



SHREE H.N.SHUKLA COLLEGE OF MANAGEMENT STUDIES, RAJKOT

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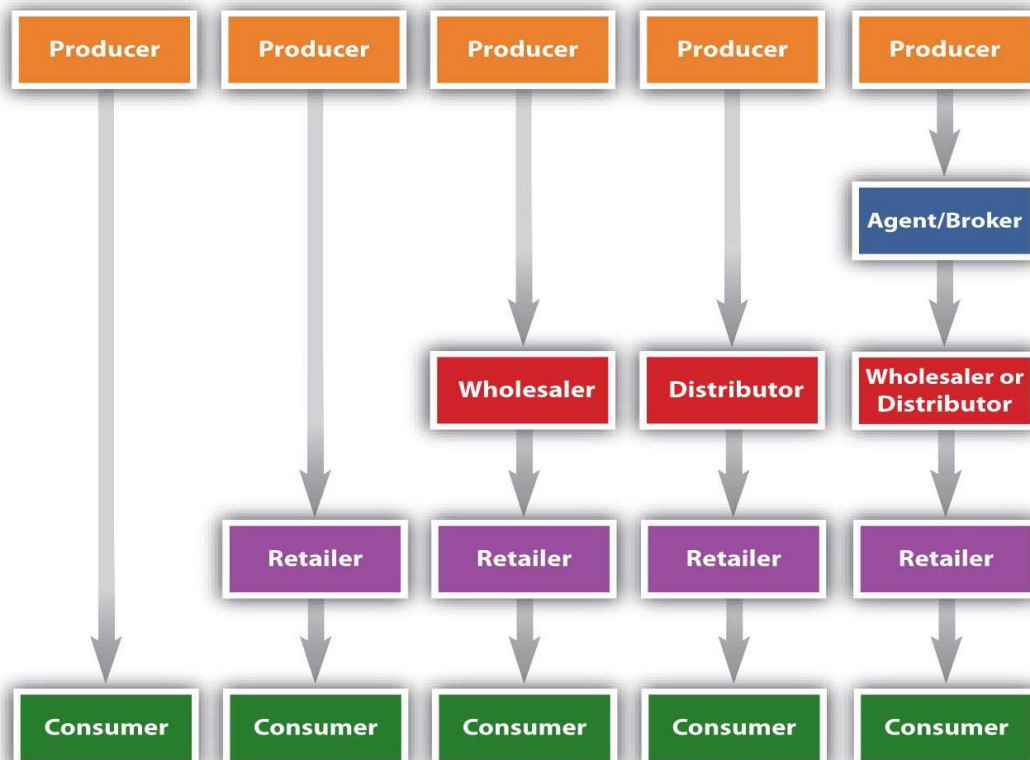
STUDY MATERIAL OF MBA SEM-2

SUB: MARKETING MANAGEMENT (4529203)

MODULE-4 CHAP-1 MANAGING DISTRIBUTION CHANNEL

MEANING OF MARKETING CHANNEL OR DISTRIBUTION CHANNEL

- ❖ Marketing channels refer to the people, organizations and activities that are needed in order for a business to transfer products from the production point to the consumption point.
- ❖ In other words, it is the way in which products and services reach an end user. Also known as a distribution channel, a marketing channel is an extremely





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important tool for management, and it is key to creating an effective marketing strategy.

ROLE/FUNCTIONS OF MARKETING CHANNEL

1. Information Provider:
2. Price Stability:
3. Promotion:
4. Financing:
5. Title:
6. Help in Production Function:
7. Matching Demand and Supply
8. Matching Buyers and Sellers:

IMPORTANCE OF MARKETING CHANNEL.

1. Timely delivery of products.
2. Maintain stock of products
3. Provide Market information
4. Promotion of goods
5. Provide Finance
6. Generate Employment
7. Distribution of risk

CHANNEL-DESIGN DECISIONS

Designing a marketing channel requires:-

1. Analyzing customer needs.



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2. Establishing channel objectives.
3. Evaluating major channel alternatives.

1. ANALYZING CUSTOMER NEEDS

Channels produce five service outputs:-

1. Lot Size: the number of units the channel permits a typical customer to purchase on one occasion.
2. Waiting and Delivery Time: the average time customers wait for receipt of goods.
3. Convenience:-Bata and Exide batteries have made it easier for consumers to access them.
4. Product Variety: assortment breadth provided by marketing channels.
5. Service Backup: the add-on services (credit, delivery installation, repairs) provided by channel .

2. ESTABLISHING OBJECTIVES AND CONSTRAINTS

- Marketers should state their channel objectives in term of targeted service output levels.
- Channel institutions should arrange their functional tasks to minimize total channel costs and still provides desired level of service outputs.
- Channel objectives vary with product characteristics :-
 1. Perishable products - direct marketing.
 2. Bulky products - channels that minimize shipping distance and amount of handling.
 3. Custom built machinery - company sales representatives.

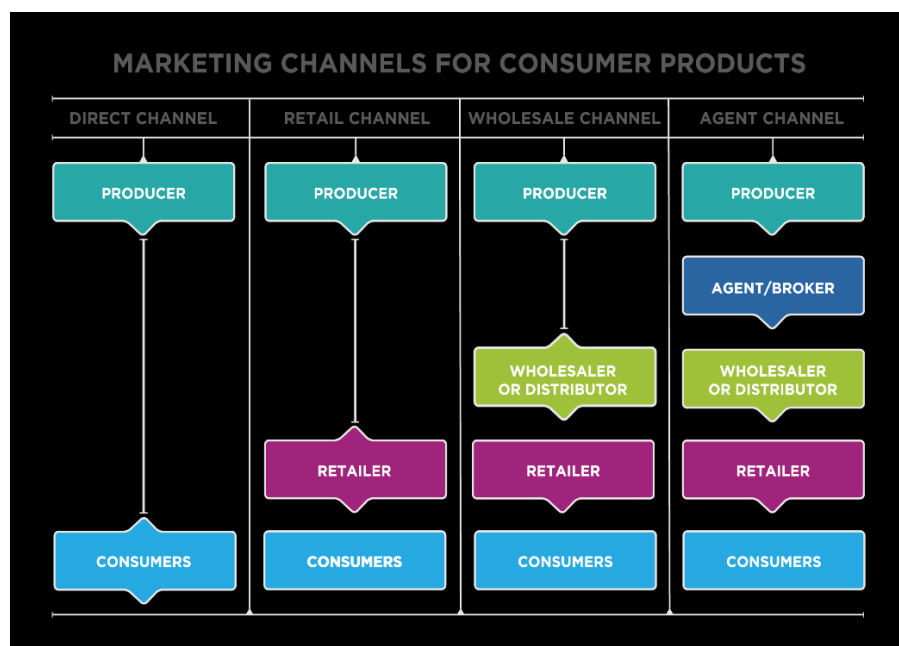


4. Products requiring installations and regular checkups – company owned or leased franchisees.

3. IDENTIFYING AND EVALUATING MAJOR CHANNEL ALTERNATIVES

A firm can choose from a wide variety channels for reaching customers:-

1. Sales force – complex product and transactions.
2. Internet – less expensive but not effective with complex products.
3. Distributors – can create sales but contact with customers is lost.
4. Manufacturer representatives – reach to different segment of customers and delivers the right product at low cost. If fails then leads to channel conflicts and excessive costs.





