## Name

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Section

Submitted To

Date

Semmester

**Q1.a. Explain the difference between products and services?**

**Answer**

**Product**

Tangible products are often thought to be easier to market as they can be shown, demonstrated, touched, displayed and are easier for your audience to understand in terms of value or whether they are needed. Whether this is true or not is difficult to call, especially when you consider the blurred lines of the B2B technology world, where products and services are becoming more and more entwined.

Regardless, the aim of your marketing strategy should include finding the right market for your product and promote it in a way that gets the best response from your target audience. It’s important to remember that your product stays the same regardless of who you are targeting and can be returned if the customer is dissatisfied.

**Services**

Services, being intangible, can be harder to show value. You can’t see or touch a service. Often, then, the goal of marketing services is to create good relationships with your target audience, developing and building trust. You are essentially selling yourself.

* **Ownership**

A product can be bought, used and then resold ‘second-hand’, while a service cannot – once it’s been consumed. A product is also a separate entity to the business who creates/sells it. A service, on the other hand, is always connected to the business who provides it. Marketing for services should be all about building the brand and personality of the service provider.

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

**Answer**

**Exchange Process**

A **marketing exchange** is what happens any time two or more people trade goods or services. In **marketing** theory, every **exchange** is supposed to produce "utility," which means the value of what you trade is less than the value of what you receive from the trade.

Two or more than two person or organization’s should be involved and they must have some need for exchange. It always occur voluntarily. Each party or person may have something of value for other person or party. They must communicate with each other.

**Example**

You go into a restaurant and order your favourite meal. You eat the food and then you pay for it with your pocket money. That’s a basic exchange relationship.

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

**Firm**

A firm is more or less similar to the concept of a business establishment. The term is mostly used in relation to companies providing judicial services to clients. These are business establishments referred to as law firms. A firm can be a sole proprietorship or a partnership, but the basic premise is that it is run for making profits. In US alone, there are an equal number of firms and establishments. A firm can operate inside an industry such as a firm that makes and supplies steel to other companies requiring steel while all these companies exist under the steel industry.

**Industry**

An industry consists of all the firms or businesses that are involved in the production, and sale of a specific service or product and can be either retail, service, or wholesale. Profitable industries include Legal services, Accounting, Outpatient care centers, Real estate, Offices of health care practitioners.

It is a sector that produces goods or service within an economy where retail industry consists of firms that sell products directly to customers; service industries provide a service to an individual r another firm, whereas, wholesale firms sell products to other businesses.

**Main Differences**

The main difference between Firm and Industry is that the Firm is a organization involved in the trade of goods, services, or both to customers for pay and Industry is a production of goods or service of a given field within an economy.

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

**Answer**

**External Environment**

An **external environment** is composed of all the outside factors or influences that impact the operation of business. The business must act or react to keep up its flow of operations. The external environment can be broken down into two types: the micro environment and the macro environment.

**Levels of External Environment**

There are two levels of external environment

1)Macro Influence

2)Micro Influence

**Macro influence**

Macro means “LARGE” and influence means “EFFECTS” so macro influences are those external factors which may affect the whole “INDUSTRY” not only a single firm,

**Example**

Government laws, Economic conditions, Technology etc.

**Micro Influence**

Micro means “SMALL” so those environmental factors which will not affect the whole industry but a single firm.

**Example**

If the people living in Karachi mostly love Biryani, so they got higher demand for Biryani, so only Biryani sales would get increase, so it will be a micro factor, but if the demand for fast food gets higher in Karachi, so demand for Biryani, chief and pizza hut all would increase, as it would be a macro influence on Karachi market.