



Marketing



1.1 Introduction

In our daily routine many products are included as Toothpaste, Soap, Bread, Milk, Car, Mobile Phones, Laptops, and Clothes etc. but from where these products come and where it goes? These products come from the market and their suppliers are known as the *marketers* and their receivers are known as *customers* or *consumers*.

These marketers engage in a variety of activities to increase demand for their goods and services in order to generate profit. These activities are referred to as marketing activities because they significantly meet customer needs and requirements in order to facilitate the exchange of goods and services between producers and consumers.

The Latin word "mercatus," which meaning to trade, is where the word "market" originates (To purchase and sell of goods). In a nutshell the meeting of buyer and seller, price determination and transfer of title are the activities, essential for the existence of market.

The definition of market can be viewed by different dimensions:

- The market is the place where buyers and sellers exchange ownership and where products, services, and other objects are bought and sold.
- Market refers to the location where buyers and sellers congregate to enable the exchange of products and services.
- The market can be share market, vegetable market, gold market or geographic market, wholesale market i.e., market dealing in bulk quantity of a particular good or retail market i.e., dealing in small quantities of different goods.
- According to the American Marketing Association, a market is a location where buyers and sellers come together or a hub for certain business operations that control the flow of products and services from the producer to the customer or user.

The first step in marketing begins with the identification of customers' needs and ends with their satisfaction. It entails tasks like designing or merchandising the product, packing, warehousing, transporting, branding,

selling, and advertising, as well as upholding positive customer relations to encourage repeat business. Marketing is therefore a social activity in which people trade commodities and services for cash. In order for a company to thrive and flourish, marketing is crucial.

Marketing in the modern era has focused mostly on customer happiness with an eye on any organization's success, which will ultimately play a crucial part in the growth of the nation. The main attention of any firm towards the needs and wants of its customers. Hence, the process of designing, pricing, availability, quality, and promotion etc. of any product are done on the basis of customers' needs.

1.1.1 Marketing: A Definition

- The practise of conducting business operations in a way that facilitates the flow of goods and services from producers to consumers is known as marketing. The traditional definition of marketing was very limited, only included actions linked to moving goods from producers to consumers.
- The social process of marketing enables people to freely make offerings and exchange goods and services with others in order to satisfy their needs and wants.
- Marketing is a collection of processes for developing, communicating, providing, and exchanging goods and services with customers, according to Philip Kotler.

1.1.1.1 Features of Marketing

These are the primary attributes of marketing:

Needs, wants and demands: One of the main objectives of the marketing process is to determine what the target market wants, needs, and demands. To accomplish this goal, all necessary marketing initiatives are made.

Need, finding out what the target market wants, needs, and demands is one of the key goals of the marketing process. The purpose of all necessary marketing efforts is to achieve this goal. It depends on situation when the need of things arises. Example, need of oxygen became important in Covid19 pandemic, at the time lot of oxygen demand was generated for the patient's survival. Needs become wishes to fulfil requests that are made for certain items that could meet the consumer's need.

Creating a market offering: Any business can satisfy customer wants by offering a package of advantages that will entice customers to buy their goods or use their services. Market offering refers to making an offer for goods and services while outlining their characteristics, such as their size, form, quality, and intended uses.

Customer value: Only when a product's or service's values meet their wants in relation to its price will a consumer be willing to buy it. They are getting the most out of the good or service. Value can include elements like pricing, quality, and service. Value rises along with quality and service but falls along with cost. It can be modelled using the formula of:

$$\text{Value} = \text{Benefit} / \text{Cost}$$

Exchange: The technique of obtaining a desired product by providing something in return is a key component of marketing. This makes it easier for both buyers and sellers to achieve their goals.

The following conditions must be satisfied before the exchange take place:

- (a) The buyer and the seller are the minimum number of parties.
- (b) Each party is required to provide the other party with something of value.
- (c) The ability of each party to communicate and deliver to the other.
- (d) The freedom to accept or reject the other party's trade offer must exist for both parties.
- (e) It should be beneficial for both parties to engage in transmission with one another.

1.1.2 General Concepts and Scope of Marketing

Concepts based on which various firms conduct activities of marketing includes:

- **Production concept:** In this concept the company has high focus on increasing the production efficiency and thereby lowering the price of products. Products that are widely available and affordable will be preferred by consumers. Therefore, focus on attaining great production efficiency, cheap costs, and widespread distribution.
- **Selling concept:** This concept focuses on increasing the sale of product by means of advertising and promotional schemes for any company/ organization.
- **Product concept:** Company concentrates on improving the quality of products so as to improve its market sale. Customers will favour goods with the highest levels of performance, quality, or novel features.
- **Marketing concept:** An advanced concept which a company aims to satisfy the needs of consumers. It requires excessive market research and analysis of market behaviour to determine the ideology of consumers. The company manufactures the product accordingly. Target market, customer needs, integrated marketing, and profitability are the four pillars on which the marketing philosophy is built.

Pharmaceutical marketing encompasses pharmaceutical business operations that manage the flow of pharmaceutical goods and services from producers to

consumers. Since it encompasses all activities from idea inception through profit realization, marketing has a very broad range of applications. Below is a discussion of a few of them:

- (a) **Study of consumer wants and needs:** Products are created to satisfy consumer requests, according to a study of consumer needs and wants. In order to identify the needs and preferences of consumers, research is conducted. These desires and needs act as the consumer's motivating factors while making purchases.
- (b) **Study of consumer behaviour:** Marketers do customer behaviour research. By analysing consumer behaviour, marketers may more effectively target and segment their markets.
- (c) **Product planning and development:** Product creation, market segmentation, product research, and determining the characteristics, quantity, and quality of the products are all included in this process.
- (d) **Branding:** Many reputable businesses use product branding to increase client popularity of their items and for a variety of additional reasons. A choice about branding policy, methods, and implementation programmes must be made by the marketing manager.
- (e) **Packaging:** The purpose of packaging is to give the product a container or wrapping for safety, appeal, simplicity of use, and transportation.
- (f) **Channels of Distribution:** The marketing manager and sales manager decide which channel of distribution, such as wholesale, distribution, and retailing, is the most suitable.
- (g) **Pricing policies:** Marketers must decide on pricing policies for their products. Each product has a distinct price. Among other things, the amount of competition, the product's life cycle, and the marketing goals and objectives are all relevant.
- (h) **Sales management:** Identifying customers, determining their needs, persuading them to purchase products, providing them with customer service, and other selling-related activities are all part of marketing.
- (i) **Promotion:** Advertising, sales promotion, and personal selling are all examples of promotion. Combining the appropriate promotional activities is crucial for achieving marketing objectives.
- (j) **Finance:** Finance is a worry for marketing as well, as each marketing action, such as packaging, advertising, and sales, has a set budget that all operations must be done within.
- (k) **Post sales amenities:** Marketing includes providing clients with post-purchase services, fostering positive customer connections, responding to their inquiries, and resolving their issues.

1.1.2.1 Functions of Marketing

Buying: One of the core responsibilities of marketing is the purchase of equipment and raw materials by manufacturers in order to produce their goods. To sell items to retailers and customers, respectively, wholesalers and retailers purchase products from a variety of vendors. It should be tried to obtain the highest quality products from vendors at the most affordable prices in order to maximize profits.

Procedure of buying: Following negotiations with suppliers regarding quantity, quality, price per unit, mode of delivery margins, etc., the purchasing process begins with the preparation of supply orders for the necessary commodities. The following techniques can be used for buying negotiations:

- (i) **By inspection:** This method involves the buyer or his representative physically visiting the supplier's location to inspect the terms, conditions, and product quality. If satisfied preparation of supplier order can be taken.
- (ii) **By sample:** For the buyer's approval, the supplier provides a sample of the product. Buyer evaluates the sample and then creates the supply order in response.
- (iii) **By description:** It speaks of purchases made based on product descriptions seen in a supplier's catalogue or pricing list.
- (iv) **By grade:** By indicating their grade, things are purchased using this way in the necessary quantity (Agmark, ISI, AR, LR, GR etc.)

Selling: It is the second-most significant and crucial aspect of marketing. The processes of buying and selling are connected. It is the procedure used to provide consumers with goods and services. *"Selling is the process of establishing needs, locating buyers, negotiating terms of sale, and servicing purchases,"* claims **Philip Kotler**.

A representation of selling department organization skills has been given in **Figure 1.1.**, while there are various steps involved for selling process as mentioned below.

- (i) **Prospecting:** It refers to targeting the potential buyer and identifying their needs. Such prospective clients can be identified through observations, inquiries, and dealer consultation. Nature and attitude of potential customers must be carefully examined.
- (ii) **Approaching:** To get the customer's attention, the salesperson should approach him. When addressing customers, a salesperson should have a respectful and friendly demeanor. When a salesperson arrives at the counter, he should really welcome the clients. In the event that he is preoccupied with another client, he should reassure the client that he will see him shortly.

- (iii) **Presentation:** The presentation's goal is to persuade the buyer that the type of products the seller is providing is what he or she needs. The key characteristics, applications, and unique advantages of the product should be discreetly discussed by the salesperson.
- (iv) **Dealing with objections:** Customers may have certain objections, which the salesperson must embrace. These objections are useful for distinguishing the types of clients and their doubts. If the customer has many inquiries and takes a while to decide, the salesperson shouldn't lose patience. But it's important to avoid product-related arguments because they hurt sales.
- (v) **Closing the sale:** The salesperson should be approachable when a consumer agrees to buy a product. In order for the customer to believe that his decision to purchase the product was the right one. Even yet, the buyer must be treated decently if he chooses not to purchase the product. The merchant should never pressure a buyer into purchasing a specific product, but he also cannot impose his own opinions on the customer.



Figure 1.1 Diagram of selling department organization skills

Storage: It involves putting in place the appropriate plans to keep the items in good shape from the point of manufacturing until the products are consumed. There are several different types of warehouses that offer storage facilities:

- (i) **Private warehouses:** Gigantic group of companies and wholesaler have their private warehouses to store their bulk of stock.
- (ii) **Public warehouses:** These are run by companies that offer the general public or small businesses storage facilities to store their things in exchange for a fee. It may occur monthly or yearly.
- (iii) **Bonded warehouses:** These are owned by government and situated at airport or seaports. They are licensed to store the imported goods (from other countries) until payment of customs duties. If the goods is purchased in bulk, the corporation may remove it gradually by paying customs duties on the withdrawn portion..

Benefits of storage

- Helps to maintain stability of prices throughout the year otherwise price would be less during season and more during lack.
- Assists in ensuring year-round availability of commodities.
- Modern production happens in advance of demand rather than in response to a specific consumer purchase, therefore businesses need to store huge volumes of things properly.
- Contributes to maintaining a sufficient stock reserve and removing the danger of a delay in getting additional stock of goods.
- Certain products like injectable and chemicals as narcotics requires proper storage facilities to prevent their degradation

Financing: Refers to the procurement of funds for meeting the various expenses of marketing in an effective manner. Two types of funds are required for a company:

- (a) **Working capital:** It is the capital necessary for the acquisition of commodities for resale, the payment of employees and salaries, the extension of credit to consumers, and the payment of transportation and storage costs.
- (b) **Fixed capital:** It is the sum of money needed to buy assets like real estate, buildings, machinery, furniture, and other office supplies.

