**MARKETING MANAGEMENT**

**ANSWER SCHEME**

**Section A**

 ***Answer any 10 questions. Each question carries 2 marks.***

1.Purchasing a product over and over again.

2.philip Kotler” planning,implementation and controlling the physical flow of materials and finished goods from point of origin to the [poiunt of use to meet customer needs at a profit’;

3.Marketing efforts intended to reduce the consumption of a particular product.eg:-Cigarattes,alcohol

4.Product-The physical commodity offered to market for sale.

Price-The amount for which the product is offered.

5.Retailer-The person who sells the goods in small amounts

Retailing-The activity of selling goods in small amounts.

6.Products having some special feature or properties.

7. **Brand repositioning** is when a company changes a **brand's** status in the marketplace. This typically includes changes to the marketing mix, such as product, place, price and promotion. **Repositioning** is done to keep up with consumer wants and needs.

8. Marketing Myopia-Undue influence on the product rather than on the requirements of the customer.

9. **Buying motive** is the urge or **motive** to satisfy a desire or need that makes people **buy** goods or services. Behind every purchase there is a **buying motive**.

10.Attract,Attention,Simple words,Usage details

11. A **distribution channel** is a chain of businesses or intermediaries through which a good or service passes until it reaches the end consumer. It can include wholesalers, retailers, distributors, and even the internet.

12. Value-based price (also value optimized pricing) is a pricing strategy which sets prices primarily, but not exclusively, according to the perceived or estimated value of a product or service to the customer rather than according to the cost of the product or historical prices.

**Section B**

13. **1.)    Need recognition:-** consumer buying decision process  starts with need recognition. The marketer must recognize the needs of the consumer as well as how these needs can be satisfied. **2.)    Information search:**– in consumer buying decision process information search comes at second number. **3.)    Evaluation of alternatives:**– after getting the required knowledge about the product the consumer evaluate the various alternatives on the basis of it’s want satisfying power, quality and it’s features.

**4). Purchase decision:**– after evaluating the alternatives the buyer buys the suitable product. But there are also the chances to postpone the purchase decision due to some reasons. **5.)    Post purchase behavior:**– after buying the product consumer will either be satisfied or dissatisfied. If the consumer is not satisfied in that case he will be disappointed otherwise If he is satisfied than he will be delighted

14. The Channel Conflict arises when the channel partners such as manufacturer, wholesaler, distributor, retailer, etc. compete against each other for the common sale with the same brand. In other words, there is a conflict among the channel partners when one prevents the other from achieving its objective.

Communication-Maintain regular communications

Dealer councils-committee is formed for discussing and resolving problems.

Arbitration-Appointing an intermediary.

Prioritizing customer satisfaction-convincing channel members that customer satisfaction is the main aim.

15. A combination of factors that can be controlled by a company to influence consumers to purchase its products.

* **Products:** develop your products or services
* **Prices:**our pricing model
* **Place:** What new distribution options are there for customers to experience our product, e.g. online, in-store, mobile etc.
* **Promotion:** advertisements and promotions
* **Physical Evidence:** How we reassure our customers, e.g. impressive buildings, well-trained staff
* **People:**Who are our people and are there skills gaps
* **Process:** How we achieve the end results.

### 16. Pricing at a Premium

### With [premium pricing](https://quickbooks.intuit.com/r/pricing-strategy/whats-a-premium-pricing-strategy-and-will-it-work-for-your-business), businesses set costs higher than their competitors. Premium pricing is often most effective in the early days of a product’s life cycle, and ideal for small businesses that s Pricing for Market Penetration

[Penetration strategies](https://quickbooks.intuit.com/r/pricing-strategy/how-to-price-your-products-and-services-for-maximum-market-penetration) aim to attract buyers by offering lower prices on goods and services. While many new companies use this technique to draw attention away from their competition, penetration pricing does tend to result in an initial loss of income for the business.

### Price Skimming

Designed to help businesses maximize sales on new products and services, [price skimming](https://quickbooks.intuit.com/r/pricing-strategy/what-is-price-skimming-and-can-it-benefit-your-business) involves setting rates high during the introductory phase. The company then lowers prices gradually as competitor goods appear on the market.

### Psychology Pricing

With the economy still limping back to full health, price remains a major concern for American consumers. [Psychology pricing](https://quickbooks.intuit.com/r/pricing-strategy/use-psychological-pricing-increase-bottom-line) refers to techniques that marketers use to encourage customers to respond on emotional levels rather than logical ones.

