



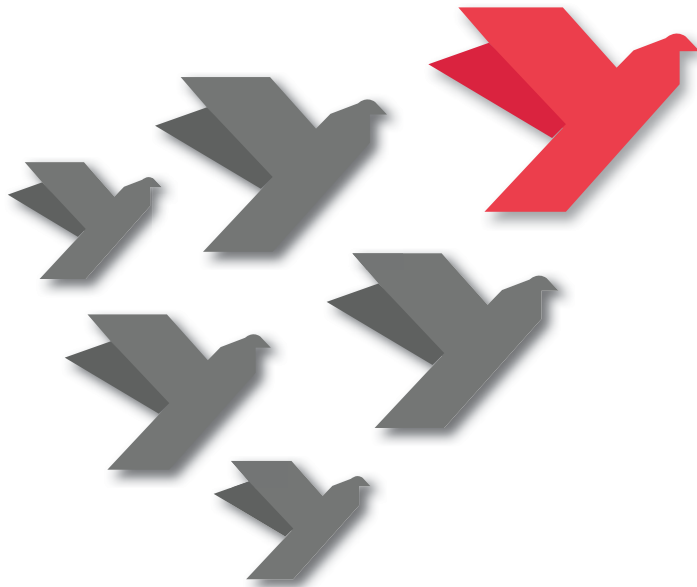
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According to Minimum Uniform Syllabus for B.Com. Prescribed by  
**NATIONAL EDUCATION POLICY-2020**

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# Principles of Marketing

— **Dr. Pardeep Kumar**



**Sultan Chand & Sons**

# Principles of Marketing

(According to Minimum Uniform Syllabus Prescribed by  
National Education Policy (NEP) – 2020)

**Dr. Pardeep Kumar**

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Department of Commerce

Keshav Mahavidyalaya

University of Delhi



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**Author's Acknowledgement :** The writing of a Textbook always involves creation of a huge debt towards innumerable authors and publications. We owe our gratitude to all of them. We acknowledge our indebtedness in extensive footnotes throughout the book. If, for any reason, any acknowledgement has been left out we beg to be excused. We assure to carry out correction in the subsequent edition, as and when it is known.

# Preface

P

“Marketing is not the art of finding clever ways to dispose of what you make. It is the art of creating genuine customer value.”  
— *Philip Kotler*

“The value decade is upon us. If you can’t sell a top-quality product at the world’s lowest price, you’re going to be out of the game . . . the best way to hold your customers is to constantly figure out how to give them more for less.”  
— *Jack Welch, Chairman, General Electric*

The marketing world moves at the speed of light. Every day dramatic changes are occurring in the marketplace. The explosive growth in digital technology has fundamentally changed the way we live how we communicate, share information, access entertainment, and shop. Most consumers are totally smitten digital. Internet and rapid advances in digital and social media have taken the marketing world by storm. Marketers embrace digital transformation more than ever as they adapted to constantly changing virtual and hybrid business landscapes. Facing dramatic technology advances and deep economic, social and environmental challenges, today’s customers are reassessing how they engage with brands. New digital, mobile, and social media developments have revolutionized how consumers shop and interact, in turn calling for new marketing strategies and tactics. As a marketer at any experience level, keeping up with these changes isn’t always easy. But, to succeed in the fast-paced marketing world – and maintain a sense of relevance with your audience -- it’s vital to stay ahead of them. Today’s companies face toughest competition ever. To gain competitive advantage, companies must understand consumers to design market offers that deliver more value than the competitor’s. Customer relationships and value are important for marketer. Marketing is engaging customers and managing profitable customer relationships. Marketing is an ever-evolving and dynamic domain. Marketing is the heart of business which pumps oxygen and the necessary nutrients to every other body part. One should not turn a blind eye to the importance of marketing as marketing fuels both the external and internal activities of the business today. This text book “Principles of Marketing” is an attempt to provide comprehensive understanding of the basic concepts and practices of marketing in all kinds of marketing endeavor, as well as its new features keeping its readers informed of the development and changing trends of marketing. Using case studies drawn from a cross-section of sectors, this textbook critically evaluates the effectiveness of different marketing strategies and approaches. Exploring the principles of marketing this volume engages the reader, not only in theory but also in practice, using a broad range of real-life case studies.

