

# Mkc1 study guid

[Business](#), [Marketing](#)



MKC1 Study Plan Analyzing the Environment-Ch. 2 1. What different levels of planning can organizations utilize? Organizations can utilize the following levels of planning; corporate level, business level, and functional level. 2. Give an example of and explain how a corporation that wants to help protect the environment can do so at its corporate, business, and functional levels. An example of a corporation wanting to help protect the environment while utilizing the following levels; corporate, business, and functional level would be the following.

Pepsi Co has embraced this procedure in the past. The business level consists of identifying the business units. Pepsi Beverages which contain Pepsi Soft Drinks, Aquafina Waters, Tropicana Juices, and Gatorade Products. Pepsi Co American Foods which contain Frito Lay and Quaker Oat Products. Pepsi Co International which contains Pepsi Co. 's business in Asia, Africa, Europe, and Australia. To support Pepsi Co. 's overall strategy all three business units must develop strategic plans to profitably produce offerings while demonstrating that they are committed to society and the environment.

The functional level consists of employees being responsible for different products or product categories such as beverages and foods. They may focus on developing healthier products and make their packages more environmentally friendly. For example, Aquafina is now using bottles which contain less plastic and have smaller labels. This reduces waste and helps the environment. The corporate level consists of decision making regarding whether a company will be an innovator or a follower. Innovators use first mover strategy and followers use second mover strategy. Their decision will

be based on what is best for the company and the environment. . What factors in the external environment are affecting the “ Big Three” U. S. automobile manufacturers? The three factors that played a role in the catastrophe of the “ Big Three” were inflation, unemployment, and recession. 4. What are some examples of Wal-Mart’s strengths? One of the main examples of Wal-Mart’s strengths is buying power. Firms that do business with Wal-Mart must be prepared to make concessions to them if they want their products on the company’s store shelves. Another example is that Wal-Mart has the capability of offering very similar products for a much lower rate. 5. Suppose you work for a major hotel chain.

Using Porter’s five forces model, explain what you need to consider with regard to each force. The hotel chain business needs to consider the following regarding Porter’s five forces model; hotels, bed and breakfasts, dorms, and rental homes. Competition is a key factor to success or failure. 6. Why is competition important to maintain in an industry? Competition insures that the consumer gets the best product at the best rate. 7. Which factors are parts of the economic environment? Factors of the economic environment are as follows; employment, unemployment, inflation, recession, interest rates, and cost of living. 8.

Which economic factors affect consumer buying power? The factors that affect consumer buying power are as follows; prices, wages, employment, currency considerations, and availability of credit. 9. What are some examples of social-culture influences on marketing decisions? A few examples of social-culture influence on marketing decisions are family, social roles/status, and geographies. 10. What is environmental scanning?

Environmental scanning is careful monitoring of organizations internal and external environments for detecting early signs of opportunities and threats that may influence its current and future plans. 1. What is the difference between direct and indirect competition? Direct competition in a marketing situation is two or more firms trying to sell the same good, or service. Indirect competition are those firms that offer an alternative or similar good, or service that will give the same satisfaction, but at a less expense to the buyer. 12. How do government and non-profit organizations contribute to the technological environment? Government and nonprofit organizations contribute to the technological environment by going green. The usage of special equipment and or procedures allows for a more managed environment.

The high security levels that many of these facilities have also help with this process. 13. What is an example of a new technology making an older technology obsolete? An example of a new technology making an older technology obsolete are computers versus type writers. 14. How does the internet impact each element of Porter's Five Forces Model? The internet is a key player in competition which is what is discussed in the Porter's Five Forces Model. Competitors can use the internet for a multitude of things such as research, new marketing strategies, booking and payments online, and or internet usage as an amenity.

These are just a few ideas; the list goes on and on. Product Strategy-Ch. 6 1. What is the difference between marketing a good and service? Marketing a good is essentially trying to sell a tangible item. A service is the sale of an intangible item such as a massage, something that gives pleasure or is

beneficial, but is not tangible. 2. What is the difference between a product line and the product mix? A product line is a group of offerings that serve similar needs and are sold under the same name such as Campbell's Soup.

Campbell's Condensed Soup has a red label and Campbell's Chunky Soup is ready to eat and labeled differently. They are expected to have differences even though they are both made by Campbell's. A product mix is the entire assortment of products that a firm offers. For example the iPod Shuffle which offers the following product mix; the device itself, the technology platform (the MP3 Format or storage system used by the shuffle), the product line to which the product belongs (Apple iPod line of MP3 music players) and the product category to which the offerings belong (MP3 players as opposed to iPhones for example). . How can companies differentiate their product from competing products? Companies can differentiate their product from competing products by using the product classification system. This will allow them to see exactly where their product is at regarding the competition and from there are able to work out any issues or make changes to enhance their products and surpass the competition. 4. What is product cannibalization? Product cannibalization is when a new product takes sales away from the same company's existing product. 5.

