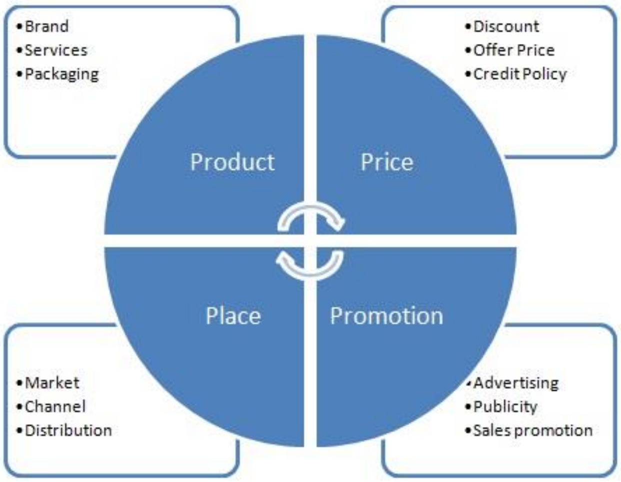
MARKETING STRATEGY-Meaning and definition of 4Pof marketing

The four Ps of marketing are the key factors that are involved in the marketing of a good or service. They are the product, price, place, and promotion of a good or service. Often referred to as the marketing mix, the four Ps are constrained by internal and external factors in the overall business environment, and they interact significantly with one another.

The 4 Ps are used by companies to identify some key factors for their business, including what consumers want from them, how their product or service meets or fails to meet those needs, how their product or service is perceived in the world, how they stand out from their competitors, and how they interact with their customers.

- The four Ps are the four essential factors involved in marketing a good or service to the public.
- These are the four Ps: the product (the good or service); the price (what the consumer pays); the place (the location where a product is marketed); and promotion (the advertising).
- The concept of the four Ps has been around since the 1950s; as the marketing industry has evolved, the concepts of people, process, and physical evidence have become important components of marketing a product, too.

The theory behind the 4 Ps of marketing is that covering all 4 Ps will result in higher sales. But, sadly nothing is quite that easy.



How the Four Ps Work

Product - The first of the Four Ps of marketing is product. A product can be either a tangible good or an intangible service that fulfills a need or want of consumers. Whether you sell custom pallets and wood products or provide luxury accommodations, it’s imperative that you have a clear grasp of exactly what your product is and what makes it unique before you can successfully market it.

Product refers to a good or service that a company offers to customers. Ideally, a product should fulfill an existing consumer demand. Or a product may be so compelling that consumers believe they need to have it and it creates a new demand. To be successful, marketers need to understand the life cycle of a product, and business executives need to have a plan for dealing with products at every stage of their life cycle. The type of product also partially dictates how much businesses can charge for it, where they should place it, and how they should promote it in the marketplace.

Price - Price is the cost consumers pay for a product. Marketers must link the price to the product's real and perceived value, but they also must consider supply costs, seasonal discounts, and competitors' prices. In some cases, business executives may raise the price to give the product the appearance of being a luxury. Alternatively, they may lower the price so more consumers can try the product.

Marketers also need to determine when and if discounting is appropriate. A discount can sometimes draw in more customers, but it can also give the impression that the product is less exclusive or less of a luxury compared to when it is was priced higher.

Place -When a company makes decisions regarding place, they are trying to determine where they should sell a product and how to deliver the product to the market. The goal of business executives is always to get their products in front of the consumers that are the most likely to buy them.

In some cases, this may refer to placing a product in certain stores, but it also refers to the product's placement on a specific store's display. In some cases, placement may refer to the act of including a product on television shows, in films, or on web pages in order to garner attention for the product.

Promotion- Promotion includes advertising, public relations, and promotional strategy. The goal of promoting a product is to reveal to consumers why they need it and why they should pay a certain price for it.

Marketers tend to tie promotion and placement elements together so they can reach their core audiences. For example, In the digital age, the "place" and "promotion" factors are as much online as they are offline. Specifically, where a product appears on a company's web page or social media, as well as which types of search functions trigger corresponding, targeted ads for the product.

2. CHANNELS OF DISTRIBUTION

Themainpurposeoftradeistosupplygoodstotheconsumerslivinginfaroff places.Asgoodsandservicesmovefromproducertoconsumertheymayhavetopassthrough variousindividuals.Letustakeanexample.AfarmerinSrinagarhasanappleorchard.Oncethe applesareripenedhesellstheapplestoanagentofDelhi.Theagentcollectstheapplesfrom Srinagar,packsthem,andsellsthemtoawholesaleratNewDelhi*sabzimandi*.Thewholesaler thendistributesthemtovariousretailfruitvendorsthroughoutDelhibysellingsmallerquantities. Finally,wepurchaseapplesfromthosevendorsasperourrequirement.Thus,wefindthatwhile comingfromtheproduceratSrinagar,theproductreachestheconsumersbypassingthrough severalhandslikeanagent,awholesalerandaretailer.Allthesethreearecalledmiddlemen. Thesemiddlemenareconnectinglinksbetweenproducersofgoods,ononesideandconsumers, ontheother.Theyperformseveralfunctionssuchasbuying,selling,storage,etc.Thesemiddlemen constitutethechannelsofdistributionofgoods.Thus,achannelofdistributionistherouteorpath alongwhichgoodsmovefromproducerstoultimateconsumers.

Theroutetakenbygoodsastheymovefromproducertoconsumerisknownas ChannelofDistribution.

