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**PRINCIPLE OF MARKETING**

**TOTAL MARKS 50**

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**QUESTION NO.1)**

**1) Price Penetration**

Penetration pricing is the pricing technique of setting a relatively low initial entry price, usually lower than the intended established price, to attract new customers. The strategy aims to encourage customers to switch to the new product because of the lower price

**2) Price Skimming**

Price skimming is a pricing strategy in which a marketer sets a relatively high initial price for a product or service at first, then lowers the price over time.

**3) Loss Leader Pricing**

Pricing strategy where a product is sold at a price below its market cost to stimulate other sales of more profitable goods or services.

**4) Psychological Pricing**

Psychological pricing is a pricing and marketing strategy based on the theory that certain prices have psychological impact.

The products which I regularly use are watches and perfumes of different brand

In watches I have

DIESEL, SEIKO, ROLEX, CASIO.

1)

The price of these watches are little bit high. It depends on their model, some product are cheap, some of them are normal and some are very expensive.

The most expensive among them is Rolex (gold plated).

2)

I am using these product for various purpose, for time, some time for fashion. Even when you have matching dress with watch, it will look better.

3)

I thing all the price of these watches are shown in their look. These brands have some special quality of parts. They have very nice look. They use original parts. You can use these products for long time.

My father has also Rolex watch and he is using this watch from his college level but still the cornography is working fine.

4)

I think yes because these products have their elite class. If Rolex has in your hand so its mean you are not poor.so everyone will know your background and your coming income from this watch.

5)

I think “NO” because as I told above that these products are known by their original parts.so if you pay 100K or 200K for Rolex so it will work for long time.

## **QUESTION NO.2)**

### **The most important product life cycle stage**

The most important product life cycle stage is the growth stage because in this stage a the focus is not on earning profits companies focus on increasing their market share huge chunk of money is spent on advertising and little bit mistake can cause the problems for the company.

### **RISKIEST STAGE**

I think the most riskiest stage is the introductory stage.Because in this stage you introduce your product in market.and as we know that first impression is the last impression and if you made some mistake in introducing your product so it will affect in your product.

## **Greatest Profit potential**

Maturity stage has the greatest profit potential because its known in the market advertising and sales costs reduce e.g. I phone they don't spend way too much on advertising they have a good brand image in the minds of customers so they make huge profits.

## **Hands on management used in the Stage**

Introductory Stage requires their managers to be a part of every decision because the product is totally new and the employees need guidance in every step we can take examples of the start ups in which managers are involved in every decision of the business

The example which is in my mind is basically Toyota corolla and Toyota yaris.

The price different is almost 5 lac.The Toyota corolla is 5 lac expensive But the yaris is fully loaded with features but in corolla we have very less features.

The shape of corolla is much better than yaris.

The company introduce their Toyota yaris with fully options in comparison of Toyota corolla.

## **QUESTION NO.3**

1)

I am taking the example of NIKE shoes brand.

### **ADVANTAGES:**

You can customize your shoes color,desing and many other think on their websites to make shoes by your own desing.some time you have your own desing choice but it is not present in market so on NIKE website you can customize your shoes.

### **DISADVANTAGES:**

You cannot see that product physically. may be the product delivered to you will be different. The color will not be the same as the color you selected.

2)

### **Pros and Cons of Virtual Reality shopping**

#### **Pros**

- Easy
- Less wastage of resources
- Easy decision making

#### **Cons**

- Abusive seller might deceive the customer
- Customer care services take time.

Yes I designed a T shirt on an online store. My experience was very user friendly I just did it while being in my home but I am worried what if they delivered the wrong product since in the Pakistani market the sellers tend to deceive their buyers. Yes I am willing to purchase the product because I read some good reviews on it.