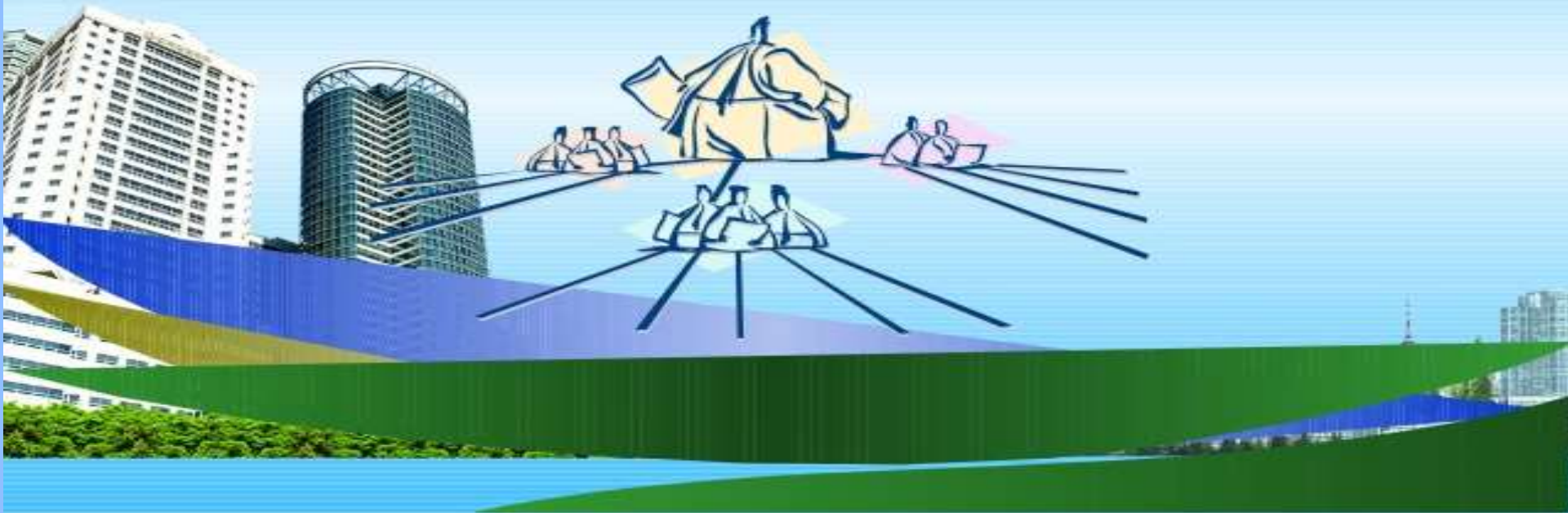


Marketing Management



Presenting by
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What is Marketing...??

Selling?

Advertising?

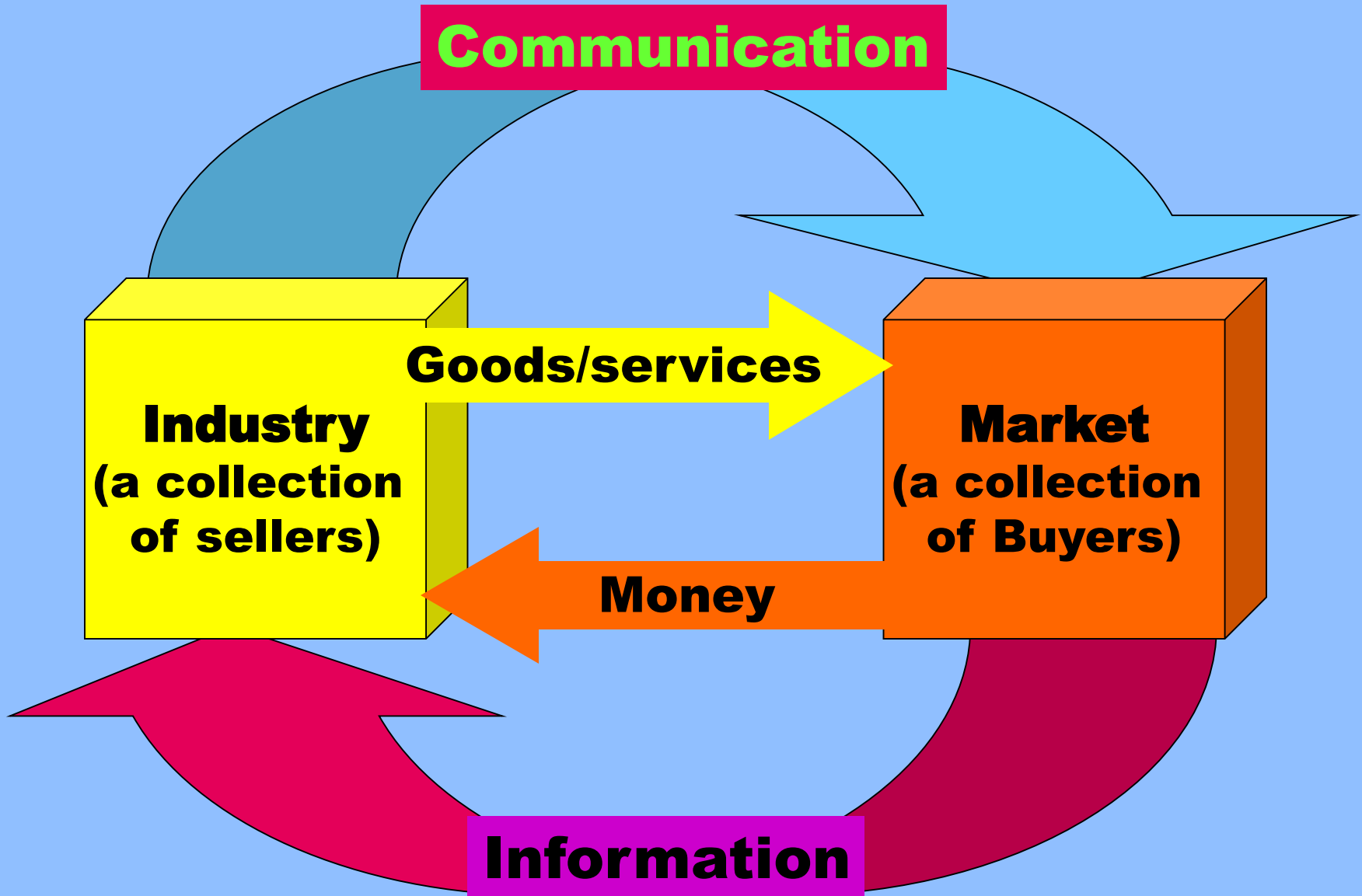
Promotions?

Making products
available in stores?

Maintaining
inventories?

Marketing Management is the *art and science* of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.

Simple Marketing System



Scope – What do we market ?