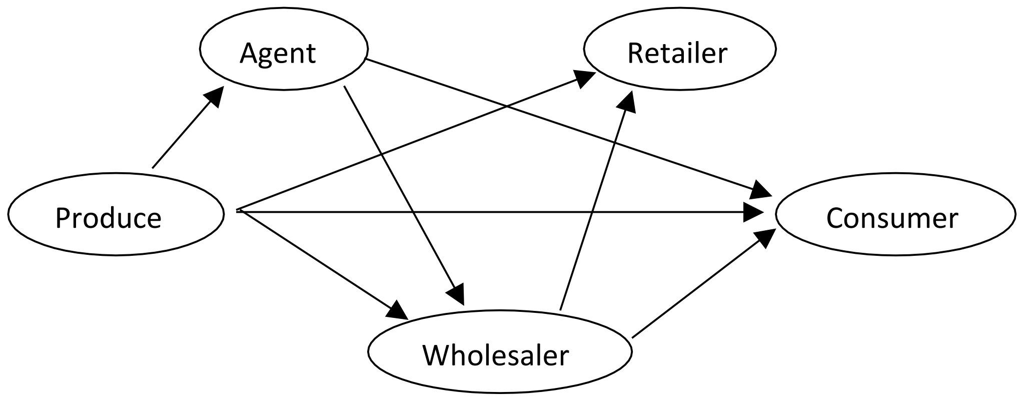


Fig. 20.1 Channels of Distribution

Types ofChannels

Normallygoodsandservicespassthroughseveralhandsbeforetheycometothehandsofthe consumerforuse.Butinsomecasesproducerssellgoodsandservicesdirectlytotheconsumers withoutinvolvinganymiddlemeninbetweenthem,whichcanbecalledasdirectchannel.So therearetwotypesofchannels,onedirectchannelandtheother,indirectchannel.

Fromtheabovediagramitcanbefoundthatthereisjustonedirectchanneli.e.fromproducerto theconsumer.Therearemanyindirectchannelslike:

(i) Producer → Agent → Wholesaler → Retailer → Consumer,

(ii) Producer → Wholesaler → Retailer → Consumer

(iii) Producer → Agent → Consumer

(iv) Producer → Wholesaler → Consumerand

(v) Producer → Retailer → Consumer

Let us discuss about some of the common channels

(i) DirectChannel

Inthischannel,producersselltheirgoodsandservicesdirectlytotheconsumers.Thereis no middlemanpresentbetweentheproducersandconsumers.Theproducersmayselldirectlyto consumersthroughdoor-to-doorsalesmenandthroughtheirownretailstores.Forexample, BataIndiaLtd,HPCL,LibertyShoesLimitedhastheirownretailshopstoselltheirproductsto consumers.Forcertainserviceorganizationsconsumersavailtheservicedirectly.Banks, consultancyfirms,telephonecompanies,passengerandfreighttransportservices,etc.areexamples ofdirectchannelofdistributionofservice.

(ii) IndirectChannel

Iftheproducerisproducinggoodsonalargescale,itmaynotbepossibleforhimtosellgoods directlytoconsumers.Assuch,hesellsgoodsthroughmiddlemen.Thesemiddlemenmaybe wholesalersorretailers.Awholesalerisapersonwhobuysgoodsinlargequantitiesfrom producers;whereasaretailerisonewhobuysgoodsfromwholesalersandproducersand sells toultimateconsumersaspertheirrequirement.theinvolvementofvariousmiddlemeninthe processofdistributionconstitutetheindirectchannelofdistribution.Letuslookintosomeofthe importantindirectchannelsofdistribution.

Producer → Wholesaler → Retailer → Consumer

Thisisthecommonchannelforthedistributionofgoodstoultimateconsumers.Sellinggoods throughwholesalermaybesuitableincaseoffoodgrains,spices,utensils,etc.andmostly of items,whicharesmallerinsize.

Producer → Retailers → Consumer

Underthischannel,theproducersselltooneormoreretailerswhointurnselltotheultima te consumers.Thischannelisusedunderthefollowingconditions–

(i) Whenthegoodscatertoalocalmarket,forexample,breads,biscuits,patties,etc.

(ii) Whentheretailersarebigandbuyinbulkbutsellinsmallerunits,directlytotheconsumer s. Departmentalstoresandsuperbazarsareexamplesofthischannel.

Wholesalers andRetailers

Wholesalersandretailersareimportantmiddlemenwhogenerallyfacilitateflowofgoodsfrom theproducerstotheconsumers.Letusstudyindetailsaboutthem.

Wholesalers

Wholesalersareoneoftheimportantmiddlemeninthechannelofdistributionwhodealswiththe goodsinbulkquantity.Theybuygoodsinbulkfromtheproducersandselltheminrelatively smallerquantitiestotheretailers.Insomecasestheyalsosellgoodsdirectlytotheconsumersif thequantitytobepurchasedismore.Theyusuallydealwithalimitedvarietyofitemsandalsoin aspecificlineofproduct,likeironandsteel,textiles,paper,electricalappliances,etc.Letus knowaboutthecharacteristicsofwholesaler.

Characteristics of Wholesalers

The followings are the characteristics of wholesaler:

1. Wholesalersbuygoodsdirectlyfromproducersormanufacturers.
2. Wholesalersbuygoodsinlargequantitiesandsellsinrelativelysmallerquantities.
3. heysellldifferentvarietiesofaparticularlineofproduct.Forexample,awholesalerwho dealswithpaperisexpectedtokeepallvarietiesofpaper,cardboard,card,etc.
4. Theymayemployanumberofagentsorworkersfordistributionofproducts.

