

MGT301-Principles of Management

Midterm Special 2006

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Write down the key principles for public policy towards marketing?

Solution:-

public policy to guide commerce--sets of laws and regulations limiting business for the good of society as a whole

Most firms practice the selling concept when they face _____.

- a crisis
- a recession
- fierce competition
- overcapacity**

Being a student of Principles of Marketing please describe that what are the reasons of studying this subject?

Solution:-

Reasons for Studying Marketing:

Marketing is part of all of our lives and touches us in some way every day. To be successful each company that deals with customers on a daily basis must not only be customer-driven, but customer-obsessed. The best way to achieve this objective is to develop a sound marketing function within the organization. Major reason to study marketing is:

- Marketing plays an important role in society.
- It is Vital to business.
- Marketing offers outstanding career
- Marketing affects your life every day.

Many marketers use a concept today to determine which customers can be served profitably and which ones cannot. They target the winning ones for pampering. What is this concept called?

- selective relationship management
- target marketing**
- market segmenting
- selective targeting

Children are an important part of the family's buying process. What roles do they play?

Solution:-

Marketers are interested in the roles and influences of the children on the purchase of different products and services.

Children may also have a strong influence on family buying decisions. For example, it ran ads to woo these "back-seat consumers" in Sports Illustrated for Kids, which attracts mostly 8- to 14-year-old boys. "We're kidding ourselves when we think kids aren't aware of brands," says Venture's brand manager, adding that even she was surprised at how often parents told her that kids played a tie-breaking role in deciding which car to buy.

☞ **Karrie Romanov wants to capture the full essence of customer relationship management. Which of the following will Karrie take into consideration?**

- own the customers for life
- capture their lifetime value
- build overall customer equity
- all of the given options

Economists use the term "market" differently than marketers. They refer to a collection of buyers and sellers who transact in a particular product class, as in the commodities or housing market

In addition to connecting more deeply with customers, many companies are also connecting more directly with their customers.

☞ **Why do we study consumer behavior?**

Solution:-

Basic objective of the studying consumer behavior is that the firm needs to know who buys their product. How they buy? When and where they buy? Why they buy? How they respond to marketing stimuli. Because they study consumer behavior what is Consumer Behavior about? How, why, where and when consumers make purchase decisions? Considers who influences the decisions? What is Consumer Behavior about? All these are important questions, which are to be known to the companies so that they can design, and implement marketing strategies to satisfy the customers. Consumers determine the sales and profits of a firm by their purchase decisions, thus the economic viability of the firm. what is Disposable income and what is Discretionary income what is the stage of family life cycle stage because these all these factors influence the consumer behaviors which are very important to the marketers.

Consumer behavior is the process through which the ultimate buyer makes purchase decisions. This can be defined as Consumer Behavior Defined as of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires (Solomon, 1996). Those actions directly involved in obtaining, consuming and disposing of products and services, including the decision processes that

precede and follow those actions. Consumer behavior examines mental and emotional processes in addition to the physical activities.

☹ **Highly successful companies know that if they take care of their customers,_____ will follow**

- frequent word of mouth
- market share
- profits
- **market share and profits**

In buyer decision process, what are the sources from which buyer can collect information?

There are five sources to collect information and these sources are given below.

- ☹ Needs recognition
- ☹ Information search
- ☹ Evaluation of alternatives
- ☹ Purchase decision
- ☹ Post purchase behavior

Now that we have looked at the influences that affect buyers, we are ready to look at how consumers make buying decisions. Figure shows that the buyer decision process consists of five stages: *need recognition, information search, evaluation of alternatives, purchase decision, and post purchase behavior.* Clearly, the buying process starts long before actual purchase and continues long after. Marketers need to focus on the entire buying process rather than on just the purchase decision.

The figure implies that consumers pass through all five stages with every purchase. But in more routine purchases, consumers often skip or reverse some of these stages. A woman buying her regular brand of toothpaste would recognize the need and go right to the purchase decision, skipping information search and evaluation. However, we use the model in Figure because it shows all the considerations that arise when a consumer faces a new and complex purchase situation.

☞ **At work, customers decide to satisfy needs and wants through exchange.**

What occurs at this point?

- Selling
- customer service
- marketing
- transaction marketing**

Now many companies are beginning to think of relationship interests as well as their own customers' needs.

☞ _____ **control the flow of information to others**

- Gatekeeper**
- Storekeeper
- Both of the given options
- None of the given options

☞ **How does an organization create a customer?**

Solution:-

Organizations (producer/ seller) can create the customers by Identifying customer needs, designing goods and services that meet those needs than communicating information about those goods and services to prospective buyers Making the goods or services available at times and places that meet customers' needs Pricing goods and services to reflect costs, competition, and customers' ability to buy and finally providing for the necessary service and follow-up to ensure customer satisfaction after the purchase

☞ **Marketing seeks to create and manage profitable customer relationships by delivering _____ to customers.**

- competitive prices
- superior value**
- superior service
- superior promotion

☞ To practice the marketing concept, an organization must deliver the _____ better than competitors.

☞ **Product modifications, product improvements and new brand through the firm's own R & D efforts is termed as _____**

- Product concept
- Product development**

- Idea generation
- Idea screening

♣ **Jonathan Nash works in sales for a telemarketing firm. His firm uses the selling concept which takes a (an) _____ approach**

- outside-in
- myopic
- **inside-out**
- marketing concept

Marketers need to **build**, create, communicate and deliver real value to customers

♣ **One of these represents marketing's main responsibility for a company**

- achieving maximum stockholder wealth
- increasing sales
- **achieving profitable growth**
- developing new products through research