

Principle of Marketing
Mgt 301 final term subjective
By ADNAN AWAN

Adnanawan6@gmail.com

Question No: 49 (Marks: 3)

What are the benefits of Direct Marketing for sellers?

Answer:

The Direct marketing focuses directly on the customer. It takes the promotional activity directly to the target audience. The examples include door to door selling. Furthermore, the product reaches to the customer without involving the middleman and that saves a critical cost for you.

Question No: 50 (Marks: 3)

What are the basic objectives of internet marketing?

Answer:

The companies are using internet to achieve the following goals
Publishing the company's message on a website that might be company's profile, its product and services. Maintaining online portal for the product line. The customers could order online without being physically going to a store.
Online banners of your company can also be used on other website giving a glimpse of your company. The data patterns could also be collected after data mining which could tell about the customer trend.

Question No: 51 (Marks: 5)

XYZ Company manufactures the herbal products. There are other old companies in this field. XYZ Company wants to promote its' products. As Marketing Manager at XYZ Company, what steps you will take to promote the company's products.

Answer:

Being the Marketing Manager I will do the following:
First of all, I will do the SWOT analysis where I will identify my company strengths and opportunities externally. I have to revisit the herbs chemistry and identify the feasible information needed for the advertising campaign. e.g. like Aloe Vera extract, my sales team should be completely aware of all the affects of Aloe Vera on the human skin. The information should be brought to the media and released. I shall send a message to the

public that how we (company) are better as compared to our competitors in the market.

Secondly, we have to concentrate on price strategy; in my view market penetration strategy shall work fine with such products. Our price will be lower than our competitor but our quality will be better.

Question No: 53 (Marks: 5)

How can a company attack on its competitors?

Answer:

In order to attack on your competitor, the marketer should look into competitors marketing strategy first. Your strategy must have two goals first namely:-

- a) Collecting information about your competitors
- b) Transforming that information to predict his behavior.

This is a detail study how your competitor behaves in such situation, you have to analyze it

Question No: 51 (Marks: 5)

A firm involved in manufacturing electronic circuits which it supplies to firms manufacturing televisions and computers. The company has decided to adopt personal selling. What do you know about this concept and in your view how it will benefit the firm?

Answer:-

Personal selling concept is a form of marketing where the company is indulged into direct marketing by coming into contact with the end user.

It involves building up of a sales force by the concepts of strategies, market analysis, development of a team, supervision, evaluation etc.

During Personal selling, a sales person may proceed with following steps:

Prospecting qualifying needs which means collection of potential customers which is the target market.

Qualifying needs on basis of finance, usability, income, status etc.

Reproach which is forming the basis of how to approach the customer, at what time, and in which way etc.

Approach is getting in contact with the customer as per plan.

Presentation and demonstration is where the sales person will present the product and explain its usage, benefits, advantages. He may even demonstrate in some cases. E.g. in this case he may carry a small LCD TV in a bag and connect it to power supply to show the result at customer's facility / home.

Handling is where the sales person will answer the queries raised by the customer and he

will attempt to satisfy the customer in every way possible by fair means.

Closing is when the sales person will then try to pursue the customer for giving an order. He may ask details of order, when do you want it, anything special you are interested in with service etc.

Follow up is carried out to follow the customer by frequent visits, taking feedback on the service etc.

Personal selling is effective in sense of implementation on individual customers, focused, direct contact etc.

However, it also has disadvantages such as high cost of sales force, need several calls before getting a potential customer etc.

Question No: 52 (Marks: 5)

Special event, audiovisual materials and company identity material are part of major public relation tools. What do you know about these concepts?

Answer:

Public relation tools are usually employed by large corporate offices to expand the business on large scales and particularly as a response to market competition.

It involves Press releases Public events Lobbying Investors etc.

Special events, where the company takes an opportunity to exploit and penetrate into the market by presenting new products or taking aggressive decisions with regards to their ongoing product lines. Usually TOP management is involved in such tools. They take the opportunity to go for joint ventures, making business relationships for mutual business in future etc.

Audiovisual materials are nothing but public announcements usually made through media such as radio, TV, internet, billboards etc. Companies show their support and commitment with other market pioneers for mutual interest or they may even give public message with regards to safety, environment and target the audience to make an optimistic position in their mind.

Company identity material can be exploited under the name of branding where companies have reputed brands under their title. Such brands can be associated with moral, ethical, societal, emotional support to the public and make a strong bond. For e.g. Recently Ufone has donated about 113.2 Million Rupees for people affected by Flood. Such actions will strengthen their bond with the public and definitely make a positive impact.

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What is customer value and customer satisfaction? Also write down the relationship between these two terms.

Answer:

Customer Value:- It is how a customer is valued with regards to a targeted market. The position a customer holds and in vice versa what position does the product hold in customers mind. How does he value the product or service from a particular company? For e.g. the customer service offered by Ufone is quite effective and appreciated. This gives an impression of greater customer value in customer's own mind. When Ufone recently launched discounted IR rates just prior to starting of Ramadan especially for people in KSA, it did target customer's mind set which will be looking to get in contact with their relatives who will go to KSA to perform UMRAH.