5. Wholesalersneedlargeamountofcapitaltobeinvestedinhisbusiness.

6. Theygenerallyprovidescreditfacilitytoretailers.

7. Healsoprovidesfinancialassistancetotheproducersormanufacturers

8. In a city or town they are normally seen to be located in one particular area of the market. For example, you can find cloth merchants in one area, book publishers and sellers in one area; furniture dealers in one area etc.

Functions of Wholesalers

Youhavewellunderstoodthemeaningofwholesalerandlistedtheirc haracteristics.Nowletus knowaboutthefunctionsofwholesalers.

Following are the functions, which a wholesaler usually performs.

(a) **Collectionofgoods**:Awholesalercollectsgoodsfromman ufacturersorproducersin largequantities.

(b) **Storageofgoods**:Awholesalercollectsthegoodsandstorest hemsafelyinwarehouses, tilltheyaresoldout.Perishablegoodslikefruits,vegetables,etc. arestoredincoldstorage.

(c) **Distribution**:Awholesalersellsgoodstodifferentretailers.Int hisway,healsoperforms thefunctionofdistribution.

(d) **Financing**:Thewholesalerprovidesfinancialsupporttoprodu cersandmanufacturersby sendingmoneyinadvancetothem.Healsosellsgoodstother etaileroncredit.Thus,at bothendsthewholesaleractsasafinancier.

(e) **Risktaking**:Thewholesalerbuysfinishedgoodsfromtheprod ucerandkeepstheminthe warehousestilltheyaresold.Therefore,heassumestherisk sarisingoutofchangesin demand,riseinprice,spoilageordestructionofgoods.

Role of Wholesaler in Distribution Channel

Marketing

Wholesalers conduct businesses investing huge capital in it. Besides, they also provide special types of facilities and services. Producers do not have to worry about sale of their products. Wholesalers have great role in distribution channel. The functions and roles of wholesalers are mentioned in short as follows:

1. Bulk buying

Wholesalers buy products in huge quantity from producers. Then the products are sold to retailers, government offices and organizations in small quantity. As the wholesalers become physically, financially and intellectually capable and knowledgeable about markets, distribution channels have proved very important. So, the wholesalers purchase products in mass/ huge quantity. As the scattered innumerable retailers buy goods from wholesalers but not directly from producers, wholesalers make bulk buying/ purchase in huge quantity of products.

2. Warehousing

Wholesalers also make effective arrangement for storing the products. Until the purchased goods are sold to retailers, they should be properly stored in warehouse. Such storage arrangement keeps the goods safe. Besides, it also stabilizes market price keeping balance in demand and supply.

3. Quick delivery

Wholesalers quickly deliver goods after they receive order from government offices, organizations, retailers etc. But, if all the buyers demand for goods/products from producers, they cannot deliver goods to all at the same time. As wholesalers become efficient in distribution, sufficient stock of goods remains with them. On the one side, there remains sufficient stock of goods and on the other means of transport remain ready at any time when needed. So, they can fulfill the demands or order of buyers immediately.

4. Financing

Wholesalers are capable intermediaries in terms of capital. They help producers by purchasing goods in huge quantity and paying bills immediately. Similarly, they provide goods to their regular retailers on credit. Because of credit facility, financially weak retailers can increase their business. As a result, sale quantity also considerably increases.

5. Order collection

At first the wholesalers store goods buying them in huge quantity and deliver the goods to the customers when demand or orders are received. Demands or orders should be collected for delivering the goods of different qualities and features. The task of collecting and scanning different orders and demands made by different retailers of different places, areas or regions is done by wholesalers. Hence, records of demands and deliveries also become ready.

6. Risk bearing

Wholesalers purchase huge quantity of goods from producers at a time. They also take ownership of the goods so purchased. If prices, fashion, demands and wants of customers for such goods change, all the goods may not be sold out. In such situation, the wholesalers have to bear the risks. Similarly, there also remain possibilities of damage, fire caught, robbery, stealing etc. of the stored goods. The wholesalers have to bear such risks. So, the wholesalers should also try to minimize such risks.

7. Promotion

Wholesalers remain in contact with government bodies, organizations and many other retailers. So, they believe the wholesalers. They purchase different goods from them believing in the wholesalers. Besides this, the wholesalers are also involved in advertisement with the producers and retailers. They give suggestions to retailers about exhibitions and decorations. If needed, they also know wants, interests, needs and desires of the consumers.

8. Expert advisor

Wholesalers become experienced, qualified and effective in wholesale job. Such sellers sell products through direct contact with government organizations, institution and retailers. So, they provide information about the consumer’s wants and interests to the producer. Thus, the wholesalers give valuable information as expert advisor.

9. Market information

As wholesalers are the important parts of producers, they keep various information and records. Besides, the wholesalers remain in close contact with retailers and markets. So, they provide information about the need of production/ product customers, competitors' activities, price of products, new products and environmental changes etc. They also provide retailers the important information and notices received from producers.

10. Efficiency in distribution

Wholesalers become experienced in distribution. So, such sellers can perform wholesale and distribution more efficiently than the producers. They quickly deliver goods to the customers of target markets. This also cuts down the distribution cost. The wholesalers bring effectiveness in distribution; make available the right goods, at right place, at right time at lower cost.

Retailers

Retailers are the traders who buy goods from wholesalers or sometimes directly from producers and sell them to the consumers. They usually operate through a retail shop and sell goods in small quantities. They keep a variety of items of daily Characteristics of Retailers

The following are the characteristics of retailers:

- Retailers have a direct contact with consumers. They know the requirements of the consumersandkeepgoodsaccordinglyintheirshops.
- Retailerssellgoodsnotforresale,butforultimateusebyconsumers.Forexample,youbu y fruits,clothes,pen,penciletc.foryouruse,notforsale.
- Retailersbuyandsellgoodsinsmallquantities.Socustomerscanfulfiltheirrequiremen t withoutstoringmuchforthefuture.
- Retailersrequirelesscapitaltostartandrunthebusinessascomparedtowholesalers.
- Retailersgenerallydealwithdifferentvarietiesofproductsandtheygiveawidechoiceto theconsumerstobuythegoods.

