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Internal Assessment Test - I

Sub:	Marketing Management						Code:	16MBA15	
Date:		Duration:	90 mins	Max Marks:	40	Sem:	II	Branch:	MBA

		Marks		OBE	
		CO	RBT		
Part A - Answer Any Two Full Questions (16*02=32 Marks)					
1 (a)	Explain the concept of marketing management.	[02]	CO1	L4	
(b)	Explain the macro environmental factors that influence the marketer's decision	[06]	CO3	L2	
(c)	Examine and explain the societal concept	[08]	CO1	L1	
2 (a)	Distinguish between selling and marketing	[02]	CO2	L5	
(b)	Describe consumer behavior	[06]	CO1	L2	
(c)	Demonstrate and discuss the stages in buying decision making process	[08]	CO3	L3	
3 (a)	Explain niche marketing	[02]	CO1	L1	
(b)	Elaborate and examine the steps in a marketing plan	[06]	CO2	L3	
(c)	List out the objectives of marketing	[08]	CO1	L1	
Part B - Compulsory (01*08=08 marks)					
4					
(a)	Explain needs, wants and demands with suitable examples	[08]	CO1	L4	
	OR				
(b)	Analyze the concepts of market places, market spaces and meta markets with examples	[08]	CO3	L4	

Course Outcomes		PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9
CO1:	Acquire knowledge regarding basic concepts and functions of Marketing Management	1a,1 c,3a ,3c,								
CO2:	Apply various marketing concepts to solve day-to-day corporate problems	4a	2a,2 c,3b							

CO3:	Study ever-changing environment and use of appropriate models and techniques of Marketing.	4b	2b			1b				
CO4:	Synthesize ideas into a viable marketing plan									
CO5:										
CO6:										

Cognitive level	KEYWORDS
L1	List, define, tell, describe, identify, show, label, collect, examine, tabulate, quote, name, who, when, where, etc.
L2	summarize, describe, interpret, contrast, predict, associate, distinguish, estimate, differentiate, discuss, extend
L3	Apply, demonstrate, calculate, complete, illustrate, show, solve, examine, modify, relate, change, classify, experiment, discover.
L4	Analyze, separate, order, explain, connect, classify, arrange, divide, compare, select, explain, infer.
L5	Assess, decide, rank, grade, test, measure, recommend, convince, select, judge, explain, discriminate, distinguish support, conclude, compare, summarize.

PO's

- 1) Apply knowledge of management theories and practices to solve business problems.
- 2) Cultivate analytical and logical thinking abilities for rational and data-based decision making.
- 3) Function effectively as an individual as well as empathetically as a member in diverse teams and in multi-cultural environments with effective communication skills.
- 4) Ability to develop value based leadership qualities.
- 5) To engage in 'life-long learning' approach towards managing challenges of global business environment and economic changes.
- 6) To analyse and practice global, economic, legal and ethical aspects of business.
- 7) Potential to lead oneself as well as others in pursuit of personal and societal growth

Answer Key IAT 1

Marketing Management / 16MBA15

1a.Explain the concept of marketing management.

Marketing (management) is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, services to create exchanges that satisfy individual and organizational goals.

Production Oriented Concept

Product oriented concept

Selling oriented concept

Marketing or Customer oriented concept

Societal oriented concept

1b.Explain the macro environmental factors that influence the marketer's decision

Demographic environment-major factors in the demographic environment are trends in size, ageing, geographical shift and literacy of population

Economic environment-The factors in the economic environment are,GDP and GNP,Per capita income of the population, balance of payments, Industry life cycle and current phase through which the industry is passing, consumers buying and financial power, trends in the prices of goods and services, fiscal policies and exchange rate.

Physical environment- components of the physical environment are the renewal and non renewal resources. The natural renewal resources are forests, food products etc.the non renewal resources are oil, coal, minerals etc The governments are trying to conserve and recycle the resources through legislation and various campaigns.

Technological environment- sources of technology like company sources, external sources and foreign sources. Impact of technology on human beings, the non machine system and the environmental effects of technology. Communication and infrastructural technology.

Political and legal environment- Developments in political and legal field greatly affect the marketing decisions. Sound marketing decisions cannot be taken without taking into account the government agencies, political party in power and in opposition their ideologies, pressure groups and laws of the land.

Social and cultural environment-Business firms should take a lead in eliminating socially harmful products. There are some core cultural values, deep rooted in our society which does not change over time. These have to be protected by marketers.

International environment-The international environment is particularly important for industries directly dependent on imports or exports and import competing industries. For example, a recession in foreign markets or the adoption of protectionist policies by foreign nations may create difficulties for industries depending on exports.

1c.Examine and explain the societal concept

The Societal Marketing Concept holds that the Organizations task is to determine the needs, wants and interests of target markets and to deliver the desired satisfaction more effectively and efficiently than competitors in a way that preserves and enhances the consumers and the societies well being.

