MARKETING MANAGEMENT

**MBA-NB**

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**QUESTION 1: Write briefly about Marketing Research along with its benefits and limitations. (15)**

**ANSWER**

1. **INTORDUCTION:**

 Marketing research or industry research is a technique of gathering, analyzing and presenting all the relevant data about a particular market. It is important to perform such research studies before launching a new product or business. Businesses can either perform this research on their own or hire professional research firms that do the job for them.

1. **DEFINITION OF MARKETING RESEARCH:**

Following are some of the definitions of marketing research,

**American Marketing Association**

 “marketing research is the systematic gathering, recording and analysing of data about problems relating to the marketing of goods and services.”

**Green and Tull**

“marketing research is the systematic and objective search for and analysis of information relevant to the identification and solution of any problem in the field of marketing”.

**Professor Philip Kotler**

 “Systematic problem analysis, model-building and fact-finding for the purpose of improved decision making and control in the marketing of goods and services.’

1. **FEATURES OF MARKETING RESEARCH:**

Following are the features of marketing research.

1. **Search for data:**

It is a search for data which are relevant to marketing problems – problems in different functional areas of marketing consumer behaviour, product, sales, distribution channel, pricing, ad and physical distribution.

1. **It is systematic:**

It has to be carried out in a systematic manner rather than haphazard way. The whole process should be planned with a clear objective.

1. **It should be objective:**

Objectivity is more important in any result. It means that the research is neither carried on to establish an opinion nor is intentionally slanted towards pre-determined results.

1. **It is a process:**

It involves various steps for gathering, recording and analysing of data.

1. **OBJECTIVES OF MARKETING RESEARCH.**

Marketing research may be conducted for different purposes. The main objectives or purposes of marketing research are:

1. To estimate the potential market for a new product to be introduced in the market.
2. To know the reactions of the consumers to a product already existing in the market.
3. To find out the general market conditions and tendencies.
4. To know the reasons for failure of a product already in the market.
5. To find out the better methods of distributing the products to consumers.
6. To know the types of consumers buying a product and their buying motives to know their opinions about the product and to get their suggestion improvement of a product.
7. To assess the strength and weakness of the competitors.
8. To know the dimensions of the marketing problems.
9. To ascertain the distribution methods suited to the product.
10. To estimate the market share of a firm.
11. To assess the probable sales volume of a firm.
12. To assess the reaction of the consumers to the packaging of the firm and to make packaging as attractive as possible.
13. **ADVANTAGES OF MARKETING RESEARCH.**
14. Marketing research helps the management of a firm in planning by providing accurate and up- to-date information about the demands, their changing tastes, attitudes, preferences, buying
15. It helps the manufacturer to adjust his production according to the conditions of demand.
16. It helps to establish correlative relationship between the product brand and consumers’ needs and preferences.
17. It helps the manufacturer to secure economies in the distribution о his products.
18. It makes the marketing of goods efficient and economical by eliminating all type of wastage.
19. It helps the manufacturer and dealers to find out the best way of approaching the potential
20. It helps the manufacturer to find out the defects in the existing product and take the required corrective steps to improve the product.
21. It helps the manufacturer in finding out the effectiveness of the existing channels of distribution and in finding out the best way of distributing the goods to the ultimate consumers.
22. It guides the manufacturer in planning his advertising and sales promotion efforts.
23. It is helpful in assessing the effectiveness of advertising programmes.
24. It is helpful in evaluating the relative efficiency of the different advertising media.
25. It is helpful in evaluating selling methods.
26. It reveals the causes of consumer resistance.
27. It minimises the risks of uncertainties and helps in taking sound decisions.
28. It reveals the nature of demand for the firm’s product. That is, it indicates whether the demand for the product is constant or seasonal.
29. It is helpful in ascertaining the reputation of the firm and its products.
30. It helps the firm in determining the range within which its products are to be offered to the consumers. That is, it is helpful in determining the sizes, colours, designs, prices, etc., of the products of the firm.
31. It would help the management to know how patents, licensing agreements and other legal restrictions affect the manufacture and sale of the firm’s products.
32. It is helpful to the management in determining the actual prices and the price ranges.
33. It is helpful to the management in determining the discount rates.
34. It is helpful to the management in ascertaining the price elasticity for its products.
35. It helps the firm in knowing the marketing and pricing strategy of competitors.
36. It is helpful in knowing the general conditions prevailing in the mark
37. It is helpful to the management in finding out the size of the market for its products.
38. It helps the firm in knowing its market share over various time periods
39. It is quite helpful to a firm in launching a new product.
40. It helps the firm in knowing the transportation, storage and supply requirements of its products.
41. It helps the firm in exploring new uses for its existing products and thereby, increasing the demand for its products.
42. It is helpful to a firm in making sales forecasts for its products and thereby, establishing harmonious adjustment between demand and supply of its products.
43. It helps the firm in exploring new markets for its products.
44. **LIMITATIONS OF MARKETING RESEARCH**:
45. **It is not a Panacea:**

