

VIVEKANANDA COLLEGE  
THAKURPUKUR  
KOLKATA-700063

NAAC ACCREDITED 'A' GRADE



**Topic:** MARKETING MANAGEMENT

**Course Title:** B.Com (UNDER CBCS SYSTEM)

**Paper:** CC 2.2 Chg

**Unit:** 02

**Semester:** 2<sup>ND</sup> Semester

**Name of the Teacher:** AKASH BALMIKI

**Name of the Department:** COMMERCE

# MARKETING MANAGEMENT

## Reference books:

- 1. MARKETING MANAGEMENT AND HUMAN RESOURCE MANAGEMENT** by Dr. Debraj Dutta, Dr. Siddhartha Roy, Prof. Dipanjan Basu and Soulina Banerjee- ABS PUBLISHING HOUSE
- 2. MARKETING MANAGEMENT AND HUMAN RESOURCE MANAGEMENT** by Harsh Verma, Ekta Duggal, Uday Kumar Halder and Juthika Sarkar- OXFORD UNIVERSITY PRESS

**Unit 1:** Introduction- Nature, scope and importance of marketing; Selling vs Marketing; Marketing mix, Marketing environment: concept, importance, and components (Economic, Demographic, Technological, Natural, Socio-Cultural and Legal). **(Already completed in classes)**

**Unit 2:** Consumer Behaviour- Consumer Behaviour: Nature and Importance, Factors influencing consumer buying behaviour. Market segmentation: concept, importance and bases; Product differentiation vs. market segmentation.

## UNIT 2: CONSUMER BEHAVIOUR

**Meaning:** The way an individual, group or organisation react towards selection, purchasing using and recommending of a good or a service. It analyses the buying pattern of the consumers, the satisfaction levels of a customers. It is the study or analysis of a consumer's behaviour with regards to a product.

### Nature

1. Influenced by various Factors: these factors may be relation to the product or may not be related to the product. Consumer Behaviour may depend on shape, size, design, chemical components (product related factors) it may also depend on factors not related to the product like personal belief, friends and family, media, social factors.

Example: a consumer's behaviour towards a soft drink might depend on the chemical composition of the product (sprite or maza) or it may also depend on which product the friend of the consumer is preferring

2. Dynamic process- consumer behaviour keeps changing with time. Example: at young age people are more inclined towards buying cool gadgets, sports bike or sports car whereas at

mature age the consumers would be more inclined towards buying insurance plans, family car, house etc.

3. Varies from consumer to consumer- Every consumer demands or buys a different type of commodity. This may be due to difference in age, income, lifestyle, social and religious values.

Example: Members of same family might differ in their buying patterns. Same age youngsters may buy different products (some buy Mountain Dew and some prefer Mazaa)

4. Geographical location- Country and Regions play an important role in consumer behaviour.

Example: People in higher altitudes have lower demands for air-conditioners, coolers, fans etc. whereas people in lower altitudes have less demand for warm clothes, heaters.

5. Information on consumer behaviour is collected by marketers to understand and analyse the market.

## **Importance**

1. Helps in developing the product.
2. Helps in building better customer relationship.
3. Helps in improving reputation of the company.
4. Helps to understand consumer needs.
5. Helps to understand the target customers.

## **Factors influencing consumer buying behaviour**

The behaviour of a consumer is influenced by a wide variety of factors:

1. Psychological- factors like need, motivation, learning, attitude etc play an important role. Example: If someone is not interested to learn the use of social media and technological advancement, smartphones or laptops will not be used by such person.
2. Social- family, relative, social group or reference group highly influences a consumer's behaviour. Example: If my friend likes watching comedy movies or web-series he/she will influence me to watch the same movie
3. Cultural- the religion beliefs, regional culture and social class also plays an important role in consumer behaviour. Example: During saraswati puja specially, in West Bengal people start buying new Kurtas or sarees as it is a traditional ritual to wear traditional clothes during the puja. On other hand during Christmas sale of cakes increase.
4. Personal- factors like income personal taste, age occupation lifestyle play an also influences the consumer behaviour. Example: a person working in office will buy more of formal shirts.

- Economic- factors like consumer credit, income expectations, savings etc play a significant role in consumer behaviour. Example: because easy finance is available people are buying air-conditioners, washing machines etc. on credit.

## **MARKET SEGMENTATION**

**Concept-** Dividing the market into small groups is market segmentation. Market Segmentation is done to understand and analyse the market. The small groups or segments provide much information to the marketers.

Kotler and Armstrong define market segmentation as dividing a market into distinct groups of buyers who have distinct needs, characteristics or behaviour and who might require separate products or marketing mixes.

### **Importance**

- Market Segmentation is required to identify the most loyal group of customers.
- Segmentation helps marketers to be more efficient in terms of time, money and other resources.
- Makes planning campaigns easier, as it helps to the company to focus on certain customer groups instead of targeting the mass market.

### **Bases**

Geographic- segmentation is based on geographical location, climate of the area, region etc.

Demographic- segmentation is based on age, gender, marital status, education etc.

Psychographic- segmentation based on personality, lifestyle, perception etc.

Behavioural- segmentation based on loyalty, awareness, usage etc.

### **Product differentiation vs. Market Segmentation**

<b>Product differentiation</b>	<b>Market Segmentation</b>
Product differentiation is a product oriented strategy.	Market segmentation is a market oriented strategy.
It involves promoting an awareness of differences between one company's products and the products of competitors	It is concerned with subdividing a market and then forming a suitable marketing mix to reach the target market