The significance of financing maintains the minimal level of inventory in anticipation of demand (importance of financing). To supervise the manufacture and storage of goods for consumer credit facilities, as well as to pay for the costs of buying, selling, and shipping.

Feedback information: It refers to the information that the top management collects regarding- demand and supply of products, latest market trends,

preferable package size, and responses of consumers. It is done by extensive marketing research, there are two types resources as internal resources and external resources getting the feedback information as mentioned in **Figure 1.2**.

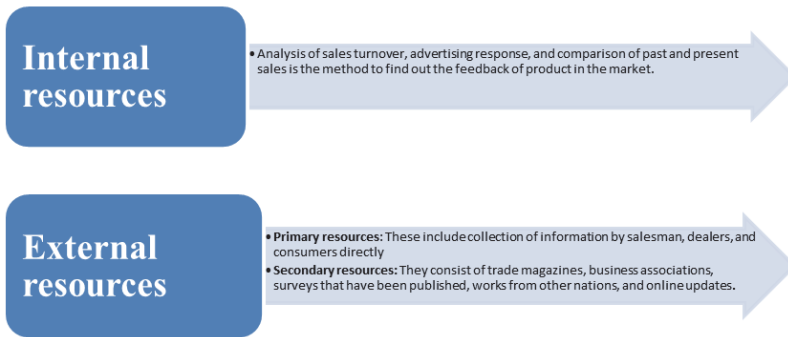


Figure 1.2 Sources for getting feedback information

Significance of feedback information

- It provides details on how customers reacted to the product.
- It aids the manufacturer in learning about competing goods on the market that are similar to theirs.
- It provides insight into potential developments for the product.
- After doing a thorough market analysis, it aids in the introduction of new items.
- Assists in adjusting the product's price structure.
- Provides information on recent government policies affecting a specific business.
- Helps in finalizing the plans to improve sales.

1.1.2.2 Career Opportunities in Marketing

There are various career opportunities in marketing sectors with numerous marketing positions and they are as:

Marketing manager: A marketing manager is in charge of overseeing a company's promotions for its goods and services. Their main responsibility is to increase brand awareness through creative marketing techniques.

Marketing research analyst: Aids businesses in analyzing the market environment for future sales. They are entrusted with providing clients with insights about the serviceability of items.

Advertising or promotions manager: The manager is tasked with planning and overseeing the advertising campaigns and promotions. They coordinate

marketing strategies for both new and existing goods and services as well as their promotion.

Product or brand manager: Responsible for developing methods to alter clients' perceptions of a specific product through consumer and trend research. To guarantee consistent branding across all platforms, this may entail supervising marketing and events.

Sales manager: Sales managers have a crucial role in ensuring the organization remains innovative and competitive. They are in charge of establishing quotas, allocating sales training, assigning sales territory, coaching the sales team members, and creating sales plans.

Public relations specialist: Maintains a company's reputation and identity in ways that support its operations, maintains media connections, and works with marketing teams on promotional initiatives.

Marketing coordinator: They are the people in charge of planning all of an organization's marketing objectives and operations. They carry out market research, run advertising campaigns, segment target audiences, and assess current trends.

1.1.3 Distinction between Marketing and Selling (Table 1.1)

Generally, people consider marketing and selling as similar terms but actually both are different concepts. The scope of marketing is much wider than that of selling which is just a part of marketing function.

Marketing is concerned with planning, pricing, promoting, selling, providing after sale services and satisfying the customers. Selling simply means transferring goods and services to customers via promotion, advertising, and sales techniques, which entails turning things into money.

Table 1.1 Distinction features between marketing and selling

S. No	Distinction Features	Marketing	Selling
1.	Scope	Marketing's narrow focus is on the transfer of product ownership from vendors to purchasers through advertising and sales techniques.	Selling has a broader focus and is involved with determining the needs of the consumer, creating the product, setting the price, marketing it, and closing the sale.
2.	Focus	Focuses on maximum satisfaction of customers' needs and wants.	Focuses by giving the buyer legal possession of the things and the seller their title.

Table 1.1 *Contd...*

S. No	Distinction Features	Marketing	Selling
3	Aim	Aims for increasing profit by satisfying the consumer.	Selling aims at maximizing the profit by increasing sales.
4.	Sequence	Marketing efforts begin well before the products are produced and continue even after they are sold.	After products are produced, selling operations begin, and they are completed when they are sold.
5.	Emphasis	Under marketing, the emphasis is on developing the product and other strategies according to the need of the customers.	Under selling the emphasis is on sale of products already produced and bends the customer according to the product.
6.	Strategies	Strategies involved related to product promotion, pricing and physical distribution.	Promotion and persuasion are the main strategies under selling.
7	Approach	Integrated approach.	Fragmented approach.

1.1.4 Marketing Environment

The internal, micro, and macro environments that make up the market are referred to as the "marketing environment." It manages the numerous organizational characteristics and conditions that have an impact on the marketing management skills in order to build and sustain favorable relationships with its recognizable consumers.

The marketing environment is a network of external and internal variables that affect a company's capacity to build relationships with and provide for its clients. Among the crucial factors that influence the business environment are industry competitiveness, legal restraints, the effect of technology on product design, and social issues. Every firm needs to consider its operating settings carefully. All businesses must recognize, examine, and keep track of external forces in order to determine how they might affect the firm's products and services. Even though external forces frequently operate outside of the control of the marketing manager, decision makers must take these "uncontrollable" consequences and the components of the marketing mix into account when developing the company's marketing plan and tactics.

“The ability of a corporation to establish and sustain a successful relationship with its target customers is impacted by external variables or forces”, according to Philip Kotler.

1.1.4.1 Classification of Marketing Environment

Internal Environment: Consists of components found inside or within the organisation. The marketing manager is responsible for creating strategies for the internal environment while considering a variety of groups, including top management, the departments of research and development, finance, manufacturing, sales, and advertising, among others.

Physical resources, financial resources, human resources, information resources, technology resources, etc. are all marketers for the growth of any organization's internal environment. After examining the variables influencing the development of the internal environment, the business must examine the importance of and satisfaction with the client.

Micro Environment: Directly affects the company as it relates to the setting that is most connected to the business. Additionally, business does not have complete control over this environment. An organization's micro environment consists of several forces in its current environment that affect its capacity to function productively in its preferred markets and include:

- (a) **Competitors:** There are some fundamental components of the competitive environment that every organisation must be aware of. A firm must deal with several forms of rivalry in the real world of business. The most frequent source of rivalry for a company's product is found in the unique offerings of other businesses. According to Philip Kotler, *adopting the perspective of a customer is the greatest method for a business to fully understand its competitors*. What does the buyer think about the procedure that leads to a purchase in the end? Therefore, understanding consumer sentiment will help all businesses keep their market share.
- (b) **Suppliers:** They provide the resources the business needs to generate its products and services. Suppliers play a significant role in the organization's bigger "value delivery system" for customers. Changes at suppliers significantly affect marketing. The marketing manager should keep an eye on supplier availability, delays, supply shortages, and strikes that could briefly boost sales expenses and ultimately have a negative impact on consumer satisfaction. Increasing supplier costs might necessitate raising pricing, which would have a negative impact on the organization's sales volume.
- (c) **Marketing Intermediaries:** They help the business market, sell, and transport the goods to the final customers, who might be either people or businesses. They include middlemen (wholesalers, retailers, and agents), market service providers, financial institutions, and distribution firms. Most companies think it's too tough to interact with customers. The distributors and agents help bring the product to the customer in this case.
- (d) **Customers:** They give your company the income and cash flow it needs to function and, eventually, turn a profit. You must be aware of and consistently satisfy the wants and needs of your customers. The business must thoroughly assess its target market. Consumer market participants include:
 - **Household and individuals:** Buy products and services for one's own usage.

- **Business markets:** Obtain products and services to use in their production process or for further transformation.
- **Resellers market:** Purchase products and services to resell for a profit.
- **Institutional markets:** It comprises facilities that provide goods and services to individuals within their obligation, such as hospitals, schools, jails, and nursing homes.
- **Government markets:** It consists of government entities that purchase goods and services for the underprivileged. Each type of market has distinctive qualities that necessitate rigorous research on the part of the suppliers. The company may at any moment conduct business in one or more consumer markets.

Macro Environment: This environment is made up of a powerful force that affects other macroenvironmental elements in addition to the organisation and the industry. The macroenvironment's components are:

- (a) **Demographic environment:** The market is the first environmental issue that interests marketers because society's members create it. Marketers are especially curious about the size of the society, its density, geographic distribution, age distribution, gender, race, occupation, migration trends, marriage, death rates, and the ethnic and religious makeup of the population.
- (b) **Economic environment:** Economic factors are crucial in determining the purchasing decisions of consumers. Additionally, it has a direct impact on customers' spending power. Even if consumers really like a product or service, they may be unable to purchase it if their purchasing power is low. But if they have cash on hand, they can choose right once to purchase the goods or services they require. The level of consumer income, the income of their family members, spending patterns, credit availability, and other economic factors all have an impact on the decisions that consumers make while making purchases.
- (c) **Natural environment:** Recent years have seen a significant increase in environmental concerns, making the ecological force an important issue to consider. In many parts of the world, water and air pollution have reached deadly levels. The idea that industrial chemicals could rupture the ozone layer and cause the "Green House effect" has sparked a lot of interest. The following four environmental developments present hazards and possibilities for marketers to be aware of: a shortage of raw materials, rising energy costs, increased pollution levels, and dynamic government environmental protection policies. They should contribute to environmental protection by, for example, using renewable energy sources. By doing this, businesses not only help to preserve a green planet but also satisfy consumer demand for environmentally friendly and responsible products.

- (d) **Technological environment:** Technology advancements that have an impact on business through new product developments and other advancements in operational methods. Examples of technological advancements can be found in the fields of manufacturing, optics, consumer products, energy, communications, and aviation. To develop procedures and products that satisfy human requirements, technology entails the deliberate use of knowledge, experience, and resources. The many levels of technology include manual, automated, robotic, and computerized. Today, business and technology are essentially interwoven. Among the advantages of technology:
- Shortening the amount of time, it takes to complete a task and
 - Increasing the amount of information that can be processed.
 - Possessing the capacity to do several jobs concurrently.
 - Why Low acquisition costs combined with technology's efficiency and precision reduce the likelihood of error while using technology.
- (e) **Political Environment:** It includes laws, government entities, and pressure groups that have an impact on and place restrictions on several organizations and people in a community. There are three main political trends: a sizable quantity of legislation governing industry, fostering the growth of advocacy organizations, and advancing the management of government agencies. Therefore, changes in the political climate have a significant impact on and influence marketing decisions.
- (f) **Cultural Environment:** Understanding a person's needs and behaviours depends heavily on their culture. Throughout their lives, a person will be influenced by their family, friends, culture, and society, which will "teach" those people's values, preferences, and norms to their own culture and purchasing habits.

