

Managing Demand

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Recap

- In the last session we discussed about the evolution of marketing concepts and marketing management.
- We also discussed the concept of demand management and four types of demand states.
- Today we will discuss remaining four demand states and strategies to manage them.
- Firstly, let us have a quick recap of demand management and its different states.

Demand Management

- **Demand refers to a set of wants or desires for some product or service backed up by ability and willingness to buy it.**
- **Managing demands refers to identifying, describing and developing strategies to cope up the challenges of various types of demands.**
- **It calls for regulating the level, timing and character of demand.**

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DEMAND STATES

1. NEGATIVE DEMAND
2. NO DEMAND
3. LATENT DEMAND
4. DECLINING DEMAND
5. IRREGULAR DEMAND
6. FULL DEMAND
7. OVERFULL DEMAND
8. UNWHOLESOME DEMAND

**Discussed
in the
earlier
sessions**

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IRREGULAR DEMAND

Consumer purchases vary on seasonal, monthly, weekly, or daily or even hourly basis.

Task is to use pricing and sales promotion to regularize the level of demand. Bring it back to uniform level

Focus on pricing and sales promotion.

Synchro-marketing.

E.g. Low prices and incentives in case of low demand.

High prices and no incentives in case of high demand.

Demand for tourism, entertainment, hotel, travel, telecom, retailing services.

FULL DEMAND

Consumer purchase products or services in adequate quantities as offered by any organization.

Task is to monitor environmental changes and incorporate them in marketing strategy.

Track competitors.

Focus on research and adapting marketing mix.

Maintenance-marketing.

E.g. Whatever the company is able to produce is sold at the marketplace.

OVERFULL DEMAND

Consumer purchase products or services in more than adequate quantities as offered by any organization. Demand exceeds supply.

Task is to shift, reduce or destroy the demand on temporary basis till the supply is restored.

Focus on pricing, regulating distribution, reducing promotion, educating consumers to consume reasonably.

De-marketing.

E.g. Overfull demand in hotels, restaurants, tourist places during vacation, popular events, fairs, exhibitions, traffic during peak hours, petroleum products during shortages etc.

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UNWHOLESOME DEMAND

Consumer are attracted to those product or services which have undesirable social consequences associated with them.

Task is to destroy the demand permanently.

Focus on regulatory or legal measures, educating consumers not to consume such products / services.

Counter-marketing.

E.g. Efforts taken up by Government agencies or NGOs to stop consumption of tobacco related products, alcohol, drugs, pornographic material, x-rated movies, gambling, prostitution etc.

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