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CHANNEL-MANAGEMENT DECISIONS

After a channel has been chosen, company must:

1. Select.
2. Train.
3. Motivate.

CHANNEL INTEGRATION SYSTEM

1. HORIZONTAL MARKETING SYSTEM

- A horizontal marketing system is one in which two or more unrelated companies put together resources or programs to exploit an emerging market opportunity.
- Each one lacks capital, know how production, marketing resources to venture alone.
- Companies might work with each other on temporary or permanent basis.

2. VERTICAL MARKETING SYSTEM

- The producer, wholesaler and retailer acts a unified system.
- One channel member, the channel captain owns the others or franchises them has so much power that they all cooperate.
- VMS arose as a result of strong channel members' attempt to control behavior and eliminate the conflict.



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WHAT IS RETAILING?

Retailing includes all the activities involved in selling goods or services directly to final consumers for personal, non-business use.

MAJOR RETAILER TYPES

- Specialty store (Narrow product line e.g. The Body Shop)
- Department store (Pakeeza)
- Supermarket (Large, low cost, low margin, high volume, self service store designed to meet total needs of food and household products e.g. Big Bazaar)
- Convenience store (small store in residential area)
- Discount store (Low Price Low Margin, high volume e.g. Wal Mart)
- Off-price retailer (irregular merchandise sold at less than retail)
- Superstore (huge selling space, routinely purchased food and household items plus services like laundry, dry cleaning)
- Catalog showroom (Broad selection of high mark up, fast moving, brand name goods sold by catalog at discount)

Non-store Retailing

- Direct selling (Multilevel selling/ network marketing e.g. Amway)
- Direct marketing (includes direct mail, catalogue marketing, telemarketing, electronic shopping)



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- Automatic vending (cigarettes, soft drinks, newspaper, candy, coffee, tea, magazine)
- Buying service (storeless retailer serving a specific clientele- usually employees of large organizations- who are entitled to buy from a list of retailers that have agreed to give discounts in return for membership)

Store Atmosphere

- Walls
- Lighting
- Product placement
- Floors
- Surface space
- Music

MEANING OF WHOLESALING

- ▶ Wholesaling is the business of distributing goods in bulk to other businesses that repackage them in smaller quantities for sale directly to consumers.
- ▶ Wholesaling is one step in the supply chain that starts with a supplier of raw materials and ends with a sale to an end user. Wholesalers are not usually manufacturers.

Wholesaling Functions

- ▶ Selling and promoting
- ▶ Buying and assortment building
- ▶ Warehousing
- ▶ Transportation



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- ▶ Financing
- ▶ Risk bearing
- ▶ Market information
- ▶ Management services and counseling

Major Wholesaler Types

- ▶ Merchant
- ▶ Full-service
- ▶ Limited-service
- ▶ Brokers and agents
- ▶ Manufacturers
- ▶ Specialized

1) Merchant Wholesalers

These are the most common type of wholesalers used in the FMCG industry, agriculture industry or Private label industry. Quite simply, Merchant wholesalers are the ones who buy directly from the manufacturer, store the product and then sell it to the customer. They might sell in any channel and they are not restricted to selling to retail only or to online only.

2) Full-service Wholesalers – Retail Wholesalers

They are most commonly observed in Consumer Durables or Engineering products. The full-service type of wholesalers is, as the name suggests, giving full service to the end retailer. These wholesalers mainly operate in the retail market



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and sell products to a reseller (a retailer in this case) everything except service of the product is the responsibility of the full-service wholesaler.

3) Limited Service Wholesalers

A limited service wholesaler is someone who stocks the products of the company and sells it in a limited channel. He does not have a large turnover or does not cover all channels of the company.

4) Brokers and Agents

Most commonly observed in the real estate industry or in the chemical markets. A broker assumes no risk. He has the producer or the manufacturer on one side and he has the buyer on the other side. The work of the broker is to get the deal done and he gets a commission on the deal.

5) Branches and mini offices/ Manufacturer

Although branches and mini offices do not come in the various types of wholesalers, these are common ways for companies to start selling their products in a region they are targeting. A branch can also be called a type of wholesaling wherein the branch directly picks the orders from the end customers in bulk and ensures the supply and reorders from the customer.

6) Specialized wholesalers

These are wholesalers who do wholesale of specialized items only. Example – A used car wholesaler who sells directly to customers or to other used car dealers. He is specialized in used cars and knows the ins and outs of selling a used car to consumers or refurbishing the used cars.

Market Logistics Planning

- ▶ Deciding on the company's value proposition to its customers
- ▶ Deciding on the best channel design and network strategy



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- ▶ Developing operational excellence
- ▶ Implementing the solution

What are Integrated Logistics Systems?

An integrated logistics system (ILS) includes materials management, material flow systems, and physical distribution, aided by information technology.

Market Logistics

- ▶ Sales forecasting
- ▶ Distribution scheduling
- ▶ Production plans
- ▶ Finished-goods inventory decisions
- ▶ Packaging
- ▶ In-plant warehousing
- ▶ Shipping-room processing
- ▶ Outbound transportation
- ▶ Field warehousing
- ▶ Customer delivery and servicing

Transportation Factors

- ▶ Speed



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- ▶ Frequency
- ▶ Dependability
- ▶ Capability
- ▶ Availability
- ▶ Cost

MODULE-4 CHAP-2 MANAGING MARKETING COMMUNICATION

WHAT ARE MARKETING COMMUNICATIONS?

- Marketing communications are the means by which firms attempt to inform, persuade, and remind consumers, directly or indirectly, about the products and brands they sell.
- Loosely defined, Mar Com can be described as all the messages and media you deploy to communicate with the market in order to reach your target audience.