- Goods
- Services
- Events
- Experiences
- Personalities
- Place
- Organizations
- Properties
- Information
- Ideas and concepts

Core Concepts of Marketing

Based on :

- Needs, Wants, Desires / demand**
- Products, Utility, Value & Satisfaction**
- Exchange, Transactions & Relationships**
- Markets, Marketing & Marketers.**

Core Concepts of Marketing

- Need - food (is a must)
- Want - Pizza, Burger, French fry's
(translation of a need as per our experience)
- Demand - Burger (translation of a want as per our willingness and ability to buy)
- Desire - Have a Burger in a five star hotel

The Evolution of Marketing



Marketing Mix

→ Traditional 4P,s are The product, its price, promotion and distribution/place

1. Product: It is a good, service, idea that is offered to a customer to satisfy his/her need. The attributes of a product are variety, quality, warranty, design, packaging, after sale-service etc.

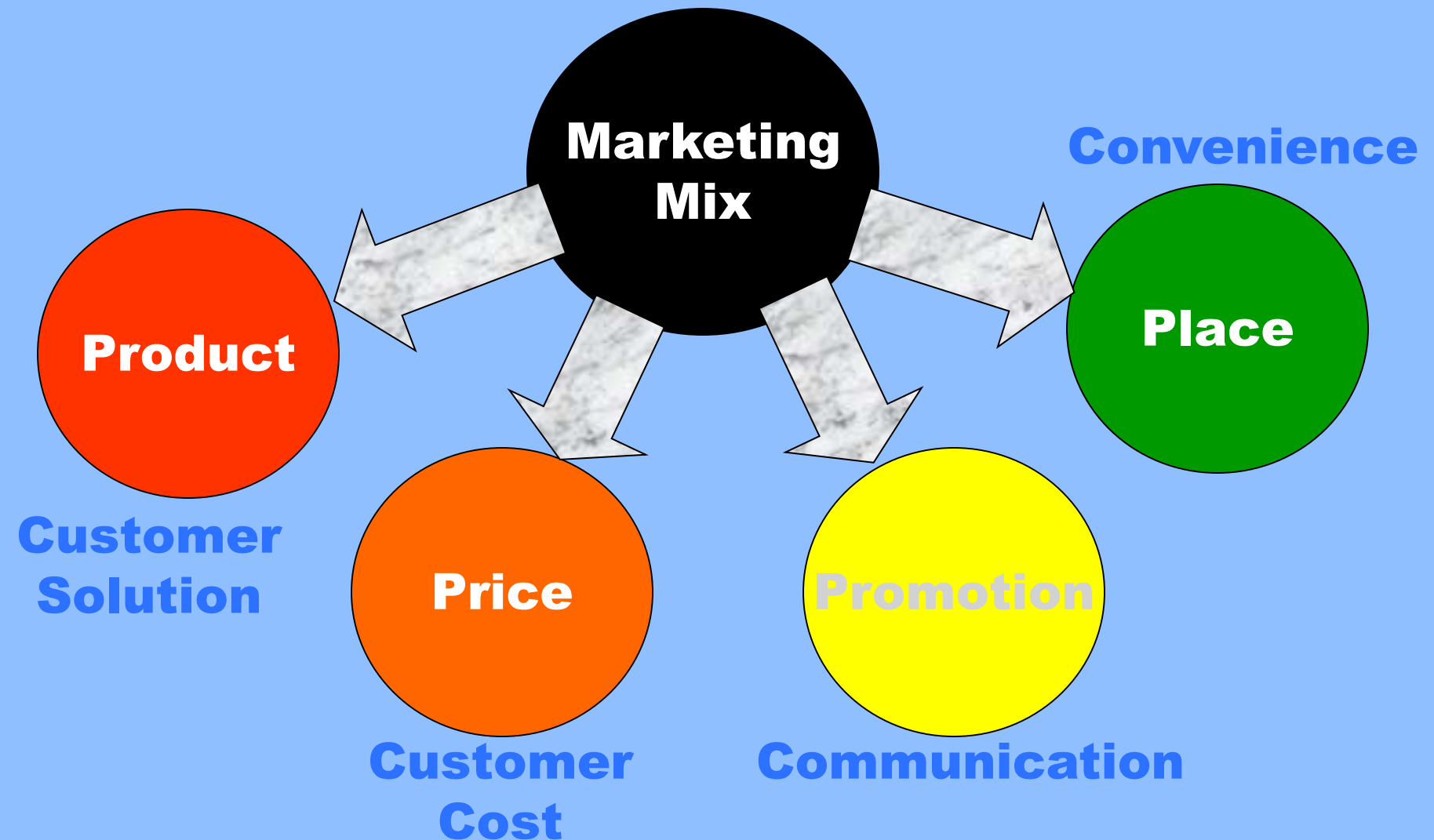
2. Price: the value at which a marketer offers the product/service/idea to a customer. The actual price at which the exchange may take place between the offerer and the customer may be different than the initial offer. The final exchange price may be determined by the interaction between the supplier and the customer.

You must have experienced how the Indian railways fixes the price for sleeper class as compared to the A/C; similarly the Post and Telegraph charges a low price for the post card but a higher price for the envelope.

3. Place: It refers to the distribution of goods from the point of production to the target customer. It may include distributors/wholesalers, stockiest and retailers who are together referred to as middlemen or as 'channel partners in modern parlance. There are others too like franchisees, branches, depots etc.

4. Promotion: Communicating product features and its benefits to target customers through different mediums is known as promotion. Advertising, personal selling, public relations, sales promotion, sponsorship are some of the promotional tools being used.

The 4 Ps & 4Cs



Modern Components of the Mix: Additional 3P's

Modern authors on marketing have added few more Ps namely People, Processes and Physical evidence to the traditional 4Ps. These have assumed significance with the offering of 'services' like hospitality, health etc. becoming more professional and specialized. A brief introduction of each of them is given below-

People: The front office staffs of a hotel are the most important decision making catalyst to the visitors stepping into the hotel. Similarly the staff in a wellness care center would be crucial to the customer who walks in to have a check up.

Processes: Many enterprises today are process driven. The term has been commonly used for manufacturing concerns where the products would go through processes. Today we talk about quality processes, office processes, information processes and so on.

Physical Evidence:

About a decade back, you would visit a hotel or a restaurant on word of mouth evidence and order by the menu. Today many of these eateries display photographs of their dishes on display boards.

Similarly marketers are offering experiential learning on their products as a test use before a purchase decision is taken.

Similarly a specifically attired attendant is the evidence of the quality of the service that may be expected from the service provider.

Marketing Environment

The components marketing mix; each of the 4Ps or 7Ps is affected by the environment surrounding it

A marketing oriented company always keeps tab on its external environment carefully to analyze opportunities and threats. This external environment influences company's strategies in two levels i.e. **macro and micro level**. The macro environment involves political and legal, economic and natural, social and cultural and technology elements. The micro environment consists of supply chain, customer and competitor.

Micro Environment:

Marketing department alone cannot satisfy all the needs of customer. Therefore it is essential to integrate the functions of suppliers, publics, customers, competitors and intermediaries in creating the value to the customer. These forces are known as organization's micro environment.

Intermediaries

These are firms which distribute and sell the goods of the company to the consumer.

Retailers, wholesalers, agents, brokers, jobbers and carry forward agents are few of the intermediaries. Retailers are final link between the company and the customers. Their role in the marketing of product is increasing every day.

Marketing intermediaries play an important role in the distribution, selling and promoting the goods and services. Stocking, delivering, bulk breaking, and selling the goods and services to customer are some of the major functions carried out by the middlemen.

