → Wholesaler → Retailer → Customer

- **Producer-agent-wholesaler-retailer-customer (Three levels)**: This is the longest channel of distribution in which three middlemen are involved. This is used when the producer wants to be fully relieved of the problem of distribution and thus hands over his/her entire output to the selling agents. The agents distribute the product among a few wholesalers. Each wholesaler distributes the product among a number of retailers who finally sell it to the ultimate consumers. This channel is suitable for wider distribution of various industrial products.

  Producer → Agent → Wholesaler → Retailer → Consumer

An entrepreneur has to choose a suitable channel of distribution for his/her product such that the channel chosen is flexible, effective and consistent with the declared marketing policies and programmes of the firm. While selecting a distribution channel, the entrepreneur should compare the costs, sales volume and profits expected from alternative channels of distribution and take into account the following factors:

I) Considerations related to product

When a manufacturer selects some channel of distribution he/she should take care of such factors which are related to the quality and nature of the product. They are as follows:

1. Unit value of the product

When the product is very costly it is best to use a small distribution channel. For example, industrial machinery or gold ornaments are very costly products that is why for their distribution small distribution channel is used. On the other hand, for less costly products long distribution channel is used.

2. Standardised or customised product

Standardised products are those for which cost is pre-determined and there is no scope for alteration. For example: utensils of MILTON. To sell this long distribution channel is used.

On the other hand, customised products are those which are made according to the discretion of the consumer and also there is a scope for alteration, for example; furniture. For such products face-to-face interaction between the manufacturer and the consumer is essential. So for these direct sales is a good option.

3. Perishability

A manufacturer should choose minimum or no middlemen as channel of distribution for such an item or product which is of highly perishable nature. On the contrary, a long distribution channel can be selected for durable goods.

4. Technical nature

If a product is of technical nature, then it is better to supply it directly to the consumer. This will help the user to know the necessary technicalities of the product.

II) Considerations related to market

Market considerations are given below

1. Number of buyers

If the number of buyers is large then it is better to take the services of middlemen for the distribution of the goods. On the contrary, the distribution should be done by the manufacturer directly if the number of buyers is less.

2. Types of buyers

Buyers can be of two types: General Buyers and Industrial Buyers. If the more buyers of the product belong to general category then there can be more middlemen. But in case of industrial buyers there can be fewer middlemen.

3. **Buying habits**

A manufacturer should take the services of middlemen if his/her financial position does not permit him/her to sell goods on credit to those consumers who are in the habit of purchasing goods on credit.

4. **Buying quantity**

It is useful for the manufacturer to rely on the services of middlemen if the goods are bought in smaller quantity.

5. **Size of market**

If the market area of the product is scattered fairly, then the producer must take the help of middlemen.

III) Considerations related to manufacturer/company

Considerations related to manufacturer are given below:

1. **Goodwill**

Manufacturer's goodwill also affects the selection of channel of distribution. A manufacturer enjoying good reputation need not depend on the middlemen as he can open his own branches easily.

2. **Desire to control the channel of distribution**

A manufacturer's ambition to control the channel of distribution affects its selection. Consumers should be approached directly by such type of manufacturer. For example, electronic goods sector with a motive to control the service levels provided to the customers at the point of sale are resorting to company owned retail counters.

3. **Financial strength**

A company which has a strong financial base can evolve its own channels. On the other hand, financially weak companies would have to depend upon middlemen.

IV) Considerations related to government

Considerations related to the government also affect the selection of channel of distribution. For example, only a license holder can sell medicines in the market according to the law of the government.

In this situation, the manufacturer of medicines should take care that the distribution of his product takes place only through such middlemen who have the relevant license.

V) Others

1. **Cost**

A manufacturer should select such a channel of distribution which is less costly and also useful from other angles.

2. **Availability**

Sometimes some other channel of distribution can be selected if the desired one is not available.

3. **Possibilities of sales**

Such a channel which has a possibility of large sale should be given weightage. The challenges that an Entrepreneur faces are many in taking the great idea or invention all the way to a finished product. Many hurdles are in the way such as patents, financing, marketing, trademarks, product branding, manufacture and distribution.

Promotion

This refers to all the activities undertaken to make the product or service known to the user and trade. This can include advertising, word of mouth, press reports, incentives, commissions and awards to the trade. It can also include consumer schemes, direct marketing, contests and prizes. This will be discussed in detail in promotion strategy.

C. Sales strategy

A sales strategy consists of a plan that positions a company's brand or product to gain a competitive advantage. Successful strategies help the sales force focus on target market customers and communicate with them in relevant and meaningful ways. Sales representatives need to know how their products or services can solve customer's problems. A successful sales strategy conveys this so that the sales force spends time targeting the correct customers at the right time.

Significance

Planning and creating an effective sales strategy requires looking at long-term sales goals and analyzing the business sales cycle, as well as meeting with sales people about their personal career goals. Going through these exercises helps business owners and managers gain a more intimate knowledge of the sales intervals, seasonal changes and what motivates the sales team. After creating the long-term sales strategy based on long-term goals, sales managers should create monthly and weekly sales strategies based on the long-term strategy. This allows for short-term performance measurement of the sales team.

Types

Businesses employ one of two basic types of sales strategies to their overall plan: direct or indirect. With the **direct sales strategy**, sales people attack the competition head on when talking to the customer. They talk about each feature of the competition's product and compare it to theirs. The term "negative selling" refers to the direct sales approach.

Indirect sales approaches apply more subtle techniques by demonstrating features and benefits not available with the competition's products or services without ever mentioning them by name. This more sophisticated, positive sales strategy requires research and analysis of the competition.

Components

Product placement and promotion create brand awareness by using the various marketing channels available today. Social media networks offer a free platform for increasing brand awareness. Business owners can utilize these tools effectively by spending time each day to communicate with fans and followers on their social network pages. Customer testimonials readily available for prospects to read or watch lend authority to a small business and the products and services it offers.

