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paper principle of Marketing

## Question # 1A / Answer.

products.

is the item offered for sale, every product can be physical or cyber form. The price always can be charged depends on the market, the quality and the segment that is targeted.

Services.

Providing or provider of accommodation and activities required by the public depend on their needs and purpose.

Product

- ⇒ Concrete
- ⇒ Tangible
- ⇒ Homogenous
- ⇒ product and Distribution of Goods separated from Consumption.
- ⇒ The core value of products is produced in the factory.
- ⇒ Can be stored
- ⇒ Transfer of ownership of goods from the manufacture to the dealer to customer.

Services

- ⇒ Activity or process
- ⇒ Intangible
- ⇒ Heterogenous
- ⇒ In services, production, Distribution and consumption is simultaneous.
- ⇒ Services is produced in the Buyer-server interaction
- ⇒ Impossible to store.
- ⇒ can have access to the services but can not own it.

## Question 1B: "exchange process"

The process of paying money or other valuables and getting products and services in return.

→ process of obtaining <sup>"or"</sup> a desired product from someone by offering something in return.

### → conditions of Exchange

- ① Two parties involved, each part has something of value for other party.
- ② each party is free to accept reject the exchange offer.
- ③ Each party is capable of communication Both must feel that offer is willingly.
- ④ Each party believes it is appropriate or desirable to deal with the other party.

### Example of Exchange:

you go into a restaurant and order your favorite meal. you eat the food and then you pay for it with your card. That's a basic exchange relationship.

## Question & Answer:

### Firm:

A firm is understood as an organization which converts raw material into output.

### Industry:

A group of firms that sell similar products are called industry.

Example: Honda, Suzuki etc. are part of industry.

- ⇒ The industry refers to a kind of business inside an economy while a firm is a business establishment inside an industry.
- ⇒ There can be many firms inside an industry.
- ⇒ The industry is not an entity while a firm is a type of company.
- ⇒ A firm is a type of business where the industry is a sub-sector of an economy.
- ⇒ Rules and regulations are made for industry, and they typically apply to all firms inside the industry.
- ⇒ The firm and industry are two different entities but co-related.

⇒ A group of firm producing a homogeneous products is called industry and conversly we can say a firm is the company that operates within the industry to create that product.

⇒ you can presume KFC ~~as~~ ~~one~~ <sup>as one</sup> firm, but all the fast food restaurants and their suppliers would make up the fast food industry.

Question 2B / Answer:

⇒ External Environment:

An external environment is composed of all the outside factors or influences that impact the operation of business. The business must act or react to keep up its flow of operations. The external environment can be ~~taken~~ broken down into two types:

⇒ The Micro Environment and the macro environment:-

⇒ The "Micro Environment" consists of the factors that directly impact the operation of a company.

⇒ The "Macro Environment" consists of general factors that a business typically has no control over. The success of the company depends on its ability to adapt.

## → Three Levels of external Environment:

### ① Remote Environment.

- ⇒ Economic
- ⇒ political
- ⇒ social
- ⇒ Technological
- ⇒ Ecological
- ⇒

### ② Industry Environment.

- ⇒ Entry Barriers
- ⇒ Supplier power
- ⇒ Buyer power
- ⇒ Substitute Availability.
- ⇒ Competitive Rivalry.

### ③ Operating Environment.

- ⇒ Competitors
- ⇒ Creditors
- ⇒ customer
- ⇒ Labor
- ⇒ Suppliers