### Bundle Pricing

With bundle pricing, small businesses sell multiple products for a lower rate than consumers would face if they purchased each item individually. Not only is bundling goods an effective way of moving unsold items that are taking up space in your facility, but it can also increase the value perception in the eyes of your customers, since you’re essentially giving them something for free.

## 17. 1) Horizontal channel conflicts

One of the most common type of channel conflicts to occur are the horizontal ones. Horizontal channel conflict is a conflict between two players at the same level in the distribution channel. So a conflict between 2 distributors or a conflict between 2 retailers is known as horizontal channel conflict.

## 2) Vertical Channel conflict

Another type of conflict seen in channel management is the Vertical channel conflict. Where the horizontal channel conflict exists between players within the same level of the distribution channel, the vertical channel conflict happens at different levels of the distribution channel. A typical conflict might be between the retailer and the distributor, or it might be between the distributor / C&F and the company.

## 3) Multiple channel conflict

Because of their very nature, vertical channel conflicts happen rarely, but  once they happen, they have a long lasting effect.

18. **Main Elements of Brand Equity are as follows: 1. Awareness, 2. Brand associations, 3. Perceived quality, 4. Brand loyalty, 5. Proprietary brand assets.**

**19.Family Branding**

**Corporate branding**

**Individual branding**

**Combination**

**20.**  **1. Buying:**

A retailer buys a wide variety of goods from different wholesalers after estimat­ing customer demand. He selects the best merchandise from each wholesaler and brings all the goods under one roof. In this way, he performs the twin functions of buying and assembling of goods.

**2. Storage:**

A retailer maintains a ready stock of goods and displays them in his shop.

**3. Selling:**

The retailer sells goods in small quantities according to the demand and choice of consumers. He employs efficient methods of selling to increase his sales turnover.

**4. Grading and Packing:**

The retailer grades the goods which are not graded by manufac­turers and wholesalers. He packs goods in small lots for the convenience of consumers.

**5. Risk-bearing:**

A retailer always keeps stock of goods in anticipation of demand. He bears the risk of loss due to fire, theft, spoilage, price fluctuations, etc.

**6. Transportation:**

Retailers often carry goods from wholesalers and manufacturers to their shops.

**7. Financing:**

Some retailers grant credit to customers and provide the facility of return or exchange of goods. In some cases, home delivery and after sale service are provided by retailers.

**8. Sales promotion:**

A retailer displays goods. He carries out publicity through shop decoration, window display, etc. He maintains direct and personal contacts with consumers. He persuades consumers to buy goods through personal selling.

**9. Information:**

Retailers provide knowledge to consumers about new products and uses of old products. They advise and guide consumers in better choice of goods. They also provide market information to wholesalers and manufacturers.

21.Geographical

Local,regional,national,international

Time

Very short period,short period,long period

Sales

Wholesale,retail

Types of goods

Products,service

Use of goods

Consumer,Industrial

Nature of goods

Finacial,commodity

Competition

Perfect,imperfect,oligopoly,monopoly,duoply,

Nature of transaction

Spot,future

22. Introduction

The introduction phase is the period where a new product is first introduced into the market. This typically requires a lot of resources and finances. As a result, many companies, startups especially, are practicing a new approach to product development known as The Lean Approach. The introduction phase is usually associated with slower growth as the public is not familiar with the product, the sellers may not be adequately trained to sell, and clear and definite distribution channels are yet to be established. Demand for the product is also quite immature at this stage.

So how does this relate to healthcare you may wonder? Well… a hospital may introduce a new ward. Inevitably, this will require some form of advertising, possibly through community groups, notice boards and/or the media. In this phase, one will see a lack of familiarity among patients about these new services, and even the healthcare providers themselves may not have enough knowledge to give enough information. This is normal and indicative of the stage the new product is at.

Growth

The growth phase is when your product starts to sell at a much faster rate. The public is becoming increasingly aware of your product and word of mouth is starting to spread. The product’s capabilities are now recognised and product development has matured (the rate at which you’re changing your offering slows). In healthcare, this stage can be hard to recognise, but is probably most noticeable when demand for your services starts to sustain regardless of whether you’re advertising or promoting it.

Maturity

The maturity phase is when your product’s sales begin to peak. Demand is strong and the service is now booking out. Very soon, the product will begin to compete with new alternatives being introduced into the market. A good example of this stage in healthcare is the availability of a new pharmaceutical product. Fresh from successful clinical trials, the drug is likely to generate attention in the media. Patients may approach their healthcare providers requesting that particular medication as a result of increased popularity or awareness.