Marketing Research is not the ultimate solution to all marketing problems. Rather it offers accurate information, which can arrive at suitable decisions to solve problem.

1. **Not an exact science:**

 It deals with human behaviour and as such cannot be examined in a controlled environment. There are various and uncontrollable factors which influence marketing forces. This gives scope for wrong conclusions. Hence this leads to marketing research as not being an exact science.

1. **Limitation of time:**

 Its process is lengthy and needs long time to complete it. During the period between starting the research and implementation of decisions, the situation and assumptions may have changed drastically which reduces the utility of research report. Decisions based on such report prove to be obsolete and result in false conclusions.

1. **Erroneous findings:**

 The complicated problems may not be comprehensively studied and their impact properly analysed by the researcher on account of insufficient fund, time and technique. This leads to erroneous findings, which disappoint the management.

1. **Not an exact tool of forecasting:**

 It cannot be used as a foolproof tool of forecasting because there are number of intervening factors between the findings of the research and marketing complex. The forces act and react and interact to give a complex state, which is difficult to be studied.

1. **In experienced research staff:**

 It needs great expertise and well-trained and experienced researcher, interviewer and investigator.

1. **Narrow Conception:**

 Marketing research is a fact-finding exercise. It is not problem oriented. It is of low and questionable validity.

1. **Involves high cost:**

It is considered as a luxury for the management as it involves high cost.

1. **Limitations of tools and techniques:**

 The validity of marketing research is also limited by the limitation of tools and techniques involved.

1. **It is passive:**

 Its use and effectiveness largely depends upon the ability of executives to get the most value of it.

1. **CONCLUSION.**

 In a nut shell it can be argued that Marketing research is "the process or set of processes that links the producers, customers, and end users to the marketer through information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications.

**END OF QUESTION NO: 1**

**QUESTION 2**: **What is Advertising? Write briefly about different types of advertising. (15)**

**ANSWER:**

1. **ADVERTISING.**

 Advertising is a means of communication with the users of a product or service. Advertisements are messages paid for by those who send them and are intended to inform or influence people who receive them, as defined by the Advertising Association of the UK.

1. **EXPLAINATION.**

 Advertising is always present, though people may not be aware of it. In today's world, advertising uses every possible media to get its message through. It does this via television, print (newspapers, magazines, journals etc), radio, press, internet, direct selling, hoardings, mailers, contests, sponsorships, posters, clothes, events, colours, sounds, visuals and even people (endorsements).

The advertising industry is made of companies that advertise, agencies that create the advertisements, media that carries the ads, and a host of people like copy editors, visualizers, brand managers, researchers, creative heads and designers who take it the last mile to the customer or receiver. A company that needs to advertise itself and/or its products hires an advertising agency. The company briefs the agency on the brand, its imagery, the ideals and values behind it, the target segments and so on. The agencies convert the ideas and concepts to create the visuals, text, layouts and themes to communicate with the user. After approval from the client, the ads go on air, as per the bookings done by the agency's media buying unit.

1. **OBJECTIVES OF ADVERTISING.**

 There are 3 main objectives of advertising. These are:

* **To Inform.**

Advertisements are used to increase brand awareness and brand exposure in the target market. Informing potential customers about the brand and its products is the first step towards attaining business goals.