Functions of Retailers

Allretailersdealwiththecustomersofvaryingtastesandtemperaments.Therefore,theyshould beactiveandefficientinordertosatisfytheircustomersandalsotoinducethemtobuymore.Let usseewhattheretailersdoindistributionofgoods.

- **BuyingandAssemblingofgoods**:Retailersbuyandassemblevarietiesofgoodsfrom differentwholesalersandmanufacturers.Theykeepgoodsofthosebrandsandvariety whicharelikedbythecustomersandthequantityinwhichtheseareindemand.

- **Storageofgoods**:Toensurereadysupplyofgoodstothecustomerretailerskeeptheir goodsinstores.Goodscanbetakenoutofthesestoreandsoldtothecustomersasand whenrequired.Thissavesconsumersfrombotherationofbuyinggoodsinbulkandstoring them.

- **Creditfacility**:Althoughretailersmostlysellgoodsforcash,theyalsosupplygoodson credittotheirregularcustomers.Creditfacilityisalsoprovidedtothosecustomerswho buygoodsinlargequantity.

- **Personalservices**:Retailersrenderpersonalservicestothecustomersbyprovidingexpert adviceregardingquality,featuresandusefulnessoftheitems.Theygivesuggestions consideringthelikesanddislikesofthecustomers.Theyalsoprovidefreehomedelivery servicetocustomers.Thus,theycreateplaceutilitybymakingthegoodsavailablewhen they aredemanded.

- **Riskbearing**:Theretailerhastobearmanyrisks,suchasriskof

a) fireortheftofgoods

b) deteriorationinthequalityofgoodsaslongastheyarenotsoldout.

c) changeinfashionandtasteofconsumers.

Displayofgoods:Retailers are the traders who buy goods from wholesalers or sometimes directly from producers and sell them to the consumers. They usually operate through a retail shop and sell goods in small quantities. They keep a variety of items of daily us

(i) **Supplyofinformation**:Retailersprovideallinformationaboutth ebehaviour,tastes,fashions anddemandsofthecustomerstotheproducersthroughwholes alers.Theybecomeavery usefulsourceofinformationformarketingresearch.

DistinctionbetweenWholesalerandRetailer

Youhavestudiedaboutwholesalerandretailer.Youmighthavenotic edthatbothofthemdiffer intheirstyleandfunction.Letusfindoutthesedifferences.

	Wholesaler	Retailer
(i)	Buysgoodsinlargequantities.	(i)Buysgoodsinsmallquantities.
(ii)	Buysgoodsdirectlyfromproducers.	(ii)Generallybuysgoodsfromthewholesalers.
(iii)	Dealswithlimitedvarietyofgoods.	(iii)Dealswithwiderangeofproducts.
(iv)	Requiresmorecapitaltostart and runthebusiness.	(iv)Requireslesscapitaltostartandrun thebusiness.
(v)	Sellgoodsforresalepurpose.	(v)Sellgoodsforconsumption.
(vi)	Nodirectcontactwithconsumers.	(vi)Directcontactwithconsumer.
(vii)	Nospecialattentionisgivento decorationofshop.	(vii) In order to attract the attention of customersretailersgivemoreattentionto decoration of shop.

ROLE OF VENDOR

A vendor is a business or individual that sells a product to another business or individual. Vendor responsibilities grow out of fundamental ethical considerations, such as an obligation to keep your word and provide what you say you're providingan order to succeed and achieve operational efficiency, businesses rely heavily on vendors. These vendors play a crucial role in the success of the company. Some of the major benefits provided by vendors include:

Cost. A vendor serving multiple companies can offer each company a lower cost that what each of the companies would incur for the same service provided internally. Furthermore, the vendor is incentivized to automate and lower costs even more, as time goes on.

Best Practices. The contribution of each of the client companies will make the vendor's offering more in line with industry best practices and everyone benefits from contributing to enhance/refine the vendor's offering.

Staying Ahead. In order to stave competition and provide the best service, the vendor has to be proactive and liaise with regulatory bodies. The vendor has to build functionality into the system ahead of the rules being published and enforced. In today's world, an internal department for the most part is reactive.

Quality Vendors are responsible for the quality of the products they provide. Although some products are designed with an eye on price more than on quality, every product must at least meet minimum quality standards that are consistent with its price. For example, a manufacturer of a cheap brand of olive oil cannot be expected to provide olive oil whose quality is comparable to that of an artisan olive oil. However, he can be expected to provide an olive oil that is not rancid and is of sufficient quality for basic cooking.

Punctuality Vendors are responsible for providing the products they offer in a time frame that is consistent with the expectations they create. A vendor who fails to deliver a product on time can create trouble for business customers whose sales depend on the promised materials; a vendor who is late in delivering a product to a private customer can cause inconvenience or waste his customer's time.

Honesty The responsibility of a vendor to be honest with her customers extends from her claims about her product's effectiveness to her billing practices. Vendors should never make false claims about the materials in products or about their own qualifications for providing these products. In addition, vendors should refrain from overcharging customers and should provide exactly the products and services that the customer has ordered, unless they specify that these items are no longer available and offer comparable alternatives.