Function

Regardless of whether a business uses a direct or indirect sales strategy, or a combination of the two, sales managers need to work with sales people on techniques. New customer acquisition and customer retention require two approaches. A sales strategy lays out the steps and methods necessary for customers in different stages. Potential customers need communication that introduces the brand and product or service in ways that show how it can solve his or her problems. Current customers require more personal communication about new features or benefits to keep them engaged. Promotions and referral discounts work to motivate current customers to spend their money and to spread the word to others.

Considerations

Creating an effective sales strategy requires market knowledge, awareness of competitor activities, awareness of current trends and detailed business analysis. Small business owners wishing to create and implement a sales strategy for the first time may want to hire a professional business consultant to help guide the process.

D. Promotion strategy

Promotion is the method to spread the word about the product or service to customers, stakeholders and the broader public.

There are various approaches a company can use to promote its products viz.,

1. Above-the-line
2. Below-the-line
3. Through-the-line

1. **Above-the-line**

Above-the-line promotions use mass media methods. This type of promotion focuses on advertising to a large audience. It includes conventional media like print, online, television and cinema advertising.

Above-the-line activities include advertisements in the press. They also produce online banner advertisements, place advertisements on billboards and use their website to meet the needs of their consumers.

Making a message memorable to a large audience is not always easy. It is difficult to tailor a promotion to a specific group of consumers through above-the-line promotions. This is because it is viewed by a mass audience with different tastes and needs. Above-the-line promotion is also very expensive.

2. **Below-the-line**

Below-the-line methods are very specific, memorable activities focused on targeted groups of consumers. They are under the control of the organisation. The purpose of these activities has been to develop the brand by creating awareness and building a brand profile, which include:

- sponsorship
- sales promotions
- public relations
- personal selling
- direct marketing

3. **Through-the-line**

"Through the line" refers to an advertising strategy involving both above-and below-the-line communications in which one form of advertising points the target to another form of advertising thereby crossing the "line".

Difference between above the line (ATL) and below the line (BTL)

Bases	Above the line	Below the line
Target	Mass audience	Identified small groups
Promotions	Establishing brand identity	Can lead to an actual sale
Measurability	Difficult to measure	Easy to measure
Examples	Print, online, television and cinema advertising	Sponsorship, sales promotions, public relations, personal selling, direct marketing

__Note:__ Please refer to the first case study on Aldi to understand how these approaches are used in reality in a firm.

Once we have identified the target market, we have to think of the best way to reach them, but most businesses use a mix of advertising, personal selling, referrals, sales promotion and public relations to promote their products or services.

1. Advertising
2. Personal Selling
3. Sales Promotion
4. Public Relations

1. Advertising

Advertising is a paid form of communication designed to persuade potential customers to choose the product or service over that of a competitor. Successful advertising involves making the products or services positively known by that section of the public most likely to purchase them.

It should be a planned, consistent activity that keeps the name of the business and the benefits of products or services uppermost in the mind of the consumer.

Objectives

The objective of advertising is to increase profit by increasing sales. Advertising aims to:

- Make business and product name familiar to the public

- Create goodwill and build a favourable image
- Educate and inform the public
- Offer specific products or services
- Attract customers to find out more about your product or service

The rules

There are four rules to consider when planning any advertising activity – i.e. before we prepare and book any form of advertising.

Aim - What is the primary purpose of the advertisement? Is it to inform, sell, produce listings or improve the image of the business?

Target - Who is the target? From which sector of the public are we trying to achieve a response? For example, is it male, female, adult, teenager, child, mother, father etc.

Media – Bearing the aim and target in mind, which are of the media available is the most suitable – i.e. TV, radio, press or Internet?

Competitors – What are the competitors doing? Which media channel do they use? Are they successful? Can you improve on their approach and beat them in competition?

Developing effective advertising (AIDA)

Good advertising generally elicits the following four responses:

Attention – It catches the eye or ear and stands out amid the clutter of competing advertisements.

Interest – It arouses interest and delivers sufficient impact in the message or offering.

Desire – It creates a desire to learn more or crave ownership.

Action – It spurs an action which leads to achievement of the ad's original objective – i.e. it prompts potential customers to purchase or use your product or service.

Commonly used media

There are many media options open to advertisers. Which media we use will depend on who we are trying to reach, what we want to say looking into the budget. Often a combination of media (the media mix) can be used to good effect. Remember we have to keep branding and message consistent across all media. This includes use of colours, logos, design elements and fonts.

- **Stationary**

  Stationary, which includes letterheads, envelopes and business cards, is a means by which the business image or "name identification" is projected. Good quality stationery, used with care and attention and with a high standard of presentation, is an everyday means of presenting the business image.

- **Window display or office front**

  The external presentation of the business office or shop is one of the principal ways of establishing the business image. An attractive, well maintained exterior with clear, bold sign writing is an essential start. Windows should be bright, attractively presented, scrupulously clean and well lit at night. The display should be arranged neatly and aimed at projecting an attractive company image and providing a reason to buy your products or services. Above all, it should have sufficient impact to attract attention.

- **Press advertising**

  This is a commonly used form of general advertising and includes advertising in all press such as newspapers, magazines and journals. Press advertising is suitable for image building, information dissemination and sales campaigns. It is also a very affordable option for small businesses.

- **Radio**

  Radio is considered by many advertisers as an ideal medium due to its ability to reach specific target groups for example teenagers, racing followers or grocery buyers. Radio advertising covers spot adverts (usually 15 or 30 seconds), promotions or talkback/RJ discussions. Most radio stations offer packages which include production and extension of the radio campaign through their websites.

- **Television**

  Television is a powerful advertising medium because it creates impact through sight, sound and movement. However, the cost of producing the advertisement and procuring sufficient air time to allow the campaign to work often makes it prohibitive for small businesses.

- **Direct mail**

  This is a broad category covering direct communication with the consumer through email, post or fax. It can include newsletters, catalogues and letters.

