



MANAGING THE MARKETING FUNCTION

CHAPTER – 11

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What is the Marketing concept?

Marketing - is a group of activities designed to facilitate and expedite the selling of goods and services.

“The marketing concept states that the engineer must try to satisfy the needs of his clients by means of a set of coordinated activities”

The Engineer and the Four P's of Marketing

- The Product (or Service)
- The Price
- The Place, and
- The Promotion

The Product

The term “Product” includes the tangible (intangible) item and its capacity to satisfy a specific need.

The Price

Price refers to “The money or other considerations exchanged for the purchase or use of the product, idea or service.

The Place

- ❖ It is very important for companies to locate in places where they can be easily reached by their customers
- ❖ When a company cannot be near the customers, it uses other means to eliminate or minimize the effects of the problem. Some of these means are:
 - ✓ Hiring sales agents to cover specific areas;
 - ✓ Selling to dealers in particular areas;
 - ✓ Establishing branches where customers are located;
 - ✓ Establishing franchises in selected areas.

The Promotion

- Mc Carthy and Perreault define promotion as “communicating information between seller and potential buyer to influence attitudes and behavior.
- There are promotional tools available and the engineer manager must be familiar with them if he wants to use them effectively.
 - ◆ Advertising
 - ◆ Publicity
 - ◆ Personal Selling
 - ◆ Sales Promotion

Advertising

Nylen defines advertising as “a paid message that appears in the mass media for the purpose of informing or persuading people about particular products, services, beliefs, or actions.”

The mass media referred to include:

- Television
- Radio
- Magazine
- News papers

Publicity

The promotional tool that publishes news or information about a product, service, or idea on behalf of a sponsor but is not paid for the sponsor.

Personal Selling

A more aggressive means of promoting the sales of a product or service.

“Oral presentation in a conversation with one more prospective purchasers for the purpose of making a sale”

Sales Promotion

Any paid attempt to communicate with the customers other than advertising, publicity, and personal selling, may be considered sales promotion.

Includes:

- ◆ Display
- ◆ Contest
- ◆ Sweepstakes
- ◆ Coupons
- ◆ Trading stamps
- ◆ Prizes
- ◆ Samples
- ◆ Demonstration
- ◆ Referral gifts, etc.

Strategic Marketing for Engineers

1. Selecting a target market
2. Developing a marketing mix

Selecting a Target Market

STEPS:

- ❑ Divide the total market into groups of people who have relatively similar product or service needs.
- ❑ Determine the profit potentials of each segments.
- ❑ Make a decision on which segment or segments will be served by the company.

Selecting a Target Market

Factors Used in Selecting a Target Market -
a target market must have the ability to satisfy the profit objectives of the company.

1. The size of the market, and
2. The number of competitors serving the market.

Selecting a Target Market

The total demand for the product or service in a given area must be determined first if the company wants to serve that particular market. If there are existing business serving the market, the net demand must be considered.

Developing a Market Mix

- After the target market has been identified, market mix must be created and maintained.
- The marketing mix consist of four variables:
 - Product
 - Price
 - Promotion
 - place(or distribution)



Thank You!