Safety Vendors have a responsibility to create products that, if used properly, will not harm customers. Equipment manufacturers are responsible for testing equipment to ensure that it holds up under typical working conditions and even when roughly used. Vendors of food products have a responsibility to handle their products at safe temperatures and away from contaminants in order to minimize the risk of foodborne illness.

Online Shopping

Advantages of online shopping

Due to rapid growth of technology, business organizations have switched over from the traditional method of selling goods to electronic method of selling goods. Business organizations use internet as a main vehicle to conduct commercial transactions.

Advantages of Online Shopping

Online stores do not have space constraints and a wide variety of products can be displayed on websites. It helps the analytical buyers to purchase a product after a good search.

1. Convenience of online shopping

Customers can purchase items from the comfort of their own homes or work place. Shopping is made easier and convenient for the customer through internet. It is also easy to cancel the transactions.

The following table depicts the factors which motivate the online shoppers to buy products online.

1. Saves time and efforts.
2. Convenience of Shopping at home.
3. Wide variety / range of products are available.
4. Good discounts / lower prices.
5. Get detailed information of the product.
6. We can compare various models / brands.

2. No pressure shopping

Generally, in physical stores, the sales representatives try to influence the buyers to buy the product. There can be some kind of pressure, whereas the customers are not pressurized in any way in online stores.

3. Online shopping saves time

Customers do not have to stand in queues in cash counters to pay for the products that have been purchased by them. They can shop from their home or work place and do not have to spend time traveling. The customers can also look for the products that are required by them by entering the key words or using search engines.

4. Comparisons

Companies display the whole range of products offered by them to attract customers with different tastes and needs. This enables the buyers to choose from a variety of models after comparing the finish, features and price of the products on display, Sometimes, price comparisons are also available online.

5. Availability of online shop

The mall is open on 365 x 24 x 7. So, time does not act as a barrier, wherever the vendor and buyers are.

6. Online tracking

Online consumers can track the order status and delivery status tracking of shipping is also available.

7. Online shopping saves money

To attract customers to shop online, e-tailers and marketers offer discounts to the customers. Due to elimination of maintenance, real-estate cost, the retailers are able to sell the products with attractive discounts through online. Sometimes, large online shopping sites offer store comparison.

major disadvantages of online shopping are as follows.

1. Delay in delivery

Long duration and lack of proper inventory management result in delays in shipment. Though the duration of selecting, buying and paying for an online product may not take more than 15 minutes; the delivery of the product to customer' s doorstep takes about 1-3 weeks. This frustrates the customer and prevents them from shopping online.

2. Lack of significant discounts in online shops

Physical stores offer discounts to customers and attract them so this makes it difficult for e-tailers to compete with the offline platforms.

3. Lack of touch and feel of merchandise in online shopping

Lack of touch-feel-try creates concerns over the quality of the product on offer. Online shopping is not quite suitable for clothes as the customers cannot try them on.

4. Lack of interactivity in online shopping

Physical stores allow price negotiations between buyers and the seller. The show room sales attendant representatives provide personal attention to customers and help them in purchasing goods. Certain online shopping mart offers service to talk to a sales representative,

5. Lack of shopping experience

The traditional shopping exercise provides lot of fun in the form of show-room atmosphere, smart sales attendants, scent and sounds that cannot be experienced through a website. Indians generally enjoy shopping. Consumers look forward to it as an opportunity to go out and shop.

6. Lack of close examination in online shopping

A customer has to buy a product without seeing actually how it looks like. Customers may click and buy some product that is not really required by them. The electronic images of a product are sometimes misleading. The colour, appearance in real may not match with the electronic images.

People like to visit physical stores and prefer to have close examination of good, though it consumes time. The electronic images vary from physical appearance when people buy goods based on electronic images.

7. Frauds in online shopping

Sometimes, there is disappearance of shopping site itself. In addition to above, the online payments are not much secured. So, it is essential for e-marketers and retailers to pay attention to this issue to boost the growth of e-commerce. The rate of cyber crimes has been increasing and customers' credit card details and bank details have been misused which raise privacy issues.

Customers have to be careful in revealing their personal information. Some of the e-tailers are unreliable.

The disadvantages of online shopping will not hinder its growth, Online shopping helped businesses to recover from the recession.

Merchants should pay attention to the stumbling blocks and ensure secure payment system to make online shopping effective, The following advice may be followed by the E-merchants and by the online shoppers.

3.PRODUCT – Factors Influencing Product Selection

products provide the business with the most important and visible contact with buyers i.e. consumers. Products to the consumers represent psychological symbols of personal attributes, goal and social patterns.

Product policy of a firm also deals with proper branding, right packaging, appropriate colour and other product features. The total produce should be such that it really satisfies the needs of the target market. In short, product-mix requires decisions with regard to (a) size and weight of the product, (b) quality of the product, (c) design of the product. (d) volume of output, (e) brand name, (f) packaging, (g) product range, (h) product testing, (j) warranties and after sale services, etc.

A product is anything that can be offered to a marker for acquisition, use or consumption.

Factors to Consider in Product Selection

In selecting a product for your business venture, the following factors must be taken into consideration:

PRODUCT SELECTION CRITERIA TO BE CONSIDERED

Here are some **key factors associated with product selection:**

Financing: The size of the amount needed is one of the biggest factors that influence product selection. For proper development, production, promotion, sales as well as distribution, an adequate financing and resource is an essential requirement in product selection process.

The Disparity in The Supply Chain: It is the size of the demand in an unfulfilled market that will determine the selection of a particular product. Business opportunities arise as a result of the magnitude of the demand in a particular niche. It is, therefore, the niche product which has a high chance of success as reflected in its market that will be selected. The existence of a noticeable demand for the selection of a product is paramount.