1.1.5 Industry and Competitive Analysis

Industry analysis is also known as *Porter's Five Forces Analysis*. For business strategists, the tool is fantastic. Its foundation is the discovery that different sectors have different profit margins, which may be explained by the structure of an industry.

The main goal of the Five Forces is to determine how desirable a sector is. But the research also offers a framework for developing a strategy and comprehending the environment in which a corporation operates.

The following competitive factors are included in *Porter's Five Forces Analysis* framework, as shown in Figure 1.3.

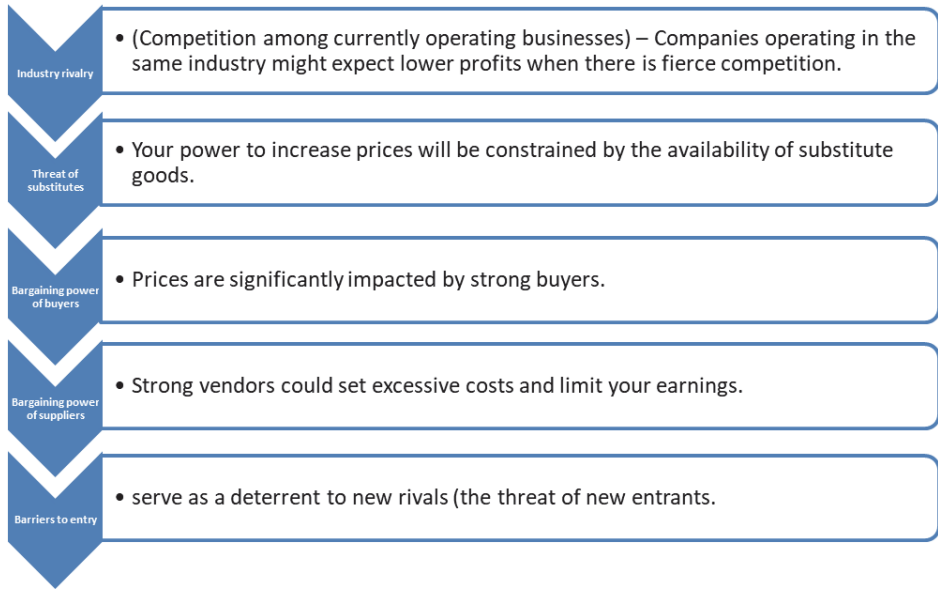


Figure 1.3 Framework of Porter’s Five Forces Analysis

1.1.5.1 Industry Analysis and Competition

An industry's internal competition is based on its underlying economic structure. It goes beyond how present rivals are acting. Five fundamental competitive forces determine the level of competition in a given business. The potential for profit in a given industry is determined by the combined strength of these forces. Long-term return on capital invested is used to gauge profit potential. The possibility for profit varies across different industries.

1.1.5.2 Industry Analysis as a Tool to Develop a Competitive Strategy

Through market research, a company can develop a competitive strategy that best withstands the forces of competition or sways them in its favor. Developing a competitive strategy requires an understanding of the origins of the competitive forces. The business will benefit from being aware of these conflicting pressures:

- Highlight the organization's key advantages and weaknesses. (SWOT analysis).
- Animate its position within the industry.
- Decide which areas will be most affected by strategic changes.
- Call attention to areas where market patterns indicate the greatest possibilities or risks exist.

1.1.5.3 Industry Analysis and Structure

The five competitive forces influence each other to determine the level of industrial competition and profitability. The strongest force (or forces), which dominate the market, should be the focus of any industry analysis and subsequent competitive strategy.

The competitive forces that create the basic framework of an industry should be differentiated from short-term elements that have an impact on profitability and competition. Analysis should concentrate on the fundamental traits of the sector, even though these short-term aspects may have some tactical value.

1.1.6 Analyzing Consumer Buying Behavior

Consumer behavior includes all facets of the acquisition, use, and disposal of goods and services. The traits and decision-making processes of an individual have an impact on consumer purchasing behavior. The personality characteristics change with time rather than remaining constant. The study of consumer behavior focuses on how people select, get, use, and then discard goods, concepts, or experiences in order to satisfy their wants and requirements. These psychological traits are dynamic and alter as life does.

Consumer behavior, according to Walters and Paul, “*is the process by which people choose what, when, where, how, and from whom to buy goods and services*”.

There are various factors that affect the consumer behavior:

Cultural factors: It tells us about the individual behavior and is composed of values, perceptions, preferences, behavior, nationality, religion, and geographical regions are major factors affecting their behavior.

Social factors: Humans are social creatures because they interact and live with one another. Social factors include reference groups (family, friends, neighbors, co-workers, religious group, professional group). That has direct or indirect influence on the person’s behavior. Hence there is a chance of influence of others on their behavior.

Personal factors: Individual factors like age (food habits, clothing habits, differs with age), occupation and economic consideration (affects the attitude towards spending and saving), life style (person pattern of living, depends on its culture, occupation) and personality affects the consumer’s behavior.

Psychological factors: The psychology of an individual is based on the level in which he stands in the *Maslow’s hierarchy pyramid* (human needs ascending from lowest to highest). Since needs change with every level. The psychology also changes which in turns affects the buying behavior.

Illustration by Maslow’s hierarchy pyramid: potential for self-development, realization to fulfil the set goals **Figure 1.4.**



Figure 1.4 Maslow's hierarchy pyramid

The consumer's decision for accepting or buying new products coming in market involves various steps:

Awareness: Consumer becomes aware of products due to its internal and external needs, but lack of deep information about it.

Interest: The consumer expresses interest in learning more about the product via a variety of sources, including family, friends, neighbors', advertisements, salespeople, dealers, and the media.

Evaluation: Consumers evaluate a product's advantages in comparison to those of competing items after acquiring information and then render a final value evaluation.

Trial: A small-scale test of the new product by the consumer yields some amount of satisfaction or discontent.

Adoption: At this point, the customer decides to utilize the product frequently (or else if he is not satisfied, he will not consume it again). The adoption rate of a product by consumer changes according to consumer type:

- (i) **Consumer innovators:** Such consumers readily adopt any new product entering the market usually because they are status conscious people (2.5% consumer).
- (ii) **Early adopters:** They observe the benefits of product and then accept it (13.5% consumer).
- (iii) **Early majority:** This is one of the largest consumer groups. They take some more time than early adopters in critical observation of product (34% consumer).

- (iv) **Late majority:** This is another big group of consumers who want product of good quality but at cheaper rates. So, they take much time to adopt the product (34% consumer).
- (v) **Laggards:** They are highly traditional and price conscious people usually they have their own beliefs or attitude so changing their minds is a difficult task (16% consumer).

1.1.7 Industrial Buying Behavior

A corporation engaged in manufacturing, processing, or any other industry exhibits industrial buying behavior. Many of these enterprises must make regular purchases in order to supply their operations.

Although each business and industry will experience its own unique set of influences on buying behavior, there are a number of key elements that can have an impact on industrial buying as a whole, including the following:

- (i) **Demand:** Demand is the primary driver of industrial purchasing. The volume of purchases made by an industrial concern directly relates to how much future business the company can anticipate. In general, if a business anticipates more demand, it will stock up on raw resources to make sure it can fulfil customer demand and increase income.
- (ii) **Price:** The price of the products that the businesses are buying has an impact on their purchasing behaviour as well. The business may decide to postpone purchases in order to save money when prices are higher or it anticipates a drop in the near future. Making decisions in this situation might be challenging. An attempt may be made to predict the direction of oil prices, for instance, if a corporation uses gasoline in the manufacturing of its product.
- (iii) **Economy:** Industrial businesses may look to the economy as a sign of the future availability of materials relative to the consumer demand for them in addition to present demand and prices for a product. If the business is growing, it might make more purchases in anticipation of future sales growth, whereas a declining economy might encourage it to take the opposite course of action.
- (iv) **Technological changes:** Technology advancements have a significant impact on industrial enterprises, affecting both their own needs and the ability to provide goods. For instance, if investing in new technology results in a raw material's cost of use decreasing, the business might decide to do so. Similar to this, acquiring new technology can frequently alter the company's purchasing patterns as the new technology would require different raw materials to operate.
- (v) **Price increases:** The hope of rising prices is one of the strategic justifications a corporation uses to buy speculative inventory. When a

firm has reason to believe that economic forces may increase supplies of commodities or goods, it may purchase more inventory than is immediately necessary or purchase in bulk to take advantage of current market pricing. This is especially likely if the inventory is non-perishable, has no expiration date, and is not prone to degrade over time.

- (vi) **Seasonality:** Additionally, businesses purchase speculative inventory to guard against seasonal demand fluctuations. As fall and winter approach, a company that operates in a region containing 4 main climates might buy more snow-related things if it expects a harsh winter. In the event that demand is lower than anticipated, this could lead to surplus inventory on hand, but it also prevents a shortage.
- (vii) **Availability:** Lack of manpower and supplies is another potential concern for the merchants that can lead them to accumulate speculative inventory. Customers may stock up on inventory while it is still available if unionised workers in the manufacturing sector are thinking about striking, for example, to guard against a potential loss of supply. Manufacturers of similar products can be worried about how production would be impacted by material loss. For instance, if adverse weather conditions deplete raw materials or there is a shortage of them.
- (viii) **Manufacturing:** When customers acquire speculative inventory, manufacturers must also adjust. While materials and products are a priority for purchasers, production efficiency and productivity are a problem for manufacturers. Manufacturers are able to keep up with demand if they anticipate a rise in consumer demand. When customers surprise manufacturers with larger-than-anticipated orders, these businesses may need to hire additional staff, pay overtime, and invest in more resources.

1.1.7.1 Processes Involved in Industrial Buying Decisions

In any process to be run in an industry there is need of buying decisions to be made by the industry which are as follows:

- **Recognition of need:** The business is aware of the demand that can be satisfied by purchasing a good or service.
- **Determining product specification:** The general attributes and necessary quantity of the required item are decided by the buyer.
- **Search for suppliers:** Right now, the buyer is trying to find the best suppliers by using directories, contacts with other companies, trade adverts, etc.
- **Analysis of proposals:** After carefully reviewing the written proposals, the buyers select a small number of the qualified suppliers to participate in a formal presentation.

- **Selection of suppliers:** Buyers will choose suppliers based on the suppliers' reputation, dependability of the products and services, and flexibility of the suppliers.
- **Selection of an order routine:** The purchasers negotiate the final order after choosing the provider, outlining the technical requirements, quantity required, anticipated delivery date, return policy, warranties, etc.
- **Post purchase evaluation:** The chosen supplier's performance is periodically evaluated by the buyer. This evaluation could affect the buyer's choice of whether to keep, modify, or end the supplier contract.



