

Chapter 12 Marketing management

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- Business organization = institution of free market that attempts to satisfy needs and wants of the community while make a profit
- System that converts inputs (raw material and labour) into
- Outputs (products / services) for society
- Marketing process – transfer of products / services to the market
- Process consist of the following:
 - Environment scanning by means of market research
 - In order to collect info on which market management can base their decisions
 - Development of a market offering which consists
 - Tangible products
 - Intangible services
 - Offered at a specific price
 - At convenient place
 - And consumer has received sufficient information
- During the process of marketing management must:
 - Monitor competitors
 - Develop strategies to exploit opportunities in business environment
 - Counter threats, bearing in mind Organizational strengths and weaknesses
- Based on these activities is the primary objective of ensuring the maximization of profit over long term
- Marketing = bridge between business and environment
- Marketing function starting point is organization s management

1. Evolution of marketing thought

1.1. Operation oriented management

- Operation oriented organization tried to increase the number and variety of products they produced.
- Products
 - What can we do best?
 - What can our engineers design?
 - What is easy to produce?
- Services
 - What services are most convenient to us to offer?
 - Where do our talents lie?
- Disadvantage was management concentrated in encouraging production in order to solve operation problems

1.2. Sales operated management

- Stocks began to pile up
- Management became more sales oriented
- Misleading advertisements were offered
- Objective to sell products at all cost
- Led to excessive promotion, high advertising and sales cost

- Increasing competition – higher marketing management

1.3. Marketing oriented management

- Not just sales and price to be considered but also:
 - Quality of products
 - Packaging
 - Choice of distribution channels
 - Method of informing potential customers

1.4. Consumer oriented management

- Increasing consumer products available and fin position of consumers improved – consumer demands changed
- Consumer needs, demands and preferences need to be considered
- These decisions include:
 - Choice about quality
 - Packaging of products
 - Brand name
 - Type of distribution channel
 - Price
 - Marketing communication methods

1.5. Strategic approach to marketing

- Continual change in marketing environment and need for survival and growth means management needed to concentrate on long term environment scanning
- Scanning allowed management to identify:
 - Environment changes – technological innovation
 - Economic influences
 - Political factors
 - Changing consumer preferences
 - Demographic aspects
 - Increasing competition
- Maintaining close relationships internally and externally is important

1.6. Relationship marketing

- Needed to establish long term relationships with people and institutions in environment
- Long term relationship with customers – loyalty and repeated purchase of need satisfying products
- Long term relationships with supplies ensure availability of raw materials and inventory
- Primary objective is to establish and maintain relationships with loyal profitable clients
- To obtain this:
 - Attraction
 - Retention
 - Enhancement of customer relationships
- loyal customers important
- Loyal customers basis of organization operations
- Buyers and sellers should strive towards same objectives

- Long term relationship between producers and intermediaries can ensure products availability at right time and right place
- Everyone needs to realize customer satisfaction and marketing success will be needed in own career opportunities and remuneration
- Marketing task in market driven organization - need to be done according to ethical code
- If you promise something and don't deliver = fraud

2. Marketing concept

- Is the ethical code according to which marketing task is performed
- It directs all marketing decisions about:
 - Products
 - Distribution methods
 - Marketing communication
 - Price determination
- 4 principles of marketing concept:
 - Profitability
 - Consumer orientation
 - Social responsibility
 - Organizational integration

2.1. Profitability

- Is the long term maximization of profitability
- Primary objective in free market
- Main objective in free market
- Fundamental to marketing concept
- Emphasis profitability not sales

2.2. Consumer orientation

- Satisfaction of consumer needs, demands and preferences constitutes a consumer oriented approach.
- Even though consumer is very important satisfaction of consumer needs can never be achieved
- Satisfaction can only be given within constraints of profit objective and resources of business
- Consumer oriented means consumer must be supplied with adequate and correct info

2.3. Social responsibility

- Business often discharge this responsibility by spending money on projects like housing, education
- This created a stable environment for future profits
- Enhances corporate image with empl, consumers, public
- Should a business act irresponsibly = punitive measures
- Sponsorship must be supported by marketing communication to ensure large audience
- If successful – new coverage
- Marketing management must ensure that nothing detrimental is done

2.4. Organizational integration

- Express need for close co-operation between all functions of business
- All functional decisions – successful marketing
- Co-operation between:
 - Marketing
 - Operational
 - Purchasing
 - Other function
- Organization integration pre-requisite for success.

