

Mgt301 solved subjective questions

Mid term

By

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Best of Luck!!!!!!!

Question: E-commerce (electronic commerce or EC) is the buying and selling of goods and services on the Internet, especially the World Wide Web. What do you know about the benefits of using E-Commerce to buyer and seller?

ANS: Benefits of E-Commerce to Buyer:

- Easy and private
- Convenience
- Greater product access
- Easy to compare products
- Interaction is easy and immediate

Benefits of E-Commerce to Sellers

- It builds relationship between consumer and seller
- Increased speed and efficiency
- Flexibility
- Access and reach is global
- Cost is reduced

Question: Sales promotion is one of the methods of promoting the product in the market. How would you describe it and how many types of Sales Promotion?

ANS: SALES PROMOTION: Sales promotion is offering of short-term incentives to the buyers to purchase a product or use a service. It forces the buyer to do the purchase now.

Types of Sales Promotion:

There are a total of nine types of sales promotion offers.

- **Samples:** Samples are offers of a trial amount of a product .It is a way to introduce a new product.
- **Coupons:** These are certificates that give buyers a saving when they buy a product.
- **Premiums:** These are goods offered for a free or at a low cost.
- **Patronage rewards:** These are cash or other awards offered for a regular use of a product.
- **Cash refunds:** It is a reduction in price after purchase not at the retail outlet.
- **Point-of-purchase promotion:** In point of purchase promotion a display and demonstration is taken place at the point of purchase.

- **Advertising specialties:** These are useful things on which the name of advertiser is written and given to buyers as a gift.
- **Price Packs:** They offer a saving off the regular price of product. Reduced price is marked by the producer directly on the label.
- **Contests:** Contests give consumer the chance to win something.

Question: When choosing a distribution strategy a marketer must determine what value a channel member adds to the firm's products. So marketer must assess the benefits received from utilizing a channel partner. Discuss the benefits Offered by Channel Members in detail?

ANS: DISTRIBUTION/MARKETING CHANNEL: Marketing channel or distribution channel is a set of independent organizations who are involved in the process of making the product available to the consumers.

Each member in the distribution channel adds a value to the supply chain.

Therefore they must be managed well to achieve maximum benefit.

Benefits offered by channel members:

The channel members offer a number of benefits which are as follows

- **Information**
- **Matching**
- **Contact**
- **Negotiation**
- **Promotion**
- **Physical distribution**

Question: What do you understand by direct marketing; discuss the advantages of direct marketing?

ANS: DIRECT MARKETING: Direct marketing is the act of narrowly targeting and one to one marketing. Its main aim is to develop long term customer relationship. The marketers interact with customers on a one to one basis.

There are various forms of direct marketing.

Advantages of direct marketing:

- It is a strong way of building long term customer relationship.
- It is convenient
- The buying process becomes easy
- It reduces cost and increase efficiency.
- It provides an easy way to compare products
- Greater reach to products

Question: Retailers may offer one of three levels of service. Describe the types of retailers on the basis of services they offer?

Answer:

Retailers are divided into 2 groups, store retailers and non store retailers. The services which store retailer performs are the product line sold, retail organization format, control of outlets and relative prices charging. The service which non store retailers perform are

they do door to door selling, direct marketing, telephone and TV shopping shows. Online services and internet Etc.

Question: What do you understand by the term “Communication”, how many element are in communication process. Enlist those elements with a brief explanation.

Answer:

Communication: it is a process of sending and receiving messages and getting a response. In communication process there are the following 7 elements.

Message: it is the data which sender wants to transmit

Media; it is a channel or medium used for communication. For example, internet, phone or letter.

Decoding is a process in which the receiver translates the message of sender into its original form.

Receiver is the person who receives the sender's message.

Response is the reaction of the receiver after he receives the message.

Feedback is the message of the receiver to the sender.

Noise is the distorted or barriers in the communication process.

Question: Decision of the Pricing is very critical for marketers in today’s market, how would you explain this concept of Price and write alternate names that you can call the price? Are pricing for profit organization or for non-profit organization? Discuss it.

Answer:

There are the following factors which are considerable when sitting a price.

Price are in different types, for example, tax, rate, fees, tuition, interest, fare, toll etc.

Internal factors: marketing objectives, marketing mix strategy, costs, organizational consideration.

External factors: nature of market and demand, competition, environmental factor i.e. economic and government. Both profit and non profit organization use pricing strategies.

Question: Mr. Danish is a marketing head of credit card department at bank UBL. He is interested in establishing a sales force to market the bank Visa card. What do you understand by the term “sales force” and what steps Mr. Danish will take to manage the sales force?

Answer:

Sales force: sales force are those people who represent the company to the costumers and act as an intermediary linking costumers to the company.

Mr. Danish will first analyze the sales force. After that he will plan, implement and control the sales force. In alkalizing of sales force Danish will select the best sale force that are initiative, self confident and enthusiastic he will train his sales force according to the rules and regulation of the company. Compensation is also very important for sales force. By supervision Danish can motivates the sale force.

Question: What do you understand by the term Logistics and enlist the logistics functions?

