

Foundamentals of marketing

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



Explain how industry sales and industry profits behave over the product life cycle. At the beginning, the industry profits start from negative while the industry sales start from zero. They increase till the end of market growth stage. Then the industry profits decline while industry sales are still rising. Finally, the industry sales drop rapidly and the industry profits maintain at a minimal amount. Question 2 Cite two examples of products that you think are currently in each of the product life-cycle stages. Consider services as well as physical goods. Introduction stage:

Electric car and eBook. Growth stage: Blue-ray player and maid services.

Maturity stage: Cellular phone and insurance services. Decline stage: Travel

agency industry and LOGO. Question 4 Explain why individual brands may not follow the product life-cycle pattern. Give an example of a new brand that is not entering the life cycle at the market introduction stage. A given firm may introduce or drop a specific product during any stage of the product life cycle. A "me-too" brand introduced during the market growth stage, for example, may never get sales at all and suffer a quick death.

For instance, Wall-Mart tried to rent DVD's by mail - but the innovator, Entitle, was already established as the market leader. When customers did not see Wall-Mart's marketing mix as better, it failed to attract enough customers and closed operations. Question 12 Discuss the social value of new-product development activities that seem to encourage people to discard products that are not all worn out. Is this an economic waste? How worn out is all worn out? Must a shirt have holes in it? How big? Customer need not to wait for holes on a shirt before discard it due to influence by there in society.

The shirt may not be popular after a period of time from introduction. I believe it is a fashion and fad trend. It makes the product life even shorter. Chapter 11

Give two examples of service firms that work with other channel specialists to sell their products to final consumers. What marketing functions is the specialist providing in each case? Specialists often help provide information to bring buyers and sellers together. For example, travel agents work as independent middlemen to help travelers as well as hotels, airlines, car rental services, and the like.

They provide information about available services as well as costs and other advantages or disadvantages. Similarly, real estate service firms may rely on brokers to reach their target market. Explain discrepancies of quantity and assortment using the clothing business as an example. How does the application of these concepts change when selling steel to the automobile industry? What impact does this have on the number and kinds of marketing specialists required? Discrepancy of quantity means the difference between the quantity of products it is economical for a producer to make and the quantity final users or consumers normally want.

Discrepancy of assortment means the difference between the lines a typical producer makes and the assortment final consumers or users want. There may be a discrepancy of quantity between the output of clothing manufacturers and the demands of individual consumers. But since consumers usually want a wide variety of items and producers tend to specialize, there is bound to be a discrepancy of assortments. Adjusting for these discrepancies usually requires intermediaries. Sometimes, this is done

by the reducer or by large retailers who go directly to the producers to develop an attractive assortment.

In the case of selling steel to the automobile industry, most sales are direct and in large amount. Discrepancy of assortment and discrepancy of quantity are not relevant in this case. Channel specialists adjust discrepancies with regrouping activities such as accumulating, bulk-breaking, sorting, and assorting. The greater the discrepancies of quantity and assortment between the producer and the consumer, the more complicated the channel that is required. Question 10 Find an example of vertical integration within your city. Are there any particular advantages to this vertical integration? If so, what are they?

If there are no such advantages, how do you explain the integration? An example of vertical integration could be United Airlines which handle all sales by its ticketing counter and actually United Airlines is handling manufacturing, wholesaling, and retailing by itself. The advantages to this vertical integration are stable sources of suppliers, better control of distribution and quality, greater buying power, and lower executive overhead. Chapter 12 Question 3 Briefly describe a purchase you made where the customer service level had an effect on the product you selected or where you purchased it.

Customers don't care how a product was moved or stored or what some channel member had to do provide it. Rather, customers think in terms of the physical distribution customer service level - how rapidly and dependably a firm can deliver what they, the customers, want. I bought a laptop on eBay

recently and found customer service level is very important on every business. As the book said, the customers don't care other things but just incinerate on how fast they can get the product, is it the same as described, is it deliver on time, and is the shipped product exactly same as customer ordered.

Illustrate, using a specific product or situation. Private warehouses are storing facilities owned or leased by companies for their own use. Public warehouses are independent storing facilities. They can provide all the services that a company's own warehouse can provide. A company might choose a public warehouse if it doesn't have a regular need for space. For example, Christmas tree farmers build up inventories in many cities throughout the country in anticipation of a strong seasonal demand. Public storage is required.