2.5. Merits of marketing concept

- Criticism of consumer exploration is refuted by principles of marketing concept
- Marketer guards name of product
- Pay attention to criticism

3. Defining marketing

- Consists of management tasks and decisions
- Directed at meeting opportunities and threats
- In dynamic environment
- By effectively dev and transferring a need satisfying market offering
- To consumers
- In such a way that the objective of business and consumer and society will be achieved

4. Components of marketing process

- Simplest form of marketing process is transfer of products / services from one person to another
- In business management marketing entails transfer of a product to a consumer
- Fundamental of marketing process is a need and transaction to satisfy that need
- Marketing – transaction between 2 parties (organization and customer)
- 4 variables are used to make decisions: (4 P's)
 - Product itself
 - Place where it is offered (distribution)
 - Marketing communication methods to inform customer (promotion)
 - Price – reflects the products value
- 4 variables = marketing mix that combine to form market offering the consumers purchase
- Marketing offering should not satisfy individual but market segment
- From diff market segments target market is selected
- Market research done for info on:
 - Market
 - Competitors
 - Environmental changes

5. Market research

5.1. Need for information

- To manage information is needed
- Continuous scanning micro, market and macro environment
- Do SWOT analysis before decisions are made
- Info collected via scanning should include:
 - External variables and internal resources in form of records and reports about current prices
 - Sales figures and market trends
 - Changes in market share
 - Consumer preferences
 - New legislation
 - Product schedules
 - Internal financial problems
- Information can also be obtained from market research
- This information needs to:
 - Increase understanding of relevant market segment and it's consumers
 - Be pertinent to planning and controlling
 - Help decisions making once alternative sources of info is considered.

5.2. Marketing research methodology

- Systematic gathering analysis and interpretation of info about all types of marketing problems
- Use recognized scientific methods for accumulation of info to facilitate market management decision making
- Recognized method = survey method
- Use a questionnaire
- Trained field workers to ask questions
- 12 steps to conduct survey:
 - Description of problem to be investigated
 - Formulation of probable explanations and causes for define problem
 - Investigate all hypothesis to dominate less likely and to find solution to problem
 - Compilation of questionnaire:
 - Specify info needed
 - Specify type of interviewing method
 - Determine content of individual questions
 - Design questions to overcome respondents inability and unwillingness to answer
 - Decide on structure of questions
 - Arrange questions in order
 - Identify form and layout
 - Reproduce questionnaire
 - Pre-test questionnaire
 - Testing of questionnaire
 - Selections of respondents
 - Training of field workers
 - Analysis and assimilations of info collected
 - Interpretation of information

- Writing of research report and making recommendations based on conclusions
- Manage evaluation
- Implementation of management decisions

5.3. Market forecasting

- Before exploiting opportunity potential in terms of profit must be established
- Measuring size of opportunity is forecasting future sales

5.3.1. Sales forecasting

- Following types often used:
 - Forecasting done by panel of experts from in and out of organization
 - Forecasting based on market research
 - Forecasting based on consumer reactions in test marketing
 - Forecasting based on historical data
 - Forecasting based on mathematical and statistical models

5.3.2. Forecasting on profit contribution

- Done for long term periods
- Done for full payback period = time taken to recoup capital expenses incurred of producing a product
- During payback the money invested has to be recovered through earnings generated by sales