ROLE OF MARKETING COMMUNICATIONS

1. VOICE OF THE COMPANY

- Represent the voice of the company and its brands
- The goal is to stimulate a dialogue that will lead to a succession of purchases

2. CONTRIBUTE TO CUSTOMER EQUITY



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- Means by which a firm can establish a dialogue and build relationships with consumers.

3. CONTRIBUTE TO BRAND EQUITY

- By creating brand awareness and brand image in consumer's memories, Every brand delivers an impression that can strengthen or weaken a customer's view of a company

4. PROVIDE PRODUCT INFORMATION

- Companies can tell or show consumers how and why a product is used, by whom, when and where.
- Consumers can also learn who makes the product, and what the company and brand stand for

5. LEAD TO PURCHASE

- They boost sales, strengthen brand loyalty, and can act as a catalyst for business growth

MODES OF MARKETING COMMUNICATIONS

- Advertising
- Sales promotion
- Events and experiences
- Public relations and publicity
- Direct marketing
- Interactive marketing



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- Word-of-mouth marketing
- Personal selling

COMMUNICATION PLATFORMS

1. Advertising

- Print and broadcast ads
- Packaging inserts
- Motion pictures
- Brochures and booklets
- Posters
- Billboards
- POP displays
- Logos
- Videotapes

2. Sales Promotion

- Contests, games, sweepstakes
- Premiums
- Sampling
- Trade shows, exhibits
- Coupons
- Rebates



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- Entertainment
- Continuity programs

3. Events/ Experiences

- Sports
- Entertainment
- Festivals
- Art
- Causes
- Factory tours
- Company museums
- Street activities

4. Public Relations

- Press kits
- Speeches
- Seminars
- Annual reports
- Charitable donations
- Publications
- Community relations



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- Lobbying
- Identity media
- Company magazine

5. Personal Selling

- Sales presentations
- Sales meetings
- Incentive programs
- Samples
- Fairs and trade shows

6. Direct Marketing

- Catalogs
- Mailings
- Telemarketing
- Electronic shopping
- TV shopping
- Fax mail
- E-mail
- Voice mail
- Blogs
- Websites



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Word-of-Mouth Marketing

- Person-to-person
- Chat rooms
- Blogs

STEPS IN DEVELOPING EFFECTIVE COMMUNICATIONS OR MANAGING IMC

Step-1 Identify target audience

Step-2 Determine objectives

Step-3 Design communications

Step-4 Select channels

Step-5 Establish budget

Step-6 Decide on media mix

Step-7 Measure results/manage IMC

STEP-1 IDENTIFY THE TARGET AUDIENCE

- The process must start with a clear target audience in mind.
- Potential buyer of the company's product, current users, deciders or influencers, individuals, groups, particular public or general public..

STEP-2 DETERMINE THE COMMUNICATIONS OBJECTIVES

- Category need



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- Brand awareness
- Brand attitude
- Purchase intention etc.

STEP-3 DESIGNING THE COMMUNICATIONS

- Message strategy :
- Creative strategy: It is the way marketers translates their messages into specific communication.
- Informational appeals :
It elaborates on product or service attributes or benefits. (Problem solution, product demo., product comparison)
- Transformational appeals :
It elaborate on a non-product related benefit or image
 - Fear
 - Guilt
 - Shame
 - Humor
 - Joy
 - Pride

STEP-4 SELECT COMMUNICATION CHANNELS

Personal channels:



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- Two or more persons communicate face to face, person to audience, over the telephone, through e-mail.
- Expert channel
- Social communication
- Non personal channels
- Integration of channels

NON-PERSONAL COMMUNICATION CHANNELS

- Media
- Sales promotion
- Events and experiences
- Public relations

STEP-5 ESTABLISH THE TOTAL MARKETING COMMUNICATION BUDGET

- Affordable
- Percentage-of-sales
- Competitive parity
- Objective-and-task

STEP-6 SELECT MEDIA MIX

- Advertising
- Sales Promotion
- Public Relations and Publicity



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- Direct Marketing
- Personal Selling
- Word-of-Mouth Marketing

STEP-7 MEASURE RESULTS/MANAGE IMC

- Outcomes & revenues
- Whether they recognize or recall message?
- How many times they saw it?
- What points they recall?
- How they felt about message?
- How many people bought the product?

MODULE-4 CHAP-3 MANAGING MASS COMMUNICATION

POINTS TO BE DISCUSS:

- **Advertising:**
 - 5 M's



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- **Sales Promotions:**
 - **Major sales promotion tools**
- **Events, Experiences:**
 - **Objectives and sponsorship decisions**
- **PR:**
 - **Functions and PR decisions**
 - **Tools in marketing PR**

INTRODUCTION:

- The five M's of advertising are described by Philip Kotler in his book Marketing Management, Eleventh Edition.
- Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.
- In developing an advertising program, always start with identifying the target market and the buyer's motives. After that, make the five major decisions in developing the advertising program known as the Five M's of Marketing.
- They are: mission, money, message, media and measurement.

MEANING OF ADVERTISEMENT:

Advertising is a means of communication with the users of a product or service.

Advertisements are messages paid for by those who send them and are intended to inform or influence people who receive them.

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.



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FIVE M'S OF ADVERTISEMENT:

- Mission
- Money
- Message
- Media
- Measurement

1ST M=MISSION OF ADVERTISEMENT:

- The mission has two parts: specific sales volume goals for a period of time and the advertising objective.
- Advertising objectives are specific communication tasks to be accomplished with a specific audience in a specific period of time.
- In other words, who and how many will believe what when? For a new retail clothing store, the mission may be to increasing awareness of the store's existence by people living in the surrounding area who have household incomes in a certain range.
- A more specific statement than this would be even better. If you knew by what percentage your increase of awareness would be and by when, it would make your communications more effective.
- The above statement should also be more descriptive of the target market. What about your competition? Advertising can attempt to stimulate primary demand for the product category itself or the specific brand you are selling. If your ad mentions your brand name, should it also mention the competitor's brand name specifically, or should it just reference those "other brands" or should it not hint at the competition at all?



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- New brands entering a competitive market often choose to just talk about their own brand and it's benefits.
- Advertising Objectives
There are four possible objectives of an advertisement: to inform, to persuade, to remind and to reinforce.

2ND M=MONEY OF ADVERTISEMENT:

- It is difficult to know exactly how much you should spend on advertising.
- Any amounts of money spent are written in the accounting books as an expense in the period that the expenditure was made. Advertising expenses are not capitalized.
- To capitalize means to record as an asset and then depreciate that asset over time.
- Money spent on advertising builds the intangible asset called brand equity which exists in the minds of the people in the market.
- There are five factors to consider when setting the advertising budget as described by Philip Kotler in his book Marketing Management, Eleventh Edition, as he references Strategic Advertising Campaigns by Donald E. Schultz, Dennis Martin and William P. Brown. They are: the stage in the product life cycle, market share and consumer base, competition and clutter, advertising frequency and product suitability.

