

# Marketing exam preparation for monash diploma 2 students

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



How marketing build relationship/value - organization - page 12 and 13 in the textbook Use key marketing vocabularies!!!! Answer: A: Consumers make buying choices based on their perceptions of the value that various market offerings will deliver. Customer value is the difference between the benefits the customer gains from having access to or owning and using an offering and the costs of obtaining it. For example, To deliver value, business must first understand what customers consider as good products. The answer for this is through marketing research. Marketing research is essential for every business. Successful businesses conduct research on a continual basis to keep up with market trends and to maintain a competitive edge.

Regardless of whether you're starting or expanding your business, market research is vital to understanding your target market and increasing sales. Information can come from internal data, marketing intelligence and market research. Internal data are data from within the organization, such as sales report, production information and financial report. Marketing intelligence is the systematic collection and analysis of publicly available information about consumers, competitors and developments in the marketplace, such as magazines, newspapers, book, company reports, overspent reports, thesis, etc. Market research is the information that we go out and collect ourselves instead of relying to people.

To collect the data, we can do observational research - by observing relevant people, actions and situations; survey research - asking people questions about their knowledge, attitude, preferences and buying behavior; or

experimental research - selecting matching groups of subject, giving them treatments, controlling related factors, and checking for different responses. Through market research, we can now collect data on consumer behavior. We need the data about consumer behavior, as we want to know why consumers buy our products. We're trying to understand the way they think, behave and what influences them. Thus, our marketing mix would be improved.

Influences on consumer choice can be separated into 2 areas: internal and external. Internal influences include personal and psychological. For example, as a kid customers would probably buy a toy, but when they grow up into young adults they would probably want proper and stylish clothing. External influences, on the other hand, include culture and social factors. For example, Muslims are not allowed to drink alcoholic drink and thus they cannot buy beer brand such as Heinlein. Through consumer behavior, we now understand the customers' preferences and different groups they are in. Then we can decide which groups of customers to target with the help of STEP. Segmentation helps to differentiate the many groups of customers.

Each company has different capabilities to serve customers, and different customers react Eternally to Deterrent marketing strategies. I nuns companies are encouraged to focus on one or more groups of customers who will really buy their products; they become more efficient and effective. Segmentation can be based on geographic - segmenting based on location of the customers, climatic condition and population density (ex: seasonal, desert, nation region); demographic - segmenting based on population

values such as gender, age, family and ethnics; cryptographic - segmenting based on social class, lifestyle or personality characteristics; and behavioral - segmenting based on the behavior towards the product.

Companies can choose one or more distinguished target market and then create the proper positioning - what kind of image does the company wants customers to see our product as. Once this is established, we can create our marketing mix. We start with the product. A product can be anything: a person, place, good, service, idea or even experience. Most products these days are combination of tangible and intangible elements. It becomes the center of marketing mix, as without product there will be no need for price, place and promotion. The product will then be branded, which is the combination of name, term, sign, symbol or design to identify the product and differentiate it from competitors'.

It is about getting the prospects to see the company as the only one that provides solution to their problem. Then we move onto price. And then we decide where to place the product, the distribution process through marketing logistics. Marketing logistics start with raw materials, to production, transportation, retailing and finally customers. It is the most complicated, most difficult to change and most important but at the same time most likely to be neglected. Firms are faced with choice to either do the marketing logistics themselves or outsource it. Firms can outsource almost everything, starting from information, promotion, contact, matching, negotiating, and physical distribution until financing. After this, we move on to promotion.

In promotion, we usually use the term Integrated Marketing Communication as we use different method of communications with our customers, instead of just one. Communication can be divided into verbal - spoken use of words, discussions, speeches, and areas of interpersonal communication; and nonverbal - body language, facial expression and gestures. The promotion mix includes advertising, sales promotion, public relations and direct marketing. Advertising is often paid for, one-way (no feedback) and sponsor identified (name of company is clearly stated). It can be informative, persuasive, reminder and reinforcing. Public relation is used to create positive image of your company and can be achieved through publicity.

