

MGT301 Short Notes

Theme 7 to 13

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Elone MUSK

Theme No.7: Customer Driven Marketing Strategy

In customer driven marketing strategy, companies have to answer two questions;

1. Which customers will we serve?

Select customers to serve

I. Segmentation

II. Targeting

2. How will we serve them?

Decide owner value proposition

I. Differentiation

II. Positioning

Market segmentation

Market segmentation is the process to divide large heterogeneous markets into small markets that can be reached more efficiently and effectively with products and services that match their unique needs.

Types Segmentation for Consumer Markets

1. Geographic Segmentation
2. Demographic Segmentation
3. Psychographic Segmentation
4. Behavioral Segmentation

Geographic Segmentation

Geographic segmentation divides the market into different geographical units such as nations, regions, states, provinces, or cities.

Example

An ice cream company segmenting

Demographic Segmentation

Demographic Segmentation divides the market into groups based on variables such as age, gender, family size, family life cycle, income, occupation, education, religion, race, generation, and nationality.

Example

Age, race, ethnicity, gender, marital status, income, education, and employment

Psychographic Segmentation

Psychographic Segmentation divides a market into different segments based on social class, lifestyle, or personality characteristics.

Examples of such

Traits are social status, daily activities, food habits, and opinions of certain subjects.

Behavioral Segmentation

Behavioral Segmentation divides buyers into groups based on their knowledge, attitudes, uses, or responses to a product Occasions Benefits sought User status Usage rate Loyalty status.

Example

The hospitality segment where airlines, hotels, restaurants and others give their best service to provide

Segmenting Business Markets

Consumer and business marketers use many of the same variables to segment their markets.

Additional variables include:

- Customer operating characteristics
- Purchasing approaches
- Situational factors

- Personal characteristics

Customer Driven Marketing Strategy

Market Targeting

Market Targeting is the process of evaluating market segments and selecting one or more to serve.

Target Market

Target Market is a set of buyers who share common needs or characteristics that the company decides to serve.

What to Consider Before Targeting?

1. Segment size and growth
2. Segment structural attractiveness
3. Organizational objectives and resources

There are some types of target market strategies which are given below;

1. Undifferentiated/Mass Marketing
2. Differentiated/Segmented Marketing
3. Concentrated/Niche Marketing
4. Micro Marketing

Undifferentiated/Mass Marketing

Undifferentiated marketing targets the whole market with one offer and focuses on common needs rather than what's different.

Differentiated/Segmented Marketing

Targets several different market segments and designs separate offers for each and its goal is to achieve higher sales and stronger position. This is more expensive than undifferentiated marketing.

Concentrated/Niche Marketing

A market-coverage strategy in which a firm goes after a large share of one or a few segments or niches.

Micro Marketing

Tailoring products and marketing programs to the needs and wants of specific individuals and local customer segments; it includes local marketing and individual marketing.

Local Marketing

Tailoring brands and marketing to the needs and wants of local customer segments cities, neighborhoods, and even specific stores.

Individual Marketing

Tailoring products and marketing programs to the needs and preferences of individual customers.

Differentiation and Positioning

Product Position

Product Position is the way the product is defined by consumers on important attributes the place the product occupies in consumers' minds relative to competing products.

Competitive Advantage

Competitive Advantage is an advantage over competitors gained by offering consumers greater value, either through lower prices or by providing more benefits that justify higher prices.

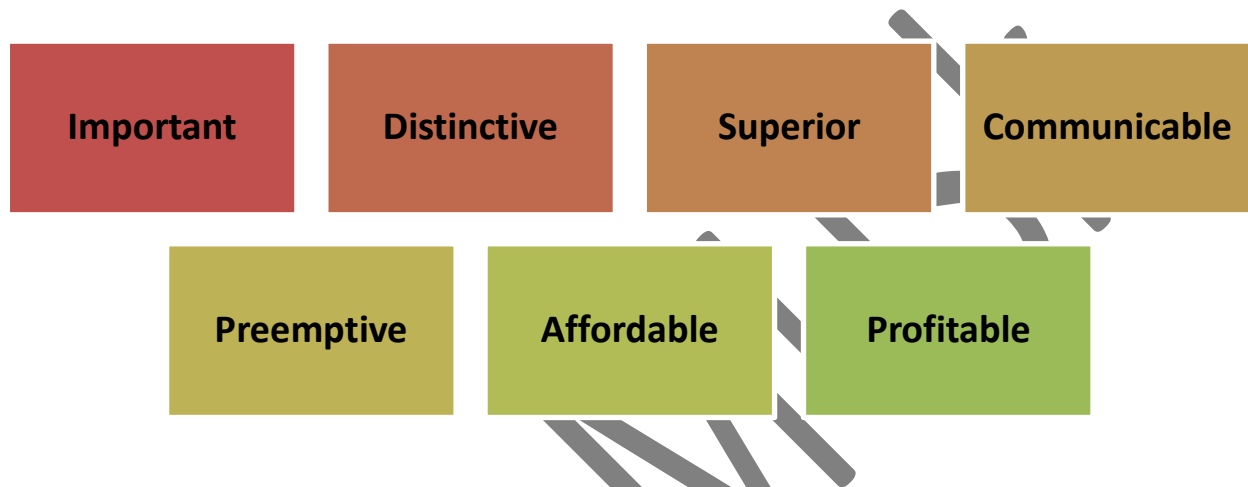
Choosing a Differentiation and Positioning Strategy

1. Product differentiation (Functionally different from others)
2. Service differentiation (After sales services are different from others)
3. Channel differentiation (Online sale/purchase of products)

4. People differentiation (Staff/employee's style of dealing with customers is different from others)

5. Image differentiation

After segmentation, target market and positioning strategy now company has to decide about value proposition.