3RD M=MESSAGE OF ADVERTISEMENT:

- Before discussing the process of generating a message, it should be noted that there are two main types of advertising: product advertising and institutional advertising. Product advertising attempts to sell a product or service that is aimed at either final users or distribution channel members. Institutional



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advertising attempts to sell an organization's image, reputation or ideas. The objective is to promote organization's goodwill.

- The process of developing the advertising message involves message generation, message evaluation, message selection, message execution. The objective here is to create an effective message. With the target audience in mind, the message should be something that they can relate to and believe. For example, some ads show people solving problems with the product. Some ads simply show people having a good time using the product.
- helps if the message is memorable and unique.
- The message should be easily understood and be more than just the facts.
- In the fashion industry, many advertisements for high-end designer fashions include social and status benefits of wearing a particular brand of clothing.
- A product is portrayed as being exclusive. For lower-end clothing, an ad might focus on the product's comfort while wearing it or its low price.
- How the message is delivered is also important. Ads are often designed to appeal to the emotions with a positive tone, appealing music, attractive colours, appealing images, humour or a testimonial.
- Caution must be observed that the ad does not cross social or legal norms. The ad should not be offensive to anyone including ethnic, racial and minority groups.
- The ad should not be false or deceptive. If you are advertising a product for a certain price, you must be willing to sell it for that price. Also, if an item is ticketed at a certain price, you must be willing to sell it at that price.

4TH M=MEDIA OF ADVERTISEMENT:

- The method of message delivery is made after you have decided on the message. Choose media that will reach your target audience.



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- That media must also be able to reach and create an impact on the consumer. An ad for ladies designer purses will likely have a greater impact in a fashion magazine than in a home gardening magazine.
- Also, to create an impact, the message must be well-designed and it may have to be repeated several times.
- It may be in more than one media form. The media mix is the use of two or more different media forms in one advertising plan that are usually scheduled either simultaneously or close to each other.
- It must also be within your budget. One of the other decisions you have to make is who will actually do the work.
- For example, if you are confident with your computer and design skills, you can create your own ad on a computer and send it to the print media company for publishing.
- To “farm out” is to give work out to people other than yourself or your own employees. This is also called outsourcing.
- There are several terms that an advertising agency will use that are useful to know.
- An advertising agency is an organization that typically creates advertising messages on behalf of its advertiser clients and then places those messages on various media forms.
- A full service advertising agency will do the above functions and more. They will be able to conduct marketing research, develop marketing and media strategies, develop the message content itself by either doing it themselves or outsourcing the work and supervising the process and report back to the client the progress and success of the advertising campaign.

5TH M=MEASUREMENT OF ADVERTISEMENT:

- To better plan for future advertisements, many companies have set up formal measurement systems that attempt to evaluate an ads effectiveness.



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- Larger companies will develop an ad campaign and test it in a certain geographic region before launching it nationally.
- To do this research, marketers ask two different questions. First, they ask if the message was effectively communicated to the target audience.
- Secondly, they ask if the ad generated additional sales volumes.
- Effective communication could be measured by conducting primary market research to ask if the audience remembers, understands and believes the advertising message.
- They could also be asked how they feel about the ad and if it might influence their purchasing decisions in the future.
- Measuring changes in sales volumes can be more difficult because there are many factors that influence a person's decision to buy a product.
- A competitor may have also just launched an aggressive ad campaign. Simply looking at your sales figures for the period of time in question does not tell the whole story.

DEFINITION OF SALES PROMOTION:

According to A.H.R. Delens:

“Sales promotion means any steps that are taken for the purpose of obtaining an increasing sale.

According to American Marketing Association

“Those activities that supplement both personal selling and advertising, coordinate them and help to make them more effective”.

SALES PROMOTION TOOLS:

The main consumer promotion tools include...

- 1. Samples**
- 2. Coupons**



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3. **Demonstration,**
4. **Contests**
5. **Cash refund offer**
6. **Premium**
7. **Price off' offer**
8. **Consumer sweepstakes**
9. **Buy back allowances**

1. SAMPLES:

- Samples are one of the most important tools of sales promotion. Samples are defined as offers to consumers of a small amount of a product for trial.
- Free samples are given to consumers to generate their interest in the product. Samples help consumers verify the quality of the product.
- Samples are delivered at the doors of consumers. They are also sent by mail or given to customers in the retail store itself. Sometimes, samples are attached to another product.
- Though sampling is effective, producing numerous samples of a product is quite expensive. Moreover, distributing samples to customers also involves expenditure.

2. COUPONS:

- A coupon is a certificate that fetches buyers a saving when they purchase a specified product. Coupons are generally issued along with the product.
- They entitle the holder to either a specified saving on a product or a cash refund.

Coupons are designed



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- to introduce a new product
- to promote the sale of an established product
- to sell a product in large sizes
- to stimulate customers to switch brands; and
- to encourage repeat sales.

3. DEMONSTRATION:

- Demonstration is required when products are complex and of a technical nature.
- Customers are educated as to how to make proper use of the product. Demonstration of products induces customers to buy.
- Demonstrations are provided free of cost.

4. CONTESTS:

- Contests are the promotion events that give consumers the chance to win something such as cash, trips or goods.
- Contests are conducted to attract new customers.
- They introduce new product by asking the prospects to state the reasons for the purchase of the product.
- The buyer purchases the product and submits the evidence of purchase with entry form for contest.
- Entry forms are duly filled by the buyers.
- A panel of judges selects the best and buyers are given prizes.

5. CASH REFUND OFFER:

- Cash refund offers are rebates allowed from the price of the product.



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- It is an offer to refund part of the purchase price of a product to consumers who send a proof of purchase to the manufacturer.
- Moreover, if the purchaser is not satisfied with the product, the whole price or part of it will be refunded.
- Cash refunded offer is stated on the package.

6. PREMIUM:

- Premium refers to goods offered either free or at low cost as an incentive to buy a product.
- A premium may be inside the package, outside it or received through mail. The reusable package itself serves as a premium.
- Premium is generally offered for consumer goods such as soap, toothpaste, etc.
- Direct premium can be inside the pack or outside it. A reusable container can be reused after the product is reused.
- Free in mail premium means a premium item will be sent by mail to consumers who present proof of purchase to the manufacturer.