Publics

These are microenvironment groups, which help a company to generate the financial resources, creating the image, examining the companies' policy and developing the attitude towards the product.

1. **Financial publics** influence the company's ability to obtain funds. For example, Banks, investment houses and stockholders are the major financial publics.

2. **Media publics** carry news and features about the company

3.Regulation Agency Advertisement regulation agencies, telecom regulation agency(TRAI), and insurance regulatory and development authority (IRDA) of the government

5. General publics: a company should be concerned towards general publics' attitude towards its products and services.

6. Internal publics: Employees who help in creating proper image for the company through word of mouth.

Competitors

A company should monitor its immediate competitors as its sale will be affected by the nature and intensity of the competitors. The sale of Coca cola will be affected by Pepsi cola, or Britannia cheese by Amul cheese.

Competition may arise from

- a. Small firms with low overheads producing duplicates.
- b. Firms which diversify into certain products by merely being in the particular industry for e.g. Pepsico entered the snacks sector competing with pure snack producers like Haldiram.
- c. Firms which expand in the same vertical for e.g. Godrej which manufactured office furniture and steel cupboards went on to the entire range of home furniture thereby giving competition to pure home furniture makers.

Suppliers

There are many kinds of suppliers to an enterprise or an institution. There are typically, raw material suppliers, energy and fuel suppliers, labour suppliers, office item suppliers and so on.

Suppliers are the first link in the entire supply chain of the company. Hence any problems or cost escalation in this stage will have direct effect on the company. Many companies adopted supplier relation management system to manage them well. Suppliers are a source of competition to firms today.

For a large retail store like Reliance Retail or Big Bazaar the suppliers play the most significant role in both cost and time. Timely supplies reduce stocking of goods and blocking of space, at the same time meet customer requirements.

In a globalised scenario suppliers are even more important as competition goes up manifold! The Tamil Nadu State Electricity Board imports coal from New Zealand despite huge coal reserves in India. For Volvo, India is a manufacturing hub.

Customers

A company may sell their products directly to the customer or use marketing intermediaries to reach them. Direct or indirect marketing depends on what type of markets Company serves. Generally we can divide the markets into five different categories. They are

- a. Consumer market.
- b. Business market
- c. Reseller market
- d. Government market and
- e. International market

You will come to know about these five different markets from the following example.

MRF, a tyre company sells its product directly to consumer (in case of urgency, customer purchases directly from showroom) i.e. operates in Consumer Market.

It operates in Business Markets by selling tyres to companies like Maruti Udyog limited.

MRF also sells TYRES to BMTC and KSRTC, transport organizations of Karnataka government i.e. Government Market.

If MRF sells tyres in African or American countries then it is operating in the International Market.

If MRF buys the old tyres, retreads it and sells it to the consumer at a profit then company is operating in the Reseller Market.

Macro Environment

Forces in the macro environment :



Demographic Environment

Demography is the study of population characteristics like size, density, location, gender composition, age structure, occupation and religion.

Demography statistics helps companies to forecast demand. These statistics are also used in developing proper supply chain, communicating product information and changing the product attributes. Demographic environment is analyzed on the basis of the following factors.

1. Age structure of the population
2. Marital status of the population
3. Geographic distribution of the population
4. Education level
5. Migration
6. Occupation.

1. Age structure of the population:

A survey states that 48% of the population in India are aged below 21yrs and 28% of the population are in the bracket of 21-25yrs.

Many marketing companies are focusing on these two segments. For example, Radio Indigo, FM radio station from Jupiter capital venture operates in Bangalore and Goa, plays international music. Radio indigo targets youth segment who like western music

2. Marital status of the population:

Half of the Indian population falls into the never married category. This could provide an opportunity for the organized wedding industry. Indian wedding industry is worth Rs 1,25,000 crore today. There are companies offering end to end solution to the customers who are looking for lavish weddings or designer wedding in exotic locations both in domestic and abroad.

3. Geographical distribution of the population

Rural India with approximately 74 crore population is the biggest market. Companies are trying to grab a pie of this untapped market. For example, ITC with their e choupals in Haryana, have set up a market for agricultural products and other offerings. Such information provides insights for marketers to venture into hitherto green fields. The statistics thrown up helps marketers design products suitable to such markets.

4. Education level:

More than 3 crore people in India either are graduates or post graduates. This has led to the growth of many sunrise sectors. This educated population fuelled the growth of information technology (IT), information technology enabled services (ITES), and biotechnology industries.

5. Migration:

Geographical shift in the population is becoming an interesting area in demographic studies. Marketers started identifying the niches in the migrated communities and offered their goods and services. For example, Nandhini, an Andhra restaurant in Bangalore cater to the needs of the Andhra community. Patrika, a Rajasthan based daily is now available throughout the country.

6. Occupation:

Agriculture is the main occupation of the people in India but the share of other services is growing rapidly.

The other service category includes IT.

Employees of these categories have high disposable income. This has led to the opening of specialty stores and manufacturing of luxury items in the country.

Political and Legal Environment

Government policies, legislations, regulations, and stability will directly affect the business. Therefore it is inevitable for the firm to closely monitor this environment. The political and legal forces are grouped into the following four categories.

1.Monetary and fiscal policies: These policies regulate government spending, money supply and tax legislations.

2.Social legislations and regulations. For e.g. Environmental Protection Act which specifies the emission level etc.

3. Legislations, Policies and regulations relating to industries: labour Acts, Factories Act and policies regarding subsidies and change in tariff rate will have direct impact on a particular company.

4. Legislations related to manufacturing, trading, marketing etc: Following are the list of legislations which affect the various activities of the company.

- Companies Act 1956
- Industrial Dispute Act 1957
- Consumer protection act
- Minimum wages act
- Payment of bonus act.
- Environmental protection act
- Industries development and regulation act.
- Trade union act
- Contract law
- Factories act 1948

Economic, Monetary and Natural Environment

The economic environment includes consumption patterns, productivity patterns, spending patterns, and sectoral growth and so on.

The monetary environment consists of inflation, interest rate, exchange rate, money supply etc. These provide vital clues for marketers to decide on product offering, incentive offerings, promotional decisions and pricing decisions.

If the consumption pattern or expenditure behavior of the middle class shifts towards higher levels, marketers see great opportunities for exchange offers, buy back offers etc.

The middle class may like to upgrade and at the same time would like to get some value for their old goods.

If the government decides to offer loans to farmers at a low interest rate, marketers see opportunities to sell more farm equipments.

Interest rate: when interest rates are high, consumer tend not to make long term purchase like housing. If the interest rate is low people park their money in alternative financial options where they get better return. Marketers of financial products could seize this opportunity to promote new products. On the other hand the housing sector would do well to promote budget houses.

Inflation: Higher the inflation rate lesser will be the purchasing power of the consumer. Hence government always tries to control inflation within a limit. In situations of rising inflation marketers may not be able to avoid the increase in prices. They sometimes try to cover this fact by offering clever incentives to buyers.