Sales promotion is often used to get customers to buy the product now. Examples include samples, coupons, point-of-purchase promotion, contest, games, sponsoring concert and sport games. The company then needs to do planning and controlling relative to the marketing activities. Planning is the process of setting goals - proximal and distal - and developing strategic plans to give Loretta Ana standards Tort ten marketing activities. The company needs to control the whole marketing process by measuring results, evaluate the results by comparing actual performance to goals and if there are deviances, take corrective actions to change the marketing mix.

For example, if the product packaging makes the product too heavy, marketing management need to revise the packaging planning and change it accordingly. C: Section B - Long Answer Questions 1. List and explain micro/macro factors Micromanagement refers to the forces close to the organization that affect its ability to serve customers - the organization,

marketing channel firms, customer arrests, its competitors and publics \*

Marketing organization Other departments within the organization other than marketing that also have to contribute towards giving customer value and satisfaction, such as Board of Directors, Accounting Department, HARD, R&D, etc. Suppose that BODY cuts marketing budget.

The marketing department now has to adjust its marketing strategies to meet the lower budget. This could pose as a threat. \* Intermediaries Groups outside the organization that contribute help in services, such as reseller, wholesaler and retailer. These groups are interdependent. Suppose that resellers emend more of our products. This becomes an opportunity for us to sell more. \* Customers Customers are our buyers; potential and existing customers. They are individuals or groups who purchase our products. Suppose that they prefer more of mints then gums. It becomes a threat for gum sellers but at the same time an opportunity for mint sellers. \*

Competitors Other organizations that sell similar/substitute products.

Suppose that Moodiness's competitor, Mar's Wrigley launched a new kind of gum which is more attractive to teens than Moodiness's ID gum. ID gum faces a threat of losing its customers to Wrigley. Publics Any group that has an actual potential interest in, or impact on, an organization's ability to achieve its objectives. Suppose that pressure group demand lesser use of animals in fashion industry. For fashion industry it poses as a threat for not being able to launch another clothing using animal skin. Macro environment on the other hand consists of the larger societal forces that affect the whole

micromanagement demographically, economically, naturally, technologically, politically and culturally.

Demographic: Segmenting based on population values such as gender, age, family and ethnics (ex: toys) 3. Cryptographic: Segmenting based on social class, lifestyle or personality characteristics; activities, interest, opinion and lifestyle (ex; magazine) 4. Behavioral: Segmenting based on the behavior towards the product, the way they use it and their response to it; usage rate, usage timing, loyalty, skills, etc. B) 5 criteria for effective segmentation 1. Measurable: can you collect data? Can u measure the no. Of customers in the a. Must be measurable in terms of size and purchasing power b. If not group? Measurable hard to assess the profitability c. Ex; smart phone sales grow rapidly, but which exact market? 2.

Accessible: communicating to customer and able to deliver things to them d. Ex: internet, TV, radio e. If customers don't use these, its difficult to communicate with them f. Distribution - shop in Jakarta targets people in Jakarta, not NY 3. Substantial: large and profitable enough to sell 4.

Differentiable: clearly defined ; distinguishable to avoid doubt about which art is that g. Cause there's a risk marketing action will 'spill over' h. Ex; married and unmarried men behave similarly in buying behavior 5.

Actionable: enough resource, right skills to go after the market c) 3 methods for evaluating segmentation \* Segment size and growth \* Segment structural attractiveness \* Company objectives and resources 3.

Describe the 5 stages in buyer decision making process will include the role of marketing at each stage Problem recognition - product or promotion \* Information search - promotion (advertisement, website) \* Evaluation - provide superior value Actual purchase - place, distribution, making sure that the product can be gained easily \* Post-purchase - before and after sales service

1 . Problem Recognition (other word, 'Need Recognition') Buyer's decision starts with the buyer him/herself recognizing what he/she needs. How do you recognize a need? How do you know when to go out and buy something? One way to do this is by sensing a difference between actual state and desire state.