Accessibility and Availability of Raw Materials: Since different products require the use of various raw materials, the source, quantity as well as quality of the materials are some of the major influencing factors that affect the process of product selection. Are the raw materials easily obtainable within a few hours or days? How much is the magnitude of the materials and is the source of the raw materials impeccable? Can you readily access the location where the raw materials are situated? Answers to these and many other questions must be amply provided and be satisfactory.

Nature of The Product: The nature of the product is also one of the important factors to be taken into consideration. The physical characteristics of a commercialized product will determine its means of distribution. The type of distribution channel for perishables will not be the same for imperishable products. Perishable products have to utilize a shorter channel to reach customers in the shortest time possible to maintain its quality.

Marketability and Profitability: The product that has the highest potential for profit is most often, the product that is selected. On the other hand, if a product can be sold as an accompaniment to an existing product and is marketable, then it is a wise option to consider.

Technical Issues: Another factor that affects product selection is the technical process of production. It is important to take cognizance of the technical effect of creating the product and its implications on the production line already in existence as well as the accessible technology required. The manual workers that will be on hand to see to the smooth production of the product are key factors associated with product selection.

It is the selection of a particular product that determines whether the available types of machinery will suffice or if there will be a need to procure new or refurbished machinery to handle the manufacturing process. How satisfactory and acceptable the product will be for the consumer and its technical acceptability will go a long way in meeting the requirements in the product selection process.

Qualified Employees: How many of your employees or workers are professionally qualified to handle the production process as well as the promotion of the product when it is ready to hit the market? The availability of skilled human resources will go a long way in determining the profitability of the product as the costs of creating the product will be kept to a minimum. There will be a drastic reduction in some wastage since professionals are the ones handling the production process.

Policies of The Government: There is so much one can do regarding this factor, as it is one factor that is totally uncontrollable. The focal point of public policy can inadvertently influence or affect the selection of the product you want to produce.

Company Objectives: One more **factor that affects product selection processes** is the realization of the organization's short as well as long-range goals and objectives. Is the creation of the product going to contribute to the accomplishment of the company's objectives? If not, then the product may have to be revised.

4. PLACE- Factors affecting place selection

- **Avoid Competition** – If you are an entrepreneur or just starting out on your business venture, avoid setting up shop next to a competitor of yours. Your competition might already have a loyal customer base and this could affect your sales. Think out-of-the-box and select a locale that has enough space for your offerings.
- **Visibility** – As said earlier, it's always better to have an office on the main road instead of behind a building on a deserted street of the neighborhood. You may have to pay more for the location but in the long run, the visibility of your business increases and more and more people will find out about your services and products.
- **High Footfall** – Find out the density of traffic in the area you want to set up your business in. If people rarely visit the place for their purchasing requirements, then even a good business plan wouldn't be sufficient to ensure growth.
- **Accessibility** – Ensure that your business place is easily accessible to potential customers to walk-in and enquire about your offerings. If the

accessibility is difficult, nobody would make the extra effort to reach you when there's a similar business that's easily reachable.

5. PRICE – Factors Affecting Price Determination

The influencing factors for a price decision can be divided into two groups:

(A) Internal Factors and

(B) External Factors.

Factors Affecting Pricing Decisions

Fig. 14.1

(A) Internal Factors:

1. Organisational Factors:

Pricing decisions occur on two levels in the organisation. Over-all price strategy is dealt with by top executives. They determine the basic ranges that the product falls into in terms of market segments. The actual mechanics of pricing are dealt with at lower levels in the firm and focus on individual product strategies. Usually, some combination of production and marketing specialists are involved in choosing the price.

2. Marketing Mix:

Marketing experts view price as only one of the many important elements of the marketing mix. A shift in any one of the elements has an immediate effect on the other three—Production, Promotion and Distribution. In some industries, a firm may use price reduction as a marketing technique.

Other firms may raise prices as a deliberate strategy to build a high-prestige product line. In either case, the effort will not succeed unless the price change is combined with a total marketing strategy that supports it. A firm that raises its prices may add a more impressive looking package and may begin a new advertising campaign.

3. Product Differentiation:

The price of the product also depends upon the characteristics of the product. In order to attract the customers, different characteristics are added to the product, such as quality, size, colour, attractive package, alternative uses etc. Generally, customers pay more prices for the product which is of the new style, fashion, better package etc.

4. Cost of the Product:

Cost and price of a product are closely related. The most important factor is the cost of production. In deciding to market a product, a firm may try to decide what prices are realistic, considering current demand and competition in the market. The product ultimately goes to the public and their capacity to pay will fix the cost, otherwise product would be flapped in the market.

5. Objectives of the Firm:

A firm may have various objectives and pricing contributes its share in achieving such goals. Firms may pursue a variety of value-oriented objectives, such as maximizing sales revenue, maximizing market share, maximizing customer volume, minimizing customer volume, maintaining an image, maintaining stable price etc. Pricing policy should be established only after proper considerations of the objectives of the firm.

(B) External Factors:

1. Demand:

The market demand for a product or service obviously has a big impact on pricing. Since demand is affected by factors like, number and size of competitors, the prospective buyers, their capacity and willingness to pay, their preference etc. are taken into account while fixing the price.

A firm can determine the expected price in a few test-markets by trying different prices in different markets and comparing the results with a controlled market in which price is not altered. If the demand of the product is inelastic, high prices may be fixed. On the other hand, if demand is elastic, the firm should not fix high prices, rather it should fix lower prices than that of the competitors.

