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**BBA 2nd Semester Sec-(B)**

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| SUBJECT | **Principal Of Marketing** |
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| ASSIGNMENT TOPIC |
| Complete Course |
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**Q1.a. Explain the difference between products and services?**

**Answer (a)**

**Product:**
A product is the item presented for sale. It can be physical or in virtual or cyber form. Every product is made at a cost and each is sold at a price. The price that can be charged depends on the market and the quality.

Example: Toothbrush, Laptops, biscuits etc.

**Service:**

A service is that which cannot be seen physically and it is use to fulfil the need of consumer same as product
Example: Teaching, Doctor etc.

 **Difference between Product and service**

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| Product | Service |
| It is physical  | It is not physical  |
| Product usually attain quality | It is difficult to attain quality in service. |
| Product can be stored | Service cannot be stored |
| It can be moved from one to another | Cannot be moved |
| Packing of product play vital role in market | While as service has no relevance of packing in market. |
| Assembling is very important in product | Service doesn’t need assembling rather than providing it in proper way. |
| Product is easily returnable and exchangeable | While service cannot be returned or exchanged |
| Products have certain shapes | Services doesn’t have any shapes or structure |
| Products as based on need base | While service are about building relationship and trust |

**b. Write a detail note on exchange process with examples.**

**Answer Q-01 (b)**

**Exchange Process:**The process of obtaining a needed object by offering something in return is called exchange process.

**Example:**

We hire a taxi to transport from one place to another and in return we offer money the taxi driver.

**Explanation:**

The exchange process nowadays is widely of money, people offers product and services to in return of obtaining money, exchange process in past was of exchanging goods for goods and service for services but with the time and modernization of the world the exchange unit is money now.

There are few conditions that widely applicable in exchange process which are as following

**Condition (01)**There must be at least two or more than two parties for the exchange process else it is not possible to process exchange.

Example: If I buy a cup of coffee I must buy it from someone (it cannot be obtained from a wall or rock)

**Condition (02)**Each of the parties must have something valuable which is useful or needful to each other parties
Example: As mentioned in the above example if need to drink a cup of coffee my need can only be fulfilled if I offer something useful and need to the seller of coffee which is Money in this case.

**Condition (03)**Each party is free to accept or reject the exchange which is anything.
Example: the coffee seller is free to accept or reject the money I Offer for a cup of coffee.

**Condition (04)**Parties must be to communicate and deliver with each other.
Example: If one goes to a restaurant and wants to buy a burger and he is unable to communicate with restaurant owner to order a burger thus the exchange process cannot be completed.

**Q2.a.what is the difference between firm and industry?**

**Answer – Q2 (a)**

**Firm:**A business organization which do business in order to earn profit and provide certain products or services to the public is called firm.
Example: Careem Taxi Service, Nike Shoes busniess etc

**Industry:**An industry contains of all the firms or businesses that are tangled in the production, and sale of a specific service or product and can be either retail, service, or wholesale. Profitable industries contain Legal services, Accounting, Outpatient care centres, Real estate, Offices of health care practitioners etc.

**Difference between firm and industry**

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| Industry | Firm |
| There are rules and regulations made for industry to follow. | The rules and regulations made for industry are applied to all the firms. |
| Industry consists of several different firms selling similar products or services. | Different Firms make up industries |
| It is tangled in production of services and goods field within an economy. | It is involved in the trade of services, goods or both to the customers to earn profit  |
| Fashion industry, Food industry, Chemical industry etc. | Restaurants, Convenience stores, Clothing stores, etc. |

**b. Explain external environment and its levels?**

**Answer - Q2 (b)**

**External environment:**Am external environment is composed of all the external factors that impact the market, these factors can be divided in to two parts
1) Micro Environmental factors

2) Macro Environment factors

1. **Micro Environment factors:**

It is consist of such factors which directly affect the operations of firm/company.

These factors are;

1. **Suppliers**it is the first and important factor of micro environment. Suppliers supply the given product or service to a firm.
Example: If suppliers doesn’t supply food ingredients and drinks to your fast food restaurant so you will end up having no customers and sale.
2. **Customer:**customer are the key unit to run a business. Customers is the main pillar of a business. Costumers can be attained through different ways which may be product or service quality, price, incentives etc.
Example: If no customer shows up to buy your fast foods than you will end up in loss and shut your business.
3. **Competitors:**Competitors are everywhere so competitor is also a factor of micro environmental factors it effect a firm widely by offering the same product or service in the market and it affect firm.
4. **Market intermediates:**Market intermediates are those which are related to your business , that can be middlemen, your distributors or may be wholesalers.
5. **Financers:**typically business owner takes loan or add partners to expands his or her business, if someone is unable to take loan or get any partner for its expenditure of business his/her business will be affected.
6. **Macro environmental factors:**

Macro environmental factors are those which can found in large and it affect the whole business sector such as Laws, Demand for product etc. these factors are as following

1. **Economics factor:**This factor mainly focuses on ow to economy of a country affects a business in term of taxes, interest rates and exchange rates etc.
2. **Political Factor:**This factor focuses on how government changes can affect a business such if government increases or decreases the labor working time, it will affect the business.
3. **Technological factors:**it focuses how Technology affect the business sector as due technology heavy machinery are available which functions and gives output more than human can do another example can be of robotic machines in factories
4. **Demographics factors:**it focuses on the study of targeting customers, such that if Ferrari Car company is launching in Peshawar it will first do demography of Peshawar it will find out whether people of Peshawar are rich enough to afford Ferrari cars if not they won’t launch it here.