Value proposition

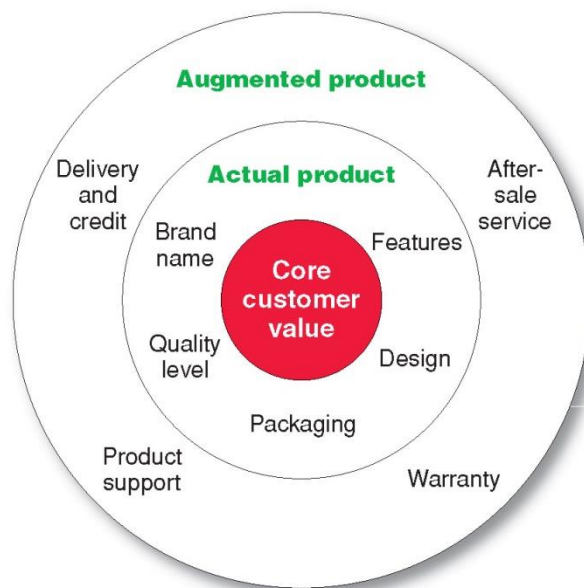
Value proposition is the full mix of benefits upon which a brand is positioned.

		Price		
		More	The same	Less
Benefits	More	More for more	More for the same	More for less
	The same			The same for less
	Less			Less for much less

Theme 8: Product, Brands & Services

What is a Product?

A Product is anything that can be offered in a market for attention, acquisition, use, or consumption that might satisfy a need or want.



Product experience

LONG

Product experience is the overall value of a product or service to customers. There are three levels of products.

- 1) Core customer value.
- 2) Actual Product.
- 3) Augmented product.

The first level of product is core customer value. When a marketer designs a product, he should first think of the core problem which he is going to solve for the user.

So the core purpose of buying toothpaste is oral cleaning. The second level of a product is actual product.

The augmented product rounds off the three levels of product, being built around the core value and the actual product. It simply offers additional consumer services

and benefits likewise delivery and credit, after-sale services, warranty, and customer support

There are two types of products.

1. Consumer Products

One is consumer product and the second one is industrial product. The products used for personal consumption are known as consumer products like milk, bread, and toothpaste, etc.

2. Industrial Products

The second one is industrial products which are used by a company for business consumption for example, surgical instruments and machinery used in production, etc..

Classification of Consumer Products

1. Convenience products
2. Shopping products
3. Specialty products
4. Unsought products

Convenience products are consumer products and services that the customer usually buys frequently, immediately, and with a minimum comparison and buying effort.

- Newspapers
- Candy
- Fast food

Shopping products are consumer products and services that the customer compares carefully on suitability, quality, price, and style

- Furniture
- Cars
- Appliances

Specialty products are consumer products and services with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort.

- Medical services
- Designer clothes
- High-end electronics

Unsought products are consumer products that the consumer does not know about or knows about but does not normally think of buying.

- Life insurance
- Funeral services
- Blood donations

The industrial products are classified into:

- I. Capital items
- II. Materials and parts and
- III. Supplies and services.

Capital items

Capital items are industrial products that aid in the buyer's production or operations.

Materials and parts include

Materials and parts include raw materials and manufactured materials and parts usually sold directly to industrial users.

Supplies and services

Supplies and services include operating supplies, repair and maintenance items, and business services.

Special Concepts

LONG

There are some special concepts associated with marketing.

1. Organization Marketing
2. Person Marketing
3. Place Marketing
4. Social Marketing

Organization Marketing

Consists of activities undertaken to create, maintain, or change attitudes and behavior of target consumers toward an organization.

Person Marketing

Consists of activities undertaken to create, maintain, or change attitudes and behavior of target consumers toward particular people.

Place Marketing

Consists of activities undertaken to create, maintain, or change attitudes and behavior of target consumers toward particular places.

Social Marketing

The use of commercial marketing concepts and tools in programs designed to influence individuals' behavior to improve their well-being and that of society.

There are three levels of product decisions.

- 1) Individual product decisions
- 2) Product line decisions
- 3) Product mix decisions.

Individual product decisions

Long

Individual product decisions include five types of decisions

1. Product Attributes
2. Branding
3. Packaging
4. Labeling
5. Support Services

➤ **Product attributes**

Product attributes are the benefits of the product or service.

- Quality
- Features
- Style and design

➤ **Branding**

Brand is the name, term, sign, or design or a combination of these that identifies the maker or seller of a product or service.

➤ **Packaging**

Packaging involves designing and producing the container or wrapper for a product.

➤ **Labels**

Labels identify the product or brand, describe attributes, and provide promotion.

➤ **Support Services**

Support Services generally include after sale services, warranties etc.....

Product Line Decisions

Product line is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same types of outlets, or fall within given price ranges.

Product line length

Product line length is the number of items in the product line:

- Line stretching
- Line filling

Product mix

Consists of all the products and items that a particular seller offers for sale

- Width
- Length
- Depth
- Consistency

Brand & Branding

- Brand represents the consumer's perceptions and feelings about a product and its performance.
- It is the organization's promise to deliver a specific set of features, benefits, services, and experiences consistently to the buyers.

Brand Positioning

Marketers can position brands at any of three levels.

- Attributes
- Benefits
- Beliefs and values

Brand Name Selection

Desirable qualities

1. Suggest benefits and qualities
2. Easy to pronounce, recognize, and remember

3. Distinctive
4. Extendable
5. Translatable for the global economy
6. Capable of registration and legal protection

Brand Sponsorship

Brand sponsorship means that if you want to expand your business or want to get support from another brand.

- Manufacturer's brand
- Private brand
- Licensed brand
- Co-brand

Brand Development Strategies

		Product category	
		Existing	New
Brand name	Existing	Line extension	Brand extension
	New	Multibrands	New brands

Services Marketing/What are a Service?

Service is an intangible and invisible product which results into value/benefit and has value in exchange.