Customer Satisfaction:- It is how the customer feels about being treated and whether the product did serve its purpose as expected by the customer. If Ufone-2-Ufone calls are made during load of midnight calls due to promotions offered by Ufone to give night calls at discounted rate, did the service of calls drop down? Was the reception and transmission of voice clear? Was there any unfair billing? When such questions come across a customer's mind and he feels that everything was on fair basis, the customer feels satisfied for spending his money on that product or service.

Relationship between customer value and customer satisfaction:

Customer value turns into customer satisfaction when the customer feels that the services he gained were to his position and were well paid off. It is more of a transition from being a focus point of service to being served well. A very common example can be the service offered in air flights. Stewards and air hostesses will offer service to the passengers such as if they need blanket, or a spare pillow. The customer feels valued. When these expectations are met, the customer feels satisfaction.

Question No: 49 (Marks: 3)

What are different types of the personal selling? Give some details.

Types of the personal selling

There are two types of personal selling:

The customers come to the salespeople.

Mostly involves retail-store selling. Most salespeople fall into this category.

The salespeople go to the customers.

Usually represent producers or wholesaling middlemen and sell to business users. Some outside selling is relying more on telemarketing.

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What are the basic objectives of internet marketing?

Basic objectives of internet marketing can be summarized as follows:

Calls for direct marketing giving an opportunity for long term customer relationship.
Reduces cost of marketing.
Broader access of market.
Privacy is maintained between customer and the seller, therefore securing the customer is more convenient and easy.

E-commerce is faster

Lastly but not the least, it gives a greater platform to present large amount of products or product types without the need of a physical location and helps in giving more detailed information to the customer who can evaluate it on his own basis.

Adnanawan6@gmail.com

Question No: 51 (Marks: 5)

What is meant by personal selling? Briefly explain your answer. What is meant by personal selling? Briefly explain your answer.

The direct presentation of a product to a prospective customer by a representative of the selling organization is termed as personal selling. Personal selling is the personal communication of information to persuade somebody to buy something. Personal Selling occurs when a company representative comes in direct contact with a customer in order to inform a client about a good or service to get a sale. Personal selling is especially important for business-to-business marketers since products and services are complex and expensive. In many companies, personal selling is the largest single operating expense. Personal selling is performed by person-to-person dialogue between prospective buyer and the seller through direct human contact for matching products to needs. It involves developing relationships between buyer and the seller to discover the needs of the customers/buyers and the benefits of the products that can satisfy the needs of customer can be communicated to customer.

Question No: 52 (Marks: 5)

For what purpose public policy principles can be used? List down the key principles for public policy towards marketing.

Certain public policy principles can be used to make the marketing more effective these principles include full consumer and producer freedom, potential harms should be eliminated, producers should meet the basic needs of the consumers, there should be economic efficiency consumers and producers both should be on beneficent in practicing the exchange process, producer should ensure the innovation , consumer should be provided full knowledge about the products and should be protected against any sort of unethical and illegal practices by the producers,

Question No: 53 (Marks: 5)

How do marketing channels help out the organizations other than carrying their products to the consumers?

Set of interdependent organizations involved in the process of making a product or service available for use or consumption by the consumer or business user. Figure summarizes the simple marketing system that consists of customer, producers that are having some thing valuable for

Making transactions. These transactions are made in exchange process and creation availability of products for customers. This availability is created by using networks of distribution channels. Every product and service, whether automobile, a watch, a personal computer, or office furniture, must somehow be made available to billions of people. Products must also be made available to millions of industrial firms, businesses, government institutions and other organizations world wide. Firms try to realize this goal through the creation of distribution channels. Channel structure has three basic dimensions: the length of the channel, the intensity at various

Levels and the types of intermediaries involved. Channel intensity ranges from intensive to selective to exclusive. Intensive means that there are many intermediaries. Selective means that exclusive. Intensive means that there are many intermediaries. Selective means that there are a smaller number of intermediaries. Exclusive refer to only one

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- 5) E-commerce is faster
- 6) Lastly but not the least, it gives a greater platform to present large amount of products or product types without the need of a physical location and helps in giving more detailed information to the customer who can evaluate it on his own basis.

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Mention any three goals of trade promotion?

Answer:-

Three goals of trade promotion are:

- 1) Increasing the target market.
- 2) Profit maximization as the consumer will give in return an older product which is another form of value and can be converted into money on fair evaluation basis.
- 3) Trade promotion gives an opportunity to attract users who may not buy the product under normal circumstances mainly due to prices. With trade promotion, buyers are urged to try the new product at lower costs as per their perception.

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- It involves
- Press releases
- Public events
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Question No: 35 (Marks: 3)

Explain the possible risks associated with Budgeting.