Decline

The decline phase refers to the period when the product reaches its saturation point. In this case, the price can start increasing, though the number of sales will decline. In this phase, a decision is needed: whether to continue with the product with significant changes or to move onto another product altogether. In healthcare, a suitable example could be a medical device or equipment such as a wheelchair. As technology improves, the consumer market, including healthcare professionals who use that particular product may start to see it as old or outdated. They perceive the product as no longer being able to effectively provide the required care to the patient. The device sales will decrease sharply and the company needs to either improve the device, by offering a newer edition, or replace it with a better alternative.

In healthcare, simply by monitoring a products or services life cycle, management can better plan when to introduce a new service or product. Ultimately, seeing healthcare as an industry that provides products/services and understanding their life spans, allows for a system that delivers effective and transformative healthcare. One that keeps up with the changes and needs of society.

23.

**1. Social Media Marketing**

This should be no surprise to you: the first [marketing strategy](http://pestleanalysis.com/what-is-a-marketing-strategy/) you should know in today’s day and age is social media marketing. Using social media platforms is effectively free and is a great way to get the word out about you and your product. You can reach an audience spread across the entire world with super-specific interests, without any trouble at all.

**2. Email Marketing**

[Email marketing](http://pestleanalysis.com/email-marketing/) is another fantastic strategy nowadays, especially as most people check their emails multiple times a day (if their phone doesn’t already do it for them with notifications). Email marketing differs slightly from social media marketing in that it is a more effective way to get in contact with people who already engage with your brand, while social media is more effective in bringing in the initial attention.

3.Relationship Marketing-Giving more emphasis on relations

4.Social marketing-Giving importance to society

5.Green marketing-Go green stratergy

6.Tele marketing-Using telephone as a marketing tool

7.Viral marketing-word of mouth

8.De marketing-trying to reduce demand

9.Re marketing-find new use for existing product

10.Gureilla marketing-less cost,but more reach

11.Ambush marketing-somebody taking the benefit of what you have done

24. **Step 1:Idea *Generating***

Utilizing basic internal and external SWOT analyses, as well as current marketing trends, one can distance themselves from the competition by generating ideologies which take affordability, ROI, and widespread distribution costs into account.

*Lean, mean and scalable* are the key points to keep in mind. During the NPD process, keep the system nimble and use flexible discretion over which activities are executed. You may want to develop multiple versions of your road map scaled to suit different types and risk levels of projects.

**Step 2: *Screening The Idea***

Wichita, possessing more aviation industry than most other states, is seeing many new innovations stop with Step 2 – screening.  *Do you go/no go?*  Set specific criteria for ideas that should be continued or dropped. Stick to the agreed upon criteria so poor projects can be sent back to the idea-hopper early on.

Because [product development costs are being cut](http://www.kansas.com/2013/05/14/2802756/analyst-product-development-cuts.html) in areas like Wichita, “prescreening product ideas,” means taking your Top 3 competitors’ new innovations into account, how much market share they’re chomping up, what benefits end consumers could expect etc.  An interesting industry fact: Aviation industrialists will often compare growth with metals markets; therefore, when Boeing is idle, never assume that *all airplanes are grounded*, per se.

**Step 3: *Testing The Concept***

As Gaurav Akrani has said, “Concept testing is done after idea screening.” And it is important to note, it is different from test marketing.

Aside from patent research, design due diligence, and other legalities involved with new product development; knowing where the marketing messages will work best is often the biggest part of testing the concept.  Does the consumer understand, need, or want the product or service?

**Step 4: *Business Analysis***

During the New Product Development process, build a system of metrics to monitor progress. Include input metrics, such as average time in each stage, as well as output metrics that measure the value of launched products, percentage of new product sales and other figures that provide valuable feedback. It is important for an organization to be in agreement for these criteria and metrics.

Even if an idea doesn’t turn into product, keep it in the hopper because it can prove to be a valuable asset for future products and a basis for learning and growth.

**Step 5: Product Development**

Provided the technical aspects can be perfected without alterations to post-beta products, heading towards a smooth step 7 is imminent. According to Akrani, in this step, “The production department will make plans to produce the product. The marketing department will make plans to distribute the product. The finance department will provide the finance for introducing the new product”.

As an example; In manufacturing, the process before [sending technical specs to machinery involves printing MSDS sheets](http://www.ilpi.com/msds/faq/partb.html#history), a requirement for retaining an [ISO 9001](http://en.wikipedia.org/wiki/ISO_9000) certification (the organizational structure, procedures, processes and resources needed to implement [quality management](http://en.wikipedia.org/wiki/Quality_management).)