Example

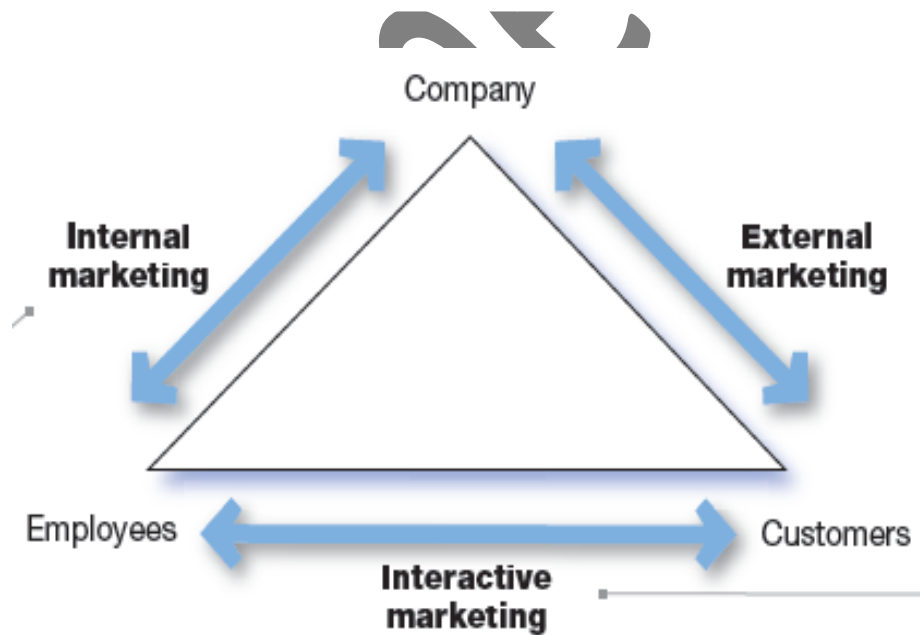
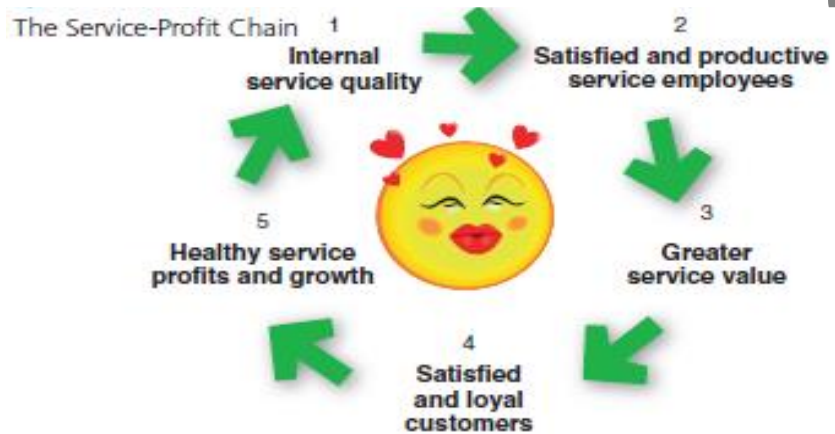
Such as Transportation, health, education etc

Characteristics of a Service

Four characteristics of service are;

- I. Intangibility
- II. Variability
- III. Inseparability
- IV. Perishability

Service Profit Chain



Theme No.9: Price and Pricing

We will discuss the second “P” of marketing mix i.e. Price. After product we have to think about the price of our product.

What is a Price?

Price is the amount of money charged for a product or service. It is the sum of all the values that consumers give up in order to gain the benefits of having or using a product or service. Price is the only element in the marketing mix that produces revenue; all other elements represent costs.

What is a Pricing?

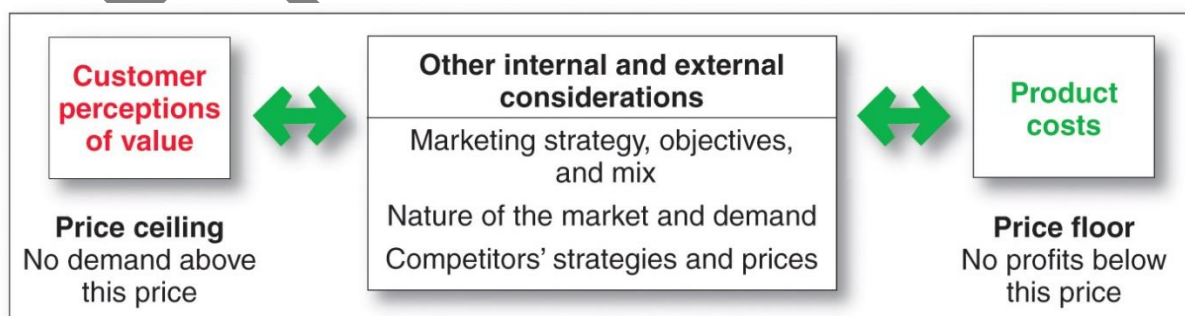
The process of determining and setting price of a product. Pricing is the activity and price is the value that we have to determine for a product.

Before setting price we need to see two things.

- Price Ceiling
- Price Floor

Price Ceiling: It is the upper limit beyond which customers cannot afford the price. It is the highest or maximum price limit beyond which a product does not remain affordable for the market.

Price Floor: What minimum price for a product can be charged to remain profitable is called price floor. In practice and reality companies are not operating on price ceiling and price floor. They are operating between both of them



Factors Affecting Pricing

There are six factors that affect the pricing or pricing process i.e.

- Overall Marketing Strategy
- Type of Demand
- Type of Market
- Economic Conditions
- Government
- Social Concerns

What are different pricing methods?

- Value Based Pricing
- Cost Based Pricing
- Competition Based Pricing

Value Based Pricing

Value Based Pricing uses the buyers' **perceptions of value, not the sellers' cost, as the key to pricing.** Price is considered before the marketing program is set.

Cost Based Pricing

Cost Based Pricing sets prices based on the costs for producing, distributing, and selling the product plus a fair rate of return for effort and risk.

Cost-based pricing



Value-based pricing



Competition Based Pricing

Competition Based Pricing is setting prices based on competitors' strategies, costs, prices, and market offerings.

Special Pricing Concepts

Before turning to pricing strategies we **have to discuss three small and interesting** concepts of pricing that **are called Special Pricing Concepts**.