Answer:

A value added flows from suppliers to final users

Major functions include

- **Order processing**
- **Warehousing**
- **Inventory Management**
- **Transportation.**

Question: If you think of your store as a doorway and just on the other side of the doorway is your customer who is reluctant to enter in the shop. How do you get them to come in? You can choose to pull the prospect through the door or you can push them through the door. Explain both concepts (pull marketing and push marketing) with the help of examples.

Answer:

Push Marketing

A promotion strategy that calls for using the sales force and trade advertising to push the product through the channel is called push marketing. For example the manufacturer promotes the product to wholesalers, the wholesalers promote to retailers and finally the retailers promote to consumers.

Pull Marketing

A promotional strategy that calls for spending a lot on advertising and consumer promotion to build up consumer demand pull marketing. For example if consumer will ask their retailers for the product, the retailer will ask the wholesalers and wholesalers will ask the producers.

Question: What do you understand by direct marketing; discuss the advantages of direct marketing?

Answer:

Direct marketing consists of direct communication with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationship, with no intermediary levels and is also called one to one marketing. It has been hailed by some marketers as “marketing model of the next millennium”.

Advantages

It brings so many benefits to both Buyer & Seller which are as follows.

Advantages for buyers.

- Provides wealth of proportional information.
- Greater product access and selection.
- Handy, easy & private.

- Some companies allow buyers to design their own products online (For example, HP allows customers to make their tailor made notebook online and quotes immediately)

Advantages for Sellers.

- Because of its one-to-one, interactive nature, the Internet is an especially compelling marketing tool.
- Continuous relationships with customers can be developed.
- Diminish costs and increase speed and efficiency.
- A powerful tool for customer relationship building.
- It can also be timed to reach prospects at just the right moment.
- The internet is a truly global medium and online marketing offers greater flexibility.
- Buyers are now active participants in shaping the marketing offer and process.

Question: Mr. Danish is a marketing head of credit card department at bank UBL. He is interested in establishing a sales force to market the bank Visa card. What do you understand by the term “sales force” and what steps Mr. Danish will take to manage the sales force?

Answer:

Salespeople act for a company and perform following tasks.

Prospecting of new business,

Communicating with potential and existing customers;

Servicing customers and information gathering.

Help business customers and find ways to economize

Sales force Management

Question: What is the difference between mass marketing and database marketing?

Answer: In the data base marketing we have all the relevant information of the target market and we have made the records of the relevant information in the form of the data bases. Mass marketing means the marketing at the large scale marketing in which we do not have the data base form of record of our customer because our target market is very large and the products are produced by the general common character.

Question: What is the role of broker and agent in the marketing system?

Answer: Main function is to facilitate buying and selling, for which they earn a Commission on the selling price. Generally, specialize by product line or customer Types. BROKERS: Chief function is bringing buyers and sellers together and assisting in negotiation. They are paid by the party who hired them, and do not carry inventory, get involved in financing, or assume risk. Examples: food brokers, real estate brokers, insurance brokers, and security brokers. AGENTS: Represent either buyers or sellers on a more permanent basis than brokers do.

Question: What is mean by Competitive Advantage? How we will design a Competitive Intelligence System?

Answer: To be successful, a company must consider its competitors as well as its actual and potential customers. In the process of performing a competitor analysis, the company carefully analyzes and gathers information on competitors' strategies and programs. A competitive intelligence system helps the company acquire and manage competitive information. The company must then choose a competitive marketing strategy of its own. The strategy chosen depends on the company's industry position and its objectives, opportunities, and resources. Some of these are time-tested and some are relatively new. The advantage of our firm with comparison to our competitors which may be in term of low price, high quality, Easy availability of our product, good will, convenience in use etc is included.

Question: Define business markets?

Answer: The business market includes firms that buy goods and services in order to Produce products and services to sell to others.

Question: Why do we study consumer behavior?

Answer: Consumers determine the sales and profits of a firm by their purchase decisions. Basic objective of studying consumer behavior is that the firm needs to know how, when, why, and where consumers make purchase decision/ all these are important questions, which are to be known to the companies so that they can design and implement marketing strategies to satisfy the customers.

Question: How does an organization create a customer?

Answer: Organizations can create the customers by identifying customer's needs, designing goods and services that meet those needs then communicating information About those goods and services to prospective buyers. Providing the necessary services and follow-up to ensure customer satisfaction after the purchase.

Question: Briefly define customer and consumer?

Answer: A Customer- purchases or pays for products or services A Consumer- is ultimate user of the product or service, the consumer may not have paid for the product or service.

Question: Which factors make the company's macro environment?

Answer: 1) Demographic 2) Economic 3) Natural 4) Technological 5) Political 6) Cultural

Question: Which are the strategies that can be pursued for each Strategic Business Unit (SBU)?

Answer: a) The company can harvest the SBU b) The company can divest the SBU c) The company can invest enough just to hold at the current level

Question: What are the key principles for public policy towards marketing?

Answer: a) Full consumer and producer freedom b) Potential harm should be eliminated c) Producer should meet the basic needs of the consumer

Question: What is meant by Market?