In internet jargon, honing the technicalities after beta testing involves final database preparations, estimation of server resources, and planning automated logistics. Be sure to have your technicalities in line when moving forward.

**Step 6: *Market Testing***

Arranging private tests groups, launching beta versions, and then forming test panels after the product or products have been tested will provide you with valuable information allowing last minute improvements and tweaks. Not to mention helping to generate a small amount of buzz. WordPress is becoming synonymous with beta testing, and it’s effective; Thousands of programmers contribute code, millions test it, and finally even more download the completed end-product.

**Step 7: *Commercialize***

At this stage, your new product developments have gone mainstream, consumers are purchasing your good or service, and technical support is consistently monitoring progress.  Keeping your distribution pipelines loaded with products is an integral part of this process too, as one prefers not to give physical (or perpetual) shelf space to competition. Refreshing advertisements during this stage will keep your product’s name firmly supplanted into the minds of those in the contemplation stages of purchase.

**Step 8: Post Launch**

Review the NPD process efficiency and look for continues improvements. Most new products are introduced with introductory pricing, in which final prices are nailed down after consumers have ‘gotten in’.  In this final stage, you’ll gauge overall value relevant to COGS (cost of goods sold), making sure internal costs aren’t overshadowing new product profits.  You continuously differentiate consumer needs as your products age, forecast profits and improve delivery process whether physical, or digital, products are being perpetuated.

25. **1. Unit Value of the Product:**

When the product is very costly it is best to use small distribution channel. For example, Industrial Machinery or Gold Ornaments are very costly products that are why for their distribution small distribution channel is used. On the other hand, for less costly products long distribution channel is used.

**2. Standardised or Customised Product:**

ADVERTISEMENTS:

Standardised products are those for which are pre-determined and there has no scope for alteration. For example: utensils of MILTON. To sell this long distribution channel is used.

On the other hand, customised products are those which are made according to the discretion of the consumer and also there is a scope for alteration, for example; furniture. For such products face-to-face interaction between the manufacturer and the consumer is essential. So for these Direct Sales is a good option.

**3. Perishability:**

A manufacturer should choose minimum or no middlemen as channel of distribution for such an item or product which is of highly perishable nature. On the contrary, a long distribution channel can be selected for durable goods.

**4. Technical Nature:**

If a product is of a technical nature, then it is better to supply it directly to the consumer. This will help the user to know the necessary technicalities of the product.

**(B) Considerations Related to Market**

**Market considerations are given below:**

**1. Number of Buyers:**

ADVERTISEMENTS:

If the number of buyer is large then it is better to take the services of middlemen for the distribution of the goods. On the contrary, the distribution should be done by the manufacturer directly if the number of buyers is less.

**2. Types of Buyers:**

Buyers can be of two types: General Buyers and Industrial Buyers. If the more buyers of the product belong to general category then there can be more middlemen. But in case of industrial buyers there can be less middlemen.

**3. Buying Habits:**

A manufacturer should take the services of middlemen if his financial position does not permit him to sell goods on credit to those consumers who are in the habit of purchasing goods on credit.

**4. Buying Quantity:**

It is useful for the manufacturer to rely on the services of middlemen if the goods are bought in smaller quantity.

**5. Size of Market:**

If the market area of the product is scattered fairly, then the producer must take the help of middlemen.

**(C) Considerations Related to Manufacturer/Company**

**Considerations related to manufacturer are given below:**

**1. Goodwill:**

Manufacturer’s goodwill also affects the selection of channel of distribution. A manufacturer enjoying good reputation need not depend on the middlemen as he can open his own branches easily.

**2. Desire to control the channel of Distribution:**

A manufacturer’s ambition to control the channel of distribution affects its selection. Consumers should be approached directly by such type of manufacturer. For example, electronic goods sector with a motive to control the service levels provided to the customers at the point of sale are resorting to company owned retail counters.

**3. Financial Strength:**

A company which has a strong financial base can evolve its own channels. On the other hand, financially weak companies would have to depend upon middlemen.

**(D) Considerations Related to Government**

Considerations related to the government also affect the selection of channel of distribution. For example, only a license holder can sell medicines in the market according to the law of the government.

In this situation, the manufacturer of medicines should take care that the distribution of his product takes place only through such middlemen who have the relevant license.

**(E) Others**

**1.** **Cost:**

A manufacturer should select such a channel of distribution which is less costly and also useful from other angles.

**2.** **Availability:**

Sometimes some other channel of distribution can be selected if the desired one is not available.

**3.** **Possibilities of Sales:**

Such a channel which has a possibility of large sale should be given weight age.