Name and explain four categories in the consumer product classification system? Convenience Offerings-low priced frequently purchased products and services that require little shopping effort. An example of a convenience offering is bread. Shopping Offering- is an offering that is purchased on impulse, without prior planning. An example of a shopping offering could be a particular brand of tooth paste. Specialty Offering-is an offering for which

the consumer will make an effort to compare various firms' offerings and select a brand.

An example of specialty offering is the Orange County Chopper. Unsought Offerings-is an offering that consumers do not typically shop for until it is needed. An example of an unsought offering is a funeral service or towing service. 6. What characteristics are associated with each of these categories convenience products, shopping products, and specialty products? Convenience Products are often times those products that the consumer will shop for a particular brand, but if the store is out of that brand they will purchase whatever brand is available.

Bread is a great example, if the grocer does not have the brand of potato bread that I am looking for I will more often than not purchase what is available. Shopping Products are those products that we as consumers feel like we cannot do without and if the store is out of this product we will chose to go elsewhere until we find it. Tooth paste is a great example, I purchase a particular type of crest tooth paste and if our local grocer does not carry it I will go to another location to purchase that one item if necessary.

Specialty products are highly differentiated offerings and the brands under which they are marked are very different across companies too. Specialty items are usually only available through limited channels. Orange County Choppers is a wonderful example because the availability is limited and people will go to great lengths to purchase their products even if the cost is higher. 7. What is total quality management? Total quality management is a management approach to long term success through customer satisfaction.

All members of an organization participate in improving processes, products, services, and the culture in which they work. 8. How do companies use total quality management as part of product strategy? Companies use TQM as part of product strategy by implementing the following; customer focused programs, total employee involvement, process centered, integrated system, strategic and systematic approach, continual improvement, fact based decision making, and communications. Product Strategy-Ch. 7 1. What is the difference between each of the four stages of the product life cycle?

Idea Generation-the basic idea is created and described. Idea Screening-the costs, profits, and potential sales of the offering are calculated at different price levels. The company also considers how well the offering fits in with its competitive strategy. Feature Specifications-detailed specifications for the product are developed. Its features and pricing are established. Development-the actual offering is designed. Testing-the offering is tested, first in the lab and then with real customers. Launch (commercialization)-the offering is made available to customers.

Evaluation-the offering is evaluated as to whether it is delivering the appropriate value to consumers, as well as meeting the firm's businessgoals.

2. What are examples of products in each of the product life cycle stages?

Idea Generation-Apple and HP, both were created in someone's garage. Idea Screening-Clear Pepsi and New Coke, despite the marketing strategies used with these products the sales were not there. Feature Specification-HP Printer line, each model is created around a specification. Development-Apple, uses the same technology platform in the iPod. It is cost effective and efficient.

Testing-Kraft might launch a new food product that has to work in hot climates, cold climates, high humidity, dry climates, and high altitudes; all conditions that can change how well the product works. 3. Name and explain the four primary ways to extend the product life cycle? Provide examples of each. The Introduction Stage-is the first stage of the product life cycle after a product is launched. It is essentially the same as commercialization. This stage varies between products and must also comply with the United States law of being able to use the “ new” labeling for only six months.

The market must be right for this stage and the consumers must be equally available for it to be a success. An example is the IBM Think Pad, it was a huge success at launch and IBM could not keep up with the demand. The Growth Stage-is the stage of the life cycle in which sales increase and more competitors enter the market. In this stage the product is accepted by the marketplace. This stage is characterized by increasing sales, more competitors, and high profits. Unfortunately this stage attracts more and more competitors, for example when Diet Coke was introduced Diet Pepsi soon followed.

Something to keep in mind here as well is that supply and demand needs to be balanced. The same scenario as IBM’s Think Pads occurred when the Nintendo Wii was launched. The Maturity Stage-is the stage of the product life cycle at which sales begin to level off and competitors have saturated the market. After many competitors enter the market place and the number of potential new customers’ declines, the sales of the product tend to level off. This indicates the entrance of the maturity stage; most customers are repeat customers rather than new customers.



For example Quaker Oatmeal, this product was introduced over a hundred years ago and is still in the maturity stage. 4. Describe each strategy of the Ansoff Matrix: market penetration, market development, product development and product diversification. Market Penetration-the firm seeks to achieve growth with existing products in their current market segments, aiming to increase its market share. Market Development-the firm seeks growth by targeting its existing products to new market segments. Product Development-the firms develop new products targeted to its existing market segment.

Product Diversification-the firm grows by diversifying into new businesses by developing new products for a new market. 5. When would it be appropriate for a firm to employ each of the strategies? It would be appropriate for a firm to employ each of the strategies when looking for growth. The Ansoff Matrix in a marketing sense is centered on growth and development. Consumer Behavior-Ch. 10 & 3 1. What is secondary research? Secondary research involves collecting data from either the originator or a distributor of primary research.