➤ Good-value Pricing

Good-value pricing the price which is perceived by the customer as a value at the par with the value delivered by the product.

➤ Everyday low Pricing

Everyday low pricing approach in which organizations or stores claim that their prices are lowest in the market and they are offering you everyday low pricing.

➤ High-low Pricing

High-low Pricing: it is the combination of high and low prices. Some products are high priced and some products are on discounted prices.

What are different pricing strategies?

There are different groups of pricing strategies and we will discuss it group wise. There are four groups of pricing strategies.

➤ New-Product Pricing Strategies

➤ Product Mix Pricing Strategies

➤ Price Adjustment Strategies

➤ Price Changes

New Product Pricing Strategies

There are further two types of pricing strategies i.e. marketing skimming and market penetration pricing. These are two opposite marketing strategies. Now we will discuss them in detail.

- Market-skimming pricing
- Market- penetration pricing

Market-skimming pricing

Market-skimming pricing strategy sets high initial prices to “skim” revenue layers from the market.

- Product quality and image must support the price.
- Buyers must want the product at the price.

Market- penetration pricing

Market- penetration pricing involves setting a low price for a new product in order to attract a large number of buyers and a large market share.

Product Mix Pricing Strategies: Long

There are five strategies that come under this strategy.

- Product line pricing
Product Line Pricing takes into account the cost differences between products in the line, customer evaluation of their features, and competitors' prices.
- Optional- product pricing
Optional Product Pricing takes into account optional or accessory products along with the main product.
- Captive- product pricing
Captive Product Pricing sets prices of products that must be used along with the main product.
- By-product pricing

By-product Pricing refers to products with little or no value produced as a result of the main product. Producers will seek little or no profit other than the cost to cover storage and delivery

➤ Product bundle pricing

Product Bundle Pricing combines several products at a reduced price.

Price Adjustment Strategies:

There are seven types of price adjustment strategies i.e.

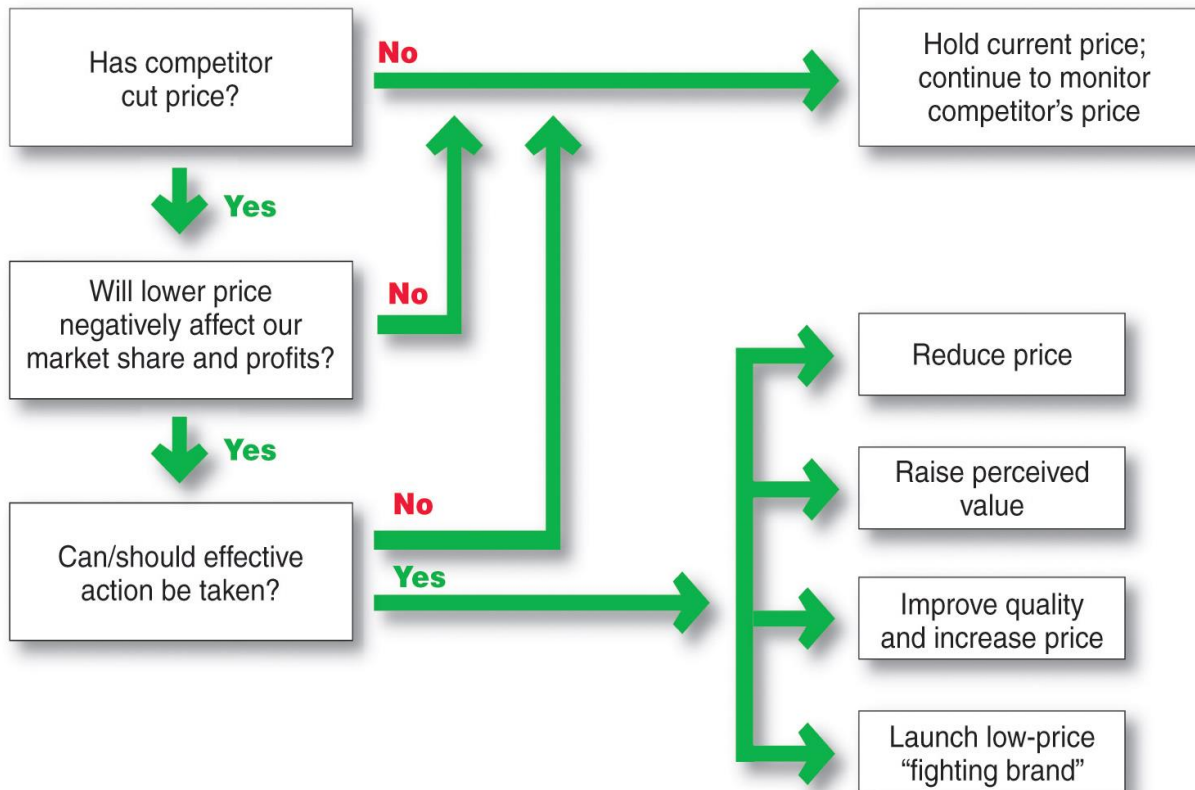
- 1) Discount and allowance pricing
- 2) Segmented Pricing
- 3) Psychological Pricing
- 4) Promotional Pricing
- 5) Geographic Pricing
- 6) Dynamic Pricing
- 7) International Pricing