- **Outdoor**

  This is any type of advertising which is done outdoors, including static advertising such as billboards, backs of street benches and bus shelters or mobile advertising displayed on buses, trains, taxis or towed signage.

- **Ambient**

  Refers to any form of advertising that occurs in a non-standard medium outside the home, and usually where your consumers are likely to be. It's limited only by imagination and includes things like advertising on the back of shopping receipts or toilet doors at the cinema, placing branded coasters at the local clubs, projecting onto buildings, advertising inside lifts or distributing branded cups.

- **Cinema**

  We can purchase cinema advertising by individual cinemas or screens for a set amount of screenings or "runs". Most providers offer packages which include production and screening of your advertisement

- **Point of sale**

  Advertising at the point where the consumer makes a purchase decision eg: floor stickers, in-store digital advertising, shopping trolley signage, shelf or counter posters or playing interviews about your product in store.

- **Online**

  The options for online advertising continue to grow rapidly. They include advertising on your website, advertising on other websites, creating links to your website from other websites, publishing blogs, offering online product games, social networks and forums.

- **Directory listings**

  Many consumers use business directories to find a supplier. Directories include the yellow or white pages, union directories, trade directories or local business directories.

2. Personal selling

It means selling products personally. It involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales. Companies appoint salesperson to contact prospective buyers and create awareness about the company's product. Thus a salesperson plays three different roles

- Be persuasive
- A service provider
- Be informative

3. Sales promotion

Sales promotion relates to short–term incentives or activities that encourage the purchase or sale of a product or service. Sales promotions initiatives are often referred to as "below the line" activities.

The major sales promotion activities

Sales promotion activities can be targeted towards final buyers (consumer promotions), business customers (business promotions), retailers and wholesalers (trade promotions) and members of the sales force (sales force promotions). Here are some typical sales promotion activities:

Consumer promotions

- Point of purchase display material
- In-store demonstrations, samplings and celebrity appearances
- Competitions, coupons, sweepstakes and games
- On-pack offers, multi-packs and bonuses
- Loyalty reward programmes

Business promotions

- Seminars and workshops

- Conference presentations
- Trade show displays
- Telemarketing and direct mail campaigns
- Newsletters
- Event sponsorship
- Capability documents

Trade promotions

- Reward incentives linked to purchases or sales
- Reseller staff incentives
- Competitions
- Corporate entertainment
- Bonus stock

Sales force promotions

- Commissions
- Sales competitions with prizes or awards
- Back to top

4. Public relations

It is the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation (or individual) and its (or their) public.

Put more simply, public relations is about building good relations with the stakeholders (public) of the business by obtaining favourable publicity, building a good corporate image and handling or heading off unfavourable rumours, stories and events.

By building good relationships with the stakeholders, particularly customers, we can generate positive word of mouth and referrals from satisfied customers.

A stakeholder

Stakeholders are the various groups in a society which can influence or pressure your business decision making and have an impact on its marketing performance. These groups include:

- Clients/customers
- Shareholders
- Media
- Local community
- Community groups
- Staff
- Strategic partners
- Government
- Financial institutions

The main public relations tools

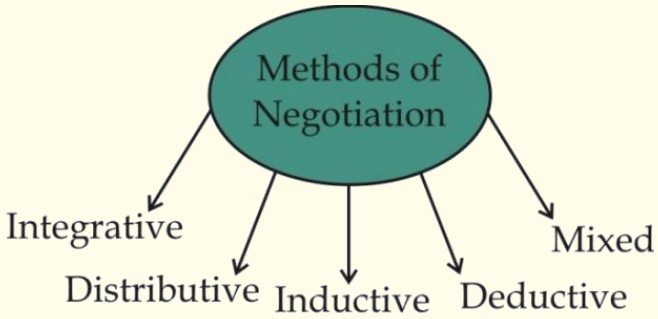
Typical public relations tools include:

- News creation and distribution (media releases)
- Special events such as news conferences, grand openings and product launches
- Speeches and presentations
- Educational programs
- Annual reports, brochures, newsletters, magazines and Audio–visual presentations
- Community activities and sponsorships

E. Negotiation

Negotiation is a process where two or more parties with different needs and goals discuss an issue to find a mutually acceptable solution. In business, negotiation skills are important in both informal day-to-day interactions and formal transactions such as negotiating conditions of sale, lease, service delivery, and other legal contracts.

Good negotiations contribute significantly to business success, as they:
- help in building better relationships
- deliver lasting, quality solutions - rather than poor short-term solutions that do not satisfy the needs of either party
- help in avoiding future problems and conflicts.



Negotiation can be categorized in different ways, such as:

Integrative

Integrative negotiations are commonly referred to as "win-win." In this type of negotiation, each side is working towards a solution where everyone wins something. They can make tradeoffs, look at multiple issues, and try to expand the pie rather than divide it. Integrative negotiations foster trust and good working relationships.

Distributive

Distributive negotiations are referred to as "win-lose." One party gets what they want, and the other party has to give something up. This can be the case when you negotiate a lease on office space, for example. If you feel like you got a good deal and the property manager had to give something up for you, you "won." If you feel like the property manager had the upper hand and you got ripped off, you "lost." The parties' interests often seem to be opposed (although this may not be the case once you look at things creatively), and so this type of negotiation does not lead to lasting or positive relationships.

Inductive

The inductive method involves starting on small details and working upward until a settlement is reached. This can be the case where, for example, an employer and labour union are negotiating the details of an employee pension and investment plan. Small details are addressed one at a time.

Deductive

Deductive negotiations start with an agreed upon strategy. They rely on established principles and a formula to frame the negotiation while the parties work out the details.

Mixed

Mixed negotiations are the most common, they are a blend of inductive and deductive methods.

F. Customer relations

CRM is the abbreviation for ***customer relationship management***. It entails all aspects of interaction that a company has with its customer, whether it is sales or service-related. It is the process of carefully managing detailed information about individual customers in order to manage loyalty.