7. 'PRICE OFF' OFFER:

- Goods are sold at reduced prices during slump season.
- Reduction in prices stimulates sale of goods.

8. CONSUMER SWEEPSTAKES:

- A sweepstakes calls for consumers to submit their names for a draw.
- Names of consumers are included in a list of prize winning contest.
- The lots are drawn and the winners get prizes.



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9. BUY BACK ALLOWANCES:

- Allowances are granted to buyers on the basis of their previous purchases.
- In other words, buy back allowances are given for new purchases, based on the quantity of goods bought previously.

WHY SPONSOR EVENTS? OR OBJECTIVE OF SPONSORSHIP:

- To identify with a particular target market or life style
- To increase brand awareness
- To create or reinforce consumer perceptions of key brand image associations
- To enhance corporate image
- To create experiences and evoke feelings
- To express commitment to community
- To entertain key clients or reward employees
- To permit merchandising or promotional opportunities

DECISIONS USING SPONSORED EVENTS:

- Establish objectives
- Choose events
- Design programs
- Measure effectiveness

WHAT IS PUBLIC REALTIONS (PR):

- Public relations (PR) refer to the variety of activities conducted by a company to promote and protect the image of the company, its products and policies in the eyes of the public.



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- Public relations consists number of programme to protect company's image and its particular product image.
- Public relations are a broad set of communication activities used to create and maintain favorable relations between the organization and its publics. Customers, employees, stockholders, government are officials and society

PUBLIC RELATIONS FUNCTIONS:

- (1) **Press relations** – To put information about organization in a very positive way.
- (2) **Publicity of Product** – It can be done by publicizing the events to make publicity of Products.
- (3) **Effective Communication** – It is necessary to create and promote understanding of the organization. It can be obtained through internal and external communication.
- (4) **To Promote Lobbying** – It necessary to deal with legislators or government as to encourage or discourage a particular legislation or regulation.
- (5) **Counseling** – It is to advice the management about public issues, position of the company and image during the good and bad times.

TASKS AIDED BY PUBLIC RELATIONS:

- Launching new products
- Repositioning a mature product
- Building interest in a product category
- Influencing specific target groups



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- Defending products that have encountered public problems
- Building the corporate image in a way that reflects favorable on products

MAJOR TOOLS IN MARKETING PR:

- Publications
- Events
- Sponsorships
- News
- Speeches
- Public Service Activities
- Identity Media

DECISIONS IN MARKETING PR:

- Establish objectives
- Choose message & vehicles
- Implement & Evaluate results



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MODULE-4 CHAP-4 MANAGING PERSONAL COMMUNICATION

POINTS TO BE DISCUSSED:

- 1. Direct Marketing**
- 2. Interactive Marketing**
- 3. Word of Mouth**
- 4. Personal Selling**

TOPIC-1 DIRECT MARKETING:

- ❖ Meaning of Direct marketing
- ❖ Benefits of Direct marketing
- ❖ Different Direct marketing channels

MEANING OF DIRECT MARKETING:



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Direct marketing is the use of consumer-direct channels to reach and deliver goods and services to customers without using market middlemen.

Direct marketing is a promotional method that involves presenting information about your company, product, or service to your target customer without the use of an advertising middleman. It is a targeted form of marketing that presents information of potential interest to a consumer that has been determined to be a likely buyer.

BENEFITS OF DIRECT MARKETING:

1. High segmentation and targeting.

- One of the great advantages of this type of marketing is that you can reach your specific audience segments with personalized messages. If you want to succeed, you should invest time to research and identify the consumers most likely to convert and thus direct your efforts to actions that really work.

2. Optimize your marketing budget.

- Addressing online direct marketing to a specific audience allows you to set realistic goals and improve your sales on a tight budget. If you properly optimize your direct campaign, you will achieve results with only a small percentage of the cost of traditional advertising.

3. Increase your sales with current and former clients.

- Digital direct marketing lets you communicate with your current customers to keep the relationship alive while continuing to bring value. It also allows you to get back in touch with old customers and generate new sales opportunities.

4. Upgrade your loyalty strategies.

- Direct contact with your customers allows you to customize your promotions, emails, and offers to create an instant bond. To maximize results, you can combine your direct marketing methods with your loyalty program.



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5. Create new business opportunities.

- Direct marketing allows you to adapt to market demands at all times and respond more effectively.

6. Tests and analyzes the results.

- Direct response campaigns give you the opportunity to directly measure your results. Take the opportunity to squeeze the most of your tests and make decisions in real time.

DIRECT MARKETING CHANNELS:

- ❖ Direct mail
- ❖ Catalogs
- ❖ Tele marketing
- ❖ Brochures
- ❖ Fliers
- ❖ Post cards
- ❖ Coupons
- ❖ Targeted online display ads
- ❖ Text messages

TOPIC- 2 INTERACTIVE MARKETING:



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- ❖ Meaning of Interactive marketing.
- ❖ Advantages and disadvantages of Interactive marketing.
- ❖ Interactive marketing communication options.

MEANING OF INTERACTIVE MARKETING:

- Interactive marketing is a new direction of work with end-users, assuming direct participation of the consumer in the advertising campaign.
- Interactive marketing includes the enormous possibilities of Internet resources such as games, contests, social networks and other related services.
- By itself, interactive marketing is a form of direct marketing. However, taking into account its wide distribution in the world at present, it is fair to single out interactive marketing in an independent form of marketing communications.

EXAMPLE OF INTERACTIVE MARKETING:

- **Coca-Cola.** The campaign entitled "Share Coca-Cola with ...", in which the famous logo on the bottle was replaced by different names, is very popular all over the world.
- In fact, this is a viral action aimed at launching a new trend in social networks.
- In Instagram, the hashtag of the #shareacoke campaign has already been used more than 340,000 times, with 96% of the reviews either positive or neutral.
- Place in a profile photo with a bottle of Cola means not just enjoy a drink. It's about capturing the moment, and the name that flaunts on the bottle gives the moment a special importance.