Price cuts

- Excess capacity
- Increased market share

Price increases

- Cost inflation
- Increased demand
- Lack of supply

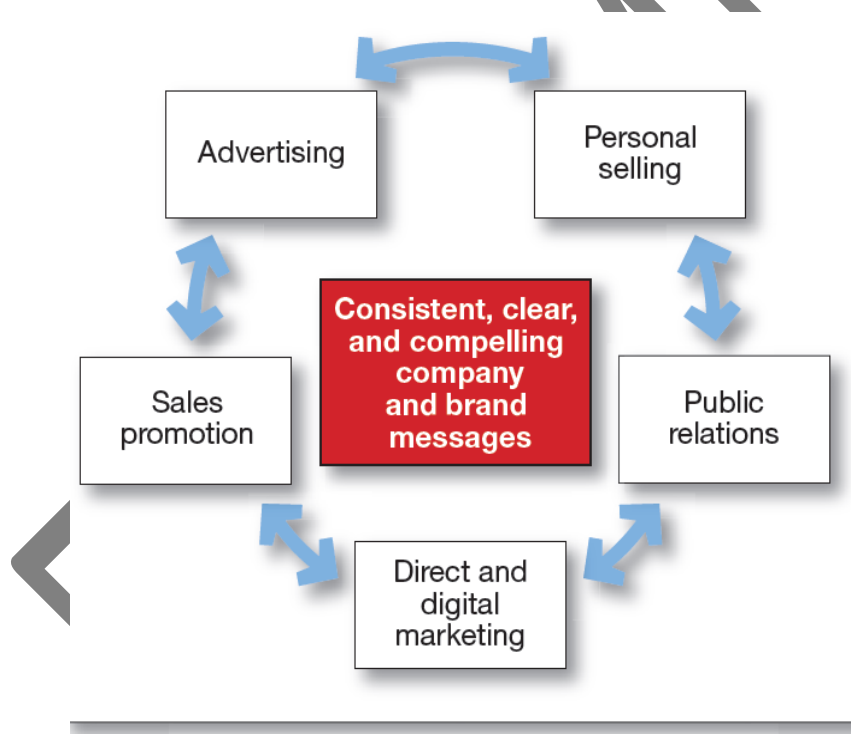


Theme No.10: Marketing Communication

What is promotion?

Long

- Activity that supports or encourages a cause, venture, or aim.
- The publicizing of a product, organization, or venture so as to increase sales or public awareness.
- Promotion refers to any type of marketing communication used to inform or persuade target audiences of the relative merits of a product, service, brand or issue.
- The aim of promotion is to increase awareness, create interest, generate sales or create brand loyalty.



Advertising

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.

- Broadcast

- Print
- Online
- Mobile
- Outdoor

Sales promotion

Sales promotion is a short-term incentive to encourage the purchase or sale of a product or service.

- Discounts
- Coupons
- Displays
- Demonstrations

Personal Selling

Personal selling is the personal interaction by the firm's sales force for the purpose of engaging customers, making sales, and building customer relationships.

Public relations

Public relations involves building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.

Direct and Digital Marketing

Direct and digital marketing involves engaging directly with carefully targeted individual consumers and customer communities to both obtain an immediate response and build lasting customer relationships.

Content Marketing

Creating, inspiring, and sharing brand messages and conversations with and among consumers across a fluid mix of paid, owned, earned, and shared channels.

Integrated marketing communications

IMC involves carefully integrating and coordinating the company's many communications channels to deliver a clear, consistent, and compelling message about the organization and its products.

Steps in Developing Effective Marketing Communication

- Identify the target audience
- Determine the communication objectives
- Design the message
- Choose the media
- Select the message source

AIDA mode

One of the most known and used models in advertising and marketing communications is the AIDA mode.

- Get Attention
- Hold Interest
- Arouse Desire
- Obtain Action

Message content

Message content is an appeal or theme that will produce the desired response:

- ✓ Rational appeal
- ✓ Emotional appeal
- ✓ Moral appeal

Rational appeal

Rational appeal relates to the audience's self-interest.

Emotional appeal

Emotional appeal is an attempt to stir up positive or negative emotions to motivate a purchase.

Moral appeal

Moral appeal is directed at the audience's sense of what is right and proper.

Media

The main means of mass communication (broadcasting, publishing, and the Internet) regarded collectively. **Plural form of medium**. The term media, which is the plural of medium, refers to the communication channels through which we disseminate news, music, movies, education, promotional messages and other data.

Types of Media

Personal such as Face to face	Non Personal such as
Phone Mail E-mail Internet chat Etc.	TV Radio Magzine Billboard Etc.

Affordable Budget Method

- Affordable budget method sets the budget at an affordable level.
- Ignores the effects of promotion on sales.

Percentage-of-sales Method

- Percentage-of-sales method sets the budget at a certain percentage of current or forecasted sales or unit sales price
- Easy to use and helps management think about the relationship between promotion, selling price, and profit per unit
- Wrongly views sales as the cause rather than the result of promotion.

Objective-and-task Method

Objective-and-task method sets the budget based on what the firm wants to accomplish with promotion and includes:

- Defining promotion objectives
- Determining tasks to achieve the objectives
- Estimating costs

Competitive-parity Method

- Competitive-parity method sets the budget to match competitor outlays.
- Represents industry standards.
- Avoids promotion wars.

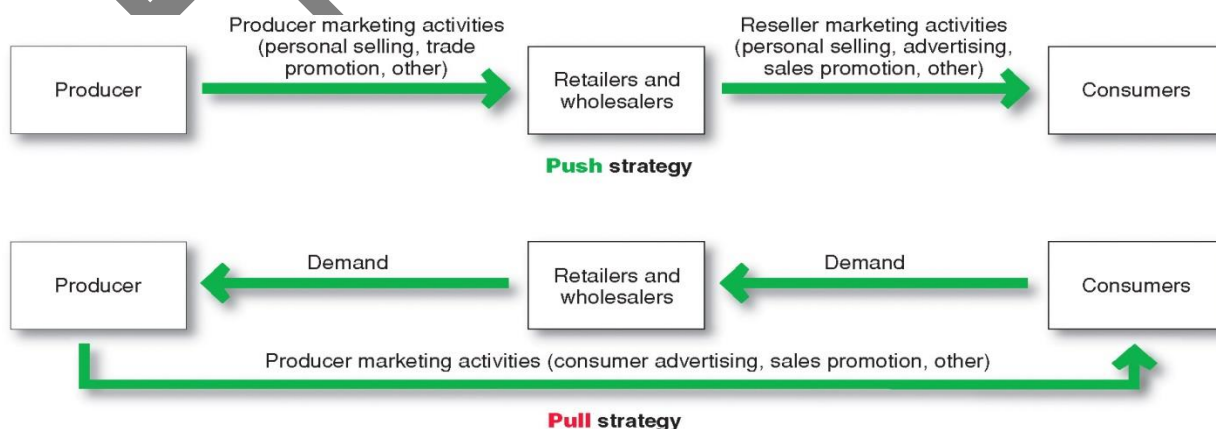
Promotion Mix Strategies

I. Push Strategy

II. Pull Strategy

Push strategy and pull strategy in marketing

In simple terms, pull marketing involves putting in place and implementing strategies that automatically draw consumer interest to your products and services, while push marketing means pushing your brand in front of your potential customer or making it available to the general audience.