It calls for social and Ethical considerations in marketing. They must balance the conflicting criteria of Company profits, consumer want satisfaction and Public Interest. In an age of environmental deterioration, resource shortage, explosive population growth, world hunger and poverty and lack of Social Services Marketers needs to be sensitive on these issues It is a Cause-Related Marketing activity by which a company with an image, product or service to market builds a relationship/partnership with a cause/causes for mutual benefit.

This serves an opportunity for Corporate Reputation, raise Brand Awareness, increase Customer Loyalty, Press coverage and Build Sales.

2a.Distinguish between selling and marketing

Selling Concept

This concept assumes that consumers typically show buying inertia or resistance and must be coaxed into buying.

Marketing Concept

The marketing concept holds that the key to achieving its organizational goals consists of the company being more effective than competitors in creating, delivering, and communicating customer values to its chosen target markets.

The marketing concept rests on four pillars: target market, customer needs, integrated marketing and profitability.

Comparison Chart

Basis for Comparison	Selling	Marketing
Meaning	<i>The act of transfer of ownership of a product from the manufacturer to the ultimate customer in exchange of money or any other consideration is known as Sales.</i>	<i>Marketing is understanding the requirements of the customers in such a way that whenever any new product is introduced, it sells itself.</i>
Orientation	<i>Customer-oriented</i>	<i>Product-oriented</i>
Approach	<i>Fragmented approach</i>	<i>Integrated approach</i>

<i>Focus</i>	<i>Company needs</i>	<i>Market needs</i>
<i>Scope</i>	<i>Related to flow of goods to customers</i>	<i>Related to all the activities which facilitates flow of goods to customers.</i>
<i>Duration</i>	<i>Short term</i>	<i>Long Term</i>
<i>Objective</i>	<i>To instigate shoppers in such a way that they turn out as buyers.</i>	<i>To identify the needs of customers and create products to satisfy those needs</i>
<i>Relationship</i>	<i>One To One</i>	<i>One to Many</i>
<i>Target</i>	<i>Individual or small group</i>	<i>General Public</i>
<i>Scope</i>	<i>One product is created to satisfy the requirement of a customer.</i>	<i>Advertisement, Sales, Research, Customer satisfaction, After sales services etc.</i>
<i>Activity related to</i>	<i>Persons</i>	<i>Media</i>
<i>Process</i>	<i>Involves exchange of goods for adequate consideration</i>	<i>Entails identifying and satisfying customer's needs</i>

2b.Describe consumer behavior

Consumer behavior is the study of individuals, groups, or organizations and all the activities associated with the purchase, use and disposal of goods and services, including the consumer's emotional, mental and behavioral responses that precede or follow these activities.

Marketers expect that by understanding what causes the consumers to buy particular goods and services, they will be able to determine—which products are needed in the marketplace, which are obsolete, and how best to present the goods to the consumers.

The various factors that influence consumer behaviour are as follows:

- a. Marketing factors such as product design, price, promotion, packaging, positioning and distribution.
- b. Personal factors such as age, gender, education and income level.
- c. Psychological factors such as buying motives, perception of the product and attitudes towards the product.
- d. Situational factors such as physical surroundings at the time of purchase, social surroundings and time factor.

e. Social factors such as social status, reference groups and family.

f. Cultural factors, such as religion, social class

2c. Demonstrate and discuss the stages in buying decision making process

Problem Recognition

Information search

Evaluation of alternatives

Buying Decision

Post purchase behaviour

Problem/Need-recognition is the first and most important step in the buying decision. Without the recognition of the need, a purchase cannot take place. The need can be triggered by internal stimuli (e.g. hunger, thirst) or external stimuli (e.g. advertising). Maslow held that needs are arranged in a hierarchy. According to Maslow's hierarchy, only when a person has fulfilled the needs at a certain stage, can he or she move to the next stage. The problem must be the products or services available. It's how the problem must be recognized.

Information search

There are various sources of information.

Personal sources :family, friends, neighbors and acquaintances

Commercial sources: Advertising, sales persons, dealers

Public sources: mass media, consumer rating organizations

Experiential sources: handling, examining use of the product

Evaluation of alternatives

At this stage, consumers evaluate different products/brands on the basis of varying product attributes, and whether these can deliver the benefits that the customers are seeking. This stage is heavily influenced by one's attitude, as "attitude puts one in a frame of mind: liking or disliking an object, moving towards or away from it". Another factor that influences the evaluation process is the degree of involvement. For example, if the customer involvement is high, then he/she will evaluate a number of brands; whereas if it is low, only one brand will be evaluated.

Purchase/ Buying decision

This is the fourth stage, where the purchase takes place. According to Kotler, Keller, Koshy and Jha (2009), the final purchase decision can be disrupted by two factors: negative feedback from other customers and the level of motivation to comply or accept the feedback. For example, after going through the above three stages, a customer chooses to buy a Nikon

D80 DSLR camera. However, because his good friend, who is also a photographer, gives him negative feedback, he will then be bound to change his preference. Secondly, the decision may be disrupted due to unanticipated situations such as a sudden job loss or the closing of a retail store.