* **To Persuade.**

Persuading customers to perform a particular task is a prominent objective of advertising. The tasks may involve buying or trying the products and services offered, to form a brand image, develop a favourable attitude towards the brand etc.

* **To Remind.**

Another objective of advertising is to reinforce the brand message and to reassure the existing and potential customers about the brand vision. Advertising helps the brand to maintain top of mind awareness and to avoid competitors stealing the customers. This also helps in the word of mouth marketing.

1. **TYPES OF ADVERTISING.**
2. Online Advertising. Online advertisings or digital advertisings as a form in which the message is conveyed via the internet. For every website ads are a major source of revenue. Advertising online has become very popular in the last decade and has surpassed the expectations of most of the advertising experts. 60% revenue of Google is generated from ads and the same goes for Facebook.

Online advertising has become so effective that a particular ad can be targeted to a specific person of specific age of a specific location on a specific time. In terms of pricing advertising online is very cheap compared to all other forms of advertising.

The major disadvantage of online advertising is at times people do not click on the ads and the message does not reach the targeted audience. Also setting up online and requires technical expertise which may not be possible for everyone. Digital Advertising and Online Advertising is one of the fastest growing Type of Advertising.Ads on youtube, Facebook Ads, Ads displayed on Google search results page are an example of Online Advertising.

1. **SMS advertising.**SMS marketing is the major source of mobile advertising. Users are informed about the product or service in 160 or fewer characters. This was when the internet was not available on mobile phones. Once mobile phones got access to internet all internet advertising flowed to mobile and experts suggest that mobile advertising will be the only major advertising strategy for almost every company in near future.

The reach from mobile advertising is fast personalized and effective and just like online advertising it comes for a very little cost. The difference between online ads and mobile advertising is that online ads can be accessed from any device like computer or laptops, mobile advertising is only via mobile.

1. **Television Ads.**About a decade ago television was the most popular form of advertising. Events like the super bowl, international cricket games, Olympics where the top attractions for advertisers to advertise about their products. To some extent, it still is effective for most advertisers but with the advent of online streaming of television on mobiles, marketers have now moved from television to online as their preferred advertising medium.

Another form of television and infomercial. An infomercial is a specially designed advertisement for information and awareness of the public. The term information comes from the combination of words information and commercial. Ads of almost all products are shown on television. Although it is costly, Television Ads are till date one of the best type of advertising and have the most fantastic reach for a large audience.

1. **Ads in Theatres.**The advertisements in movie theatres before all the movies start or during the intimation are called movie ads. These are one of the costliest forms of advertising since people cannot skip it change the channel or move away. Many of the companies have started opting for movie ads since it ensures that the entire message reaches the audience and unlike online advertising, the audience cannot interfere till the advertisement is over. Movie ads are different from placement ads.
2. **Product Placement.**Product placement is called covert advertising wherein a product is quietly embedded in the entertainment media. Most of the times there is no mention of the product although the audience sees the product. Movies are the major places where product placement is done.They could be a few TV shows where product placement has been used but the effectiveness is observed more in movies than TV shows.Will Smith is seen playing with his Converse shoes in the movie I Robot. Several brands of beer are advertised in How I met your Mother. In popular shows like Family Guy, humorous advertisements are placed all over the TV show like Red Bull, Sony, Apple, Microsoft, Samsung and many more.

With so many people subscribing to Netflix and Amazon prime, Product placement is increasingly being used and is one of the popular Types of advertisement.

1. **Radio.**Radio advertisements are the ones that are broadcast it through radio waves and heard on radios all over the place. These mostly consist of audible advertisements or jingles. While some consider this to be an ineffective form of advertising there are still many followers listen to the radio every morning.Advertisement for almost every product can be found on the radio. Every single feature and benefit of the product have to be explained on the radio, unlike other sources where the customer can see the product for inside.
2. **Print.**Printing is the slowly decreasing form of advertising. There were days before the evolution of television when printing was a major source of advertising and considered to be one of the most effective media. But since the explosion of television usage, print advertisements have taken a backseat.