Theme No.11: Place/Distribution

What is Place?

- Marketing function which deals in making products (Goods/Services) available for purchase and use of the target market.
- Place includes the use of different channels/intermediaries of distribution to make available products for customers such as wholesalers and retailers.

What is Placement?

The aim of placement is to promote products, connect buyers with producers and physically distribute products.

Value Delivery Network

Value delivery network is the firm's suppliers, distributors, and ultimately customers who partner with each other to improve the performance of the entire system.

Upstream Partners

Upstream partners include raw material suppliers, components, parts, information, finances, and expertise to create a product or service.

Downstream Partners

Downstream partners include the marketing channels or distribution channels that look toward the customer.

Intermediaries

Offer producers greater efficiency in making goods available to target markets. Through their contacts, experience, specialization, and scale of operations, intermediaries usually offer the firm more than it can achieve on its own.

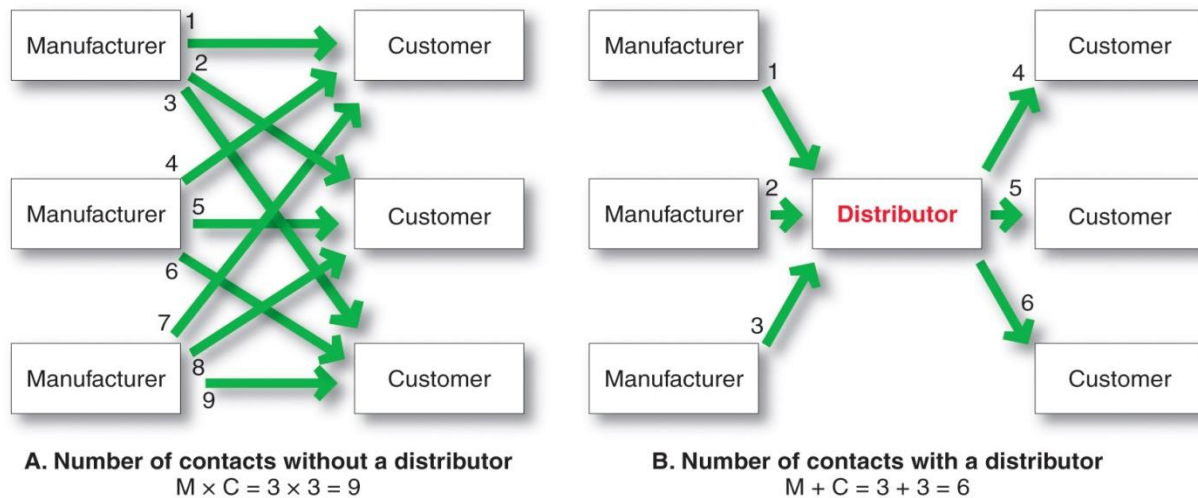
How Channel Members Add Value?

First

From an economic view, intermediaries transform the assortment of products into assortments wanted by consumers.

Second

Channel members add value by bridging the major time, place, and possession gaps that separate goods and services from those who would use them.



Marketing channel

LONG

Marketing channel consists of firms that have partnered for their common good with each member playing a specialized role.

Conventional distribution

Conventional distribution systems consist of one or more independent producers, wholesalers, and retailers. Each seeks to maximize its own profits, and there is little control over the other members and no formal means for assigning roles and resolving conflict.

Vertical marketing systems (VMSs)

Vertical marketing systems (VMSs) provide channel leadership and consist of producers, wholesalers, and retailers acting as a unified system and consist of:

- Corporate marketing systems
- Contractual marketing systems

➤ Administered marketing systems

Corporate vertical marketing system

Corporate vertical marketing system integrates successive stages of production and distribution under single ownership.

Direct and digital marketing involves

Direct and digital marketing involves engaging directly with carefully targeted individual consumers and customer communities to both obtain an immediate response and build lasting customer relationships.

Contractual vertical marketing system

Contractual vertical marketing system consists of independent firms at different levels of production and distributions who join together through contracts to obtain more economies or sales impact than each could achieve alone. The most common form is the franchise organization.

Administered vertical marketing system

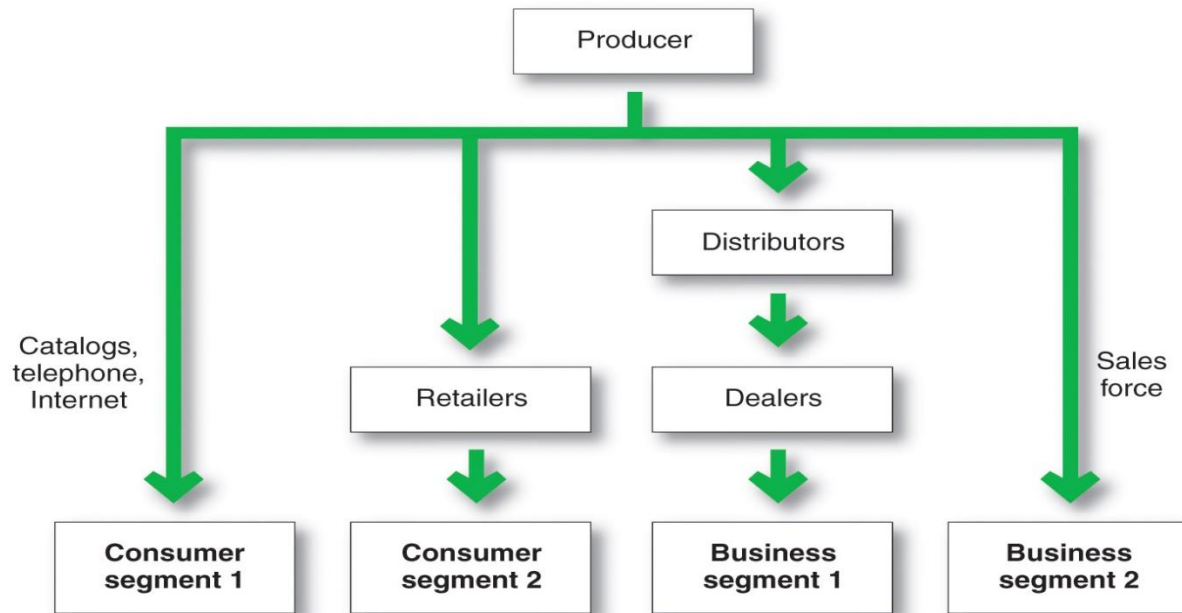
Administered vertical marketing system has a few dominant channel members without common ownership. Leadership comes from size and power.