Natural Environment:

Environmental concerns are growing over the years. Governments are bringing in stringent regulations to conserve and manage natural resources. Marketers should beware of such trends in the environment. Some of the factors on which organizations should keep a watch are;

- a. Inadequate raw materials arising out of strict mining regulations
- b. Global warming and pollution levels which have ushered in new legislations

A case in point is the conversion of three wheelers and city buses to CNG fuel. This provided great opportunity for manufacturers of such engines. The ban on smoking in public places forced tobacco manufacturers to tone down their marketing efforts.

Social and cultural environment

Growing urbanization, increasing participation of women in livelihood activities, advent of global cultural practices, greater exposure to life styles practiced world wide etc has altered marketing efforts remarkably. A club house and a swimming pool is an essential part of purchase decision for a flat in a metro. Festivals have gained an urban color and marketers are packaging festivals offers accordingly. On the other hand the rural people has been exposed to urban life style thanks to the electronic media. Companies like Hindustan Lever have successfully marketed their low priced offerings of toiletries and cosmetics in the rural areas. While this transformation is over a wide canvas.

Technological environment

There are several changes being brought in the technology from which is transforming the way business is conducted. The changes are so rapid and sweeping those enterprises have found it difficult to keep pace. Several have fallen by the wayside for failing to keep with the changes. Major public sector undertakings in India which did not upgrade in time and closed their shutters such as HMT. On the other hand in the private sector like Hindustan Motors, LML etc are examples who were known as flag bearers, collapsed once they fell behind in the race for technology. Some of the major changes are as follows:-...

1. Growth of information technology and biotechnology industries:

IT has revolutionized the lives of the people. It brought dramatic changes in the way organizations operate. It helped in cost reduction, automation, better communication and efficiency in the organizations. New business platforms emerged, popularly known as e-commerce, e-business, and e-marketing. There were synergies among widely different fields such as informatics and life sciences which opened up new streams of business as bioinformatics, clinical research, biotechnology, medical technology etc.

2. Nano technology:

Another development which has shaken the world of electronic products is nano technology. On the one hand it has miniaturized products and combined multi-product features and on the other it has given marketers sleepless nights to maintain pace with their marketing efforts. The challenge has been in differentiating the offers and providing visibility at a rapid pace with increasing numbers of variety being rolled out in great frequency. Just imagine how thinner and smaller the cell phone is becoming with each passing day! And the number of players in the market??? Add to them the features!!

Difference Between Macro & Micro Environment

	Macro	Micro
Size	Large	Small
Control	Cannot be controlled	Can be controlled to some extent
Uncertainty	Very High	Low
Complexity	High	Low
Examples	Political, Social, Cultural, Technology, Demography and Natural Environment	Customer, Public, Competitors, Suppliers and Intermediaries

MARKET SEGMENTATION

What is Segmentation ?

Segmentation refers to a process of bifurcating or dividing a large unit into various small units which have more or less similar or related characteristics.

A market segment comprises of individuals who think on the same lines and have similar interests.

Benefits



1. Understanding the needs of Consumers
2. Proper allocation of marketing budget
4. Helps in preparing a better competitive strategy
5. Provides guidelines in preparing media plan of the company
6. Different offerings in different segments enhance the sales
7. Customer gets more customized product
8. Provides opportunities to expand market
9. Encourages innovation

Requirements for Effective Segmentation

1. Measurable and Obtainable: The size, profile and other relevant characteristics of the segment must be measurable and obtainable in terms of data. If the information is not obtainable, no segmentation can be carried out. For example, Census of India provides the data on migration and education level, but does not specify how many of the migrated employees are educated and if educated how many are in white collared jobs. If a company wants to target white color collared employees who are migrated to particular city, it will not be able to measure the same. .

2. Substantial: The segment should be large enough to be profitable. For consumer markets, the small segment might disproportionately increase the cost and hence products are priced too high. For example, when the cellular services started in India cost of the incoming calls and outgoing calls were charged at Rs 12/minute. As the number of subscribers grew, incoming calls became free. Further growth of subscribers resulted in lowering tariffs for outgoing calls to the lowest level in the world.

3. Accessible: The segment should be accessible through existing network of people at an affordable cost. For example, Majority of the rural population is still not able to access the internet due to the high cost and non-availability of connections and bandwidth.

4. Differentiable: The segments should be different from each other and may require different 4Ps and programs. For example, Life Insurance Corporation of India needs separate marketing programs to sell their insurance plans, unit plans, pension plans and group schemes

5. Actionable: The segments which a company wishes to pursue must be actionable in the sense that there should be sufficient finance, personnel, and capability to take them all

The Process of Market Segmentation

1. Identify existing and future wants in the current market

This process provides opportunity to examine whether customers are satisfied with the existing products or not. If they are not satisfied what are the features they are not happy with or what kind of features they would like to have in the product at. It also helps to test the innovative concepts that company has, commercially viable or not. For example, Titan, wrist watch manufacturer from Tata group should analyze whether customers are satisfied with the time accuracy in the watch. It should also analyze what are the other features customers are looking for in their watch. It may be style, calculator, voice recorder, jewels studded or pulse monitor. In this case, time accuracy becomes the existing want and other features become future wants.

2. Examine the attributes that distinguish segments.

In this process marketers should segregate different types of wants into homogeneous categories. This may be on the basis of product features, lifestyle or behavior. For example, Titan should analyze how style, calculator, voice recorder, jewels studded and pulse monitor attributes are different. Is there any possibility of bringing some of these features together? If yes what are the attributes that makes it homogeneous. To illustrate, student community may be interested in style and also want calculator in their watch.

3. Evaluate the proposed segment attractiveness on the basis of measurability, accessibility, and size.

Segments selected in the above steps should be evaluated against the requisites i.e. measurability, accessibility, substantial, actionable and differentiability. Company's further programs will depend on the outcome of this process.