CRM is often thought of as a business strategy that enables businesses to:

- understand the customer
- retain customers through better customer experience
- attract new customer
- win new clients and contracts
- increase profitability
- decrease customer management costs

How CRM is used today

Customer relationship management solutions enable companies to provide excellent real-time customer service through the effective use of individual account information. Based on what they know about each valued customer, companies can customize market offerings, services, programs, messages and media. CRM is important because a major driver of company profitability is the aggregate value of the company's customer base.

The impact of technology on CRM

Technology and the Web has changed the way companies approach CRM strategies because advancement in technology have also changed consumer buying behavior and offers new ways for companies to communicate with customers and collect data about them. With each new advancement in technology—especially the proliferation of self-service channels like the Web and smartphones, customer relationship is being managed electronically.

Many aspects of CRM relies heavily on technology; however the strategies and processes of a good CRM system will collect, manage and link information about the customer with the goal of letting you market and sell services effectively.

The benefits of CRM

The biggest benefit most businesses realize when moving to a CRM system comes directly from having all your business data stored and accessed from a single location. Before CRM systems, customer data was spread out over office productivity suite documents, email systems, mobile phone data and even paper note cards. Storing all the data from all departments (For example, sales, marketing, customer service and HR) in a central location gives management and employees immediate access to the most recent data when they need it. Departments can collaborate with ease and it helps organization to develop efficient automated process to improve business processes.

Other benefits include a 360-degree view of all customer information, knowledge of what customers and the general market wants and integration with your existing applications to consolidate all business information.

G. Employee management

Employee relationship management is a process that companies use to effectively manage all interactions with employees, ultimately to achieve the goals of the organisation. The human resources department can play a critical role in this process, both in terms of training and coaching managers and executives on how to effectively establish and nurture relationships with employees and in measuring and monitoring those relationships to determine whether objectives are being met.

Factors which lead to effective employee relationship

1. Identifying objectives

Employee relationship management is a general term that means a lot of different things to a lot of different people. At the outset, it is important to define what is meant by employee relationship management and, specifically, what areas of the relationship will be managed. For most companies, relationship management centers around items like attracting and retaining employees. Common measures of the effectiveness of these relationships include time to hire, turnover and employee satisfaction.

2. Determining employee needs

It is not enough to assume that a company or even its HR professionals know what is important to employees. Needs vary greatly depending on employee characteristics--age, gender, etc. as well as the type of job being performed. It is a good idea to find out directly from employees what their needs are. This can be done on one-on-one conversations that take place informally throughout the year, during formal employee evaluation meetings and through surveys and polls that can provide a quantitative indication of employee needs.

3. Balancing work and life needs

There is a widespread recognition in the 21st century that effective employee relationship management requires consideration of the whole employee. That means taking steps to ensure that the employee's work-life needs are well balanced. This can occur through creative staffing that might involve part-time, flex–time or even off-site work assignments.

4. Open and honest communication

Communication is critical to establishing strong employee relationships. Managers must be committed to communicating regularly and honestly with employees about the issues that impact their work. The more open organizations can be, the more likely they are to establish strong relationships that lead to increased loyalty and productivity among employees and decreased turnover and dissatisfaction.

5. Measuring and monitoring results

Effective employee relationship management requires ongoing attention. That means that managers and their HR departments should be alert at all times for signs of discontent, which can be subjective, as well as carefully monitoring the results of more formal assessments. These results should also be shared with employees. Too often employees are asked to complete surveys and are not informed of the results - or what will be done with the results.

6. **Relationships are interpersonal**

Ultimately, employee relationship management requires the same skills and processes required to manage any relationship; a clear understanding of employees' needs and a desire to meet those needs is foundational. Then steps must be taken to interact effectively with employees through a variety of communication channels, both interpersonal and formal (For example, intranet site, employee newsletters, etc.). Finally, measurement of the effectiveness of these efforts should be frequent and ongoing, with improvements and adjustments made when results are not showing continual improvement or satisfactory levels of performance.

H. Vendor management

Vendors are individuals or businesses that supply goods or services to other individuals or businesses. Vendor management is a term used to describe the process of finding, qualifying and doing business with vendors. Common activities include researching vendors, negotiating contracts, obtaining quotes, evaluating performance, creating and updating vendor files, and ensuring that payments are made properly.

Once a business determines that it has a need that must be outsourced, vendor management begins. The company must find one or more vendors that can supply the good or service needed and evaluate each vendor based on pricing, capabilities, turn-around time, quality of work, and company reputation. This process often entails requesting pricing, checking references, and researching the company through online resources. It may also include checking on the potential vendor's financial stability, insurance, and certifications.

After vendors are selected, vendor management is a matter of managing a pool of vendors, assigning jobs or contracts as needs arise, monitoring vendor performance, and ensuring that contract terms are followed. In large companies, a vendor manager often has more than one vendor in the pool for each type of product of service. Certain vendors might be preferred, means that they are the first choice when a project arises. Others might be backup vendors, who will be called upon if the preferred vendor cannot accept a given project or fails to perform.

Vendor management often involves a great deal of electronic or manual paperwork. Many accounts payable systems require vendors to be set up in a database. This might require collection of vendor contact information, certificates of insurance and taxpayer identification numbers. If the vendor will have access to proprietary or private information, a non-disclosure or other such agreement must usually be signed and placed in the vendor files. Many companies require vendor files to be updated annually, so a vendor manager will need to ensure that current documents are obtained each year.

The term vendor management is usually used within the context of business operations, but individuals may also need to manage vendors from time to time. A homeowner, for example, may need to contract with a roofer or an interior designer; in this situation, he/she will need to obtain bids, choose a vendor, monitor quality of work, and process payment, just as a business would. Hair salons, insurance agents, childcare facilities, and similar personal services are also examples of vendors with whom an individual might work frequently.

Quality, timeliness and customer satisfaction

Quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. A company that satisfies most of its customer needs most of the time is called a quality company.

