**MARKETING MANAGEMENT**

**MBA-NB**

**Student Name: Umar Farooq**

**Student ID.NO: 16997**

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**QUESTION 1:** Write briefly about State of demands with examples ?

**ANSWER**

1. **INTORDUCTION:**

For every marketer, it is very necessary to study the demand pattern of its target market. Types of demand also help a marketer in demand forecasting of the product i.e. to estimate what total amount of sales will be done in a particular period when the product is brought into the market. Types of demand also called classification of demand. There are a 8 types of demand or classification of demand. Moreover, how these various demands help the marketer to handle the challenges that come up during supply of the product, are discussed below.

1. **STATES OF DEMAND IN MARKETING MANAGEMENT:**

Following are the states of demand in marketing management;

1. **Negative Demand;**

The first type of demand is Negative demand. Negative demand occurs when a product is disliked by all its target customers in general. The product is good in quality, affordability and many other things but its demand is going negative because the customer doesn’t need it. In such cases, it is very difficult for the marketer to sell the product to its customers. They have to do a lot of convincing and even manipulation of the customer’s mind to achieve their marketing goal. Some of the major reasons for this type of demand are defective, irritating market campaigns like advertising through pop up ads; no customer likes to pop up ads due to which the customer generates a negative brand image in their mind resulting in negative demand.

* **Example:** Services like dental treatments, insurance policies face a lot of negative demand because people rather than going to a doctor for treatment or taking an insurance policy, prefer taking preventive measures to avoid buying these services

1. **Unwholesome Demand;**

The second type of demand in economics is unwholesome demand. If negative demand is the head, Unwholesome demand is the tail. Another face of negative demand is unwholesome demand. They both have almost same elements except there is a single difference between the two which is in negative demand, a consumer doesn’t feel the urge or requirement to buy the product but in unwholesome demand consumer badly wants the product but shouldn’t desire or take the decision to buy it.

* **Example**. These products can be alcohol, pirated movies, firearms, crackers, alcohol, etc.

1. **Non-existing Demand;**

The third type of demand in marketing is non-existing demand. This demand can be very harmful to any brand if the market research is not accurate. In this type of demand, a marketer thinks that there is a demand for the product in the market but in reality, there is no demand for the product. In many cases, companies lose their market value by not analysing this demand. It means if a company keeps producing a certain product thinking that there is the demand for the product in the market, it will end up suffering huge losses because people will not purchase their product which results in losing both market share and reputation of the brand.

* **Example**. For example many educational and computer courses which are not in demand by the market are one such example of non-existing demand. Another example can be the mobile phones made by Blackberry and HTC which are not in demand anymore, still, the companies keep on producing them.

1. **Latent Demand;**

It means that the demand for which the product is not available or is not developed to date.In today’s time, there are very fewer needs for which any product hasn’t been made or developed. But still, there are many needs of the people which are unseen by the marketer, the products which are invented or developed during this type of demand gain almost all of the market of that product as it is new to everyone.

* **Example.** The best example for studying this type of demand is by studying the evolution of smartphones or mobile phones. Every time a new model of a mobile phone was launched, it tackled a new need of the consumer, whether it would be sending messages, talking face to face via video call, shopping online through mobiles at one place only and many more.

1. **Declining Demand;**

Declining demand as the name suggests means the demand for the product whose demand is declining with time. It depends on product to product. It may be due to a new invention in that particular product field, bad brand marketing or decreasing the quality of the product. There are various products like technological products in which the coming of new technology results in declining of previous tech or methods.

* **Example**. This type of demand is majorly seen in technological fields but the food sector, FMCG sector also faces this as a challenge.

1. **Irregular Demand;**

This is the demand due to which a company has to change its marketing strategy from time to time repeatedly. In this type of demand, the sales of a product or service fluctuate too much i.e. sometimes it goes to the extreme top, sometimes it goes to zero. This happens because of the seasonal or time-based needs of the product. The customer only wants the product in a certain period or season due to which they only buy the product in that particular season.

* **Example.** Air conditioners, seasonal clothes are the best day to day things where this irregular demand is seen. Before the arrival of summers, the sales of the air conditioners and loose and light clothes increase rapidly but after summers are gone, the sales curve of these goes straight down as there is no demand for such products in the winter.

1. **Full Demand;**

If a company is having full demand, it is the golden period for that company. It is the state of the market where the supply is equal to the demand. It means that the customers for that product are loyal to the brand, the brand also makes sure that each customer is happy with their product. It can also be called as full market coverage as most of the market demand has been completely fulfilled by the company.

* **Example**. The best examples for this type of demand are the demand for smartphones like Samsung, iphone, etc. The products of these brands get sold out whenever they launch a new model.

1. **Overfull Demand;**

This demand generates when there is a limited manufacturing capacity of the company for a product, but the demand for it is more than the manufacturing capacity. It means that demand is more but supply is less. The brand equity of the company is highly affected in this type of demand due to which sometimes companies use De-marketing techniques to decrease the demand for their product so that the sales can match the demand. These industries have limited manufacturing power due to which there is a chance of consumers switching the brand which results in loss of both market share and brand equity.

* **Example.** This type of demand can usually be seen in occasional products like the cement industry where the demand is occasional but very high.

1. **CONCLUSION:**

So, these are the main types of demand or classification of demand that help a marketer for demand forecasting and managing the demand every time. There should be fast and accurate decision making by the marketer as the challenges and effects of these types of demands can both ruin the company’s reputation as well as take it to the sky heights.