Market Segmentation

Geographic

Demographic

Psycographic

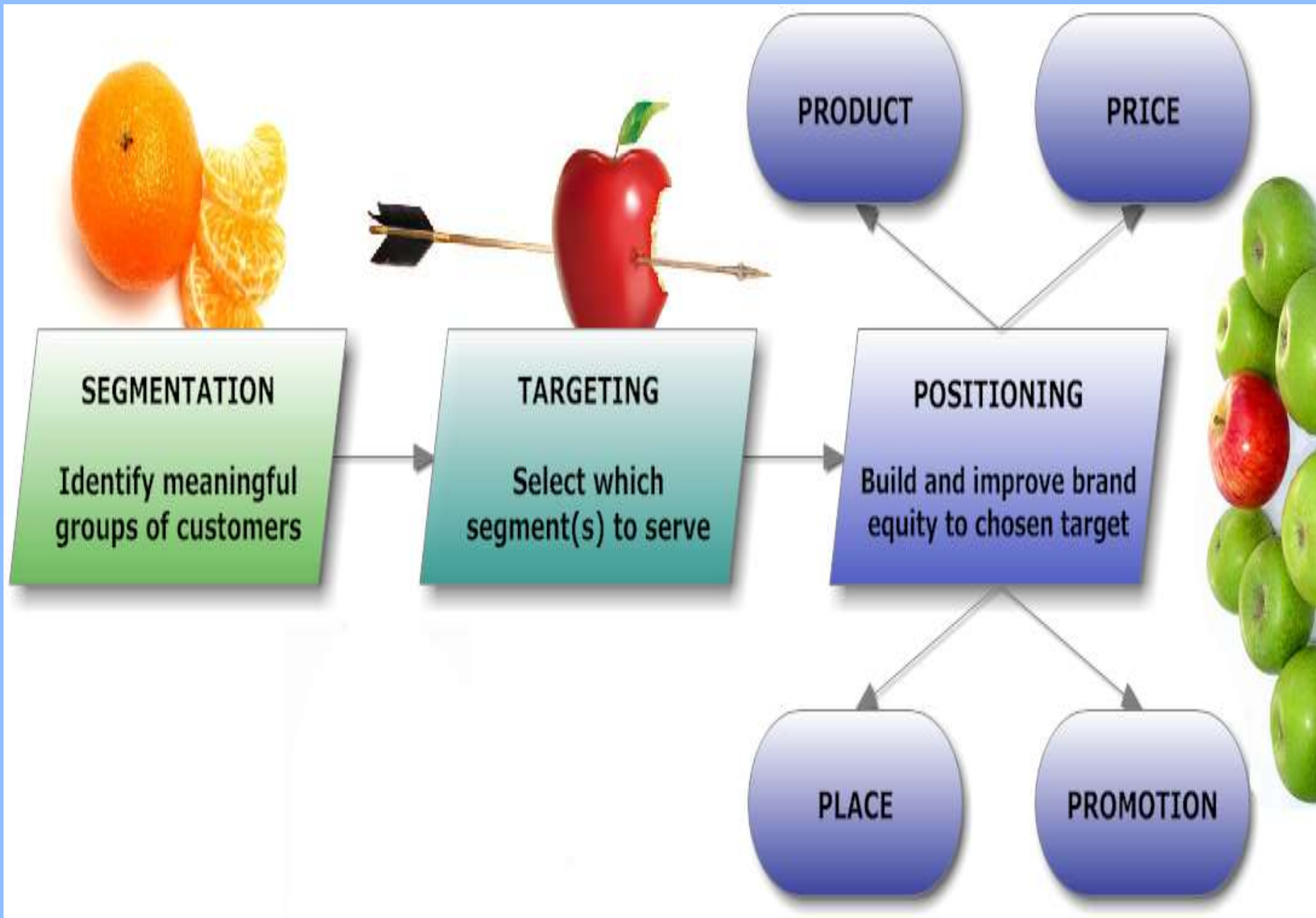
Behavioural

Countries
Nations
States
Regions
Cities
Neighbourhoods

Age
Gender
Sex
Family
Education
Income

Life Style
Social Class
Personality

User status
Usage rate
Benefits sought
Occasions
Loyalty
Attitude



The process of creating an image of a product in the minds of the consumers is called as positioning. Positioning helps to create first impression of brands in the minds of target audience. In simpler words positioning helps in creating a perception of a product or service amongst the consumers.

Example

The brand “Bisleri” stands for purity.

The brand “Ceat Tyre” stands for better grip.

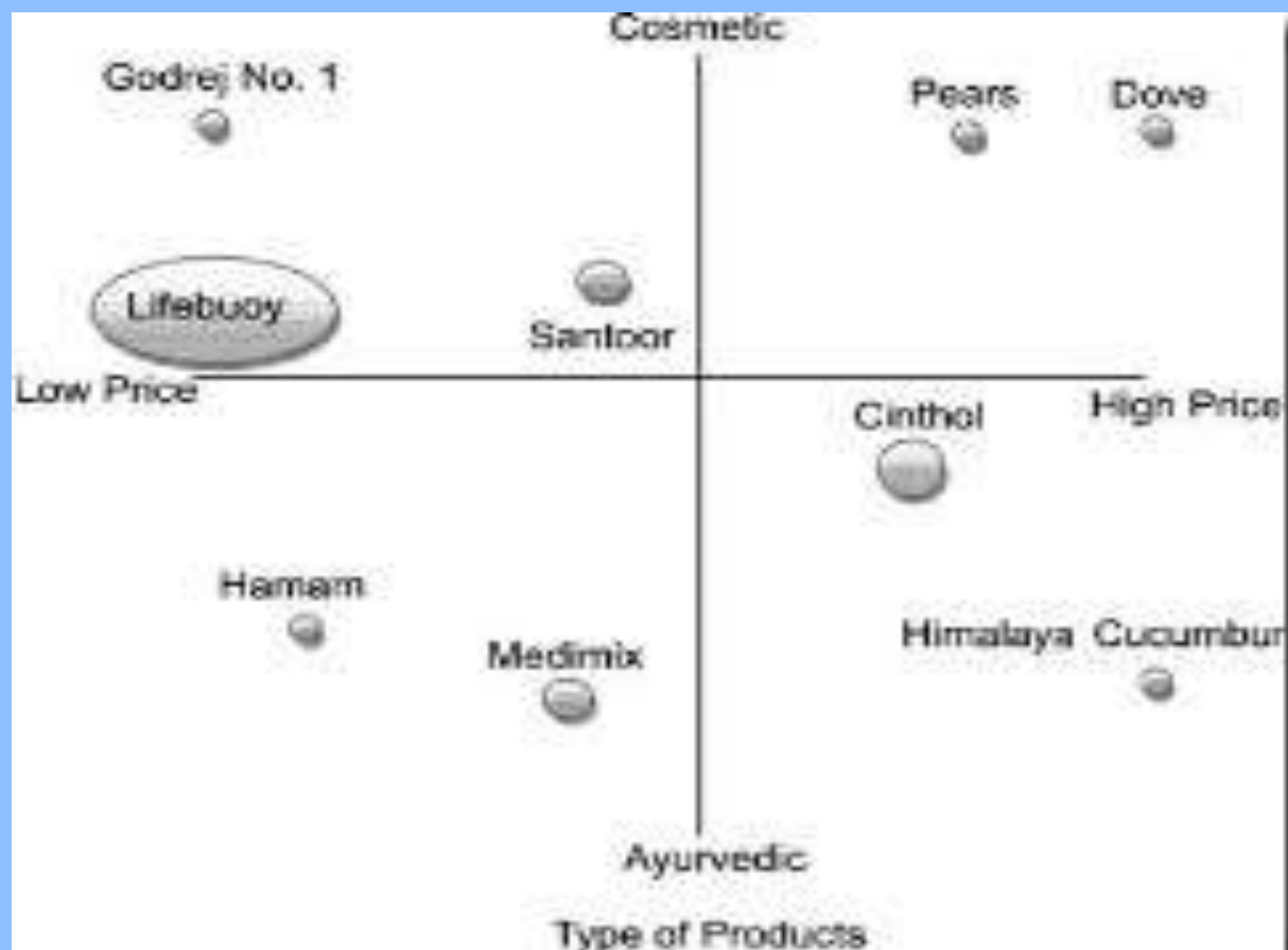
Positioning maps:

Two dimensional graphs of how a product, brand or company is perceived versus competition.

Before identifying the positioning strategies for the product, marketer prepares its perceptual maps. These maps are drawn on important buying dimensions of consumer for company products as well as competitor products.

How to construct Position maps?