1.2 Pharmaceutical Market

1.2.1 Quantitative and Qualitative Aspects

Statistical analysis, number crunching, huge sample sizes, pre-determined questions, and demographic research are all components of *quantitative market research*. Emails, the phone, and the internet are among examples. Obtaining trustworthy, standardized information and figures is the goal of quantitative research in order to answer important business issues like "Is there a large market for our product?" or "How much does this benefit matter to our target customers?"

Qualitative market research concentrates on customer actions, opinions, wants, and requirements while thinking in detail, building an initial knowledge, and using a small sample size. Qualitative research's goal is to delve further into understanding customer motivation and emotion. Examples include focus groups, one-on-one interviews, and conversations in groups.

There are individual benefits and drawbacks of qualitative and quantitative research as summarized in **Table 1.2**.

Table 1.2 Benefits and drawback qualitative and quantitative research

Qualitative research	Quantitative research
Benefits:	Benefits:
<ul style="list-style-type: none"> ✓ Richer knowledge is gained, true motivators are found, and hypotheses are built. ✓ Create hypotheses and concepts. 	<ul style="list-style-type: none"> ✓ More effective; Capable of testing hypotheses. ✓ Generalize the findings.
Drawbacks:	Drawbacks:
<ul style="list-style-type: none"> ✓ High level of involvement. ✓ Time consuming. 	<ul style="list-style-type: none"> ✓ Inflexible. ✓ Lack of motives.

1.2.2 Size and Composition of the Market

The term "market size" refers to the maximum annual volume of sales or customers' business, which is frequently calculated over time. It is helpful to estimate the potential market size before creating a new product line or company line because that can help determine whether the effort and money invested will be worthwhile. A similar concept known as "market share" refers to the full market share that a business has in terms of sales or customers.

Over the next ten years, the domestic market is anticipated to rise three times, according to the Indian Economic Survey 2021. The domestic pharmaceutical market in India is predicted to reach US\$ 42 billion in 2021, US\$ 65 billion by 2024, and US\$ 120–130 billion by 2030. The Indian biotechnology market is anticipated to increase from its 2019 value of US\$ 64 billion to US\$ 150 billion by 2025. In FY21, India exported drugs and medicines worth US\$24.44 billion.

1.2.3 Demographic Descriptions of the Consumer and Socio-psychological Characteristics of the Consumer

India occupies a key position in the global pharmaceutical market. The country also has a big pool of scientists and engineers who could advance the industry to new heights. The Indian pharmaceutical industry meets almost 50% of the global demand for various vaccines and 25% of the demand for all medications in the UK and US. India is the third-largest pharmaceutical producer in the world by volume, but it comes in fifteenth by value. About 3,000 pharmaceutical businesses and 10,500 production facilities make up the domestic pharmaceutical industry.

The major economies of the US, Europe, and Japan face a totally different paradigm when compared to the expanding markets of India, China, South America, and Russia. According to IMS Health, growth in 2009 was 15.9% in emerging markets such as Asia, Africa, and Australia, compared to 5.5%, 7.6%, and 4.8%, respectively, in North America, Japan, and Europe.

Over 80% of the antiretroviral drugs used to treat AIDS (Acquired Immune Deficiency Syndrome) are currently produced by Indian pharmaceutical companies.

This anticipated growth rate is due to India's pharmaceutical industry's favorable macroeconomic climate.

- Following the global financial crisis, India's economy recovered, with real gross domestic product (GDP) growth reaching 9.66% in 2010.
- With rising drug prices and a higher proportion of disposable income going toward healthcare, the Indian middle class is also growing quickly.

- The government has prioritised public healthcare, and as a result, policies and programmes have been introduced to make healthcare more accessible and inexpensive, particularly in rural markets.
- The market is observing trends such as increased merger and acquisition activity, rising investment, deeper inroads into rural and Tier I to Tier VI markets, growth of insurance coverage, and innovation in healthcare delivery.
- The OTC market will be a significant growth engine for the sector. Even though 742 million people, or over 67% of India's population, live in rural areas, just 17% of the market's overall sales come from rural markets. Given that we anticipate these markets to be the industry's future growth engines, this creates a tremendous potential for pharmaceutical businesses.
- Leading Indian and international businesses will seek to enhance their market share by forming strategic partnerships, bolstering their sales teams, and expanding their penetration into additional markets.

The Socio-psychological characteristics of the consumer includes factors which help to improve the industries to improve their turnover and they are as:

Psychological Factors: A key factor in determining consumer behavior is human psychology. Despite being challenging to evaluate, these elements are important enough to influence a buyer's decision. The following crucial psychological elements are:

- (i) Motivation:** A person's purchasing behavior is impacted by their motivation level. A person has many needs, such as social, basic, security, esteem, and self-actualization desires. When such wants are met, people may be inspired to make additional purchases or look for different products and services to better meet those needs.
- (ii) Perception:** Consumer buying behavior is significantly influenced by consumer perception. Sensations are chosen, arranged, and interpreted through the process of perception. It involves obtaining information about a product and then evaluating that information to paint a precise image of that particular product. Customers base their opinions of things on what they see in advertisements, promotions, customer reviews, comments on social media, etc. Customer perception so significantly affects what consumers decide to purchase.
- (iii) Learning:** Learning can only occur through experience. A person can only learn about a good or service after using it. An individual will exhibit a strong propensity to repurchase a given good or service if they are happy with it the first time.
- (iv) Attitudes and beliefs:** Attitudes and perceptions of consumers have a big impact on their purchasing decisions. Every product or service

available on the market has a specific image in people's minds. Every brand has a corresponding image, also referred to as its brand image. Consumers make their decisions to buy a product or service on the views they have developed about it. Even though a product might be excellent, if the customer believes it to be useless, they won't buy it.

Social Factors: Social factors have a substantial impact on consumer purchasing decisions. We need people around to talk to and discuss a range of issues in order to develop better solutions and ideas. Since we all belong to a society, it is essential that each person follow its norms and regulations. Numerous societal components include:

- (i) **Family:** The family has a big part in influencing a person's purchasing habits. A person forms preference as a youngster by observing their family members purchase goods, and they maintain those choices as they get older. People usually ask their close relatives for advice before purchasing a specific commodity or service. A person's family may urge him to buy a specific thing, ban him from doing so, or make a few other recommendations.
- (ii) **Reference Groups:** Everybody is surrounded by people who have an influence upon them. Reference groups are made up of persons to whom people compare themselves. Everyone is familiar with a few community members who, over time, become their heroes. Reference groups are typically created by coworkers, family, friends, neighbors, elders at work, individuals of the same religion or political affiliation, clubs, etc. All of the aforementioned have an effect on customers' purchase decisions for the reasons given below.
- (iii) **Roles and status in the society:** Individuals' propensity to purchase depends on the part he performs in society. Each person serves a dual purpose in society, depending on the group to which they belong. A good company's chief executive officer could also be a husband and a father at home. A person from the middle class or a lower income group would buy things they needed to survive.

1.2.4 Market Segmentation and Targeting

The practice of segmenting the market for a product is breaking it down into a number of smaller marketplaces or segments. Segmentation is the process of identifying the customer groups within a market that have comparable needs and buying habits. There are one billion consumers in the globe, each with unique requirements and habits. The purpose of segmentation is to match various buyer groups with various sets of needs and purchasing patterns. Segment refers to such an assortment. The reasons for developing the market segmentation are mentioned in **Figure 1.5**.

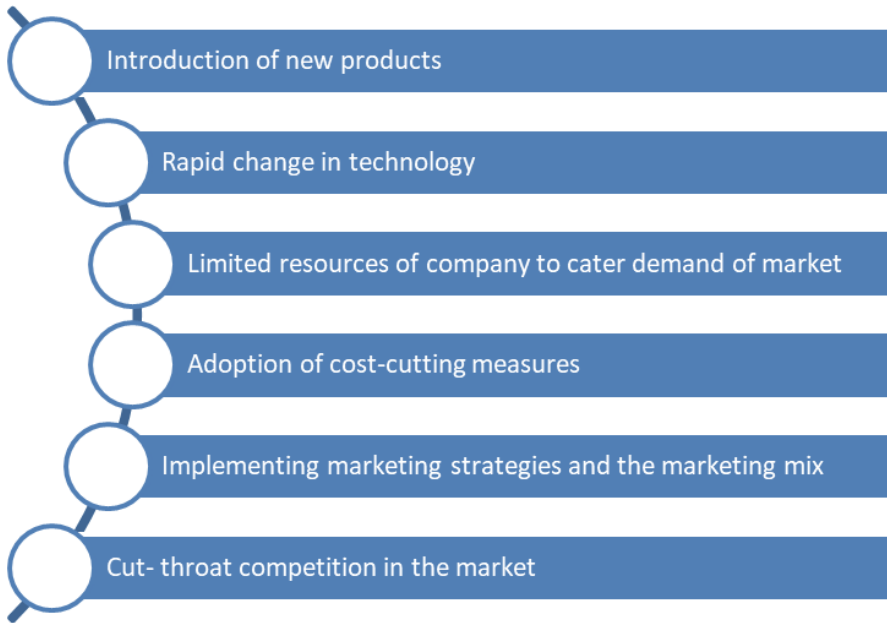


Figure 1.5 Reasons for development of market segmentation

1.2.4.1 Bases of Market Segmentation

Geographic: Many firms divide their markets using a variety of geographic factors, including population density (urban, suburban, and rural), city size (area size, population size, and growth rate), and climate (Regions having similar climate pattern). A business that caters to some or all geographic segments must focus on the diversity of regional needs and preferences. Companies localize their marketing strategies after segmenting the consumer market based on geography (product, advertising, sales efforts, and promotion).

Demographic: It is the most well-liked consumer market segment, and it is determined by a variety of variables including age, gender, earnings, profession, education, size of the family, and religion. Demographic factors are the most important criteria for categorizing clientele into groups. Consumer demands, preferences, and usage patterns are all influenced by demographic factors. Thus, it is essential to take demographic considerations into account while developing a marketing strategy. Dividing the market on the base of stage of age (as infants, children, adults and geriatrics) have different preferences. Examples can be summarized as cases of different requirement of garments for different age groups, medicines generally formulated in sweet syrup form specially for children, as the bases of gender (male and female segment: it has been successfully applied in clothing hair styling, cosmetics, magazines), income (high level income, middle class-upper middle class, lower middle class, low level like below poverty line). Annual income of the

population is a basis for segmenting market of various products such as automobiles, cosmetics, travel, clothing etc.

Psychographic segmentation: In this kind of segmentation, characteristics like socioeconomic class, manner of life, and personality qualities identify the groups. Examples of psychographic elements include interests, opinions, personality, self-image, hobbies, values, and attitudes. A subset of demographically defined consumers might exhibit certain psychographic characteristics.

Behavioral towards product: The market is divided into segments based on consumer knowledge, attitude, use, or response to a product. Product, benefit, brand loyalty, occasion (holidays like Mother's Day, the New Year, Pharmacy Day, etc.), and user status are a few examples of behavioral factors (first-time, frequent, or potential). Example: **Hard core loyal**-Loyal to one brand, **Split loyal**- Loyal to two or three brands, **Switchers** - No loyalty). Using criteria that are closely tied to the product itself, behavioral segmentation is thought to be the most effective segmentation technique.

