**MID TERM EXAMINATION OF BBA 1ST SEMESTER PAPER OF MARKETING**

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**Q1; WHAT CAN BE MARKETED MENTION WITH EXAMPLES?**

Now that you have a general idea of what marketing is, what do you think can be marketed? In reality, anything from goods to services to human beings to events can be marketed. How?

**Goods**:

anything that you can buy that is tangible (can be touched)- **examples** include: food, clothing, shoes, books, electronics.



**Services**:

anything that you can buy that is intangible (cannot be touched), when someone performs something for you- **examples** include: hair cut, banking, landscaping, house cleaning

**Events:**

a planned occasion- **examples** include: the Olympics, professional sports games, concerts, shows



**Experiences:**

a combination of goods and services to create an event that leaves an impression on someone- **examples** include: Disneyworld, cruises



**People:**

each person can become their own brand and can be marketed on their positive attributes- **examples** include: you!, professional athletes, actors, singers



**Places:**

towns, cities, states, and regions can all be marketed to make people want to visit them- **examples** include: Florida, Australia, New York City, komrat valley



**Ideas:**

Every market offering includes a basic idea. “In the factory, we make cosmetics; in the store we sell hope.” Social marketers are busy in promoting such ideas.



**Information:**

Information can be produced and marketed as a product. This is essentially what schools and universities produce and distribute at a price to parents, students and communities. For examples, magazines, encyclopaedias, news-papers etc. supply information.



**Organizations:**

Organizations actively work to build a strong, favourable and unique image in the minds of their target publics. Universities, museums, performing arts organisations and non-profits all use marketing to boost their public images and to compete for audiences and funds.



**Q2: WRITE BRIEFLY FIVE STAGES OF BUYING DECISION PROCESS?**

FIVE STAGES OF BUYER DECISION PROCESS

Buyer decision process (or customer buying process) helps markets to identify how consumers complete the journey from knowing about a product to making the purchase decision.

1. Problem Recognition.
2. Information Search.
3. Evaluation of Alternatives.
4. Purchase Decision.
5. Post-Purchase Evaluation.

When making a purchase, the buyer goes through a decision process consisting of 5 stages.

Clearly, the buying process starts long before the actual purchase and continues long after.

The marketer job is to understand the buyer decision behaviour at each stage and the influences that are operating. The figure implies that consumers pass through all five Stages with every purchase.

Let’s explain all 5 stages of the buyer decision process.

**1. Need or Problem Recognition**

During need or problem recognition, the consumer recognizes a problem or need that could be satisfied by a product or service in the market.

Problem Recognition is the first stage of the buyer decision process.

At this stage, the consumer recognizes a need or problem. The buyer feels a difference between his or her actual state and some desired state.

This could be a simple as “I’m hungry, I need food.”

The need may have been triggered by internal stimuli (such as hunger or thirst) or external stimuli (such as advertising or word of mouth).

**2. Information Search**

Once the need is recognized, the consumer is aroused to seek more information and moves into the information search stage.

The second stage of the purchasing process is searching for information.

After the recognition of needs, the consumers try to find goods for satisfying such needs. They search for information about the goods they want.

Consumers can get information about goods from different sources.

* **Personal sources:** This includes family, friends, neighbors, acquaintance, etc.
* **Commercial source:** This includes advertising, salespeople, dealers, packaging, display, etc.
* **Public sources:** This includes mass media, consumer rating organizations, etc. they also become confidential to provide information.
* **Experimental sources:** This includes handling, examining, using, etc. Such information becomes decisive and confidential.

**3. Evaluation of Alternatives**

With the information in hand, the consumer proceeds to alternative evaluation, during which the information is used to evaluate” brands in the choice set.

Evaluation of alternatives is the third stage of the buying process. Various points of information collected from different sources are used in evaluating different alternatives and their attractiveness.

While evaluating goods and services, different consumers use different bases.

Generally, the consumers evaluate the alternatives on the basis of attributes of the product, the degree of importance, belief in the brand, satisfaction, etc. to choose correctly.

**4. Purchase Decision**

After the alternatives have been evaluated, consumers take the decision to purchase products and services. They decide to buy the best brand.

But their decision is influenced by others’ attitudes and situational factors.

**5. Post-Purchase Evaluation**

In the final stage of the buyer decision process, postpurchase behavior, the consumer takes action based on satisfaction or dissatisfaction.