6. Consumer behavior

- Behavior patterns of decision making units (individual / family) directly involved in purchase and use of products
- Including decision making process preceding and determining the behaviour patterns
- Consumer behaviour consist of overt acts (observable)
- Also include covert process (not observable)
- Cannot see the weighing up financial position
- Knowledge of factors that determine consumer behaviour from basis of consumer oriented marketing strategies
- Consumer receives inputs from environment
- Output is what happens
- In between are constructs – process to decide to buy
- Individual / group factors influence decision making

6.1. Determinants of consumer behaviour

- 2 main factors:
 - Individual factors peculiar to person
 - Group factors
- Decision making by buy in centre:
 - Consideration of different roles of members of buying centre

- Differing interpretations of objectives
- Interpersonal influences
- Relative power and need for resolution of possible conflicts among members of buying group.

6.1.1. Individual factors

- Needs – motives
- Attitudes
- Learning ability – learn marketers message
- Personal traits
- Consumer perceptions

6.1.2. Group factors

- Family
- Reference groups
- Opinion leaders
- Culture group

6.2. Consumer decision making

- Every decision involves risk
- Functional risk – product does not work
- Social risk – peer group do not approved of purchase
- During time a consumer takes to make decision marketers try to influence them
- 4 influences in Organizational buying decision:
 - Environment
 - Organization itself
 - Buying group
 - Individual buyer
- Decision making process has phases:
 - Awareness of unsatisfied need or problem
 - Gathering of info on how to best solve problem
 - Evaluation of possible solutions
 - Decision on course of action or purchase
 - Post purchase evaluation
- Habitual purchasing when clients are loyal

7. Market segmentation

- Market consist of people with diff needs and wants
- Marketer must decide what to fulfill
- Must focus on group in market
- Market = consists of relatively large no of people who:
 - Have a need for a specific product
 - Have the money to buy it
 - Are willing to spend money on it

- Are legally able to buy the products
- For market to exist all of above must be in place
- Market can be subdivided:
 - Consumer market
 - Individual purchasing for own consumption
 - Industrial market
 - Groups purchasing raw material to produce goods
 - Resale market
 - Indiv, groups, org's purchasing products to resell
 - Government market
 - State dept purchasing products need to supply services
- Effective market segmentation should follow steps:
 - Identify the needs of consumers in the market
 - Group needs in homogenous subgroups with similar characteristics
 - Select target markets on which organization will focus
 - Position products within selected segment

7.1. Total market approach – market aggregation

- Target all customers in same way
- Eg salt, flour, bread
- Market aggregation is exception not rule
- Because customers needs are different

7.2. Market segmentation approach

- Total heterogeneous market subdivided in homogenous groups with uniform characteristic
- Diff products are developed to satisfy different needs
- Multi segment approach in which many segments are served with basis product with minor changes
- Or choose one segment and focus on them
- 3 approaches:
 - Total market approach
 - Single segment approach
 - Multi segment approach

7.3. Requirements for meaningful market segmentation

- Segment must be identifiable and measureable
- Must be substantial and sustainable
- Must be reachable
- Must be responsive

7.4. Criteria for market segmentation

- Geographic area – place of residence
- Demographic – age, gender, family size
- Psychographic – personality factors, lifestyle
- Behavioural criteria – purchase occasion, benefits sought, user status, usage rate.

- Brand loyalty is encouraged when customers become loyal – competitive position is strengthened
- Price sensitivity – consumers want cheaper prices
- Reverse price sensitivity – consumers act negatively if price is too cheap
- Consumers are sensitive to:
 - Service
 - Quality
 - Advertisements
- Market can also be segmented by product benefits
- Segment profile = when criteria combine benefits and products

7.5. Segment profiles

- Demographic, geographic and usage provide a profile for specific segment

8. Target market selection and positioning

- Heterogeneous groups subdivided into homogeneous groups
- Objective and resources of organization must be considered before a target market can be selected
- Target market selection is not only 1 market
- Selection does not mean you own selected market
- Decide on direct marketing or niche marketing

9. Marketing instruments

- 4 marketing mix instruments
 - Product
 - Distribution
 - Marketing communication
 - Price