END OF QUESTION NO: 1

**QUESTION 2**:Write brielfy about Key Customer Markets.?

**ANSWER:**

1. **MARKET.**

A “market” was a physical place where buyers and sellers gathered to buy and sell goods. Economists describe a market as a collection of buyers and sellers who transact over a particular product or product class. Marketers use the term 'Market' to cover various grouping of customers. They view sellers as constituting the industry and buyers. For instance, Product Market, Need Markets, Demographic Markets and Geographic Markets or and this is extended to cover labour, donor, voter market.

1. **KEY CUSTOMER MARKETS.**

Following are the key customer markets in brief

1. **Consumer Markets:** Companies selling mass consumer goods and services such as juices, cosmetics, athletic shoes, and air travel spend a great deal of time establishing a strong brand image by developing a superior product and packaging, ensuring its availability, and backing it with engaging communications and reliable service.
2. **Business Markets:** Companies selling business goods and services often face well-informed professional buyers skilled at evaluating competitive offerings. Business buyers buy goods to make or resell a product to others at a profit. Business marketers must demonstrate how their products will help achieve higher revenue or lower costs. Advertising can play a role, but the sales force, the price, and the company’s reputation may play a greater one.
3. **Global Markets:** Companies in the global marketplace must decide which countries to enter; how to enter each (as an exporter, licenser, joint venture partner, contract manufacturer, or solo manufacturer); how to adapt product and service features to each country; how to price products in different countries; and how to design communications for different cultures. They face different requirements for buying and disposing of property; cultural, language, legal and political differences; and currency fluctuations. Yet, the payoff can be huge.
4. **Non-profit and Governmental Markets:** Companies selling to nonprofit organizations with limited purchasing power such as churches, universities, charitable organizations, and government agencies need to price carefully. Lower selling prices affect the features and quality the seller can build into the offering. Much government purchasing calls for bids, and buyers often focus on practical solutions and favor the lowest bid in the absence of extenuating factors.
5. **CONCLUSION.**

Each of these markets can be tapped separately by companies. In fact, some consumer durable companies have different departments for corporate sales and government sales. Tapping each of these markets provides an avenue for the company to expand their market share and overall revenue generated by the company.

END OF QUESTION NO2

**QUESTION 3**:Write briefly about Porter’s Generic Strategies with examples?

**ANSWER:**

1. **INTRODUCTION.**

Michael Porter, an economic researcher, examined the competitive behaviors that comprise successful businesses. In the early 1980s, he set out to uncover the ways companies maintain long-term advantages over their competitors. Through this work he created Porter’s Generic Strategies, three interconnected concepts that most organizations use to develop key operating procedures and outmanoeuvre competitors.

1. **PORTER’s GENERIC STRATEGIES.**

Porters generic strategies are described in brief as follow,

1. **The Cost Leadership Strategy:**

Cost leadership allows a competitive edge by manipulating production costs. It does this in two important ways:

* Charging lower prices to increase market share. This is done by casting the company as a low-cost alternative, which increases both sales and the company’s profile.
* Reducing costs to increase profits. With fewer expenses on the books, organizations can move money into other avenues, like salaries or product research.
* **Example.** One real-world business who has championed Cost Leadership is Wal-Mart. The conglomerate has built its model partly on low prices, continually promising to beat those of its competitors. Executives are able to do that because Wal-Mart has an especially efficient supply chain, often sourcing products from less expensive foreign markets.

1. **Differentiation:**

The Differentiation method looks to develop product uniqueness and attractiveness to engage customers. Once again, there are a number of concepts involved in this approach, and each one is all about playing to customers’ perceptions. That might include promoting a product’s durability and general utility, which appeals to a customer’s sense of value. It could also involve touting the support system for a service or product, which creates a certain air of accountability. To properly implement the Differentiation strategy, a company needs the following:

* Marketing and promotions teams. These individuals are on the frontlines of defining a brand and emphasizing its uniqueness.
* Delivering high-quality products. Customers won’t stay loyal if the reality doesn’t meet the company’s promises.
* Ongoing research and innovation. Only by pushing technological boundaries can a company hope to maintain relevancy.
* **Example.** One of the more successful examples of the Differentiation approach is McDonald’s. Over the years, the fast food giant has used technology and research to gain consistently loyal customers, including efforts to reduce wait times and marketing directly to children.

1. **Focus:**

In many ways, both Cost Leadership and Differentiation are all about appealing to the widest customer base possible. The Focus approach, however, eschews mass appeal, instead layering efforts toward one niche market. Companies who choose to adopt this strategy are taking a deliberate risk. On the one hand, by engaging a specific demographic, many of which are often underserved, the company is able to captivate an increasingly loyal pool of consumers.

Within the Focus strategy, there are two distinct variants:

* Cost Focus: Here, companies are looking to find a cost advantage in their intended market segment.
* Differentiation Focus: These companies work to find as unique of a market as possible in order to maximize efforts.
* **Example:**PepsiCo is among the largest consumer packaged goods companies in the U.S. It achieved this by absorbing a number of smaller companies that helped it develop an edge in the beverage industry. The company’s subsidiaries include Pepsi Cola, Mirinda, 7Up, Mountain Dew, Diet 7up, Diet Pepsi, Lays, Kukure, Aquafina, Pepsi Twist and Tropicana Juices.

1. **CONCLUSION.**

In a nut shell it can be argued that other strategies exist beyond Porter’s, but his strategy provide the foundation on which many others are built. By investigating these three strategies accompanied by real-world examples, it becomes evident that no one strategy is better than another. Every company must look at the entire market from their unique perspective to choose an appealing market segment for its product and decide the most effective way to dominate that market.

END OF QUESTION NO 3