**Rajasthan Institute of Engineering & Technology, Jaipur**

**University Roll No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**1st year MBA. Semester II I Mid Term Examination, March 2018**

**Subject: - Marketing Management**

**SET-A**

**Time: - 2 Hrs. [Maximum Marks: -20]**

**[Min. Passing Marks: 08]**

**Instructions to the Candidates**:

Attempt ***any 4*** questions from Section A andSection Bis ***Compulsary*** for all **.**

**SECTION A**

1. **Define Marketing and characteristics of marketing.** (3)

Ans : **Marketing** : The management process through which goods and services move from concept to the customer. It includes the coordination of four elements called the 4 P's of marketing:  
(1) identification, selection and development of a product,  
(2) determination of its price,  
(3) selection of a distribution channel to reach the customer's place, and  
(4) development and implementation of a promotional strategy.  
For example :new Apple products are developed to include improved applications and systems, are set at different prices depending on how much capability the customer desires, and are sold in places where other Apple products are sold.

**According to KOTLER** “ Marketing is a societal process by which individuals and groups what they need and want through creating , offering and freely exchanging products and services of value with others. “

1. **What do you understand by holistic marketing ?**  (3)

Ans : [Philip Kotler](https://managementmania.com/en/philip-kotler) and [Kevin Lane Keller](https://managementmania.com/en/kevin-lane-keller) define this holistic approach as follows: “A holistic marketing concept is based on the development, design and implementation of marketing programs, processes and activities that recognize the breadth and interdependencies. Holistic marketing recognizes that ‘everything matters’ with marketing and that a broad, integrated perspective is necessary to attain the best solution.”

**COMPONENTS OF HOLISTIC MARKETING**

Holistic marketing focuses on marketing strategies designed to market the brand to every person related to it, be it employees, existing customers or potential customers, and communicating it in a unified manner while keeping in mind the societal responsibility of the business.

**Relationship Marketing**

Relationship marketing aspect of holistic marketing philosophy focuses on long term customer relationship and engagement rather than short term goals like customer acquisition and individual sales. This strategy focuses on targeting marketing activities on existing customers to create a strong, emotional, and everlasting customer connections. These connections further help the business in getting repeated sales, free word of mouth marketing and more leads.

**Integrated Marketing**

Integrated marketing is an approach to create a unified and seamless experience for consumer to interact with the brand by designing and directing all communication (advertising, sales promotion, direct marketing, public relations, and digital marketing) in such a way so that all work together as a unified force and centers around a strong and focused brand image.

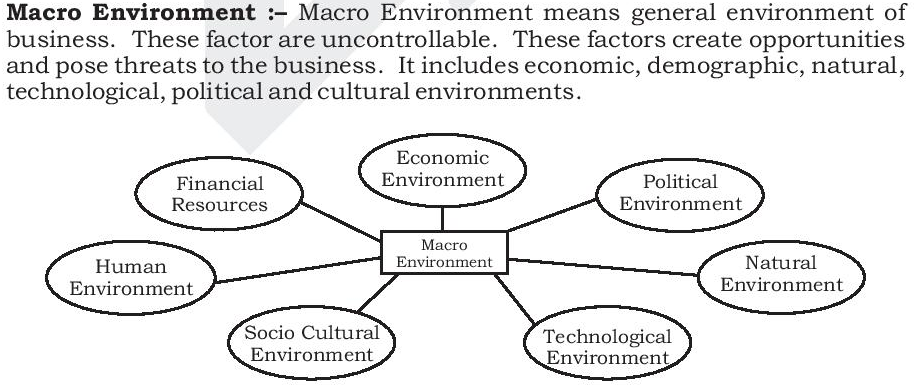
**Internal Marketing**

There are two types of customers to every business; internal and external. While focusing on external customers should be a top priority for every business, internal customers should not be left unnoticed as these internal customers (employees) play a vital role in marketing the brand and products to the external customers of the business. Internal Marketing treats employees and staffs as internal customers who must be convinced of a company’s vision and worth just as aggressively as external customers. It also involves processes which make them understand their role within the marketing process.

**Socially responsible marketing**

Socially responsible marketing aspect of the holistic marketing concept involves a broader concerns of the society at large. It requires business to follow certain business ethics and focuses on partnerships with philanthropic and community organisations. A business is considered as a part of the society and is required to repay the same.Socially responsible marketing encourage a positive impact on company’s stakeholders.

1. **What do you understand by Macro Environment (3)**

**Ans :** 

**Demographic Factors:** Demographic forces do impact the different market segments, which includes region, country, age, educational level, ethnicity, lifestyle, cultural norms and values.