In this stage, the consumer determines if they are satisfied or dissatisfied with the purchasing outcome. Here is where cognitive dissonance occurs, “Did I make the right decision.”

Consumers go through the 5 stages of the buyer decision process in taking the decision to purchase any goods or services.

**Q3: WRITE BRIEFLY ABOUT SERVICE PROFIT CHAIN?**

“The Service Profit Chain – How leading companies link profit and growth to loyalty, satisfaction and value” in 1997, including an explanation of the Service Profit Chain. The basic principle of the Service Profit Chain theory revolves around the fact that customer satisfaction starts with good staffing and treatment of one’s own employees. Committed employees are sociable and convey this to the customer.

## Connection

As it turns out, successful companies remain at the top because they manage their Service Profit Chain well. Apparently, there is a link between service on the one hand and profit on the other. This connection consists of links; hence the name ‘chain’. Such companies have a quantifiable set of relationships that directly link profit and growth to the many aspects of service. The Service Profit Chain involves customer loyalty, customer satisfaction, employee loyalty, employee satisfaction and productivity. This way, strong links develop between:

1. **Profit – Customer loyalty**
2. **Employee loyalty – Customer loyalty**
3. **Employee satisfaction – Customer satisfaction**

Based on the concept of the service-profit chain, a company should establish a link between employees and customer experience on the one hand and create profit and growth on the other. The different relationships reinforce each other; satisfied customers contribute to employee satisfaction, loyal employees contribute to customer loyalty, and this customer loyalty will eventually result in profit.



## Steps

## The Service Profit Chain shows that a company’s profitability and growth are a result of customer and employee satisfaction. The model consists of sequential links that lead to success. Each link consists of so-called KPIs; Key Performance Indicators. In other words, these are crucial performance indicators; variables that are used to analyse the performance of a company, brand or product. The success of an organisation is measured with KPIs. These links can be compared to steps that need to be taken. The goal of these steps is to make a company successful. Each step can, as it were, be increased or decreased. A correct ‘volume setting’ will result in profit and growth for a company. It involves the following seven steps:

### Step 1 – Internal: service quality

The first few steps of the Service Profit Chain involve employees. An organisation can only be successful if it invests in its own employees. This means that a safe work environment should be created, employees should be involved in the decision making process and should work together in a pleasant atmosphere. A company can achieve this by investing in their employees, to support, train and invest in the development of its employees. All to an extent that hiring, remuneration and development policy are important components of this first step. New employees with the right attitude, can contribute to the internal service quality. By rewarding employees, they are motivated to be actively engaged in the organisation. With training, education and course options, employees are in a better position to be fully committed to a company. The internal service quality will subsequently lead to employee satisfaction.

### Step 2 – Employee satisfaction

One step cannot be achieved without the other. To satisfy employees and keep them satisfied, the same amount of attention must be devoted to them as is devoted to customers. Engaged employees are more productive, enabling them to provide a better service. They pass on their enthusiasm, leading to a positive image. Their job satisfaction has a positive effect on attracting and retaining customers. This so-called customer value can only be generated by satisfied employees. This results in loyal and productive employees.

### Step 3 – Loyal and productive employees

Committed employees are loyal to their company, department and colleagues. They feel closely involved in the organisation and its joint goal. Therefore, they are more productive and feel very responsible for any end result. In this context, every employee is an ambassador of the organisation and passes this view on to the customers. The deeper need of each individual employee is important in order to make them even more loyal and productive, so they can perform their job with pleasure.

### Step 4 – Value proposition for the customer

The external value proposition for the customer is also referred to as the customer value. Why does a customer choose a specific product or brand or to only do business with a company the customer is already familiar with? Of course, the product or service itself is important, however the customer value is mainly created by the employees of the company in question. They ensure a customer values the way he/she is assisted and addressed. Satisfied employees truly care about the company and are able to convey this to their customers in a good and honest manner. As a result, the service they provide will increase and their attention will be sincere. Customers appreciate this.

### Step 5 – Customer satisfaction

Step 5 and 6 are related and are directly linked. Customer loyalty is a result of customer satisfaction; a dissatisfied client will not be loyal and will not place a new order. The more satisfied a customer, the greater the chance that the customer will return for repeat business or place larger orders. Satisfied customers are seen as free publicity; they are ambassadors of the company and can recommend products and/or service in their environment with full enthusiasm.