ADVANTAGES INTERACTIVE MARKETING:

- Increased Sales Conversions
- Lower Overhead Expenses



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- Audience Engagement
- Social Network Sharing
- Feedback/Easy to track responsiveness

ADVANTAGES INTERACTIVE MARKETING:

- Increased Sales Conversions
- Lower Overhead Expenses
- Audience Engagement
- Social Network Sharing
- Feedback/Easy to track responsiveness

INTERACTIVE MARKETING COMMUNICATION OPTIONS:

- Websites
- Search ads
- Display ads
- Internet-specific ads and videos
- Sponsorships
- Online communities
- Email
- Mobile marketing



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TOPIC-3 WORD OF MOUTH:

❖ Meaning of Word of Mouth

❖ Platforms of Word of Mouth

1. Social Media
2. Viral marketing,
3. Opinion leaders

MEANING OF WORD OF MOUTH:

- **Word-of-mouth** An unpaid form of promotion in which satisfied customers tell other people how much they like a business, product or service.
- **Traditionally** word of mouth marketing was spread from one person to another based on recommendation.
- **Modern** word of mouth marketing describes both targeted efforts and naturally occurring instances where users share their satisfaction with a brand.

PLATFORMS OF WORD OF MOUTH:

1. Social Media:

- It's not that social media and online word of mouth don't matter; they do. In fact, half of all word of mouth takes place online. However, research shows that offline word of mouth is more persuasive.
- According to a study by the Keller Fay Group, 50 percent of consumers say they are very likely to make a purchasing decision based on a real-life conversation. Meanwhile, 43 percent of consumers feel the same way after an online discussion.

2. Viral marketing:



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- A method of marketing whereby consumers are encouraged to share information about a company's goods or services via the Internet.

3. Opinion leaders:

- An opinion leader can deliver product information, provide recommendations, give personal comments, and supplement professional knowledge to help a company to promote its products.

TOPIC-4 PERSONAL SELLING:

- ❖ **Meaning of Personal selling**
- ❖ **Steps in Effective Selling**

MEANING OF PERSONAL SELLING:

- Personal selling is where businesses use people (the "sales force") to sell the product after meeting face-to-face with the customer.
- The sellers promote the product through their attitude, appearance and specialist product knowledge.
- They aim to inform and encourage the customer to buy, or at least trial the product.

STEPS IN EFFECTIVE SELLING:

- 1. Prospecting/qualifying**
- 2. Pre approach**
- 3. Approach**
- 4. Presentation**
- 5. Overcoming objections**



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6. Closing

7. Follow up

1. PROSPECTING/QUALIFYING:

- Prospecting is finding and qualifying potential customers.
- Qualifying is the process of determining whether a potential customer has a need or want that the company can fulfill, and whether the potential client can afford the product.

2. PRE APPROACH:

- Preparation involves preparing for the initial contact with a potential customer.
- You will need to collect and study relevant information, such as product descriptions, prices, and competitor information.
- You will also need to develop your initial sales presentation.

3. APPROACH:

- Approach is the first face-to-face interaction you will have with the potential customer.
- In the premium approach, you give your prospect a gift at the beginning of the interaction.
- It may be a pen, a novelty item or company calendar, for example. Another method is the question approach, in which you ask a question to get the prospect interested.



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- For example, 'Would you have a problem making a 15% annual return on an investment?' You may also use the product approach, in which you give the prospect a sample to review.
- The idea behind all of these approaches is to get the prospect involved in the interaction quickly.

4. PRESENTATION:

- Presentation is actively listening to the needs and wants of the potential customer and demonstrating how your product can meet those needs and wants.
- After the salesman has found a prospect and he has matched the customer's wants with his product, he becomes ready to make a sales presentation.
- The sales presentations is closely related to the buying process of customers.
- The sales interview should generally go according to AIDA theory (i.e., Attention, Interest, Desire and Action).

5. OVERCOMING OBJECTIONS:

- Handling objections is an important part of the process.
- Objections can be useful because they tell the salesperson what to focus upon in addressing a prospect's concerns.
- Successful salespeople learn how to overcome objections through preparation and having the right information at hand to address them.

6. CLOSING:

- Closing involves identifying closing signals from the prospect that indicate it's decision time. There are different approaches to closing.



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- In the alternative choice close, you assume the sale and offer the prospect a choice such as, 'Will this be a cash or credit transaction?' An extra inducement close involves you offering something extra to get the buyer to agree, such as a discount or a free product.
- In the standing room only close, you inform the prospect that time is of the essence because some impending event, such as a price increase, will change the terms of the offer.

7. FOLLOW UP:

- Follow-up is building a long-term relationship with your customer for purposes of repeat sales.
- For example, you make contact with the customer sometime after the sale and make sure the product was received and is in good condition.
- Again, the idea is not to sell at this stage, but to create a solid relationship for future sales.



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Sr.No.	Question	Answer
1.	Marketing channels refer to the people, organizations and activities that are needed in order for a business to transfer products from the production point to the consumption point. True/False?	True
2.	Also known as a distribution channel, a marketing channel is an extremely important tool for management, and it is key to creating an effective marketing strategy. True/False?	True
3.	What is the number of units the channel permits a typical customer to purchase on one occasion?	Lot Size
4.	What is the average time customers wait for receipt of goods?	Waiting and Delivery Time
5.	Marketers should state their channel objectives in term of what?	Targeted service output levels.
6.	Who should arrange their functional tasks to minimize total channel costs and still provides desired level of service outputs?	Channel institutions
7.	What is one in two or more unrelated companies put together resources or programs to exploit an emerging market opportunity?	A horizontal marketing system



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8.	What arose as a result of strong channel members' attempt to control behavior and eliminate the conflict.?	A Vertical marketing system
9.	What includes all the activities involved in selling goods or services directly to final consumers for personal, non-business use?	Retailing
10.	What is one of the most important tools of sales promotion?	Samples
11.	What are defined as offers to consumers of a small amount of a product for trial?	Samples
12.	Free samples are given to consumers to generate their interest in the product. Samples help consumers verify the quality of the product. True/False?	True
13.	What is a certificate that fetches buyers a saving when they purchase a specified product?	A coupon
14.	What is required when products are complex and of a technical nature?	Demonstration
15.	What are the promotion events that give consumers the chance to win something such as cash, trips or goods?	Contests
16.	Contests are conducted to attract whom?	New customers
17.	What offers are rebates allowed from the price of the product?	Cash refund



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18.	What refers to goods offered either free or at low cost as an incentive to buy a product?	Premium
19.	Allowances are granted to buyers on the basis of what?	Their previous purchases
20.	What is the business of distributing goods in bulk to other businesses that repackage them in smaller quantities for sale directly to consumers?	Wholesaling
21.	Wholesaling is one step in the supply chain that starts with a supplier of raw materials and ends with a sale to an end user. True/False?	True
22.	Who buy directly from the manufacturer, store the product and then sell it to the customer?	Merchant wholesalers
23.	In which way the marketers translates their messages into specific communication?	Creative Strate
24.	What elaborates on product or service attributes or benefits. (Problem solution, product demo., product comparison?	Informational appeals
25.	What elaborate on a non-product related benefit or image?	Transformational appeals
26.	Any amounts of money spent are written in where as an expense in the period that the expenditure was made?	The accounting books
27.	What are given for new purchases, based on the quantity of goods bought previously?	Buy back allowances