This text book “Principles of Marketing” conveys the main principles of marketing in a challenging yet accessible manner and provides the reader with insights into the workings of marketing today. This text book teaches the experience and process of actually doing marketing – not just the vocabulary. It carries dominant themes throughout in order to expose students to marketing in today’s environment. The purpose of this text book is to teach you the basics of how marketing organizations successfully move from product concept through to the creation of successful brands. This text book looks at the best of marketing theory through the practical eyes of a long-time practitioner. Since marketing is a ‘learn-by-doing’ subject, we will have lots of practice sessions and

suggestions. Integrate these principles and techniques into your daily life and you are on your way to becoming a successful marketing practitioner.

The goal of the book is to provide you the basic knowledge and skills you will need to be successful in the marketing industry. This text book aims to provide a comprehensive introduction to the subject of marketing. This text book also provides a solid theoretical background which can act as a springboard to discuss contemporary issues within marketing theory and practice. **The texts in this book have been designed in accordance with the syllabus introduced in Discipline Specific Core Course: 3.3, B.Com (H) IIIrd Semester. This book also covers the entire syllabus of Discipline Specific Course- 3.3(DSC-3.3): Principles of Marketing, B.Com (Prog.) of the University of Delhi** This text book covers the entire components incorporated in the (NEP) UGCF syllabus of DSC: 3.3. Principles of Marketing: Scope and Importance; Core concepts of marketing; Marketing Philosophies; Services Marketing, Marketing Mix. : Need for studying marketing environment; Micro environmental factors; Macro environmental factor. Need for studying consumer Behaviour; Stages in Consumer buying decision process; Factors influencing consumer buying decisions; Choosing market value through STP; Market Segmentation bases of segmenting consumer markets; Market Targeting, Product Positioning – concept and bases, Concept and classification; Levels of Product; Designing value: Product- mix, Branding – types, significance, and qualities of good brand name; Packaging and Labelling – types and functions; Product support services; New product development process; Product life cycle – concept and marketing strategies;. Objectives of product decisions, Factors affecting price of a product, Pricing methods, Pricing strategies; Delivering Value: Channels of distribution – types and functions; Wholesaling and retailing; Factors affecting choice of distribution channel; Logistics decisions; Communicating Value: Communication process; Importance of Promotion. Promotion-mix tools advertising, personal selling, sales promotion, public relations, publicity and direct marketing; Integrated Marketing Communication; Sustainable Marketing – concept and issues; Rural marketing – characteristics and rural marketing mix; Social marketing – concept and issues; Digital marketing – concepts and tools.

The course aims to equip and develop marketing skills in learners through knowledge of concepts, tools and techniques of marketing to create a marketing mix for a product. This text book “Principles of Marketing” provides the depth analysis of meaning, nature and scope of marketing, Familiarize the learner with the concept of segmentation, targeting and positioning, and Learn about the marketing decisions related to product, price, promotion and distribution. The original purpose of this text book “Principles of Marketing” is to deliver a clear and concise presentation of the Principles of marketing as relevant today. This text book adopts a fresh, novel and flexible approach to the study of marketing. It has been written in a teach yourself style strictly following a student-friendly approach. There is a logical flow to the sequencing of topic areas and each chapter of the book is self-contained with appropriate cross-referencing to other chapters. Selection and ordering of chapters can be varied to suit the demands of particular courses of study. This text book has been written in a simple, concise and comprehensive manner so that the readers get a better idea about this field. This book has been designed to be an effective learning tool. The pedagogical feature of this edition includes:

- ♣ Adequate emphasis has been given to conceptual clarity and application of basic concepts to satisfy the learning outcomes: After completion of the course, learners will be able to: (1) Discuss basic concepts of marketing, marketing philosophies and environmental conditions affecting marketing decisions of a firm. (2) Describe the dynamics of consumer Behaviour and process of market selection through STP. (3) Analyse the process of value creation through marketing decisions involving product development. (4) Analyse the process of value creation through marketing decisions involving product pricing and its distribution. (5) Explore marketing decisions involving product promotion, and draft promotion mix strategies.
- ♣ This text book is written with a minimum of technical terminology and the format is clearly structured in accordance with the syllabus of University of Delhi. Attention has been focused on the overall plan and sequence of contents between and within chapters for a clearer, more succinct format. The subject matter has been presented in a simple language to provide better understanding of Marketing concepts, principles, tools, techniques and practices.
- ♣ The objective of this book is to provide basic knowledge of concepts, principles, tools and techniques of marketing and to provide knowledge about various developments in the marketing.
- ♣ Learning outcomes in the beginning of each chapter to give a bird’s eye view of the contents.
- ♣ The important aspects of this book are the use of diagrams, exhibits, tables, and figures to make the complex topics self-explanatory. The examples have been given at appropriate places in the book to make the subject

more interesting for the students. The textual matter is liberally interspersed with illustrations taken from the Indian context. Examples provide an additional elaboration of complex theoretical issue and offer the students a wider coverage of practical tools to understand the management as a subject.

- ♣ Important questions are given at the end of each chapter for students to test their knowledge and understanding of the topics covered in the chapter. Theory-based text questions enable the readers to analyse, evaluate and predict the prospects for various marketing concepts and practices.
- ♣ The case study has been incorporated at the end of each chapter to enable the students to apply / develop analytical skills and the concepts learnt.
- ♣ Practical Exercises/Small Project in accordance with the syllabus have been given at the end of each chapter to understand the practical aspect of marketing.

This text book has incorporated all the components of the syllabus of University of Delhi Undergraduate Curriculum Framework-2022, based on NEP, **Discipline Specific Course- 3.3(DSC-3.3): Principles of Marketing B.Com. (Hons.): Semester-IIIrd.** This text book also incorporates all the components of **B.Com (P) DSC: 3.3. Principles of Marketing** & merits the requirement of **B.Com (P) IIIrd Semester (IIInd year) DSC - 3.3** This text book has been specifically designed and written as a standard text book for **UGCFC Discipline Specific Course: 3.3 Paper: Principles of Marketing B.Com.(Hons) IIIrd Semester.** This text book meets the requirement of the syllabus of Delhi University for **UGCFC DSC-3.3 B.Com (H) IIIrd Semester. Principles of Marketing** as a Discipline Specific Subject/Paper (**DSC: 3.3**) is a core subject introduced for **B.Com (H) IInd Year (IIIrd Semester)** and **B.Com (Prog.)** This book has been designed and written especially for this paper. This book also covers the entire syllabus of **Discipline Specific Course- 3.3(DSC-3.3): Principles of Marketing, B.Com (Prog.) of the University of Delhi.** This book meets the requirement of the **B.Com (H)** and **B.Com (Prog.) of Discipline Specific Course.** The present edition would be found useful for the other professional courses. The book is written with a minimum of technical terminology and the format is clearly structured in accordance with the syllabus of University of Delhi. This text book is structured in five parts with twenty one chapters:

**Unit 1:** Introduction to Marketing and Marketing Environment

**Unit 2:** Consumer Behaviour and Market Selection

**Unit 3:** Product Decisions and New Product Development

**Unit 4:** Pricing Decisions and Distribution Decisions

**Unit 5:** Promotion Decisions and Developments in Marketing

I gratefully appreciate the valuable contributions of several people who helped me to make this Edition possible and have been a great source of inspiration and support personally and professionally. I owe a lot to Prof. PROF. AJAY KUMAR SINGH, Head and Dean, Department of Commerce, Delhi School of Economics for enlightening me and always being a source of inspiration. I specially express my deep gratitude to PROF. R. K. SINGH, Department of Commerce, Delhi School of Economics, for their appreciation of my academic pursuits.