**Economic Factors:** The organization production and decision making process of customer also affected by the [**economic environment**](http://www.marketingtutor.net/economic-factors-affect-business-environment/)**.**

**Natural/physical Factors:** The Company must take into account the renewal of the natural resources of the earth such as agricultural product, forest, marine resources etc. The organizations production can also be affected by the non renewable resources which includes coal, oil mineral.

**Technological factors:** The organization must consider the technological factors as the knowledge and skills used in production of goods. The technology and materials used in production of goods and services helps in smoothing the process of business.

**Political and Legal Factors:** The organization should take into consideration the political and legal development relating to market and organization during decision-making process.

**Social and Cultural Forces:** The impact of your organization’s services and products on the society must be taken into consideration. If there is any element used in production process or product that is harmful to society should be avoided as it is a social responsibility of an organization. A most recent example is the environment and the organizations and sectors who have reviewed their services and products to be considered environmentally friendly.

1. **Explain the concept of Marketing Mix.** (3)

**Ans :** The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. The 4Ps make up a typical marketing mix - Price, Product, Promotion and Place.

**Product**: When it comes to the product, it is either a tangible good or an intangible service that meets a particular customer’s need or demand. There is a logical product life cycle which all products should follow. As such, it is crucial for marketers to understand as well as plan for different stages and their specific challenges. Understanding the problems that the product is trying to solve is very important. This calls for a study of all the product’s features, its distinctive selling proposition plus the benefits it offers. Besides, the product’s prospective buyers need to be recognized and understood.

**Price** :Price refers to the real amount the end user is expected to pay for the product. The price of a product affects how it performs on the market. This is related to the product’s perceived value to the customer as c opposed to the product costing. A product with a higher or a lower price tag than its perceived value will not sell. As such, understanding how a customer perceives what you are selling is extremely important. It is possible for a product to be priced higher than its true monetary value and still sell if it enjoys a positive customer value. On the other hand, a product may need to be underpriced for it to sell if the customer considers it of little value.Factors such as distribution plans, value chain costs, markups and the way competitors price a rival product may also affect the price.

**Promotion**:The promotion plan comprises of the marketing communication strategies and techniques. These may entail advertising, sales promotions, special offers, as well as public relations. Regardless of the channel used, the promotion should be appropriate for the product, the price as well as the targeted end user. Distinguishing between marketing and promotion is vital. It should be borne in mind that promotion is merely the whole marketing function’s communication aspect.

**Place:** How the product will be provided to the customer is what determines the place or its placement. Thus, a product’s distribution is a major element in determining a products placement. The placement strategy can be helpful when it comes to assessing the most suitable channel of distribution to be used.

**5. Explain the concept of Market Segmentation.** (3)

**Ans** : **Market segmentation** : is the process of dividing a broad consumer or business [market](https://en.wikipedia.org/wiki/Market_(economics)), normally consisting of existing and potential customers, into sub-groups of [consumers](https://en.wikipedia.org/wiki/Consumer) (known as *segments*) based on some type of shared characteristics. In dividing or segmenting markets, researchers typically look for common characteristics such as shared needs, common interests, similar lifestyles or even similar [demographic profiles](https://en.wikipedia.org/wiki/Demographic_profile). The overall aim of segmentation is to identify *high yield segments* – that is, those segments that are likely to be the most profitable or that have growth potential – so that these can be selected for special attention (i.e. become [target markets](https://en.wikipedia.org/wiki/Target_market)).

**LEVELS OF MARKET SEGMENTATION :**

#### ****MASS MARKETING :**** In simple words seller offer same product for all the buyers with different needs and seller engages in the mass production, mass distribution, and mass promotion of one product for all buyers.

#### ****NICHE MARKETING:**** A niche is a more closely defined group, it is dividing the segment in to sub segment and it can be divided by identifying the distinct trait of consumer which might need special combination of benefits this sub segments are made for those consumers whose needs and wants are not satisfied.

#### ****LOCAL MARKETING:**** Local marketing focus on brands and promotion to the needs and wants of local consumer and design marketing program according to the need of local consumer groups cities, neighborhoods and even specific stores.

#### ****INDIVIDUAL MARKETING:**** Individual marketing focus on satisfying the needs and wants of individual customer it’s also know as one-to-one marketing and customized marketing it’s the segmentation level where seller offer customized product to the consumer in other words a product according to the needs and preference of consumer.

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**6. What do you understand by Positioning strategy ?** (3)

**Ans : Positioning** refers to the place that a [brand](https://en.wikipedia.org/wiki/Brand) occupies in the mind of the customer and how it is distinguished from products from competitors. In order to position products or brands, companies may emphasize the distinguishing features of their brand (what it is, what it does and how, etc.) or they may try to create a suitable image (inexpensive or premium, utilitarian or luxurious, entry-level or high-end, etc.) through the [marketing mix](https://en.wikipedia.org/wiki/Marketing_mix). Once a brand has achieved a strong position, it can become difficult to reposition it.