Table.1.3 Advantages of Market Segmentation

S. No	Advantage to the Firm	Advantage to the Customer
1.	Increase in sales volume and market share.	Customer oriented
2.	Prepare effective marketing plans, to win competition.	Quality products at reasonable prices
3.	Helps to enables to take decisions and understand the needs of consumers	Other advantages (By offering discounts as a buy one, get one free promotion, customers win)
4.	Utilises resources wisely to meet marketing objectives.	
5.	Allocation of marketing budget and create the innovation for developing specialized markets.	

As seen in **Table 1.3**, the market segmentation has its own benefits.

Limitations of Market Segmentation:

- (i) Market segmentations shows their limitations due to extraordinary cost on production because of high advertising and promotional costs.
- (ii) It also shows hike in working capital due to high administration expenses and storage expenses.
- (iii) Challenge to choose variable segments and striving in getting skilled and experienced workers.

1.2.4.2 The Advantages of Market Segmentation

- (i) **Recognizing customer demands:** Aids in the marketer's ability to thoroughly comprehend consumer demands, behaviour, and expectations.
- (ii) **Allocation of marketing budget:** Aids in distributing the marketing money to a specific area or locale. For instance, a modest budget should be set aside in areas with fewer sales chances.
- (iii) **Effective marketing programmes:** The manufacturer can create and implement various marketing strategies for various segments based on segmentation to ensure effectiveness.
- (iv) **Increase in sales volume:** By using segmentation, the manufacturer may better understand each segment's demand patterns and create the appropriate items to meet their needs. As a result, the product's entire sales volume rise.
- (v) **Benefits to customers:** It benefits the customers because by using segmentation manufacturers can know the demand of each segment and can make products which serve the interest of customers.
- (vi) **Encourage innovations:** Marketers gain advantages from segmentation in that they can focus on the pertinent segment more intently and monitor changes in market demand.

1.2.4.3 Significance of Segmentation

There are few criteria for successful segmentation as mentioned in **Figure 1.6.**, and their segmentation have some significance in the market.

- To comprehend consumers' needs, wants, desires, and purchasing patterns.
- Assists the advertiser in understanding consumer behaviour, preferences, and nature.
- To create marketing strategies tailored to each consumer group's unique needs.
- Create new items in response to shifting consumer demands.
- Create expansion of market and market share.
- Marketers can open up new markets for their goods.
- Market segmentation is first performed which refers to dividing the customers based on
- Provides satisfaction to consumers.
- Allocate appropriate budget which is assigned for a particular region.
- To make marketing tactics and regulations customer-focused.

Substantiality	Segment must be large enough to warrant a special marketing mix
Identifiability and measurability	Segments must be identifiable and their size should be measurable
Accessibility	Members of targeted segments must be reachable with marketing mix
Responsiveness	Unless segment responds to a marketing mix differently, no separate treatment is needed
Homogeneity	Customers in one particular Segment should be similar in terms of their responses
Profitability	There should be sufficient demand for goods in the segment selected

Figure 1.6 Criteria for successful segmentation

1.2.4.4 Target Marketing (Target consumer profile)

Target market: It consists of a group or groups of consumers that the business seeks to please or for which products are produced, prices are established, marketing initiatives are undertaken, and distribution networks are set up OR a target market is a collection of consumers that the company's whole marketing efforts are aimed towards.

In target marketing, a marketer selects one or more of the identified market segments, then produces goods and other components (such as pricing, location, and promotion) that are suitable for each segment. A collection of people or organizations that an organization creates, develops, and maintains the marketing mix for is referred to as a target market (This term first introduced by Borden in 1964). The four components that make up the marketing mix are what the company utilizes to pursue its marketing goals in the target market. To gain the customer's approval, the factors of product, price, location, and promotion all worked together.

Product: is a good, service, concept, location, or individual that is provided to the client in order to meet his wants. The characteristics of items that must be aimed towards clients are: *Quality, Warranty, Packaging, Design, and Services.*

Price: Is the price that a consumer is willing to pay for a product? e.g., for different social class of customer's company designs various products of different prices. Recharge coupons of mobile come in different price range.

Place: It is the process for delivering products from manufacturers to the intended consumers. This business collaborates with accredited dealers for the aim of product distribution.

Promotion: Incorporates a range of customer targeting strategies, such as advertising, sales promotion, public relations, offers and schemes, and personal selling. after choosing the segmentation basis. The business must specify who or what organization the product was intended for.

1.2.4.4.1 Strategies of Market Targeting

There are three basic strategies that a company may adopt for targeting-

Undifferentiated marketing: In this market coverage strategy, the corporation regards the target market as a single entity and does not think the existence of many segments. With a single offer and a single marketing mix, the company targets the middle of the market. Thus, in undifferentiated marketing company adopts the strategy of “**one product all segments**”

Differentiated Marketing: As part of its market coverage strategy, the organization thoroughly examines the market and separates it into relevant divisions. On the basis of market segment company covers these market segments using different marketing mix for each segment. Hence the company follows the approach of “**Several products- Several segments**”

Concentrated Marketing: The corporation adheres to the “**One Product - One Segment**” philosophy in this strategy. The business gathers comprehensive information about a specific market niche and concentrates exclusively on it. Company designs the ideal marketing mix for this segment and develops varieties of products for this segment. This strategy is very helpful for new and small companies to make a good reputation and standing in the market by focusing on a special segment.

There are several factors that govern the selection of target marketing strategy:

- Product homogeneity.
- Resources available with the company.
- The product's position in the product life cycle.
- Market homogeneity.
- Marketing strategies of competitors in market.

Advantages of target marketing:

- It helps the business better capitalise on marketing opportunities.
- In order to better serve its consumers and gain devoted ones, businesses might offer products that are appropriate for each target market.
- It can expand the market share.
- Possibility of improving brand recognition for the organisation.

1.2.5 Consumer Profile

The goal of the consumer profile is to develop a thorough understanding of the customer for marketing and research reasons. It is a compilation of information about the consumer as demographic, geographic, psychographic, and behavioral data. It is well explained in **section 1.2.4.1** under bases of market segmentation.

1.2.6 Motivation and Prescribing Habits of the Physician

Patient motivation refers to the guiding, encouraging and motivating the patients to take the particular therapy in appropriate dose and taking necessary precautions during illness. Motivation of patients is beneficial in following manner.

- It guides the patient at times when any change from normal health has occurred. Some persons have the tendency to avoid the normal health problems that can later turns into serious disease, so motivation encourages persons to be cautious if the illness symptoms are frequent and persistence.
- Patient motivation also helps in improving the decision of patients regarding selection of doctors. Careless patients view consultation fees of doctors and then select the doctor. Proper motivation of patients decreases the tendency of such unfair selection strategy of doctors by patients.
- Some patients go to worthy doctors take their prescription but they purchase drugs by their own experience and not as per prescription. Such practices may cause serious consequences. Patient motivation reduces such incidents by proper guidance.
- Generally, a majority of patents have the tendency to buy the drugs as prescriptions but only in half dose. They think that half dose will show effect but they don't have the knowledge about drug potency. Proper counselling discourages such practice.
- Many patients tend to take the prescribed drug in proper dose but they neglect the necessary guidelines to be followed along with taking drugs. This can cause less or no effect of drugs taken. Hence patient must be regularly and carefully motivated towards required change in their behaviour and psychology related to use of medicines.

1.2.6.1 Prescribing Habits of the Physician

According to **American marketing association (AMA)** A prescription is an order for the pharmacist to prepare and deliver medication for a patient together with instructions for its administration and use that is written down by a doctor, dentist, or other licensed practitioner. The prescribing behavior of physicians is affected by a number of variables which have been reported by AMA.

The following factors influence doctors' prescription behaviour:

- (i) **The patient's clinical and behavioural traits:** The patient's demands and expectations for medication-assisted therapy, the treating physician's attitudes, expectations, and training, as well as any organisational or contextual restrictions on the doctor.
- (ii) **Research and pressures from pharmaceutical organizations:** Pharmaceutical and research firms are intertwined, and they may influence physicians through scientific publications, instruction, and advertising based on the physician's character attributes, professional background, and treatment options. Pharmaceutical organizations affect physicians through education; scientific journals, advertising and profitability.
- (iii) **High curing effect; habitual or non-habitual choice:** The most crucial factor in choosing a medication to treat a condition is always its "curing effect." Drugs are chosen by doctors either based on habit or free choice. Most of a doctor's medicine selections are habitual, and they prescribe a new prescription using a non-habitual approach.
- (iv) **Peer influence of physicians (Community of physicians):** The social organisation of a physician community was influenced by peer pressure on medical professionals' prescription. When treating challenging illnesses where the effects of medication therapy are less clearly known, doctors consult more professional sources, especially their peers. A doctor consults a colleague for information about medications that they do not already use. It accounts for 2% of a doctor's prescription behaviour.
- (v) **Hospital staff meetings:** Positively affect the acceptance of new drugs, and formularies almost certainly have a big impact on prescribing. It accounts for 2% of a doctor's prescription behaviour.
- (vi) **High Cost of Drugs:** Prescribers in impoverished nations frequently utilise expensive medications inappropriately. The lack of a well-organized drug policy and the inadequate economic resources in developing nations make problems there more severe. Strengthening and enforcing drug policy is unavoidable in order to promote logical prescribing patterns and prescription quality.
- (vii) **Medical representative:** The medical representatives account for 48% of the total factors that affect the prescription habits of physician. If medical representative is well behaved, knowledgeable, disciplined and visiting the prescriber regularly, there are many chances that physicians will prescribe the drug.
- (viii) **Medical Journal articles:** The articles related to new drugs published in medical journals has 30% share on affecting the prescribing behaviour.

- (ix) **Direct mailing:** Some companies directly mail the recent information about their drugs to the physician. This affects prescribing habits up to 4%.
- (x) **National and international conventions:** The national and international conferences or seminars related to drug awareness is responsible for 2% of the variables affecting prescribing behaviour.
- (xi) **Other factors:** Effects 10% of prescription decisions as:
 - Physicians frequently prescribe newer, more expensive medications to patients who have more money.
 - Consistency and therapeutic response are positive attribute for influencing drug adoption by physician.
 - Low cost of therapy is also one of the positive attributes for increasing prescriptions.
 - Education and the right training have a favourable impact on the standard of prescribing.
 - The type of hospital in which physician does the practice also influence prescribing behaviour.
 - Free samples provided to the physician have also some positive influence on the physician prescribing tendency.
 - Physician in private clinics usually prescribes more cautiously than in smaller government hospitals. Similarly, large hospitals doctors usually provide quality prescription than smaller village side hospitals.