I wish to acknowledge the importance of reviews/suggestions/guidance provided by PROF. V. K. SHROTRYIA, PROF. KAVITA SHARMA, PROF. MADAN LAL, PROF. NITI BHASIN, PROF. URVASHI SHARMA, PROF. AMIT KUMAR SINGH, PROF. ASHISH CHANDRA, PROF. H. K. DANGI, PROF. SHITAL JHUNJHUNWALA, PROF. ABHA SHUKLA, PROF. RITU SAPRA, and PROF. SUNAINA KANOJIA for offering valuable suggestions and guidance time to time.

I wish to express my sincere appreciation to the Sultan Chand and Sons Editorial and Production Team for their superb assistance during the production of the book. I also owe a mighty debt of gratitude to Mr. G.D. Chaudhary and the entire team for their tireless work and dedication on this edition. I admit that this book would never have been written without the constant support and encouragement of my family members.

The present edition is an outcome of the feedback received from a large number of academicians, scholars, faculty members and students. Suggestions and feedback from the teaching fraternity and the students are earnestly solicited and will be highly appreciated to improve further the quality of this book.

# Syllabus



**University of Delhi**  
**B.Com. (Hons.): Semester-III, (DSC-3.3)**  
**Principles of Marketing**

**Unit 1: Introduction to Marketing and Marketing Environment**

**Introduction to Marketing:** Scope and Importance; Core concepts of marketing; Marketing Philosophies; Services Marketing, Marketing Mix.

**Marketing Environment:** Need for studying marketing environment; Micro environmental factors- company, suppliers, marketing intermediaries, customers, competitors, publics; Macro environmental factors – demographic, economic, natural, technological, politico-legal and socio- cultural.

**Unit 2: Consumer Behaviour and Market Selection**

**Consumer Behaviour:** Need for studying consumer Behaviour; Stages in Consumer buying decision process; Factors influencing consumer buying decisions.

**Market Selection:** Choosing market value through STP. Market Segmentation bases of segmenting consumer markets. Market Targeting, Product Positioning – concept and bases.

**Unit 3: Product Decisions and New Product Development**

**Product Decisions:** Concept and classification; Levels of Product. Designing value: Product- mix, Branding – types, significance, and qualities of good brand name; Packaging and Labelling – types and functions; Product support services.

**New Product Development:** New product development process; Product life cycle – concept and marketing strategies.

**Unit 4: Pricing Decisions and Distribution Decisions**

**Pricing Decisions:** Objectives, Factors affecting price of a product, Pricing methods, Pricing strategies.

**Distribution Decisions:** Delivering Value: Channels of distribution – types and functions; Wholesaling and retailing; Factors affecting choice of distribution channel; Logistics decisions.

**Unit 5: Promotion Decisions and Developments in Marketing**

**Promotion Decisions:** Communicating Value: Communication process; Importance of Promotion. Promotion-mix tools advertising, personal selling, sales promotion, public relations, publicity and direct marketing; Integrated Marketing Communication.

**Developments in Marketing:** Sustainable Marketing – concept and issues. Rural marketing – characteristics and rural marketing mix. Social marketing – concept and issues. Digital marketing – concepts and tools.

**University of Delhi**  
**B.Com. (Prog.): Semester-III, (DSC-3.3)**  
**Principles of Marketing**

**Unit 1: Introduction to Marketing and Marketing Environment**

**Introduction to Marketing:** Meaning, Scope and Importance; Marketing Philosophies; Marketing Mix for Goods and Services.

**Marketing Environment:** Need for Studying Marketing Environment; Micro Environmental Factors- Company, Suppliers, Marketing Intermediaries, Customers, Competitors, Publics; Macro Environmental Factors - Demographic, Economic, Natural, Technological, Politico-legal and Socio-cultural.