10. Product decisions

10.1. Product offering

- Products offering can be single item or number of items
- Changes according to demands at time or situation in market
- Product decisions – decisions of product itself like brand, packaging

10.2. What is a product?

- Composition of tangible or intangible need satisfying utility offered to customers by an organization so that customers can take note of them, procure them and use them.
- Consumer products consist of:
 - Core product – can be described in technical or physical qualities
 - Formal product – include specific feature eg style
 - Need satisfying product – guarantees, installation
 - Product image – symbolic value of products

- Total product – all above mentioned components

10.3. Classification of consumer products

- Consumer products are intended for immediate use by households
- Durable – fridge, cars
- Non durable – milk, chocolate
- Can be classified on basis of consumer buying habits:
 - Convenience products – sweets
 - Shopping products – clothing
 - Speciality products – unique characteristics

10.4. Brand decisions

10.4.1. Meaning of brands

- Mark that is unique to a product marketed by business
- Is chosen to distinguish them from other competitors
- Includes brand name, specially designed trademark
- Brand name is a word
- Trademarks act – can use them for 10 years

10.4.2. Advantages to use brand names – consumer

- Facilitate identification of products when purchasing
- Assume consumer of quality standard they can count on
- Offer a certain degree of protection to consumer
- Facilitate decision making
- Serve as a warning against products that don't meet the requirements set by customers

10.4.3. Advantages to use brand names – marketer

- Brands are foundation stone of marketing communication strategy
- Brands promote brand loyalty among consumers
- Make price comparison with competing products more difficult
- Brands are inseparable part of product image
- Brands make products differentiation possible
- Brands facilitate expansion of existing products

10.4.4. Brand loyalty

- Is a result of good product quality, proven usefulness and repeated marketing communication
- 3 phases of loyalty
 - Brand recognition
 - Brand preference
 - Brand insistence

10.4.5. Manufacturer, dealer or generic brands

- Large retailers buy unmarked products and use their own names
- Manufacturer must decide to offer unmarked products
- There must be a market for unmarked products

10.4.6. Individual / family brands

- Marketing management must decide to use individual brand eg black label or use family brands eg Kellogs
- Family brand – cost of introduction to market is cheaper
- New products – benefits of the popularity of other products
- Individual brands are expensive to market
- Separate marketing communication for every product

10.5. Packaging decisions

- Group of activities concerned with design manufacturing and filling a container or wrapper
- With product item so that it can effectively protected, stored, transported, identified and successfully marketed.
- Should be designed so that product can be handled without damaging content
- Should promote product sales
- Use bright eye catching colours

10.5.1. Different kinds of packaging

Family packaging

- All products in range are more or less packed identically
- Related to family brands

Speciality packaging

- Gives image of exclusivity to product
- Perfume and jewelry

Reusable packaging

- Image of free container
- Leads to repeat purchases because consumers collect tins

10.5.2. Choice of package design

- Marketers often choose different and better packaging than competitor
- Shapes of packaging – symbolic value
- Males – square
- Females – round
- Unusual sizes draw attention but price comparison is made difficult

10.6. Product differentiation

- Diff by means of packaging and brand
- Diff by advertisement appeals

- Diff on basis of price
- Diff on basis of distribution outlet

10.7. Product obsolescence

- Product can be made obsolete technically and physiologically to compel consumer to repeat purchase
- Technical – light bulb
- Physiological – new fashion or style
- Physiological – old product might be effective but is discarded to buy new product
- Planned obsolescence often criticized – waste of scarce resources
- Contributes to economic progress and job creation

10.8. Multiproduct decisions

- Business seldom market one product
- Usually range of products
- Total product offering change continuously
- Multiproduct items in total product offering reduces risk of failure
- One product performs poorly – other products can make up for it.