Horizontal marketing systems

Horizontal marketing systems are when two or more companies at one level join together to follow a new marketing opportunity. Companies combine financial, production, or marketing resources to accomplish more than any one company could alone.

Multichannel Distribution systems

Multichannel Distribution systems (Hybrid marketing channels) are when a single firm sets up two or more marketing channels to reach one or more customer segments.



Channel Design Decisions

- Analyzing consumer needs
- Setting channel objectives
- Identifying major channel alternatives
- Evaluation

Distribution

LONG

Distribution is exclusive when only certain retailers are given the option of carrying a product in its store.

There are three types of distributions

- Intensive distribution
- Exclusive distribution
- Selective distribution

Intensive Distribution

A marketing strategy under which a company sells through as many outlets as possible, so that the consumers encounter the product virtually everywhere they

go: supermarkets, drug stores, gas stations, and the like. Soft drinks are generally made available through **intensive distribution**.

Exclusive distribution

Exclusive distribution is an agreement between a supplier and a retailer granting the retailer exclusive rights within a specific geographical area to carry the supplier's product.

Selective Distribution

Selective Distribution is a type of distribution strategy that lies and operates between intensive and exclusive distribution.

➤ **Selective**

Selective Distribution involves using more than one, but lesser than all the intermediaries and distributors who carry the company's products on a basis of a company specific set of rules.

Channel Management Decisions

- Selecting channel members
- Managing channel members
- Motivating channel members
- Evaluating channel members

Exclusive distribution

Exclusive distribution is when the seller allows only certain outlets to carry its products.

Exclusive dealing

Exclusive dealing is when the seller requires that the sellers not handle competitor's products.

Exclusive territorial agreements

Exclusive territorial agreements are where producer or seller limit territory

Tying agreements

Tying agreements are agreements where the dealer must take most or all of the line

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Theme 12: Sustainable Marketing, Social Responsibility and Ethics

What is Sustainable Marketing?

Meeting needs of consumers while preserving the ability of future generations to meet their needs.

Needs of Consumers	Now	Marketing concept	Strategic planning concept
	Future	Societal marketing concept	Sustainable marketing concept
		Now	Future
		Needs of Business	

This criticism can be categorized under three point.

- 1) Impact on individuals
- 2) Impact on society
- 3) Impact on other businesses.

Impact on Individual

Consumers have many concerns about how well the marketing system serves their interests. Many surveys shows that consumers usually have slightly mixed or unfavorable attitude toward the marketing practices because they accused marketing of harming consumers through followings.

- High Prices
- Deceptive Practices
- High-Pressure Selling
- Shoddy, Harmful or Unsafe Products
- Planned Obsolescence
- Poor Service to Disadvantaged Consumers

Impact on society /Why is marketing important to society?

Marketing helps society by informing and educating consumers. The function of marketing is to fulfill the needs of consumers. Marketing helps consumers to know

about new products and services available in the market and its usefulness to the customer.

- False wants and too much materialism
- Too few social goods
- Cultural pollution

Impact on Other Businesses

- Acquisition of competitors
- Unfair competitive marketing practices

Consumerism

LONG

Consumerism is the organized movement of citizens and government agencies to improve the rights and power of buyers in relation to sellers.

Activists of consumerism speak for the rights of consumers

- Right not to buy
- Right to expect Safe product
- Right to expect well performing product as claimed
- Right to be well informed about product
- Right to be protected against questionable products and marketing practices
- Right to influence products and marketing Positively
- Right to consume in a way to preserve the world for future generations

Environmentalism

LONG

Environmentalism is an organized movement of concerned citizens, businesses, and government agencies to protect and improve people's living environment.

- Pollution prevention
- Product stewardship

- Design for environment (DFE)
- New clean technologies
- Sustainability vision

Pollution prevention

Pollution prevention involves not just cleaning up waste but also eliminating or minimizing waste before it is created.

Product stewardship

Product stewardship involves minimizing the pollution from production and all environmental impact throughout the full product life cycle.

Design for environment (DFE)

Design for environment (DFE) involves thinking ahead to design products that are easier to recover, reuse, or recycle.

New clean technologies involve

New clean technologies involve looking ahead and planning new technologies for competitive advantage.

Sustainability vision

Sustainability vision is a guide to the future that shows the company that the company's products, process, and policies must evolve and what is needed to get there.

What are the principles of sustainable marketing?

LONG

**TRIPLE
BOTTOM
LINE**
*build COMPETITIVE
ADVANTAGE
across three areas
of your organization*



Five Principles of Sustainable Marketing

- I. Consumer-Oriented Marketing
- II. Customer-Value Marketing
- III. Innovative Marketing
- IV. Sense-of-mission Marketing
- V. Societal Marketing

Consumer-oriented marketing

A company should view and organize its marketing activities from the consumer's point of view.

Customer value marketing

A company should put most of its resources into customer value-building marketing investments.

Customer value marketing

A company should put most of its resources into customer value-building marketing investments.