1. Evaluate the buying dimensions of customer
2. Select two buying dimensions of consumer; for example price and quality.
3. Identify the relative market share: relative market share is the ratio of company's market share to its largest competitors' share.
4. Draw the circles according to relative market share on two dimension graph



Bases for positioning the product

Overcoming the positioning difficulties enables the company to solve the marketing-mix problem. Thus seizing the “high-quality position” requires the firm to produce high quality products, charge a high price, distribute through high-class dealers and advertise in high-quality media vehicles.

The bases for positioning strategies are:

1. Attribute Positioning: A company positions itself on an attribute such as size or number of years in existence. For example, Sun feast positions its snacky brand as bigger lighter and crisper.



2. Benefit Positioning: The product is positioned as the leader in a certain benefit.

Automotive: Hyundai Santro

Headline: India's best-loved family car is now also India's simplest car to drive.

Subhead: Hyundai introduces Santro Zip plus Automatic.

No shifting gears, no clutch, no problems.

Baseline: The simplest car to drive. (Positioning)



3. Use or Application Positioning: Positioning the product as best for some use and application. For Example, Kenstar positioned its product as unexpectedly cold.



4. User Positioning: Positioning the product as best for some user group.



In this advertisement of Parle –G, the girl was positioned as rock star. This advertisement basically targets the kids.

5. Competitor Positioning: The product claims to be better in some way than a particular competitor. In an advertisement, Navbharat base line says ‘In the wake of ABC results, Navbharat celebrates the addition of 33,960 copies while nearest competitor laments the loss of 7,258 copies. Planners, take note’. It is directly mentioning its and competitor’s newspaper sales figures.



6. Product Category Positioning: The product is positioned as the leader in a certain product category. Bajaj CT 100 was positioned as leader in the entry segment bikes.



7. Quality or Price Positioning: The product is positioned as offering the best value.



The vegetable oil brand Dhara positions itself as ‘anokhi shuddata, anokha asar’. This means, company offers unique purity and unique effect.



Buying Behavior is the decision processes and acts of people involved in buying and using products.

Need to understand:

- Why consumers make the purchases that they make?
- What factors influence consumer purchases?
- The changing factors in our society.

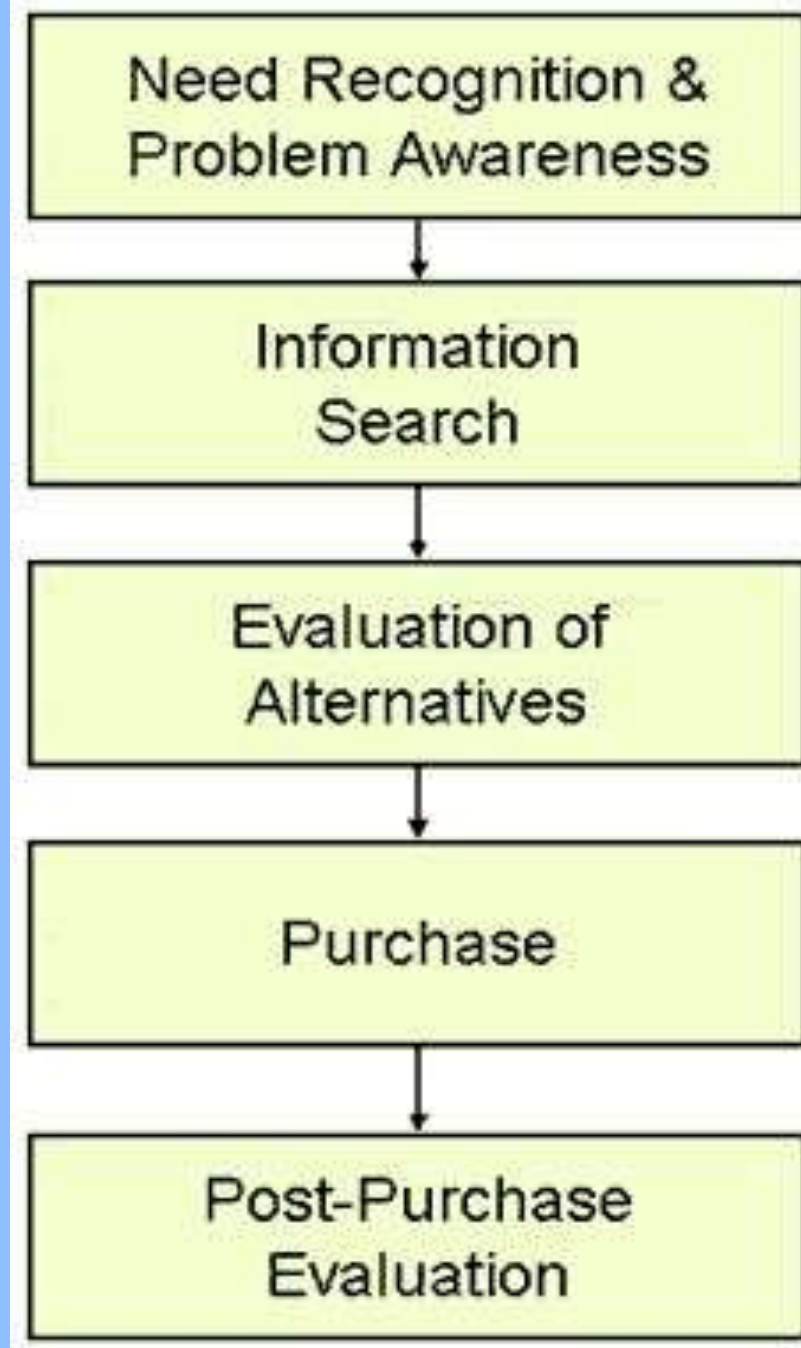
Buying Behavior

Stages of the Consumer Buying Process

Five Stages to the Consumer Buying Decision Process. Actual purchasing is only one stage of the process.

Not all decision processes lead to a purchase.

All consumer decisions do not always include all 5 stages.



1. Problem Recognition(awareness of need)—

Difference between the desired state and the actual condition. Deficit in assortment of products.

Hunger--Food.

Hunger stimulates your need to eat.

Can be stimulated by the marketer through product information--did not know you were deficient? I.E., see a commercial for a new pair of shoes, stimulates your recognition that you need a new pair of shoes

2. *Information search--*

- Internal search, memory.
- External search if you need more information. Friends and relatives (word of mouth). Marketer dominated sources; comparison shopping; public sources etc.

A successful information search leaves a buyer with possible alternatives, the *evoked set*.