In essence, researching data already collected. This is also known as secondary data which is defined as being data already collected by your firm or another organization for purposes other than the marketing research project at hand. 2. Where can secondary data resources be found? Secondary data resources can be found in the company's internal records or one can purchase syndicated research which is primary data that marketing research firms collect on a regular basis and sell to other companies. 3.

What is primary research? Primary research or primary data is data collected using hands on tools, such as interviews or surveys to answer a question for a specific research project. 4. Describe and give examples of the three primary research methods: observations, surveys, and controlled experiments. Observations-are the method of data collection in which the situation of interest is watched and the relevant facts, actions and behaviors are recorded. An example could be during a soft drink study, Pepsi Challenge perhaps.

Several soft drinks could be made available to a controlled group of people and the observer could notate any comments made as well as what soft drink was the most liked and vice versa. The soft drinks can be labeled or they can be kept unmarked depending upon the study. Surveys-are detailed studies of a market or geographical area to gather data on attitudes, impressions, opinions, satisfaction level, etc. , by polling a section of the population. For example voters are quiet often polled or given surveys during the election season. The results are used to determine the running mark between candidates.

Controlled Experiment-is an experiment in which an observer tests a hypothesis by looking for changes brought on by alterations to a variable. In this type of experiment, an independent variable is the only factor that is allowed be adjusted, with the dependent variable as the factor that the independent variable will affect. An example would be seeing if placing an aspirin in the soil of plant will produce a brighter colored plant. You would need to plant to identical seeds one with an aspirin and one without. Treat both the same in every way and record the results. 5.

What are cultural influences that affect consumer buying behavior? How do they affect it? Culture is simply the set of values, attitudes, and ideals shared by a group of people whether they are family, friends, or strangers. It can often have a role in consumer buying behavior. For example, Muslim women may be more interested in traditional modest clothing dictated by their religion whereas other religious groups have different guidelines for clothing. Family roles are especially important when it comes to consumer buying behavior. Purchases are often made by more than one member of the family. For example, furniture is typically made by both husband and wife, diapers are usually purchased by the mother, and barbeque pits are usually purchased by the father. Marketers often target the group of consumers based upon their family roles.

6. What are social influences that affect consumer buying behavior? How do they affect it? A reference group, which is any group that an individual belongs to, such as a sorority can have a big role in how he/she behaves as a consumer. They will tend to follow what the other members are doing. If the majority of the members purchase red gloves for the formal then odds are so will the consumer.

Social class is a type of rank based on multiple factors like income, education, occupation, race, and or ethnic group. These factors can also have a high impact on the consumer buying behaviors. For example, those with a lower social class may decide against certain purchases such as a hot tub. Social roles can go either way; it can be classified as both cultural and social. Social roles also influence how one acts and what they buy. For example, a man may be a father, a husband and a car salesman. Each role he takes on will influence him in a different manner.

As a father he may be interested in a less expensive but still high quality car seat, as a husband he may want to purchase a birthday gift for his wife, and as a car salesman he may be looking for a comfortable yet classy pair of work shoes. 7. What are personal influences that affect the consumer buying behaviors? How do they affect it? Age and life style change can affect consumer buying behavior because of developing maturity and experience. This can go for many situations from purchasing clothing to vehicles and homes. Occupation and income is another key factor.

Today's society is highly concerned with status and material prosperity. The professional status of someone is again a factor in their purchasing decisions. Lawyers tend to have higher incomes than say a teacher. More often than not one can see the difference between the two simply from the way they live. That would lead into lifestyle, which it would be fair to say would have an impact on one's buying decisions as well. 8. What are the steps (in order) of the consumer decision making process? The steps (in order) of the consumer decision making process are as follows: Need Recognition Search for Product Information

Product Evaluation Product Choice and Purchase Post Purchase Use and Evaluation of Product Disposal of the Product 9. What is the difference between: routinized response behavior, limited problem solving and extended problem solving? Routinized Response Behavior-is a buying situation in which the buyer has had considerable past experience. Limited Problem Solving-is a purchasing situation usually involving some degrees of conscious information searching and analysis, as it involves moderately high

priced goods which are not purchased too frequently. Extended Problem Solving-is an elaborate decision making process.

The consumer tries to collect as much information as possible and weighs their options before the purchase. 10. What is the difference between high involvement and low involvement purchase decisions? High involvement purchases are higher priced items such as luxury products, consumers will usually research to eliminate any risk before making the purchase. There is high involvement on the consumer's part. Low involvement purchases are usually small purchases such as tooth paste or toilet paper. Consumers usually do not research much before making this type of decision. There is low involvement on the consumer's part.