Impact of quality:

Product and service quality, customer satisfaction and company profitability are intimately connected. Higher level of quality results in higher level of customer satisfaction, which supports higher prices and (often) lower costs. Companies that have lowered costs to cut corners have paid the price when the quality of the customer experience suffers.

Quality is clearly the key to value creation and customer satisfaction.

I. Business failure

Business failure refers to a company ceasing operations following its inability to make a profit or to bring in enough revenue to cover its expenses. A profitable business can fail if it does not generate adequate cash flow to meet expenses.

Case Study-II
Subhiksha

Subhiksha *was founded in 1997 by R. Subramanian, an IIT-IIM graduate. It operated over 1600 outlets selling groceries, fruits, vegetables, medicines and mobile phones and positioned itself as value retail chain. It adopted strategy to cut price, focus on lower and upper middle class, and opened shops near catchment area of customers. It started with one store in Chennai and within a short span the count reached to 1600 outlets (2008).*

Why did Subhiksha super market fail?

- *Rapid store expansion in various formats like groceries, medicines, mobiles, electronics, consumer durables and IT without sufficient fund in hand.*
- *Operated on very slim or zero margins resulting in higher cash outflow whereas inflows were almost nil.*
- *Not much attention to customer service resulted in bad quality service at store level.*
- *Downstream supply chain was not integrated resulting in lower fill rates and customer dissatisfaction.*
- *Expanded business through debt (₹7500million debt).*
- *In October, 2008 the company did not have enough funds to manage its operations.*
- *Poor inventory management resulted in defective inventory, breakages, lower fill days and pile up inventory.*

The 12 broad causes that lead to a business failure are summarized below.

1. Lack of industry experience

Every business has an environment in which it operates. The internal resources of a firm must match the needs of the environment to which the firm caters. Lack of experience in the industry will lead to poor organization of a firm and its resources. The structure of the industry in which the organisation operates substantially influences small firm performance outcomes.

2. Inadequate financing

Financing is the lifeblood for growing a business whether in the start up phase or in a later stage. Many businesses fail due to lack of proper financing channels. It is not a matter of unavailability of funding, but the lack of planning for funding to support opportunities for growth. Planning in advance, rather than looking for financing just when needed, is a good practice. Trouble results when entrepreneurs do not have sufficient awareness of the costs involved in raising capital, are not prepared with alternative sources in case of rejection from financiers, fail to consider using a combination of debt and equity to fund the business or, in general, fail to plan for growing their business to avoid the crisis of financing.

Case Study-III

Boo.com

Boo.com launched in the autumn of 1999 sold branded fashion apparel over the Internet. The company spent $135 million of venture capital in just 18 months and it was placed into receivership on 18 May 2000 and liquidated. The fundamental problem was that the company was following an extremely aggressive growth plan, launching simultaneously in multiple European countries. This plan was founded on the assumption of the ready availability of venture capital money to see the company through the first few years of trading until sales caught up with *operating expenses. Such capital ceased to be available for all practical purposes in the second quarter of 2000 following dramatic falls in the NASDAQ presaging the "dot crash" following the Dot-com bubble. Boo.com's sales did not match expectations, partly due to a higher-than-expected rate of product returns (a service that was offered for free, but charged for by their logistics supplier Deutsche Post)*

3. Lack of adequate cash flow

Cash flow is the measure of a firm's ability to maintain sufficient funding to meet its expenses for the day-to-day activities of the business. Many small businesses fail because owners have a difficult time projecting what cash will come in every month, and thus, how much can go out. It is vitally important for an entrepreneur to learn some basic accounting disciplines and be able to make cash flow projections that will help them understand how much they can afford to spend every month.

4. Poor business planning

Nine out of ten business failures are caused by a lack of general business management skills and planning. A good business plan helps identify the mission; cost structure; market; external influences; and strengths and weaknesses of a business. The business plan can separately include a marketing plan, operating plan, etc.

5. Management incompetence

Ninety percent of business failures are associated with "management inadequacy", which consist of either management inexperience or incompetence. Good management efficiently implements and monitors the strategic and operational plan of a business. .A good strategic plan is only good as the management's ability to implement changes in day to day operations.

Case Study-IV
Chrysler

Top management in all divisions overspent, especially in new product development, and generous union contracts were continually signed year after year. Vehicle prices soared with little consumer incentives and franchised dealers were placed in the position of moving product which consumers didn't want.

The Chrysler Crossfire, when introduced was fine but had many mechanical problems, as did the Sebring. When the PT Cruisers came out, the marketing was great but the assembly lines couldn't keep up with the demand and many turned to other manufactures who were tired of waiting for PT Cruisers to hit showroom floors. Too many product lines were dropped or modified leaving Chrysler fans up in arms. Loyal Jeep owners weren't pleased with the stoppage of the base Cherokee. Still, spending continued with little concern for regaining profits to pay expenses. In the end, Chrysler, LLC was forced through a bankruptcy restructuring and now ownership is very diverse including the entering Fiat. Still, brand loyalty for Chrysler is at an all time low.

6. **Ignoring the competition**

Customers are always looking for the best deal, or at least, a better deal. And if the competition offers better products, services, or prices, the customers will succeed at the expense of the business. Keeping an eye on competitors and positioning the products accordingly is vital to staying in business.

Case Study-V
Corfam Fake Leather

In the 1960s the company DuPont promoted Corfam, a fake leather substitute. They used the material for women shoes but didn't take into account comfort. The product was although cheaper but was very uncomfortable. Competitors responded by lowering the price of leather and increasing the quality and so the need for a fake substitute was lost and Corfam failed.

7. **Unworkable goals**

It is one thing to set goals and another thing to set workable goals. Entrepreneurial initiatives are fundamentally influenced by uncertainty. Setting realistic goals, within the bounds of acceptable risk taking and optimism, is important.