10.9. New product decisions

- Somewhere someone comes up with idea to satisfy a consumer need
- Some places have teams
- Workers encouraged to have new ideas
- Could be new – innovation
- Could be improvement on current product
- Risk of failure greater to market with innovation
- Possibility for higher profits also exists
- Phases of new products development
 - Product ideas are developed
 - Ideas are screened according to fin criteria
 - Idea not viable, discarded
 - Physical product dev done + prototype dev
 - Marketing strategy dev
 - Positioning of product in market
 - Choice of brand
 - Design of packaging
 - Compilation of marketing communication
 - Decision of price
 - Choice of distribution outlet
 - Test marketing in small market segment
 - Product introduced to market

10.10. Nature of products life cycle

- 4 phases:
 - Introductory
 - Growth

- Maturing
- Declining

10.11. Marketing strategy during products life cycle

Integrated market strategy

10.11.1. Introductory phase

- Objective – to create demand
- Target market – those who are prepared to risk buying new products
- Product decisions – taken during products dev
- Distribution decisions – involve selective market coverage
- Price decisions – high initial price is fixed
- Marketing communication decisions – sale promotion techniques are used

10.11.2. Growth phase

- Objective – to dev demand
- Target market – consumer who is less receptive to new products
- Product decisions – minor product modifications are made
- Distribution decisions – involves more selected market
- Price decisions – declines due to competition
- Marketing communication decisions – advertising via mass media

10.11.3. Maturity phase

- Objective – counteract competition
- Target market – new markets are sought
- Product decisions – modifications have to be introduced
- Distribution decisions – intensive market coverage
- Price decisions – current market prices should be adhered to
- Marketing communication decisions – persuasive marketing via mass media

10.11.4. Declining phase

- Objective – maintain market share or withdraw product
- Target market – older more conservative group
- Product decisions – no modification considered
- Distribution decisions – limited market coverage
- Price decisions – prices reduced, products on sale
- Marketing communication decisions – personal selling only where products are still in demand

11. Price decisions

11.1. Meaning of a price

- Exchange value of products / services
- Closely linked to concepts as benefit or value
- Value determined by its benefit to the consumer and sacrifice needed to money and effort to obtain products
- Marketer and consumer attach diff meanings to price concept
- Marketing = price is marketing instrument to achieve business objective
- Consumer = price is sacrifice of disposable income
- Often not possible to specify single price due to:
 - Large no of products
 - Geographical distribution of consumer
 - Segmentation of market
- Price is one of 4 marketing instruments, if any instrument changes price will also change

11.2. Price determination process

- 4 phases – the determination of:
 - Cost price
 - Market price
 - Target price
 - Final price

11.2.1. Cost price

- Responsibility of cost and accounting dept
- Unit costs are calculated
- Product price can not be lower than cost

11.2.2. Market price

- Is the price the consumer is prepared to pay
- Marketing management responsibility
- Use marketing research project
- Survey on competitors prices
- If cost price is much higher than market price – cost reduction adjustment must be made

11.2.3. Target price

- Price that will realize the target rate to return
- Taking into consideration:
 - Cost structure
 - Business capital needs
 - Potential sales volume of product
- Calculation = cost plus method
- Adding profit margin to unit cost

11.2.4. Final price

- Price at which products is offered to consumer
- Reconciliation of market price and target price
- Somewhere between market price and target price

11.3. Adaptions to final prices

- Skimming process
- Market penetration prices
- Market price level
- Leader prices
- Odd prices
- Bait prices

11.3.1. Skimming process

- If product is innovation final prices may have a much higher profit margin
- Consumer prepared to pay because it has a prestige value
- Reason for innovation price to be high – dev costs has to be recovered
- As product gains popularity price can be dropped

11.3.2. Market penetration price

- Initial phase is lower
- Marketer hopes to penetrate market rapidly
- Discouraging competitors prices in process

11.3.3. Market price level

- Where there is keen competition and numerous similar products
- If price is higher than competitors – consumer avoid products
- If price is lower than competitors – consumer thinks something is wrong with product
- Products must be successfully differentiated and regarded as unique

11.3.4. Leader prices

- Special offers
- Used to lure consumer to their shops
- Consumer buy specials and other higher priced products
- Small profit made on leader prices
- Sold for limited time only
- If manufacturers are not prepared to give products as special offers retailers can refuse shelve space