Hungry, want to go out and eat, evoked set is

- Chinese food
- Indian food
- Burger etc

3. Evaluation of Alternatives—

Need to establish criteria for evaluation, features the buyer wants or does not want. Rank/weight alternatives or resume search. May decide that you want to eat something spicy, Indian gets highest rank etc. If not satisfied with your choice then return to the search phase. Can you think of another restaurant? Look in the yellow pages etc. Information from different sources may be treated differently. Marketers try to influence by "framing" alternatives

4. Purchase decision—

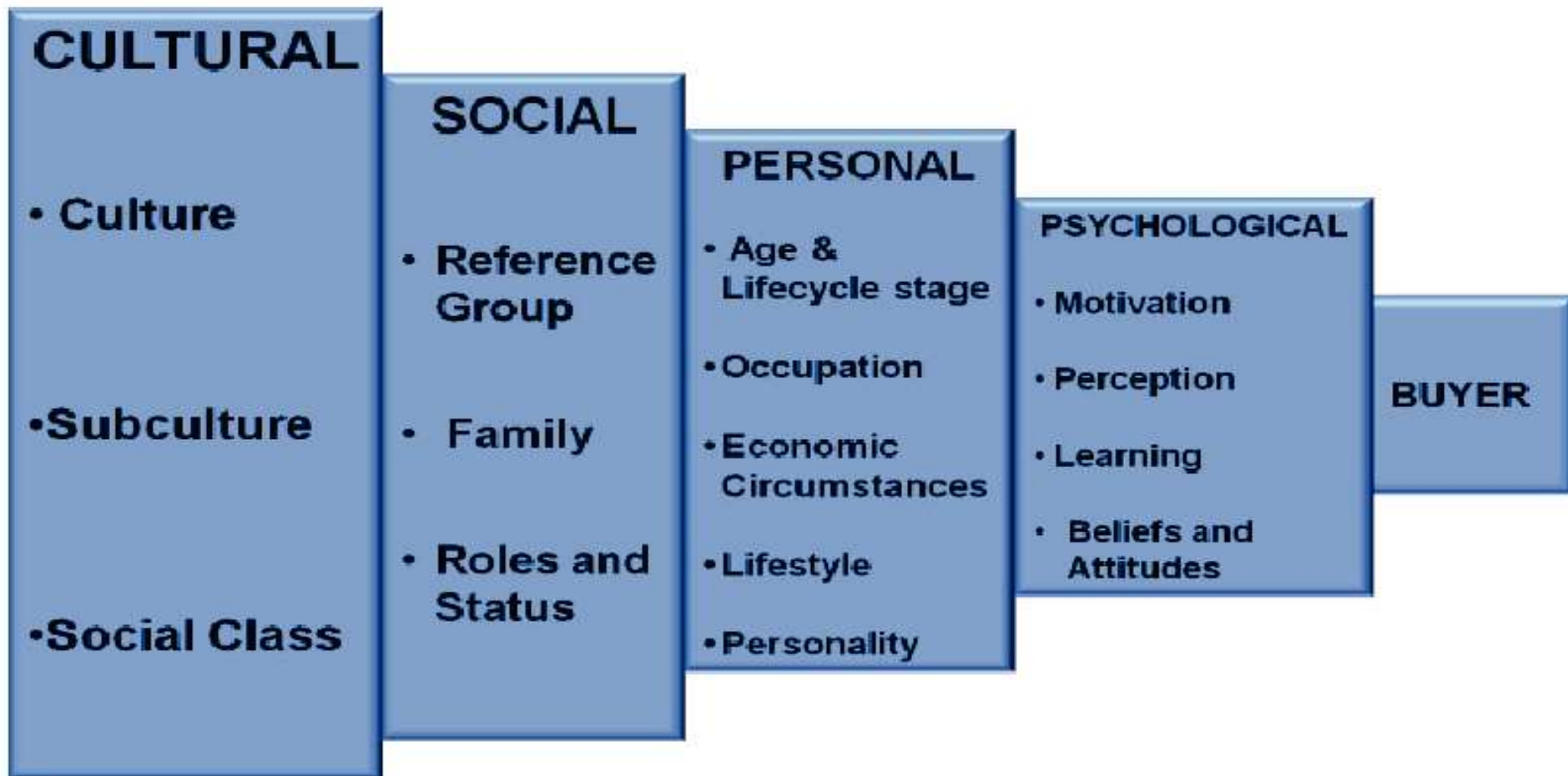
Choose buying alternative, includes product, package, store, method of purchase etc.

5. Post-Purchase Evaluation—

Outcome: Satisfaction or Dissatisfaction

Factors affecting Consumer Behavior

Cultural, Social, Personal and Psychological factors influence the consumer behavior. These are external to the company and cannot be controlled.



I. Cultural factors:

1. Culture is the combination of customs, beliefs and values of consumers in a particular nation. Majority Indians are vegetarians and a company which sells non vegetarian items should analyze these values of the consumer. For example, KFC which sells chicken dishes all over the world added vegetarian burgers in their menu to serve vegetarian consumers. Another multinational McDonald, whose majority of sales comes from selling beef burgers, whereas it is not accepted in India.

I. Cultural factors:

2. Subcultures are part of culture comprising, geographic regions, religions, and nationalities. The value system of these groups differs from others. For example, Hindus in north India eat special vegetarian food during the Navaratra festival. They prefer to spend their time with their family. During this time restaurants will have lesser traffic. To attract the customers, restaurants started offering the authentic Navaratra dish. This helped the restaurant to attract the family who don't have time, bachelors and people want to spend their time with family without allotting much time for food preparation and so on.

I. Cultural factors:

- 3. Social class** – these are permanent groups in the society whose members have common likings. According to Mckinsey consumer report, Indian consumers can be classifies into five different categories. They are,
- a. Deprived (Less than Rs. 90,000 p.a.)
 - b. Aspires (Between Rs.90,000 to Rs.2,00,000 p.a.)
 - c. Seekers (Between Rs.200,000 to Rs.500,000 p.a.)
 - d. Strivers (Between Rs.500,000 to Rs.1,000,000 p.a.)
 - e. Global Indians (More than Rs.1,000,000 p.a.)

II. Social factors:

Human beings are social animals. They live and interact with other people. Therefore there is a chance of influence by others on their opinions. Marketers like to identify such influential persons or groups of consumer. Generally such groups are classified into two major groups namely reference groups and family.

A **Reference group** includes individuals or groups that influence our opinions, beliefs, attitudes and behaviors. They often serve as our role models and inspiration. Reference groups influence what types of products you will purchase and which brand of product you choose.

Types of Reference Groups

Reference groups can be divided into two major types:

A **normative reference group** influences your norms, attitudes, and values through direct interaction. Examples of your normative reference groups include your parents, siblings, teachers, peers, associates and friends.

A **comparative reference group** is a group of individuals whom you compare yourself against and may strive to be like. Examples include celebrities and heroes.

