

# Marketing exam model answer

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



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### Answer 1

The traditional definition of marketing has significantly moved away from product based to focus on customers. The traditional marketing concepts were centred around the consumable products with emphasis on 4Ps. In the contemporary environment of competitive global business, marketing has evolved to encompass various inter-related issues and factors that impact customers' changing preferences. The products therefore have become secondary to the requirements of customers. The transactional marketing which primarily relied on mass consumption has become redundant because customers today cannot be clubbed within one single bracket. The various macro environmental factors like market segmentation, socio-economic and legal paradigms, environmental issues and sustainable development etc have become vital ingredients that have significant impact on the market sustainability.

Thus, the current business environment necessitates development of new products that meet the changing requirements of the customers. The market strategy of the business must respond to the system as a whole rather than to one single variable, the product. The emerging new definition of market promotes relationship building with customers and other business partners. British Airways is prime example of relationship marketing. To maintain a competitive advantage, BA has consistently been coming up with different packages for its different customers and has forged alliances with various other business units to improve and improvise its services. It has been evolving new customized services for its different segments and attracting

new customers with varying packages that may suit their status, needs and pricing. Thus, while it has special super-class cabins for its rich clients, the common man can also avail the services in economy class. (words: 260)

## Answer 2

Publics are major constituents that significantly impact BA's business strategies. The six market model become important consisting of customers, suppliers, business partners, intermediaries and media. They can be broadly classified under six major publics with which BA closely interacts which are as follows:

### 1. Commercial

Customers, suppliers and competitors are its commercial publics whose interests need to be considered within the wider goals of its market strategy.

### 2. General

Community, people at large and pressure groups come under general publics that are important because while they are part of their customers, at the same time they constantly ensure that BA follows sustainable business practices especially with regard to environment, human rights, affirmative actions etc.

### 3. Financial

The various investors, shareholders and banks are major financial publics which influence its financial decisions.

### 4. Authority

The government, trade associations and various associated regulatory bodies of Aviation are important publics that ensure that BA conforms to the

constitutional guidelines and good CSR practices.

#### 5. Internal

Employees and trade unions are major internal publics that are important part of its smooth operation and human resource practices.

#### 6. Media

BA uses various media like TV, radio, internet etc to enhance its public image and create awareness about its various activities and services that cater to the welfare of people.

#### Customer lifetime value

Customer lifetime value is extremely important to its future because the contemporary business environment is highly competitive. Maintaining good customer relationship has become intrinsic part of good market strategy. A satisfied customer is not only retained but their word to mouth publicity also brings in new customers. A loyal customer is neither influenced by competitors' brand nor much bothered by price fluctuation. These are highly important issues within the current environment of recessive trend and economic downturn.

(words: 294)

#### Reference

Clarkson, Richard M., Clark-Hill, Colin and Robinson, Terry. (July 1997). Towards a General Framework for Relationship Marketing: A Literature Review. Competitive paper presented at the Academy of Marketing Conference, Manchester Metropolitan University.