1.2.7 Patient's Choice of Physician and Retail Pharmacist

By actively participating in treatment decisions, being well-informed, and changing doctors if they feel their care is not up to par, patients can play a significant role in obtaining optimal health. There is widespread agreement that, as the availability of health information online rapidly expands, consumers' influence over the health care delivery system will grow over time.

Factors associated with patient choice of physician:

- (i) Patient choice is based on doctor certification and can be also recommended by the family and friends.
- (ii) Doctors specialization, appointment time period, proximity of doctor clinic.
- (iii) Choice is also based on doctor's fee/cost, seating of doctor (in clinic, hospital, dispensary etc).
- (iv) Mostly the choice is based on popularity, consultation hours and orientation of patient towards the patient.

Retail pharmacy is the pharmacy where prescriptions are filled or medications are distributed to the general public, as well as where medications are compounded, dispensed, stored, or sold. Additional explanations of retail pharmacy include:

- It can also be defined as a pharmacy where a customer gets medicine directly as per prescription or
- Unlike a hospital pharmacy, it is a pharmacy where patients can purchase medications. Likewise known as a neighbourhood pharmacy.

Retail pharmacists give the public basic health advice and supply them with both prescription and over-the-counter medications. A retail pharmacist's responsibilities include processing prescriptions, distributing medication, and responding to consumer inquiries regarding health problems, symptoms, and drugs. They are also supervising the medical reps and hiring, training, and managing workers. They are involved in placing orders for and selling medications, maintaining inventories, and handling budgets and financial records.

Steps involved in working of retail pharmacist are:

- 1. Accept and check prescription details:** This is for the details required of prescriber, and patient. Medicare will certify the prescriptions to be filled and its preferences for the generic drug.
- 2. Review and process:**
 - (a) Script validity:** Should be eligible for the pharmaceutical benefits system and meet the legal requirements.
 - (b) Safety and appropriateness:** To provide a safe dosing regimen and to provide the contra-indications, it is necessary (Inappropriate for people with some medical conditions). The suitability of the prescription requirement based on factors like age, body weight, sex, etc.
 - (c) Review patient's dispensing history:** Examining the patient's medical history, paying particular attention to any new or modified therapies, any duplications, interactions, compliance concerns (is the medication being taken as directed?), uncommon use, and abuse/misuse issues (drug-drug, drug-disease state, drug-herb).
 - (d) Patient-specific factors:** The patient age, various allergies and other health condition.
- 3. Select/Prepare and check:**
 - (a) Select product:** On the basis of appropriate drug, brand, strength, quantity a product is selected. The need of repacking if the case is for non-standard quantity. Reconstitute or compound from raw ingredients wherever is required.

- (b) **Dispensing check:** For compounded goods, a proper drug, brand, strength, form, and quantity, as well as an exact formula or methodology, will attest to the product's therapeutic advantages.
4. **Label and assemble:** The dispensed items are labeled and reviewed for expiry, instructions, and cautionary labels. Also, the barcode scan check is required for labels. It is necessary to verify all documents, records, and counselling tools (such as written materials).
5. **Supply and counsel:** This will benefit the patient if a correct medicine is given to a right patient as well as the document is correctly documented.

1.2.8 Analyzing the Market

Market analysis refers to understanding of market structures in order to determine the pricing level, nature of demand and supply and marketing strategies. A market study provides answers to a number of questions about the consumers, including who they are, what they need, how they choose products, and where they get them. Additionally, how do you communicate your marketing and sales messages to them?

The structure of market is based on four factors:

Number of sellers: If the number of sellers in market is large the influence of one seller is small on the prices. In case, if market has very few sellers the pricing decision of each seller is important. In such case seller is the decision maker for price and product output.

Numbers of buyers: If buyers are less in the market, they can demand less price for product and thus affect the pricing decisions. On the other hand, if buyers are more they have to pay the same price.

Product differentiation: Product difference is the degree at which one product differs from other in the market. When there is much product differentiation, the decision of buyer is based on price. In such case every company tries to differentiate its product and to create a good impression on the minds on consumer by offering quality product at lower prices.

Condition of entry and exit: The easiness of entry and exit of companies in market decides the market structure, pricing decision and strategy of the companies. If there is a free entry of companies in market (i.e. less restriction to company's approval by government), the competition for existing companies is high and their own decision are affected by competition. If entry of new companies is difficult the existing company can freely make its pricing decisions. If any company incurs loss and resources (raw materials) available can be used in producing other drugs. It can freely exit from market and can start with some other product. In such cases pricing decisions and strategies can be easily changed by the company. On the other hand, if resources available

have highly specialized uses and very few alternate uses then exit decision is very difficult. In such case strategies of company must be designed critically.

Need of market analysis: Market analysis provides information of market and identify the potential customers, their need and provide insight into existing customers. The market analysis also offers the customer behavior pattern, and identify the business opportunity. The determination of sales potential of the product and services attracts the customers to the business, which will give a strategic advantage to resolve the business problems.

Cournot classified the market structure as:

Highly competitive market: A market with perfect competition includes elements that demonstrate a high volume of customers and sellers in the market, product is highly homogeneous (less product differentiation) which makes the entry of firms easy in the market. All buyers and sellers have perfect knowledge about market conditions. The pricing decision is not done by company freely. Price is almost fixed and preset for a product and new company will decide the output (product volume) to be produced according to their own economic condition.

Monopolistic market: When number of sellers (company) is very few in the market, it is called monopolistic market. Its essential features are the number of sellers (producers) which are less. No close substitutes are available for product in the market, and entry of new company is restricted due to tough govt. regulations.

Monopsonistic market: Monopsony is a market situation where there are very few buyers (consumers) for products. The features of this market are: Where the number of consumers (buyers) are less, buyers have full control on the price of market because they can easily bargain for the prices. Thus, monopsony aims at maximum surplus. The consumer's surplus is the difference between the prices of product and the amount that consumer actually pays.

Bilateral market: It is a market in which a monopolist faces a monopsonist. It means that less number of buyers as well sellers are available in the market. The features of bilateral market are: Showing the market with very a smaller number of sellers and there are a smaller number of consumers in market. The product in market have no close substitutes, the monopolist will try to maximize his profits while monopsonist will try to maximize his consumer's surplus.

1.2.8.1 Sales Analysis: Analysis of actual sales data is referred to as sales analysis. This is distinct from sales forecasting in that it focuses on current sales performance rather than sales at a later time. A corporation benefits from sales analysis in two ways-

- It allows the business to pinpoint the regions in which its sales performance has been strong or mediocre.

- It is helpful for a company to strengthen its sales effort to do systematic and periodic sales analysis.

Sales analysis is done in three ways:

A. Sales analysis by territory: Two things must be chosen in order to perform sales analysis by territory:

- What specific information is required for such purpose?
- On which basis territories should be divided for analysing district level and state wise analysis.
- Generally, most of the companies use district level analysis. In this method district wise analysis is done and after pooling the district data the state wise sales data is prepared. This method of analysis by territory is the most popular.

B. Sales analysis by product: It enables a company to identify its strong or weak points. If a company finds that a particular product is showing poor sales, it has two options-

- The company might focus on that product to assure higher sales.
- The sales analysis by product and that by region can be integrated, which is useful in providing information on which items are displaying good sales in which locations.
- The company may progressively withdraw the product and eventually drop it.

C. Sales analysis by customer: In this method customers are divided into: Potential customers (buy less but in bulk), first time customers and regular customers (buy regular but in small amount). Then a sale in each class of customers is analyzed.

1.2.8.2 Sales Forecast

Sales forecast refers to the estimation of sales that are likely to be at a future date. Thus, it is a future prediction phenomenon of sales. The forecast depends on the demand pattern of a product in the market. Demand pattern for some products changes over time; it is called the *dynamic pattern* of the demand. On the other hand, if demand pattern retains its predetermined shape then it is called *stable pattern* (It refers to the prediction of the conditions of demand or sales that will occur at some future date. The overall business and economic environment, competitive factors, market trends including changes in demand, organizations' own plans for advertising, product promotion, and price policies, changes in product features or design are just a few of the variables that might affect the forecast of demand. The steps of sales forecasting are mentioned in the **Figure 1.7**

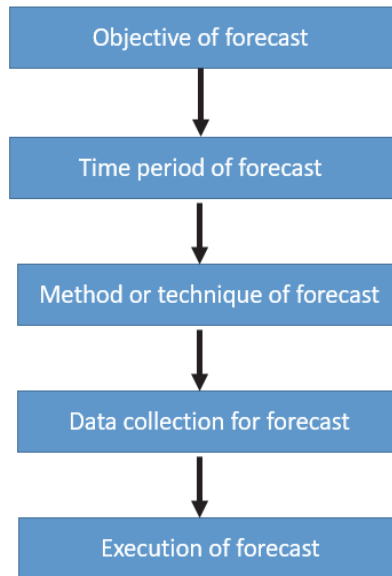


Figure 1.7 Steps of sales forecasting

1.2.8.2.1 Methods of Forecasting

A. *Qualitative methods:*

Field sales force method: In this approach, the businesses ask their salespeople to forecast the likely sales in a given time frame for their region. District managers review the area-by-area sales before sending them to the company's headquarters. The total sales projection is then obtained by combining several territorial forecasts. The method's relative accuracy is high since it includes the full sales team, which is in charge of making the sales. Thus, the sales team can provide a precise sales forecast for a given period of time.

Jury of executive's method: In this method a company appoints some qualified experts and assigns them the task of sales forecast. The experts predict the sales for a particular time period. They are given an opportunity to meet, discuss their forecasts with each other so as to achieve to a finally approved common sales forecast.

Delphi Method: This method also involves sales forecast by means of qualified and experienced jury experts but this differs from jury method in that the jury experts are not allowed to meet or discuss their forecast. The individual forecast may differ hence average of there is calculated to obtain the final sales forecast. This method reduces the group pressure on each expert otherwise some dominating experts may pressurize others to agree on their forecast.

B. Quantitative method:

Time series method: In this method the company collects the past sales data, which are plotted on a curve. The curve is then extra-plotted to get the future sales, otherwise extrapolation can be done using statistical calculations. It is suitable in those conditions when past sales are in a particular trend which shows a linear or curvilinear (somewhat linear) plot, only then extrapolation can be done accurately.

Moving Average method: In this method “N” data points of past sales are used to calculate an average. Then the earliest figure is dropped and each time latest figure is estimated using the average. Or in this method an average of past data is taken usually three or five data are averaged to get the data for next period. To calculate the new average for the following period, the first period's demand data is eliminated, and the most recent period's demand data is added.