Family: Indian culture gives utmost importance to the family. People discuss with their family before purchasing the valuable items. Wife, children and parents influence the decisions of the family. Therefore many companies use either whole family or kids in their promotional programs

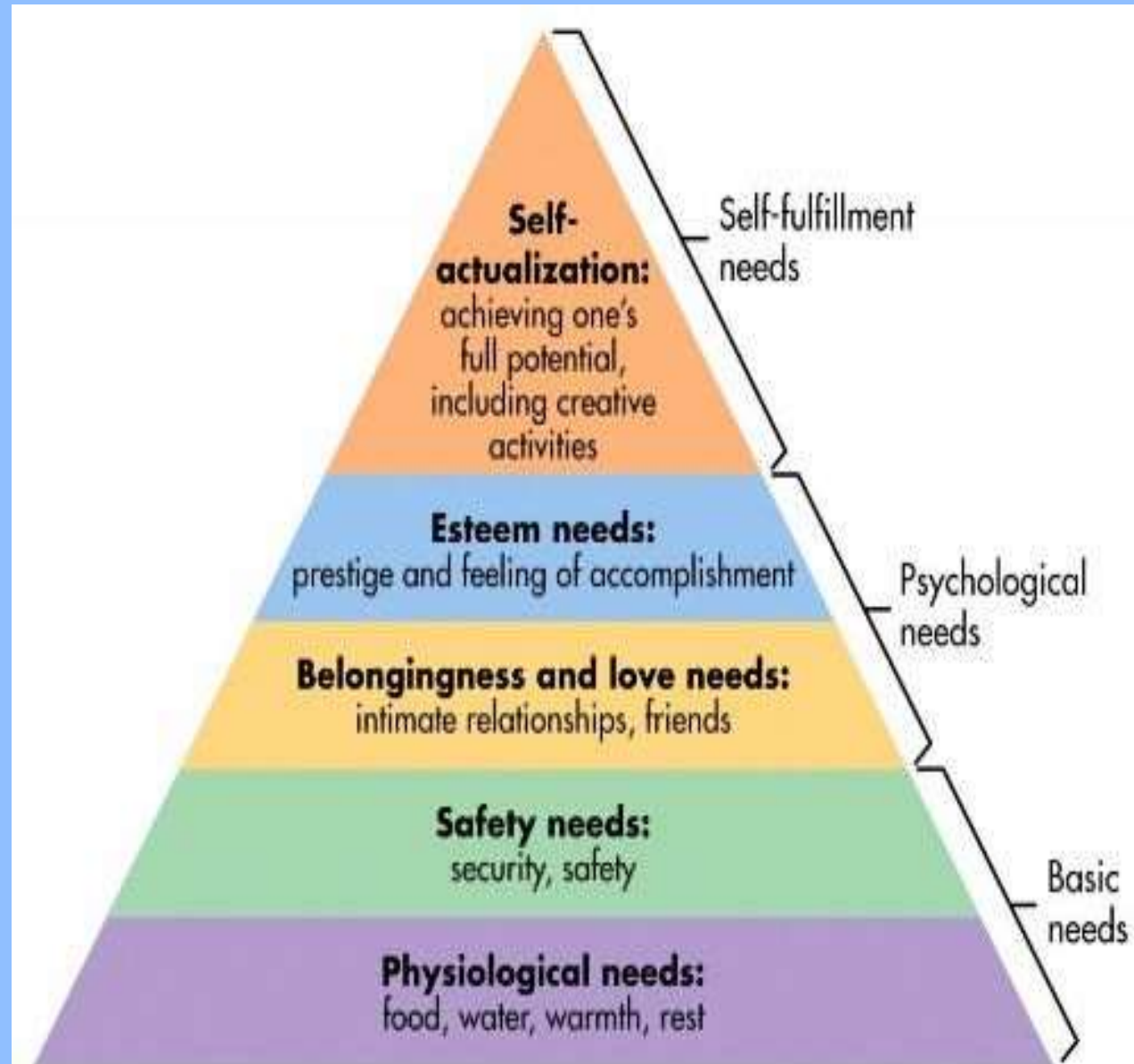
III. Personal Factors:

Individual factors like age, occupation, lifestyle and personality influence the consumer decision making. Personality is the image of people's traits. Traits include Self confidence, Dominance, autonomy, defensiveness, adaptability and aggressiveness. Many companies used these concepts in their marketing communications. Bajaj pulsar used muscularity to highlight its image (definitely male). Fair and lovely and stay free tried to highlight 21st century Indian girl and their aspirations in their communications.

III. Psychological factors:

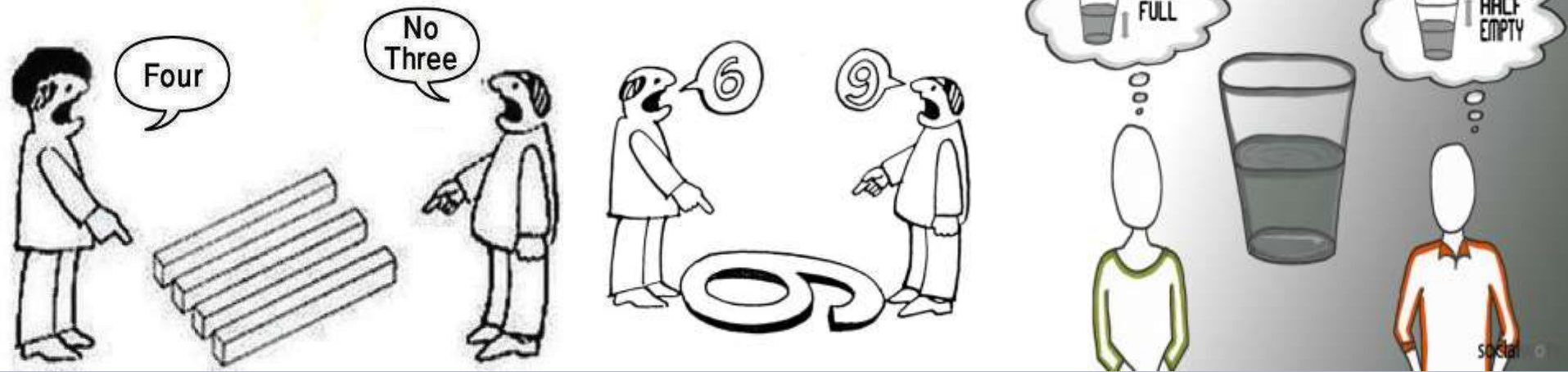
Motivation:

Maslow saw human needs in the form of a hierarchy, ascending from the lowest to the highest, and he concluded that when one set of needs is satisfied, this kind of need ceases to be a motivator.



It is really confusing!!!

Perception:



It is the process of acquiring, interpreting, selecting and organizing sensory information.

Stimulus is generated by hearing, smelling, seeing, touching, and tasting. People develop stimulus about product or services through any of the above themes and creates an image in the mind.

Marketer researches his consumer profile and communicates the product or service messages either through radio, demo, or television. By seeing, hearing or experiencing the product or service consumer will develop an image in the mind. The message given by company may pass through three different selection procedures.

a) **Selective attention:** The habit of the people to analyze the information completely and interpreting it. They develop the perception about the product or service only after complete analysis. This is very difficult group to handle as they request for more information.

b) **Selective distortion:** the phenomena in which consumer will have predispositions and interpret the organizations information as they like it. This type of perception is both effective and non effective for the company. If consumer understands the wrong message in a right way it is advantageous but if he understand right message in wrong way then company will be under trouble.

c) **Selective retention:** consumer will not remember all the points informed by the company. He/she may remember the good points of company and forget the negative points of the company.

BUSINESS BUYER BEHAVIOR

- Difference between consumer and business buyer market

CHARACTERISTICS	CONSUMER MARKET	BUSINESS MARKET
1. DEMAND	DIRECT	DERIVED
2.NO OF CUSTOMERS	LARGE	FEW
3.LOCATION	DISPERSED	CONCENTRATED
4.NATURE OF BUY	PERSONAL	PROFESSION
5.NO OF BUYING ROLES	FEW	MANY
6.NEGOTIATIONS	EASY	COMPLEX
7.PROMOTION	ADVERTISING	PERSONAL SELLING