11.3.5. Odd prices

- Consumers accept odd prices
- Even prices are avoided

11.3.6. Bait prices

- Unethical
- Avoided by retailers
- Has a low price and is advertised widely
- When customers come to buy, they buy much more expensive products

12. Distribution decisions

12.1. Description of distribution

- Transfer take place along specific distribution channels
- Which consist of intermediaries (wholesales and retailers)
- Marketing management task is to link manufacturer and intermediaries to make products available at high price at right time
- Must be decisions about distributing channel
- Includes logistical activities – physical distribution

12.2. Choice of distribution channel

- Manufacturer – consumer (direct dist eg vegetables and milk stall)
- Manufacturer – retailer – consumer (indirect dist eg products are transported)
- Manufacturer – wholesaler – consumer
- Manufacturer – wholesaler – retailer – consumer
- Manufacturer – wholesaler – wholesaler – retailer – consumer

13. Channel leadership

- Marketing makes decision for distribution channel
- Business that control the decision = channel captain

13.1. Manufacturers as channel captain

- If manufacturer is channel captain intermediaries will have to be persuaded to distribute products
- They may persuade intermediary to create a demand for products by intensive marketing communication at consumer
- Known as the “pull” – products is pulled through channel by means of consumer demand
- Intermediaries may also be persuaded to “push” product by actively encouraging sales of products in store
- Shop competitions – supplied by channel captain to encourage sales
- Difficult to find self space for new products
- Demand must be created by advertising

13.2. Retailer as channel captain

- If retailer has:

- Network of branches
- Enjoys store loyalty
- Has adequate financial resources
- It can take over channel leadership and lay down commands to the producer eg Pick and Pay
- Leader can push / pull product
- Retailer advertises and produces products – special offerings
- Manufacturer would rather maintain leadership themselves
- If manufacturer succeeds in obtaining brand loyalty consumer will avoid shops that do not stock those products
- Different types of retailers in south Africa:
 - General dealers – offer wide range of products and operate in retail areas
 - Dept stores – large stores and sell products in depts – children’s clothing
 - Specialty stores – narrow but deep range of products – jewelry
 - Chain stores – similar shops all over the country – Woolies
 - Supermarkets – operate on self service basis eg groceries – shoprite
 - Convenience stores – bread and milk – garage shops
 - Discount stores – high stock turnover and low prices – Game
 - Hypermarkets – larger than supermarkets and in addition to groceries also sell semidurable products eg fridges
 - Shopping centers – large buildings that house independent retailers
 - Mail order stores
 - Internet stores
 - Informal retailers – Spaza shops in rural areas

13.3. Market coverage

- No of intermediaries in channel directly linked to type of market coverage aimed at
- Types:
 - Inclusive / Intensive
 - As many suitable and available intermediaries as used eg Coke sold everywhere
 - Exclusive
 - Manufacturer purposely limits number of people handling it’s product
 - Only a few intermediaries get exclusive rights to sell products
 - Selected market coverage
 - Selection of any of those intermediaries that will distribute product efficiently
 - Between intensive and exclusive marketing areas eg chemists

13.4. Physical distribution

- Transportation
- Inventory holding
- Receipt and dispatch
- Packaging
- Administration
- Ordering
- Purpose is to maintain a satisfactory level of service to clients at lowest possible distribution costs
- Effective performance on physical distribution side can mean huge savings and have product at right place at right time
- 3 main components:

- Selecting a warehouse
- Selecting most suitable way of transport
- Selecting optimal inventory levels
- Most effective performance of physical distribution ensures:
 - Timeous and reliable delivery of orders
 - Adequate inventory so that shortages don't occur
 - Careful handling of stock to prevent damage

