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***SUBJECT: principal of marketing.***

***Course:BBA 2nd semester***

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***Midterm***

***Principles of marketing***

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***BBA sec B***

**Q1:(a) what is the difference between products and services?**

***Ans:*** ***Difference between products and services:***

*According to the Philips Kotler, any thing can be a products if it has following features.*

* *It’s a set of tangible attributes*
* *It has got a specific shape*
* *It performs some specific function/functions*
* *Keeping the following definition in mind we can say every tangible item from a need to a plane can be called as a PRODUCT*

*While* ***SERVICES*** *are always:*

* ***INTANGIBLE:***

*Something that can not be seem or touched, their effect van oy be felt, e.g, teaching, transportation, banking, insurance etc*

* ***INSEPRABLE:***

*Services van not be a separated from the services provider as in case of products, the products and producer are separated e.g, NOKIA is the company and N79 is the product, but services are the integral part of the personality of a service provider you can not separate it.*

* ***PERISHABLE:***

*It means something which can not ne stored, as services are intangible hence they carry no tangible shape, so they can not be stored, and its also due to inseparability feature, so we can say they services are produced and consumed simultaneously, they can not be stored.*

* ***NOT TRANSFERABLE:***

*▪services are the integral part of the personality of a service provider, hence their ownership can not be transferred to other people, and it is also due to the intangible, feature of the services.*

*▪Services are hired, while products are purchased.*

*▪When you go to hotel for week holidays, you pay the rent for living there, you do not became the owner*

***Q1:(b)***

***Ans: EXCHANGE PROCESS:***

*Exchange is the act of obtaining a desired object from someone by offering something in return. An exchange process is simply when an individual or an organization decides to satisfy a need or want by offering some money or goods or services in exchange. It’s that simple, and you enter into exchange relationship all the time.*

* ***Conditions of exchange:***

*To or more than two persons or organisation should be involved and they must have some need for exchange.*

*It always occur voluntarily each party or person may have something or value for other person or part*

*• they must communicate with each other.*

*• as we have already studied that buyers go to the market in order to purchase products or hire services*

*• It from KFC, PIZZA HUT or any other restaurant in Peshawar city but the thing is that every organisation want you to become their customer ot they want you to purchase their products or hire their services for they particular*

*• reasons and purpose, the organisation have to perform the “MARKETING FUNCTION” which is aimed at bringing a “MATCHING EFFECT” in between human needs and wants and in between PRODUCTS and SERVICES so that to inform convince and remind them to start using or to keep using a particular product and services.*

*• Organisational objectives to provide maximum satisfaction to xustomers.*

*by purchasing quality products and serviced at affordable and reasonable price, to make them available at the doorstep of customer and to continuously keep in touch with them through different promotional media.*

***Example:***

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

***Q2;(a)***

***Ans: DIFFERENCE BETWEEN FIRM AND INDUSTRY:***

* *Firm means a business organization which is doing business for earning profit and is dealing in some products or services eg, AZIZI BANK, MTN, KARDAN, KFC ETC.*
* *While industry is the collection of similar firms operating in similar products and services in a particular market, MTN, ETISALAT, AFGHAN BESEEM, represent telecommunication industry, AZIZI BANK? MAIWAND and*
* *Ghazanfar bank represent banking industry, KFC, AFC, AND CHIEF represent food industry here in KABUL.*
* *So firm are industrial businesses, while industry is a collection of same businesses operating in a particular market.*

***Q2: (b)***

***ANS: EXTERNAL ENVIRONMMENT AMD ITS LEVEL:***

*There are 2 levels of external forces:*

* *MACRO INFLUENCES*
* *MICRO INFLUENCES*

1. ***MACRO INFLUENCES:***

*Macro means “Large” and influences means “Effects” so macro influence are those external factors which may affect the whole “ Industry” not only a single firm, e.g, government laws, economic conditions, technology etc.*

1. ***MICRO INFLUENCES:***

*Micro means “Small” so those environmental factors which will not affect the whole industry but a single firm, e.g, if the people living in KABUL mostly love KFC, or they got higher demand for KFC so only KFC sales would get increase, so it would be a micro factor, but if the demand for fast food gets higher in KABUL, so demand for KFC, AFC, CHIEF and PIZZA HUT all would increase, as it would be macro influence on KABUL market.*

* ***EXTERNAL MACRO ENVIRONMENT:***

*Following are the factors related to the external macro environment of any organisation.*

* ***DEMOGRAPHICS:***

*●Demographics is the study of population and demographics are the statistics describing a particular population, or we can also say that demographics are statistical representation of a population e.g what is total population AFGHANISTAN, what is the number of male population in it, what is the number of females in it, rural and urban population young, kids, olds people, farmers, educated un educated people, income levels, industrialists, doctors, lawyers etc.*

*●self if the majority of a country consists of highly educated people, it would be difficult to deceive them, or misguide them we have to produce quality products for them, as they can better understand which product is good and which is note.*

*●There is a great difference between European and Asian demographics that’s why quality of products produced for European people is much higher than quality of products produced for Asians, because of their demographics,*