8. **Diminished customer base**

Competition can cause the customer base to diminish. From a small business's perspective, it is good to focus on a customer strategy that works well for their business. At the same time it is also dangerous to focus only on one recipe for success. Diversifying the customer base is an important factor in building the business. Being flexible enough to adapt to new trends and ideas is important for staying in business.

9. **Uncontrolled growth**

Uncontrolled growth of the business can also cause it to fail if not handled appropriately. Obesity is a problem in business as it is in an individual's health. Proper planning must be in place even for business growth. Successful growth requires a professional management team, flexible organization, and proper systems and controls.

10. **Inappropriate location**

The old real estate maxim - location, location, location - may be even truer in the small business world. Even the best-run retail establishment will have a difficult time succeeding if it is in a poor location. Location may not be applicable to all types of businesses, but when it is, it may be critically important.

Case Study-VI
Blockbuster

This case study also applies to lack of agility but it's essentially location that has led to the downfall of Blockbuster. The company that delivers movies to 15 million doorsteps these days isn't

Blockbuster – the retail chain that once dominated the industry – but an upstart, Netflix, that used little more than a website and knowledge of the postal service to topple a far more powerful and wealthy rival.

The place for a video rental store these days is not on the high street but on the internet.

Some fundamental rules changed and Blockbuster didn't get it fast enough. Whatever performance yardstick Blockbuster was using to measure business success and guide strategic planning underestimated the impact of the change.

11. Poor system of control

While setting proper goals to manage the business, a system of controls is also needed to measure performance. Checks and metrics help owners manage organizational activities. A firm cannot control the external factors affecting its environment such as customers and competitors but it can adapt its internal organizational activities. A lack of proper control on internal activities can eventually lead to business failure. Controls can be implemented in several aspects of the business. Controls can be set in place to measure the quality and quantity of production. Certain financial controls are needed to measure the overall financial performance of the business. A good control system will establish standards, measure performance, compare performance against standards and then provide for a way to correct procedures where needed.

12. Lack of entrepreneurial skills

Mostly during the start up phase of a new business, lack of entrepreneurial skills in an owner can cause a business to fail. This may not be true during the later growth and maturity periods of business where more administrative and management skills are required. A small firm's performance outcome is a function of many variables, including individual owner characteristics, owner behaviour, and environmental influences. Entrepreneurs generally have a high need for achievement and social awareness, and they are high risk takers. Consequently, the personal and personality characteristics of an owner can be the cause of business failure.

Case Study-VII
Google Wave

Google Wave started out with a bang. An Internet giant like Google doesn't need to market its product, because a lot of influential internet users are willing to do that for them and that too for free. The reason behind this is that Google has made a reputation of a company which makes products and services that revolutionise the way we use the internet. Google wanted to enter the booming social media market and wanted to compete with social media giants like Facebook and Twitter. The concept behind Google Wave was to start a social form of Gmail, where a group of people can communicate with each other in a single thread and can post videos, images and files in real time. It was the amalgamation of chat, file sharing and social networking.

Months before being launched, articles from sites like Techcrunch and Mashable gave us a sneak peek to the new application and showed us what the application had in store for us. It was such an interesting concept that Twitter was flooded with tweets minutes after the news was out.

Google Wave was launched with a lot of speculation. It started out as an invite only application and the first users who got an invitation were the ones using Sandbox. In the first few weeks, everybody was dying to get their hands on the new product by Google. Many weeks have gone by and Google Wave has opened their gates to everyone. But as the mystery of the Google Wave has unfolded, it has turned out that Google Wave has failed expectations. The reasons why Google Wave failed are manifold, and the major ones are:

1. ***Too much conversation:** In Google Wave, any user can comment on any part of the thread. The problem occurs when multiple users comment at the same time. And think of a situation when you receive 5 chats in one second. For a normal human being, it is a really difficult task to follow these many conversations in a very short span of time. And in the end, it results into a heap of chats which resembles more like a trash bin. Yes, one can use the playback feature to replay chats, but it would be an arduous task to read and follow all these waves.*

2. ***Prone to excessive spamming:** If one has another person's Google Wave id, he/she can easily add the other user and can wave at him/her. This feature makes it a heaven for spammers. As one can wave at anybody, waving can become a spammer's paradise. Being constantly waved by spammers makes the Google Wave experience even worse.*

3. ***Real time chatting:** A unique feature of Google Wave is to chat in real time. In this real time chat, one user can see what other user is typing at that particular moment and it is not clear why this feature is required. It has no usefulness, but yes it just increases the chances of getting noticed for making spelling mistakes.*

4. ***Applications affect load time:** Gmail is known for its light design and fast loading capability. But Google Wave works the other way around. The ability to add applications and extensions to Google Wave, instead of being a useful feature, acts as a hindrance in the overall loading of the Waves.*

SUMMARY

- *Goal Setting: Establishing short or long term objectives, usually incorporating deadlines and quantifiable measures*
- *SMART goals: specific, measurable, achievable, relevant, and time-based goals.*
- ***Marketing strategy** is defined by David Aaker as a process that can allow an organisation to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable competitive advantage.*
- ***Marketing Mix:** Product, Price, Place and Promotion*
- ***Product** refers to the item actually being sold. The product must deliver a minimum level of performance; otherwise even the best work on the other elements of the marketing mix won't do any good.*

