MARKETING MANAGEMENT

Discuss the Different Types of Marketing Decisions

The marketers should manage all the types of marketing decisions by taking into account the environmental aspect as well. The marketing decisions should not only be right but they should also be taken at right time. The **marketing decisions** are mainly divided into four categories. You may also say these categories the different types of marketing decisions taken by the management at the making **marketing plans** for the products.

Types of Marketing Decisions

There are four categories or areas, which always kept in mind, while making different sorts of marketing plans for different products and services.

1. Product
2. Price
3. Place (Distribution)
4. Promotion

Product

You should first consider what the product or products you offer or plan to offer in the near future will be. Product marketing decisions include coming up with a brand name, creating a quality product, determining the functionality of the item and making the item safe to use. When developing the product, you also must determine if there should be a warranty associated with it and what kinds of repairs or support you will offer. There are certain decisions that are related to the product like

- Functionality
- Brand Name
- Quality
- Safety
- Warranty
- Packaging
- Styling
- Repairs & support
- Accessories & services

Price

Most organizations sell products for different prices to different types of consumers. You need to decide what these prices will be. For example, you might sell a product on your website for a certain price. However, if a consumer is willing to buy a box or a crate of the product, you can sell the product for a lower price per unit to sell more units. Likewise, you can decrease

the price per unit again if a big-box store or other large retailer wants to buy in bulk and stock the product in many stores.

Following are some of important Marketing Decisions related to pricing.

- Pricing Strategy (penetration, skim etc)
- Suggested retail price
- Seasonal pricing
- Cash & early payment discounts
- Bundling
- Price discrimination
- Price flexibility
- Volume discounts & wholesale pricing

Place

Place in the marketing sense refers to the distribution of the product. Place considerations involve decisions that affect how you will get the product where it belongs, how you will manage inventory, how warehouse operations will be carried out and if distribution centers will be established. When you consider place, you also must consider where you perceive the product will sell best. For some products this means in the store, while for other products this means online.

The availability of product to the customers is referred to as distribution. Following are some of the examples of distribution decisions.

- Market coverage (Exclusive, inclusive or selective distribution)
- **Distribution channels**
- Inventory management
- Specific channel members
- Order processing
- **Warehousing**
- Distribution centers
- Reverse logistics
- Transportation

Promotions

When you make promotional decisions, you must consider what you view as the most effective means available to communicate to others about the product. For large organizations, this often means a full-out media blitz that includes television commercials, print advertisements, billboards and websites. A smaller organization can talk with local retailers about setting up

displays, giving away samples and establishing a social media presence to build word-of-mouth advertising. Following are some of the important promotion decisions.

- Promotional strategy (pull, push etc)
- Sales promotion
- Advertising
- Public relations & publicity
- Personal selling & sales force
- Marketing communication budget

SCIENTIFIC MARKETING ANALYSIS

Scientific marketing uses data mining to gather information. This information might include where target consumers live, how much they earn, how much time they spend online, what websites they visit, and what they purchase online is analyzed to create specific reports, such as who a company's primary audience might be for a specific product. Marketing campaigns can then be tailored to focus on a specific audience that is statistically more likely to be interested in the product, thereby increasing the likelihood of successful advertising efforts.

For example, the grocery industry encourages customers to sign up for loyalty programs at stores. When signing up, customers provide information about themselves. Every time they swipe their card when making a purchase, the store receives information about what they purchased and how much they spent. In return, the customer gets targeted coupons and discounts on items they buy frequently.

A dictionary definition:
Here is a definition of the scientific method from the American Merriam Webster dictionary:

"Principles and procedures for the systematic pursuit of knowledge involving the recognition and formulation of a problem, the collection of data through observation and experiment, and the formulation and testing of hypotheses."

Scientific Method Flow Chart
The scientific method uses systematic processes to move from the need to solve a problem, via the creation of a hypothesis (or hypotheses), to testing the usefulness of the hypothesis. The flow chart below spells out the key steps in this journey.
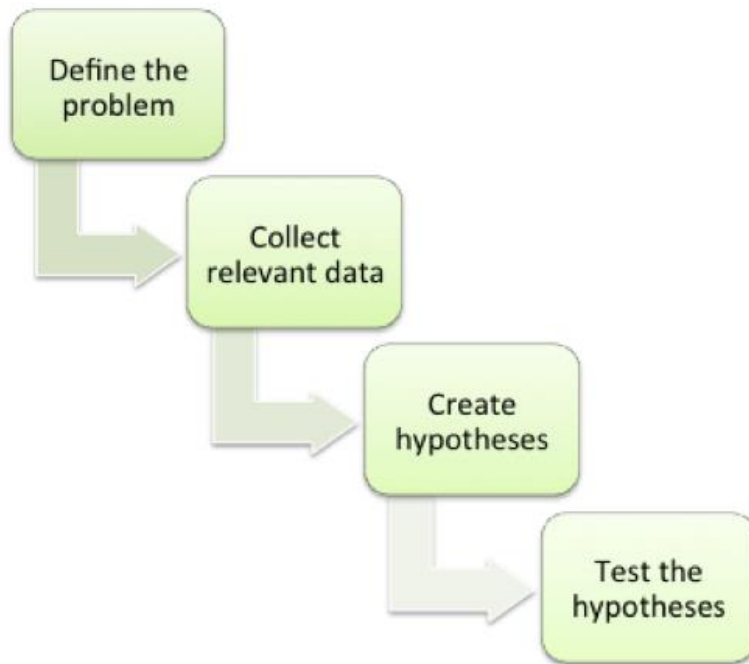
1 Defining the Problem
The scientific method requires that a clear and well-defined problem be established at the start of the process. The nature of the problem depends on what you already know, and what you need to know. For example, you might be asking a question like "What is the best way to test new TV ads?" Or, you might be asking a question like "Are any of these three TV ads good enough to go to market with? And, if so, which should I choose?"

2 Collect Relevant Data
The relevant data can include:

1. Existing data, such as reports and institutional knowledge.
2. Observational data.
3. Experimental data, which includes survey responses, passive data collected from experiments, and information gathered via discussions (for example via focus groups)

3 Formulate Hypotheses
Using the relevant data, the researcher looks to see if predictive patterns can be found in the information. In market research we are interested in predictive patterns because the aim is to help companies make better business decisions through evidence-based decision making. The objective of (most) market research is NOT to explain what happened last time. The objective of market research is to help improve the next decision.

Starting with the hypothesis
In some cases, the scientific method starts with the hypothesis. For example, somebody may have published a method based on theory and you wish to evaluate it. Or, a method may have been established for consumer durables in North America and you want to test whether it works for financial services in Germany.

4 Test the Hypotheses
The testing of hypotheses is concerned with assessing their reliability and usefulness. The

more evidence we gather that supports the hypothesis, the more confidence we will have in its future predictions.

For example, if a new product test is shown to be accurate in 70% of cases, that does not mean it has failed. It means the hypothesis should be re-worded to say it will be right 70% of the time. Similarly, the testing of a hypothesis might show that in 90% of cases, market penetration accounted for 90% of market share. This result would not disprove the hypothesis that market penetration determined market share, it would simply define the limits of its usefulness and reliability.

A good hypothesis should generate predictions that can be tested, and could potentially prove the hypothesis to be untrue. Indeed, many people would consider somebody who generated untestable hypotheses as being little better than a charlatan.