The main disadvantage of print advertising is the shelf life of the ads is short . However, because its reach is solid, Print advertising is one of the most expensive and most effective types of advertising. Following are the few Print Types of Advertising:

1. **Magazine advertising.**These are also known as periodical advertisements in which a weekly fortnightly or monthly magazine are used for advertising. Ads are printed in the corners or on the entire page of the magazine and sometimes even an extra page might be inserted simply for advertising. Ads are categorized and segregated according to the magazine category for example business magazines will feature ads from Rolex watches, while entertainment magazines will feature ads from high branded apparels.
2. **Brochures or handouts.**Brochures are specific advertising materials used to promote a particular product usually given at a point of sale are handed out at different locations. Brochure advertisings do not use any base like magazine advertising and are independent..
3. **Newspaper.**Newspapers display a huge number of ads in them, right from matrimonial services to job hunt, to the notifications and circulars from the Governments. Newspapers were the extremely popular form of advertising in the early 20th century and to some extent it still is. But with the advent of the Internet and digital advertising newspapers have moved to tablet pcs and that is where the advertisements are now being displayed.
4. **Outdoor.**Outdoor adv. consists of displaying large posters banners or hoardings with the advertisement. These are displayed on the side of the road, on the glass of large buildings, or on specifically targeted places that have huge inflow from the public. While earlier printed ads were used for outdoor advertising recently, they have been replaced by digital boards. These boards display the advertising without the hassle of getting ads printed.
5. **Global.**Google advertising is more of a strategy that the type of advertising but some have classified these as a separate type of advertising. In Global Advertising, a single Ad runs throughout all the countries where the product is present, irrespective of the audience and their language. Apple ads are known to be the most effective global ads. They also are known for not endorsing any celebrities to promote the product. The ads are homogeneous and run through the entire world in the English.
6. **Outdoor Blank Space Advertising.**It is a newer form of advertising which ensures a large reach of audience. Occupying the empty spaces for advertisements is known as space advertising. Examples include the spaces of metros, buses, cabs, flight seats & movie theatre seats (where advertising is done on the removable seat covers) etc. Since a huge number of people use these facilities and they have a long shelf life, they have proved very effective.
7. **Online E-mailers.**While some have classified this under internet advertising E-mailers have gained a separate category owing to the fact of personalization. The emails sent from companies have a personalized message including a personalized greeting makes E-mailers more effective than most of the forms of advertising. Companies work hard so that mail reaches the inbox of the customer rather than junk mail and thousands of dollars are spent to ensure that.

**E.CONCLUSION.**

In conclusion it can be argued that advertising is a form of communication that is sponsored and has a message promoting or selling or trying to sell a product or service or an idea. It is classified as a form of marketing communication.

**END OF QUESTION NO2**

**QUESTION 3.Write briefly about Value chain model. (10)?**

**ANSWER:**

1. **VALUE CHAIN MODEL.**

 A value chain is a business model that describes the full range of activities needed to create a product or service. For companies that produce goods, a value chain comprises the steps that involve bringing a product from conception to distribution, and everything in between—such as procuring raw materials, manufacturing functions, and marketing activities.

A company conducts a value-chain analysis by evaluating the detailed procedures involved in each step of its business. The purpose of a value-chain analysis is to increase production efficiency so that a company can deliver maximum value for the least possible cost.

1. **COMPONENTS OF A VALUE CHAIN MODEL.**

In his concept of a value chain, Porter splits a business's activities into two categories, "primary" and "support," whose sample activities we list below. Specific activities in each category will vary according to the industry.

1. **Primary Activities.**

Primary activities consist of five components, and all are essential for adding value and creating competitive advantage:

1. Inbound logistics include functions like receiving, warehousing, and managing inventory.
2. Operations include procedures for converting raw materials into a finished product.
3. Outbound logistics include activities to distribute a final product to a consumer.
4. Marketing and sales include strategies to enhance visibility and target appropriate customers—such as advertising, promotion, and pricing.
5. Service includes programs to maintain products and enhance the consumer experience—like customer service, maintenance, repair, refund, and exchange.
6. **Support Activities.**

The role of support activities is to help make the primary activities more efficient. When you increase the efficiency of any of the four support activities, it benefits at least one of the five primary activities. These support activities are generally denoted as overhead costs on a company's income statement:

1. Procurement concerns how a company obtains raw materials.
2. Technological development is used at a firm's research and development (R&D) stage—like designing and developing manufacturing techniques and automating processes.
3. Human resources (HR) management involves hiring and retaining employees who will fulfill the firm's business strategy and help design, market, and sell the product.
4. Infrastructure includes company systems and the composition of its management team—such as planning, accounting, finance, and quality control.
5. **EXAMPLES OF VALUE CHAIN.**

Trader Joe's (Private)

Another example is Trader Joe's grocery store, which also has received much press about its tremendous value and competitive edge. Because the company is privately held, however, there are many aspects of its strategy that we don't know. However, when you enter a Trader Joe's store, you can readily observe instances of Trader Joe's business that reflect the five primary activities of the value chain.

**1. Inbound logistics.** Unlike traditional supermarkets, Trader Joe's does all of its receiving, shelving, and inventory-taking during regular store hours. Although potentially maddening for shoppers, this system creates a ton of cost savings in terms of employee wages alone. Moreover, the logistics of having this work take place while customers are still shopping sends the strategic message that "we're all in this together."

**2. Operations**. Here's an example of how a company could apply the value chain creatively. In primary activity number two above, "converting raw materials into finished product" is cited as an "operations" activity. However, because converting raw materials is not an aspect of the supermarket industry, we can use operations to mean any other regular grocery store function. So, let's substitute "product development," as that operation is critical for Trader Joe's.

The company selects its products carefully, featuring items that you generally can't find elsewhere. Its private-label products account for at least 70 percent of its offerings, which often have the highest profit margins, too, as Trader Joe's can source them efficiently in volume. Another vital piece of product development for Trader Joe's is its taste-testing and chef-partnership programs, which ensure high quality and continuous product refinement.

**3. Outbound logistics.** Many supermarkets offer home delivery, but Trader Joe's does not. Yet here, we can apply the activity of outbound logistics to mean the range of amenities that shoppers encounter once they are inside a Trader Joe's store. The company has thought carefully about the kind of experience it wants us to have when we visit its stores.Among Trader Joe's many tactical logistics are its in-store tastings. Usually, there are a few product tastings happening simultaneously, which create a lively atmosphere, and often coincide with the seasons and holidays. The tasting stations feature both new and familiar items that are prepared and served by staff.

**4. Marketing and sales.** Compared to its competitors, Trader Joe's barely does any traditional marketing. However, its entire in-store experience is a form of marketing. The company's copywriters craft product labels to appeal specifically to its customer base. Trader Joe's' unique branding and innovative culture indicate that the company knows its customers well—which it should, as the firm has actually chosen the type of customers it prefers and has not deviated from that model.

Via this indirect marketing of style and image, Trader Joe's has succeeded in differentiating itself in the marketplace, thus sharpening its competitive edge.

**5.Service**. Customer service is paramount for Trader Joe's. Generally, you see twice as many employees as shoppers in their stores. Whatever work they are doing at the moment, the friendly, knowledgeable, and articulate staff are there primarily for you. Employees welcome shoppers' interruptions and will instantly rush to find your item or answer your question. In addition, the company has always employed a no-questions-asked refund program. You don't like it, you get your money back—period.

This list could go on and on before ever reaching the four support activities cited above, as Trader Joe's is a wildly successful example of applying value-chain theory to its business

**E.CONCLUSION.**

In short Value chain analysis is a strategy tool used to analyze internal firm activities. Its goal is to recognize, which activities are the most valuable (i.e. are the source of cost or differentiation advantage) to the firm and which ones could be improved to provide competitive advantage.

**END OF QUESTION NO 3**

**QUESTION 4.What can be marketed? Mention with examples. (10)**

**ANSWER.**

1. **MARKETING:**

 Marketing refers to activities a company undertakes to promote the buying or selling of a product or service. Marketing includes advertising, selling, and delivering products to consumers or other businesses. Some marketing is done by affiliates on behalf of a company.

