

Marketing exam preparation for monash diploma flashcard



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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 racket 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, government 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

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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 Heineken. 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 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; psychographic - 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 here 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 official 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 immunization; 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 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 markets, its competitors and publics * Marketing organization
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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 demand 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 than 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 impetigo, Mark'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, genealogically, politically and culturally. * Demographic The study of human populations in terms of size, <https://assignbuster.com/marketing-exam-preparation-for-monash-diploma-flashcard/>

density, location, age, gender, race, occupation and other statistics. *

Economic Factors that affect consumer buying powers and patterns. For example, Australia is facing a recession, causing people to have lesser disposable income and thus lead to lesser consumption. This is a threat for businesses. * Natural marketing activities, such as water, forests, oil, coal, minerals.

As resources become more scarce, costs increase, posing as threats for companies. * Technological Forces that create new technologies, create new product and marketing opportunities and change the way we market and communicate with customers. * Political Laws, governments, agencies and pressure groups that influence and limit various organizations and individuals in a given society. For example, government sets laws and regulations that limit business for the good of society, resulting in a threat for businesses. * Cultural Consists of institutions and other forces that affect a society basic values, perceptions and behaviors. 2. Briefly explain a) 4 major bases in segmenting market 1 .

Geographic: Segmenting based on location of the customers (geographical unit), climatic conditions and population density. Example includes; seasonal, desert, nation region. (ex: hotel, food store) 2. 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.) 5 criteria for effective segmentation 1 .
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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 part 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 * 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 they need to stop the 'bored' feeling. Now from where does the need come from? Sometimes the need can come from inside you, like when you are shivering it means 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 Academy Chocolate advert. The sole purpose of the advert is to sell you the Academy chocolates, nothing else. Personal resource, 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 <https://assignbuster.com/marketing-exam-preparation-for-monash-diploma-flashcard/>

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, 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 brand 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 Academy, 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; Academy 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 nonviolence 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 product 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 . 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 asking changes to your marketing mix and see what will happen; if analysis - potential changes the future

HARDEST STEP IN
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THE RESEARCH, because the manager might want information that is hard to get.

So the manager and the researcher needs to be very clear at this point about what are we trying to get. 2. Develop a research plan - you will talk about the 3 different types of data (internal data, marketing intelligence, marketing research) that you will collect; it is part of your research plan. You also talk about the methods - how are you going to collect these * Marketing research - PRIMARY, Marketing Intelligence - SECONDARY Gathering secondary data: commercial, online data, government data, brochure, etc. * Gathering primary data: Research approaches: * Observational research - where information is gained by observing relevant people, actions, and situations.

However, some things such as feelings, attitudes, motives, and private behavior cannot be observed. Misinterpretation's can be obtained through single source data systems. This showier electronic monitoring systems link consumers' exposure to telecommunication's and promotion (measured using television meters) with what tubby in stores (measured using store checkout scanners). Observationaloresearch can be used to obtain information that people are unwilling rentable to provide. * Survey research - is the gathering of primary data by asking people questionable their knowledge, attitudes, preferences, and buying behavior. Survey research is best eisteddfod gathering descriptive information.

Survey research is the most widely used form of primary data collection The major advantage of this approach is flexibility while the disadvantages unclothed respondent being unwilling to respond, giving inaccurate answers,

or unwilling to spend time to answer. * Quantitative data – electing statistical data (MAC, True/False, Yes/No) * Qualitative data – why and how questions, collecting quality data * Mix data – use both data – do you smoke? Yes/No (quantitative), Why? (Qualitative) * Ethnographic – demographic data * Experimental research – involves the gathering of primary data by selecting matched groups of subjects, giving them different treatments, controlling related factors, and looking for differences in-group responses. This form of research tries to explain cause-and-effect relationships. Observation and surveys may be used to collect information spectrographically.

This form is best used for causal information. * Contact methods: * Mail questionnaires–used to collect large amounts of information at a low cost * Telephone interviewing–good method for collecting information quickly * Personal interviewing (which can be either individual or group interviewing). One form of personal interviewing is “focus group interviewing”. Focus-group interviewing consists of inviting six to ten people to gather for a few hours with a trained interviewer to talk about a product, service, or organization. The interviewer “focuses” the group discussion on important issues * Online (Internet) marketing research can consist of Internet surveys or online focus groups.

The researcher should watch fieldwork closely to make sure that the plans implemented correctly and to guard against problems with contacting respondents, inattentiveness who refuse to cooperate or who give biased or dishonest answers, and with interviewers who make mistakes or take shortcuts. 4. Interpret the report and send it back to the manager Once you have all the data that you need and have analyzed it to make sure it is

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relevant and pertains to our product or service, then you can write up the final report. The final report is simply a detailed document where you present your research findings and make recommendations based on those findings. The final report will give you the information you need to either move ahead with marketing your product or service or to say enough is enough and you realize that it just won't work.

Remember marketing research must be done whether you are an independent business person or a company making millions of dollars otherwise you will be wasting a lot of time and money going nowhere. 5. Explain in detail: a) Draw PL, describing each stage in detail - don't forget apply ups for each one Product POP + its distribution * Promotion strategy - remember no advertising in decline - Just promotion (explain sales promotion) * Price POP 1 . Product Development: this is when the product is becoming alive. The company has come up and develops a new-product idea. During this time, no sales are recorded but instead investment costs add up. 2. Introduction Stage: In the introduction stage, the firm seeks to build product awareness and develop a market for the product.

The impact on the marketing mix is as follows: - Product branding and quality level is established, and intellectual property protection such as patents and trademarks are obtained. - Pricing may be low penetration pricing to build market share rapidly, or high skim pricing to recover development costs. - is aimed at innovators and early adopters. Marketing communications seeks to build product awareness and to educate potential consumers about the product 3. Growth Stage: In the growth stage, the firm seeks to build brand preference and increase market share. - Product quality
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is maintained and additional features and support services may be added.

Pricing is maintained as the firm enjoys increasing demand with little

competition. - Distribution channels are added as demand increases and

customers accept the product. - Promotion is aimed at a broader audience.

4. Maturity Stage: At maturity, the strong growth in sales diminishes.

Competition may appear with similar products. The primary objective at this

point is to defend market share while maximizing profit. - Product features

may be enhanced to differentiate the product from that of competitors. -

Pricing may be lower because of the new competition. - Distribution

becomes more intensive and incentives may be offered to encourage

preference over competing products. Promotion emphasizes product

differentiation. 5. Decline Stage: As sales decline, the firm has several

options: - Maintain the product, possibly rejuvenating it by adding new

features and finding new uses. - Harvest the product - reduce costs and

continue to offer it, possibly to a loyal niche segment. - Discontinue the

product, liquidating remaining inventory or selling it to another firm that is

willing to continue the product. B) List and explain the 4 characteristics of a

service - explain how extended marketing mix helps 1 . Intangible Services

are said to be intangible - they cannot be seen or tasted. This can cause lack

of confidence on the part of the consumer.

In considering pricing and service marketing, it is often difficult for the

consumer to measure service value and quality. To overcome this, the

extended marketing mix of physical evidence is used. Consumers tend to

look for evidence of quality and other attributes, for example in the décor

and surroundings of the beauty salon, or from the qualifications and

professional standing of the consultant. 2. Inseparable Services are produced and consumed at the same time, unlike goods, which may be manufactured, then stored for later distribution. This means that the service provider becomes an integral part of the service itself. People, in the extended marketing mix, are an essential ingredient in service provision.