2. Competition:

Competitive conditions affect the pricing decisions. Competition is a crucial factor in price determination. A firm can fix the price equal to or lower than that of the competitors, provided the quality of product, in no case, be lower than that of the competitors.

3. Suppliers:

Suppliers of raw materials and other goods can have a significant effect on the price of a product. If the price of cotton goes up, the increase is passed on by suppliers to manufacturers. Manufacturers, in turn, pass it on to consumers.

Sometimes, however, when a manufacturer appears to be making large profits on a particular product, suppliers will attempt to make profits by charging more for their supplies. In other words, the price of a finished product is intimately linked up with the price of the raw materials. Scarcity or abundance of the raw materials also determines pricing.

4. Economic Conditions:

The inflationary or deflationary tendency affects pricing. In recession period, the prices are reduced to a sizeable extent to maintain the level of turnover. On the other hand, the prices are increased in boom period to cover the increasing cost of production and distribution. To meet the changes in demand, price etc.

Several pricing decisions are available:

(a) Prices can be boosted to protect profits against rising cost,

(b) Price protection systems can be developed to link the price on delivery to current costs,

(c) Emphasis can be shifted from sales volume to profit margin and cost reduction etc.

5. Buyers:

The various consumers and businesses that buy a company's products or services may have an influence in the pricing decision. Their nature and behaviour for the purchase of a particular product, brand or service etc. affect pricing when their number is large.

6. Government:

Price discretion is also affected by the price-control by the government through enactment of legislation, when it is thought proper to arrest the inflationary trend in prices of certain products. The prices cannot be fixed higher, as government keeps a close watch on pricing in the private sector. The marketers obviously can exercise substantial control over the internal factors, while they have little, if any, control over the external ones.

6.PROMOTION

FASHION SHOWS. In the world of fashion and modeling, fashion shows are of extraordinary importance. Their popularity has risen rapidly, becoming one of the leading events in the world of fashion. Many fashion designers consider fashion shows as the most valuable part of their careers.

It is a great place and extraordinary opportunity for such issues. Another reason just as interesting and attractive is the variety of locations.

Fashion shows are organized everywhere in the major cities of the world, enabling a chance to see different world cultures.

But what's even more important to fashion designers for these shows is that they can promote their design and craftsmanship.

In this way, Fashion shows can attract as many customers or business partners as possible and establish cooperative relationships.

EXHIBITION - An **exhibition**, in the most general sense, is an organized presentation and display of a selection of items. Exhibitions are not just collections of interesting objects brought together at a certain place and time. They are human activities, human enterprises, undertaken for definite reasons and in order to achieve certain specified results. They are a form of human exchange, whereby the promoters and exhibitors on the one hand communicate with the visitors on the other. Their results can only be told in terms of further human thought and activity.

In practice, exhibitions usually occur within a cultural or educational setting such as a museum, art gallery, park, library, exhibition hall, or World's fairs.

Exhibitions can include many things such as art in both major museums and smaller galleries, interpretive exhibitions, natural history museums and history museums, and also varieties such as more commercially focused exhibitions and trade fairs.

In British English the word "exhibition" is used for a collection of items placed on display and the event as a whole, which in American English is usually an "exhibit".

In common usage, "exhibitions" are considered temporary and usually scheduled to open and close on specific dates.

Exhibitions featuring especially fragile or valuable objects, or live animals—may be shown only during a formal presentation, under the close supervision of attendant or educator.

Exhibitions range from an extraordinarily large event such as a World's fair exposition to small one-artist solo shows or a display of just one item.

Often a team of specialists is required to assemble and execute an exhibition; these specialists vary depending on the type of said exhibit.

are open to a large and sometimes diverse range of audiences (usually the general public). This provides you with a platform to promote your product or service to a broader group that may have little or no knowledge of your products and services.

Depending on your type of business, product and market testing can be carried out at trade shows and exhibitions to gain industry or general opinion about your offering.

Being involved in a trade show or exhibition can provide you with opportunities to branch out to business-to-business trading and create a customer database from the visitors to your display booth.

exhibitions differed from fairs in the very way in which business was conducted. Goods were bought and sold at fairs. At exhibitions, commercial activity or selling of the displayed goods, was not usually involved. However, inherent in displaying the goods was the hope of stimulating future sales. Today this is how most exhibitions still operate

ADVERTISING AND PROMOTION - Advertising is defined as any paid form of non-personal communication aboutan organization, product, service, or idea by an identified sponsor

Inform customers of a product or service

Convince them of its ability to satisfy their wants or needs

Help develop and sustain relationships

FASHION FAIRS–Trade fairs, conferences, business events, economic forums and exhibitions can be defined in a unified manner as sophisticated platform for conducting business on a national and international scale.

It is more than just a marketing tool as the entire marketplace is at your fingertips.

They provide an excellent opportunity to assess opinions among other benefits, these fairs provide the business houses and individuals a face to face meeting point, which is seen as a perfect cost effective means for achieving trade objectives.

Trade shows are generally targeted at an industry and people involved or interested in that industry. Exhibiting at a trade show can be a great way to advertise to a target market and create brand awareness.

DISCOUNT SALES - Any sales promotion activity that you do keeping the end consumer in mind is known as **consumer sales promotions**. Example – if an E-commerce website gives 10% discount on its products, then it wants the consumers to make the best of this deal. This is a consumer focused promotional activity and hence can be called as consumer discount sales promotions.

Setting discounts on your pricing is a strategy that can drive more sales volume to your business, bring in new customers, and give you more advantages .