Post-purchase behaviour

These stages are critical to retain customers. In short, customers compare products with their expectations and are either satisfied or dissatisfied. This can then greatly affect the decision process for a similar purchase from the same company in the future, mainly at the information search stage and evaluation of alternatives stage. If customers are satisfied, this results in brand loyalty, and the information search and evaluation of alternative stages are often fast-tracked or skipped completely. As a result, brand loyalty is the ultimate aim of many companies.

On the basis of either being satisfied or dissatisfied, a customer will spread either positive or negative feedback about the product. At this stage, companies should carefully create positive post-purchase communication to engage the customers.

3a.Explain niche marketing

Concentrating all marketing efforts on a small but specific and well defined segment of the population. Niches do not 'exist' but are 'created' by identifying needs, wants, and requirements that are being addressed poorly or not at all by other firms, and developing and delivering goods or services to satisfy them. As a strategy, niche marketing is aimed at being a big fish in a small pond instead of being a small fish in a big pond. Also called micromarketing.

3b.Elaborate and examine the steps in a marketing plan

Marketing Plan: a marketing plan focuses on winning and keeping customers; it's strategic and includes numbers, facts and objectives. A good marketing plan spells out all the tools and tactics you'll use to achieve your sales goals. It's your plan of action—what you'll sell, who'll want to buy it and the tactics you'll use to generate leads that result in sales. And unless you're using your marketing plan to help you gain funding, it doesn't have to be lengthy or beautifully written. Use bulleted sections, and get right to the point.

1. *Executive Summary and table of contents*-Begin with an executive summary. Summarize all the components of your marketing plan.
2. *Situation analysis- SWOT analysis*-Begin with a snapshot of your company's current situation, called a "situation analysis. Analyze the strengths, weaknesses, opportunities

and threats both internal to and external to the organization.

- 3. Marketing strategy-arrive at a game plan for your marketing plan, include the USP, differentiation, segment and positioning strategies*
- 4. Financial projections- Budget and calculate the sales forecast, expense forecast and the costs involved*
- 5. Implementation controls – the spelled out goals and budget for each month or quarter has to be reviewed and take action*

3c.List out the objectives of marketing

- 1. Creating new consumers: The marketing manager should take necessary steps such as advertisement, sales promotion activities, to attract new customers for buying the firms products. This will help to increase sales.*
- 2. Satisfying the needs of customers: The marketing manager must satisfy and study the needs and demands of customers as modern marketing begins and ends with customer.*
- 3. Enhancing the profitability of business: Since the marketing department is the only department which generates revenue for the firm, mainly depends on the efficiency of the marketing department to generate profit. Profitability is increased through the sales of products*
- 4. Raising the standard of living of the people: marketing facilitates th production of a wide variety goods and services for satisfying customer needs. It therefore raises the standard of living of the people*
- 5. Determining the marketing mix: Here marketing management aims at proper planning, of marketing mix to meet the different requirements of customers. Marketing mix refers to the culmination of various elements such as price, promotion, product and physical distribution*
- 6. Building and retaining the long term relationship with customers: If marketing manager ensures retining good relationship with ultimate beneficiaries, he can bring several benefits like increased revenue, decrease in cost of selling, cross selling possibilities etc.Also retaining customers is one of the main objectives of marketing.*

Part B - Compulsory (01*08=08 marks)

4a.Explain needs, wants and demands with suitable examples

Needs

Human needs are states of felt deprivation. Needs are the basic requirements of human being, without these basic requirements like food, cloths and shelter no one can live life in this world. The extended form of needs are health and education which for sure every on basic need in today's world but they come after food,cloths and shelter. Marketers play no role in creating needs, they are natural default requirements of every human being. Organization already know the needs there is no requirement for any research work to develop product which covers the needs of human beings.

Wants

Wants are the form human needs take as they are shaped by culture and individual personality. Wants are marketed by marketers in such a way that everyone feel these wants should be mandatory part of life. We can take the examples of telephone, Internet, different variety of foods and clothing these all come under umbrella of human wants.

Any person can eat food to feed himself, but he want to eat fast food, fried rice and Chinese food. Cloths are required for a person to cover himself but we can see people wearing jeans, suit just because of culture influence.

Demands

Demand is want backed by buying power, human being have unlimited wants but resource are limited in the world. Its not possible that each human being get the desire things in the world. Wants are wishes of human, buying power will convert these wants to demand.

For Example,

Willingness to buy Mercedes is want but if you have the buying power then it becomes demand.

OR

4b.Analyze the concepts of market places, market spaces and meta markets with examples

Marketplaces are physical markets or shops or stores while Marketspaces are Digital Shops or Shopping websites.

Examples for market places are onion market , stock market

Examples for market spaces are amazon, ebay, flipkart

Metamarkets are closely related markets from the customer point of view but are different set of industries. For example, in the automobile meta market different industries are Automobile Manufacturers, Insurance Providers, Service Centers, Spares, Driving Academy, Finance Companies etc.

The reason why metamarkets are important is because they possess a common synergy. Industry can look into which metamarkets they can get into. For example, Maruti had got into Auto Driving School Business, while Mahindra and Tata Motors have their own Motor Finance companies.