- *The components of Product mix: Branding, labelling and packaging*
- ***Trade mark** is a word, phrase, symbol or design, or a combination of them, that identifies and distinguishes the source of the goods of one party from those of others.*
- ***Service mark** is the same as a trade mark, except that it identifies and distinguishes the source of a service rather than a product.*
- ***Price** refers to the value that is put for a product. It depends on cost of production, segment targeted, ability of the market to pay, supply - demand and a host of other direct and indirect factors.*
- *Pricing strategies:*
  - *Cost Plus Pricing*
  - *Penetration Pricing*
  - *Creaming or skimming*
  - *Variable Price method*
- ***Place mix (distribution)***
- *A channel of distribution or trade channel is defined as the path or route along which goods move from producers or manufacturers to ultimate consumers or industrial users.*
- ***A sales strategy** consists of a plan that positions a company's brand or product to gain a competitive advantage. Successful strategies help the sales, force focus on target market customers and communicate with them in relevant, meaningful ways.*
- ***Types of sales strategy:** Direct and Indirect*
- ***Branding** is a process, a tool, a strategy, an orientation whereby a name, a sign, or a symbol etc. is given to a product by the entrepreneur so as to differentiate his/her product from the rival products.*
- ***Brand name:***
  - *A brand name is "that part of a brand which can be vocalized i.e. can be spoken.*
- ***Brand mark:***
- *A brand mark is that part of a brand which can be recognised but cannot be vocalised i.e. is non-utter able. It appears in the form of a symbol, design, or distinct colour scheme.*
- ***Trade mark:***
- *A brand or part of a brand that is given legal protection against its use by other firms is called trade mark*
- ***Individual brand name:***
  - *Here entrepreneur can choose distinct names for each of his offering, i.e. every product is promoted on the basis of a separate brand name.*
- ***Family brand name:***
- *Entrepreneur can opt to use a common or successful family name for their several products. Either the entrepreneur's name or the company's name may be used for all the products*
- ***Corporate names:***
- *Entrepreneur can choose to utilise their corporate name or logo together with some brand names of individual products*

- ***Alpha-numeric names:***
- *In many industrial products, an alpha-numeric name often signifies its physical characteristics, thus creating a distinctive identify of the product. Entrepreneur has an option available to brand his/her products alpha-numerically too.*
- ***'Logo'** (Short for Logotype) is an identifying symbol for a product or business.*
- ***Taglines** are basically simple but give a powerful message that helps to communicate enterprise's goals, mission, district qualities and so much more.*
- ***Promotion** is the method through which we spread the word about the product or service to customers, stakeholders and the broader public.*
- ***Components of promotion mix:***
- *Advertising; personal selling; sales promotion; public relations*

  ATL- Above-the-line promotions use mass media methods. This type of promotion focuses on advertising to a large audience. It includes print, online media, television and cinema advertising.
- *BTL- Below-the-line methods are very specific, memorable activities focused on targeted groups of consumers. They are under the control of the organisation.*

  Below-the-line methods include:
- *Sponsorship, sales promotions, public relations, personal selling, direct marketing.*

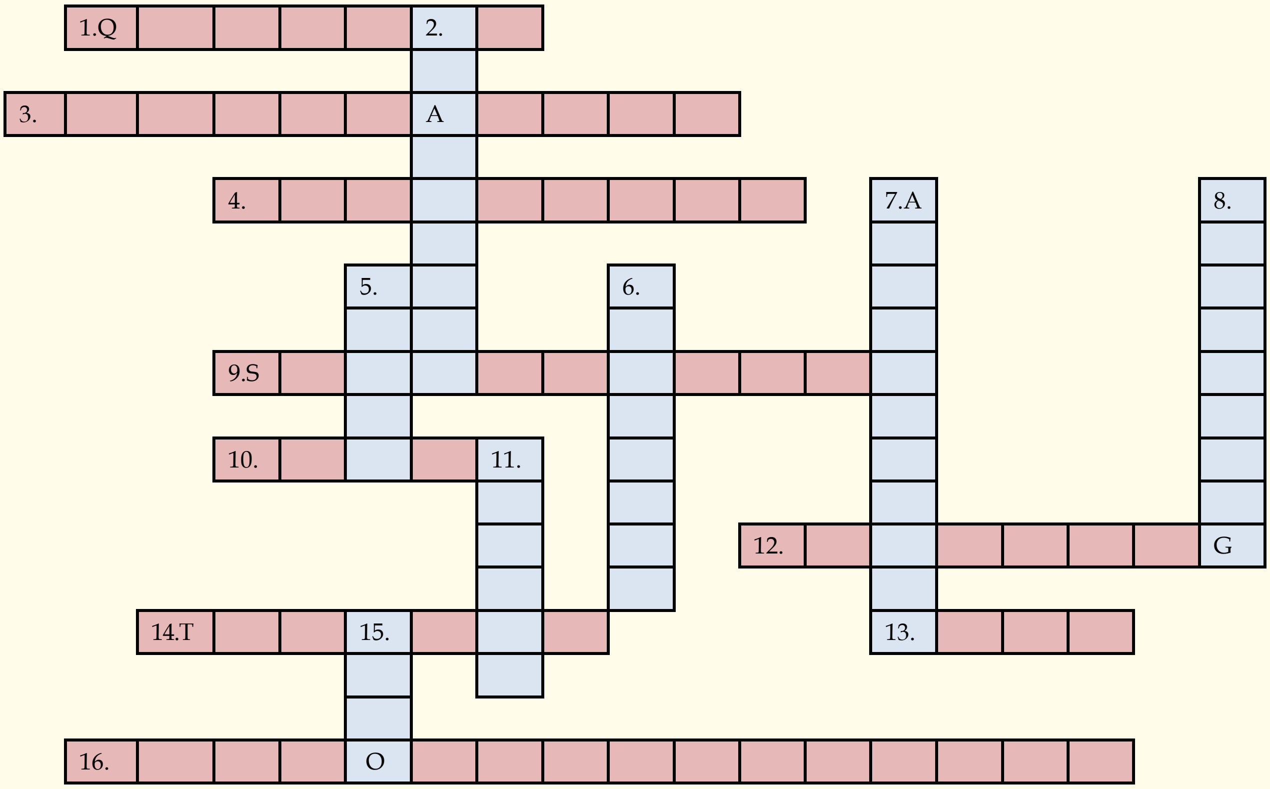
  TTL - "Through the line" refers to an advertising strategy involving both above and below the line communications in which one form of advertising points the target to another form of advertising thereby crossing the "line"."
- *Advertising is a form of communication designed to persuade potential customers to choose the product or service over that of a competitor.*
  - *Commonly used media in advertising*
  - *Window display or office front*
  - *Radio*
  - *Direct mail*
  - *Ambient*
  - *Point of sale*
  - *Directory listings*
  - *Stationery*
  - *Press advertising*
  - *Television*
  - *Outdoor*
  - *Cinema*
  - *Online*
- ***Personal selling** It means-'selling products personally'. It involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales. Thus a salesperson plays three different roles*
- *Persuasive role*
- *Service role*
- *Informative role*
- ***Sales promotion** relates to short term incentives or activities that encourage the purchase or sale of a product or service.*