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28.	What refer to the variety of activities conducted by a company to promote and protect the image of the company,its products and policies in the eyes of the public?	Public relations (PR)
29.	Public relations consists number of programme to protect company's image and its particular product image. True/False?	True
30.	What is a broad set of communication activities used to create and maintain favorable relations between the organization and its publics?	Public relations
31.	What is the use of consumer-direct channels to reach and deliver goods and services to customers without using market middlemen?	Direct marketing
32.	What is a promotional method that involves presenting information about your company, product, or service to your target customer without the use of an advertising middleman?	Direct marketing
33.	Addressing online direct marketing to a specific audience allows you to set realistic goals and improve your sales on a tight budget. True/False?	True
34.	What lets you communicate with your current customers to keep the	Digital direct marketing



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	relationship alive while continuing to bring value?	
35.	What is a new direction of work with end-users, assuming direct participation of the consumer in the advertising campaign	Interactive marketing
36.	Interactive marketing includes the enormous possibilities of Internet resources such as games, contests, social networks and other related services. True/False?	True
37.	Advertising expenses are not capitalized. True/False?	True
38.	What means to record as an asset and then depreciate that asset over time?	Capitalize
39.	Money spent on advertising builds the intangible asset called what?	Brand equity
40.	Advertisements are messages paid for by those who send them and are intended to inform or influence people who receive them. True/False?	True
41.	Advertising objectives are specific communication tasks to be accomplished with a specific audience in a specific period of time. True/False?	True
42.	New brands entering a competitive market often choose to just talk about their own brand and it's benefits. True/False?	True



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43.	What are four possible objectives of an advertisement?	To inform, to persuade, to remind and to reinforce.
44.	Is it difficult to know exactly how much you should spend on advertising?	Yes
45.	interactive marketing is a form of what?	Direct marketing
46.	What is An unpaid form of promotion in which satisfied customers tell other people how much they like a business, product or service?	Word-of-mouth
47.	Modern word of mouth marketing describes both targeted efforts and naturally occurring instances where users share their satisfaction with a brand. True/False?	True
48.	What is A method of marketing whereby consumers are encouraged to share information about a company's goods or services via the Internet?	Viral Marketing
49.	Who can deliver product information, provide recommendations, give personal comments, and supplement professional knowledge to help a company to promote its products?	An opinion leader
50.	where businesses use people (the "sales force") to sell the product after	Personal selling



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	meeting face-to-face with the customer?	
51.	What involves identifying closing signals from the prospect that indicate it's decision time?	Closing
52.	What is building a long-term relationship with your customer for purposes of repeat sales?	Follow-up
53.	In the standing room only close, you inform the prospect that time is of the essence because some impending event, such as a price increase, will change the terms of the offer. True/False?	True
54.	You make contact with the customer sometime after the sale and make sure the product was received and is in good condition is known as?	Follow-up
55.	In developing an advertising program, always start with identifying the target market and the buyer's motives. True/False?	true
56.	What are the 5 M's of advertising?	Mission, Money, Message, Media and Measurement
57.	Advertising is a means of communication with the users of a product or service. True/False?	True
58.	What is any paid form of non-personal presentation and promotion of ideas,	Advertising



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	goods or services by an identified sponsor?	
59	_____ is the concept under which a company carefully integrates and coordinates its many communications channels to deliver a clear, consistent, and compelling message about the organization and its products.	Integrated marketing communications
60	Newsletters, catalogues, and invitations to organization-sponsored events are most closely associated with the marketing mix activity of---	Promotion
61	When producers, wholesalers, and retailers act as a unified system, they comprise a _____	Vertical marketing system.
62	Marketing channel that involves no intermediaries to made their products available to final buyers is classified as	Flexible channel
63	Logistics means_____.	Flow of goods.
64	Logistics management is a part of _____	Consumption.
65	Marketing buzz means_____.	Viral marketing.
66	The technique of using the social network on the internet to create the brand image is called as _____.	Viral-marketing.
67	Which of the following is not included in the function of physical supply:	Standardization.
68	Super market is also known as_____.	Self service store
69	The best channel of distribution for vacuum cleaner is _____.	Direct marketing.
70	M P R stands for:	Marketing public relations.
71	E- marketing is a part of_____.	E-commerce.
72	_____ advertisement is a small, graphic links placed on a web page.	Banner.
73	Social marketing is used as an instrument to achieve the goals of_____.	Society.
74	_____ is the oral presentation in a conversation with one or more prospective buyers for the purpose of making sales.	Personal selling.
75	Transportion belongs to_____function of marketing.	Physical supply
76	_____ is a broad range of activities concerned with efficient movement of finished goods from the end of the production line to the consumer.	Physical distribution.
77	Which of the following is not a non-store retailing:	Retail chains.



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78	Which one of the following is not a sales promotion tool:	Advertisement.
79	Which of the following is known as market aggregation?	Mass marketing.
80	_____ refers to word of mouth through electronic channels.	Viral marketing.
81	In _____ manufacturers supply products to a limited number of outlets in the target market.	Selective distribution
82	Today, companies have to manage relation with their _____ in order to ensure timely supplies and meet customers' requirements.	Suppliers.
83	A price reduction to buyers who pay their bills promptly is called _____.	Cash discount.
84	Which company is the pioneer in direct marketing.	Eureka Forbes.
85	Which of the following is not an element of promotion mix?	Branding.
86	_____ is a paid form of communication by an identified sponsor.	Advertisement.
87	_____ refers to gifts given to dealers or to sales force to push the manufacturers product.	Specialty advertising
88	Ensuring the availability of the products and services as and when required by the customers is utility.	Time.
89	All of the following would be considered to be in a company's microenvironment EXCEPT:	political forces
90	_____ help the company to promote, sell, and distribute its goods to final buyers.	Marketing intermediaries
91	The type of customer market that buys goods and services for further processing is called a:	business market.
92	If your company were to make a product, such as a suit of clothes, and sell that product to a retailer, your company would have sold to the _____ market.	reseller
93	A _____ is any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives.	public
94	Marketing segmentation should be followed by the targeting and product positioning activities for effective planning and implementation of the _____.	Marketing Plans
95	Your marketing department is currently researching the size, density, location, age, and occupations of your target market. Which environment is being researched?	demographic
96	The _____ environment consists of factors that affect consumer purchasing power and spending patterns.	economic