Example: A company takes average sales of January, February, March, April and May to calculate average sales.

$$\text{Average Sale (S)} = S_{\text{Jan}} + S_{\text{Feb}} + S_{\text{Mar}} + S_{\text{Apr}} + S_{\text{May}}/5$$

Now, the company can predict sales of June by assuming the average sale to be constant and omitting the S_{Jan} .

$$\text{Average Sale (S)} = S_{\text{Feb}} + S_{\text{Mar}} + S_{\text{Apr}} + S_{\text{May}} + S_{\text{June}}/5$$

Once S_{June} is predicted the same omitting method is used for predicting the sales of S_{July}

Example: If demand for past three months has been 120, 135, and 114 units. We can calculate forecast for 4th month.

$$120+135+114/3 = 123 \text{ unit}$$

Suppose, the actual demand for 4th month is 129 units, then forecast for 5th month will be:

$$=135+114+129/3 = 126 \text{ unit}$$

Demerit: This method assumes that sales average will be common which is practically not possible because sales can change according to some other external factors also like- Buyers interest, buyer's income, market factors, competitor's product, pricing policies. This method does not consider the market factors and change in demand pattern; hence fluctuations may occur.

1.2.9 Market Research

The process of connecting customers or consumers with marketers through the utilization of information is known as marketing research. The information is used to identify and classify marketing opportunities and problems, to develop and refine marketing actions, to monitor marketing performance, and to improve understanding of the marketing process. There are numerous definitions provided by various:

“Gathering, organizing, analyzing, and sharing data that can be used to inform marketing decisions are all part of marketing research”.

“The systematic, unbiased search for, and analysis of, data relevant to the recognition and resolution of any problem in the field of marketing constitutes market research”.

“Marketing research is the methodical, objective, and thorough search for and analysis of the facts pertinent to any problem in the field of marketing,” writes Richard D. Crisp.

Marketing research is “the systematic planning, collecting, analysis, and reporting of data pertinent to a particular marketing problem facing the organization,” according to Philip Kotler.

“Market research, according to the American Marketing Association, is the task of gathering, organizing, evaluating, and interpreting the needed marketing information.”

Objectives of market research:

- To comprehend why consumers, purchase a product.
- Predict the likely amount of future sales or anticipated market share.
- Evaluate the strategies and competitive strength.
- Assess the success of existing marketing initiatives.
- Determine how satisfied customers are with a company's goods and services.

The benefits of marketing research include:

1. **Current market trends are indicated:** Marketing research keeps a company unit up to date on the most recent market developments and provides advice for addressing market circumstances with assurance. It makes production easier to accommodate consumer demands and preferences.
2. **Identifies shortcomings in marketing practices:** Marketing research identifies problems with the products, pricing, advertising, etc. It provides accurate direction with reference to several marketing-related topics. Product creation, branding, packaging, and advertising are among them.
3. **Explains customer resistance:** Customer resistance to the company's products is discovered by marketing representatives. The researcher also suggests appropriate corrective actions to address the problem. This makes the goods appealing to customers.
4. **Suggests sales promotion techniques:** Marketing research enables a producer to implement appropriate sales promotion tactics, select the most practical distribution channel, set an appropriate price policy for the products, and grant discounts and concessions to dealers. It facilitates sales promotion.

5. **Guidance to marketing executives:** When formulating marketing policies, marketing executives might get advice and information from marketing research. Continuous research gives a business the confidence to take on challenging marketing situations. It serves as protection against potential market environment changes.
6. **Selection and training of sales force:** Marketing research is useful for hiring and educating workers in the sales department. It suggests incentives to be offered to staff members who work in marketing.
7. **Facilitates business expansion:** A business unit can develop and broaden its operations with the help of marketing research. Through consumer-focused marketing policies and programmer, it helps a business unit build goodwill in the market and achieve high profits.
8. **Facilitates appraisal of marketing policies:** Marketing leaders might evaluate their current marketing strategies through research activities in order to combat research findings. In accordance with the comments presented, appropriate changes to the policies are also conceivable.
9. **Suggest marketing opportunities:** New marketing opportunities and ways to effectively utilize them are suggested by marketing research. It pinpoints opportunities in both the current and future markets.
10. **Facilitates inventory study:** Utilizing marketing research, a firm can evaluate its inventory management practices and introduce more productive ways to handle inventories, including finished goods and raw materials.
11. **Provides marketing information:** Market research can provide details on various aspects of marketing. It identifies the company's relative advantages and weaknesses. Such information makes it simple for marketing executives to create future policies and offer advice, knowledge, and other approaches to marketing problems.
12. **Suggests distribution channels:** The effectiveness of current distribution channels and the necessity of making necessary adjustments to the distribution system can both be studied using marketing research.
13. **Creates progressive outlook:** Marketing research promotes an optimistic and forward-thinking attitude throughout the entire corporate structure. It encourages methodical thinking and a sense of professionalism inside the organization. Additionally, it inspires passion in marketing-related professionals. This benefits the entire company unit, bringing prosperity and stability.
14. **Social significance:** From a social perspective, marketing research is of utmost importance. It serves as a tool to make the ultimate consumer the literal ruler of the market.

Disadvantages of marketing research are:

- 1. Offers suggestions and not decisions:** Marketing analysis cannot take the place of decision-making. The researcher does not offer pre-made solutions to marketing issues. Marketing issues are not directly resolved by marketing research. Only the management's process for making decisions and solving problems is aided.
- 2. Fails to predict accurately:** In marketing research, attempts are made to foresee potential future circumstances. A few research investigations are conducted for this. The forecasts made, nevertheless, might not be exact. Since the future is never guaranteed, precise future predictions cannot be made through marketing research.
- 3. Time-consuming activity:** The lengthier time required to complete the study and the potential for outdated results make market research a time-consuming undertaking. Even obtained data quickly becomes outdated due to the rapidly shifting market environment.
- 4. Costly/Expensive activity:** Because expertise is needed for research projects, market research is an expensive endeavor. The research crew must also have advanced training in sociology, economics, and other related fields. It costs money to even hire an advertising agency or management consultant to conduct research.
- 5. Uncertainty of conclusions:** The focus of marketing research is the consumer. However, it might be challenging to effectively and precisely assess consumers' purchasing intentions. This casts some doubt on the findings made based on the market study.

The following are characteristics of marketing research:

- I. Systematic and continuous activity/process:** It is a continuous process and expected given that the marketing of goods and services may occasionally bring up fresh marketing challenges. One type of research is insufficient for all marketing-related challenges. To address new difficulties and challenges in marketing, new research activities will be necessary.
- II. Wide and comprehensive in scope:** Its scope is wide since it incorporates all facets of product and service marketing. Just a few of the topics covered by market research include the introduction of new products, the identification of potential markets, the choice of suitable marketing tactics, the study of market competition and buyer interests, the initiation of a suitable marketing strategy, and sales promotion measures.

- III. Emphasizes on accurate data collection and critical analysis:** Appropriate data should be accurately and objectively gathered for marketing research. The data gathered must be trustworthy. It needs to be analysed methodically. This will give a complete view of the problem and potential solutions.
- IV. Offers benefits to the company and consumers:** The sponsoring company benefits from marketing research. It increases the company's revenue and earnings. Additionally, it improves the market's reputation and competitive capabilities. It helps a business to implement customer-focused marketing strategies. Due to marketing research initiatives, consumers also receive pleasant goods and experience more contentment.
- V. Commercial equivalent of military intelligence:** It falls within the category of commercial intelligence work. It makes planned marketing-related activities easier. It is comparable to military intelligence, wherein the environment is carefully examined before any military action is made. An instrument for managerial intelligence is marketing analysis.
- VI. Tool for managerial decisions:** It acts as a tool in management's hands for identifying, analysing, and resolving marketing problems. It is a tool for making decisions. It offers potential solutions for managers to think about and choose. Marketing analysis is a supplement to judgement, never its replacement.
- VII. Applied research:** It is applied knowledge that addresses a specific marketing issue and offers potential solutions along with their potential results.
- VIII. Reduces the gap between the producers and consumers:** A medical representative is a crucial addition to aggressive marketing. Understanding consumer requirements and expectations is helped by this. It narrows the gap between producers and customers and modifies marketing efforts to better meet consumer wants.
- IX. Marketing research has limitations:** Only prospective marketing research solutions are presented to the marketing manager for review and selection.
- X. Use of different methods:** Various techniques can be used to do market research. Data can be gathered through surveys or other techniques. The method that is best for carrying out the research project must be chosen by the researcher. This decision is crucial since the research methodology utilised determines how well the research will turn out.

Role of market research in marketing:

Market research concentrated on the actions that need to be taken, as shown in **Figure 1.8**, and the specific roles that need to be played, as shown below:

- (i) **Framing and implementing product policies:** Problems in the creation and execution of product policies are efficiently resolved through marketing research. These product policies include product development, product line selection, input purchases, inventories, plant location and layout, production planning and control, plant maintenance, waste management, cost and quality control, finances, and personnel.
- (ii) **Designing and executing marketing strategies:** The dynamic, active, and widespread plan for achieving corporate objectives is marketing strategy. A manufacturer who achieves the best possible balancing of controllable and uncontrollable aspects is successful. Because of the current market conditions, firms must be customer-focused. As a result, all of their efforts are in line with consumer wants, moods, and budgets. Because they are inside to the company, a manufacturer can control elements like product price, promotion, and distribution.
- (iii) **Location of the outlet:** The location of a distributor's selling outlet is critical to his success. The region and the particular site are given top attention while choosing the location. Finding places with a dense and wealthy population, a supportive corporate environment, and appropriate transportation infrastructure is made easier with the use of marketing research. When choosing a location, consideration is given to factors that make the area convenient, such as access to clients, banking services, and rival businesses.
- (iv) **Shaping and improving store image:** The store stands out from its rivals thanks to its unique personality. This needs to be highlighted in order to increase public trust in the company's products and services. An individual's perception of a business is the result of his views toward numerous facets of that business. These attitudes impact perception, motivation, interpersonal interaction, characteristics, and self-concept in turn. Consumer perceptions regarding stores are influenced by elements such as buying habits and store attributes, according to market research studies.
- (v) **Distribution Cost Control and Reduction:** We have received things from the current industrial system that are better quality, less expensive, and insufficiently plentiful. The price of distribution has, however, risen faster than the price of manufacturing. Marketing research can be used to control the prices of transportation, warehousing, finance, advertising, consumer services, credit returns, and other modifications.
- (vi) **In Advertising:** In this area marketing research plays an important role, if budget appropriations for advertisement is achieved. In preparation and placement of advertisements, effective measurements of advertising are taken which will analyse and improve the of image of corporate brand and stores.



Figure 1.8 Steps for market research

1.2.9.1 Areas of Market Research

The market information will be provided by the market research done in various areas as:

Marketing mix research: It is done by analyzing the research of product, price, distribution and promotion of a product.

- (i) **Product research** is carried to study the acceptance of new product in market as it involves the study of product quality, features and design. The product actual use is also studied with new method of use as well as its packaging and packaging design. After this testing of a product is done using methods:

Test marketing: Means introducing a new product in one or two target markets and evaluating the response in those markets.

Concept testing: Testing the consumer reaction to the description of a product concept rather than the actual product.

Testing the packaging concept: New concepts related to packaging of product are evaluated in market.

Attribute testing: Some special or modified features of product like sugar coating, special flavor of the drug is evaluated in comparison to unmodified product.

Assessment of products strength and weakness: The major attributes as well as the weak points of a product are evaluated by market research.