**Unit 2: Consumer Behaviour and Market Selection**

**Consumer Behaviour:** Need for Studying Consumer Behaviour; Stages in Consumer buying Decision Process; Factors Influencing Consumer Buying Decisions.

**Market Selection:** Market Segmentation: Concept and Bases. Market Targeting, Product Positioning - Concept and Bases.

**Unit 3: Product Decisions and New Product Development**

**Product Decisions:** Concept and Classification; Levels of Product. Product Mix; Branding Concept, Types, Significance, Qualities of Good Brand Name; Packaging and Labeling-types and Functions; Product Support Service; New Product Development Process; Product Life Cycle - Concept and Marketing Strategies.

**Unit 4: Pricing Decisions and Distribution Decisions**

**Pricing Decisions:** Objectives, Factors Affecting Price of a Product; Pricing Methods and Strategies.

**Distribution Decisions:** Channels of Distribution- Types and Functions. Factors Affecting Choice of Distribution Channel; Distribution Logistics Decisions.

**Unit 5: Promotion Decisions and Developments in Marketing**

**Promotion Decisions:** Communication Process; Importance of Promotion. Promotion Mix Tools: Distinctive Characteristics of Advertising, Personal Selling, Sales Promotion, Public Relations, and Direct Marketing.

**Developments in Marketing:** Sustainable Marketing, Rural Marketing, Social Marketing Digital Marketing -an Overview.



# B

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# **Introduction to Marketing**

1. Nature, Scope and Importance of Marketing.
2. Marketing Philosophies
3. Service Marketing
4. Marketing Mix
5. Marketing Environment

## **UNIT I**



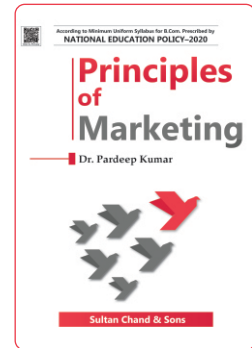
## About the Book

This text book "**Principles of Marketing**" has incorporated all the components of the syllabus of University of Delhi Undergraduate Curriculum Framework-2022, based on NEP, **Discipline Specific Course- 3.3(DSC-3.3)**: Principles of Marketing B.Com. (Hons.): Semester-IIIrd. This text book has been **specifically designed and written as a standard text book** for UGCF Discipline Specific Course: **3.3 Paper: Principles of Marketing B.Com.(Hons) IIIrd Semester**. This text book meets the requirement of the syllabus of Delhi University for UGCF **DSC-3.3 B.Com (H) IIIrd Semester** and **DSC-3.3 B.Com (Prog.)**. Principles of Marketing as a Discipline Specific Subject/Paper (DSC: 3.3) is a core subject introduced for B.Com (H) IInd Year (IIIrd Semester) and B.Com (Prog.). This book has been designed and written especially for this paper. This book also covers the entire syllabus of Discipline Specific Course-3.3(DSC-3.3): Principles of Marketing, B.Com (Prog.) of the University of Delhi. This book meets the requirement of the B.Com (H) and B.Com (Prog.) of Discipline Specific Course. The present edition would be found useful for the other professional courses. The book is written with a minimum of technical terminology and the format is clearly structured in accordance with the syllabus of University of Delhi. This text book is structured in five parts with twenty one chapters:

- Unit 1** : Introduction to Marketing and Marketing Environment
- Unit 2** : Consumer Behaviour and Market Selection
- Unit 3** : Product Decisions and New Product Development
- Unit 4** : Pricing Decisions and Distribution Decisions
- Unit 5** : Promotion Decisions and Developments in Marketing

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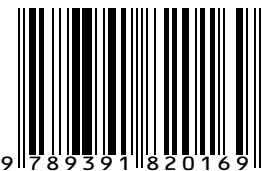
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