14. Marketing communication decisions

14.1. Nature of marketing communication

- Consumer is removed from manufacturer in time and space
- Marketing management to communicate with consumer products available
- Consumer should be persuaded to repetitive purchasing
- Marketing communication = process of informing, processing and reminding the consumer
- 6 elements:
 - Advertising
 - Personal selling
 - Direct marketing
 - Sales promotion
 - Publicity
 - Public relations

14.2. Advertising

- Controlled and paid-for-non personal marketing communication
- Related to need satisfying products
- Directed by marketer at specific target audience

14.2.1. Advertising media

- Television, movies and radio
- Placement of single advertisement – expensive
- Care taken about marketing message and choice of media
- Marketers should be sure that target audience will be reached
- Billboard used when people are busy with other activities – people who do not read
- Market research done to ensure right media is used

14.2.2. Advertising message

- Formulation of message – careful attention
- Printed media:
 - Heading
 - Attracts consumer attention
 - Deliver main appeal
 - Printed in bold letters
 - Illustration
 - Photo or drawing

- Color of black and white
 - Stimulates reader to read copy which contains products information
 - Product itself including packaging and label should also appear in illustration
 - Intended target audience must relate to model used in illustration
 - Radio – jingles are used
- Copy

14.3. Personal selling

- Verbal presentation of a product service or idea
- To one or more purchasers to conclude a transaction
- Sales representatives used
- Wholesales sales reps can to retailers to sell products
- Personal selling – door-to-door – Tupperware
- Sales by shop assistants over counters

14.4. Direct marketing

- Used advertising media to communicate info about products to consumer
- Consumer can buy products from the comfort of their own home
- Principle of economy – spending more time at home
- Has the following benefits:
 - Long term relationship can be developed with consumer
 - Message can be directed at specific consumer
 - Consumer database can be developed
 - Results of direct marketing campaign can be measured directly
- Telemarketing – telephone calls
- Catalogues – Verimark and glomail

14.5. Sales promotion

- Marketing communication that are not:
 - Advertising
 - Personal selling
 - Direct marketing
 - Publicity
- Eg diaries, calendars, t-shirts
- Short term objectives eg to introduce new products to market

14.6. Publicity

- Non-personal stimulation of demand for a product by making it's actual current news value available to mass media
- To obtain favorable and free media review of business and products
- Message to be conveyed must make news value
- Business often sponsor large event and by doing so gain publicity
- Can be expensive
- Marketing management to decide which sponsorship are of value

14.7. Public relations

14.7.1. Defining public relations

- Deliberate activity
- Planned activity
- Sustained activity
- Communication process
- Deals with public both internal and external

- Decision making to help organization ability to listen to appreciate and respond to those who mutually benefit relationships
- organization need to foster as if it strives to achieve vision and mission

- Deliberate activity
 - Conscious, purposeful activity of business management
- Planned activity
 - Operation that anticipates events
 - Prepared for problems and contingencies
 - Geared towards future
 - Should be ready for problems
- Sustained activity
 - Account of fact that public is in constant process of change
 - Consumer forget business easily
 - Must constantly be reminded
- Communication process
 - Public relations pre-supposes communication between individual and business
 - Task of public relations to establish channels through mass media
 - Appoint communication experts that know about functionality of products
 - Public relations should be part of top management
- Deals with public internal and external
 - Public is any group that influences organization or it operations
 - Internal – employees and management
 - External – outside organization , unions, media, community, government

- Public relations entail creating and maintaining good will towards a business
- Important to maintain goodwill once it has been obtained

14.7.2. Public relations media

- Communication media is channels used to convey communication message:
 - Spoken word
 - Face to face
 - Most important method of communication
 - Communicator and listener speak the same “language”
 - Printed word
 - Newspapers, magazines, company publications
 - Carefully selected pictures are use to reinforce message
 - Sight, sounds and symbols
 - Radio, TV, films and videos
 - Electronic word

- Images on internet
 - Increasing consumer demand to be educated as opposed to merely being sold products
 - Time is of essence
 - Increasing need for customization
- Special events
 - Press conferences
 - Visits to business
 - Receptions
 - Exhibitions
 - Crises management