- (ii) **Pricing Research:** This includes research related to determination of pricing strategy for product. The competitor's reaction to the price strategy of the firm and determination of price elasticity of demand means how sensitive is demand to the variation in price. This will analyze the pricing strategy of customers.
- (iii) **Distribution research:** It involves the analysis of effectiveness of different distribution channels or intermediates by determining of competitor's strategy with reference to distribution margins. The distribution results in identification of least cost location of warehouse.
- (iv) **Promotion research:** This refers to the analysis and evaluation of different elements of promotion mix i.e. advertising, sales promotion, personal selling and publicity and their impact on sales volume of product.

Market research: This research determines the market specially for gathering information on numbers of competitors in market. Market share of different competitors will show the growth rate of market. Latest trends and development in market give the indications of potential of new products launched in market.

Consumer research: This research includes gathering the information on consumers buying behavior and patters like how consumers buy, where they buy, when and why they buy a product.

Competition Research: It is performed to reveal the competitive position of company as well as to know the strengths and weakness. It includes- Study of competitor's products, measuring the impact of competitor's price, advertising channels and sales method.

Market measurement research: This will be the togetherness of demand, market performance and motivation.

- (i) **Demand research:** Is carried out to find, how much a particular product can be sold in a market. It includes- Determination of market potential, short run and long run sales potential.
- (ii) **Market performance research:** It is carried on to measure the existing market. It includes- study of market size, market profits, market segments and sales forecasting.
- (iii) **Motivation research:** It studies the buyer behavior and attitude so as to expand the market in a specific place. It includes, the study of consumer profile, study of consumer taste and preferences, study of consumer dissatisfaction and sources of dissatisfaction.

1.2.9.1.1 Market Research Process

There are five general steps to be followed for any market research.

- (i) **Preliminary investigation:** The first step of market research determines and analyze the marketing problems to be solved, along with this immediate objectives and ultimate goal of company are carefully stated.
- (ii) **Research design:** This is the master plan for conducting the market research. It gives specification of methods and procedures for acquiring the information needed for solving the problems.
- (iii) **Data collection:** Most critical step in market research. Data may be collected by two sources-

Primary data: It involves the information obtained from original sources by researcher. The important source is consumers (patients), doctors, pharmacist, nurses etc. This data is valuable because it gives latest and very accurate information about current market trends but this method of data collection is costly and time taking. The method for obtaining primary data includes:

- (a) **Mail/Questionnaire survey:** It is very effective method of survey in which printed copy of questionnaire along with the covering letter is mailed to the survey respondents. A reply letter (stamped) is also sent so that respondent needs not to pay. This is significant due to reasons of no geographic limitations and secure the information from respondents of distant areas. Sometimes possibility is that many persons don't respond and don't send reply letter back. This method has low degree of accuracy because many people give unreal or rubbish information in letters.
- (b) **Personal interview (field survey)** It is the direct form of investigation involving face to face communication with people. It is more flexible form of data collection. It is an accurate method with low degree of refusal.
- (c) **Observation Approach:** In this method obvious behavior of consumers is observed by trained observers without asking any question to consumers. Example, Observing the response of consumers in a chemist shop or checking the packs of medicines, or rejections, present in the chemist shop etc.
- (d) **Online survey:** It involves collection of information through internet. The company can put a questionnaire on its website and offer incentive to people on answering the question. It is an inexpensive method and response are obtained very fast but have demerits that only few people access to internet which show very unreliable data collection because many persons just give wrong answers for fun when nobody is seeing them.

Secondary Data: Here data reveals the information that is in published/ semi published form Example of published market surveys, government publications and reports, general library research sources, All advertising media specially newspaper, magazines, pharmaceutical journals etc., drug association and other technical healthcare organization, universities publications (articles and thesis). This method is quicker and economical for data collection. Provides the data for all subjects and areas and useful when primary data is difficult to obtain or giving variable results. Only disadvantage is that it is not so reliable, biased, lacks reliability.

(iv) **Data Analysis:** Once the data is collected, it is processed, analyzed and interpreted. The steps involved in data analysis are:

- **Data tabulation:** All tabulation of data is done by sorting it into different categories and counting the number of cases that belong to each category.
- **Coding of data:** After tabulation the individual response categories are coded by certain numbers.
- **Frequency table:** A frequency table is prepared that shows the counts or occurrence of individual categories among the sample.
- **Data interpretation:** The data is interpreted by using advanced statistical techniques like t -test, chi- square test, binominal test, multivariate test etc.

(v) **Report preparation:** It is an important stage of marketing research. The report is prepared for effectively communicating the research information. The essential components of research report format are:

- **Title page:** It is required for report identification. It includes subject of report, for whom it is prepared and by whom it is prepared.
- **Contents (Index):** An index is an outline of how the study report is organized. It divides the whole report into several parts (sections, subsections) that help in locating the different components of report.
- **Introduction:** It serves to present the background of research report and highlights the major issues which are examined in report.
- **Statement of purpose:** A statement of research objectives clarifies the issues covered in the study.
- **Research methodology:** It includes how the research study has been performed and includes the method of data collection, sources used for data collection, sample size, analysis and procedure.
- **Data analysis section:** It includes tables, graphs, and statistical analysis tools.
- **Results:** These are the basic outcomes of the study. The result involves textual comments on the interpreted findings of research.

- **Conclusions and recommendations:** Based on the research results a conclusion paragraphs are prepared, which shows researchers opinions on the issues examined after conclusion. Future prospects of the study are provided.
- **Appendix:** The supporting documents like questionnaires and bibliography are provided at the end of report.

Answer the Following Questions

- Q1. Define marketing. Discuss the features and scope of marketing.
- Q2. What is the procedure for marketing?
- Q3. Differentiate between buying and selling.
- Q4. What are the skills required by selling agent working in an organization?
- Q5. Explain the sources of getting feedback information in marketing department and mention it's significance.
- Q6. Differentiate between selling and marketing.
- Q7. Discuss the microenvironment and microenvironment in marketing.
- Q8. Write the steps involved in consumer's decision for accepting or buying new products coming in market involves.
- Q9. Differentiate between quantitative and qualitative aspects of pharmaceutical market.
- Q10. Write a note on career opportunity in marketing.
- Q11. Explain the Role of market research in marketing
- Q12. Define market research. Elaborate various characteristics of marketing research.
- Q.13. Explain various methods of forecasting.
- Q.14. Give an account on Patient's choice of physician.
- Q.15. Discuss various strategies that a company may adopt for market targeting.
- Q.16. Write note on prescribing habits of the physician.
- Q.17. Give an exhaustive detailed outline on Market segmentation.
- Q.18. Write the note on size and composition of the market.
- Q.19. Discuss various concepts of marketing.
- Q.20. Define selling. Explain steps involved in selling process.

MCQs

1. Marketing is a process which aims;
 - A. Production
 - B. Profit making
 - C. Selling products
 - D. Satisfaction of customer needs
2. Which forms of human needs that take as shaped by culture and individual personality.
 - A. Want
 - B. Demand
 - C. Need
 - D. Social Need
3. Marketer often used which of the term to cover various grouping of customers.
 - A. Buying power
 - B. Demographic segment
 - C. Market
 - D. People
4. ----- buy products and ----- use product.
 - A. Consumer and customers
 - B. Customers and consumer
 - C. Buyers and sellers
 - D. Buyers and customers
5. A -----is a detailed version of the idea stated in a meaningful consumer terms.
 - A. Product concept
 - B. Product feature
 - C. Product idea
 - D. Product image
6. Our marketing mechanism is deemed successful only if
 - A. We get money from him
 - B. Customer is fully satisfied by our products and services
 - C. We can sell more than our competitors
 - D. We can make more profit than our competitors
7. Marketing is a process that creates, communicates and delivers.
 - A. Services to customers
 - B. Products to customers
 - C. Value to customers
 - D. Materialistic benefits to the customer
8. Technology environment is part of firms.
 - A. Microenvironment
 - B. Macro environment
 - C. Task environment
 - D. Depends upon the nature of the firm's product range

9. If we try to meet more and more people and share our emotions with them, we are satisfying the following need.
 - A. Self-actualization
 - B. Physiological
 - C. Security
 - D. Social
10. If a consumer understands the right message in a wrong way, the firm would stand to
 - A. Gain
 - B. Remain unaffected
 - C. Lose heavily
 - D. None of those
11. The term market is derived from which word.
 - A. Latin
 - B. Greek
 - C. German
 - D. None
12. Testing of new products in market is done by
 - A. Test marketing
 - B. Concept testing
 - C. Attribute testing
 - D. All
13. Among the following which one is not a part of Data analysis?
 - A. Data tabulation
 - B. Data coding
 - C. Data interpretation
 - D. Data screening
14. One product all segments are the strategy of
 - A. Differentiated marketing
 - B. Concentrated marketing
 - C. Vertical marketing
 - D. Undifferentiated marketing
15. Several products- Several segments is the principle of;
 - A. Differentiated marketing
 - B. Concentrated marketing
 - C. Vertical marketing
 - D. Undifferentiated marketing
16. AMA is elaborated as;
 - A. American marketing association
 - B. American marketing assets
 - C. American management association
 - D. American management assets
17. The term marketing mix was introduced by one of the following;
 - A. Borden
 - B. Kotlers
 - C. Smith
 - D. Taylor
18. When segmentation is based on age, gender, income etc. then it is called as
 - A. Demographic
 - B. Geographic
 - C. Psychographic
 - D. Behavioral

19. Hard core loyal means
 - A. Loyal to one brand
 - B. Loyal to two or three brands
 - C. Psychographic
 - D. No loyalty
20. Which one is odd among the following with respect to marketing?
 - A. Product concept
 - B. Marketing concept
 - C. Selling concept
 - D. Pricing concept
21. Point out the exact sequence of selling process
 - A. Prospecting-Approaching-Presentation
 - B. Prospecting- -Presentation-Approaching
 - C. Approaching -Prospecting -Presentation
 - D. Presentation -Prospecting-Approaching
22. Porter's analysis is based on
 - A. Five forces
 - B. Six forces
 - C. Seven forces
 - D. Four forces
23. Hierarchy pyramid is the concept of
 - A. Maslow's
 - B. Kotler
 - C. Borden
 - D. Smith
24. Self-respect and prestige comes under
 - A. Safety need
 - B. Social need
 - C. Esteem need
 - D. Self-actualization need
25. Highly traditional and price conscious consumers are called as
 - A. Early adopters
 - B. Late majority
 - C. Innovators
 - D. Laggards
26. When no of sellers (company) is very few in the market, it is called
 - A. Monopolistic market
 - B. Monopsonistic
 - C. Bilateral market
 - D. None
27. The meaning of Value is understood as
 - A. Benefit / Cost
 - B. Cost/Benefit
 - C. Cost-Benefit
 - D. None
28. Competitors, Suppliers and Customers comes under the
 - A. Internal environment
 - B. Micro environment
 - C. Macro environment
 - D. All