1. **WHAT CAN BE MARKETED:**

The following entities can be marketed

1. **Goods.**

Goods are tangible items and constitute the bulk of most countries’ production and marketing efforts. Each year, U.S. companies market billions of fresh, canned, bagged, and frozen food products and millions of cars, refrigerators, televisions, machines, and other mainstays of a modern economy.

1. **Services.**

These are intangible items consisting of acts or deeds directed toward people or their possession. As economies advance, a growing proportion of their activities focuses on the production of services. The U.S. economy today produces a 70–30 services-to-goods mix. Services include the work of airlines, hotels, car rental firms, barbers and beauticians, maintenance and repair people, and accountants, bankers, lawyers, engineers, doctors, software programmers, and management consultants. Many market offerings mix goods and services, such as a fast-food meal.

1. **Events.**

Marketers promote time-based events, such as major trade shows, artistic performances, and company anniversaries. Global sporting events such as the Olympics and the World Cup are promoted aggressively to both companies and fans.

1. **Experiences.**

By orchestrating several services and goods, a firm can create, stage, and market experiences. Walt Disney World’s Magic Kingdom allows customers to visit a fairy kingdom, a pirate ship, or a haunted house. There is also a market for customized experiences, such as a week at a baseball camp with retired baseball greats, a four-day rock and roll fantasy camp, or a climb up Mount Everest.

1. **Persons.**

Artists, musicians, CEOs, physicians, high-profile lawyers and financiers, and other professionals all get help from celebrity marketers.10 Some people have done a masterful job of marketing themselves—David Beckham, Oprah Winfrey, and the Rolling Stones. Management consultant Tom Peters, a master at self-branding, has advised each person to become a “brand.”

1. **Places.**

Cities, states, regions, and whole nations compete to attract tourists, residents, factories, and company headquarters.11 Place marketers include economic development specialists, real estate agents, commercial banks, local business associations, and advertising and public relations agencies. The Las Vegas Convention & Visitors Authority succeeded with its provocative ad campaign, “What Happens Here, Stays Here,” portraying Las Vegas as “an adult playground.” In the recession of 2008, however, convention attendance declined. Concerned about its potentially out-of-step racy reputation, the Authority took out a full-page BusinessWeek ad to defend its ability to host serious business meetings. Unfortunately, the 2009 summer box office blockbuster The Hangover, set in a debauched Las Vegas, likely did not help the city position itself as a choice business and tourist destination.

1. **Properties.**

These are intangible rights of ownership to either real property (real estate) or financial property (stocks and bonds). They are bought and sold, and these exchanges require marketing. Real estate agents work for property owners or sellers, or they buy and sell residential or commercial real estate. Investment companies and banks market securities to both institutional and individual investors.

1. **Organizations.**

Organizations work to build a strong, favorable, and unique image in the minds of their target publics. In the United Kingdom, Tesco’s “Every Little Helps” marketing program reflects the food marketer’s attention to detail in everything it does, within the store and in the community and environment. The campaign has vaulted Tesco to the top of the UK supermarket chain industry. Universities, museums, performing arts organizations, corporations, and nonprofits all use marketing to boost their public images and compete for audiences and funds.

1. **Information.**

The production, packaging, and distribution of information are major industries. Information is essentially what books, schools, and universities produce, market, and distribute at a price to parents, students, and communities. The former CEO of Siemens Medical Solutions USA, Tom McCausland, says, “[our product] is not necessarily an X-ray or an MRI, but information. Our business is really health care information technology, and our end product is really an electronic patient record: information on lab tests, pathology, and drugs as well as voice dictation..

1. **Ideas**.

Ideas include platform or issues aimed at promoting a benefit for a customer. Every market offering includes a basic idea. Charles Revson of Revlon once observed: “In the factory we make cosmetics; in the drugstore we sell hope.” Products and services are platforms for delivering some idea or benefit. Social marketers are busy promoting such ideas as “Friends Don’t Let Friends Drive Drunk” and “A Mind Is a Terrible Thing to Waste.”

1. **CONCLUSION.**

 Marketers in each area briefed above are always on their toes to find out new ways and means of winning the competition in their field. That is why we find exotic and humorous advertisements in all types of media with celebrities or attractive models with a catchy copy text. It is going to be a continuous effort and process.