Positioning is one of the most powerful [marketing](https://en.wikipedia.org/wiki/Marketing) concepts. Originally, positioning focused on the product and with Ries and Trout grew to include building a product's reputation and ranking among competitor's products. Primarily, it is about "the place a brand occupies in the mind of its target audience”. Positioning is now a regular marketing activity or strategy. A national positioning strategy can often be used, or modified slightly, as a tool to accommodate entering into foreign market

**DEVELOPING THE POSITIONING STATEMENT :**

Positioning is part of the broader marketing strategy which includes three basic decision levels, namely segmentation, targeting and positioning, sometimes known as the S-T-P approach:

The STP approach highlights the three areas of decision-making

[**Segmentation**](https://en.wikipedia.org/wiki/Market_segmentation): refers to the process of dividing a broad consumer or business market, normally consisting of existing and potential customers, into sub-groups of consumers (known as segments)

[**Targeting**](https://en.wikipedia.org/wiki/Target_market): refers to the selection of segment or segments that will become the focus of special attention (known as [*target markets*](https://en.wikipedia.org/wiki/Target_market)).

**Positioning**: refers to an overall strategy that "aims to make a brand occupy a distinct position, relative to competing brands, in the mind of the customer".

**SECTION B**

**1. Explain The Philosophies of marketing in detail . (4)**

**Ans : According to KOTLER** “ Marketing is a societal process by which individuals and groups what they need and want through creating , offering and freely exchanging products and services of value with others. “

**PHILOSOPHIES OF MARKETING :**

**1. Production Concept** :Those companies who believe in this philosophy think that if the goods/services are cheap and they can be made available at many places, there cannot be any problem regarding sale.Keeping in mind the same philosophy these companies put in all their marketing efforts in reducing the cost of production and strengthening their distribution system. In order to reduce the cost of production and to bring it down to the minimum level, these companies indulge in large scale production.This helps them in effecting the economics of the large scale production. Consequently, the cost of production per unit is reduced.The utility of this philosophy is apparent only when demand exceeds supply. Its greatest drawback is that it is not always necessary that the customer every time purchases the cheap and easily available goods or services.

**2. Product Concept:** Those companies who believe in this philosophy are of the opinion that if the quality of goods or services is of good standard, the customers can be easily attracted. The basis of this thinking is that the customers get attracted towards the products of good quality. On the basis of this philosophy or idea these companies direct their marketing efforts to increasing the quality of their product.It is a firm belief of the followers of the product concept that the customers get attracted to the products of good quality. This is not the absolute truth because it is not the only basis of buying goods.The customers do take care of the price of the products, its availability, etc. A good quality product and high price can upset the budget of a customer. Therefore, it can be said that only the quality of the product is not the only way to the success of marketing.

**3. Selling Concept :** Those companies who believe in this concept think that leaving alone the customers will not help. Instead there is a need to attract the customers towards them. They think that goods are not bought but they have to be sold.The basis of this thinking is that the customers can be attracted. Keeping in view this concept these companies concentrate their marketing efforts towards educating and attracting the customers. In such a case their main thinking is ‘selling what you have’.This concept offers the idea that by repeated efforts one can sell-anything to the customers. This may be right for some time, but you cannot do it for a long-time. If you succeed in enticing the customer once, he cannot be won over every time.On the contrary, he will work for damaging your reputation. Therefore, it can be asserted that this philosophy offers only a short-term advantage and is not for long-term gains.

1. **Marketing Concept:**

Those companies who believe in this concept are of the opinion that success can be achieved only through consumer satisfaction. The basis of this thinking is that only those goods/service should be made available which the consumers want or desire and not the things which you can do.In other words, they do not sell what they can make but they make what they can sell. Keeping in mind this idea, these companies direct their marketing efforts to achieve consumer satisfaction.In short, it can be said that it is a modern concept and by adopting it profit can be earned on a long-term basis. The drawback of this concept is that no attention is paid to social welfare.

1. **Societal Marketing Concept:**

This concept stresses not only the customer satisfaction but also gives importance to Consumer Welfare/Societal Welfare. This concept is almost a step further than the marketing concept. Under this concept, it is believed that mere satisfaction of the consumers would not help and the welfare of the whole society has to be kept in mind.For example, if a company produces a vehicle which consumes less petrol but spreads pollution, it will result in only consumer satisfaction and not the social welfare. Primarily two elements are included under social welfare-high-level of human life and pollution free atmosphere. Therefore, the companies believing in this concept direct all their marketing efforts towards the achievement of consumer satisfaction and social welfare. In short, it can be said that this is the latest concept of marketing. The companies adopting this concept can achieve long-term profit.