When you are bored you got to be entertained, so there is a difference between what we feel like now and what we want to feel like. This difference tells buyers to go out and buy something, as hey need to stop the 'bored' feeling. Now from where does the need comes from? Sometimes the need can come from inside you, like when you are shivering it meaner you need something warm because you're cold. Your stomach will grumble when you need to eat and your throat will go dry when you need to drink. These are called internal stimuli. Other examples are external stimuli. You're flipping through a magazine and see an ad of a new cellophane and you go 'I want to buy this cellophane'.

This is external because the ad from magazine caused you to start thinking 'my cellophane is no longer attractive, I need a new one'. That is step one, the problem recognition phase when you start feeling a tension of having something missing. You solve this by realizing that you need to buy



something. 2. Information Search This is the phase when buyers start searching for details and particulars about the products they need to buy. There are 4 main sources of information: commercial, personal, public and experiential source. A commercial source has something to do with wanting to sell you something. Relevant example would be an advert, say Catbird Chocolate advert. The sole purpose of the advert is to sell you the Catbird chocolates, nothing else.

Personal source, on the other hand, are sources close to us and does not have any intention of selling the product to us, such as family and friends. These people don't intend to sell the products to us but they have certain amount of knowledge regarding that product. Moreover they are trust worthier as they are closer to us than adverts. Next source would be public sources. A public source is something that we can see everywhere. Examples include media from TV and information from magazines. The last source is experiential source. This particular source is derived from personal experience and normally would be used during low involvement purchase.

For a high involvement purchase, buyers would normally spend more time collecting information regarding possible choices than when it's a low involvement purchase, winner you already now ten International AT ten product very well. So, Tort a nylon involvement purchase, buyers would probably go through all the above sources. 3. Evaluation of Alternative After searching for information, buyers would come up with their 'Evoked Set', the group of brands that buyers are going to choose from. Then, they will evaluate each rand according to the quality, price, usage, time limit, etc.

They will decide on what satisfies their importance and need the most, and gives off the greatest value. For example, when you choose to buy a chocolate you'd probably come up with Catbird, Doubleton, Hershey and MARS.

You won't be buying all of them, but you will choose one that will satisfy your hunger for chocolate the most. You may judge according to the taste; Catbird being 'okay, Doubleton tastes like gum, Hershey being too sweet and MARS just don't taste like chocolate.

4. Purchase Decision The purchase decision phase is the actual buying time. When are you going to buy the product, what time are you going to do it, which place or shop to go to and how are you going to buy it. For example, you are going to buy it tomorrow at the nearest convenience store by afternoon, using the money given by your mother.

5. Post-purchase Behavior This phase is the last step in buyer's decision process.

It is the attitude and action after the customers buy our products. It is thus very important to avoid a condition known as 'Cognitive Dissonance'.

Cognitive dissonance is a state when a customer realized that they have bought a product, which does not match his/her expectations and satisfy his/her needs. It does not really matter when it is a low involvement purchase as the customer can just take that as a lesson and stop buying that product again. The real matter is with high involvement purchase, because the customer had actually spent money for something they did not want but have to bear with for a long period of time. It's a torture for them.

As a result, it leads to negative word of mouth. To avoid this problem, it would be wise for companies to provide before and after sales service, such as giving samples for example. This way the customers won't be angry at the reduce they don't like, as they are not buying it; they simply taste or experience it for a while from the samples. 4. Explain the 4 steps of market research, applying to low sales of new game control 1 . Define the problem and research objective - communication between the manager and the researcher. The manager must tell the researcher exactly what they need, what are they trying to find out, what information do they require.

After defining problem, set the research objective (what am I trying to find out): \* Exploratory research - research done for the first time, used when there is no information available - first time research \* Descriptive research - follows exploratory, so there is already some data available - you go and look for detail, more facts \* Causal research - cause and effect relations.