Answer: Markets The concepts of exchange and relationships lead to the concept of a market. A market is the set of actual and potential buyers of a product. Originally a market was a place where buyers and sellers gathered to exchange goods (such as a village square). Economists use the term to designate a collection of buyers and sellers who transact in a particular product class (as in the housing market) Marketers see buyers as constituting a market and sellers constituting an industry.

Question: Explain Business portfolio?

Answer: The business portfolio is a collection of businesses and products that make Up the company. In order to design the business portfolio, the business must: 1) Analyze its current business portfolio and decide which business should receive more, less or no investment. 2) Develop growth strategies for adding new products or business to the portfolio.

Question: Who are Laggards?

Answer: The people who are suspicious to change and adopt only after the product Has been accepted by the majority

Question: Why it is said that customer is always right even he is wrong/customer is the king of market?

Answer: 'Putting the customer at the heart of your business planning' sounds simple doesn't it? The truth is, this principle is the cleverest, and also the most startlingly logical strategy for keeping your business at the forefront of its market. The customer is king. This statement is true of every aspect of business. It is the job of everyone in business to please customers - or to enable someone else to please the customer. Without customers, there is no sale. Without satisfied customers, there is no profit. Without delighted customers, there is no repeat business.

Question: What are the objectives of internet marketing?

Answer: Internet is very important tool in marketing .It is useful for marketers in different ways like: Internet is a new tool to reach consumers. Internet is also being used as a source to reach and to communicate to customers.

Question: What are the steps involved in developing an effective communication?

Answer: Identify the target audience Determine the communication objectives Design a message Choose the media through which to send the message Select the message source Collect the feed back

Question: What is meant by reach and frequency?

Answer: Reach is a measure of the percentage of people in the target market who are exposed to the ad campaign during a given period of time. For example, the advertiser might try to reach 70 percent of the target market during the first three months of the campaign. Frequency is a measure of how many times the average person in the target market is exposed to the message. For example, the advertiser might want an average exposure frequency of three.

Question: Why we study marketing?

Answer: Major reason to study marketing is: • Marketing plays an important role in society • It is Vital to business • Marketing offers outstanding career opportunities • Marketing affects your life every day

Question: Which important decisions we should take while developing an advertising program for the product?

Answer: 1. Setting advertising objectives 2. Setting advertising budgets 3. Developing advertising strategy 4. Message decisions 5. Media decisions 6. Evaluating advertising campaigns

Question: What 4 Cs will be used for the development of the marketing strategies of 21st century?

Answer: a) Care b) Choice c) Community d) Challenge

Question: What do you understand by the term micro marketing environment?

Answer: Micro marketing is the practice of tailoring products and marketing programs to suit the tastes of specific individuals and locations. Micro marketing includes local marketing (Local marketing involves tailoring brands and promotions to the needs and wants of local customer groups—cities, neighborhoods, and even specific stores.

Question: In buyer decision process, what are the sources from which buyer can collect information?

Answer: These include personal sources (family, friends, neighbors, acquaintances), commercial sources (advertising, salespeople, dealers, packaging, displays, Web sites), public sources (mass media, consumer-rating organizations), and experiential sources (handling, examining, using the product). The relative influence of these information sources varies with the product and the buyer.

Question: Define business markets?

Answer: The business market includes firms that buy goods and services in order to produce products and services to sell to others.

Question: Write down any five reasons of “why would a producer use wholesalers rather than selling directly to consumers or retailers”?

Answer: Quite simply, wholesalers are often better at performing one or more of the following channel functions: • Selling and promoting • Buying and assortment building • Bulk-breaking • Warehousing • Transportation • Financing • Risk bearing • Market information • Management services and advice

Question: List down the chief factors that can be used for segmenting international markets?

Answer: Geographical location Economic factors Political and legal factors Cultural factors

Question: How would you define relationship marketing?

Answer: Establishing a long term continuous relationship with the customers initiated and maintained by firm.

Question: What are the main advantages of having brand quality?

Answer: 1) High consumer awareness 2) Easier to launch brand extensions because of high brand credibility 3) A good defense against fair price competition. 4) Customer equity tends to aid marketing planning in assuring loyal customer life time values.

Question: What is the difference between advertising and publicity?

Answer: An old age says: Advertising you pay for, publicity you pray for. That's because publicity has at least ten times the credibility of advertising. Advertising is a content you pay to present. Publicity refers to free content about you that appears in the media - what others say about you. Publicity can result when an article you write is published, or when information you give to an editor convinces him/her to feature a story about you. Over time, these stories help to create a favorable impression of your product or services.

Question: Define the market / product expansion grid?

Answer: 1). Market Penetration 2). Market Development 3). Product Development 4). Diversification

Question: Why we use sales promotion tools?

Answer: These can be used to introduce new products, Get existing customers to buy more, Attract new customers, and Combat competition, Maintain sales in off season, Increase retail inventories, Tie in advertising and personal selling, Enhance personal selling efforts.

solved subjective questions

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Best of Luck!!!!!!!!!!

Remember me in your prays