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**2.Explain the procedure of TARGETING in detail. (4)**

**Ans : Targeting :** Market targeting is a process of selecting the target market from the entire market. Target market consists of group/groups of buyers to whom the company wants to satisfy or for whom product is manufactured, price is set, promotion efforts are made, and distribution network is prepared.

Market targeting procedure consists of two steps:

#### PROCEDURE OF MARKET TARGETING

**1. Evaluating Market Segments:**

Evaluation of market segments calls for measuring suitability of segments. The segments are evaluated with certain relevant criteria to determine their feasibility.

**To determine overall attractiveness/suitability of the segment, two factors are used:**

**i. Attractiveness of Segment:**

In order to determine attractiveness of the segment, the company must think on characteristics/conditions which reflect its attractiveness, such as size, profitability, measurability, accessibility, actionable, potential for growth, scale of economy, differentiability, etc. These characteristics help decide whether the segment is attractive.

**ii. Objectives and Resources of Company:**

The firm must consider whether the segment suit the marketing objectives. Similarly, the firm must consider its resource capacity. The material, technological, and human resources are taken into account. The segment must be within resource capacity of the firm.

**2. Selecting Market Segments:**

When the evaluation of segments is over, the company has to decide in which market segments to enter. That is, the company decides on which and how many segments to enter. This task is related with selecting the target market. Target market consists of various groups of buyers to whom company wants to sell the product; each tends to be similar in needs or characteristics. Philip Kotler describes five alternative patterns to select the target market. Selection of a suitable option depends on situations prevailing inside and outside the company.

**Alternative Strategies (Methods) for Market Targeting:**

Basically five alternative patterns/strategies are available.

**Company may opt for any one of the following strategies for market targeting based on the situations:**

**1. Single Segment Concentration:**

It is the simplest case. The company selects only a single segment as target market and offers a single product. Here, product is one; segment is one. For example, a company may select only higher income segment to serve from various segments based on income, such as poor, middleclass, elite class, etc. All the product items produced by the company are meant for only a single segment.

**2. Selective Specialization:**

In this option, the company selects a number of segments. A company selects several segments and sells different products to each of the segments. Here, company selects many segments to serve them with many products. All such segments are attractive and appropriate with firm’s objectives and resources.

There may be little or no synergy among the segments. Every segment is capable to promise the profits. This multi-segment coverage strategy has the advantage of diversifying the firm’s risk. Firm can earn money from other segments if one or two segments seem unattractive. For example, a company may concentrate on all the income groups to serve.

**3. Product Specialization:**

In this alternative, a company makes a specific product, which can be sold to several segments. Here, product is one, but segments are many. Company offers different models and varieties to meet needs of different segments. The major benefit is that the company can build a strong reputation in the specific product area. But, the risk is that product may be replaced by an entirely new technology. Many ready-made garment companies prefer this strategy.

**4. Market Specialization:**

This strategy consists of serving many needs of a particular segment. Here, products are many but the segment is one. The firm can gain a strong reputation by specializing in serving the specific segment. Company provides all new products that the group can feasibly use. But, reduced size of market, reduced purchase capacity of the segment, or the entry of competitors with superior products range may affect the company’s position.

**5. Full Market Coverage:**

In this strategy, a company attempts to serve all the customer groups with all the products they need. Here, all the needs of all the segments are served. Only very large firm with overall capacity can undertake a full market coverage strategy.

#### METHODS OF FULL MARKET COVERAGE:

**Undifferentiated Marketing:** undifferentiated targeting strategy is used when a company decides to communicate the benefits of its product by sending the same promotional message to everyone. For an undifferentiated strategy to be successful, the company's product must be readily available and affordable and must provide the same benefits to all consumers. Very few companies with consumer products meet these criteria

**Differentiated Marketing** : A **differentiated** marketing **strategy** is when a company creates campaigns that appeal to at least two market segments or **target** groups. For example, a store can promote a sale that appeals to people in at least two cities or locations, or a company can market a product that appeals to women in at least two age groups.

**Concentrated Marketing**: A **concentrated** marketing **strategy** is targeted to one specific market segment or audience. For example, a company might market a product specifically for teenage girls, or a retailer might market his business to residents in a specific town.

**Micromarketing:** Micromarketing is a **marketing** strategy in which advertising efforts are focused on a small group of highly targeted consumers. **Micromarketing** requires a company to narrowly define an audience by a specific characteristic, such as ZIP code or job title, and tailor campaigns for that particular segment.