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97	Companies that do not keep up to date with the _____ environment may miss new product and market opportunities and find their current products outdated.	technological
98	A society's basic values, perceptions, preferences, and behaviors are all part of its _____ environment.	cultural
99	The groups within a company such as top management, finance, and R&D are called the	internal environment
100	Nothing happens until people buy something, and they cannot do so without access to products. Which of the following move the product from producer to buyers?	physical distribution firms
101	The _____ environment consists of factors that affect consumer purchasing power and spending patterns.	economic
102	Marketing Environment analysis helps to –	Avoid costly mistakes of reacting too slowly b. Identify tomorrow's opportunities
103	The main demographic force that marketers monitor is(are) _____.	population
104	Company's microenvironment does not include	Demographic forces
105	Consumers primary motivation does not include	leadership
106	Supplies such as lubricants, coal, paper and pencils are best classified as	operating supplies
107	Product quality level is considered as part of _____ product.	actual
108	Product line stretching in which company serves middle market wants, to enter in low priced product as well as high priced product line is called	two-way stretch
109	The combination of values, beliefs and attitudes that is possessed by a national group or sub-group is called:	Culture
110	The process of monitoring and analysing the marketing environment of a company is called:	Environmental Scanning
111	If environmental scanning is poor and a company responds by continuing to do business as usual in spite of environmental forces which might affect future performance; the company would be said to be responding through:	Ignorance
112	Convenience, performance and status are examples of _____ variables?	Benefits sought



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113	Positioning is a choice of which of the following?	The target market & differential advantage
114	If a company is planning a segmentation strategy, and in doing so is considering using variables like age and occupation, which of the segmentation success criteria is the company considering?	Measurability
115	Which of the following are all Profile segmentation variables?	Age, Gender and income
116	Expansion of the product mix is often prompted by	Changes in the marketing environment
117	Product positioning deals with:	The image consumers have of your product
118	Line extensions are often done because:	They are a low-risk way to build on a brand
119	A group of products that are physically similar is called:	a product line
120	Which of the following is not a classification of consumer goods?	component goods.
121	Why does a business create a unique selling point for a product?	To gain a competitive advantage
122	What is the product portfolio of a business?	Its marketing strategy
123	What is the main business use of an extension strategy?	To increase sales of a product
124	Which of the following statements about product-mix strategy is true?	Adding new products to a product mix can help a company's competitive position.
125	Market segmentation based on where your target market lives.	geographic
126	The clothing retailer Top Shop tries to appeal to the style-conscious, independent girl- ie. the "fashion junkie" who goes shopping every week in pursuit of the latest hot fashions. What kind of market segmentation is being used by Top Shop?	psychographic segmentation
127	Which of the following is an advantage of using market segmentation?	It allows a business to target its promotional strategy more effectively.



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127	The proportion of the market held by one company or brand is known as:	market share
128	In positioning statement, first thing that must be stated is	target segment
129	Company marketing mix that target market segments very broadly is called	mass marketing
130	Variables such as market and product variability plays a role in designing of	targeting strategy
131	Technique for product line length in which company wants to add more product items in present range is classified as	line filling
132	Analysis of society is based on views of ourselves, others and nature is classified as	socio cultural environment analysis
134	A transaction in which the organization is making an initial purchase of an item to be used to perform a new job refers to which of the following purchases?	New-task purchase
135	You are planning to install a steel manufacturing plant in your city. For that purpose you want to have a supplier who supplies you the steel in raw form for manufacturing. Here supplier supplies you which of the following form of industrial product?	Material and parts
136	The buyer decision process consists of five stages. Which of the following is NOT one of these stages?	Variety-seeking buying behavior
137	At least how many parties should be included in "Exchange"?	Two
138	"Buy it now" refers to which one of the following options?	Personal selling
139	Which one of the following factor relates to family that influences consumer behavior?	Personal
140	How many stages are involved in the consumer buying / adoption process?	Five
141	Distribution of product to get it in the marks refers to which of the following activities? Selling Activities	Place or distribution activities



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142	Low Consumer involvement in purchase and little significant brand difference comes in which types of buying behaviors.	Variety-seeking buying behaviors
143	The skimming, penetration, bargaining and bundling are decided in the _____ of the Marketing Mix strategy.	Price Decisions
144	Which of the following are products and services bought by final consumers for personal consumption? These include convenience products, shopping products, specialty products, and unsought products.	Consumer products
145	A(n) _____ product exceeds customer expectations.	Augmented
146	The _____ identifies the product or brand	Label Advertisement
147	A fundamental part of the distribution function is to get the product:	To the right place at the right time
148	A dissonance-reducing buying behavior is designed to probe consumers' hidden, subconscious motivations.	False
149	Which of the following is NOT a part of marketing communication mix?	Telemarketing
150	Which of the following 4Ps of marketing mix involves decisions regarding channels coverage, assortments, locations, inventories or transports?	Place
151	A company designs the product with little or no input from customers, the company is practicing which of the following concept?	Product concept
152	Industrial products are	traditionally classified according to their characteristics and intended uses.
153	Products that are used directly in the production of a final product but are not easily identifiable are categorised as	process materials
154	Items that are purchased routinely, do not become part of the final physical product, and are treated like expense items rather than capital goods are called	accessory equipment
155	Large tools and machines used in a production process for a considerable length of time are classified as	major equipment
156	Products that are relatively inexpensive and are purchased frequently with minimal effort can be classified as _____ products.	



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157	Sai Nath called several airlines to compare rates and chose a flight on British Midland as it had a better reputation for service and competitive prices. The airline ticket is an example of which type of product?	shopping
158	Which one of the following is NOT an industrial product?	computer software to help people complete personal tax forms
159	An example of a convenience consumer product is	petrol.
160	According to the text, a product is	everything the customer receives in an exchange.
161	The consumer's estimate of the product's overall capacity to satisfy his or her needs is called:	Product Value
162	Which of the following is a name, term, sign, symbol, design, or a combination of these, that identifies that maker or seller of a product or service?	Brand
163	Aggressive selling is a characteristic of which of the following concept of marketing?	Selling concept
164	Which of the following takes place at retailer's end?	Exchange
165	Which of the following is NOT included in product decisions?	Warehousing
166	Identify the products that the customer usually buys frequently and with a minimum of comparison and buying effort.	Convenience
167	Price is the only element in the marketing mix that produces:	Revenue
168	Market –oriented firms focus on:	Customers
169	While considering the place for a product which of the following is important for customer	Convenience
170	All of the following are the examples of unsought goods EXCEPT:	Course books