- ***Public relations*** *is the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation (or individual) and its (or their) public.*
- ***Negotiation*** *is a process where two or more parties with different needs and goals discuss an issue to find a mutually acceptable solution.*
- ***Methods of negotiation:***
  - ***Integrative*** *is referred to as "win-win."*
  - ***Distributive*** *is referred to as "win-lose."*
  - ***Inductive*** *is the inductive method where in involves starting on small details and working upward until a settlement is reached.*
  - ***Deductive -*** *Start with an agreed upon strategy.*
  - ***Mixed -****Mixed negotiations are the most common; they are a blend of inductive and deductive methods.*
- ***CRM -*** *It is the process of carefully managing detailed information about individual customers in order to manage loyalty.*
- ***Employee relationship management*** *is a process that companies use to effectively manage all interactions with employees to ultimately achieve the goals of the organization.*
- ***Factors which lead to effective employee relationship***
  - *Identifying objectives*
  - *Determining employee needs*
  - *Balancing work and life needs*
  - *Open, honest communication*
  - *Measuring and monitoring results*
  - *Relationships are interpersonal*
- ***Vendor management*** *is a term used to describe the process of finding, qualifying and doing business with vendors.*
- ***Business failure*** *refers to a company ceasing operations following its inability to make a profit or to bring in enough revenue to cover its expenses.*
- ***The 12 broad causes that lead to a business failure are summarized below.***
  - *Lack of industry experience*
  - *Inadequate financing*
  - *Lack of adequate cash flow*
  - *Poor business planning*
  - *Management incompetence*
  - *Ignoring the competition*
  - *Unworkable goals*
  - *Diminished customer base*
  - *Uncontrolled growth*
  - *Inappropriate location*
  - *Poor system of control*
  - *Lack of entrepreneurial skills*

"Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover."

– Mark Twain

REVIEW CROSSWORD PUZZLE



Across:

1. The standard of something as measured against other things of a similar kind
3. Discussion aimed at reaching an agreement
4. Display of information about a product on its container
9. A person with an interest or concern a business
10. Ideal medium of advertising due to its ability to reach specific target groups
12. Selling a product at a high price, sacrificing high sales to gain a high profit
13. An aim
14. A catch phrase or slogan as used in advertising
16. It includes all aspects of interaction that a company has with its customer

Down:

2. A symbol, a word legally registered or established by use as representing a company or product.
5. A name given to their products, which helps in identifying and distinguishing products from that of the competitors.
6. The established reputation of a business.
7. The activity of attracting public attention to a product or business
8. Materials used to wrap or protect goods
11. The kind of advertising used by social networking sites
15. Design adopted by an organization to identify its products

LET'S REVISE

A. Very short answers. Answers to these questions should not exceed 15 words.

1. What is meant by goal setting?
2. What is marketing strategy?
3. What are the components of marketing mix?
4. Which is the shortest channel of distribution?
5. What are the components to a successful sales strategy?
6. Define branding.
7. Why is a logo important for a company?
8. Give the meaning of tagline with the help of an example.
9. Explain the term packaging.
10. What is labelling?
11. Define advertising?
12. What is negotiation?
13. Explain the meaning of CRM.
14. When do we conclude that a business has failed?
15. Explain the following term: ATL.
16. Give the meaning of BTL.
17. What is TTL?

B. Short answers. Answers to these questions should not exceed 50 words.

1. What are the rules for goal setting?
2. What does the marketing strategy of a company include?
3. What is sales strategy?
4. Explain the different types of sales strategies.
5. Differentiate between trade mark and brand mark.
6. What is the purpose of logo?
7. Why should we advertise?
8. What is employee management?
9. Is vendor management different from employee management? Enumerate.
10. Differentiate between ATL and BTL.

C. Short answers. Answers to these questions should not exceed 75 words.

1. Explain in detail SMART goals.
2. Explain the disadvantages of skimming price method.
3. What are the qualities of a good brand name?
4. What are the rules for advertising?

5. What is AIDA?
6. What are the different roles played by a salesperson?
7. What are Public Relations?
8. Who is a stakeholder?
9. What are the main public relations tools?
10. Explain the benefits of CRM?

D. Long answers. Answers to these questions should not exceed 150 words.

1. What is penetration pricing method and enlist it's advantages and disadvantages.
2. What are the various types of brand names from the entrepreneur's perspective?
3. What are the various factors which help in employee management?
4. How is vendor management done?

E. Very long answers. Answers to these questions should not exceed 250 words.

1. Explain in detail any 3 pricing strategies.
2. Explain the important factors affecting the choice of channels of distribution by the manufacturer.
3. Explain Promotional mix in detail
4. Explain any 6 commonly used media options.
5. Enlist some typical sales promotion activities.
6. Explain the methods of negotiation.
7. Explain the reasons for business failures.

F. HOTS (High Order Thinking Skills)

1. Varshini started her high end boutique in a posh locality, but she was not aware of how to make her boutique popular in the area. Suggest some measures for it.

G. Application based questions

1. Arvind has started his Italian food based restaurant. Does he have to register his trademark? And give the reasons for the same.
2. Imagine that you have started selling FMCG goods then what kind of promotional strategies will you be using?

H. Activities

1. Create your own product with a brand name, logo and tagline.
2. Pick any two rival companies (For example, Coke and Pepsi) and find their marketing and promotional strategies.

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