Sense-of-mission marketing

A company should define its mission in broad social terms rather than narrow product terms.

Societal marketing

A company should make marketing decisions by considering consumers' wants, the company's requirements, consumers' long-run interests, and society's long-run interests.



It is ideal that the desirable products should be produced by the businesses for customers

LONG

Deficient products

Products that have neither immediate appeal nor long-run benefits.

Pleasing products

Products that give high immediate satisfaction but may hurt consumers in the long run.

Salutary products

Products that have low immediate appeal but may benefit consumers in the long run.

Desirable products

Products that give both high immediate satisfaction and high long-run benefits.

What is Marketing Ethics?

LONG

Marketing ethics are broad guidelines that everyone in the organization must follow that cover distributor relations, advertising standards, customer service, pricing, product development, and general ethical standards.

Do no harm:

This means consciously avoiding harmful actions or omissions by embodying high ethical standards and adhering to all applicable laws and regulations in the choices we make.

Foster trust in the marketing system:

This means striving for good faith and fair dealing so as to contribute toward the efficacy of the exchange process as well as avoiding deception in product design, pricing, communication, and delivery or distribution.

Embrace ethical values:

This means building relationships and enhancing consumer confidence in the integrity of marketing by affirming these core values: honesty, responsibility, fairness, respect, transparency, and citizenship.

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Theme 13 Digital Marketing

Theme 13 Digital Marketing

Digital Marketing

Digital marketing is a component of marketing that uses Internet and online-based digital technologies such as desktop computers, mobile phones and other digital media and platforms to promote products and services.

Benefits of Digital Marketing

Conventional marketing is costly than the digital marketing because it is too expensive to advertise on billboard and television than to advertise on webpages in the form of banner ads or videos.

History of Digital Marketing

LONG

The term 'internet' was first used in 1974 by US computer scientist Vinton Cerf. The term digital marketing was first used in 1990 and first search engine with the name of Archie was launched. First clickable ads run on internet in 1993. Launch of Yahoo and the first e-commerce transaction over net market in 1994 took place. In 1996, small search engines like look smart and Alexe started operations. In 1997, first media site sixdegree.com launched. 1998 seen tremendous breakthrough with the birth of Google, launch of MSN by Microsoft, and Yahoo web searches. 2002 seen the launch of LinkedIn and in 2003 MySpace was launched. In 2004 world's biggest social contact site Facebook went live and 2005 seen the launch of YouTube. In 2006 MS live search started its working, twitter launched and Amazon sales crossed 10 billion dollar. In 2007 Tumbler and iPhone were launched. In 2008, spottily was launched. With the exploration of digital world social media budgets increased to 64% in 2012. In 2013 Yahoo acquired Tumbler and in 2014 Facebook acquired what Sapp.

Tools and technique of Digital Marketing

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Different tools and techniques are used in digital marketing. These are as following:

- Digital Display Advertising (DDA)

A form of digital marketing that uses display ads appearing on web pages as a means of communicating relevant commercial messages to a specific audience based on their profiles.

➤ **Social Media Marketing (SMM)**

Social media marketing is the marketing of product or services over the social media in the form of Tweets, YouTube video, blogging and micro blogging etc.

➤ **Location Based Marketing/ Mobile Marketing**

Location Based Marketing (LMS) is a direct marketing strategy that uses the location of the mobile device to inform the device owner about the offer from a nearby business. Typically, location-based alerts are sent to smartphones via SMS text messages.

What is content marketing?

Content marketing is a marketing strategy used to engage, engage, and retain relevant articles, videos, podcasts, and other media. This approach builds expertise, promotes brand awareness, and keeps your business in mind when it comes time to buy what you sell.

A good content should have the following properties;

- it should be innovative and unique
- it should be written in such a manner that people want to share it
- it should be trustworthy and people can relate it to their lives
- it should be adapted by people on different platforms

Search Marketing

“The process of refining your website using both on-page and off-page practices so that it will be indexed and ranked successfully by search engines. SEO stands for “search engine optimization.” It is the process of getting traffic from the “free,” “organic,” “editorial” or “natural” search results on search engines.

Pay per click advertising In PPC

Pay per click advertising In PPC, an online advertiser displays his ads on the search page when users entered a keyword. Due to its very nature it is also called

as keyword advertising. Here, advertisers are charged only when user clicks on their ads. Appearing of ads link with the keywords that are used on search bar, therefore, ads are subject to ad auction that is actually a bidding system.

4ps in Digital World

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Digital's new 4Ps - Action, People, Platform, and Performance - offer new ways to meet the needs of consumers and customize messaging for an audience that expects personalized. "4Ps" - Price, Product, Promotion, and Location - have been the cornerstone of a successful marketing strategy for over 50 years.

- Digital Product
- Digital Price
- Digital Place
- Digital Promotion

Digital Product

Digital goods or electronic goods are intangible goods that are available in digital form. Examples are Wikipedia articles. Digital media such as e-books, downloadable music, internet radio, internet television and streaming media.

Digital Price

Digital pricing refers to the use of new information technologies and digitized processes in price management. Dynamic pricing and personal pricing, also called price difference, are particularly popular forms of digital pricing.

Digital Place

Digital space-based media are recognizable, electronic, OOH screens that remotely transform advertising content, except for roadside digital OOH media such as billboards and bus shelters. Digital space-based media includes a wide range of content, including static messages and full motion video with audio tracks.

Why Digital Promotion / Digital Promotion Is Necessary?

Digital marketing is important because it connects a business to its customers when they are online, and is effective across all industries. It connects businesses to ideal

users when they are on Google through SEO and PPC, with social media marketing on social media, and with email marketing on Google.

Consumers in Digital World

"Basic Digital Users: These are not ultra-digital consumers. They are comfortable with Internet shopping and research, but they are not mobile or social and are the second most likely to buy offline. Retail Scouts: These users are short. Travel and prefer retail sites to brand sites.

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Over YouTube channel

https://www.youtube.com/results?search_query=orange+monkey+team

MGT301 YouTube Final term Short Video 2:33:49

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