Make Your Customers Feel Positive About Your Business - One advantage is that discounts make your customers feel good. Research shows that when people receive a coupon or savings offer, they become happier and more relaxed. It could be beneficial in the long run if these positive feelings can be associated with your brand.

Help Customers Choose Your Products Over Competitors - Discounts also make it less likely for people to compare your products with other brands. This can help new customers choose your products over your competitors, giving you a foot in the door.

SOCIAL MEDIA - Promoting your business on social media is one of the most professional ways to take advantage of the opportunities made available by the Internet. It allows you to reach a broad target audience, increase traffic and conversions, and raise your company's profile, among many other benefits. Let's take a look at how to choose a social media platform to start promoting your business.

Why Is Social Media Important for Promoting Your Business?

When comparing SMM - social media marketing - with traditional, offline publicity, the following advantages become clear:

• An affordable price for capturing new clients with advertising: you can configure your social media marketing to reach valuable target audiences;

• Targeted access to a broad audience.3.2 billion people around the world use social media;

• quick feedback from customers and the ability to respond immediately;

• increased brand loyalty among customers. Good social media marketing isn't about aggressive advertising, but rather about communicating and creating useful content. This ranges from entertainment to contests, special offers, and informal communications.

The Main Steps for Promoting Your Business on Social Media

How do you promote your business on social media? First, there are a few steps you need to take in order to prepare

1. Set a goal. You need to understand why you're creating a company account and what results you expect from your promotions. These goals need to be specific: exact time frames, the profit you expect to earn, and the total sum you're investing.

2. Choose a platform for your promotion. The best social media platform for your company depends on the company, your product, your positioning, and your target audience. To choose your platform, start by conducting a preliminary market analysis, studying your target audiences' needs, and looking at what kind of social networks your competitors are using.

3. Create and publish your page. Nearly every social media platform offers the option of creating a separate business account (Facebook, Instagram, Pinterest). Your profile includes a series of tools you can use to engage your audience, develop content, obtain analytics, and promote your business. Your main task is to create

visual branding elements for your account (including a profile picture, a header, and a page description).

4. Fill your page with content. A company profile isn't a private page. The frequency of your posts, maintaining a uniform style (graphics and text), and alternating advertising materials with informative or entertaining articles are all important factors for your company page. Prioritize the quality of your materials: avoid making mistakes and avoid topics that could offend certain groups of people. You should also pay attention to the frequency with which you post (especially during periods of greatest activity among your target audience). That's why you should fill your page using a content publishing schedule that you plan in advance.

5. Building an audience. This is a comprehensive job: it requires you to prepare and publish posts continuously, to reply to comments, respond to reviews and criticism, configure your advertisements, track and analyze metrics, adapt your strategy, and so on.

How to Choose the Right Social Network to Promote Your Business

Let's take a look at the features and distinguishing characteristics of the world's most popular social networks in terms of promoting brands.

FACEBOOK

Promoting your business on Facebook has many advantages: first, there's a target audience for nearly every sector, and second, its audiences are generally reliable adults.

TWITTER

Twitter is known for its short messages. The most interesting of these are quickly spread by users' retweets. Think of marketing on Twitter as an opportunity to inform the public quickly, and to draw users to your website (increasing traffic). This social media platform offers advertising tools to brands.

INSTAGRAM

This progressive platform is growing fast. Its main characteristic is that content is posted in the form of images, photos, and short videos. Home to a younger audience, it allows clothing, accessory, furniture, and other brands with greater aesthetic value to convert customers quickly. Of course, you can use Instagram for business (creating and publishing high-quality content). It also provides advertising tools.

The general consensus is that Instagram can help you promote ongoing sales and grow your audience. It's recommended for companies that offer strong emotions or beautiful products to their audiences.

PINTEREST

Like Instagram, this site mainly focuses on visual content. Advertising on Pinterest is advantageous for brands that offer products and services. Users often visit this social media platform to create "shopping wishlists": adding products they like to a list of planned purchases. According to statistics, 21% of users have purchased products they add to these lists.

DISPLAY - There are a number of benefits of using display advertising:

- **Visual** - you can use eye catching **imagery** or **rich media** to get your audience's attention.
- **Awareness** - you can build **brand awareness** and promote your products and services. While search advertising reaches an audience with an intention to purchase, display can create an initial interest. Display ads have a **high reach** and can be seen by large numbers of people.
- **Targeted** - there are certain targeting options that aren't available through search marketing. These include topic and interest targeting and **remarketing**. You can also reach specific demographics such as gender and age.

HOARDINGS - Hoardings are often used for advertising and marketing by companies or organisations. These Advertising Hoardings are an obvious solution for companies looking to promote a product in a place with high public footfall. Its also less intrusive than a digital display or graphic signage advertisement, making best use of the space. Historically, an advertising hoarding is very cost effective when compared to a similar sized billboard. Which, when you think about it, is what these hoardings are – temporary fencing panels optimised for outdoor advertising purposes! These temporary hoarding panels can range from simple outdoor advertising to bespoke eye-grabbing installations!

Hoardings can attract business to a company. To entice customers from the outside, hoardings can be successful at creating curiosity for a development or attraction coming soon.

Hoardings are often designed to help people recognise a place or brand. For instance, retailers will often use them to show which shop is going into a development. Property developers use them to let people know who is responsible for the site. The bigger and more bespoke the hoarding, the more prestigious the brand comes across!

Directional graphics on hoardings are often necessary for vast locations such as property developments and regenerations. These often point to sales opportunities such as marketing suites. As a result, visitors or customers are less likely to get lost and avoid situations that could reflect badly on the business

Hoarding can enhance the overall appearance of a space or its surroundings.