Answer

Risks

1. Interest Rates :-

The Council has no current long term debts but significant investments. Changes in interest rates can have a significant effect on interest income. However much of the interest income is credited to the HRA and there is usually an offsetting change to housing subsidy

2. Pension Fund :-

The Council contributes to the Essex County Local Government pension fund.

3. Changes in specific grant income :-

The Council receives large sums each year in specific grants, eg £25m for housing and council tax benefit. The risk is that changes in Government rules or an inadvertent failure to comply with grant conditions might result in a significant loss of income

4. Fraud :-

Major fraud might cause significant financial loss to the Council as well as weakening public confidence

5. Insolvency of Counterparties :-

The Council might suffer losses in the event of the insolvency of major partners or commercial suppliers. This is a particular risk in relation to investment transactions.

6. Changes to Housing Subsidy :-

The Housing Revenue Account (HRA) makes a net payment of 'subsidy' to the Government. However changes in subsidy rules could increase this payment and worsen the financial position of the HRA (equally changes could benefit the HRA)

Question No: 36 (Marks: 5)

Identify the major elements of mega environment which effect an organization.

Answer

Elements of the Mega Environment

There are many external elements that can negatively affect a business, such as increased competition, rapidly changing technology and economic fluctuations. Within these elements, you will find, among other things, foreign competition, capital markets movements, legal contrasts and non-responsive political solutions. A change in an external uncontrollable element will be felt by all businesses in an industry, but the impact these changes have on a specific business depends on the strength and stability of the management team.

A major problem with predicting the movement of uncontrollable elements is their interaction with each other. External elements are closely interrelated, and consequently, anything affecting one element can have a secondary effect on another element. For example, a cultural/social change in our society can result in a legal/political change. These adjustments can affect our economic environment, which can lead to changes in technological developments. The development of technology, in turn, can affect the level of competition. These interactions prove circular when you realize the status of competition then affects our economy, culture and society. (See Exhibit 3.) Many managers do not realize that they can plan for changes in the external environment to safeguard their businesses. Foresight is essential in order to adapt to changes in the external environment. For example, consider a company that thrives on the sale of a single line of computer software. If this company does not begin developing new products or improve its existing product, it will quickly be shut out by the competition. Producing single or narrow-lined products with no concentration on new product development severely limits a business's ability to compete. This is true especially when external changes, such as technological discoveries, inspire competitors to improve existing products or to create newer, more effective ones.

Managers can safeguard their businesses by planning for external changes. Consider the tobacco companies as an example. They have known for many years about the external changes affecting their industry. They have been affected by cultural/social and legal/political changes for the last several decades. They developed new products, such as smokeless tobaccos, to offset their declining product sales

adnanawan6@gmail.com

Question No: 37 (Marks: 5)

Why organizational management favors group-decision making over decisions by individuals?

ANSWER

Human performance in decision making terms has been the subject of active research from several perspectives. From a psychological perspective, it is necessary to examine individual decisions in the context of a set of needs, preferences an individual has and values they seek. From a cognitive perspective, the decision making process must be regarded as a continuous process integrated in the interaction with the environment. From a normative perspective, the analysis of individual decisions is concerned with the logic of decision making and rationality and the invariant choice it leads to.[2]

Yet, at another level, it might be regarded as a problem solving activity which is terminated when a satisfactory solution is found. Therefore, decision making is a reasoning or emotional process which can be rational or irrational, can be based on explicit assumptions or tacit assumptions.

Logical decision making is an important part of all science-based professions, where specialists apply their knowledge in a given area to making informed decisions. For example, medical decision making often involves making a diagnosis and selecting an appropriate treatment. Some research using naturalistic methods shows, however, that in situations with higher time pressure, higher stakes, or increased ambiguities, experts use intuitive decision making rather than structured approaches, following a recognition primed decision approach to fit a set of indicators into the expert's experience and immediately arrive at a satisfactory course of action without weighing alternatives. Recent robust decision efforts have formally integrated uncertainty into the decision making process.

Question No: 50 (Marks: 3)

What is cost and types of it?

Cost is a price that company charge for own product. The companies try to charge those prices whose cover the cost for producing to selling.

They are two types of cost

Variable cost

Fixed cost

The total costs are the sum of variable cost and fixed cost.

Variable cost directly with level of production on the other hand fixed cost do not vary with production

Question No: 51 (Marks: 5)

Distinguish between transaction-oriented marketing and relationship marketing?

Answer

Relationship marketing has become an important and necessary concept in today's business world. because of the importance of repeat business, it is in particular vital for retail businesses to focus on longer term relationships with customers

Transactional marketing is a business strategy that focuses on single, point of sale transactions. The emphasis is on maximizing the efficiency and volume of individual sales rather than developing a relationship with the buyer.

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What is customer value and customer satisfaction? Also write down the relationship between these two terms.

Answer

Customer value is benefit that a customer received from acquired product and service cost that he invest to get product.

Customer satisfaction is that company product how much giving benefit to customer and how much he satisfied with this product. And is it exceeds the customer expectation. customer value directly relates with customer satisfaction that is defined by the customer

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